



Suzano Papel e Celulose: consolidated 4Q07 results

Record-breaking Ebitda: R\$ 326 mn; Ebitda margin 33.8% in 4Q07
Net profit R\$ 539mn, 21.6% over 2006 figures.

São Paulo, January 23, 2008

Suzano Papel e Celulose (Bovespa: SUZB5), one of Latin America's largest integrated producers of pulp and paper today report consolidated results for **fourth quarter of 2007 (4Q07)**. This release gives consolidated operational and financial figures in Reais, by the Brazilian Corporate Law accounting method. Comparisons, unless otherwise stated, are between 3Q07 and 4Q06.

Highlights 2007

- Record-breaking Ebitda: cash generation reaches R\$ 1.15 bn (US\$ 593 mn), Ebitda margin 33.6% .
- Increase of US\$100/ton in the pulp price list CIF Europe.
- Increase of US\$ 95/ton in average paper prices in export markets
- Increase of 39.6% in the price of shares negotiated at Bovespa – the highest in the pulp and paper sector for the second consecutive year;
- Early startup of Line 2 at Mucuri Unity – 35 days ahead of planned schedule; 135 kton produced in 2007.
- Project P630 completion at Americana Unit, increase of 40 tsd tons of pulp.
- Follow on equity offer. Free float increases 46,6% .
- New tax incentives for the Mucuri Unit.
- Brazilian Antitrust Authorities (CADE) approved Conpacel's model.
- Acquisition of all of Embu Unit for US\$ 20 million.
- Completion of the Amador Aguiar hydro-electric plant (former Capim Branco).
- Opening of Suzano Pulp and Paper Asia office in Shanghai, China.

4Q07

- Pulp prices increased to US\$780 / ton (CIF Europe) in October and December.
- Export prices of paper increased by US\$20 / ton.
- Producers' pulp inventories reach 29 days of supply in the end of December.
- Sale of our stake in Limeira and Cubatão for US\$32.5mn concluded.
- Suzano's Market Value reaches US\$ 5.1 billion.
- The stock was again included in Bovespa's Corporate Sustainability Index (ISE).
- Implementation of the new organizational structure.
- Net Debt/EBITDA ratio at 3.74 (same level of the past year)
- Production record of 601tsd ton of pulp and paper.

CONFERENCE CALL AND WEBCAST ON THESE RESULTS

In Portuguese:

January 24th – 10 a.m. (Brasília)

Access: +55 11 2188 0188

Password: Suzano Papel e Celulose

In English:

January 24th – 12 noon (Brasília)

Access: +1 973-935-8893

Password: 9318282

www.suzano.com.br/ri

The results in this release include Suzano's 50% holding in Ripasa. Year-on-year comparisons are made with the consolidated results based on the company's actual holdings in Ripasa in each period (23.03% up to April 2006 and 50% from May 2006).

Acquisition of the remaining 50% stake in the Embu facility is taken into account only from March 2007.

Financial data for the Limeira and Cubatão plants cease to be consolidated as from November 2007.

Message from management

In 2007 Suzano Papel e Celulose successfully concluded a strong and important cycle of growth. In addition to the de-bottlenecking projects in pulp and paper production, and the completion of the acquisition of 50% of Ripasa with its approval by the Brazilian anti-trust authorities (CADE), we acquired 100% of the Embu paperboard plant, concluded the P630 Project –increasing pulp production capacity at Americana (Ripasa) by 40,000 tons/year – and concluded the implementation of the Mucuri Project. This growth cycle will increase our total production capacity in 2008 to 2.8 million tons/year (1.1 million tons/year of paper and 1.7 million tons/year of market pulp), an increase of 129% from 2004. In 2008 Suzano will be one of the world's 10 largest producers of market pulp, and the world's second largest producer of eucalyptus market pulp.

The Mucuri Project was concluded in 22 months, ahead of schedule, and within its budget of US\$1.3 billion. This was achieved using modern project management tools, including an interesting innovation in the coordination of all involved – engineering companies, suppliers, and Suzano's own team. Line 2 at Mucuri is now the world's largest single pulp line, with state-of-the-art technology – a world benchmark for implementation time, production volume and technology. In 2007 it produced 135,000 tons, exceeding the initial plan of 120,000 tons.

Our operational result was a record Ebitda of R\$ 1.15 billion and a net profit of R\$ 539mn, exceeding 2006 figures by 10% and 22% respectively. It is worth mentioning that 47% of our revenue in 2007 came from exports, while the Brazilian Real appreciated with the average exchange rate varying 10% against the US dollar. Net debt / Ebitda was 3.74 at the end of the year, vs. 3.77 at the end of 2006, reflecting solid financial management, since the Mucuri Project began its learning curve only at the end of August. Our total production in the year was 1.98 million tons, with sales of 1.92 million tons, up 15% and 14% from 2006, respectively. We sold market pulp volume of 799,000 tons, and 1.13 million tons of paper, respectively 30% and 5% higher than in 2006. Sales of paperboard in the Brazilian market were 15% higher than in 2006, and exports of paper to North America were 42% higher. The increase of production was accompanied by a reduction of 60% in accidents involving time off work for our own employees and for service providers, an outstanding result that deserves a special mention in this message.

Suzano obtained further tax incentives for the Mucuri operations, arising from regulation of Law 11195/2005, which was designed to partially reduce the tax burden on investments made in Brazil's North and Northeast regions. These include accelerated depreciation and reduction of the recovery period for the PIS and Cofins taxes on investments – with beneficial results for the Company's cash flow.

Non-operating expenses of R\$ 129.3 million were mainly the result of the write-off of goodwill related to the sale of Limeira and Cubatão plants of Ripasa as well as of the write-off of PPE assets simultaneously with the Mucuri Project, such as substitution of the furnace of the existing recovery boiler.

With the startup of the last turbine at the Amador Aguiar hydro-electric plant (former Capim Branco Project), in which we have 17.9% ownership, and since Line 2 at Mucuri is self-sufficient in energy, we now produce 100% of the electricity that we consume at Mucuri, Suzano, Rio Verde and Embú. Our average consumption of water per ton of pulp and paper produced was reduced by 2.8% at Suzano. With production of Line 2 at Mucuri moving towards stabilization, water consumption per ton in December 2007 was 9.5% lower than the 2006 average. Our Forest Stewardship Council (FSC) certification was maintained for 100% of the company's own planted forests dedicated for pulp production. We also received important re-certifications: ISO 9001, ISO 14001, OHSAS 18000 and SA 8000.

Several new activities contributed to making these significant results possible, and more importantly, to supporting Suzano's capacity for sustainable growth over the coming years. We began the operations of Suzano Pulp and Paper Asia, in Shanghai, China, which together with the operations of North America, Europe and Argentina now make up a worldwide structure for sale of the larger volumes of paper and pulp resulting the growth cycle. In the domestic market the highlight was the launch of our Commercial Policy for each of the segments of the paper market in which we operate. Customers were re-classified and re-grouped and pricing, incentives, and marketing practices were defined for each group.

The implementation of our Management Model, based on the Excellence Criteria of Brazil's National Quality Foundation, is receiving special attention from all of the management team of the Company. Other highlights were projects oriented to Operational Excellence, 6 Sigma and Innovations. Our biotechnology area was reorganized and we made important steps in terms of internal training and establishment of partnerships in Brazil and worldwide. We also made progress towards adoption of EVA – Economic Value Added – as the main indicator of the organization's performance, and consequently, of the compensation of our executives.

