ARACRUZ results

ARA LISTED NYSE

Rio de Janeiro – April 11, 2005

First Quarter 2005

Highlights

✓ Record pulp production of 661,000 tons, 5% higher than in the same period of the previous year.

✓ Pulp sales volume of 592,000 tons, 10% higher than in the first quarter of the previous year.

✓ Net income in the quarter was US$70 million, or US$0.68 per ADR , 49% and 13% higher, respectively, than in the 1Q04 and 4Q04.

✓ Net revenue of US$297 million, 16% higher than in the same period of the previous year.

✓ Adjusted EBITDA of US$156 million, 23% higher than in the same period of the previous year. The adjusted EBITDA margin was 53%, 3 p.p. higher than in the 1Q04.

✓ Veracel project start up set for May 2005, 3 months ahead of schedule.

Summary	1Q 2005	1Q 2004	% QoQ
Net revenue (US$ million)	296.8	255.2	16%
EBITDA (US$ million)	148.9	120.3	24%
Adjusted EBITDA (*) (US$ million)	155.9	127.0	23%
Adjusted EBITDA Margin (*)	53%	50%	3 p.p.
Net Income	70.4	47.2	49%
Earnings per ADR ($)	0.68	0.46	49%
Pulp sales volume (tons)	592,000	540,000	10%
Paper sales volume (tons)	15,000	12,000	25%
Pulp production volume (tons)	661,000	628,000	5%
Net debt / Total capital	31%	34%	(3p.p.)

(*) adjusted for other non-cash items

Note: 1Q2004 EBITDA information reclassified; see additional information on page 12.

Aracruz Celulose S.A. (NYSE: ARA) presents its consolidated first quarter 2005 results, according to US GAAP and stated in US dollars.

Release available at: http:// www.aracruz.com.br

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Conference Call: The management would like to invite you to participate in its 1Q2005 results conference call: April 12, 2005 - 9:00 a.m. (New York time). To join us, please dial: (1-973) 935-2100 Code: 5914210. The call will also be web cast on Aracruz's website www.aracruz.com.br

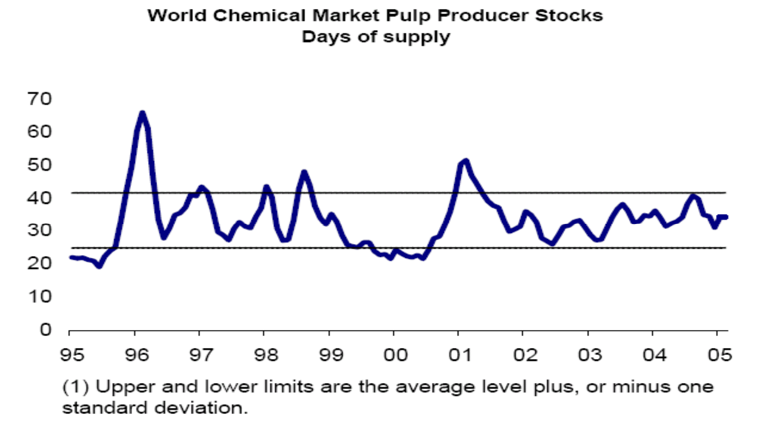
Global Pulp Market Update

The continuous growth of the major world economies in the 1Q2005 helped to sustain the performance of the pulp and paper industry during the period.

Printing and writing paper production in Western Europe to the end of February, at 5.6 million tons, surpassed the 2004 level for the same period, showing an increase of 3.2 %. In North America, production reached 4.6 million tons, 5.8 % above the 2004 level.

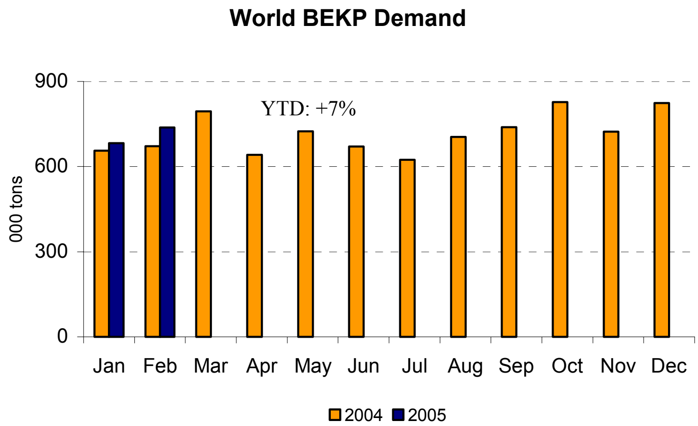
Tissue production increased in the United States in the beginning of 2005, thereby bolstering the positive scenario that is expected for the full year in that region.

As 2005 gets under way, according to the 19 producing countries, demand for world chemical market pulp is maintaining the same pace as in 2004, with shipments amounting to 6.1 million tons by the end of February and inventories falling to 32 days of supply.



Source : PPPC

As expected, demand for hardwood grades continued strong through the 1Q2005, with shipments registering 99% of capacity by the end of February. Demand for bleached eucalyptus pulp registered an increase of 7% year-to-date, the strongest among hardwood grades, to a total of 1.4 million tons up to the end of February. As a result, hardwood stocks in the hands of the European paper producers have fallen to 28 days of supply, the lowest level since December 2002. On the supply side, world hardwood producers' inventories have fallen to 30 days of supply, close to the lower limit of the normal range.



