

Suzano Paper and Pulp announces consolidated results for the 3rd quarter of 2008

Suzano reports record EBITDA, despite the unstable business environment.

São Paulo, October 22, 2008. Suzano Paper and Pulp – (Bovespa: SUZB5), one of Latin America's largest pulp and paper producers, announced today consolidated results for the 3rd quarter of 2008 (3Q08). The Company's operating and financial information shown is based on consolidated figures in Reais, pursuant to Corporate Legislation. The comparisons comprised in this release refer to variations between the 2Q08 and the 3Q07, except where otherwise specified.

Main Highlights of the Quarter

- **Record market pulp and paper production of 694.7 thousand tons;**
- **Record paper sales of 305.7 thousand tons.**
- Pulp prices under pressure in September: US\$ 820 / t (CIF Europe), US\$ 780 / t in Asia and US\$ 845 / t in North America;
- Pulp cash cost of R\$ 453 / ton, excluding the Mucuri maintenance shutdown cost;
- **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;**
- Hardwood pulp inventories levels reach 45 days of supply in August, compared to 40 days in June 2008;
- **New growth cycle announced for the 2008 / 2015 period (please refer to Material Fact published on 07/23/08);**
- Americana industrial unit starts to operate under the consortium model: Consórcio Paulista de Celulose e Papel (Conpacel) on 09/01/2008;
- André Dorf takes office as Strategy and Corporate Development Director on 07/21, and also IR Director as of 09/01; Carlos Aníbal Almeida takes office as Paper Business Unit Director on 07/21, and Carlos Griner as Human Resources Director on 09/23.

Conference Call and Webcast on these Results:

In Portuguese:

October 23– 10 a.m. (Brasília)
Access: +55 11 2188 0188
Password: SUZANO

In English:

October 23 – 12 a.m. (Brasília)
Access: + 1 412 858 4600
Password: SUZANO

www.suzano.com.br/ri

The results in this release include Suzano's 50% equity holding in Ripasa, up to August 30, 2008, except where indicated.

The financial data regarding the 100% shareholding in Embu is taken into account as from March 2007, due the disposal of this unit.

The financial data for the Limeira and Cubatão plants was in the longer consolidated as of November 2007.

R\$ 000	2Q08	3Q08	3Q07	3Q08 x 2Q08	3Q08 x 3Q07	9M08	9M07	9M08 x 9M07
Net revenue	1.003.885	989.675	815.907	-1,4%	21,3%	2.963.238	2.446.177	21,1%
Export market	562.317	487.232	343.280	-13,4%	41,9%	1.603.495	1.109.664	44,5%
Domestic market	441.569	502.445	472.628	13,8%	6,3%	1.359.746	1.336.514	1,7%
EBITDA	353.751	365.333	266.605	3,3%	37,0%	1.060.244	820.542	29,2%
EBITDA margin(%)	35,2%	36,9%	32,7%	1,7 p.p.	4,2 p.p.	35,8%	33,5%	2,2 p.p.
Financial results	32.684	(653.516)	84.061	n.a.	n.a.	(645.092)	(16.924)	3711,7%
Net income (loss)	185.561	(293.074)	168.347	n.a.	n.a.	21.121	446.573	-95,3%
Earnings (loss) per share, in Reais	0,6051	(0,9556)	0,5376	n.a.	n.a.	0,0689	1,4262	-95,2%
Market Pulp sales (tsd tons)	352	291	156	-17,5%	86,2%	991	506	96,0%
Paper sales (tsd tons)	283	306	288	8,0%	6,2%	859	836	2,8%
Market Pulp production (tsd tons)	400	406	166	1,3%	143,7%	1.158	507	128,1%
Paper production (tsd tons)	280	289	271	3,1%	6,8%	852	817	4,4%
Net debt	4.106.116	4.688.624	4.218.404	14,2%	11,1%	4.688.624	4.218.404	11,1%
Net debt / EBITDA	3,19	3,38	3,90	6,1%	-13,3%	3,38	3,90	-13,3%

Notes: The translation into dollars is based on the average exchange rate for the period in figures from the income statement and on the end-of-the-period rate in figures from the balance sheet. Ebitda (adjusted) = Operating income, less net financial revenue/expenses, equity income, depreciation, depletion and amortization (including amortization of goodwill).

n.a – Not Applicable.

Summary of the Period – 3rd Quarter 2008 (3Q08)

Softening in pulp demand in Asia throughout the quarter

In spite of the increasing market pulp demand recorded in the first 8 months of 2008, compared to the same period of the previous year, signs of lower demand in certain Asian markets were noticed throughout the 3Q08.

According to PPPC (Pulp and Paper Products Council), 2008 global demand for market pulp reached 27.4 million tons until August, 2.7% higher than the same period of 2007. However, demand in July/08 and August/08 presented 0.8% and 8.2% decrease, respectively, when compared to the same months of the previous year. This demand contraction can be explained by the effects of the world economy slowdown and, as to market pulp, it was noticed mainly in the Chinese market.

The world pulp inventories reached 40 days of production (45 for hardwood and 35 for softwood), 1 day above the level recorded in July/08.

Despite the weaker than expected market conditions in the global pulp industry, shipments of eucalyptus pulp remained strong during the year. According to the PPPC, demand for BEKP in the first 8 months of the year was 8 million tons, 16% higher than in the same period of 2007. The main destinations were Europe (48%), China (14.5%), North America (12%) and Latin America (10%) in 2008.

After a period of price increases in the 1S08, market pulp prices remained stable until August/08. In September, however, a US\$10 to US\$30 / ton price decrease was registered. As for hardwood, a US\$ 30 / ton reduction was announced for Asia, US\$ 20 / ton for Europe and US\$ 10 / ton for North America. In that same period, there was a US\$ 20 / ton price reduction for softwood in North America, taking the list price for the area to US\$ 870 / ton.

(US\$/ton), end of the period

Bleached eucalyptus list prices	3Q07	4Q07	1Q08	2Q08	3Q08
North America	755	805	825	855	845
Europe	720	780	800	840	820
Asia	670	720	750	810	780

Domestic paper consumption still strong in 3Q08

In the 3Q08, domestic demand for paper and paperboard remained strong, mainly due to seasonal factors, such as the government National Educational Book Program (PNLD), elections and the start of notebooks production for the 2009 back-to-school period. According to Bracelpa, the volume of printing and writing paper sold in Brazil during the period exceeded the volumes in the 2Q08 and 3Q07 by 14% and 7%, respectively. Regarding paperboard, the volume sold increased 7.7% when compared to the 2Q08, and was 5.5% lower than in the 3Q07.

Brazilian exports of printing and writing paper and paperboard remained at the same levels of the previous quarter, representing 35% and 26% of the 3Q08 production, respectively.

Printing and writing paper imports represented 17.7% of the total volume sold in the domestic market in the 3Q08, compared to 15.7% in the 3Q07. The participation of paperboard imports in the total domestic market decreased from 15.2% to 7.5% in 3Q07 and 3Q08, respectively.

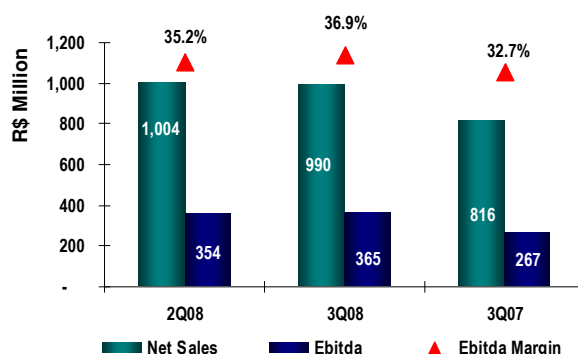
Paper sales achieved 305.7 thousand tons in 3Q08, a new record for Suzano, 8.0% more than in the 2Q08 and 6.2% higher the 3Q07, despite the divestiture from the Limeira and Cubatão plants, units that provided sales of approximately 15 thousand tons in the 3Q07.

