



**SUZANO**  
PULP AND PAPER



# 4Q12

Conference Call &  
Webcast on Mar. 12, 2013

In Portuguese with simultaneous  
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São Paulo, March 12, 2013. Suzano Pulp and Paper (Bovespa: SUZB5), one of the largest integrated pulp and paper producers in Latin America, announces today its consolidated results for the fourth quarter of 2012 (4Q12) and the fiscal year (2012). The consolidated interim 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 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.

## 4Q12 Highlights

- EBITDA of R\$404.0 million (+21.9% vs. 3Q12) and EBITDA margin of 27.5% (+3.1 p.p. vs. 3Q12).
- Operational stability supported a reduction in cash cost in 4Q12.
- Strong paper sales in the domestic market: 71% (vs. 60% in 4Q11).
- Financing contracted from ECAs<sup>(1)</sup> for the Maranhão project.
- Firm offer of R\$320 million for divesting the interest held by Suzano in the Capim Branco Energia Consortium.

## 2012 Highlights

- EBITDA of R\$1,271.6 million (-2.3% vs. 2011) and EBITDA margin of 24.5% (-2.4 p.p. vs. 2011).
- Gradual recovery in pulp and paper prices.
- Structuring of a comprehensive financial shielding package that brought the necessary comfort in terms of cash flow.
- Increase in wood costs due to the higher share of third-party wood and higher unit cost.
- Increase in industrial fixed costs.
- Net loss of R\$182.1 million due to exchange variation impact on debt of R\$461.7 million with cash effects limited to debt maturities and amortizations.

Note: <sup>(1)</sup> Export Credit Agencies

R\$ million, except where otherwise indicated	4Q12	4Q11	Δ Y-o-Y	3Q12	Δ Q-o-Q	2012	2011	Δ Y-o-Y
Net Revenue	1,470	1,336	10.0%	1,361	8.1%	5,192	4,848	7.1%
Exports	753	710	6.2%	661	14.0%	2,667	2,600	2.6%
Domestic Market	717	627	14.4%	700	2.5%	2,526	2,248	12.3%
EBITDA	404	402	0.4%	331	21.9%	1,272	1,302	-2.3%
EBITDA Margin (%)	27.5%	30.1%	-2.6 p.p.	24.4%	3.1 p.p.	24.5%	26.8%	-2.4 p.p.
Net Financial Results	(156)	(63)	146.9%	(166)	-6.0%	(855)	(775)	10.4%
Net Income	34	208	-83.7%	(24)	n.a.	(182)	30	n.a.
Net Debt / EBITDA (x)	5.0x	4.2x	0.8x	4.7x	0.3x	5.0x	4.2x	0.8x
<b>Operational Data ('000 ton)</b>								
Sales	872	909	-4.1%	797	9.4%	3,194	3,143	1.6%
Market Pulp	504	508	-0.8%	447	12.9%	1,847	1,808	2.1%
Paper	367	401	-8.4%	350	4.9%	1,347	1,335	0.9%
Production	870	842	3.3%	790	10.1%	3,187	3,111	2.5%
Market Pulp	533	503	6.0%	460	15.9%	1,876	1,824	2.9%
Paper	337	339	-0.7%	330	2.1%	1,311	1,287	1.9%

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)



## Market Overview

### Pulp Global Market: Growth of 8.8% in global eucalyptus pulp shipments in 4Q12 compared to 3Q12

Global pulp shipments increased 3.0% and 4.4% in 4Q12 compared to 3Q12 and 4Q11, respectively. Compared to 3Q12, the growth was driven by stronger demand from North America and Europe, as well as from Latin America, where growth returned to positive territory. Except for China, all other regions posted growth in shipments in the period. Compared to 4Q11, growth was driven by the higher shipments to the Northern Hemisphere.

In 2012, market pulp shipments grew by 2.5% compared to 2011. Despite the slightly weaker demand from Europe (-0.9%) and North America (-0.1%), the market's behavior in 2012 is explained by the stronger economic growth in other markets, especially China (+8.8%) and Latin America (+3.0%).

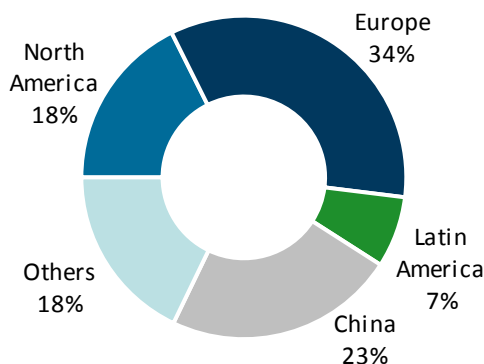
Shipments of eucalyptus pulp in 4Q12 grew 8.8% from the previous quarter, mainly due to the higher shipments to North America (+29.3%). Compared to the same quarter last year, shipments contracted by 0.6%, explained by the reduction in shipments to China (-27.8%), which was offset by the positive growth in all other regions.

In 2012, shipments of eucalyptus pulp increased 1.4% from 2011, driven by demand from Latin America (+8.3%).

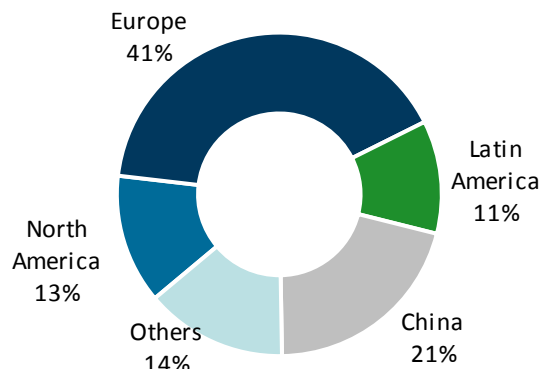
('000 tons)	4Q12	4Q11	Δ Y-o-Y	3Q12	Δ Q-o-Q	2012	2011	Δ Y-o-Y
<b>Shipments - Market Pulp</b>	<b>11,290</b>	<b>10,813</b>	<b>4.4%</b>	<b>10,956</b>	<b>3.0%</b>	<b>43,637</b>	<b>42,587</b>	<b>2.5%</b>
North America	1,994	1,801	10.7%	1,851	7.7%	7,353	7,361	-0.1%
Europe	3,873	3,598	7.6%	3,795	2.1%	15,197	15,335	-0.9%
Latin America	804	789	1.9%	765	5.1%	3,145	3,054	3.0%
China	2,602	2,778	-6.3%	2,618	-0.6%	10,090	9,274	8.8%
Others	2,017	1,847	9.2%	1,927	4.7%	7,852	7,563	3.8%
<b>Shipments - Eucalyptus Bl. Hardwood</b>	<b>4,021</b>	<b>4,045</b>	<b>-0.6%</b>	<b>3,695</b>	<b>8.8%</b>	<b>14,896</b>	<b>14,687</b>	<b>1.4%</b>
North America	521	433	20.3%	403	29.3%	1,658	1,659	-0.1%
Europe	1,639	1,549	5.8%	1,585	3.4%	6,552	6,586	-0.5%
Latin America	455	428	6.3%	423	7.6%	1,757	1,623	8.3%
China	837	1,159	-27.8%	768	9.0%	2,922	3,020	-3.2%
Others	569	476	19.5%	516	10.3%	2,007	1,799	11.6%

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

4Q12 Market Pulp Shipments



4Q12 Eucalyptus Bl. Hardwood Shipments

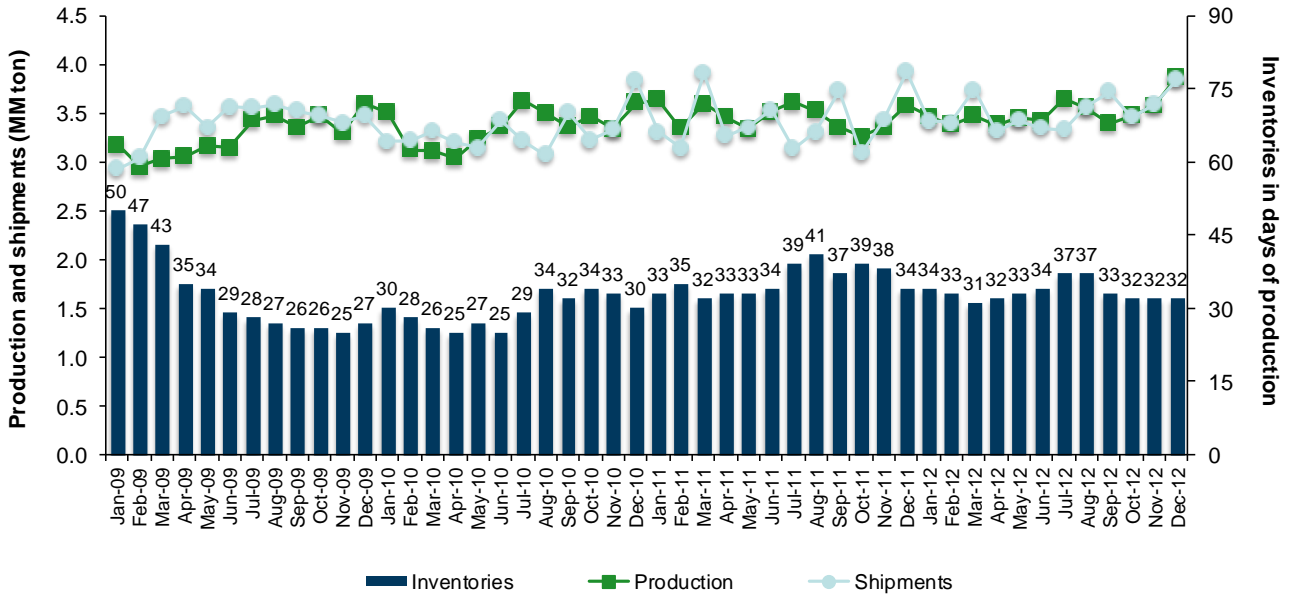




Market pulp production in 4Q12 was 11.2 million tons, increasing 2.5% and 6.4% from 3Q12 and 4Q11, respectively. In 2012, market pulp production was 43.6 million tons, increasing 1.2% from the prior year.

In December 2012, global pulp inventories stood at 32 days of production, or 34 days for hardwood and 29 days for softwood, which remained in line with the historical average despite the volatile global scenario, with hardwood pulp decreasing by 5 days and softwood pulp increasing by 3 days in relation to November 2012. In January, global pulp inventories stood at 36 days of production, or 39 days for hardwood and 32 days for softwood.

