



SUZANO
PULP AND PAPER

2Q11 RESULTS

August 11th, 2011



Certain statements in this presentation may constitute forward-looking statements. Such statements are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from the forward-looking statements. These risks include changes in customer demand for the Company's products, changes in factors that affect the domestic prices for products, changes in costs' structure, seasonal fluctuations in customer orders, pricing actions by competitors, significant changes in the applicable rates of exchange of the Brazilian real against the US dollar, and general changes in the economic environment in Brazil, emerging markets or internationally.

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Pulp Business Unit

2Q11 Suzano's pulp sales volume flat in comparison with 1Q11, despite of maintenance downtimes

MARKET PULP HIGHLIGHTS

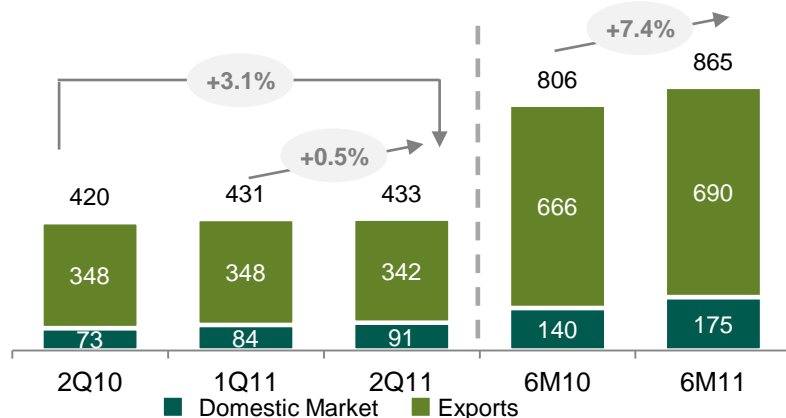
Tons (million)	2Q11	2Q11 vs 1Q11	2Q11 vs 2Q10	6M11	6M11 vs 6M10
Market Pulp	10.5	-1.9%	+4.4%	21.2	+5.3%
China	2.0	-10.1%	+23.4%	4.2	+29.6%
Europe	4.0	-2.2%	+0.6%	8.0	+2.4%
Eucalyptus	3.5	-2.5%	+2.8%	7.0	+2.6%
China	0.5	-23.7%	-10.6%	1.2	-1.2%
Europe	1.7	-2.1%	+10.3%	3.5	+10.4%

Source: 1PPPC

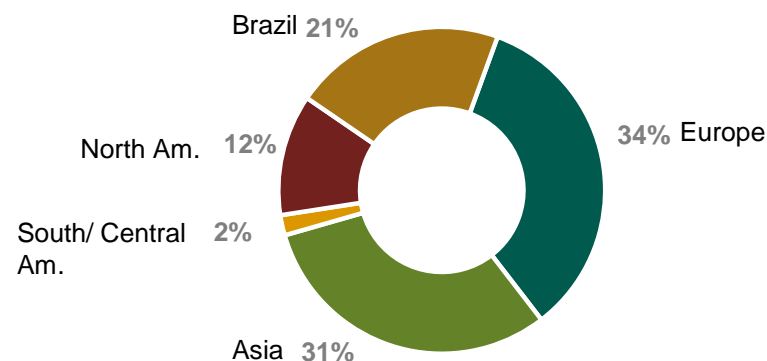
- Decrease of **Chinese demand** as a result of a resumption in consumption for dissolving pulp
- Market pulp **supply** in **2Q11**: **-2.4%** vs 1Q11 and **+7.7%** vs 2Q10
- Average **global inventory**: 34 days¹ (Jun/11)
- Pulp list price**: US\$874/ton (June, CIF Europe)
- Spread** between softwood and hardwood prices: **US\$150/ton**

SUZANO'S HIGHLIGHTS

Suzano's Pulp Sales Volume (tons, thousands)



Suzano's Pulp Sales Destination – 2Q11



Paper Business Unit

Suzano's paper volume sales +34.9% vs 1Q11, as a result of period seasonality and Conpacel/KSR acquisition

