

Suzano Papel e Celulose announces consolidated results for the third quarter of 2010

Paper sales in Brazil helped to raise operating margins.

São Paulo, October 28, 2010. Suzano Papel e Celulose (Bovespa: SUZB5), one of the largest integrated pulp and paper producers in Latin America, announced today its consolidated results for the third quarter of 2010 (3Q10) and first nine months of 2010 (9M10). The financial statements were drafted and presented based on accounting principles adopted in Brazil and in accordance with the regulations of the Brazilian Securities and Exchange Commission ("CVM") and the Pronouncements, Instructions and Interpretations issued by the Accounting Pronouncements Committee ("CPC"), issued and approved until the base date of this interim information. Information for 2Q10 was adjusted for comparison purposes. The operational and financial information are presented based on consolidated figures and in Brazilian Real. Note that figures may present discrepancies due to rounding.

3Q10

- Total market pulp and paper production of 680 thousand tons.
- Sales volume of 675 thousand tons: 390 thousand tons of pulp and 285 thousand tons of paper.
- Net revenue of R\$1.2 billion.
- Pulp production cash cost of R\$458/ton (excluding maintenance downtime costs).
- EBITDA of R\$408 million, with EBITDA margin of 35.2%.
- Net income of R\$273 million.
- Net debt/EBITDA ratio: 2.4x in September 2010.
- Reduction of US\$50/ton in pulp prices in August and maintenance of prices in September and October.
- Total pulp inventories at 32 days of production, below historical levels.
- Paper price increase in both domestic and export markets.
- Cash and cash equivalents of R\$3.6 billion and gross debt of R\$7.5 billion on September 30, 2010.
- Conclusion of the acquisition of FuturaGene for US\$84.2 million.
- US\$650 million raised through Notes rated Baa3 (Investment Grade, Moody's) and BB+ (Standard & Poor's).

R\$ million, except where otherwise indicated	3Q10	2Q10	3Q09	3Q10 x 2Q10	3Q10 x 3Q09	9M10	9M09	9M10 x 9M09
Net Revenue	1,159	1,189	891	-2.5%	30.1%	3,319	2,933	13.2%
Exports	618	723	469	-14.5%	31.8%	1,920	1,730	11.0%
Domestic Market	541	466	422	16.0%	28.3%	1,398	1,203	16.2%
EBITDA	408	413	218	-1.1%	87.4%	1,325	766	73.0%
EBITDA Margin (%)	35.2%	34.7%	24.4%	0.5 p.p.	10.8 p.p.	39.9%	26.1%	13.8 p.p.
Net Financial Earnings (loss)	(51)	(98)	(77)	-47.3%	-33.0%	(245)	(144)	69.9%
Net Income (loss)	273	123	204	122.7%	33.6%	518	725	-28.5%
Earnings (loss) per Share (R\$)	0.71	0.32	0.67	122.7%	7.1%	1.44	2.37	-55.0%
Net Debt	3,850	3,883	4,164	-0.8%	-7.5%	3,850	4,164	-7.5%
Net Debt / EBITDA	2.4	2.7	3.6	-0.3 p.p.	-1.2 p.p.	2.4	3.6	-1.2 p.p.
Operational Data (tsd tons)								
Pulp Sales	389	420	399	-7.3%	-2.4%	1,195	1,368	-12.6%
Paper Sales	285	297	262	-3.8%	8.9%	839	809	3.8%
Mkt. Pulp Production	395	422	390	-6.3%	1.5%	1,199	1,181	1.5%
Paper Production	285	283	270	0.5%	5.2%	845	801	5.6%

Earnings Result Conference Call and Webcast: October, 29

In Portuguese: 10 a.m. (Brasília Time) / 8 a.m. (EDT)

Access: +55 (11) 3301-3000 - Code: Suzano

In English: 12 p.m. (Brasília Time) / 10 a.m. (EDT)

Access: +1 (412) 317-0088 - Code: Suzano

www.suzano.com.br/ri

All U.S. Dollar conversions are made at the average exchange rate for income statement lines and at the final rate for balance sheet lines.

Executive Summary - Third Quarter of 2010 (3Q10)

Market Overview

Pulp: China demand recovery in September

Market performance was uneven in 3Q10: total pulp shipments in September grew by 14.2% and 8.7% in relation to August and July, respectively. All markets, with the exception of North America, recorded better performances than in August 2010. Shipments to the main markets also increased in relation to July 2010.

In thousand tonnes	sep/10	aug/10	sep/10 x aug/10	Jul-10	sep/10 x jul/10
Shipments - Chemical Market Pulp	3,630	3,178	14.2%	3,338	8.7%
North America	624	649	-3.9%	608	2.6%
Europe	1,413	1,278	10.6%	1,335	5.8%
Latin America	270	251	7.6%	279	-3.2%
Japan	166	159	4.4%	192	-13.5%
China	685	398	72.1%	467	46.7%
Others	470	442	6.3%	456	3.1%

Source: PPPC (Pulp and Paper Products Council -World 20 Report)

In relation to 2Q10, pulp sales increased by 0.8%, reaching 10.1 million tons (Source: PPPC - World 20 Report). The reduction of 4.9% in pulp sales in relation to 3Q09 reflects the high sales volume efforts for destocking the inventories accumulated during the international crisis in 2008 and 2009.

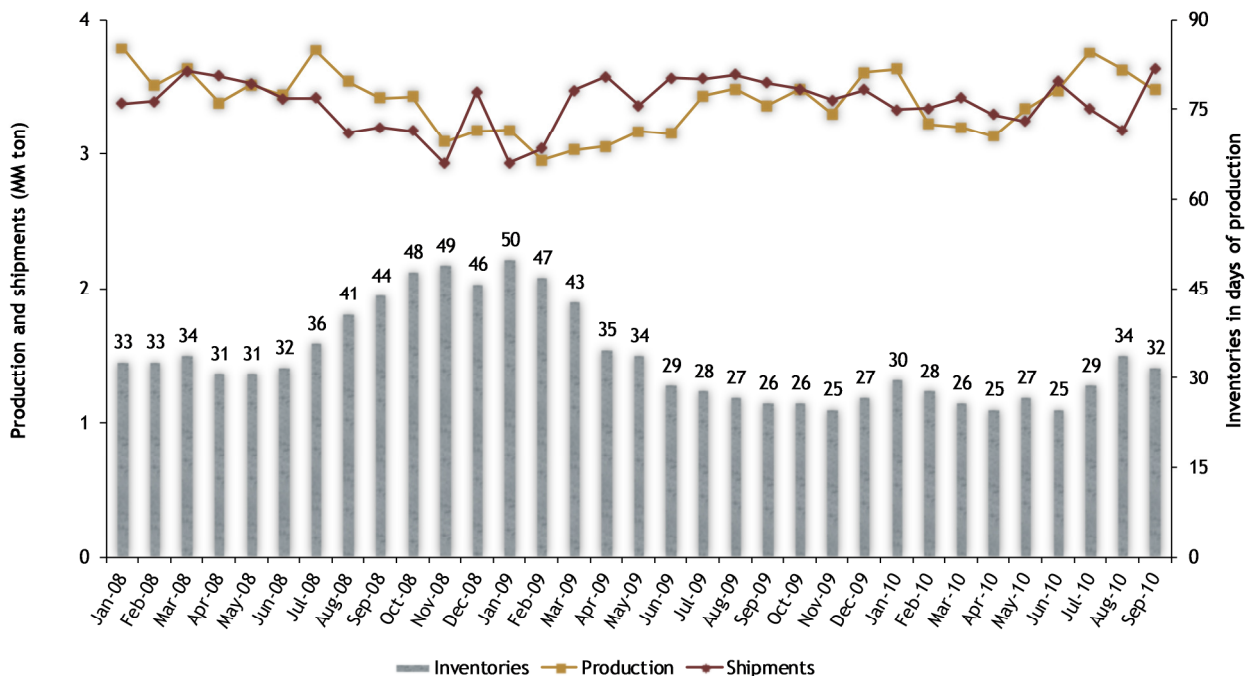
The performance in the eucalyptus pulp segment followed the world market: in September, shipments grew by 21.8% and 17.3% in relation to August and July, respectively.

In thousand tonnes	sep/10	aug/10	sep/10 x aug/10	Jul-10	sep/10 x jul/10
Shipments - Eucalyptus Bl. Hardwood	1,261	1,035	21.8%	1,075	17.3%
North America	139	141	-1.4%	114	21.9%
Europe	617	527	17.1%	532	16.0%
Latin America	145	134	8.2%	141	2.8%
Japan	17	20	-15.0%	19	-10.5%
China	198	100	98.0%	163	21.5%
Others	144	113	27.4%	105	37.1%

Source: PPPC (Pulp and Paper Products Council -World 20 Report)

Global eucalyptus pulp shipments in 3Q10 declined by 0.2% and 6.5% from 2Q10 and 3Q09, respectively, reaching 3.4 million tons. This reduction is due to the scheduled downtimes in the period and, partly, to the limited supply of products from Chile which normalized its production through 3Q10. The main destinations of eucalyptus market pulp in 3Q10 were Europe (49.7%), China (13.7%), North America (11.7%), Latin America (12.5%) and Others (12.4%).

Production, Shipments and Inventories

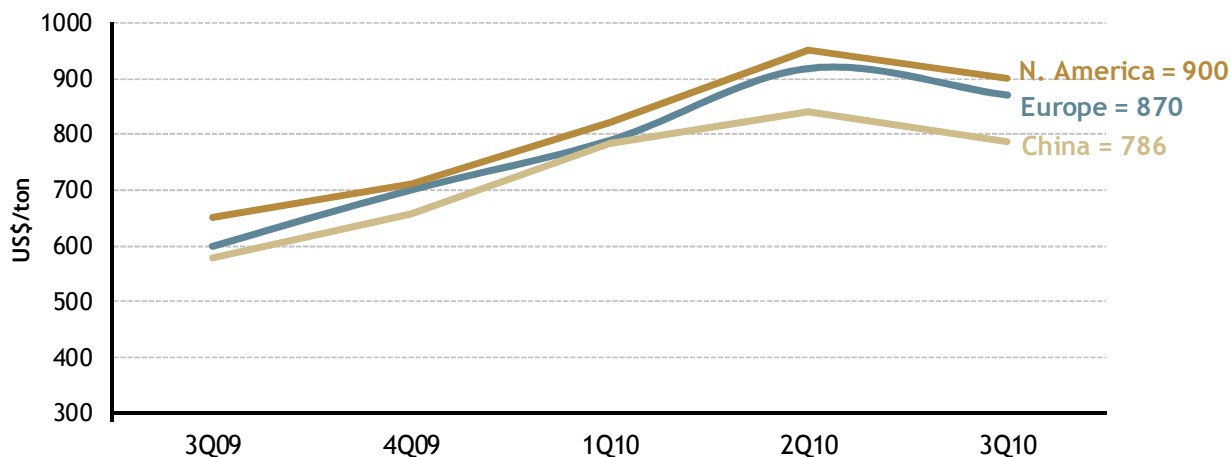


Source: PPPC (Pulp and Paper Products Council - World 20 Report)

Average inventory in 3Q10 reached 32 days of production; with peak of 34 days of production in August and decline to 32 days of production in September, below the historical average (33 days). September registered a reduction of 2 days from the prior month, directly reflecting higher shipments in the period.