Paper prices increased 2.7%, when compared to 2Q08, a result of the (i) price increases implemented in the domestic and international markets and (ii) sales mix improvement (higher sales in the domestic market). In this quarter, paper

sales to the domestic market represented 59.4% of total paper sales. In Europe, prices reached US\$ 1,009 / ton (uncoated – reel, CIF), which represented a US\$ 176 / ton spread over the pulp price, US\$ 31 / ton below the average spread of the past 10 years.

Despite the demand slowdown in certain markets, the Company presented a record adjusted EBITDA in the quarter, together with an increase in the EBITDA margin.

Good operating results despite the effects of the global crisis in the 3Q08



Pulp and paper sales reached 596.5 thousand tons in the 3Q08, 6.1% lower than in the 2Q08 and 34.4 % higher than in the 3Q07. Market pulp represented 290.7 thousand tons of the total volume, whereas paper accounted for 305.7 thousand tons.

In the 3Q08, the Company recorded net revenues of R\$ 989.7 million, a figure slightly lower than in the 2Q08 and 21.3% higher than that of the same period of the previous year. Cash generation, measured by Adjusted EBITDA, reached R\$ 365.3 million, with a margin of 36.9% of the net revenues, 1.7p.p. higher than in the 2Q08 and 4.2p.p. higher than in the 3Q07.

The average unitary cost of good sold was R\$ 1,072 / ton, 5.4% higher than in the 2Q08 and 12.3% lower than in the same period of the previous year.

The strong devaluation of the Real in September affected the Company's operating results and some of balance sheet accounts. The most material impact of the currency exchange rate variation in the quarter occurred in the total amount of the Dollar denominated debt. Although without cash effective disbursement (accounting effect), it affected the Company's net income and leverage ratio in the quarter. The Company recorded accounting losses of R\$ 293.1 million in the quarter.

If the current currency exchange rate situation remains as it is, the Company will have positive effects in its operating income in the next months, since approximately 50% of its revenues is denominated in US dollars.

Performance Analysis – 3rd Quarter 2008 (3Q08)

Business Environment

The 3Q08 was marked by the severe and rapid reversal in the macroeconomic scenario. The recent losses reported by the financial institutions in the United States and Europe resulted in a serious confidence crisis and higher aversion to risks, draining liquidity out of the markets, leading to a wave of consolidations and takeovers of banks, insurance and real estate credit companies. The lack of credit availability in the market should lead to a slowdown of economic activity worldwide in the near future.

The prices of several commodities, after reaching historical records in the first half of 2008, showed a downturn throughout 3Q08, oil prices in particular. The Brent oil price, which reached US\$ 145.66 on 07/03/08, slumped 30% in the quarter and closed at US\$ 97.44 in September. Inflation pressures that had started to appear in major economies cooled down, interrupting the recently started interest rate increase cycle by the European Central Bank and creating conditions for interest rate reductions, coordinated by the main Central Banks in the beginning of October.

Effects of the higher risk aversion sentiment were noticed in Brazil and the currency exchange rate appreciation trend was interrupted. The FX rate reached R\$ 1.91 / US\$ on September 30, 20.3% and 4.1% above the 2Q08 and 3Q07, respectively. The eventual global economic slowdown brings both challenges and opportunities for the Company: on one hand, Suzano can benefit from the depreciation of the Real and raw materials price decreases. On the other hand, the Company may face pressures on prices and sales volumes.

Fx rate, R\$ / US\$	2Q08	3Q08	3Q07	9M07	9M08
Start of period	1.75	1.59	1.93	2.14	1.77
End of period	1.59	1.91	1.84	1.84	1.91
Average	1.66	1.67	1.92	2.00	1.69
Variation	-9.0%	20.3%	-4.5%	-14.0%	8.1%
Average Fx variation	-4.8%	0.8%	-3.3%	-8.2%	-15.7%

Note: Calculation of variations using exchange rate to four decimal places
Source: Bacen

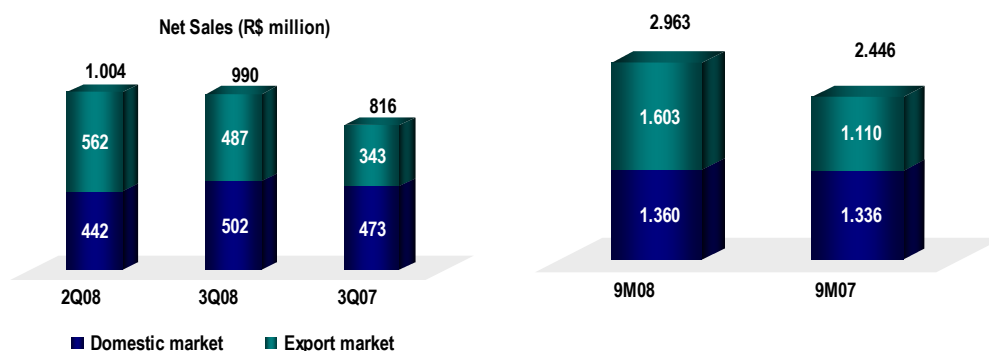
Income Statement

(R\$ '000)

	2Q07	3Q08	3Q07	9M07	9M08
Net sales	1.003.885	989.675	815.907	2.446.177	2.963.238
Cost of goods sold	(646.296)	(639.626)	(542.905)	(1.603.503)	(1.948.546)
Gross profit	357.589	350.049	273.002	842.674	1.014.692
Selling expenses	(49.217)	(47.800)	(48.954)	(143.299)	(139.576)
General and administrative expenses	(62.916)	(75.809)	(45.523)	(156.321)	(198.283)
Financial expenses	(237.027)	(287.852)	(89.208)	(256.038)	(638.080)
Financial revenue	117.161	85.365	71.177	170.589	284.687
Equity pickup in subsidiaries and affiliates	(13)	(33)	(211)	(294)	(323)
Amortization of goodwill	(19.761)	(19.761)	(21.298)	(63.290)	(59.283)
Other operating income, net	(1.375)	26.330	2.075	16.775	48.763
Operating profit before monetary variation	104.441	30.489	141.060	410.796	312.597
Net monetary and exchange rate variation	152.550	(451.029)	102.092	286.849	(291.699)
Operating profit (loss)	256.991	(420.540)	243.152	697.645	20.898
Non operating income (expenses), net	21.866	4.661	(2.134)	(1.255)	24.799
Income and Social Contribution taxes	(93.296)	122.805	(72.671)	(249.817)	(24.576)
Net income (loss) for the period	185.561	(293.074)	168.347	446.573	21.121

Net Revenue

Lower volumes lead to a slight decrease in net revenues compared to the 2Q08



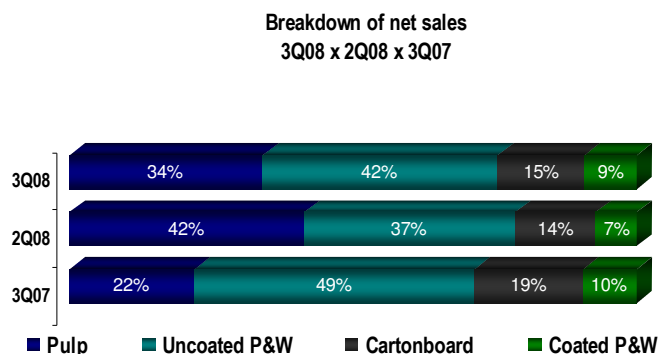
Net revenue recorded in the 3Q08 reached R\$ 989.7 million, 1.4 % lower than in the 2Q08 and 21.3% higher than in the 3Q07. In the first nine months of 2008 net revenue totaled R\$2,963.2 million, 21.1% higher than in the first nine months of 2007.

