

***Unconsolidated and
Consolidated Quarterly
Financial Information***

Suzano Papel e Celulose S.A.

June 30, 2007

SUZANO PAPEL E CELULOSE S.A.

**UNCONSOLIDATED AND CONSOLIDATED QUARTERLY FINANCIAL
INFORMATION**

June 30, 2007

Contents

Special Review Report of Independent Auditors	1
Quarterly Financial Information	
Balance Sheets.....	3
Statements of Income	5
Notes to the Quarterly Financial Information.....	6
Report on Company's Performance Consolidated	44
Other Company's Relevant Information	57

A free translation from Portuguese into English of Special Review Report of Independent Auditors on quarterly financial information prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil.

SPECIAL REVIEW REPORT OF INDEPENDENT AUDITORS

To the Board of Directors and Shareholders of
Suzano Papel e Celulose S.A.

1. We have performed a special review of the accompanying unconsolidated and consolidated Quarterly Financial Information of Suzano Papel e Celulose S.A. and Suzano Papel e Celulose S.A. and subsidiaries (“the Company”) for the three and six-month periods ended June 30, 2007, including the balance sheets, statements of income, report on the Company’s performance and relevant information, in accordance with accounting practices adopted in Brazil. The unconsolidated and consolidated financial statements of the jointly controlled subsidiary Ripasa S.A. Celulose e Papel for the three and six-month periods ended June 30, 2007 have been reviewed by other auditors. Our special review report on investment, equity pickup, assets and liabilities, net sales revenues and the net income for the three and six-month periods ended June 30, 2007 and amounts and other information included in the notes to consolidated Quarterly Financial Information of the Company, pertaining to said subsidiary, are exclusively based on the financial statements reported by this jointly controlled which have been reviewed by other auditors.
2. Our review was conducted in accordance with the specific procedures determined by the Institute of Independent Auditors of Brazil (IBRACON) and the Federal Board of Accountancy (CFC), and included principally: (a) inquiries of and discussions with the management responsible for the Company’s accounting, financial and operational areas about the criteria adopted for the preparation of the quarterly information and (b) review of information and subsequent events which have or could have significant effects on the Company’s operations and financial position.

A free translation from Portuguese into English of quarterly financial information prepared in Brazilian currency in accordance with the accounting practices adopted in Brazil.

SUZANO PAPEL E CELULOSE S.A.

BALANCE SHEETS
June 30, 2007 and March 31, 2007
(In thousands of reais)

	Parent Company		Consolidated	
	June 30, 2007	March 31, 2007	June 30, 2007	March 31, 2007
	(Unaudited)		(Unaudited)	
Assets				
Current assets				
Cash and cash equivalents	957,391	846,936	1,300,946	1,229,935
Trade accounts receivable	806,351	778,121	670,586	672,150
Inventories	487,468	468,051	644,755	610,444
Recoverable taxes	172,356	179,745	191,728	190,904
Deferred income and social contribution taxes	42,419	40,449	58,581	54,500
Dividends	-	13,994	-	-
Other accounts receivable	3,547	20,430	7,995	26,429
Prepaid expenses	9,225	1,725	9,421	1,884
Total current assets	2,478,757	2,349,451	2,884,012	2,786,246
Noncurrent assets				
Long term assets				
Marketable securities	25,667	24,953	25,667	24,953
Due from related parties	19,804	8,864	544	556
Recoverable taxes	124,757	113,511	138,012	124,660
Deferred income and social contribution taxes	283,446	272,127	307,799	298,071
Advances to suppliers	161,800	156,207	161,800	156,207
Judicial deposits	25,342	25,342	25,449	25,449
Other accounts receivable	12,652	12,504	24,033	23,593
Long term assets	653,468	613,508	683,304	653,489
Permanent assets				
Investments	1,727,211	1,732,753	709,790	728,954
Property, plant and equipment	5,573,011	5,289,740	6,507,776	6,228,035
Deferred charges	727	610	3,640	3,992
Total permanent assets	7,300,949	7,023,103	7,221,206	6,960,981
Total noncurrent assets	7,954,417	7,636,611	7,904,510	7,614,470
Total assets	10,433,174	9,986,062	10,788,522	10,400,716

	Parent Company		Consolidated	
	June 30, 2007	March 31, 2007	June 30, 2007	March 31, 2007
	(Unaudited)		(Unaudited)	
Liabilities and shareholders' equity				
Current liabilities				
Trade accounts payable	174,069	165,330	221,312	201,994
Loans and financing	452,904	404,919	525,170	473,651
Debentures	16,796	45,600	16,796	45,600
Taxes payable other than on income	12,756	13,404	29,683	25,863
Payroll and taxes payable	47,372	39,617	59,436	50,903
Accounts payable	28,808	37,337	48,852	56,537
Payable to related parties	122,338	95,112	504	504
Dividends and interest on shareholders' equity	465	6,709	473	6,717
Deferred income and social contribution taxes	-	-	4,994	5,142
Income and social contribution taxes	-	8,888	2,822	11,547
Total current liabilities	<u>855,508</u>	<u>816,916</u>	<u>910,042</u>	<u>878,458</u>
Noncurrent liabilities				
Loans and financing	3,965,784	3,801,676	4,226,128	4,107,634
Debentures	709,244	712,524	709,244	712,524
Accounts payable	4,593	4,805	8,234	8,604
Deferred income and social contribution taxes	384,111	306,084	403,151	323,985
Provision for contingencies and actuarial liabilities	201,867	205,596	239,973	249,845
Total noncurrent liabilities	<u>5,265,599</u>	<u>5,030,685</u>	<u>5,586,730</u>	<u>5,402,592</u>
Shareholders' equity				
Capital	2,054,427	2,054,427	2,054,427	2,054,427
Capital reserves	412,229	412,229	412,229	412,229
Treasury shares	(15,080)	(15,080)	(15,080)	(15,080)
Income reserves	1,583,643	1,583,643	1,561,948	1,561,948
Retained earnings	276,848	103,242	278,226	106,142
Total shareholders' equity	<u>4,312,067</u>	<u>4,138,461</u>	<u>4,291,750</u>	<u>4,119,666</u>
Total liabilities and shareholders' equity	<u>10,433,174</u>	<u>9,986,062</u>	<u>10,788,522</u>	<u>10,400,716</u>

See accompanying notes.

SUZANO PAPEL E CELULOSE S.A.

STATEMENTS OF INCOME

Three and six-month periods ended June 30, 2007 and 2006

(In thousands of reais)

	Parent Company				Consolidated			
	Three months period ended		Six months period ended		Three months period ended		Six months period ended	
	June 30,		June 30,		June 30,		June 30,	
	2007	2006	2007	2006	2007	2006	2007	2006
	(Unaudited)		(Unaudited)		(Unaudited)		(Unaudited)	
Gross sales	902,759	754,860	1,754,537	1,424,843	949,785	915,670	1,877,596	1,678,675
Sales deductions	(122,335)	(98,177)	(233,526)	(188,852)	(128,838)	(127,571)	(247,326)	(234,453)
Net sales	780,424	656,683	1,521,011	1,235,991	820,947	788,099	1,630,270	1,444,222
Cost of goods sold	(493,294)	(375,168)	(948,022)	(713,211)	(533,825)	(500,347)	(1,060,598)	(921,399)
Gross profit	287,130	281,515	572,989	522,780	287,122	287,752	569,672	522,823
Operating income (expense)								
Selling expenses	(76,266)	(66,712)	(146,985)	(123,757)	(51,284)	(48,262)	(94,345)	(85,203)
General and administrative expenses	(40,544)	(48,900)	(85,423)	(94,491)	(53,492)	(59,629)	(110,798)	(112,453)
Financial expenses	102,814	(62,514)	142,054	33,204	90,312	(107,388)	118,746	(22,294)
Financial income	(14,859)	28,206	(16,631)	8,135	(5,934)	68,991	(1,407)	52,233
Equity pickup in subsidiaries and affiliates	10	11,930	(4,420)	(1,494)	(995)	(106)	(83)	(129)
Amortization of goodwill	(21,003)	(12,706)	(41,992)	(12,706)	(21,003)	(16,893)	(41,992)	(29,454)
Other operating income, net	6,395	3,065	9,379	4,629	8,163	6,052	14,700	9,141
Operating income	243,677	133,884	428,971	336,300	252,889	130,517	454,493	334,664
Nonoperating income, net	3,624	1,223	11,808	5,796	969	187	879	5,115
Income before income and social contribution taxes	247,301	135,107	440,779	342,096	253,858	130,704	455,372	339,779
Income and social contribution taxes	(73,695)	(25,823)	(163,931)	(80,985)	(81,774)	(27,355)	(177,146)	(84,242)
Net income for the period	173,606	109,284	276,848	261,111	172,084	103,349	278,226	255,537
Number of outstanding shares at the end of the periods (in thousands)	313,124	313,070	313,124	313,070	313,124	313,070	313,124	313,070
Net income per share	0.55443	0.34907	0.88415	0.83403	0.54957	0.33011	0.88855	0.81623

See accompanying notes.

SUZANO PAPEL E CELULOSE S.A.

NOTES TO THE QUARTERLY FINANCIAL INFORMATION

(In thousands of reais)

(Unaudited)

1. Operations

The core business of Suzano Papel e Celulose S.A. (hereinafter referred to as the Company or Suzano) and its subsidiaries, with headquarter in Salvador (Bahia State) and operating production units in Bahia State and São Paulo State, consists in manufacturing and trading, domestically and abroad, short-fiber pulp eucalyptus and paper, in addition to the formation and exploitation of eucalyptus forests for own use and sale to third parties.

The trading of the products abroad is made through wholly-owned subsidiaries located abroad. Subsidiaries abroad do not have industrial plants.

2. Presentation of the Quarterly Financial Information

The quarterly financial information was prepared in accordance with the accounting practices derived from Brazilian Corporation Law and regulations established by the Brazilian Securities and Exchange Commission – CVM which are presented according to CVM Resolution No. 488/05 and IBRACON pronouncement NPC 27 – Financial Statements – Presentation and Disclosures, approved by CVM.

The quarterly financial information for the quarter ended March 31, 2007, when necessary, was reclassified for comparison purposes.

Summary of principal accounting practices

- a) Statement of income: Revenues and expenses are recognized on the accrual basis. Revenue from the sale of goods is recognized in the statement of income when all risks and rewards of ownership have been transferred to the buyer. No revenue is recognized if there are significant uncertainties regarding its realization.

SUZANO PAPEL E CELULOSE S.A.

NOTES TO THE QUARTERLY FINANCIAL INFORMATION (Continued)

(In thousands of reais)

(Unaudited)

2. Presentation of the Quarterly Financial Information (Continued)

Summary of principal accounting practices (Continued)

- b) Accounting estimates: Accounting estimates were based on objective and subjective aspects, considering Management's opinion of the appropriate amount to be recorded in the quarterly financial information. Significant items subject to these estimates include: the definition of useful lives of property, plant and equipment; allowance for doubtful accounts; inventory losses; valuation allowance for investments; the analysis of impairment of property, plant and equipment and goodwill; deferred income and social contribution taxes; provision for contingencies and actuarial liabilities and valuation of derivative financial instruments. Actual results may significantly differ from these estimates due to the underlying inaccuracy of the determination process. The Company reviews its estimates and assumptions at least on a quarterly basis.
- c) Foreign currency: Monetary assets and liabilities denominated in foreign currencies were translated into reais at the foreign exchange rate in effect at the balance sheet dates. Foreign currency translation gains and losses are recognized in the statements of income. Assets and liabilities of foreign subsidiaries and affiliates were translated into reais at the foreign exchange rate in force at the balance sheet dates and the results of operations were translated at the monthly average exchange rate for the periods.
- d) Derivative financial instruments: Derivative financial instruments, such as swaps, are recorded in the balance sheets of the Company and its subsidiaries initially at cost, and subsequently revalued according to the contractual terms, to reflect amounts accrued to the balance sheet dates. Derivative financial instruments aim to minimize the risks involved in loans and financing denominated in foreign currency. According to its Treasury department's policy, the Company does not hold or issue derivative financial instruments for non hedge purposes.
- e) Marketable securities: These are recorded at cost, plus income accrued to the balance sheet dates, not exceeding market value. For purposes of these quarterly financial information, short-term investments are classified under cash and cash equivalents and are redeemable within 90 days as from balance sheet dates.
- f) Allowance for doubtful accounts: This is established at an amount considered sufficient by Management to cover any possible losses on the collection of accounts receivable.

SUZANO PAPEL E CELULOSE S.A.

NOTES TO THE QUARTERLY FINANCIAL INFORMATION (Continued)

(In thousands of reais)

(Unaudited)

2. Presentation of the Quarterly Financial Information (Continued)

Summary of principal accounting practices (Continued)

- g) Inventories: Inventories are stated at their average acquisition or production cost, not exceeding market value.
- h) Investments: Investments in subsidiaries and affiliates are valued under the equity method, increased by goodwill and decreased by amortization, when applicable. Other investments are stated at acquisition cost, net of a valuation allowance, where applicable.
- i) Property, plant and equipment: These are recorded at the acquisition, development or construction cost, including interest and other financial charges directly related to the project or construction, restated by inflation rates until December 31, 1995. Depreciation is calculated using the straight-line method based on the depreciation rates mentioned in Note 10, considering the estimated useful lives of the assets. Timber resources include acquisition, development and maintenance costs. Depletion is calculated in accordance with the harvests, based on the average cost of the harvested area. Property, plant and equipment are stated net of PIS/COFINS credits, which are classified as recoverable taxes.
- j) Rights and obligations: These are restated based on exchange rates or indices and interest rates specified in the contracts in force, to reflect amounts receivable and payable at the balance sheet dates.
- k) Provisions: These are recognized in the balance sheets whenever the Company has a legal or acquired obligation as a result of a past event, and it is probable that an outflow of economic benefits is required to settle the obligation. Provisions are recorded considering the best estimates for the risk of each specific liability.

SUZANO PAPEL E CELULOSE S.A.

NOTES TO THE QUARTERLY FINANCIAL INFORMATION (Continued)

(In thousands of reais)

(Unaudited)

2. Presentation of the Financial Statement (Continued)

Summary of principal accounting practices (Continued)

- l) Income and social contribution taxes: Income and social contribution taxes on net income for the periods comprise current and deferred taxes.

Current tax is calculated on taxable income for the periods, by using tax rates in force at the balance sheet dates. Current tax rates are as follows: (i) income tax is computed at the rate of 25% of adjusted net income (15% of taxable income, plus a 10% surtax); and (ii) social contribution tax is computed at the rate of 9% of adjusted net income.

The deferred tax asset resulting from income tax losses carryforward and temporary differences was determined in accordance with CVM Instruction No. 371/02.

- m) Statements of cash flows and changes in financial position: As supplementary information, the Company is presenting the statements of cash flows, prepared in accordance with NPC 20 – Statement of Cash Flows, issued by the Brazilian Institute of Independent Auditors – IBRACON, and the statements of changes in financial position.

3. Consolidated Quarterly Financial Information

The accounting policies have been consistently applied by the consolidating companies and are consistent with those used in the previous year.

The consolidated quarterly financial information includes the financial statements of Suzano Papel e Celulose S.A. and the direct and indirect subsidiaries mentioned in Note 9.

SUZANO PAPEL E CELULOSE S.A.

