



Suzano Pulp and Paper discloses consolidated results for the 2nd quarter of 2008

Learning curve of the Mucuri Line 2 concluded in June. Production of 221 thousand tons for the quarter

São Paulo, July 23, 2008. Today, Suzano Pulp and Paper – (Bovespa: SUZB5), one of Latin America's largest integrated producers of pulp and paper, announced consolidated results for the 2nd quarter of 2008 (2Q08). The Company's operational and financial data is shown on the basis of consolidated figures in Reais, pursuant to the Brazilian Corporate Law accounting method. Comparisons, unless otherwise stated, refer to variations between the 2Q08 against 1Q08 and 2Q07.

Highlights

- Eucalyptus pulp price increased to US\$ 840 / t (CIF Europe) in April; in June, new increase of US\$ 30 / t in Asia;
- Hardwood inventories reached 34 days of supply in May, compared to 35 days in March 2008;
- EBITDA record of R\$ 354 million; EBITDA margin 35.2%;
- Net income of R\$ 186 million, 44% higher than 1Q08 despite the non-recurring financial expense of R\$ 111 million for the repurchase of controlling stock from Ripasa's former shareholders;
- Net revenue of R\$ 1 billion posts new record;
- Pulp sale volume of 352 thousand tons;
- Net Debt / EBITDA ratio drops to 3.19 in June;
- Cash cost of pulp reduced to R\$ 424 / ton;
- Real appreciates 9,9% in the quarter;
- Production record of 681 thousand tons of pulp and paper;
- Announced today the new growth cycle for 2008 / 2015 (read Material Fact released today).

Conference Call and Webcast on these Results:

In Portuguese:

July 24th – 9 a.m. (Brasília)
Access: +55 11 2188 0188
Password: SUZANO

In English:

July 24th – 11 a.m. (Brasília)
Access: +1 412-858-4600
Password: SUZANO

www.suzano.com.br/ri

The results in this release include Suzano's 50% equity holding in Ripasa, except where indicated.

The financial data regarding the 100% shareholding in Embu is taken into account only from March 2007.

The financial data for the Limeira and Cubatão plants was consolidated as from November 2007.

R\$ 000	1Q08	2Q08	2Q07	2Q08 x 1Q08	2Q08 x 2Q07	6M08	6M07	6M08 x 6M07
Net revenue	969.678	1.003.885	820.947	3.5%	22.3%	1.973.563	1.630.270	21.1%
Export market (%)	553.946	562.317	372.036	1.5%	51.1%	1.116.263	766.384	45.7%
Domestic market (%)	415.732	441.569	448.911	6.2%	-1.6%	857.300	863.886	-0.8%
EBITDA	341.160	353.751	279.307	3.7%	26.7%	694.911	553.937	25.4%
EBITDA margin(%)	35.2%	35.2%	34.0%	0 p.p.	1.2 p.p.	35.2%	34.0%	1.2 p.p.
Financial results	(24.260)	32.684	84.378	N / A	-61.3%	8.424	117.339	-92.8%
Net income	128.634	185.561	172.084	44.3%	7.8%	314.195	278.226	12.9%
Earnings per share (R\$/share)	0.4108	0.6051	0.5496	47.3%	10.1%	1.0159	0.8885	14.3%
Pulp sales (tsd tons)	348	352	176	1.3%	100.4%	700	350	100.4%
Paper sales (tsd tons)	271	283	282	4.5%	0.4%	554	548	1.1%
Pulp production (tsd tons)	352	400	168	13.8%	138.9%	752	341	120.5%
Paper production (tsd tons)	283	280	279	-0.8%	0.6%	563	546	3.2%
Net debt	4.225.119	4.106.116	4.150.725	-2.8%	-1.1%	4.106.116	4.150.725	-1.1%
Net debt / EBITDA	3.48	3.19	3.73	-8.3%	-14.5%	3.19	3.73	-14.5%

Notes: The translation into dollars is based on the average exchange rate for the period, in figures from the income statement, and on the end-of-the-period rate in figures from the balance sheet. Ebitda (adjusted) = Operating profit, less net financial revenue/expenses, equity income, depreciation and amortization. N / A – Not Applicable.

Summary of the Period – Second Quarter of 2008 (2Q08)

Market pulp demand still strong in the 2Q08

In the 2Q08, global pulp demand remained heated. According to the PPPC (*Pulp and Paper Products Council*), pulp shipments reached 17.3 million tons in May 2008, 5.5% higher than the same period in the previous year. In April and May, demand was 7.4% and 2.6% higher than that recorded in 2007, respectively. The world pulp inventories reached 32 days of production (34 for hardwood and 29 for softwood), two days less than in March 2008.

Also based on the PPPC, eucalyptus pulp exports continued to grow. From January through May 2008, 5.1 million tons were traded, a 21.5% increase when compared to the volume shipped in the same period of 2007. The main destinations were Europe (49.4%), China (15.7%) and North America (11.7%).

Together, hardwood demand, mainly eucalyptus pulp, the depreciation of the U.S. dollar and the growing cost of inputs gave rise to new price increases during the 2Q08: US\$ 40 / ton for Europe, US\$ 30 / ton for North America and two US\$ 30 / ton increases for Asia, all successfully implemented, taking the listed prices to US\$ 840 / ton, US\$ 855 / ton and US\$ 810 / ton, respectively.

(US\$/ton)

Bleached eucalyptus list prices	2Q07	3Q07	4Q07	1Q08	2Q08	Jul/08
North America	735	755	805	825	855	855
Europe	700	720	780	800	840	840
Asia	650	670	720	750	810	810

Note: The prices above refer to the last day of the period (except for July 2008).

As to the softwood market, producers did not manage to fully implement the US\$ 40 / ton price announced in April for Europe, even though there was a reduction in offer. Three months after the increase, softwood pulp reached the level of US\$ 900 / ton, resulting in an actual increase of US\$ 20 / ton. In North America, the US\$ 20 / ton increase announced for June is being successfully implemented (the new price set out is US\$ 900 / ton).

Paper and cartonboard domestic demand remains strong

The domestic demand for paper and cartonboard remained strong in the 2Q08. According to Bracelpa, the volumes of printing and writing paper consumed in Brazil during the period were 7% higher than the volumes consumed both in the 1Q08 and in the 2Q07. The cartonboard volume increased 3% and 6%, when compared to the 1Q08 and the 2Q07, respectively.

Brazil has maintained its export proportion of printing and writing paper and cartonboard, selling in the international market 36% and 29%, respectively, of the production in the 2Q08. On the other hand, the 4.8% appreciation of the Brazilian currency against the dollar in the 2Q08 encouraged an increase in imports, chiefly of coated papers. Compared to the 2Q07, Brazil imported some 16 thousand tons more of that product.

As to the international scenario, the sector companies are facing pressure due to significant increases in costs, especially as regards energy and chemicals. Therefore, price increases were recently announced by major producers in North America. According to the RISI, in Europe, prices in local currency have been stable.

Suzano Pulp and Paper sold 283 thousand tons of paper in the 2Q08, 4.5% more than in the 1Q08 and at the same levels of the 2Q07, despite the sale of the Limeira and Cubatão plants, units that provided sales of approximately 15 thousand tons in the 2Q07. The increase in the volume sold in the second quarter was expected, since historically that quarter represents 25% of the Company's yearly sales, against some 22% in the first quarter. The paper sales for the domestic market were equivalent to 56.5% of total sales in 2Q08.

