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Company Information / Capital Breakdown

Number of Shares (in thousands)	Current Quarter 9/30/2011
Paid-in Capital	
Common	140,039
Preferred	268,853
Total	408,892
Treasury Shares	
Common	6,786
Preferred	4,155
Total	10,941

Individual Quarterly Financial Information / Balance Sheet - Assets

R$ (in thousands)

Code	Description	9/30/2011	12/31/2010
1	Total Assets	20,721,055	18,711,306
1.01	Current Assets	5,186,543	5,422,224
1.01.01	Cash and Cash Equivalents	2,822,981	3,484,168
1.01.03	Receivables	1,318,932	1,173,565
1.01.03.01	Trade	1,318,932	1,173,565
1.01.03.01.01	Third Parties	535,342	472,292
1.01.03.01.02	Related Parties	1,369	1,640
1.01.03.01.03	Subsidiaries	782,221	699,633
1.01.04	Inventories	674,157	538,082
1.01.06	Recoverable Taxes	252,981	170,434
1.01.06.01	Current Recoverable Taxes	252,981	170,434
1.01.07	Prepaid Expenses	7,375	4,954
1.01.08	Other Current Assets	110,117	51,021
1.01.08.03	Other	110,117	51,021
1.01.08.03.01	Derivatives Gains	10,090	12,353
1.01.08.03.02	Other Receivables	53,088	13,644
1.01.08.03.03	Receivables/Indemnification for Land Expropriation	6,279	6,279
1.01.08.03.04	Receivables from Properties and Forests sold	10,426	10,230
1.01.08.03.05	Advance to Suppliers – Development Program	28,928	6,563
1.01.08.03.06	Related Parties	1,306	1,952
1.02	Non-Current Assets	15,534,512	13,289,082
1.02.01	Long-Term Assets	2,860,229	2,366,600
1.02.01.05	Biological Assets	2,277,213	1,809,670
1.02.01.08	Receivables from Related Parties	22,205	811
1.02.01.08.02	Receivables from Subsidiaries	22,205	811
1.02.01.09	Other Non-Current Assets	560,811	556,119
1.02.01.09.03	Derivatives Gains	10,903	2,619
1.02.01.09.04	Recoverable Taxes and Contributions	107,036	96,062
1.02.01.09.05	Advance to Suppliers – Development Program	266,571	257,828
1.02.01.09.06	Other Receivables	71,898	79,175
1.02.01.09.07	Receivables / Indemnification for Land Expropriation	49,689	50,233
1.02.01.09.08	Judicial Deposits	54,714	70,202
1.02.02	Investments	570,143	580,383
1.02.02.01	Equity Interest	570,143	580,383
1.02.02.01.02	Interest in Subsidiaries	570,143	580,383
1.02.03	Property, Plant and Equipment	12,070,078	10,308,047
1.02.03.01	Operational Property, Plant and Equipment	11,302,551	10,140,390
1.02.03.02	Leased Property, Plant and Equipment	58,758	49,797
1.02.03.03	Construction in Progress	708,769	117,860
1.02.04	Intangible Assets	34,062	34,052
1.02.04.01	Intangible Assets	34,062	34,052
1.02.04.01.02	Goodwill	34,062	34,052

Individual Quarterly Financial Information / Balance Sheet – Liabilities

R$ (in thousands)

Code	Description	9/30/2011	12/31/2010
2	Total Liabilities	20,721,055	18,711,306
2.01	Current Liabilities	2,714,194	2,098,054
2.01.01	Payroll and Related Charges	114,362	69,236
2.01.01.01	Payroll Charges Liabilities	15,749	2,992
2.01.01.02	Labor Liabilities	98,613	66,244
2.01.02	Trade Accounts Payable	346,637	271,997
2.01.02.01	Domestic Suppliers	331,505	263,715
2.01.02.02	Foreign Suppliers	15,132	8,282
2.01.03	Tax Liabilities	32,030	39,095
2.01.03.01	Federal Tax Liabilities	20,921	31,089
2.01.03.02	State Tax Liabilities	8,393	5,837
2.01.03.03	Municipal Tax Liabilities	2,716	2,169
2.01.04	Loans and Financing	1,800,452	1,237,313
2.01.04.01	Loans and Financing	1,709,111	1,194,742
2.01.04.01.01	In Domestic Currency	920,509	688,804
2.01.04.01.02	In Foreign Currency	788,602	505,938
2.01.04.02	Debentures	91,341	42,571
2.01.05	Other Liabilities	420,713	480,413
2.01.05.01	Related Party Liabilities	54,838	135,411
2.01.05.01.02	Debts with Subsidiaries	54,838	135,411
2.01.05.02	Other	365,875	345,002
2.01.05.02.01	Dividends and Interest on Shareholders' Equity	578	129,020
2.01.05.02.04	Derivatives Losses	133,231	32,863
2.01.05.02.05	Accounts Payable	80,391	60,345
2.01.05.02.06	Debt from Acquisition of Land and Reforestation	63,432	59,731
2.01.05.02.07	Unrealized Profit	88,243	63,043
2.02	Non-Current Liabilities	8,418,112	7,972,581
2.02.01	Loans and Financing	5,125,861	4,612,646
2.02.01.01	Loans and Financing	4,396,840	4,030,381
2.02.01.01.01	In Domestic Currency	2,220,149	2,542,355
2.02.01.01.02	In Foreign Currency	2,176,691	1,488,026
2.02.01.02	Debentures	729,021	582,265
2.02.02	Other Liabilities	1,267,549	1,204,490
2.02.02.01	Related Party Liabilities	1,223,375	1,120,044
2.02.02.01.02	Debts with Subsidiaries	1,223,375	1,120,044
2.02.02.02	Other	44,174	84,446
2.02.02.02.03	Derivatives Losses	34,458	29,296
2.02.02.02.04	Accounts Payable	9,716	10,352
2.02.02.02.05	Debt from Acquisition of Land and Reforestation	0	44,798
2.02.03	Deferred Taxes	1,643,017	1,767,255
2.02.03.01	Deferred Income and Social Contribution Taxes	1,643,017	1,767,255
2.02.04	Provisions	381,685	388,190
2.02.04.01	Provisions for Tax, Pension, Labor and Civil Claims	201,726	207,753
2.02.04.01.01	Provisions for Tax Claims	133,466	147,023
2.02.04.01.02	Provisions for Pension and Labor Claims	51,251	46,536
2.02.04.01.04	Provisions for Civil Claims	7,403	4,588

Individual Quarterly Financial Information / Balance Sheet – Liabilities

R$ (in thousands)

Code	Description	9/30/2011	12/31/2010
2.02.04.01.05	Other Provisions	9,606	9,606
2.02.04.02	Other Provisions	179,959	180,437
2.02.04.02.04	Provision for Actuarial Liabilities	168,612	162,691
2.02.04.01.05	Share-Based Payments	11,347	17,746
2.03	Equity	9,588,749	8,640,671
2.03.01	Paid-in Capital	2,685,183	2,685,183
2.03.02	Capital Reserves	977,692	-161,272
2.03.02.04	Options Granted	981	350
2.03.02.05	Treasury Shares	-227,405	-227,405
2.03.02.07	Tax Incentive Reserves	65,783	65,783
2.03.02.08	Debentures – 5th Issue	1,138,333	0
2.03.04	Income Reserve	2,653,708	2,666,821
2.03.04.01	Legal Reserve	230,431	230,431
2.03.04.02	Statutory Reserve	286,285	286,285
2.03.04.08	Additional Dividend Proposed	0	13,113
2.03.04.11	Capital Increase Reserve	2,136,992	2,136,992
2.03.06	Equity Valuation Adjustments	3,442,285	3,449,939
2.03.08	Other Comprehensive (Loss)/Income	-170,119	0
2.03.08.01	Retained Earnings	8,080	0
2.03.08.02	Net Loss for the Period	-178,199	0

Individual Quarterly Financial Information / Statement of Operations

R$ (in thousands)

Code	Description	Quarter Ended 9/30/2011	YTD Current Year 1/1/2011 to 9/30/2011	Quarter Ended 9/30/2010	YTD Previous Year 1/1/2010 to 9/30/2010
3.01	Net Sales Revenue from Goods and/or Services	1,202,182	3,432,737	1,365,416	3,382,895
3.02	Cost of Goods Sold and/or Services Rendered	-952,223	-2,513,251	-931,117	-2,336,198
3.03	Gross Profit	249,959	919,486	434,299	1,046,697
3.04	Operating Expense/Income	-168,268	-552,661	-183,657	-180,649
3.04.01	Selling Expenses	-122,617	-330,333	-129,070	-332,871
3.04.02	General and Administrative Expenses	-71,814	-238,046	-72,601	-188,247
3.04.04	Other Operating Income	43,066	57,416	13,356	286,451
3.04.05	Other Operating Expenses	-12,651	-31,032	-15,149	-36,643
3.04.06	Equity Pick-up in Subsidiaries and Affiliates	-4,252	-10,666	19,807	90,661
3.05	Earnings Before Financial Income and Taxes	81,691	366,825	250,642	866,048
3.06	Financial Income (Expenses)	-714,159	-677,746	88,446	-194,059
3.06.01	Financial Income	281,138	417,896	27,962	158,112
3.06.02	Financial Expenses	-995,297	-1,095,642	60,484	-352,171
3.07	(Loss) income Before Income Taxes	-632,468	-310,921	339,088	671,989
3.08	Income and Social Contribution Taxes	206,904	132,722	-66,241	-153,625
3.08.01	Current	39,849	5,313	-29,737	-117,671
3.08.02	Deferred	167,055	127,409	-36,504	-35,954
3.09	(Loss) Net Income from Continued Operations	-425,564	-178,199	272,847	518,364
3.11	(Loss) Net Income for the Period	-425,564	-178,199	272,847	518,364
3.99	Earnings per Share - (Brazilian Reais/Share)				
3.99.01	Basic Earnings per Share				
3.99.01.01	Common	-1.00308	-0.41995	0.66943	1.36163
3.99.01.02	Class A Preferred	-1.10278	-0.46181	0.73638	1.49778
3.99.01.03	Class B Preferred	-0.93750	-0.37500	0.73638	1.53333
3.99.02	Diluted Earnings per Share				
3.99.02.01	Common	-0.84681	-0.35452	0.66445	1.35078
3.99.02.02	Class A Preferred	-0.93149	-0.38998	0.72833	1.47436
3.99.02.03	Class B Preferred	-0.93750	-0.37500	0.73638	1.53333

Individual Quarterly Financial Information / Statement of Comprehensive (Loss) Income

R$ (in thousands)

Code	Description	Quarter Ended 9/30/2011	YTD Current Year 1/1/2011 to 9/30/2011	Quarter Ended 9/30/2010	YTD Previous Year 1/1/2010 to 9/30/2010
4.01	(Loss)Net Income for the Period	-425,564	-178,199	272,847	518,364
4.02	Other Comprehensive Income	426	426	0	0
4.02.01	Exchange Variation Over Foreign Investments	426	426	0	0
4.03	Comprehensive (Loss)/Income for the Period	-425,138	-177,773	272,847	518,364

Individual Quarterly Financial Information / Statement of Cash Flows – Indirect Method

R$ (in thousands)

Code	Description	YTD Current Year 1/1/2011 to 9/30/2011	YTD Previous Year 1/1/2010 to 9/30/2010
6.01	Net Cash from Operating Activities	404,960	411,892
6.01.01	Cash Generated by Operations	794,287	941,089
6.01.01.01	(Loss) Net Incomefor the Period	-178,199	518,364
6.01.01.02	Depreciation, Depletion and Amortization	459,303	403,219
6.01.01.03	Income on Sale of Permanent Assets	-49,895	-280,956
6.01.01.04	Equity Pick-up in Subsidiaries and Affiliates	10,666	-90,661
6.01.01.05	Exchange and Monetary Variations, Net	368,541	-18,729
6.01.01.06	Interest Expenses, Net	201,267	286,697
6.01.01.07	Deferred Income and Social Contribution Taxes	-127,409	35,954
6.01.01.08	Addition to Actuarial Liabilities	12,642	10,433
6.01.01.09	Provision for Contingencies, Net	1,239	31,716
6.01.01.10	Share-Based Payment Expenses	83	3,539
6.01.01.11	Derivative Gains, Net	94,289	21,364
6.01.01.15	Allowance for Doubtful Accounts	1,760	20,149
6.01.02	Variation in Assets and Liabilities	-389,327	-529,197
6.01.02.01	Increase in Accounts Receivable	-104,492	-377,193
6.01.02.02	Increase in Inventories	-57,789	-28,151
6.01.02.03	Decrease (Increase) in Recoverable Taxes	-88,967	122,405
6.01.02.04	Increase in Other Current and Non-Current Assets	-62,959	-69,457
6.01.02.05	Settlement of Derivative Operations	31,572	27,605
6.01.02.06	Increase (Decrease) in Trade Accounts Payable	45,084	-16,595
6.01.02.07	Increase in Other Current and Non-Current Liabilities	51,676	211,001
6.01.02.08	Payment of Interest	-195,116	-259,315
6.01.02.09	Payment of Other Taxes and Contributions	-8,336	-105,598
6.01.02.10	Payment of Income and Social Contribution Taxes	0	-33,899
6.02	Net Cash used in Investment Activities	-2,712,864	-47,096
6.02.01	Additions to Property, Plant and Equipment	-2,138,437	-131,829
6.02.02	Additions to Biological Assets	-607,678	-277,465
6.02.03	Additions to Investments	-10	0
6.02.04	Proceeds from the Sale of Assets	33,261	362,198
6.03	Net Cash Provided by (used in) Financing Activities	1,646,717	-538,660
6.03.01	Funding	2,797,048	1,643,472
6.03.02	Settlement of Derivative Operations	-26,351	-28,699
6.03.03	Payment of Loans	-2,261,759	-1,882,078
6.03.04	Own Shares Acquisition	0	-42,560
6.03.05	Payment of Dividends and Interest on Shareholders' Equity	-141,551	-228,795
6.03.06	Subscription of Debentures	1,279,330	0
6.05	Decrease in Cash and Cash Equivalents	-661,187	-173,864
6.05.01	Cash and Cash Equivalents at the Beginning of the Period	3,484,168	2,261,889
6.05.02	Cash and Cash Equivalents at the End of the Period	2,822,981	2,088,025

Individual Quarterly Financial Information / Statement of Changes in Equity - 1/1/2011 to 9/30/2011

R$ (in thousands)

Code	Description	Paid-In Capital	Capital Reserves, Options Granted and Treasury Shares	Income Reserves	Accumulated Losses	Other Comprehensive Income	Equity
5.01	Opening Balances	2,685,183	-161,272	2,666,821	0	3,449,939	8,640,671
5.03	Adjusted Opening Balances	2,685,183	-161,272	2,666,821	0	3,449,939	8,640,671
5.04	Equity Transactions with Shareholders	0	1,138,964	-13,113	0	0	1,125,851
5.04.03	Granted Options	0	631	0	0	0	631
5.04.06	Dividends	0	0	-13,113	0	0	-13,113
5.04.08	Issue of Debentures Mandatorily Convertible into Shares	0	1,138,333	0	0	0	1,138,333
5.05	Total Comprehensive Loss	0	0	0	-178,199	426	-177,773
5.05.01	Loss for the Period	0	0	0	-178,199	0	-178,199
5.05.02	Other Comprehensive Income	0	0	0	0	426	426
5.05.02.06	Exchange Variation in Investees	0	0	0	0	426	426
5.06	Internal Changes in Equity	0	0	0	8,080	-8,080	0
5.06.07	Realization of Other Comprehensive Income, net of Deferred Income and Social Contribution Taxes	0	0	0	8,080	-8,080	0
5.07	Closing Balances	2,685,183	977,692	2,653,708	-170,119	3,442,285	9,588,749

Individual Quarterly Financial Information / Statement of Changes in Equity - 1/1/2010 to 9/30/2010

R$ (in thousands)

