

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

Suzano Papel e Celulose S.A.

September 30, 2007

SUZANO PAPEL E CELULOSE S.A.

**UNCONSOLIDATED AND CONSOLIDATED QUARTERLY FINANCIAL
INFORMATION**

September 30, 2007

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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
September 30 and June 30, 2007
(In thousands of reais)

	Parent Company		Consolidated	
	September 30, 2007	June 30, 2007	September 30, 2007	June 30, 2007
	(Unaudited)		(Unaudited)	
Assets				
Current assets				
Cash and cash equivalents	1,009,786	957,391	1,336,635	1,300,946
Trade accounts receivable	767,236	806,351	626,193	670,586
Inventories	553,321	487,468	693,291	644,755
Recoverable taxes	173,836	172,356	200,779	191,728
Deferred income and social contribution taxes	44,450	42,419	56,243	58,581
Dividends	-	-	-	-
Other accounts receivable	36,904	3,547	47,571	7,995
Prepaid expenses	5,027	9,225	5,164	9,421
Total current assets	<u>2,590,560</u>	<u>2,478,757</u>	<u>2,965,876</u>	<u>2,884,012</u>
Noncurrent assets				
Long term assets				
Marketable securities	26,374	25,667	26,374	25,667
Due from related parties	15,326	19,804	553	544
Recoverable taxes	149,095	124,757	160,733	138,012
Deferred income and social contribution taxes	347,048	283,446	370,205	307,799
Advances to suppliers	165,722	161,800	165,722	161,800
Judicial deposits	25,342	25,342	25,449	25,449
Other accounts receivable	7,186	12,652	17,907	24,033
Long term assets	<u>736,093</u>	<u>653,468</u>	<u>766,943</u>	<u>683,304</u>
Permanent assets				
Investments	1,583,699	1,727,211	642,651	709,790
Property, plant and equipment	5,832,228	5,573,011	6,718,208	6,507,776
Intangible	46,427	-	46,427	-
Deferred charges	815	727	3,268	3,640
Total permanent assets	<u>7,463,169</u>	<u>7,300,949</u>	<u>7,410,554</u>	<u>7,221,206</u>
Total noncurrent assets	<u>8,199,262</u>	<u>7,954,417</u>	<u>8,177,497</u>	<u>7,904,510</u>
Total assets	<u>10,789,822</u>	<u>10,433,174</u>	<u>11,143,373</u>	<u>10,788,522</u>

	Parent Company		Consolidated	
	September 30, 2007	June 30, 2007	September 30, 2007	June 30, 2007
	(Unaudited)		(Unaudited)	
Liabilities and shareholders' equity				
Current liabilities				
Trade accounts payable	232,181	174,069	266,913	221,312
Loans and financing	518,502	452,904	613,191	525,170
Debentures	33,372	16,796	33,372	16,796
Taxes payable other than on income	23,259	12,756	46,627	29,683
Payroll and taxes payable	55,248	47,372	67,073	59,436
Accounts payable	38,187	28,808	63,505	48,852
Payable to related parties	108,539	122,338	504	504
Dividends and interest on shareholders' equity	446	465	453	473
Income and social contribution taxes	1,380	-	4,513	2,822
Deferred income and social contribution taxes	-	-	7,360	4,994
Total current liabilities	<u>1,011,114</u>	<u>855,508</u>	<u>1,103,511</u>	<u>910,042</u>
Noncurrent liabilities				
Loans and financing	4,001,532	3,965,784	4,221,188	4,226,128
Debentures	713,662	709,244	713,662	709,244
Accounts payable	4,381	4,593	7,861	8,234
Income and social contribution taxes	11,821	-	11,821	-
Deferred income and social contribution taxes	486,478	384,111	505,737	403,151
Provision for contingencies and actuarial liabilities	170,640	201,867	206,674	239,973
Total noncurrent liabilities	<u>5,388,514</u>	<u>5,265,599</u>	<u>5,666,943</u>	<u>5,586,730</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	354,975	276,848	359,395	278,226
Total shareholders' equity	<u>4,390,194</u>	<u>4,312,067</u>	<u>4,372,919</u>	<u>4,291,750</u>
Total liabilities and shareholders' equity	<u>10,789,822</u>	<u>10,433,174</u>	<u>11,143,373</u>	<u>10,788,522</u>

See accompanying notes.

SUZANO PAPEL E CELULOSE S.A.

STATEMENTS OF INCOME

Three and nine-month periods ended September 30, 2007 and 2006
(In thousands of reais)

	Parent Company				Consolidated			
	Three months period ended		Nine months period ended		Three months period ended		Nine months period ended	
	September 30,		September 30,		September 30,		September 30,	
	2007	2006	2007	2006	2007	2006	2007	2006
	(Unaudited)		(Unaudited)		(Unaudited)		(Unaudited)	
Gross sales	879,726	793,782	2,634,263	2,218,625	950,392	996,072	2,827,988	2,674,747
Sales deductions	(128,056)	(107,962)	(361,582)	(296,814)	(134,485)	(140,580)	(381,811)	(375,033)
Net sales	751,670	685,820	2,272,681	1,921,811	815,907	855,492	2,446,177	2,299,714
Cost of goods sold	(490,194)	(386,832)	(1,438,216)	(1,100,043)	(542,905)	(532,127)	(1,603,503)	(1,453,526)
Gross profit	261,476	298,988	834,465	821,768	273,002	323,365	842,674	846,188
Operating income (expense)								
Selling expenses	(69,542)	(64,289)	(216,527)	(188,046)	(48,954)	(50,992)	(143,299)	(136,195)
General and administrative expenses	(31,805)	(47,052)	(117,228)	(141,543)	(45,523)	(62,006)	(156,321)	(174,459)
Financial expenses	85,718	(97,255)	227,772	(64,051)	76,464	(102,131)	195,210	(124,425)
Financial income	(936)	29,318	(17,567)	37,453	7,597	34,237	6,190	86,470
Equity pickup in subsidiaries and affiliates	5,845	25,377	1,425	23,883	(211)	(149)	(294)	(278)
Amortization of goodwill	(21,298)	(20,987)	(63,290)	(33,693)	(21,298)	(20,987)	(63,290)	(50,441)
Other operating income, net	(415)	(3,207)	8,964	1,422	2,075	1,799	16,775	10,940
Operating income	229,043	120,893	658,014	457,193	243,152	123,136	697,645	457,800
Nonoperating income, net	401	(488)	12,209	5,308	(2,134)	(369)	(1,255)	4,746
Income before income and social contribution taxes	229,444	120,405	670,223	462,501	241,018	122,767	696,390	462,546
Income and social contribution taxes	(64,139)	(19,374)	(228,070)	(100,359)	(72,671)	(24,760)	(249,817)	(109,002)
Net income for the period	165,305	101,031	442,153	362,142	168,347	98,007	446,573	353,544
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	0.52792	0.32271	1.41207	1.15674	0.53764	0.31305	1.42619	1.12928

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 June 30, 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. As a result of Ripasa's capital reduction mentioned in Note 9, the jointly-owned subsidiaries Ariemil Indústria de Papéis S.A. and Água Fria Indústria de Papéis S.A. are also being proportionally consolidated.

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.

In August 2007, the subsidiary B.L.D.S.P.E. Celulose e Papel S.A. was merged into its parent company Suzano Papel e Celulose S.A. In September 2007 subsidiary Suzanopar Investimentos Ltd. was liquidated and its assets were incorporated by Suzano Trading Ltd.

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		Nine months period ended		Sep/2007	Jun/2007
	September 30,		September 30,			
	2007	2006	2007	2006		
Parent Company	165,305	101,031	442,153	362,142	4,390,194	4,312,067
Elimination of (unrealized) realized income recorded by the parent company in transactions with subsidiaries	4,609	(4,583)	6,243	(13,028)	(23,512)	(28,121)
Income and social contribution taxes on the elimination above	(1,567)	1,559	(2,123)	4,430	7,994	9,561
Sale of other assets from the parent company to subsidiaries	-	-	-	-	(1,757)	(1,757)
Others	-	-	300	-	-	-
Consolidated	<u>168,347</u>	<u>98,007</u>	<u>446,573</u>	<u>353,544</u>	<u>4,372,919</u>	<u>4,291,750</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>Sep/2007</u>	<u>Jun/2007</u>	<u>Sep/2007</u>	<u>Jun/2007</u>
Cash and banks	4,998	45,058	147,085	186,016
Marketable securities	1,031,162	938,000	1,215,924	1,140,597
	<u>1,036,160</u>	<u>983,058</u>	<u>1,363,009</u>	<u>1,326,613</u>
Less current assets	<u>1,009,786</u>	<u>957,391</u>	<u>1,336,635</u>	<u>1,300,946</u>
Noncurrent assets	<u>26,374</u>	<u>25,667</u>	<u>26,374</u>	<u>25,667</u>

Marketable securities refer substantially to bank deposit certificates and compromised transactions. At September 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 5.15% per annum plus exchange variation of the US dollar rate.

5. Trade Accounts Receivable

	<u>Parent Company</u>		<u>Consolidated</u>	
	<u>Sep/2007</u>	<u>Jun/2007</u>	<u>Sep/2007</u>	<u>Jun/2007</u>
Domestic receivables				
- Subsidiaries	2,522	10,317	-	-
- Third parties	414,722	399,550	438,544	454,247
Foreign receivables				
- Subsidiaries	365,584	408,580	-	-
- Third parties	8,003	8,953	218,648	244,893
Discounted export receivables	(246)	(261)	(246)	(261)
Allowance for doubtful accounts	(23,349)	(20,788)	(30,753)	(28,293)
	<u>767,236</u>	<u>806,351</u>	<u>626,193</u>	<u>670,586</u>

The Parent Company had, at September 30, 2007, outstanding vendor operations with its customers in the amount of R\$ 123,965 (R\$ 116,603 in June 30, 2007), in which the Company acts as an intervening guarantor. At September 30, 2007 this amount is R\$ 130,305 in the consolidated financial statements (R\$ 121,895 in June 30, 2007).

SUZANO PAPEL E CELULOSE S.A.

