2Q12

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São Paulo, August 2, 2012. Suzano Papel e Celulose (Bovespa: SUZB5), one of the largest integrated pulp and paper producers in Latin America, announces today its consolidated results for the second quarter of 2012 (2Q12) and first six months of 2012 (6M12). The quarterly consolidated financial statements were prepared in accordance with the standards of the Securities and Exchange Commission of Brazil (CVM) and the Accounting Pronouncements Committee (CPC) and comply with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB). The operational and financial information is presented based on consolidated figures and in Brazilian real. Note that figures may present discrepancies due to rounding. Non-financial data, such as volume, quantity, average price, average quotes and EBITDA in Brazilian real and U.S. dollar, were not examined by our independent auditors.

2Q12 Highlights

- Structuring of a comprehensive financial shield package that ensures a solid financial position in terms of cash flow until 2016:
  - Equity Offering: R$1.5 billion
  - Debt restructuring: R$1.2 billion
  - Stand by Facility: of up to R$2.0 billion
- Maranhão Pulp Project: on time and on budget.
- Market pulp prices increase in the domestic and export markets.
- Paper prices increase in the export market and remain stable in the domestic market.
- Net revenue of R$1.3 billion in the quarter.
- Scheduled maintenance downtime at the Mucuri (Line 2) and Suzano units.
- EBITDA of R$298.0 million in the period.
- Pro-forma cash and cash equivalents[(1)]: R$4.2 billion.
- Pro-forma Net debt/EBITDA ratio[(1)]: 4.5x in June 2012.

R$ million, except where otherwise indicated	2Q12	2Q11	Δ Y-o-Y	1Q12	Δ Q-o-Q	6M12	6M11	Δ Y-o-Y
Net Revenue	1,323	1,225	8.1%	1,038	27.5%	2,361	2,282	3.5%
Exports	707	657	7.5%	545	29.7%	1,252	1,268	-1.2%
Domestic Market	617	567	8.7%	492	25.2%	1,109	1,014	9.4%
EBITDA	298	280	6.3%	238	25.1%	536	634	-15.4%
EBITDA Margin (%)	*22.5%*	*22.9%*	*-0.4p.p.*	*23.0%*	*-0.4p.p.*	*22.7%*	*27.8%*	*-5.1p.p.*
Net Financial Results	(534)	14	n.a.	0	n.a.	(534)	8	n.a.
Net Income	(264)	104	n.a.	72	n.a.	(192)	247	n.a.
Net Debt	6,849	4,196	63.2%	5,736	19.4%	6,849	4,196	63.2%
Net Debt / EBITDA (x)	5.7x	3.0x	-2.7x	4.8x	0.9x	5.7x	3.0x	-2.7x
Net Debt[(1)]	5,386	4,196	28.3%	5,736	-6.1%	5,386	4,196	28.3%
Net Debt / EBITDA[(1)] (x)	4.5x	3.0x	1.5x	4.8x	-0.4x	4.5x	3.0x	1.5x
Operational Data (kton)								
Sales	801	766	4.6%	725	10.4%	1,526	1,443	5.7%
Market Pulp	448	433	3.3%	448	-0.1%	896	865	3.6%
Paper	353	332	6.2%	277	27.4%	629	578	8.8%
Production	763	738	3.5%	765	-0.2%	1,528	1,502	1.7%
Market Pulp	431	420	2.5%	453	-5.0%	884	876	0.9%
Paper	333	318	4.8%	311	6.9%	644	626	2.9%

Note: Company's consolidated information includes the total effect of the acquisition of the Limeira Unit (as of January 31, 2011) and KSR (as of March 1, 2011)
(1) Pro forma data includes the equity offering funding (R$1.5 billion)

Executive Summary

On May 15, the Company announced a primary share offering. The offering increased the Company's capital, including the shares arising from the distribution of the over-allotment, by one billion, four hundred sixty-three million, three hundred sixty-eight thousand, eight hundred and fifty-six reais (R$1,463,368,856.00), through the issue, for public subscription, of 119,605,766 registered common shares, 246,221,728 class A preferred shares, and 14,720 class B preferred shares, at the issue price of R$4.00/share.

The offering is only one of the components of a broader financial shield package that provided the Company with a sufficiently comfortable structure during the investment phase of the construction of the Maranhão plant. This financial planning aims to strengthen the Company's liquidity and mitigate any refinancing needs. Even under a potential stress scenario, the Company will not need additional funding until the end of 2016.

The Company ended the 2Q12 with a solid cash position of R$4.2 billion (pro-forma), including the funds from the offering. Moreover, the Company renegotiated some R$1.2 billion in debt contracts, postponing the associated maturities from 2012-2014 to 2016-2018, which strengthens the cash position for the Company's growth. These renegotiations were extremely important for lengthening the debt profile, with the short-term portion of debt decreasing from 27.9% in March to 15.1% at the end of 2Q12.

The Company contracted a stand-by credit facility, of up to R$2.0 billion, that may be disbursed in tranches through March 31, 2014. The funding for the Maranhão project was resolved through R$2.7 billion in loans from the Brazilian Development Bank (BNDES), which have already been contracted, and R$750 million in loans from export credit agencies (ECAs), which are in the advanced stages of negotiation.

In addition to the financial shield package mentioned earlier, the Company is also analyzing opportunities to divest non-strategic assets and/or partnerships with the aim of strengthening its capital structure. In addition, a series of operational initiatives are also being implemented, such as a general review of the cost structure and a review of the logistics and industrial processes. The Company's deleveraging process will commence with the startup of the Maranhão unit (which will have annual capacity of 1.5 million tons of market pulp and 100 MW in surplus power) scheduled for 4Q13.

Market Overview

Pulp: 1.8% growth in global eucalyptus pulp shipments in the year to date

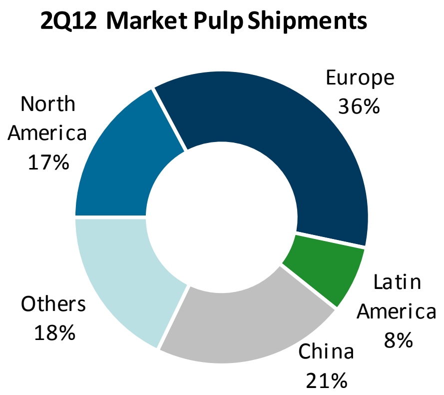
In 2Q12, global pulp shipments decreased by 4.9% and 0.8% from 1Q12 and 2Q11, respectively. Compared to 1Q12, the reduction was minimized by the performance of developed countries (stronger demand from North America and stable demand in Europe). Compared to 2Q11, the reduction was mitigated by stronger demand from emerging economies (China and Latin American countries).

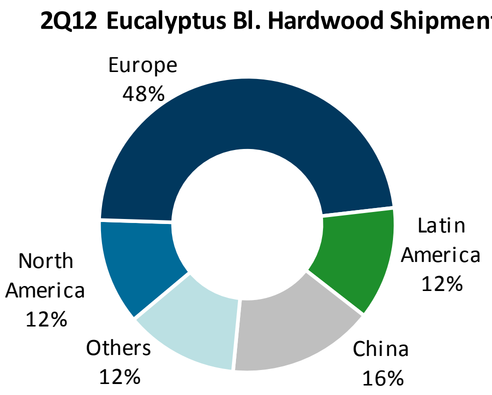
In the first six months of the year, market pulp shipments grew by 0.6% from the same period of 2011. Despite the weaker demand from Europe (-6.6%) and North America (-4.4%), the market’s behavior in 6M12 is explained by the stronger economic activity in other markets, especially China (+16.2%) and Latin America (+5.8%).

Eucalyptus pulp shipments decreased by 5.9% from the prior quarter, reflecting the strong demand in 1Q12. However, in relation to 2Q11, shipments remained virtually stable, in line with expectations for the quarter. In the first six months of the year, sales of eucalyptus pulp increased by 1.8% from 6M11, driven by demand in China (+11.3%) and Latin America (+10.0%).

('000 tons)	2Q12	2Q11	Δ Y-o-Y	1Q12	Δ Q-o-Q	6M12	6M11	Δ Y-o-Y
Shipments - Market Pulp	**10,426**	**10,515**	**-0.8%**	**10,965**	**-4.9%**	**21,391**	**21,256**	**0.6%**
North America	1,794	1,878	-4.5%	1,714	4.7%	3,508	3,668	-4.4%
Europe	3,766	3,979	-5.4%	3,763	0.1%	7,529	8,065	-6.6%
Latin America	773	732	5.6%	803	-3.7%	1,576	1,490	5.8%
China	2,231	1,972	13.1%	2,639	-15.5%	4,870	4,190	16.2%
Others	1,862	1,954	-4.7%	2,046	-9.0%	3,908	3,843	1.7%
Shipments - Eucalyptus Bl. Hardwood	**3,480**	**3,488**	**-0.2%**	**3,700**	**-5.9%**	**7,180**	**7,051**	**1.8%**
North America	404	446	-9.4%	330	22.4%	734	776	-5.4%
Europe	1,659	1,712	-3.1%	1,669	-0.6%	3,328	3,463	-3.9%
Latin America	431	398	8.3%	448	-3.8%	879	799	10.0%
China	556	508	9.4%	761	-26.9%	1,317	1,183	11.3%
Others	430	424	1.4%	492	-12.6%	922	830	11.1%

Source: PPPC (Pulp and Paper Products Council – World 20 Report)



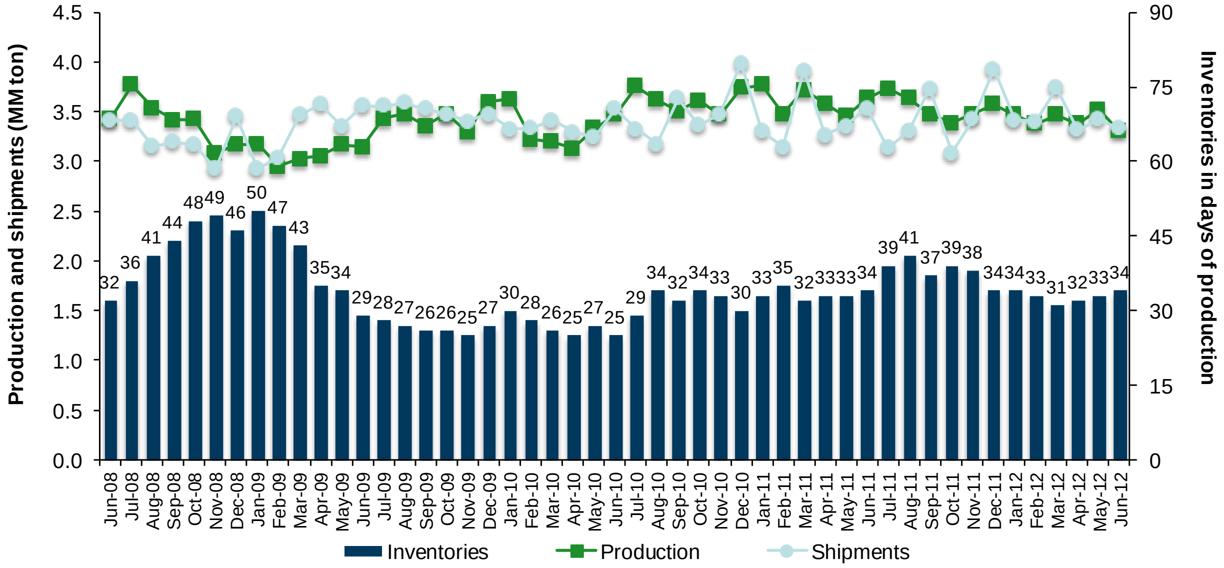


Market pulp production was 10.2 million tons in 2Q12, down 1.2% and 4.4% from 1Q12 and 2Q11, respectively. In 6M12, production came to 20.5 million tons, down 5.1% from the year-ago period.

