



Suzano Petroquímica Releases 1Q07 Results

Ebitda of R\$ 68 million, 440% higher than 1Q06, and strong Ebitda Margin of 15.5% confirm another consecutive quarter of increasing profitability, with Net Profit of R\$ 55 million

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São Paulo, May 2, 2007 – Suzano Petroquímica S.A. (the “Company”) (BOVESPA: SZPQ4; LATIBEX: XSUPT), Latin American leader in the polypropylene production and with jointly control of important companies of the Brazilian petrochemical sector – Rio Polímeros S.A. and Petroflex Indústria e Comércio S.A., as well as interests in Petroquímica União S.A. (PQU), releases today its 2007 first quarter results (1Q07).

Quarter Highlights

Strong cash generation and the highest Ebitda Margin since 4Q04, of 15.5%

Our operating cash generation of Suzano Petroquímica (Ebitda) reached R\$ 68.5 million in the 1Q07, an increase of 439.6% as regards the 1Q06 and also 5.0% above the level reached in the 4Q06, when we had already presented a strong recovery in our results, especially in comparison with the performance in the 1H06.

The Ebitda Margin of the Parent Company was of 15.5% in the 1Q07, best result since the 4Q04, with an increase of 12.4 p.p. when compared to the 1Q06. It's now the third consecutive quarter of expansion of margins, confirming the Company's adjustment to a new sustainable profitability level.

This performance was primarily a result of lower raw materials cost accounted for in the period together with good levels of sales prices obtained with the maintenance of our policy of prioritizing profitability, focusing on the sale of higher value-added and greater performance resins. The Company's effort to control its expenses also contributed to this result.

Leverage remains in a strong decreasing curve

The deleveraging process continued strongly. Due to the significant recovery of the Ebitda started in the 3Q06, the Parent Company's Net Indebtedness/(Ebitda + Dividends) Ratio, which in June 2006 reached its maximum of 7.1x, was drastically and continuously reduced to 4.0x in March 2007.

Accordingly, the consolidated leverage presented also a strong decreasing curve, since there was also a strong cash generation recovery of Riopol and also Petroflex. The consolidated Net Indebtedness/Ebitda Ratio retreated consistently to 5.5 times in March 2007, comparing to the 13.2x peak reached in June. If we consider that Riopol's contribution in its two first operating quarters in 2006 still strongly reflected the beginning of its learning curve, the tendency is that the Consolidated deleveraging will continue in a steady pace.



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R\$ 54.6 million Net Profit in 1Q07, 464% higher than in 4Q06

Suzano Petroquímica's 1Q07 Net Profit reached R\$ 54.6 million, substantially higher than the historical levels registered by the Company, a result of the good performance of our businesses, the important evolution of Riopol's performance, the positive financial result which took advantage of the Real appreciation, and still the positive accounting result of Politenó's sale earn-out formula. Further details in this respect can be found in the discussion throughout this release.

Riopol completes 1 year of operation with strong increasing results

Since April 2006, when Riopol took charge of the operations in its industrial unit, it has presented a consistent positive evolution of its results.

In the first quarter 2007, the company generated an Ebitda of R\$ 73.9 million with a 19.1% margin, as a result of the continued progress in its learning curve, with increased rates of operating efficiency and greater operating stability, factors allied to a positive scenario of polyethylene prices and reduction in the levels of raw material costs.

See more details at the Suzano Petroquímica Consolidated section.

Petroflex also presents an important recovery in its 1Q07 results

1Q07 Petroflex's Ebitda of R\$ 32.6 million was 149.6% higher than in 1Q06 and 31.8% higher than in 4Q06, with an Ebitda margin of 9.3% in the quarter, 5.1 p.p. e 2.5 p.p. above the margins recorded in 1Q06 and 4Q06, respectively. See more details at the Suzano Petroquímica Consolidated section.

Update of Politenó's Sale Earn-Out Formula

After 11 months out of the 18 months in which polyethylene spreads in the domestic market should be taken into account to determine Politenó's final value (according to the formula established when the company was sold last year against a initial payment), we have broadened our visibility of the effective average spread of the period and consequently our greater certainty of a second installment higher than initially expected. So being, we have adjusted the provision accounted for in our books at the time of the sale, which generated an additional R\$ 15.7 million positive impact in the Parent Company's result, through equity.

Special Characteristics of this Result Disclosure:

With the taking over of Polibrasil's full control on September 1st, 2005 and its further incorporation by Suzano Petroquímica on November 30th of that same year, the Company had decided to discuss its results in *pro forma* basis, aiming to allow a better analysis of the business now held by Suzano Petroquímica and thus ensuring a better comparison with previous periods, and estimates of future results. However, since the 1Q06 all information from the Parent Company already fully reflects the effective activities of the Company. Since this document is prepared based on comparisons with periods after the 1Q06, including this one. As regards the Parent Company there is no need to discuss the results on *pro forma* basis.

The analysis of the Consolidated Suzano Petroquímica considers the Parent Company result, proportionally consolidating the participation that the Company holds in its jointly controlled companies, Riopol (33.33%) and Petroflex (20.12%). In view of the sale of the 33.9% share in the total capital of Politenó on April 4, 2006, the Consolidated results shall be discussed on *pro forma* basis, that is to say, disregarding the result related to the consolidation of Politenó in the 1Q06, aiming a better comparison. The performance of the companies of which Suzano Petroquímica has shared control is described in the analysis of the Consolidated Suzano Petroquímica.

All comparisons made regard the same periods of 2006 (1Q06), except when otherwise indicated.

SUZANO PETROQUÍMICA PARENT COMPANY

Sector Scenario and Economic Context

Continuing the more positive scenario for the petrochemical industry which started to be drawn in the 3Q06, the 1Q07 was characterized by good levels of local demand, making possible to keep reasonable sales prices, and lower costs of raw material, which contributed to increase the margins of the Company.

The favorable situation that prevailed for the international petrochemical industry allowed raises in resin prices during 1Q07, which were already in high levels, contributing to the building of good business opportunities both in the domestic and international markets.

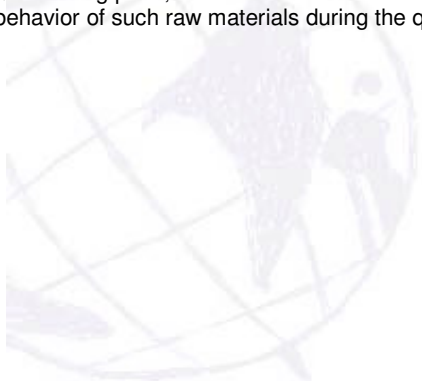
Preliminary data by Coplast indicate an 8.3% high in the Brazilian domestic demand of polypropylene in the 1Q07 comparing to 4Q06. However, part of this increase was met by imports, motivated by a greater availability of resins for exports, a movement which is many times observed in the end of the fiscal year, aiming at inventories reduction, and yet by the Real appreciation, which increases the competitiveness of such transactions. In the 1Q07, the polypropylene imports represented 13.4% of the domestic demand, presenting a 20.0% growth as regards the volume imported in the 4Q06.