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

6. Inventories

	Parent Company		Consolidated	
	Sep/2007	Jun/2007	Sep/2007	Jun/2007
Finished goods				
Pulp				
- In Brazil	21,643	6,825	22,005	7,108
- Abroad	-	-	21,842	28,720
Paper				
- In Brazil	196,483	188,078	202,298	202,912
- Abroad	-	-	68,266	62,301
Work in process	37,510	29,650	39,216	35,347
Raw materials	134,897	107,261	148,422	119,943
Maintenance and other materials	171,838	164,554	200,292	197,324
Provision for inventories losses	(9,050)	(8,900)	(9,050)	(8,900)
	<u>553,321</u>	<u>487,468</u>	<u>693,291</u>	<u>644,755</u>

7. Recoverable Taxes

	Parent Company		Consolidated	
	Sep/2007	Jun/2007	Sep/2007	Jun/2007
Recoverable social contribution tax	32	2,315	978	2,355
Recoverable income tax	24,668	49,815	27,809	50,503
Recoverable PIS / COFINS	218,644	172,318	226,976	181,006
Value added tax (ICMS)	78,783	72,545	104,854	94,218
Others	804	120	895	1,658
	<u>322,931</u>	<u>297,113</u>	<u>361,512</u>	<u>329,740</u>
Less current assets	<u>173,836</u>	<u>172,356</u>	<u>200,779</u>	<u>191,728</u>
Noncurrent assets	<u>149,095</u>	<u>124,757</u>	<u>160,733</u>	<u>138,012</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	
	Sep/2007	Jun/2007	Sep/2007	Jun/2007
Assets				
Income tax losses carryforward	217,564	145,209	217,564	145,209
Temporary differences:				
- On provisions	70,295	77,452	105,245	117,967
- On goodwill amortization	103,639	103,204	103,639	103,204
	391,498	325,865	426,448	366,380
Less current assets	44,450	42,419	56,243	58,581
Noncurrent assets	347,048	283,446	370,205	307,799

	Parent Company		Consolidated	
	Sep/2007	Jun/2007	Sep/2007	Jun/2007
Liabilities				
Accelerated depreciation	486,478	384,111	486,478	384,111
Deferred exchange variation	-	-	21,146	18,561
Temporary exclusions	-	-	5,473	5,473
	486,478	384,111	513,097	408,145
Less current liabilities	-	-	7,360	4,994
Noncurrent liabilities	486,478	384,111	505,737	403,151

The income taxes losses carryforward are composed as follows:

	Parent Company		Consolidated	
	Sep/2007	Jun/2007	Sep/2007	Jun/2007
Income tax losses carryforward	870,256	580,836	870,256	580,836

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	
	Sep/2007	Jun/2007	Sep/2007	Jun/2007
2007	44,450	42,419	56,243	58,581
2008	74,762	38,035	77,031	41,267
2009	67,185	27,419	70,465	30,690
2010	74,702	37,631	75,060	37,988
2011 to 2014	130,399	180,361	147,649	197,854
	391,498	325,865	426,448	366,380

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% SUDENE – Mucuri Plant

The Company obtained from SUDENE (former ADENE), 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 SUDENE 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 life of the asset and the depreciation recorded in each of the years for these assets must be added in future years to taxable income.

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 to 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 to R\$ 60,244 at that time. Since in this new context the Company did not present taxable profit, it 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 nine-month period ended September 30, 2007.

The definitive loss of income tax reduction impacted on the 2007 net income, thus requiring the accrual of an additional income tax expense amounting to R\$ 35,083 which affected effective tax rate for the nine-month period ended September 30, 2007 by 5.2 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 nine-month period ended September 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	
	Nine months period ended September 30,		ended September 30,	
	2007	2006	2007	2006
Income before income and social contribution taxes	670,223	462,501	696,390	462,546
Reversal of equity pickup	(1,425)	(23,883)	294	278
Income after reversal of equity pickup	668,798	438,618	696,684	462,824
Income and social contribution taxes calculated at the combined nominal tax rate of 34%	(227,391)	(149,130)	(236,873)	(157,360)
Analysis of the effective income and social contribution tax rates:				
Profits from foreign subsidiaries	(2,292)	(3,082)	-	-
Exchange variation on investments abroad	-	-	(11,020)	(7,044)
Interest on shareholders' equity	35,360	26,860	35,360	26,860
Tax incentives - Rouanet and SUDENE (permanent loss) / tax reduction	(35,083)	25,930	(35,083)	25,930
Others	1,336	(937)	(2,201)	2,612
Income and social contribution taxes	(228,070)	(100,359)	(249,817)	(109,002)
<i>Effective tax rate</i>	34.1%	22.9%	35.9%	23.6%
Income and social contribution taxes expenses excluding provision adjustment as of 2006, related to tax incentive loss - SUDENE	(192,987)		(214,734)	
<i>Adjusted effective tax rate</i>	28.9%		30.8%	

SUZANO PAPEL E CELULOSE S.A.

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

9. Investments

	Parent Company		Consolidated	
	Sep/2007	Jun/2007	Sep/2007	Jun/2007
Investments in subsidiaries and affiliates	942,474	1,018,238	455	674
Goodwill on the acquisition of Ripasa, Ariemil and Água Fria	622,126	689,076	622,126	689,076
Other investments	23,442	23,443	24,413	23,586
Provision for losses	(4,343)	(3,546)	(4,343)	(3,546)
	1,583,699	1,727,211	642,651	709,790

Details of investments

	September 30, 2007						
	Data from subsidiary / affiliate						
	Shareholders' equity	Net income (loss) for the period	Interest	Equity pickup		Investments	
Parent Company			Sep/2007	Sept/2006	Sep/2007	Jun/2007	
Água Fria Indústria de Papéis S.A.	82,149	(239)	50%	(119)	-	41,075	-
Ariemil Indústria de Papéis S.A.	36,615	(43)	50%	(21)	-	18,308	-
Ripasa S.A. Celulose e Papel (a)	1,045,888	26,842	50%	15,975	20,330	523,846	579,963
Ripasa Participações S.A.	-	-	-	-	2,504	-	-
B.L.D.S.P.E. Celulose e Papel S.A. (f)	-	354	-	354	-	-	81,496
Suzanopar Investimentos Ltd. (e)	-	-	-	-	(5,243)	-	114,178
Nemo International (b)	-	1,251	-	183	1,596	-	-
Comercial e Agrícola Paineiras Ltda.	148,324	3,622	100%	3,589	857	148,324	146,073
Stenfar S.A., Ind. Com. Imp. Y Exp.	12,285	1,784	15.7%	(100)	(28)	1,928	1,914
Suzano Trading Ltd. (e)	180,640	5,827	100%	(18,279)	4,013	179,563	65,343
Suzano America, Inc. (d)	9,334	423	100%	(692)	(196)	9,334	9,626
Bahia Sul Holdings GmbH	2	-	100%	(7)	(53)	2	3
Suzano Europe S.A.	2,056	1,351	100%	1,274	284	2,056	1,521
Sun Paper and Board Limited (d)	17,735	1,592	100%	(537)	-	17,735	17,658
Other subsidiaries and affiliates	1,513	(976)	20%	(195)	(181)	303	463
Total investments in subsidiaries and affiliates				1,425	23,883	942,474	1,018,238
Goodwill determined on the acquisition of Ripasa, Ariemil and Água Fria				-	-	622,126	689,076
Other investments, net of valuation allowance				-	-	19,099	19,897
Total investments				1,425	23,883	1,583,699	1,727,211
Consolidated							
Goodwill determined on the acquisition of Ripasa, Ariemil and Água Fria						622,126	689,076
Other investments, net of valuation allowance						20,070	20,040
Other subsidiaries and affiliates				(294)	(278)	455	674
Total investments						642,651	709,790

- (a) At September 30, 2007 the investment in this subsidiary considers the exclusion of unrealized income, net of income tax effects, in the total amount of R\$ 902 (R\$ 5,646 at June 30, 2007);
- (b) The subsidiary Nemo International was liquidated in April 2007;
- (c) At September 30, 2007 the investment in this subsidiary considers the exclusion of unrealized income, net of income tax effects, in the total amount of R\$ 1,076 (R\$ 520 at June 30, 2007);

SUZANO PAPEL E CELULOSE S.A.

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

9. Investments (Continued)

- (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.
- (e) At September 30, 2007 this subsidiary was liquidated and its assets were incorporated by Suzano Trading Ltd.
- (f) At August 31, 2007 this subsidiary was merged by Suzano Papel e Celulose S.A.

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 23 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".

SUZANO PAPEL E CELULOSE S.A.

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

9. Investments (Continued)

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.

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 transaction was submitted to authorities within the established dates. On August 8, 2007 the aforesaid operation was approved by the Brazilian Antitrust Agency (CADE), which authorized: the consortium model for management of the Americana unit (called CONPACEL), the acquisition of Embu unit by the Company and the sale of Limeira and Cubatão plants, already completed.

In connection with Ripasa's legal structure reorganization, this subsidiary was split and a portion of its assets were converted to the following companies: B.L.D.S.P.E Celulose e Papel S.A. (formerly Embu unit), Água Fria Indústria de Papéis S.A. (formerly Cubatão unit) and Ariemil Indústria de Papéis S.A. (formerly Limeira unit).

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 million, equivalent to R\$ 41,127. The referred transaction generated additional goodwill for the Company in the amount of R\$ 625.

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)

On August 31, 2007, B.L.D.S.P.E Celulose e Papel S.A. was merged into the Company, and the remaining goodwill balance amounted to R\$ 46,427 will be amortized over 60 months. Due to such merger, the goodwill was reclassified from investments to intangible assets.

On July 31, 2007 Suzano and VCP signed a Purchase and Sale Agreement to transfer their interest at Cubatão and Limeira units to MD Papéis Ltda. on the settlement date. Such units will be sold by R\$ 122,044, and each of the sellers will receive R\$ 61,022. Pursuant to the agreement, the settlement date will be on November 1, 2007, and the Company received R\$ 9,388 in advance for the transaction, which is recorded in current liabilities under “other accounts payable”. Such amount will be deducted from the total price of the negotiation upon the effective transfer of ownership.

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 September 30, 2007, the restated amount totaled R\$ 297,819 (R\$ 287,920 in June 30, 2007). Based on the BOVESPA (São Paulo Stock Exchange) quotation of preferred shares at September 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\$ 213,136. 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.

10. Property, Plant and Equipment

Parent Company

	Average annual depreciation rate	Sep/2007			Jun/2007
		Cost	Depreciation	Net	Net
Buildings	3.18%	687,954	(310,101)	377,853	369,286
Machinery and equipment	4.67%	3,892,201	(1,822,641)	2,069,560	2,015,877
Other depreciable assets	16.56%	202,627	(146,987)	55,640	54,206
Land and farms	-	449,332	-	449,332	448,006
Timber resources	-	596,191	-	596,191	577,106
Construction in progress	-	2,283,652	-	2,283,652	2,108,530
		<u>8,111,957</u>	<u>(2,279,729)</u>	<u>5,832,228</u>	<u>5,573,011</u>

Consolidated

	Average annual depreciation rate	Sep/2007			Jun/2007
		Cost	Depreciation	Net	Net
Buildings	3.18%	834,698	(370,928)	463,770	465,984
Machinery and equipment	4.67%	4,763,800	(2,478,115)	2,285,685	2,296,265
Other depreciable assets	16.56%	479,717	(175,645)	304,072	295,160
Land and farms	-	564,208	-	564,208	576,776
Timber resources	-	706,100	-	706,100	681,823
Construction in progress	-	2,394,373	-	2,394,373	2,191,768
		<u>9,742,896</u>	<u>(3,024,688)</u>	<u>6,718,208</u>	<u>6,507,776</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 September 30, 2007, disbursements for Mucuri Project reached R\$ 2,291,882, mainly consisting of work in progress (R\$ 2,053,487 at June 30, 2007).