A new Executive Officer was hired for the Forestry Business Unit, and at the end of the year we announced a reorganization of the company, strengthening the Business Unit concept, and creating two new areas: the Operations Service Provider Unit, led by Engineer Ernesto Pousada – bringing together industrial, supplies, logistics, new projects implementation, product development, information technology and competitiveness – and the Planning and Corporate Affairs Service Provider Unit, for which the new Executive Director will be announced shortly.

Suzano gave firm support to the restructuring of Bracelpa – the Brazilian Paper and Pulp Association – and also the initiatives taken by it. Bracelpa and ABRAF – the Brazilian Planted Forests Producers' Association – are demonstrating to public opinion that the planted forest is an exceptional solution for global warming. Suzano also participated actively in international forums related to sustainability – a highlight being the World Business Council for Sustainable Development (WBCSD).

We are very proud to continue to support dozens of projects in the communities where we operate, and also to be the main supporter of the Ecofuturo Institute, which has been carrying out competent and effective work in projects of high impact, including the *Parque das Neblinas* ("Park in the Clouds"), Community Libraries, the Writing Contest and the Paper Collectors' Cooperatives.

The work of our team has received recognition from several external sources, a highlight being the award of the *Maiores e Melhores* edition of *Exame* Magazine that, for the second year running, distinguished Suzano, this time as the *Best Company in the Paper and Pulp Sector*. *Exame's Sustainability Guide* chose Suzano as one of the "model companies", for the fourth year running. *Globo's Rural Magazine* chose Suzano as the best company in the sector in its *Best Agribusiness Companies* edition; and for the third year running our company was included in the São Paulo Stock Exchange (Bovespa) Corporate Sustainability Index (ISE).

Suzano received special recognition from the capital markets. Market cap increased from US\$3.1 billion at the end of 2006 to US\$5.1 billion on December 31, 2007. The number of trades of our shares reached a daily average of 323 in the fourth quarter, with average daily trading volume of R\$ 20mn, respectively year-over-year growth of 30% and 55%.

The competitiveness of our products in the international market, our projects in progress for sustainable gains in productivity, the exceptional quality of our team, the recognition shown by our suppliers, customers, financial and capital markets, and equally important, our stockholders' trust and confidence, have prepared Suzano for a new cycle of growth. With this in mind, we are improving our planning process, and increasingly strengthening our team.

We thank all those who helped make 2007 a special year in the life of Suzano Papel e Celulose, for their cooperation and support. We feel motivated to make 2008 an even better year.

Antonio Maciel Neto
CEO

Summary of the period: fourth quarter of 2007 (4Q07)

Financial indicators in R\$ '000	3Q07	4Q07	4Q06	2007	2006
Net sales	815,907	963,491	799,276	3,409,668	3,098,990
Ebitda	266,605	325,755	261,026	1,146,297	1,039,501
Net income	168,347	92,780	90,146	539,353	443,690
Sales volume ('000 tons)	443.9	583.3	417.6	1,924.6	1,685.6
Ebitda margin	32.7%	33.8%	32.7%	33.6%	33.5%
Net debt	4,218,404	4,285,486	3,918,745	4,285,486	3,918,745
Net debt / Ebitda (LTM)	3.90	3.74	3.77	3.74	3.77
Net income per share	0.5376	0.2963	0.2879	1.7225	1.4172
Financial indicators in US\$ tsd					
Net sales	425,439	539,831	371,445	1,763,225	1,425,483
Ebitda	139,218	182,855	121,278	593,361	478,237
Net debt	2,293,984	2,419,401	1,832,901	2,419,401	1,832,901

Notes: US\$ conversion is by the average exchange rate for the period, in figures from the income statement, and by the end-of-period exchange rate, in figures from the balance sheet. / Ebitda = operational profit, less (net financial revenue/expenses, equity income, depreciation and amortization), to the extent these are included in operational profit.

Strong demand and scarce supply create favorable environment for further increases in pulp prices

In 4Q07 demand continued to be strong in the pulp market. According to PPPC (Pulp and Paper Products Council), global demand, measured by shipments volumes, increased 3.4% (1,331 tsd ton) compared to the last year – Chinese market alone demanded additional 804 tsd ton. Eucalyptus pulp demand increased by 17.1% (1,589 tsd ton).

Scarce wood supply in North America, Europe and Asia restricted pulp supply and contributed to additional price increases in the 4Q07. The price of eucalyptus pulp CIF Northern Europe reached US\$750/ton in October, and was again raised to US\$780/ton in December. Considering the full year, prices increased by US\$ 100/ton or 14.7% over 4Q06 – the is the highest price since February 1996.

Softwood fiber reached average prices of US\$ 792/ton in the year (16.5% over 2006 prices). Such fact has also proven to be an important driver towards increasing demands for eucalyptus fiber – whose utilization rates rose in every paper product sector. Spreads between softwood and hardwood fiber remained high (around US\$ 100/ton) throughout the year, indicating sustainability of prices and potential growth for eucalyptus pulp.

Despite new production capacities, world pulp inventories did not fluctuate significantly in the quarter, closing December at an average of 29 days (32 for hardwood and 27 for softwood pulp).

Average prices in US dollars were higher than in 3Q07, 4Q06 and 2006, but the change in the Real/dollar exchange rate, compared to those of said periods, caused a reduction of 0.5%, 7.5% and 2.5%, respectively, on the average prices expressed in Reais.

Increase in average paper prices in Reais in domestic market and in dollars in the foreign market

Average domestic paper price in 2007 increased by % in comparison with 2006. In the same comparison average export price increased US\$ 95 / ton.

Demand for printing & writing paper increased throughout all main consumer markets. In North America, however, this increase was not enough to recover past losses, resulting in a decrease of 3% in consumption. Through the year, production capacity was reduced by 3.4%, allowing price increases in the last quarter. In Europe, production capacities was reduced by 2.8%, prices remained stable in local currency, representing higher prices denominated in US\$.

In Brazil there was demand pressure in printing & writing papers in 4Q07: Bracelpa reported demand 7.3% higher in the quarter than in 3Q07, and 2.8% higher in 2007 than 2006. Demand for paperboard decreased 2.2% in 4Q07, though 16% higher in 2007 than 2006.

Total paper sales reached 290 tsd tons in the quarter, with average prices 2.4% lower than in 3Q07, affected by the local currency appreciation against the US dollar in the quarter and higher contribution of exports on total sales.

Our paper export prices increased by an average of US\$20/ton in the quarter: in Europe, to US\$1,007/ton (uncoated, reels, CIF) – representing a spread of US\$247/ton over the pulp prices, US\$31/ton above the average spread for the last 10 years.

Ebitda reaches US\$183 mn in the quarter, US\$593 mn in 2007

Our 4Q07 net sales revenue was R\$ 936.5mn, composed by sales of 289,600 tons of paper and 293,700 tons of pulp. Cash generation measured as Adjusted Ebitda was R\$ 325.8mn, with Ebitda margin of 33.8% - this is 1.1 percentage points higher than 3Q07 and 4Q06. Our margins and product prices in the domestic market were negatively affected by the appreciation in the exchange rate, and also by higher operational expenses.

Company's net sales revenue in 2007 reached R\$ 3.4 billion, 10.0% higher than in 2006; Adjusted Ebitda in the year was 10.3% higher than 2006, reaching R\$ 1.146 billion (US\$593.4mn). Ebitda margin on net revenue was 33.6%, aligned with the prior year Ebitda margin, of 33.5%. Average cost of products sold was R\$ 1,156/ton – in the same levels of 2006.

The business environment

For a large portion of the year, continuing world's financial markets' liquidity, low risk aversion of international investors', and Brazil stability and control of inflation, caused Brazilian assets' appreciation in 2007. Global growth, led by even higher growth in the Chinese economy, remained at high levels as in the previous years, sustaining prices of the majority of commodities – and leading to significant growth in pulp prices. However, the mortgage market crisis and the slowdown in the US economy, as well as high oil prices, brought more uncertainty and volatility to this scenario, in the second semester.