Source : PPPC

Pulp mill closures that started towards the end of 2004 have continued through the 1Q2005. It is estimated that around 0.9 million tons has recently been permanently removed from the market. These closures have been concentrated in the North American region, where the pulp production cost is one of the highest in the world.

Expectation of continued economic growth, strong seasonal demand in the paper market, plant maintenance downtime and limited capacity to ramp up production should all support the strong demand scenario for market pulp in the coming months. The current eucalyptus list prices are US$ 635/ton in North America, US$ 600/ton in Europe and US$ 570/ton in Asia.

Production and Sales

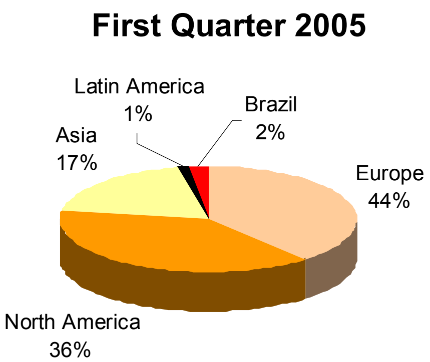
Pulp production attained a record level of 661,000 tons in the first quarter of 2005, compared to 628,000 tons in the same period of the previous year.

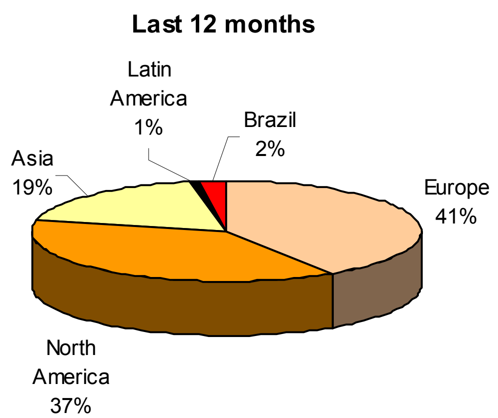
At the Guaiba unit, **paper production** in the quarter totaled 13,000 tons, consuming approximately 11,000 tons of the pulp produced. Paper inventories were at 1,000 tons at the end of March 2005 and **paper sales** in the first quarter of 2005 totaled 15,000 tons.

Pulp sales reached 592,000 tons in the first quarter, compared to 540,000 tons in the same period of the previous year.

At the end of March, **inventories** attained 335,000 tons, or 48 days of production, re-establishing a normal inventory level of around 50 days of production, when compared to 278,000 tons, or 40 days, at the end of December 2004.

Pulp sales volume distribution by region





Income Statement 1Q05

The **average list pulp price** in the quarter was $565/ton, compared to $509/ton in the same period of last year and higher than the average list price, of $518/ton, in the fourth quarter of 2004.

Total net operating revenue totaled $296.8 million, $41.6 million higher than in the same period of the previous year.

Net paper operating revenue amounted to $11.1 million in the quarter, $2.6 million higher than in the same period of the previous year.

Net pulp operating revenue during the quarter amounted to $285.7 million, compared to $244.2 million in the same period of the previous year. Revenue increased as a result of the larger sales volume and higher net prices.

The **total cost of sales** was $168.4 in the first quarter of 2005, compared to $156.8 million in the same period of the previous year.

The **pulp production cost** in the quarter was $228/ton, compared to $234/ton in the same period of 2004. The **cash production cost** (net of depreciation and depletion) in the quarter was $151/ton, compared to $159/ton in the same period of the previous year (see table below).

Cash Production Cost	US$ per ton
1Q04	**159**
Wood cost - (lower purchased wood volume and cost)	(12)
Lower specific consumption of raw material	(6)
Brazilian currency appreciation against the US dollar	9
Other	1
1Q05	**151**

Note: see reconciliation to GAAP figures on page 17.

Approximately 60% of the company's cash production cost is correlated to the local currency (R$). The average exchange rate in the first quarter was R$2.6699 per US$1.00, versus R$2.8950 per US$1.00 in the same period of 2004, representing a 7.8% appreciation of the real against the US dollar.

The **cash production cost** in the first quarter of 2005 was $151/ton, compared to $149/ton in the fourth quarter of 2004, mainly as a result of the additional appreciation of the real against the dollar and normalized costs for sustainment projects, partially offset by lower wood cost and reduced costs of chemicals. *(Note: see reconciliation to GAAP figures on page 17.)*

Sales and distribution expenses were $14.8 million, $3.1 million higher than in the same period of last year, mainly due to a higher sales volume, increased terminal expenses and changes in the geographical sales mix.

Administrative expenses were $7.0 million, $0.3 million lower than in the same period of 2004, mainly due to lower services expenses and lower non-recurring expenses, partially offset by the appreciation of the real against the dollar.

Other net operating expenses amounted to $5.3 million, $2.1 million higher than in the same period of the previous year, mainly due to $3.0 million of tax credits relating to PIS/Cofins on depreciation in the first quarter of 2004, partially offset by a lower allowance for doubtful accounts, of $0.4 million, and reversal of the provision for certain contingencies, of $0.6 million.

