



**SUZANO**  
PAPEL E CELULOSE

# 3Q09 Consolidated Results

October 26<sup>th</sup>, 2009

- Paper and market pulp production of 660 ktons, 2.1% and 4.9% lower than in 2Q09 and 3Q08
- Sales volume of 661 ktons: 399 ktons of pulp and 262 ktons of paper
- Net revenue of R\$ 891 MM
- Pulp production cash cost<sup>1</sup> of R\$ 373/ton
- EBITDA of R\$ 218 MM, with EBITDA margin of 24.4%
- Net income of R\$ 213 MM
- Net Debt / EBITDA ratio of 3.5 in Sep/09
- Cash and cash equivalents of R\$ 2.4 billion in Sep/09 and net debt reduction of R\$ 476 MM in the 3Q09

<sup>1</sup> Does not include maintenance downtime and the incident at Line 2 in Mucuri.

3Q09

- **Growth in global demand:**

	<u>3Q09 vs. 2Q09</u>	<u>3Q09 vs. 3Q08</u>	<u>9M09 vs. 9M08</u>
Market pulp:	+1.7%	+9.2%	-0.1%
BEKP:	-0.1%	+28.3%	+17.4%

- **Global inventories: 26 days – below the historical average of 33 days**
- **Price <sup>2</sup> increases announced for Oct/09 (+US\$ 50/t) and Nov/09 (+US\$ 50/t)**

- **Suzano's pulp sales: 399 ktons**

- 27.1% lower than 2Q09
- 37.3% higher than 3Q08

- **Main sales destinations: Asia (37.9%), Europe (36.6%) and Brazil (17.3%)**

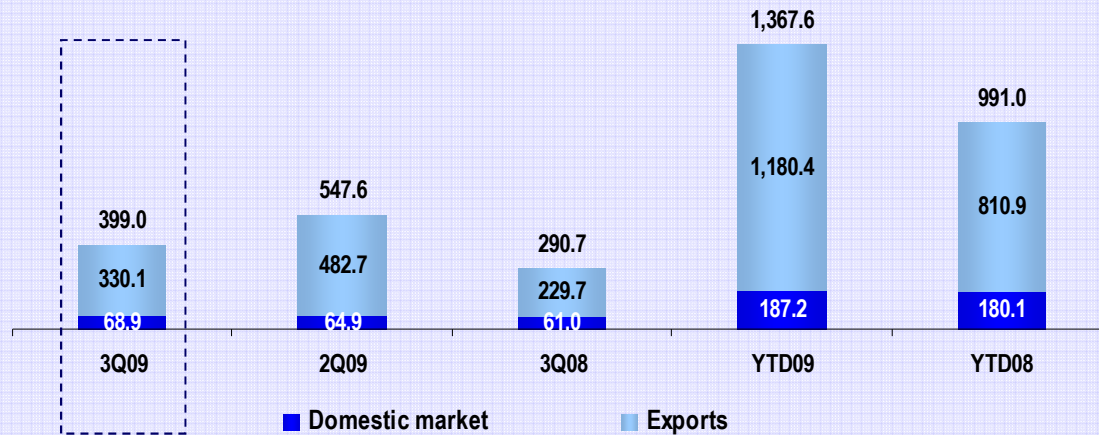
- **Average net prices: +16.6% in US\$ (US\$ 466/ton vs. US\$ 400/ton in 2Q09). In R\$:**

- 5.0% higher than 2Q09
- 25.1% lower than 3Q08

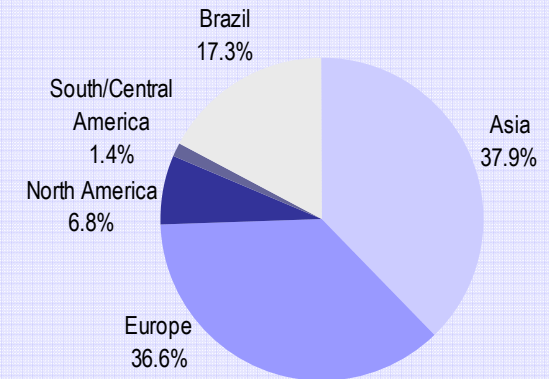
- **Net revenue of R\$ 347.4 MM: -23.5% vs. 2Q09 and +2.8% vs. 3Q08**

