



# **4Q08 and 2008 Consolidated Results**

March 25<sup>th</sup>, 2009

- ◆ **Market pulp and paper production of 654 thousand tons;**
- ◆ **Record net revenue of R\$ 1.1 billion;**
- ◆ **Pulp cash cost of R\$ 438 / ton, excluding the Mucuri maintenance shutdown cost;**
- ◆ **Record EBITDA: R\$ 382 million, 35% EBITDA margin;**
- ◆ **22% currency devaluation affected net results: accounting loss of R\$ 495 million;**
- ◆ **Debt & cash:**
  - **Adequate debt profile and cost;**
  - **Robust cash and equivalents position: R\$ 2.2 billion;**
  - **Net Debt /EBITDA ratio in line with 3Q08: 3.7x**

- ◆ Record production of 2.7 million tons of market pulp and paper;
- ◆ Record sales of 1.2 million tons of paper and 1.3 million tons of pulp;
- ◆ Record net revenue of R\$ 4.1 billion;
- ◆ Record EBITDA: R\$ 1.5 billion, 36% EBITDA margin;
- ◆ 32% currency devaluation affected net results: accounting loss of R\$ 451 million;
- ◆ Mucuri Line 2: learning curve concluded in June;
- ◆ New growth cycle announced (Material Fact in Jul/08);
- ◆ National Quality Award, an international recognition

4Q08

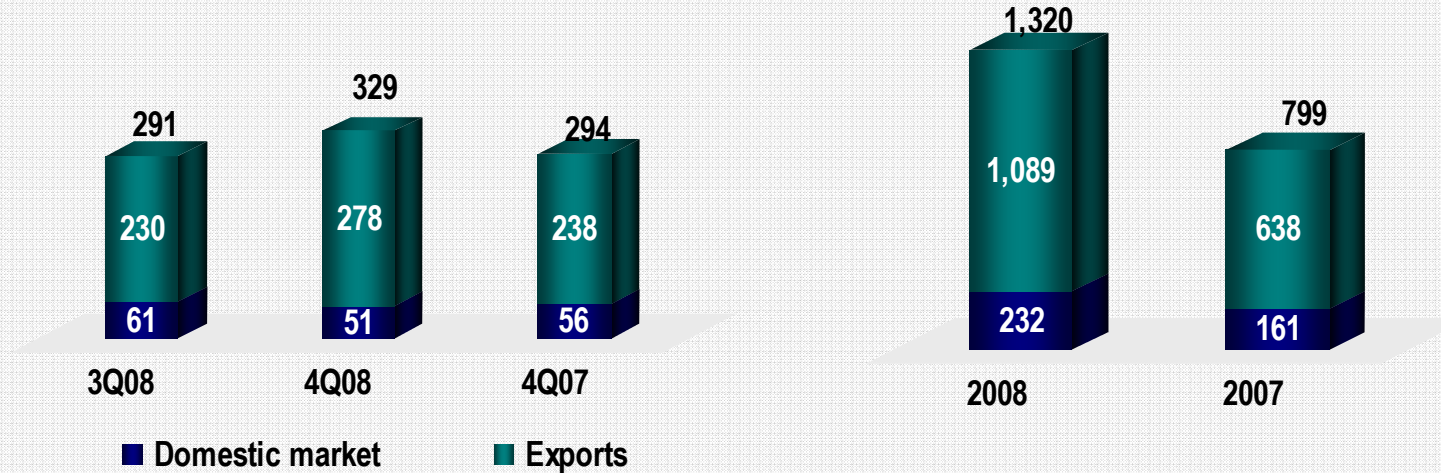
- ◆ Pulp sales of 329 thousand tons, 13.3% higher than in the 3Q08: demand recovery in Asia
- ◆ Mucuri shutdown in Nov/08: 30 thousand tons;
- ◆ Average net pulp price: 27.9% lower than 3Q08 in Dollars (US\$ 503 / ton x US\$ 697 / ton). In Reais, relatively stable (-1.4%) due to significant devaluation of the Brazilian Real

2008

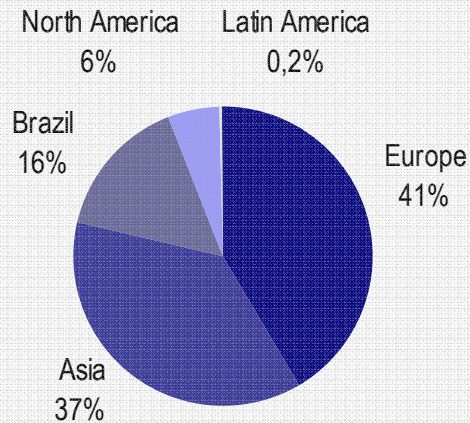
- ◆ Global BEKP demand in 08: 11,8%\* higher than 2007
- ◆ Announced shutdowns of approx. 2 million tons in 2008\*\*;
- ◆ Suzano's record market pulp production: 1.5 milion tons in 2008;
- ◆ Record sales: 1.3 million tons of pulp; 65.2% higher than 2007;
- ◆ Average net price of US\$ 636 / ton, 6% higher than in 2007. In Reais, stable prices (-0,2%).

