



SUZANO
PULP AND PAPER

3Q11 RESULTS

October 31st, 2011



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

Pulp Business Unit

Suzano's 3Q11 pulp sales in line with 2Q11, with substantial shipments to China



MARKET PULP HIGHLIGHTS

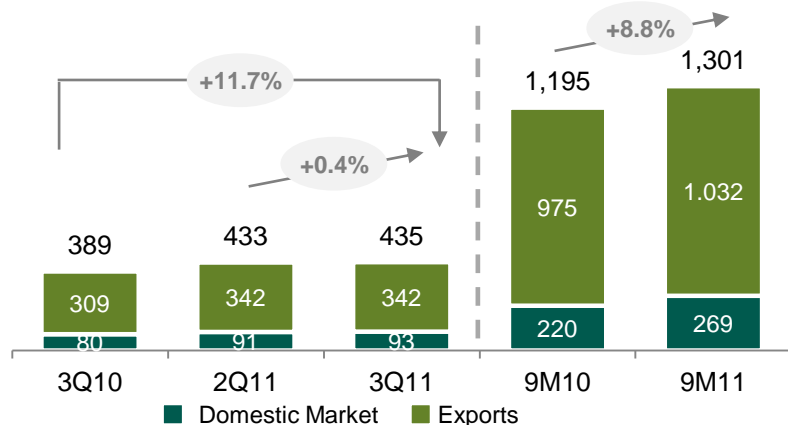
MMt	3Q11	3Q11 x 2Q11	3Q11 x 3Q10	9M11	9M11 x 9M10
Market Pulp	10.5	-0.1%	+3.6%	31.7	+4.8%
China	2.3	+16.2%	+48.8%	6.6	+36.7%
Europe	3.6	-7.9%	-9.3%	11.6	-1.6%
Eucalyptus	3.6	+3.3%	+6.6%	10.6	+3.7%
China	0.7	+32.0%	+47.9%	1.9	+11.2%
Europe	1.6	-8.2%	-5.8%	5.0	+4.8%

- 3Q11 highlight: shipments to **China**
 - start-up of new paper capacity
 - rebuilding of inventories in the region
- Europe**: shrinking demand due to eurozone crisis.
- Pulp **supply in 3Q11: +2.2%** vs 2Q11 and **+0.3%** vs 3Q10
- Average global inventory**: 38 days¹ (Sep/11), -3 days vs Aug/11
- Decline in pulp prices** (FOEX) in all regions
- Spread** between softwood and hardwood: **US\$169/ton** (Sep/11)

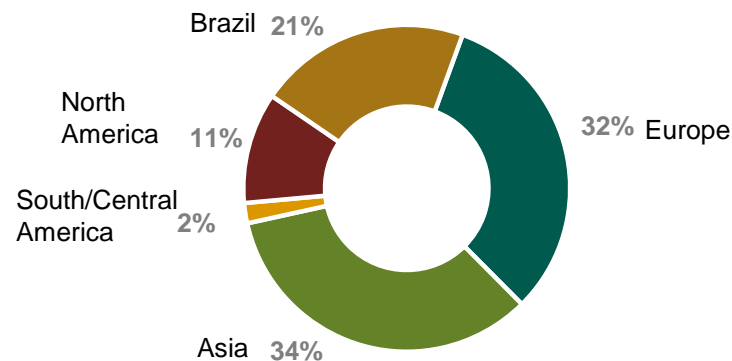
Source: 1PPPC

SUZANO'S HIGHLIGHT

Suzano's Pulp Sales Volume (tons, thousands)



Suzano's Pulp Sales Destination – 3Q11



Paper Business Unit

Suzano records 62.7% domestic market share in 3Q11



PAPER MARKET HIGHLIGHTS

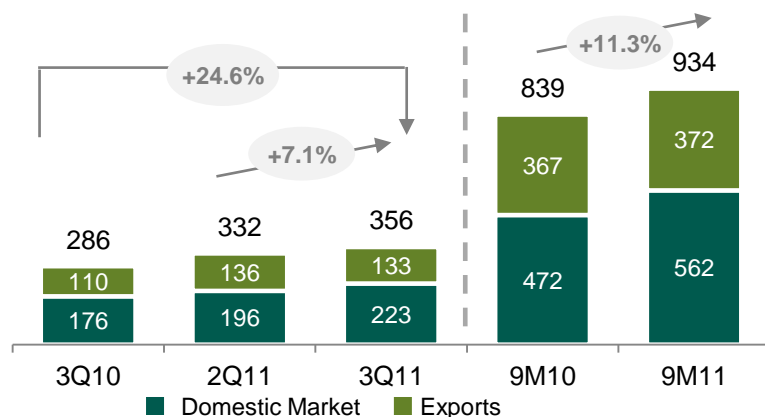
MMt	3Q11	3Q11 x 2Q11	3Q11 x 3Q10	9M11	9M11 x 9M10
Brazilian Demand	642	+9.7%	-7.2%	1,817	-2.8%
Paperboard	147	+9.1%	-10.3%	409	-10.9%
P&W	495	+9.9%	-6.3%	1,408	-0.2%
Coated	140	+3.6%	-20.4%	432	-7.3%
Uncoated	355	+12.6%	+0.8%	976	+3.3%