We continue to keep our profitability and competitiveness of our products, despite the greatest pressure caused by imports in the Brazilian polypropylene market, by offering to our clients technical assistance services, development of products and solutions jointly with clients, as well as logistics differentiated and adequate to the needs of each client.

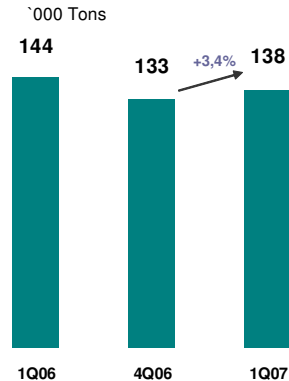
Our main raw material, propylene, contributed positively to the result of the 1Q07 because in this quarter the average prices practiced at the end of 2006 were booked, and in that period the petrochemical inputs prices presented a retreat. During the 1Q07, the propylene prices were kept reasonably stable comparing to the closing of 2006, and only at the end of the quarter we started to note a light high in the prices of inputs to the petrochemical industry, aligned to the observed oil prices trend.

When comparing the average prices of the 1Q07 with those of the 4Q06, Europe naphtha presented a high of about 5%, while U.S. Gulf propylene and Europe ethylene fell, respectively, about 4% and 2%, following the falling path of oil prices, commodity which average prices declined about 4% in the same period.

Considering the petrochemical raw materials derived from natural gas, the Mont Belvieu ethane average price, USA basis, retreated 4.4% in the 1Q07 as regards the 4Q06, while both the propane using the same reference, and the natural gas raised 1.8% and 8.7%, respectively, when we compare the same periods. Considering Riopol's raw-material pricing criteria, average ethane and propane prices presented a fall in 1Q07 as regards 4Q06. Although, if we compare the 1Q07 closing to the 4Q06 closing price, Mont Belvieu ethane and propane raised 10.0% and 19.8%, respectively, as there was an increasing price behavior of such raw materials during the quarter.



PRODUCTION

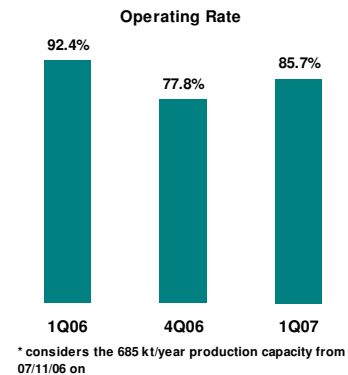


In the 1Q07, the polypropylene production of Suzano Petroquímica was of 137.8 thousand tons, increasing 3.4% as regards the production of the 4Q06, against a 4.6% reduction in the volume produced when compared to the 1Q06.

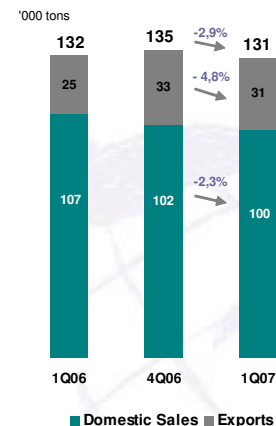
The available installed capacity in 1Q07 was of 160.8 thousand tons, 6.1 below the normal availability due to a 30-day programmed maintenance stoppage at the Camaçari Unit. Taking this into account, 1Q07 operating rate was of 85.7%, 7.9% above 4Q06, when it was affected by tests to improve the plants efficiency and the quality of the products, also adjusting production to the lower demand, positively impacting the inventories level.

Besides the lower capacity availability of the quarter, 1Q07 production was also affected by operating problems at the Maua Unit as a result of energy interruption at the beginning of the year, which affected all the industries of the region, besides some punctual problems in raw material supply to the unit, which resulted in a total production loss equivalent to 6 days.

Excluding the effect of the 6-day stoppage loss of Mauá, the average occupation rate of the production capacity of our units in the 1Q07 would be equal to 89.0%.



SALES



The Company's total polypropylene sales in the 1Q07 were of 131.1 thousand tons, representing a light 0.9% fall as regards the volume sold in the 1Q06 and a retreat of 2.9% as regards the 4Q06.

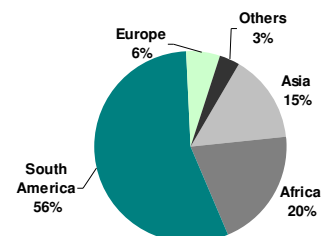
In the domestic market, the sales totaled 99.8 thousand tons in the 1Q07, volume 2.3% lower than the one sold in the 4Q06, as part of 1Q07 volume was dislocated to the 2Q07. If this hadn't occurred, the domestic market volume would have been higher than in 4Q06 and total 1Q07 sales would be very similar to the one of 4Q06. Despite the greater competition from imported products in 1Q07. Compared to the 1Q06, the domestic sales had a 6.6% fall, since the demand at that period was higher, partly due to the movements of recomposition of inventories of transformers, which at the time faced a weak period of purchases. However, comparing to the 1Q06, the smaller volume of domestic sales in the 1Q07 was largely compensated by the better domestic prices and the greater level of exports in attractive commercial conditions.

The sector distribution of our sales continued, in the 1Q07, to show a special performance for the sectors of packages for the food, consumer goods, automobile,

cosmetics / pharmaceutical and electro-electronic industries. It is worthy to mention also the good performance of the agribusiness and civil construction industries, already reflecting positive impacts resulting from the government incentive programs, such as the expansion of agriculture credit and IPI tax reduction for some products.

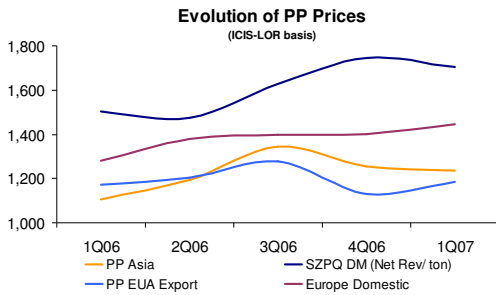
The international sales of the Company were of 31.3 thousand tons in the quarter, representing 23.9% of the total sales in the period. This volume was 23.0% higher than the one sold in the 1Q06 as a result of the better commercial conditions currently in force in the international market. As regards the 4Q06, despite the 4.8% volume reduction, we improved our export sales mix, increasing exports to South America thanks to business opportunities resulting from the temporary restrictions on the operation of some local producers. As a result thereof, our exports were concentrated to this region, one of our focuses in terms of international sales, because of the better levels of profitability it shows, representing 56% of the volume exported in this quarter.

Exports Destination 1Q07



SALE PRICES

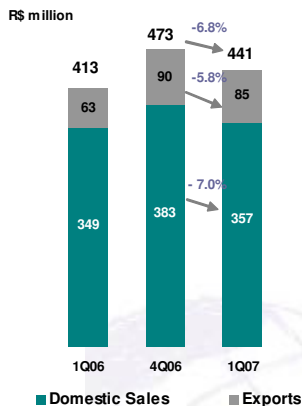
The maintenance of good levels of local and international demand contributed to keep the prices levels observed during 2H06. This scenario contributed, in average, to improve the industry profitability, since the international price levels of raw material were lower than the ones in the 4Q06, following the behavior of the oil prices.