In the second half of 2012, no significant additional market pulp capacity is expected to come online and paper machines in the Asian market will start operating, strengthening demand for market pulp, which should result in a more stable market.

In June, global pulp inventories stood at 34 days of production (40 days for hardwood pulp and 29 days for softwood pulp), a bit higher than the historical average, despite the volatile global scenario marked by deterioration in Europe's sovereign debt crisis and the destocking trend of pulp consumers in China.

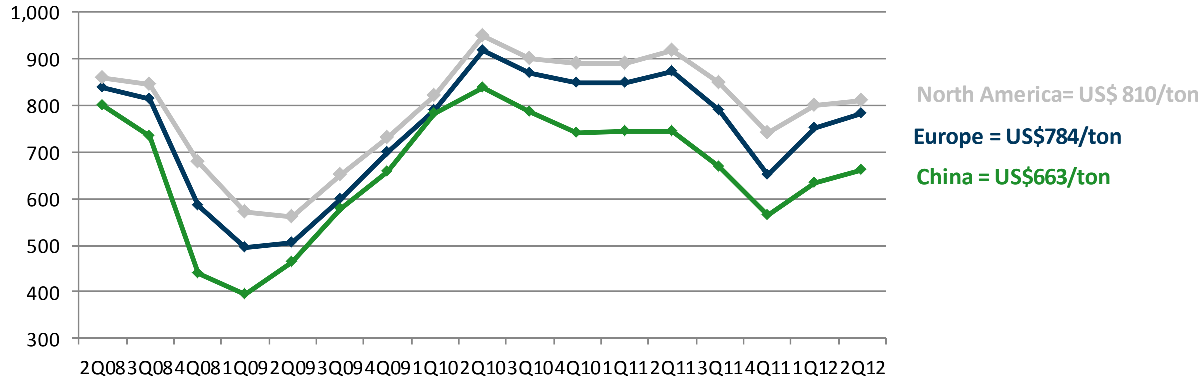
Production, Shipments and Inventories



Source: PPPC (Pulp and Paper Products Council – World 20 Report)

At the end of 2Q12, hardwood prices were on average US$23/ton higher than at the close of 1Q12 and US$94/ton lower than at the close of 2Q11.

Hardwood List Price(US$/ton)



Source: Europe and China – FOEX (BHKP list price for the last week of each month) / North America – RISI (BEKP list price)

In June, eucalyptus pulp prices reached US$663/ton in China, US$784/ton in Europe and US$810/ton in North America (Source: FOEX and RISI). The spread between softwood and hardwood list prices ended the quarter at US$47/ton.

Paper: Domestic demand for printing and writing paper grows 14.4% compared to 1Q12

According to the Brazilian Association of Pulp and Paper Producers (Bracelpa), domestic demand (domestic sales + imports) for **printing and writing paper (woodfree) and paperboard** in 2Q12 grew by 11.0% over the previous quarter and by 3.6% compared to the year-ago quarter. Note that the Brazilian market registered demand growth in all lines in 2Q12 compared to the previous quarter.

Brazilian producers registered sales growth of 2.6% in 6M12 compared to 6M11, while domestic demand contracted by 1.9% in the period.

Brazilian Demand (tons)	2Q12	2Q11	Δ Y-o-Y	1Q12	Δ Q-o-Q	6M12	6M11	Δ Y-o-Y
Paperboard	**139,865**	**134,531**	4.0%	**138,437**	1.0%	**278,302**	**262,707**	5.9%
Printing & Writing	466,602	450,759	3.5%	407,891	14.4%	874,493	912,319	-4.1%
Coated	159,517	135,553	17.7%	144,308	10.5%	303,825	291,208	4.3%
Uncoated	307,085	315,206	-2.6%	263,583	16.5%	570,668	621,111	-8.1%
TOTAL	**606,467**	**585,290**	**3.6%**	**546,328**	**11.0%**	**1,152,795**	**1,175,026**	**-1.9%**

Source: Brazilian Association of Pulp and Paper Producers – Bracelpa (data considers the Common Mercosul Nomenclature - NCM - for the products manufactured by Suzano)

The share of imports in the domestic market decreased in all lines in 2Q12 compared to 1Q12. In the printing and writing paper line, the share of imports decreased in relation to both 1Q12 and 2Q11. In the coated paper line, imports registered their sharpest reduction compared to both 1Q12 and 2Q11.

Imports share in the domestic market	2Q12	2Q11	Δ Y-o-Y	1Q12	Δ Q-o-Q	6M12	6M11	Δ Y-o-Y
Paperboard	7.8%	6.9%	0.9p.p.	9.5%	-1.6p.p.	8.6%	6.9%	1.8p.p.
Printing & Writing	22.4%	24.7%	-2.3p.p.	24.0%	-1.6p.p.	23.1%	27.8%	-4.7p.p.
Coated	54.6%	60.9%	-6.4p.p.	57.2%	-2.7p.p.	55.8%	66.2%	-10.3p.p.
Uncoated	5.7%	9.1%	-3.5p.p.	5.8%	-0.2p.p.	5.7%	9.8%	-4.1p.p.
Total	**19.0%**	**20.6%**	**-1.6p.p.**	**20.3%**	**-1.3p.p.**	**19.6%**	**23.1%**	**-3.5p.p.**

Source: Brazilian Association of Pulp and Paper Producers – Bracelpa (data considers the Common Mercosul Nomenclature - NCM - for the products manufactured by Suzano)

Economic Overview

In the international environment, the second quarter was marked by slow growth in the Euro Zone, with the unemployment rate reaching a record high in May (11.1%) and recessions in countries such as Portugal, Italy and Spain. The period was also marked by heightened expectations in the political scenario ahead of the presidential elections in Greece and France. Spain and Italy have shown willingness to implement measures to reduce their fiscal deficits, as also has Ireland, which received approval for new loans to finance its bank debt. Additional measures adopted by Euro Zone leaders, such as the announcement of an investment plan to boost growth in the region, show the willingness of richer countries to defend the common currency.

The prospect of slower growth in China was further confirmed with the release of each new economic indicator. Although growth in the world's second-largest economy has remained within the range of the target set by the government, data for the second quarter of 2012 confirmed the slowest growth since early 2009. Although sectors such as real estate are facing difficulties, China's government continues to adopt measures to spur growth, such as cutting interest rates.

In the United States, the economy appears to have stabilized at moderate growth rates. The market operated with the possibility of the FED creating a new incentive package. However, such a package did not materialize, with these expectations postponed to the end of the year. The political landscape is currently dominated by the run-up to the presidential elections in November.

In Brazil, the economy has proven not to be immune to the uncertain international environment, with growth coming in below expectations. The IBC-BR, the central bank's leading economic activity indicator for GDP growth, stood at 0.85% for the first six months of the year. Meanwhile, inflation remains increasingly under control and close to the center of the target set by the central bank, which creates more room for maintaining the monetary policy initiated in August 2011 of gradual reductions in the Selic basic interest rate, which currently is at a historical low of 8% p.a. Other measures to boost economic growth, such as tax cuts and the expansion of credit lines, are also being adopted to stimulate domestic production and consumption.

In the scenario of economic uncertainty, the U.S. dollar appreciated against major currencies, in particular the Brazilian real, which weakened 10.9% in the quarter. The exchange rate ended the quarter at R$2.02/US$.

Fx rate, R$ / US$	2Q12	2Q11	Δ Y-o-Y	1Q12	Δ Q-o-Q	6M12	6M11	Δ Y-o-Y
Beginning of period	1.82	1.63	11.9%	1.88	-2.9%	1.88	1.67	12.6%
End of period	2.02	1.56	29.5%	1.82	10.9%	2.02	1.56	29.5%
Average	1.96	1.60	22.8%	1.77	10.9%	1.86	1.63	14.2%

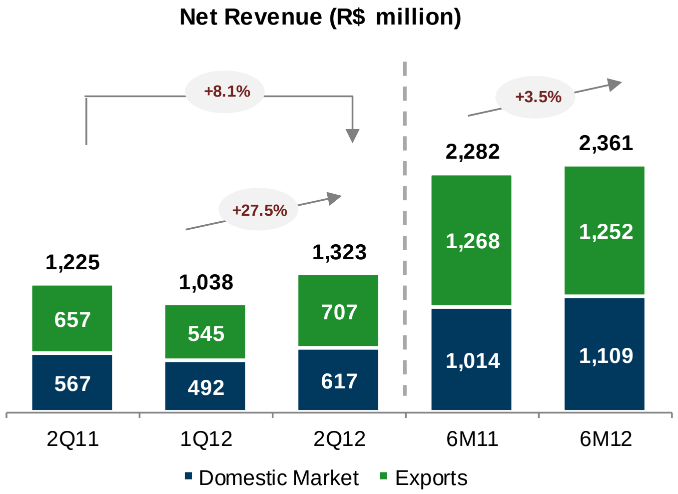
Source: Brazilian Central Bank

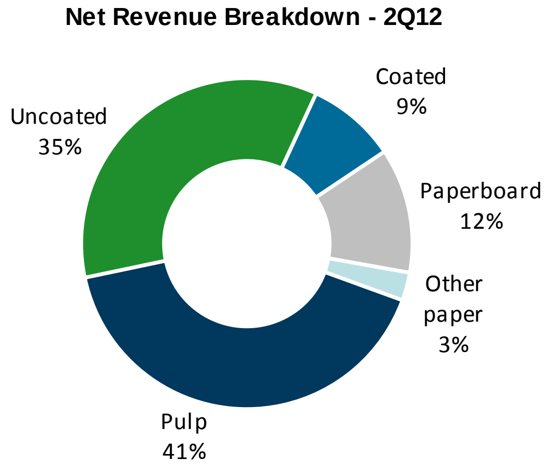
Regarding the key currencies for determining pulp prices, in addition to the BRL, the quarter also saw the euro depreciate by 5.1% against the dollar, as also did the yuan, Chilean peso and Canadian dollar, by 0.1%, 2.4% and 1.8%, respectively.

Economic and Financial Performance

Net Revenue

Suzano's net revenue was R$1,323.4 million in 2Q12. Total pulp and paper sales in the quarter were 800,600 tons, increasing 10.4% and 4.6% from 1Q12 and 2Q11, respectively.