The average paper prices in Reais were stable, when compared to 1Q08, a result of the price increase implemented in the international market of the order of US\$ 41 per ton, which offset the appreciation of the local currency. In Europe, prices reached US\$ 1.046 / ton (uncoated – reel, CIF), which represents a US\$ 206 / ton spread over the pulp price, US\$ 3 / ton below the average spread of the past 10 years.

Net Revenue posts new record

In the 2Q08, Suzano recorded net revenues of the order of R\$ 1.0 billion, with sales of 283.0 thousand tons of paper and 352.3 thousand tons of pulp. The average cash generation (Adjusted Ebitda) was R\$ 353.8 million with a 35.2% margin, same level as 1Q08 and 1.2 p.p. higher than 2Q07. The margin was negatively affected by the appreciation of the Real. The average cost of goods sold was R\$ 1,017 / ton, 5.0% lower than 1Q08 and 12.8% lower than the same period of the previous year.

Higher cash generation and lower volume of investments led to the reduction in the indebtedness that closed the quarter with a Net Debt / Ebitda ratio of 3.19, which adjusted by the non-recurring amount relating to the repurchase of controlling stock from Ripasa's former shareholders, would be 2.94.

Business Environment

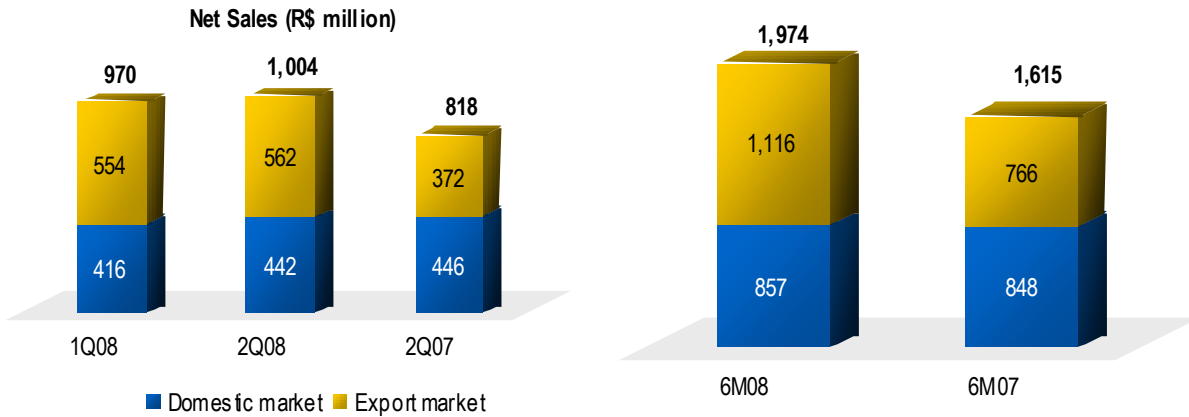
Successive historical records of oil prices and the maintenance of high price levels of most commodities, especially food, led to relevant inflationary pressures on the world's economy. On the other hand, several Central Banks, including the Brazilian Central Bank and the European Central Bank, started interest rates increase cycles in this quarter. Even the Federal Reserve that struggles against inflation increase, simultaneously with the risk of recession, and driven by the expectation of new losses in the mortgage and financial markets, and by the reduced consumer trust, interrupted in April its interest cutting cycle and could start increasing the *Fed Funds* rates still in 2008.

Despite the increased risk aversion and liquidity reduction in the markets, the increase to different interest rates caused the real to accelerate its appreciation against the dollar. Thus, the American currency reached the exchange rate of R\$ 1.59 / US\$ on June 30, 2008, with a R\$ 1.66 / US\$ average rate for the quarter, 4.8 % and 16.5% lower than the average rates of the 1Q08 and 2Q07, respectively. This scenario brings new challenges to the Company's margins that are being pressured by the drop in exports profitability.

Fx rate, R\$ / US\$	1Q08	2Q08	2Q07	6M08	6M07
Start of period	1.77	1.75	2.05	1.77	2.14
End of period	1.75	1.59	1.93	1.59	1.93
Average	1.74	1.66	1.98	1.70	2.05
Variation	-1.2%	-9.0%	-6.1%	-10.1%	-9.9%
Average Fx variation	-2.6%	-4.8%	-5.9%	-17.0%	-6.5%

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

Net Revenue



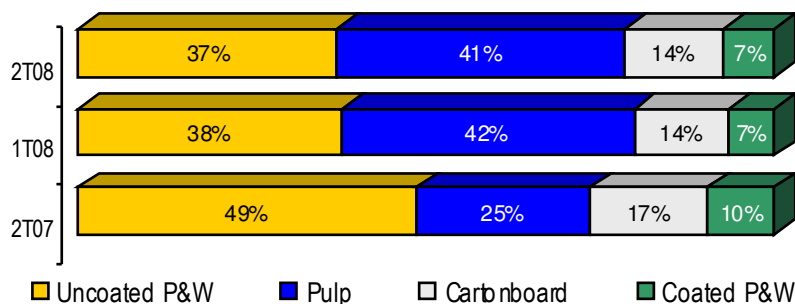
Net revenue recorded in 2Q08 was R\$ 1.0 billion, or 3.5 % higher than 1Q08, and 22.3% higher than 2Q07. That amount can be explained by the increase in the pulp and paper sale volumes, mainly due to the production of the new Mucuri line (Line 2).

The average pulp price reached R\$ 1,181 / ton, 0.9% higher than the 1Q08, positively contributing to the revenue. On the other hand, the appreciation of the Real and the large share of the paper volume in the export market compensated, in part, said positive effect.

The average price of paper was R\$ 2,076 / ton in the 2Q08, at the same level of the 1Q08 and 4.7% lower than that of the 2Q07.

Pulp price and volume increases raised that product's share in the Company's net revenue to 41% in the 2Q08, compared to 25% in the 2Q07.