Brazilian Real appreciated not only against US dollar but also against the currencies of the main Brazilian trading partners. As a consequence of such appreciation, Brazilian trade balance was negative for the first time in 10 years, although the current account balance remained strongly positive.

Taxa R\$/US\$	3T07	4T07	4T06	2007	2006
Abertura	1,93	1,84	2,17	2,15	2,34
Fechamento	1,84	1,77	2,14	1,77	2,15
Média	1,92	1,78	2,15	1,95	2,18
Varição Aber./ Fech	-4,5%	-3,7%	-1,7%	-17,6%	-8,2%
Var. Média Período Anterior	-3,3%	-6,9%	-0,9%	-10,4%	-10,7%

*Calculated using exchange rate to 4 decimal places
Source: Brazilian Central Bank.*

The Mucuri Project

Implementation of the second production line of the Mucuri Unit was completed in 2007 – this is now the largest single pulp line in the world. During the year final stages of assembly were concluded, the equipment commissioned, and in August production began, 22 months after start of implementation, a record time for projects of this scale – and ahead of our own schedule.

Our capital expenditure disbursement on the project in the year totaled US\$ 479mn. These figures do not include deduction of the credits in PIS and Cofins taxes, in the amount of US\$ 58.4 mn .

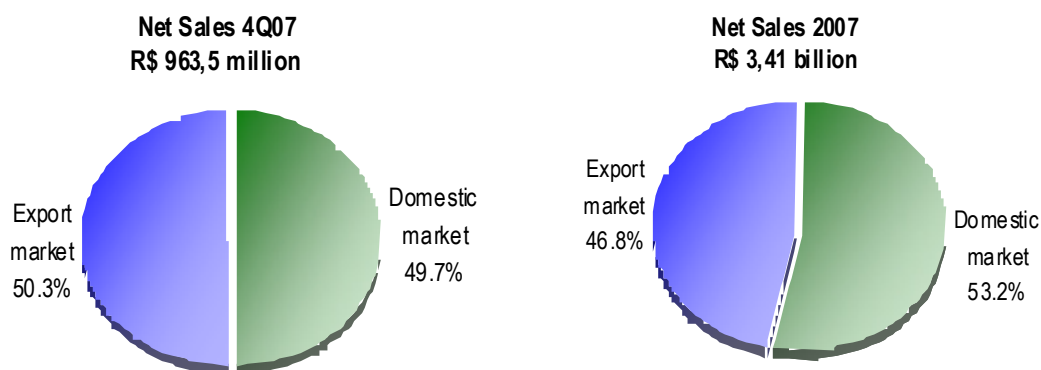
Good management practices, coupled with various initiatives of costs reduction in our investments, in partnership with suppliers, succeeded in neutralizing the effect of the appreciation of the Real during the 22 months of the implementation of the project, and helped to achieve the project being brought in within the budget US\$1.3 billion approved in October 2005 by the Board of Directors. The cash flow was disbursed as follows:

US\$mn

	2005 A	2006 A	2007 A	2008 E	Total
Capex	55	718	479	58	1,310

The No. 2 Line produced 135,000 tons in 2007. The learning curve of the Mucuri project is expected to be completed in 2008, so that the first calendar year with full production will be 2009.

Net sales



Our total 4Q07 net sales revenue was R\$ 963.5mn – 18.1% higher than 3Q07, and 20.5% higher than 4Q06 – due to higher sales volume in the quarter and increases in prices of pulp and uncoated paper – compensated by the depreciation of the dollar and the higher proportion of paper in export volumes.

Our total sales revenue in 2007 was R\$ 3.41 billion, 10.0% more than in 2006 – in dollars this was approximately US\$1.76 billion. The domestic market represented 53.2% of revenue.

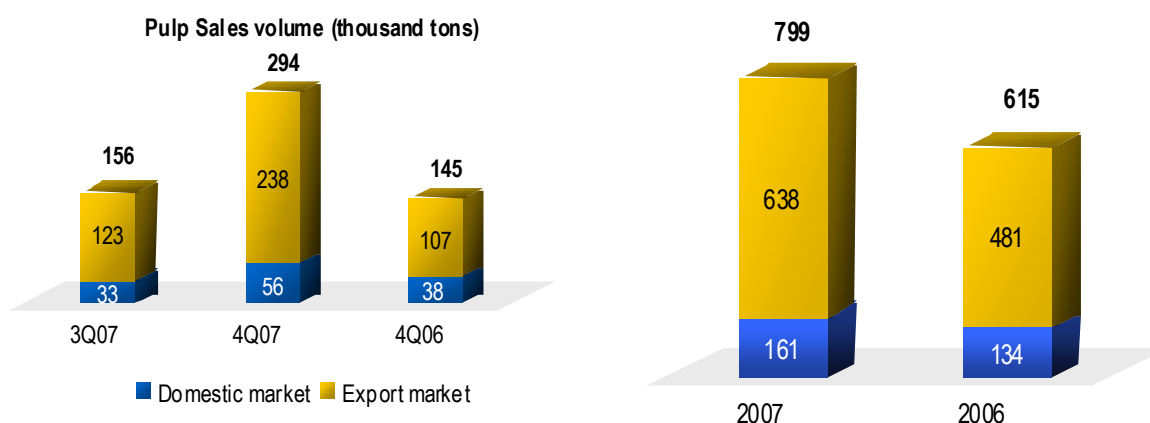
Sales of pulp and paper

	3T07		4T07		4T06	
	R\$ mil	Tons mil	R\$ mil	Tons mil	R\$ mil	Tons mil
Celulose	35.736	33,1	60.141	56,1	43.639	38,2
Papel I&E revestido	64.651	25,9	63.247	26,7	72.843	27,8
Papelcartão	125.755	51,6	114.185	43,9	113.068	45,6
Papel I&E não revestido	246.466	102,8	238.800	100,5	248.020	106,7
Mercado Interno	472.608	213,4	476.373	227,2	477.570	218,2
Celulose	144.547	123,0	277.357	237,6	137.081	107,2
Papel I&E revestido	12.579	6,2	13.077	6,9	8.632	3,8
Papelcartão	30.668	19,1	31.416	19,6	29.729	18,0
Papel I&E não revestido	155.486	82,1	163.203	92,0	134.168	70,3
Mercado Externo	343.280	230,5	485.053	356,0	309.610	199,4
Celulose	180.283	156,1	337.498	293,7	180.720	145,4
Papel I&E revestido	77.230	32,1	76.324	33,7	81.475	31,6
Papelcartão	156.423	70,7	145.601	63,5	142.797	63,6
Papel I&E não revestido	401.952	184,9	402.003	192,4	382.188	177,0
Total	815.888	443,9	961.426	583,3	787.180	417,6