Code	Description	Paid-In Capital	Capital Reserves, Options Granted and Treasury Shares	Income Reserves	Retained Earnings	Other Comprehensive Income	Equity
5.01	Opening Balances	2,054,430	246,147	2,096,889	15,112	3,451,792	7,864,370
5.03	Adjusted Opening Balances	2,054,430	246,147	2,096,889	15,112	3,451,792	7,864,370
5.04	Equity Transactions with Shareholders	412,229	-412,229	0	-61,773	0	-61,773
5.04.06	Dividends	0	0	0	-2,945	0	-2,945
5.04.07	Interest on Shareholders' Equity	0	0	0	-58,828	0	-58,828
5.04.09	Capitalization of Tax Incentive Reserve	303,506	-303,506	0	0	0	0
5.04.10	Capitalization of Special Goodwill - Merger	108,723	-108,723	0	0	0	0
5.05	Total Comprehensive Income	0	0	0	518,364	0	518,364
5.05.01	Net Income for the Period	0	0	0	518,364	0	518,364
5.06	Internal Changes in Equity	0	-25,467	0	9,814	-9,814	-25,467
5.06.04	Shares Received in Transfer –Finor	0	-2,027	0	0	0	-2,027
5.06.05	Purchase of Shares from Former Controlling Shareholders of Ripasa	0	-23,580	0	0	0	-23,580
5.06.06	Stock Option Plan	0	140	0	0	0	140
5.06.07	Realization of Other Comprehensive Income, net of Deferred Income and Social Contribution Taxes	0	0	0	9,814	-9,814	0
5.07	Closing Balances	2,466,659	-191,549	2,096,889	481,517	3,441,978	8,295,494

Individual Quarterly Financial Information / Statement of Value Added

R$ (in thousands)

Code	Description	YTD Current Year 1/1/2011 to 9/30/2011	YTD Previous Year 1/1/2010 to 9/30/2010
7.01	Income	4,232,147	4,144,256
7.01.01	Sale of Goods, Products and Services	3,921,786	3,799,260
7.01.02	Other Income	58,370	278,202
7.01.03	Income from Construction of Own Assets	253,751	86,943
7.01.04	Reversal of/Allowance for Doubtful Accounts	-1,760	-20,149
7.02	Input Acquired from Third-Parties	-2,918,572	-2,526,600
7.02.01	Cost of Products Sold and Services Rendered	-1,568,197	-1,471,859
7.02.02	Supplies, Electricity, Outsourced Services and Others	-1,341,870	-1,055,039
7.02.03	Loss/Recovery of Assets	-8,505	298
7.03	Gross Added Value	1,313,575	1,617,656
7.04	Retentions	-459,303	-403,219
7.04.01	Depreciation, Amortization and Depletion	-459,303	-403,219
7.05	Net Added Value Produced	854,272	1,214,437
7.06	Added Value from Transfers	407,230	248,773
7.06.01	Equity Pick-up in Subsidiaries and Affiliates	-10,666	90,661
7.06.02	Financial Income	417,886	158,089
7.06.03	Other	10	23
7.07	Total Added Value to Distribute	1,261,502	1,463,210
7.08	Distribution of Value Added	1,261,502	1,463,210
7.08.01	Personnel	423,849	363,415
7.08.01.01	Direct Compensation	337,322	281,993
7.08.01.02	Benefits	67,812	66,807
7.08.01.03	F.G.T.S. (Unemployment Compensation Fund)	18,715	14,615
7.08.02	Taxes, Fees and Contributions	-151,572	178,167
7.08.02.01	Federal	-105,257	206,478
7.08.02.02	State	-49,060	-30,618
7.08.02.03	Municipal	2,745	2,307
7.08.03	Value Distributed to Providers of Capital	1,167,424	403,264
7.08.03.01	Interest Rates	604,222	386,726
7.08.03.02	Rental	71,736	50,945
7.08.03.03	Other	491,466	-34,407
7.08.03.03.01	Monetary Exchange Losses	491,419	-34,555
7.08.03.03.02	Other	47	148
7.08.04	Value Distributed to Shareholders	-178,199	518,364
7.08.04.01	Interest on Shareholders' Equity	0	58,828
7.08.04.03	Net Income/(Loss) for the Period	-178,199	459,536

Consolidated Quarterly Financial Information / Balance Sheet - Assets

R$ (in thousands)

Code	Description	9/30/2011	12/31/2010
1	Total Assets	20,978,621	18,946,865
1.01	Current Assets	5,124,676	5,423,823
1.01.01	Cash and Cash Equivalents	2,958,938	3,735,438
1.01.03	Receivables	900,885	792,057
1.01.03.01	Trade	900,885	792,057
1.01.03.01.01	Third Parties	899,516	790,417
1.01.03.01.02	Related Parties	1,369	1,640
1.01.04	Inventories	856,669	658,821
1.01.06	Recoverable Taxes	261,414	171,748
1.01.06.01	Current Recoverable Taxes	261,414	171,748
1.01.07	Prepaid Expenses	8,184	5,777
1.01.08	Other Current Assets	138,586	59,982
1.01.08.03	Other	138,586	59,982
1.01.08.03.01	Derivatives Gains	24,130	15,754
1.01.08.03.02	Other Accounts Receivable	68,823	21,156
1.01.08.03.03	Receivables / Indemnification for Land Expropriation	6,279	6,279
1.01.08.03.04	Receivables from Properties and Forests Sold	10,426	10,230
1.01.08.03.05	Advance to Suppliers – Development Program	28,928	6,563
1.02	Non-Current Assets	15,853,945	13,523,042
1.02.01	Long-Term Assets	2,871,963	2,414,638
1.02.01.05	Biological Assets	2,265,719	1,811,094
1.02.01.06	Deferred Taxes	5,714	26,946
1.02.01.06.01	Deferred Income and Social Contribution Taxes	5,714	26,946
1.02.01.09	Other Non-Current Assets	600,530	576,598
1.02.01.09.03	Derivatives Gains	35,596	11,518
1.02.01.09.04	Recoverable Taxes and Contributions	107,084	96,110
1.02.01.09.05	Advance to Suppliers – Development Program	266,571	257,828
1.02.01.09.06	Other Receivables	83,033	86,896
1.02.01.09.07	Receivables / Indemnification for Land Expropriation	49,689	50,233
1.02.01.09.08	Judicial Deposits	58,557	74,013
1.02.03	Property, Plant and Equipment	12,801,803	10,938,493
1.02.03.01	Operational Property, Plant and Equipment	12,034,276	10,770,834
1.02.03.02	Leased Property, Plant and Equipment	58,758	49,797
1.02.03.03	Construction in Progress	708,769	117,862
1.02.04	Intangible Assets	180,179	169,911
1.02.04.01	Intangible Assets	180,179	169,911
1.02.04.01.02	Goodwill	34,062	169,911
1.02.04.01.03	Research and Development Agreements	146,117	0

(A FREE TRANSLATION OF THE ORIGINAL IN PORTUGUESE)

Consolidated Quarterly Financial Information / Balance Sheet – Liabilities

R$ (in thousands)

Code	Description	9/30/2011	12/31/2010
2	Total Liabilities	20,978,621	18,946,865
2.01	Current Liabilities	2,688,991	2,075,243
2.01.01	Payroll and Related Charges	115,606	71,111
2.01.01.01	Payroll Charges Liabilities	15,790	2,990
2.01.01.02	Labor Liabilities	99,816	68,121
2.01.02	Trade Accounts Payable	372,106	277,107
2.01.02.01	Domestic Suppliers	331,505	263,715
2.01.02.02	Foreign Suppliers	40,601	13,392
2.01.03	Tax Liabilities	38,319	44,219
2.01.03.01	Federal Tax Liabilities	27,210	36,212
2.01.03.01.01	Income and Social Contribution Taxes Payable	5,024	2,848
2.01.03.01.02	Other Federal Tax Liabilities	22,186	33,364
2.01.03.02	State Tax Liabilities	8,393	5,838
2.01.03.03	Municipal Tax Liabilities	2,716	2,169
2.01.04	Loans and Financing	1,864,724	1,382,698
2.01.04.01	Loans and Financing	1,773,383	1,340,127
2.01.04.01.01	In Domestic Currency	928,393	741,738
2.01.04.01.02	In Foreign Currency	844,990	598,389
2.01.04.02	Debentures	91,341	42,571
2.01.05	Other Liabilities	298,236	300,108
2.01.05.02	Other	298,236	300,108
2.01.05.02.01	Dividends and Interest on Shareholders' Equity Payable	578	129,020
2.01.05.02.04	Derivatives Losses	133,982	37,390
2.01.05.02.05	Accounts Payable	90,076	68,336
2.01.05.02.06	Debt from Acquisition of Land and Reforestation	73,600	65,362
2.02	Non-Current Liabilities	8,700,881	8,230,951
2.02.01	Loans and Financing	6,385,639	5,773,697
2.02.01.01	Loans and Financing	5,656,618	5,191,432
2.02.01.01.01	In Domestic Currency	2,247,564	2,585,927
2.02.01.01.02	In Foreign Currency	3,409,054	2,605,505
2.02.01.02	Debentures	729,021	582,265
2.02.02	Other Liabilities	162,805	151,681
2.02.02.02	Other	162,805	151,681
2.02.02.02.03	Derivatives Losses	34,458	29,891
2.02.02.02.04	Accounts Payable	9,852	10,352
2.02.02.02.05	Debt from Acquisition of Land and Reforestation	118,495	111,438
2.02.03	Deferred Taxes	1,763,718	1,909,352
2.02.03.01	Deferred Income and Social Contribution Taxes	1,763,718	1,909,352
2.02.04	Provisions	388,719	396,221
2.02.04.01	Provisions for Tax, Pension, Labor and Civil Claims	208,760	215,784
2.02.04.01.01	Provisions for Tax Claims	133,467	147,024
2.02.04.01.02	Provisions for Pension and Labor Claims	58,289	54,571
2.02.04.01.04	Provisions for Civil Claims	7,403	4,588
2.02.04.01.05	Other Provisions	9,601	9,601
2.02.04.02	Other Provisions	179,959	180,437
2.02.04.02.04	Provision for Actuarial Liabilities	168,612	162,691
2.02.04.02.05	Share-Based Payments	11,347	17,746
2.03	Consolidated Equity	9,588,749	8,640,671

Consolidated Quarterly Financial Information / Balance Sheet – Liabilities

R$ (in thousands)

Code	Description	9/30/2011	12/31/2010
2.03.01	Paid-in Capital	2,685,183	2,685,183
2.03.02	Capital Reserves	977,692	-161,272
2.03.02.04	Options Granted	981	350
2.03.02.05	Treasury Shares	-227,405	-227,405
2.03.02.07	Tax Incentive Reserves	65,783	65,783
2.03.02.08	Debentures – 5th Issue	1,138,333	0
2.03.04	Income Reserve	2,653,708	2,666,821
2.03.04.01	Legal Reserve	230,431	230,431
2.03.04.02	Statutory Reserve	286,285	286,285
2.03.04.08	Additional Dividend Proposed	0	13,113
2.03.04.11	Capital Increase Reserve	2,136,992	2,136,992
2.03.06	Other Comprehensive Income	3,442,285	3,449,939
2.03.08	Accumulated losses	-170,119	0
2.03.08.01	Retained Earnings	8,080	0
2.03.08.02	Loss for the Period	-178,199	0

(A FREE TRANSLATION OF THE ORIGINAL IN PORTUGUESE)

Consolidated Quarterly Financial Information / Statement of Operations

R$ (in thousands)

Code	Description	Quarter Ended 9/30/2011	YTD Current Year 1/1/2011 to 9/30/2011	Quarter Ended 9/30/2010	YTD Previous Year 1/1/2010 to 9/30/2010
3.01	Net Sales Revenue from Goods and/or Services	1,229,979	3,511,628	1,158,957	3,318,509
3.02	Cost of Goods Sold and/or Services Rendered	-1,022,866	-2,719,852	-770,751	-2,316,520
3.03	Gross Profit	207,113	791,776	388,206	1,001,989
3.04	Operating Expense/Income	-123,965	-396,462	-121,495	-86,751
3.04.01	Selling Expenses	-66,521	-177,361	-51,226	-161,831
3.04.02	General and Administrative Expenses	-74,876	-244,994	-76,147	-192,678
3.04.04	Other Operating Income	46,176	63,543	8,843	293,645
3.04.05	Other Operating Expenses	-28,744	-37,650	-2,965	-25,887
3.05	Earnings Before Financial Income and Taxes	83,148	395,314	266,711	915,238
3.06	Financial Income (Expenses)	-715,255	-698,898	75,102	-238,274
3.06.01	Financial Income	315,473	432,276	9,681	146,070
3.06.02	Financial Expenses	-1,030,728	-1,131,174	65,421	-384,344
3.07	(Loss) Income Before Income Taxes	-632,107	-303,584	341,813	676,964
3.08	Income and Social Contribution Taxes	206,543	125,385	-68,966	-158,600
3.08.01	Current	39,177	-1,971	-31,817	-122,350
3.08.02	Deferred	167,366	127,356	-37,149	-36,250
3.09	(Loss) Net Incomefrom Continued Operations	-425,564	-178,199	272,847	518,364
3.11	Consolidated (Loss) Net Incomefor the Period	-425,564	-178,199	272,847	518,364
3.11.01	Attributable to Controlling Shareholders	-425,564	-178,199	272,847	518,364
3.99	Earnings per Share - (Brazilian Reais/Share)				
3.99.01	Basic Earnings per Share				
3.99.01.01	Common	-1.00308	-0.41995	0.66943	1.36163
3.99.01.02	Class A Preferred	-1.10278	-0.46181	0.73638	1.49778
3.99.01.03	Class B Preferred	-0.93750	-0.37500	0.73638	1.53333
3.99.02	Diluted Earnings per Share				
3.99.02.01	Common	-0.84681	-0.35452	0.66445	1.35078
3.99.02.02	Class A Preferred	-0.93149	-0.38998	0.72833	1.47436
3.99.02.03	Class B Preferred	-0.93750	-0.37500	0.73638	1.53333

Consolidated Quarterly Financial Information / Statement of Comprehensive (Loss) Income

R$ (in thousands)

Code	Description	Quarter Ended 9/30/2011	YTD Current Year 1/1/2011 to 9/30/2011	Quarter Ended 9/30/2010	YTD Previous Year 1/1/2010 to 9/30/2010
4.01	Consolidated (Loss) Net Incomefor the Period	-425,564	-178,199	272,847	518,364
4.02	Other Comprehensive Income	426	426	0	0
4.02.01	Exchange Variation Over Foreign Investments	426	426	0	0
4.03	Consolidated Comprehensive (Loss) Income/for the Period	-425,138	-177,773	272,847	518,364
4.03.01	Attributable to controlling shareholders	-425,138	-177,773	272,847	518,364

Consolidated Quarterly Financial Information / Statement of Cash Flows – Indirect Method

R$ (in thousands)

Code	Description	YTD Current Year 1/1/2011 to 9/30/2011	YTD Previous Year 1/1/2010 to 9/30/2010
6.01	Net Cash from Operating Activities	547,651	755,320
6.01.01	Cash Generated by Operations	892,126	1,066,065
6.01.01.01	(Loss) Net Incomefor the Period	-178,199	518,364
6.01.01.02	Depreciation, Depletion and Amortization	475,523	409,658
6.01.01.03	Income on Sale of Permanent Assets	-49,939	-280,956
6.01.01.04	Gains on Acquisition of Investments	-6,922	0
6.01.01.05	Exchange and Monetary Variations, Net	436,086	-14,241
6.01.01.06	Interest Expenses, Net	254,548	295,149
6.01.01.07	Deferred Income and Social Contribution Taxes	-127,356	36,250
6.01.01.08	Addition to Actuarial Liabilities	12,642	10,433
6.01.01.09	Provision for Contingencies, Net	242	32,204
6.01.01.10	Share-Based Payment Expenses	83	3,539
6.01.01.11	Derivative Gains, Net	73,623	35,497
6.01.01.15	Allowance for Doubtful Accounts	1,795	20,168
6.01.02	Variation in Assets and Liabilities	-344,475	-310,745
6.01.02.01	Increase in Accounts Receivable	-67,989	-95,664
6.01.02.02	Increase in Inventories	-119,562	-60,937
6.01.02.03	Decrease (Increase) in Recoverable Taxes	-96,086	122,256
6.01.02.04	Increase in Other Current and Non-Current Assets	-19,618	-71,093
6.01.02.05	Settlement of Derivative Operations	31,572	27,605
6.01.02.06	Increase (Decrease) in Trade Accounts Payable	65,443	-16,744
6.01.02.07	Increase in Other Current and Non-Current Liabilities	70,998	187,903
6.01.02.08	Payment of Interest	-195,116	-263,745
6.01.02.09	Payment of Other Taxes and Contributions	-11,809	-104,738
6.01.02.10	Payment of Income and Social Contribution Taxes	-2,308	-35,588
6.02	Net Cash used inInvestment Activities	-2,824,504	-180,459
6.02.01	Additions to Property, Plant and Equipment	-2,249,934	-121,118
6.02.02	Additions to Biological Assets	-607,821	-277,724
6.02.03	Additions to Investments	-10	-143,907
6.02.04	Proceeds from the Sale of Assets	33,261	362,290
6.03	Net Cash Provided by Financing Activities	1,472,748	523,278
6.03.01	Funding	2,797,048	2,743,052
6.03.02	Settlement of Derivative Operations	-32,898	-54,665
6.03.03	Payment of Loans	-2,429,181	-1,893,754
6.03.04	Own Shares Acquisition	0	-42,560
6.03.05	Payment of Dividends and Interest on Shareholders' Equity	-141,551	-228,795
6.03.06	Subscription of Debentures	1,279,330	0
6.04	Exchange Variation on Cash and Cash Equivalents	27,605	-5,999
6.05	Increase (Decrease) in Cash and Cash Equivalents	-776,500	1,092,140
6.05.01	Cash and Cash Equivalents at the Beginning of the Period	3,735,438	2,533,285
6.05.02	Cash and Cash Equivalents at the End of the Period	2,958,938	3,625,425