Our average unitary net revenue in Reais assessed in the domestic market in the 1Q07 was 4.8% lower than the one of 4Q06, but 9.3% higher as regards the 1Q06. When measured in Dollars, the unitary net revenue registered in the domestic market in the 1Q07 was only 2.5% lower than the one in the 4Q06, confirming the continuity of our strategy to keep the prices reasonably aligned to the last quarter despite the pressure of the imported products in the period. Further more, prices were 13.3% higher than in 1Q06, confirming the strong recovery starting from the 2H06.

The unitary net revenue assessed in the international market in the 1Q07, when expressed in Reais, presented a light fall of 1.1% comparing to the 4Q06, but was 8.7% higher than the unitary net revenue registered in the 1Q06. When expressed in Dollars, we verify an 1.4% increase in the unitary net revenue of exports comparing to the 4Q06, with an important contribution from greater sales to South America countries, where better sales prices are obtained, and further 12.7% above when compared to the unitary net revenue from exports in the 1Q06, as a result of a better sector outlook in the international market.

NET OPERATING REVENUE

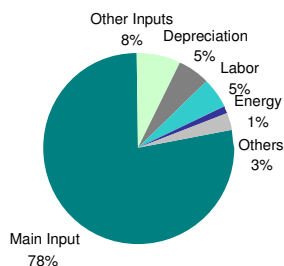


The net operating revenue totaled R\$ 441.4 million, 7.0% higher than the one assessed in the 1Q06, resulting chiefly from the 7.9% increase of the unitary net revenue, following the much more positive scenario for the sector in the 1Q07 when compared to the 1Q06, despite the 0.9% fall in the total sales volume of the 1Q07. As regards the 4Q06, the net operating revenue expressed in Reais presented a 6.8% reduction, due to the effect related to the 2.9% decrease in the sales volume with a 4.0% fall of the unitary net revenue in Reais.

When expressed in Dollars, the net revenue of the 1Q07 presented a significant high of 10.9% as regards the 1Q06, resulting from the strong recovery of 11.9% of the prices in Dollar between the quarters, neutralizing the results of a slightly lower sales volume. Further in Dollars, the net revenue of the 1Q07 compared to the 4Q06 recorded a retreat of 4.5%, resulting both from the sales volume 2.9% lower and the price in Dollars 1.6% lower than the prior quarter.

The net operating revenue resulting from the volume sold in the domestic market in the 1Q07 was of R\$ 356.6 million, 2.1% higher than in the 1Q06, since the 9.3% increase of the unitary net revenue overwhelmingly compensated the 6.6% reduction in the domestic sales volume. Analogically, when expressed in Dollars, the net revenue in the domestic market was 5.8% higher than in 1Q06, as a result of the 13.3% higher prices in Dollars in the period. When compared to the 4Q06, the net operating revenue assessed in the domestic market in the 1Q07 and in Reais was 7.0% lower, because between these periods we note a light retreat of 2.3% in the sales and further a unitary net revenue 4.8% lower in the domestic market. Considering the exchange variation between the periods, the net revenue in the domestic market, verified in the 1Q07 and expressed in Dollars, was only 4.7% lower than the 4Q06.

The net revenue resulting from the sales to the international market was of R\$ 84.7 million, 33.7% higher than the same period of 2006. This increase was a result of the strong increase of 23.0% in the volume sold associated to the 8.7% high in the unitary net revenue, according to the substantial improvement of the resin market scenario, both as regards the demand and, as a consequence, international prices. In Dollars, the increase of the net revenue from exports is even more expressive, of 38.6%. As regards the 4Q06, the revenues from exports in Reais was 5.8% lower, resulting from the light reduction of 1.1% in the unitary net revenue from exports in Reais associated to the retraction of 4.8% in the volume sold. When expressed in Dollars, the unitary net revenue from exports is only 3.5% lower than the 4Q06, with a 1.4% high in the exports prices in Dollars partially neutralizing the fall in sales volume between the periods.



COST OF GOODS SOLD

The cost of goods sold (COGS) in the 1Q07 was of R\$ 349.8 million, with a 8.6% reduction as regards the 4Q06, despite the reduction in the volume sold was of only 2.9% between the periods. The same behavior was noted as regards the 1Q06, recording a 5.8% fall in the COGS comparing to a retreat of only 0.9% in sales between the periods. For both cases, the explanation, besides the reduction in the volume sold, was chiefly the lower petrochemical raw material quotations at the end of last year.

The unitary COGS of the 1Q07 was of R\$ 2,669/t, a 5.9% and 5.0% fall as regards, respectively, the 4Q06 and the 1Q06. The unitary COGS measured in Dollars in the quarter was of US\$ 1,272/t, 3.6% lower than the 4Q06 and 1.5% lower than the one in the 1Q06.

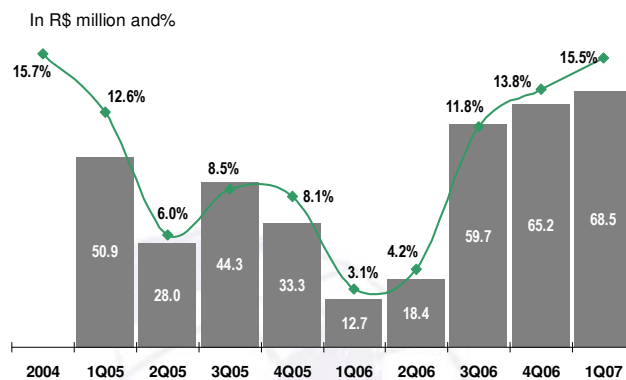
SALES, GENERAL AND ADMINISTRATIVE EXPENSES (SG&A)

The total sales, general, and administrative expenses (SG&A) were of R\$ 45.8 million in the 1Q07, 4.6% lower than the ones verified in the 4Q06, as a result, mainly, of the 41.7% decrease of the general and administrative expenses, neutralizing the 18.5% increase in the sales expenses verified in the periods.

Excluding the nonrecurring effects verified in the 1Q07 and 4Q06, being worth highlighting the organizational restructure in 4Q06 and the reversion of the provision of bonus payment in 1Q07, there was a 5.4% reduction in the general and administrative expenses between the periods, confirming the gains resulting from the strong discipline of the Company in the management of expenses. Considering the inflation measured by IPCA in 1Q07, of 1.26%, there was a productivity gain of roughly 6.7%. The 18.5% increase of the sales expenses from 4Q06 to 1Q07 was due mainly to the adjustment in the provision for doubtful accounts with the purpose of better reflecting the actual situation of our clients' receivables. If we exclude such effect, 1Q07 selling expenses were just 4.5% higher than in 4Q06.

Concerning the 1Q06, it was also verified an 1.9% decrease in the SG&A, as a result of a 30.4% fall in general and administrative expenses, which annulled the impact of the 12.1% increase of sales expenses. Excluding the nonrecurring effects in 1Q07, the reduction in general and administrative expenses was of 11.6%, also an effect of such higher discipline in the expenses management. On the other hand, sales expenses showed a 12.1% increase as regards 1Q06, resulting chiefly from the increase of expenses with freight for the external market, associated to a 23.0% increase in the Company's exports, and also connected to the increase of the provision for doubtful accounts already mentioned.