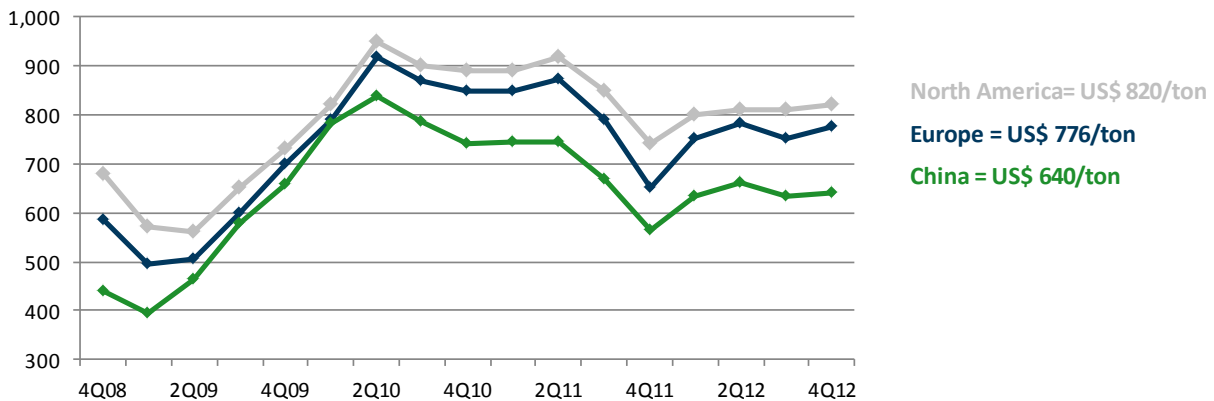
### Production, Shipments and Inventories



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

At the close of 4Q12, hardwood prices were on average US\$13/ton higher than at the end of 3Q12 and US\$94/ton higher than at the end of 4Q11.

### 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 December, eucalyptus pulp prices reached US\$640/ton in China, US\$776/ton in Europe and US\$820/ton in North America (Source: FOEX and RISI). The spread between softwood and hardwood list prices ended the quarter at US\$32/ton.



As of January 1, 2013, pulp prices were hiked by US\$30/ton in all markets in which the Company operates, and implemented prices of US\$ 700/ton in Asia, US\$ 800/ton in Europe, and US\$ 850/ton in North America.

As of March 1, 2013, Suzano announced a US\$ 20/ton hike in pulp prices in all markets in which the Company operates, and implemented prices of US\$720/ton in China, US\$820/ton in Europe and US\$870/ton in North America.

### Paper: Domestic demand for Printing & Writing Paper and Paperboard grew 1.9% in 2012

According to the Brazilian Association of Pulp and Paper Producers (Bracelpa), domestic demand (domestic sales + imports) for **Printing & Writing Paper** ("woodfree") in 4Q12 decreased by 1.6% from 3Q12 and increased by 4.2% from the year-ago quarter. Meanwhile, domestic demand for **Paperboard** in 4Q12 decreased by 3.8% and 1.2% compared to 3Q12 and 4Q11, respectively.

In 2012, domestic demand for **Printing & Writing Paper** and **Paperboard** grew 1.9% compared to the prior year, reflecting the 3.3% increase in domestic sales and the 3.8% decrease in imports in the period.

Brazilian Demand (tons)	4Q12	4Q11	Δ Y-o-Y	3Q12	Δ Q-o-Q	2012	2011	Δ Y-o-Y
Paperboard	145,857	147,582	-1.2%	151,626	-3.8%	575,696	556,874	3.4%
Printing & Writing	531,595	510,132	4.2%	540,290	-1.6%	1,946,277	1,917,819	1.5%
Coated	154,169	138,752	11.1%	174,479	-11.6%	632,454	570,396	10.9%
Uncoated	377,426	371,380	1.6%	365,811	3.2%	1,313,823	1,347,423	-2.5%
<b>TOTAL</b>	<b>677,452</b>	<b>657,714</b>	<b>3.0%</b>	<b>691,916</b>	<b>-2.1%</b>	<b>2,521,973</b>	<b>2,474,693</b>	<b>1.9%</b>

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

The contribution by imports to domestic demand for **Printing & Writing Paper** in 4Q12 decreased by 4.4 p.p. compared to 3Q12 and increased by 1.2 p.p. compared to 4Q11. In 2012, the share of imports decreased by 1.6 p.p. compared to 2011. Meanwhile, the contribution of imports to domestic demand for **Paperboard** expanded by 3.6 p.p. and 1.2 p.p. in relation to 3Q12 and 4Q11, respectively. In 2012, the share of imports in domestic paperboard consumption remained virtually unchanged in relation to 2011 (+0.6 p.p.).

Imports share in the domestic market	4Q12	4Q11	Δ Y-o-Y	3Q12	Δ Q-o-Q	2012	2011	Δ Y-o-Y
Paperboard	8.6%	7.4%	1.2 p.p.	5.1%	3.5 p.p.	7.7%	7.1%	0.6 p.p.
Printing & Writing	19.1%	17.8%	1.2 p.p.	23.5%	-4.4 p.p.	22.1%	23.7%	-1.6 p.p.
Coated	54.7%	46.8%	7.9 p.p.	60.4%	-5.7 p.p.	56.8%	58.6%	-1.8 p.p.
Uncoated	4.5%	7.0%	-2.5 p.p.	5.9%	-1.4 p.p.	5.4%	8.9%	-3.5 p.p.
<b>Total</b>	<b>16.8%</b>	<b>15.5%</b>	<b>1.3 p.p.</b>	<b>19.5%</b>	<b>-2.6 p.p.</b>	<b>18.8%</b>	<b>20.0%</b>	<b>-1.1 p.p.</b>

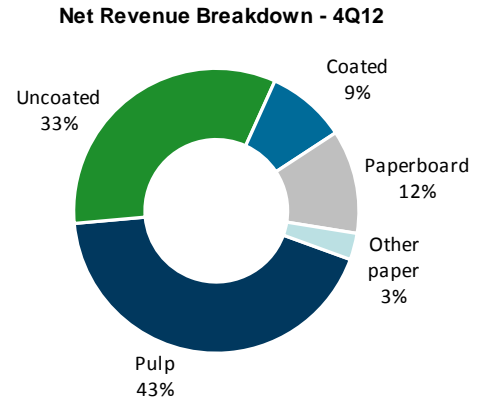
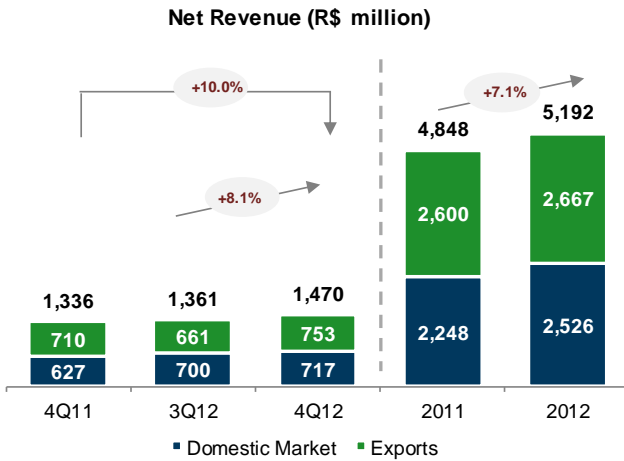
Source: Brazilian Association of Pulp and Paper Producers – Bracelpa (data considers the Common Mercosul Nomenclature - NCM - for the products manufactured by Suzano)



# Economic and Financial Performance

## Net Revenue

Suzano's net revenue was R\$1,470.4 million in 4Q12. Total pulp and paper shipments in the quarter came to 871,502 tons, increasing by 9.4% compared to 3Q12 and decreasing by 4.1% compared to 4Q11.



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

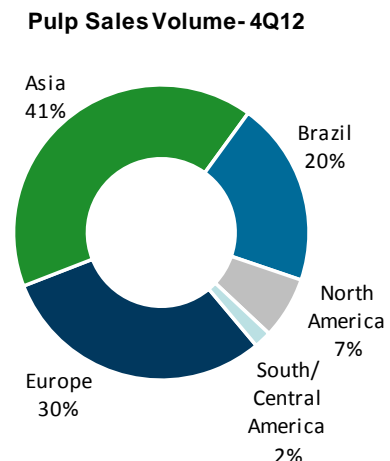
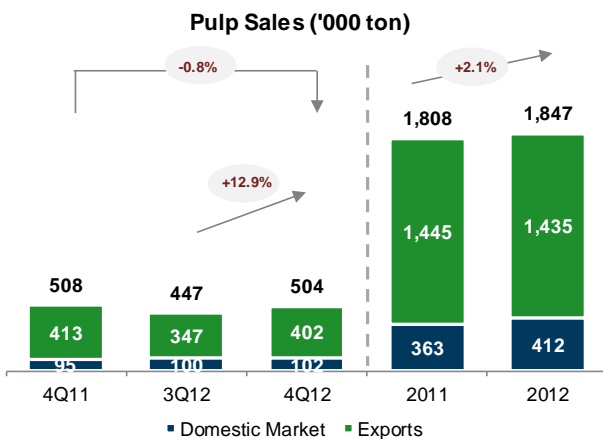
Total net revenue was mainly influenced by the following factors:

- the growth of 12.9% in market pulp and 4.9% in paper sales compared to 3Q12 due to the seasonality of the fourth quarter;
- the strong share of domestic shipments in the paper sales mix: 71% in 4Q12, unchanged from 3Q12 and up from 60% in 4Q11;
- the variation in the BRL/USD exchange rate, with the U.S. dollar (average exchange rate in period) strengthening against the Brazilian real by 1.4% in relation to 3Q12 and by 14.4% in relation to 4Q11, which had positive impacts on export revenue.

In 2012, Suzano posted net revenue of R\$5,192.3 million. Pulp and paper sales in the year totaled 3,193,787 tons, or 1.6% higher than in 2011.

## Pulp Business Unit

The Company sold 504,076 tons of market pulp in 4Q12. The main sales destinations in the period were Asia (40.9%), Europe (30.2%) and Brazil (20.2%).





Net revenue from pulp sales in 4Q12 was R\$635.1 million, driven by the seasonally stronger demand at the end of the year.

In 4Q12, the average net pulp price in USD (domestic and export markets) was US\$ 612.3/ton, virtually stable compared to 3Q12 (-0.7%) and increasing 9.9% from 4Q11.