Consolidated Quarterly Financial Information / Statement of Changes in Equity - 1/1/2011 to 9/30/2011

R$ (in thousands)

Code	Description	Paid-In Capital	Capital Reserves, Options Granted and Treasury Shares	Income Reserves	Accumulated losses	Other Comprehensive Income	Equity Attributable to Controlling Shareholders	Non-controlling Shareholders	Consolidated Equity
5.01	Opening Balances	2,685,183	-161,272	2,666,821	0	3,449,939	8,640,671	0	8,640,671
5.03	Adjusted Opening Balances	2,685,183	-161,272	2,666,821	0	3,449,939	8,640,671	0	8,640,671
5.04	Equity Transactions with Shareholders	0	1,138,964	-13,113	0	0	1,125,851	0	1,125,851
5.04.03	Granted Options	0	631	0	0	0	631	0	631
5.04.06	Dividends	0	0	-13,113	0	0	-13,113	0	-13,113
5.04.08	Issue of Debentures Mandatorily Convertible into Shares	0	1,138,333	0	0	0	1,138,333	0	1,138,333
5.05	Total Comprehensive Loss	0	0	0	-178,199	426	-177,773	0	-177,773
5.05.01	Loss for the Period	0	0	0	-178,199	0	-178,199	0	-178,199
5.05.02	Other Comprehensive Income	0	0	0	0	426	426	0	426
5.05.02.06	Exchange Variation of Investees	0	0	0	0	426	426	0	426
5.06	Internal Changes in Equity	0	0	0	8,080	-8,080	0	0	0
5.06.07	Realization of Other Comprehensive Income, Net of Deferred Income and Social Contribution Taxes	0	0	0	8,080	-8,080	0	0	0
5.07	Closing Balances	2,685,183	977,692	2,653,708	-170,119	3,442,285	9,588,749	0	9,588,749

Consolidated Quarterly Financial Information / Statement of Changes in Equity – 1/1/2010 to 9/30/2010

R$ (in thousands)

Code	Description	Paid-In Capital	Capital Reserves, Options Granted and Treasury Shares	Income Reserves	Retained Earnings	Other Comprehensive Income	Equity Attributable to Controlling Shareholders	Non-controlling Shareholders	Consolidated Equity
5.01	Opening Balances	2,054,430	246,147	2,096,889	15,112	3,451,792	7,864,370	0	7,864,370
5.03	Adjusted Opening Balances	2,054,430	246,147	2,096,889	15,112	3,451,792	7,864,370	0	7,864,370
5.04	Equity Transactions with Shareholders	412,229	-412,229	0	-61,773	0	-61,773	0	-61,773
5.04.06	Dividends	0	0	0	-2,945	0	-2,945	0	-2,945
5.04.07	Interest on Shareholders' Equity	0	0	0	-58,828	0	-58,828	0	-58,828
5.04.09	Capitalization of Tax Incentive Reserves	303,506	-303,506	0	0	0	0	0	0
5.04.10	Capitalization of Special Goodwill – Merger	108,723	-108,723	0	0	0	0	0	0
5.05	Total Comprehensive Income	0	0	0	518,364	0	518,364	0	518,364
5.05.01	Net Income for the Period	0	0	0	518,364	0	518,364	0	518,364
5.06	Internal Changes in Equity	0	-25,467	0	9,814	-9,814	-25,467	0	-25,467
5.06.04	Shares Received from Transfer – Finor	0	-2,027	0	0	0	-2,027	0	-2,027
5.06.05	Purchase of Shares from Former Controlling Shareholders of Ripasa	0	-23,580	0	0	0	-23,580	0	-23,580
5.06.06	Stock Option Plan	0	140	0	0	0	140	0	140
5.06.07	Realization of Other Comprehensive Income, Net of Deferred Income and Social Contribution	0	0	0	9,814	-9,814	0	0	0
5.07	Closing Balances	2,466,659	-191,549	2,096,889	481,517	3,441,978	8,295,494	0	8,295,494

Consolidated Quarterly Financial Information / Statement of Value Added

R$ (in thousands)

Code	Description	YTD Current Year 1/1/2011 to 9/30/2011	YTD Previous Year 1/1/2010 to 9/30/2010
7.01	Income	4,320,490	4,097,801
7.01.01	Sale of Goods, Products and Services	4,000,677	3,734,874
7.01.02	Other Income	67,857	296,152
7.01.03	Income from Construction of Own Assets	253,751	86,943
7.01.04	Reversal of/Allowance for Doubtful Accounts	-1,795	-20,168
7.02	Input Acquired from Third-Parties	-2,959,135	-2,321,439
7.02.01	Cost of Products Sold and Services Rendered	-1,768,917	-1,454,406
7.02.02	Supplies, Electricity, Outsourced Services and Others	-1,181,713	-867,331
7.02.03	Loss/Recovery of Assets	-8,505	298
7.03	Gross Added Value	1,361,355	1,776,362
7.04	Retentions	-475,523	-409,658
7.04.01	Depreciation, Amortization and Depletion	-475,523	-409,658
7.05	Net Added Value Produced	885,832	1,366,704
7.06	Added Value from Transfers	432,276	146,070
7.06.02	Financial Income	432,266	146,047
7.06.03	Other	10	23
7.07	Total Added Value to Distribute	1,318,108	1,512,774
7.08	Distribution of Value Added	1,318,108	1,512,774
7.08.01	Personnel	435,868	372,603
7.08.01.01	Direct Compensation	347,108	289,883
7.08.01.02	Benefits	69,987	68,094
7.08.01.03	F.G.T.S. (Unemployment Compensation Fund)	18,773	14,626
7.08.02	Taxes, Fees and Contributions	-143,139	185,586
7.08.02.01	Federal	-96,885	212,929
7.08.02.02	State	-48,999	-29,650
7.08.02.03	Municipal	2,745	2,307
7.08.03	Value Distributed to Providers of Capital	1,203,578	436,221
7.08.03.01	Interest	644,318	425,916
7.08.03.02	Rental	72,358	51,729
7.08.03.03	Other	486,902	-41,424
7.08.03.03.01	Exchange Losses	486,855	-41,572
7.08.03.03.02	Other	47	148
7.08.04	Value Distributed to Shareholders	-178,199	518,364
7.08.04.01	Interest on Shareholders' Equity	0	58,828
7.08.04.03	Accumulated Losses/Retained Earnings for the Period	-178,199	459,536

Notes to the Financial Statements

**** All amounts in thousands of reais, except otherwise indicated****

1 Company Information

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

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

1.1 Major events occurred during the nine-month period ended September 30, 2011 and 2010:

a) 5th Issue of Debentures

On May 12, 2011, the proposal to issue 1,200,000 debentures was approved, with floating guarantee for private offering and unit face value of R$1,000.00 ("Debentures"), amounting to R$1,200,000,000 on the issue date of December 15, 2010 to compose the fifth (5th) issue of the Company's debentures ("Issue"). The Issue was carried out in two series, the first series composed of 401,819 debentures mandatorily convertible into common shares issued by the Company ("1st Series Debentures") and the 2nd series composed of 798,181 debentures mandatorily convertible into preferred shares issued by the Company ("2nd Series Debentures"). The issue was completed on June 20, 2011. The Debentures will not be traded on the stock exchange or organized over-the-counter market.

b) 50% Acquisition of Consórcio Paulista de Papel e Celulose's net assets ("Conpacel") and KSR's operations

On January 31, 2011, the Company concluded the transaction to buy the interest held by Fibria Celulose S.A. ("Fibria") in the net assets of Consórcio Paulista de Papel e Celulose ("Conpacel") for R$1,450 million fully paid in currency. On February 28, 2011, the Company made an advance payment of R$50 million for the acquisition of KSR's paper distribution operations. The Company obtained control of these net assets on January 31 and February 28, 2011, respectively.

c) International Offering of Senior Notes ("Notes due 2021")

On September 23, 2010, the Company, through its wholly-owned subsidiary Suzano Trading Ltd. concluded an international offering of Senior Notes due in 2021 in the total amount of US$650,000 million (See Note 17, item 6.)

d) FuturaGene Plc. acquisition (“Futuragene")

On July 13, 2010, Suzano Trading Ltd., a subsidiary of the Company, obtained authorization from appropriate authorities in the United Kingdom for the acquisition of all of Futuragene’s capital stock, when this company’s control was also transferred. The deal took place on July 19, 2010 for £55,275 thousand or US$84,169 thousand.

During the quarter ended September 30, 2011, the Company concluded the identification and measurement of net assets acquired as set forth in CPC 15 (R1) "Business Combinations" (Note 16).

2 Basis of preparation and presentation of the quarterly financial information

2.1. Basis of preparation of the quarterly financial information

The Company's individual and consolidated quarterly financial information, for the periods ending September 30, 2011 and 2010 were prepared and are being presented in accordance with Accounting Pronouncement CPC 21 (Interim Financial Reporting) and in accordance with International Accounting Standard (IAS) 34, observing the provisions contained in Circular Letter/CVM/SNC/SEP 003/2011 from April 28, 2011.

The individual financial statements for the year ended December 31, 2010 were prepared according to the accounting practices adopted in Brazil, which include the rules issued by Brazilian Securities and Exchange Commission (“CVM”) and the Pronouncements, Guidelines and Interpretations issued by Brazilian FASB (“CPC”).

The consolidated financial statements for the year ended December 31, 2010 were prepared according to the accounting practices adopted in Brazil which include the rules issued by CVM and CPCs which are in conformity with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (“IASB”).

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

However, there are no differences between consolidated equity and consolidated net income reported by the Company and individual equity and individual net income of the controlling entity in its individual quarterly financial information. Therefore, the consolidated quarterly financial information of the Company and the individual quarterly financial information of the controlling entity have been reported side by side in a single set of quarterly financial information.

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

Company Management authorized the issue of this quarterly financial information on October 27, 2011.

2.2. New IFRS and IFRIC Interpretations (International Financial Reporting Interpretation Committee - IASB)

Few new IASB accounting pronouncements have been published and/or revised to be mandatorily adopted as of January 1, 2013 and early adoption is allowed. The Management of the Company and its subsidiaries assessed the effects of these new pronouncements and interpretations and they do not foresee that their adoption will cause material effects on the Company's annual financial statements, as follows:

- **IFRS 9 Financial Instruments -** IFRS 9 concludes the first part of the project to replace "IAS 39 Financial Instruments: Recognition and Measurement". IFRS 9 uses a simple approach to determine if a financial asset is measured at amortized cost or fair value, based on how an entity manages its financial instruments (its business model) and the contractual cash flows, which is a characteristic of the financial assets. The standard also requires the adoption of only one method to determine the impairment of assets. The Company is evaluating the impact on its consolidated financial statements.

- **IFRS 10 Consolidated Financial Statements** – IFRS 10 establishes the principles for the presentation and preparation of the consolidated financial statements when an entity controls one or more entities. IFRS 10 replaces the consolidation requirements of SIC-12 – Consolidation of Special Purpose Entities and IAS 27 Consolidated and Separate Financial Statements. The Company is evaluating the impact on its consolidated financial statements due to the adoption of IFRS 10.

- **IFRS 11 Joint Arrangements** – IFRS 11 takes a more realistic view of Joint Arrangements, focusing on the rights and obligations of the agreement instead of their legal view. The standard discusses inconsistencies when treating joint arrangements, requiring a single method to treat jointly-controlled entities through equity pick-up. IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC – 13 Jointly-Controlled Entities-Non-Monetary Contributions by shareholders. The main effect due to adoption of IFRS 11 will be the end of proportional consolidation for investments in entities with shared control.

- **IFRS 12 - Disclosure of Interests in Other Entities** – IFRS 12 is a new standard and covers the reporting requirements for all forms of interest in other entities, including subsidiaries, joint ventures, associated companies and unconsolidated structured entities. The Company is evaluating eventual effects on its disclosures in view of the adoption of IFRS 12.

- **IFRS 13 Fair Value Measurement** - IFRS 13 sets forth new requirements on how to measure the fair value and related disclosures. The Company is evaluating eventual effects deriving from the adoption of the IFRS 13.

There are no other standards and interpretations issued and not yet adopted that according to the Management's opinion may adversely affect the Company's results or equity.

2.3 Consolidated quarterly financial information

The main consolidation procedures are:

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

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

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

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

Currency	Name	Country	Final rate		Average rate	
			9/30/2011	12/31/2010	3Q11	3Q10
USD	U.S. Dollar	United States	**1.8544**	**1.6662**	**1.6339**	**1.7493**
CHF	Swiss Franc	Switzerland	**2.0488**	**1.7828**	**1.9845**	**1.6957**
EUR	Euro	European Union	**2.4938**	**2.2280**	**2.3068**	**2.2610**
GBP	Pound Sterling	United Kingdom	**2.8971**	**2.5876**	**2.6302**	**2.7129**
ARS	Argentine Peso	Argentina	**0.4407**	**0.4189**	**0.3883**	**0.4395**

As required by CPC 19 – Interest in Joint Ventures, presented below is the main financial information related to Asapir Produção Florestal e Comércio Ltda. ("Asapir"). Asapir was consolidated proportionally according to the shareholders' agreement with Fibria.

Balance Sheet	Asapir 9/30/2011	12/31/2010
Assets		
Current	19,931	21,397
Non-current	38,872	38,629
Long-term assets	30,613	30,432
Permanent assets	8,259	8,197
	58,803	**60,026**
Liabilities		
Current	1,684	1,519
Non-current	13,828	15,830
Shareholders' equity	43,291	42,677
	58,803	**60,026**

Statement of income	9/30/2011	9/30/2010
Gross profit	-	226
Net operating revenues (expenses)	492	(2,357)
Operating income (loss)	492	(2,131)
Deferred income and social contribution taxes	121	603
Income (loss) for the period	**613**	**(1,528)**

3 Accounting Practices

The accounting practices adopted when preparing this quarterly financial information are in line with those adopted in the preparation of the financial statements for the fiscal year ended December 31, 2010, except for the reclassification of judicial deposits presented below.

Reclassifications

Judicial deposits

For the purposes of a clearer presentation of the provision for contingencies, the balance of judicial deposits was reclassified from "Provisions for Tax, Pension, Labor and Civil Claims" to “Judicial Deposits” in the Balance Sheet for the fiscal year ended December 31, 2010. Until the quarter ended June 30, 2011, the provisions for contingencies were stated at their net amounts of corresponding judicial deposits, as per Note 3.12 of the financial statements as of December 31, 2010. Below, the balances before and after reclassification:

	Parent Company		
Assets			
Item under assets	Original Balance	Reclassification	Current Balance
Judicial deposits	36,846	33,356	70,202
Liabilities			
Item	Original Balance	Reclassification	Current Balance
Labor and pension provisions	119,099	27,924	147,023
Civil claims provisions	41,305	5,231	46,536
Other provisions for contingencies	4,387	201	4,588

	Consolidated		
Assets			
Item	Original Balance	Reclassification	Current Balance
Judicial deposits	40,657	33,356	74,013

Liabilities			
Item	Original Balance	Reclassification	Current Balance
Labor and pension provisions	119,100	27,924	147,024
Civil claims provisions	49,340	5,231	54,571
Other provisions for contingencies	4,387	201	4,588

Construction in progress

For the purposes of comparisons between balances reported in the period ended September 30,2011 and December 31,2010 in the consolidated balance sheet, the amount of R$11,986 was reclassified referring to the balance of Conpacel and SPP from the accounting item “Operational Property, Plant and Equipment” to “Construction in Progress” at December 31, 2010. Below, balances before and after the reclassification:

	Consolidated		
Assets			
Item	Original Balance	Reclassification	Current Balance
Operational property, plant and equipment	10,152,376	(11,986)	10,140,390
Construction in progress	105,874	11,986	117,860

4 Cash and cash equivalents

	Parent Company		Consolidated	
	9/30/2011	12/31/2010	9/30/2011	12/31/2010
Cash and banks	**33,517**	114,785	**150,313**	345,486
Marketable securities	**2,789,464**	3,369,383	**2,808,625**	3,389,952
	2,822,981	3,484,168	**2,958,938**	3,735,438

At September 30, 2011 these investments yield interest at rates varying between 99.0% and 112.0% of Interbank Deposit Certificates (“CDI’s”) (from 99.0% to 114.0% at December 31, 2010), except for an amount in Repurchase Agreements as daily liquidity investments, yielded 75% of CDI.

