

**Announcement: Moody's places Suzano's ratings under review for possible downgrade**

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Global Credit Research - 21 Sep 2011

**Approximately USD 930 million in rated debt securities affected**

Sao Paulo, September 21, 2011 -- Moody's Investors Service has placed the Baa3 foreign currency rating of Suzano Trading Ltd's USD 650 million guaranteed senior unsecured notes under review for possible downgrade. Moody's America Latina Ltda. has placed the Baa3 global scale rating and the Aa1.br Brazilian national scale rating of Suzano Papel e Celulose S.A ("Suzano") BRL 500 million senior unsecured debentures under review for possible downgrade.

**RATINGS RATIONALE**

The review has been precipitated by weakening operating results due to softening pulp prices and the deterioration in the macroeconomic environment. The significant capital expenditures planned over the next years (BRL 9.7 bn in the 2011-2013 period) will pressure the company's liquidity and drive its leverage, possibly well above our earlier expectations when we first assigned the ratings. At the end of 2Q11 (LTM), leverage, as measured by Adjusted Net Debt to EBITDA, reached 4.1x (considering a minimum cash balance of BRL 1 billion).

Our review will focus on the company's expansion plan and funding requirements in view of the weakening operating environment. We will also assess the ability of the company to implement the announced asset sale, strategic partnerships or other actions to maintain acceptable levels of leverage and liquidity. Absent the materialization of these actions, the conclusion of the review process could result in more than a one-notch downgrade.

The principal methodology used in rating Suzano was Moody's Global Paper and Forest Products Industry Rating Methodology published in September 2009. Please see the Credit Policy page on [www.moody.com](http://www.moody.com) for a copy of this methodology.

Suzano Papel e Celulose S.A, Brasil, is a leading low-cost producer of bleached eucalyptus market pulp worldwide, with annual revenues (LTM) of BRL 4.6 billion in June 2011. The company benefits from its vertical integration and almost complete self-sufficiency in wood and energy.

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