NOTES TO THE QUARTERLY FINANCIAL INFORMATION (Continued)

(In thousands of reais)

(Unaudited)

3. Consolidated Quarterly Financial Information (Continued)

Due to the acquisition of interest in Ripasa as of March 31, 2005 (see Note 9), the financial statements of such company started to be proportionally consolidated into Company quarterly financial information. The proportional consolidation is justified under the shareholders' agreement entered into with Votorantim Celulose e Papel (VCP), which meets the requirements established by CVM Instruction No. 247/96. Therefore, comparison of consolidated quarterly financial information must take into consideration this proportional consolidation. Another factor to be considered when comparing the quarterly financial information is the consolidation of the financial statements of Ripasa, which were consolidated proportionally, until April 30, 2006, based on the interest of 23.03%. As a result of the corporate restructuring mentioned in Note 9, since May 1st, 2006, the financial statements of Ripasa has been proportionally consolidated based on the interest of 50.00%. As supplementary information, the Company is presenting the statements of Ripasa's proportional consolidation, including the balance sheet and the statements of income of Suzano Papel e Celulose before this proportional consolidation.

In April 2007, were liquidated the indirect subsidiaries Nemo International and Clear Springs Holding Corp.

In June 2007, the Company launched a representation office (Suzano Pulp and Paper Asia) in Shanghai, China, engaged in pulp sales promotion activities in the Asian market.

The financial period of the subsidiaries included in the consolidated financial statements is the same as that of the parent company.

SUZANO PAPEL E CELULOSE S.A.

NOTES TO THE QUARTERLY FINANCIAL INFORMATION (Continued) (In thousands of reais) (Unaudited)

3. Consolidated Quarterly Financial Information (Continued)

Description of the main consolidation procedures

- a) Elimination of intercompany asset and liability account balances;
- b) Elimination of investment in the subsidiaries' capital, reserves and retained earnings;
- c) Elimination of intercompany income and expense balances and unearned income arising from intercompany transactions;
- d) Elimination of tax charges due on unearned income, shown as deferred taxes in the consolidated balance sheets.

Reconciliation of net income for the periods and shareholders' equity between Parent and Consolidated Company

	Net income				Shareholders' equity	
	Three months period ended June 30,		Six months period ended June 30,		Jun/2007	Mar/2007
	2007	2006	2007	2006		
Parent Company	173,606	109,284	276,848	261,111	4,312,067	4,138,461
Elimination of (unrealized) realized income recorded by the parent company in transactions with subsidiaries	(2,760)	(8,535)	1,634	(8,445)	(28,121)	(25,361)
Income and social contribution taxes on the elimination above	938	2,902	(556)	2,871	9,561	8,623
Sale of other assets from the parent company to subsidiaries	-	-	-	-	(1,757)	(1,757)
Others	300	(302)	300	-	-	(300)
Consolidated	<u>172,084</u>	<u>103,349</u>	<u>278,226</u>	<u>255,537</u>	<u>4,291,750</u>	<u>4,119,666</u>

SUZANO PAPEL E CELULOSE S.A.

NOTES TO THE QUARTERLY FINANCIAL INFORMATION (Continued)

(In thousands of reais)

(Unaudited)

4. Cash and Cash Equivalents

	<u>Parent Company</u>		<u>Consolidated</u>	
	<u>Jun/2007</u>	<u>Mar/2007</u>	<u>Jun/2007</u>	<u>Mar/2007</u>
Cash and banks	45,058	42,647	186,016	195,402
Marketable securities	938,000	829,242	1,140,597	1,059,486
	<u>983,058</u>	<u>871,889</u>	<u>1,326,613</u>	<u>1,254,888</u>
Less current assets	957,391	846,936	1,300,946	1,229,935
Noncurrent assets	<u>25,667</u>	<u>24,953</u>	<u>25,667</u>	<u>24,953</u>

Marketable securities refer substantially to bank deposit certificates and compromised transactions. At June 30, 2007 these marketable securities were remunerated at rates that vary from 99.0% to 103.0% of the Brazilian Interbank Deposit Certificate -CDI rate and foreign marketable securities, at an average rate of 5.18% per annum plus exchange variation of the US dollar rate.

5. Trade Accounts Receivable

	<u>Parent Company</u>		<u>Consolidated</u>	
	<u>Jun/2007</u>	<u>Mar/2007</u>	<u>Jun/2007</u>	<u>Mar/2007</u>
Domestic receivables				
- Subsidiaries	10,317	1,780	-	-
- Third parties	399,550	392,278	454,247	450,811
Foreign receivables				
- Subsidiaries	408,580	390,172	-	-
- Third parties	8,953	9,774	244,893	244,640
Discounted export receivables	(261)	(278)	(261)	(278)
Allowance for doubtful accounts	(20,788)	(15,605)	(28,293)	(23,023)
	<u>806,351</u>	<u>778,121</u>	<u>670,586</u>	<u>672,150</u>

The Parent Company had, at June 30, 2007, outstanding vendor operations with its customers in the amount of R\$ 116,603 (R\$ 122,836 in March 31, 2007), in which the Company acts as an intervening guarantor. At June 30, 2007 this amount is R\$ 121,895 in the consolidated financial statements (R\$ 133,479 in March 31, 2007).

SUZANO PAPEL E CELULOSE S.A.

NOTES TO THE QUARTERLY FINANCIAL INFORMATION (Continued)

(In thousands of reais)

(Unaudited)

6. Inventories

	<u>Parent Company</u>		<u>Consolidated</u>	
	<u>Jun/2007</u>	<u>Mar/2007</u>	<u>Jun/2007</u>	<u>Mar/2007</u>
Finished goods				
Pulp				
- In Brazil	6,825	27,642	7,108	27,307
- Abroad	-	-	28,720	18,026
Paper				
- In Brazil	188,078	175,520	202,912	187,604
- Abroad	-	-	62,301	57,983
Work in process	29,650	21,954	35,347	27,419
Raw materials	107,261	95,151	119,943	108,119
Maintenance and other materials	164,554	157,117	197,324	193,319
Provision for inventories losses	(8,900)	(9,333)	(8,900)	(9,333)
	<u>487,468</u>	<u>468,051</u>	<u>644,755</u>	<u>610,444</u>

7. Recoverable Taxes

	<u>Parent Company</u>		<u>Consolidated</u>	
	<u>Jun/2007</u>	<u>Mar/2007</u>	<u>Jun/2007</u>	<u>Mar/2007</u>
Recoverable social contribution tax	2,315	-	2,355	39
Recoverable income tax	49,815	83,083	50,503	84,012
Recoverable PIS / COFINS	172,318	144,073	181,006	151,785
Value added tax (ICMS)	72,545	65,318	94,218	78,611
Others	120	782	1,658	1,117
	<u>297,113</u>	<u>293,256</u>	<u>329,740</u>	<u>315,564</u>
Less current assets	<u>172,356</u>	<u>179,745</u>	<u>191,728</u>	<u>190,904</u>
Noncurrent assets	<u>124,757</u>	<u>113,511</u>	<u>138,012</u>	<u>124,660</u>

In addition to accelerated incentive depreciation referred to in Note 8, Law No. 11,196, dated November 21, 2005, also authorizes the use of PIS/COFINS credits on purchases made as from January 1, 2006, of certain machinery and equipment (fixed assets), in 12 months instead of previous 24 months. Reclassification from noncurrent to current assets, resulting from this new shorter period for using PIS/COFINS credits, was performed in the first quarter of 2007.

SUZANO PAPEL E CELULOSE S.A.

NOTES TO THE QUARTERLY FINANCIAL INFORMATION (Continued)

(In thousands of reais)

(Unaudited)

8. Income and Social Contribution Taxes

Deferred income and social contribution taxes

The deferred income and social contribution taxes are recognized to reflect future tax effects attributable to temporary differences between the tax bases for assets and liabilities and their book values, and on income tax losses carryforward.

The recorded deferred income and social contribution taxes derive from:

	Parent Company		Consolidated	
	Jun/2007	Mar/2007	Jun/2007	Mar/2007
Assets				
Income tax losses carryforward	145,209	134,205	145,209	134,205
Temporary differences:				
- On provisions	77,452	75,830	117,967	115,825
- On goodwill amortization	103,204	102,541	103,204	102,541
	325,865	312,576	366,380	352,571
Less current assets	42,419	40,449	58,581	54,500
Noncurrent assets	283,446	272,127	307,799	298,071

	Parent Company		Consolidated	
	Jun/2007	Mar/2007	Jun/2007	Mar/2007
Liabilities				
Accelerated depreciation	384,111	306,084	384,111	306,390
Deferred exchange variation	-	-	18,561	17,263
Temporary exclusions	-	-	5,473	5,474
	384,111	306,084	408,145	329,127
Less current liabilities	-	-	4,994	5,142
Noncurrent liabilities	384,111	306,084	403,151	323,985

The income taxes losses carryforward are composed as follows:

	Parent Company		Consolidated	
	Jun/2007	Mar/2007	Jun/2007	Mar/2007
Income tax losses carryforward	580,836	536,820	580,836	536,820

SUZANO PAPEL E CELULOSE S.A.

NOTES TO THE QUARTERLY FINANCIAL INFORMATION (Continued)

(In thousands of reais)

(Unaudited)

8. Income and Social Contribution Taxes (Continued)

In accordance with CVM Instruction No. 371/02, and based on expected future taxable income, as determined in a technical study approved by the Board of Directors, the Company recognized tax credits on temporary differences and income tax losses carryforward, which have no statutory limitation in time. The carrying value of the deferred tax asset is reviewed annually by the Company and the related adjustments have not been significant in relation to management's initial estimate.

Based on this technical analysis of future taxable income, the Company expects to recover these tax credits in the following years:

	Parent Company		Consolidated	
	Jun/2007	Mar/2007	Jun/2007	Mar/2007
2007	42,419	40,449	58,581	54,500
2008	38,035	34,853	41,267	42,582
2009	27,419	27,027	30,690	27,647
2010	37,631	37,245	37,988	37,578
2011 to 2014	180,361	173,002	197,854	190,264
	<u>325,865</u>	<u>312,576</u>	<u>366,380</u>	<u>352,571</u>

The expected recoverability of the tax credits is based on the projections of future taxable income, taking into consideration various business and financial assumptions on the balance sheet dates. Accordingly, these estimates may differ from the effective taxable income in the future due to the underlying uncertainties involved.

SUZANO PAPEL E CELULOSE S.A.

NOTES TO THE QUARTERLY FINANCIAL INFORMATION (Continued)

(In thousands of reais)

(Unaudited)

8. Income and Social Contribution Taxes (Continued)

Income Tax - Reduction of 75% ADENE – Mucuri Plant

The Company obtained from ADENE (former SUDENE), for the Mucuri plant, a tax incentive reduction of 75% in the income tax until 2011 for pulp and 2012 for paper. Such tax incentive, calculated based on exploration profit, is proportional to Mucuri plant net sales revenues.

This income tax reduction from this tax benefit is recorded as expense in the statement of income. However, at the end of each financial year, after net income has been determined, the reduction obtained for the year is allocated to capital reserve as a partial destination of the net income determined, in accordance with the legal provision establishing that such tax benefit is not to be distributed.

Income Tax – accelerated incentive depreciation related to the Mucuri Unit

Law No. 11,196, dated November 21, 2005, established in its article 31 that companies with project approved for underdeveloped micro regions, in the areas of operation of SUDENE and SUDAM, are entitled to accelerated incentive depreciation for assets acquired as from January 1, 2006. This benefit was granted to the Company's Mucuri unit by ADENE Ruling No. 0018/2007, dated March 29, 2007, with retroactive application to acquisitions occurred in 2006. This accelerated incentive depreciation consists in full depreciation in the year of acquisition for tax purposes, representing an exclusion from taxable income, made through the 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 Income) over the useful live of the asset (35 years for most assets), and the depreciation recorded in each of the years for these assets must be added in future years to taxable income.

SUZANO PAPEL E CELULOSE S.A.

NOTES TO THE QUARTERLY FINANCIAL INFORMATION (Continued)

(In thousands of reais)

(Unaudited)

8. Income and Social Contribution Taxes (Continued)

The financial statements for the year ended December 31, 2006 did not consider the use of this new tax benefit since the granting ruling was only approved and published on March 29, 2007, thus after the date of the issuance of these financial statements. However, in the Corporate Income Tax Return (DIPJ) for 2006, the Company used this tax benefit. Deferred income tax liability on accelerated depreciation to be excluded from the tax computed in the future amounted R\$ 172,514 at that time. As such, taxable income in 2006 became a tax loss for offset against future profits, and the related deferred income tax asset amounted R\$ 60,244 at that time. Since in this new context the Company did not present taxable profit, there was not possible to use the reduction by 75% of income tax referred to in the topic above, as such this tax incentive is definitively lost for 2006.

The financial gain for the Company with income tax deferral as a consequence of accelerated incentive depreciation is significantly higher than the loss of the reduction by 75% of income tax. Nevertheless this gain has no effect on statement of income, since assets and liabilities are not recorded at present value (discounted cash flow), while the loss of 75% tax incentive reduction affected the statement of income for the six-month period ended June 30, 2007.

The definitive loss of income tax reduction decreased the statement of income for the first quarter and for the six-month period ended June 30, 2007, thus requiring the accrual of an additional income tax expense amounted to R\$ 35,083 which impacted effective tax rate for the first quarter by 17.5 p.p. and for the six-month period ended June 30, 2007, by 7.7 p.p. Therefore, the effective income and social contribution tax rate stated below has significantly increased in comparison to prior periods due to: i) the adjustment referring to 2006; ii) the non use of the benefit of income tax reduction by 75% is still prevailing in the six-month period ended June 30, 2007.

SUZANO PAPEL E CELULOSE S.A.

NOTES TO THE QUARTERLY FINANCIAL INFORMATION (Continued)

(In thousands of reais)

(Unaudited)

8. Income and Social Contribution Taxes (Continued)

Reconciliation between income and social contribution tax expenses

The reconciliation between the tax expense as calculated by the combined statutory rates and the income and social contribution tax expenses charged to statements of income is presented as follows:

	Parent Company		Consolidated	
	Six months period ended June 30,			
	2007	2006	2007	2006
Income before income and social contribution taxes	440,779	342,096	455,372	339,779
Reversal of equity pickup	4,420	1,494	83	129
Income after reversal of equity pickup	445,199	343,590	455,455	339,908
Income and social contribution taxes calculated at the combined nominal tax rate of 34%	(151,368)	(116,820)	(154,855)	(115,569)
Analysis of the effective income and social contribution tax rates:				
Profits from foreign subsidiaries	(288)	(2,124)	-	-
Exchange variation on investments abroad	-	-	(7,927)	(7,445)
Interest on shareholders' equity	22,100	20,060	22,100	20,060
Tax incentives - ADENE (permanent loss) / tax reduction	(35,083)	21,662	(35,083)	21,662
Others	708	(3,763)	(1,381)	(2,950)
Income and social contribution taxes	(163,931)	(80,985)	(177,146)	(84,242)
<i>Effective tax rate</i>	36.8%	23.6%	38.9%	24.8%
Income and social contribution taxes expenses excluding provision adjustment as of 2006, related to tax incentive loss - ADENE	(128,848)		(142,063)	
<i>Adjusted effective tax rate</i>	28.9%		31.2%	

SUZANO PAPEL E CELULOSE S.A.

