



3Q08 Consolidated Results

October 23rd, 2008

Highlights 3Q08

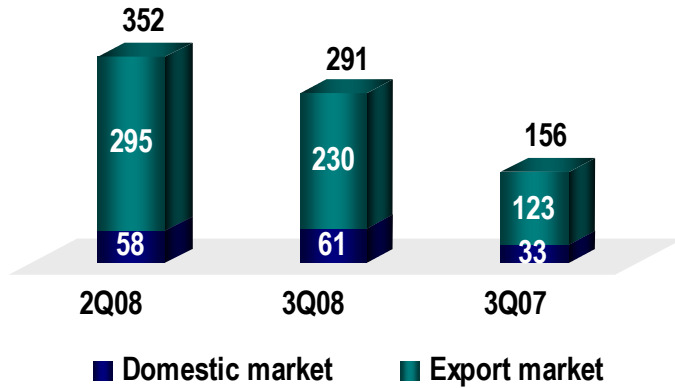
- ◆ Record market pulp and paper production of 694.7 thousand tons
- ◆ Record paper sales of 305.7 thousand tons
- ◆ Record EBITDA: R\$ 365 million with a 36.9% margin
- ◆ Accounting losses of R\$ 293 million as a result of the 20.3% currency exchange rate devaluation in the period
- ◆ Net Debt / EBITDA ratio also affected by the currency exchange rate devaluation on the Dollar denominated debt: 3.38x EBITDA in Sept/08, compared to 3.19x in Jun/08 and 3.74x in Dec/07
- ◆ Cash availability: R\$ 1.7 billion on 09/30/2008
- ◆ Pulp cash cost of R\$ 453 / ton, excluding the Mucuri maintenance shutdown cost
- ◆ Pulp prices under pressure in September: US\$ 820 / t (CIF Europa), US\$ 780 / t in Ásia and US\$ 845 / t in North America
- ◆ Americana industrial unit starts to operate under the consortium model: Consórcio Paulista de Celulose e Papel (Conpacel) on 09/01/2008

Pulp Business Unit

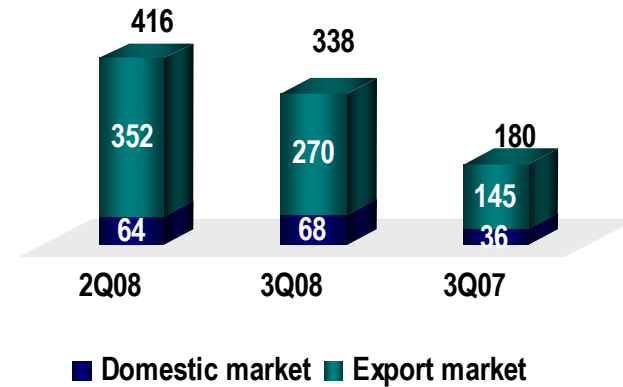
- ◆ **Global demand for market pulp in August/08 was 2.7% higher than the same period of 2007 (PPPC)**
- ◆ **In the first nine months of 2008, pulp sales were 96.0% higher than the same period of the previous year**
- ◆ **Record production : 405.5 thousand tons of market pulp in 3Q08**
- ◆ **Softening in pulp demand in Asia throughout the quarter**
- ◆ **World pulp inventories reached 45 days for hardwood and 35 days for softwood in August/08**
- ◆ **Capacity closures: over 1.5 million tons announced in 2008**
- ◆ **Average export price reached US\$ 704/ton in 3Q08 (US\$ 721/ton in 2Q08 and US\$ 613/ton in 3Q07)**
- ◆ **Mucuri production downtime in November: 30 thousand tons**

Pulp Business Unit

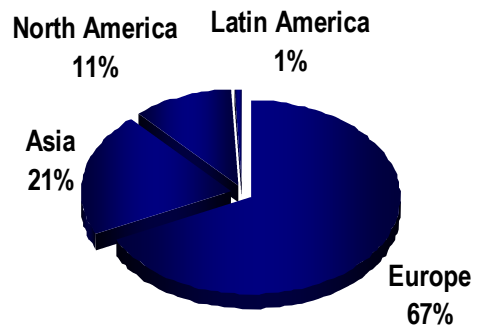
Pulp sales volume (thousand tons)



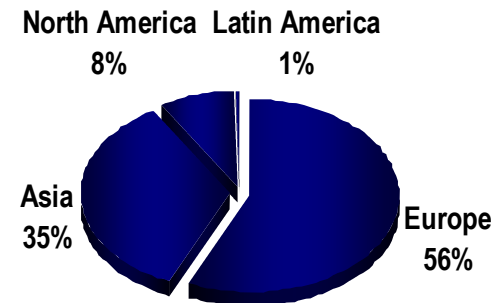
Pulp net sales (R\$ million)



Pulp Exports 3Q08
(participation in sales volume)



Pulp Exports 2Q08
(participation in sales volume)