EBITDA



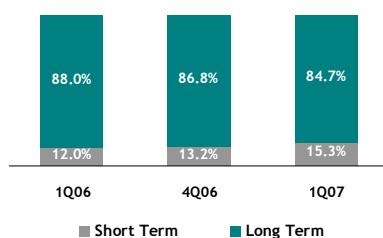
The operating cash generation of the Company as measured by the Ebitda reached R\$ 68.5 million in the 1Q07, thanks to the strong managerial adjustment promoted by the Company as from 2H06, supported by the favorable outlook in the petrochemical industry. Such result rendered possible to keep the course of recovering the profitability started in the 3Q06 and was the highest figure since the 4Q04, both in absolute terms and of Ebitda margin, that reached 15.5% in the period. The Ebitda in the 1Q07 was 439.6% higher than the one verified in the 1Q06, when the industry experienced repressed selling price conditions, but those of input were high, and 5.0% higher than in the 4Q06. The Parent Company's Ebitda margin of 15.5% in the 1Q07 was 12.4 p.p. higher than that verified in the 1Q06, and 1.7 p.p. above that verified in the 4Q06.

Ebitda per ton reached R\$ 522, also the highest since the 4Q04, besides having been 444.4% and 8.2% higher than the levels observed in the 1Q06 and in the 4Q06, confirming the strong and consistent recovery of the Company's profitability. Measured in Dollars, 1Q07 Ebitda per ton reached US\$ 249, 464.3% and 1.8% higher than 1Q06 and 4Q06, respectively.

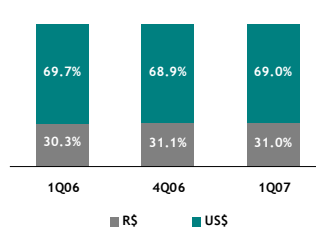
FINANCIAL RESULT AND DEBT

On March 31, 2007, the total gross indebtedness (considering both principal and interests) of Suzano Petroquímica was of R\$ 1,270.0 million, 2.4% higher than the R\$ 1,240.4 million on December 31, 2006. The debt keeps concentrated in the long term, with a total of 84.7% of their due dates. The Company's net indebtedness had a 1.4% decrease, reaching R\$ 887.5 million on March 31, 2007, due mainly to the company's increase in cash generation.

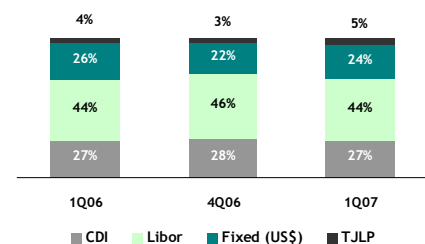
Exposure per Term (%)



Exposure per Currency (%)



Exposure per Index (%)



In the 1Q07, the Parent Company's net financial result was positive in R\$ 9.4 million – good part of which was benefited by the 4.3% increase showed by the Brazilian Real currency between December 2006 and March 2007, which generated a positive exchange variation on the contracted debt of R\$ 35.8 million, besides a financial revenue of R\$ 4.4 million resulting from financial investments, classified below the item "others". The financial expenses concerning the payment of interests on the debt was of R\$ 27.9 million, making up the financial result according to the chart below:

Financial Result (R\$ million)	1Q07	4Q06	1Q06
Financial Expenses	5.1	(23.8)	6.9
Interests (ACC/ Loans)	(27.9)	(26.9)	(31.0)
Adjustment for Inflation	-	(0.1)	(0.5)
Exchange Rate Variation	35.8	10.8	49.2
Banks/ CPMF tax/ IOF tax	(1.3)	(4.9)	(6.6)
Others	(1.5)	(2.7)	(4.2)
Financial Revenues	4.3	6.1	11.0
Interests from Temporary Cash Investments	4.4	6.0	11.0
Adjustment for Inflation	-	0.1	-
Exchange Rate	(0.1)	-	-
Net Financial Result	9.4	(17.7)	17.9

Additionally, the Company obtained revenues from temporary cash investments in the amount of R\$ 2.9 million in 1Q07, derived from its subsidiary SPQ Investimentos e Participações, registered in the Parent Company's result through equity.

According to the debt amortization schedule aside, on March 31, 2007 the average term of due date was of 4.81 years. The average cost of debt in the 1Q07 was of US\$ + 6.82%, stable if compared to the 4Q06.

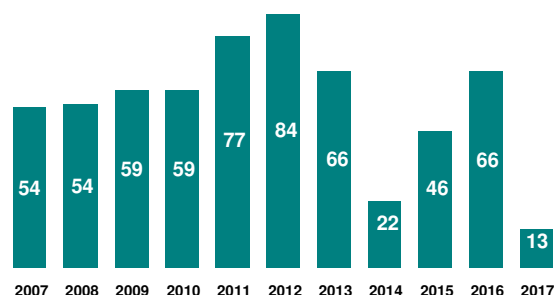
Net Indebtness / (Ebitda+Dividends)

The *pro forma* Parent Company's Net Indebtedness/(EBITDA + dividends) ratio, already considering the cash received as first installment for the sale of Politeno and the share positions, held by the Company and controlled companies and assigned for future sale, presented a drastic reduction, decreasing from 7.1x in mid 2006 to 4.0 already at the end of 1Q07. The Company's financial deleveraging shall continue along 2007, counting for such purpose with the expectation of keeping good levels of Ebitda generation, replacing weaker previous quarters in the analysis of the last 12 months, and a potential second payment for Politeno's sale in 4Q07.

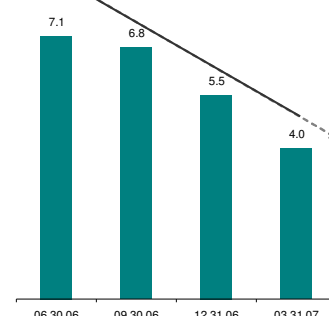
NET PROFIT

The continuity of our result recovery movement contributed to the achievement, in the 1Q07, of a net profit of R\$ 54.6 million, the highest quarterly result of the last 4 years, and 463.6% higher than verified in the 4Q06, even considering the recurring accounting of the R\$ 13.0 million goodwill amortization in the quarter. Such result was possible due to the Company's good level of operating result, associated to the positive contribution of R\$ 9.4 million of financial result, which had a strong impact by the Real appreciation, and also because an equity accounting in the amount of R\$ 28.7 million was registered, due to the result recovery mainly by Riopol and also by Petroflex. It is worth noticing that the Politeno's sale earn-out formula accounting contribution amount had a R\$ 15.7 million positive impact on the equity.

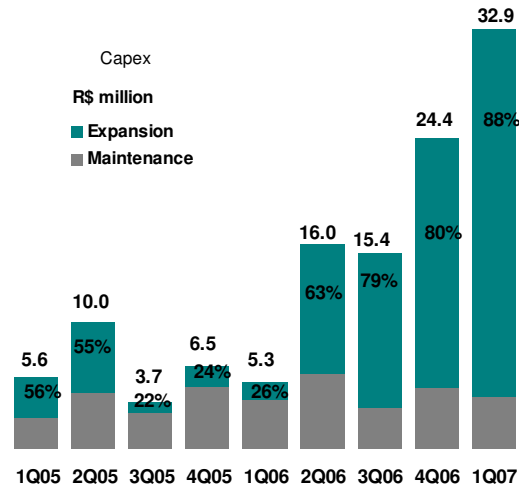
Debt Amortization Schedule (US\$ Million)



Net Indebtness / (Ebitda + Dividends)
Parent Company



INVESTMENTS



The Company's investments were of R\$ 32.9 million in the 1Q07, of which 87.5% were assigned to expand the polypropylene production capacity, and the remaining to perform maintenance on production equipment and other investments, according to the accrual basis criteria.