Since the operations begin at industrial scale during the last quarter of 2007, the Company will reclassify work in progress to specific PP&E accounts during the last quarter of the year.

At September 30, 2007 the other assets consisted mainly of turbines of the Project Capim Branco I and II – R\$ 212,924 (R\$ 212,399 at June 30, 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 September 30, 2007 amounts to R\$ 134,616 (R\$ 106,077 in 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

	Index	Average annual interest rate Sep/2007	Parent Company		Consolidated	
			Sep/2007	Jun/2007	Sep/2007	Jun/2007
To acquire property, plant and equipment:						
BNDES - Finem	TJLP (1) (2)	8.53%	1,576,300	1,446,645	1,656,121	1,528,626
BNDES - Finem	Basket of currencies (2)	8.68%	261,766	252,267	261,766	252,267
BNDES - Finame	TJLP (1) (2)	9.93%	21,465	23,465	21,597	23,615
BNDES - Finame	Basket of currencies	9.04%	182	191	182	191
BNDES - Automatic	TJLP (1) (2)	9.13%	5,191	794	52,459	61,150
BNDES - Automatic	Basket of currencies	9.04%	476	0	6,670	0
FNE - BNB	Fixed rate	9.78%	136,032	132,826	136,032	132,826
FINEP	TJLP	6.00%	11,685	12,496	11,685	12,496
Rural credit		8.75%	10,495	12,322	10,495	12,322
For working capital:						
Export financing	US\$	5.90%	1,801,986	1,864,785	1,959,877	2,031,161
Foreign onlending	US\$	8.90%	242	2,843	242	2,843
Imports financing	US\$	5.80%	334,891	326,971	357,903	350,691
Nordic Investment Bank	US\$	7.07%	94,074	97,954	94,074	97,954
Export credit note	TR	11.94%	202,715	180,144	202,715	180,144
Industrial credit note	TJLP	11.94%	5,354	5,272	5,354	5,272
Export and industrial credit note	US\$	6.65%	55,167	57,786	55,167	57,786
Others			2,013	1,927	2,040	1,954
			4,520,034	4,418,688	4,834,379	4,751,298
Less current liabilities (includes interest payable)			518,502	452,904	613,191	525,170
Noncurrent liabilities			4,001,532	3,965,784	4,221,188	4,226,128
Long-term loans and financing mature as follows:						
2008 (since October 1 st)			138,876	261,751	164,852	319,993
2009			861,110	783,209	933,282	857,586
2010			768,761	751,568	816,906	801,651
2011			631,577	616,748	660,385	646,576
2012			475,414	418,981	496,272	440,482
2013 onwards			1,125,794	1,133,527	1,149,491	1,159,840
			4,001,532	3,965,784	4,221,188	4,226,128

- (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 Project. This contract owns clauses specifying maximum levels of indebtedness and leverage, which were totally accomplished at September 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 Project. This contract includes clauses specifying maximum indebtedness and leverage levels, which were accomplished at September 30, 2007.

12. Debentures

Issue	Series	Units	Sep/2007		Current and Noncurrent	Jun/2007	Index	Interest	Due date
			Current	Noncurrent		Current and Noncurrent			
3 rd	1 st	333,000	17,110	361,682	378,792	360,623	IGP-M	10% *	04/01/2014
3 rd	2 nd	167,000	3,689	107,047	110,736	113,279	USD	9.85%	05/07/2019
4 th	1 st	80,000	5,711	81,645	87,356	85,566	TJLP	2.50%	12/01/2012
4 th	2 nd	160,000	6,862	163,288	170,150	166,572	TJLP	2.50%	12/01/2012
			<u>33,372</u>	<u>713,662</u>	<u>747,034</u>	<u>726,040</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.

The Debenture holders' 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 September 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 R\$ 17.30 per share from January 1st, 2007 onwards. 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 September 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)

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 nine-month period ended September 30, 2007

	<u>Assets</u>		<u>Liabilities</u>	<u>September 30, 2007</u>
	<u>Current</u>	<u>Noncurrent</u>	<u>Current</u>	<u>Revenues (expenses)</u>
Consolidated companies				
Suzano Trading Ltd.	346,875	1,173	-	971,391
Suzano America, Inc.	368	-	-	-
Comercial e Agrícola Paineiras Ltda.	-	13,600	(2) 3,070	(1,899)
Ripasa S.A. Celulose e Papel	-	-	104,965	(3) 8,252
Água Fria Indústria de Papéis S.A.	2,522	-	-	2,177
Stenfar S/A Indl. Coml. Imp. Y. Exp.	18,709	-	-	31,805
B.L.D.S.P.E. Celulose e Papel S.A.	-	-	-	16,673
	<u>368,474</u>	<u>14,773</u>	<u>108,035</u>	<u>1,028,399</u>
Nonconsolidated companies				
Suzano Holding S.A.	-	16	-	(6,636)
IPLF Holding S.A.	-	-	504	-
SPP Agaprinti Indl. e Coml. Ltda.	2,860	(1) -	-	13,527
Central Distribuidora de Papéis Ltda.	11,377	(1) -	-	27,697
Nova Mercante de Papéis Ltda.	15,870	(1) -	-	36,422
Suzano Petroquímica S.A.	-	537	-	-
Consolidated	<u>30,107</u>	<u>553</u>	<u>504</u>	<u>71,010</u>
Parent Company	<u>398,581</u>	<u>15,326</u>	<u>108,539</u>	<u>1,099,409</u>

SUZANO PAPEL E CELULOSE S.A.

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

13. Transactions with Related Parties (Continued)

Balances at June 30, 2007 and transactions in the income statement for the nine-month period ended September 30, 2006

	Assets		Liabilities	September 30, 2006
	Current	Noncurrent	Current	Revenues (expenses)
Consolidated companies				
Suzano Trading Ltd	392,867	-	-	823,775
Comercial e Agrícola Paineiras Ltda.	-	11,500	(2) 1,747	(11,244)
Suzanopar Investimentos Ltd.	-	1,260	-	-
Ripasa S.A. Celulose e Papel	-	-	117,149	(3) (38,053)
Stenfar S.A. Indl. Coml. Imp. Y. Exp.	15,713	-	-	24,787
B.L.D.S.P.E. Celulose e Papel S.A.	10,317	6,500	(2) 2,938	-
	418,897	19,260	121,834	799,265
Nonconsolidated companies				
Suzano Holding S.A.	-	8	-	-
IPLF Holding S.A.	-	-	504	-
SPP Agaprint Indl. e Coml. Ltda.	5,431	(1) -	-	10,772
Central Distribuidora de Papéis Ltda.	12,374	(1) -	-	24,183
Nova Mercante de Papéis Ltda.	21,008	(1) -	-	40,920
Suzano Petroquímica S.A.	-	536	-	-
Consolidated	38,813	544	504	75,875
Parent Company	457,710	19,804	122,338	875,140

- (1) With respect to such affiliate, the Company has outstanding “vendor” operations in the amount of R\$ 27,194 (R\$ 32,974 in June 30, 2007);
- (2) Advances for future capital increases.
- (3) 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.

	Sep/2007			Parent Company Jun/2007		
	Judicial deposits	Provision	Net liabilities	Judicial deposits	Provision	Net liabilities
	Taxes	7,372	(114,725)	(107,353)	7,372	(155,371)
Social security	-	(1,839)	(1,839)	-	(1,807)	(1,807)
Labor and civil	7,532	(33,350)	(25,818)	7,001	(23,432)	(16,431)
Actuarial liabilities	-	(35,630)	(35,630)	-	(35,630)	(35,630)
	14,904	(185,544)	(170,640)	14,373	(216,240)	(201,867)

	Sep/2007			Consolidated Jun/2007		
	Judicial deposits	Provision	Net liabilities	Judicial deposits	Provision	Net liabilities
	Taxes	31,705	(166,752)	(135,047)	32,916	(210,590)
Social security	-	(1,839)	(1,839)	-	(1,807)	(1,807)
Labor and civil	8,910	(37,968)	(29,058)	8,288	(28,050)	(19,762)
Actuarial liabilities	-	(40,730)	(40,730)	-	(40,730)	(40,730)
	40,615	(247,289)	(206,674)	41,204	(281,177)	(239,973)

The proportional amount of Ripasa's tax and labor contingencies and actuarial liabilities disclosed in the consolidated financial information ended September 30, 2007 amounted to R\$ 61,678 (R\$ 64,870 at June 30, 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>Sep/2007</u>	<u>Jun/2007</u>	<u>Sep/2007</u>	<u>Jun/2007</u>
At beginning of the period	216,240	219,648	281,177	289,192
New proceedings	14,001	4,636	14,001	4,703
Monetary restatement	2,915	689	3,339	1,185
Write-off of proceedings	(47,612)	(8,733)	(51,228)	(13,903)
At end of the period	<u>185,544</u>	<u>216,240</u>	<u>247,289</u>	<u>281,177</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 decision in intermediate court of appeals recognized that the offsetting could only be made against debits resulting from the current PIS itself.

At last resort, the Federal Supreme Court (STF) legitimated the Company compensations and confirmed the final and unappealable decision in question. Accordingly, the Company reverted the accrued provision for such contingency in the amount of R\$ 43,374. The reversion was recorded in the income statement accounts where the provision was originally accrued. Therefore, R\$ 18,407 related to principal amount was reverted to “General and administrative expenses” and R\$ 24,967 related to interest amount (SELIC rate), under “Financial expenses”.

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)

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.

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 amount offset against other taxes, restated up to September 30, 2007 is R\$99,941, 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 September 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' 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 nine-month period ended September 30, 2007 amounted to R\$ 3,883, and the employees' contributions amounted to R\$ 3,702 (R\$ 4,083 and R\$ 3,489 for the nine-month period ended September 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 September 30, 2007, the due amounts related to this acquisition, classified as current liabilities, amounted to R\$ 2,327 (R\$ 2,321 at June 30, 2007).

In 2005, the Company acquired the farms São Miguel and São Bento from the companies Orban Agrícola and Nova Empreendimentos Imobiliários. At September 30, 2007, payables arising from these acquisitions, classified as current liabilities, amounted to R\$ 1,868 (R\$ 3,045 at June 30, 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			
	Sep/2007		Jun/2007	
	Carrying amount	Fair market value <small>(Not reviewed)</small>	Carrying amount	Fair market value <small>(Not reviewed)</small>
Assets				
Cash and cash equivalents	1,336,635	1,336,635	1,300,946	1,300,946
Noncurrent marketable securities	26,374	26,374	25,667	25,667
Liabilities				
Loans and financing (current and noncurrent)	4,834,379	4,834,027	4,751,298	4,751,956
Debentures (current and noncurrent)	747,034	747,034	726,040	726,040

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 September 30, 2007, they were represented by the following outstanding contracts: i) US dollar-real NDF, in the amount of US\$ 425 million; ii) euro-US dollar NDF, in the amount of EUR 3 million; iii) US Dollar Call Option for US\$ 75.0 million and iv) Call option for US\$ 50.0 million for three-month LIBOR at fixed rate of 5.82%.