- Reduction in **domestic demand** (-7.2% vs 3Q10):
 - **Paperboard** (-10.3%) and **Coated Paper** (-20,4%)
- Measures adopted by the Brazilian authorities to reduce deviation use for tax exempt paper helped decreasing **imports market share**
 - Paperboard: 7.0% (vs 6.9% in 2Q11)
 - **Coated Paper: 54.5% (vs 60.9% in 2Q11)**
 - Uncoated paper: 9.4% (vs 9.1% in 2Q11)

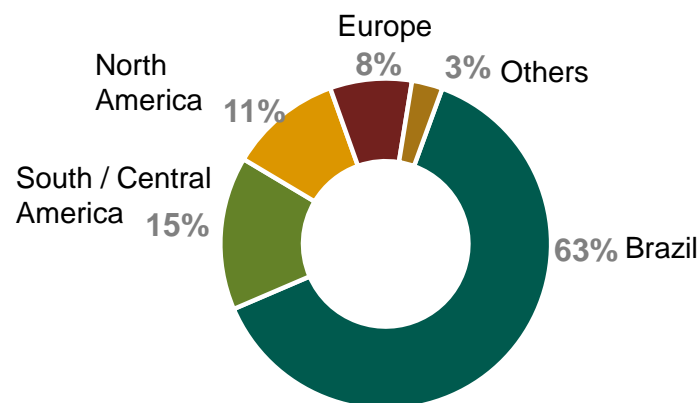
Source: ¹Bracelpa

SUZANO'S HIGHLIGHTS

Suzano's Paper Sales Volume (tons, thousands)



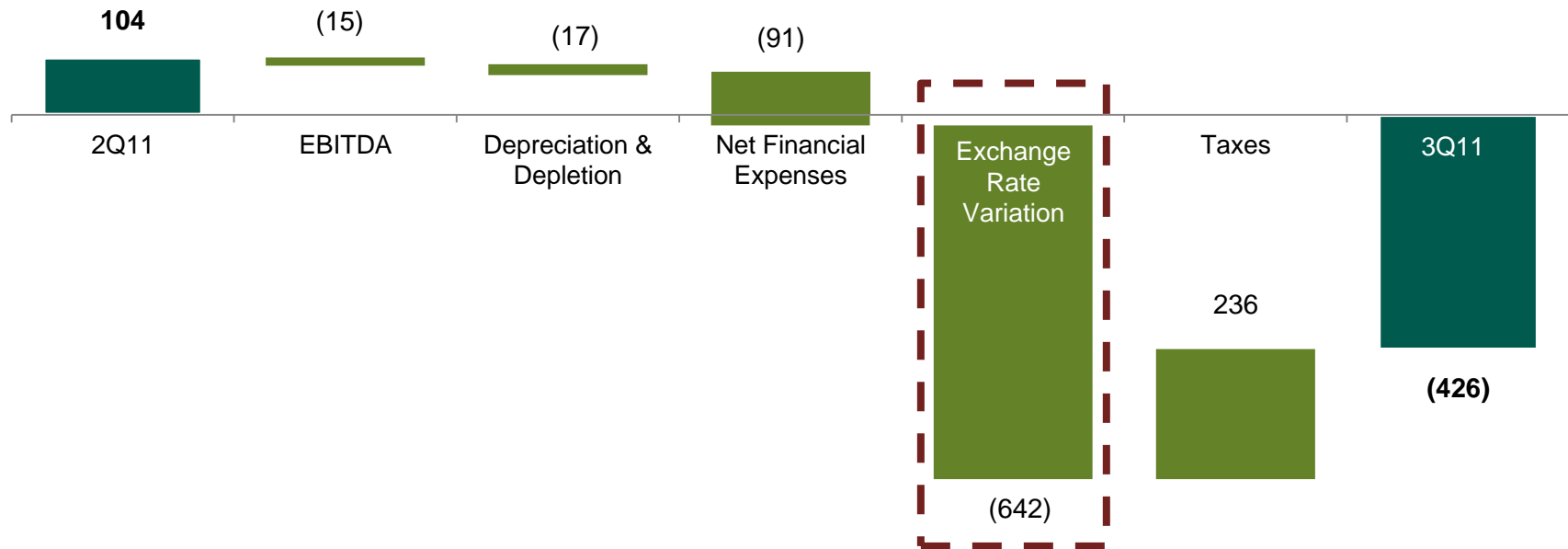
Suzano's Paper Sales Destination – 3Q11



Consolidated Results

Suzano's net result was mainly impacted by the foreign exchange variation, with NO cash impact