Note: Other Papers = paper from other manufacturers sold by SPP and KSR

Total net revenue was mainly influenced by the following factors:

i. increase of 27.4% in paper sales compared to 1Q12, due to business seasonality;

ii. stable market pulp sales volume compared to 1Q12, affected by the scheduled maintenance downtime in the quarter;

iii. increase of 21.0% in the average net pulp price in Brazilian real compared to 1Q12;

iv. increase of 4.1% in the average net paper price in Brazilian real compared to 1Q12;

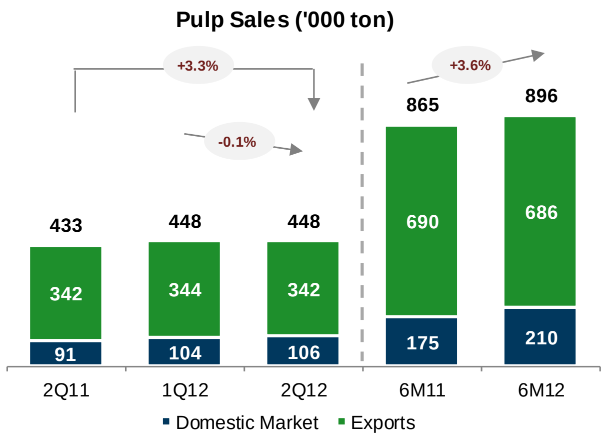
v. share of domestic sales in the paper sales mix: 61.2% in 2Q12, compared to 61.6% in 1Q12 and 59.0% in 2Q11;

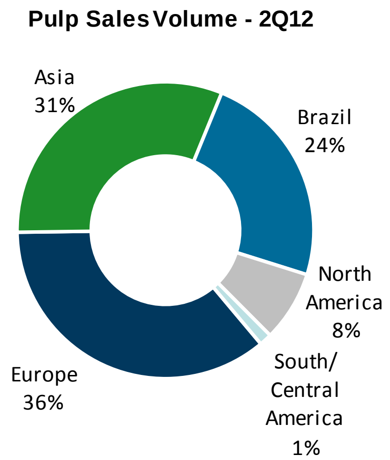
vi. the variation in the BRL/USD exchange rate: BRL depreciating (average exchange rate) by 10.9% from the prior quarter and by 22.8% from 2Q11, with a positive impact on export revenue.

In 6M12, Suzano posted net revenue of R$2,361.0 million. Pulp and paper sales volume in the six-month period was 1,525,600 tons, or 5.7% higher than in 6M11.

Pulp Business Unit

The Company sold 447,900 tons of market pulp in 2Q12. The main sales destinations were Europe (35.9%), Asia (31.4%) and Brazil (23.7%). The share of sales to Europe and Brazil in 2Q12 increased from the prior quarter.



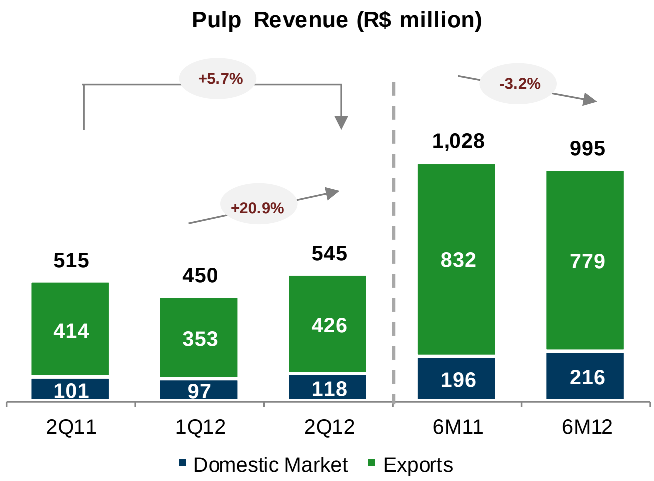


Net revenue from pulp sales in 2Q12 was R$544.6 million, which was impacted by the increase in the average net price in the period.

The average net pulp price in USD (domestic and export markets) was US$620.4/ton in 2Q12, increasing 9.1% from 1Q12 and decreasing 16.7% from 2Q11.

The average net price in BRL was R$1,215.7/ton in the quarter, increasing 21.0% and 2.3% from 1Q12 and 2Q11, respectively, while the BRL depreciated 10.9% compared to 1Q12 and 22.8% compared to 2Q11.

In 6M12, Suzano sold 896,200 tons of market pulp, an increase of 3.6% from 6M11, due to the consolidation of

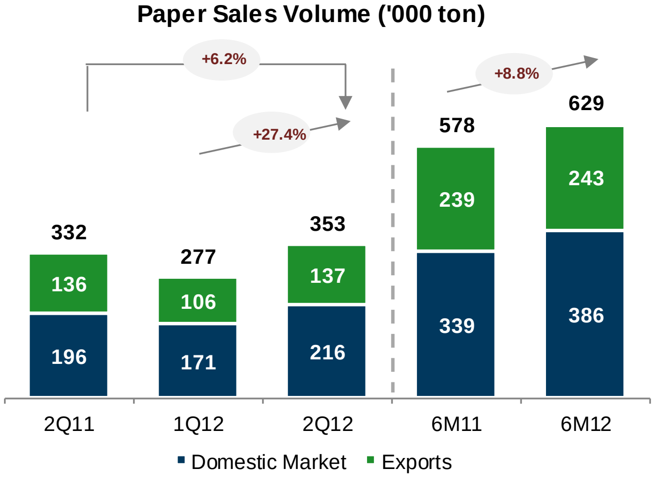


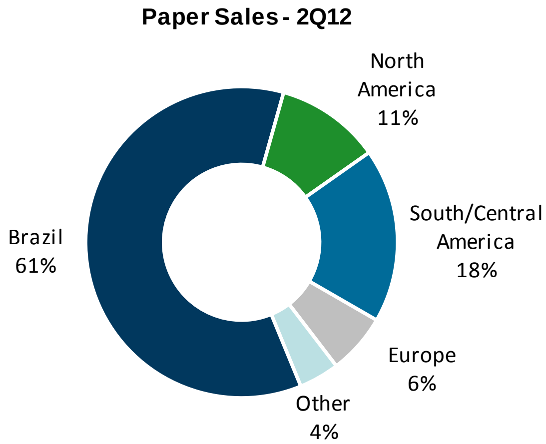
100% of the Limeira Unit. In 6M12, the main destinations of the Company's sales were Asia (33.3%), Europe (32.6%), Brazil (23.4%), North America (8.1%) and South/Central America (2.5%).

In 6M12, the average net pulp price in USD (domestic and export markets) was US$595.9/ton, decreasing 18.2% in relation to 6M11 (US$728.2/ton). In BRL, the average net pulp price was R$1,110.3/ton in 6M12, compared to R$1,188.0/ton in 6M11. This 6.5% decrease in the average net pulp price in BRL in the period was driven by the reduction in the list pulp price in USD, which was partially offset by the depreciation in the BRL against the USD.

Paper Business Unit

Suzano's paper sales totaled 352,600 tons in 2Q12. Brazil accounted for 61.2% of total sales in 2Q12, compared to 61.6% in 1Q12 and 59.0% in 2Q11. South and Central America, Suzano's main markets, accounted for 79.4% of the Company's sales in the quarter.

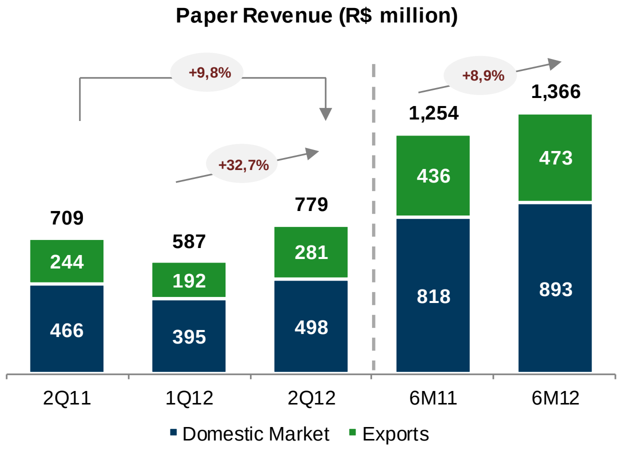




Net revenue from paper sales came to R$778.9 million in 2Q12, driven by the higher sales volume and the recovery in prices.

The average net paper price in 2Q12 (domestic and export market) was R$2,208.7/ton, increasing 4.1% and 3.4% from 1Q12 and 2Q11, respectively.

Suzano maintained its leadership in Brazil's **printing and writing paper** segment in 2Q12, with sales volume of 166,300 tons in the **domestic market**. Printing and writing paper sales volume increased by 31.8% and 15.0% from 1Q12 and 2Q11, respectively, due to seasonality.



The average net price of **printing and writing paper** in the **domestic market** in 2Q12 was R$2,156.7/ton, stable in relation to 1Q12 and down 2.7% from 2Q11. The average net price of **uncoated paper** increased by 1.5% and 0.5% from 1Q12 and 2Q11, respectively. The price of **coated paper** increased by 2.2% from the previous quarter and decreased by 7.8% from 2Q11.

In the **export market**, sales volume of **printing and writing paper** was 108,300 tons, increasing 30.1% from 1Q12 and decreasing 5.2% from 2Q11. The average net price of **printing and writing paper** in the **export market** in 2Q12 was R$2,053.6/ton, increasing 13.8% and 16.9% from 1Q12 and 2Q11, respectively. The average net price of **uncoated paper** increased by 14.0% and 17.1% compared to 1Q12 and 2Q11, respectively. The price of **coated paper** increased by 21.1% and 40.1% compared to 1Q12 and 2Q11, respectively.

The Company's **domestic paperboard** sales totaled 36,300 tons in the quarter, up 7.4% and 5.4% from 1Q12 and 2Q11, respectively. **Paperboard** prices in 2Q12 increased by 5.8% and 1.1% from 1Q12 and 2Q11, respectively.

The Company's **paperboard exports** totaled 28,700 tons in the quarter, increasing 24.9% and 29.8% from 1Q12 and 2Q11, respectively. The average net **paperboard** price in BRL was R$2,027.4/ton, increasing 11.1% and 4.2% from 1Q12 and 2Q11, respectively.

The average net price in USD of paper exported in 2Q12 increased 2.1% from 1Q12 and decreased 6.7% from 2Q11, while prices in BRL increased by 13.2% and 14.6% compared to 1Q12 and 2Q11, respectively, also impacted by the exchange variation in the period.

In 6M12, Suzano's paper sales came to 629,400 tons. Brazil accounted for 61.4% of total sales in 6M12, increasing by 2.8 p.p. from the share in 6M11, while South and Central America accounted for 78.4% of the Company's sales in the six-month period.

In 6M12, the average net paper price (domestic and export markets) was R$2,170.4/ton, stable in relation to 6M11 (R$2,168.2/ton). The average net pulp price in USD of paper exported in 6M12 was US$1,043.2/ton, decreasing 6.5% from 6M11.