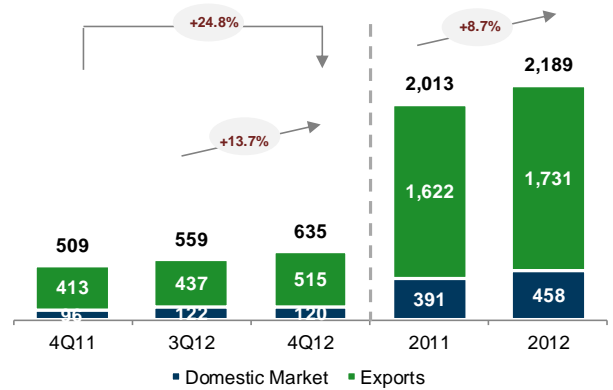
The average net price in BRL was R\$1,259.9/ton in the quarter, increasing 0.7% and 25.8% from 3Q12 and 4Q11, respectively, while the BRL depreciated by 1.4% from 3Q12 and by 14.4% from 4Q11.

In 2012, the average net pulp price in USD (domestic and export markets) was US\$606.8/ton, decreasing 8.8% from the average net pulp price in 2011 of US\$665.2/ton. In Brazilian real, the average net pulp price was R\$1,185.1/ton in 2012, increasing 6.5% from the average net price in 2011 of R\$1,113.3/ton. The average net pulp price in BRL in the period was influenced by the reduction in the list pulp price in USD, which was offset by the depreciation of 14.4% in the BRL against the USD in the period.

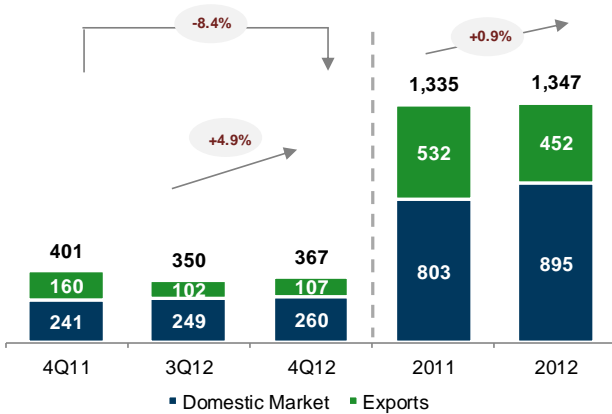
### Paper Business Unit

Suzano's paper sales in 4Q12 came to 367,426 tons. The domestic market accounted for 70.7% of total paper sales in 4Q12, compared to 71.0% in 3Q12 and 60.1% in 4Q11. South (including Brazil) and Central America, Suzano's main markets, accounted for 84.0% of the Company's paper sales in the quarter.

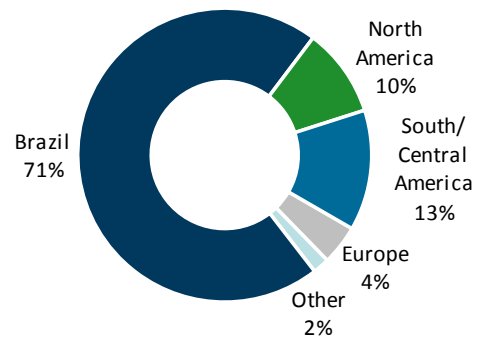
**Pulp Revenues (R\$ million)**



**Paper Sales Volume ('000 ton)**



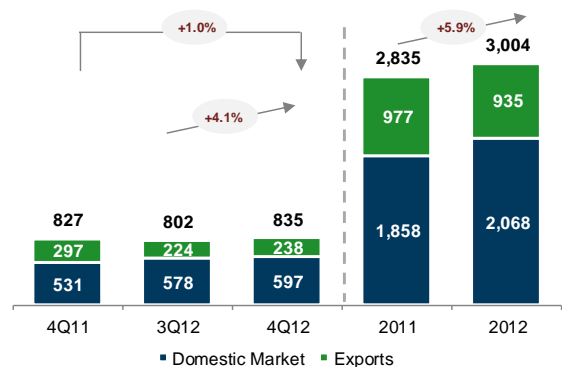
**Paper Sales Volume - 4Q12**



Net revenue from paper sales came to R\$835.3 million in 4Q12, driven by the growth in shipments compared to 3Q12.

In 4Q12, the average net paper price (domestic market and exports) was R\$2,273.6/ton, decreasing by 0.8% from 3Q12 and increasing by 10.2% from 4Q11.

**Paper Revenues (R\$ million)**





Suzano maintained its leadership in Brazil's **Printing & Writing Paper** segment in the quarter, with sales to the **domestic market** of 206,658 tons. Sales of these papers increased by 6.4% and 11.3% compared to 3Q12 and 4Q11, respectively.

The average net price in USD of paper exported in 4Q12 decreased 1.0% from 3Q12 and increased 4.5% from 4Q11. In BRL, prices increased 0.4% and 19.6% in relation to 3Q12 and 4Q11, respectively, benefitting from the exchange variation in the period.

In 2012, Suzano's paper sales totaled 1,346,890 tons. The domestic market accounted for 66.4% of total paper sales in 2012, increasing its contribution by 6.3 p.p. from 2011. South and Central America absorbed 81.4% of the Company's sales in the period.

In 2012, the average net paper price (domestic and export markets) was R\$2,230.0/ton, increasing 5.0% from R\$2,123.2/ton in 2011. The average net pulp price in USD of paper exported in 2012 was US\$1,059.1/ton, decreasing 3.5% from 2011.

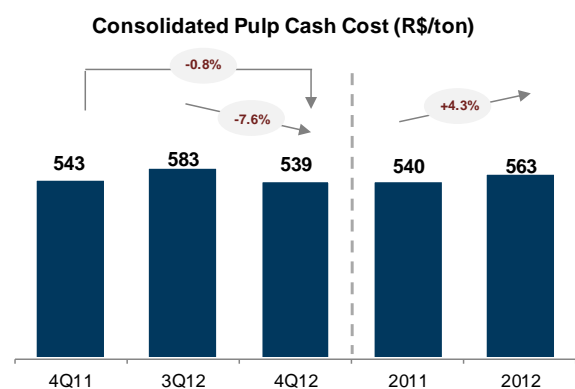
## Production and Costs

Production ('000 tons)	4Q12	4Q11	Δ Y-o-Y	3Q12	Δ Q-o-Q	2012	2011	Δ Y-o-Y
Market Pulp	533	503	6.0%	460	15.9%	1,876	1,824	2.9%
Paper	337	339	-0.7%	330	2.1%	1,311	1,287	1.9%
Paperboard	64	66	-3.1%	68	-5.6%	259	255	1.5%
Coated	64	50	28.5%	54	18.3%	218	163	34.2%
Uncoated	209	224	-6.4%	209	0.4%	834	869	-4.1%
<b>TOTAL</b>	<b>870</b>	<b>842</b>	<b>3.3%</b>	<b>790</b>	<b>10.1%</b>	<b>3,187</b>	<b>3,111</b>	<b>2.5%</b>

Note: Includes 100% of Limeira Unit

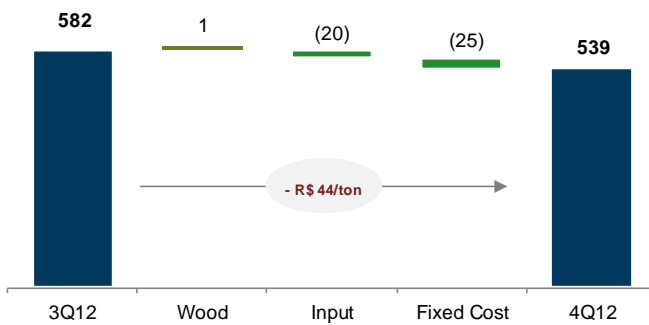
The production growth in 4Q12 compared to 3Q12 is explained by the stable production and lack of maintenance shutdowns in the last quarter of the year. Meanwhile, the production growth in 2012 compared to 2011 reflects the full consolidation of the Limeira Unit. Due to market conditions, Suzano expanded its production of coated paper at the expense of uncoated paper production in 2012.

In 4Q12, the consolidated cash cost of market pulp production, excluding the costs related to depletion of the forestry base, was R\$539/ton, mainly due to: (i) the lower fixed costs, reflecting the higher production volume and the lower costs due to the increased operational stability; and (ii) the lower raw material costs, mainly due to the lower consumption in the energy matrix.

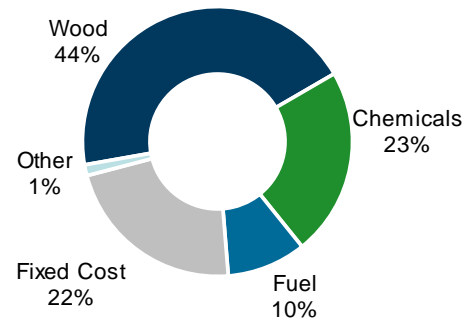




**Consolidated Pulp Cash Cost (R\$/ton)**



**Cash Cost Breakdown - 4Q12**



In 2012, the consolidated cash cost of market pulp production, excluding the costs related to depletion of the forestry base, was R\$563/ton, mainly due to: (i) the higher wood costs, which is partially explained by the higher share of third-party wood in the supply mix and the increase in the unit price; (ii) the lower raw material costs, which is mainly due to the lower consumption of fuel oil and quicklime, which was partially offset by the higher prices for natural gas, caustic soda and sodium chlorate; and (iii) the reduction in fixed costs, reflecting the higher production volume.

The cash cost with the shutdown was R\$595/ton in 2012, compared to R\$562/ton in 2011.

For 2013, Suzano has scheduled one shutdown per quarter: Line 2 of the Mucuri Unit in 1Q13; Suzano Unit in 2Q13; Line 1 of the Mucuri Unit in 3Q13; and the Limeira Unit in 4Q13.

Cost of goods sold (COGS) in 4Q12 was R\$1,061.0 million, down 0.9% from 3Q12, which is mainly explained by the lower consumption of raw materials and the lower fixed costs that were made possible by the operational stability, with these factors partially offset by the higher shipments in the period. Compared to 4Q11, COGS increased 0.8%, due to the increase in the wood price and the exchange variation in the period, which were partially offset by the lower fixed cost and lower shipments in 2012.