- **Cash cost<sup>3</sup> of R\$ 373/ton (+2.7% vs. 2Q09 and -17.8% vs. 3Q08)**

### Pulp sales (ktons)

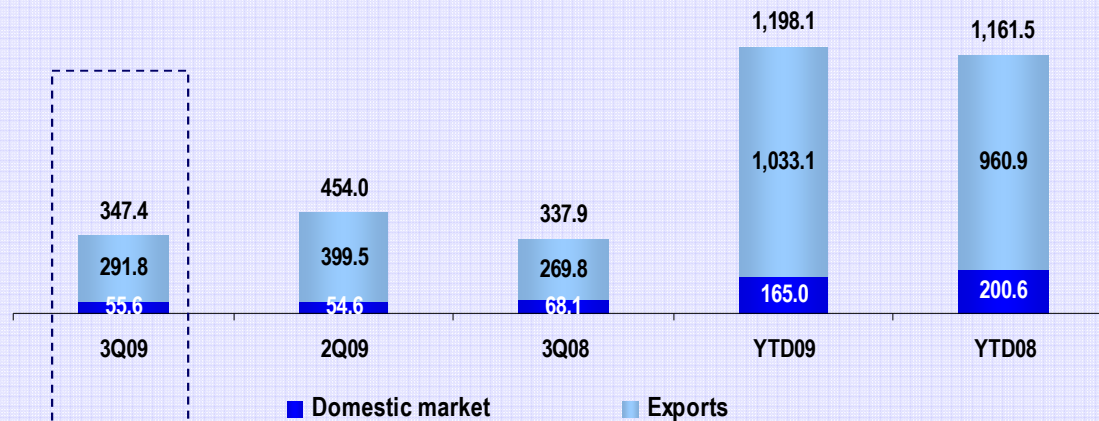


### Pulp sales destinations 3Q09

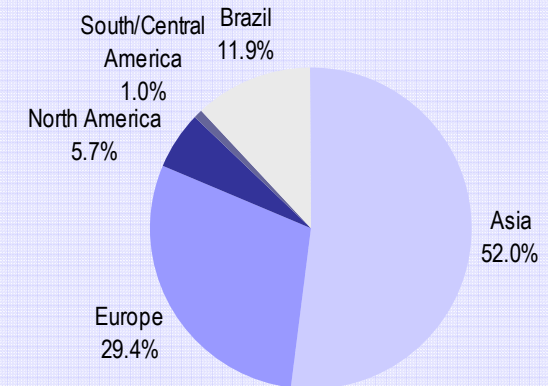


Total 399 ktons

### Pulp sales (R\$ million)



### Pulp sales destinations 2Q09



Total 548 ktons

- Seasonal demand and government purchases for PNLD<sup>1</sup> boost domestic paper market in 3Q09<sup>2</sup>:

	<u>3Q09 vs. 2Q09</u>	<u>3Q09 vs. 3Q08</u>	<u>9M09 vs. 9M08</u>
P&W <sup>3</sup> :	+20.0%	+1.5%	-3.7%
Paperboard:	+19.5%	+0.2%	-9.2%

- Stronger Real contributes to higher P&W imports (22.6% vs. 16.5% in 2Q09)
- Lower Brazilian exports: 35.8% of total shipments vs. 40.2% in 2Q09

3Q09

- Higher paper imports - negative impact on Suzano's sales volumes in the domestic market:

	<u>3Q09 vs. 2Q09</u>	<u>3Q09 vs. 3Q08</u>	<u>9M09 vs. 9M08</u>
P&W:	+4.4%	-14.4%	-11.4%
Paperboard:	+12.2%	-16.0%	-19.0%
Average price (R\$):	-3.5%	-1.0%	+3.4%

- Domestic sales back to historical levels: 58.9% of total sales
- Exports average net prices:

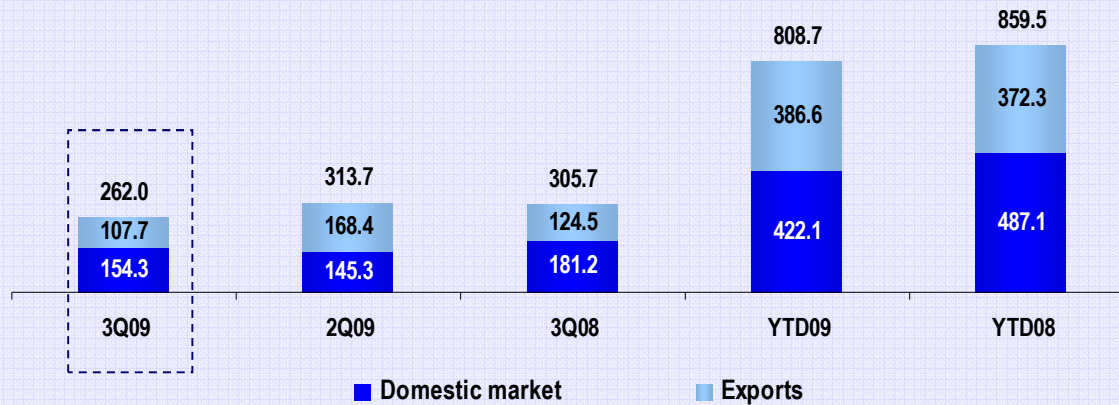
	<u>3Q09 vs. 2Q09</u>	<u>3Q09 vs. 3Q08</u>	<u>9M09 vs. 9M08</u>
US Dollars:	+6.8%	-15.9%	-15.5%
Brazilian Reais	-3.8%	-5.9%	+4.4%

<sup>1</sup> National program of textbooks

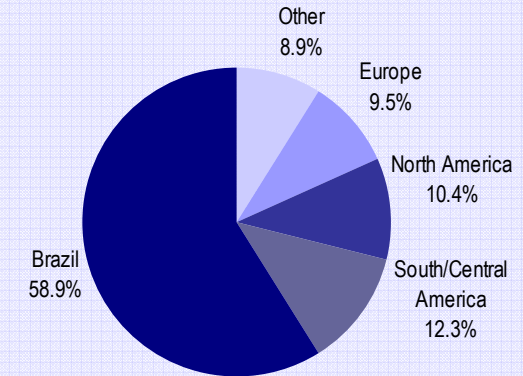
<sup>2</sup> Bracelpa, includes printing & writing and paperboard segments