**Breakdown of net sales
2Q08 x 1Q08 x 2Q07**

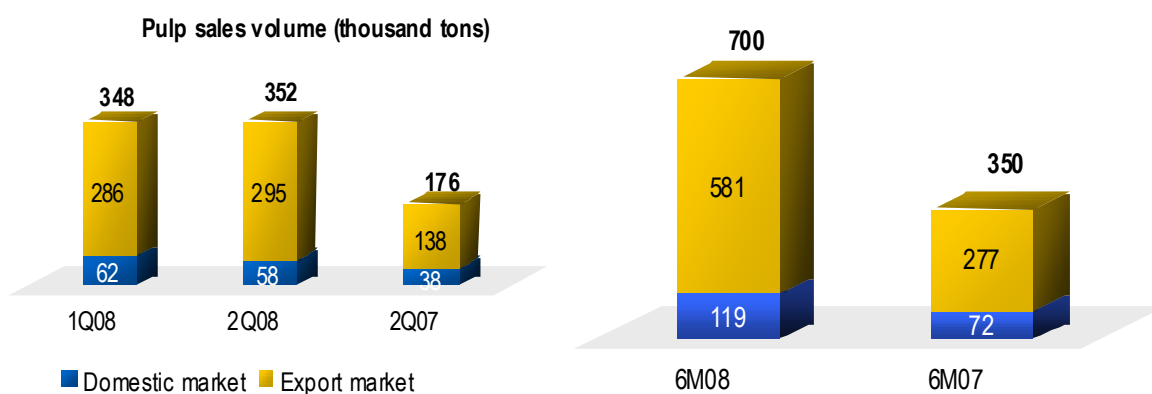


Pulp and Paper Sales

	1Q08		2Q08		2Q07	
	R\$ '000	'000 tons	R\$ '000	'000 tons	R\$ '000	'000 tons
Pulp	68,103	61.5	64,330	57.6	41,242	37.8
Coated P&W Paper	49,817	21.2	62,565	27.7	66,425	25.8
Cartonboard	98,384	38.7	106,165	41.9	110,290	45.2
Uncoated P&W Paper	199,427	86.1	208,509	90.3	228,462	97.0
Domestic market	415,731	207.6	441,569	217.4	446,419	205.8
Pulp	339,253	286.4	351,928	294.8	162,689	138.0
Coated P&W Paper	14,508	7.5	10,335	5.3	12,050	6.1
Cartonboard	32,980	21.0	36,198	23.3	28,748	18.2
Uncoated P&W Paper	167,205	96.2	163,855	94.5	168,549	89.7
Export market	553,946	411.1	562,316	417.9	372,036	252.1
Pulp	407,356	348.0	416,258	352.3	203,931	175.8
Coated P&W Paper	64,325	28.7	72,900	33.0	78,475	32.0
Cartonboard	131,364	59.7	142,363	65.2	139,038	63.4
Uncoated P&W Paper	366,633	182.3	372,364	184.8	397,011	186.7
Total	969,678	618.7	1,003,885	635.4	818,455	457.8

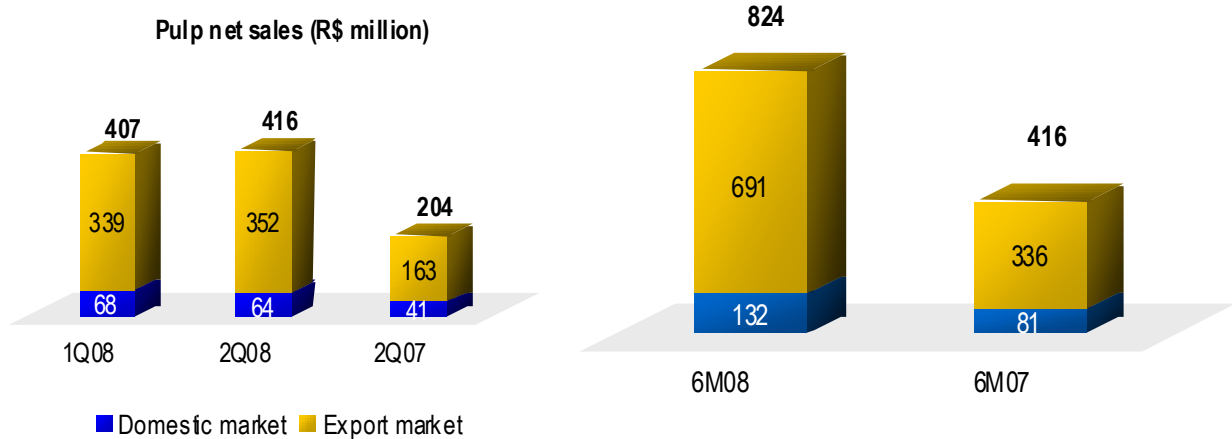
Note: In 2Q07 the Company generated R\$ 2.5 million in revenues from other products (scrap, and IT and office materials).

Pulp Business Unit



In 2Q08, 352.3 thousand tons of pulp were sold, a volume 1.3% higher than that of 1Q08 and 100.4% higher than that recorded in the same period of 2007. The growth compared to the 1Q08 took place due to the development of the learning curve of the Line 2 at Mucuri. In the first semester, 700 thousand tons of pulp were sold, an amount twice as large as that of the first semester of 2007.

Similarly to 1Q08, the growing demand for eucalyptus pulp allowed for absorbing the full additional capacity arising from the start of operations of Line 2 at Mucuri, maintaining our inventories below normal levels.

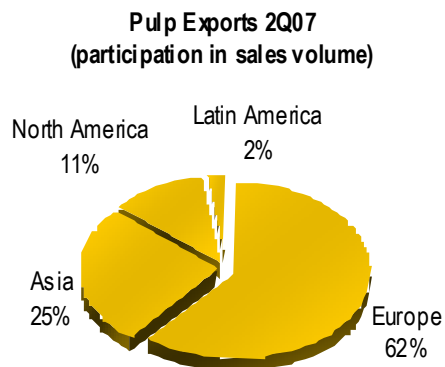
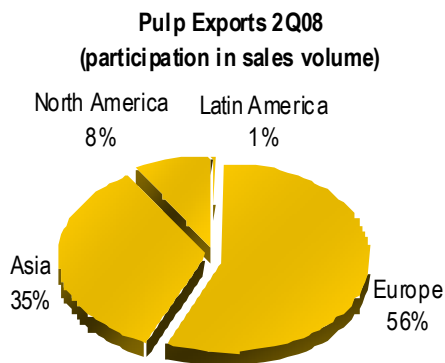


Net revenue from the sale of pulp in the 2Q08 was higher than the record posted in the 1Q08. The R\$ 416 million income corresponded to 41.5% of total net revenues and was 2.2% and 104.1% higher when compared to the 1Q08 and the 2Q07, respectively. Average net price in dollars for the 2Q08 was US\$ 714 / ton, 5.9% higher than that of the 1Q08 and 22.0% higher, when compared to 2Q07.

Due to the exchange variation, net price in Reais in 2Q08 was only 0.9% higher than 1Q08, in spite of the increases in the list price for Europe, Asia and North America. Compared to 2Q07, there was a 1.3% increase in the price in Reais in the export market and 2.4% in the domestic market.

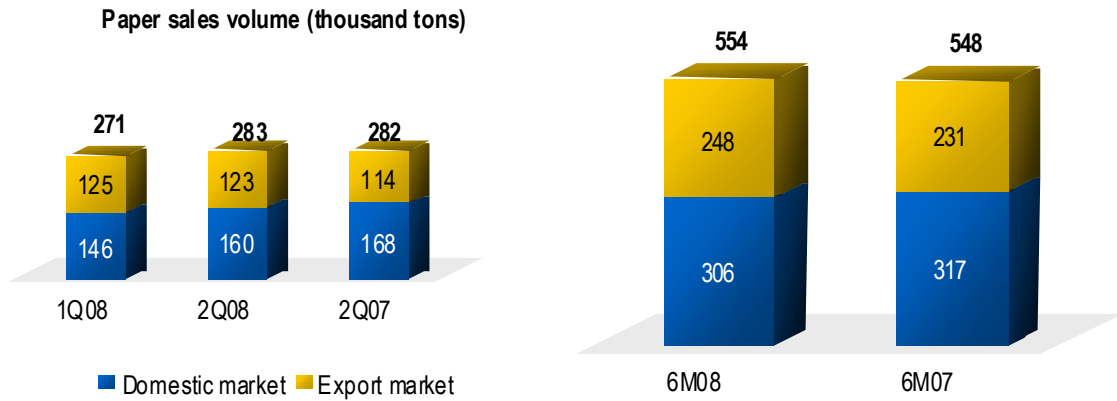
The export market accounted for 83.7% of the volume sold in 2Q08. The average net price arising from the sale in the export market was US\$ 721 / ton in the 2Q08, 5.9% higher when compared to US\$ 681 / ton for the 1Q08 and 21.4% compared to the US\$ 594 / ton for the 2Q07.