In 2012, cost of goods sold (COGS) totaled R\$4,036.3 million, increasing 7.0% from R\$3,771.9 million in 2011 (versus inflation of 5.8% in the period). The increase in COGS in the period was mainly due to: (i) the increase in wood costs, which is partially explained by the higher share of third-party wood in the supply mix and the increase in the unit price; (ii) the 16.7% depreciation in the Brazilian real against the U.S. dollar; (iii) the higher costs with maintenance shutdowns during the year; and (iv) the 1.6% growth in shipments; which were partially offset by (v) the benefits under the federal government's Reintegra program for the paper industry.

Average unit cost of goods sold in 4Q12 was R\$1,217.4/ton, decreasing 9.4% from 3Q12 and increasing 5.2% from 4Q11. In 2012, average unit cost of goods sold was R\$1,263.8/ton, increasing 5.3% from 2011, in line with the inflation measured in the period.





## Operating Expenses / Revenues

Expenses (R\$ '000)	4Q12	4Q11	Δ Y-o-Y	3Q12	Δ Q-o-Q	2012	2011	Δ Y-o-Y
Sales Expenses	67,496	70,312	-4.0%	63,090	7.0%	247,949	247,673	0.1%
General and Administrative Expenses	118,421	88,816	33.3%	95,980	23.4%	403,826	333,810	21.0%
<b>Total Expenses</b>	<b>185,917</b>	<b>159,128</b>	<b>16.8%</b>	<b>159,070</b>	<b>16.9%</b>	<b>651,775</b>	<b>581,483</b>	<b>12.1%</b>
Total Expenses / Net Revenue	12.6%	11.9%	0.7 p.p.	11.7%	1.0 p.p.	12.6%	12.0%	0.6 p.p.

The 7.0% increase in **selling expenses** in 4Q12 compared to the previous quarter is basically explained by the higher expenses with the provision for doubtful accounts. Meanwhile, the 4.0% reduction compared to 4Q11 is mainly explained by the lower expenses with personnel. In 2012, **selling expenses** totaled R\$247.9 million, compared to R\$247.7 million in 2011.

**Administrative expenses** in 4Q12 increased by 23.4% from 3Q12, which reflects the higher expenses with (i) profit sharing and personnel; (ii) social and environmental charges; and (iii) outsourced services, such as consulting. Compared to 4Q11, the 33.3% increase is explained by the same reasons cited above, as well as the increases in the expenses with (i) labor claims; and (ii) lawyer fees. In 2012, **administrative expenses** totaled R\$403.8 million, compared to R\$333.8 million in 2011. This increase was mainly due to (i) the higher expenses with expansion projects of the Suzano 2024 Plan; (ii) the reclassification of the provisions for labor suits carried out in 2011; (iii) the higher expenses with consulting and advisory services; and (iv) the costs associated with wage increases.

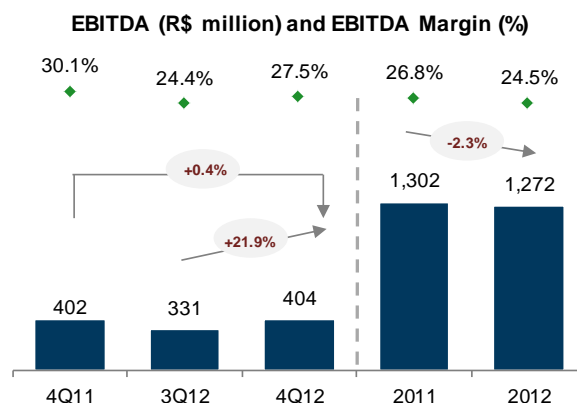
The line **other operating revenue** registered a net expense of R\$5.7 million in 4Q12, which was impacted (i) negatively by the adjustment to fair value of biological assets (-R\$9.4 million) and the amortization of intangible assets; and (ii) positively by the sale of electric power and wood and the gain from the reduction in actuarial liabilities. In 2012, the line registered net revenue of R\$40.1 million, which was mainly impacted by sales of fixed assets, electric power and wood.

## EBITDA

Cash flow, as measured by EBITDA, was R\$404.0 million in 4Q12, with EBITDA margin of 27.5%.

In 2012, EBITDA was R\$1,271.6 million, with EBITDA margin of 24.5%. EBITDA was impacted by nonrecurring and/or noncash items. See details in Attachment VII.

The main factors impacting EBITDA and operating margins in 4Q12 compared to 3Q12 were:



### Positive

- i. higher shipments of paper in the domestic market and of pulp in the export market;
- ii. lower cash costs and COGS;
- iii. lack of any maintenance shutdowns in 4Q12; and

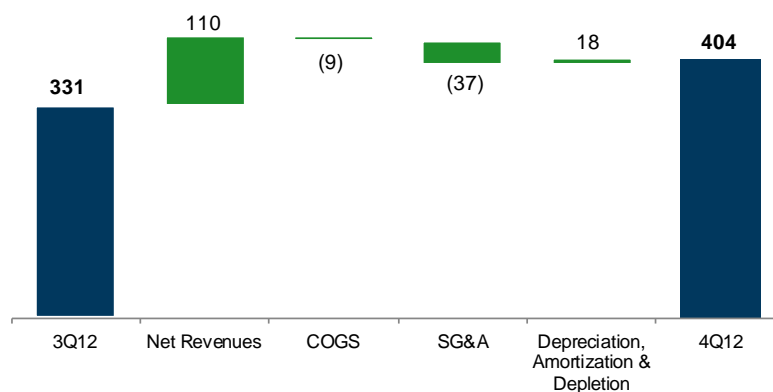


iv. depreciation in the BRL against the USD, which impacted export revenue.

### Negative

- i. recognition of the fair value loss (noncash) in biological assets of R\$9.4 million;
- ii. reduction in pulp and paper prices; and
- iii. higher administrative expenses.

EBITDA Composition (R\$ million)



## Financial Result

Financial Expenses (R\$ '000)	4Q12	4Q11	Δ Y-o-Y	3Q12	Δ Q-o-Q	2012	2011	Δ Y-o-Y
Financial Expenses	(185,051)	(77,930)	137.5%	(156,894)	17.9%	(698,170)	(734,894)	-5.0%
Financial Revenues	66,183	65,043	1.8%	70,473	-6.1%	304,570	416,413	-26.9%
<b>Net Financial Expenses</b>	<b>(118,868)</b>	<b>(12,887)</b>	<b>822.4%</b>	<b>(86,421)</b>	<b>37.5%</b>	<b>(393,600)</b>	<b>(318,481)</b>	<b>23.6%</b>
Exchange Rate Variation	(36,951)	(50,232)	-26.4%	(79,385)	-53.5%	(461,739)	(456,181)	1.2%
<b>Net Financial Result</b>	<b>(155,819)</b>	<b>(63,119)</b>	<b>146.9%</b>	<b>(165,806)</b>	<b>-6.0%</b>	<b>(855,339)</b>	<b>(774,662)</b>	<b>10.4%</b>

In 4Q12, the net financial expense was R\$118.9 million, compared to R\$86.4 million in 3Q12 and R\$12.9 million in 4Q11. The net financial expense in the quarter was mainly impacted by the expense of R\$12.4 million with hedge operations involving swaps, compared to the net expense with the same operations of R\$2.6 million in 3Q12 and of R\$74.4 million in 4Q11, and by the higher indebtedness in the period.

In 4Q12, monetary and exchange variations had a negative impact on the Company's financial result of R\$37.0 million, which is explained by the exchange variation of 0.6% on the exposure of the balance sheet between the quarter's start (R\$2.03/US\$) and end (R\$2.04/US\$), for which the cash effects were limited to debt maturities and amortizations.

On December 31, 2012, the net principal of operations contracted for the future sale of U.S. dollars via conventional Non Deliverable Forwards (NDFs) was US\$83.7 million. The maturities of these NDFs are distributed between January 2013 and January 2016 in order to secure attractive operating margins for a minor portion of sales during this period. The cash effects of these operations occur only on the respective maturity

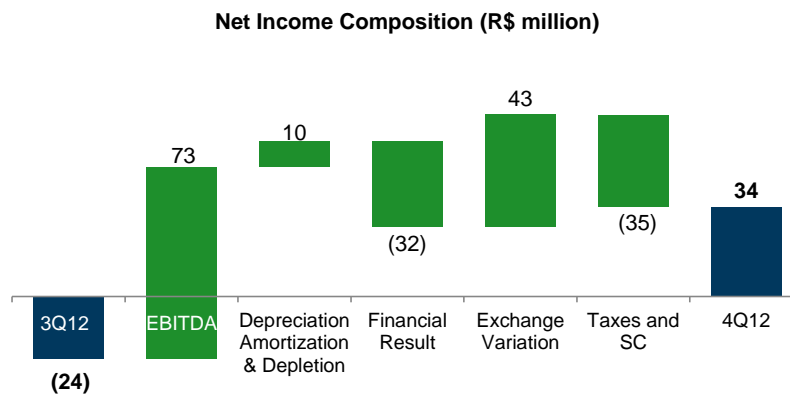


date, when the contracts generate cash expenditures or receivables for the Company, as the case may be. In addition, the Company uses swap contracts to exchange floating interest rates for fixed interest rates as well as contracts to hedge pulp prices, which reduce the effects of potential variations on the Company's cash flow.

The loss in the quarter from hedge operations through swaps mentioned above was R\$12.4 million, which was mainly composed of the R\$5.9 million loss from future pulp sales and the R\$5.7 million loss from swap operations exchanging LIBOR for a fixed rate. For more information, see Note 4 to the Quarterly Information (ITR).

## Net Income (Loss)

The Company recorded net income of R\$34.0 million in 4Q12, compared to the net loss of R\$23.7 million in 3Q12 and the net income of R\$208.1 million in 4Q11. In addition to the operating factors that affected EBITDA in 4Q12 compared to 3Q12, net income was also impacted: (i) positively by exchange variation, depreciation, amortization and depletion of the forestry base; and (ii) negatively by the higher income and social contribution taxes and by financial expenses.



In 2012, the Company registered net loss of R\$182.1 million due to the R\$461.7 million impact from exchange variation on the debt with cash effects limited to debt maturities and amortizations.