The sum of **Financial and Currency re-measurement results** in the quarter was $8.2 million, compared to $17.3 million in the same period of the previous year (see chart below).

(US$ million)	1Q05	1Q04
Financial Expenses	**29.9**	**28.3**
Interest on financing	24.0	22.4
Taxes (PIS/COFINS and CPMF)	0.5	3.1
Interest on fiscal contingency provisions	4.5	2.6
Other	0.9	0.2
Financial Income	**(23.1)**	**(10.7)**
Currency re-measurement	**1.4**	**(0.3)**
Total	**8.2**	**17.3**

The improvement was mainly due to increased financial income from an approximately 48% greater average cash balance and hedging transactions against the local currency (R$), which also covered the 50% hedging needs of Veracel's balance sheet exposure (Aracruz's equity interest).

The increase in "Interest on Financing" resulted from a larger average debt balance and higher floating interest rates based on LIBOR.

During the quarter, the local currency depreciated 0.4% against the US dollar, compared to a depreciation of 0.7% in the same period of the previous year. The closing exchange rate on March 31, 2005 was R$2.6662 per US dollar.

The **equity result** showed a loss of $1.0 million ($0.8 million for Veracel and $0.2 million for Aracruz Produtos de Madeira S.A. - APM) in the first quarter of 2005. The company has a 50% controlling stake in Veracel (see ***"Additional information"*** section for an update on the project development and financial information).

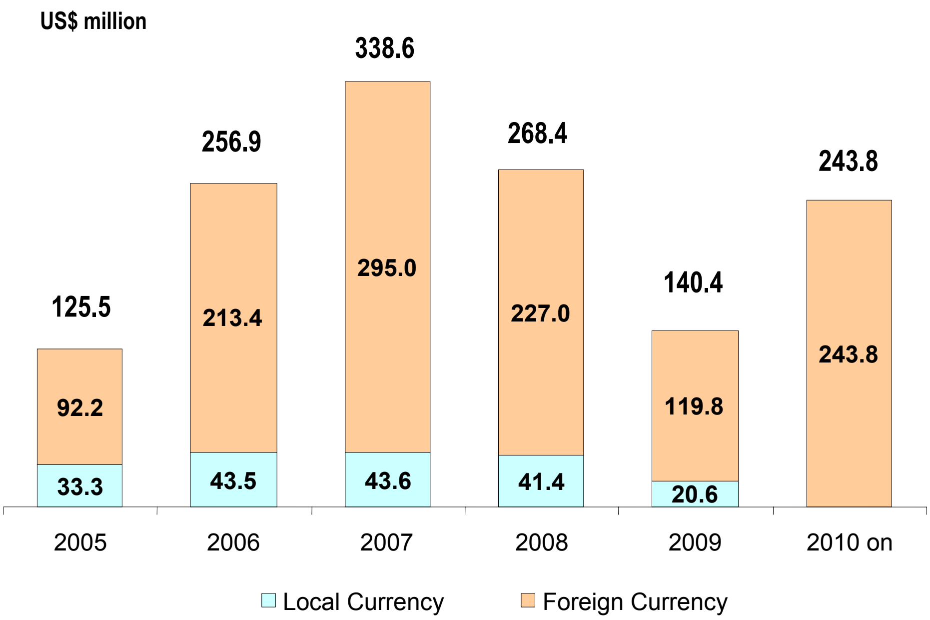
Income tax and social contribution in the quarter amounted to $21.7 million, against $9.7 million in the same period of the previous year, and represented a tax expense of 23% on profits before income taxes in the current year.

Debt and Cash Structure

The company's **gross debt** amounted to $1,373.6 million at the end of March 2005, $2.1 million lower than at the end of December 2004.

(US$ million)	March 31, 2005	December 31, 2004
SHORT-TERM DEBT	**209.4**	**153.0**
Current Portion of Long-Term Debt	199.9	141.3
Short Term Debt Instruments	-	3.8
Accrued financial charges	9.5	7.9
LONG-TERM DEBT	**1,164.2**	**1,222.7**
TOTAL DEBT	**1,373.6**	**1,375.7**
Cash, cash equivalent and investments	**520.5**	**450.2**
NET DEBT	**853.1**	**925.5**

The local currency debt corresponds entirely to long-term BNDES (Brazilian Development Bank) loans. The debt maturity as at March 31, 2005 was as follows:

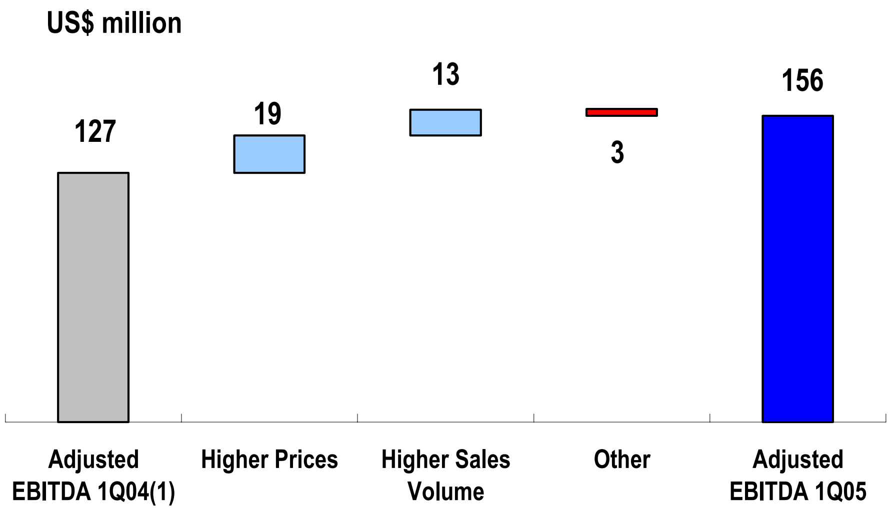


(US$ million)	Principal	%		Average interest rate
Foreign Currency	**1.182**	**87%**		**6.1%** p.a.
Trade Finance - LT	315	23%	floating	4.5% p.a
Securitization	771	56%	fixed	6.6% p.a
IFC	50	4%	floating	5.5% p.a
Import Financing	10	1%	floating	3.5% p.a
BNDES	36	3%	floating	10.4% p.a
Local Currency	**182**	**13%**		**13.3% p.a**
TJLP	182	13%	floating	13.3% p.a
Total	**1.364**	**100%**		

Cash, cash equivalent and investments, at the end of the quarter, totaled $520.5 million, of which $483.6 million was invested in local currency instruments and $36.9 million was invested abroad, mostly in US dollar time deposits.

Net debt (gross debt less cash holdings) was $853.1 million at the end of the quarter, $72.4 million lower than at the end of the previous quarter, mainly due to positive operating cash generation, partially offset by the payment of $4.9 million in interest on shareholders' equity, $24.4 million of capital expenditure and $6 million for Veracel's capital increase. At the end of the quarter, the net debt to total capital ratio was 31%.

EBITDA was $148.9 million in the first quarter of 2005, compared to $120.3 million in the same period of 2004, mainly as a result of a larger pulp sales volume and higher net pulp prices. EBITDA in the last twelve months was $591.4 million. The first quarter 2005 **adjusted EBITDA**, before other non-cash charges, totaled $155.9 million, compared to $127.0 million in the same period of the previous year, resulting in an **adjusted margin** of 53%. Adjusted EBITDA in the last twelve months was $623.9 million.



(1) Reclassified, see "Additional Information" on page 12

(2)COGS = Cost of Goods Sold

(US$ million)	1Q 2005	1Q 2004
Net income	**70.4**	**47.2**
Financial income	(23.1)	(10.7)
Financial expenses	29.9	28.3
Income tax	21.7	9.7
Equity in results of affiliated companies	1.0	1.9
Loss (gain) on currency remeasurement, net	1.4	(0.3)
Other	-	0.1
Operating income	**101.3**	**76.2**
Depreciation and depletion in the results:	**47.6**	**44.1**
Depreciation and depletion	50.2	50.6
Depreciation and depletion - Inventory movement	(2.6)	(6.5)
EBITDA	**148.9**	**120.3**
Non-cash charges	**7.0**	**6.7**
Provision for labor indemnity	0.4	0.5
Provision for loss on ICMS credits	6.4	5.7
Provision (reversal) for loss on inventory	-	(0.2)
Provision for a tax contingency	0.2	0.2
Fixed asset write-offs	-	(0.1)
Loss on the sale of obsolete spare parts	-	0.2
Allowance for doubtful accounts	-	0.4
Adjusted EBITDA	**155.9**	**127.0**
Adjusted EBITDA margin - %	**53%**	**50%**

Capital Expenditure

Capital expenditure and **investment** were as follows:

(US$ million)	1Q 05
Silviculture	13.1
On-going industrial investment	2.7
Forest and land purchases	0.3
Other forestry investments	1.0
Guaíba Unit optimization	5.9
Sea transportation	0.1
Miscellaneous projects	1.3
Total Capital Expenditure	**24.4**
Aracruz's equity contribution for Veracel	6.0
Total Capital Expenditure and investment	**30.4**

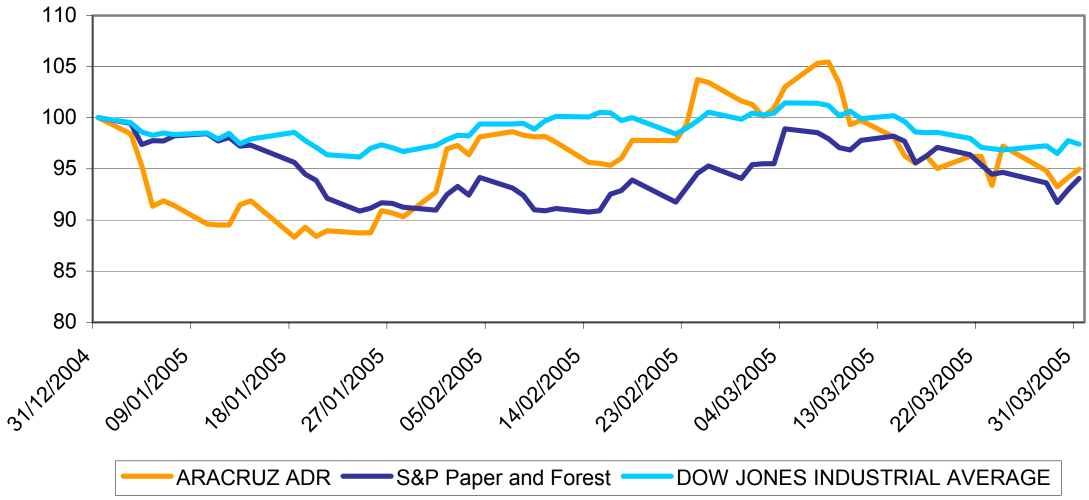
The capital expenditure forecast shows not only equity contributions for the Veracel project but also 50% of the total investment in the project, as follows:

(US$ million)	2Q - 4Q 2005E	2006E	2007E	2008E
- Guaiba Unit (modernization project only)	**21**	**-**	**-**	**-**
- Regular investments - (Barra do Riacho and Guaiba Units)	**89**	**86**	**89**	**81**
- 50% of Veracel Project (including regular investments)	**103**	**24**	**16**	**14**
Aracruz's equity contribution for Veracel	21	-	-	-
Veracel's other sources of funding (bank loans and own cash generation)	82	24	16	14
Total	**213**	**110**	**105**	**95**

Stock Performance

From December 31, 2004 to March 31, 2005, Aracruz's ADR price declined 5.0%, from $37.70 to $35,80. In the same period, the Dow Jones Industrial Average index and the S&P Paper and Forest index decreased by 2.6% and 5.9%, respectively.

Stock Price Performance - through March 31, 2005 (Base 100 = Dec. 31, 2004)



Stock information	March 31, 2005
Total number of shares outstanding	1,030,693,006
Common shares	454,907,585
Preferred shares	575,785,421
ADR Ratio	1 ADR = 10 preferred shares
Market capitalization	$3.7 billion
Average daily trading volume – 1Q05 (Bovespa and NYSE)*	$16.5 million

*Source: Bloomberg

Dividends

During the Ordinary Shareholders Meeting to be held on April 29, 2005, among other subjects, the allocation of the net profit for the 2004 fiscal year will be decided. The proposal is as follows:

a) ratification of the payment of Interest on Shareholders' Equity to the total sum of R$258,500,000.00, as approved by the Executive Board in meetings held on October 19, November 16 and December 21, 2004. The respective payments began on November 11 and December 10, 2004 and on January 11, 2005

b) payment of dividends, in addition to the Interest on Shareholders' Equity, to the sum of R$150,000,000.00, to be paid out of the adjusted net profit, without monthly correction, as follows:

- Each block of 1,000 (one thousand) common shares shall be entitled to the amount of R$137.83324600; and

- Each block of 1,000 (one thousand) preferred shares of classes "A" and "B" shall be entitled to the amount of R$151.61657060;

Over the last five years, Aracruz has maintained a policy of paying out sustainable and growing dividends, based on the company's cash generation, while preserving its investment and growth capacity.

The management intends to continue the policy of paying dividends in advance, as Interest on Shareholders' Equity, within the year of reference.

Dividend based on year	1999	2000	2001	2002	2003	2004
Adjusted EBITDA (US$ million)	326	492	268	321	539	595
Total dividend (US$ million)	60	63	76	108	123	146 (*)
Dividend - US$ per ADR	0.59	0.64	0.77	1.09	1.24	1.47 (*)

Notes: All conversions from R$ to US$ were based on the accounting exchange rate when registered. Dividend per ADR includes the 10% additional dividend that preferred shares are entitled to.

(*) estimated: includes all the Interest on Equity declared in 2004 plus the supplementary dividend proposed by the management and to be submitted for approval at the GSM to be held on April 29, 2005.

Results According to Brazilian GAAP

The local currency consolidated result, according to **Brazilian GAAP - Corporate Law**, was a net income of R$200.8 million for the quarter. Aracruz has also publicly released the unconsolidated financial results in Brazil, which **under Brazilian Law** serve as the basis for the calculation of minimum dividends and income taxes. In the first quarter of 2005, Aracruz Celulose S.A. reported an unconsolidated net income of R$218.9 million (R$64.3 million, excluding equity results).

Additional Information

1. Veracel – start up brought forward

Construction of the Veracel plant is proceeding at a fast pace and the project is nearing completion (98.5%). The operational start up has been brought forward to May, three months ahead of schedule. The project, which at its peak provided 12,000 jobs, has a nominal annual capacity of 900,000 tons and is expected to have the world's lowest production cost for bleached eucalyptus market pulp, due to its modern equipment, low average forestry operations radius (50 km) and high forest productivity. After an initial learning phase, the plant is expected to provide around 2,000 direct jobs (own and third-party employees) and employment for a further 8,000 people indirectly.

The output of the new plant will be sold in its entirety to the controlling shareholders, in the same proportion as their shareholdings (50% each). Production in 2005 is forecast at 360,000 tons of pulp, half of it (180,000 tons) going to Aracruz Celulose. Of this amount, Aracruz expects to sell about 130,000 tons in 2005, with the rest being used to supplement stocks. In 2006, with the initial learning phase completed, the plant should attain full capacity. Transportation of the pulp from the Belmonte terminal to the Portocel port terminal (51% owned by Aracruz), in the state of Espírito Santo, a distance of approximately 450 km, will be carried out using sea-barges.