As to the export market, pulp shipments increased by 94.7% to Europe, 46.1% to North America and 195.1% to Asia, when compared to the 1S07. A great portion of the production of Line 2 is being shipped to Asia, increasing the sales share of that region if compared to 2007.



Paper Business Unit

Paper: Larger volume sold increases net revenue by 4.5% compared to 1Q08

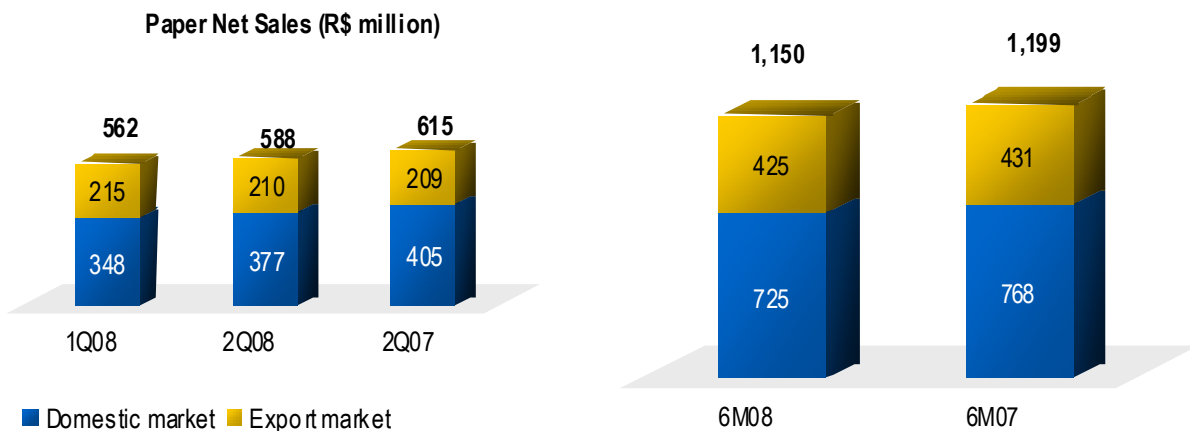


Printing and writing paper sales were equivalent to 77% of this quarter's sales volume, and reached 218 thousand tons, a 3.2% increase when compared to the 1Q08, and in line with 2Q07. Sales of that product to the domestic market were equivalent to 54%, or 118 thousand tons.

As to cartonboard sales, these were 9% higher than those of the previous quarter, reaching 65 thousand tons. Compared to 2Q07, there was a 4.8% drop. 64.2% of the volume was sold in the domestic market.

Net revenue from the sale of paper reached R\$ 588 million in the 2Q08, 4.5% higher than that of 1Q08. The larger sales volume in the domestic market was responsible for the increase to the net revenue for this quarter.

Compared to the 2Q07, net revenue was 4.4% smaller. That difference can be explained by the reduction to the average price in Reais, mainly due to the appreciation of the Real in the period and to the sale of the Limeira and Cubatão plants in November 2007.



Domestic Market

According to Bracelpa, the Brazilian market for uncoated paper grew approximately 4% when compared to the 1Q08 and 2% compared to 2Q07. The domestic consumption of coated paper grew by 14% compared to 1Q08 and 19% compared

to 2Q07. The strong promotional segment was the main driver for that growth. On the other hand, imports of that paper grew 10% and 40% when compared to the 1Q08 and the 2Q07, respectively. The demand for cartonboard, which usually follows the performance of the packaging segment, grew 3% when compared to the 1Q08 and 6% compared to the same period of the previous year.

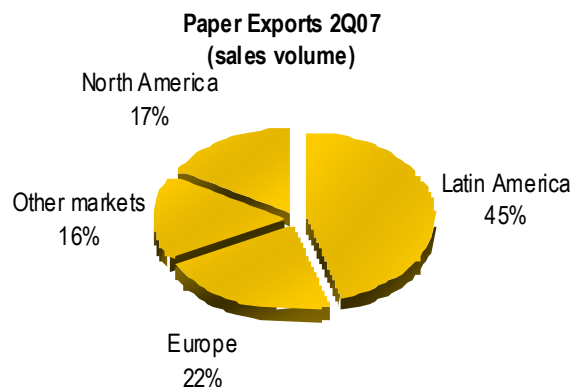
Suzano Pulp and Paper maintained its domestic leadership as regards printing and writing paper, and sold 10.6 thousand tons more of these products in the Brazilian market in this quarter when compared to the previous quarter, an increase equivalent to 10%. The uncoated paper sales volume increased 4.8% compared to the 1Q08, while the sales of coated paper grew 30.6%, or approximately 6 thousand tons. If compared to the 2Q07, that paper sales volume dropped 6.9%, while the volume of coated paper increased 7.2%. Prices of uncoated paper remained at the same levels of the previous quarter and those of coated paper, a product which prices traditionally show higher correlation with the Dollar, dropped by 3.8% when compared to those of the 1Q08 and 12.1% compared to the 2Q07.

As to cartonboard, our sales reached 41.8 thousand tons, 8.1% higher than those for the 1Q08 and 7.3% lower than those for the 2Q07. The prices of that product were in line with those for the 1Q08 and increased some 4% when compared to the 2Q07.

Export Market

In 2Q08, paper exports were at the same levels of those for the 1Q08 and grew 8% when compared to those in 2Q07, arriving at 123.2 thousand tons. The Latin American Sales were equivalent to 42.4% of volumes exported in this quarter. Adding those volumes to those sold in Brazil the region absorbed some 75% of our 2Q08 sales. Sales in the mature markets (Europe and North America) accounted for 46% of export sales in the 2Q08, against 39% in the 2Q07 and 45% in the 1Q08.

In addition to the increase to the volume sold, prices in dollars grew significantly when compared to the previous year. The average price in dollars increased US\$ 104, or 11.2% compared to 2Q07. If compared to the 1Q08, the average increase was US\$ 41, or 4.2%. The price increases were implemented in all regions and products and compensated greatly the exchange variations for the period. In Reais, there was a 0.8% drop against the 1Q08 and 7% against the 2Q07, due to the appreciation of the Brazilian currency.



Production and Costs

Consolidated production (in thousand tons)

	1Q08	2Q08	2Q07	6M08	6M07
Production	634.4	680.7	446.4	1,315.1	887.0
Market pulp	351.7	400.3	167.6	752.0	341.1
Coated P&W paper	29.5	27.9	37.9	57.3	76.1
Paperboard	65.4	65.2	62.9	130.6	112.3
Uncoated P&W paper	187.8	187.3	178.0	375.1	357.5

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

Production recorded in the 2Q08 reached a volume of 680.7 thousand tons, of which 400.3 thousand tons of market pulp and 280.4 thousand tons of paper.

Cash cost of the pulp production in Mucuri in the 2Q08, without the cost of the standing timber, reached R\$ 424 / ton. That amount is 13.1% lower than the recorded in the 1Q08 and 4.9% lower than the same period in the previous year, and already shows a portion of the gains arising from the dilution of fixed costs and lower specific consumptions at the Mucuri plant with the start of operations of Line 2.