The Company is carrying out a plan to increase the production capacity of its Mauá and Duque de Caxias units, and is also investing in the construction of a sea terminal to receive propylene in Duque de Caxias.

The start-up schedule of the new capacities was not changed since it was disclosed in the 4Q06, with the following steps: (1) construction of a sea terminal in Duque de Caxias to receive propylene for the Duque's unit, which shall be completed in the 3rd quarter 2007; (2) expansion of the polypropylene production capacity of the Duque de Caxias (RJ) unit in 100 thousand tons/year in the 4Q07; (3) second stage of the increase in the polypropylene production capacity of the Mauá (SP) unit, which will add 90 thousand tons/year, foreseen for the 2Q08. The disbursement schedule updated until 1Q07 is shown below.

The total amount estimated for the projects of expanding the capacity and the construction of the sea terminal, including the expansion of the Mauá unit already carried out, is of US\$ 126.9 million, and the projects mentioned above count on defined fund sources, financed by the International Finance Corporation-IFC and also by BNDES.

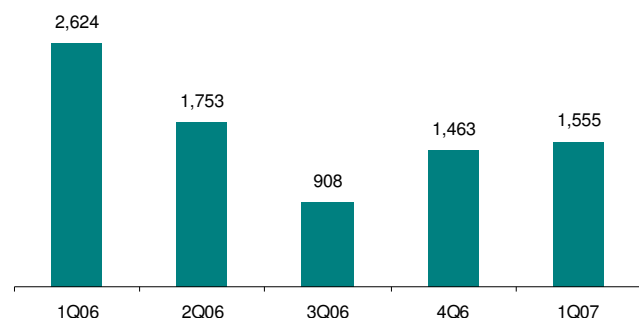
US\$ million	Until 1T07	2007	2008	Total
Capex Projects	45.8	56.1	25.0	126.9
SeaTerminal	7.8	9.8	0.0	17.6
Expansions	38.0	46.3	25.0	109.3

CAPITAL MARKETS

The average daily financial volume of Suzano Petroquímica's (SZPQ4) preferred share negotiated at Bovespa in the 1Q07 reached R\$ 1.6 million, showing a 6.3% increase as regards the 4Q06, which is also the effect of the market perception of the Company's recovery path. The Bovespa index showed in the 1Q07 an average daily financial volume 30.8% higher than the one verified in the 4Q06, impacted chiefly by the amount of primary offers that took place in the beginning of the year.

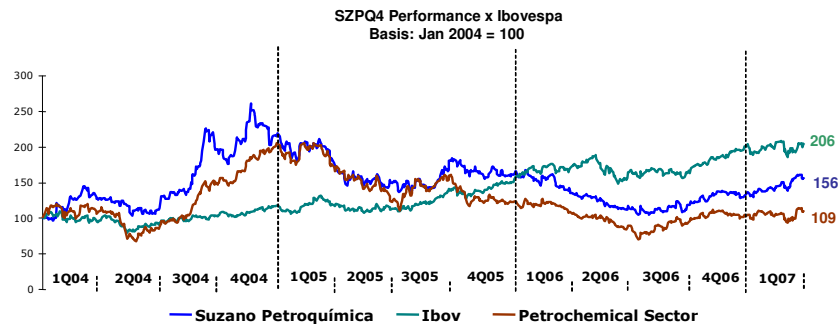
The Suzano Petroquímica's preferred share negotiated at Bovespa closed the quarter quoted in R\$ 4.57/share, showing a 16.6% valorization compared to the end of 2006, while the weighted index of the petrochemical industry increased 5.6% and the Bovespa Index showed a positive variation of 3% in the same period, confirming the consistent recovery of the Company's shares appreciation.

Average Daily Volume - SZPQ4 (R\$ 000/day)



Information on the Share		mar/31/07
Total Shares		226,695,380
Common Shares		97,375,446 (43.0%)
Preferred Shares		129,319,934 (57.0%)
Market Value		
R\$ million		1,036.0
US\$ million		505.3

* Sources: Suzano Petroquímica / Economática



EXPECTATIONS FOR THE POLYPROPYLENE BUSINESS

The 1Q07 was benefited by a very stable demand in the international market, condition that greatly contributed to keep good levels of resin prices. Associated with such more stable scenario, lower prices in petrochemical raw materials were observed, which helped to increase the operating margins.

As to the business performance in the following months, we can say that it will strongly depend on the demand behavior, a variable that has been reasonably consistent both in the international market and locally. The demand in the global market has shown important signs of recovery, already reflected in increases in international quotations of polypropylene. There is a quite tight polypropylene supply perspective for the following months, also driven by the European crackers maintenance season, which may contribute to the consolidation of high levels of resin prices, due to the probable tighter supply/demand scenario.

Following the business seasonality in Brazil, the next months shall also present a stronger demand, what, together favorable international market, leads to good business perspectives locally as well. However, it will be necessary to follow the evolution of polypropylene imports, which may remain in higher levels due to the over-appreciated Real. Yet, our sales competitiveness will be based on the services offered to our clients, such as technical assistance, development of products in partnership with them, adequate and differentiated logistics.

Today there is a trend of increase in the quotation of petrochemical raw materials such as naphta and propylene, impacted by the proximity of the American driving season, as increase of gasoline demand reduces the availability of such inputs. On the other hand, a stronger market scenario may help the continuity of good margins for the business, even with the potentially higher raw material prices.

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY FOR SUSTAINABLE DEVELOPMENT

On March, 12 was launched, at Fiesp (the São Paulo Industries Federation), the Plastics Program of Local Productive Arrangements (APL) of the Great ABC, an articulation of Suzano Petroquímica together with other actors of the region – City Halls, other Companies of the Capuava Petrochemical Pole, Educational Entities, Unions, in an alliance with SEBRAE-SP, FIESP, IFC-World Bank and the Agency for Economic Development of the Great ABC. The project aims at enhancing the competitiveness and the growth of the micro, small and medium industry of transformation of the region, seeking the economic and social development of the great ABC. There are some 500 transforming industries in the region, which employ about 15 thousand workers, number that might double if these same companies become able to absorb the additional resin offer from the ongoing or foreseen capacity increases of the Capuava Pole, as the one of our Mauá Unit.

Besides that, on April 24 the AGIR-Mauá program of separate collection was launched, satellite of the Plastic APL, different from the other regional initiatives because of the source splitting model and the constant environmental education of the related audiences. The program will also work in the modernization and enabling process of the Working Cooperative of the Recycling Professionals of Mauá – Cooperma, with which we maintain a strong partnership.

The Camaçari Unit has done in November and repeated on April an operating test with a new catalyst. The test has been successful and will render improvements in the production process, which will considerably reduce the catalytic residue and liquid effluent generation.