Cash and cash equivalents were classified in the held-for-trading financial assets category; therefore, they were measured according to the criterion outlined in Note 3.3.1 item “a” of the financial statements as of December 31, 2010.

5 Trade accounts receivable

	Parent Company		Consolidated	
	9/30/2011	**12/31/2010**	**9/30/2011**	**12/31/2010**
Domestic clients				
- Third parties	**546,683**	486,956	**549,116**	490,939
- Other related parties	**1,369**	1,640	**1,369**	1,640
Foreign clients				
- Third parties	**19,534**	12,866	**425,585**	371,196
- Subsidiaries	**782,221**	699,633	**-**	-
Provision for discounts	**(5,877)**	(7,129)	**(47,252)**	(47,717)
Allowance for doubtful accounts	**(24,998)**	(20,401)	**(27,933)**	(24,001)
	1,318,932	1,173,565	**900,885**	792,057

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

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

At September 30, 2011, balances of overdue trade accounts receivable are broken down as follows:

	Parent Company		Consolidated	
	9/30/2011	**12/31/2010**	**9/30/2011**	**12/31/2010**
Amounts overdue:				
- Up to two months	12,011	2,733	15,295	6,810
- Two to six months	9,158	6,066	7,774	6,635
- Over six months	30,420	26,395	34,941	30,299
	51,589	35,194	**58,010**	43,744

Below, the breakdown of allowance for doubtful accounts in the period:

	Parent Company	Consolidated
Balances on December 31, 2010	(20,401)	(24,001)
Net assets acquired from KSR	(5,219)	(5,219)
Credits accrued	(3,875)	(4,374)
Credits recovered	298	777
Credits definitively written-off from position	4,199	5,115
Foreign exchange variation	-	(231)
Balances on September 30, 2011	**(24,998)**	**(27,933)**

Trade accounts receivable was classified in financial assets category “loans (granted) and receivables”; as such, it was measured as described in Note 3.3.1 item “b” of the financial statements of December 31, 2010.

6 Inventories

	Parent Company		Consolidated	
	9/30/2011	**12/31/2010**	**9/30/2011**	**12/31/2010**
Finished goods				
Pulp				
- Domestic	**24,132**	19,027	**24,132**	19,027
- Foreign	**-**	-	**74,525**	54,877
Paper				
- Domestic	**192,978**	127,444	**192,978**	127,444
- Foreign	**-**	-	**102,092**	61,737
Work in process	**22,727**	22,560	**22,727**	22,560
Raw materials	**230,433**	184,123	**230,602**	184,307
Maintenance and other materials	**233,214**	202,755	**238,940**	206,696
Provision for inventories losses of maintenance and others	**(29,327)**	(17,827)	**(29,327)**	(17,827)
	674,157	538,082	**856,669**	658,821

7 Recoverable taxes

	Parent Company		Consolidated	
	9/30/2011	**12/31/2010**	**9/30/2011**	**12/31/2010**
Recoverable social contribution	**23,766**	1,914	**24,351**	1,954
Income tax recoverable	**43,321**	21,296	**46,217**	22,145
PIS/COFINS recoverable	**149,077**	118,924	**149,088**	118,924
ICMS recoverable	**137,924**	123,451	**142,531**	123,547
Provision for ICMS credit loss	**(9,132)**	(8,032)	**(9,132)**	(8,032)
Other taxes and contributions	**15,061**	8,943	**15,443**	9,320
	360,017	266,496	**368,498**	267,858
Current	**252,981**	170,434	**261,414**	171,748
Non-current	**107,036**	96,062	**107,084**	96,110

In addition to the accelerated depreciation benefit referred to in Note 8, Article 4 of the Provisional Measure No. 540/2011 of August 2, 2011 also authorizes the utilization of PIS/COFINS credits over acquisitions made as of August 3, 2011 in the domestic market or imports of new machinery and equipment, in 11 months and gradually reduced to a monthly installment until July 2012, when credits can be immediately recovered on the date of acquisition. The accumulated balance of recoverable taxes prior to this provisional measure will be discounted within twelve (12) months, pursuant to the Law No. 11.196 of November 21, 2005.

The amount of recoverable PIS/COFINS refers substantially to tax credits over the acquisition of fixed assets related to Mucuri expansion project, whose credit is based on the depreciation term of these assets. The Company will realize these credits with debits deriving from the increase of business activities and through other federal taxes carry forward.

From the amount of ICMS above related to Mucuri plant, R$76,102 at September 30, 2011 (R$66,932 at December 31, 2010) basically refer to the non-utilization of credits in pulp and paper exports outflow from Mucuri plant located in Bahia, which are tax exempted. In order to realize these amounts, the Company requested the Finance Office of the State of Bahia - SEFAZ/BA to validate and approve tax credits generated from August 2006 to September 2008, already audited by fiscal authorities, amounting to R$37,901. In addition, the Company awaits inspection and ratification of new credits for the period between October 2008 and December 2010, amounting to R$29,031, so that the Company can also use them in offsetting authorized by RICMS/BA or trade them on the active market, to which the expected average discount is approximately 12% over the credit value. Therefore, the Company recorded a provision for loss of these credits in the amount of R$9,132 (R$8,032 at December 31, 2010).

8 Income and social contribution taxes

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

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

Deferred income and social contribution taxes

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

Deferred income and social contribution taxes are originated as follows:

	Parent Company		Consolidated	
	9/30/2011	12/31/2010	9/30/2011	12/31/2010
Income tax				
Credits over losses carryforward	**397,959**	299,879	**402,529**	301,722
Credits over temporary differences:				
- Credits over provisions	**126,602**	119,805	**126,653**	137,742
- Credits over goodwill amortization	**20,345**	28,526	**20,345**	28,526
Credits over effects of Law 11,941/09 and IFRS	**181,413**	143,894	**181,413**	143,894
	726,319	592,104	**730,940**	611,884
Social contribution				
Credits over negative basis of social contribution	**35,602**	-	**37,065**	708
Credits over temporary differences:				
- Credits over provisions	**45,324**	42,877	**45,342**	49,335
- Credits over goodwill amortization	**7,324**	10,270	**7,324**	10,270
Credits over effects of Law 11,941/09 and IFRS	**65,309**	51,802	**65,309**	51,802
	153,559	104,949	**155,040**	112,115
Total assets	**879,878**	697,053	**885,980**	723,999
Income tax				
Debits over accelerated depreciation	**578,374**	581,208	**578,374**	581,208
Debits over goodwill amortization	**73,850**	53,709	**73,850**	53,709
Reforestation costs	**1,013**	2,021	**1,013**	2,021
Debits over effects of Law 11,941/09 and IFRS	**1,354,932**	1,328,902	**1,443,968**	1,433,384
	2,008,169	1,965,840	**2,097,205**	2,070,322
Social contribution				
Debits over goodwill amortization	**26,586**	19,335	**26,586**	19,335
Reforestation costs	**365**	727	**365**	727
Debits over effects of Law 11,941/09 and IFRS	**487,775**	478,406	**519,828**	516,021
	514,726	498,468	**546,779**	536,083
Total liabilities	**2,522,895**	2,464,308	**2,643,984**	2,606,405
Total non-current assets, net	**-**	-	**5,714**	26,946
Total non-current liabilities, net	**1,643,017**	1,767,255	**1,763,718**	1,909,352
	1,643,017	1,767,255	**1,758,004**	1,882,406

The Company recorded an impairment provision on goodwill balance of Conpacel (former Ripasa) at transition date to IFRS. The Company recorded deferred income and social contribution taxes liabilities over the amounts amortized for tax purposes, from January 1, 2009 until the date of this quarterly financial information.

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

	Parent Company		Consolidated	
	9/30/2011	12/31/2010	9/30/2011	12/31/2010
Income tax losses carryforward	**1,591,837**	1,199,517	**1,610,117**	1,206,888
Social contribution tax loss carryforward	**395,578**	-	**411,838**	7,865

According to CPC 32 – Income Taxes, the Company, based on the expectation of generating future taxable income determined in a technical study approved by management, recognized deferred tax assets over temporary differences, income tax loss carry forward and social contribution tax losses, which do not have expiring date.

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

	2011	
	Parent Company	**Consolidated**
2011	**16,346**	**16,905**
2012	**116,422**	**121,289**
2013	**95,878**	**95,878**
2014	**85,464**	**85,464**
2015	**86,639**	**86,639**
2016	**87,890**	**87,890**
2017	**91,334**	**92,011**
2018 onwards	**299,905**	**299,904**
	879,878	**885,980**

Tax incentives

The Company has tax incentives of 75% income tax reduction for the Mucuri/BA unit to be utilized by 2011 for pulp and by 2012 for paper (line 1) determined on the tax profit calculated proportionally to this unit's net revenues.

A similar benefit was obtained by the Company for Line 2 of this unit with termination by the end of 2018.

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

The Mucuri/BA unit operates under the supervision of the Superintendence for the Development of the Northeast (SUDENE), in less developed micro-regions and is eligible to accelerated depreciation for the assets acquired as from January 1, 2006.

The Company received the accelerated incentive depreciation benefit, which consists of full depreciation in the year the assets are acquired, for tax purposes, representing an exclusion from taxable income, made through Taxable Income Control Register (LALUR) not changing, however, the depreciation expense that will be recorded in the income statement, upon beginning of activities of the expansion project, based on the estimated useful lives of the assets.

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

Reconciliation of income and social contribution tax expenses

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

	Parent Company		Consolidated	
	9/30/2011	9/30/2010	9/30/2011	9/30/2010
Income (loss) before income and social contribution taxes	**(310,921)**	671,989	**(303,584)**	676,964
Exclusion of equity pick-up in subsidiaries and affiliates	**10,666**	(90,661)	**-**	-
Income (loss) after excluding the equity pick-up in subsidiaries and affiliates	**(300,255)**	581,328	**(303,584)**	676,964
Income and social contribution taxes by the nominal rate of 34%	**102,087**	(197,652)	**103,219**	(230,168)
Adjustments to accounting to tax income:				
Income taxation of foreign subsidiaries	**-**	(162)	**-**	-
Exchange effect of translating foreign subsidiaries' financial statements	**-**	-	**(8,645)**	28,143
Tax effects over adjustments to Law 11,941/09 and IFRS	**14,768**	44	**23,131**	-
Interest on shareholders' equity	**-**	20,001	**-**	20,001
Tax incentives - SUDENE reduction	**-**	33,651	**-**	33,651
Tax incentives - Technological Innovation	**7,247**	4,722	**7,247**	4,722
Effect of SUDENE reduction over the calculation of temporary differences	**-**	(7,834)	**-**	(7,834)
Other	**8,620**	(6,395)	**433**	(7,115)
Current income and social contribution taxes	**5,313**	(117,671)	**(1,971)**	(122,350)
Deferred income and social contribution taxes	**127,409**	(35,954)	**127,356**	(36,250)
Income and social contribution (expense) revenue recorded in the income statement for the period	**132,722**	(153,625)	**125,385**	(158,600)

In the period ended September 30, 2011, the company reported accumulated tax loss. The income and social contribution effective tax rate for the same period of 2010 is 26.4% in the parent company and 23.4% in consolidated.

9 Related parties

Balances and transactions in the nine-month period ended September 30, 2011

	Assets			Liabilities				9/30/2011	
	Current		Non-current	Current		Non-current		Revenues (expenses)	
Consolidated companies									
Suzano Trading	771,442	**(2)**	-	36,584	**(1)**	1,223,375	**(1)**	1,577,731	**(2)**
Suzano America, Inc.	19		-	-		-		-	
Suzano Europe S.A.	153		-	3,884		-		-	
Comercial e Agrícola Paineiras Ltda.	9		-	5,268		-		(23,387)	
Stenfar S/A Indl. Coml. Imp. Y. Exp.	11,904	**(2)**	-	-		-		28,524	**(2)**
Ondurman Empreendimentos Imobiliários Ltda.	-		875	-		-		(9,184)	
Amulya Empreendimentos Imobiliários Ltda	-		1,500	-		-		(5,196)	
Asapir	-		-	9,102		-		-	
Baldev Empreendimentos e Participações Ltda	-		19,830	-		-		-	
	783,527		**22,205**	**54,838**		**1,223,375**		**1,568,489**	
Non-consolidated companies									
Suzano Holding S.A.	-		-	-		-		(15,779)	
Agaprint Indl. e Coml. Ltda.	277		-	11,256	**(5)**	-		23,845	**(2)**
Central Distribuidora de Papéis Ltda	1,093		-	13,592	**(5)**	-		38,868	**(2)**
Nemonorte Imóveis e Participações Ltda.	-		-	-		-		(405)	
Mabex Representações e Participações Ltda.	-		-	-		-		(556)	
Brasilprev Seguros e Previdência S.A.	-		-	-		-		(2,881)	**(3)**
Lazam MDS Corretora e Adm. Seguros S.A.	-		-	-		-		(162)	
Shareholders	-		-	(578)	**(4)**	-		-	
CONSOLIDATED	**1,369**		**-**	**24,271**		**-**		**42,930**	
PARENT COMPANY	**784,896**		**22,205**	**79,109**		**1,223,375**		**1,611,419**	

Balances for December 31, 2010 and transactions in the nine-month period ended September 30, 2010

	Assets			Liabilities				9/30/2010	
	Current		Non-current	Current		Non-current		Revenues (expenses)	
Consolidated companies									
Suzano Trading	693,705	**(2)**	811	116,075	**(1)**	1,120,044	**(1)**	1,693,924	
Suzano America, Inc.	17		-	-		-		-	
Suzano Europe S.A.	137		-	3,487		-		-	
Comercial e Agrícola Paineiras Ltda.	-		-	6,036		-		(19,440)	
Stenfar S/A Indl. Coml. Imp. Y. Exp.	7,726	**(2)**	-	61		-		27,709	
Asapir	-		-	9,752		-		(8,440)	
Ondurman Empreendimentos Imobiliários Ltda.	-		-	-		-		-	
	701,585		**811**	**135,411**		**1,120,044**		**1,693,753**	
Non-consolidated companies									
Suzano Holding S.A.	-		-	-		-		(15,015)	
Agaprint Indl. e Coml. Ltda.	297		-	13,501	**(5)**	-		20,151	**(2)**
Central Distribuidora de Papéis Ltda	101		-	13,991	**(5)**	-		50,244	**(2)**
Nova Mercante de Papéis Ltda	1,242		-	-		-		8,453	
Nemonorte Imóveis e Participações Ltda.	-		-	-		-		(371)	
Mabex Representações e Participações Ltda.	-		-	-		-		(831)	
Brasilprev Seguros e Previdência S.A.	-		-	-		-		(2,901)	**(3)**
Lazam MDS Corretora e Adm. Seguros S.A.	-		-	-		-		(224)	
Shareholders	-		-	129,020	**(4)**	-			
CONSOLIDATED	**1,640**		**-**	**156,512**		**-**		**59,506**	
PARENT COMPANY	**703,225**		**811**	**291,923**		**1,120,044**		**1,753,259**	

(1) - These refer mainly to 'Notes due-2021" and import financing, funded by subsidiary Suzano Trading and transferred to the Company in export prepayment operations.
(2) - This refers to pulp and paper sales operations;
(3) - Expenses related to defined contribution private pension plan for the Company's employees.
(4) – This refers to dividends and interest on shareholders' equity.
(5) – This refers to vendor operations classified as loans and financing (Note 17).

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

Management compensation

Company's key management compensation expenses, recognized in the income statement for the period ended September 30, 2011 amounted to R$35,417 in the parent company and R$35,594 in the consolidated (R$32,988 and R$33,177, respectively, in the period ended September 30, 2010). Please refer to Note 22 for share-based compensation information.

10 Indemnification for land expropriation

On July 1, 1987, Companhia Santista de Papel, one of the invested companies owned by the former group Ripasa (hereinafter Conpacel), filed a claim requiring indemnity due to indirect expropriation of its property, which was declared as being in an area of public interest (property included in the State Park of Serra do Mar). At December 2, 2004, the Company had a favorable judicial decision that also wrote-off the net carrying value of the asset.

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

At September 30, 2011, this receivable balance was R$55,968 (R$56,512 at December 31, 2010), of which R$6,279 were recorded in current assets and R$49,689 were recorded in non-current assets.

11 Timber development program

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

The Company had advances from development financial resources amounting to R$295,499, classified under current and non-current assets at September 30, 2011 (R$264,391 at December 31, 2010).