Pulp volumes sold in the 3Q08 reached 290.7 thousand tons, a 17.5% reduction when compared to the 2Q08 and an 86.2% increase when compared to the same period of the previous year. The decrease in pulp volumes in the quarter was a result of a lower demand in Asia, mainly in China. When compared to the 3Q07, pulp volumes increased due to the output of the new Mucuri production line (Line 2). In the first nine months of 2008, pulp sales volumes reached 991,0 thousand tons, 96,0% higher than the same period of the previous year.

The average pulp price reached R\$ 1,162 / ton, 1.6% lower than in the 2Q08 and 0.6% higher than in the 3Q07.

Paper volumes sold in the 3Q08 reached 305.7 thousand tons, 8.0% higher when compared to those of the 2Q08 and 6.2% higher when compared to the same period of the previous year. This additional volume was sold mainly in the domestic market, where the Company achieves better margins. In the first nine months of 2008, the volume of paper sales was 859.5 thousand tons, a 2.8% increase when compared to those of the same period of the previous year.

The average paper price was R\$ 2.132 / ton, 2.7% higher than that of the 2Q08 and 3.5% lower than in the same period of the previous year.

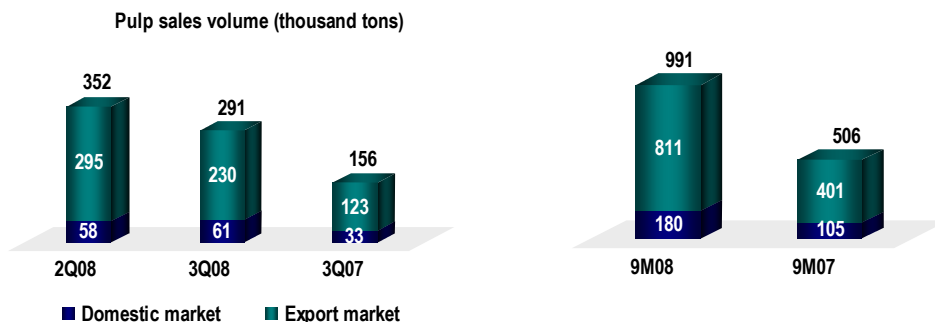


	2Q08		3Q08		3Q07	
	R\$ '000	'000 tons	R\$ '000	'000 tons	R\$ '000	'000 tons
Pulp	64,330	57.6	68,146	61.0	35,736	33.1
Coated P&W Paper	62,565	27.7	83,192	36.5	64,651	25.9
Paperboard	106,165	41.9	116,774	44.7	125,755	51.6
Uncoated P&W Paper	208,509	90.3	234,333	100.0	246,466	102.8
Domestic market	441,569	217.4	502,444	242.2	472,608	213.4
Pulp	351,928	294.8	269,767	229.7	144,547	123.0
Coated P&W Paper	10,335	5.3	8,208	3.7	12,579	6.2
Paperboard	36,198	23.3	33,865	20.5	30,668	19.1
Uncoated P&W Paper	163,856	94.5	175,390	100.3	155,486	82.1
Export market	562,317	417.9	487,230	354.2	343,280	230.5
Pulp	416,258	352.3	337,913	290.7	180,283	156.1
Coated P&W Paper	72,900	33.0	91,400	40.2	77,230	32.2
Paperboard	142,363	65.2	150,639	65.2	156,423	70.7
Uncoated P&W Paper	372,365	184.8	409,723	200.4	401,952	184.9
Total	1,003,887	635.4	989,674	596.5	815,888	443.9

Note: In the 3Q07 revenues of R\$ 20 thousand from other products (scrap and IT and office materials) were not considered in the table above. During that period, Ripasa recorded those sales on Gross Revenue, while Suzano recorded on Other Operating Expenses.

Pulp Business Unit

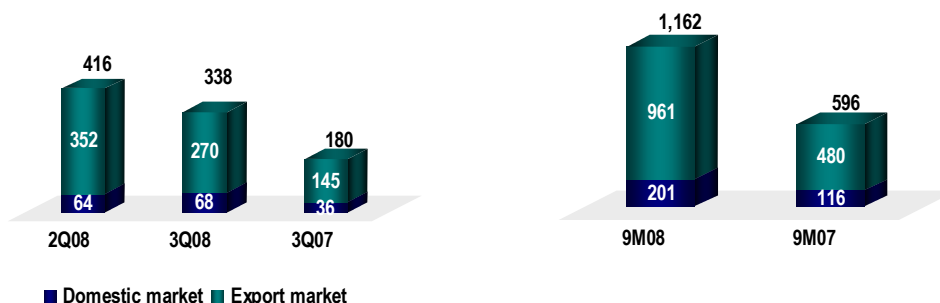
Lower demand in Asian markets affects sales volumes in the period



In the 3Q08, pulp sales achieved 290.7 thousand tons, a volume 17.5% lower than in the 2Q08 and 86.2% higher than that recorded in the same period of 2007. The decrease in the volume sold, when compared to the 2Q08, can be explained by the demand slowdown, mainly in the Chinese market, where market pulp buyers reduced their inventories and purchased according to short term needs.

As to the first nine months of 2008, the volume of pulp sold totaled 991.0 thousand tons, 96.0% higher than that of the same period of the previous year.

Pulp net sales (R\$ million)

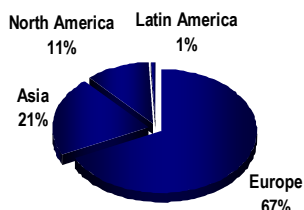


Pulp net revenue accounted for R\$ 337.9 million in the 3Q08, 18.8% lower than in the 2Q08, due to the lower volume sold in the period. When compared to the 3Q07, the Company recorded an increase of 87.4%. Pulp net revenue accounted for 34.1% of the Company's total revenue in the 3Q08.

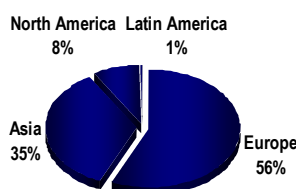
The average net price, in US Dollars, in the 3Q08 was US\$ 697 / ton, 2.4% lower than that of the 2Q08 and 15.7% higher than in the 3Q07. When analyzed in Reais, the net price for the 3Q08 was R\$ 1,162 / ton, 1.6% lower than in the 2Q08. That reduction was a result of the slight drop in list prices registered in September in all markets. If compared to the 3Q07, the average price for the quarter increased 0.6%. The price per ton in the domestic market, when compared to that of the 2Q08, remained stable.

The export markets were responsible for 79% of the volume traded in the 3Q08, and recorded an average net price of US\$ 704 / ton, 2.4 % lower than that of the 2Q08 (US\$ 721 / ton) and 14.9% higher than that of the 3Q07 (US\$ 613 /ton). The Company managed to revise its sales mix in order to reduce exposure to markets that showed less attractive prices. Thus, Europe's share in the overall sales increased in the 3Q08, maintaining its position as main destination (67%), followed by Asia (21%), North-America (11%) and Latin-America (1%).