The average unit cost of products sold was R\$ 1,017 / ton in the 2Q08, compared to R\$ 1,071 / ton in 1Q08, with a 5.0% reduction and R\$ 1,166 / ton in the 2Q07, the equivalent to a 12.8% reduction.

Operating Expenses

Expenses with sales amounted to R\$ 49.2 million in the 2Q08, an amount 15.6% higher than that of the 1Q08 and 4.0% lower than in the same period of the previous year. That increase is due to higher expenses of our companies abroad and freights.

Administrative expenses amounted to R\$ 62.9 million in 2Q08, an amount 5.6% higher than 1Q08 and 17.6% higher than that in the previous. The increase compared to the 2Q07 can be explained by expenses with salary adjustment and the workers profit sharing.

Other operating expenses reached a negative net result of R\$ 1.4 million in the 2Q08. That result is due to the provision for inventory losses.

Ebitda

	(R\$ '000)				
	1Q08	2Q08	2Q07	6M08	6M07
EBIT	228,745	244,081	190,509	472,826	379,229
Depreciation / Depletion / Amortization	112,415	109,670	88,798	36,820	174,708
EBITDA	341,160	353,751	279,307	694,911	553,937
Gross Profit / Net Sales	31.7%	35.6%	35.0%	33.7%	34.9%
EBITDA / Net Sales	35.2%	35.2%	34.0%	35.2%	34.0%
Net Debt / EBITDA (LTM)	3.48	3.19	3.73	3.19	3.73

In the 2Q08 the cash generation measured by the Adjusted Ebitda reached R\$ 353.8 million, equivalent to a 3.7% when compared to the 1Q08 and 26.7% compared to the same period in the previous year. In the first six months of 2008, the Adjusted Ebitda was R\$ 694.9 million, 25.4% higher than that of the first semester of 2007. The 35.2% Ebitda margin remained stable when compared to the previous quarter and increased 1.2 p.p. compared to the 2Q07.

The Adjusted Ebitda in dollars for this quarter was US\$ 213.7 million, 8.9% and 51.6% higher than the 1Q08 and 2Q07, respectively. In this semester, the Adjusted Ebitda in dollars was US\$ 410.1 million.

2Q08 x 1Q08

Compared to the 1Q08, the main positive effects on Ebitda were as follows:

- (i) Larger volume of pulp and paper sales;
- (ii) Increase to prices of pulp in Reais and increase to prices of paper in Dollars in the export market;
- (iii) Reduction to pulp cash cost.

However, these effects were partially compensated by:

- (i) The appreciation of the Real against the Dollar;
- (ii) Higher SG&A expenses;
- (iii) In 1Q08, other operating expenses / revenues contemplated some non-recurring amounts.

2Q08 x 2Q07

As to the 2Q07, the main effects on Ebitda were as follows:

- (i) Larger volumes of pulp sale;
- (ii) Increase to the prices of pulp in Reais and increase to the prices of paper in Dollars in the export market;

However, these effects were partially compensated by:

- (i) Appreciation of the Real against the Dollar;
- (ii) Higher SG&A expenses.

Income Statement

	(R\$ '000)				
	1Q07	2Q08	2Q07	6M08	6M07
Net sales	969,678	1,003,885	820,947	1,973,563	1,630,270
Cost of goods sold	(662,624)	(646,296)	(533,825)	(1,308,920)	(1,060,598)
Gross profit	307,054	357,589	287,122	664,643	569,672
Selling expenses	(42,559)	(49,217)	(51,284)	(91,776)	(94,345)
General and administrative expenses	(59,558)	(62,916)	(53,492)	(122,474)	(110,798)
Financial expenses	(59,599)	(163,664)	(68,047)	(223,263)	(140,186)
Financial revenue	28,559	43,798	36,428	72,357	72,768
Equity pickup in subsidiaries and affiliates	(277)	(13)	(995)	(290)	(83)
Amortization of goodwill	(19,761)	(19,761)	(21,003)	(39,522)	(41,992)
Other operating income, net	23,808	(1,375)	8,163	22,433	14,700
Operating profit before monetary variation	177,667	104,441	136,892	282,108	269,736
Net monetary and exchange rate variation	6,780	152,550	115,997	159,330	184,757
Operating Profit	184,447	256,991	252,889	441,438	454,493
Non operating income (expenses), net	(1,728)	21,866	969	20,138	879
Income and Social Contribution taxes	(54,085)	(93,296)	(81,774)	(147,381)	(177,146)
Net income for the period	128,634	185,561	172,084	314,195	278,226

Financial Revenues

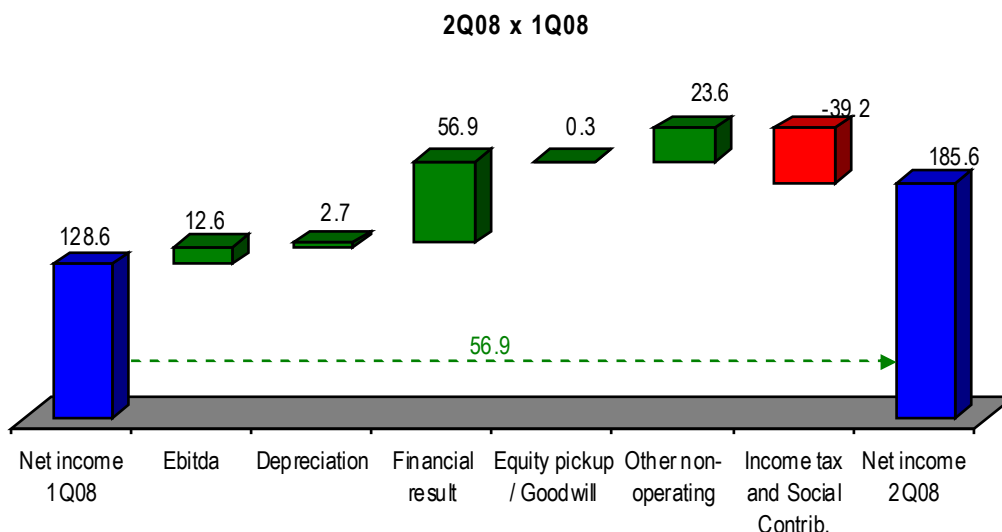
Financial expenses amounted to R\$ 163.7 million in the 2Q08, strongly affected, on one side, by the non-recurring R\$ 110.9 million expense on the repurchase of equity from former Ripasa controlling shareholders, and on the other, by the R\$ 49.8 million revenue from swap operations. In this semester, financial expenses amounted to R\$ 223.3 million, with revenues of the order of R\$ 72.5 million from swap operations.

Throughout the quarter, we maintained our hedge policy guided by the fact that around 56% of the net revenue arises from exports with prices in dollars. That natural hedge allows us to conciliate the flow of financing payments and other liabilities in dollars with the flow of revenues from sales. The excess revenue in dollars not bound to debt commitments and other obligations is sold in the exchange market through cash operations, and futures market, with an aim at seeking the best opportunities for carrying out said sales. On June 30, 2008, there were US\$ 280 million in operations contracted for future sales of dollars. Additionally, we are executing contracts for the swap of floating interest rates with fixed rates, as well as contracts for setting out pulp prices, in order to reduce the impact of variations in interest rates and pulp prices on the Company's cash flow.