## Debt

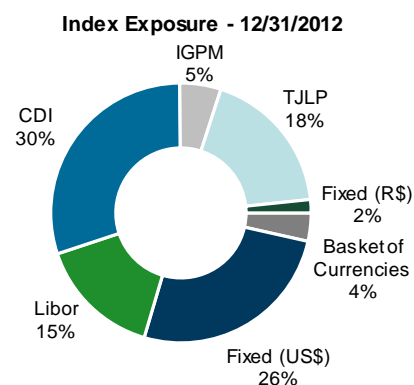
Debt (R\$ million)	12/31/2012	9/30/2012	Δ Q-o-Q	12/31/2011	Δ Y-o-Y
Local Currency	5,879	4,997	17.7%	4,119	42.7%
Short Term	1,141	538	112.2%	856	33.3%
Long Term	4,738	4,459	6.2%	3,263	45.2%
Foreign Currency	4,840	4,798	0.9%	4,625	4.6%
Short Term	480	624	-23.0%	1,397	-65.6%
Long Term	4,360	4,174	4.4%	3,228	35.1%
Gross Debt	10,719	9,795	9.4%	8,744	22.6%
(-) Cash	4,338	3,791	14.4%	3,274	32.5%
Net Debt	6,381	6,003	6.3%	5,470	16.7%
Net Debt / EBITDA (x)	5.0x	4.7x	0.3x	4.2x	0.8x



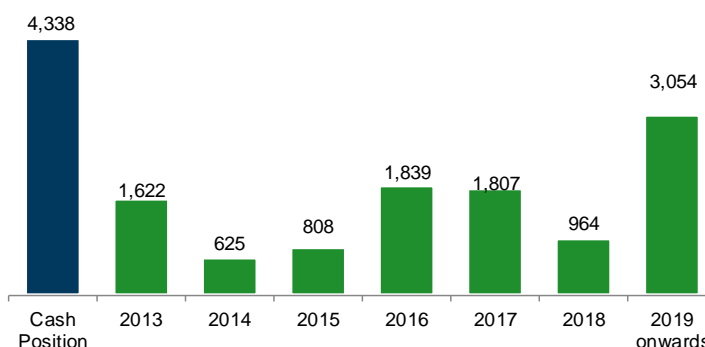
Gross debt on December 31, 2012 was R\$10.7 billion, of which 45.2% was denominated in foreign currency and 54.8% in local currency. Suzano contracts foreign-denominated debt as a natural hedge, since approximately 50% of its revenue comes from exports. This structural exposure allows the Company to contract export financing in USD and to match financing payments with receivable flows from sales.

The increase in gross debt in 4Q12 compared to 3Q12 was chiefly due to the contracting of new financing lines in the period. The Company carried out one export funding operation involving export credit notes (NCEs) in the amount of R\$770 million and received disbursements from the Brazilian Development Bank (BNDES) totaling approximately R\$395 million.

Gross debt on December 31, 2012 comprised 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 favorable terms and conditions, such as grace periods and gradual amortization aligned with the cash flow of the projects. At December 2012, the average cost of debt was 8.7% p.a. in Brazilian real and 5.5% p.a. in U.S. dollar. The average maturity of consolidated debt ended the quarter at 4.5 years.

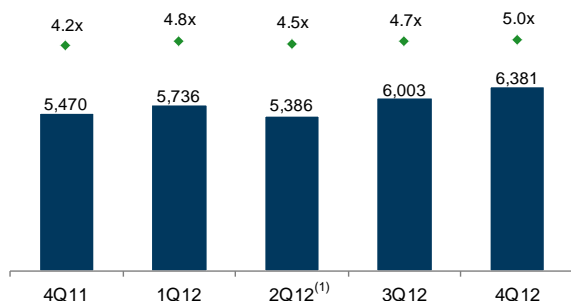


**Amortization Schedule (R\$ million)**



Note: includes amortization of loans, financings and debentures.

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



<sup>(1)</sup> 2Q12 proforma Net Debt and Net Debt/EBITDA includes the equity offering funding

The Net Debt/EBITDA ratio stood at 5.0x, compared to 4.7x in 3Q12, reflecting the growth in debt during the quarter. The Company is working on various fronts to improve its EBITDA, with projects to increase productivity and reduce costs, as well as the initiatives already announced to deleverage its balance sheet and strengthen its capital structure.



## Capital Expenditure

Capex (R\$ '000)	4Q12	4Q11	Δ Y-o-Y	3Q12	Δ Q-o-Q	2012	2011	Δ Y-o-Y
Sustain	121,657	166,435	-26.9%	142,735	-14.8%	495,319	518,201	-4.4%
Industrial	32,329	58,132	-44.4%	47,553	-32.0%	156,026	170,166	-8.3%
Forestry	89,328	108,304	-17.5%	95,182	-6.2%	339,293	348,035	-2.5%
Expansion	538,382	185,408	190.4%	760,718	-29.2%	2,262,689	1,162,456	94.6%
Conpacel / KSR	-	-	-	-	-	-	1,509,031	-
Other	12,072	15,263	-20.9%	2,490	384.8%	25,532	35,175	-27.4%
<b>TOTAL</b>	<b>672,111</b>	<b>367,107</b>	<b>83.1%</b>	<b>905,944</b>	<b>-25.8%</b>	<b>2,783,540</b>	<b>3,224,863</b>	<b>-13.7%</b>

The reduction in capital expenditure in 4Q12 compared to 3Q12 is explained by the lower investments in maintenance and expansion. The increase in capital expenditure in 4Q12 compared to 4Q11 is mainly related to Suzano's expansion projects, such as the investment in the new plant in Maranhão.

In 2012, the decrease is explained by the investment in the acquisition of Conpacel and KSR in 2011 (R\$1.5 billion), which was partially offset by the higher investment in capacity expansion projects due to the Maranhão Project.

Investment in 2012 totaled R\$2.8 billion, which compares to the estimated amount of around R\$3.0 billion. The difference is explained by the postponing of certain payments to suppliers without compromising progress on the construction works, which are advancing as planned.

Total capital expenditure estimated for 2013 is R\$3.0 billion, with the Maranhão project accounting for R\$2.3 billion, operational maintenance accounting for R\$558 million and operational improvements accounting for R\$148 million.

Suzano Renewable Energy and Piauí Project will be suspended until the Company's leverage falls below 2.5x Net Debt/EBITDA, and macroeconomic and market conditions improve.

### Maranhão Unit

Suzano will commission its Maranhão pulp production unit, one of the most modern in the world, with eucalyptus market pulp capacity of 1.5 million tons/year and surplus power generation of 100MW. The plant's startup is scheduled for 4Q13.

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. 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. Meanwhile, 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 its pulp to international markets, especially Europe and the United States.

The construction of the Maranhão Pulp Unit is advancing at full speed, with approximately 10,000 people working on forest formation and on the construction of the industrial facilities. In February 2013, overall physical construction had reached approximately 77% completion and with approximately 60% of the forests planted.

The Maranhão Unit is located in Imperatriz, a city of significant size (population of 250,000) that can easily develop sufficient local labor. Suzano has created a People Development Program with the aim of preparing future professionals for the various jobs at the plant in Imperatriz. The program launched vocational training courses, which were concluded in January of last year, with 226 people graduating.

Another initiative qualifying the local population to work 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 offered free courses in 5 municipalities of the state of Maranhão, effectively uniting various sectors of society in a single cause. In all, 5,640 people have graduated from the program, which was concluded last November. Another training program to qualify workers in the region for jobs in infrastructure services sectors (restaurants, hotels, etc.) was structured, from which 491 professionals had graduated as of January 2013. The program is expected to prepare and graduate some 900 professionals.

The Maranhão Unit will receive tax incentives consisting of a 75% reduction in the income tax rate for 10 years and an accelerated depreciation incentive (DAI), in accordance with Federal Laws 11.196 and 12.712, the latter enacted in August 2012. The depreciation incentives consists of full depreciation in the year of acquisition or within four years after acquisition and is conditional upon the project also receiving the 75% reduction in the income tax rate, which begins in the year after the start of the project's operations.

The estimated value of the industrial investments at the Maranhão Unit was increased by 2.5%. This budget was increased to reflect the higher prices for contracting certain packages; the more expensive labor, materials and equipment; and the contingency plans for periods with high rainfall.

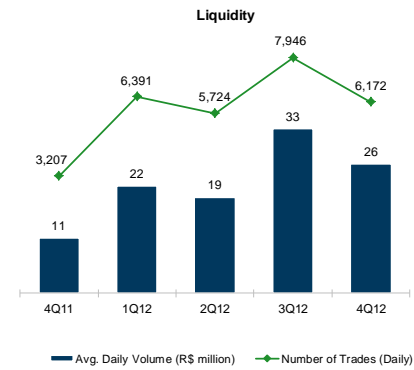
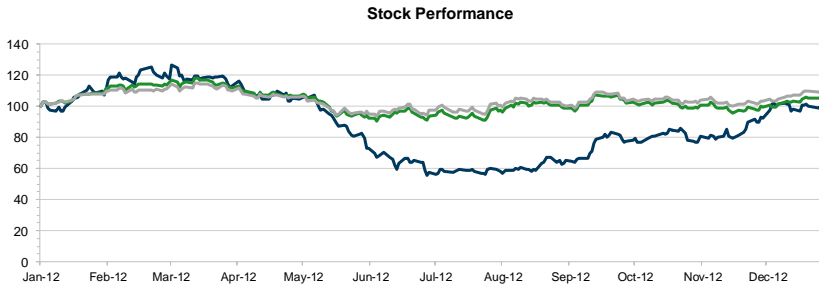
## Dividends

Aligned with the principles of prevailing legislation, Suzano's bylaws establish a minimum mandatory dividend corresponding to 25% of adjusted net income for the year. The amounts distributed to the holders of class A and B preferred shares are 10% higher than that granted to common shares.

The management of the Company proposes to the Meeting of Shareholders the payment of dividends in the gross amount of approximately R\$100 million, to be credited to shareholders within 10 days of the Annual Shareholders Meeting.

## Capital Markets

At the end of December, the preferred stock SUZB5 was quoted at R\$7.02 per share. The Company's stock has been listed on the Level 1 corporate governance segment of the BM&FBovespa and was selected a component of the Corporate Sustainability Index (ISE) for the eighth straight year. In September, Suzano stock was included as components of the Bovespa Index and the IBrX-50 Index.

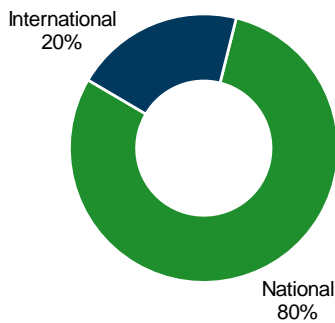


Source: Bloomberg

On December 31, 2012, the Company's capital stock was represented by 371,128,064 common shares (SUZB3) and 736,549,249 preferred shares (SUZB5 and SUZB6), for a total of 1,107,677,313 shares traded on the São Paulo Stock Exchange (BM&FBovespa), of which 17,644,281 were treasury shares (6,786,194 common shares and 10,858,087 preferred shares).