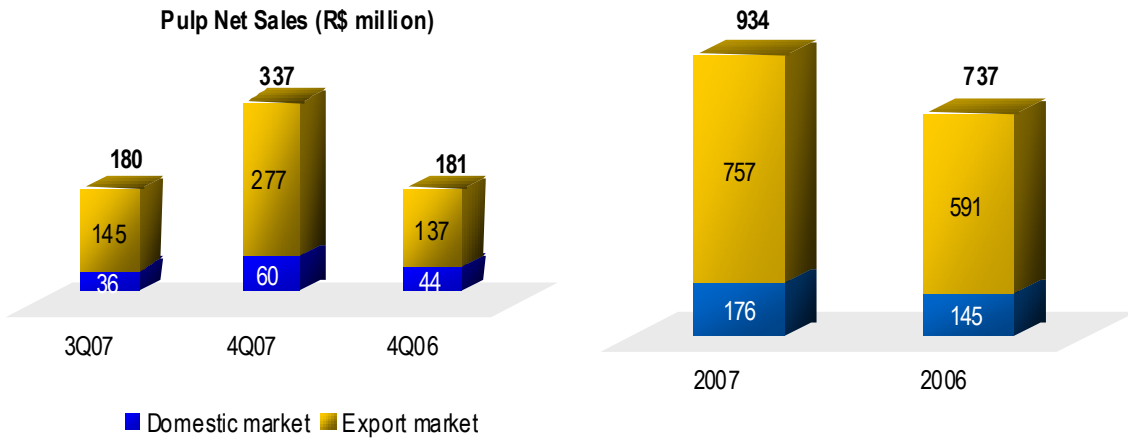
Note: Revenues from other products (scrap, and IT and office materials) in 3Q07, 4Q07, and 4Q06, totaling R\$ 20,000, R\$ 2.1mn and R\$ 12.1mn (respectively), are excluded in the table above.

Pulp Business Unit

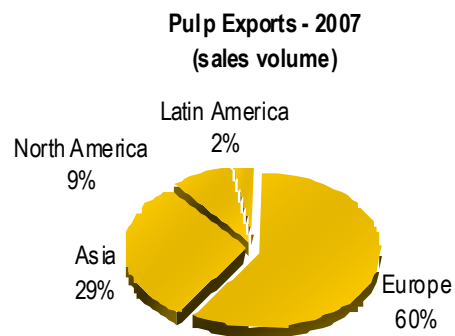
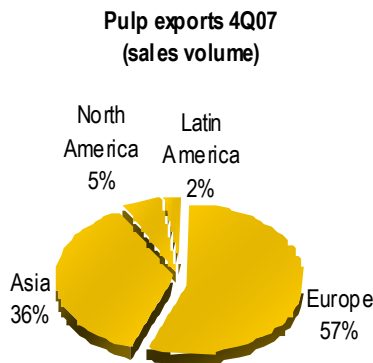
We sold 293,700 tons of pulp in 4Q07, 88.2% more than in 3Q07 and 101.9% more than in the same period of 2006. Total sales volume in the year was 799,300 tons, 30.1% more than in 2006.



Our net sales revenue from pulp in 4Q07 was a record: R\$ 337.5mn, providing 35.0% of total net sales. In the whole year, our total net sales from pulp were R\$ 933.9mn, a level 26.8% higher than in 2006.

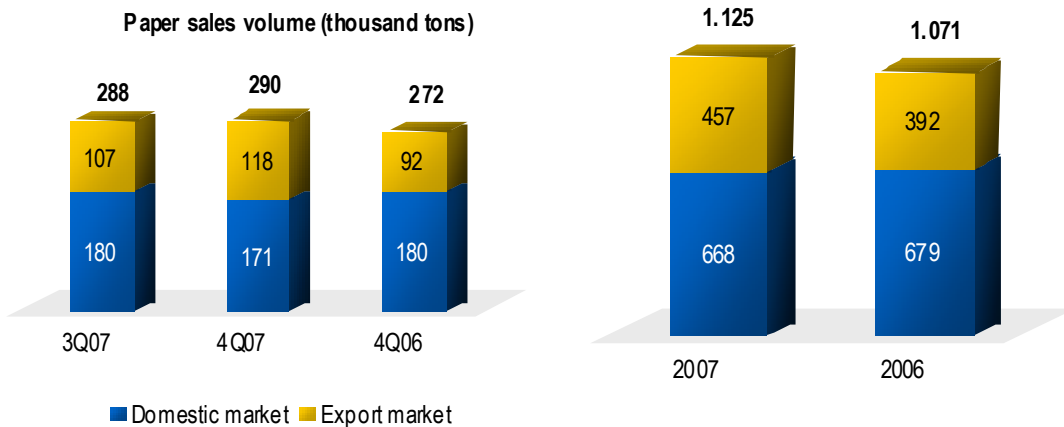


Exports were 80.9% of our total volume sold in 4Q07, and 79.8%, in the year. Our average net export pulp price was US\$ 654/ton in 4Q07, which compares with US\$ 613/ton in 3Q07, and US\$ 594/ton in 4Q06. In the whole year, our average price was US\$ 609/ton, 8.8% higher than in 2006 (US\$ 566/ton).



Paper Business Unit

Paper: Sales volume up 5.1% in 2007, revenue up 5.2%.

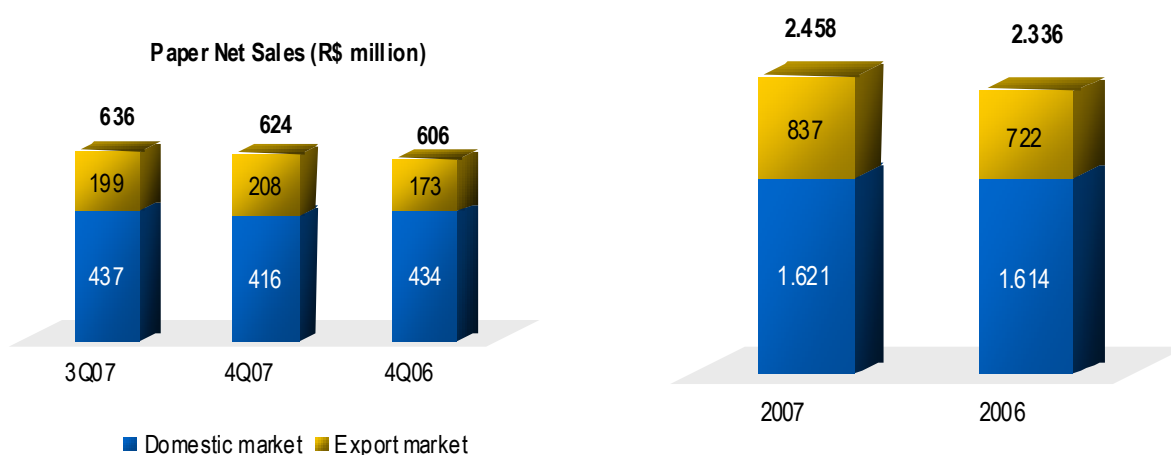


In 4Q07, volume was 0.6% higher than in 3Q07, and 6.4% higher than 4Q06. Volumes of printing and writing papers showed strong growth in the quarter – 4.1% over 3Q07, and 8.7% over 4Q06.

Our paper exports, at 118,000 tons were significantly higher in the quarter. Domestic sales were 59.1% of total sales, compared to 62.6% in 3Q07 and 66.1% in 4Q06. Average price in 4Q07 (R\$ 2,155/ton) was 2.4% lower than in 3Q07, and 3.3% lower than 4Q06 – mainly reflecting the appreciation of the Real against other currencies.

Our net sales revenue from paper in 2007 totaled R\$ 2.46 billion, 5.2% higher than 2006 – on a combination of growth in volume sold and average prices.

Our paper sales volume in 2007 totaled 1.13 million tons, 5.1% more than in 2006 – with sales of paperboard 12% higher and sales of uncoated papers 3.6% higher. Our average price was R\$ 2,185/ton, 0.2% higher than in 2006, even with the strong appreciation of the Real in the period. Domestic market sales were 59.4% of total volume, compared with 63.4% in 2006.