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/TJLP to CDI, amounting to R\$ 149.5 million; and iii) operations directly denominated in fixed rate, amounting to US\$ 235.0 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 September 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.

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.

Dividends and interest on shareholders' equity

The Company's articles of incorporation provide for minimum compulsory dividends of 25%, calculated on net income for the year, adjusted as allowed by article 202 of Law N° 6404/76.

Under the provision of Law N° 9,249/95 and article 32 of the Company's articles of incorporation, management calculated the interest on shareholders' equity, limited to the long-term interest rate (TJLP) variation, on a pro rata basis, in the gross amount of R\$ 87,178, which after the effect of withholding income tax of R\$ 10,640, resulted in a net shareholders' value of R\$ 76,538, credited and paid on September 28, 2007. Such interest on shareholders' equity capital was computed on profit and loss for the first half of 2007.

SUZANO PAPEL E CELULOSE S.A.

NOTES TO THE QUARTERLY FINANCIAL INFORMATION (Continued)

(In thousands of reais)

(Unaudited)

18. Shareholders' Equity (Continued)

Pursuant to CVM Resolution N° 207/96, interest on shareholders' equity was allocated to the minimum compulsory dividend account, net of withholding income tax, recorded as financial interest and reverted to a specific account following then back to profit and loss and not affecting net income, except for the tax effects recognized in the income and social contribution taxes accounts.

Dividends and interest on shareholders' equity were calculated as follows:

Parent Company net income at June 30, 2007	276,848
Tax incentive reserve reversal, accrued with 2006 net income, related to income tax reduction - SUDENE	33,398
Legal reserve	(13,842)
	<hr/>
Adjusted net income	296,404
	<hr/>
Minimum compulsory dividend - 25%	74,101
Withholding income tax (IRRF) on interest on shareholders' equity applied to dividends, pursuant to CVM Resolution No 207/96	13,077
	<hr/>
Minimum dividends after withholding income tax	87,178
	<hr/> <hr/>

SUZANO PAPEL E CELULOSE S.A.

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

19. Nonoperating Result

	<u>Parent Company</u>		<u>Consolidated</u>	
	Nine months period ended September 30,			
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Gain on other investments	500	1,432	498	1,432
Gain on sale of property, plant and equipment (1)	11,709	3,632	6,392	3,071
Provision for property write-off	-	-	(8,145)	-
Gain on sale of investments	-	244	-	243
Nonoperating result	<u>12,209</u>	<u>5,308</u>	<u>(1,255)</u>	<u>4,746</u>

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

20. Net Financial Result – income

	<u>Parent Company</u>		<u>Consolidated</u>	
	Nine months period ended September 30,			
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Interest expenses	(192,319)	(142,369)	(207,924)	(198,171)
Monetary and exchange rate variation	392,346	142,034	388,196	105,796
Gain (Loss) on swap transactions	46,967	(1,843)	46,967	(1,842)
Other financial expenses	(19,222)	(61,873)	(32,029)	(30,208)
Total financial expenses	<u>227,772</u>	<u>(64,051)</u>	<u>195,210</u>	<u>(124,425)</u>
Interest income	88,360	68,005	107,537	91,583
Monetary and exchange rate variation	(105,927)	(30,552)	(101,347)	(5,113)
Total financial income	<u>(17,567)</u>	<u>37,453</u>	<u>6,190</u>	<u>86,470</u>
Financial results, net	<u>210,205</u>	<u>(26,598)</u>	<u>201,400</u>	<u>(37,955)</u>

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	
	Nine months period ended September 30,			
	2007	2006	2007	2006
Operating income	658,014	457,193	697,645	457,800
Financial expenses	(227,772)	64,051	(195,210)	124,425
Financial income	17,567	(37,453)	(6,190)	(86,470)
Equity pickup	(1,425)	(23,883)	294	278
Goodwill amortization	63,290	33,693	63,290	50,441
Depreciation, depletion and amortization	177,718	167,344	260,713	232,001
Earnings before equity pickup, income and social contribution taxes, interest, depreciation, depletion and amortization (Adjusted EBITDA)	687,392	660,945	820,542	778,475

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 September 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\$ 8,397 and R\$ 3,646 respectively (R\$ 5,160 and R\$ 8,522 at June 30, 2007 respectively).

Mucuri Project

In August 2007, the second pulp production line of Mucuri unit start-up its operations. The project was completed 35 days before the original schedule and aims to expand the pulp production capacity by 1.0 million tons per year. The production of August and September 2007 was performed on the learning curve phase.

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	
	Nine months period ended September 30,			
	2007	2006	2007	2006
Cash flows from operating activities				
Net income for the period	442,153	362,142	446,573	353,544
Adjustments to reconcile net income to cash provided by operating activities:				
Depreciation, depletion and amortization	177,718	167,344	260,713	232,001
Income on sale of property, plant and equipment	(11,712)	(5,308)	(6,636)	(3,838)
Equity pickup in subsidiaries and affiliates	(1,425)	(23,883)	294	278
Amortization of goodwill	63,290	33,693	63,290	50,441
Deferred income and social contribution taxes	253,367	(566)	264,004	(668)
Interest, foreign exchange and monetary variation, net	(86,679)	64,404	(75,715)	116,146
Provision for contingencies	(33,063)	16,978	(44,880)	56,739
Other provisions	(497)	-	6,410	-
Changes in assets and liabilities, related to operations current and noncurrent:				
Decrease (increase) in accounts receivable	67,779	131,441	128,827	(87,574)
Increase in other current and noncurrent assets	(292,403)	(115,243)	(303,837)	(159,663)
Increase in other current and noncurrent liabilities	125,983	36,806	63,962	83,023
Net cash provided by operating activities	704,511	667,808	803,005	640,429
Cash flows used in investing activities				
Noncurrent marketable securities	(2,147)	(23,500)	(2,147)	(23,500)
Increase in investments	(54,758)	(627,702)	(40,764)	(337,308)
Increase in property, plant, equipment and deferred charges	(930,055)	(1,125,110)	(1,030,055)	(1,613,553)
Cash and equivalents due to the merger of B.L.D.S.P.E. Celulose e Papel S.A.	1,300	-	1,300	-
Decrease in permanent assets due to transfer to current and long term assets	-	-	2,685	8,557
Revenue generated by sale of permanent assets	19,584	31,318	20,372	32,631
Net cash used in investing activities	(966,076)	(1,744,994)	(1,048,609)	(1,933,173)
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	(137,732)	(175,628)	(137,732)	(179,305)
Proceeds from financing and loans	857,263	1,817,021	857,263	2,037,862
Payment of financing and loans	(544,706)	(797,942)	(612,110)	(874,405)
Net cash provided by financing activities	174,864	1,417,081	107,460	1,557,782
Effects on exchange rate variation on cash and cash equivalents	-	-	(25,333)	(35,040)
(Decrease) increase in cash and cash equivalents	(86,701)	339,895	(163,477)	229,998
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	1,009,786	881,201	1,336,635	1,311,876
(Decrease) increase in cash and cash equivalents	(86,701)	339,895	(163,477)	229,998

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	
	Nine months period ended September 30,			
	2007	2006	2007	2006
Working capital provided by:				
Operations				
Net income for the period	442,153	362,142	446,573	353,544
Items not affecting working capital:				
Depreciation, depletion and amortization	177,718	167,344	260,713	232,001
Net book value of permanent assets disposed of	7,872	26,010	13,734	28,793
Equity pickup in subsidiaries and affiliates	(1,425)	(23,883)	294	278
Amortization of goodwill	63,290	33,693	63,290	50,441
Deferred income and social contribution taxes	256,632	(13,396)	261,878	(10,128)
Exchange and monetary variations and long-term interest, net	(335,621)	(90,340)	(364,409)	(95,385)
Provision for contingencies	(33,063)	16,978	(43,545)	56,738
Other provisions	(497)	-	6,407	-
	<u>577,059</u>	<u>478,548</u>	<u>644,935</u>	<u>616,282</u>
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	-
	<u>39</u>	<u>573,630</u>	<u>39</u>	<u>573,630</u>
Third parties:				
Long-term financings and loans	842,616	1,677,717	842,616	1,852,286
Transfer from current to noncurrent liabilities	10,981	-	12,476	8,955
Transfer from noncurrent to current assets	64,594	-	68,029	6,705
	<u>918,191</u>	<u>1,677,717</u>	<u>923,121</u>	<u>1,867,946</u>
Total working capital provided	<u>1,495,289</u>	<u>2,729,895</u>	<u>1,568,095</u>	<u>3,057,858</u>
Working capital used for:				
Permanent assets				
Increase in investments	54,758	627,702	40,764	337,308
Increase in property, plant, equipment and deferred charges	930,055	1,125,110	1,030,055	1,613,553
Long term assets	162,335	83,665	151,084	82,409
Noncurrent liabilities	-	-	2,521	-
Transfer from noncurrent to current liabilities, net	316,965	304,768	395,022	332,624
Dividends and interest on shareholders' equity	87,178	56,807	87,178	56,807
	<u>1,551,291</u>	<u>2,198,052</u>	<u>1,706,624</u>	<u>2,422,701</u>
Total working capital used	<u>1,551,291</u>	<u>2,198,052</u>	<u>1,706,624</u>	<u>2,422,701</u>
Working capital effect due to the merger of B.L.D.S.P.E. Celulose e Papel S.A.	(26,529)	-	(16,649)	-
(Decrease) increase in working capital	<u>(29,473)</u>	<u>531,843</u>	<u>(121,880)</u>	<u>635,157</u>
Current assets:				
At the end of the period	2,590,560	2,271,707	2,965,876	2,786,451
At the beginning of the period	2,492,320	2,020,898	2,980,799	2,417,366
	<u>98,240</u>	<u>250,809</u>	<u>(14,923)</u>	<u>369,085</u>
Current liabilities:				
At the end of the period	1,011,114	1,063,489	1,103,511	1,171,857
At the beginning of the period	883,401	1,344,523	996,554	1,437,929
	<u>(127,713)</u>	<u>281,034</u>	<u>(106,957)</u>	<u>266,072</u>
(Decrease) increase in working capital	<u>(29,473)</u>	<u>531,843</u>	<u>(121,880)</u>	<u>635,157</u>

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, Ariemil and Água Fria at September 30, 2007