12 Investments

		September 2011			Equity			
		Subsidiary's information			Pick-up		Investments	
		Shareholders' equity (income/loss)	Income for the period	Equity interest	9/30/2011	9/30/2010	9/30/2011	12/31/2010
PARENT COMPANY								
Asapir		**43,291**	**614**	**50%**	**307**	(1,528)	**21,645**	21,339
Comercial e Agrícola Paineiras Ltda.		**437,791**	**5,103**	**100%**	**5,059**	7,909	**437,746**	432,687
Stenfar S.A., Ind. Com. Imp. Y Exp.	**(b)**	**12,567**	**(757)**	**15.70%**	**(15)**	338	**1,973**	1,988
Suzano Trading	**(a) / (b)**	**68,803**	**(37,572)**	**100%**	**(26,831)**	79,971	**68,647**	95,052
Suzano America, Inc.	**(b)**	**14,716**	**1,147**	**100%**	**2,524**	516	**14,716**	12,192
Bahia Sul Holdings GmbH	**(b)**	**(12)**	**(7)**	**100%**	**(7)**	1	**(12)**	(4)
Suzano Europe S.A.	**(b)**	**19,077**	**3,455**	**100%**	**5,484**	2,941	**19,077**	13,593
Sun Paper and Board Limited	**(b)**	**2,437**	**207**	**100%**	**445**	(531)	**2,437**	1,993
Ondurman Empreendimentos Imobiliários Ltda		**3,462**	**1,917**	**100%**	**1,917**	1,044	**3,461**	1,543
Amulya Empreendimentos Imobiliarios Ltda		**572**	**571**	**100%**	**570**	-	**571**	-
Baldev Empreendimentos e Participações Ltda		**(118)**	**(119)**	**100%**	**(119)**	-	**(118)**	-
Paineiras Logistica e Transportes Ltda.		**-**	**-**	**100%**	**-**	-	**-**	-
Total investments in direct and indirect subsidiaries					**(10,666)**	90,661	**570,143**	580,383
CONSOLIDATED								
Futuragene PLC.		**877**	**(5,748)**	**100%**	**-**	**-**	**-**	**-**
Stenfar S.A., Ind. Com. Imp. Y Exp.	**(b)**	**12,567**	**(757)**	**84.30%**	**-**	**-**	**-**	**-**
Total investments in direct and indirect subsidiaries							**-**	-

(a) At September 30, 2011, investment in this subsidiary considered the elimination of profit on unrealized inventory, net of tax effects, in the amount of R$157 (R$131 at September 30, 2010);

(b) The equity pickup of these foreign direct and indirect subsidiaries for the nine-month period ended September 30, 2011, includes exchange variation loss of investment in these subsidiaries, amounting to R$14,925 (loss of R$406 in the nine-month period ended September 30, 2010);

Changes in investments are as follows:

	Parent Company
	9/30/2011
Opening balance	**580,383**
Equity pick-up in subsidiaries and affiliates	**(10,666)**
Exchange variation in investees (other comprehensive income)	**426**
Closing balance	**570,143**

13 Biological assets

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

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

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

The eucalyptus forests valuation was made through the Income Approach method, based on the discounted future cash flows at present value, in order to reflect the economic model of a business unit solely concerned with eucalyptus plantation.

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

Fair value of the biological assets is calculated yearly. The adjustment effects are recorded under other operating income and their monthly realization through depletion, under cost of products sold. The Company does not have Biological Assets given as collateral at the dates of this quarterly financial information.

Movement of the biological asset balances is as follows:

	Parent Company	**Consolidated**
Balances on December 31, 2010	1,809,670	1,811,094
Additions	**430,883**	**431,026**
Biological assets acquired - Conpacel	**176,795**	**176,795**
Cuts in the period	**(144,729)**	**(144,729)**
Transfers	**6,422**	**6,422**
Other write-offs	**(1,828)**	**(14,889)**
Balances on September 30, 2011	**2,277,213**	**2,265,719**

14 Property, plant and equipment

The details of the Company’s property, plant and equipment are demonstrated in the following table:

Parent Company

	Buildings	Machinery and equipment	Other assets	Lands and farms	Work in progress	Total property, plant and equipment
Annual average depreciation rate	**2.32%**	**4.70%**	**16.08%**	**-**	**-**	**-**
Cost						
Balances on December 31, 2010	1,452,935	9,842,852	242,414	2,674,997	117,860	14,331,058
Transfers	38,414	(294,436)	10,936	378,120	(133,034)	-
Assets from the acquisition of Conpacel	77,475	1,068,237	5,425	117,120	15,731	1,283,988
Assets from the acquisition of KSR	1,794	27	662	-	-	2,483
Additions	5	14,073	5,831	66,019	708,212	794,140
Write-offs	(6,696)	(400,452)	(79,658)	(396)	-	(487,202)
Balances on September 30, 2011	**1,563,927**	**10,230,301**	**185,610**	**3,235,860**	**708,769**	**15,924,467**
Depreciation						
Balances on December 31, 2010	(435,659)	(3,386,576)	(200,776)	-	-	(4,023,011)
Transfers	7	(7)	-	-	-	-
Write-offs	6,137	397,979	79,080	-	-	483,196
Depreciation	(31,708)	(270,848)	(12,018)	-	-	(314,574)
Balances on September 30, 2011	**(461,223)**	**(3,259,452)**	**(133,714)**	**-**	**-**	**(3,854,389)**
Residual value						
Balances on September 30, 2011	**1,102,704**	**6,970,849**	**51,896**	**3,235,860**	**708,769**	**12,070,078**
Balances on December 31, 2010	1,017,276	6,456,276	41,638	2,674,997	117,860	10,308,047

Consolidated

	Buildings	Machinery and equipment	Other assets	Lands and farms	Work in progress	Total property, plant and equipment
Annual average depreciation rate	**2.32%**	**4.70%**	**16.08%**	**-**	**-**	**-**
Cost						
Balances on December 31, 2010	1,459,175	9,843,082	473,397	3,106,824	117,859	15,000,337
Transfers	38,414	(294,436)	10,936	378,120	(133,034)	-
Assets from the acquisition of Conpacel	77,475	1,068,237	5,425	117,120	15,731	1,283,988
Assets from the acquisition of KSR	1,794	27	662	-	-	2,483
Additions	5	57,662	13,047	126,710	708,213	905,637
Write-offs	(6,696)	(400,452)	(79,589)	(4,481)	-	(491,218)
Balances on September 30, 2011	**1,570,167**	**10,274,120**	**423,878**	**3,724,293**	**708,769**	**16,701,227**
Depreciation, amortization and depletion						
Balances on December 31, 2010	(441,567)	(3,386,753)	(233,524)	-	-	(4,061,844)
Transfers	7	(7)	-	-	-	-
Write-offs	6,137	397,979	79,120	-	-	483,236
Depreciation	(31,734)	(270,857)	(18,225)	-	-	(320,816)
Balances on September 30, 2011	**(467,157)**	**(3,259,638)**	**(172,629)**	**-**	**-**	**(3,899,424)**
Residual value						
Balances on September 30, 2011	**1,103,010**	**7,014,482**	**251,249**	**3,724,293**	**708,769**	**12,801,803**
Balances on December 31, 2010	1,017,608	6,456,329	239,873	3,106,824	117,859	10,938,493

Machinery and equipment include amounts recognized as finance lease outlined in Note 17.

At September 30, 2011 other consolidated assets basically refer to turbines of Complexo Energético Amador Aguiar (energy complex), in the amount of R$194,644 (R$194,703 at December 31, 2010).

At September 30, 2011, the Company and its subsidiaries had property, plant and equipment pledged as collateral in loan operations and lawsuits amounting to R$3,810,325 (R$3,921,173 at December 31, 2010).

In the period ended September 30, 2011 and fiscal year ending December 31, 2010 there were no significant capitalizations of interest.

15 Acquisition of Conpacel and KSR's net assets

The execution of the agreement to complete the acquisition of Fibria's interest in Conpacel's net assets by the Company, held on January 31 and February 28, 2011, comprised 50% of the pulp and paper plant, own land and leased plantation of Conpacel and 100% of KSR paper distribution operations, respectively.

This acquisition reaffirms the Company's strategy of (i) always relying on competitive assets and consolidate itself as regional leader in the segment of printing and writing paper; (ii) maximizing the profitability of its pulp and paper operations; (iii) increasing its paper regional distribution platform; and (iv) expanding its pulp business.

The balance of net assets acquired from Conpacel and KSR at the dates the Company took over control is as follows:

	CONPACEL	**KSR**		**CONPACEL**	**KSR**
ASSETS	**1/31/2011**	**2/28/2011**	**LIABILITIES**	**1/31/2011**	**2/28/2011**
Current	**36,930**	**90,569**	Current	**35,201**	**22,022**
Accounts receivable	-	42,635	Suppliers	12,490	17,067
Inventories	35,963	42,323	Financing	12,225	-
Recoverable taxes	-	4,554	Taxes and fees	1,271	-
Other accounts receivable	522	67	Payroll and charges	5,837	997
Prepaid expenses	445	990	Accounts payable	3,378	3,958
Non-current	**606,420**	**2,483**	Non-current	**26,334**	**-**
Deferred income and social contribution taxes	6,381	-			
Receivables from developments	7,514	-	Net assets acquired	**581,815**	**71,030**
Property, plant and equipment	590,814	2,483			
Intangible assets	1,711	-			
TOTAL	**643,350**	**93,052**	**TOTAL**	**643,350**	**93,052**

Acquired net assets will be appraised to determine their fair value at respective acquisition dates as set forth by CPC 15 (R1).

16 Intangible assets

Goodwill

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

Below, the breakdown of goodwill balances:

			9/30/2011	12/31/2010
	Cost	Amortization	Residual	Residual
B.L.D.S.P.E. Celulose e Papel S.A.	**46,433**	**(12,381)**	**34,052**	34,052
Paineiras Logística e Transportes Ltda	**10**	**-**	**10**	-
Total parent company and consolidated	**46,443**	**(12,381)**	**34,062**	34,052

FuturaGene Plc. acquisition - Purchase Price Allocation – PPA.

On July 13, 2010, the Company through its subsidiary Suzano Trading Ltd., obtained authorizations from appropriate authorities of the United Kingdom for the acquisition of all remaining shares of Futuragene's capital stock, when Futuragene’s control was transferred. The capital stock was composed of 59,792,240 common shares of which Suzano Trading already held 4,374,624 common shares, corresponding to 7.32% interest. The acquisition of remaining interest was settled at July 19, 2010 for R$147,902.

On the date of acquisition, the assets and liabilities acquired are reported below and initial goodwill of R$135,859 was accrued at that time.

ASSETS	**6/30/2010**	**LIABILITIES**	**6/30/2010**
Current	**5,742**	Current	**4,220**
Cash and cash equivalents	4,606	Suppliers	552
Other receivable accounts	905	Payroll charges	62
Recoverable taxes	57	Accounts payable	3,359
Prepaid expenses	175	Income and social contribution tax	248
Property, plant and equipment	**355**	Shareholders' equity	**1,877**
TOTAL	**6,097**	**TOTAL**	**6,097**

The Company, in order to comply with CPC 15 (R1) – Business Combination engaged external appraisers to identify and evaluate assets and liabilities at their fair value. The following intangible assets were identified:

Identified Intangible Assets	**Evaluation Methodology (1)**	**Useful Life (years)**	**Fair Value**
Development and Research Agreements	Income Method	18.8	153,316
Other Licensing Agreements	Income Method	11.8	3,436
			156,752

(1) This method is based on the cash flows that asset shall generate in the future during its remaining useful life. Its application consists of the following phases. Firstly, cash flows that asset shall generate will be projected, which includes an analysis of financial data and interviews with operational area staff in order to estimate the company’s future revenues and expenses. Thereafter, cash flows are discounted at present value by applying a rate of return that reflects the cash value over time and asset’s risk. The fair value then will correspond to the sum of projected cash flows and residual value, both discounted at present value, at the end of the projected period.

Futuragene has agreements ensuring exclusiveness to sell products whose patent rights pertain to Universities and Research Institutes (licensed technology), which shall offer economic benefits to the company. Researches at early stage of development were not evaluated due the high level of uncertainties involved.

The intangible assets identified and recognized comply with the recognition criteria set forth in CPC 04 (R1) – Intangible Asset and have been amortized as of the date of acquisition, based on corresponding estimated useful life of each contract.

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

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

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

Below, the Purchase Price Allocation – PPA

	R$
Shareholders' equity acquired at 6/30/2010	1,932
Fair value of assets acquired	156,752
Total of assets acquired at fair value	158,685
Total consideration transferred by acquisition	151,306
Gains on the acquisition of investment	**7,379**

The gain and accumulated amortization verified as of the date of Futuragene's acquisition recognized in the income statement for the quarter ended September 30, 2011 is recorded under other Operating Revenues and Expenses.

17 Loans and financing

	Index		Annual average interest rate on 9/30/2011	Parent Company 9/30/2011	Parent Company 12/31/2010	Consolidated 9/30/2011	Consolidated 12/31/2010
Property, plant and equipment:							
BNDES - Finem	TJLP	(1) (2)	8.46%	**1,820,891**	1,860,087	**1,868,447**	1,914,007
BNDES - Finem	Currency basket	(2)	5.99%	**428,433**	299,644	**428,433**	299,644
BNDES - Finame	TJLP	(1) (2)	4.86%	**5,827**	7,123	**5,827**	7,123
BNDES - Finame	Currency basket		6.59%	**19**	60	**19**	60
BNDES - Automatic	TJLP	(1) (2)	9.30%	**1,491**	2,832	**1,491**	2,832
BNDES - Automatic	Currency basket		6.59%	**165**	282	**165**	282
FNE - BNB	Fixed rate	(2)	8.50%	**116,359**	129,906	**116,359**	129,906
FINEP	Fixed rate	(2)	4.75%	**43,555**	34,679	**43,555**	34,679
Rural credit	CDI		11.59%	**11,276**	41,266	**11,276**	41,266
Financial leasing	CDI / US$		12.00%	**91,838**	65,469	**91,838**	65,469
Working capital:							
Export financing	US$	(3)	3.79%	**2,234,433**	1,641,907	**2,304,209**	1,725,225
Import financing	US$	(4)	1.12%	**205,967**	203,102	**205,967**	287,159
Nordic Investment Bank	US$	(5)	5.74%	**78,111**	74,454	**78,111**	74,454
Export financing	CDI		11.82%	**612,096**	348,060	**612,096**	348,060
Export financing	US$			**-**	51,547	**-**	51,547
BNDES - EXIM	TJLP	(1)	7.16%	**269,700**	308,159	**269,700**	308,159
Senior Notes	Fixed rate	(6)	5.88%	**-**	-	**1,189,438**	1,072,490
Trade notes discount - Vendor				**185,338**	155,593	**185,338**	155,593
Other				**452**	953	**17,732**	13,604
				6,105,951	5,225,123	**7,430,001**	6,531,559
Current (including interest rates payable)				**1,709,111**	1,194,742	**1,773,383**	1,340,127
Non-current				**4,396,840**	4,030,381	**5,656,618**	5,191,432
Non-current loans and financing mature as follows:							
2012				**555,956**	1,256,299	**558,559**	1,287,260
2013				**1,036,321**	980,679	**1,069,911**	1,011,640
2014				**570,350**	477,365	**603,941**	508,326
2015				**445,797**	418,105	**455,282**	427,337
2016				**452,053**	400,142	**456,104**	404,082
2017				**331,485**	242,471	**331,485**	242,471
2018				**535,536**	179,767	**535,536**	179,767
2019				**221,719**	69,927	**221,719**	69,927
2020 onwards				**247,623**	5,626	**1,424,081**	1,060,622
				4,396,840	4,030,381	**5,656,618**	5,191,432

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

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

3) In September 2009, the Company, through its subsidiary Suzano Trading, signed a loan agreement with Banco WestLB AG of US$50 million to finance exports. This agreement contains clauses establishing maximum leverage levels, with measurement in previously determined periods. No measurement is required for the quarter ended September 30, 2011.

4) In October 2006, the Company signed a loan agreement with BNP Paribas and Société Générale, in the proportion of 50% for each one, in the amount of US$150 million, to finance imported equipment for the Mucuri project. This agreement contains clauses establishing maximum leverage levels, with measurement in previously determined periods. No measurement is required for the quarter ended September 30, 2011.

5) In November 2006, the Company executed a Credit Facility Agreement with Nordic Investment Bank in the amount of up to US$50 million to finance equipment and specialized workforce related to the Mucuri project. This agreement contains clauses establishing maximum leverage levels, with measurement in previously determined periods. No measurement is required for the quarter ended September 30, 2011.