The following chart shows hardwood pulp prices in 3Q10 and in the last 12 months:

Pulp Price by Region



Source: Europe and China - FOEX (BHQP list price for the last week of each month) / North America - RISI (BEKP list price)

Softwood pulp prices also presented a downward trend, reaching in September US\$973/ton in Europe, US\$825/ton in China and US\$990/ton in North America (Source: FOEX, TerraChoice and RISI). In the same period, the spread between softwood and hardwood grade prices was approximately US\$90/ton, which encouraged the substitution of softwood by hardwood.

Paper: Domestic demand for printing and writing paper and paperboard grows 7.4% from 3Q09

According to the Brazilian Association of Pulp and Paper Producers (“Bracelpa”), domestic demand for **printing and writing paper and paperboard** was 695.3 thousand tons in 3Q10, up 13.7% and 7.4% from 2Q10 and 3Q09, respectively, indicating a recovery in the paper market in the post-crisis period.

Printing and writing paper sales volume in Brazil reached 528.6 thousand tons in 3Q10, increasing by 15.5% and 6.3% from 2Q10 and 3Q09, respectively, also according to Bracelpa. Of this total, demand for **uncoated** printing and writing paper grew 14.2% from 2Q10 and remained flat in comparison to 3Q09, while demand for **coated** paper increased by 18.3% and 23.9% from 2Q10 and 3Q09, respectively.

Following the same trend, total **paperboard** sales volume in the quarter increased by 8.4% and 10.8% from 2Q10 and 3Q09, respectively. **Paperboard** demand in Brazil reflected the stronger growth in the domestic economy and has already surpassed pre-crisis historical levels.

The higher domestic demand for **printing and writing paper and paperboard** in 3Q10 contributed to the lower paper volume exported by Brazil. Total exports of **printing and writing paper and paperboard** reached 288.3 thousand tons in the period, representing declines of 13.0% and 5.0% from 2Q10 and 3Q09, respectively. According to Bracelpa, exports accounted for 34.3% of total sales in 3Q10, in comparison to 40.0% in 2Q10 and 36.6% in 3Q09.

The share of **printing and writing paper** imports in the domestic market increased in 3Q10, with imports accounting for 25.4% of total sales volume in the domestic market in 3Q10, in comparison to 23.4% in 2Q10 and 22.6% in 3Q09. The higher imports in relation to 2Q10 and 3Q09 are basically explained by the appreciation of the Brazilian Real (“BRL”) against the U.S. Dollar (“USD”) between the two periods and the higher domestic demand, especially for coated paper.

Imports of **coated printing and writing paper**, a segment in which paper imports account for a higher share, represented 58.7% of the domestic market, in comparison to 52.4% in 2Q10 and 51.5% in 3Q09. In the same period, imports of **uncoated printing and writing paper** were responsible for 8.8% of total domestic sales, compared with 9.4% in 2Q10 and 11.0% in 3Q09.

Paperboard imports represented 5.3% of total domestic sales in the quarter, in comparison to 5.0% in 2Q10 and 5.6% in 3Q09.

Demand for **printing and writing paper** in the main markets (North America and Western Europe) has surpassed 3Q09 levels, according to RISI estimates, which indicates economy recovery after crisis. North America’s demand for printing and writing paper was in line with 2Q10 and grew by 4.1% compared with 3Q09. In Western Europe, demand was down by 2.6% compared with 2Q10 and grew by 7.6% compared with 3Q09. Demand decrease when comparing 3Q10 to 2Q10 reflects the usual market seasonality.

Summary of Quarterly Results

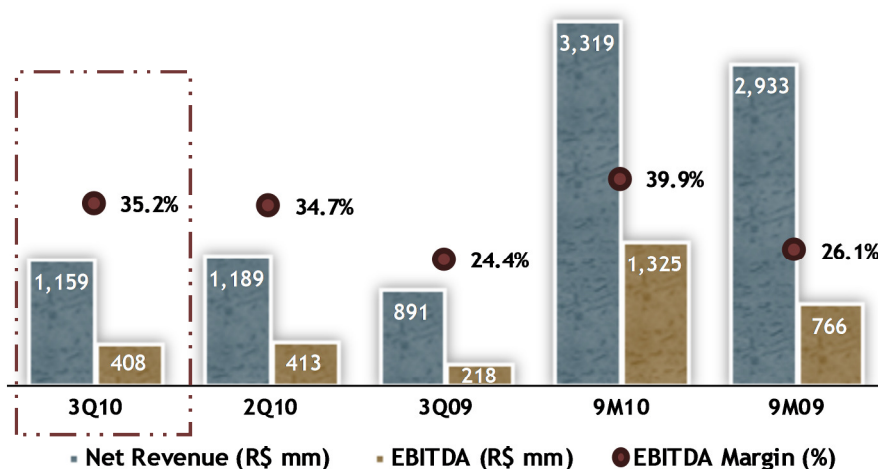
Suzano reports net revenue of R\$1,159.0 million and EBITDA of R\$408.0 million in the quarter

Suzano's pulp and paper sales volume amounted for 674.9 thousand tons in 3Q10, 5.9% lower than in 2Q10 and 2.1% higher than in 3Q09. Reduction in sales volume in 3Q10 is explained by the lower production resulting from the scheduled downtime on Line 1 at the Mucuri unit. Pulp sales volume was 389.5 thousand tons in 3Q10, while paper sales volume was 285.4 thousand tons. In the first nine months of this year, the Company's total sales volume was 2,034.3 thousand tons, 6.5% lower than in the same period of 2009, reflecting sales in 2009 of inventories accumulated in late 2008.

Net revenue in 3Q10 was R\$1,159.0 million, 2.5% lower than in 2Q10 and 30.1% higher than in 3Q09. In the first nine months of the year, net revenue was R\$3,318.5 million, 13.2% more than in 9M09.

EBITDA totaled R\$408.0 million in the quarter, with margin of 35.2%, growing by 0.5 p.p. in relation to 2Q10 and by 10.8 p.p. from 3Q09. EBITDA in 9M10 was R\$1,324.9 million, with margin of 39.9%. Excluding the non-recurring effects in the year to date EBITDA, margin would be 34.2%.

Highlights



Suzano recorded net income of R\$272.8 million in 3Q10, basically reflecting the gross income of R\$388.2 million in the period and the gains from the financial result and from monetary and foreign exchange rate variations, amounting to R\$217.4 million, resulting from the BRL appreciation against the USD in the quarter.

On September 30, 2010, consolidated net debt was R\$3,850.1 million and EBITDA in the last 12 months was R\$ 1,617.4 million. As a result, the net debt/EBITDA ratio was 2.4x.

Performance Analysis

Business Environment

The world economic scenario did not present any surprises in 3Q10. As a result, the business environment remained marked by uncertainty regarding the pace of economic growth in major world economies. The expectation of low GDP growth in the United States reinforces the Federal Reserve's tendency to adopt additional monetary-easing measures, especially through the purchase of long-term Treasury securities, which, combined with the still-slow recovery in Euro Zone economies, points to a scenario of low world economic growth in 2011, though with a minor probability of recession. On the other hand, emerging economies continue to register robust growth, especially in China and Brazil, reigniting fears of the formation of speculative bubbles in the price of certain assets.

In Brazil, the economy continues to perform well, with retail sales, consumer confidence and industrial production indicators presenting moderate growth. As a result, economic growth should exceed 7% in 2010, pressuring inflation estimates, which remain above the target of 4.5% p.a., and supporting the continuity of the cycle of rate increases by the Central Bank, with the Selic basic interest rate ending the quarter at 10.75% p.a.

With interest rates well above international levels, in the quarter the BRL appreciated by 6% against the USD, which ended the period at R\$1.69/US\$. This trend was also influenced by the depreciation of the USD in relation to other major currencies. Note, however, that in September the government signaled stronger intervention in the currency market, and already in October it raised the IOF tax rate on foreign investment into fixed-income instruments.

Fx rate, R\$ / US\$	3Q10	2Q10	3Q10x2Q10	3Q09	3Q10x3Q09
Beginning of period	1.80	1.78	1.2%	1.95	-7.7%
End of period	1.69	1.80	-6.0%	1.78	-4.7%
Average	1.75	1.79	-2.4%	1.87	-6.3%

Note: Foreign exchange variations were calculated using four decimal places.

Source: Central Bank

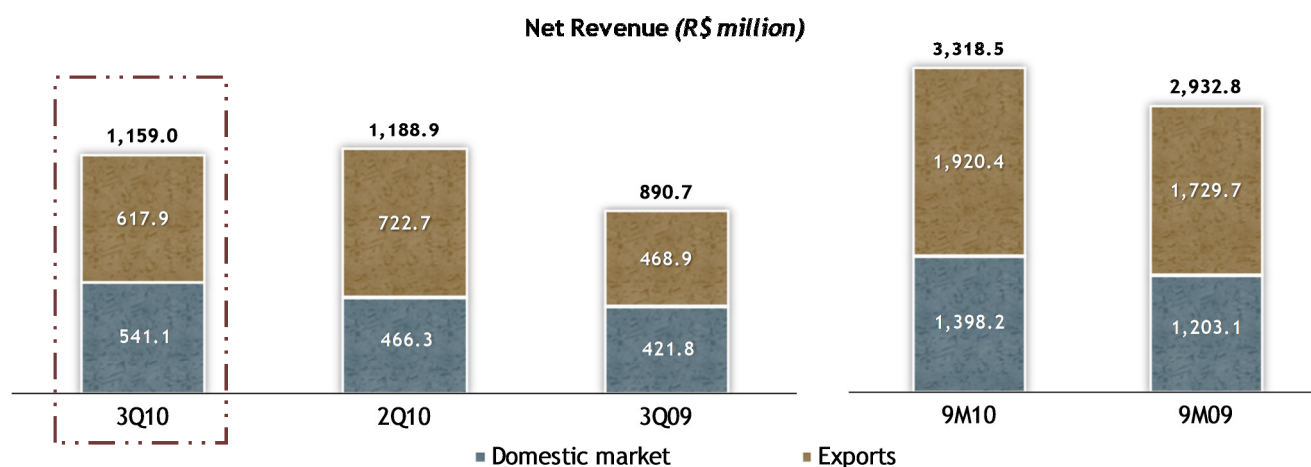
In the quarter, the USD depreciated against major relevant currencies to the determination of pulp prices, especially against the Euro, which appreciated by 11.4% against the USD. The Chilean Peso and Canadian Dollar appreciated by 11.3% and 3.2%, respectively, against the USD in the quarter, while the yuan appreciated 1.3%.