Net Result Breakdown (R\$ million)

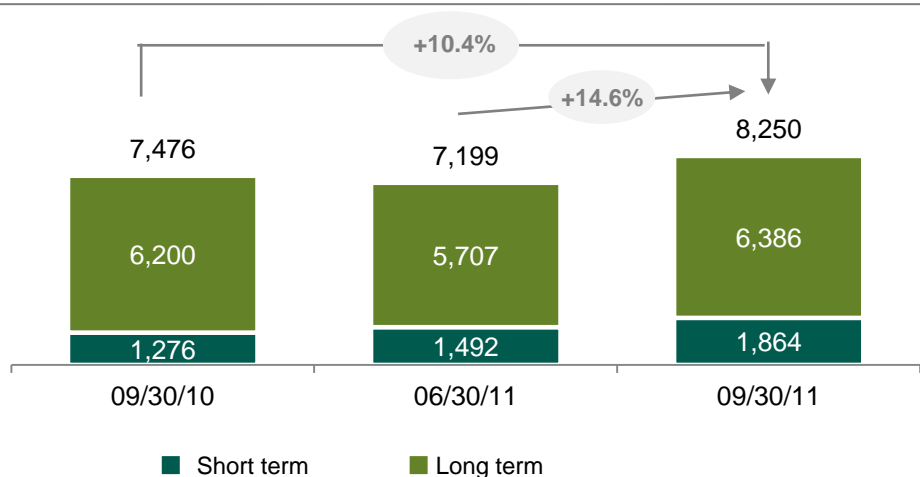


Exchange rate variation of 18.8% between the beginning (R\$1.56/US\$) and end (R\$1.85/US\$) of the quarter negatively impacted Suzano's results, although the cash effect was limited to debt maturities and amortizations.

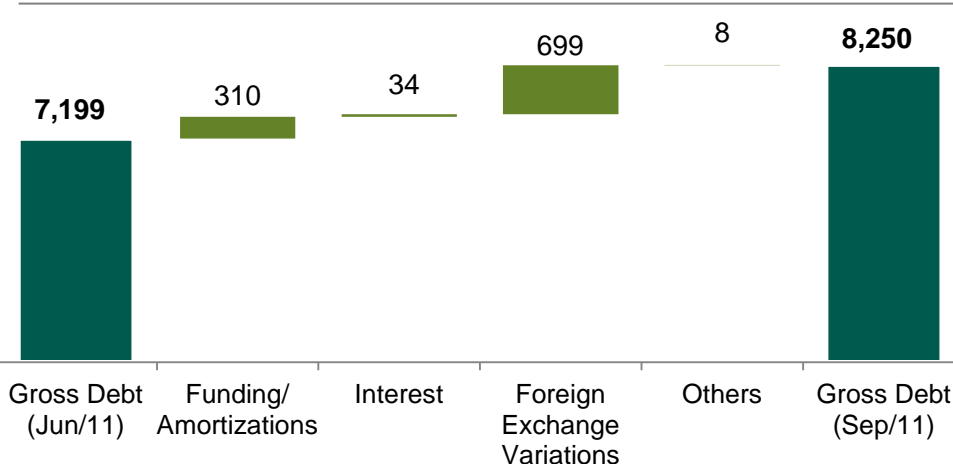
Debt

Strong financial solidity despite the impact of the exchange rate variation on gross debt

Gross Debt (R\$ million)



Gross Debt (R\$ million)