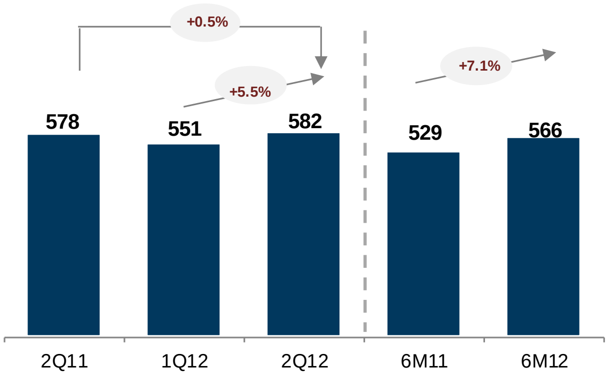
Production and Costs

Production ('000 tons)	2Q12	2Q11	Δ Y-o-Y	1Q12	Δ Q-o-Q	6M12	6M11	Δ Y-o-Y
Market Pulp	431	420	2.5%	453	-5.0%	884	876	0.9%
Paper	333	318	4.8%	311	6.9%	644	626	2.9%
Paperboard	65	62	4.7%	62	5.0%	128	126	1.5%
Coated	53	37	42.3%	48	9.6%	101	77	31.6%
Uncoated	215	218	-1.5%	201	6.9%	415	423	-1.9%
TOTAL	**763**	**738**	**3.5%**	**765**	**-0.2%**	**1,528**	**1,502**	**1.7%**

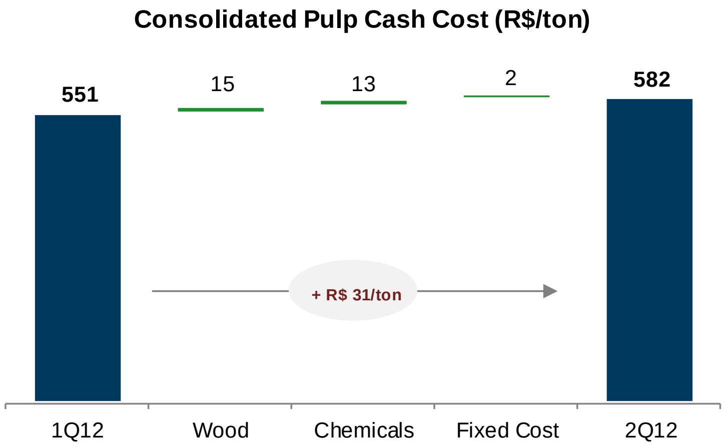
Note: Includes 100% of Limeira Unit

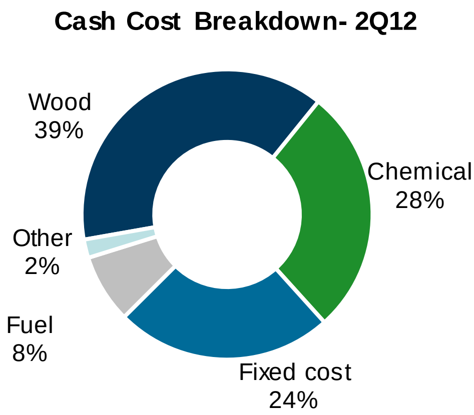
The contribution by the Limeira unit to Suzano's pulp production increased with the acquisition of 50% of this unit in 2011. Due to the integration of this unit, Suzano will disclose its consolidated cash cost considering both the Mucuri and Limeira units starting in 2Q12. Comparative data on the graph were recalculated based on the consolidated cash cost methodology.

Consolidated Pulp Cash Cost (R$/ton)



In 2Q12, the cash cost of market pulp production, excluding the costs related to depletion of the forestry base, was R$582/ton, chiefly due to: (i) higher costs with wood, due to the increase of third-party wood in the supply mix of the Mucuri unit; (ii) higher chemicals costs, due to the increased consumption of quicklime, as a result of the scheduled downtime for improvements in the lime kilns, with the future benefit of increased operational stability; and (iii) higher fixed costs, reflecting the increased expenses with repairs during the general downtime.





Line 2 of the Mucuri Unit and the Suzano unit underwent scheduled maintenance during 2Q12. The amounts associated with the maintenance downtimes impacted unit cash cost by R$68/ton, which in turn increased the cash cost with downtimes to R$649/ton. Maintenance downtimes are scheduled during 3Q12 for Line 1 at the Mucuri unit and for the Limeira unit.

Cost of goods sold (COGS) in 2Q12 was R$1,052.3 million, or 23.4% higher than in 1Q12, driven mainly by (i) the 27.4% increase in paper sales volume, which accounted for 57% of the increase in COGS; (ii) the scheduled maintenance downtimes, which accounted for 29% of the increase in COGS; (ii) higher chemicals costs, due to the increased consumption of quicklime, as a result of the scheduled downtime for improvements in the lime kilns, with the future benefit of increased operational stability; (iv) higher wood costs. The 10.0% increase in COGS compared to 2Q11 was due to the same factors mentioned above, which were partially offset by the reduction in unit fixed costs due to the higher production volume in 2Q12.

In 6M12, cost of goods sold was R$1,904.9 million, or 12.3% higher than in 6M11.

Average unit COGS was R$1,314.4/ton in 2Q12, increasing 11.8% and 5.2% from 1Q12 and 2Q11, respectively. In 6M12, unit cost of goods sold was R$1,248.6/ton, increasing 6.2% from 6M11.

Operating Expenses / Revenues

Expenses (R$ '000)	2Q12	2Q11	Δ Y-o-Y	1Q12	Δ Q-o-Q	6M12	6M11	Δ Y-o-Y
Sales Expenses	62,467	63,675	-1.9%	54,896	13.8%	**117,363**	**110,840**	5.9%
General and Administrative Expenses	96,412	92,257	4.5%	93,013	3.7%	189,425	170,118	11.3%
Total Expenses	**158,879**	**155,932**	**1.9%**	**147,909**	**7.4%**	**306,788**	**280,958**	**9.2%**
Total Expenses / Net Revenue	12.0%	12.7%	-0.7p.p.	14.3%	-2.3p.p.	13.0%	12.3%	0.7p.p.

The 13.8% increase in **selling expenses** compared to the previous quarter was chiefly due to the higher expenses with logistics driven by the growth in paper sales volume. The 1.9% reduction compared to 2Q11 was basically due to the lower expenses with (i) outsourced services (marketing and consulting); (ii) personnel; and (iii) logistics.

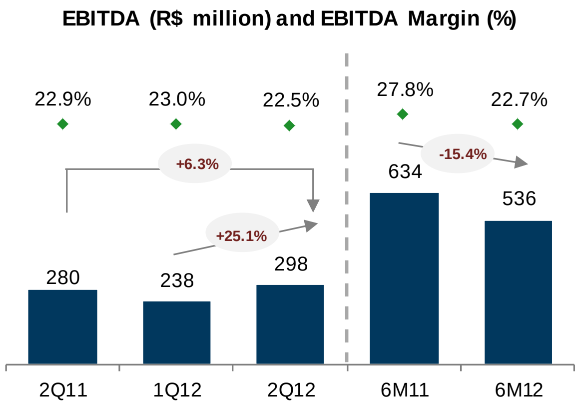
The 3.7% increase in **administrative expenses** compared to 1Q12 was primarily due to (i) higher expenses with subsidiaries; and (ii) lower expenses with personnel due to the reduction in profit sharing. Compared to 2Q11, the 4.5% increase was driven by higher expenses with subsidiaries, which was offset by expenses with the integration of Conpacel in 2011.

The line **other operating revenue** registered a net positive result of R$7.6 million in 2Q12, due to the sale of wood, fixed assets and electricity. In 1Q12, the line registered a net positive result of R$34.2 million due to the non-recurring sale of fixed assets.

EBITDA

Cash flow, as measured by EBITDA, was R$298.0 million in 2Q12, with EBITDA margin of 22.5%. EBITDA margin in June reached 27%.

The main factors impacting EBITDA and operating margins in 2Q12 compared to 1Q12 were:

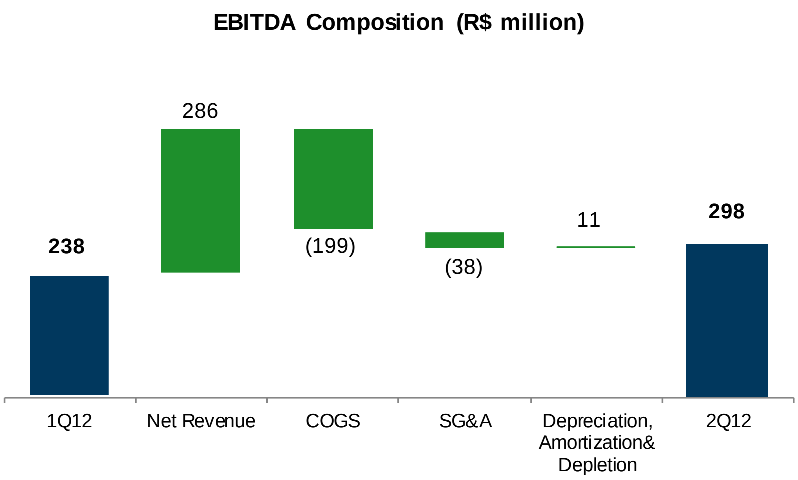


Positive

i. increase in pulp and paper prices;
ii. higher paper sales volume; and
iii. depreciation in the BRL against the USD, which boosted export revenue;

Negative

i. scheduled maintenance downtime; and
ii. asset sales in 1Q12.



Financial Income (Expenses)

Financial Expenses (R$ '000)	2Q12	2Q11	Δ Y-o-Y	1Q12	Δ Q-o-Q	6M12	6M11	Δ Y-o-Y
Financial Expenses	(205,811)	(185,260)	11.1%	(150,414)	36.8%	**(356,225)**	**(346,171)**	2.9%
Financial Revenues	97,635	112,698	-13.4%	70,279	38.9%	167,914	204,579	-17.9%
Net Financial Expenses	**(108,176)**	**(72,562)**	**49.1%**	**(80,135)**	**35.0%**	**(188,311)**	**(141,592)**	**33.0%**
Exchange Rate Variation	(425,626)	86,076	n.a.	80,223	n.a.	(345,403)	149,519	n.a.
Net Financial Result	**(533,802)**	**13,514**	**n.a.**	**88**	**n.a.**	**(533,714)**	**7,927**	**n.a.**

Net financial expenses were R$108.2 million in 2Q12, compared to R$80.1 million in 1Q12 and R$72.6 million in 2Q11. Financial expenses were impacted primarily by the financial expenses of R$17.7 million from hedge operations involving swaps in the quarter, which compares to the expense of R$1.2 million in 1Q12 and income of R$9.5 million in 2Q11 from the same operations.

In 2Q12, monetary and exchange variations negatively impacted the Company's results by R$425.6 million, due to the impact from exchange variation of 10.9% on the exposure of the balance sheet between the start (R$1.82/US$) and end (R$2.02/US$) of the quarter, with cash effects limited to debt maturities and amortizations.