Domestic market

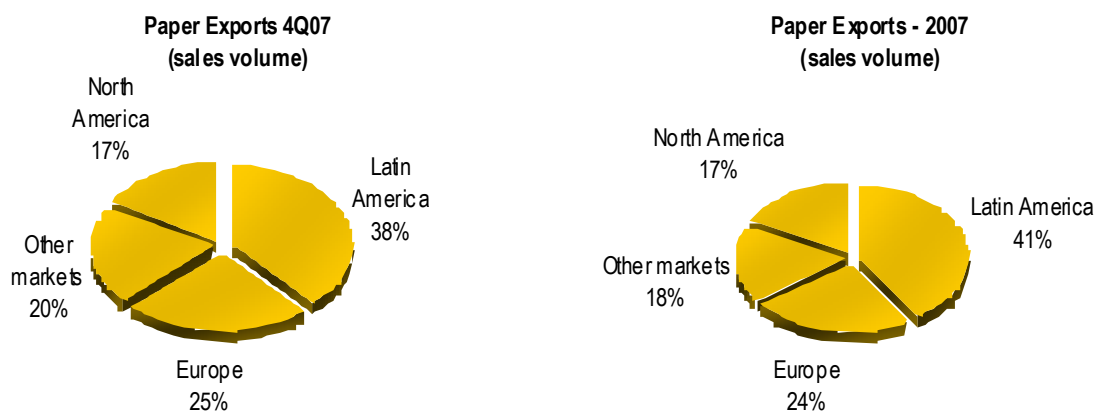
Net sales revenue from papers in the domestic market was 0.4% higher in 2007 than 2006, on average price 2% higher (R\$ 2,425 vs. R\$ 2,379) – which reflected higher prices of uncoated papers and paperboard, compensated by lower prices of coated papers, strongly pressured by the competition with imports.

In sales volume, paperboard was outstanding with growth of 14.8% in the year led by the packaging segment of the market. On the other hand exports of notebooks, not repeating the good result of 2006, had an effect on sales of uncoated papers as a whole, and domestic market sales were 1.5% lower.

Average price in 4Q07, at R\$ 2,432, was 0.4% higher than in 3Q07, and 0.9% higher than in 4Q06.

In this period, we concluded the sale of Limeira and Cubatão units, reducing our total volumes of uncoated papers and paperboard, and consequently our total sales of paperboard were 5% lower, in the quarter, than in both 3Q07 and 4Q06. Net sales revenue from paper sales in the quarter was R\$ 416mn, 4.7% lower than 3Q07, and 4.1% lower than in 4Q06.

Exports



Exports of paper in the fourth quarter were 10.2% higher than in 3Q07, and 28.6% higher than in 4Q06 – at a total of 118,000 tons. The main destination continued to be Latin America, with 38% of the volume, followed by Europe at 25%. The average price in US\$ was 2.0% higher than in 3Q07, and 12.9% higher than in 4Q06.

Our exports increased significantly in 2007, to 457,000 tons, from 393,000 tons in 2006. The main factor responsible for this was the uncoated line of papers, in which exports were 20% higher. There was also growth in sales to the developed markets (Europe and North America), which provided a total of 41% of exports, vs. 38% in 2006.

As well as the higher volume, prices in US dollar terms were also higher than in 2006 – a total of 11.3% higher in the year. In Reais, however, there was a slight reduction (0.4%) due to the strengthening of the Brazilian currency. Even so revenue, at R\$ 837mn, was 16% higher than in 2006.

Production and costs

Consolidated production (in thousand tons)

	3Q07	4Q07	4Q06	2007	2006
Production	437.2	601.4	438.1	1,925.6	1,717.8
Market pulp	169.3	320.0	147.9	827.4	638.1
Coated P&W paper	28.7	27.8	37.1	132.5	132.5
Paperboard	63.2	65.0	62.6	240.6	234.7
Uncoated P&W paper	178.9	188.7	190.5	725.1	712.5

Note: Excludes production from Limeira (24.2 tsd tons of paperboard) and Cubatão (24.7 tsd tons of uncoated).

Our production volume in 4Q07 was 601,400 tons, made up of 320,000 tons of market pulp and 281,500 tons of paper.

Our market pulp cash production cost at Mucuri in 4Q07, excluding the cost of standing timber, was R\$ 488/ton, 8.6% lower than in 3Q07 and 2.0% lower than in 4Q06 – already partly reflecting the dilution of fixed costs of Mucuri with the startup of the Line 2.

Our average cash cost in the year was R\$ 488/ton, 7.2% higher than in 2006 – reflecting the higher quantity of third-party wood used, additional expenses due to the startup of the No. 2 Line, and low dilution of fixed costs in Mucuri, since the line is not yet operating at full capacity.

Average unit cost of products sold in 4Q07 was R\$ 1,156/ton, which compares with R\$ 1,157/ton in the prior quarter, a reduction of 0.1%.

Ebitda

	(R\$ '000)				
	3Q07	4Q07	4Q06	2007	2006
EBIT	180,600	218,191	175,002	778,020	721,476
Depreciation / Depletion / Amortization	86,005	107,564	86,024	368,277	318,025
EBITDA	266,605	325,755	261,026	1,146,297	1,039,501
Gross Profit / Net Sales	33.5%	35.6%	37.8%	34.8%	37.1%
EBITDA / Net Sales	32.7%	33.8%	32.7%	33.6%	33.5%
Net Debt / EBITDA (LTM)	3.90	3.74	3.77	3.74	3.77

4Q07 cash flow as measured by adjusted Ebitda was R\$ 325.8mn, 22.2% higher than in 3Q07, and 24.8% higher than in 4Q06.

The main positive effects on Ebitda in the quarter were:

- (i) Increase in prices of paper and pulp in the export market.
- (ii) Higher participation volume of sales of pulp.

However, these effects were in part offset by:

- (i) Appreciation of the Real against the dollar.
- (ii) Higher volume of sales of paper in the export market.
- (iii) Higher general and administrative expenses.

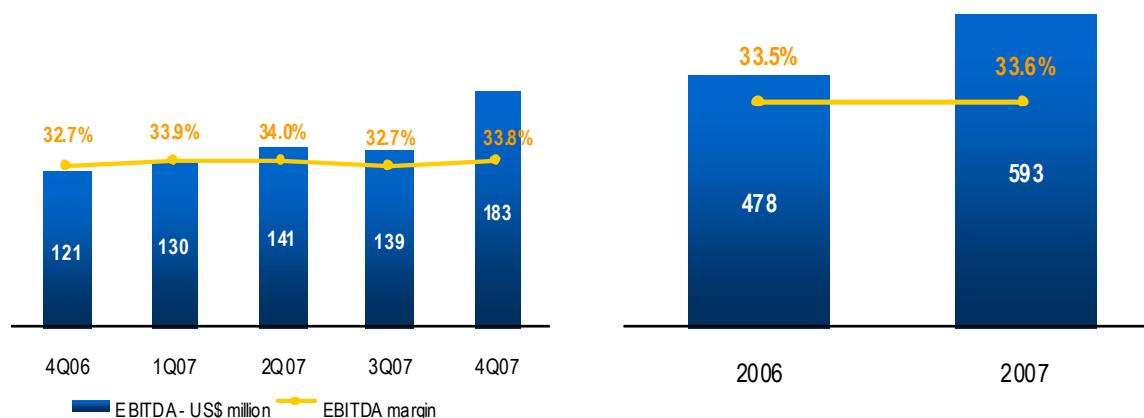
Adjusted Ebitda in the year was 10.3% higher than in 2006, at R\$ 1.15 billion (US\$ 593.4mn). Ebitda margin on net revenue was 33.6%, in line the 2006 margin of 33.5%.