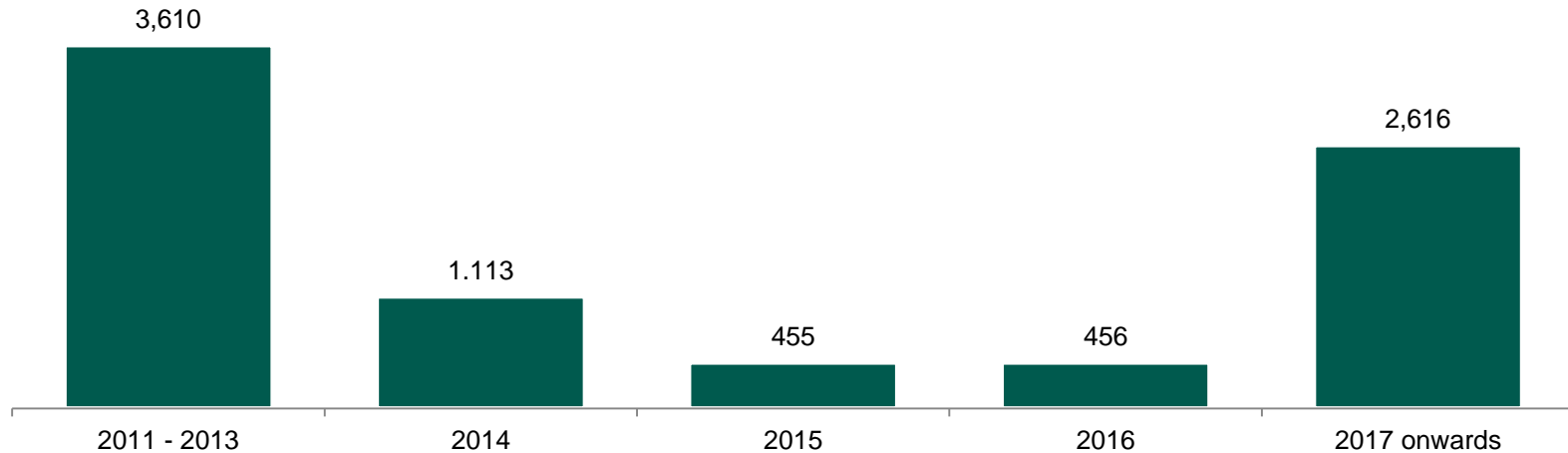


- **Debt increased**, primarily due to the impact of the **18.8%** in the **exchange rate variation** between the beginning (**R\$1.56/US\$**) and end (**R\$1.85/US\$**) of the quarter, **with NO cash effect**
- **Cash position: R\$3.0 billion** (Sep./11)
- **Net Debt/EBITDA: 4.2x**
- **No short-term leverage difficulties:** liquidity horizon of approximately **28 months**
- As previously announced, the Company has been working on initiatives to **reduce leverage**

Debt

Long-term debt profile and amortizations in line with cash flows from the projects

Amortization Schedule (R\$million)



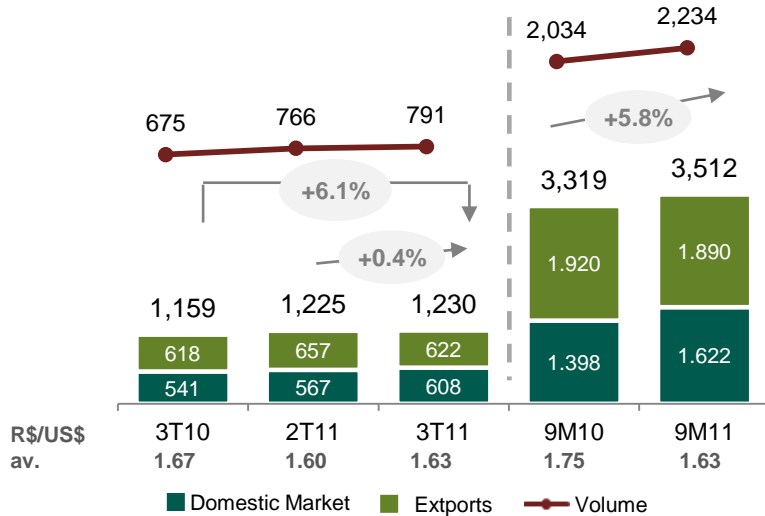
Conservative financial policy:

- Strong **cash position: R\$3.0 billion** (Sep./11)
- **Long-term** debt profile
- Funding: **grace period** and **lengthier amortization**, in line with **cash flow from the projects**
- **Hedge** for **cash flow**, but not for debt
- **No** use of **complex** or exotic **derivatives**