Income Statement

R\$ million, except where otherwise indicated	3Q10	2Q10	3Q09	3Q10 x 2Q10	3Q10 x 3Q09	9M10	9M09	9M10 x 9M09
Net revenue	1,159	1,189	891	-2.5%	30.1%	3,319	2,933	13.2%
Cost of goods sold	-771	-812	-717	-5.0%	7.5%	-2,317	-2,288	1.3%
Gross profit	388	377	173	2.9%	123.8%	1,002	645	55.3%
Selling expenses	-51	-50	-37	3.0%	37.5%	-162	-113	43.2%
General and administrative expenses	-76	-58	-57	30.7%	34.1%	-193	-160	20.7%
Other operating income, net	6	9	4	-32.3%	60.4%	268	12	2133.9%
EBIT	267	278	83	-4.1%	221.1%	915	384	138.1%
EBITDA	408	413	218	-1.1%	87.4%	1,325	766	73.0%
EBITDA Margin (%)	35.2%	34.7%	24.4%	0.5 p.p.	10.8 p.p.	39.9%	26.1%	13.8 p.p.
Net Financial Results	-51	-98	-77	-47.3%	-33.0%	-245	-144	69.9%
Financial expenses	-124	-147	-122	-15.5%	1.4%	-426	-360	18.3%
Financial revenue	73	49	46	47.3%	59.2%	181	216	-16.1%
Operating profit before monetary variation	215	180	6	19.3%	n.a.	671	240	178.9%
Net monetary and exchange rate variation	127	-45	261	-382.8%	-51.5%	6	828	-99.2%
Operating profit (loss)	342	136	267	151.8%	28.0%	677	1,069	-36.6%
Income and social contribution taxes	-69	-13	-63	422.1%	9.9%	-159	-343	-53.8%
Net income (loss) for the period	273	123	204	122.7%	33.6%	518	725	-28.5%

Net Revenue

Paper price increase and higher sales in the domestic market were the main drivers for the positive net revenue in the quarter

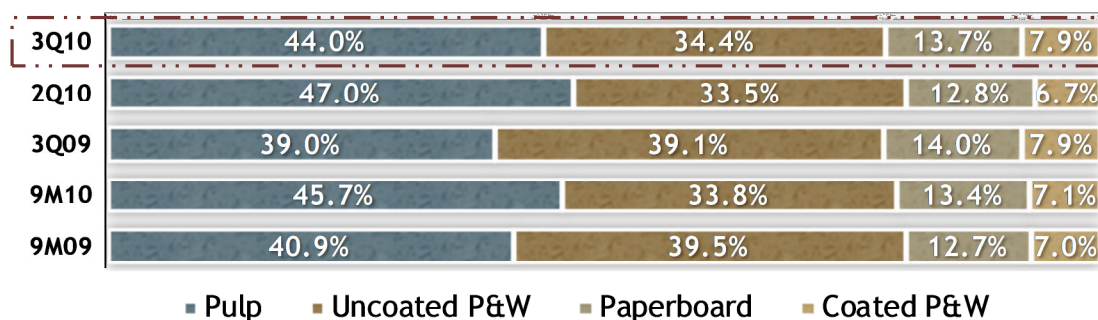


The Company registered net revenue of R\$1,159.0 million in 3Q10, 2.5% lower than in 2Q10 and 30.1% higher than in 3Q09. Meanwhile, Company's total pulp and paper sales volume in the quarter was 674.9 thousand tons, down 5.9% from 2Q10 and up 2.1% from 3Q09. Net revenue in the period was basically influenced by the following factors:

1. Lower pulp and paper sales volume versus 2Q10: sales in 3Q10 were impacted by the scheduled maintenance downtime at the Mucuri unit, which reduced the supply of products available for sale.
2. Better paper sales mix in relation to 2Q10: despite the lower volume, the higher sales in the domestic market helped to improve the 3Q10 results.
3. Variation in the BRL/USD exchange rate: the appreciation in the average BRL/USD exchange rate in the period of 2.4% in relation to 2Q10 and 6.3% in relation to 3Q09 affected revenue from exports.
4. Increase in the average net price in BRL in relation to 2Q10 (+7.1%) and 3Q09 (+9.7%).

Pulp sales represented 57.7% of total sales volume in 3Q10, compared with 58.6% in the previous quarter. As a percentage of net revenue, the share of pulp sales was 44.0% in the quarter, in comparison to 47.0% in 2Q10 and 39.0% in 3Q09.

Net Revenue Breakdown



In the first nine months, net revenue was R\$3,318.5 million, 13.2% higher than in 9M09. Meanwhile, the Company's total pulp and paper sales volume declined by 6.5% from 9M09 to 2,034.3 thousand tons.

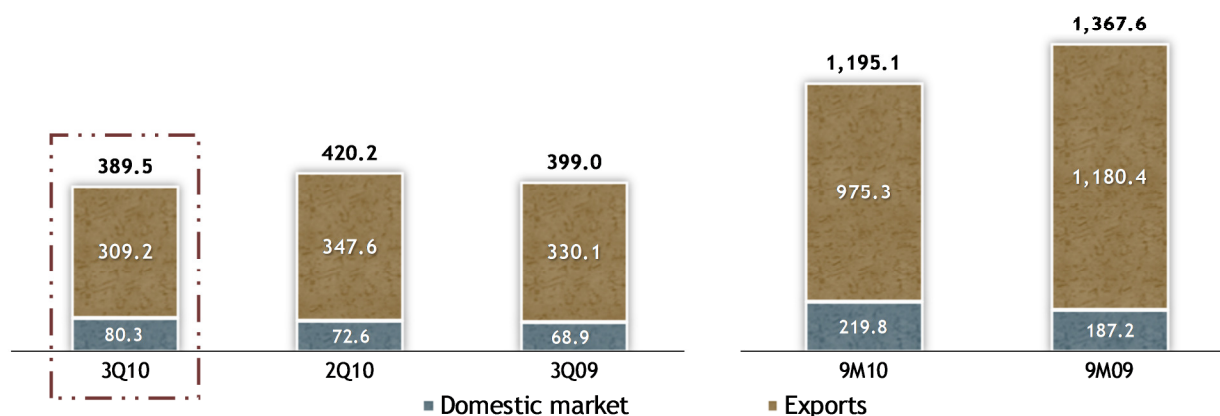
Pulp and Paper Sales

Net Sales	3Q10		2Q10		3Q09		9M10		9M09	
	R\$ MM	Kton	R\$ MM	Kton	R\$ MM	Kton	R\$ MM	Kton	R\$ MM	Kton
Domestic market	541	256	466	231	422	223	1,398	692	1,203	609
Pulp	104	80	87	73	56	69	263	220	165	187
Total Paper	437	176	379	158	366	154	1,135	472	1,038	422
Uncoated P&W Paper	232	100	195	85	211	91	597	262	597	262
Coated P&W Paper	85	32	74	31	62	26	218	90	183	71
Paperboard	120	44	110	41	94	38	321	120	258	101
Exports	618	419	723	486	469	438	1,920	1,342	1,730	1,567
Pulp	406	309	471	348	292	330	1,254	975	1,033	1,180
Total Paper	212	110	251	139	177	108	666	367	697	387
Uncoated P&W Paper	167	87	203	111	138	80	525	287	561	298
Coated P&W Paper	7	3	5	2	9	6	19	9	21	13
Paperboard	38	19	43	25	31	22	122	71	115	76
Total	1,159	675	1,189	717	891	661	3,319	2,034	2,933	2,176
Pulp	510	389	559	420	347	399	1,517	1,195	1,198	1,368
Total Paper	649	285	630	297	543	262	1,802	839	1,735	809
Uncoated P&W Paper	399	188	399	197	348	170	1,122	549	1,158	560
Coated P&W Paper	92	35	79	34	71	32	237	99	204	83
Paperboard	158	63	153	66	124	60	443	191	372	177

Pulp Business Unit

Average net pulp prices in USD increased 0.9%, despite the reduction of US\$50/ton in the list price

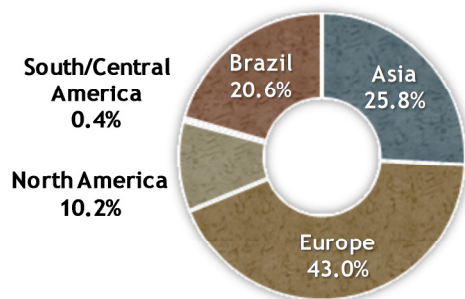
Pulp Sales ('000ton)



Suzano sold 389.5 thousand tons of market pulp in 3Q10, 7.3% and 2.4% less than in 2Q10 and 3Q09, respectively.

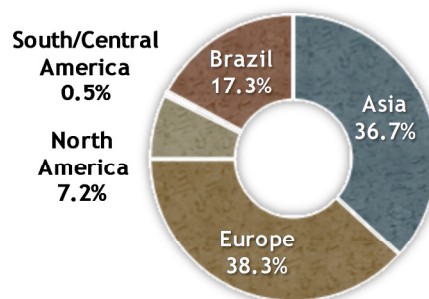
In 3Q10, the main destinations of the Company's pulp sales were Europe (43.0%) and Asia (25.8%), followed by Brazil (20.6%), North America (10.2%) and South/Central America (0.4%). In 3Q10, the share of sales to Europe increased in relation to the previous quarter.