The main reasons for this increase were:

- (i) Higher sales volume (up 14.2% or 239,000 tons), mainly in the export market.
- (ii) Increase in the average export price of paper, in dollars (11%, or US\$ 95/ton).
- (iii) Increase in the average export price of pulp, in dollars (7.8%, or US\$ 43/ton).
- (iv) Reduction of expenses (selling and administrative) by R\$ 10 million (or 2.3%).
- (v) Unit costs of goods sold kept unchanged (R\$ 1,156/ton).

These positive effects, however, were mitigated by the following:

- (i) Appreciation of the Real.
- (ii) Increase in the proportion of paper volume in exports (from 36.7% in 2006 to 40.6% in 2007).



Operational expenses

Selling expenses totaled R\$ 51.8mn in 4Q07, 5.7% higher than in 3Q07 and 5.7% lower than in 4Q06. Total selling expenses in the year were R\$ 195.1mn, 2.1% more than in 2006, due to the larger sales volume.

General and administrative expenses totaled R\$ 73.6mn in the quarter, 61.6% higher than in 3Q07 and 5.7% higher than in 4Q06. This increase is mainly due to additional costs derived from payroll expenses other non-recurring costs. Administrative expenses in the year totaled R\$ 229.9mn, 5.8% less than in 2006.

Other operational expenses totaled R\$ 17.4mn in the full year – made up mainly of revenue of sales of off scrap, waste paper and tree logs.

Analysis of results

	3Q07	4Q07	4Q06	2007	2006
	(R\$ '000)				
Net sales	815,907	963,491	799,276	3,409,668	3,098,990
Cost of goods sold	(542,905)	(620,626)	(497,043)	(2,224,129)	(1,950,569)
Gross profit	273,002	342,865	302,233	1,185,539	1,148,421
Selling expenses	(48,954)	(51,766)	(54,875)	(195,065)	(191,070)
General and administrative expenses	(45,523)	(73,567)	(69,578)	(229,888)	(244,037)
Financial expenses	(52,800)	(86,871)	(81,229)	(279,857)	(311,450)
Financial revenue	34,769	31,330	33,412	138,867	124,995
Equity pickup in subsidiaries and affiliates	(211)	209	(113)	(85)	(391)
Amortization of goodwill	(21,298)	(19,053)	(20,990)	(82,343)	(71,431)
Other operating income, net	2,075	659	(2,778)	17,434	8,162
Operating profit before monetary and exchange rate variation	141,060	143,806	106,082	554,602	463,199
Net monetary and exchange rate variation	102,092	104,091	32,974	390,940	133,657
Operating Profit	243,152	247,897	139,056	945,542	596,856
Non operating income (expenses), net	(2,134)	(128,021)	(3,968)	(129,276)	778
Income and Social Contribution taxes	(72,671)	(27,096)	(44,942)	(276,913)	(153,944)
Net income for the period	168,347	92,780	90,146	539,353	443,690

Net income

Our net income in 4Q07 was R\$ 92.8mn, 44.9% lower than in the third quarter of 2007, and 2.9% higher than in 4Q06. As well as the operational factors effecting adjusted Ebitda, other factors affected 2007 net profit, which was R\$ 539.4mn, 22% higher than the 2006 net profit of R\$ 443.7mn – as follows:

- (i) Positive monetary and FX variations totaling R\$ 390.9mn in 2007, compared to R\$ 133.7mn in 2006 – due to the exchange rate variation in 2007 having been 17.2%, compared to 8.7% in 2006;
- (ii) Net financial expenses of R\$ 141mn in 2007, compared to 2006 net financial expenses of R\$ 186mn. The figure R\$ 45mn lower reflects: (i) gains of R\$ 69mn in swap transactions; (ii) income from cash investments R\$ 14 million higher; and (iii) reduction of R\$ 27mn in other financial expenses – mitigated by interest on loans and financings R\$ 65mn higher.
- (iii) Net non-operational expenses of R\$ 129.3 million, mainly due to: write-off of goodwill due to the sale of the Limeira and Cubatão plants; write-offs of some property, plant and equipment, which took place simultaneously with the Mucuri Project (replacement of the recovery boiler furnace, to expand production capacity); and adjustment to provisions.
- (iv) Increase of R\$ 123mn in income tax and Social Contribution, mainly due to: accounting of a permanent loss, posted in 2007, relating to recalculation of corporate income tax for 2006, because the company used the tax incentive of accelerated depreciation backdated for the Mucuri unit; and (ii) higher pre-tax profit than in 2006.

Other information

Corporate Sustainability Index (ISE)

Suzano Papel e Celulose was included in the ISE portfolio for the third year running, which makes an overall assessment of environmental, social and economic-financial elements in the performance of companies. The index is an initiative of the São Paulo stock exchange, launched in December 2005.

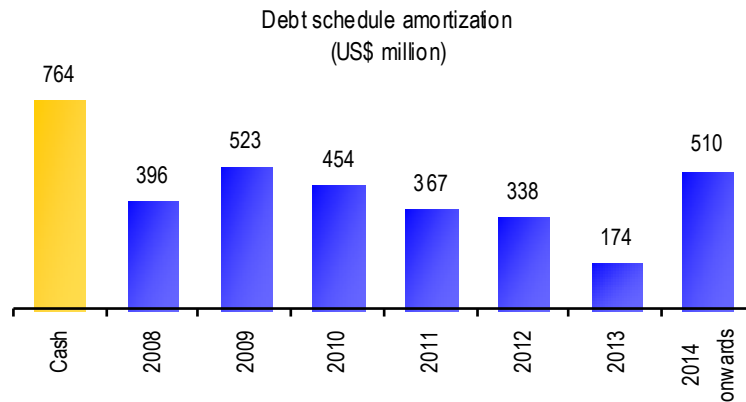
Capex

We had capital expenditure totaling R\$ 1.29 billion, equivalent US\$ 663mn, in 2007, with highlights to: (i) R\$ 945mn in investments in the new pulp line (Mucuri Project); (ii) R\$ 136mn in forest investments; (iii) R\$ 71mn in industrial investments; (iv) R\$ 112mn in fixed assets in Ripasa; (v) R\$ 8mn in administration and logistics investments, and the rest in the Amador Aguiar hydro-electric plant and other investments.

Debt

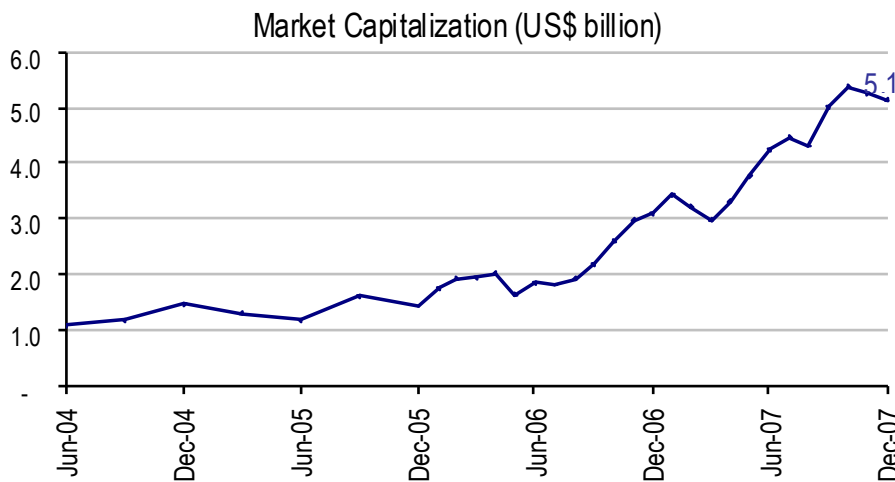
The Company's consolidated net debt position was stable – at R\$ 4,285.5 million, representing 3.74 times its cash generation (last 12 months Adjusted Ebitda) for the period, comparing to a debt of R\$ 4,218.4 million, and a ratio of 3.90, at the end of 3Q07.