Veracel will be the largest and most advanced single-line pulp mill in the world. Located in the south of the state of Bahia, Veracel is an integrated agribusiness project, owned by Aracruz Celulose (50%) and Stora Enso (50%).

Veracel's Balance Sheet and debt maturity are shown below:

VERACEL CELULOSE S.A BALANCE SHEET (Expressed in millions of US dollars)

ASSETS	Mar. 31, 2005	Dec.31, 2004	LIABILITIES	Mar. 31, 2005	Dec.31, 2004
Current assets	**59.6**	**75.5**	**Current liabilities**	**71.4**	**87.6**
Cash investments	32.1	59.0	Other accruals	49.7	66.8
Other current assets	27.5	16.5	Short-term debt	21.7	20.8
Long term assets	**57.4**	**47.8**	**Long-term liabilities**	**563.1**	**489.0**
Other long term assets	57.4	47.8	Long-term debt	558.6	489.0
Permanent assets	**1,053.3**	**978.8**	Other long-term liabilities	4.5	
			Shareholders' equity	**535.8**	**525.5**
TOTAL	**1,170.3**	**1,102.1**	**TOTAL**	**1,170.3**	**1,102.1**

VERACEL'S TOTAL DEBT MATURITY AS AT MARCH 31, 2005

(US$ million)	Local Currency	Foreign Currency	Total Debt	%
2005	15.4	4.3	19.7	3.4%
2006	8.5	13.9	22.4	3.9%
2007	41.5	36.3	77.8	13.4%
2008	41.5	37.3	78.8	13.6%
2009	41.3	37.1	78.4	13.5%
2010	37.2	37.1	74.3	12.8%
2011 onwards	105.3	123.6	228.9	39.4%
Total	**290.7**	**289.6**	**580.3**	**100%**

Aracruz is a several guarantor of 50% of the indebtedness incurred by Veracel, and Stora Enso is the several guarantor of the other 50% of such indebtedness.

Veracel is a joint-venture which is jointly-controlled by Aracruz and Stora Enso OYJ and both shareholders must together approve all significant ordinary-course-of-business actions according to contractual arrangements. To date, Aracruz is waiting for a formal response from U.S. Securities and Exchange Commission (SEC) to its requested waiver to proportionately consolidate Veracel.

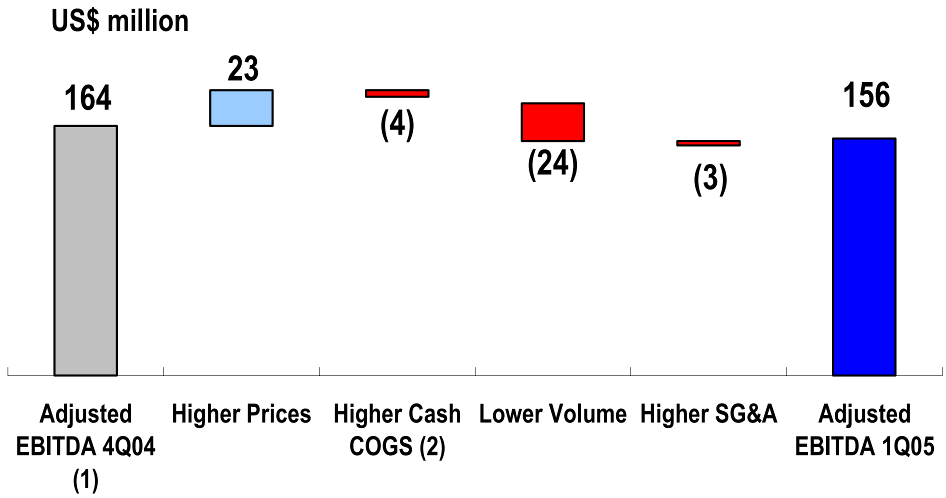
2. EBITDA calculation - change in methodology

Until the end of 2004, the EBITDA was calculated using the total amount of "depreciation, depletion and amortization" based on production. The methodology applied was liable to be affected by the difference between the production and sales volumes for a specific period.

In 2005, the EBITDA calculation reflects the amount of "depreciation, depletion and amortization" based on sales volume, in order to improve the quality of the information provided on a quarterly basis, given that in the full year figure these impacts have been minimized. As a result of this change in the calculation criteria, we have reclassified the EBITDA in 2004, in order for it to be comparable to the 2005 figure. See below:

YEAR 2004	1Q		4Q		FY	
(US$ million)	previous	new	previous	new	previous	new
Operating income	**76.2**	**76.2**	**94.5**	**94,5**	**356.7**	**356.7**
Depreciation and depletion in the results:	**50.6**	**44.1**	**51.1**	**58.0**	**206.9**	**206.1**
Depreciation and depletion	50.6	50,6	51.1	51,1	206.9	206.9
Depreciation and depletion - Inventories movement	-	(6,5)	-	6,9	-	(0,8)
EBITDA	**126.8**	**120,3**	**145.6**	**152,5**	**563.6**	**562.8**
Non-cash charges	**6.7**	**6.7**	**11.8**	**11,8**	**32.2**	**32.2**
Adjusted EBITDA	**133.5**	**127**	**157.4**	**164,3**	**595.8**	**595.0**
Adjusted EBITDA margin - %	**52%**	**50%**	**49%**	**51%**	**51%**	**51%**

3. Adjusted EBITDA comparison 4Q04 vs. 1Q05



(1) Reclassified, see "Additional Information" on page 12

(2)COGS = Cost of Goods Sold

In the first quarter, the reduction in the adjusted EBITDA was mainly due to the 15% of lower pulp sales volume partially offset by net pulp prices that were 9% higher, when compared with the previous quarter.