Destination of Pulp Sales - 3Q10



Total volume: 389.5 thousand tons

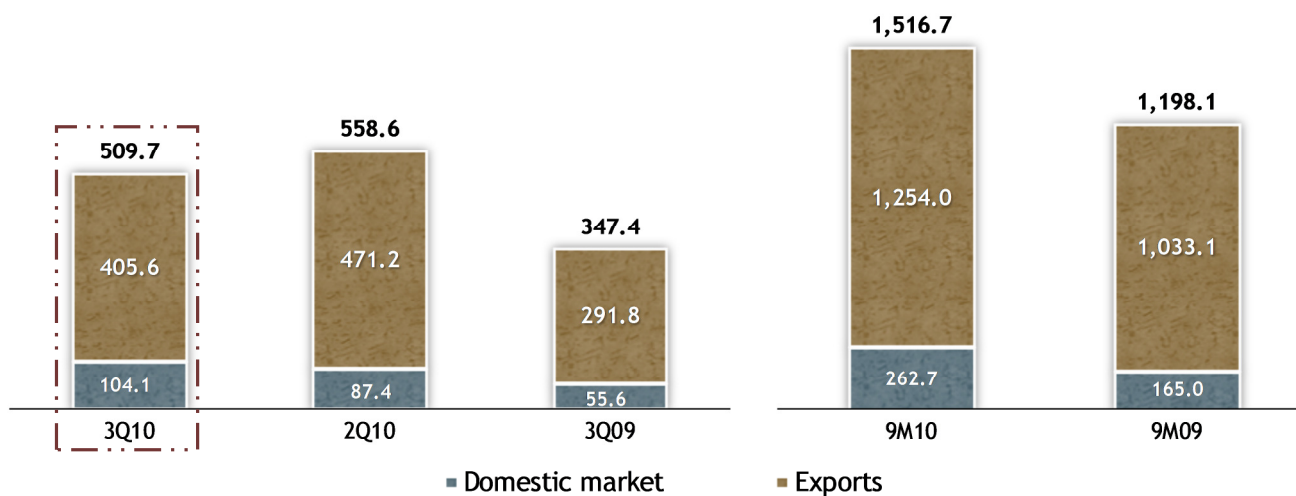
Destination of Pulp Sales - 2Q10



Total volume: 420.2 thousand tons

Net revenue from pulp sales in 3Q10 was R\$509.7 million, 8.8% lower than in 2Q10 and 46.7% higher than in 3Q09. Net revenue was impacted by the lower sales volume versus 2Q10 and the appreciation of the BRL against the USD in the period. In comparison to 3Q09, sales volume was lower, reflecting the destocking trend in that period. However, this reduction was more than offset by the higher pulp prices in the period.

Pulp Revenue (R\$ million)

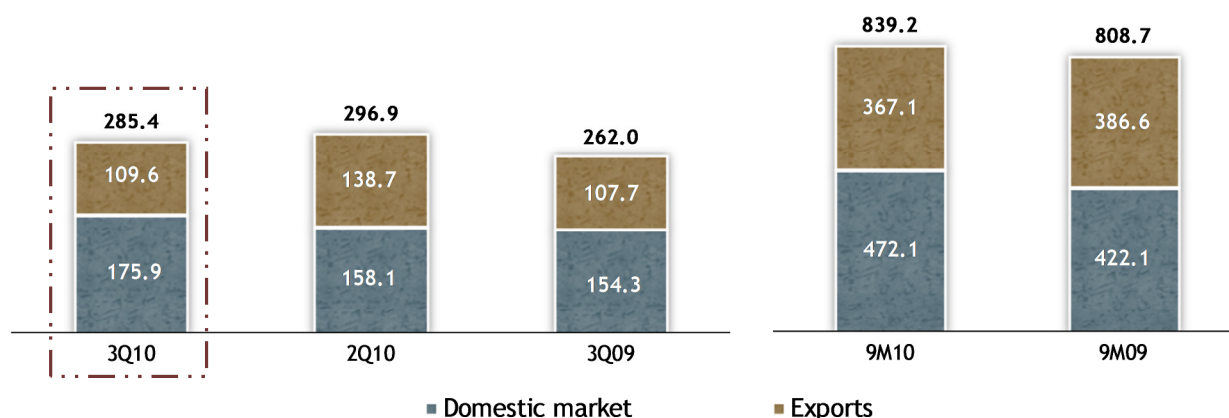


The average net pulp price (domestic and export) in USD in 3Q10 was US\$748.1/ton, up 0.9% and 60.5% from 2Q10 and 3Q09, respectively. Despite the pulp list price decrease in August, the result reflects the consecutive increases in price along the months of April, May and June. In BRL terms, the average net price reached R\$1,308.7/ton, decreasing by 1.6% from 2Q10 and increasing by 50.3% from 3Q09.

Paper Business Unit

Sales volume growth in the domestic market: 11.2% and 14.0% higher than 2Q10 and 3Q09, respectively.

Paper Sales ('000 ton)



Suzano's paper sales reached 285.4 thousand tons in 3Q10, 3.8% reduction from 2Q10 and 8.9% increase in relation to 3Q09. The Company's domestic paper sales totaled 175.9 thousand tons in the period, 11.2% and 14.0% higher than in 2Q10 and 3Q09, respectively.

Printing and writing paper sales in 3Q10 represented 77.9% of total paper sales in the period and reached 222.5 thousand tons, 3.5% lower than in 2Q10 and 10.0% higher than in 3Q09. Domestic sales accounted for 59.5% of this volume, or 132.4 thousand tons.

Paperboard sales volume was 63.0 thousand tons in the quarter, down 5.2% from 2Q10 and up 5.2% from 3Q09. Domestic sales accounted for 69.1% of total paperboard sales in the quarter.

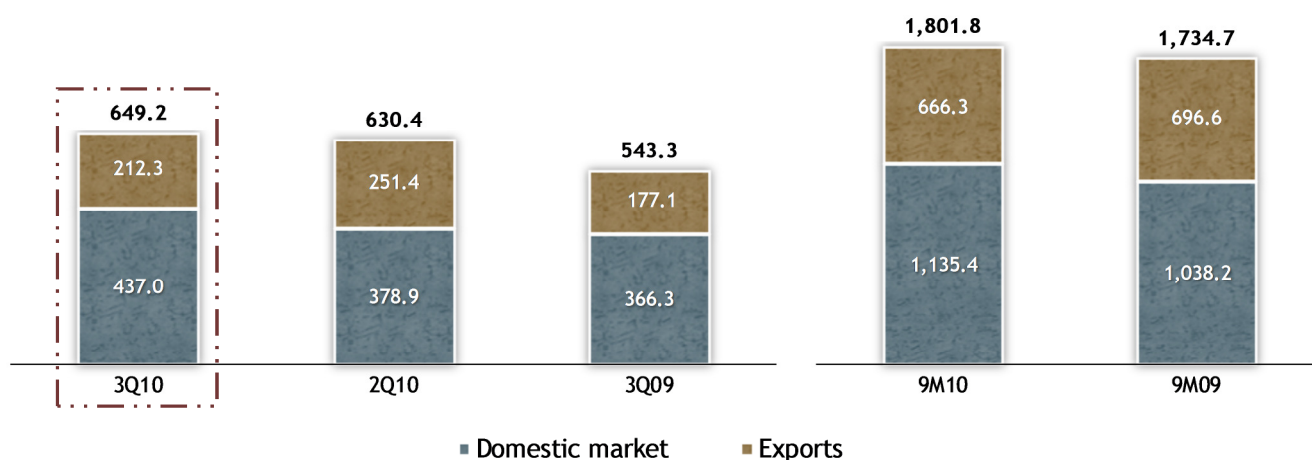
Domestic sales volume accounted for 61.6% of the Company's total paper sales in 3Q10, compared with 53.3% in 2Q10 and 58.9% in 3Q09.

Net revenue from paper sales was R\$649.2 million in the quarter, up 3.0% and 19.5% from 2Q10 and 3Q09, respectively. The increase in net revenue was driven by: (i) the sharp increase in prices in relation to both comparison periods; (ii) the domestic sales' volume increase versus 2Q10; and (iii) the higher paper sales volume in comparison to 3Q09.

The average net paper price (domestic sales and exports) in 3Q10 was R\$2,274.4/ton, increasing by 7.1% and 9.7% from 2Q10 and 3Q09, respectively, which was partially influenced by the BRL appreciation (average in period) of 2.4% in comparison to 2Q10 and of 6.3% versus 3Q09.

Suzano's average net paper price in Europe was US\$ 974/ton in 3Q10 (uncoated, reels), which represents an average spread over the net pulp price of US\$244/ton, or US\$14/ton below the historical average of the past ten years.

Paper Revenue (R\$ million)



Domestic Market

Suzano maintained its leadership in Brazil in **printing and writing paper** in 3Q10, with domestic sales volume of 132.4 thousand tons, which was 15.6 thousand tons (+13.4%) more than the volume sold in 2Q10 and also 15.6 thousand tons (+13.4%) more than the volume sold in 3Q09.

The average net price of **printing and writing paper** in the domestic market in 3Q10 was R\$2,392.4, 3.7% and 2.5% higher than in 2Q10 and 3Q09, respectively. The average net price of **uncoated paper** in the domestic market increased by 0.9% from the previous quarter and declined by 0.6% from 3Q09. The price of **coated paper** was 12.6% and 12.2% higher than in 2Q10 and 3Q10, respectively. The price increases in **printing and writing paper** in comparison to 2Q10 and 3Q09 were mainly due to the stronger domestic demand, despite the higher share of imported papers in the domestic market.

Suzano's domestic **paperboard** sales totaled 43.5 thousand tons in the quarter, 5.1% and 15.9% more than in 2Q10 and 3Q09, respectively. **Paperboard** demand in Brazil followed the stronger economic growth and has already surpassed pre-crisis levels. **Paperboard** prices in 3Q10 increased by 4.4% and 10.6% in relation to 2Q10 and 3Q09, respectively.

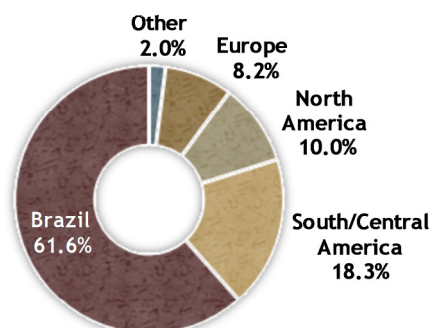
Exports

The Company's paper exports of 109.6 thousand tons were 21.0% lower than in 2Q10 and 1.7% higher than in 3Q09. In the quarter, this volume accounted for 38.4% of total paper sales volume, down from 46.7% in 2Q10 and from 41.1% in 3Q09.