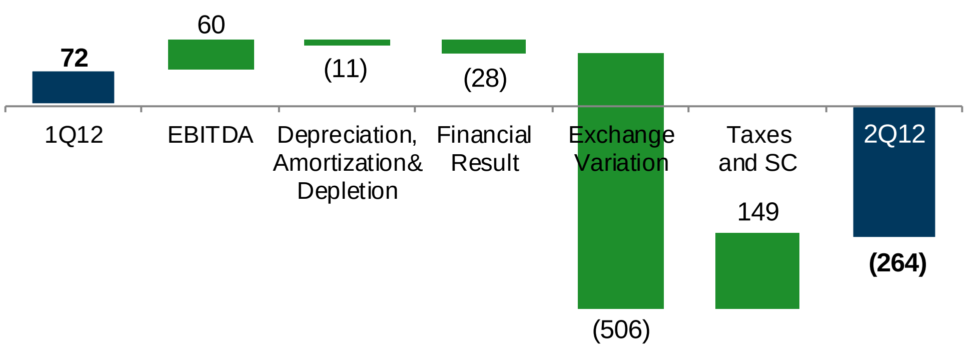
On June 30, 2012, the net principal of operations contracted for the future sale of U.S. dollars via conventional Non Deliverable Forwards (NDFs) was US$45.0 million. The maturities of these NDFs are distributed between July 2012 and January 2014 in order to secure attractive operating margins for a minor portion of net revenue over the course of this period. The cash effects of these operations occur only on the respective maturity date, when the contracts generate cash expenditures or receivables for the Company, as the case may be. In addition, the Company uses swap contracts to exchange floating interest rates for fixed interest rates as well as contracts to hedge pulp prices, which reduce the effects of potential variations on the Company's cash flow.

Accordingly, the loss of R$17.7 million in the quarter from hedge operations through swaps was basically composed of the following results: (i) loss of R$18.8 million from the sale of NDFs; and (ii) gain of R$11.2 million from the conversion of onshore and offshore interest rates. For more information, see Note 29 to the Quarterly Information (ITR).

Net Income

The Company recorded a net loss of R$264.3 million in 2Q12, compared to net income of R$71.8 million in 1Q12 and net income of R$103.6 million in 2Q11. In addition to the operating factors that affected EBITDA between 1Q12 and 2Q12, net result was also impacted: (i) negatively by exchange variation, due to the variation in the exchange rate, with the cash effects limited to debt maturities or amortizations, and by financial expenses; and (ii) positively by the lower income and social contribution taxes and by depreciation, amortization and depletion.

Net Income Composition (R$ million)

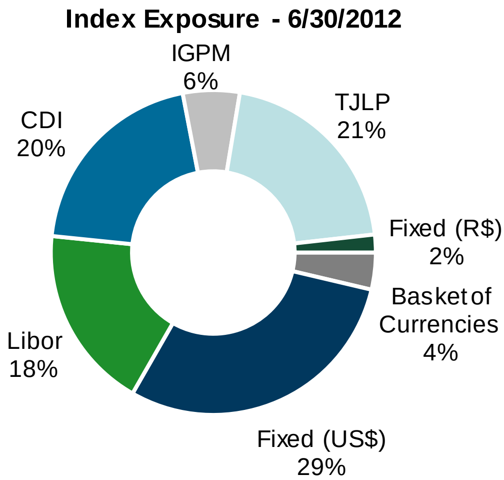


Debt

Debt (R$ million)	6/30/2012	3/31/2012	Δ Q-o-Q	6/30/2011	Δ Y-o-Y
Local Currency	4,726	4,682	0.9%	3,680	28.4%
Short Term	757	1,172	-35.4%	740	2.3%
Long Term	3,969	3,510	13.1%	2,940	35.0%
Foreign Currency	4,881	4,626	5.5%	3,519	38.7%
Short Term	695	1,429	-51.4%	752	-7.6%
Long Term	4,186	3,197	30.9%	2,767	51.3%
Gross Debt	9,607	9,308	3.2%	7,199	33.5%
(-) Cash	2,758	3,572	17.2%	3,002	39.5%
Net Debt	6,849	5,736	-6.1%	4,196	28.3%
Net Debt / EBITDA (x)	5.7x	4.8x	-0.4x	3.0x	1.5x
(-) Cash pro-forma[1]	4,187	3,572	17.2%	3,002	39.5%
Net Debt pro-forma[1]	5,386	5,736	-6.1%	4,196	28.3%
Net Debt/EBITDA pro-forma[1] (x)	4.5x	4.8x	-0.4x	3.0x	1.5x

[1] Pro forma 2Q12 data includes the equity offering funding (R$1.5 billion)

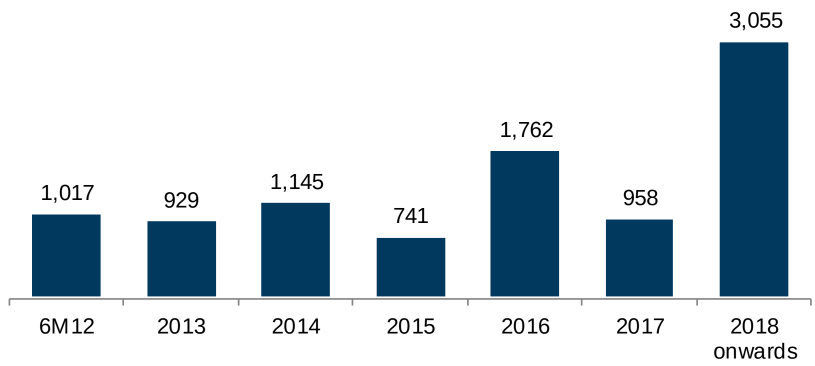
Gross debt on June 30, 2012 was R$9.6 billion, of which 50.8% was denominated in foreign currency and 49.2% in local currency. Suzano contracts foreign-denominated debt as a natural hedge, since more than 50% of its revenue comes from exports. This structural exposure allows the Company to contract export financing in USD at more competitive costs than local financing lines and to match financing payments with receivable flows from sales.



The increase in gross debt in 2Q12 compared to 1Q12 was mainly due to the 10.9% depreciation in the Brazilian real against the U.S. dollar in the period. In 2Q12, the Company contracted export funding, more specifically Export Credit Notes (NCE), in the aggregate amount of approximately R$608 million, which were linked to other lines that were prepaid with the objective of lengthening the debt profile. With this same objective, we carried out two rollover transactions in the total amount of US$260 million, with no cash effect, involving prepayment contracts maturing in 2012, which will now mature in 2018. There were also disbursements of BNDES funds in the approximate amount of R$146.2 million.

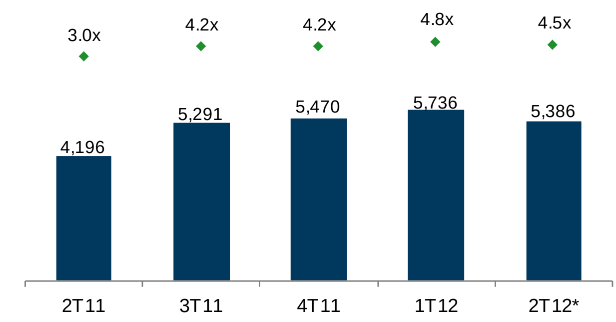
Gross debt on June 30, 2012 was composed of 84.9% long-term maturities and 15.1% short-term maturities. Suzano has focused its efforts on obtaining lines with longer terms and attractive costs as well as on obtaining project finance with very favorable terms and conditions, such as grace periods and gradual amortization aligned with the cash flow of the projects. In June 2012, the average cost of debt was 9.4% p.a. in Brazilian real and 5.2% p.a. in Brazilian real. The average maturity of consolidated debt ended the quarter at 4.3 years.

Amortization Schedule (R$ million)



Note: graph shows the loans and financing amortization and debenture amortization

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



* 2Q12 pro forma Net Debt and Net Debt/EBITDA includes the equity offering funding

Pro-forma net debt ended the quarter at R$5,385.6 million, decreasing 6.1% from March 2012. The pro-forma Net debt/EBITDA ratio stood at 4.5x, reflecting: (i) the proceeds from the public offering of R$1.5 billion; and (ii) the increase of R$17.8 million in EBITDA in the 12 months to June 30, 2012, compared to EBITDA in the 12 months to March 31, 2012. The Company remains focused on a series of operational initiatives to improve EBITDA, such as a general review of the cost structure and a review of the logistics and industrial processes, and on the previously announced initiatives aimed at reducing its leverage and improving its capital structure.

Capital Expenditure

Capex (R$ '000)	2Q12	2Q11	Δ Y-o-Y	1Q12	Δ Q-o-Q	6M12	6M11	Δ Y-o-Y
Sustain	132,294	100,591	31.5%	98,633	34.1%	230,927	213,433	8.2%
Industrial	51,397	34,470	49.1%	24,747	107.7%	76,144	57,558	32.3%
Forestry	80,897	66,121	22.3%	73,886	9.5%	154,783	155,875	-0.7%
Expansion	669,849	314,732	112.8%	293,740	128.0%	963,589	1,976,933	-51.3%
Other	9,208	2,959	211.1%	1,762	422.6%	10,970	7,350	49.2%
TOTAL	**811,350**	**418,282**	**94.0%**	**394,135**	**105.9%**	**1,205,485**	**2,197,716**	**-45.1%**

Note: 6M11 CAPEX includes Conpacel and KSR acquisition (R$1.5 billion)

The increase in investments in 2Q12 compared to 1Q12 is mainly related to Suzano's expansion projects, including the industrial capex for the Maranhão unit.

Capex for 2012 is estimated at approximately R$3.5 billion, of which some R$3.0 billion will be allocated to expansion projects and R$500 million to maintenance. Capex for 2013 is estimated at approximately R$1.4 billion, of which some R$900 million will be allocated to expansion projects and R$500 million to maintenance. Expansion capex consists of investments in forest formation and industrial assets at the Maranhão unit and the minimum investment required to maintain forests in Piauí. Note that these estimates do not include the investment in Suzano Energia Renovável, which is still pending the definition of the capital structure.

Maranhão Unit

Suzano will commission its Maranhão pulp production unit, one of the most modern in the world, with market pulp capacity of 1.5 million tons/year and surplus power generation of 100MW. The plant's startup is scheduled for 2013.

The formation of the unit's forestry base was begun in 2008. With its experience in forest technology, Suzano has a portfolio of genetics suited to many different regions that will ensure the unit an average productivity rate of $42m^3$/hectare/year. The wood will be supplied by own forests, the Vale Florestar Program and other local producers through the Parceria Florestal Program.

The industrial plant at the Maranhão unit is a reference in technology and uses leading suppliers of services and equipment, such as Metso, Siemens and Poyry. The plant will also be operated by a professional management team with vast experience in project execution.

The new plant will have two dryers and two lime kilns, assuring it greater operational flexibility, higher stability and lower production costs. The unit will also benefit from the experience and support of its suppliers, which have guaranteed, in contract, on-site operational teams for 18 months after startup. Metso will operate a Service Center in Imperatriz and offer on-site technical support to ensure that the plant operates at the highest productivity levels.

For distributing the pulp produced, the Maranhão industrial unit already has an effective logistics solution in place. Inbound logistics will be based on the existing highway network. Outbound logistics will make use of the local railroads, without any transshipment, with the port in the São Luis region used for export operations. The Maranhão unit is strategically located for distributing the pulp to international markets, especially Europe and the United States.

The construction of the Maranhão Pulp Unit is advancing at full speed, with more than 5,000 people working on forest formation and on the construction of the industrial facilities. In June, the overall physical construction had reached approximately 45% completion and with approximately 57% of the forests planted.