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

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

Finance lease

The Company has finance lease agreements related to:

i) Equipment used in the pulp and paper industrial process, located in the cities of Limeira-São Paulo and Mucuri-Bahia. These agreements are denominated in U.S. dollars or Interbank Deposit Certificates (CDI) and contain purchase option clauses of these assets at the expiration of leasing term, which varies between 8 and 15 years, for a price substantially lower than their fair value. Management intends to exercise the purchase options on the dates estimated in each agreement.

ii) Hardware equipment and installation service. These agreements were executed in Brazilian Reais and do not contain purchase option clause of assets at the end of 45 months and the Management does not have the intention to purchase assets at the end of the contract term.

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

	Parent Company and Consolidated	
	9/30/2011	12/31/2010
Machinery and equipment	150,582	98,557
(-) Accumulated depreciation	(91,824)	(48,760)
Property, plant and equipment, net	58,758	49,797
Present value of mandatory installments (financing):		
Less than 1 year	30,970	16,143
From 1 to 5 years	51,275	39,495
Over 5 years	9,593	9,831
Total present value of mandatory installments (financing)	91,838	65,469
Financial charges to be appropriated in the future	4,589	11,116
Value of mandatory installments at the expiration of agreements	96,427	76,585

18 Debentures

			9/30/2011			12/31/2010	Index	Interest	Due Date
Issue	Series	Number	Current	Non-current	Current and non-current	Current and non-current			
3rd	1st	333,000	22,637	508,756	531,393	513,368	IGP-M	10% *	4/1/2014
3rd	2nd	167,000	3,469	101,628	105,097	92,746	USD	9.85%	5/7/2019
4th	1st	8,776	3,484	3,008	6,492	6,359	TJLP	2.50%	12/1/2012
4th	2nd	17,552	6,783	5,985	12,768	12,363	TJLP	2.50%	12/1/2012
5th	1st	401,819	18,406	37,072	55,478	-	IPCA	4.50%	12/16/2013
5th	2nd	798,181	36,562	72,572	109,134	-	IPCA	4.50%	12/16/2013
			91,341	729,021	820,362	624,836			

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

a) 3rd issue debentures

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

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

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

The indenture of 3rd issue debentures contains clauses establishing maximum indebtedness and leverage levels, based on the Company's consolidated quarterly financial information. In the quarter ended September 30, 2011, mainly due to Real devaluation, the maximum leverage level exceeded. However, the Company shall return to limits allowed by the end of the next quarter, but if this does not occur, the trustee shall call for a Debenture Holders General Meeting in order to resolve on the early maturity of the issue. The Company has the option of redeeming debentures before said General Meeting, besides having a comfortable cash position to make this redemption, if necessary.

b) 4th issue debentures

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

In December 2010, BNDESPAR converted 70,959 1st series debentures and 141,919 2nd series debentures, which resulted in the issue of 5,263,014 common shares and 10,526,267 Class "A" preferred shares of the Company. All the common shares resulting from this conversion were acquired by parent company Suzano Holding S.A. (Note 26).

There are nonfinancial covenants for the 4th issue debentures. If such clauses are not observed, the resulting effect is that the debt is immediately enforceable. This agreement contains clauses establishing maximum leverage levels to be measured in previously determined periods. No measurement is required for the quarter ended September 30, 2011.

c) 5th issue debentures

The 5th issue was completed in June 2011, with issue date at December 15, 2010, composed of two series, the first one with the face value of R$401,819 and the second one with the face value of R$798,181, both mandatorily convertible into shares to be privately placed and with preemptive right for shareholders. The 1st series debentures were fully subscribed by controlling shareholders at the face value of R$401,819 and R$236,378 for the 2nd series were subscribed by controlling shareholders, R$24,161 face value by non-controlling shareholders and R$537,642 face value subscribed by BNDESPAR, pursuant to the agreement executed with BNDES' subsidiary. The 5th issue debentures have final maturity at December 16, 2013. Annual interest rates are 4.5% p.a. payable annually, always on January 15, with the first payment due on January 15, 2012 and the last payment coinciding with the last conversion date. The face value of debentures will be adjusted by the variation of the Extended Consumer Price Index (IPCA), published by the Brazilian Institute of Geography and Statistics (IBGE), as of the issue date up until the settlement of debentures. Debentures can be convertible into shares as of December 17, 2012 up to the maturity date, at debenture holders' discretion, at the price of R$17.39 per share, less dividends declared per share, as of January 1, 2011, restricted to the maximum accumulated amount of R$1.00.

This agreement contains clauses establishing maximum leverage levels to be measured in previously determined periods. No measurement is required for the quarter ended September 30, 2011.

In order to determine the accounting for these debentures mandatorily convertible into shares, Management applied CPC 38, 39 and 40 – Financial Instruments.

When issuing these debentures, the interest rate component of this operation was identified. Interest rates incurring on the operation were calculated and carried to present value, recorded under Debentures liability as these are settled through cash disbursement, classified between current and non-current. The effective interest calculated will be recorded under Debentures against Financial Expenses until the conversion date of such debentures into shares.

The interest rate component was deducted from the amount effectively subscribed and received by the Company and the remaining amount was recorded in Capital Reserve, since represents the amount mandatorily convertible into shares on the subscription date.

All debentures will be adjusted by IPCA, and this liability will be recorded under Debentures against Financial Expenses. When settling this financial liability upon the mandatory conversion of debentures, the accumulated amount will be reclassified to Equity. The classification as financial liability is justified by the variable number of shares that will be issued upon conversion, as required by Paragraph 29 of CPC 39.

19 Provision for contingencies

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

Changes in provision for contingencies are as follows:

	Parent Company					
	Balance on 12/31/2010	**New lawsuits**	**Reversals**	**Monetary restatement**	**Settlement of lawsuits**	**Balance on 9/30/2011**
Tax	147,023	15,749	(23,702)	11,022	(16,626)	133,466
Social security and labor	46,536	6,377	-	864	(2,526)	51,251
Civil	4,588	2,855	(40)	-	-	7,403
Other	9,606	-	-	-	-	9,606
	207,753	24,981	(23,742)	11,886	(19,152)	201,726

	Consolidated					
	Balance on 12/31/2010	**New lawsuits**	**Reversals**	**Monetary restatement**	**Settlement of lawsuits**	**Balance on 9/30/2011**
Tax	147,024	15,749	(23,702)	11,022	(16,626)	133,467
Social security and labor	54,571	6,377	(997)	864	(2,526)	58,289
Civil	4,588	2,855	(40)	-	-	7,403
Other	9,601	-	-	-	-	9,601
	215,784	24,981	(24,739)	11,886	(19,152)	208,760

Significant proceedings are commented below:

COFINS

The Company has COFINS judicial deposits of R$16.9 million referring to a lawsuit that calls into question the amendments of Law No. 9.718/98, of which R$9.6 million refers to the increase of the calculation basis, which are generally accepted to the benefit of taxpayer and R$7.3 million refers to the tax rate increase, which are generally accepted to the benefit of federal government and provisions were recorded.

Other tax claims

In addition to the lawsuit mentioned in the item above, the Company is defendant in ICMS collection suit amounting to R$110 thousand, whose chances of loss are probable, therefore, provision is duly recorded.

The Company is also defendant in judicial or administrative proceedings, which involve other taxes, such as PIS (Social Integration Program), IPI (Excise Tax), ICMS (State Value-Added Tax), IR (Income Tax), Social Security Contributions, summing up R$473.7 million, whose chances of loss are possible.

Concerning lawsuits whose chances of loss are probable, the Company has a balance of R$6.3 million of judicial deposits.

Labor claims

The Company is defendant in labor claims amounting to R$43.2 million to which the chances of loss are probable, therefore, provisions were recorded. In addition, the Company is defendant in labor claims amounting to R$15.9 million whose chances of loss are possible.

Concerning lawsuits whose chances of loss are probable, the Company has a balance of R$6.1 million of judicial deposits.

Civil claims

The Company is defendant in civil claims amounting to R$3.7 million whose chances of loss are probable and provisions have been duly recorded. In addition, the Company is defendant in civil claims amounting to R$10.3 million whose chances of loss are possible.

Concerning lawsuits whose chances of loss are probable, the Company has a balance of R$80 thousand of judicial deposits.

20 Actuarial liabilities

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

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

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

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

At September 30, 2011, the amount of future liabilities related to these benefits, recorded by the Company was R$168,612 (R$162,691 at December 31, 2010). The actuarial methods adopted comply with the CPC 33 – Employee Benefits. The economic and biometric assumptions used in calculations were: annual discount rate of 6.00%, health costs annual growth rate of 3.0% and general mortality biometric table AT-83.

Changes in the actuarial liability are as follows:

	Parent Company and Consolidated
	9/30/2011
Opening balances	162,691
Interest on actuarial liability	12,642
Benefits paid in the period	(6,721)
Closing Balance	168,612

21 Defined contribution private pension plan

In January 2005, the Company established a supplementary defined contribution private pension plan for its employees, called Suzano Prev, and hired a financial institution to manage this plan. When Suzano Prev was created, the Company defined that it will pay the contribution related to previous year for all employees, on account of services rendered to the Company in periods prior to the organization of the Plan (past service). This disbursement will occur over the following years, calculated separately, until each employee then becomes eligible for the Plan benefit payouts. Company (employer) contributions in the period ended September 30, 2011, amounted to R$3,774, whereas employee contributions amounted to R$5,751 (R$3,410 and R$4,981 in the period ended September 30, 2010, respectively).

22 Share-based payments

Description of Share-based payment plans paid in cash

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

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

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

The 2006 phantom share appreciation program was limited to 120% of their grant value.

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

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

At the Special Shareholders' Meeting held on August 29, 2008, the Class "A" ("Plan") preferred shares Stock Option Plan was approved.

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

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

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

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

Program	Grace period	Number of Class "A" preferred shares
Program 1	1st exercise date: from 6/1/2010 to 12/31/2012	62,500 shares or 12.5% of total shares under option
	2nd exercise date: from 6/1/2011 to 12/31/2012	62,500 shares or 12.5% of total shares under option
	3rd exercise date: from 6/1/2012 to 12/31/2012	Remaining balance of shares or 75% of total shares under option
Program 2	1st exercise date: from 8/1/2013 to 12/31/2015	120,000 shares or 20% of total shares under option
	2nd exercise date: from 8/1/2014 to 12/31/2015	120,000 shares or 20% of total shares under option
	3rd exercise date: from 8/1/2015 to 12/31/2015	Remaining balance of shares or 60% of total shares under option

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

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

At September 30, 2011, there were 4,155 thousand preferred treasury shares which can guarantee the options granted by the Plan.

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

Assumptions	9/30/2011
Number of shares (thousand)	408,892
Balance of the series granted in effect (thousand)	975
Maximum dilution of corporate interest	0.24%

Summary of changes related to share-based payments

Where applicable, the bonus shares were considered according to the material fact of April 30, 2010:

Long-Term Incentive – phantom shares

Parent Company and Consolidated

9/30/2011

Granted program	Grant date	Fair value on the grant date	Fair value at the end of the period	1st exercise date	2nd exercise date and settlement	Shares: Granted	Shares: Exercised	Shares: Exercised due to dismissal	Shares: Not exercised due to dismissal	Shares: Total in effect on 9/30/2011	Weighted average price of exercised shares
ILP2006 (P)	May-07	23.38	14.58	Sep-10	Sep-13	31,105	-	-	-	10,541	-
ILP2006 (D)	May-07	16.32	14.58	Sep-10	Sep-13	15,783	-	-	-	15,783	-
ILP2007 (PN)	Mar-08	34.74	14.58	Mar-11	Mar-14	146,180	-	-	(1,579)	63,179	14.08
ILP2007 (PE)	Aug-08	34.74	14.58	Sep-14	-	8,996	-	-	-	8,996	-
ILP2008 (A)	Jul-08	34.74	14.58	Mar-12	Mar-15	78,019	-	-	(2,155)	67,948	14.08
ILP2009 (A)	Jul-08	34.74	14.58	Mar-13	Mar-16	78,019	-	-	(2,155)	67,948	14.08
ILP2008 (PN)	Jan-09	18.01	14.58	Mar-12	Mar-15	23,334	-	-	(5,201)	18,133	14.08
ILP2008 (PN)	Mar-09	15.11	14.58	Mar-12	Mar-15	276,997	-	-	-	239,339	-
ILP2009 (D)	Mar-09	15.11	14.58	Mar-12	Mar-15	131,352	-	(1,186)	-	106,637	14.08
ILP2009 (M)	Sep-09	15.11	14.58	Mar-12	Mar-15	209,057	-	-	(2,633)	176,354	14.08
ILP2009	Mar-10	23.86	14.58	Mar-13	Mar-16	275,448	-	-	-	219,763	-
ILP2009 (B)	Mar-10	19.29	14.58	Sep-13	Sep-16	32,406	-	-	(32,406)	-	14.08
ILP2009 (J)	May-10	21.56	14.58	Sep-13	Sep-16	3,188	-	-	-	3,188	-
ILP 2010	Mar-11	18.64	14.58	Mar-14	Mar-17	499,600	-	(7,624)	(16,399)	475,577	14.08
TOTAL						1,809,484	-	(8,810)	(62,528)	1,473,386	14.08

Parent Company and Consolidated

12/31/2010

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

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

Parent Company and Consolidated

											9/30/2011
					Price		Number of shares				
Program	Granted series	Grant date	1st exercise date	2nd exercise date and expiration	On the grant date	End of the period	Granted	Exercised	Not exercised due to dismissal	Expired	Total in effect on 9/30/2011
Program 1	Series I	8/10/2009	6/1/2010	12/31/2012	11.36	-	62,500	62,500	-	-	-
	Series II	8/10/2009	6/1/2011	12/31/2012	11.36	-	62,500	62,500	-	-	-
	Série III	8/10/2009	6/1/2012	12/31/2012	11.36	7.09	375,000	-	-	-	375,000
Program 2	Series I	8/11/2010	8/1/2013	12/31/2015	5.97	0.52	120,000	-	-	-	120,000
	Series II	8/11/2010	8/1/2014	12/31/2015	5.97	0.52	120,000	-	-	-	120,000
	Série III	8/11/2010	8/1/2015	12/31/2015	5.97	0.52	360,000	-	-	-	360,000
TOTAL							1,100,000	125,000	-	-	975,000

Recognition and measurement of fair value of share-based payments

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

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

Description of assumptions	Index		
	Phantom stocks	Options	
		Program I	Program II
Asset base price (1)	R$ 10.41 / share	R$ 8.36/ share	R$ 8.36/ share
Expectation of volatility (2)	44.87% p.a.	33.60% p.a.	33.60% p.a.
Phantom stocks/options average life expectancy (3)	2.45 years	1.27 years	3.90 years
Dividends expectancy (4)	3.28% p.a.		
Risk-free weighted average interest rate (5)	10.84% average	10.84% average	11.14% average

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

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

	Parent Company and Consolidated			
	Liabilities and Shareholders' equity		Results	
			Nine-month period ended	
	9/30/2011	12/31/2010	9/30/2011	9/30/2010
Non-current liabilities				
Provision including phantom stocks plan	**8,741**	15,603	**1,597**	(2,183)
Provision including stock option plan	**2,606**	2,143	**(1,049)**	(1,216)
Total share-based compensation plan	**11,347**	17,746		
Shareholders' equity				
Stock option reserve	**981**	**350**	**(631)**	(140)
Effect in net income			**(83)**	(3,539)

23 Debt related to the acquisition of land and reforestation

The Company and its subsidiaries carried out transactions for the acquisition of land and reforestation through “Purchase Agreements” and "Mortgage-Backed Securities” (“CRI”) as presented below:

Acquiring companies	**Suzano**	**Ondurman**	**Amulya**
Features of the agreement			
Amount of the agreement	158,367	75,000	59,379
Type of property	Forests / Lands	Lands	Lands
Type of agreement	Purchase and sale	CRI	CRI
Insurance / issuing company	not applicable	Brazilian Securities	Brazilian Securities
Trustee	not applicable	Oliveira Trust Dist. Tít. Mob.	Oliveira Trust Dist. Tít. Mob.
Date of issue	7/13/2009	10/27/2009	2/21/2011
Final term	7/13/2012	10/27/2023	2/24/2025
Number of installments	12	168	168
Payment periods	Quarterly	Monthly	Monthly
Term	3 years	14 years	14 years
Readjustment index	not applicable	Reference Rate	Reference Rate
Compensatory interest	not applicable	11.23%/p.a.	11.22%/p.a.