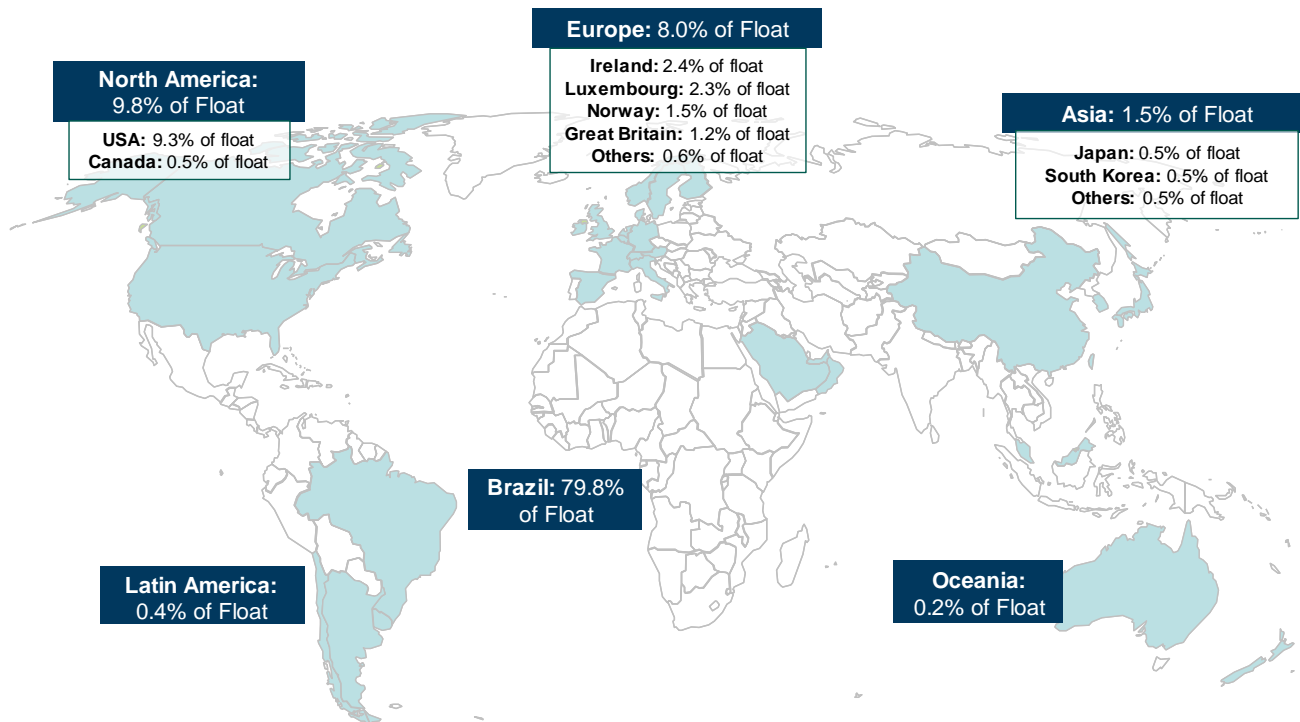
Suzano's Market capitalization stood at R\$7.8 billion on December 31, 2012. In 4Q12, the free float stood at 42.0% of the total capital.

### Free Float Distribution on 12/31/2012





## Distribution of Free Float on 12/31/2012



## Events in the Period

### Resignation of Antonio Maciel Neto and hiring of Walter Schalka

On November 22, 2012, then Chief Executive Officer Mr. Antonio Maciel Neto announced his resignation and since January 2, 2013, Mr. Walter Schalka has served as Chief Executive Officer elect.

### Stock Buyback Program

On November 22, 2012, the Board of Directors of the Company approved a Program to Buyback Class A Preferred Shares issued by the Company. The maximum period for the acquisition of shares by the Company under the scope of the Buyback Program is 90 days as from said date and up to 12 million preferred shares may be acquired, which corresponds to 2.5% of the shares of this class in the free-float on said date. As of December 31, 2012, the Company had repurchased 6,703,400 class "A" preferred shares for approximately R\$46 million.

### Contracting of financing to lengthen debt profile - Export Credit Notes (ECNs) and Export Credit Agency (ECAs)

In line with its strategic focus to lengthen the debt profile, in November, Suzano concluded a funding transaction involving export credit notes (ECNs) in the aggregate amount of approximately R\$770 million, with payment of quarterly interest at a rate corresponding to 113.9% of the CDI overnight interbank rate per annum and amortization of the principal in a single installment in November 2017.





In December, it contracted other financial transactions to finance the various equipment imported for the future pulp production unit in the state of Maranhão in an aggregate amount equivalent to US\$535 million, and a term of 9.5 years. The principal will be amortized in 17 semiannual installments, with the first installment due six months from the commissioning date of the Maranhão Unit. The outstanding balance will incur semiannual interest as from the date of the disbursement at a floating rate corresponding to the semiannual variation in LIBOR plus up to 1.80% p.a.

These transactions were extremely important to the Company, with its level of short-term debt, which accounted for 25.8% of gross debt in December 2011, decreasing to 15.1%, while the average term increased to 4.5 years.

#### **Meeting of Debenture Holders - 1<sup>st</sup> Series of 3<sup>rd</sup> Debentures Issue – Waiver of leverage limit obligation**

In a meeting held on December 20, 2012, the debenture holders did not grant a waiver for the Company's obligation under Clause 4.12.1.i.2 of the Indenture. Therefore, the Company will exercise its option to prepay the debt related to this issue between March and April 2013. This event will not impact the liquidity horizon of the Company, which had already considered the possibility of settling this transaction.

#### **Meeting of Debenture Holders – 2<sup>nd</sup> Series of 3<sup>rd</sup> Debentures Issue – Waiver of leverage limit obligation**

In a meeting held on December 20, 2012, the debenture holders granted a waiver for the Company's obligation under Clause 4.12.1.i.2 of the Indenture, with the Company's compliance with said obligation resuming as of the second quarter of 2014, with said period also serving as the initial basis for the calculation. In exchange for this decision, the Company paid, on January 3, 2013, a premium to the debenture holders corresponding to 0.5% of the balance of the restated Nominal Value of the Debentures from the 2<sup>nd</sup> Series.

#### **Firm offer for the divestment of the interest held by Suzano in the Capim Branco Energia Consortium**

On December 28, 2012, Suzano received a statement from CEMIG Capim Branco S.A. that it had accepted the offer presented by Suzano to the members of the Capim Branco Energia Consortium for the acquisition of the portion attributable to it of the total interest held by Suzano of 17.9%, and also stated its intent to acquire all of any interests not taken up by the other members of the consortium that do not exercise their right of first-refusal, as provided for in the Consortium Formation Private Instrument.

The total price stipulated in the offer for the 17.9% interest held by Suzano in the Consortium is R\$320 million.

The transaction is subject to the execution of the final documents and to approval by the National Electric Power Agency (ANEEL) and Brazil's Antitrust Agency (CADE).



## Upcoming Events

Suzano will hold a conference call to present its 4Q12 results:

**Date:** March 12, 2013 (Tuesday)

**In Portuguese with simultaneous translation into English**

**Time:** 9:30 a.m. (EDT)

10:30 a.m. (Brasília Time)

**Dial-in (English):** +1 (786) 924-6977

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

**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](http://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\$5.2 billion in 2012, is one of Latin America's largest vertically integrated producers of paper and eucalyptus pulp, with an 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)	4Q12	4Q11	Δ Y-o-Y	3Q12	Δ Q-o-Q	2012	2011	Δ Y-o-Y
<b>Exports</b>	<b>509,682</b>	<b>573,310</b>	<b>-11.1%</b>	<b>448,325</b>	<b>13.7%</b>	<b>1,887,542</b>	<b>1,977,022</b>	<b>-4.5%</b>
Pulp	402,208	413,342	-2.7%	346,759	16.0%	1,435,314	1,444,933	-0.7%
Paper	107,474	159,968	-32.8%	101,567	5.8%	452,228	532,089	-15.0%
Paperboard	30,106	32,658	-7.8%	24,988	20.5%	106,732	104,345	2.3%
Printing & Writing	77,367	127,310	-39.2%	76,579	1.0%	345,495	427,744	-19.2%
Coated	1,010	3,378	-70.1%	1,467	-31.2%	5,002	17,133	-70.8%
Uncoated	76,357	123,933	-38.4%	75,111	1.7%	340,493	410,612	-17.1%
Other Paper	-	-	n.a.	-	n.a.	-	-	n.a.
<b>Domestic Market</b>	<b>361,820</b>	<b>335,845</b>	<b>7.7%</b>	<b>348,390</b>	<b>3.9%</b>	<b>1,306,245</b>	<b>1,166,382</b>	<b>12.0%</b>
Pulp	101,868	94,626	7.7%	99,842	2.0%	411,573	363,186	13.3%
Paper	259,953	241,219	7.8%	248,549	4.6%	894,672	803,196	11.4%
Paperboard	39,312	42,003	-6.4%	39,074	0.6%	148,570	147,951	0.4%
Printing & Writing	206,658	185,634	11.3%	194,168	6.4%	693,221	601,659	15.2%
Coated	59,126	51,393	15.0%	52,586	12.4%	206,833	146,455	41.2%
Uncoated	147,532	134,242	9.9%	141,582	4.2%	486,388	455,204	6.9%
Other Paper	13,983	13,581	3.0%	15,306	-8.6%	52,881	53,586	-1.3%
<b>Total</b>	<b>871,502</b>	<b>909,155</b>	<b>-4.1%</b>	<b>796,715</b>	<b>9.4%</b>	<b>3,193,787</b>	<b>3,143,404</b>	<b>1.6%</b>
Pulp	504,076	507,968	-0.8%	446,600	12.9%	1,846,888	1,808,119	2.1%
Paper	367,426	401,187	-8.4%	350,115	4.9%	1,346,899	1,335,285	0.9%
Paperboard	69,418	74,661	-7.0%	64,062	8.4%	255,302	252,296	1.2%
Printing & Writing	284,025	312,945	-9.2%	270,747	4.9%	1,038,717	1,029,403	0.9%
Coated	60,136	54,770	9.8%	54,054	11.3%	211,835	163,587	29.5%
Uncoated	223,890	258,174	-13.3%	216,693	3.3%	826,881	865,816	-4.5%
Other Paper	13,983	13,581	3.0%	15,306	-8.6%	52,881	53,586	-1.3%