Sales to South/Central America accounted for 18.3% of total exports in the quarter, down from 20.6% in 2Q10. Combined with the volume sold in Brazil, the region absorbed 79.9% of sales in 3Q10. Exports to mature markets (Europe and North America) accounted for 18.2% of total sales in 3Q10.

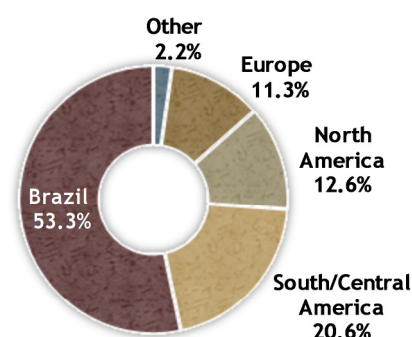
Net revenue from exports totaled R\$212.3 million, down 15.6% from 2Q10 and up 19.9% from 3Q09.

Destination of Paper Sales - 3Q10



Total Volume: 285.4 thousand tons

Destination of Paper Sales - 2Q10



Total Volume: 296.9 thousand tons

The average net export price in USD in the quarter was 9.5% and 25.8% higher than in 2Q10 and 3Q09, respectively. In BRL terms, prices were 6.9% and 17.9% higher than in 2Q10 and 3Q09, respectively. The price increases in BRL were adversely impacted by the currency's appreciation against the USD in comparison to prior periods.

Production and Costs

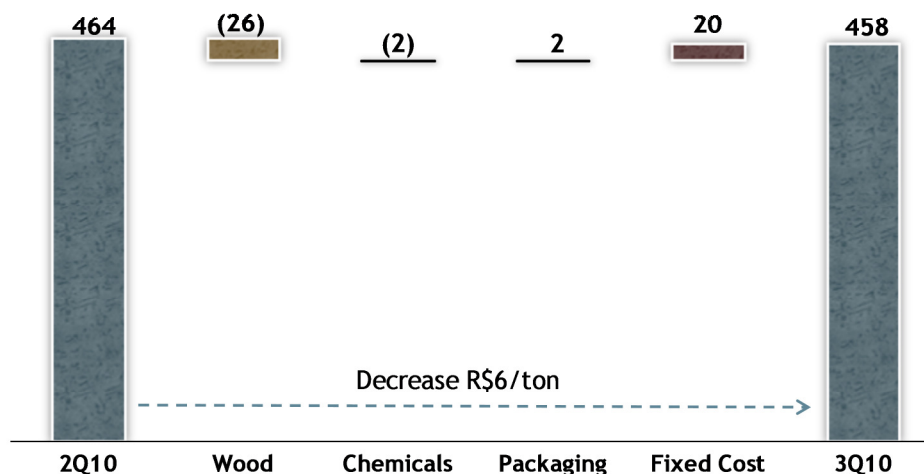
Consolidated Production	3Q10	2Q10	3Q09	3Q10 x 2Q10	3Q10 x 3Q09	9M10	9M09	9M10 x 9M09
Total (thousand tons)	680.0	705.5	660.3	-3.6%	3.0%	2,044.6	1,981.9	3.2%
Market Pulp	395.5	422.2	389.8	-6.3%	1.5%	1,199.1	1,180.9	1.5%
Total Paper	284.5	283.2	270.5	0.5%	5.2%	845.5	801.0	5.6%
Uncoated P&W Paper	184.5	189.5	177.8	-2.6%	3.8%	556.8	541.6	2.8%
Coated P&W Paper	35.7	32.6	29.3	9.4%	21.7%	100.1	88.7	12.8%
Paperboard	64.3	61.1	63.4	5.3%	1.5%	188.6	170.6	10.6%

Total production registered in 3Q10 was 680.0 thousand tons, compared with 705.5 thousand tons in 2Q10 and 660.3 thousand tons in 3Q09. Production in 3Q10 was composed of 395.5 thousand tons of market pulp and 284.5 thousand tons of paper. In 9M10, production totaled 2,044.6 thousand tons, compared with 1,981.9 thousand tons in 9M09, and was composed of 1,199.1 thousand tons of market pulp and 845.5 thousand tons of paper.

The Company carried out scheduled maintenance downtimes in 3Q10 on Line 1 at the Mucuri unit and at the Conpacel unit. Because of the scheduled downtimes in August (Mucuri) and September (Conpacel) and the unstable production after the downtime on Line 1, quarterly market pulp production declined by approximately 27 thousand tons from 2Q10. After the downtimes, production was resumed in August at Mucuri and in September at Conpacel.

Market pulp production cash cost at Mucuri in 3Q10, excluding the costs related to depletion of the forestry base, was R\$458/ton, down 1.3% on 2Q10. Despite the significant reduction in wood costs, given the lower share of wood supply from third parties in the period, the cash cost was negatively impacted by the higher fixed costs that resulted from the dilution associated with lower production volume, by the higher costs with preventive maintenance to take advantage of the scheduled downtime on Line 1 at Mucuri.

Pulp Cash Cost (Mucuri) - 3Q10 x 2Q10



In comparison to 3Q09, the cash cost increased by 23.1%. This was related to: (i) the higher use of third-party wood in the Company's supply matrix in the quarter; (ii) the higher fixed costs, as explained above, in addition to the impacts from the execution of collective bargaining agreements; and (iii) the higher chemicals costs, especially fuel oil and caustic soda, driven by the recovery in the world economy.

Amounts associated with scheduled maintenance downtimes impacted unit cash cost by R\$37/ton in the quarter, which in turn increased the cash cost from downtimes to R\$ 495/ton. In October, the Company carried out scheduled maintenance downtime on Line 2 of the Mucuri unit.

Cash Cost (R\$/t)	3Q10	2Q10	3Q09	3Q10 x 2Q10	3Q10 x 3Q09
Excluding maintenance downtime	458	464	373	-1.2%	23.1%
Including maintenance downtime	495	466	414	6.1%	19.6%

Cost of goods sold (COGS) in the quarter decreased, in amount, 5.0% from 2Q10 and increased 7.5% from 3Q09, mainly due to: (i) the 5.9% reduction in pulp and paper sales volume from 2Q10 and the 2.1% increase in relation to 3Q09; (ii) wood costs were lower than in 2Q10 and higher than in 3Q09; (iii) the higher share of paper sales in the Company's total sales in relation to 2Q10 and 3Q09; and (iv) the costs of approximately R\$ 19 million related to the scheduled maintenance downtime on Line 1 at the Mucuri unit and at the Conpacel unit. In 9M10, COGS increased by 1.3% from 9M09 to R\$2,316.5 million.

COGS was impacted by the adoption of Technical Pronouncements CPC-27 (Fixed Assets) and CPC-29 (Biological Assets). Attributing new costs and the useful life rates of certain fixed assets category affected the depreciation resulting in an increase in COGS by R\$5.4 million in 3Q10 and R\$14.9 million in 9M10. The complementary depletion of biological assets increased COGS by R\$7.5 million in 3Q10 and R\$27.3 million in 9M10, due to the new amounts attributed to depletion of the forestry base. These adjustments did not impact the Company's cash. For more information on the effects of adopting the CPCs, see Schedule attached hereto (page 23).

Average unit COGS in the quarter was R\$1,141.9/ton, 0.9% and 5.2% higher than in 2Q10 and 3Q09, respectively. The increase when compared to 2Q10 is attributed to: (i) the higher share of paper in total sales; and (ii) the costs with scheduled maintenance downtime. In relation to 3Q09, in addition to the effects mentioned above, the Company also registered an increase in volume of paper sold (+8.9%) and an increase in wood and chemicals costs.

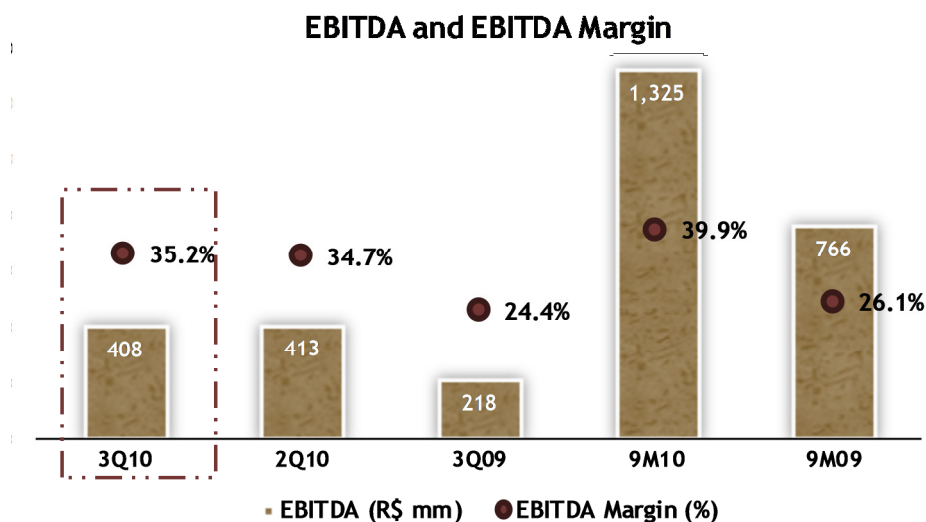
Operating Expenses / Revenues

Selling expenses increased by 3.0% in relation to 2Q10 and by 37.5% in comparison to 3Q09, totaling R\$51.2 million in 3Q10. The increase in relation to 2Q10 was mainly due to the higher logistics expenses, which reflected the higher share of domestic sales in sales volume, and third-party services, which were partially offset by the reduction in the provision for doubtful accounts. In relation to 3Q09, as well as the factors mentioned above, this increase was due to the reclassification of expenses with subsidiaries abroad, which previously were booked under administrative expenses, but in 2010 began to be booked under selling expenses, negatively impacting the quarter.

Administrative expenses totaled R\$76.1 million in 3Q10, 30.7% and 34.1% higher than in 2Q10 and 3Q09, respectively. In comparison to 2Q10, the increase R\$17.9 million in administrative expenses was primarily driven by: (i) higher expenses with third-party services, such as consulting and advisory services, due to new projects and action plans which had been postponed because of 2009 cost cutting; (ii) administrative expenses at the recently acquired company FuturaGene; and (iii) donations. Of the total amount, R\$7.1 million correspond to non-recurring items. In relation to 3Q09, in addition to the factors mentioned above, the R\$19.3 million increase is explained by hiring and salary increases, labor claims losses and provisions for labor contingencies. As mentioned above, as of 2010, expenses with subsidiaries abroad are no longer booked under administrative expenses.