In the 2Q08, financial revenues amounted to R\$ 43.8 million, 53% higher than that of the 1Q08 due to a larger volume of cash invested and higher interest rates. The revenue from monetary and exchange variations reached R\$ 152.6 million, and can be explained by the exchange rate variation between the opening and the closing of each quarter.

Net income

Net income for the period was R\$ 185.6 million, 44.3% higher when compared to the 1Q08 and 7.8% higher if compared to the 2Q07. In the first six months of 2008, accumulated net income amounted to R\$ 314.2 million, 12.9% higher than that of the first six months of 2007.

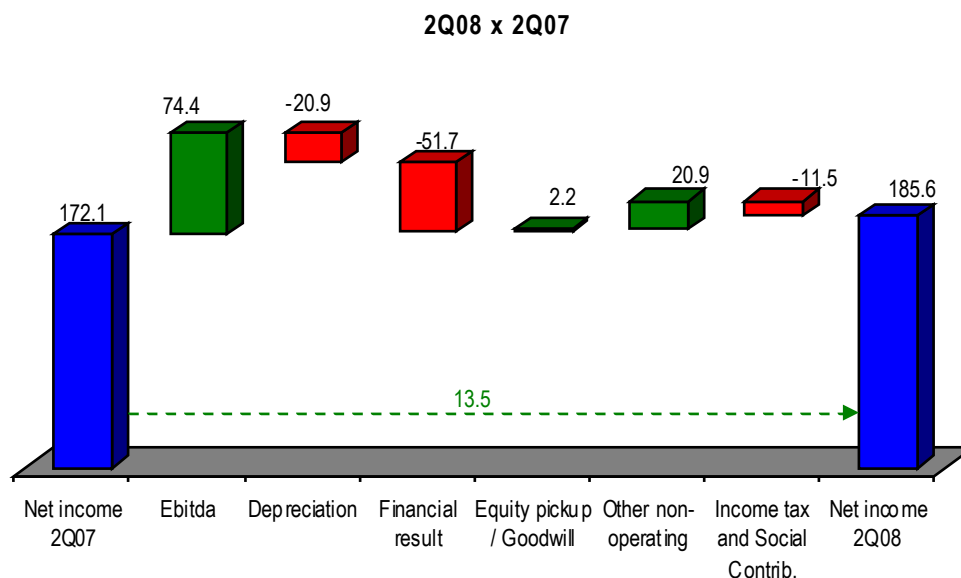


In addition to the operating factors that affected the adjusted Ebitda, other factors also had an impact on the variation of the net income for this quarter that, compared to the 1Q08, were as follows:

- (i) Higher net financial revenue due to further appreciation of the Real and hedging operations;
- (ii) Increase to other non-operating expenses arising from the sale of standing timber and stocks.

However, these effects were partially compensated by:

- (i) Higher expenses with income tax and social contribution;
- (ii) Financial expenses related to the repurchase of controlling stock from Ripasa's former shareholders.



Compared to the 2Q07 results, other variations to the adjusted Ebitda, the main positive effects on net income were as follows:

- (i) Lower goodwill amortization, as after the sale of the Limeira and Cubatão plants we did not amortize those Units' goodwill;
- (ii) Increase to other non-operating revenues related to the sale of standing timber and stocks;

However, these effects were partially compensated by:

- (i) Financial expenses related to the repurchase of controlling stock from Ripasa's former shareholders.
- (ii) Higher expenses with income tax and social contribution.

Other Information

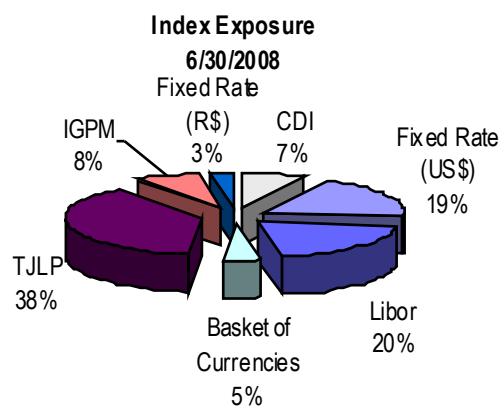
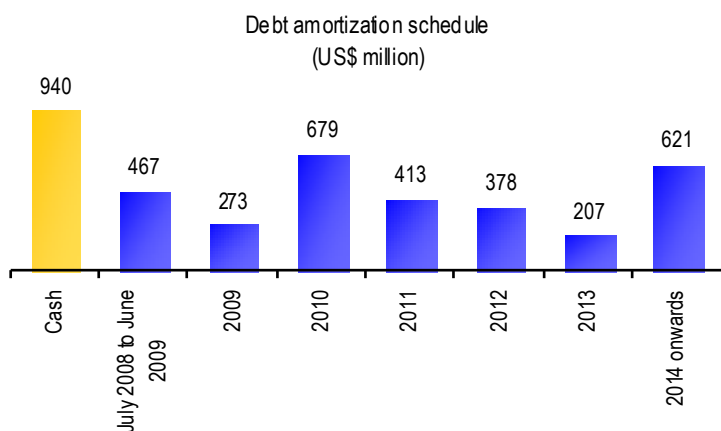
CAPEX

In this semester, we have invested R\$ 152 million, of which R\$ 92 million in forest investments, R\$ 39 million in Conpacel and the remaining in other items.

Debt

On June 30 2008, the consolidated net debt was R\$ 4.106 million, representing 3.19 times its cash generation (past twelve months adjusted Ebitda) for the period compared to a debt of R\$ 4.225 million and a ratio of 3.48 in the 1Q08.

The growth of cash generation (last twelve-month Ebitda) for the period, which reached R\$ 1.287 million, contributed to the reduction of the nominal indebtedness.



Ripasa

In March 2005, Suzano Pulp and Paper and VCP closed a deal for the acquisition of the shareholding control of Ripasa. On that date a purchase and sale option was executed with one of the three former controlling shareholders of that company, with regards to their holdings in the capital of the same, to be exercised in up to six years.

The amount to be paid by the Company, as set out by the option agreement, was originally R\$ 217 million, an amount equivalent to US\$ 80 million, adjusted by SELIC, and calculated in a cumulative manner as from April 1, 2005, until the actual payment and transfer of the property of that equity.

In March 2008, that group of Ripasa controlling shareholders informed their decision to exercise the option to sell equity held in the Company's capital, equivalent to 5,428,955 common shares and 1,009,583 Class "A" preferred shares.

In June 2008, after consulting CVM, Suzano and VCP executed with that group of Ripasa former controlling shareholders a Private Instrument for the Purchase and Sale of Shares, by way of which the Company became the holder of said equity for the total amount of R\$ 297.6 million, of which R\$ 186.7 million were equivalent to the market value of the shares recorded as treasury stock in the net equity account. The additional amount of R\$ 110.9 million was recorded as financial expenses in this quarter.