NOTES TO THE QUARTERLY FINANCIAL INFORMATION (Continued) (In thousands of reais) (Unaudited)

9. Investments

	Parent Company		Consolidated	
	Jun/2007	Mar/2007	Jun/2007	Mar/2007
Investments in subsidiaries and affiliates	1,018,238	1,004,604	674	730
Goodwill on the acquisition of Ripasa and B.L.D.S.P.E.	689,076	710,081	689,076	710,081
Other investments	23,443	23,442	23,586	23,517
Provision for losses	(3,546)	(5,374)	(3,546)	(5,374)
	<u>1,727,211</u>	<u>1,732,753</u>	<u>709,790</u>	<u>728,954</u>

Details of investments

	June 30, 2007						
	Data from subsidiary / affiliate						
	Shareholders' equity	Net income (loss) for the period	Interest	Equity pickup		Investments	
			Jun/2007	Jun/2006	Jun/2007	Mar/2007	
Parent Company							
Ripasa S.A. Celulose e Papel (a)	1,170,939	31,184	50%	12,571	2,591	579,963	556,219
B.L.D.S.P.E. Celulose e Papel S.A.	81,496	241	100%	241	2,504	81,496	81,005
Suzanopar Investimentos Ltd.	114,178	3,013	100%	(9,209)	(7,375)	114,178	119,888
Nemo International (b)	-	1,251	-	183	688	-	21,741
Comercial e Agrícola Paineiras Ltda.	146,073	1,371	100%	1,337	(1,192)	146,073	145,224
Stenfar S.A., Ind. Com. Imp. Y Exp.	12,190	904	15.7%	(110)	(110)	1,914	1,956
Suzano Trading Ltd. (c)	65,863	(1,526)	100%	(9,121)	1,838	65,343	70,563
Suzano America, Inc. (d)	9,626	291	100%	(399)	(295)	9,626	6,398
Bahia Sul Holdings GmbH	3	-	100%	(5)	(54)	3	5
Suzano Europe S.A.	1,521	817	100%	740	-	1,521	1,108
Sun Paper and Board Limited (d)	17,658	1,067	100%	(613)	-	17,658	-
Other subsidiaries and affiliates	2,316	(173)	20%	(35)	(89)	463	497
Total investments in subsidiaries and affiliates				<u>(4,420)</u>	<u>(1,494)</u>	<u>1,018,238</u>	<u>1,004,604</u>
Goodwill determined on the acquisition of Ripasa and B.L.D.S.P.E.						689,076	710,081
Other investments, net of valuation allowance						19,897	18,068
Total investments				<u>(4,420)</u>	<u>(1,494)</u>	<u>1,727,211</u>	<u>1,732,753</u>
Consolidated							
Goodwill determined on the acquisition of Ripasa and B.L.D.S.P.E.						689,076	710,081
Other investments, net of valuation allowance						20,040	18,143
Other subsidiaries and affiliates				(83)	(129)	674	730
Total investments						<u>709,790</u>	<u>728,954</u>

- (a) At June 30, 2007 the investment in this subsidiary considers the exclusion of unrealized income, net of income tax effects, in the total amount of R\$ 5,646 (R\$ 3,855 at March 31, 2007);
- (b) The subsidiary Nemo International was liquidated in April 2007;
- (c) At June 30, 2007 the investment in this subsidiary considers the exclusion of unrealized income, net of income tax effects, in the total amount of R\$ 520 (R\$ 611 at March 31, 2007);
- (d) Due to the liquidation of Nemo International, the Company became the holder of 100% of Suzano America, Inc and Sun Paper and Board Limited's capital.

SUZANO PAPEL E CELULOSE S.A.

NOTES TO THE QUARTERLY FINANCIAL INFORMATION (Continued)

(In thousands of reais)

(Unaudited)

9. Investments (Continued)

Acquisition of Ripasa

On November 10, 2004, Suzano Papel e Celulose S.A and Votorantim Celulose e Papel S.A. entered into an agreement for acquisition of controlling interest of Ripasa.

On March 31, 2005, the acquisition of controlling interest of Ripasa through Ripasa Participações S.A. (hereinafter “Ripar”), a subsidiary of Suzano and VCP, was carried out, with the purchase of 129,676,966 common shares and 41,050,819 preferred shares, representing 77.59% of the voting capital and 46.06% of total capital, for the total amount of R\$ 1,484,190 (equivalent to US\$ 549,151 thousand at that time).

In April 2006, Suzano and VCP entered into a judicial agreement with a group of preferred shareholders of Ripasa, with the objective of eliminating judicial claims that questioned the corporate reorganization of said company, as addressed below. The payment of this additional amount by Suzano and VCP to said group of shareholders took place on July 4, 2006 and such agreement was extended to the remaining minority shareholders, which, on June 29, 2006, signed the “Adhesion, Approval and Transaction Agreement”. Such payments were priced at R\$1.0538 per preferred share issued by Ripasa, and were remunerated by interest of 100% of the DI rate, during the period from May 24 to July 3, 2006, totaling R\$ 153,920, half of which is incumbent upon Suzano.

On May 24, 2006, the Special General Meeting approved the transfer of shares issued by Ripasa, held by non-controlling shareholders, to Ripar equity, occasion when non-controlling Ripasa shareholders became Ripar shareholders, based on the replacement relation established in the “Agreement and Justification for Transfer of Shares and Spin-off”.

After the absorption of Ripasa shares by Ripar, the Special General Meetings held by Suzano, VCP and Ripar approved the spin-off of Ripar, and its net assets were transferred equally to Suzano and VCP, resulting in (i) capital increase at Suzano and VCP, with issue of new shares, which were distributed to non-controlling shareholders of Ripar, based on the replacement relation defined in item 3 of the Significant Event Notice published on May 5, 2006; and (ii) dissolution of Ripar.

SUZANO PAPEL E CELULOSE S.A.

NOTES TO THE QUARTERLY FINANCIAL INFORMATION (Continued)

(In thousands of reais)

(Unaudited)

9. Investments (Continued)

Acquisition of Ripasa (Continued)

The reorganization has the following justifications: (a) non-controlling shareholders of Ripasa migrated to Suzano and VCP, the shares of which offer higher liquidity, and (b) represents a necessary step for a future reorganization at Ripasa, which will enable activity rationalization, cost reduction, operating gains, higher competitiveness and company growth.

After the above corporate restructuring, Suzano and VCP hold 100% of Ripasa shares. Suzano portion corresponds to 50% of the Ripasa shares, equivalent to 83,563,025 common shares and 101,759,330 preferred shares, in the total amount of R\$ 1,315,724, of which R\$ 762,387 refers to goodwill on acquisition.

The Company is carrying out the amortization of the referred goodwill based on future profitability, over a period of 10 years. Such period of amortization will be maintained until the conclusion of Ripasa reorganization, after which the terms will be reviewed.

The transaction was presented to relevant authorities within the established dates, including to the Brazilian Antitrust Agency (CADE). Management believes that such transaction will be approved.

Upon acquisition of the Ripasa shares on March 31, 2005, a Purchase and Sale Option Agreement was signed with one of the three groups of former controlling shareholders of Ripasa, referring to their interest, to be exercised during a period of up to six years. In view of the incorporation of such shares into Ripasa Participações S.A. and its subsequent spin-off, with transfer of net assets to Suzano and VCP equity, such option now refers to 5,428,955 common shares and 1,795,986 Class "A" preferred shares issued by Suzano. During the first five years, the sellers have the option to sell and, in the last year, the buyers have the option to purchase. The amount referring to the Company, established by the option agreement, was originally of R\$ 216,628, equivalent to US\$ 80 million, restated by the SELIC (Central Bank Overnight rate), calculated cumulatively, from March 31, 2005 until the effective payment and transfer of ownership. At June 30, 2007, the restated amount totaled R\$ 287,920 (R\$ 281,941 in March 31, 2007). Based on the BOVESPA (São Paulo Stock Exchange) quotation of preferred shares at June 30, 2007, since common shares have not been traded in the stock exchange or been object of any recent known transaction, the market value of such shares under option would be R\$ 188,571. The Company will register such option upon the effective exercise, should it occur.

SUZANO PAPEL E CELULOSE S.A.

NOTES TO THE QUARTERLY FINANCIAL INFORMATION (Continued)

(In thousands of reais)

(Unaudited)

9. Investments (Continued)

Acquisition of Ripasa (Continued)

Because the right to use shares has been established in favor of the issuer itself, for purposes of payment of dividends and exercise of politician rights, such shares are treated like treasury shares.

As part of the reorganization of Ripasa's activities, this jointly controlled subsidiary had constituted B.D.L.S.P.E. Celulose e Papel S.A. with permanent assets and inventories related to the Embu unit, and subsequently reduced its capital, assigning to shareholders Suzano and VCP (on a 50% basis each) the shares of this new company.

On March 30, 2007, the Company acquired the 50% ownership interest of VCP in B.D.L.S.P.E. Celulose e Papel S.A., for US\$ 20,000, equivalent to R\$ 41,127. The referred transaction generated additional goodwill for the Company in the amount of R\$ 625.

10. Property, Plant and Equipment

Parent Company

	Average annual depreciation rate	Jun/2007			Mar/2007
		Cost	Depreciation	Net	Net
Buildings	3.18%	668,296	(299,010)	369,286	372,115
Machinery and equipment	4.62%	3,742,644	(1,726,767)	2,015,877	2,025,245
Other depreciable assets	16.47%	197,200	(142,994)	54,206	55,946
Land and farms	-	448,006	-	448,006	438,459
Timber resources	-	577,106	-	577,106	562,581
Construction in progress	-	2,108,530	-	2,108,530	1,835,394
		<u>7,741,782</u>	<u>(2,168,771)</u>	<u>5,573,011</u>	<u>5,289,740</u>

Consolidated

	Average annual depreciation rate	Jun/2007			Mar/2007
		Cost	Depreciation	Net	Net
Buildings	3.18%	830,334	(364,350)	465,984	470,585
Machinery and equipment	4.62%	4,717,677	(2,421,412)	2,296,265	2,319,350
Other depreciable assets	16.47%	467,654	(172,494)	295,160	199,142
Land and farms	-	576,776	-	576,776	566,981
Timber resources	-	681,823	-	681,823	660,549
Construction in progress	-	2,191,768	-	2,191,768	2,011,428
		<u>9,466,032</u>	<u>(2,958,256)</u>	<u>6,507,776</u>	<u>6,228,035</u>

SUZANO PAPEL E CELULOSE S.A.

NOTES TO THE QUARTERLY FINANCIAL INFORMATION (Continued)

(In thousands of reais)

(Unaudited)

10. Property, Plant and Equipment (Continued)

At June 30, 2007, construction in progress consisted mainly of the Expansion Project for the Mucuri Plant – R\$ 2,053,487 (R\$ 1,782,259, in March 31, 2007).

At June 30, 2007 the other assets consisted mainly of turbines of the Project Capim Branco I and II – R\$ 212,399 (R\$ 101,220 at March 31, 2007), which are already generating electric power to consortium members. In 2007 the Consortium Capim Branco was renamed Complexo Energético Amador Aguiar.

In accordance with CVM Resolution No. 193/93, the Company records on the permanent assets the financial charges of financing related to improvements on its projects, during the construction period of such assets. The balances of these charges, net of foreign exchange variations at June 30, 2007 amounts to R\$ 106,077 (R\$ 83,365 in March 31, 2007).

SUZANO PAPEL E CELULOSE S.A.

NOTES TO THE QUARTERLY FINANCIAL INFORMATION (Continued) (In thousands of reais) (Unaudited)

11. Financing and Loans

	Index	Average annual interest rate Jun/2007	Parent Company		Consolidated	
			Jun/2007	Mar/2007	Jun/2007	Mar/2007
To acquire property, plant and equipment:						
BNDES - Finem	TJLP (1) (2)	8.57%	1,446,645	1,357,690	1,528,626	1,442,365
BNDES - Finem	Basket of currencies (2)	8.89%	252,267	254,867	252,267	254,867
BNDES - Finame	TJLP (1) (2)	10.09%	23,465	25,040	23,615	25,209
BNDES - Finame	Basket of currencies	9.18%	191	-	191	-
BNDES - Automatic	TJLP (1) (2)	8.00%	794	917	61,150	68,408
FNE - BNB	Fixed rate	9.78%	132,826	102,104	132,826	102,104
FINEP	TJLP	6.00%	12,496	12,045	12,496	12,045
Rural credit		8.75%	12,322	12,062	12,322	12,062
For working capital:						
Export financing	US\$	5.90%	1,864,785	1,816,857	2,031,161	2,011,169
Foreign onlending	US\$	8.90%	2,843	2,890	2,843	2,890
Imports financing	US\$	5.77%	326,971	318,759	350,691	346,775
Nordic Investment Bank	US\$	7.07%	97,954	102,480	97,954	102,480
Export credit note	TR	11.94%	180,144	132,962	180,144	132,962
Industrial credit note	TJLP	9.00%	5,272	5,190	5,272	5,190
Export and industrial credit note	US\$	6.65%	57,786	61,512	57,786	61,512
Others			1,927	1,220	1,954	1,247
			4,418,688	4,206,595	4,751,298	4,581,285
Less current liabilities (includes interest payable)			452,904	404,919	525,170	473,651
Noncurrent liabilities			3,965,784	3,801,676	4,226,128	4,107,634
Long-term loans and financing mature as follows:						
2008 (since July 1 st)			261,751	398,334	319,993	501,247
2009			783,209	785,111	857,586	872,921
2010			751,568	725,256	801,651	772,990
2011			616,748	578,556	646,576	599,603
2012			418,981	285,988	440,482	303,297
2013 onwards			1,133,527	1,028,431	1,159,840	1,057,576
			3,965,784	3,801,676	4,226,128	4,107,634

- (1) Capitalization agreement that corresponds to the amount in excess of 6% p.a. over the long-term interest rate (TJLP) published by the Brazilian Central Bank;
- (2) Financing is secured, depending on the agreements, by: (i) mortgages of plant; (ii) rural properties and timberland; (iii) guarantees of the financed assets; (iv) sureties from shareholders and (v) bank guarantee.
- (3) In October 2006, the BNP Paribas and Société Générale granted a financing contract to the Company in the amount of US\$150.0 million, 50% for each bank, for the financing of equipment for Mucuri's Expansion Project. This contract owns clauses specifying maximum levels of indebtedness and leverage, which were totally accomplished at June 30, 2007.

SUZANO PAPEL E CELULOSE S.A.

NOTES TO THE QUARTERLY FINANCIAL INFORMATION (Continued) (In thousands of reais) (Unaudited)

11. Financing and Loans (Continued)

- (4) In November 2006, the Nordic Investment Bank granted a Credit Facility Agreement to the Company, up to US\$50.0 million, for the financing of equipment and skilled labor related to the Mucuri's Expansion Project. This contract includes clauses specifying maximum indebtedness and leverage levels, which were accomplished at June 30, 2007.

12. Debentures

Issue	Series	Units	Jun/2007			Mar/2007	Index	Interest	Due date
			Current	Noncurrent	Current and Noncurrent	Current and Noncurrent			
3 rd	1 st	333,000	8,288	352,335	360,623	383,221	IGP-M	10% *	04/01/2014
3 rd	2 nd	167,000	1,151	112,128	113,279	123,667	USD	9.85%	05/07/2019
4 th	1 st	80,000	3,972	81,594	85,566	83,745	TJLP	2.50%	12/01/2012
4 th	2 nd	160,000	3,385	163,187	166,572	167,491	TJLP	2.50%	12/01/2012
			<u>16,796</u>	<u>709,244</u>	<u>726,040</u>	<u>758,124</u>			

* The contractual interest was 8% p.a. The effective interest rate was adjusted considering the premium and discount on the issue price.