Other operating revenues/expenses registered a net positive result of R\$5.9 million in 3Q10, positively impacted by the sale of electricity, standing timber and other products, such as pallets, shavings and scrap, which totaled approximately R\$9.5 million in the quarter, and negatively impacted by a provision for actuarial liabilities of R\$5.4 million. In 2Q10, this line registered a positive net result of R\$8.7 million, mainly due to the positive impact from sales of standing timber and other products.

EBITDA



EBITDA totaled R\$408.0 million in the quarter, with margin of 35.2%, increasing by 0.5 p.p. in relation to 2Q10 and by 10.8 p.p. from 3Q09. In 9M10, EBITDA was R\$1,324.9 million, and EBITDA margin of 39.9%, positively impacted mainly by the sale of forestry assets in 1Q10. Excluding the non-recurring effects, EBITDA margin in the period would be of 34.2%.

The main impacts on quarterly EBITDA and operating margins in relation to 2Q10 include:

Positive drivers

- (i) increase in average net pulp and paper prices in the domestic market;
- (ii) increase in average net pulp and paper prices in USD and BRL terms in the export market; and
- (iii) increase of paper sales volume in the domestic market.

Negative drivers

- (i) reduction in pulp and paper sales volume in the export market;
- (ii) reductions in the average net pulp prices in USD (-0.8%) and BRL (-3.2%) terms in the export market;
- (iii) the appreciation of the BRL versus the USD;
- (iv) the higher administrative expenses, as detailed above (page 15); and
- (v) higher unit COGS and a reduction in the volume available for sale due to the scheduled maintenance downtimes in the period.

Financial Result

Net financial expenses in 3Q10 were R\$ 51.4 million, compared with R\$ 97.6 million in 2Q10 and R\$ 76.8 million in 3Q09. Net financial expenses were impacted on the one hand by the R\$10.2 million gain from hedge operations involving swaps, compared with the losses of R\$13.2 million in 2Q10 and R\$18.4 million in 3Q09, and on the other hand by the R\$21.0 million loss from the discount on the international issue price for the US\$650 million 10-year Notes issuance in September.

Suzano's funding and currency hedge policy are guided by the fact that more than 50% of its net revenue comes from exports denominated in USD, while the vast majority of production costs are pegged to the BRL. This structural exposure allows the Company to contract export financing lines in USD at more competitive costs than local funding lines and to match debt service with the flow of receivables from sales, providing a natural cash hedge for these commitments. The excess revenue in USD that is not linked to debt obligations or other USD-linked obligations is sold in the currency market as the funds come into the country.

In order to provide additional protection, Suzano sells dollars in the futures markets to secure attractive operating margins for a portion of its revenue. These sales in the futures markets are limited to a minor portion of the excess currency flows over a period of 18 months, and therefore are matched to the amount of currency available for sale in the near term. Suzano uses the most liquid financial instruments in the market and (i) does not contract leveraged operations or other forms of embedded options that alter the purpose of the hedge, and (ii) does not hold any dual-index debt or debt with any other forms of implicit options. Suzano maintains strict risk-management controls and its financial statements reflect the market value of all of its financial assets and liabilities.

On September 30, 2010, the net notional value of currency transactions in the dollar futures market was US\$124.7 million, of which US\$49.7 million was through conventional non-deliverable forward (NDF) contracts, including US\$75 million through dollar put and call options to protect export net revenue without initial costs for the Company (zero cost collar structures). The maturities of these NDFs are distributed between October 2010 and May 2011 in order to secure attractive operating margins for a minor portion of net revenue over the course of this period. The cash effects related to these operations occur only on the respective maturity dates, when the contracts generate cash disbursements or proceeds for the Company, as the case may be. In addition, the Company uses swap contracts to exchange floating interest rates for fixed interest rates and contracts to set pulp prices, which reduce the effects of potential variations on the Company's cash flow.

Accordingly, the gain from hedge operations involving swaps was R\$10.2 million in the quarter and is composed primarily of: (i) the gains of R\$16.7 million from the sale of NDFs, R\$5.4 million from zero cost collar operations and R\$3.3 million in swaps of rates and indexes; (ii) and of the R\$15.2 million loss from swaps to fix the Libor rate in financing agreements.

Financial income from monetary and foreign exchange rate variations in the quarter reached R\$126.5 million, resulting from the local currency appreciation of 6.0% on the exposure of the balance sheet between the beginning and end of the quarter.

Net Income

Net income in the quarter was R\$272.8 million, in comparison to net income of R\$122.5 million in 2Q10. In addition to the operational factors that impacted EBITDA, this result is explained by the appreciation of the BRL against the

USD, which contributed to the positive impact on: (i) the Company's financial result, due to the impact on foreign-denominated debt; and (ii) the non-cash gain from monetary and foreign exchange variations.

Net income in 3Q10 was 33.6% higher than in 3Q09, reflecting: (i) significant increase in EBITDA in the period; (ii) appreciation in the BRL against the USD; (iii) better financial result; and (iv) monetary and foreign exchange rate variation, which was positive in both periods analyzed, though lower than in 3Q10. In the first nine months, net income was R\$518.4 million, 28.5% lower than in the same period last year.

Note that net income is impacted by the adoption of the CPCs, as mentioned in the previous items.

Other Information

Investments

The table below presents the Company's investments in the quarter:

Investments - R\$ '000	3Q10	2Q10	3Q09	3Q10 x 2Q10	3Q10 x 3Q09	9M10	9M09	9M10 x 9M09
Maintenance	82,476	53,712	84,530	53.6%	-2.4%	211,911	207,106	2.3%
Industrial	26,531	19,702	30,420	34.7%	-12.8%	59,436	66,746	-11.0%
Forestry	55,945	34,009	54,110	64.5%	3.4%	152,475	140,360	8.6%
Expansion ¹	76,921	69,228	275,046	11.1%	-72.0%	181,225	306,961	-41.0%
Other	3,399	1,970	3,388	72.5%	0.3%	5,757	5,699	1.0%
TOTAL	162,796	124,857	362,964	30.4%	-55.1%	398,841	519,766	-23.3%

¹Since January 2010, the investments at Line 2 in the Mucuri Unit are considered maintenance investments.

Debt

On September 30, 2010, the Company's total debt, including the adoption of IFRS effects and debentures, was R\$7,475.5 million, in comparison to R\$6,426.8 million on June 30, 2010. This represents a debt increment of R\$1,048.7 million in the quarter.

Debt denominated in foreign currency was R\$3,839.5 million on September 30, 2010, while debt denominated in local currency was R\$3,636.1 million, both including interest and leasing.

The Company's total debt on September 30, 2010 was composed by 82.9% of long-term maturities and 17.1% of short-term maturities. The Company carried out funding operations in 3Q10 of approximately R\$200 million, with maturities ranging from 1 to 2 years, besides the 10-year Notes issuance, in the amount of US\$650 million.

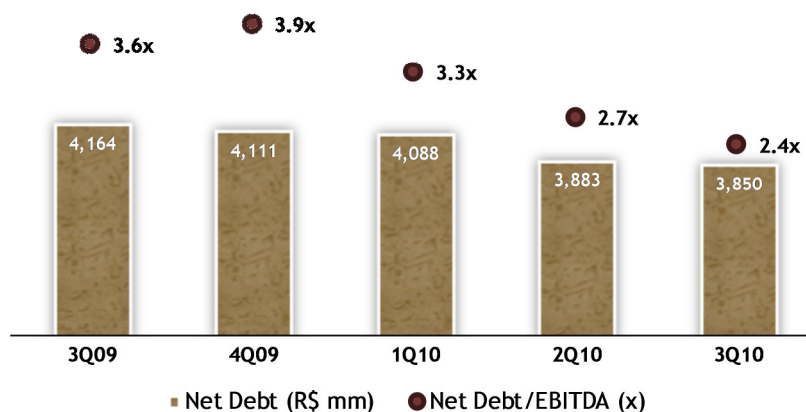
On September 30, 2010, consolidated net debt was R\$3,850.1 million while last twelve months EBITDA totaled R\$1,617.4 million. Net debt/EBITDA ratio was 2.4x.

Debt Breakdown - R\$ Million

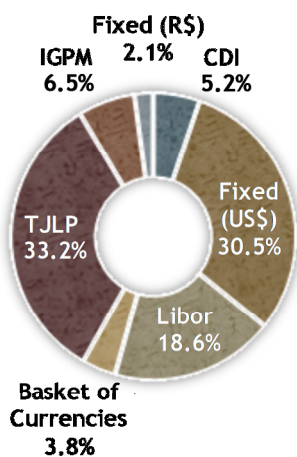
	9/30/2010	6/30/2010	9/30/2009
Local Currency	3,535	3,294	3,170
Short Term	567	531	736
Long Term	2,968	2,763	2,434
Foreign Currency	3,795	3,009	3,236
Short Term	617	542	806
Long Term	3,178	2,468	2,430
Interests	78	51	128
Leasing	69	73	77
Short Term	14	15	13
Long Term	54	58	64
Gross Debt	7,476	6,427	6,611
(-) Cash and Cash Equivalents	-3,625	-2,544	-2,447
Net Debt	3,851	3,883	4,164
Net Debt / EBITDA	2.4	2.5	3.5

All amounts in the table above include the adjustments introduced by the IFRS standards.

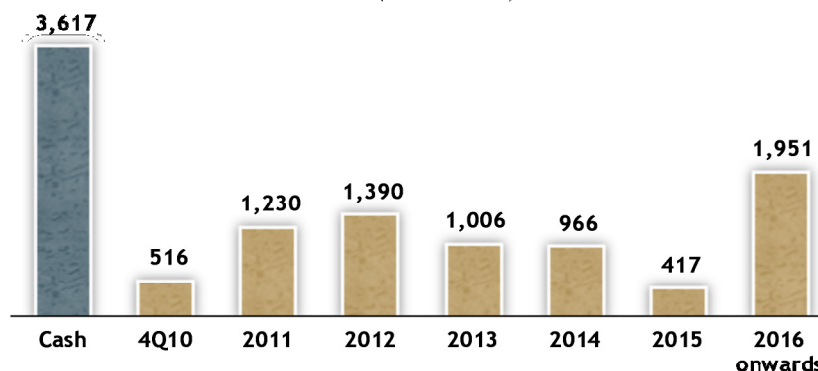
Net Debt vs Net Debt/EBITDA



Index Exposure 9/30/2010



Amortization Schedule (R\$ million)



With the adoption of CPC 38, the outstanding Vendor operations in 3Q10 of R\$177.4 million, previously classified reducing the "accounts receivable" (current assets), are now classified as "financing and loans" (current liabilities).