EBITDA is adjusted for other non-cash items as shown below:

(US$ million)	1Q05	4Q04
Net income	**70.4**	**62.0**
Financial income	(23.1)	(21.1)
Financial expenses	29.9	31.1
Income tax	21.7	24.9
Equity in results of affiliated companies	1.0	5.1
Loss (gain) on currency remeasurement, net	1.4	(7.5)
Operating income	**101.3**	**94.5**
Depreciation and depletion in the results:	**47.6**	**58.0**
Depreciation and depletion	50.2	51.1
Depreciation and depletion - Inventory movement	(2.6)	6.9
EBITDA	**148.9**	**152.5**
Non-cash charges	**7.0**	**11.8**
Provision for labor indemnity	0.4	0.3
Provision for loss on ICMS credits	6.4	5.6
Provision (reversal) for loss on inventory	-	0.3
Provision for a tax contingency	0.2	0.2
Fixed asset write-offs	-	0.1
Loss on the sale of obsolete spare parts	-	0.2
Loss on the sale of affiliated company	-	5.1
Adjusted EBITDA	**155.9**	**164.3**
Adjusted EBITDA margin - %	**53%**	**51%**

Note: In the main body of the text (p.2 - 11), amounts are in US$ unless otherwise specified.

Aracruz Celulose S.A., with operations in the Brazilian states of Espírito Santo, Bahia, Minas Gerais and Rio Grande do Sul, is the world's largest producer of bleached eucalyptus Kraft pulp. All of the high-quality hardwood pulp and lumber supplied by the company is produced exclusively from planted eucalyptus forests. The Aracruz pulp is used to manufacture a wide range of consumer and value-added products, including premium tissue and top quality printing and specialty papers. The lumber, produced at a high-tech sawmill located in the extreme-south of the state of Bahia, is sold to the furniture and interior design industries in Brazil and abroad, under the brand name Lyptus. Aracruz is listed on the São Paulo Stock Exchange (BOVESPA), on the Latin America Securities Market (Latibex), in Madrid - Spain, and on the New York Stock Exchange (NYSE) under the ADR level III program (ticker symbol ARA). Each ADR represents 10 underlying class B preferred shares.

ARACRUZ CELULOSE S.A. – CONSOLIDATED STATEMENTS OF OPERATIONS

(Expressed in thousands of US dollars, except for per-share amounts) **(unaudited)**

	Three-month period ended - March 31,	
	2005	**2004**
Operating revenue	**339,816**	**282,582**
Domestic	13,296	12,397
Export	326,520	270,185
Sales taxes and other deductions	**42,997**	**27,369**
Net operating revenue	**296,819**	**255,213**
Pulp	285,681	244,178
Paper	11,090	8,464
Sawn wood	48	2,571
Operating costs and expenses	**195,500**	**179,013**
Cost of sales	168,412	156,835
Pulp	161,361	148,162
Cost of sales related to production	135,747	125,189
Inland freight, ocean freight and insurance	25,614	22,973
Paper	7,004	5,692
Sawn wood	47	2,981
Selling	14,798	11,703
Administrative	6,955	7,267
Other, net	5,335	3,208
Operating income	**101,319**	**76,200**
Non-operating (income) expenses	**9,211**	**19,296**
Financial income	(23,113)	(10,671)
Financial expenses	29,932	28,298
Interest on financing	24,042	22,453
Other	5,890	5,845
(Gain) loss on currency re-measurement, net	1,442	(264)
Equity results of affiliated company	989	1,918
Other, net	(39)	15
Income before income taxes	**92,108**	**56,904**
Income taxes	**21,751**	**9,720**
Current	28,657	7,597
Deferred	(6,906)	2,123
Net income for the period	**70,357**	**47,184**
Depreciation and depletion in the results:	**47,571**	**44,063**
Pulp production cost	50,298	47,028
Forests and other acquisitions	(1,494)	1,540
Other operating costs and expenses	1,343	2,051
Sub-total	**50,147**	**50,619**
Inventories movement	(2,576)	(6,556)
EBITDA	**148,890**	**120,263**
EBITDA (adjusted for other non-cash items)	**155,899**	**126,961**

ARACRUZ CELULOSE S.A. – CONSOLIDATED BALANCE SHEETS

(Expressed in thousands of US dollars)