PAPER MARKET HIGHLIGHTS

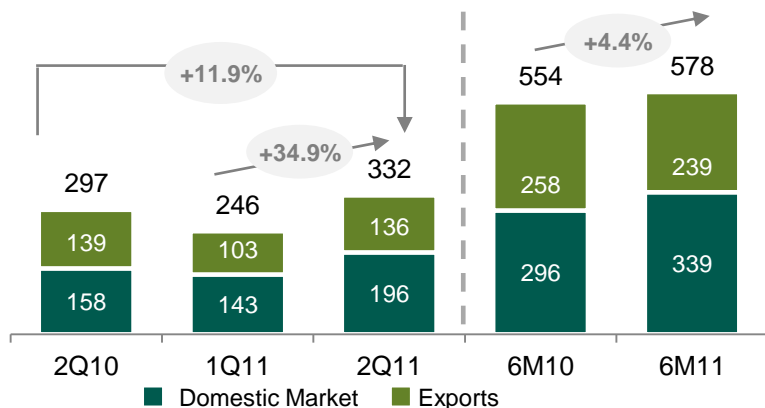
Tons (thousands)	2Q11	2Q11 vs 1Q11	2Q11vs 2Q10	6M11	6M11vs 6M10
Brazilian Demand	585	-0.7%	-3.4%	1,173	-0.4%
Paperboard	135	+5.1%	-10.7%	263	-11.2%
P&W	450	-2.3%	-1.0%	911	+3.3%
Coated	136	-12.9%	-9.1%	291	+0.7%
Uncoated	314	+3.1%	+3.0%	619	+4.6%

Source: Bracelpa
1 PPPC

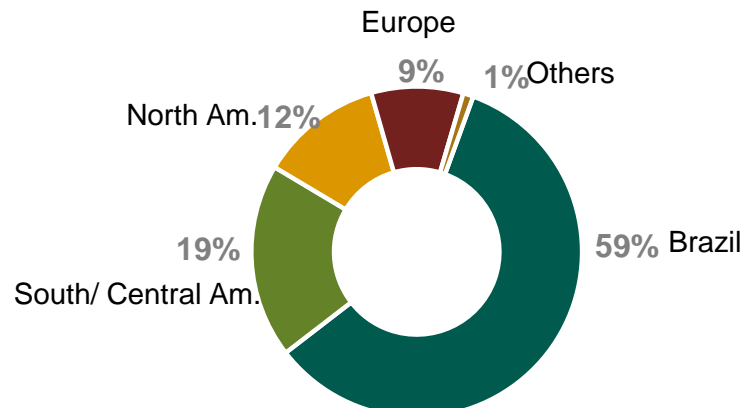
- Decrease of **Brazilian demand** (-3.4% vs 2Q10):
 - Paperboard (-10.7%) and Coated (-9.1%)
- Imports share in 2Q11:**
 - Paperboard: 6.9% (vs 6.8% in 1Q11)
 - Coated: 60.9% (vs 70.8% in 1Q11)
 - Uncoated: 9.2% (vs 10.6% in 1Q11)
- Decrease of P&W demand** in 2Q11¹ vs 1Q11 in main global markets: North America -2.6%; Western Europe -3.8% and Latin America -3.1%

SUZANO'S HIGHLIGHTS

Suzano's Paper Sales Volume (tons, thousands)



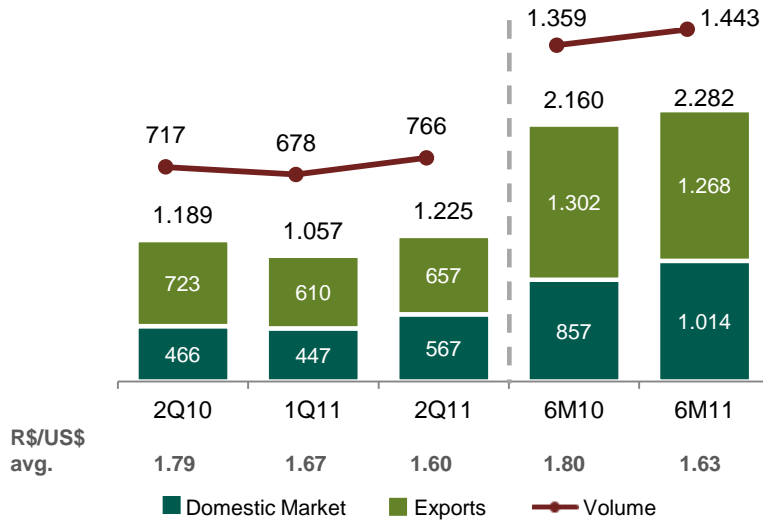
Suzano's Paper Sales Destination – 2Q11



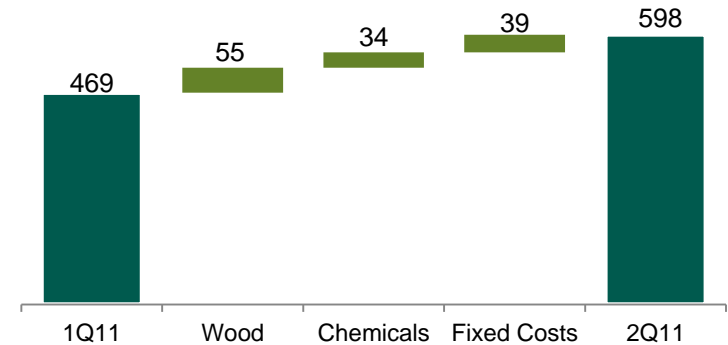
Consolidated Results

Maintenance downtimes, higher operational costs and appreciation of the BRL against the USD impacted the Company's margin