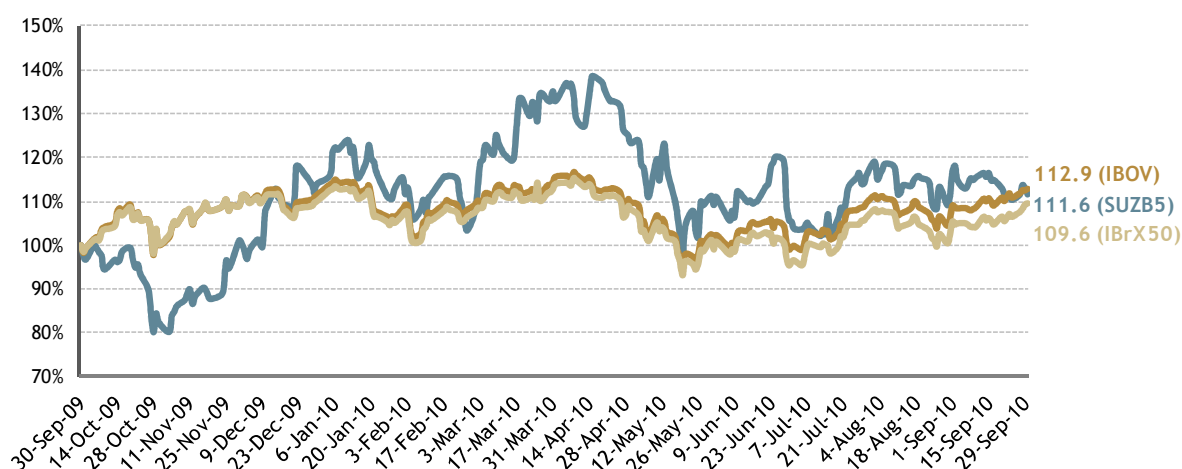
Capital Markets

The Company's equity is represented by 134,776,890 common shares (SUZB3) and 258,326,230 preferred shares (SUZB5 and SUZB6), with a total of 393,103,120 outstanding shares traded in the São Paulo Stock Exchange (BM&FBovespa). Out of this total, the Company had 4,154,685 preferred shares and 6,786,194 common shares held in treasury on September 30, 2010.

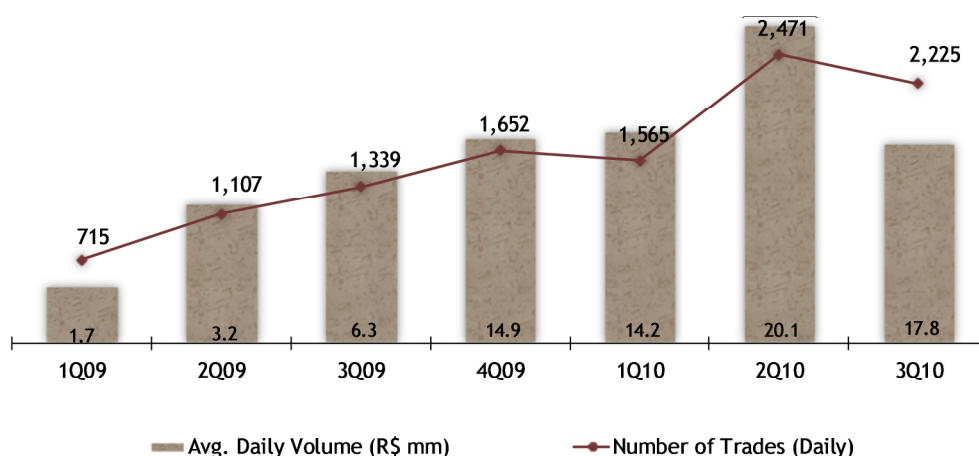
At the end of September, the preferred shares SUZB5 were quoted at R\$16.05. The Company's shares integrate Special Corporate Governance Level 1 of BMF&Bovespa and have been included in the Corporate Sustainability Index (ISE) of said stock exchange for the last 5 consecutive years.

The Company's stock price increased by 5.5% in 3Q10. During the same period, the benchmark Ibovespa Index increased by 13.9% and the IBrX-50 Index increased by 14.8%. During the quarter, the daily financial volume and number of trades were R\$17.2 million and 2,225, respectively. Market capitalization on September 30th was R\$6.2 billion, compared to R\$5.8 billion on June 30th. In 3Q10, the stock's free float was at 44.5%.

Stock Performance



Liquidity



Events of the Period

FuturaGene's Control Acquisition

On July 13, 2010, the Company obtained authorization from the applicable authorities in the United Kingdom for the acquisition of FuturaGene, with the transaction settled on July 19, 2010 for £55.3 million (US\$84.2 million). The Company held non-relevant investments in the purchased company and acquired its total capital in the transaction, recording initial goodwill of US\$85.6 million.

Debt Issuance - Senior Notes

Suzano Trading Ltd., the Company's subsidiary, concluded a US\$650 million international offering of Senior Notes ("Notes") due in January 2021, with an interest coupon of 5.875% p.a. paid on a semiannual basis and an annual yield for investors of 6.125%. The Notes were rated stable Baa3 (Investment Grade) by Moody's and stable BB+ by Standard & Poor's. The proceeds will be used for general corporate purposes.

Note:

Non-financial data such as volumes, quantity, average prices and average quotes, besides EBITDA, in Brazilian Real and U.S. Dollar were not examined by our independent auditors.

Corporate Information

Suzano Papel e Celulose S.A., with annual revenue of R\$4.0 billion in 2009, 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/year. It offers a broad range of pulp and paper products for domestic market and exports, with leadership positions in key Brazilian markets. It has four product lines: (i) eucalyptus pulp; (ii) uncoated woodfree printing and writing paper; (iii) coated printing and writing paper; and iv) paperboard.

Forward-looking statements

This release may contain forward-looking statements. These statements are subject to known and unknown risks and uncertainties that can lead such expectations to not materialize or to differ materially from expectations. These risks include: changes in future demand for the Company's products, changes in factors affecting domestic and international product prices, changes in the cost structure, changes in the seasonal patterns of markets, changes in prices charged by competitors, foreign exchange variations, changes in the political or economic situation of Brazil, and changes in emerging and international markets.

Contacts

1) Investor Relations: ri@suzano.com.br / Phone: +55 (11) 3503-9061

CEO and Investor Relations Director: Antonio dos Santos Maciel Neto

Investor Relations Executive Manager: Andrea Fernandes

Investor Relations Analysts: Fernanda Nardy / Michelle Lourenço Corda / Rosely D'Alessandro

Intern: Eduardo Pinotti de Oliveira

2) Media Relations: GWA Comunicação Integrada

Letícia Volponi - leticia@gwacom.com

Phone: +55 (11) 3030-3000

3) Exports: sales@suzano.com.br

Attachment - Adoption of the Technical Pronouncements issued by the Accounting Pronouncements Committee (CPC)

The financial statements include the full application of the accounting pronouncements (incorporation of the new technical pronouncements CPC 15 to CPC 40 and CPC 43, with the exception of CPC 34, which has not yet been issued). As established in CPCs 37 and 43, the changes in accounting practices were implemented retroactively to January 1, 2009. Thus, for comparison purposes, the financial statements of the previous fiscal year originally disclosed have been adjusted and re-published in accordance with the new standards. The main effects reflect the following pronouncements:

CPC 27 - FIXED ASSETS: the Company opted to re-measure, on the transition date, certain classes of fixed assets to reflect adequately their deemed cost. The following classes were appraised: Machinery, Equipment, Buildings, Land and Farms. In the transition, the attribution of fair value to these assets increased the value of fixed assets, impacting shareholders' equity. Note that the option to attribute fair value is valid only on the transition date, as provided for by CPC 37 and ICPC 10.

CPC 29 - BIOLOGICAL ASSETS AND AGRICULTURAL PRODUCTS: the Company's biological assets are represented by forests and were appraised at fair value on the transition date. These assets were previously booked under the historical cost of formation of the forests. In the transition, the attribution of fair value to these assets increased the value of fixed assets, impacting shareholders' equity. The biological assets must be measured at their fair value at least once a year.

CPC 32 - TAXES ON INCOME: regarding the adjustments resulting from the adoption of the new accounting practices, deferred income tax and social contribution tax were calculated based on their nominal rates.

CPC 33 - EMPLOYEE BENEFITS: the Company applied the exemption to the benefit plan determined on January 1, 2009 and opted to recognize all actuarial gains and losses prospectively on the transition date directly under shareholders' equity. Actuarial gains or losses were previously booked on the income statement in accordance with the accrual accounting method. The adoption of this new accounting practice had a positive impact of R\$37.5 million in the "other operational revenue/expense" account on the 4Q09 results.