Main factors contributing to the increase in nominal indebtedness were: (i) operational capex of R\$ 1.29 billion, of which R\$ 945 million in the Mucuri Project; (ii) payment of interest on own capital and dividends totaling R\$ 147mn; and (iii) acquisition of 50% of the Embu unit, and full control of that operation, for US\$ 20 million. Factors moderating the increase in nominal indebtedness include: (i) growth of cash generation, with an Ebitda of R\$ 1,146 million in the period; (ii) financial gains of R\$ 73 million from swap contracts; (iii) use of the tax incentive allowing accelerated depreciation for fixed assets obtained from January 1, 2006; and (iv) currency exchange rate at end of the period, affecting balance sheet items exposed to dollar currency.

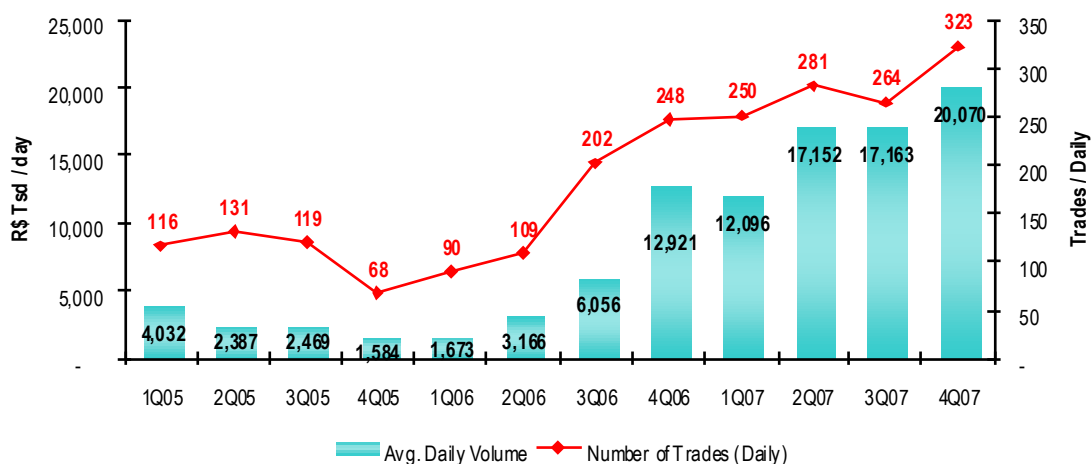


Capital markets: market cap. US\$5.1 billion

Our share price rose 40% in 2007, vs. 44% for the Bovespa index. For the second year running Suzano was the best performer in paper and pulp among the major Brazilian producers. In dollar terms our share price rose 69%, and our market capitalization was US\$5.1 billion at the end of the year, compared with US\$3.1 billion at the end of 2006.



The liquidity of Suzano's shares also improved significantly over 2007, with average daily trading volume of R\$ 18.0 million in 2007 – which compares to R\$ 6.4 million in 2006. This increase in liquidity during the year reflected: (i) the proximity of our significant increase in output with the conclusion of the Mucuri Project and the P630 Project in Ripasa; (ii) the positive situation in the pulp market, with prices rising over the year; and (iii) the increase in our free float as a result of the secondary public offering at the beginning of 2007. Our free float reached 46.6% of the total shares in 2007.



Note

Non-financial data such as volumes, quantities, average prices, average selling prices and Ebitda, in Reais and in dollars, and the financial data in the pro-forma statements, has not been examined by our independent auditors.

Corporate information

Suzano Papel e Celulose, with annual revenue of R\$ 1.8 billion, is one of the largest vertically integrated producers of eucalyptus pulp and paper in Latin America, 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 and international markets.

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-- Six pages of tables follow --

Appendices

Balance sheets, with proportional consolidation of Ripasa (R\$ '000)

	DEC 31, 2007	Dec 31, 2006	DEC 31, 2007	Dec 31, 2006
Current Assets			Current Liabilities	
Cash and Cash Equivalent	1,325,517	1,500,112	Trade Accounts Payable	345,814
Trade Accounts Receivable	731,899	729,940	Loans And Financing	701,534
Other Accounts Receivable	48,920	34,646	Debentures	36,081
Inventories	695,461	576,073	Accrued Salaries and Payroll Taxes	59,181
Recoverable Taxes	263,571	78,563	Taxes Payable Other than on Income	51,948
Deferred Income And Social Contribution Taxes	44,743	56,068	Income and Social Contribution Taxes	2,097
Prepaid Expenses	3,292	5,397	Deferred Taxes and Contribution	8,784
	<u>3,113,403</u>	<u>2,980,799</u>	Dividends Payable	65,096
			Other Accounts Payable	55,073
			Related Parties	504
				<u>1,326,112</u>
				<u>996,554</u>
Non Current Assets			Non Current Liabilities	
Marketable securities	27,059	24,227	Loans and Financing	4,191,008
Related Parties	563	-	Debentures	709,439
Recoverable Taxes	174,696	100,374	Accounts Payable	7,491
Deferred Income And Social Contribution Taxes	474,540	158,758	Deferred Income and Social Contribution Taxes	626,525
Advances To Suppliers	173,472	150,286	Provision For Contingencies	204,707
Judicial deposits	26,431	25,449		
Other Accounts Receivable	51,519	23,228		
	<u>928,280</u>	<u>482,322</u>		
				<u>5,739,170</u>
				<u>5,150,541</u>
Permanent Assets			Shareholder's Equity	
Investments	557,111	749,862	Share Capital	2,054,427
Property, Plant And Equipment	6,811,219	5,943,201	Capital Reserves	412,230
Deferred Charges	46,925	4,397	Profit Reserves	1,940,079
	<u>7,415,255</u>	<u>6,697,460</u>	Treasury Shares	(15,080)
			Accumulated Profit	-
				<u>4,391,656</u>
				<u>4,013,486</u>
Total Assets	<u>11,456,938</u>	<u>10,160,581</u>	Total Liabilities	<u>11,456,938</u>
				<u>10,160,581</u>

Income statements, with proportional consolidation of Ripasa (R\$ '000)

	3Q07	4Q07	4Q06	2007	2006	4Q07 x 3Q07	4Q07 x 4Q06	2007 x 2006
NET SALES	815,907	963,491	799,276	3,409,668	3,098,990	18.1%	20.5%	10.0%
COST OF SALES	(542,905)	(620,626)	(497,043)	(2,224,129)	(1,950,569)	14.3%	24.9%	14.0%
GROSS PROFIT	273,002	342,865	302,233	1,185,539	1,148,421	25.6%	13.4%	3.2%
SELLING EXPENSES	(48,954)	(51,766)	(54,875)	(195,065)	(191,070)	5.7%	-5.7%	2.1%
GENERAL AND ADMINISTRATIVE EXPENSES	(45,523)	(73,567)	(69,578)	(229,888)	(244,037)	61.6%	5.7%	-5.8%
FINANCIAL EXPENSES	(52,800)	(86,871)	(81,229)	(279,857)	(311,450)	64.5%	6.9%	-10.1%
FINANCIAL INCOME	34,769	31,330	33,412	138,867	124,995	-9.9%	-6.2%	11.1%
EQUITY PICKUP IN SUBSIDIARIES AND AFFILIATES	(211)	209	(113)	(85)	(391)	-199.1%	-285.0%	-78.3%
AMORTIZATION OF GOODWILL	(21,298)	(19,053)	(20,990)	(82,343)	(71,431)	-10.5%	-9.2%	15.3%
OTHER OPERATING INCOME	2,075	659	(2,778)	17,434	8,162	-68.2%	-123.7%	113.6%
OPERATING PROFIT BEFORE MONETARY AND EXCHANGE	141,060	143,806	106,082	554,602	463,199	1.9%	35.6%	19.7%
NET MONETARY AND EXCHANGE RATE VARIATION	102,092	104,091	32,974	390,940	133,657	2.0%	215.7%	192.5%
OPERATING PROFIT	243,152	247,897	139,056	945,542	596,856	2.0%	78.3%	58.4%
NONOPERATING INCOME (EXPENSES), NET	(2,134)	(128,021)	(3,968)	(129,276)	778	-	-	-
NET INCOME BEFORE INCOME AND SOCIAL CONTRIBUTION TAX	241,018	119,876	135,088	816,266	597,634	-50.3%	-11.3%	36.6%
INCOME AND SOCIAL CONTRIBUTION TAXES	(72,671)	(27,096)	(44,942)	(276,913)	(153,944)	-62.7%	-39.7%	79.9%
NET INCOME FOR THE PERIOD	168,347	92,780	90,146	539,353	443,690	-44.9%	2.9%	21.6%