Assets	Ripasa, Ariemil and Água Fria Full (1) and (7)	Ripasa, Ariemil and Água Fria Proportional (2)	Suzano Papel e Celulose excluding Ripasa, Ariemil and Água Fria (3)	Combined (4)	Adjustments (5)	Consolidated (6)
Current assets						
Cash and cash equivalents	99,267	49,634	1,287,001	1,336,635	-	1,336,635
Trade accounts receivable	261,694	130,847	611,271	742,118	(115,925)	626,193
Inventories	99,588	49,795	643,496	693,291	-	693,291
Recoverable taxes	23,833	11,917	188,862	200,779	-	200,779
Deferred income and social contribution taxes	4,810	2,406	53,837	56,243	-	56,243
Other accounts receivable	17,927	8,964	38,750	47,714	(143)	47,571
Prepaid expenses	-	-	5,164	5,164	-	5,164
Total current assets	507,119	253,563	2,828,381	3,081,944	(116,068)	2,965,876
Noncurrent assets						
Long term assets						
Marketable securities	-	-	26,374	26,374	-	26,374
Due from related parties	-	-	553	553	-	553
Dererred income and social contribution taxes	46,314	23,157	347,048	370,205	-	370,205
Judicial deposits	51,133	25,567	25,449	51,016	(25,567)	25,449
Recoverable taxes	23,252	11,627	149,106	160,733	-	160,733
Advances to suppliers	-	-	165,722	165,722	-	165,722
Other accounts receivable	19,031	9,516	8,391	17,907	-	17,907
Total long term assets	139,730	69,867	722,643	792,510	(25,567)	766,943
Permanent assets						
Investments	319	160	1,224,817	1,224,977	(582,326)	642,651
Property, plant and equipment	1,316,334	658,168	6,060,040	6,718,208	-	6,718,208
Intangible	-	-	46,427	46,427	-	46,427
Deferred charges	4,236	2,118	1,150	3,268	-	3,268
Total permanent assets	1,320,889	660,446	7,332,434	7,992,880	(582,326)	7,410,554
Total noncurrent assets	1,460,619	730,313	8,055,077	8,785,390	(607,893)	8,177,497
Total assets	1,967,738	983,876	10,883,458	11,867,334	(723,961)	11,143,373

- (1) Full consolidated balance sheet of Ripasa, Ariemil (former Ripasa's Limeira unit) and Água Fria (former Ripasa's Cubatão unit) 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, Ariemil and Água Fria proportional consolidation;
- (4) Combined balance sheet (proportional Ripasa, Ariemil and Água Fria plus Suzano before elimination of the investment in Ripasa, Ariemil and Água Fria);
- (5) Consolidation adjustments (elimination of investment and balances with Ripasa, Ariemil and Água Fria);
- (6) Consolidated balance sheet of Suzano in accordance with CVM Instruction No. 247/96.
- (7) From the total assets of R\$ 1,967,738, Ripasa represents R\$ 1,826,955.

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, Ariemil and Água Fria at September 30, 2007 (Continued)

Liabilities and shareholders' equity	Ripasa, Ariemil and Água Fria Full (1) and (7)	Ripasa, Ariemil and Água Fria Proportional (2)	Suzano Papel e Celulose excluding Ripasa, Ariemil and Água Fria (3)	Combined (4)	Adjustments (5)	Consolidated (6)
Current liabilities						
Trade accounts payable	61,843	30,922	240,247	271,169	(4,256)	266,913
Loans and financing	170,446	85,223	527,968	613,191	-	613,191
Debentures	-	-	33,372	33,372	-	33,372
Taxes payable other than on income	16,612	8,307	38,320	46,627	-	46,627
Payroll and taxes payable	21,327	10,668	56,405	67,073	-	67,073
Accounts payable	31,452	15,727	47,778	63,505	-	63,505
Payable to related parties	18,108	9,054	103,119	112,173	(111,669)	504
Dividends and interest on shareholders' equity payable	13	7	446	453	-	453
Income and social contribution taxes	1,180	591	3,922	4,513	-	4,513
Deferred income and social contribution taxes	14,720	7,360	-	7,360	-	7,360
Total current liabilities	335,701	167,859	1,051,577	1,219,436	(115,925)	1,103,511
Noncurrent liabilities						
Loans and financing	298,547	149,274	4,071,914	4,221,188	-	4,221,188
Debentures	-	-	713,662	713,662	-	713,662
Accounts payable	6,964	3,480	4,381	7,861	-	7,861
Income and social contribution taxes	-	-	11,821	11,821	-	11,821
Deferred income and social contribution taxes	38,518	19,259	486,478	505,737	-	505,737
Provision for contingencies and actuarial liabilities	123,356	61,678	170,706	232,384	(25,710)	206,674
Total noncurrent liabilities	467,385	233,691	5,458,962	5,692,653	(25,710)	5,666,943
Shareholders' equity						
Capital	725,859	362,930	2,054,427	2,417,357	(362,930)	2,054,427
Capital reserves	-	-	412,229	412,229	-	412,229
Treasury shares	-	-	(15,080)	(15,080)	-	(15,080)
Revaluation reserves	70	35	-	35	(35)	-
Income reserves	438,723	219,361	1,921,343	2,140,704	(219,361)	1,921,343
Total shareholders' equity	1,164,652	582,326	4,372,919	4,955,245	(582,326)	4,372,919
Total liabilities and shareholders' equity	1,967,738	983,876	10,883,458	11,867,334	(723,961)	11,143,373

(1) Full consolidated balance sheet of Ripasa, Ariemil (former Ripasa's Limeira unit) and Água Fria (former Ripasa's Cubatão unit) 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, Ariemil and Água Fria proportional consolidation;

(4) Combined balance sheet (proportional Ripasa, Ariemil and Água Fria plus Suzano before elimination of the investment in Ripasa, Ariemil and Água Fria);

(5) Consolidation adjustments (elimination of investment and balances with Ripasa, Ariemil and Água Fria);

(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, Ariemil and Água fria for the nine-month periods ended September 30, 2007

	Ripasa, Ariemil and Água Fria Full (1) and (7)	Ripasa, Ariemil and Água Fria Proportional (2)	Suzano Papel e Celulose excluding Ripasa, Ariemil and Água Fria (3)	Combined (4)	Adjustments (5)	Consolidated (6)
Gross sales	1,080,572	540,291	2,709,676	3,249,967	(421,979)	2,827,988
Sales deductions	(250,511)	(125,259)	(368,929)	(494,188)	112,377	(381,811)
Net sales	830,061	415,032	2,340,747	2,755,779	(309,602)	2,446,177
Cost of goods sold	(708,829)	(354,417)	(1,570,275)	(1,924,692)	321,189	(1,603,503)
Gross profit	121,232	60,615	770,472	831,087	11,587	842,674
Operating income (expense)						
Selling expenses	(25,398)	(12,700)	(130,599)	(143,299)	-	(143,299)
General and administrative expenses	(53,788)	(26,896)	(129,425)	(156,321)	-	(156,321)
Financial expenses	(70,483)	(35,247)	230,457	195,210	-	195,210
Financial income	94,640	47,326	(41,136)	6,190	-	6,190
Equity pickup in subsidiaries and affiliates	(195)	(98)	15,636	15,538	(15,832)	(294)
Amortization of goodwill	-	-	(63,290)	(63,290)	-	(63,290)
Other operating income net	18,993	9,499	14,993	24,492	(7,717)	16,775
Operating income	85,001	42,499	667,108	709,607	(11,962)	697,645
Nonoperating income net	(28,351)	(14,176)	12,921	(1,255)	-	(1,255)
Income before income and social contribution taxes	56,650	28,323	680,029	708,352	(11,962)	696,390
Income and social contribution taxes	(30,090)	(15,045)	(233,456)	(248,501)	(1,316)	(249,817)
Net income for the period	26,560	13,278	446,573	459,851	(13,278)	446,573

- (1) Full consolidated statements of income of Ripasa, Ariemil (former Ripasa's Limeira unit) and Água Fria (former Ripasa's Cubatão unit) for the nine-month period ended September 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, Ariemil and Água Fria proportional consolidation (includes purchases and resales of the Americana plant products);
- (4) Combined income statement (proportional Ripasa, Ariemil and Água Fria plus Suzano before elimination of equity pickup and transactions with Ripasa, Ariemil and Água Fria);
- (5) Consolidation adjustments (elimination of equity pick up and transactions with Ripasa, Ariemil and Água Fria);
- (6) Consolidated statement of income of Suzano for the nine-month period ended September 30, 2007, in compliance with CVM Instruction No 247/96.
- (7) From the net income, for the nine-month period ended September 30, 2007 amounted to R\$ 26,560, Ripasa represents R\$ 26,842.

SUZANO PAPEL E CELULOSE S.A.

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

Summary of third quarter 2007 (3Q07)

Favorable demand propelling further price increases

The upward movement in pulp prices continued in 3Q07, with an increase in August to US\$720/ton in Europe, US\$755/ton in North America, and US\$670/ton in Asia – which were implemented by Suzano without difficulty – and an additional increase in October, with the price for Europe reaching US\$750/ton.

PPPC (Pulp and Paper products Council) reported market and eucalyptus pulp shipments up 3% and 16% year-on-year, respectively, in the first nine months of 2007 and 2006. Supply availability was insufficient to meet all consumers' demand, mainly due to restrictions on wood supply in North America, Europe and Asia.

Leading world producers carried out maintenance stoppages in the third quarter, which was also positive for the market. The market outlook for the fourth quarter continues to be positive for the absorption of new supply capacity that started to operate in the second half of 2007.

In the paper market, printing and writing paper prices in Europe and North America (the most important international markets) remained stable in the quarter. According to RISI there was a slight retraction of demand in these markets.

Our export prices of papers, however, increased, on average, by US\$ 40/t, reaching US\$971/t in Europe (uncoated - reels, CIF), representing a spread over the pulp price of US\$251/t, US\$35/t higher than the historic average for the last 10 years.

In Brazil, the markets for printing and writing paper and paperboard were strong in the quarter, and according to Bracelpa, total volumes were 13.8% and 12.5% higher, respectively, when compared to 2Q07. Sales volumes in all our product lines increased, although in a lower proportion. This reflects the reduction of our market share in less attractive segments of the market.

Our total volume of paper sold was 2.1% higher than the previous quarter (2Q07), and our average price in Reais was 1.3% higher on the same comparison, resulting in net sales revenue 3.4% higher.

With the Mucuri project startup in August, its learning curve has began and is expected to reach full capacity in the second quarter of 2008.

Ebitda margin of 32.7%

Our 3Q07 net sales of R\$ 815.9million is in line with previous quarters. The cash flow, measured by Ebitda, was R\$ 266.6million, with Ebitda margin of 32.7% (on revenue) that represents 1.3 percentage points lower than 2Q07, mainly reflecting increased costs related to the maintenance stoppage.

In the first nine months of 2007 our total sales was R\$ 2.45billion, and Ebitda was R\$ 820.5million, respectively 6.4% and 5.4% higher when compared to the same period of 2006, showing the Company's growth even with an adverse exchange rate context.