Pulp Exports 3Q08
(participation in sales volume)



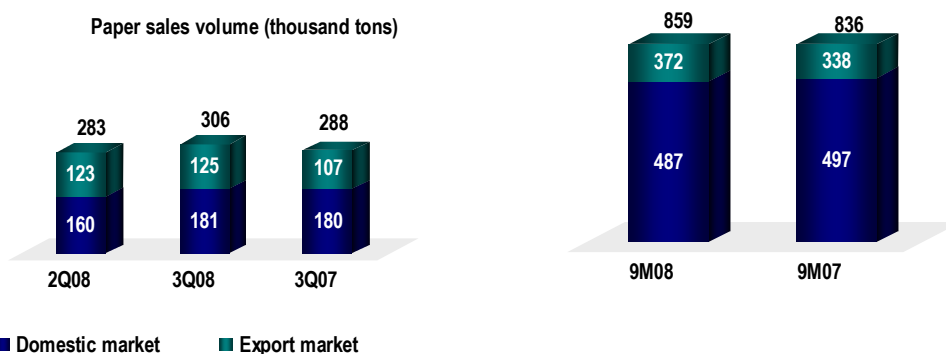
Pulp Exports 2Q08
(participation in sales volume)



Paper Business Unit

Higher volumes increase net revenue by 10.9% when compared to the 2Q08

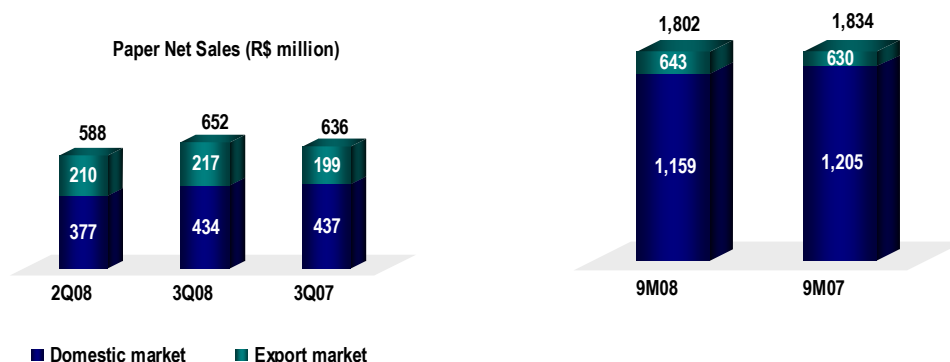
Paper sales volume (thousand tons)



Printing and writing papers sales reached 241 thousand tons in the 3Q08, representing 79% of the total paper volume, a 10.5% and 10.9% increase compared to the 2Q08 and 3Q07, respectively. Domestic sales of this product accounted for 56% of the volume, or 136 thousand tons.

As to the paperboard sales, it remained in line with the previous quarter, reaching 65 thousand tons. When compared to the 3Q07, it decreased 7.8%. Domestic sales represented 69% of the total paperboard sales in the quarter.

Paper net revenues reached R\$ 651.8 million in the 3Q08, 10.9% higher than in the 2Q08 and 2.5% above the 3T07. When compared to the 2Q08, the increase is related to higher volume traded during the period and to the higher price levels, both in the domestic and international markets.



Domestic Market

According to Bracelpa, the Brazilian uncoated paper market grew approximately 12% in the 3Q08, compared to the 2Q08, mainly due to seasonal factors, such as the government National Educational Book Program (PNLD), elections and the start of notebooks production for the 2009 back-to-school period. When compared to 3Q07, it remained stable.

Regarding the coated paper, the domestic consumption presented a significant growth of 18% when compared to the 2Q08 and 26% when compared to the 3Q07. The share of coated imports in the domestic consumption remained stable in the 3Q08 when compared to the 2Q08 and grew 2.0p.p. when compared to the 3Q07.

The demand for paperboard, which usually follows the performance of the packaging industry, grew 7.0% in the 3Q08 when compared to the 2Q08 and decreased 6.2% when compared to the same period of the previous year.

Suzano continues to be the leader in the domestic printing and writing paper market. The Company sold an additional 18.5 thousand tons of P&W papers in Brazil in this quarter, when compared to the previous quarter, an increase equivalent to 16%. The uncoated paper sales volume followed the market growth, with an increased of 10.8%. Suzano gained share in the domestic coated paper market, increasing its sales by 31.6% and 40.7% when compared to the 2Q08 and 3Q07, respectively.

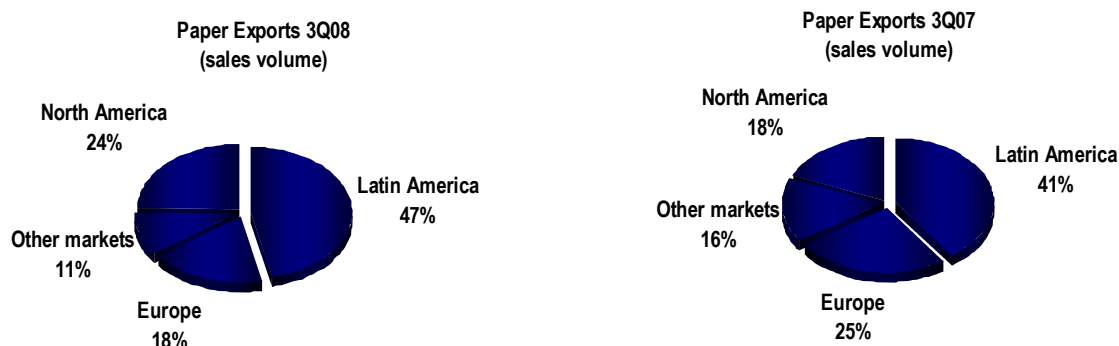
The average price for the uncoated paper was 1.7% higher than that of the previous quarter. As to the coated paper price, which has historically shown higher correlation with the currency exchange rate variation, it was 1.1% higher when compared to the 2Q08 and 8.5% lower when compared to the 3Q07.

As to paperboard, our sales reached 44.7 thousand tons, 6.8% higher than those for the 2Q08 and 13.3% lower than those for the 3Q07. Paperboard prices increased 3.0% and 7.1% when compared to the 2Q08 and 3Q07, respectively.

Export Market

In the 3Q08, paper exports reached 124.5 thousand tons, same levels of those in the 2Q08 and 15.9% higher when compared to the 3Q07. Sales to Latin America were equivalent to 47% of the total volumes exported in the quarter. Coupled with the volumes sold in Brazil, the region absorbed 79% of the total paper sales in the 3Q08. Volumes destined to mature markets (Europe and North America) accounted for 42% of the exports in the 3Q08.

In addition to higher volumes, exports prices, in US Dollars, increased when compared to the previous year. The average price increased by US\$ 82 / ton, or 8.6%, compared to 3Q07. When compared to the 2Q08, the increase in the average price was US\$ 15 / ton, or 1.4%. Price increases were implemented for all products. In Reais, there was a 2.2% average increase when compared to the 2Q08 and a 5.6% price decrease when compared to the 3Q07, due to the appreciation of the Brazilian currency over that period.



Production and Costs

Consolidated production (in thousand tons)

	2Q08	3Q08	3Q07	9M07	9M08
Production	680,7	694,7	437,2	1.324,2	2.009,8
Market pulp	400,3	405,5	166,4	507,5	1.157,5
Coated P&W paper	27,9	29,8	28,7	104,7	87,1
Paperboard	65,2	66,5	63,2	175,6	197,1
Uncoated P&W paper	187,3	192,9	178,9	536,4	568,0

Note: Excludes production from Limeira (24,2 tsd tons of paperboard) and Cubatão (24,7 tsd tons of uncoated) in 2007.

Total production of marketable products reached the record volume of 694.7 thousand tons in the 3Q08. Market pulp accounted for 405.5 thousand tons and paper for 289.2 thousand tons. In the first nine months of 2008, the production of paper and market pulp exceeded 2 million tons, 51.8% more than in the same period of the previous year.