SUZANO PETROQUÍMICA CONSOLIDATED SUMMARY OF THE PRO FORMA CONSOLIDATED RESULT

Indexes Summary (R\$ million)	1Q07	1Q06	Δ% 1Q07/1Q06	4Q06	Δ% 1Q07/4Q06
Net revenue	630.5	474.7	32.8%	622.6	1.3%
Gross Profit	126.2	47.4	166.4%	120.6	4.7%
Gross Margin	20.0%	10.0%	+ 10 p.p.	19.4%	+ 0.6 p.p.
Ebitda	99.4	14.6	580.9%	90.1	10.4%
Ebitda Margin	15.8%	3.1%	+ 12.7 p.p.	14.5%	+ 1.3 p.p.

Production (000 t)	1Q07	1Q06	Δ% 1Q07/1Q06	4Q06	Δ% 1Q07/4Q06
Riopol ¹	105,9	52,5	-	109,9	-3,6%
Petroflex	76,7	75,8	1,2%	86,2	-11,0%

1- The 52.5 thousand tons production of 1Q06 referred to the pre-operating phase, which started on November, 2005 and finished on March 31, 2006

Saless (000 t)	1Q07	1Q06	Δ% 1Q07/1Q06	4Q06	Δ% 1Q07/4Q06
Riopol ¹	115.0	40.5	-	94.7	21.4%
MI	63.2	31.7	-	47.5	33.1%
ME	51.8	8.8	-	47.3	9.7%
Petroflex	82.3	79.2	3.9%	83.9	-1.9%
MI	58.9	50.2	17.2%	56.2	4.7%
ME	23.5	29.0	-19.0%	27.7	-15.2%

1 – From January to March 2006 40.5 thousand tons of polyethylene were sold referring to the pre-operating stage of Riopol, which were not recorded in the results. The sales performed from April 2006 were totally of resins produced by Riopol, during its operating stage.

Riopol

A The domestic demand of polyethylene in the 1Q07 was aligned with the one in the 1Q06, but with a 3.5% increase of the domestic sales by local producers to the detriment of the imports, which presented a 11.2% retreat between these periods. As regards the 4Q06, the domestic demand of polyethylene grew 9.1% and was basically supplied by the 12.0% increase of sales by local producers, which still dislocated 3.8% of imports. Taking advantage of the good commercial conditions in force in the external market, the volume exported by local producers of polyethylene grew 9.2% as regards the 4Q06.

Riopol presented a production of 105.9 thousand tons of polyethylene, 3.6% lower than the one verified in the previous quarter due mainly to non-planned stoppages occurred during this period, resulting in an average rate of occupation of the installed capacity of 78.5% in the quarter. However, Riopol continued advancing in its learning curve in the period and have already reached an average capacity usage rate of 94% in the month of March.

The total sales of polyethylene of Riopol reached 115.0 thousand tons in the quarter, which represented a 21.4% increase as regards the 4Q06, contributing to adjust the company's level of inventories. 55.0% of the total sales were sold in the internal market and the remaining was exported. The sales to the domestic market presented a growth of 33.1% as regards the 4Q06, confirming the progressive accommodation of the products of Riopol in the Brazilian market.

The result of Riopol in the 1Q06 was registered in the deferred assets of the company, since the company was still at the pre-operating stage and, therefore, the results verified in the 1Q07 are not comparable to that one. Only starting from the 2Q06, the results are being registered in the company's income statement and in our consolidated result, proportionally to our participation.

Petroflex

We verified in the period a resume of the demand in the domestic market of elastomers, resulting mainly from the good moment of the Brazilian automotive and agriculture industries.

Aiming to take advantage of this favorable scenario, Petroflex oriented the greatest part of its sales to the internal market, which increased 4.7% and 17.2% as regards the 4Q06 and the 1Q06, respectively. As a result thereof, the exports presented a 15.2% fall as regards the 4Q06 and a 19.0% fall when compared to the 1Q06.

As a result of the planned stoppages for maintenance of the Cabo and Duque plants, the production in the 1Q07 was of 76.7 thousand tons of elastomers, 1.2% above compared to 1Q06 and 11.0% lower than the one obtained in the 4Q06. These stoppages, together with the capacity increase of Cabo in 20 thousand tons in January 2007, were responsible for the operating rate of 69.1% in the quarter, lower than the levels recorded in the 4Q06 and 1Q06, of 82.2% and 73.6%, respectively.

The company continued its strategy of focusing the sales of products with greater added value, having as a result that the special elastomers and performance elastomers answered for 28% of the total sales in this quarter.

NET OPERATING REVENUE

In the 1Q07, the consolidated net operating revenue was of R\$ 630.5 million, 1.3% above the one verified in the 4Q06, mainly as a function of the 17.2% increase of the net revenue of Riopol, compensating the lower revenues obtained by the Parent Company and Petroflex. The consolidated net turnover presented a growth of 32.8% as regards the 1Q06, due chiefly to the non-accounting of the Riopol's result in that quarter for its pre-operating stage.

Net Revenues					
R\$ million	1Q07	1Q06	Δ% Q07/1Q06	4Q06	Δ% Q07/4Q06
Suzano Petroquímica Parent Company	441.4	412.6	7.0%	473.5	- 6.8%
Riopol ¹	129.0	-	-	110.1	17.2%
Petroflex ¹	70.1	62.1	13.0%	73.4	- 4.5%
Offsets ³	(10.1)	-	-	(34.4)	-
Suzano Petroquímica Consolidated²	630.5	474.7	32.8%	622.6	1.3%

1 - Participation of Suzano Petroquímica of 33.33% in Riopol and 20.12% in Petroflex

2 - Pro forma consolidation considering the participations in Petroflex and Riopol. It does not consider the participation held in Politeño in the periods previous to its sale which took place on Apr 04, 2006.

3 - In the process of balance consolidation, the revenues and costs among Companies must be offset. In the 4Q06 the total adjustment of transactions between Suzano Petroquímica and Riopol occurred during 2006 and related to the propylene supply were recorded. Starting from the 1Q07, the offset of transactions among companies started to be done on a quarterly basis.

Riopol: in the quarter the net revenue was of R\$ 387.1 million, representing an 17.2% increase comparing to the net revenue of the 4Q06, due to the sold volume 21.4% higher, which overwhelmingly compensated the reduction of 1.5% in the unitary net revenue of polyethylene, in Reais, between the periods. From the total net revenue, 89.6% were originated from the sale of polyethylene and the remaining from the sale of by-products (propylene, hydrogen and pyrolysis gasoline).

Riopol answered for 18.9% of the consolidated net revenue in the 1Q07.

Petroflex: the net operating revenue of Petroflex in the 1Q07 was of R\$ 348.6 million, presenting a 4.5% reduction comparing to the revenue of the 4Q06, as a result from both the reduction of 1.9% of total sales and an unitary net revenue 2.7% lower. As regards the 1Q06, the net revenue grew 13.0%, a result from the 3.9% increase in the volume sold together with the recovery in the sales prices, fostered by greater sales to the domestic market, which made possible a growth of 8.8% in the unitary net revenue in Reais.

Petroflex answered by 11.1% of the consolidated net revenue in the 1Q07.