SUZANO PAPEL E CELULOSE S.A.

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

Business environment

Further Real appreciation

The Real exchange rate continues to appreciate in 3Q07. The closing rate for the quarter was R\$ 1.84/US\$, and the average was set at R\$ 1.92/US\$, representing 3.3% lower than 2Q07 and 11.7% lower than 3Q06.

Fx rate, R\$ / US\$	2Q07	3Q07	3Q06
Start of period	2,05	1,93	2,16
End of period	1,93	1,84	2,17
Average	1,98	1,92	2,17
Variation	-6,1%	-4,5%	0,5%
Average Fx variation	-5,9%	-3,3%	-0,6%

*(Variations calculated using exchange rates to 4 decimal places.)
Source: Brazilian Central Bank.*

Heated demand and scarce supply again increased pulp prices

The demand for pulp was heated during the quarter. Shipments of pulp market were in the first nine months of 2007 higher 2.7% (815,000 tons) when compared to the same period of 2006. The year-on-year comparison in shipments of eucalyptus pulp showed an increase of 15.8% (1.1 million tons), reflecting the growing demand from paper producers for competitive fiber with the characteristics of eucalyptus.

On August, prices were increased by US\$20/ton for all regions. A further increase is being expected in October, to US\$750/t in Europe, US\$775/t in North America and US\$690/t in Asia.

(US\$/ton)

Market pulp list prices	3Q06	4Q06	1Q07	2Q07	3Q07	out/07
North America	675	695	715	735	755	775
Europe	640	660	680	700	720	750
Asia	610	630	650	650	670	690

* For last day of period.

Global supply of pulp was affected by restriction from strikes and limited wood supply in North America, Europe and Indonesia.

In the 3Q07, a considerable number of large producers carried out maintenance stoppages and inventories reached an average of 29 days of supply, but were still below the average for the last 10 years, of 34 days.

The long fiber market continued to be affected by exchange rates, costs increases and the possibility of capacity closures. The price of NBSK reached US\$830/t in September, keeping the spread between long and short fiber pulp around US\$110 / ton.

SUZANO PAPEL E CELULOSE S.A.

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

With Real appreciation, Brazilian pulp production average cost increased, but Brazil continues to be among the world's lowest-cost producers. In a favorable market scenario, production at our Mucuri Line 2 began and will produce 1 million tons/year at full capacity.

The Mucuri Project

Startup

Our second line at Mucuri, with initial production capacity of 1 million tons/year, is the largest single pulp production line in the world, bringing together the state of the art in both industrial and environmental technology. The new line will increase Suzano's total production capacity – across all its units – to 2.8million tons/year of paper and pulp. Our capital expenditure on investment in the project in 3Q07 was R\$ 247.6million, resulting in a total accumulated investment of R\$ 2.3 billion at September 30, 2007.

The plant was built in time record – less than 22 months. The project rigidly obeyed its financing timetable and was delivered ahead of the physical construction timetable. The dedication, performance and competence of Suzano's own teams, suppliers, financiers and other participants in the project helped to achieve this outstanding result.

The learning production curve began in September. After the initial instability, in the second half of the month production began rising and product with sale quality was achieved. The new mill produced 10,909 tons of consumption-ready market pulp in the quarter, of which 1,000 tons were shipped to Antwerp and 559 tons sold in the internal market.

Until October 23, 2007, the second line has produced 20,411 tons, of which 11,500 tons were shipped to external market and 3,291 tons sold in internal market.

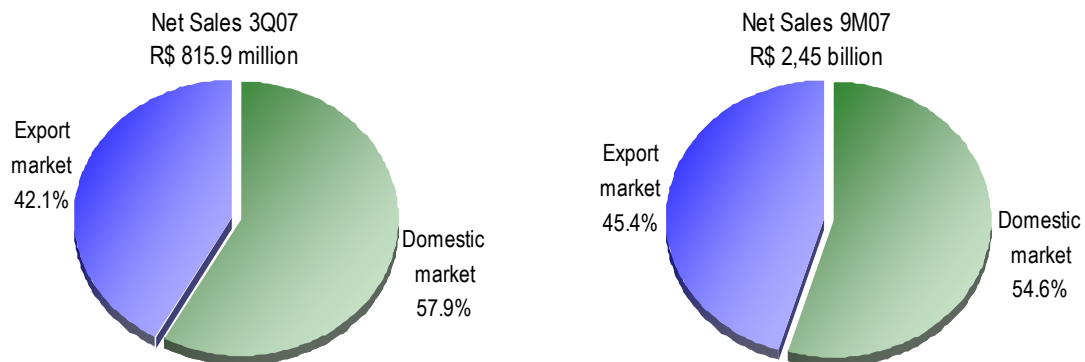
(thousand of tons)

	Volume	Exported	Sold
3Q07	10,909	1,000	559
October, 2007 (1st to 23rd)	20,411	11,500	3,291
Until October 23rd, 2007 (total)	31,320	12,500	3,850

SUZANO PAPEL E CELULOSE S.A.

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

Net sales



Our net sales in 3Q07 was R\$ 815.9million, 0.6% lower than the previous quarter (2Q07), and 4.6% lower than 3Q06, reflecting lower sales volume and the effect of dollar depreciation. The negative factors were offset by a higher proportion of our total paper volume sold in the domestic market and the increase in pulp prices.

Net sales in the domestic market represented 57.9% of total sales in 3Q07, amounting to R\$ 472.6 million, 5.3% higher than 2Q07 and 4.3% lower than 3Q06.

The export market provided 42.1% of net revenue, or R\$ 343.3 million. Such amount was 7.7% lower than 2Q07 and 5.0% lower than 3Q06.

Our total net sales in the first nine months of 2007 were R\$ 2.45billion, 6.4% higher than the same period of 2006.

SUZANO PAPEL E CELULOSE S.A.

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

Sales of paper and pulp

Net Sales

	2Q07		3Q07		3Q06	
	R\$ '000	'000 tons	R\$ '000	'000 tons	R\$ '000	'000 tons
Pulp	41.242	37,8	35.736	33,1	40.256	36,1
Coated P&W Paper	66.425	25,8	64.651	25,9	77.485	27,9
Paperboard	110.290	45,2	125.755	51,6	107.176	43,7
Uncoated P&W Paper	228.462	97,0	246.466	102,8	261.319	112,2
Domestic market	446.419	205,8	472.608	213,4	486.236	219,9
Pulp	162.689	138,0	144.547	123,0	155.882	122,4
Coated P&W Paper	12.050	6,1	12.579	6,2	15.360	7,4
Paperboard	28.748	18,2	30.668	19,1	35.190	20,7
Uncoated P&W Paper	168.549	89,7	155.486	82,1	155.006	79,9
Export market	372.036	252,0	343.280	230,4	361.438	230,4
Pulp	203.931	175,8	180.283	156,1	196.138	158,5
Coated P&W Paper	78.475	31,9	77.230	32,1	92.845	35,5
Paperboard	139.038	63,4	156.423	70,7	142.366	64,4
Uncoated P&W Paper	397.011	186,7	401.952	184,9	416.325	192,1
Total	818.455	457,8	815.888	443,8	847.674	450,3

Note: Revenues from other products (IT, office materials) in 2Q07, 3Q07, and 3Q06, totaling R\$ 2.5million, R\$ 20,000 and R\$ 7.8million (respectively), are excluded in the table above.

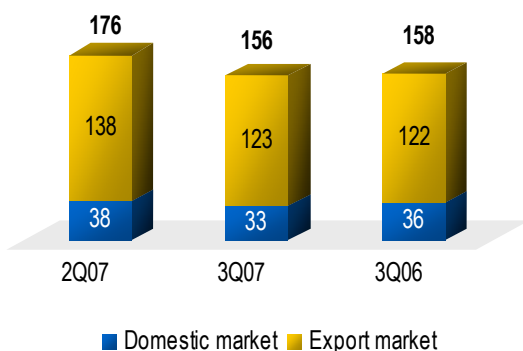
SUZANO PAPEL E CELULOSE S.A.

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

Pulp Business Unit

Better prices in US dollars

Pulp Sales volume (thousand tons)

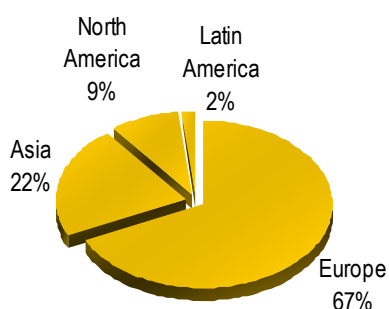


A total of 156,100 tons of pulp were trade in 3Q07, 11.2% lower than 2Q07, and 1.5% lower than 3Q06. The lower volume figure was due to maintenance stoppages at both Mucuri and Americana plants, which prevented us from increasing inventory levels, which were low following higher volume sold in the second quarter.

Exports provided 78.8% of our total revenue from pulp in 3Q07.

Our net unit price for pulp exports in 3Q07 was US\$613/t, compared to US\$594/t in 2Q07, and US\$587/t in 3Q06.

Pulp exports 3Q07
(sales volume)



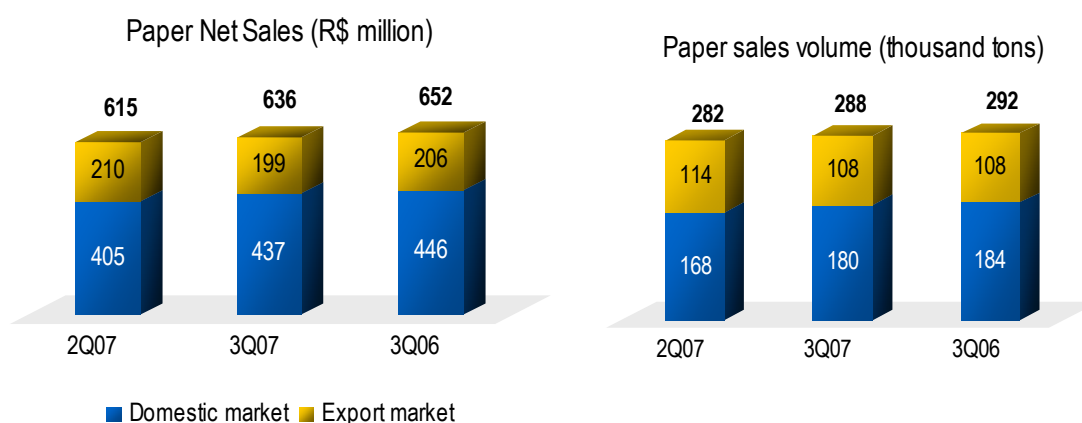
Our total net sales of pulp in the quarter was R\$ 180.3million, 11.6% lower than 2Q07 and 8.1% lower than 3Q06. This fact reflects both lower sales volume and lower average prices in Reais as a result of the variation in the exchange rate. Our net revenue from pulp was 22.1% of our total net sales in 3Q07.