Third issuance of debentures

The 3rd issue, in August 2004, in the amount of R\$ 500,000, comprises two series, the first of which amounting to R\$ 333,000 and the second one amounting to R\$ 167,000, both falling due in 2014, in a sole installment. The first series was offered locally and is indexed to IGP-M (consumer market price index) variation plus 8% p.a., and was priced on the basis of the concepts set forth in Brazilian Securities Commission (CVM) Instruction N° 404, by granting premium and discount on the issue price. The second series, not traded on the market, was fully purchased by Banco Votorantim and is indexed to the foreign exchange variation of purchased U.S. dollar plus 10.38% p.a., paid semi-annually.

The Debentureholders' General Meeting held on May 22, 2007 approved the change in the maturity date of the second series Debentures, from previously 10 years, maturing on April 1, 2014, to 15 years maturing on May 7, 2019, as well as the interest rate which, until May 22, 2007, was 10.38% p.a. and, from that date on and until maturity, changed to 9.85% p.a.

SUZANO PAPEL E CELULOSE S.A.

NOTES TO THE QUARTERLY FINANCIAL INFORMATION (Continued)

(In thousands of reais)

(Unaudited)

12. Debentures (Continued)

Third issuance of debentures (Continued)

Third issued debentures has clauses determining the level of indebtedness and leverage indicators based on the Company's consolidated financial statements. As of June 30, 2007, the Company had not defaulted on any covenants.

Fourth issuance of debentures

The 4th issue, made in August 2006 with date of issuance as of December 1st, 2005, comprises two series, the first of which amounting to R\$ 80,000 and the second one amounting to R\$ 160,000, both convertible into shares, for private placement and with preemptive right to subscription given to shareholders. Minority shareholders subscribed the amount of R\$ 18,081, and the remaining amount of R\$ 221,919 was subscribed by BNDES PARTICIPAÇÕES S.A. – BNDESPAR, accordingly to the agreement signed with this BNDES' subsidiary. Fourth issue debentures have final maturity in December 2012, and will be amortized in three annual installments, after a grace period of four years, on December 1st, 2010, 2011 and 2012. Annual interest amounts to 2.5%, plus TJLP (up to 6%), payable on a half-year basis, on the 1st of June and December of each year. The TJLP percentage exceeding 6% p.a. will be capitalized for amortization with the principal amount. Debentures are convertible into shares, at any moment, at the owner's discretion, for the following conversion prices: (a) up to December 31, 2006, for R\$ 14.83 per share; (b) from January 1st, 2007 onwards, for R\$ 17.30 per share. For common shares resulting from the conversion, BNDESPAR has the obligation to sell and the Company's controlling shareholder has the obligation to buy such shares for the same conversion price, plus interest calculated from the conversion date to the effective payment.

There are contractual clauses for the fourth- issue debentures, which are restrictive and non-financial. If such clauses are not observed, the resulting effect is that the debt is immediately redeemable. As of June 30, 2007, the Company had not defaulted on any covenants.

SUZANO PAPEL E CELULOSE S.A.

NOTES TO THE QUARTERLY FINANCIAL INFORMATION (Continued) (In thousands of reais) (Unaudited)

12. Debentures (Continued)

Fourth issuance of debentures (Continued)

Conversion of debentures into shares

In 2006, 251 debentures of the 1st series and 502 debentures of the 2nd series, both related to the 4th issue, were converted, and resulted in the issuance of 17,273 common shares and 34,541 preferred shares - Class "A" of the Company.

In March 31, 2007, 13 debentures of the 1st series and 25 debentures of the 2nd series, both related to the 4th issue, were converted, and resulted in the issuance of 767 common shares and 1,475 preferred shares - Class "A" of the Company (see Note 18).

13. Transactions with Related Parties

Balances and transactions as of and for the six-month period ended June 30, 2007

	Assets		Liabilities		June 30, 2007
	Current	Noncurrent	Current		Revenues (expenses)
Consolidated companies					
Suzano Trading Ltd.	392,867	-			685,460
Comercial e Agrícola Paineiras Ltda.	-	11,500	(3)	1,747	(1,266)
Suzanopar Investimentos Ltd.	-	1,260	(2)	-	-
Ripasa S.A. Celulose e Papel	-	-		117,149	(4) 8,252
Stenfar S/A Indl. Coml. Imp. Y. Exp.	15,713	-		-	18,963
B.L.D.S.P.E. Celulose e Papel S.A.	10,317	6,500	(3)	2,938	10,352
	<u>418,897</u>	<u>19,260</u>		<u>121,834</u>	<u>721,761</u>
Nonconsolidated companies					
Suzano Holding S.A.	-	8		-	(5,141)
IPLF Holding S.A.	-	-		504	-
SPP Agaprint Indl. e Coml. Ltda.	5,431	(1)		-	10,365
Central Distribuidora de Papéis Ltda.	12,374	(1)		-	19,735
Nova Mercante de Papéis Ltda.	21,008	(1)		-	26,113
Suzano Petroquímica S.A.	-	536		-	-
Consolidated	<u>38,813</u>	<u>544</u>		<u>504</u>	<u>51,072</u>
Parent Company	<u>457,710</u>	<u>19,804</u>		<u>122,338</u>	<u>772,833</u>

SUZANO PAPEL E CELULOSE S.A.

NOTES TO THE QUARTERLY FINANCIAL INFORMATION (Continued) (In thousands of reais) (Unaudited)

12. Transactions with Related Parties (Continued)

Balances at March 31, 2007 and transactions in the income statement for the six-month period ended June 30, 2006

	Assets		Liabilities		June 30, 2006
	Current	Noncurrent	Current	Current	Revenues (expenses)
Consolidated companies					
Suzano Trading Ltd	377,302	-		-	544,605
Comercial e Agrícola Paineiras Ltda.	-	7,000	(3)	1,512	(1,266)
Suzanopar Investimentos Ltd.	-	1,308	(2)	-	-
Ripasa S.A. Celulose e Papel	-	-		93,096	(4) (4,175)
Stenfar S.A. Indl. Coml. Imp. Y. Exp.	12,870	-		-	16,494
B.L.D.S.P.E. Celulose e Papel S.A.	1,780	-		-	-
	<u>391,952</u>	<u>8,308</u>		<u>94,608</u>	<u>555,658</u>
Nonconsolidated companies					
Suzano Holding S.A.	-	17		-	(3,830)
IPLF Holding S.A.	-	-		504	-
SPP Agaprint Indl. e Coml. Ltda.	7,129	(1)		-	8,977
Central Distribuidora de Papéis Ltda.	13,242	(1)		-	19,398
Nova Mercante de Papéis Ltda.	15,744	(1)		-	27,237
Suzano Petroquímica S.A.	-	539		-	-
Consolidated	<u>36,115</u>	<u>556</u>		<u>504</u>	<u>51,782</u>
Parent Company	<u>428,067</u>	<u>8,864</u>		<u>95,112</u>	<u>607,440</u>

- (1) With respect to such affiliate, the Company has outstanding “vendor” operations in the amount of R\$ 32,974 (R\$ 28,939 in March 31, 2007);
- (2) Loan denominated in US dollars maturing on December 31, 2009.
- (3) Advances for future capital increases.
- (4) As from September 1st, 2006, the Americana plant of Ripasa concentrates the sale of its finished products to Suzano and VCP, in the proportion of 50% to each controlling company.

The transactions with related parties were realized under normal market conditions.

SUZANO PAPEL E CELULOSE S.A.

NOTES TO THE QUARTERLY FINANCIAL INFORMATION (Continued)

(In thousands of reais)

(Unaudited)

14. Provision for Contingencies and Actuarial Liabilities

The provisions for contingencies are recognized to provide for probable losses in administrative and judicial suits relating to tax, civil and labor claims at amounts considered sufficient by management, in accordance with the assessment of its lawyers and legal advisors.

	Jun/2007			Parent Company Mar/2007		
	Judicial deposits	Provision	Net liabilities	Judicial deposits	Provision	Net liabilities
	Taxes	7,372	(155,371)	(147,999)	7,266	(155,712)
Social security	-	(1,807)	(1,807)	-	(1,783)	(1,783)
Labor and civil	7,001	(23,432)	(16,431)	6,786	(26,523)	(19,737)
Actuarial liabilities	-	(35,630)	(35,630)	-	(35,630)	(35,630)
	14,373	(216,240)	(201,867)	14,052	(219,648)	(205,596)

	Jun/2007			Consolidated Mar/2007		
	Judicial deposits	Provision	Net liabilities	Judicial deposits	Provision	Net liabilities
	Taxes	32,916	(210,590)	(177,674)	31,484	(215,607)
Social security	-	(1,807)	(1,807)	-	(1,783)	(1,783)
Labor and civil	8,288	(28,050)	(19,762)	7,863	(31,072)	(23,209)
Actuarial liabilities	-	(40,730)	(40,730)	-	(40,730)	(40,730)
	41,204	(281,177)	(239,973)	39,347	(289,192)	(249,845)

The proportional amount of Ripasa's tax and labor contingencies and actuarial liabilities disclosed in the consolidated financial information ended June 30, 2007 amounted to R\$ 64,870 (R\$ 69,544 at March 31, 2007), and it basically refers to context the increase in rate and expansion of PIS/COFINS tax bases.

SUZANO PAPEL E CELULOSE S.A.

NOTES TO THE QUARTERLY FINANCIAL INFORMATION (Continued) (In thousands of reais) (Unaudited)

14. Provision for Contingencies and Actuarial Liabilities (Continued)

Below we present a statement of movement concerning provision for contingencies:

	<u>Parent Company</u>		<u>Consolidated</u>	
	<u>Jun/2007</u>	<u>Mar/2007</u>	<u>Jun/2007</u>	<u>Mar/2007</u>
At beginning of the period	219,648	212,619	289,192	284,846
New proceedings	4,636	4,894	4,703	4,894
Monetary restatement	689	2,385	1,185	2,938
Write-off of proceedings	(8,733)	(250)	(13,903)	(3,486)
At end of the period	<u>216,240</u>	<u>219,648</u>	<u>281,177</u>	<u>289,192</u>

Significant proceedings are commented below:

PIS/COFINS – A provision recognized for unpaid PIS and COFINS in view of the legal challenge regarding the tax calculation basis (charge over other income). The Company has judicial deposits in the amount of R\$ 23,167.

PIS half-yearly computation - The Company filed a legal suit aiming at recovering the overpaid PIS contribution amounts, since the law that changed the criterion for determination of the referred contribution was considered unconstitutional by the higher court. Judgment in the trial court recognized the Company's right in relation to the contribution. Supported by preliminary court injunction, the Company offset such related credit amount against IPI and COFINS debits. A recent decision in intermediate court of appeals recognized that the offsetting could only be made against debits resulting from the current PIS itself. Such new decision is under discussion in the higher courts.

Income tax on profits from foreign subsidiaries – In September 2005, the Company received a tax assessment regarding the taxation on profits from foreign subsidiaries available for distribution (Laws 9,249/95 and 9,532/97) and on the exchange variation included in equity pick-up of foreign investments (Brazilian IRS Regulatory Ruling No. 213/2002). Amounts assessed are R\$ 51,226 and R\$ 122,643, respectively. The Company's management, based on the opinion of its legal advisors, believes that the probability of an unfavorable outcome is remote, and has not accrued a provision for such contingency.

SUZANO PAPEL E CELULOSE S.A.

NOTES TO THE QUARTERLY FINANCIAL INFORMATION (Continued)

(In thousands of reais)

(Unaudited)

14. Provision for Contingencies and Actuarial Liabilities (Continued)

Balance Sheet Monetary Restatement (Summer Plan) – The Company is discussing in Court the right of deducting the expenses with income and social contribution taxes, depreciation, write-offs and items controlled in the Taxable Profit Control Register (LALUR), from the debt balance related to Balance Sheet Monetary Restatement, in connection with inflationary understatements occurred in 1989, in the percentage of 51.87% or alternately, 35.58%, by using the Consumer Price Index (IPC) as the restatement index. For purposes of offset against other taxes, the Company used the percentage of 35.58%.

According to modification of understanding of the 1st District of the Superior Court of Justice (STJ), the index for monetary restatement regarded as valid and legal is Federal Treasury Bond (OTN), and no longer IPC. In this new context, the lawyers in charge of those proceedings changed the evaluation of unfavorable outcome from remote to possible for the percent of 35.58%. The restated amount as of June 30, 2007 is R\$98,993, and was not accrued by the Company, since an unfavorable outcome is possible and not probable.

Medical assistance to retired employees

In an agreement reached with the Workers' Union of Paper, Pulp and Wood Paste for Paper of the São Paulo State, the Company commits to permanently bear medical assistance costs to former employees who retired until June 30, 2003 and to their dependents until they are persons of full age, and to spouses, on a lifetime basis.

The Company also ensures the medical assistance costing with Bradesco Saúde, for the formers employees that, exceptionally, following criterion and resolution of the Company, acquired rights associated with the accomplish of the chapters 30 and 31 of Law No. 9,658/98.

SUZANO PAPEL E CELULOSE S.A.

NOTES TO THE QUARTERLY FINANCIAL INFORMATION (Continued)

(In thousands of reais)

(Unaudited)

14. Provision for Contingencies and Actuarial Liabilities (Continued)

Medical assistance to retired employees (Continued)

At December 31, 2006 these groups were composed by 3,711 members and the amount classified for the Company related the accrued the future obligation calculated by an independent actuary, amounted to R\$ 33,774 (R\$ 19,812 at December 31, 2005). The actuary methods adopted comply with NPC N° 26/2000, issued by the Brazilian Institute of Independent Auditors (IBRACON), validated by CVM Resolution N° 371/2000. The economic and biometric assumptions used for calculation were as follows: discount rate of 9.12% p.a., increase in medical costs of 2.0% p.a. and biometric general mortality table AT-83.

Management did not identify significant changes in assumptions that could impact actuarial liabilities at June 30, 2007, which have the same balance of December 31, 2006.

15. Defined Contribution Private Pension Plan

In January 2005, Suzano Prev, a defined contribution private pension plan was established by the Company on behalf of its employees, to be administered by a financial institution engaged for such purpose. When setting up Suzano Prev, the Company agreed to match employees's contributions relating to prior years in consideration for their services to the Company prior to the plan setup (past service). Such disbursement will take place over the next years and will be individually calculated until each employee starts using the benefits of the plan. The Company's contributions for the six-month period ended June 30, 2007 amounted to R\$ 2,637, and the employees' contributions amounted to R\$ 2,411 (R\$ 2,790 and R\$ 2,302 for the six-month period ended June 30, 2006, respectively).

SUZANO PAPEL E CELULOSE S.A.

NOTES TO THE QUARTERLY FINANCIAL INFORMATION (Continued)

(In thousands of reais)

(Unaudited)

16. Accounts Payable – Land and Forests

In 2002, the Company purchased from Companhia Vale do Rio Doce, jointly and on an equally shared basis with Aracruz Celulose S/A, assets comprising 40 thousand hectares of land and eucalyptus forests therein planted, in the region of São Mateus, Espírito Santo State, payable in installments due by the end of 2007. At June 30, 2007, the due amounts related to this acquisition, classified as current liabilities, amounted to R\$ 2,321 (R\$ 6,293 at March 31, 2007).

In 2005, the Company acquired the farms São Miguel and São Bento from the companies Orban Agrícola and Nova Empreendimentos Imobiliários. At June 30, 2007, payables arising from these acquisitions, classified as current liabilities, amounted to R\$ 3,045 (R\$ 4,567 at March 31, 2007).