COST OF GOODS SOLD (COGS)

The consolidated cost of goods sold (COGS), of R\$ 504.2 million in the 1Q07, remained the same as the one in the 4Q06, since the impact of increase of sales costs of Riopol and the adequate allocation of the transactions between companies since the 1Q07, specially the sale of propylene by Riopol to the Company, was diminished by the reduction of the Parent Company's COGS. As regards the 1Q06, the consolidated COGS was 18.0% higher, since in that quarter the cost of products sold by Riopol was still being deferred, in view of this pre-operating stage.

Cost of Goods Sold (COGS)					
R\$ million	1Q07	1Q06	Δ%	4Q06	Δ%
			1Q07/1Q06		Q07/4Q06
Suzano Petroquímica Parent Company	349.8	371.2	- 5.8%	382.8	-8.6%
Riopol ¹	104.2	-	-	89.1	16.9%
Petroflex ^{1,4}	60.3	56.1	7.6%	64.5	-6.5%
Offsets ³	(10.1)	-	-	(34.4)	-
Suzano Petroquímica Consolidated²	504.2	427.3	18.0%	502.0	0.4%

1 - 1 - Participation of Suzano Petroquímica of 33.33% in Riopol and 20.12% in Petroflex

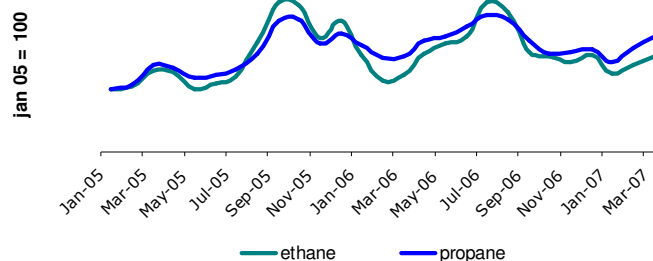
2 - Pro forma consolidation considering the participations in Petroflex and Riopol. It does not consider the participation held in Politeno in the periods previous to its sale which took place on Apr 04, 2006.

3 - In the process of balance consolidation, the revenues and costs among Companies must be offset. In the 4Q06 the total adjustment of transactions between Suzano Petroquímica and Riopol occurred during 2006 and related to the propylene supply were recorded. Starting from the 1Q07, the offset of transactions among companies started to be done on a quarterly basis.

4 - At the end of 2006 Petroflex performed a reevaluation of assets, which increased the depreciation accounted in the COGS. As Suzano Petroquímica does not use this accounting system, the Company made an adjustment to eliminate its effect, and for that reason the values of COGS disclosed by Petroflex are different from ours. See more details at the Note in the Company's ITR.

Riopol: the COGS verified in the 1Q07 was of R\$ 312.7 million, 16.9% above the one verified in the 4Q06 basically as a result of the 21.4% increase in the volume sold, since the variable part of the COGS presented a reduction of 2.7% between the quarters, resulting mainly from the retreat in the raw materials costs registered by Riopol. 80% of the COGS of the 1Q07 results from variable costs of production (raw material, catalysts, utilities and others), 13% refer to depreciation and amortization and 7% fixed costs. The operating improvement of Riopol, reaching more efficiency in the transformation of its raw materials in polyethylene, together with the accounting of a lower cost of raw materials, reflected in a COGS per ton of polyethylene produced 3.7% lower as regards the 4Q06. The average prices of Mont Belvieu* ethane, presented a reduction of 4.4% as regards the 4Q06, while propane registered a 1.8% raise, using the same reference, as shown in the chart.

Evolution of Mont Belvieu Ethane and Propane prices



Petroflex: the COGS⁴ of Petroflex in the 1Q07 was of R\$ 299.9 million, 7.6% above the one verified in the 1Q06 due chiefly to the sales volume 3.9% higher and variable cost 9.0% higher, resulting from higher prices in Reais of the main raw materials used by the company. As regards the 4Q06, COGS presented a reduction of 6.5%, as a result of a 1.9% reduction in the sales volume between the periods and lower costs, in Reais, of the raw materials used by Petroflex, reflecting in a unitary COGS 4.7% lower.

SALES, GENERAL AND ADMINISTRATIVE EXPENSES (SG&A)

The consolidated sales, general and administrative expenses were of R\$ 64.3 million in the 1Q07, 2.4% lower than in 4Q06, and 22.5% higher when compared to the 1Q06, chiefly as a result of the accounting of expenses of Riopol, since they started to be accounted starting from April 2006.

Riopol: in the 1Q07 the SG&A of Riopol reached R\$ 41.3 million, an increase of 8.2% as regards the ones verified in the 4Q06, due chiefly to sales expenses 10.8% higher due to the greater volume sold in the period. The administrative expenses of the 1Q07 remained the same as in 4Q06.

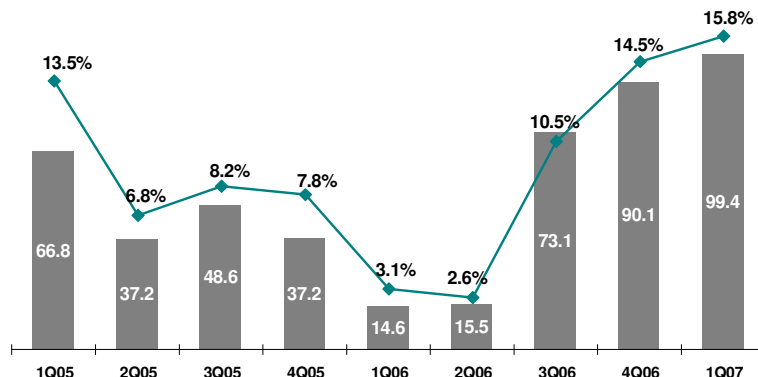
76% of the SG&A recorded in the 1Q07 were expenses with sales and 24% general and administrative expenses

Petroflex: the SG&A of the company reached R\$ 22.0 million in the 1Q07, 11.8% lower than the one verified in the 1Q06, due basically to the 9.2% fall in the sales expenses resulting from lower expenses with freight and a 15.3% fall in general and administrative expenses, resulting from an expenses reduction program applied by Petroflex during the year 2006. When compared to the 4Q06, the SG&A presented a reduction of 26.5% in 1Q07, chiefly due to the payment of indemnifications in 4Q06.

EBITDA

The consolidated Ebitda in the 1Q07 reached R\$ 99.4 million, 580.9% above the one verified in the 1Q06, influenced by the strong high of both the cash generation of the Parent Company and of Riopol, which still was not accounted at that quarter.

The consolidated Ebitda in the 1Q07 was 10.4% higher than the one verified in the 4Q06, reinforcing the consistent and consecutive recovery path of the Parent Company's and Riopol's cash generation which, since the last has presented significant improvement in its operating efficiency, obtained through the advance of its learning curve. In the 1Q07, 24.8% of the consolidated Ebitda of Suzano Petroquímica arose from the Riopol's contribution.



Considering the last four quarters, the consolidated Ebitda of Suzano Petroquímica presented an average growth of about 85% per quarter, reinforcing the strong recovery curve of the Company's results.