SUZANO PAPEL E CELULOSE S.A.

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

Paper Business Unit

Paper: Revenue 3.4% higher in third quarter



Our paper net revenue in 3Q07 achieved R\$ 635.6million, 3.4% higher than 2Q07. This positive result reflects the growth in volume sold, higher proportion of domestic market sales and the prices increases in the period. Compared to 3Q06, our paper net sales in 3Q07 were 2.4% lower, mainly as a result of the variations in the exchange rate.

Our paper sales volume in 3Q07 reached 288,000 tons, 2.1% higher than 2Q07, and 1.4% lower than the same quarter of the previous year.

Our paper average price in the 3Q07 was R\$ 2,208/ton, 1.3% higher than 2Q07, and 1.0% lower than 3Q06. The lower figure is primarily due to the Real appreciation in the period which directly impacts prices to external market.

Domestic market sales volume reached 62.6% of our total sales volume in 3Q07. The proportion is higher than 2Q07 (59.6%) and similar to the percentage in the third quarter of 2006 (63.0%).

SUZANO PAPEL E CELULOSE S.A.

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

Domestic market

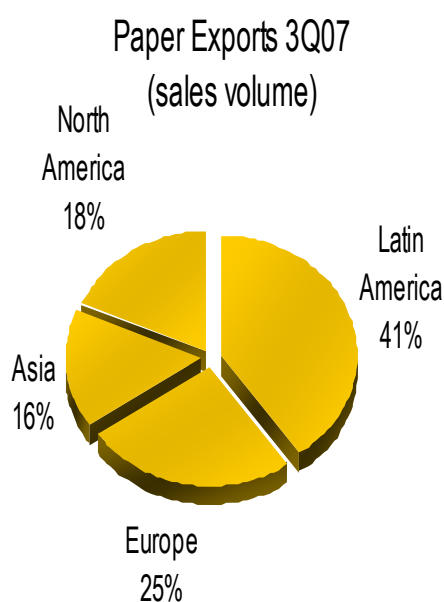
Our net sales from papers in the domestic market increased to 7.8% compared to 2Q07, due to higher sales volume – 180,000 tons vs. 168,000 in the second quarter – and an increase of 0.5% on average prices. The 3Q07 revenue decreased 2.0% in comparison to 3Q06. It reflects volumes 1.9% lower, due to greater competition from imported papers and our lower participation in less attractive market segments.

In comparison to 2Q07, our uncoated papers sales volume was 6.0% higher and average price 1.8% higher.

Our coated paper sales in the domestic market were 0.3% higher than second quarter, but with average prices 2.9% lower, affected by the competition from imported products.

In paperboard, however – influenced by a heated activity in the packaging segment - our sales volume was significantly higher than both the previous quarter and 3Q06 (14%, and 18%, respectively). Prices were stable.

Export market



Our export sales volume in 3Q07 achieved 107,500 tons, 5.7% lower than 2Q07 and 0.5% lower than 3Q06, reflecting lower production volume.

Paper sales to Europe and North America were higher than in 2Q07 and the largest export destination continued to be Latin America. These changes reflect our efforts to concentrate our sales in strategic markets.

The change in the mix of market regions, combined with prices increase at the main markets over the quarter, has resulted in a growth in average pulp export prices of around US\$40/t when compared to previous quarter. In Reais, however, the increase was 0.7%, due to appreciation of exchange rate. In comparison with 3Q06, the appreciation of the Real against US Dollar resulted in average prices 2.8% lower, in Reais.

SUZANO PAPEL E CELULOSE S.A.

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

Production and costs

Consolidated production (in thousand tons)

	2Q07	3Q07	3Q06	9M07	9M06
Production	446,2	440,1	444,6	1.344,4	1.279,7
Market pulp	167,4	169,3	160,6	510,4	490,2
Coated P&W paper	37,5	28,7	35,7	115,9	95,4
Paperboard	62,9	63,2	61,3	185,8	172,1
Uncoated P&W paper	178,4	178,9	187,0	532,3	522,0

Note: Excludes production from Limeira and Cubatão

Our total output volume in 3Q07 reached 440,100 tons, breakdown by 169,300 tons of market pulp and 270,800 tons of paper. The total production was 1.3% lower than 2Q07 and reflected both the maintenance stoppage at the Mucuri and Americana Units and the attention to startup of the new No. 2 line at Mucuri.

The second line at Mucuri, which started to operate at August 26, 2007, produced 10,909 tons in the quarter. Without the Line 2 the output of pulp would have been 158,400 tons.

Average unit cost of products sold in 3Q07 was R\$ 1,223/t, compared to R\$ 1,166/t in the previous quarter, an increase of 4.9%. The higher costs reflected the additional expenses related to maintenance stoppages. Note that all the maintenance costs were accrued in the quarter.

Our unit pulp cash production cost in 3Q07, excluding the cost of standing timber reached R\$ 535 / ton – 20.0% higher than 2Q07 and 19.6% higher than 3Q06.

In this period, the maintenance stoppage represented R\$ 69/t in the cash cost. There was also an increase of R\$ 24/t due to the higher percentage of wood bought from outsourced producers. Without these additional costs and with the same wood mix applied at 2Q07, the cash cost per ton would be R\$ 442/t.

SUZANO PAPEL E CELULOSE S.A.

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

Ebitda

	(R\$ '000)				
	2Q07	3Q07	3Q06	9M07	9M06
EBIT	190,509	180,600	212,166	559,829	546,474
Depreciation / Depletion / Amortization	88,798	86,005	86,940	260,713	232,001
EBITDA	279,307	266,605	299,106	820,542	778,475
Gross Profit / Net Sales	35.0%	33.5%	37.8%	34.4%	36.8%
EBITDA / Net Sales	34.0%	32.7%	35.0%	33.5%	33.9%
Net Debt / EBITDA (LTM)	3.73	3.90	3.48	3.90	3.48

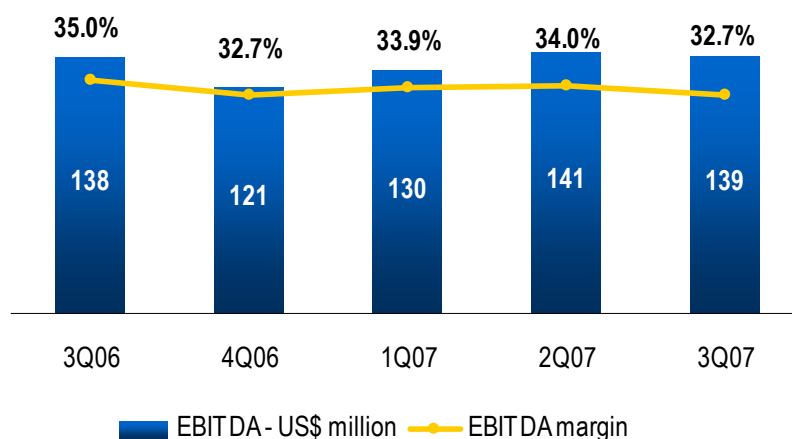
Cash flow, measured by Adjusted Ebitda, achieved R\$ 266.6million, 4.5% lower than previous quarter and 10.9% lower than the same quarter of the previous year.

The main positive effects on Ebitda in this quarter were:

- (i) The increase in paper and pulp prices in the external market;
- (ii) Higher volume of paper sold in the internal market; and
- (iii) Lower administrative expenses due to reversals of provisions totaling R\$ 10.9 million.

Nevertheless, these effects were partially offset by:

- (i) The appreciation of the Real against dollar;
- (ii) The cash production cost increase in both pulp and paper lines, due to the maintenance stoppages and the startup of the new pulp line.



SUZANO PAPEL E CELULOSE S.A.

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

Operational expenses

Selling expenses amounted to R\$ 49.0million in 3Q07, 4.5% lower than 2Q07 and 4.0% lower than 3Q06. In the first nine months of 2007 our selling expenses totaled R\$ 143.3million, 5.2% more than the same period of 2006, reflecting the higher sales volume.

Administrative expenses totaled R\$ 45.5million in the quarter, 14.9% lower than 2Q07 and 26.6% lower than 3Q06. The lower figure is mainly due to reversal of tax provisions – one of which resulting from success in a lawsuit on VAT tax payments (PIS half – year computation).

Other operational revenues totaled R\$ 2.1million, consisting mainly of sales of paper offcuts, waste and tree logs.

Analysis of results

	(R\$ '000)				
	2Q07	3Q07	3Q06	9M07	9M06
Net sales	820,947	815,907	855,492	2,446,177	2,299,714
Cost of goods sold	(533,825)	(542,905)	(532,127)	(1,603,503)	(1,453,526)
Gross profit	287,122	273,002	323,365	842,674	846,188
Selling expenses	(51,284)	(48,954)	(50,992)	(143,299)	(136,195)
General and administrative expenses	(53,492)	(45,523)	(62,006)	(156,321)	(174,459)
Financial expenses	(68,047)	(52,800)	(87,458)	(192,986)	(230,221)
Financial revenue	36,428	34,769	33,776	107,537	91,583
Equity pickup in subsidiaries and affiliates	(995)	(211)	(149)	(294)	(278)
Amortization of goodwill	(21,003)	(21,298)	(20,987)	(63,290)	(50,441)
Other operating income, net	8,163	2,075	1,799	16,775	10,940
Operating profit before monetary and exchange rate variation	136,892	141,060	137,348	410,796	357,117
Net monetary and exchange rate variation	115,997	102,092	(14,212)	286,849	100,683
Operating Profit	252,889	243,152	123,136	697,645	457,800
Non operating income (expenses), net	969	(2,134)	(369)	(1,255)	4,746
Income and Social Contribution taxes	(81,774)	(72,671)	(24,760)	(249,817)	(109,002)
Net income for the period	172,084	168,347	98,007	446,573	353,544

SUZANO PAPEL E CELULOSE S.A.

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

Net income

Our net income in the quarter achieved R\$ 168million, 2.2% lower than the 2Q07 and 71.8% higher than 3Q07.

In addition to the operational items affecting the Adjusted Ebitda mentioned above, other factors contributed to the variation of net profit:

- (i) Variation of the exchange rate;
- (ii) Effective rate of income tax and social contribution, of 30.2%;

Other information

Sale of Limeira and Cubatão plants

On August 1, 2007, Suzano Papel e Celulose ("Suzano) and Votorantim Celulose e Papel ("VCP") signed an agreement to sell their interest at Cubatão and Limeira plants to MD Papéis Ltda.

The plants were sold for an aggregate amount in Reais equivalent to US\$65million, corresponding US\$32.5million to each of the vendors. The settlement of the transaction will occur at November 1, 2007.

The Cubatão plant can produce approximately 61,000 tons/year of printing and industrial papers in the printing and writing papers category. The Limeira plant has capacity to produce approximately 58,000 tons/year of paperboard.