17. Financial Instruments

a) Valuation

The financial instruments included in the balance sheets, such as cash and cash equivalents, loans and financing, are stated at their contractual values, which approximate their fair values. To determine fair value, management used available and applicable valuation methodologies for each situation. Estimated market value does not mean that the assets and liabilities could be realized or settled in the amounts presented. The use of different market information and/or valuation methodologies may have a significant effect on the determination of market value.

The estimated fair market value of financial instruments is set out below:

	Consolidated			
	Jun/2007		Mar/2007	
	Carrying amount	Fair market value	Carrying amount	Fair market value
		(Not reviewed)		(Not reviewed)
Assets				
Cash and cash equivalents	1,300,946	1,300,946	1,229,935	1,229,935
Noncurrent marketable securities	25,667	25,667	24,953	24,953
Liabilities				
Loans and financing (current and noncurrent)	4,751,298	4,751,956	4,581,285	4,580,535
Debentures (current and noncurrent)	726,040	726,040	758,124	758,124

SUZANO PAPEL E CELULOSE S.A.

NOTES TO THE QUARTERLY FINANCIAL INFORMATION (Continued)

(In thousands of reais)

(Unaudited)

17. Financial Instruments (Continued)

a) *Valuation* (Continued)

The fair market value of cash and cash equivalents, loans, financing and debentures, when applicable, was determined using available current interest rates for operations under similar conditions and remaining maturities.

b) *Credit risk*

The sales policies adopted by the Company and its subsidiaries comply with the credit policies established by management and attempt to minimize possible losses arising from delinquency in accounts receivable from customers. This objective is reached through a careful selection to client portfolio, which takes into consideration their payment capacity (credit analysis) and the diversification of sales (risk spread).

c) *Exchange and interest rate risk*

Income and expenses recorded by the Company are subject to significant variations, as part of its loans and financing and a portion of its debenture balance are linked to the foreign exchange rate fluctuation, particularly the US dollar.

In order to reduce certain effects of foreign exchange rate fluctuations, the Company entered into operations involving derivatives. As of June 30, 2007, they were represented by the following outstanding contracts: i) US dollar-CDI swap, in the amount of US\$ 0.6 million; ii) US dollar-real NDF, in the amount of US\$ 192.5 million, and iii) euro-US dollar NDF, in the amount of EUR 7.0 million.

In order to minimize interest rate risks, the Company performed the following operations: i) swap operations, limiting the interest rates on certain foreign currency loans, in the amount of US\$ 100.0 million; ii) swap in local currency from TR to CDI, amounting to R\$ 179.7 million; and iii) operations directly denominated in fixed rate, amounting to US\$ 240.0 million.

Gains and losses arising from operations involving derivatives (closed and open positions) are recognized in the quarterly financial information.

SUZANO PAPEL E CELULOSE S.A.

NOTES TO THE QUARTERLY FINANCIAL INFORMATION (Continued)

(In thousands of reais)

(Unaudited)

18. Shareholders' Equity

Capital

The Company's subscribed and paid-in capital as of June 30, 2007 totals R\$2,054,427, divided into 314,482,319 shares (314,480,077 shares in December 31, 2006), with no par value, 107,821,453 of which are common and nominative, 205,119,987 are book-entry preferred class "A" shares and 1,540,879 are book-entry preferred class "B" shares. From the total preferred class "B" shares, 1,358,419 were held in treasury, the same quantity at June 30, 2007 and at March 31, 2007.

Preferred class "A" shares are entitled to dividends, at least, 10% higher than those paid on common shares. Preferred class "B" shares are ensured a priority dividend of 6% p.a. on its portion of the capital, or, at least, 10% higher than those paid to common shares. Preferred shares are non-voting shares, except when provided for in law.

In March 2007, the Company's capital increase was approved, in the amount of R\$ 39, represented by issuance of 767 common shares and 1,475 preferred shares - Class "A", at the unit price of R\$ 17.30, as a result of conversion of 13 debentures of the 1st series and 25 debentures of the 2nd series, related to the 4th issue of the Company, as per the agreement concerning the 4th Issue of Debentures Convertible into Shares.

Until May 2007, a Shareholders Agreement was effective among BNDES Participações S.A. ("BNDESPAR"), Suzano Holding and its controlling shareholders'. From May 2007 on, such Agreement was no longer in force since BNDESPAR own an interest lower than 5% in the Company.

SUZANO PAPEL E CELULOSE S.A.

NOTES TO THE QUARTERLY FINANCIAL INFORMATION (Continued) (In thousands of reais) (Unaudited)

19. Nonoperating Result

	Parent Company		Consolidated	
	Six months period ended June 30,			
	2007	2006	2007	2006
Gain on other investments	1,295	1,418	1,295	1,418
Gain on sale of property, plant and equipment (1)	10,513	4,134	7,729	3,454
Provision for property write-off	-	-	(8,145)	-
Gain on sale of investments	-	244	-	243
Nonoperating result	11,808	5,796	879	5,115

(1) Refers mainly to sale of “standing wood” to non-related companies. See Note 22.

20. Net Financial Result – income

	Parent Company		Consolidated	
	Six months period ended June 30,			
	2007	2006	2007	2006
Interest expenses	(130,598)	(112,140)	(141,299)	(123,402)
Monetary and exchange rate variation	263,033	161,323	258,932	120,469
Gain (Loss) on swap transactions	23,120	(1,034)	23,120	(1,033)
Other financial expenses	(13,501)	(14,945)	(22,007)	(18,328)
Total financial expenses	142,054	33,204	118,746	(22,294)
Interest income	58,657	41,660	72,768	57,807
Monetary and exchange rate variation	(75,288)	(33,525)	(74,175)	(5,574)
Total financial income	(16,631)	8,135	(1,407)	52,233
Financial results, net	125,423	41,339	117,339	29,939

SUZANO PAPEL E CELULOSE S.A.

NOTES TO THE QUARTERLY FINANCIAL INFORMATION (Continued) (In thousands of reais) (Unaudited)

21. Statement of adjusted EBITDA (Not reviewed)

	Parent Company		Consolidated	
	Six months period ended June 30,			
	2007	2006	2007	2006
Operating income	428,971	336,300	454,493	334,664
Financial expenses	(142,054)	(33,204)	(118,746)	22,294
Financial income	16,631	(8,135)	1,407	(52,233)
Equity pickup	4,420	1,494	83	129
Goodwill amortization	41,992	12,706	41,992	29,454
Depreciation, depletion and amortization	117,320	110,433	174,708	145,061
Earnings before equity pickup, income and social contribution taxes, interest, depreciation, depletion and amortization (Adjusted EBITDA)	467,280	419,594	553,937	479,369

22. Commitments

Sale of "standing wood"

The Company entered into a loan agreement with Aracruz Celulose S.A. with the objective of lending 1,900 thousand m³ of eucalyptus wood. The agreement establishes the return of the same volume of wood under similar operating conditions, between 2006 and 2008. As of June 30, 2007, the Company had recorded as current and non current assets the receivable related to the volume of wood already delivered to Aracruz Celulose S.A., in the amount of R\$ 5,160 and R\$ 8,522 respectively (the same amounts at March 31, 2007).

Mucuri Project

In October 2005, the Mucuri Project was launched, aiming to expand pulp production by 1.0 million tons. As a result, several agreements related to equipment packages have already been negotiated. As of June 30, 2007 the total of commitments related to such agreements amounted to R\$ 2.2 billion*, of which R\$ 2,053,487 have already been disbursed.

* Not reviewed by the independent auditors.

SUZANO PAPEL E CELULOSE S.A.

NOTES TO THE QUARTERLY FINANCIAL INFORMATION (Continued)

(In thousands of reais)

(Unaudited)

23. Guarantees

The Company guarantees the obligations taken on by Rio Polímeros S.A. and Suzano Petroquímica S.A., in connection with a petrochemical project conducted by Rio Polímeros S.A.

In November 2001, the Company conducted the spin-off of petrochemical assets to focus on paper and pulp sector. The referred assets were transferred to capital increase at Suzano Petroquímica S.A., a company controlled by Suzano Holding, which is the controlling shareholder of the Company. After the spin-off, the Company kept being the guarantor of contractual obligations taken on by Rio Polímeros S.A. up to the maximum limit of approximately US\$ 33.0 million, if Rio Polímeros S.A. presents any cash flow deficiency.

The Company is also the guarantor of contractual obligations taken on by Suzano Petroquímica S.A., in case it fails to make additional contributions that may be necessary in case of increase in the total cost of the investment for that project, considering the limit of 1/3 of the amount equivalent to US\$ 50.0 million.

24. Insurance (Not reviewed)

The Company is insured against operational and other risks to which its property, plant equipment and inventories are subject.

The insurance coverage is considered by the specialist advisors of the Company to be sufficient to cover eventual losses.

SUZANO PAPEL E CELULOSE S.A.

NOTES TO THE QUARTERLY FINANCIAL INFORMATION (Continued) (In thousands of reais) (Unaudited)

Supplementary information

Statements of cash flows

	Parent Company		Consolidated	
	Six months period ended June 30,			
	2007	2006	2007	2006
Cash flows from operating activities				
Net income for the period	276,848	261,111	278,226	255,537
Adjustments to reconcile net income to cash provided by operating activities:				
Depreciation, depletion and amortization	117,321	110,433	174,708	145,061
Income on sale of property, plant and equipment ⁽¹⁾	(10,517)	(6,922)	(6,755)	(5,739)
Equity pickup in subsidiaries and affiliates	4,420	1,494	83	129
Amortization of goodwill	41,992	12,706	41,992	29,454
Deferred income and social contribution taxes	216,633	(1,738)	219,120	4,109
Interest, foreign exchange and monetary variation, net ⁽¹⁾	(75,456)	(31,951)	(54,069)	8,136
Provision for contingencies ⁽¹⁾	550	7,281	(6,741)	48,036
Other provisions ⁽¹⁾	(1,291)	1,126	5,509	1,126
Changes in assets and liabilities, related to operations current and noncurrent:				
Decrease (increase) in accounts receivable	2,187	132,808	59,354	(4,180)
Increase in other current and noncurrent assets	(197,712)	(25,773)	(203,162)	(104,216)
Increase (decrease) in other current and noncurrent liabilities ⁽¹⁾	68,991	(19,998)	(7,470)	34,881
Net cash provided by operating activities	443,966	440,577	500,795	412,334
Cash flows used in investing activities				
Noncurrent marketable securities	(1,440)	(22,711)	(1,440)	(22,711)
Increase in investments ⁽¹⁾	(54,759)	(551,728)	(625)	(261,640)
Increase in property, plant, equipment and deferred charges	(668,805)	(771,516)	(760,091)	(1,215,040)
Decrease in permanent assets due to transfer to current and long term assets	-	-	2,614	8,535
Revenue generated by sale of permanent assets ⁽¹⁾	17,202	30,139	17,503	30,256
Net cash used in investing activities	(707,802)	(1,315,816)	(742,039)	(1,460,600)
Cash flows provided by financing activities				
Capital increase due to the incorporated shares of Ripasa's non controlling shareholders'	-	573,630	-	573,630
Capital increase due to conversion of debentures into shares	39	-	39	-
Payment of dividends and interest on shareholders' equity	(50,534)	(118,849)	(50,534)	(122,526)
Proceeds from financing and loans	637,473	1,010,342	637,473	1,231,187
Payment of financing and loans ⁽¹⁾	(462,238)	(528,861)	(514,411)	(558,130)
Net cash provided by financing activities	124,740	936,262	72,567	1,124,161
Effects on exchange rate variation on cash and cash equivalents	-	-	(30,489)	(37,227)
(Decrease) increase in cash and cash equivalents	(139,096)	61,023	(199,166)	38,668
Changes in cash and cash equivalents				
At the beginning of the period	1,096,487	541,306	1,500,112	1,081,878
At the end of the period	957,391	602,329	1,300,946	1,120,546
(Decrease) increase in cash and cash equivalents	(139,096)	61,023	(199,166)	38,668

(1) - Includes reclassifications for the six months period ended June 30, 2006.

SUZANO PAPEL E CELULOSE S.A.

NOTES TO THE QUARTERLY FINANCIAL INFORMATION (Continued) (In thousands of reais) (Unaudited)

Supplementary information

Statements of changes in financial position

	Parent Company		Consolidated	
	Six months period ended June 30,			
	2007	2006	2007	2006
Working capital provided by:				
Operations				
Net income for the period	276,848	261,111	278,226	255,537
Items not affecting working capital:				
Depreciation, depletion and amortization	117,321	110,433	174,707	145,061
Net book value of permanent assets disposed of	6,686	23,217	10,749	24,518
Equity pickup in subsidiaries and affiliates	4,420	1,494	83	129
Amortization of goodwill	41,992	12,706	41,992	29,454
Deferred income and social contribution taxes	217,867	6,834	221,698	11,444
Exchange and monetary variations and long-term interest, net ⁽¹⁾	(234,732)	(100,691)	(256,331)	(106,008)
Provision for contingencies ⁽¹⁾	550	7,281	(6,741)	48,035
Other provisions ⁽¹⁾	(1,291)	1,126	6,843	1,126
	429,661	323,511	471,226	409,296
From shareholders':				
Capital increase due to the incorporated shares of Ripasa's non controlling shareholders'	-	573,630	-	573,630
Capital increase due to conversion of debentures into shares	39	-	39	-
	39	573,630	39	573,630
Third parties:				
Long-term financings and loans	623,821	873,182	623,821	1,047,751
Transfer from current to noncurrent liabilities	45,727	-	45,727	9,810
Transfer from noncurrent to current assets ⁽¹⁾	41,354	2,976	44,159	9,680
	710,902	876,158	713,707	1,067,241
Total working capital provided	1,140,602	1,773,299	1,184,972	2,050,167
Working capital used for:				
Permanent assets				
Increase in investments ⁽¹⁾	54,759	551,728	625	261,640
Increase in property, plant, equipment and deferred charges	668,805	771,516	760,091	1,215,040
Long term assets ⁽¹⁾	114,154	57,229	101,270	68,990
Noncurrent liabilities	-	-	559	-
Transfer from noncurrent to current liabilities, net	288,554	257,649	332,702	275,318
	1,126,272	1,638,122	1,195,247	1,820,988
Total working capital used	1,126,272	1,638,122	1,195,247	1,820,988
Increase (decrease) in working capital	14,330	135,177	(10,275)	229,179
Current assets:				
At the end of the period	2,478,757	1,952,029	2,884,012	2,539,343
At the beginning of the period	2,492,320	2,020,898	2,980,799	2,417,366
	(13,563)	(68,869)	(96,787)	121,977
Current liabilities:				
At the end of the period	855,508	1,140,477	910,042	1,330,727
At the beginning of the period	883,401	1,344,523	996,554	1,437,929
	27,893	204,046	86,512	107,202
Increase (decrease) increase in working capital	14,330	135,177	(10,275)	229,179

(1) - Includes reclassifications for the six months period ended June 30, 2006.

SUZANO PAPEL E CELULOSE S.A.