The Maranhão Unit is located in Imperatriz, an important port city that can easily develop sufficient local labor. Suzano has created a People Development Program that has begun offering technical vocational programs in pulp and paper operations with the aim of preparing future professionals for the various jobs at the plant in Imperatriz. As of June 2012, a total of 226 people had graduated from the Capacitar Program.

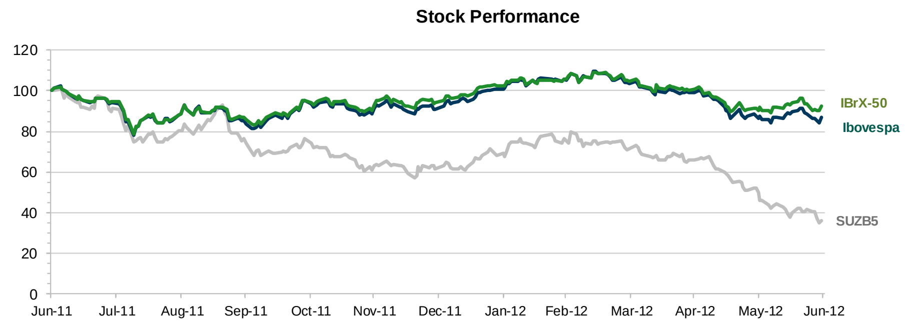
Another initiative to qualify the local population for working in the Imperatriz industrial unit and in the local job market is the People Training in Construction and Industrial Assembly Program (Capacitar). Created in partnership with the government and other local companies and entities, the Capacitar Consortium offers free courses in 5 municipalities of the state of Maranhão, effectively bringing together various sectors of society in a single cause. As of June 2012, a total of 4,700 people had graduated from the Capacitar Consortium Program.

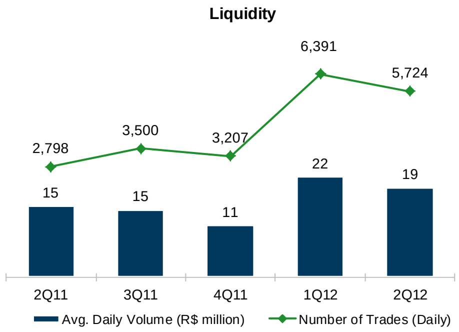
The Maranhão Pulp Unit enjoys tax incentives that reduce its rate of income tax by 75% for a period of 10 years.

The total estimated investment in the Maranhão Unit is US$2.9 billion, with US$2.3 billion to be invested in the industrial facilities and US$575 million in the forestry base.

Capital Markets

Suzano's preferred stock (SUZB5) ended June quoted at R$3.97. The Company's stock is listed on the Level 1 corporate governance segment of the São Paulo Stock Exchange (BM&FBovespa) and was included in the Corporate Sustainability Index (ISE) for the seventh straight year.



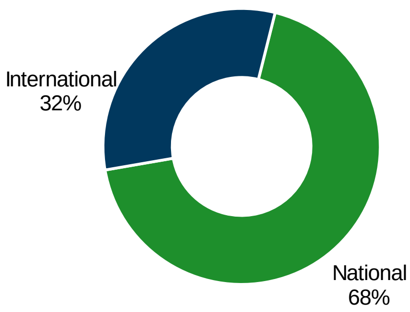


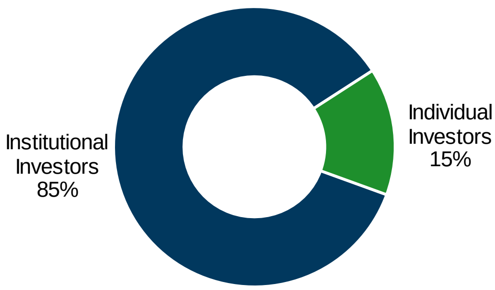
Source: Bloomberg

On June 30th, 2012, the Company's capital stock was represented by 259,645,670 common shares (SUZB3) and 506,439,759 preferred shares (SUZB5 and SUZB6), for a total of 766,085,429 shares traded on the BM&FBovespa, of which 10,940,881 shares were held in treasury (6,786,194 common shares and 4,154,687 preferred shares).

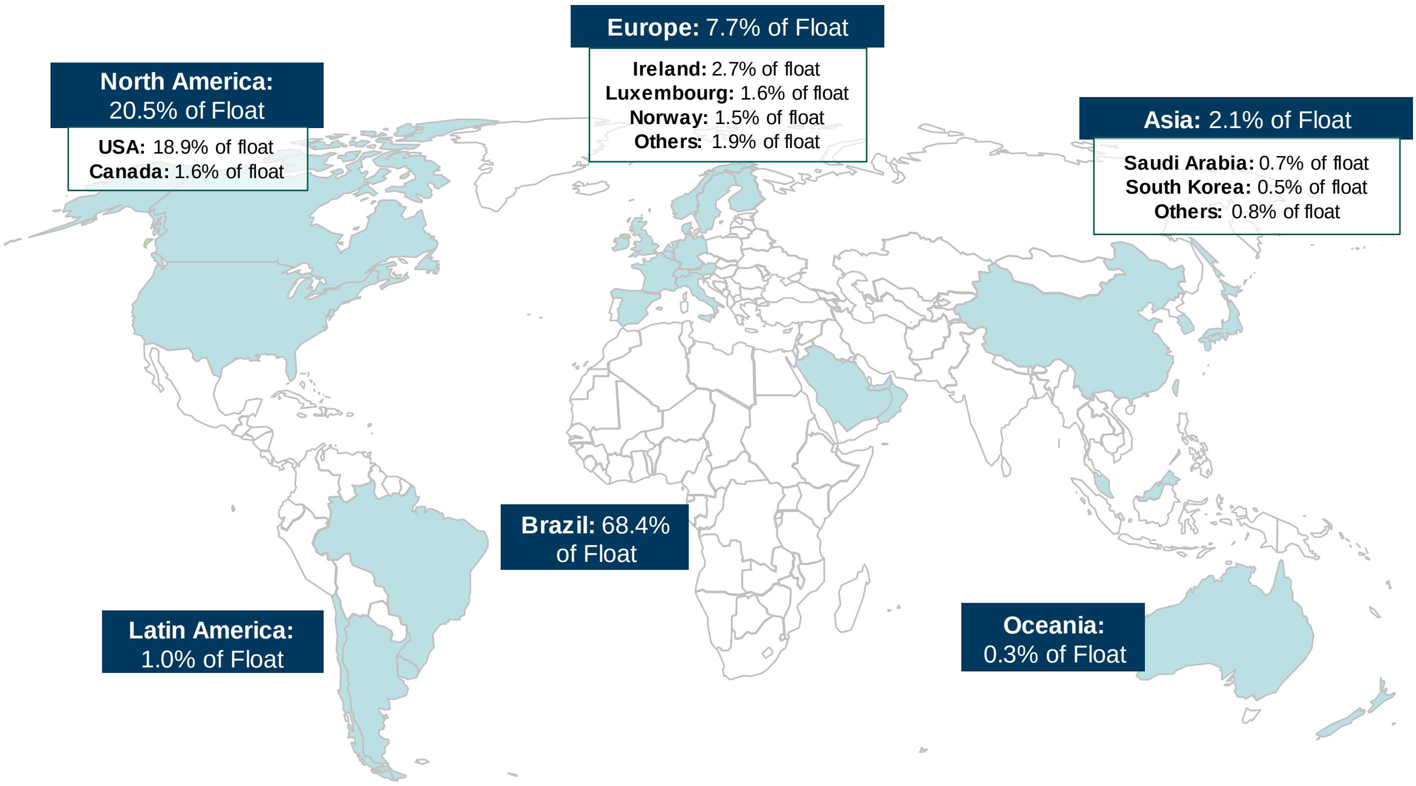
Suzano's market capitalization on June 30th, 2012, was R$3.0 billion. In 2Q12, the free float stood at 40.1% of the total capital.

Free Float Distribution on 6/30/2012





Distribution of Free Float on 6/30/2012



Events in the Period

Public Offering of Shares

On May 15, 2012, the Company announced through a Material Fact notice the filing of a request for registration with the Brazilian Financial and Capital Markets Association (ANBIMA) of a Public Offering for Primary Distribution of Common Shares and Class A and B Preferred Shares. The issue price for each type of share was R$4.00 and a total of 119,605,766 registered common shares, 237,572,542 class A preferred shares, and 14,720 B preferred shares were issued by the end of the Offering, all book-entry shares, for an increase of R$1,428,772,112.00 in the Company's capital, with the financial settlement on behalf of the Company effected in local currency on July 3, 2012.

Contracting of R$2.0 billion credit facility from Banco BTG Pactual

The Company contracted a stand-by credit facility in the amount of up to R$2.0 billion, which may be withdrawn in tranches. The facility will be available until March 31, 2014, with the principal of each tranche effectively withdrawn amortized in two equal installments on June 30, 2016 and July 31, 2017.

Subsequent Events

Lengthening of the debt profile

In line with its strategic orientation to lengthen the debt profile, Suzano renegotiated contracts originally maturing between 2012 and 2014 in the total amount of approximately R$1.2 billion, extending their maturities to 2016, 2017 and 2018.

These renegotiations were extremely important for the Company, with the level of short-term debt, which accounted for 27.9% of gross debt in March 2012, decreasing to 15.1%, while the average term increased from 3.9 years to 4.3 years.

Conversion of debentures

Over the course of July 2012, certain debenture holders in the 4th and 5th issues exercised their right to convert their debentures into stock in the Company at the same conditions of the shares subscribed in the Primary Share Offering. The table below shows the number of debentures requested to be converted into stock:

Issue	Series	Number of Debentures	Type of share
4th Issue	1st Series	8,681	Common
4th Issue	2nd Series	17,361	Class A Preferred
5th Issue	1st Series	3,906	Common
5th Issue	2nd Series	7,813	Class A Preferred
Total		**37,761**	

The period for exercising the right to convert the debentures of the 4th issue, under the abovementioned conditions, expired on July 17, 2012. To exercise the right to convert the debentures of the 5th issue, under the abovementioned conditions, debenture holders must request conversion by August 8, 2012. The capital stock arising from the conversion of the debentures will be ratified by a corporate act to be prepared within 60 days from the first request for conversion, which occurred on June 28, 2012.

Capita increase due to the conversion of the debentures from the 4th and 5th issues and shares arising from the option to distribution the over-allotment option under the Scope of the Public Offering for the Primary Distribution of Shares of the Company

In August, the Company announced to the market that due to the requests made for the conversion of the debentures from the 4th and 5th issues received until July 27, 2012, common shares and preferred class A shares were issued in accordance with the following table:

Issue	Series	Number of Debentures	Number of Common Shares	Number of Preferred Shares
4th Issue	1st Series	8,681	891,122	-
4th Issue	2nd Series	17,361	-	1,782,083
5th Issue	1st Series	3,906	1,070,600	-
5th Issue	2nd Series	7,813	-	2,141,474
Total		**37,761**	**1,961,722**	**3,923,557**

The capital stock resulting from the conversion of the debentures was approved by the Board of Directors on July 27, 2012. On the same date, the Board of Directors approved the issue of 8,649,186 class A preferred shares arising from the option to distribution the over-allotment option granted to Banco BTG Pactual S.A. under the Scope of the Public Offering for the Primary Distribution of Shares of the Company. As a result, the capital stock of the Company was changed to R$4,932,478,940.48, divided into 780,619,894 shares, of which 261,607,392 are common shares, 517,071,683 are preferred class A shares and 1,940,819 are preferred class B shares.