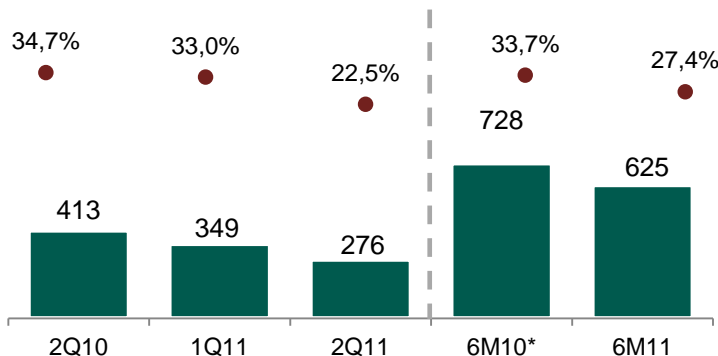
Net Revenue (R\$ million) and Volume (tons, thousands)



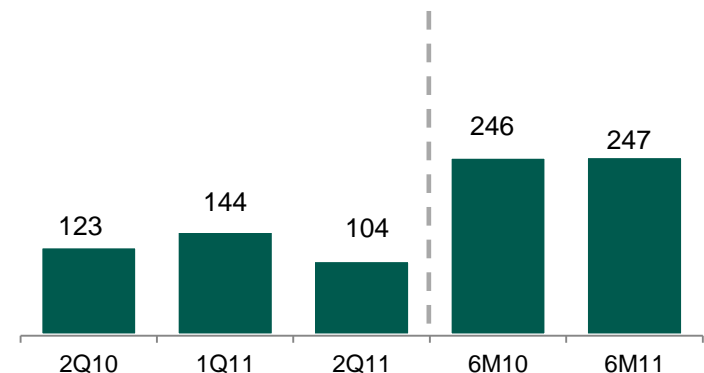
Cash Costs ex-Maintenance Downtime (R\$/ton)



EBITDA (R\$ million) and EBITDA Margin (%)



Net Income (R\$ million)

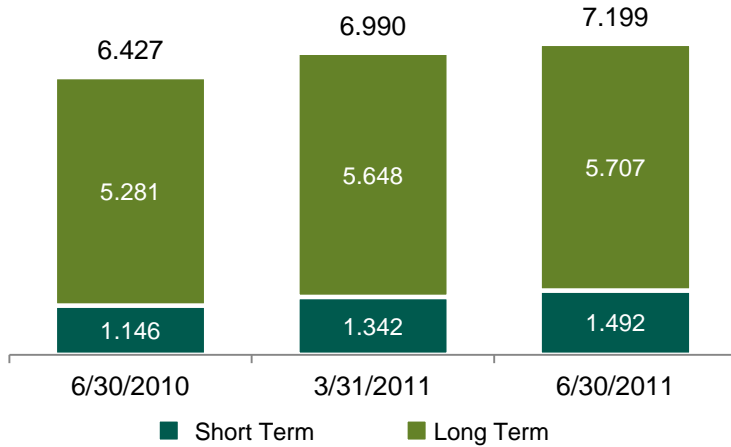


* Adjusted EBITDA, excluding non-recurring effects, mainly the sale of assets in Minas Gerais. EBITDA in 6M10, including non-recurring effects, stood at R\$917 million, and EBITDA margin of 42.5%.

Debt

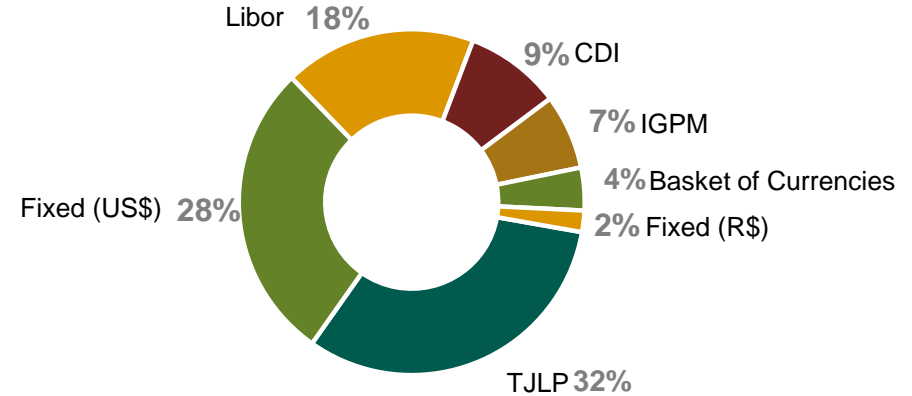
The 5th issuance of mandatory convertible debentures contributed for the leverage reduction in 2Q11 vs 1Q11