At September 30, 2011, the Company had debt related to the acquisition of land, farms and reforestation amounting to R$63,432 (parent company) and R$192,095 (consolidated), classified in current and non-current liabilities (R$104,529 in Company and R$176,800 in consolidated at December 31, 2010).

24 Commitments

Vale Florestar

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

Rail freights

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

Purchase of Equipment - Metso and Siemens

At April 18, 2011, the Company announced the execution of agreements with Metso and Siemens to acquire main equipment related to the construction of Maranhão plant, in the approximate amount of R$2,189 million.

The contract of main equipment with Metso will basically cover the following areas: (i) timber yard; (ii) firing and washing; (iii) fiber line; (iv) 2 driers, packing and shipping; (v) recovery boiler and biomass; (vi) causticizing and lime kiln; (vii) evaporation; and (viii) Distributed Control System (DCS).

The agreement executed with Siemens comprises the acquisition of 2 turbo generators that will meet both the plant’s power demand and the surplus generation of 100MW available for trade.

At September 30, 2011, these commitments are amounted to R$2,063 million to be regularly incurred and amortized as per schedule that follows up the progress of works.

25 Financial instruments

a. Overview

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

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

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

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

b. Valuation

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

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

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

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

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

	Consolidated			
	9/30/2011		12/31/2010	
	Book Value	Fair Value	Book Value	Fair Value
ASSETS				
Cash and cash equivalents	**2,958,938**	**2,958,938**	3,735,438	3,735,438
Derivative operations gains (current and non-current)	**59,726**	**59,726**	27,272	27,272
Trade accounts receivable	**900,885**	**900,885**	792,057	792,057
LIABILITIES				
Accounts payable to suppliers	**372,106**	**372,106**	277,107	277,107
Loans and financing (current and non-current)	**7,430,001**	**7,471,612**	6,531,559	6,611,822
Debentures (current and non-current)	**820,362**	**899,409**	624,836	701,789
Derivative operations losses (current and non-current)	**168,440**	**168,440**	67,281	67,281

c. Credit risk

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

Interest rate and exchange rate risk

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

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

At September 30, 2011, the principal net amount of operations contracted for forward sale of U.S. dollars through of Non-Deliverable Forwards ("NDFs") was US$426.2 million. Their maturities fall between October 2011 and January 2014, as a way of setting the operational margins of a minority portion of sales over this period. The cash effect of these operations only will occur on their maturity dates, when cash disbursement or receipt is generated, as the case may be.

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

In addition to the foreign exchange hedge operations, contracts are concluded for swap from floating interest rates to fixed rates, to reduce the effect of changes in interest rates on the debt value, and contracts of swap between different interest rates and restatement indices, as a way to minimize the mismatch among the different financial assets and liabilities. In this regard, at September 30, 2011, the Company had outstanding (i) US$651.6 million in outstanding swaps to fix the Libor on contracts for financing, (ii) US$230 million in coupon swaps for a 3-month fixed Libor rate and (iii) R$477 million in pre- to DI % swaps.

The Company does not adopt hedge accounting. Therefore, all results (gains and losses) determined in derivative operations (settled and outstanding) are fully recognized in the unconsolidated and consolidated income statement for the period. Note 28 shows derivatives gains and losses that affected the statement of income for the periods.

d. Outstanding derivatives

Consolidated positions of outstanding derivatives at September 30, 2011 and December 31, 2010, grouped by asset or benchmark index, all of them traded at the over-the-counter market, are stated as follows:

(A FREE TRANSLATION OF THE ORIGINAL IN PORTUGUESE)

Description	Maturities	Notional value on		Fair value on		Equity balances on			
		9.30.2011	12.31.2010	9.30.2011	12.31.2010	9.30.2011		12.31.2010	
						Payable	Receivable	Payable	Receivable
Foreign currency swaps									
Long position - US$ Libor	**10/3/2011 to**	**1,208,246**	1,347,399	**1,209,829**	1,349,535	**-**	**-**	**-**	**-**
Short position - US$ fixed rate	**11/4/2019**	**1,208,246**	1,347,399	**1,272,701**	1,410,196	**-**	**-**	**-**	**-**
SubTotal				**(62,872)**	(60,661)	**62,872**		62,862	2,201
Value at Risk (VaR) [1]				**1,943**	2,658	**-**	**-**	-	-
Rates and indexes swaps									
Long position - R$ fixed rate		**476,984**	506,984	**540,676**	524,929	**-**	**-**	**-**	**-**
Long position - TR + coupon	**12/15/2011 to**								
Long position - US$ coupon	**3/15/2013**								
Short position - % DI		**476,984**	506,984	**529,620**	525,198	**-**	**-**	**-**	**-**
SubTotal				**11,056**	(269)	**-**	**11,056**	782	514
Value at Risk (VaR) [1]				**1,092**	571	**-**	**-**	-	-
Currency swaps - NDF									
Long position in R$ x US$	**10/3/2011 to**	**426,512**	-	**-**	-	**-**	**-**	-	-
Short position in R$ x US$	**1/9/2014**	**1,216,857**	137,262	**(95,631)**	8,490	**-**	**-**	-	-
SubTotal				**(95,631)**	8,490	**105,568**	**9,937**	-	8,490
Value at Risk (VaR) [1]				**23,346**	1,305	**-**	**-**	-	-
Currency options - Zero Cost Collar									
Launching position in R$ x US$ - buy			41,656		(38)	**-**	**-**	-	-
Holding position in R$ x US$ - sell			41,656		3,768	**-**	**-**	-	-
SubTotal					3,730	**-**	**-**	39	3,767
Value at Risk (VaR) [1]					320	**-**	**-**	-	-
Commodities swaps									
Short position in pulp BHKP	**12/31/2011 [2] to 3/31/2013**	**177,466**	168,953	**20,225**	(3,373)	**-**	**-**	-	-
SubTotal				**20,225**	(3,373)	**-**	**20,225**	3,598	225
Value at Risk (VaR) [1]				**21**	25	**-**	**-**	-	-
Commodities swaps									
Long position in oil	**9/30/2011 [2]**	**37,496**	16,520	**1,240**	452	**-**	**-**	**-**	**-**
SubTotal				**1,240**	452	**-**	**1,240**	-	452
Value at Risk (VaR) [1]				**338**	5	**-**	**-**	-	-
Other									
Long position - currency coupon		**426,512**	333,240	**16,907**	55,819	**-**	**-**	**-**	**-**
Long position - Libor + spread	**10/4/2011 to**	**129,808**	116,634	**361**	1,671				
Short position - US$ fixed Libor	**4/1/2015**	**426,512**	333,240	**16,907**	45,402	**-**	**-**	**-**	**-**
Short position - R$ x US$		**129,808**	116,634	**361**	466	**-**	**-**	**-**	**-**
SubTotal				**17,268**	11,622	**-**	**17,268**	-	11,623
Value at Risk (VaR) [1]				**431**	108	**-**	**-**	-	-
Total result in swaps				**(108,714)**	(40,009)	**168,440**	**59,726**	67,281	27,272

[1] VaR with 1day holding period, with a confidence level of 95%

[2] Settlement date different from maturity date

Same consolidated positions of outstanding derivatives at September 30, 2011 and December 31, 2010, grouped by counterparty, are stated as follows:

Description	Benchmark value (notional) on		Fair value on		Equity balances on		Equity balances on	
					9.30.2011		12.31.2010	
	9.30.2011	12.31.2010	9.30.2011	12.31.2010	Payable	Receivable	Payable	Receivable
Foreign currency swaps								
Counterparties								
BTG Pactual	**250,227**	245,099	**(19,797)**	(12,374)				
Itaú BBA	**398,733**	486,030	**(16,670)**	(26,506)				
JP Morgan	**139,080**	170,786	**(4,759)**	(6,545)				
Banco Santander		-						
Merrill Lynch	**69,540**	83,310	**(1,462)**	(1,141)				
Standard Bank	**139,080**	124,965	**(11,874)**	(7,254)				
Standard Chartered	**211,586**	237,209	**(8,310)**	(6,841)				
SubTotal			**(62,872)**	(60,661)	**62,872**	**-**	62,862	2,201
Rates and indexes swaps								
Counterparties								
Itaú BBA								
Banco Santander								
Banco do Brasil	**317,000**	317,000	**10,903**	381				
Barclays		10,000		8				
HSBC	**159,984**	179,984	**153**	(658)				
SubTotal			**11,056**	(269)	**-**	**11,056**	783	514
Currency swaps - NDF								
Counterparties								
Long position in R$ x US$								
Santander								
Barclays								
HSBC								
Itaú BBA	**333,792**		**9,097**					
Merrill Lynch	**92,720**		**839**					
Standard Bank								
Rabobank Brasil								
Short position in R$ x US$								
Santander	**231,800**		**(21,678)**					
Barclays	**46,360**		**(4,026)**					
HSBC	**92,720**		**(669)**					
Itaú BBA	**475,097**	3,999	**(38,144)**	576				
Merrill Lynch	**370,880**	89,209	**(41,050)**	5,270				
Standard Bank		2,399		346				
Rabobank Brasil		41,655		2,298				
SubTotal			**(95,631)**	8,490	**105,568**	**9,937**	-	8,490
Currency options - Zero Cost Collar								
Counterparties								
Launching position in R$ x US$ - buy								
Merrill Lynch								
Standard Bank		41,656		(38)				
Votorantim								
Holding position in R$ x US$ - sell								
Merrill Lynch								
Standard Bank		41,656		3,768				
Votorantim								
SubTotal			**-**	3,730	**-**	**-**	38	3,768
Commodities swaps - pulp								
Counterparties								
Nordea Bank Finland P/C	**177,466**	150,958	**20,225**	(2,950)				
Standard Chartered		17,995		(423)				
SubTotal			**20,225**	(3,373)	**-**	**20,225**	3,598	225
Commodities swaps - oil								
Counterparties								
JP Morgan	**37,496**	-	**1,240**					
Standard Chartered		16,520		**452**				
			1,240	452	**-**	**1,240**	-	452
Other								
Counterparties								
JP Morgan	**556,320**	449,874	**17,268**	11,622				
SubTotal			**17,268**	11,622	**-**	**17,268**	-	11,622
Total result in swaps			**(108,714)**	(40,009)	**168,440**	**59,726**	67,281	27,272

e. Settled derivatives

Accumulated settled derivatives positions in the periods ended September 30, 2011 and September 30, 2010, grouped by asset or referential index, all of them traded at the over-the-counter market, are stated as follows:

Description	Maturities	Notional value on		Fair value (settlement value) accumulated on	
		9.30.2011	9.30.2010	**9.30.2011**	9.30.2010
Foreign currency swaps	2010: 1/4 to 9/30 **2011: 1/4 to 9/30**				
Long position - US$ Libor		**1,673,696**	2,338,210	-	-
Short position - US$ fixed rate		**1,673,696**	2,338,210	-	-
SubTotal				**(25,842)**	(31,627)
Rates and indexes swaps					
Long position - TR + coupon	2010: 4/14 to 5/10		27,500	-	-
Long position - R$ fixed rate	**2011: 3/15 to 9/15**	**469,984**	10,000	-	-
Short position - % DI		**469,984**	37,500	-	-
SubTotal				**86**	1,636
Currency swaps	2010: 2/8 to 9/9 **2011: 1/3 to 9/9**				
Long position in R$ x US$		**324,520**	390,388	**(458)**	-
Short position in R$ x US$		**1,013,594**	1,390,310	**23,482**	-
SubTotal				**23,024**	27,604
Currency options					
Launching position in R$ x US$ - sell	**2011: 5/2**	**39,028**	44,525		-
Holding position in R$ x US$ - buy		**39,028**	44,525		-
SubTotal				**6,918**	-
Commodities swaps	2010: 1/8 to 9/8				
Short position in pulp BHKP	**2011: 1/7 to 9/8**	**48,242**	104,183	-	-
SubTotal				**(6,097)**	(26,840)
Commodities swaps	2010: 4/7 to 9/8 **2011: 1/7 to 9/8**				
Long position in oil		**243,289**	114,514	-	-
Short position in oil			27,026	-	-
SubTotal				**(1,463)**	1,146
Other	2010: 3/11 to 9/13 **2011: 3/11 to 9/13**				
Long position - currency coupon		**50,442**	52,767	-	-
Long position - Libor + spread		**353,094**			
Short position - US$ fixed Libor		**50,442**	52,767	-	-
Short position - R$ x US$		**353,094**		-	-
SubTotal				**2,048**	1,021
Total result in swaps		-	-	**(1,326)**	(27,060)

f. Sensitivity analysis

The following tables show the sensitivity of derivatives, debts and outstanding investments consolidated positions at September 30, 2011, which represents the Company's major exposure in the short term, as stated in item (d), prices and rates variations in underlying assets:

(i) Derivatives accounted for by fair value through income statement

Description	Fair Value (MtM)	Scenarios on 12/31/2011			
		Risk	Probable	25% deterioration	50% deterioration
Foreign currency swaps AssetsUS$ Libor x Liability US$ Fixed [1]	**(62,872)**	Libor drop	(60,319)	(66,290)	(72,445)
Rates and indesex swaps Assets fixed rate [2] in R$ x Liability % DI	**11,056**	High curve- fixed	7,458	(6,179)	(19,039)
Currency swaps (NDF) Short Position in R$ x US$ [3]	**(105,568)**	R$/US$ exchange rate increase	(27,854)	(314,719)	(601,585)
Currency swaps (NDF) Long Position in R$ x US$ [4]	**9,937**	R$/US$ exchange rate decrease	(17,414)	(118,372)	(219,331)
Commodities Swaps Pulp Scenario [5] [6]	**20,225**	Pulp up	(9,493)	(44,738)	(79,983)

(1) Source for the probable scenario: *Bloomberg* - market curve of 10/7/2011. Probable 3-month *Libor* rate at 12/31/2011: 0.39111% p.a.
25% Deterioration: 3-month Libor on 12/31/2011 of 0.29333% p.a. 50% Deterioration: 3-month Libor on 12/31/2011 of 0.19556% p.a.
(2) Source for the probable scenario: Brazilian Central Bank Focus Report on 10/7/2011. Probable Selic rate on 12/31/2011: 11.10% p.a.
25% Deterioration: Selic rate on 12/31/2011 of 13.88% p.a. 50% Deterioration: Selic rate on 12/31/2011 of 16.65% p.a.
(3) Source for the probable scenario: Brazilian Central Bank Focus Report on 10/7/2011. Probable exchange rate on 12/31/2011: R$ 1.7600 / US$.
25% Deterioration: Exchange rate on 12/31/2011 of R$ 2.2000 / US$. 50% Deterioration: Exchange rate on 12/31/2011 of R$ 2.6400 / US$.
(4) Source for the probable scenario: Brazilian Central Bank Focus Report on 10/7/2011. Probable exchange rate on 12/31/2011: R$ 1.7600 / US$.
25% Deterioration: Exchange rate on 12/31/2011 of R$ 1.3200 / US$. 50% Deterioration: Exchange rate on 12/31/2011 of R$ 0.8800 / US$.
(5) Source for the probable scenario: RISI report on 9/30/2011. Probable BHKP pulp price on 12/31/2011: US$ 680 / ton.
25% Deterioration: Price on 12/31/2011 of US$ 850,00 / ton. 50% Deterioration: Price on 12/31/2011 of US$ 1020,00 / ton.
(6) Source for the probable scenario: RISI report on 9/30/2011. Probable BHKP pulp price on 9/30/2012: US$ 870 / ton.
25% Deterioration: Price on 9/30/2012 of US$ 1,087.50 / ton. 50% Deterioration: Price on 9/30/2012 of US$ 1,305 / ton.

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

A probable scenario at September 30, 2011 or the sensitivity analysis for swaps listed under "Other" category in chart of item (e) were not prepared in further detail, since these swaps refer to arbitration operations between Libor rate and currency coupon, and both at fixed rates in said operations, inhibiting the occurrence of any result different from that one already stipulated in the agreement.

ii) Debts in foreign currency

Description	Fair Value	Risk	Scenarios on 9/30/2011		
			Probable	Possible (∆ of 25%)	Remote (∆ of 50%)
Fixed Assets financing					
Foreign currency - TJLP + Currency basket [1]	**(349,347)**	Increase in the UMBNDES	(349,347)	(436,684)	(524,020)
Export financing					
Foreign currency - R$ x US$ [2]	**(2,508,739)**	Increase in the Exchange Rate R$/US$	(2,508,739)	(3,135,924)	(4,390,293)
Import financing					
Foreign currency - R$ x US$ [3]	**(208,927)**	Increase in the Exchange Rate R$/US$	(208,927)	(261,158)	(313,390)
Senior Notes					
Foreign currency - Fixed Rate USD [4]	**(1,621,141)**	Increase in the Exchange Rate R$/US$	(1,621,141)	(2,026,426)	(2,431,711)
3rd Issue of Debentures - 2nd series					
Foreign currency - R$ x US$ [6]	**(147,840)**	Increase in the Exchange Rate R$/US$	(147,840)	(184,800)	(221,759)

[1] Source for the probable scenario: BNDES (UMB) contractual currency on 9/30/2011 of 0.0360.