Other Information

Information on the provision of services by the Independent Auditor other than the external audit

In the six-month period ended June 30, 2012, the Company informs that in addition to the review of the quarterly information, the Independent Auditor also provided audit services related to the primary share offering.

Administrative Council for Economic Defense (CADE) approved the acquisition of Conpacel and KSR

CADE approved unanimously the acquisition of Conpacel and KSR, without any reservations. The approval reinforces the Company's strategy, designed in 2024 Suzano Plan, to strengthen our presence in South America Paper Industry.

Upcoming Events

Suzano will hold a conference call to present its 2Q12 results:

Date: August 3, 2012 (Friday)

Portuguese

Time: 9:00 a.m. (EDT – New York)

Dial-in: +55 (11) 4688-6361

Code: Suzano

English

Time: 11:00 a.m. (EDT – New York)
12:00 p.m. (Brasilia)
4:00 p.m. (GMT – London)

Dial-in: +1 (412) 858-4600

Code: Suzano

Please connect 10 minutes before the conference call is scheduled to begin.

The conference call will feature a slide presentation and be transmitted simultaneously via webcast. The links to the slideshow and webcast will be available on the Company's Investor Relations website (www.suzano.com.br/ir).

If you are unable to participate, the webcast link will be available for future consultation on the Company's Investor Relations website.

Corporate Information

Suzano Papel e Celulose S.A., with annual revenue of R$4.8 billion in 2011, is one of Latin America's largest vertically integrated producers of paper and eucalyptus pulp, with annual production capacity of 1.3 million tons of paper and 1.9 million tons of market pulp. It offers a broad range of pulp and paper products for the domestic and export markets, with leadership positions in key Brazilian segments, and has four product lines: (i) eucalyptus pulp; (ii) uncoated printing and writing paper; (iii) coated printing and writing paper; and iv) paperboard.

Forward-looking statements

This release may contain forward-looking statements. These statements are subject to known and unknown risks and uncertainties that can lead such expectations to not materialize or to differ materially from expectations. These risks include: changes in future demand for the Company's products, changes in factors affecting domestic and international product prices, changes in the cost structure, changes in the seasonal patterns of markets, changes in prices charged by competitors, foreign exchange variations, changes in the political or economic situation of Brazil, and changes in emerging and international markets.

Attachment I

Operating Data

Sales volume (tons)	2Q12	2Q11	Δ Y-o-Y	1Q12	Δ Q-o-Q	6M12	6M11	Δ Y-o-Y
Exports	**478,948**	**478,329**	**0.1%**	**450,588**	**6.3%**	**929,535**	**929,049**	**0.1%**
Pulp	341,961	342,029	0.0%	344,387	-0.7%	686,348	689,555	-0.5%
Paper	136,987	136,300	0.5%	106,201	29.0%	243,188	239,495	1.5%
Paperboard	28,674	22,086	29.8%	22,964	24.9%	51,638	44,809	15.2%
Printing & Writing	108,313	114,214	-5.2%	83,236	30.1%	191,550	194,685	-1.6%
Coated	1,016	3,975	-74.4%	1,509	-32.7%	2,525	8,752	-71.1%
Uncoated	107,297	110,239	-2.7%	81,727	31.3%	189,024	185,933	1.7%
Other Paper	-	-	n.a.	-	n.a.	-	-	n.a.
Domestic Market	**321,623**	**287,311**	**11.9%**	**274,412**	**17.2%**	**596,034**	**514,290**	**15.9%**
Pulp	105,976	91,426	15.9%	103,888	2.0%	209,864	175,393	19.7%
Paper	215,647	195,885	10.1%	170,524	26.5%	386,170	338,897	13.9%
Paperboard	36,343	34,496	5.4%	33,840	7.4%	70,184	67,352	4.2%
Printing & Writing	166,263	144,627	15.0%	126,132	31.8%	292,395	248,467	17.7%
Coated	54,171	32,672	65.8%	40,951	32.3%	95,121	54,414	74.8%
Uncoated	112,093	111,955	0.1%	85,181	31.6%	197,274	194,053	1.7%
Other Paper	13,040	16,762	-22.2%	10,552	23.6%	23,592	23,078	2.2%
Total	**800,570**	**765,640**	**4.6%**	**724,999**	**10.4%**	**1,525,569**	**1,443,340**	**5.7%**
Pulp	447,937	433,455	3.3%	448,274	-0.1%	896,212	864,948	3.6%
Paper	352,633	332,185	6.2%	276,725	27.4%	629,358	578,392	8.8%
Paperboard	65,017	56,582	14.9%	56,805	14.5%	121,822	112,162	8.6%
Printing & Writing	274,576	258,841	6.1%	209,368	31.1%	483,944	443,153	9.2%
Coated	55,187	36,647	50.6%	42,460	30.0%	97,646	63,166	54.6%
Uncoated	219,390	222,194	-1.3%	166,909	31.4%	386,298	379,987	1.7%
Other Paper	13,040	16,762	-22.2%	10,552	23.6%	23,592	23,078	2.2%

Revenue breakdown (R$ '000)	2Q12	2Q11	Δ Y-o-Y	1Q12	Δ Q-o-Q	6M12	6M11	Δ Y-o-Y
Exports	**706,847**	**657,343**	**7.5%**	**545,166**	**29.7%**	**1,252,013**	**1,267,623**	**-1.2%**
Pulp	426,284	413,702	3.0%	353,022	20.8%	779,306	831,530	-6.3%
Paper	280,563	243,641	15.2%	192,144	46.0%	472,707	436,093	8.4%
Paperboard	58,134	42,963	35.3%	41,890	38.8%	100,024	87,015	15.0%
Printing & Writing	222,429	200,678	10.8%	150,254	48.0%	372,683	349,078	6.8%
Coated	2,884	8,050	-64.2%	3,538	-18.5%	6,422	17,655	-63.6%
Uncoated	219,545	192,628	14.0%	146,716	49.6%	366,261	331,423	10.5%
Other Paper	-	-	n.a.	-	n.a.	-	-	n.a.
Domestic Market	**616,572**	**567,157**	**8.7%**	**492,410**	**25.2%**	**1,108,982**	**1,014,024**	**9.4%**
Pulp	118,284	101,379	16.7%	97,475	21.3%	215,759	196,033	10.1%
Paper	498,288	465,778	7.0%	394,935	26.2%	893,223	817,991	9.2%
Paperboard	103,516	97,232	6.5%	91,137	13.6%	194,653	192,947	0.9%
Printing & Writing	358,581	320,577	11.9%	273,120	31.3%	631,701	556,807	13.5%
Coated	112,575	73,680	52.8%	83,299	35.1%	195,874	130,211	50.4%
Uncoated	246,006	246,897	-0.4%	189,821	29.6%	435,827	426,596	2.2%
Other Paper	36,191	47,969	-24.6%	30,678	18.0%	66,869	68,237	-2.0%
Total	**1,323,419**	**1,224,500**	**8.1%**	**1,037,576**	**27.5%**	**2,360,995**	**2,281,647**	**3.5%**
Pulp	544,568	515,081	5.7%	450,497	20.9%	995,065	1,027,563	-3.2%
Paper	778,851	709,419	9.8%	587,079	32.7%	1,365,930	1,254,084	8.9%
Paperboard	161,650	140,195	15.3%	133,027	21.5%	294,677	279,962	5.3%
Printing & Writing	581,010	521,255	11.5%	423,374	37.2%	1,004,384	905,885	10.9%
Coated	115,459	81,730	41.3%	86,837	33.0%	202,296	147,866	36.8%
Uncoated	465,551	439,525	5.9%	336,537	38.3%	802,088	758,019	5.8%
Other Paper	36,191	47,969	-24.6%	30,678	18.0%	66,869	68,237	-2.0%

Note: “Other Papers” = paper from other suppliers sold by SPP and KSR

Operating Data (continued)

Average net price (R$/ton)	2Q12	2Q11	Δ Y-o-Y	1Q12	Δ Q-o-Q	6M12	6M11	Δ Y-o-Y
Exports	**1,476**	**1,374**	**7.4%**	**1,210**	**22.0%**	**1,347**	**1,364**	**-1.3%**
Pulp	1,247	1,210	3.1%	1,025	21.6%	1,135	1,206	-5.8%
Paper	2,048	1,788	14.6%	1,809	13.2%	1,944	1,821	6.7%
Paperboard	2,027	1,945	4.2%	1,824	11.1%	1,937	1,942	-0.3%
Printing & Writing	2,054	1,757	16.9%	1,805	13.8%	1,946	1,793	8.5%
Coated	2,838	2,025	40.1%	2,345	21.1%	2,543	2,017	26.1%
Uncoated	2,046	1,747	17.1%	1,795	14.0%	1,938	1,782	8.7%
Other Paper	-	-	n.a.	-	n.a.	-	-	n.a.
Domestic Market	**1,917**	**1,974**	**-2.9%**	**1,794**	**6.8%**	**1,861**	**1,972**	**-5.6%**
Pulp	1,116	1,109	0.7%	938	19.0%	1,028	1,118	-8.0%
Paper	2,311	2,378	-2.8%	2,316	-0.2%	2,313	2,414	-4.2%
Paperboard	2,848	2,819	1.1%	2,693	5.8%	2,773	2,865	-3.2%
Printing & Writing	2,157	2,217	-2.7%	2,165	-0.4%	2,160	2,241	-3.6%
Coated	2,078	2,255	-7.8%	2,034	2.2%	2,059	2,393	-13.9%
Uncoated	2,195	2,205	-0.5%	2,228	-1.5%	2,209	2,198	0.5%
Other Paper	2,775	2,862	-3.0%	2,907	-4.5%	2,834	2,957	-4.1%
Total	**1,653**	**1,599**	**3.4%**	**1,431**	**15.5%**	**1,548**	**1,581**	**-2.1%**
Pulp	1,216	1,188	2.3%	1,005	21.0%	1,110	1,188	-6.5%
Paper	2,209	2,136	3.4%	2,122	4.1%	2,170	2,168	0.1%
Paperboard	2,486	2,478	0.3%	2,342	6.2%	2,419	2,496	-3.1%
Printing & Writing	2,116	2,014	5.1%	2,022	4.6%	2,075	2,044	1.5%
Coated	2,092	2,230	-6.2%	2,045	2.3%	2,072	2,341	-11.5%
Uncoated	2,122	1,978	7.3%	2,016	5.2%	2,076	1,995	4.1%
Other Paper	2,775	2,862	-3.0%	2,907	-4.5%	2,834	2,957	-4.1%