Gross Debt (R\$ million)

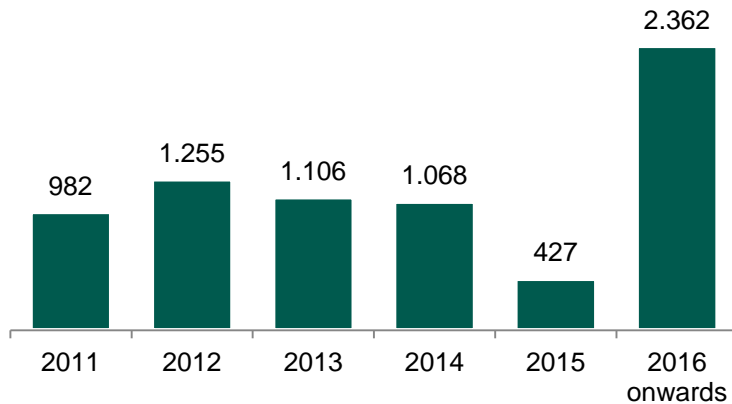


Index Exposure – 6/30/2011

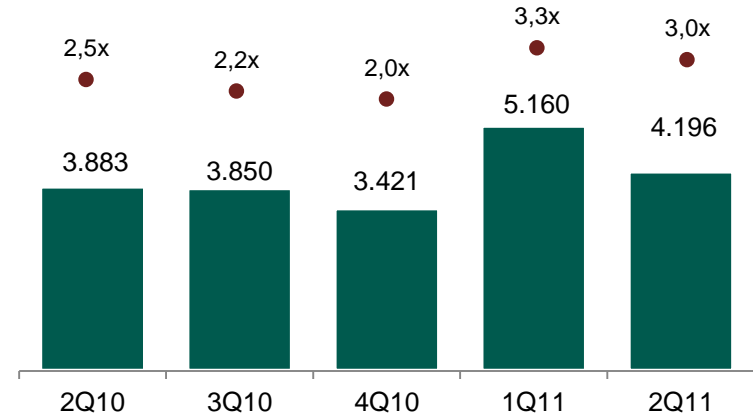
Debt in Foreign Currency : R\$ 3,519 million



Amortization Schedule (R\$ million)



Net Debt (R\$ million) and Net Debt/EBITDA (x)



Capex

Industrial investment in Maranhão and the Conpacel acquisition represent most of the 2011 capex



Investments (R\$' 000)	2Q11	2Q10	Δ Y-o-Y	1Q11	Δ Q-o-Q	6M11	6M10	Δ Y-o-Y
Sustain	102,318	53,712	90.5%	105,987	-3.5%	208.305	129,435	60.9%
Industrial	34,563	19,702	75.4%	16,307	112.0%	50.869	32,904	54.6%
Forestry	67,756	34,009	99.2%	89,680	-24.4%	157.436	96,530	63.1%
Expansion ¹	312,983	69,228	352.1%	1,668,954	-81.2%	1.981.937	104,305	1800.1%
Others	2,981	1,918	55.4%	4,493	-33.7%	7.474	2,305	224.3%
TOTAL	418,282	124,857	235.0%	1,779,434	-76.5%	2.197.716	236,044	831.1%

¹ 1Q11 capex includes Conpacel/KSR acquisition, in the amount of R\$1.5 billion.

- **Pulp** sales volume flat vs 1Q11 : 433 thousand tons
- Significant **paper** sales volume: 332 thousand tons (+34.9% vs 1Q11)
 - Paper sales: **59%** in the **domestic market** in 2Q11 (vs 53% vs 2Q10)
 - **Coated paper imports** share: 60.9% (vs 70.8% in 1Q11)
- Appreciation of the BRL against the USD, which impacted revenue from exports
- **Cash cost** ex-maintenance downtime in 2Q11: R\$598/ton
 - Higher wood costs
 - Higher specific consumption
 - Lower fixed cost dilution
- **Net income** positively impacted by monetary variation
- **Financial solidity**: cash of **R\$ 3.0 billion** in jun/11
- **Net debt/EBITDA** reduction in 2Q11: **3.0x**
 - 5th issuance of mandatory convertible debentures concluded
- **Industrial capex** in the Maranhão unit

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