# Pulp Business Unit

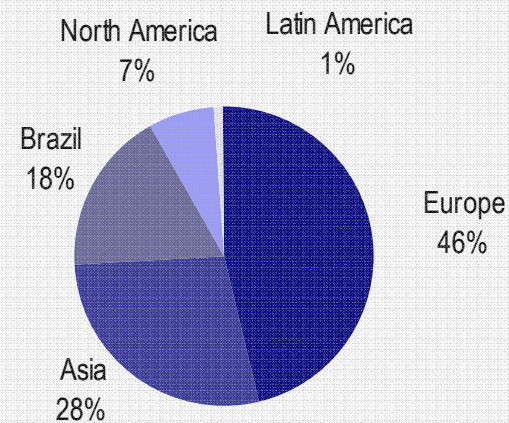
Pulp sales volume (thousand tons)



Destination of Pulp Sales - 4Q08



Destination of Pulp Sales - 2008



## Paper Business Unit

4T08

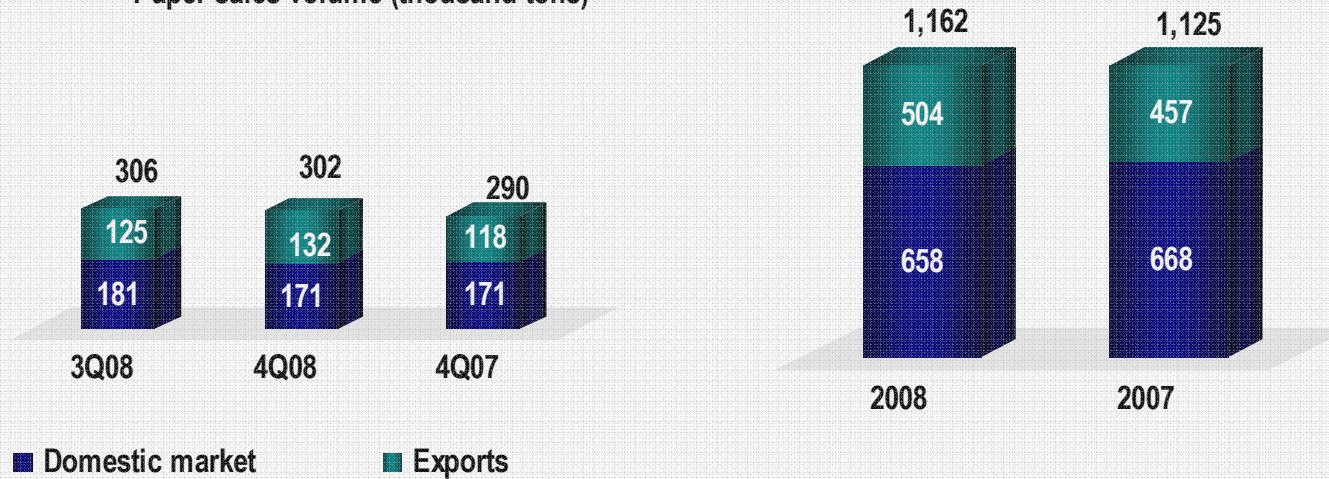
- ◆ Paper net revenue: record of R\$ 723 million in the 4Q08, 10.9% and 15.9% higher than in the 3Q08 and 4Q07;
- ◆ Paper domestics sales of 171 thousand tons: 5.8% lower than 3Q08 and in line with 4Q07;
- ◆ Paper prices increase:
  - Domestic Market – P&W paper: 5.7% higher than in 3Q08  
Paperboard: 2.9% higher than in 3Q08
  - Exports: decrease in Dollars (6.0%), but more than compensated by the devaluation of the Real (28.4% increase)

2008

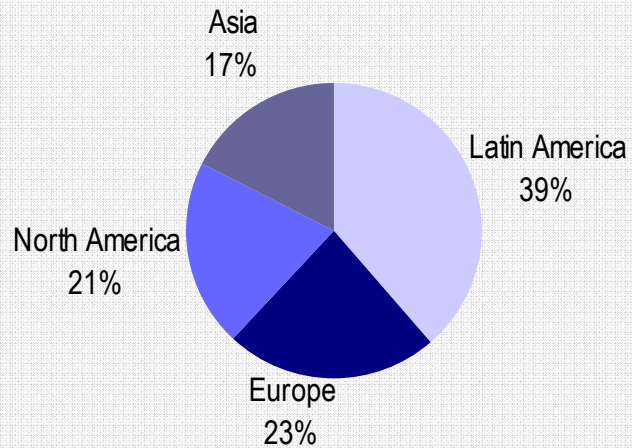
- ◆ Domestic demand in 2008: P&W paper +6.8%; paperboard +0.9% compared to 2007;
- ◆ Mature markets: P&W paper demand decreased 6.1% in North America and 2.1% in Western Europe\*, compared to 2007;
- ◆ Suzano's record sales: 1.2 million tons in 2008, 3.2% higher than 2007;
- ◆ Average net price remained stable (-0.5%) in 2008; net sales increased 2.7% compared to 2007.