The cash cost of the pulp production in Mucuri reached R\$ 453 / ton in the 3Q08. This figure does not take into account the cost of forests and the costs for the scheduled maintenance shutdown. When compared to 2Q08, it increased 6.8%, mainly due to (i) some price increases in certain raw materials, such as lumber, caustic soda and oil and (ii) the higher consumption of certain raw materials in the quarter. When compared to the 3Q07, the cash cost decreased 17.8%, due to the gains of scale captured after the Line 2 start up and the lower consumption of some raw materials in Line 2. The costs related to the maintenance shutdown of Line 1 in the 3Q08, when compared to the total volume of Mucuri, represented R\$ 14/ ton, driving the cash cost to R\$ 467 / ton.

The average unitary cost of goods sold was R\$ 1,072 / ton in the 3Q08, compared to R\$ 1,017 / ton in the 2Q08, a 5.4 % increase, due to changes in the mix of (i) paper and pulp, with larger proportion of paper in the quarter (ii) coated and uncoated paper, with higher share of coated paper in the quarter. On top of that, some raw material prices increased during the 3Q08. When compared to the 3Q07, the average unitary cost presented a 12.3% reduction.

Operating Expenses/ Revenues

Expenses with sales amounted to R\$ 47.8 million in the 3Q08, 2.9% less than in the 2Q08 and 2.4% less than in the 3Q07, mainly due to the decrease in expenses with controlled companies and third party services.

Administrative expenses amounted to R\$ 75.8 million in the 3Q08, 20.5% higher than that of the 2Q08. That increase was mainly due to non-recurring expenses of approximately R\$ 10 million. When compared to the 3Q07, administrative expenses increased R\$ 30.3 million. That difference can be explained by the fact that these expenses in the 3Q07 were below their usual amounts due to the favorable conclusion of tax-related law suits, in the amount of R\$18.4 million (non-recurring) that reduced these expenses in that quarter.

Other operating revenues / expenses presented a positive net result of R\$ 26.3 million in the 3Q08. That result was mainly due to revenues from energy sales of R\$ 9.5 million and the sale of other products that amounted R\$ 6.7 million in the 3Q08. The Company also recorded the reversal of a tax contingencies provision (non-recurring) in the amount of R\$ 10.1 million.

Ebitda

(R\$ '000)

	2Q08	3Q08	3Q07	9M07	9M08
EBIT	244.081	252.770	180.600	559.829	725.596
Depreciation / Depletion / Amortization	109.670	112.563	86.005	260.713	334.648
EBITDA	353.751	365.333	266.605	820.542	1.060.244
Gross Profit / Net Sales	35,6%	35,4%	33,5%	34,4%	34,2%
EBITDA / Net Sales	35,2%	36,9%	32,7%	33,5%	35,8%
Net Debt / EBITDA (LTM)	3,19	3,38	3,90	3,90	3,38

In the 3Q08, cash generation measured by Adjusted EBITDA reached the record amount of R\$ 365.3 million, a 3.3% increase when compared to the 2Q08 and 37.0 % compared to the same period of the previous year. In the first nine months of 2008 Adjusted EBITDA was higher than R\$ 1 billion, 29.2% more than in the first nine months of 2007. EBITDA margin for the quarter was 36.9%, a 1.7p.p. increase when compared to the 2Q08 and 4.2p.p. when compared to the 3Q07.

Adjusted EBITDA in dollars in the 3Q08 reached US\$ 219.1 million, 2.5 % higher than that of the 2Q08 and 57.4% higher than in the 3Q07. In the first nine months of 2008, Adjusted EBITDA in Dollars totaled US\$ 629.3 million, 53.3% higher than in the same period of the previous year.

EBITDA Comparative Performance

2Q08 x 3Q08	3Q08 x 3Q07
Positive effects: (i) Higher sales volume in the Domestic Market. (ii) Better paper prices in the Domestic and Export markets. (iii) Other operating revenues: tax provision reversal (non-recurring), energy sale and sale of other products. (iv) Reduction of the sales expenses.	Positive effects: (i) Higher paper and pulp volumes in the Domestic and Export markets (ii) Higher pulp prices in Reais and higher paper prices in Dollars in the Export markets. (iii) Reduction in the Mucuri cash cost. (iv) Other operating revenues: reversal of tax provision (non-recurring), energy sale and sales of other products.
Negative effects: (i) Higher administrative expenses. (ii) Increase in the Mucuri cash cost. (iii) Lower pulp sales volume and lower pulp prices in the Export market.	Negative effects: (i) Appreciation of the Real, on average, against the Dollar. (ii) Higher administrative expenses.

Financial Result

Financial expenses amounted to R\$ 287.9 million in 3Q08, compared to R\$ 237.0 million in 2Q08 and were affected by an accounting loss of R\$ 121.7 million in hedging operations through “plain vanilla” swaps. The fair value (marked to market) of such operations represents a loss of R\$ 78.3 million in 3Q08, lower than the R\$121.7 million loss accounted according to the accrual method. In the first nine months of the year, accumulated financial expenses amounted to R\$ 638.1 million, including the non-recurring R\$ 110.9 million expense on the repurchase of equity from former Ripasa controlling shareholders and the R\$ 52.1 million loss in hedging operations through swaps.

Suzano's funding and the currency hedging policy are guided by the fact that 53% of the Company's net revenue arises from exports with prices denominated in dollars, while the great majority of the production costs are denominated in Reais. That structural exposure allows the Company to contract export financing in dollars at costs that are more competitive than local credit lines and to match financing payments with the flow of proceeds from the exports, providing a natural hedge on a cash basis for those commitments. The excess revenue in dollars that is not linked to debt commitments or other obligations is sold in the currency exchange rate market.

As an additional protection, Suzano sells dollars in the futures markets to secure attractive levels of operating margins for a portion of its net revenues. These sales in the futures markets are limited to a minor portion of the excess dollar denominated flow over a period of one year and match with the amount in dollars available for sale in the spot market in the short term. **The Company operates with the most liquid financial instruments in the market and (i) does not utilize leveraged operations, or operations that bear other built-in options that may alter the protection (hedge) objective and (ii) does not have any double-indexed debt or debt with any other embedded options. Suzano maintains strict risk management controls and the value of all of our financial assets and liabilities is presented in our financial statements.**

In September 2008, Suzano increased its currency hedge operations in order to take advantage of a favorable currency exchange rate, thus securing higher operating margins for a portion of its sales in the short term. The Company utilized only conventional Non Deliverable Forwards (NDFs). At the end of the quarter, the notional value of such operations amounted to approximately US\$500 million. The maturities of such NDFs are distributed between Nov/08 and Oct/09, in a way to secure attractive operational margins for a minor portion of the net revenues of this period.

Cash effects related to the NDFs will only be due on each maturity date, when each contract will generate cash disbursement or proceeds for the Company, depending on the prevailing currency exchange rate. In 3Q08, the Company reported a R\$ 22.5 million positive cash effect coming from its currency exchange rate hedge operations. In addition, Suzano also entered into swap contracts to fix certain floating interest rates, as well as contracts related to future pulp prices, in order to reduce the effects of those variations on the Company's cash flow.