25% Deterioration: UMB on 9/30/2011 of 0.0450. 50% Deterioration: UMB on 9/30/2011 of 0.0540.

[2] Source for the probable scenario: Exchange rate reported by the Central Bank on 9/30/2011 of R$ 1.8544 / US$.

25% Deterioration: Exchange rate on 9/30/2011 of R$ 2.1318 / US$. 50% Deterioration: Exchange rate on 9/30/2011 of R$ 2.7816 / US$.

[3] Source for the probable scenario: Exchange rate reported by the Central Bank on 9/30/2011 of R$ 1.8544 / US$.

25% Deterioration: Exchange rate on 9/30/2011 of R$ 2.1318 / US$. 50% Deterioration: Exchange rate on 9/30/2011 of R$ 2.7816 / US$.

[4] Source for the probable scenario: Exchange rate reported by the Central Bank on 9/30/2011 of R$ 1.8544 / US$.

25% Deterioration: Exchange rate on 9/30/2011 of R$ 2.1318 / US$. 50% Deterioration: Exchange rate on 9/30/2011 of R$ 2.7816 / US$.

[5]Source for the probable scenario: Exchange rate reported by the Central Bank on 9/30/2011 of R$ 1.8544 / US$.

25% Deterioration: Exchange rate on 9/30/2011 of R$ 2.1318 / US$. 50% Deterioration: Exchange rate on 9/30/2011 of R$ 2.7816 / US$.

iii) Cash and equivalent in foreign currency

Description	Fair Value	Risk	Scenarios on 9/30/2011		
			Probable	Possible (Δ of 25%)	Remote (Δ of 50%)
Cash and Banks Foreign currency - R$ x US$ [1]	**101,417**	Decrease in the Exchange Rate R$/US$	101,417	76,063	50,709
Cash and Banks Foreign currency - R$ x JPY [2]	**2**	Decrease in the Exchange Rate R$/JPY	2	2	1
Cash and Banks Foreign currency - R$ x CHF [3]	**123**	Decrease in the Exchange Rate R$/CHF	123	92	61
Cash and Banks Foreign currency - R$ x EUR [4]	**6,675**	Decrease in the Exchange Rate R$/EUR	6,675	5,006	3,338
Cash and Banks Foreign currency - R$ x GBP [5]	**2,676**	Decrease in the Exchange Rate R$/GBP	2,676	2,007	1,338
Short-Term Investments Foreign currency - R$ x US$ [6]	**24,183**	Decrease in the Exchange Rate R$/US$	24,183	18,137	12,091

(2) Source for the probable scenario: Exchange rate reported by the Central Bank on 9/30/2011 of R$ 1.8544 / US$.
25% Deterioration: Exchange rate on 9/30/2011 of R$ 1.3908 / US$. 50% Deterioration: Exchange rate on 9/30/2011 of R$ 0.9272 / US$.
(2) Source for the probable scenario: Exchange rate reported by the Central Bank on 9/30/2011 of R$ 0.02407 / JPN
25% Deterioration: Exchange rate on 9/30/2011 of R$ 0.01805 / JPN. 50% Deterioration: Exchange rate on 9/30/2011 of R$ 0.01204 / JPN.
(3) Source for the probable scenario: Exchange rate reported by the Central Bank on 9/30/2011 of R$ 2.0488 / CHF
25% Deterioration: Exchange rate on 9/30/2011 of R$ 1.5366 / CHF. 50% Deterioration: Exchange rate on 9/30/2011 of R$ 1.0244 / CHF.
(4) Source for the probable scenario: Exchange rate reported by the Central Bank on 9/30/2011 of R$ 2.4938 / EUR
25% Deterioration: Exchange rate on 9/30/2011 of R$ 1.8704 / EUR. 50% Deterioration: Exchange rate on 9/30/2011 of R$ 1.2469 / EUR.
(5) Source for the probable scenario: Exchange rate reported by the Central Bank on 9/30/2011 of R$ 2.8971 / GBP
25% Deterioration: Exchange rate on 6/30/2011 of R$ 2.1728 / GBP. 50% Deterioration: Exchange rate on 6/30/2011 of R$ 1.4486 / GBP.
(6) Source for the probable scenario: Exchange rate reported by the Central Bank on 9/30/2011 of R$ 1.8544 / US$.
25% Deterioration: Exchange rate on 9/30/2011 of R$ 1.3908 / US$. 50% Deterioration: Exchange rate on 9/30/2011 of R$ 0.9272 / US$.

g. Capital management

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

No changes occurred as to objectives, policies or processes in past fiscal year ended December 31, 2010.

	Parent Company		Consolidated	
	9/30/2011	12/31/2010	**9/30/2011**	12/31/2010
Loans and financing	**6,105,951**	5,225,123	**7,430,001**	6,531,559
Debentures	**820,362**	624,836	**820,362**	624,836
(-) Cash and cash equivalents	**(2,822,981)**	(3,484,168)	**(2,958,938)**	(3,735,438)
Net debt	**4,103,332**	2,365,791	**5,291,425**	3,420,957
Shareholders' equity	9,588,749	8,640,671	9,588,749	8,640,671
Shareholders' equity and net debt	**13,692,081**	11,006,462	**14,880,174**	**12,061,628**

26 Equity

a) Capital Stock

At September 30, 2011, fully paid subscribed capital was R$2,685,183, divided into 408,892 non-par shares, of which: 140,039 were registered common shares; 266,926 were class “A” preferred shares and 1,926 were class “B” preferred shares, both book-entry shares. 10,940 shares are held in treasury, of which 6,786 common shares, 2,244 class “A” preferred shares and 1,909 class “B” preferred shares. SUZB5 preferred shares closed the period ended September 30, 2011 priced at R$8.36.

At April 29, 2011, the Annual and Special Shareholders’ Meeting approved the Management proposal for the payment of dividends referring to the net income for 2010, in the gross amount of R$13.1 million. The amounts were paid to shareholders on May 9, 2011.

At April 30, 2010, the Special Shareholders’ Meeting approved the increase of the Company’s capital in the amount of R$412,229, partially absorbing current reserves at December 31, 2009, been R$303,506 referring to tax incentive reserve and R$108,723 referring to the special goodwill reserve upon merger.

Shareholders also approved at this same meeting the issue of new Company shares for shareholders included in the ownership structure on the date of the Special Shareholders' Meeting to approve the matter, at the ratio of one new share for each group of four pre-existing shares of same type and class, consisting of the issue of 78,620 new shares, of which 26,955 are common shares, 51,280 are class "A" preferred shares and 385,220 are class "B" preferred shares. The new shares will be eligible to the same political and economic rights as the original shares, including dividends on 2010 results. Shareholders to result in share fraction position will receive shares from the Company's controlling shareholder, as donation, so that to reach the immediately subsequent whole number of shares.

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

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

b) Income reserve

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

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

c) Earnings per share

Basic

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

	9/30/2011			
	Common	**Class A Preferred**	**Class B Preferred**	**Total**
Profit attributed to shareholders	**(55,960)**	**(122,233)**	**(6)**	**(178,199)**
Weighted average number of shares in the period	**140,040**	**266,926**	**1,926**	**408,892**
Weighted average treasury shares	**(6,786)**	**(2,245)**	**(1,910)**	**(10,941)**
Weighted average number of outstanding shares	**133,254**	**264,681**	**16**	**397,951**
Basic earnings per share	**(0.41995)**	**(0.46181)**	**(0.37500)**	

	30/9/2010			
	Common	**Class A Preferred**	**Class B Preferred**	**Total**
Profit attributed to shareholders	162,657	355,684	23	518,364
Weighted average number of shares in the period	125,792	239,307	1,798	366,897
Weighted average treasury shares	(6,334)	(1,833)	(1,782)	(9,949)
Weighted average number of outstanding shares	119,458	237,474	15	356,947
Basic earnings per share	1.36163	1.49778	1.53333	

Diluted

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

	9/30/2011			
	Common	**Class A Preferred**	**Class B Preferred**	**Total**
Profit attributed to shareholders	**(55,960)**	**(122,233)**	**(6)**	**(178,199)**
Weighted average number of outstanding shares	**133,254**	**264,681**	**16**	**397,951**
Adjustment by stock options and 5th issue debentures	**24,592**	**48,754**	**-**	**73,346**
Weighted average number of shares (diluted)	**157,846**	**313,435**	**16**	**471,297**
Diluted earnings per share	**(0.35452)**	**(0.38998)**	**(0.37500)**	

	30/9/2010			
	Common	**Class A Preferred**	**Class B Preferred**	**Total**
Profit attributed to shareholders	162,657	355,684	23	518,364
Weighted average number of outstanding shares	119,458	237,474	15	356,947
Adjustment by stock options	959	3,773	-	4,732
Weighted average number of shares (diluted)	120,417	241,247	15	361,679
Diluted earnings per share	1.35078	1.47436	1.53333	

27 Other operating (expenses) income, net

	Parent Company				Consolidated	
	Nine-month period ended					
	9/30/2011		**9/30/2010**		**9/30/2011**	**9/30/2010**
Gain on sale of other products	**7,521**		5,495		**13,604**	11,993
Provision for contingencies	**-**		(9,678)	**(a)**	**-**	(9,678)
Other (expenses) income	**(1,734)**		(10,756)		**(14,895)**	696
Additional actuarial liability	**(12,642)**		(16,209)		**(12,642)**	(16,209)
Gain on the sale of fixed assets	**8,821**		280,910	**(a)**	**8,865**	280,910
Income on the sale of investments	**41,074**	**(b)**	46		**41,074**	46
Unrealized income	**(16,656)**		-		**(135)**	-
Amortization of Intangible Asset	**-**		-		**(9,978)**	-
Total other operating expenses	**(31,032)**		(36,643)		**(45,360)**	(26,873)
Total other operating income	**57,416**		286,451		**71,253**	294,631
Other operating (expenses) income, net	**26,384**		249,808		**25,893**	267,758

(a) – Amount mainly composed of sale of lands and forests in the state of Minas Gerais and provision for contractual liabilities deriving from this operation.

(b) –The amount refers to proceeds obtained with the sale of rights to monetary restatement credits over electricity compulsory loans questioned in lawsuits against Centrais Elétricas Brasileiras S.A. – Eletrobrás which are under appeal phase before the Federal Regional Court, without final and unappealable court decision.

28 Net financial results

	Parent Company		Consolidated	
	Nine-month period ended			
	9/30/2011	9/30/2010	9/30/2011	9/30/2010
Interest expenses	**(352,744)**	(278,644)	**(359,054)**	(305,309)
Monetary and exchange variations - on liabilities	**(491,419)**	34,555	**(486,855)**	41,572
Derivative operations losses - interest rate	**(23,131)**	(49,908)	**(36,769)**	(53,968)
Derivative operations losses - exchange rate	**(186,447)**	(15,531)	**(186,446)**	(15,531)
Derivative operations losses - commodities	**-**	-	**(3,605)**	4,011
Other financial expenses	**(41,901)**	(42,643)	**(58,445)**	(55,119)
Total financial expenses	**(1,095,642)**	(352,171)	**(1,131,174)**	(384,344)
Interest income	**197,559**	151,153	**198,173**	151,277
Derivative operations gains - interest rate	**7,589**	(7,467)	**26,980**	(7,235)
Derivative operations gains - exchange rate	**107,700**	51,542	**107,700**	51,542
Derivative operations gains - commodities	**-**	-	**18,517**	(14,316)
Monetary and exchange variations - on assets	**105,048**	(37,116)	**80,906**	(35,198)
Total financial income	**417,896**	158,112	**432,276**	146,070
Net financial result	**(677,746)**	(194,059)	**(698,898)**	(238,274)

29 Segment information

Management defined pulp and paper as the Group's operational segments. The main information, by business segment, corresponding to the nine-month periods ended September 30, 2011 and 2010 are the following:

								Consolidated
	9/30/2011				9/30/2010			
	Pulp	Paper	Not segmented	Total	Pulp	Paper	Not segmented	Total
Net revenues	**1,504,002**	**2,007,626**	**-**	**3,511,628**	1,516,732	1,801,777	-	3,318,509
Net financial result	**-**	**-**	**(698,898)**	**(698,898)**	-	-	(238,274)	(238,274)
Other net operating revenue	**-**	**-**	**25,893**	**25,893**	-	-	267,758	267,758
Operating income	**143,769**	**225,652**	**(673,005)**	**(303,584)**	379,811	267,669	29,484	676,964
	9/30/2011				12/31/2010			
Total assets	**6,829,126**	**2,253,265**	**11,896,230**	**20,978,621**	6,921,634	2,326,115	9,699,116	18,946,865

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

	9/30/2011			9/30/2010		
	Pulp	Paper	Total	Pulp	Paper	Total
Net revenue	**1,504,002**	**2,007,626**	**3,511,628**	1,516,732	1,801,777	3,318,509
Domestic market	**294,859**	**1,326,829**	**1,621,688**	262,715	1,135,436	1,398,151
Foreign market	**1,209,143**	**680,797**	**1,889,940**	1,254,017	666,341	1,920,358
Asia	**493,890**	**31,291**	**525,181**	525,071	43,947	569,018
Europe	**515,400**	**146,279**	**661,679**	585,267	154,089	739,356
North Ameria	**177,317**	**190,674**	**367,991**	137,303	179,035	316,338
South and Central America	**22,536**	**310,429**	**332,965**	6,376	287,542	293,918
Africa	**-**	**2,124**	**2,124**	-	1,728	1,728

30 Expenses by nature

	Parent Company		Consolidated	
	9/30/2011	9/30/2010	9/30/2011	9/30/2010
Variable and fixed costs, other selling and administrative expenses	**2,198,478**	2,090,682	**2,230,816**	1,888,768
Personnel expenses	**423,849**	363,415	**435,868**	372,603
Depreciation, depletion and amortization	**459,303**	403,219	**475,523**	409,658
	3,081,630	2,857,316	**3,142,207**	2,671,029

31 Insurance coverage

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

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

REPORT ON REVIEW OF INTERIM QUATERLY FINANCIAL INFORMATION

To the Management and Shareholders of

Suzano Papel e Celulose S.A.

Introduction

We have reviewed the accompanying individual and consolidated interim quarterly financial information of Suzano Papel e Celulose S.A. ("Company"), contained in the Quarterly Financial Information Form – ITR for the quarter ended September 30, 2011, which comprised the balance sheet on September 30, 2011 and the related statement of operations for the three and nine-month periods then ended, and the statement of changes in equity and cash flows for the nine-month period then ended, including the explanatory notes.

Management is responsible for the preparation and presentation of the individual interim quarterly financial information in accordance with the Technical Pronouncement CPC 21 – Interim financial reporting and consolidated interim quarterly financial information according to CPC 21 and the international standard IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the presentation of this information consistently with the rules issued by Brazilian Securities and Exchange Commission applicable to the preparation of the interim quarterly financial information – ITR. Our responsibility is to express a conclusion on this interim quarterly financial information based on our review.

Scope of Review

We conducted our review in accordance with Brazilian and International Standards on Review Engagements (NBC TR 2410 - *Revisão de Informações Intermediárias Executada pelo Auditor da Entidade* and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual interim quarterly financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual interim quarterly financial information included in the aforementioned quarterly financial information are not prepared, in all material respects, in accordance with CPC 21 applicable to the preparation of Quarterly Financial Information – ITR and with the standards issued by the Brazilian Securities and Exchange Commission.

Conclusion on the consolidated interim quarterly financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim quarterly financial information included in the aforementioned interim quarterly financial information are not prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of the Quarterly Financial Information – ITR and with the standards issued by the Brazilian Securities and Exchange Commission.

Other matters

Interim Statements of Value Added

We also have reviewed the individual and consolidated interim statements of value added ("DVA"), for the nine-month period ended September 30, 2011, prepared under the responsibility of the Company's Management, the presentation of which is required by the rules issued by CVM - Brazilian Securities and Exchange Commission applicable to the preparation of the Interim Quarterly Financial Information - ITR and as supplemental information for IFRSs that does not require a presentation of DVA. These statements were subject to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that these statements are not fairly presented, in all material respects, in relation to the individual and consolidated interim quarterly financial information taken as a whole.

São Paulo, October 27, 2011

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

Antonio Carlos Fioravante
Accountant CRC-1SP184973/O-0

Alexandre Rubio
Accountant CRC-1SP223361/0-2