# Paper Business Unit

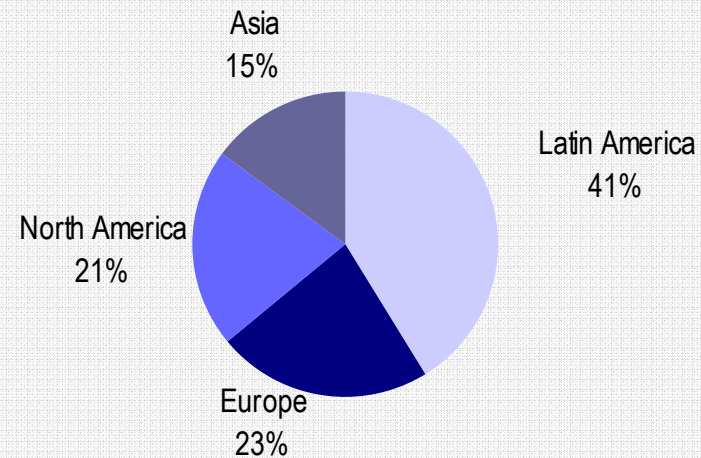
Paper sales volume (thousand tons)



Paper Exports - 4Q08



Paper Exports - 2008



- ◆ **Investments in the two new “*greenfield*” market pulp mills will continue:**
  - Maranhão State Unit: 2013
  - Piauí State Unit: 2014
- ◆ **Capex in the forestry base already started and the partnerships, previously announced, are evolving accordingly.**
  
- ◆ **Management will analyze the global economic and pulp market outlooks and submit the Mucuri debottleneck and the new pulp line projects to the Board in the 2H09.**
- ◆ **Definition of the new projects schedule and new start-up dates until the end of 2009.**



## Results 4Q08

	3Q08	4Q08	4Q07	% 4Q08/3Q08	% 4Q08/4Q07
Sales volume (000 tons)	596	<b>632</b>	583	<b>5.9%</b>	<b>8.3%</b>
Paper volume domestic market (000 tons)	181	<b>171</b>	171	<b>-5.8%</b>	<b>-0.3%</b>
Pulp volume exports (000 tons)	230	<b>278</b>	238	<b>20.9%</b>	<b>16.9%</b>
Net revenue - R\$ million	990	<b>1,100</b>	963	<b>11.2%</b>	<b>14.2%</b>
Net income - R\$ million	(282)	<b>(495)</b>	85	<b>-75.6%</b>	<b>n.a.</b>
EBITDA - R\$ million	374	<b>382</b>	207	<b>2.0%</b>	<b>84.4%</b>
EBITDA - US\$ million	224	<b>167</b>	116	<b>-25.3%</b>	<b>44.0%</b>
EBITDA margin	37.8%	<b>34.7%</b>	21.5%	<b>-3.1 p.p.</b>	<b>13.2 p.p.</b>
Exchange Rate	1.67	2.28	1.78	<b>36.6%</b>	<b>28.1%</b>
Net debt / EBITDA (LTM)	3.7	<b>3.7</b>	4.2	<b>0.7%</b>	<b>n.a.</b>

**Notes:**

- i. For comparison purposes, information shown on the table above refer to variations on 3Q08 and 4Q07, also adjusted according to Law 11.638/07. The Net Debt/EBITDA ratio without the effects of Law 11.638 was 3.4 on 09/30/2008, 3.7 on 12/31/2007.
- ii. n.a. – non aplicable.

## Results 2008

	2008	2007	% 2008/2007
Sales volume (000 tons)	2,482	1,925	29.0%
Paper volume domestic market (000 tons)	658	668	-1.6%
Pulp volume exports (000 tons)	1,089	638	70.6%
Net revenue - R\$ million	4,064	3,410	19.2%
Net income - R\$ million	(451)	537	n.a.
EBITDA - US\$ million	800	531	50.7%
EBITDA margin	36.2%	30.3%	5,8 p.p.
Exchange Rate	1.84	1.95	-5.8%
Net debt / EBITDA (LTM)	3.70	4.20	-11.9%

Notes:

- i. For comparison purposes, information shown on the table above refer to variations of 2007, also adjusted according to Law 11.638/07. The Net Debt/EBITDA ratio without the effects of Law 11.638 was 3.7 on 12/31/2008.
- ii. n.a. – non aplicable

## ◆ **Solid financial position**

- Adequate debt profile: duration of approximately 4 years
- Competitive debt cost
- **Strong cash position: R\$ 2,2 bi**

## ◆ **Consistent operational performance**

- Record EBITDA in 4Q08 (R\$ 382 MM) and 2008 (R\$ 1,469 MM)

## ◆ **New growth cycle – investments confirmed**

- Projects in Maranhão and Piauí evolving according to the schedule

# Investor Relations

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