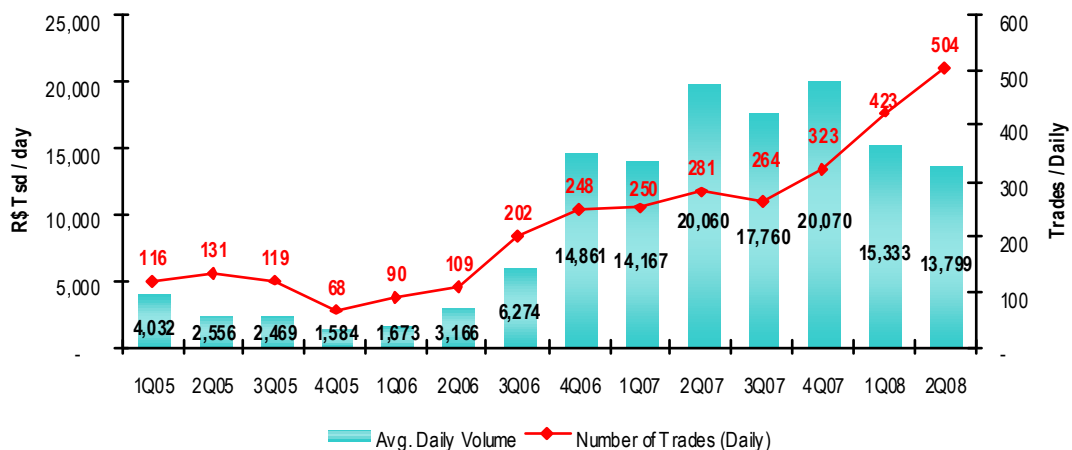
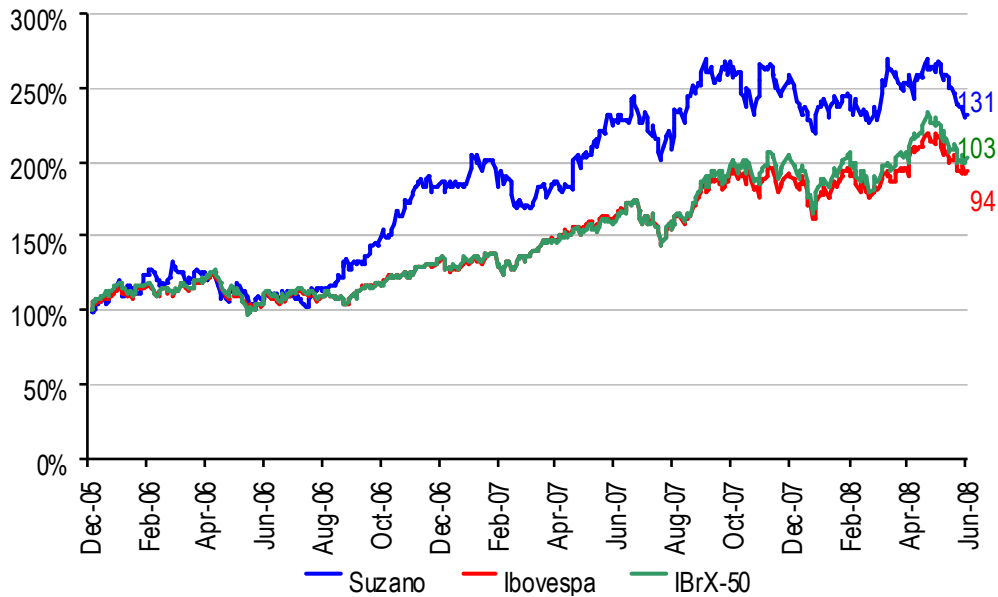
Due to the option agreement, 786,403 class "A" preferred shares still remain unavailable to exercise, which represented, on June 30, 2008, the amount of R\$ 36.6 million, adjusted by SELIC since March 31, 2005.

Changes for in accounting statements (Law 11,638/2007)

On December 28, 2007, Law n. 11,638 was approved, with the main purpose of updating the Brazilian Corporate Law, to allow for the adjustment of accounting principles adopted in Brazil to international accounting principles. In line with that, CVM – the Brazilian Securities Commission by way of CVM Instruction n° 469/08 and Notice to the Market of May 12th, 2008, set out some procedures to be followed by companies with regards to the new law, which included the option to apply the changes introduced by same to their respective Quarterly Reports. The Company chose not to apply the changes to the abovementioned law in its Quarterly Reports, although in the explanatory notes to same, it described, measured and disclosed its estimates of the possible effects of the full application of the new Law, as required by CVM, on the consolidated net equity and income for the year ending on December 31, 2008. Those estimates are subject to review due to the issue of new accounting statements on the subject matter, as well as additional interpretations arising from regulatory bodies.

Capital Markets

Our shares showed 2% devaluation in the period, compared to a 7% valuation of Ibovespa and 8% of IBRX-50. The Company's shares maintained good liquidity throughout the quarter, closing the period with an average of 504 deals per day and a negotiated daily volume of R\$ 13.8 million.



Note

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

Corporate Information

Suzano Pulp and Paper, with annual revenue of US\$ 2.1 billion, is one of Latin America's largest vertically integrated producers of eucalyptus pulp and paper, with annual production capacity for 1.1 million tons of paper and pulp annual production capacity reaching 1.7 million tons of market pulp during 2008. It offers a broad range of pulp and paper products for the domestic and international markets, with leadership positions in key Brazilian markets. It has four product lines: (i) eucalyptus pulp; (ii) uncoated woodfree printing and writing paper; (iii) coated woodfree printing and writing paper; and iv) cartonboard.

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. These risks include: changes in future demand for the company's products, changes in factors affecting domestic and international prices of the products, changes in the costs structure, changes in the seasonal patterns of the markets, changes in prices charged by competitors, foreign exchange variations, changes in the political or economic situation of Brazil, and changes in emerging international markets.

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Appendices

Balance Sheet with proportional consolidation of Ripasa

(R\$ '000)

	Jun 30, 2008	Dec 31, 2007	Jun 30, 2008	Dec 31, 2006
Current Assets				
Cash and Cash Equivalent	1,468,104	1,325,517		
Trade Accounts Receivable	639,297	731,982		
Other Accounts Receivable	53,306	48,837		
Inventories	765,257	695,461		
Recoverable Taxes	245,413	263,570		
Deferred Income And Social Contribution Taxes	90,719	44,743		
Prepaid Expenses	8,671	3,292		
	<u>3,270,767</u>	<u>3,113,402</u>		
Non Current Assets				
Marketable securities	28,503	27,059		
Related Parties	-	563		
Recoverable Taxes	161,248	174,696		
Deferred Income And Social Contribution Taxes	402,281	474,540		
Advances To Suppliers	188,235	173,472		
Judicial deposits	25,849	26,431		
Other Accounts Receivable	40,463	51,519		
	<u>846,579</u>	<u>928,280</u>		
Permanent Assets				
Investments	9,944	19,942		
Property, Plant And Equipment	6,738,619	6,811,219		
Deferred Charges	3,700	3,593		
Intangible	540,979	580,501		
	<u>7,293,242</u>	<u>7,415,255</u>		
Total Assets	11,410,588	11,456,937		
Current Liabilities				
Trade Accounts Payable			270,563	345,814
Loans And Financing			743,715	701,534
Debentures			12,043	36,081
Accrued Salaries and Payroll Taxes			62,582	59,181
Taxes Payable Other than on Income			29,749	51,948
Income and Social Contribution Taxes			3,936	2,096
Deferred Taxes and Contribution			29,480	26,685
Dividends Payable			479	65,096
Other Accounts Payable			40,228	55,073
Related Parties			-	504
			<u>1,192,775</u>	<u>1,344,012</u>
Non Current Liabilities				
Loans and Financing			4,092,786	4,191,008
Debentures			754,177	709,439
Accounts Payable			6,751	7,491
Income Tax and Social Contribution			12,578	12,071
Deferred Income and Social Contribution Taxes			609,382	596,553
Provision For Contingencies			223,003	204,707
			<u>5,698,677</u>	<u>5,721,269</u>
Shareholder's Equity				
Share Capital			2,054,430	2,054,427
Capital Reserves			412,230	412,230
Profit Reserves			1,940,079	1,940,079
Treasury Shares			(201,798)	(15,080)
Accumulated Profit			314,195	-
			<u>4,519,136</u>	<u>4,391,656</u>
Total Liabilities			11,410,588	11,456,937