IFRS Reconciliations

Shareholders Equity Reconciliation (in thousand Reais)	Consolidated	
	Sep-10	Dec-09
Shareholders Equity according to BRGAAP	4,845,712	4,623,026
Arising effects from new practices	3,449,782	3,458,309
Treatment of Minimum Mandatory Dividend Deemed Cost	-	-
Equity Equivalence (Deemed Cost)	5,215,120	5,220,537
Biological Assets - Reforestation	-	-
Actuarial Liabilities	484,999	492,503
Provision for premium adjustments	(5,766)	(5,766)
Deferred Income and Social Contribution Taxes	(467,410)	(467,410)
Elimination of unrealized profit by the Controller	-	-
	(1,777,161)	(1,781,555)
Shareholders Equity according to the new accounting practices:	8,295,494	8,081,335

Earnings Reconciliation (in thousand Reais)	Consolidated				
	Three months period to			Nine months period to	
	Sep-10	Jun-10	Sep-09	Sep-10	Sep-09
Earnings according to BRGAAP	281,374	439,240	212,513	546,227	741,533
Arising effects from new practices	(8,527)	(6,544)	(8,214)	(27,863)	(16,428)
Deemed Cost	-	-	-	-	-
Biological Assets - Forests	(5,417)	(3,370)	(3,602)	(14,870)	(10,075)
Private Social Security	(7,504)	(6,544)	(8,845)	(27,347)	(14,816)
Deferred Income and Social Contribution Taxes	-	-	-	-	-
Elimination of unrealized profit by the Controller	4,394	3,370	4,233	14,354	8,463
Earnings according to the new accounting practices:	272,847	432,696	204,299	518,364	725,105

Financial Statements

Consolidated Income Statement

INCOME STATEMENT

CONSOLIDATED - IN BRAZILIAN REAIS ('000)

	3Q10	2Q10	3Q09	9M10	9M09
INCOME STATEMENT					
Gross Sales	1,333,951	1,333,694	1,018,536	3,759,826	3,305,782
Sales Deductions	(174,994)	(144,746)	(127,824)	(441,317)	(372,985)
Net Sales	1,158,957	1,188,948	890,712	3,318,509	2,932,797
Cost of Goods Sold	(770,751)	(811,603)	(717,289)	(2,316,520)	(2,287,647)
Gross Profit	388,206	377,345	173,423	1,001,989	645,150
Operating Income (Expenses)	(172,919)	(196,861)	(167,135)	(331,401)	(404,688)
Selling Expenses	(51,226)	(49,732)	(37,252)	(161,831)	(113,017)
General and Administrative Expenses	(76,147)	(58,247)	(56,778)	(192,678)	(159,698)
Financial Expenses	(124,024)	(146,855)	(122,371)	(425,918)	(360,009)
Financial Income	72,600	49,291	45,601	181,268	216,050
Other Operating Income	5,878	8,682	3,665	267,758	11,986
Operating Profit Before Monetary and Exchange Variations	215,287	180,484	6,288	670,588	240,462
Net Monetary and Currency Exchange Rate Variation	126,526	(44,747)	260,748	6,376	828,129
Net Income Before Income and Social Contribution Tax	341,813	135,737	267,036	676,964	1,068,591
Income and Social Contribution Taxes	(68,966)	(13,209)	(62,737)	(158,600)	(343,486)
Net Income (Loss) for the Period	272,847	122,528	204,299	518,364	725,105

Consolidated Balance Sheet

BALANCE SHEET
30 SEPTEMBER 2010 & 30 JUNE 2010
CONSOLIDATED - IN BRAZILIAN REAIS ('000)

SUZANO PAPEL E CELULOSE S.A.

ASSETS			LIABILITIES		
	2010 SEPTEMBER	2010 JUNE		2010 SEPTEMBER	2010 JUNE
<u>CURRENT ASSETS</u>			<u>CURRENT LIABILITIES</u>		
Cash and Cash Equivalent	422,141	545,153	Trade Accounts Payable	251,306	275,137
Marketable securities	3,203,284	1,999,126	Loans And Financing	1,163,873	1,051,055
Gains on Transactions in Derivatives	21,651	15,973	Debentures	112,246	94,573
Trade Accounts Receivable	841,670	805,468	Losses on Transactions in Derivatives	43,805	58,911
Inventories	676,868	660,846	Accrued Salaries and Payroll Taxes	84,637	72,444
Other Accounts Receivable	64,520	60,903	Taxes Payable Other than on Income	24,911	18,078
Deferred Income And Social Contribution	129,026	148,431	Income and Social Contribution Taxes	5,230	3,208
Prepaid Expenses	7,663	11,049	Dividends and Interest on Equity Payable	497	465
			Other Accounts Payable	140,320	124,204
TOTAL CURRENT ASSETS	5,366,823	4,246,949	TOTAL CURRENT LIABILITIES	1,826,825	1,698,075
<u>NON CURRENT ASSETS</u>			<u>NON CURRENT LIABILITIES</u>		
Gains on Transactions in Derivatives	12,028	11,853	Loans and Financing	5,476,028	4,561,238
Recoverable Taxes	97,951	97,349	Debentures	723,398	719,948
Deferred Income And Social Contribution	19,426	24,284	Losses on Transactions in Derivatives	46,523	43,709
Credit to Wood Suppliers	248,333	249,467	Income Tax and Social Contribution	14,758	14,510
Judicial Deposits	66,912	66,259	Deferred Income and Social Contribution	1,922,123	1,889,575
Assets Available for Sale	46,763	26,054	Accounts Payable	136,993	150,362
Other Accounts Receivable	90,768	110,821	Provision For Contingencies	341,522	344,843
			Share Based Payments	16,250	15,448
	582,181	586,087	TOTAL NON CURRENT LIABILITIES	8,677,595	7,739,633
<u>LONG TERM ASSETS</u>			<u>SHAREHOLDERS EQUITY</u>		
Property, Plant And Equipment	12,671,877	12,651,955	Share Capital	2,466,659	2,466,659
Intangible	179,033	34,052	Capital and Profit Reserves	2,614,261	2,370,921
			Treasury Shares	(227,404)	(201,798)
			Equity valuation adjustment	3,441,978	3,445,553
	12,850,910	12,686,007			
TOTAL NON CURRENT ASSETS	13,433,091	13,272,094	TOTAL EQUITY	8,295,494	8,081,335
TOTAL ASSETS	18,799,914	17,519,043	TOTAL LIABILITIES + EQUITY	18,799,914	17,519,043

Consolidated Cash Flow Statement

CASH FLOW STATEMENT

SEPTEMBER 30th, 2010

In Brazilian Reals ('000)

	Nine months period to	Consolidated	
		Sep-10	Sep-09
Cash flows from operating activities			
Net income (loss) for the financial period		518,364	725,105
Adjustments to reconcile net income to cash generated from operating activities			
Depreciation, depletion and amortization		409,658	381,285
Result on sale of property, plant and equipment		(280,956)	(5,869)
Exchange and monetary variation, net		(14,245)	(971,755)
Interest expenses, net		295,149	291,642
(Gains) loss on derivatives, net		35,497	(36,996)
Current and deferred income and social contribution taxes		36,250	146,309
Other taxes expenses		155,884	108,758
Provisions for contingencies and actuarial liabilities		42,637	(2,809)
Share based payment plan expenses (reversion)		3,539	5,786
Provision (Reversion) for investment loss		4	-
Changes in operating assets and liabilities - current and non-current:			
Reduction (Increase) in accounts receivable		(75,496)	225,605
Reduction (Increase) in inventories		(60,937)	206,433
Reduction (Increase) in recoverable taxes		122,256	146,251
Reduction (Increase) in other current and non-current assets		(71,093)	(97,671)
Net proceeds generated by derivatives		27,605	(81,723)
Increase (Reduction) in trade accounts payable		(16,744)	(43,937)
Increase (Reduction) in other current and non-current liabilities		(4,760)	268,413
Interest Payments		(263,745)	(232,054)
Other taxes and contributions payments		(104,738)	(58,082)
Income tax and social contribution payments		1,191	27,533
Net cash from operating activities		755,320	1,002,224
Cash flows from investing activities			
Addition in investments		(143,907)	(4,445)
Acquisition of property, plant and equipment and increase in deferred charges		(398,842)	(519,767)
Sale of property, plant and equipment		351,202	12,992
Net effect of Ariemil and Agua Fria's disposal		11,088	7,636
Net cash generated (used) in investing activities		(180,459)	(503,584)
Cash flows from financing activities			
Dividends and Interest on Equity Payments		(228,795)	-
Contracted loans		2,743,052	1,386,737
Net proceeds generated by derivatives		(54,665)	1,694
Payment of loans		(1,893,754)	(1,560,803)
Purchase of own shares		(42,560)	-
Net cash from financing activities		523,278	(172,372)
Effects of exchange rate variation on cash and cash equivalents		(5,999)	(56,029)
(Decrease) increase in cash and cash equivalents		1,092,140	270,239
Cash and cash equivalents in the beginning of the period		2,533,285	2,176,312
Cash and cash equivalents in the end of the period		3,625,425	2,446,551
Statement of (decrease) increase in cash and cash equivalents		1,092,140	270,239

Consolidated Financings and Loans

		Average annual interest rate	Consolidated	
Index		in sep-10	Sep-10	Jun-10
For acquisition of equipment				
BNDES - Finem	TJLP	8.52%	1,809,621	1,822,328
BNDES - Finem	Basket of Currencies	6.33%	277,274	291,866
BNDES - Finame	TJLP	5.91%	7,618	8,242
BNDES - Finame	Basket of Currencies	7.09%	75	94
BNDES - Automático	TJLP	9.30%	3,278	3,725
BNDES - Automático	Basket of Currencies	7.09%	332	400
FNE - BNB	Pre Fixed Rate	8.50%	134,379	138,882
FINEP	TJLP	4.82%	35,495	36,314
Crédito Rural (Rural Credit)	Fixed Rate + CDI	7.65%	40,463	-
Leasing	CDI + Exchange Rate	11.57%	68,631	72,996
Working capital				
Trade Finance (Exports)	US\$	3.62%	1,886,798	2,088,713
Trade Finance (Imports)	US\$	2.25%	311,008	331,793
Nordic Investment Bank	US\$	5.74%	80,870	85,527
Export Credit Note	CDI	10.45%	337,745	332,065
Export Credit Note	US\$	6.65%	51,549	55,702
BNDES - EXIM	TJLP	6.86%	308,111	189,063
Notes due 2021	US\$	5.88%	1,097,303	-
Bill discount			177,372	141,780
Others			11,979	12,803
			6,639,901	5,612,293
Current Liabilities (including interests)			1,163,873	1,051,055
Non Current Liabilities			5,476,028	4,561,238

Consolidated Debentures

DEBENTURES			Sep-10			Jun-10	Index	Interest	Redemption
Issuance	Series	Bonds	Current	Non Current	Total	Total			
3rd.	1st.	333,000	21,004	466,251	487,255	466,653	IGP-M	10% *	4/1/2014
3rd.	2nd.	167,000	2,607	93,387	95,994	100,731	USD	9.85%	5/7/2019
4th.	1st.	79,735	29,607	54,659	84,266	82,529	TJLP	2.50%	12/1/2012
4th.	2nd.	159,471	59,028	109,101	168,129	164,608	TJLP	2.50%	12/1/2012
			112,246	723,398	835,644	814,521			

* The securities were issued with a R\$ 38,278 discount that has been fully incorporated to the securities total value. Due to that, the operation's effective interest rate changed from 8% p.y. to 10% p.y.