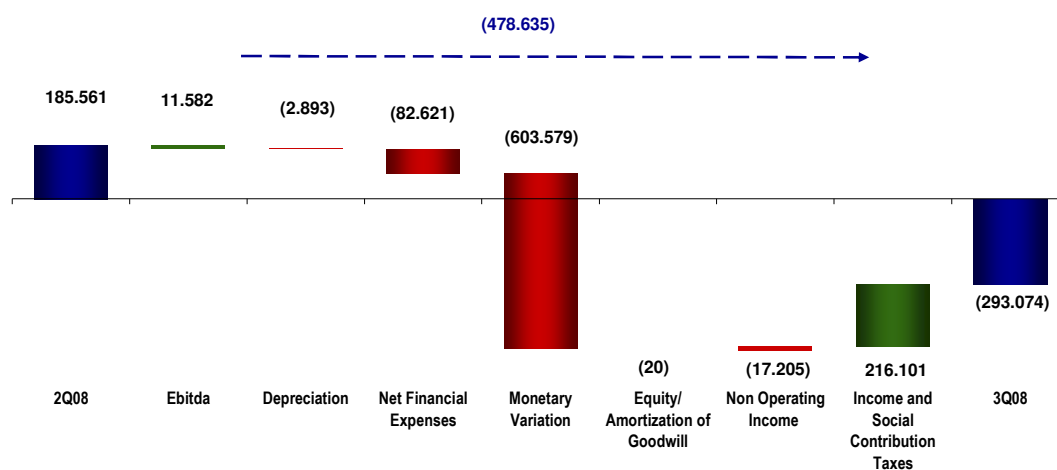
In 3Q08, financial revenues amounted to R\$ 85.4 million, 27.1% lower than that of 2Q08. The expenses with monetary and currency exchange rate variations reached R\$ 451.0 million and are mostly related to the currency exchange rate variation on the balance sheet between the opening and the closing of the quarter. Such accounting expense does not represent its respective cash disbursement.

Net Income/Loss

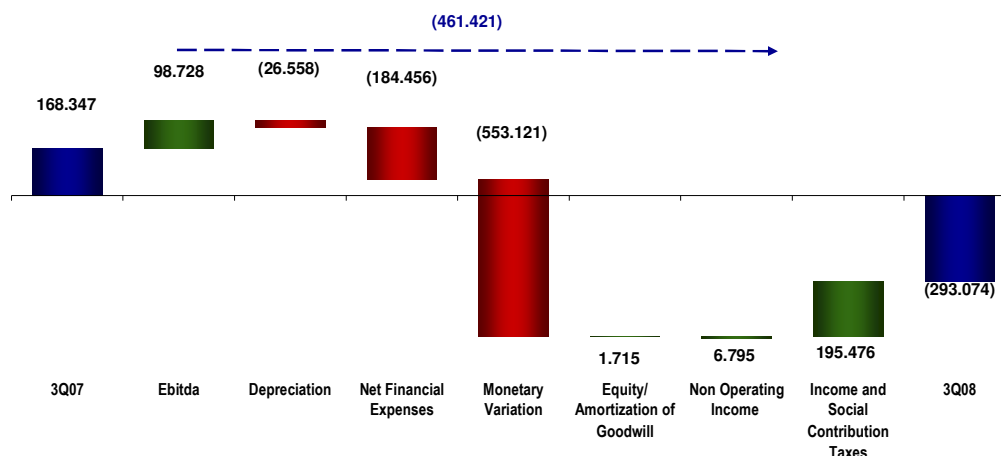
Suzano reported a net loss of R\$ 293.1 million in the 3Q08, mainly affected by currency exchange rate and monetary variation expenses in the amount of R\$ 451.0 million and R\$ 121.7 million of swap operations, due to the strong appreciation of the dollar in the 3Q08 (as explained in the item Financial Income (Loss) above).

In the first nine months of 2008, the accumulated net income was R\$ 21.1 million, 95.3% lower than that of the first nine months of 2007. Net income for this period was affected by the non-recurring expense on the repurchase of equity from former Ripasa controlling shareholders and also by the currency exchange rate variation in the period, due to the strong appreciation of the dollar in September 2008.

Comparison 3Q08 X 2Q08 and 3Q08 x 3Q07: Impacts on Net Income/Loss



2Q08 x 3Q08	3Q08 x 3Q07
Positive effects: (i) Financial expenses with the repurchase of equity from former Ripasa controlling shareholders in the 2Q08. Non-recurring in the 3Q08. (ii) Decrease in expense of IR and CSLL due to operating loss before IR and CSLL.	Positive effects: (i) Smaller amortization of goodwill since, after the disposal of the Limeira and Cubatão plants, there is no premium amortization regarding those Units. (ii) Increase in other non- operating expenses. (iii) Decrease in expense of IR and CSLL due to the operating loss before IR and CSLL.
Negative effects: (i) Higher financial expenses, with currency exchange rate and monetary variations, due to the strong appreciation of the dollar in the 3Q08. (ii) Lower non-operating expenses.	Negative effects: (i) Higher financial expenses with currency exchange rate and monetary variations, due to the strong appreciation of the dollar in the 3Q08.



Other Information

Investments

In the 3Q08, Suzano invested R\$ 176.9 million, being R\$ 122.0 million in forest investments and R\$ 54.9 million in industrial, logistics and other investments, including Conpacel. In the first nine months of 2008, R\$ 328.2 million were invested, of which R\$ 216.8 million in forest investments and R\$ 111.4 million in industrial, logistics and others, including Conpacel.

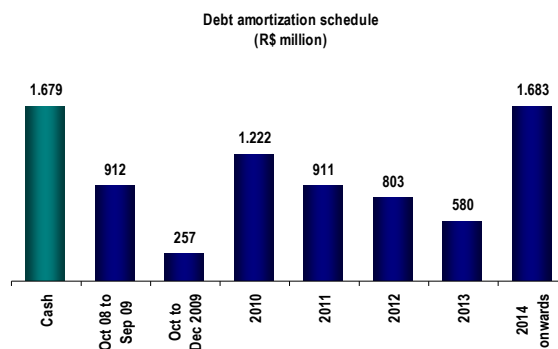
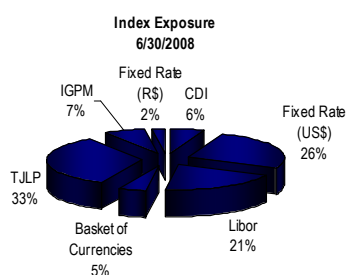
Debt

On September 30 2008, Suzano's gross debt was R\$ 6,368 million (including debentures, short and long-term debt), compared to R\$ 5,603 million (including debentures, short and long-term debt) on June 30 2008. That increase was mainly due to the non-cash impact of currency exchange rate variations on the dollar denominated debt, due to the strong 20.3% appreciation of the Dollar in the quarter.

On 09/30/2008 the foreign currency debt amounted to R\$ 2,918 million and the amount recorded in Reais was R\$ 3,337 million. The short-term maturities represent 12.6% of the total gross debt.

On September 30 2008, the consolidated net debt was R\$ 4,687 million, representing 3.38 times Suzano' cash generation (past twelve months adjusted EBITDA). That ratio was 3.19 on June 30 2008 and 3.74 on December 31 2007. The past twelve months adjusted EBITDA reached R\$ 1,386 million.

Debit Composition - R\$ Millions	6/30/2008	9/30/2008
Local Currency	3.311	3.337
Short-term	275	278
Long-term	3.036	3.059
Foreign Currency	2.207	2.918
Short-term	438	521
Long-term	1.769	2.397
Interests	84	112
Total Debit	5.603	6.368
(-) Cash and Cash Equivalents	(1.497)	(1.679)
Net Debit	4.106	4.689
Net Debit/EBITDA	3,19	3,38



Ripasa / Conpacel

On August 31 2008, Suzano and VCP performed a split of the jointly controlled Ripasa. Part of the equity was used on the incorporation of the company Asapir Produção Florestal e Comércio Ltda., with the net equity balance split in equal parts between the Company and VCP. The objective of this restructuring process was to transform Ripasa into a production unit, operating under the consortium model.

