

New organizational structure at Suzano Papel e Celulose

São Paulo, Brazil – December 10, 2007, Suzano Papel e Celulose **(Bovespa: SUZB5),** one of Latin America's largest integrated producers of pulp and paper, has completed a cycle of investment in growth, including: (i) acquisitions – 50% of Ripasa and 100% of the Embu paperboard plant; (ii) completion of the N° 2 pulp Mill at Mucuri; and (iii) various optimization projects. In 2008 Suzano will produce and sell more than twice the volume of paper and pulp it sold in 2004.

Suzano's recent positive results have been achieved with its subdivision into Business Units, put in place in January 2006 – a form of organization that emphasizes the focus on client service and relationship, and clearly defines accountability for results.

Aiming further to enhance the success of the Business Units structure, Suzano now adds a new, further degree of re-organization, to prepare for the new cycle of growth:

Two new **Chief Officer's Departments** will be created:

<u>Operations</u>, headed by the <u>Operations Director</u>. This brings together the present responsibilities of the <u>Industrial Director</u>, the <u>Supplies and Logistics Director</u>, and the management units responsible for <u>Research and Development</u>, <u>Information Technology</u> and <u>Competitiveness</u>. Mr. **Ernesto Pousada**, currently Director of the Mucuri Project – completed last month –takes over the responsibility for this new unit.

<u>Planning and Corporate Management</u>, headed by the <u>Corporate Management</u> <u>Director</u>, with responsibility for Corporate Strategic Planning, Special Projects, New Business, Mergers and Acquisitions and Institutional Relations. The appointment to head this unit will be announced later.

The Executive Officers who head the Company's three Business Units – Forestry; Pulp; and Paper – and two of the Service Providing Areas – Finance and Investor Relations, and Human Resources – will now be referred to as Executive Directors.

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Organizational changes

Three other Director's Departments (not specified in the Bylaws) are being created:

<u>The Legal Department</u>, which as well as the present responsibilities of the Legal Division will also be responsible for tax law activities. It will report to the Executive Director for Finance and Investor Relations, and will be headed by Mr. Luiz César Pizzotti, currently manager of the legal division.

<u>The Industrial Department</u>, and the <u>Suppliers and Logistics Department</u>, both reporting to the Operations Director. Appointments to head these departments will be announced soon.

Mr. José Marcos Vettorato and Mr. João Mário Lourenço Filho, the Chief Officers who until today have been responsible for the *Industrial*, and *Purchases*, *Logistics*, *Information Technology and Competitiveness* Service Providing Units (respectively) will be assisting in transitions for these activities in the coming months, while also leading certain special projects in which they are already involved.

Suzano Papel e Celulose CEO Antonio Maciel says: "We expect this reorganization to bring us extraordinary benefits in the operational area, through an increase of synergy between the Industrial area and Purchases and Logistics, resulting in improvement of quality, higher speed in the development and launch of new products, and reduction of costs. And we also expect this to make a decisive contribution to even greater success for the Business Units. The reorganization will also provide channels for our program for development of the company's future leaders".

Suzano Pulp and Papel, with annual revenue of US\$ 1.5 billion, is one of Latin America's largest vertically integrated producers of paper and eucalyptus pulp, with production capacity for 700,000 tons of market pulp and 1.1 million tons of paper/year. It supplies a wide range of paper and pulp products to the Brazilian and international markets, with leadership positions in key segments of the Brazilian market and four product lines: (i) eucalyptus pulp; (ii) uncoated printing and writing papers; (iii) coated printing and writing papers; and (iv) paperboard.