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

	1Q08	2Q08	2Q07	6M08	6M07	2Q08 x 1Q08	2Q08 x 2Q07	6M08 x 6M07
NET SALES	969,678	1,003,885	820,947	1,973,563	1,630,270	3.5%	22.3%	21.1%
COST OF SALES	(662,624)	(646,296)	(533,825)	(1,308,920)	(1,060,598)	-2.5%	21.1%	23.4%
GROSS PROFIT	307,054	357,589	287,122	664,643	569,672	16.5%	24.5%	16.7%
SELLING EXPENSES	(42,559)	(49,217)	(51,284)	(91,776)	(94,345)	15.6%	-4.0%	-2.7%
GENERAL AND ADMINISTRATIVE EXPENSES	(59,558)	(62,916)	(53,492)	(122,474)	(110,798)	5.6%	17.6%	10.5%
FINANCIAL EXPENSES	(59,599)	(163,664)	(68,047)	(223,263)	(140,186)	174.6%	140.5%	59.3%
FINANCIAL INCOME	28,559	43,798	36,428	72,357	72,768	53.4%	20.2%	-0.6%
EQUITY PICKUP IN SUBSIDIARIES AND AFFILIATES	(277)	(13)	(995)	(290)	(83)	-95.3%	-98.7%	249.4%
AMORTIZATION OF GOODWILL	(19,761)	(19,761)	(21,003)	(39,522)	(41,992)	0.0%	-5.9%	-5.9%
OTHER OPERATING INCOME	23,808	(1,375)	8,163	22,433	14,700	-105.8%	-116.8%	52.6%
OPERATING PROFIT BEFORE MONETARY AND EXCHANGE	177,667	104,441	136,892	282,108	269,736	-41.2%	-23.7%	4.6%
NET MONETARY AND EXCHANGE RATE VARIATION	6,780	152,550	115,997	159,330	184,757	2150.0%	31.5%	-13.8%
OPERATING PROFIT	184,447	256,991	252,889	441,438	454,493	39.3%	1.6%	-2.9%
NONOPERATING INCOME (EXPENSES), NET	(1,728)	21,866	969	20,138	879	-1365.4%	2156.6%	2191.0%
NET INCOME BEFORE INCOME AND SOCIAL CONTRIBUTION TAX	182,719	278,857	253,858	461,576	455,372	52.6%	9.8%	1.4%
INCOME AND SOCIAL CONTRIBUTION TAXES	(54,085)	(93,296)	(81,774)	(147,381)	(177,146)	72.5%	14.1%	-16.8%
NET INCOME FOR THE PERIOD	128,634	185,561	172,084	314,195	278,226	44.3%	7.8%	12.9%

Cash flow statements with proportional consolidation of Ripasa

(R\$ '000)

	June-08	June-07
Cash flows from operating activities		
Net income for the period	314,195	278,226
Adjustments to reconcile net income to cash generated from operating activities		
Depreciation, depletion and amortization	222,085	174,708
Result on sale of property, plant and equipment	(19,035)	(6,755)
Equity interest in subsidiaries and affiliates	290	83
Amortization of goodwill	39,522	41,992
Deferred income and social contribution taxes	53,377	219,120
Interest expenses with the acquisition of own shares	110,860	-
Interest, exchange and monetary variation of noncurrent assets and liabilities ⁽¹⁾	(41,775)	(54,069)
Increase in provisions	3,100	(6,741)
Others provisions	(3,683)	5,509
Changes in assets and liabilities		
Increase (Reduction) in accounts receivable and other receivable	92,685	59,354
Increase (Reduction) in other current and non-current assets	(53,183)	(203,162)
(Reduction) Increase in other current liabilities ⁽¹⁾	(107,711)	(7,470)
Net cash from operating activities	610,727	500,795
Cash flows from investing activities		
Non current marketable securities	(1,444)	(1,440)
Acquisition of investments	(318)	(625)
Acquisition of property, plant and equipment and Increase of deferred charges	(152,075)	(760,091)
Transfer from non current to current assets	-	2,614
Receipt from sale of property, plant and equipment	35,085	17,503
Net cash used in investing activities	(118,752)	(742,039)
Cash flows from financing activities		
Capital increase due to conversion of convertible debentures	3	39
Dividends Paid	(64,610)	(50,534)
Loans Received	1,227,069	637,473
Payment of Loans	(1,188,478)	(514,411)
Own shares acquisition	(297,578)	-
Net cash from financing activities	(323,594)	72,567
Effects of exchange rate variation on cash and cash equivalents	(25,794)	(30,489)
Demonstration of Increase (decrease) in cash and cash equivalents	142,587	(199,166)
Beginning of quarter	1,325,517	1,500,112
End of quarter	1,468,104	1,300,946
Increase (decrease) in cash and cash equivalents	142,587	(199,166)

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

	Index	Interest	Jun 30, 2008	Mar 31, 2008
For acquisition of equipment				
BNDES - Finem	TJLP	8,75%	1.830.357	1.728.017
BNDES - Finem	Basket of Coins	8,14%	252.537	267.145
BNDES - Finame	TJLP	10,35%	14.710	16.755
BNDES - Finame	Basket of Coins	8,58%	159	175
BNDES - Automático	TJLP	9,50%	40.758	47.777
BNDES - Automático	Pre-fixed Taxe	8,58%	670	740
FNE - BNB	Pre-fixed Taxe	8,50%	132.822	132.822
FINEP	TJLP	6,25%	9.258	10.069
Crédito Rural	Fixed Taxe +CDI	7,76%	23.479	13.058
Working capital				
FMO	US\$	4,42%	1.716.993	1.927.959
Importation financing	US\$	3,52%	297.053	340.490
Nordic Investment Bank	US\$	4,63%	79.595	90.587
Export credit note	US\$	10,62%	383.746	374.787
Industrial credit note	CDI	6,65%	47.757	52.473
Others	TJLP		6.607	4.435
			4.836.501	5.007.289
Current liabilities			743.715	641.730
Noncurrent liabilities			4.092.786	4.365.559
Loans				
2009			434.199	762.047
2010			1.081.362	1.060.766
2011			656.971	673.220
2012			601.092	622.661
2013			330.005	321.199
2014			989.157	925.666
			4.092.786	4.365.559

Debentures

Issue	Series	Units	Jun/2008			Mar/2008		Index	Interest	Due date
			Current	Non current	Total	Total				
3 ^a	1 ^a	333,000	9,264	417,403	426,667	432,128	IGP-M	10% *	1/4/2014	
3 ^a	2 ^a	167,000	1,217	91,400	92,617	104,272	USD	9.85%	7/5/2019	
4 ^a	1 ^a	79,735	521	81,791	82,312	83,977	TJLP	2.50%	1/12/2012	
4 ^a	2 ^a	159,471	1,041	163,583	164,624	167,954	TJLP	2.50%	1/12/2012	
			12,043	754,177	766,220	788,331				

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