<sup>3</sup> P&W – Printing and Writing

### Paper sales (ktons)

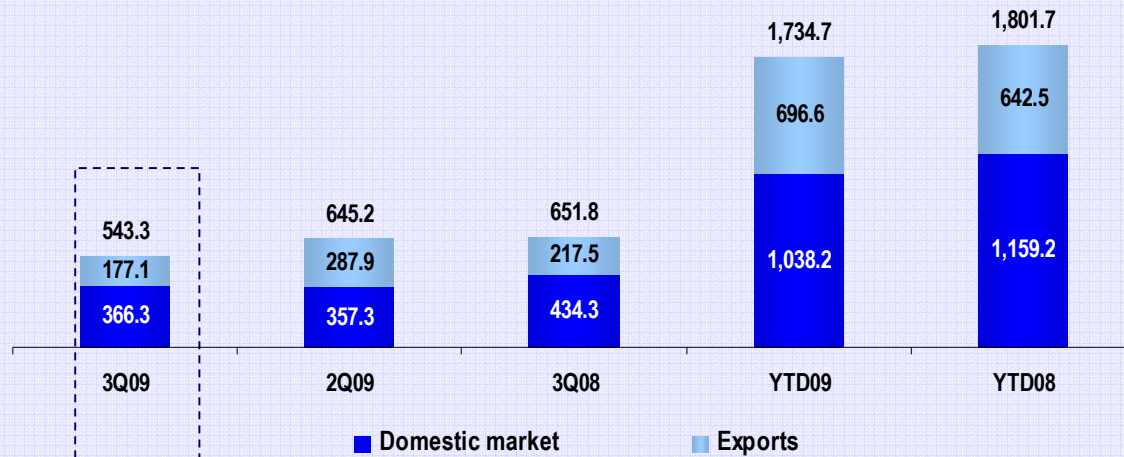


### Paper sales destinations 3Q09

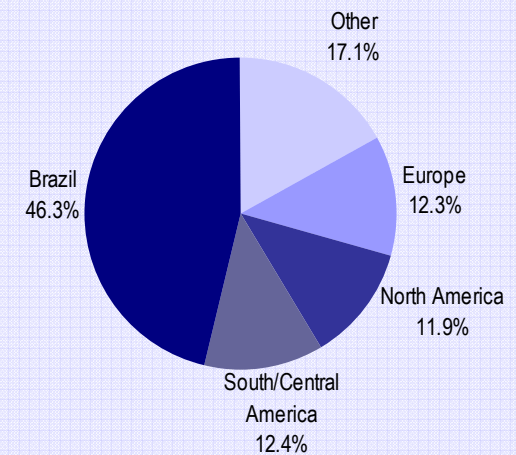


Total 262 ktons

### Paper sales (R\$ million)



### Paper sales destinations 2Q09



Total 314 ktons

Results	3Q09	2Q09	3Q08	% 3Q09/2Q09	% 3Q09/3Q08
Sales volume (000 tons)	661	861	596	-23.3%	10.8%
Paper volume domestic market (000 tons)	154	145	181	6.2%	-14.8%
Pulp volume exports (000 tons)	330	483	230	-31.6%	43.7%
Net revenue - R\$ million	891	1,099	990	-19.0%	-10.0%
Net income - R\$ million	213	439	(282)	-51.6%	n.a.
EBITDA - R\$ million	218	232	374	-6.3%	-41.8%
EBITDA - US\$ million	117	112	224	4.0%	-48.0%
EBITDA margin	24.4%	21.1%	37.8%	3.3 p.p.	-13.4 p.p.
Exchange Rate (R\$/US\$)	1.87	2.07	1.67	-10.0%	11.9%
Net debt	4,019	4,495	4,775	-10.6%	-15.8%
Net debt / EBITDA (LTM)	3.5	3.5	3.7	n.a.	n.a.

n.a. – non applicable

LTM = last twelve months

Results	9M09	9M08	% YTD09/YTD08
Sales volume (000 tons)	2,176	1,850	17.6%
Paper volume domestic market (000 tons)	422	487	-13.4%
Pulp volume exports (000 tons)	1,180	811	45.6%
Net revenue - R\$ million	2,933	2,963	-1.0%
Net income - R\$ million	742	43	1615.8%
EBITDA - R\$ million	766	1,087	-29.6%
EBITDA - US\$ million	367	644	-43.0%
EBITDA margin	26.1%	36.7%	-10.6 p.p.
Exchange Rate (R\$/US\$)	2.09	1.69	23.6%
Net debt	4,019	4,775	-15.8%
Net debt / EBITDA (LTM)	3.5	3.7	n.a.

n.a. – non applicable

LTM = last twelve months



- **Signs of demand recovery in pulp and paper markets:**
  - Paper: higher demand in Brazilian P&W and paperboard markets
  - Pulp: reduction in global producers inventories and new price increases
  
- **Focus on operational performance:**
  - Average price increase (in Brazilian Reais) vs. 2Q09
    - Paper (domestic + exports): +0.8%
    - Pulp: +5.0%
  - Costs and expenses control: pulp production cash cost of R\$373/ton (3Q09) and 24% SG&A reduction (9M09 vs. 9M08)
  
- **Solid financial position:**
  - Adequate debt profile and competitive debt cost
  - Strong cash position of R\$ 2.4 billion and net debt reduction of R\$ 476 million
  
- **Solid growth strategy: evolution in Maranhão and Piauí greenfield projects.**



# Investor Relations

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