Revenue breakdown (R\$ '000)	4Q12	4Q11	Δ Y-o-Y	3Q12	Δ Q-o-Q	2012	2011	Δ Y-o-Y
<b>Exports</b>	<b>753,425</b>	<b>709,653</b>	<b>6.2%</b>	<b>661,065</b>	<b>14.0%</b>	<b>2,666,513</b>	<b>2,599,593</b>	<b>2.6%</b>
Pulp	515,061	413,098	24.7%	436,731	17.9%	1,731,098	1,622,241	6.7%
Paper	238,364	296,555	-19.6%	224,334	6.3%	935,415	977,352	-4.3%
Paperboard	64,423	60,622	6.3%	55,002	17.1%	219,459	199,706	9.9%
Printing & Writing	173,941	235,933	-26.3%	169,332	2.7%	715,956	777,646	-7.9%
Coated	2,825	8,249	-65.8%	4,365	-35.3%	13,612	36,814	-63.0%
Uncoated	171,116	227,684	-24.8%	164,967	3.7%	702,344	740,832	-5.2%
Other Paper	-	-	n.a.	-	n.a.	-	-	n.a.
<b>Domestic Market</b>	<b>717,007</b>	<b>626,706</b>	<b>14.4%</b>	<b>699,793</b>	<b>2.5%</b>	<b>2,525,775</b>	<b>2,248,395</b>	<b>12.3%</b>
Pulp	120,023	95,836	25.2%	121,851	-1.5%	457,633	390,695	17.1%
Paper	596,984	530,870	12.5%	577,942	3.3%	2,068,142	1,857,700	11.3%
Paperboard	109,375	113,086	-3.3%	110,297	-0.8%	414,325	412,774	0.4%
Printing & Writing	448,717	381,200	17.7%	423,197	6.0%	1,503,608	1,295,542	16.1%
Coated	130,407	102,138	27.7%	118,808	9.8%	445,089	318,074	39.9%
Uncoated	318,310	279,062	14.1%	304,389	4.6%	1,058,519	977,468	8.3%
Other Paper	38,892	36,584	6.3%	44,448	-12.5%	150,209	149,384	0.6%
<b>Total</b>	<b>1,470,432</b>	<b>1,336,359</b>	<b>10.0%</b>	<b>1,360,858</b>	<b>8.1%</b>	<b>5,192,288</b>	<b>4,847,988</b>	<b>7.1%</b>
Pulp	635,084	508,934	24.8%	558,582	13.7%	2,188,731	2,012,936	8.7%
Paper	835,348	827,425	1.0%	802,276	4.1%	3,003,557	2,835,052	5.9%
Paperboard	173,798	173,708	0.1%	165,299	5.1%	633,784	612,480	3.5%
Printing & Writing	622,658	617,133	0.9%	592,529	5.1%	2,219,564	2,073,188	7.1%
Coated	133,232	110,387	20.7%	123,173	8.2%	458,701	354,888	29.3%
Uncoated	489,426	506,746	-3.4%	469,356	4.3%	1,760,863	1,718,300	2.5%
Other Paper	38,892	36,584	6.3%	44,448	-12.5%	150,209	149,384	0.6%

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



## Operating Data (continued)

Average net price (R\$/ton)	4Q12	4Q11	Δ Y-o-Y	3Q12	Δ Q-o-Q	2012	2011	Δ Y-o-Y
<b>Exports</b>	<b>1,478</b>	<b>1,238</b>	<b>19.4%</b>	<b>1,475</b>	<b>0.3%</b>	<b>1,413</b>	<b>1,315</b>	<b>7.4%</b>
Pulp	1,281	999	28.1%	1,259	1.7%	1,206	1,123	7.4%
Paper	2,218	1,854	19.6%	2,209	0.4%	2,068	1,837	12.6%
Paperboard	2,140	1,856	15.3%	2,201	-2.8%	2,056	1,914	7.4%
Printing & Writing	2,248	1,853	21.3%	2,211	1.7%	2,072	1,818	14.0%
Coated	2,797	2,442	14.5%	2,975	-6.0%	2,721	2,149	26.6%
Uncoated	2,241	1,837	22.0%	2,196	2.0%	2,063	1,804	14.3%
Other Paper	-	-	n.a.	-	n.a.	-	-	n.a.
<b>Domestic Market</b>	<b>1,982</b>	<b>1,866</b>	<b>6.2%</b>	<b>2,009</b>	<b>-1.3%</b>	<b>1,934</b>	<b>1,928</b>	<b>0.3%</b>
Pulp	1,178	1,013	16.3%	1,220	-3.5%	1,112	1,076	3.4%
Paper	2,297	2,201	4.3%	2,325	-1.2%	2,312	2,313	-0.1%
Paperboard	2,782	2,692	3.3%	2,823	-1.4%	2,789	2,790	0.0%
Printing & Writing	2,171	2,053	5.7%	2,180	-0.4%	2,169	2,153	0.7%
Coated	2,206	1,987	11.0%	2,259	-2.4%	2,152	2,172	-0.9%
Uncoated	2,158	2,079	3.8%	2,150	0.4%	2,176	2,147	1.3%
Other Paper	2,781	2,694	3.3%	2,904	-4.2%	2,841	2,788	1.9%
<b>Total</b>	<b>1,687</b>	<b>1,470</b>	<b>14.8%</b>	<b>1,708</b>	<b>-1.2%</b>	<b>1,626</b>	<b>1,542</b>	<b>5.4%</b>
Pulp	1,260	1,002	25.8%	1,251	0.7%	1,185	1,113	6.5%
Paper	2,274	2,062	10.2%	2,291	-0.8%	2,230	2,123	5.0%
Paperboard	2,504	2,327	7.6%	2,580	-3.0%	2,482	2,428	2.3%
Printing & Writing	2,192	1,972	11.2%	2,189	0.2%	2,137	2,014	6.1%
Coated	2,216	2,015	9.9%	2,279	-2.8%	2,165	2,169	-0.2%
Uncoated	2,186	1,963	11.4%	2,166	0.9%	2,130	1,985	7.3%
Other Paper	2,781	2,694	3.3%	2,904	-4.2%	2,841	2,788	1.9%

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



## Attachment II

### Consolidated Income Statement

CONSOLIDATED FINANCIAL STATEMENT								
(R\$ '000)	4Q12	4Q11	Δ Y-o-Y	3Q12	Δ Q-o-Q	2012	2011	Δ Y-o-Y
Net Revenue	1,470,436	1,336,360	10.0%	1,360,862	8.1%	5,192,292	4,847,988	7.1%
Cost of Goods Sold	(1,061,007)	(1,052,085)	0.8%	(1,070,396)	-0.9%	(4,036,276)	(3,771,937)	7.0%
Gross Profit	409,429	284,275	44.0%	290,466	41.0%	1,156,016	1,076,051	7.4%
Selling Expenses	(67,496)	(70,312)	-4.0%	(63,090)	7.0%	(247,949)	(247,673)	0.1%
General and Administrative Expenses	(118,421)	(88,816)	33.3%	(95,980)	23.4%	(403,826)	(333,810)	21.0%
Other Operating Income	(5,650)	143,251	n.a.	3,979	n.a.	40,114	181,789	-77.9%
EBIT	217,862	268,398	-18.8%	135,375	60.9%	544,355	676,357	-19.5%
Depreciation, Amortization & Depletion	186,167	133,997	38.9%	196,011	-5.0%	727,270	625,305	16.3%
EBITDA	404,029	402,395	0.4%	331,386	21.9%	1,271,625	1,301,662	-2.3%
<i>EBITDA Margin (%)</i>	27.5%	30.1%	-2.6 p.p	24.4%	3.1 p.p	24.5%	26.8%	-2.4 p.p
Net Financial Result	(155,819)	(63,119)	146.9%	(165,806)	-6.0%	(855,339)	(774,662)	10.4%
Financial Expenses	(185,051)	(77,930)	137.5%	(156,894)	17.9%	(698,170)	(734,894)	-5.0%
Financial Revenues	66,183	65,043	1.8%	70,473	-6.1%	304,570	416,413	-26.9%
Exchange Rate Variation	(36,951)	(50,232)	-26.4%	(79,385)	-53.5%	(461,739)	(456,181)	1.2%
Earnings Before Taxes	62,043	205,279	-69.8%	(30,431)	n.a.	(310,984)	(98,305)	216.3%
Income and Social Contribution Taxes	(28,059)	2,811	n.a.	6,754	n.a.	128,858	128,196	0.5%
Net Income	33,984	208,090	-83.7%	(23,677)	n.a.	(182,126)	29,891	n.a.



## Attachment III

### Consolidated Balance Sheet

<b>CONSOLIDATED BALANCE SHEET (R\$'000)</b>					
<b>ASSETS</b>	<b>12/31/2012</b>	<b>9/30/2012</b>	<b>LIABILITIES</b>	<b>12/31/2012</b>	<b>9/30/2012</b>
<b><u>CURRENT ASSETS</u></b>			<b><u>CURRENT LIABILITIES</u></b>		
Cash and Cash Equivalent	4,337,608	3,791,498	Salaries and Payroll Taxes	129,816	141,504
Accounts Receivable	1,102,676	1,008,981	Trade Accounts Payable	875,648	582,415
Inventories	683,750	812,989	Loans and Financing	1,034,647	1,136,561
Recoverable Taxes	268,438	317,370	Debentures	587,270	25,329
Prepaid Expenses	7,957	10,588	Taxes Payable	45,443	39,460
Gains on Transactions in Derivatives	5,901	8,652	Other Accounts Payable	183,036	122,351
Other Account Receivable	280,629	109,975			
<b>TOTAL CURRENT ASSETS</b>	<b>6,686,959</b>	<b>6,060,053</b>	<b>TOTAL CURRENT LIABILITIES</b>	<b>2,855,860</b>	<b>2,047,620</b>
<b><u>NON CURRENT ASSETS</u></b>			<b><u>NON CURRENT LIABILITIES</u></b>		
Biological Assets	2,643,940	2,615,329	Loans and Financing	8,982,628	7,979,888
Receivable Taxes and Social Contribution	813	808	Debentures	114,559	652,880
Gains on Transactions in Derivatives	20,259	20,912	Losses on Transactions in Derivatives	21,189	24,946
Other Receivable Taxes	235,438	164,042	Accounts Payable	8,727	8,868
Advances to suppliers	261,895	266,684	Land Aquisition and Reforestation	170,941	120,196
Other Account Receivable	21,611	25,864	Deferred Income and Social Contribution	1,684,903	1,680,896
Receivable Credits	56,721	56,721	Provision for Contingencies	512,552	429,586
Judicial Deposits	54,881	53,832	<b>TOTAL NON CURRENT LIABILITIES</b>	<b>11,495,499</b>	<b>10,897,260</b>
Property, Plant and Equipment	15,147,822	14,501,988			
Intangible	212,739	215,962	<b><u>SHAREHOLDERS EQUITY</u></b>		
Prepaid Expenses	10,359	21,310	Share Capital	6,240,709	6,240,709
Credit with related party	-	303	Capital Reserve	(211,459)	(174,371)
			Profit Reserve	2,469,809	2,628,739
			Acumulated Profit (Loss)	-	(192,209)
			Equity Valuation Adjustment	2,503,019	2,556,060
<b>TOTAL NON CURRENT ASSETS</b>	<b>18,666,478</b>	<b>17,943,755</b>	<b>TOTAL EQUITY</b>	<b>11,002,078</b>	<b>11,058,928</b>
<b>TOTAL ASSETS</b>	<b>25,353,437</b>	<b>24,003,808</b>	<b>TOTAL LIABILITIES + EQUITY</b>	<b>25,353,437</b>	<b>24,003,808</b>