NOTES TO THE QUARTERLY FINANCIAL INFORMATION (Continued) (In thousands of reais) (Unaudited)

Supplementary information

Balance Sheet – Statement of Proportional Consolidation of Ripasa at June 30, 2007

Assets	Ripasa Full	Ripasa	Suzano Papel e Celulose excluding Ripasa	Combined	Adjustments	Consolidated
	(1)	(2)	(3)	(4)	(5)	(6)
Current assets						
Cash and cash equivalents	104,386	52,193	1,248,753	1,300,946	-	1,300,946
Trade accounts receivable	299,136	149,568	638,112	787,680	(117,094)	670,586
Inventories	100,433	50,217	602,987	653,204	(8,449)	644,755
Recoverable taxes	18,686	9,343	182,385	191,728	-	191,728
Deferred income and social contribution taxes	4,766	2,383	53,325	55,708	2,873	58,581
Other accounts receivable	12,134	6,067	5,160	11,227	(3,232)	7,995
Prepaid expenses	-	-	9,421	9,421	-	9,421
Total current assets	539,541	269,771	2,740,143	3,009,914	(125,902)	2,884,012
Noncurrent assets						
Long term assets						
Marketable securities	-	-	25,667	25,667	-	25,667
Due from related parties	-	-	544	544	-	544
Dererred income and social contribution taxes	48,705	24,353	283,446	307,799	-	307,799
Judicial deposits	53,372	26,686	25,449	52,135	(26,686)	25,449
Recoverable taxes	23,018	11,509	126,503	138,012	-	138,012
Advances to suppliers	-	-	161,800	161,800	-	161,800
Other accounts receivable	18,644	9,322	14,711	24,033	-	24,033
Total long term assets	143,739	71,870	638,120	709,990	(26,686)	683,304
Permanent assets						
Investments	439	220	1,289,464	1,289,684	(579,894)	709,790
Property, plant and equipment	1,296,033	648,017	5,859,759	6,507,776	-	6,507,776
Deferred charges	5,336	2,668	972	3,640	-	3,640
Total permanent assets	1,301,808	650,905	7,150,195	7,801,100	(579,894)	7,221,206
Total noncurrent assets	1,445,547	722,775	7,788,315	8,511,090	(606,580)	7,904,510
Total assets	1,985,088	992,546	10,528,458	11,521,004	(732,482)	10,788,522

- (1) Full balance sheet of Ripasa, disclosed in compliance with CVM Instruction 247/96;
(2) Proportional balance sheet considering the Company's interest in total capital (50.00%);
(3) Consolidated balance sheet of Suzano before Ripasa's proportional consolidation;
(4) Combined balance sheet (proportional Ripasa plus Suzano before elimination of the investment in Ripasa);
(5) Consolidation adjustments (elimination of investment and balances with Ripasa);
(6) Consolidated balance sheet of Suzano in accordance with CVM Instruction No. 247/96.

SUZANO PAPEL E CELULOSE S.A.

NOTES TO THE QUARTERLY FINANCIAL INFORMATION (Continued) (In thousands of reais) (Unaudited)

Supplementary information (Continued)

Balance Sheet – Statement of Proportional Consolidation of Ripasa at June 30, 2007 (Continued)

Liabilities and shareholders' equity	Ripasa		Suzano Papel e Celulose excluding		Adjustments	Consolidated
	Ripasa Full	Proportional	Ripasa	Combined		
	(1)	(2)	(3)	(4)	(5)	(6)
Current liabilities						
Trade accounts payable	68,946	34,473	186,839	221,312	-	221,312
Loans and financing	127,472	63,736	461,434	525,170	-	525,170
Debentures	-	-	16,796	16,796	-	16,796
Taxes payable other than on income	17,702	8,851	20,832	29,683	-	29,683
Payroll and taxes payable	18,614	9,306	50,130	59,436	-	59,436
Accounts payable	19,121	9,561	39,291	48,852	-	48,852
Payable to related parties	-	-	120,686	120,686	(120,182)	504
Dividends and interest on shareholders' equity payable	15	8	465	473	-	473
Deferred income and social contribution taxes	9,988	4,994	-	4,994	-	4,994
Income and social contribution taxes	3,459	1,730	1,092	2,822	-	2,822
Total current liabilities	265,317	132,659	897,565	1,030,224	(120,182)	910,042
Noncurrent liabilities						
Loans and financing	373,732	186,866	4,039,262	4,226,128	-	4,226,128
Debentures	-	-	709,244	709,244	-	709,244
Accounts payable	7,282	3,641	4,593	8,234	-	8,234
Deferred income and social contribution taxes	38,079	19,040	384,111	403,151	-	403,151
Provision for contingencies and actuarial liabilities	129,739	64,870	201,933	266,803	(26,830)	239,973
Total noncurrent liabilities	548,832	274,417	5,339,143	5,613,560	(26,830)	5,586,730
Shareholders' equity						
Capital	725,858	362,929	2,054,427	2,417,356	(362,929)	2,054,427
Capital reserves	-	-	412,229	412,229	-	412,229
Treasury shares	-	-	(15,080)	(15,080)	-	(15,080)
Revaluation reserves	4,966	2,483	-	2,483	(2,483)	-
Income reserves	440,115	220,058	1,840,174	2,060,232	(220,058)	1,840,174
Total shareholders' equity	1,170,939	585,470	4,291,750	4,877,220	(585,470)	4,291,750
Total liabilities and shareholders' equity	1,985,088	992,546	10,528,458	11,521,004	(732,482)	10,788,522

- (1) Full balance sheet of Ripasa, disclosed in compliance with CVM Instruction 247/96;
- (2) Proportional balance sheet considering the Company's interest in total capital (50.00%);
- (3) Consolidated balance sheet of Suzano before Ripasa's proportional consolidation;
- (4) Combined balance sheet (proportional Ripasa plus Suzano before elimination of the investment in Ripasa);
- (5) Consolidation adjustments (elimination of investment and balances with Ripasa);
- (6) Consolidated balance sheet of Suzano in accordance with CVM Instruction No. 247/96.

SUZANO PAPEL E CELULOSE S.A.

NOTES TO THE QUARTERLY FINANCIAL INFORMATION (Continued) (In thousands of reais) (Unaudited)

Supplementary information (Continued)

Statement of income – Statement of Proportional Consolidation of Ripasa for the six-month periods ended June 30, 2007

	Ripasa Full (1)	Ripasa Proportional (2)	Suzano Papel e Celulose excluding Ripasa (3)	Combined (4)	Adjustments (5)	Consolidated (6)
Gross sales	758,616	379,311	1,793,914	2,173,225	(295,629)	1,877,596
Sales deductions	(176,771)	(88,388)	(238,153)	(326,541)	79,215	(247,326)
Net sales	581,845	290,923	1,555,761	1,846,684	(216,414)	1,630,270
Cost of goods sold	(477,738)	(238,869)	(1,038,723)	(1,277,592)	216,994	(1,060,598)
Gross profit	104,107	52,054	517,038	569,092	580	569,672
Operating income (expense)						
Selling expenses	(20,100)	(10,050)	(84,295)	(94,345)	-	(94,345)
General and administrative expenses	(35,938)	(17,969)	(92,829)	(110,798)	-	(110,798)
Financial expenses	(40,089)	(20,048)	138,794	118,746	-	118,746
Financial income	56,492	28,250	(29,657)	(1,407)	-	(1,407)
Equity pickup in subsidiaries and affiliates	(75)	(38)	12,526	12,488	(12,571)	(83)
Amortization of goodwill	-	-	(41,992)	(41,992)	-	(41,992)
Other operating income net	13,872	6,938	12,921	19,859	(5,159)	14,700
Operating income	78,269	39,137	432,506	471,643	(17,150)	454,493
Nonoperating income net	(22,328)	(11,165)	12,044	879	-	879
Income before income and social contribution taxes	55,941	27,972	444,550	472,522	(17,150)	455,372
Income and social contribution taxes	(24,757)	(12,379)	(166,324)	(178,703)	1,557	(177,146)
Net income for the period	31,184	15,593	278,226	293,819	(15,593)	278,226

- (1) Ripasa full statements of income for the six-month periods ended June 30, 2007;
- (2) Proportional statement of income considering the Company's interest in total capital (50.00%);
- (3) Consolidated statement of income of Suzano before Ripasa's proportional consolidation (includes purchases and resales of the Americana plant products);
- (4) Combined income statement (proportional Ripasa plus Suzano before Ripasa's proportional consolidation);
- (5) Consolidation adjustments (elimination of equity pick up and transactions with Ripasa);
- (6) Consolidated statement of income of Suzano for the six-month periods ended June 30, 2007, in compliance with CVM Instruction No 247/96.

SUZANO PAPEL E CELULOSE S.A.

REPORT ON COMPANY'S PERFORMANCE (CONSOLIDATED) (Unaudited)

Second quarter 2007 (2Q07) : Summary

Strong demand provide favorable environment to higher Pulp prices

International market prices of pulp increased in the second quarter of 2007 influenced by low world inventories, higher demand and restrictions on supply. Prices of eucalyptus market pulp increased to US\$ 735/ton in North America, US\$700/ton in Europe and US\$650/ton in Asia. These prices are the highest since February 2001.

The pulp market continued with positive perspectives in this quarter. The volume sold of 175,800 tons was 1.2% higher than 1Q07 and 1% lower than 2Q06.

Prices of printing and writing papers stood strong along the quarter for the core international markets. In Europe, prices were readjusted in EUR 30/ton in the quarter, with a spread of US\$ 210/ton (reels, CIF Europe) over price of eucalyptus pulp, US\$ 6/ton lower than the historical average over the past 10 years.

In Brazil, consumption of printing and writing papers and paperboard in 2Q07 was approximately 8% and 6.5% higher than in 1Q07, respectively. Comparing with the same quarter of the last year, the domestic market of printing and writing papers increased 2.8%, influenced by a lower volume of exports of notebooks in 2007, and the paperboard market increased by 19% in comparison with 2Q06.

In 2Q07, sales volumes of printing and writing papers increased 6.1% and the average price was slightly lower than 1Q07. In Dollars, the average price increased 5.4% when compared to 1Q07 and 9.4% to 2Q06.

Pulp cash production cost decreased to R\$ 446 /ton, equivalent to US\$225/ton – reflecting further improvements over previous quarters.

The Mucuri Project continues to be on schedule and within initial budget. Engineers and technical teams are now preparing for startup.

Higher volumes sold increase net income

Net sales of R\$ 820.9 million in 2Q07 were 1.4% higher than the previous quarter, mainly reflecting the domestic market increase in paper sales volume. Operational cash flow, measured by Ebitda, was R\$ 279.3 million. Ebitda margin was 34.0%, 0.1 p.p. higher than 1Q07, also reflecting good operational performance.

SUZANO PAPEL E CELULOSE S.A.

REPORT ON COMPANY'S PERFORMANCE (CONSOLIDATED) – (Continued) (Unaudited)

Business Environment

Costs discipline increases margins, even with the stronger Real

The Real currency appreciated further against the US dollar in 2Q07: the exchange rate was R\$ 1.93/US\$ at the end of the quarter, and the average rate was R\$ 1.98/US\$, 5.9% lower than in 1Q07, and 9.2% lower than in 2Q06. However, Ebitda margin remains stable in spite of this reduction, as a result of (i) actions to reduce operational costs, and (ii) implementation of the Matrix Budgeting Project.

Fx rate, R\$ / US\$	1Q07	2Q07	2Q06
Start of period	2.14	2.05	2.17
End of period	2.05	1.93	2.16
Average	2.11	1.98	2.18
Variation	-4.1%	-6.1%	-0.4%
Average Fx variation	-2.0%	-5.9%	-0.4%

*Note: For the rate variation calculated above we have consider four decimal places.
Source: Brazilian Central Bank*

Pulp prices continued to rise due to strong demand and scarce supply

The international pulp market continued to provide a favorable scenario for Brazilian producers. World demand increased 2% (355,000 tons) in comparison of the same period of 2006 (1H07 x 1H06).

Demand for eucalyptus pulp increased by 13% (594,000 tons) to the same period of 2006, with a highlight for the demand in the European market in the first half of 2007, which was 291,000 tons higher than the first half of 2006. This increase reflects paper producers' growing tendency to seek out a competitive fiber with the characteristics of eucalyptus.

On the supply side, availability was not enough to serve all consumers, resulting in a price increase of US\$ 20 in the pulp international market. New pulp prices have been adjusted to US\$ 735 / ton in North America, US\$ 700 / ton in Europe and US\$ 650 / ton in Asia.

(US\$/ tons)

Market Pulp list prices	2Q06	3Q06	4Q06	1Q07	2Q07	jul/07
North America	675	695	715	715	735	735
Europe	640	660	680	680	700	700
Asia	610	630	650	650	650	650

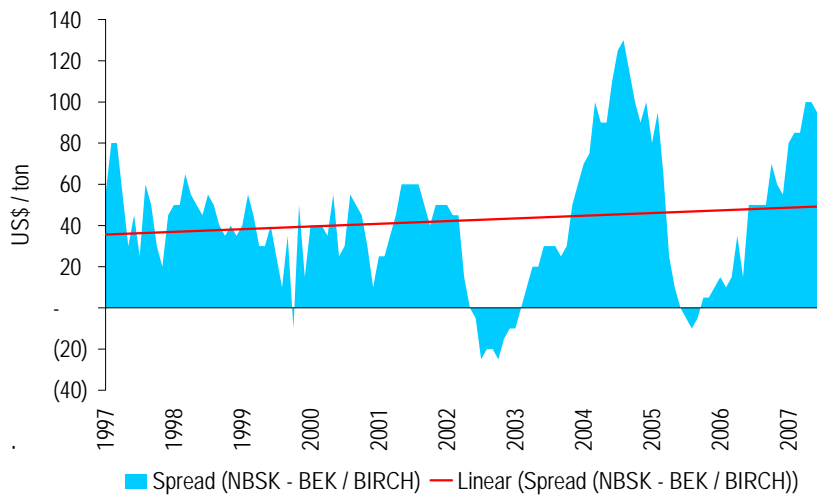
Note: Price at the end of each period

SUZANO PAPEL E CELULOSE S.A.

REPORT ON COMPANY'S PERFORMANCE (CONSOLIDATED) – (Continued) (Unaudited)

It was a period of scarcity of wood in Europe due to weather conditions, and increases on wood export taxes in Russia, making its importation impracticable for the high-cost European producers. Both producers' and consumers' inventories of market pulp are low. For the producers – with 27 days of shipments - these are the lowest levels since 2003 and still below the 34-day average for the last 10 years.

Strong demand, restraints on availability and present price levels create a favorable scenario for the startup of our new pulp line at the Mucuri Project. The spread between softwood and hardwood pulps continues to be high, around US\$100/ton, indicating sustained prices and potential growth for eucalyptus pulp.



Mucuri Project

Mucuri Project enters commissioning phase

With assembly practically completed, the equipment is entering in testing (commissioning) phase, all on schedule.

The first firing of oil in the recovery boiler was run in the beginning of June, for tests of the start-up burners. Construction of this recovery boiler took exactly 20 months and 15 days – a record for projects on this scale, and an indication of commitment, good management and good performance of both supplier and engineering team.

The water treatment stations, the boiler water treatment stations and the cooling tower were also being finalized and tested in June.

SUZANO PAPEL E CELULOSE S.A.

REPORT ON COMPANY'S PERFORMANCE (CONSOLIDATED) – (Continued) (Unaudited)

With the boiler producing steam, the blowing process of the high-pressure steam containers began, for cleaning of the system. Tests of the new wood handling yard also began in June, and the first chips have been produced for Line 2.