As of September 1 2008, the Americana industrial unit of Ripasa, started to operate under the condominium model between Suzano and VCP, by way of the consortium named Conpacel – Consórcio Paulista de Celulose e Papel, where each consortium party traded its production separately.

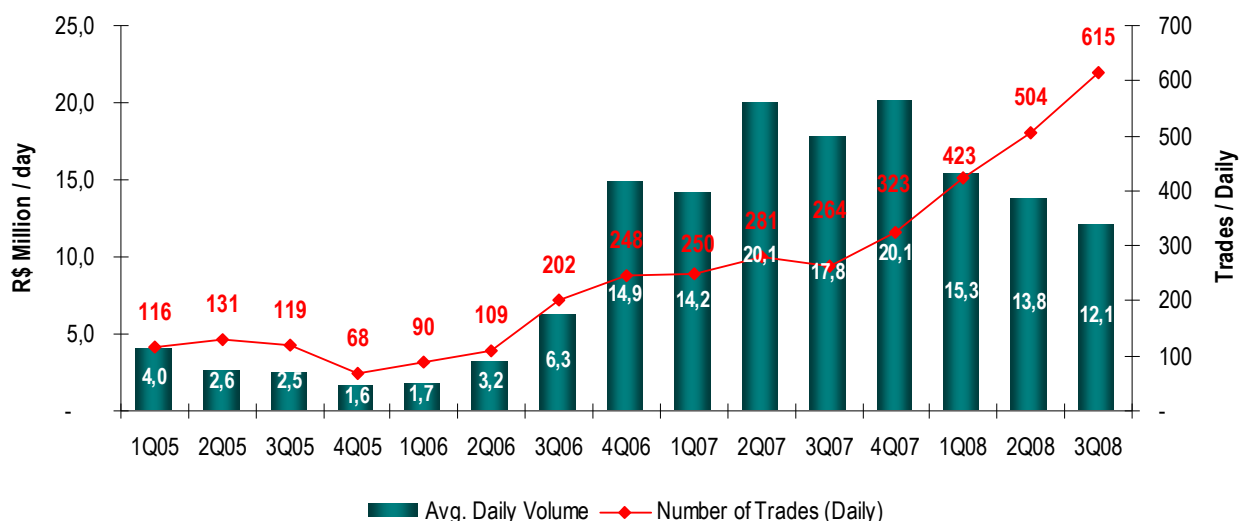
Changes to the draft and disclosure of accounting statements (Law 11.638/2007)

On December 28, 2007, government approved Law n. 11.638/07, main purpose of which is to update the Brazilian corporate legislation to enable the convergence of Brazilian accounting practices to international accounting principles. Also CVM issued Instruction n° 469/08 addressing the application of the Law, and Notice to the Market, on May 12, 2008, setting forth some procedures to be followed by companies also addressed to the application of the new Law, where companies are given the option to apply the provisions of same to the Quarterly Information (ITRs). The Company chose not to apply the changes introduced by Law 11.638/07 in its ITRs, although it described, measured and disclosed in its explanatory notes to same, as required by CVM, its best estimates of the possible effects from the full application of the Law on the consolidated shareholders' equity as of September 30 2008 and on the nine months consolidated net income as of September 30 2008. That estimate is subject to changes due to the issue of new accounting decisions on the matter, as well as additional interpretations by regulatory bodies.

Capital Markets

Our shares showed 37% devaluation in the 3Q08, compared to a 24% devaluation of Ibovespa and IBRX-50. The Company's shares had good liquidity throughout the quarter, closing the period with an average of 615 deals per day and a negotiated daily volume of R\$ 12 million.





Note

Non-financial data such as volumes, quantity, average prices, average quotations and Ebitda, in reais and in dollars, and financial data has not been examined by our independent accountants..

Corporate Information

Suzano Pulp and Paper, with annual revenue of US\$ 2.3 billion, is one of Latin America's largest vertically integrated producers of eucalyptus pulp and paper, with annual production capacity for 1.1 million tons of paper and pulp annual production capacity reaching 1.7 million tons of market pulp during 2008. It offers a broad range of pulp and paper products for the domestic and international markets, with leadership positions in key Brazilian markets. It has four product lines: (i) eucalyptus pulp; (ii) uncoated woodfree printing and writing paper; (iii) coated woodfree printing and writing paper; and iv) paperboard.

Forward-looking statements

This release may contain forward-looking statements. These are subject to known and unknown risks and uncertainties which may result in such expectations not being realized or being substantially different from eventual outcomes. These risks include: changes in future demand for the company's products, changes in factors affecting domestic and international prices of the products, changes in the costs structure, changes in the seasonal patterns of the markets, changes in prices charged by competitors, foreign exchange variations, changes in the political or economic situation of Brazil, and changes in emerging international markets.

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Appendices

Consolidated Balance Sheet (in thousands of Reais)

	Sep 30, 2008	Dec 31, 2007		Sep 30, 2008	Dec 31, 2006
Current Assets			Current Liabilities		
Cash and Cash Equivalent	1.649.513	1.313.058	Trade Accounts Payable	274.507	345.814
Gains on Transactions in Derivatives	18.101	22.524	Loans And Financing	881.389	700.777
Trade Accounts Receivable	742.891	731.982	Debentures	30.552	36.081
Other Accounts Receivable	53.193	48.837	Losses on Transactions in Derivatives	128.742	10.467
Inventories	899.516	695.461	Accrued Salaries and Payroll Taxes	73.745	59.181
Recoverable Taxes	343.613	263.570	Taxes Payable Other than on Income	39.757	51.948
Deferred Income And Social Contribution Taxes	154.555	44.743	Income and Social Contribution Taxes	2.499	2.096
Prepaid Expenses	6.951	3.292	Deferred Taxes and Contribution	19.457	26.685
	<u>3.868.333</u>	<u>3.123.467</u>	Dividends Payable	470	65.096
			Other Accounts Payable	56.774	55.073
			Related Parties	-	504
				<u>1.507.892</u>	<u>1.353.722</u>
Non Current Assets			Non Current Liabilities		
Marketable securities	29.408	27.059	Loans and Financing	4.675.917	4.191.008
Gains on Transactions in Derivatives	3.236	-	Debentures	779.687	709.439
Related Parties	14	563	Losses on Transactions in Derivatives	14.324	355
Recoverable Taxes	154.432	174.696	Accounts Payable	3.533	7.491
Deferred Income And Social Contribution Taxes	386.935	474.540	Income Tax and Social Contribution	12.883	12.071
Advances To Suppliers	203.394	173.472	Deferred Income and Social Contribution Taxes	595.934	596.553
Judicial deposits	28.146	26.431	Provision For Contingencies	222.262	204.707
Other Accounts Receivable	32.562	51.519		-	-
	<u>838.127</u>	<u>928.280</u>		<u>6.304.540</u>	<u>5.721.624</u>
Permanent Assets			Shareholder's Equity		
Investments	9.212	19.942	Share Capital	2.054.430	2.054.427
Property, Plant And Equipment	6.797.102	6.811.219	Capital Reserves	412.230	412.230
Deferred Charges	4.502	3.593	Profit Reserves	1.940.079	1.940.079
Intangible	521.218	580.501	Treasury Shares	(201.798)	(15.080)
	<u>7.332.034</u>	<u>7.415.255</u>	Accumulated Profit	21.121	-
				<u>4.226.062</u>	<u>4.391.656</u>
Total Assets	<u>12.038.494</u>	<u>11.467.002</u>	Total Liabilities	<u>12.038.494</u>	<u>11.467.002</u>