Cash flow statements, with proportional consolidation of Ripasa (R\$ '000)

	2007	2006
Cash flows from operating activities		
Net income for the year	539,353	443,690
Adjustments to reconcile net income to cash generated from operating activities		
Depreciation, depletion and amortization	368,278	318,025
Result on sale of property, plant and equipment	92,871	4,537
Equity interest in subsidiaries and affiliates	85	391
Amortization of goodwill	83,759	71,431
Deferred income and social contribution taxes	281,310	(3,257)
Interest, exchange and monetary variation of noncurrent assets and liabilities ⁽¹⁾	21,517	196,370
Increase in provisions	(37,702)	61,301
Others provisions	287	-
Changes in assets and liabilities		
(Reduction) Increase in accounts receivable and other receivable	24,436	(90,262)
(Reduction) Increase in other current and non-current assets	(418,415)	(223,187)
Increase (reduction) in other current liabilities ⁽¹⁾	127,507	101,145
Net cash from operating activities	1,040,252	880,184
Cash flows from investing activities		
Non current marketable securities	(2,832)	(24,227)
Acquisition of investments	(40,764)	(337,916)
Acquisition of property, plant and equipment and Increase of deferred charges	(1,292,830)	(2,223,729)
Cash made available by absorption of BLDSPÉ Celulose e Papel S.A	1,300	-
Transfer from non current to current assets	2,690	8,542
Receipt from sale of property, plant and equipment	83,635	34,532
Net cash used in investing activities	(1,248,801)	(2,542,798)
Cash flows from financing activities		
Capital increase due to Ripasa's shareholders migration	-	573,630
Capital increase due to conversion of convertible debentures	39	768
Dividends Paid	(147,133)	(182,365)
Loans Received	1,052,389	3,039,383
Payment of Loans	(781,959)	(1,308,090)
Net cash from financing activities	123,336	2,123,326
Net effect due to merger of B.L.D.S.P.E.	(9,880)	-
Net effect due to sale of Ariemil	(10,003)	-
Net effect due to sale of Água Fria	(20,529)	-
Effects of exchange rate variation on cash and cash equivalents	(48,970)	(42,478)
Demonstration of Increase (decrease) in cash and cash equivalents	(174,595)	418,234
Beginning of quarter	1,500,112	1,081,878
End of quarter	1,325,517	1,500,112
Increase (decrease) in cash and cash equivalents	(174,595)	418,234

Consolidated loans and financings, with proportional consolidation of Ripasa (R\$ '000)

	Index	Interest	Dec 31, 2007	Dec 31, 2006
<u>For acquisition of equipment</u>				
BNDES - Finem	TJLP	8.50%	1,725,360	1,416,404
BNDES - Finem	Basket of Coins	8.87%	264,023	262,262
BNDES - Finame	TJLP	9.87%	19,183	26,935
BNDES - Finame	Basket of Coins	9.26%	175	0
BNDES - Automático	TJLP	9.21%	49,195	75,519
BNDES - Automático	Pre-fixed Taxe	9.26%	6,014	0
FNE - BNB	Taxa pré-fixada	9.78%	132,822	102,114
FINEP	TJLP	6.00%	10,878	12,036
Crédito Rural	TJLP	8.75%	10,716	2,071
<u>Working capital</u>				
FMO	US\$	5.89%	1,961,322	2,204,910
Importation financing	US\$	8.90%	0	5,649
Nordic Investment Bank	US\$	5.81%	339,544	333,179
Export credit note	US\$	7.07%	90,146	107,803
Industrial credit note	TR	11.94%	277,433	150,899
Others	TJLP	11.94%	5,731	1,282
			4,892,542	4,701,063
Current liabilities			701,534	556,004
Noncurrent liabilities			4,191,008	4,145,059
<u>Loans</u>				
2008 (since July, 1st 2007)			-	591,541
2009			926,269	890,119
2010			804,956	818,437
2011			650,052	567,628
2012			598,635	278,242
2013			307,748	224,981
2014			903,348	774,111
			4,191,008	4,145,059

Debentures

Issue	Series	Units	2007			2006	Index	Interest	Due date
			Current	Non current	Total	Total			
3 ^a	1 ^a	333,000	25,949	362,660	388,609	370,274	IGP-M	10% *	01/04/2014
3 ^a	2 ^a	167,000	2,830	101,697	104,527	125,848	USD	9.85%	07/05/2019
4 ^a	1 ^a	80,000	3,954	81,694	85,648	81,965	TJLP	2.50%	01/12/2012
4 ^a	2 ^a	160,000	3,348	163,388	166,736	163,933	TJLP	2.50%	01/12/2012
			36,081	709,439	745,520	742,020			

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

Composition of the Pro-forma amounts, based on 50% stake in Ripasa's operations.

(R\$ '000)

	1 Q06	2 Q06	3 Q06	4 Q06	2006
Net Sales	743.537	816.719	855.492	799.276	3.214.844
Cost of Sales	485.652	520.242	532.127	497.043	2.035.064
Gross Profit	257.706	296.477	353.365	302.233	1.179.781
Comercial Expenses	44.526	50.764	50.992	54.875	201.157
General and Administrative Expenses	57.716	61.107	62.006	69.578	250.407
Other operating income	(3.082)	(5.926)	(1.799)	2.778	(8.028)
EBIT	158.546	190.532	212.166	175.002	736.245
Depreciation	82.743	81.650	86.940	86.024	337.357
EBITDA	241.288	272.182	299.106	261.026	1.073.602
Margin EBITDA	32,5%	32,5%	35,0%	32,7%	33,4%

	1 Q05	2 Q05	3 Q05	4 Q05	2005
Net Sales	743.119	778.174	848.109	849.762	3.219.163
Cost of Sales	463.744	483.580	555.889	573.592	2.076.804
Gross Profit	279.375	294.595	292.220	276.170	1.142.360
Comercial Expenses	50.087	52.478	51.063	60.688	214.315
General and Administrative Expenses	64.353	55.043	61.726	69.080	250.201
Other operating income	11.305	(2.157)	(1.872)	(19.299)	(12.024)
EBIT	153.632	189.232	181.304	165.701	689.898
Depreciation	81.112	78.219	80.206	81.537	321.074
EBITDA	234.744	267.451	261.510	247.238	1.010.942
Margin EBITDA	31,6%	34,4%	30,8%	29,1%	31,4%

The figures for 2007 include proportional consolidation of 50% of Ripasa.