## Attachment IV

### Consolidated Cash Flow Statement

<b>CONSOLIDATED CASH FLOW STATEMENT FOR THE QUARTER AND ACCUMULATED PERIOD</b>				
<b>(R\$ '000)</b>	<b>4Q12</b>	<b>4Q11</b>	<b>2012</b>	<b>2011</b>
<b>Cash Flows from Operating Activities</b>				
Net Income	33,984	208,090	(182,126)	29,891
Depreciation, Amortization & Depletion	186,166	133,996	727,270	625,304
Result on Sale of Property, Plant and Equipment	1,097	22,643	(32,138)	(27,296)
Exchange and Monetary Variation	20,601	46,294	471,096	482,611
Interest Expenses	175,788	125,867	640,912	468,720
Derivatives Variation	3,902	(74,396)	26,696	(773)
Deferred Income and Social Contribution Taxes	25,041	(8,733)	(131,138)	(136,089)
Investment gain	-	(113,616)	-	(120,538)
Interest on Actuarial Liabilities	9,427	11,522	26,930	24,164
Contingencies	(734)	(12,253)	10,353	(12,011)
Share based Payment Plan Expenses	11,015	825	12,942	908
Provision for Doubtful Credits	(4,871)	93	(2,004)	3,794
(Reversion) of Provision for discounts	17,861	11,105	(712)	10,640
Provision for inventory losses	(2,590)	1,559	(10,026)	13,059
Other Provisions	59,378	65,371	132,801	187,410
Gain with reduction of actuarial liabilities	(2,475)	(23,441)	(2,475)	(23,441)
Accounts Receivable Variation	(49,707)	(95,936)	(59,938)	(165,597)
Inventories Variation	35,640	132,710	(41,372)	1,648
Recoverable Taxes Variation	(29,364)	(11,979)	(182,346)	(108,065)
Other Current and Non-Current Assets Variation	(9,113)	(104,872)	(63,723)	(140,275)
Variation in Trade Accounts Payable	67,693	42,617	235,385	108,060
Increase in Other Current and Non-Current Liabilities	80,416	127,718	259,552	306,676
Interest Payments	(220,280)	(75,092)	(761,282)	(316,088)
Other Taxes and Contributions Payments	(121,829)	(81,597)	(358,970)	(323,405)
Income Tax and Social Contributions Payments	(15,999)	(4,217)	(55,220)	(6,525)
<b>Net cash from operating activities</b>	<b>280,470</b>	<b>349,336</b>	<b>669,890</b>	<b>907,840</b>
<b>Cash Flows from Investing Activities</b>				
Addition in Investments	-	(39)	-	(49)
Acquisition of Property, Plant and Equipment, Intangible and Biological Assets	(672,111)	(389,725)	(2,783,540)	(3,247,480)
Asset Sale	23,382	(8,136)	65,264	25,125
Asset Sales Payment in Advance	4,010	-	4,010	-
<b>Net cash generated in investing activities</b>	<b>(644,719)</b>	<b>(397,900)</b>	<b>(2,714,266)</b>	<b>(3,222,404)</b>
<b>Cash Flows from Financing Activities</b>				
Loans Raised	1,189,620	907,800	3,676,713	1,957,440
Debentures subscribed	-	-	-	1,279,330
Dividends and Interests on Equity Payment	-	(12,710)	(83,242)	(154,261)
Net proceeds Generated by Derivatives	(14,528)	(25,521)	(21,756)	(26,847)
Payment of Loans	(254,110)	(507,128)	(1,943,488)	(1,231,326)
Capital increase (follow on)	-	-	1,463,369	-
Acquisition of own shares	(34,019)	-	(34,019)	-
<b>Net cash from financing activities</b>	<b>886,963</b>	<b>362,441</b>	<b>3,057,577</b>	<b>1,824,336</b>
Effects of Exchange Rate Variation in Cash and Cash Equivalents	23,396	1,123	50,469	28,728
<b>Increase (decrease) in Cash</b>	<b>546,110</b>	<b>315,000</b>	<b>1,063,670</b>	<b>(461,500)</b>
Cash in the beginning of the period	3,791,498	2,958,938	3,273,938	3,735,438
Cash in the end of the period	4,337,608	3,273,938	4,337,608	3,273,938
<b>Statement of Increase (decrease) in Cash</b>	<b>546,110</b>	<b>315,000</b>	<b>1,063,670</b>	<b>(461,500)</b>



## Attachment V

### Consolidated Loans and Financing

(R\$ '000)	Index	Average annual		Consolidated	
		interest rate		12/31/2012	12/31/2011
		in December/12			
<b>Permanent</b>					
BNDES - Finem	TJLP	7.96%	1,888,985	1,913,674	
BNDES - Finem	Basket of Currencies	6.65%	1,103,240	587,237	
BNDES - Finame	Fixed Rate	4.50%	4,529	5,430	
BNDES - Finame	Basket of Currencies		-	8	
BNDES - Automático	TJLP		-	1,044	
BNDES - Automático	Basket of Currencies		-	117	
FNE - BNB	Fixed Rate	8.50%	93,800	111,887	
FINEP	Fixed Rate	4.46%	56,555	41,818	
Crédito Rural (Rural Credit)	Fixed Rate	5.50%	20,457	31,563	
Leasing	CDI / US\$	6.96%	61,021	86,385	
<b>Working Capital</b>					
Trade Finance (Exports)	US\$	4.83%	1,998,656	2,338,378	
Trade Finance (Imports)	US\$	1.15%	148,371	186,848	
Nordic Investment Bank	US\$	5.74%	68,488	73,337	
Export Credit Note	CDI	7.84%	3,070,854	974,819	
Export Credit Note	US\$	0.00%	-	65,765	
BNDES - EXIM	TJLP	9.15%	60,511	114,972	
Senior Notes	Fixed Rate	5.88%	1,335,465	1,222,627	
Trade Bill Discounting - Vendor			86,727	119,855	
Others			19,616	12,341	
			<b>10,017,275</b>	<b>7,888,105</b>	
<b>Current Liabilities (including interests)</b>			1,034,647	2,142,138	
<b>Non Current Liabilities</b>			8,982,628	5,745,967	





## Attachment VI

### Consolidated Debentures

Issuance	Series	Bonds	12/31/2012			12/31/2011		Index	Interest	Redemption
			Current	Non Current	Total	Total				
3 <sup>rd</sup>	1 <sup>st</sup>	333,000	585,969	-	585,969	548,074	IGP-M	10% *	4/1/14	
3 <sup>rd</sup>	2 <sup>nd</sup>	167,000	1,146	114,559	115,705	107,474	USD	9.85%	5/7/19	
4 <sup>th</sup>	1 <sup>st</sup>	-	-	-	-	3,635	TJLP	2.50%	12/3/12	
4 <sup>th</sup>	2 <sup>nd</sup>	-	-	-	-	7,097	TJLP	2.50%	12/3/12	
5 <sup>th</sup>	1 <sup>st</sup>	293	52	-	52	63,756	IPCA	4.50%	12/16/13	
5 <sup>th</sup>	2 <sup>nd</sup>	585	103	-	103	125,564	IPCA	4.50%	12/16/13	
			587,270	114,559	701,829	855,600				

\* This instrument was issued at a discount of R\$38,728 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.



## Attachment VII

### Adjusted EBITDA

R\$ thousand, except where otherwise indicated	2012	2011
Net Income (loss)	(182,126)	29,891
Net Financial Result	855,339	774,662
Income and Social Contribution Taxes	(128,858)	(128,196)
<b>EBIT</b>	<b>544,355</b>	<b>676,357</b>
Depreciation, Amortization and Depletion	727,270	625,305
<b>EBITDA <sup>(1)</sup></b>	<b>1,271,625</b>	<b>1,301,662</b>
<b>EBITDA Margin</b>	<b>24.5%</b>	<b>26.8%</b>
Adjustment of the fair value of biological assets	9,423	(20,458)
Property, Plant and Equipment Sales	(26,226)	-
Gain from the Conpacel and KSR assets acquisition	-	(75,021)
Sale of rights related to the Eletrobrás Standard Unit credit	-	(39,000)
Provision for labor lawsuits Reclassification	-	(31,776)
Actuarial Liability	-	(23,441)
Others	5,503	28,681
<b>Adjusted EBITDA</b>	<b>1,260,325</b>	<b>1,140,647</b>
<b>Adjusted EBITDA Margin</b>	<b>24.3%</b>	<b>23.5%</b>

<sup>(1)</sup> Company's EBITDA calculated according to CVM Instruction # 527, as of October, 04<sup>th</sup>, 2012.

Reconciliation of Adjusted EBITDA	2012	2011
EBITDA	1,271,625	1,301,662
Depreciation, Amortization and Depletion	727,270	625,305
<b>Operating Results before Financial Results and Taxes <sup>(2)</sup></b>	<b>544,355</b>	<b>676,357</b>

<sup>(2)</sup> Accounting Measurement released on the Consolidated Financial Statements.