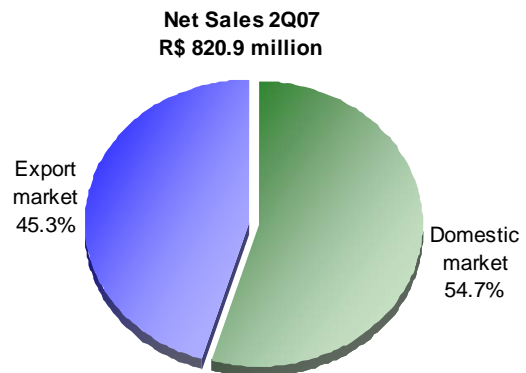
The schedule for July includes: (i) burning of black liquor in the recovery boiler; (ii) startup of a turbo generator, generating energy for the continued and now increasingly intense testing; and (iii) steam supply by the new recovery boiler also to the Line 1, allowing the existing boiler to be retrofitted. The cooking process will now use water, and at the beginning of August tests with dissolved pulp will begin on the drying machine.

Net Sales

Our total net sales in 2Q07 was R\$ 820.9 million, 1.4% higher than 1Q07, and 4.2% higher than 2Q06, reflecting the strong trend in prices and also the effects of the acquisition of 100% of the Embu Unit.

Exports represented 45.3%, or R\$ 372 million, of total net sales, 5.7% lower than 1Q07, and 4.5% higher than 2Q06. The difference reflects the increase of paper sales in the domestic market, and the appreciation of the Real.

Domestic sales were 54.7% or R\$ 449 million of 2Q07 total sales and were 8.2% higher than 1Q07 and 3.9% than 2Q06.



SUZANO PAPEL E CELULOSE S.A.

REPORT ON COMPANY'S PERFORMANCE (CONSOLIDATED) – (Continued) (Unaudited)

Breakdown – Paper and Pulp

Net Sales

	1Q07		2Q07		2Q06	
	R\$ tsd	Tons tsd	R\$ tsd	Tons tsd	R\$ tsd	Tons tsd
Pulp	39,331	34.3	41,242	37.8	36,220	35.0
Coated P&W Paper	63,055	24.0	66,425	25.8	72,132	26.6
Paperboard	109,468	45.7	110,290	45.2	91,850	36.9
Uncoated P&W Paper	190,205	79.3	228,462	97.0	228,145	99.9
Domestic Market	402,059	183.3	446,419	205.8	428,347	198.4
Pulp	172,859	139.4	162,689	138.0	173,927	142.6
Coated P&W Paper	8,241	3.9	12,050	6.1	13,769	6.8
Paperboard	33,293	20.9	28,748	18.2	29,098	17.6
Uncoated P&W Paper	179,955	92.1	168,549	89.7	139,325	73.9
Export Market	394,348	256.3	372,036	252.0	356,119	240.9
Pulp	212,190	173.7	203,931	175.8	210,147	177.6
Coated P&W Paper	71,296	27.9	78,475	31.9	85,901	33.4
Paperboard	142,761	66.6	139,038	63.4	120,948	54.5
Uncoated P&W Paper	370,160	171.4	397,011	186.7	367,470	173.8
Total	796,407	439.6	818,455	457.8	784,466	439.3

Note: The above figure excludes revenues from other products (IT and office materials), of R\$ 12.9 million in 1Q07, R\$ 2.5 million in 2Q07 and R\$ 3.6 million in 2Q06.

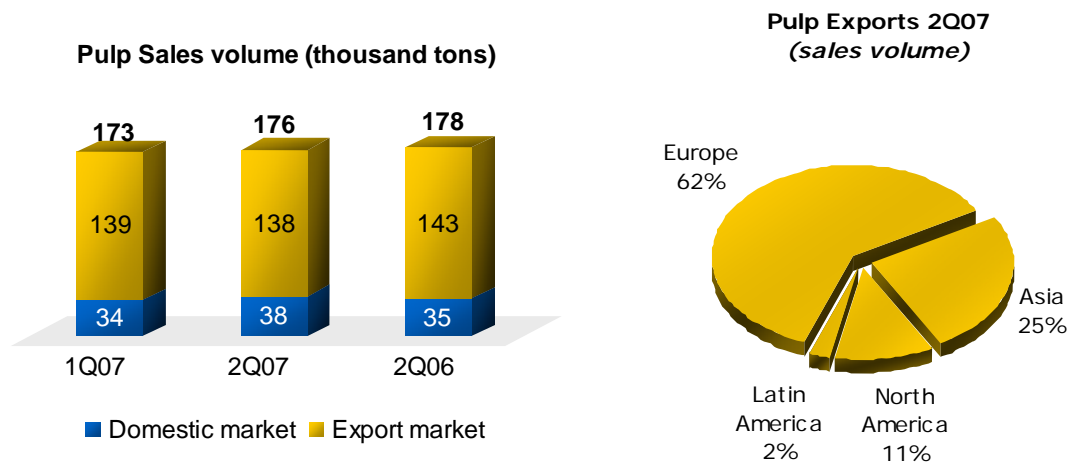
SUZANO PAPEL E CELULOSE S.A.

REPORT ON COMPANY'S PERFORMANCE (CONSOLIDATED) – (Continued) (Unaudited)

Pulp Business Unit

Growth in world demand and reduction in high-cost producers' boost optimistic scenario

We sold 175,800 tons of pulp in 2Q07, 1.2% higher than 1Q07, and 1.0% lower than 2Q06. Exports represented 78.5% of our total pulp sales in the quarter – 3.2% lower than 2Q06.



Average net selling price for pulp in the export market was US\$ 594/ton in 2Q07, compared to US\$ 588/ton in 1Q07 and US\$ 558/ton in 2Q06.

Net sales of pulp in the 2Q07 amounted to R\$ 203.9 million, 3.9% lower than in 1Q07, and 3.0% lower than in 2Q06. This reflects an increase of 1.2% in volume sold when compared to 1Q07, partially mitigated by the reduction of Reais average prices, promoted by exchange rate variation. Pulp net sales represented 24.8% of total net sales in 2Q07.

SUZANO PAPEL E CELULOSE S.A.

REPORT ON COMPANY'S PERFORMANCE (CONSOLIDATED) – (Continued) (Unaudited)

Paper Business Unit

Paper: net sales 5.2% higher in second quarter

Paper net sales in 2Q07 amounted to R\$ 614.5 million, 5.2% higher than 1Q07 and 7.0% higher than 2Q06. This can be explained by the increase in sales volumes and a higher domestic market representation over total net sales. Paper sales in 2Q07 represented 74.9% of our total net sales.

Total paper sales volume in 2Q07 was 282,000 tons, approximately 6.1% higher than 1Q07, and 7.8% higher than 2Q06.

The average paper price during 2Q07 was R\$ 2,179 / ton, slightly lower than 1Q07 and 2Q06, reflecting the appreciation of Real in the period, which affects export prices.

Domestic market represented 59.6% of total paper volume in 2Q07 (56.0% in 1Q07 and 62.2% in 2Q06).

Domestic Market

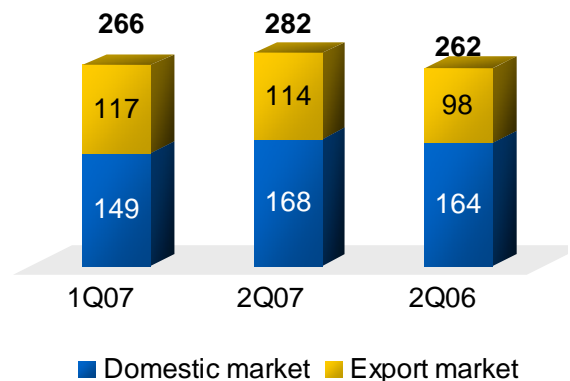
Paper net sales in the domestic market increased 11.7% when compared to 1Q07 and 3.3% when compared to 2Q06. Paper volume was 168,000 tons, 12.7% higher than 1Q07. Average prices remained stable.

Comparing to the 1Q07, the uncoated paper sales increased 22.3% due to seasonality. Average prices were 1.7% lower due to higher proportionality of this sales in the editorial industry.

In coated papers, in spite of the competition from imported products, our domestic market sales were 7.5% higher than 1Q07, while being 2.7% lower than 2Q06. Average prices were negatively affected by the same reason.

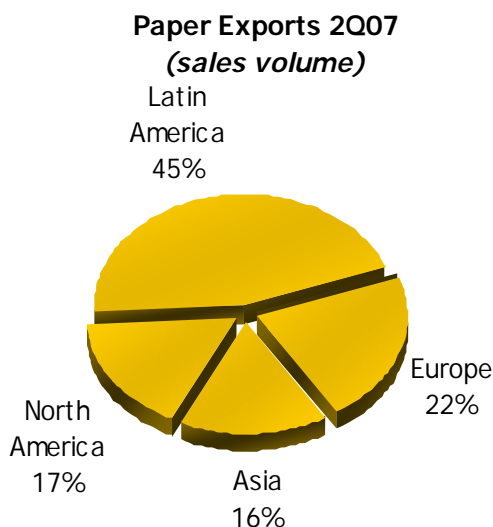
Paperboard sales volume was 22.3% higher than 2Q06, influenced for the warming up of the packaging industry and also reflecting the acquisition of the Embu plant. When compared to 1Q07 our sales remain stable and price increased 1.9%.

Paper sales volume (thousand tons)



SUZANO PAPEL E CELULOSE S.A.

REPORT ON COMPANY'S PERFORMANCE (CONSOLIDATED) – (Continued) (Unaudited)



Export Market

Sales in the export market reached 114,000 tons, 2.4% lower than 1Q07 and 16.0% bigger than 2Q06.

Sales in the quarter were more concentrated in Latin America, and this factor, together with the increase in prices in Europe, contributed to the growth of 2.9% in average prices in US dollar. At the same time, the 6.3% appreciation in the Real directly affected the conversion of average prices into Reais, resulting in a reduction of 3.2% when compared to 1Q07, and 1% when compared to 2Q06.

Prospects for the second half include an increase in sales volume of uncoated paper to the government's textbook production program and to the annual 'back to school' period. There is also the prospect of higher volume sales of paperboard for packaging, due to the normal market seasonality.

Production and Costs

Consolidated Production (in thousand tons)

	1Q07	2Q07	2Q06
Production	458.5	446.1	444.6
Market Pulp	174.1	167.4	172.5
Coated P&W Paper	49.7	37.5	34.3
Paperboard	59.8	62.9	59.4
Uncoated P&W Paper	174.9	178.4	178.4

Total production output in 2Q07 was 446,100 tons, of which 167,400 tons for market pulp and 278,700 tons for paper. These figures reflect our efforts to achieve operational improvements and greater productivity from our equipment. Production in 2Q07 was 2.7% less than 1Q07, due to the scheduled maintenance shutdown at Suzano Unit, and 0.3% higher than 2Q06.

Market pulp cash production cost in 2Q07, excluding the cost of standing woods, was R\$ 446/ton, 3.5% lower than 1Q07, and 0.2% lower than 2Q06. The comparisons reflect of usual of costs in our operations. Cash cost in dollars was US\$ 225/ton. In the third quarter we will have a maintenance shutdown scheduled for the Mucuri Unit.

Average unit cost of goods sold in 2Q07 was R\$ 1,166/ton, compared to R\$ 1,198/ton in the previous quarter – a reduction of 2.7%.

SUZANO PAPEL E CELULOSE S.A.

REPORT ON COMPANY'S PERFORMANCE (CONSOLIDATED) – (Continued) (Unaudited)

Result Analysis

(In thousand R\$)

	1Q07	2Q07	2Q06
Net Sales	809,323	820,947	788,099
Cost of Goods Sold	(526,773)	(533,825)	(500,347)
Gross Profit	282,550	287,112	287,752
Selling Expenses	(43,061)	(51,284)	(48,262)
General and Administrative expenses	(57,306)	(53,492)	(59,629)
Financial Expenses	(72,139)	(68,047)	(74,793)
Financial Income	36,340	36,428	31,968
Equity Pickup in Subsidiaries and Affiliates	912	(995)	(106)
Amortization of Goodwill	(20,989)	(21,003)	(16,893)
Other Operating Income, net	6,537	8,163	6,052
Operating Profit before Monetary and Exchange Rate Variation	132,844	136,892	126,089
Net Monetary and Exchange Rate Variation	68,760	115,997	4,428
Operating Profit	201,604	252,889	130,517
Non Operating Income (Expenses), Net	(90)	969	187
Income and Social Contribution Taxes	(95,372)	(81,774)	(27,355)
Net Income for the Period	106,142	172,084	103,349

Adjusted Ebitda

Generated cash flow, measured by adjusted Ebitda, was R\$ 279.3 million, 1.7% higher than in the previous quarter, and 6.2% higher than 2Q06.

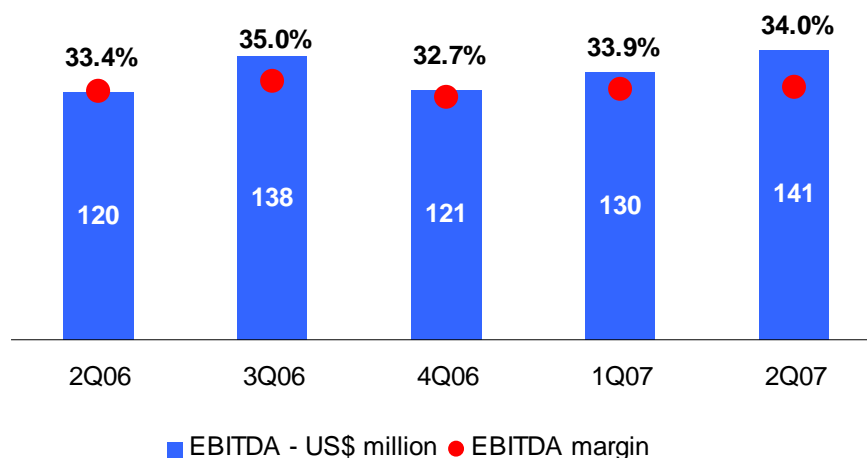
The *main positive effects* in Ebitda in this quarter were due to:

- (i) paper and pulp export prices;
- (ii) higher domestic sales volume of papers;
- (iii) reduction in unitary COGS

However, these effects were mitigated mainly by the appreciation of Real.

SUZANO PAPEL E CELULOSE S.A.

REPORT ON COMPANY'S PERFORMANCE (CONSOLIDATED) – (Continued) (Unaudited)



(In thousand R\$)

	1Q07	2Q07	2Q06
EBIT	188,720	190,509	185,913
Depreciation / Depletion / Amortization	85,910	88,798	77,063
EBITDA	274,630	279,307	262,976
Gross Profit / Net Sales	34.9%	35.0%	36.5%
EBITDA / Net Sales	33.9%	34.0%	33.4%
Net Debt / EBITDA (LTM)	3.72	3.73	3.27

Net income

Net income was R\$ 172 million, 62.1% higher than 1Q07, and 66.5% higher than 2Q06.

In addition to the factors affecting adjusted Ebitda (mentioned *above*) the following affected net income:

- (i) exchange rate variation
- (ii) income and social contribution effective tax rate of 32.2%

Operational expenses

Selling expenses totaled R\$ 51.3 million in 2Q07, 19.1% higher than 1Q07, due to a complement accrual of allowance for doubtful accounts, in the amount of R\$ 5.0 million. Without this provision, selling expenses would have increased only 7.5% due to higher sales volume.

Administrative expenses in the quarter was R\$ 53.5 million, compared to R\$ 57.3 million in 1Q07. The reduction of 6.7% represents the gains obtained from implementation of the Matrix Budgeting Project in the Company, and our efforts to reduce expenses.

SUZANO PAPEL E CELULOSE S.A.