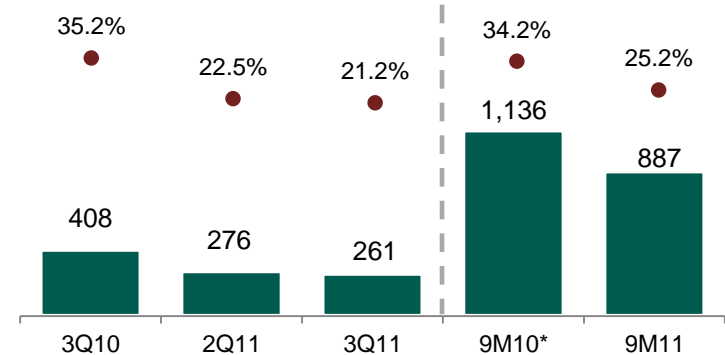
Consolidated Results

Stability in Mucuri allows for lower cash cost in the quarter

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

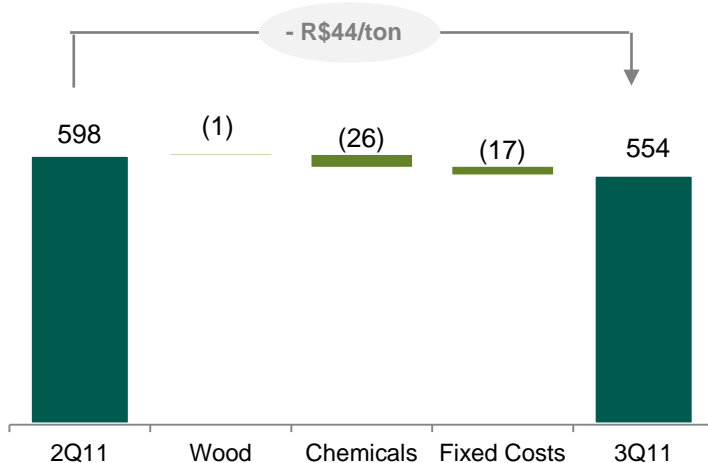


EBITDA (R\$ million) and EBITDA Margin (%)



* Adjusted EBITDA, excluding non-recurring effects, mainly the sale of assets in Minas Gerais. EBITDA in 9M10, including non-recurring effects, stood at R\$1,325 million, and EBITDA margin of 39.9%.

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



- Reduction in the **cash cost**
 - Operational **stability** in **Mucuri**
 - Lower share of third-party wood, offset by the increase in the unit wood cost
- Increase in **COGS**: **+7.0%** vs 2Q11 and **+32.7%** vs 3Q10
 - Higher volume and product sales mix
 - Scheduled maintenance downtimes
 - Inventory turnover impact

Key Messages

Investment program highlights - Maranhão

- **Ongoing project:**
 - earth-moving work concluded
 - infrastructure works already started
 - About 1,200 **people** working in Maranhão Unit **construction**
 - Technical operational training has started: **~300 people**
 - Agreement for the training of around **6,000 people** on construction work and services: **~ 700 people**

- **Funding structured:**
 - **BNDES: R\$2.7 billion**, maturing in 12 years, with a three-year grace period
 - **Mandatory convertible debentures: R\$1.2 billion**
 - Funding for the **imported equipment** supported by foreign credit agencies (**ECA's** among others)
 - **Cash flow generation**



Capex (R\$ million)	2009	2010	9M11	2011e
Forestry	193	159	148	249
Industrial	0	4	547	905
Total	193	162	696	1,154

Key Messages

Investment Plan Highlights - Suzano Renewable Energy and FuturaGene



Suzano Renewable Energy

- Protocol signed with Maranhão government
- Ongoing activities:
 - Forestry
 - Engineering
 - Commercial agreements
- Ongoing private equity placement
- Estimated start-up: 2014

Wood Pellets for energy, produced from renewable energy- oriented forests



FuturaGene

- Brazil and Israel ongoing activities integration
- Board of Directors with independent members:
 - Alan R. Gould
 - José Paulo Silveira
 - Miguel Nicolelis
- China R&D center launch by December 2011



Ongoing initiatives

- **Sale of interest in the Amador Aguiar Plant (Capim Branco)**
- **Sale of land in the state of São Paulo**

Initiatives under study

- **Sale of certain assets in the paper segment**
- **Sale of interest in new projects in the pulp segment**

- **Stable pulp sales volume (+0.4%) and increase in paper sales (+7.1%) vs 2Q11**
- **Domestic market accounts for 62.7% of paper sales in 3Q11**
- **All Suzano's paper lines record increase in market share**
- **Operational stability in Mucuri with consequent cash cost reduction**
- **Financial solidity:**
 - **Strong cash position: R\$3.0 billion**
 - **Comfortable debt profile, with an average term of around four years**
 - **Competitive costs and amortizations in line with projects' cash flow**
 - **Maranhão Project funding structured**
 - **No leveraging difficulties in the short-term: liquidity horizon of approximately 28 months**
 - **Several ongoing initiatives to reduce medium/long term leverage**

Investor Relations
www.suzano.com.br/ir