ASSETS	Mar. 31, 2005	Dec.31, 2004	LIABILITIES	Mar. 31, 2005	Dec.31, 2004
Current assets	**910,273**	**833,113**	**Current Liabilities**	**316,818**	**274,806**
Cash and cash equivalents	85,142	36,474	Suppliers	48,829	52,869
Short-term investments	433,746	412,110	Payroll and related charges	10,213	15,486
Accounts receivable	201,558	208,336	Income and other taxes	40,427	42,123
Inventories, net	139,226	126,220	Current portion of long-term debt		
Deferred income tax, net	13,310	9,853	Related party	51,731	51,567
Recoverable income and other taxes	31,278	36,984	Other	148,146	89,706
Other current assets	6,013	3,136	Short-term debt - export financing and other		3,767
Property, plant and equipment, net	**2,108,271**	**2,133,896**	Accrued financial charges	9,469	7,894
Investment in affiliated company	**278,901**	**273,890**	Interest on stockholders' equity payable	790	10,433
Goodwill	**207,050**	**207,050**	Other accruals	7,213	961
Other assets	**81,048**	**81,709**	**Long-term liabilities**	**1,383,797**	**1,440,265**
Long-term investments	1,594	1,601	Long-term debt		
Advances to suppliers	54,665	50,685	Related party	166,058	178,588
Deposits for tax assessments	17,079	17,369	Other	998,191	1,044,140
Recoverable income and other taxes	2,570	6,675	Deferred income tax, net	47,196	50,645
Other	5,140	5,379	Tax assessment and litigation contingencies	136,907	130,846
			Suppliers	14,134	14,118
			Other	21,311	21,928
			Minority interest	**284**	**300**
			Stockholders' equity	**1,884,644**	**1,814,287**
TOTAL	**3,585,543**	**3,529,658**	**TOTAL**	**3,585,543**	**3,529,658**

ARACRUZ CELULOSE S.A. – CONSOLIDATED STATEMENTS OF CASH FLOW

(Expressed in thousands of US dollars)

	Three-month period ended March 31,	
	2005	**2004**
Cash flows from operating activities		
Net income for the period	70,357	47,184
Adjustments to reconcile net income to net cash provide by operating activities:		
Depreciation and depletion	50,147	50,619
Equity results of affiliated company	989	1,918
Deferred income tax	(6,906)	2,123
Loss (gain) on currency re-measurement	1,442	(264)
Gain on sale of equipment	(22)	(104)
Decrease (increase) in operating assets		
Accounts receivable, net	2,093	39,362
Inventories, net	(13,006)	(15,471)
Interest on short-term investments	(13,731)	(8,134)
Recoverable income taxes	9,861	1,982
Other	(2,375)	(2,538)
Increase (decrease) in operating liabilities		
Suppliers	(4,229)	(18,657)
Payroll and related charges	(5,187)	(3,042)
Tax assessment and litigation contingencies	4,953	(10,172)
Accrued finance charges	1,596	1,637
Other	6,041	1,940
Net cash provided by operating activities	102,023	88,383
Cash flows from investing activities		
Short-term investments	(9,403)	
Proceeds from sale of equipment	22	118
Investments in affiliate	(6,000)	(15,000)
Additions to property, plant and equipment	(24,386)	(16,828)
Net cash used in investing activities	(39,767)	(31,710)
Cash flows from financing activities		
Short-term debt, net	1,627	(96,643)
Long-term debt		
Issuance	25,000	121,978
Repayments	(29,103)	(85,156)
Dividends and interest on stockholders' equity paid	(9,452)	
Net cash used in financing activities	(11,928)	(59,821)
Effects of exchange rate changes on cash and cash equivalents	(1,660)	151
Increase (decrease) in cash and cash equivalents	48,668	(2,997)
Cash and cash equivalents, beginning of period	**36,474**	**66,284**
Cash and cash equivalents, end of period	**85,142**	**63,287**

Reconciliation of Operational Results

Brazilian Corporate Law v US GAAP (US$ million)	1Q 2005
Net Income Parent Company (Brazilian Corporate Law)	**82.1**
Unrealized profits from subsidiaries	(6.8)
Net Income Consolidated (Brazilian Corporate Law)	**75.3**
Depreciation, depletion and asset write-offs	(14.8)
Income tax provision - Fas 109	(1.8)
Equity results of affiliated company	0.8
Amortization of goodwill	5.6
Foreign-exchange variation	5.3
Net Income Consolidated - (US GAAP)	**70.4**

Exchange rate at the end of March (US$1,0000 = R$2.6662)

Non-GAAP information Reconciliation

Pulp inventories	1Q05			4Q04			1Q04		
	US$ million	Volume 000 tons	US$ per ton	US$ million	Volume 000 tons	US$ per ton	US$ million	Volume 000 tons	US$ per ton
Beginning of the period	**70.1**	**277.8**	**252**	**84.6**	**333.7**	**253**	**67.9**	**273.4**	**248**
Cash production cost	100.0	660.6	151	97.3	654.1	149	99.9	627.9	159
Depreciation and depletion in the production cost	50.3	-	77	47.9	-	73	47.0	-	75
Cost of sales	(135.7)	(592.3)	229	(158.0)	(698.9)	226	(125.2)	(540.3)	232
Paper production cost	(2.3)	(11.3)	205	(2.3)	(11.1)	206	(2.0)	(10.5)	186
Other	0.3	-	-	0.6	-	-	1.2	-	-
End of the period	**82.7**	**334.8**	**247**	**70.1**	**277.8**	**252**	**88.8**	**350.5**	**253**