REPORT ON COMPANY'S PERFORMANCE (CONSOLIDATED) – (Continued) (Unaudited)

Other operational revenue totaled R\$ 8.2 million. Elements in this revenue include sales of paper offcuts, waste and uncut timber.

Other Information

New Chief of Forestry Business Unit Officer

In the second quarter we announced our new Chief Officer for the Forestry Business Unit: João Comério. He began his career with Champion Papel e Celulose in 1991, company that was absorbed in the year 2000 by International Paper. In that Company, he held various technical and management positions up to the beginning of last year, most recently as Global Forest Strategic Planning Director at the head office in the United States. Currently, he was a Director of the forestry consulting company STCP Engenharia e Projetos, and Managing Partner of the forestry investment company Resco/Finagro.

Suzano Pulp and Paper launch its office in Asia

Our office on the Asian Continent – Suzano Pulp and Paper Asia – was established in June, in Shanghai, China. It will handle the promotion of sales of pulp in the Asian market.

Together with the other sales units outside Brazil, in North America and Europe, Suzano has now a complete structure to support its global operations.

Capital expenditure

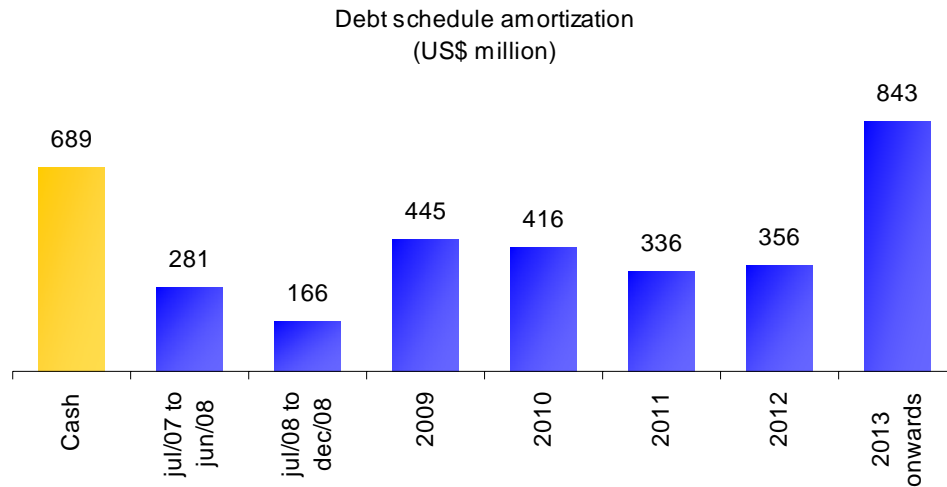
We disbursed a total of R\$ 327.7 million (US\$170.1 million) in capital expenditure in 2Q07, excluding any capex in the operational units of Ripasa. Most important components: (i) R\$ 52.9 million in forestry, industrial, administrative and logistics capital expenditure; (ii) R\$ 3.5 million in construction of the Amador Aguiar (Capim Branco) hydroelectric power plant complex; (iii) R\$ 271.2 million on the Mucuri Project; and (iv) R\$ 126,300 in general capex.

Debt

Net debt / Ebitda ratio situation was stable. Consolidated net debt at the end of 2Q07 was R\$ 4,150.7 million, representing 3.73 times cash flow generated in the period (last 12 months Ebitda), when compared to R\$ 4,084.5 million and 3.72 times, respectively, in 1Q07.

SUZANO PAPEL E CELULOSE S.A.

REPORT ON COMPANY'S PERFORMANCE (CONSOLIDATED) – (Continued) (Unaudited)



The Amador Aguiar (Capim Branco) Hydroelectric Power Plant

The Capim Branco Hydroelectric Power Plant Complex is being built by a consortium composed by the Company, Vale do Rio Doce, Cemig and Votorantim – building a complex of two hydro plants, each with three rotors, on the Araguari River in Minas Gerais between the municipalities of Uberlândia and Araguari.

The third turbine of the second plant started to operate in June 2007, bringing the project to full capacity. Our interest, of 51MW, will provide energy self-sufficiency for the Suzano unit, and also will reduce both energy costs and costs of hedge transactions against energy price variations.

The total investment in the project is planned to be amounted to R\$ 220 million, of which R\$ 212 million has so far been disbursed.

Market Capitalization: US\$ 4.2 billions

Market capitalization at June 30, 2007 was US\$4.2 billion, a considerable increase – of 40% – in the quarter, further drawing attention to the strong performance of our shares on the São Paulo Stock Exchange.

Once again paper and pulp stocks outperformed the market as a whole, led by the figures for Suzano Papel e Celulose “A” preferred (SUZB5), which increased 34% in the quarter (Ibovespa 18.7%), and has risen 102.9% in the last 12 months (Ibovespa 48.5%).

SUZANO PAPEL E CELULOSE S.A.

REPORT ON COMPANY'S PERFORMANCE (CONSOLIDATED) – (Continued) (Unaudited)

Observation

Financial information, such as volumes, quantities, average sales prices, average market prices, average quotations, EBITDA, in reais and dollars, and the financial data included in the pro forma financial statements were not object of review by our independent auditors.

SUZANO PAPEL E CELULOSE S.A.

OTHER COMPANY'S RELEVANT INFORMATION (Unaudited)

In accordance with Corporate Governance Practices (Level 1) we present below a shareholding composition statement with all investors and shareholders holding, directly or indirectly, more than 5% of each type and class of share of the Company's capital, broken down to the individual level, at June 30, 2007.

COMPOSITION OF SHAREHOLDERS - SUZANO PAPEL E CELULOSE S.A. - At June 30, 2007

CAPITAL - R\$ 2,054,426,783.47

Shareholders	Common		Preferred class "A"		Preferred class "B"		Total	
	Number of shares	%	Number of shares	%	Number of shares	%	Number of shares	%
SUZANO HOLDING S.A.	94,382,199	87.54%	556,974	0.27%	2,385	0.15%	94,941,558	30.19%
IPLF HOLDING S.A.	8,000,000	7.42%	-	-	-	-	8,000,000	2.54%
ZDZ PARTICIPAÇÕES E ADM S.A.	5,428,955	5.04%	1,009,583	0.49%	-	-	6,438,538	2.05%
BNDES PARTICIPAÇÕES S.A - BNDESPAR	-	-	13,522,670	6.59%	-	-	13,522,670	4.30%
FANNY FEFFER	3,005	-	11,448,688	5.58%	-	-	11,451,693	3.64%
CAIXA PREVID FUNC DO BCO DO BR	-	-	14,483,569	7.06%	-	-	14,483,569	4.61%
SUZANO PAPEL E CELULOSE - TREASURY SHARE	-	-	-	-	1,358,419	88.16%	1,358,419	0.43%
FUNDO INVEST. DO NORDESTE FINOR	-	-	-	-	169,340	10.99%	169,340	0.05%
OTHERS	7,294	0.01%	164,098,503	80.00%	10,735	0.70%	164,116,532	52.19%
TOTAL	107,821,453	100.00%	205,119,987	100.00%	1,540,879	100.00%	314,482,319	100.00%

COMPOSITION OF SHAREHOLDERS - SUZANO HOLDING S.A. - At June 30, 2007

CAPITAL - R\$ 1,310,000,000.00

Shareholders	Common		Preferred		Total	
	Number of shares	%	Number of shares	%	Number of shares	%
FANNY FEFFER	16,402,750	27.51%	12,747,626	25.15%	29,150,376	26.42%
BETTY FEFFER	13,416,014	22.50%	11,340,439	22.37%	24,756,453	22.44%
DANIEL FEFFER	7,453,335	12.50%	6,079,731	11.99%	13,533,066	12.27%
DAVID FEFFER	7,453,335	12.50%	6,052,148	11.94%	13,505,483	12.24%
JORGE FEFFER	7,453,335	12.50%	6,049,463	11.93%	13,502,798	12.24%
RUBEN FEFFER	7,453,335	12.50%	6,046,927	11.93%	13,500,262	12.24%
OTHERS	3	-	2,370,957	4.68%	2,370,960	2.15%
TOTAL	59,632,107	100.00%	50,687,291	100.00%	110,319,398	100.00%

COMPOSITION OF SHAREHOLDERS - IPLF HOLDING S.A. - At June 30, 2007

CAPITAL - R\$ 195,006,861.00

Shareholders	Common		Preferred		Total	
	Number of shares	%	Number of shares	%	Number of shares	%
FANNY FEFFER	53,626,859	27.50%	27	27.00%	53,626,886	27.50%
BETTY FEFFER	43,876,428	22.50%	22	22.00%	43,876,450	22.50%
DANIEL FEFFER	24,375,869	12.50%	12	12.00%	24,375,881	12.50%
DAVID FEFFER	24,375,869	12.50%	12	12.00%	24,375,881	12.50%
JORGE FEFFER	24,375,868	12.50%	12	12.00%	24,375,880	12.50%
RUBEN FEFFER	24,375,868	12.50%	12	12.00%	24,375,880	12.50%
OTHERS	-	-	3	3.00%	3	-
TOTAL	195,006,761	100.00%	100	100.00%	195,006,861	100.00%

COMPOSITION OF SHAREHOLDERS - ZDZ PARTICIPAÇÕES E ADMINISTRAÇÃO S.A. - At June 30, 2007

Shareholders	Common		Preferred		Total	
	Number of shares	%	Number of shares	%	Number of shares	%
CLAÚDIO ZARZUR	4,762,024	25.00%	-	-	4,762,024	25.00%
MARCIO ROBERTO ZARZUR	7,143,035	37.50%	-	-	7,143,035	37.50%
TONY OMAR ZARZUR	7,143,035	37.50%	-	-	7,143,035	37.50%
TOTAL	19,048,094	100.00%	-	-	19,048,094	100.00%

SUZANO PAPEL E CELULOSE S.A.

OTHER COMPANY'S RELEVANT INFORMATION (Continued) (Unaudited)

COMPOSITION OF SHAREHOLDERS - BANCO NACIONAL DO DESENVOLVIMENTO ECONÔMICO E SOCIAL

Participações - BNDESpar - At June 30, 2007

Shareholders	Common		Preferred		Total	
	Number of shares	%	Number of shares	%	Number of shares	%
BNDES	1	100.00%	-	-	1	100.00%
TOTAL	1	100.00%	-	-	1	100.00%

COMPOSITION OF SHAREHOLDERS - BANCO NACIONAL DO DESENVOLVIMENTO ECONÔMICO E SOCIAL - BNDES

- At June 30, 2007

Shareholders	Common		Preferred		Total	
	Number of shares	%	Number of shares	%	Number of shares	%
BRAZILIAN GOVERNMENT	6,273,711,452	100.00%	-	-	6,273,711,452	100.00%
TOTAL	6,273,711,452	100.00%	-	-	6,273,711,452	100.00%

In accordance with Corporative Governance Practices (Level 1), we are presenting the quantity and characteristics of the shares that directly or indirectly pertain to the controlling company, executive board, and members of Fiscal Council and Management Committee, at June 30, 2007 and 2006:

COMPOSITION OF SHAREHOLDERS - SUZANO PAPEL E CELULOSE S.A. - At June 30, 2007

CAPITAL - R\$ 2,054,426,783.47

Shareholders	Common		Preferred class "A"		Preferred class "B"		Total	
	Number of shares	%	Number of shares	%	Number of shares	%	Number of shares	%
CONTROLLING SHAREHOLDERS	102,392,498	94.96%	57,200,600	27.89%	8,838	0.57%	159,601,936	50.75%
TREASURY SHARES	-	-	-	-	1,358,419	88.16%	1,358,419	0.43%
EXECUTIVE BOARD	-	-	5,020	0.00%	-	-	5,020	0.00%
BOARD OF DIRECTORS	-	-	146,185	0.07%	-	-	146,185	0.05%
FISCAL COUNCIL	-	-	11,361	0.01%	-	-	11,361	0.00%
MANAGEMENT COMMITTEE	-	-	35,935	0.02%	-	-	35,935	0.01%
FORMER CONTROLLING COMPANY - RIPASA	5,428,955	5.04%	1,795,986	0.88%	-	-	7,224,941	2.30%
OTHER SHAREHOLDERS	-	-	145,924,900	71.14%	173,622	11.27%	146,098,522	46.46%
TOTAL	107,821,453	100.00%	205,119,987	100.00%	1,540,879	100.00%	314,482,319	100.00%

COMPOSITION OF SHAREHOLDERS - SUZANO PAPEL E CELULOSE S.A. - At June 30, 2006

CAPITAL - R\$ 2,053,619,595.25

Shareholders	Common		Preferred class "A"		Preferred class "B"		Total	
	Number of shares	%	Number of shares	%	Number of shares	%	Number of shares	%
CONTROLLING SHAREHOLDERS*	102,374,458	94.96%	91,380,850	44.56%	8,838	0.57%	193,764,146	61.62%
TREASURY SHARES	-	-	-	-	1,358,419	88.16%	1,358,419	0.43%
EXECUTIVE BOARD	-	-	27,790	0.01%	-	-	27,790	0.01%
BOARD OF DIRECTORS	-	-	156,301	0.08%	-	-	156,301	0.05%
FISCAL COUNCIL	-	-	11,361	0.01%	-	-	11,361	0.00%
MANAGEMENT COMMITTEE	-	-	36,938	0.02%	-	-	36,938	0.01%
FORMER CONTROLLING COMPANY - RIPASA	5,428,955	5.04%	1,795,986	0.88%	-	-	7,224,941	2.30%
OTHER SHAREHOLDERS	-	-	111,674,745	54.45%	173,622	11.27%	111,848,367	35.57%
TOTAL	107,803,413	100.00%	205,083,971	100.00%	1,540,879	100.00%	314,428,263	100.00%

* Including BNDES interest

SUZANO PAPEL E CELULOSE S.A.

OTHER COMPANY'S RELEVANT INFORMATION (Continued) (Unaudited)

In accordance with Corporate Governance Practices (Level 1), we are presenting the outstanding shares and the corresponding percentage compared to the total issued shares at June 30, 2007:

COMPOSITION OF SHAREHOLDERS - SUZANO PAPEL E CELULOSE S.A. - At June 30, 2007

CAPITAL - R\$ 2,054,426,783.47

Shareholders	Common		Preferred class "A"		Preferred class "B"		Total	
	Number of shares	%	Number of shares	%	Number of shares	%	Number of shares	%
SUZANO HOLDING S.A.	94,382,199	87.54%	556,974	0.27%	2,385	0.15%	94,941,558	30.19%
IPLF HOLDING S.A.	8,000,000	7.42%	-	-	-	-	8,000,000	2.54%
BNDES PARTICIPAÇÕES S.A. - BNDESPAR	-	-	13,522,670	6.59%	-	-	13,522,670	4.30%
TREASURY SHARES	-	-	-	-	1,358,419	88.16%	1,358,419	0.43%
OTHER SHAREHOLDERS	10,299	0.01%	56,643,626	27.61%	6,453	0.42%	56,660,378	18.02%
ADMINISTRATION ⁽¹⁾	-	-	187,140	0.09%	-	-	187,140	0.06%
FORMER CONTROLLING COMPANY - RIPASA	5,428,955	5.04%	1,795,986	0.88%	-	-	7,224,941	2.30%
SHARES AT MARKET	-	-	132,413,591	64.55%	173,622	11.27%	132,587,213	42.16%
TOTAL	107,821,453	100.00%	205,119,987	100.00%	1,540,879	100.00%	314,482,319	100.00%

(1) Administration = Board of Directors; Executive Board and Committees.