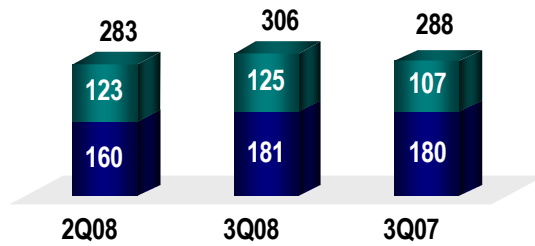


Paper Business Unit

- ◆ Net revenue increased 10.9% when compared to the 2Q08 due to higher volume and prices
- ◆ Total sales volume of 306 thousand tons in 3Q08, 8.1% higher than 2Q08 and 6.3% higher than 3Q07
- ◆ Higher prices in domestic and export markets raised the average price of paper by 2.7% compared to 2Q08
- ◆ Growth in domestic market demand improved sales mix. Paper sales in the domestic market accounted for 59.4% of the total
- ◆ Imports of coated paper remained stable compared to 2T08

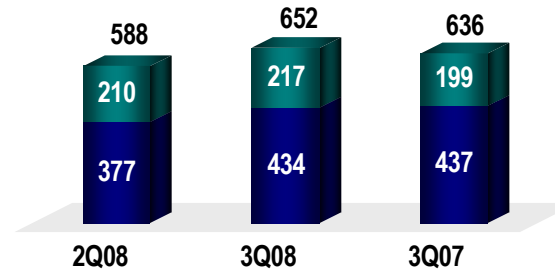
Paper Business Unit

Paper sales volume (thousand tons)



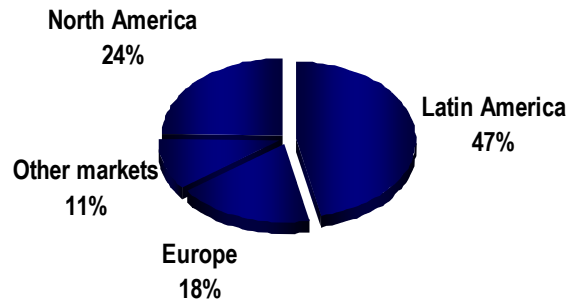
■ Domestic market ■ Export market

Paper Net Sales (R\$ million)

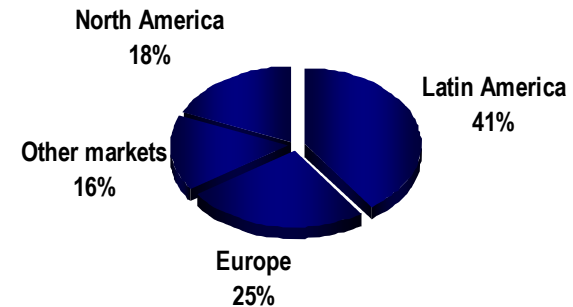


■ Domestic market ■ Export market

Paper Exports 3Q08
(sales volume)



Paper Exports 3Q07
(sales volume)



Results 3Q08

	2Q08	3Q08	3Q07	% 3Q08/2Q08	% 3Q08/3Q07
Sales volume (000 tons)	635	596	444	-6.1%	34.4%
Paper volume domestic market (000 tons)	160	181	180	13.4%	0.5%
Pulp volume export market (000 tons)	295	230	123	-22.1%	86.7%
Net revenue - R\$ million	1,004	990	816	-1.4%	21.3%
Net income - R\$ million	186	(293)	168	-257.9%	-274.1%
Cash-cost (R\$/tons)	424	453	535	6.8%	-15.3%
EBITDA - R\$ million	354	365	267	3.3%	37.0%
EBITDA - US\$ million	214	219	139	2.5%	57.4%
EBITDA margin	35.2%	36.9%	32.7%	1.7 p.p.	4.2 p.p.
Exchange Rate	1.66	1.67	1.92	0.8%	-13.0%
Net debt / EBITDA (LTM)	3.19	3.38	3.90	6.0%	-13.3%

Results 3Q08

	9M08	9M07	% 9M08/9M07
Sales volume (000 tons)	1,850	1,341	38.0%
Paper volume domestic market (000 tons)	487	497	-2.1%
Pulp volume export market (000 tons)	811	401	102.5%
Net revenue - R\$ million	2,963	2,446	21.1%
Net income - R\$ million	21	447	-95.3%
EBITDA - R\$ million	1,060	821	29.2%
EBITDA - US\$ million	629	411	53.3%
EBITDA margin	35.8%	33.5%	2.2 p.p.
Exchange Rate	1.69	2.00	-15.7%
Net debt / EBITDA (LTM)	3.38	3.90	-13.3%

Highlights

- ◆ **Record EBITDA in the quarter**
- ◆ **Better paper mix and prices**
- ◆ **Favorable exchange rate scenario leading to higher operating margins in the next months**
- ◆ **Solid capital structure:**
 - R\$ 1.7 billion cash availability – comfortable liquidity horizon
 - Appropriated debt profile
- ◆ **Consistent and conservative hedging policy: focus on cash and no *Exotic Derivatives***
- ◆ **New growth cycle announced**
- ◆ **New Human Resources Director and changes in the management**



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