Note: “Other Papers” = paper from other suppliers sold by SPP and KSR

Attachment II

Consolidated Income Statement

CONSOLIDATED FINANCIAL STATEMENT								
(R$ '000)	2Q12	2Q11	Δ Y-o-Y	1Q12	Δ Q-o-Q	6M12	6M11	Δ Y-o-Y
Net Revenue	1,323,418	1,224,500	8.1%	1,037,576	27.5%	2,360,994	2,281,649	3.5%
Cost of Goods Sold	(1,052,281)	(956,356)	10.0%	(852,592)	23.4%	(1,904,873)	(1,696,986)	12.3%
Gross Profit	271,137	268,144	1.1%	184,984	46.6%	456,121	584,663	-22.0%
Selling Expenses	(62,467)	(63,675)	-1.9%	(54,896)	13.8%	(117,363)	(110,840)	5.9%
General and Administrative Expenses	(96,412)	(92,257)	4.5%	(93,013)	3.7%	(189,425)	(170,118)	11.3%
Other Operating Income	7,594	6,818	11.4%	34,191	-77.8%	41,785	16,891	147.4%
EBIT	119,852	119,030	0.7%	71,266	68.2%	191,118	320,596	-40.4%
Depreciation, Amortization & Depletion	178,166	161,218	10.5%	166,927	6.7%	345,093	313,166	10.2%
Depreciation, Amortization & Depletion	167,669	153,605	9.2%	161,326	3.9%	328,995	299,666	9.8%
Depletion to reflect the advances to third parties*	10,497	7,613	37.9%	5,601	87.4%	16,098	13,500	19.2%
EBITDA	298,018	280,248	6.3%	238,193	25.1%	536,211	633,762	-15.4%
EBITDA Margin	*22.5%*	*22.9%*	*-0.4p.p*	*23.0%*	*-0.4p.p*	*22.7%*	*27.8%*	*-5.1p.p*
Net Financial Result	(533,802)	13,514	n.a.	88	n.a.	(533,714)	7,927	n.a.
Financial Expenses	(205,811)	(185,260)	11.1%	(150,414)	36.8%	(356,225)	(346,171)	2.9%
Financial Revenue	97,635	112,698	-13.4%	70,279	38.9%	167,914	204,579	-17.9%
Exchange Rate Variation	(425,626)	86,076	n.a.	80,223	n.a.	(345,403)	149,519	n.a.
Earnings Before Taxes	(413,950)	132,544	n.a.	71,354	n.a.	(342,596)	328,523	n.a.
Income and Social Contribution Taxes	149,687	(28,968)	n.a.	476	31346.8%	150,163	(81,158)	n.a.
Net Income	(264,263)	103,576	n.a.	71,830	n.a.	(192,433)	247,365	n.a.

*Adjustment in the depletion accounting methodology, to reflect the advances to third parties

Attachment III

Consolidated Balance Sheet

CONSOLIDATED BALANCE SHEET (R$'000)					
ASSETS	**6/30/2012**	**3/31/2012**	**LIABILITIES**	**6/30/2012**	**3/31/2012**
CURRENT ASSETS			**CURRENT LIABILITIES**		
Cash and Cash Equivalent	2,757,958	3,572,011	Salaries and Payroll Taxes	126,123	108,974
Accounts Receivable	904,523	822,325	Trade Accounts Payable	490,487	404,851
Inventories	809,651	822,929	Loans and Financing	1,402,533	2,519,740
Recoverable Taxes	314,290	269,309	Debentures	48,446	80,853
Prepaid Expenses	4,244	5,692	Taxes Payable	34,895	29,120
Gains on Transactions in Derivatives	7,740	9,165	Other Accounts Payable	157,378	148,989
Other Account Receivable	1,598,297	144,182			
TOTAL CURRENT ASSETS	**6,396,703**	**5,645,613**	**TOTAL CURRENT LIABILITIES**	**2,259,862**	**3,292,527**
NON CURRENT ASSETS			**NON CURRENT LIABILITIES**		
Biological Assets	2,547,877	2,473,788	Loans and Financing	7,374,939	5,967,635
Receivable Taxes and Social Contribution	805	732	Debentures	781,054	739,822
Gains on Transactions in Derivatives	35,384	29,954	Losses on Transactions in Derivatives	25,369	23,564
Other Receivable Taxes	132,201	122,432	Accounts Payable	9,080	9,292
Advances to suppliers	269,998	273,832	Land Aquisition and Reforestation	121,656	122,949
Other Account Receivable	62,044	68,147	Deferred Income and Social Contribution	1,690,827	1,843,534
Receivable Credits	56,721	56,721	Provision for Contingencies	418,654	411,945
Judicial Deposits	52,876	57,253	**TOTAL NON CURRENT LIABILITIES**	**10,421,579**	**9,118,741**
Property, Plant and Equipment	13,810,223	13,237,511			
Intangible	217,614	191,166	**SHAREHOLDERS EQUITY**		
			Share Capital	4,874,341	3,445,569
			Capital Reserve	966,698	978,112
			Profit Reserve	2,628,739	2,628,739
			Acumulated Profit (Loss)	(176,977)	79,012
			Equity Valuation Adjustment	2,608,204	2,614,449
TOTAL NON CURRENT ASSETS	**17,185,743**	**16,511,536**	**TOTAL EQUITY**	**10,901,005**	**9,745,881**
TOTAL ASSETS	**23,582,446**	**22,157,149**	**TOTAL LIABILITIES + EQUITY**	**23,582,446**	**22,157,149**

Attachment IV

Consolidated Cash Flow Statement

CONSOLIDATED CASH FLOW STATEMENT FOR THE QUARTER AND ACCUMULATED PERIOD				
(R$ '000)	2Q12	2Q11	6M12	6M11
Cash Flows from Operating Activities				
Net Income	(264,263)	103,576	(192,433)	247,365
Depreciation, Amortization & Depletion	178,166	153,605	345,093	299,666
Result on Sale of Property, Plant and Equipment	414	1,488	(29,233)	(8,974)
Exchange and Monetary Variation	460,335	(124,623)	369,950	(189,143)
Interest Expenses	157,509	18,878	294,924	132,402
Derivatives Variation	17,748	(9,548)	18,913	(25,660)
Deferred Income and Social Contribution Taxes	(152,707)	21,499	(146,248)	40,010
Interest on Actuarial Liabilities	5,835	4,212	11,669	8,427
Contingencies	4,360	(14,001)	5,391	(9,862)
Share based Payment Plan Expenses	934	(573)	1,859	552
Provision for Doubtful Credits	3,503	(1,044)	4,400	4,205
(Reversion) of Provision for discounts	8,745	11,446	(20,569)	(16,286)
Provision for inventory losses	(1,449)	-	(3,940)	-
Other Provisions	125,661	152,458	72,742	93,286
Accounts Receivable Variation	(94,494)	(8,523)	94,656	(6,061)
Inventories Variation	22,373	(18,983)	(81,297)	(153,994)
Recoverable Taxes Variation	(48,263)	(72)	(94,705)	(34,549)
Other Current and Non-Current Assets Variation	(7,976)	(11,254)	(49,706)	3,829
Variation in Trade Accounts Payable	85,636	6,966	75,764	35,286
Increase in Other Current and Non-Current Liabilities	(35,261)	(81,026)	93,690	95,309
Interest Payments	(258,338)	(68,290)	(326,276)	(135,810)
Other Taxes and Cotributions Payments	(84,141)	(75,837)	(157,998)	(152,351)
Income Tax and Social Contributions Payments	(18,757)	(702)	(26,228)	(1,411)
Net cash from operating activities	105,570	59,652	260,418	226,236
Cash Flows from Investing Activities	-	-	-	-
Addition in Investments	-	-	-	(10)
Acquisition of Property, Plant and Equipment and Biological Assets	(811,350)	(418,281)	(1,205,485)	(2,197,715)
Asset Sale	(5,791)	9,385	32,883	25,588
Net cash generated in investing activities	(817,141)	(408,896)	(1,172,602)	(2,172,137)
Cash Flows from Financing Activities	-	-	-	-
Loans Raised	754,047	536,225	1,652,773	587,597
Debentures subscribed	-	1,279,330	-	1,279,330
Dividends and Interests on Equity Payment	(1)	(13,103)	(83,241)	(141,546)
Net proceeds Generated by Derivatives	2,469	5,232	495	5,054
Payment of Loans	(879,177)	(280,895)	(1,187,280)	(508,160)
Net cash from financing acitivities	(122,662)	1,526,789	382,747	1,222,275
Effects of Exchange Rate Variation in Cash and Cash Equivalents	20,180	(5,499)	13,457	(9,521)
Increase (decrease) in Cash	**(814,052)**	**1,172,046**	**(515,980)**	**(733,147)**
Cash in the beginning of the period	3,572,011	1,830,245	3,273,938	3,735,438
Cash in the end of the period	2,757,958	3,002,291	2,757,958	3,002,291
Statement of Increase (decrease) in Cash	**(814,053)**	**1,172,046**	**(515,980)**	**(733,147)**

Note: cash flow does not include the funding from the equity offering (R$1.5 billion)

Attachment V

Consolidated Loans and Financing

(R$ thousand)	Index	Average annual interest rate in June/12	Consolidated 6/30/2012	Consolidated 12/31/2012
Permanent				
BNDES - Finem	TJLP	8.29%	1,814,823	1,913,674
BNDES - Finem	Basket of Currencies	5.77%	763,425	587,237
BNDES - Finame	Pre Fixed Rate	4.50%	4,865	5,430
BNDES - Finame	Basket of Currencies	0.00%	-	8
BNDES - Automático	TJLP	9.30%	149	1,044
BNDES - Automático	Basket of Currencies	6.44%	18	117
FNE - BNB	Pre Fixed Rate	8.50%	102,817	111,887
FINEP	Pre Fixed Rate	4.75%	38,328	41,818
Crédito Rural (Rural Credit)	CDI / Fixed Rate	6.75%	20,676	31,563
Leasing	CDI / US$	8.46%	75,396	86,385
Working Capital				
Trade Finance (Exports)	US$	4.74%	2,308,566	2,338,378
Trade Finance (Imports)	US$	1.28%	162,522	186,848
Nordic Investment Bank	US$	5.74%	73,381	73,337
Export Credit Note	CDI	9.38%	1,815,476	974,819
Export Credit Note	US$	3.61%	72,159	65,765
BNDES - EXIM	TJLP	9.71%	106,120	114,972
Senior Notes	Fixed Rate	5.88%	1,319,210	1,222,627
Trade Bill Discounting - Vendor			86,004	119,855
Others			13,537	12,341
			8,777,472	**7,888,105**
Current Liabilities (including interests)			1,402,533	2,142,138
Non Current Liabilities			7,374,939	5,745,967

Attachment VI

Consolidated Debentures

Issuance	Series	Bonds	6/30/2012			3/31/2011	Index	Interest	Redemption
			Current	Non Current	Total	Total			
3rd	1st	333,000	10,044	527,380	537,424	548,074	IGP-M	10% *	4/1/14
3rd	2nd	167,000	1,128	113,035	114,163	107,474	US$	9.85%	5/7/19
4th	1st	8,776	3,633	-	3,633	3,635	TJLP	2.50%	12/3/12
4th	2nd	17,552	7,189	-	7,189	7,097	TJLP	2.50%	12/3/12
5th	1st	401,819	8,857	43,234	52,091	63,756	IPCA	4.50%	12/16/13
5th	2nd	798,181	17,595	97,405	115,000	125,564	IPCA	4.50%	12/16/13
			48,446	781,054	829,500	855,600			

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