Anti-trust authority (CADE) approved Conpacel

On August 8, 2007, CADE, the Brazilian anti-trust authority, approved the purchase of Ripasa by Suzano jointly with VCP, a transaction happened in 2004.

This decision releases authorization for the management consortium model for Americana plant, which will have a transparent and well-structured governance regime; the purchase of the Embu paperboard plant by Suzano; and the sale of Limeira and Cubatão plants.

Capex

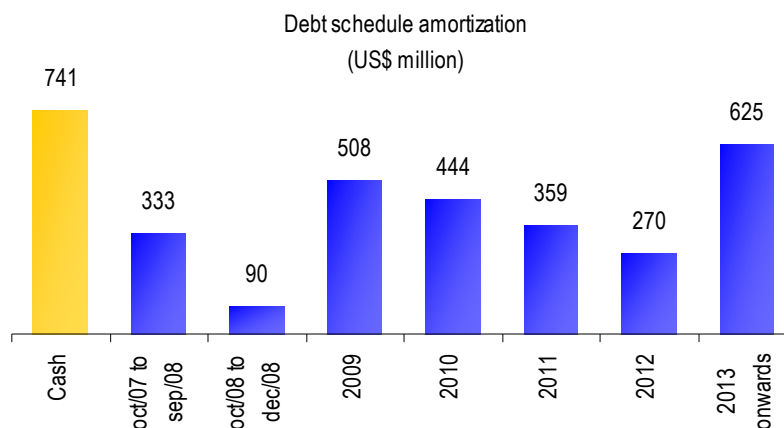
The Company invested on capital expenditure the total amount of R\$ 306.1million (US\$166.4million) in the third quarter of 2007, (excluding the investments made in the operational units of Ripasa). The main elements were: (i) R\$ 21.1million on industrial plants; (ii) R\$ 33.3million in forestry; (iii) R\$ 3.2million in administration and logistics; (iv) 247.6million in the Mucuri project; and (v) R\$ 0.9 million in other projects.

SUZANO PAPEL E CELULOSE S.A.

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

Debt

Consolidated net debt remained stable at the end of the quarter, amounting to R\$ 4,218.4million, which represents 3.90 times the last-12-months Adjusted Ebitda. The consolidated debt at the end of the quarter was R\$ 4,150.7million or 3.73 times last-12-months Adjusted Ebitda .



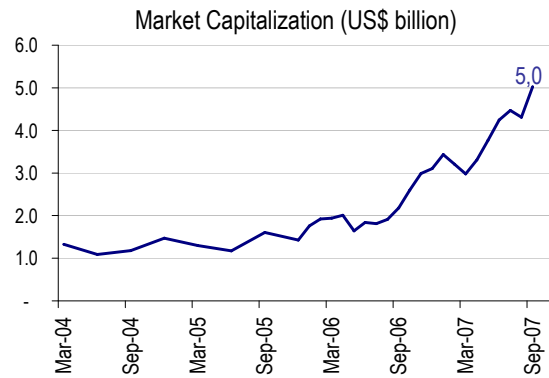
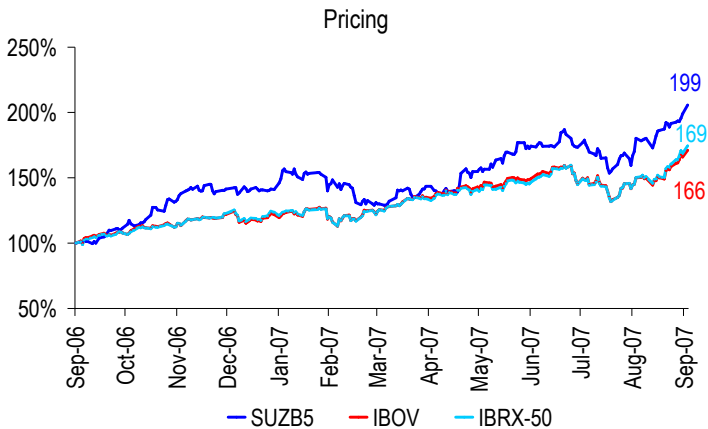
Market capitalization reached US\$5.0billion

Once more the shares of Suzano Papel e Celulose outperformed the Bovespa Index, with a rise of 14.2% in the quarter (vs. 11.2% for the Ibovespa index) and 99.0% in the last 12 months (vs. 65.9% for the Ibovespa index).

SUZANO PAPEL E CELULOSE S.A.

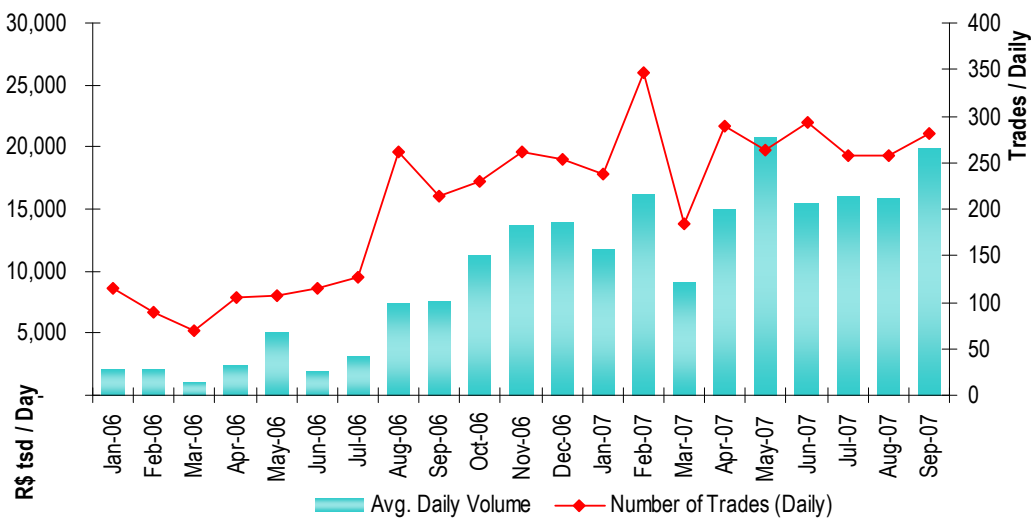
REPORT ON COMPANY'S PERFORMANCE (CONSOLIDATED) – (Continued) (Unaudited)

The Company's market capitalization achieved US\$5.0billion at September 30, 2007, an increase of 18.4% in the quarter, reflecting Real appreciation and the good performance of the share price on the São Paulo Stock Exchange.



Liquidity

The liquidity of Suzano's shares on the São Paulo stock exchange increased considerably following the restructuring of Ripasa and the secondary share offering. In 3Q07 liquidity was similar to the previous quarter, with daily trading volume of R\$ 17.2million and an average of 264 trades per day.



SUZANO PAPEL E CELULOSE S.A.

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

Note:

Non-financial data such as volumes, quantities, average sales prices, average market prices, and Ebitda, in Reais and in dollars, and financial data contained in the pro-forma statements, have not been reviewed by our external auditors.

SUZANO PAPEL E CELULOSE S.A.

OTHER COMPANY'S RELEVANT INFORMATION (Unaudited)

In accordance with Corporative 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 September 30, 2007.

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

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

Shareholders	Common		Preferred		Total	
	Number of shares	%	Number of shares	%	Number of shares	%
FANNY FEFER	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	0.00%	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 September 30, 2007

CAPITAL - R\$ 195,006,861.00

Shareholders	Common		Preferred		Total	
	Number of shares	%	Number of shares	%	Number of shares	%
FANNY FEFER	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	0.00%
TOTAL	195,006,761	100.00%	100	100.00%	195,006,861	100.00%

COMPOSITION OF SHAREHOLDERS - ZDZ PARTICIPAÇÕES E ADMINISTRAÇÃO S.A. - At September 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 September 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 September 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 Corporate Governance Practices (Level 1), we are presenting below 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 September 30, 2007 and 2006:

COMPOSITION OF SHAREHOLDERS - SUZANO PAPEL E CELULOSE S.A. - At September 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	-	-	156,301	0.08%	-	-	156,301	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	-	-	145,914,784	71.14%	173,622	11.27%	146,088,406	46.45%
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 September 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%	92,479,391	45.09%	8,838	0.57%	194,862,687	61.97%
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	-	-	160,301	0.08%	-	-	160,301	0.05%
FISCAL COUNCIL	-	-	11,361	0.01%	-	-	11,361	0.00%
MANAGEMENT COMMITTEE	-	-	36,935	0.02%	-	-	36,935	0.01%
FORMER CONTROLLING COMPANY - RIPASA	5,428,955	5.04%	1,795,986	0.88%	-	-	7,224,941	2.30%
OTHER SHAREHOLDERS	-	-	110,572,207	53.92%	173,622	11.27%	110,745,829	35.22%
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 below the outstanding shares and the corresponding percentage compared to the total issued shares at September 30, 2007:

COMPOSITION OF SHAREHOLDERS - SUZANO PAPEL E CELULOSE S.A. - At September 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⁾	-	-	197,256	0.10%	-	-	197,256	0.06%
FORMER CONTROLLING COMPANY - RIPASA	5,428,955	5.04%	1,795,986	0.88%	-	-	7,224,941	2.30%
SHARES AT MARKET	-	-	132,403,475	64.55%	173,622	11.27%	132,577,097	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.

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

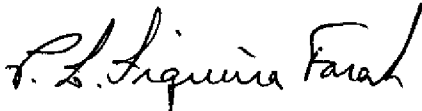
To the Board of Directors and Shareholders of
Suzano Papel e Celulose S.A.

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 nine-month periods ended September 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 nine-month periods ended September 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 nine-month periods ended September 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.

3. Based on our special review and on the limited review performed by other Independent Auditors, we are not aware of any material modification that should be made to the Quarterly Financial Information referred to above for it to comply with accounting practices adopted in Brazil applicable to the preparation of Quarterly Financial Information, together with specific regulations established by the Brazilian Securities and Exchange Commission (CVM).
4. Our review was carried out to enable us to issue a report on the special review of the Quarterly Financial Information referred to in the first paragraph, taken as a whole. The statements of changes in financial position and of cash flows of Suzano Papel e Celulose S.A. and Suzano Papel e Celulose S.A. and subsidiaries for the nine-month period ended September 30, 2007, prepared in accordance with the accounting practices adopted in Brazil, which are presented to provide supplementary information about the Company and its subsidiaries, are not required as an integral part of the Quarterly Financial Information. These statements were submitted to the review procedures described in the second paragraph and, based on our review and on the limited review report and on the financial information issued by other independent auditors, we are not aware of any material modification that should be made to these supplementary statements for them to be fairly disclosed, in all material respects, with regard to the Quarterly Financial Information for the three and nine-month periods ended September 30, 2007, taken as a whole.

Salvador, October 22, 2007

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP015199/O-6-F-BA



Pedro L. Siqueira Farah
Contador CRC 1SP097880/O-3/S-BA



Antonio Carlos Fioravante
Contador CRC-1SP184973/O-0/S-BA