Consolidated Statement of Income (Loss) (in thousands of Reais)

	2Q08	3Q08	3Q07	9M08	9M07	3Q08 x 2Q08	3Q08 x 3Q07	9M08 x 9M07
Net Sales	1.003.885	989.675	815.907	2.963.238	2.446.177	-1,4%	21,3%	21,1%
Cost of Sales	(646.296)	(639.626)	(542.905)	(1.948.546)	(1.603.503)	-1,0%	17,8%	21,5%
Gross Profit	357.589	350.049	273.002	1.014.692	842.674	-2,1%	28,2%	20,4%
Selling Expenses	(49.217)	(47.800)	(48.954)	(139.576)	(143.299)	-2,9%	-2,4%	-2,6%
General and Administrative Expenses	(62.916)	(75.809)	(45.523)	(198.283)	(156.321)	20,5%	66,5%	26,8%
Financial Expenses	(237.027)	(287.852)	(89.208)	(638.080)	(256.038)	21,4%	222,7%	149,2%
Financial Income	117.161	85.365	71.177	284.687	170.589	-27,1%	19,9%	66,9%
Equity Pickup in Subsidiaries and Affiliates	(13)	(33)	(211)	(323)	(294)	153,8%	-84,4%	9,9%
Amortization of Goodwill	(19.761)	(19.761)	(21.298)	(59.283)	(63.290)	0,0%	-7,2%	-6,3%
Other Operating Income	(1.375)	26.330	2.075	48.763	16.775	-2014,9%	1168,9%	190,7%
Operating Profit Before Monetary and Exchange	104.441	30.489	141.060	312.597	410.796	-70,8%	-78,4%	-23,9%
Net Monetary and Exchange Rate Variation	152.550	(451.029)	102.092	(291.699)	286.849	-395,7%	-541,8%	-201,7%
Operating Profit	256.991	(420.540)	243.152	20.898	697.645	-263,6%	-273,0%	-97,0%
Nonoperating Income (Expenses), Net	21.866	4.661	(2.134)	24.799	(1.255)	-78,7%	-318,4%	-2076,0%
Net Income Before Income And Social Contribution Tax	278.857	(415.879)	241.018	45.697	696.390	-249,1%	-272,6%	-93,4%
Income and Social Contribution Taxes	(93.296)	122.805	(72.671)	(24.576)	(249.817)	-231,6%	-269,0%	-90,2%
Net Income for the Period	185.561	(293.074)	168.347	21.121	446.573	-257,9%	-274,1%	-95,3%

Consolidated Statement of Cash Flow (in thousands of Reais)

	September-08	September-07
Cash flows from operating activities		
Net income for the period	21.121	446.573
Adjustments to reconcile net income to cash generated from operating activities		
Depreciation, depletion and amortization	334.648	260.713
Result on sale of property, plant and equipment	(25.815)	(6.636)
Equity interest in subsidiaries and affiliates	323	294
Amortization of goodwill	59.283	63.290
Deferred income and social contribution taxes	(19.344)	264.004
Interest expenses with the acquisition of own shares	110.860	-
Interest, exchange and monetary variation of noncurrent assets and liabilities ⁽¹⁾	578.919	(75.946)
Losses (gains) on derivatives, net	52.539	(47.165)
Increase in provisions	(8.640)	(44.880)
Others provisions	(3.050)	6.410
Changes in assets and liabilities		
Net proceeds generated by derivatives	84.006	14.901
Increase (Reduction) in accounts receivable and other receivable	(7.455)	128.827
Increase (Reduction) in other current and non-current assets	(265.046)	(303.837)
(Reduction) Increase in other current liabilities ⁽¹⁾	(83.805)	63.962
Net cash from operating activities	828.544	770.510
Cash flows from investing activities		
Non current marketable securities	(2.349)	(2.147)
Acquisition of investments	-	(40.764)
Acquisition of property, plant and equipment and Increase of deferred charges	(328.184)	(1.030.055)
Cash and equivalents due to merger of B.L.D.S.P.E. Celulose e Papel S.A.	-	1.300
Transfer from non current to current assets	-	2.685
Receipt from sale of property, plant and equipment	45.725	20.372
Net cash used in investing activities	(284.808)	(1.048.609)
Cash flows from financing activities		
Capital increase due to Ripasa's shareholders migration		
Capital increase due to conversion of convertible debentures	3	39
Dividends Paid	(64.619)	(137.732)
Loans Received	2.162.747	857.263
Payment of Loans	(1.996.180)	(608.897)
Related Parties Loan	-	-
Net payments of derivatives	(3.105)	(3.213)
Own shares acquisition	(297.578)	-
Net cash from financing activities	(198.732)	107.460
Net effect from Ripasa's spin off	(27.358)	-
Effects of exchange rate variation on cash and cash equivalents	18.809	(25.333)
Demonstration of Increase (decrease) in cash and cash equivalents	336.455	(195.972)
Beginning of quarter	1.313.058	1.500.112
End of quarter	1.649.513	1.304.140
Increase (decrease) in cash and cash equivalents	336.455	(195.972)

Consolidated Loans and Financing (in thousands of Reais)

9/30/2008

	Index	Interest	Sep 30, 2008	Jun 30, 2008
<u>For acquisition of equipment</u>				
BNDES - Finem	TJLP	8.63%	1,864,752	1,830,357
BNDES - Finem	Basket of Coins	7.47%	302,714	252,537
BNDES - Finame	TJLP	10.31%	12,769	14,710
BNDES - Finame	Basket of Coins	8.03%	191	159
BNDES - Automático	TJLP	9.52%	7,011	40,758
BNDES - Automático	Pre-fixed Taxe	8.58%	771	670
FNE - BNB	Pre-fixed Taxe	8.50%	132,852	132,822
FINEP	TJLP	6.25%	8,448	9,258
Crédito Rural	Fixed Taxe +CDI	7.92%	20,879	23,479
<u>Working capital</u>				
FMO	US\$	4.60%	2,226,471	1,716,993
Importation financing	US\$	3.77%	456,580	297,053
Nordic Investment Bank	US\$	4.89%	97,813	79,595
Export credit note	US\$	10.62%	363,551	383,746
Industrial credit note	CDI	6.65%	57,429	47,757
Others	TJLP		5,075	5,670
			<u>5,557,306</u>	<u>4,835,564</u>
Current liabilities			<u>881,389</u>	<u>742,778</u>
Noncurrent liabilities			<u>4,675,917</u>	<u>4,092,786</u>
<u>Loans</u>				
2009			256,757	434,199
2010			1,148,569	1,081,362
2011			837,828	656,971
2012			704,522	601,092
2013			579,558	330,005
2014			<u>1,148,683</u>	<u>989,157</u>
			<u>4,675,917</u>	<u>4,092,786</u>

Debentures

Issue	Series	Units	Sep/2008			Jun/2008		Index	Interest	Due date
			Current	Non current	Total	Total				
3 ^a	1 ^a	333,000	19,632	424,253	443,885	426,667	IGP-M	10% *		01/04/2014
3 ^a	2 ^a	167,000	4,152	109,911	114,063	92,617	USD	9.85%		07/05/2019
4 ^a	1 ^a	79,735	2,257	81,841	84,098	82,312	TJLP	2.50%		01/12/2012
4 ^a	2 ^a	159,471	4,511	163,682	168,193	164,624	TJLP	2.50%		01/12/2012
			<u>30,552</u>	<u>779,687</u>	<u>810,239</u>	<u>766,220</u>				

* The contractual interest rate was 8% p.a. The effective interest rate was adjusted considering premium and discount on the issue price.