The consolidated Ebitda margin in the 1Q07 reached 15.8%, representing a growth of 12.7 p.p. as compared to the 1Q06, influenced chiefly by the better results of the Parent Company and Riopol. When compared to the 4Q06, we verified a high of 1.3 p.p..

EBITDA					
R\$ million	1Q07	1Q06	Δ% 1Q07/1Q06	4Q06	Δ% 1Q07/4Q06
Suzano Petroquímica	68.5	12.7	439.6%	65.2	5.0%
Parent Company	24.6	-	-	19.0	29.8%
Riopol ¹	6.6	2.6	149.6%	5.0	31.8%
Petroflex ¹	(0.3)	(0.7)	-	0.9	-
Other consolidated revenue/expenses ³	99.4	14.6	580.9%	90.1	10.4%
Suzano Petroquímica Consolidated ²					

1 - Participation of Suzano Petroquímica of 33.33% in Riopol and 20.12% in Petroflex

2 - Pro forma consolidation considering for all the periods mentioned, the 100% participation in Polibrasil, consolidated with the participations in Petroflex and Riopol. It does not consider the participation held in Politeno in the periods previous to its sale which took place on Apr 04, 2006.

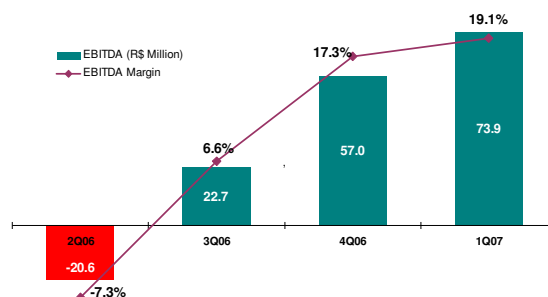
3 - These reflect the consolidated operating revenues/expenses of SPQ Investimentos e Participações Ltda., of Suzanopar Petroquímica Ltd. and of Polipropileno Participações up to September 30, 2006.

Riopol: the company's Ebitda in the 1Q07 was of R\$ 73.9 million, presenting an increase of 29.8% as regards the 4Q06, as a result, basically, from greater gross income. The Ebitda margin presented a growth of 1.8 p.p. as regards the 4Q06, reflecting the continuous increase of the company's operating efficiency. Since the 3Q06 Riopol presented an average quarterly growth of Ebitda of 180%, as shown in the chart aside.

Petroflex: the Ebitda reached by the company in the 1Q07 was of R\$ 32.6 million, 149.6% above the one verified in the 1Q06 due basically to the increase of 61.8% in the gross income. As regards the 4Q06, the Ebitda increased 31.8%, as a result of the gross income 8.0% higher, together with a reduction of 12.0% in the operating expenses. As a result thereof, Petroflex also presented a recovery in its Ebitda margin, reaching 9.3% in the 1Q07, compared to a 6.8% margin verified in the 4Q06 and a 4.2% margin in the 1Q06.

FINANCIAL RESULT AND INDEBTNESS

In the 1Q07, Suzano Petroquímica presented a positive consolidated net financial result of R\$ 12.0 million, as a result from the positive contribution

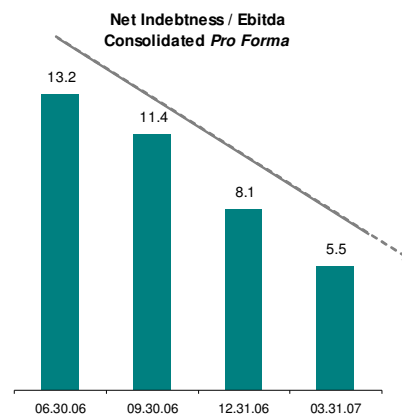


of the Real appreciation of 4.3% in the period, generating a positive net financial result in the Parent Company, since 69% of the Company's indebtedness was recorded in dollars. Besides that, the Real appreciation made the interests expenses of Riopol be compensated by the revenues resulting from the exchange variation in the period.

The Company's consolidated gross indebtedness (considering principal and interests) on Mar 31, 2007 was of R\$ 1.956.8 million, 1.2% higher than in Dec 12, 2006. On the other hand, the net indebtedness was 2.0% lower, totalizing R\$ 1.597.6 million at the end of the 1Q07, a result of the 18.1% increase in cash and cash equivalents, arising from the consolidation of the greater levels of cash generation in the Parent Company and Riopol.

Net Indebtedness / EBITDA

Starting from the *pro forma* Consolidated Financial Statements, we verify a continuous and consistent movement of leverage reduction, with allowed the Net Indebtedness / EBITDA ratio to present a 7.7 p.p. fall since June 2006, coming from 13.2x to 5.5x at the end of the 1Q07. Such reduction results from the combination of the effect of the increase of the *pro forma* consolidated Ebitda accumulated in the last 12 months, a result chiefly from the greater contributions of the Ebitda consolidation by the Parent Company and Riopol. This leverage reduction process shall be kept in the next periods, with the expectation of maintenance of the good levels of cash generation of the Parent Company, with the consistent progress of the Riopol's operation and the probable payment of the second installment for Politenio's sale. It is worthy to stress that both the indebtedness of the Parent Company and Riopol are concentrated in the long-term, and there is no pressure to roll-over or compliance with the financial commitments, which are comfortably scheduled to the next years.



NET PROFIT

In the 1Q07, Suzano Petroquímica presented a consolidated net profit 463.3% higher than the one verified in the 4Q06, reaching R\$ 54.6 million, even with acknowledgement of the recurring goodwill amortization of R\$ 13.0 million in the quarter. This result was possible thanks to the good level of the operating result of the Company and its controlled companies Riopol and Petroflex, associated to the positive contribution of R\$ 12.0 million of financial result, impacted by the Real appreciation, both in the Parent Company and in Riopol.

ANNEXES

1. Balance Sheet – Parent Company and Consolidated
2. Income Statement – Parent Company
3. Income Statement – Consolidated
4. Income Statement – Riopol
5. Balance Sheet – Riopol

ANNEX 1 – BALANCE SHEET

Suzano Petroquímica - Parent Company

Balance Sheet

R\$ 000

	3/31/2007	12/31/2006
Cash and cash equivalents	207,417	169,592
Other current assets	439,835	422,719
Long-term assets	197,099	198,892
Other permanent assets	1,190,760	1,179,414
Property, plant and equipment	477,135	465,164
Total Assets	2,512,246	2,435,781
Suppliers	122,268	127,641
Short-term loans	195,161	163,460
Other short-term liabilities	59,466	58,498
Long-term loans	1,074,844	1,076,925
Other long-term liabilities	18,852	21,416
Future Periods Results	20,372	21,271
Shareholders' equity	1,021,283	966,570
Total liabilities	2,512,246	2,435,781

Suzano Petroquímica - Consolidated

Balance Sheet

R\$ 000

	3/31/2007	12/31/2006
Cash and cash equivalents	460,394	393,335
Other current assets	733,233	697,103
Long-term assets	307,491	296,570
Other permanent assets	609,150	631,678
Property, plant and equipment	1,330,241	1,356,765
Total Assets	3,440,509	3,375,451
Suppliers	183,926	197,620
Short-term loans	288,434	256,517
Other short-term liabilities	100,279	94,836
Long-term loans	1,668,318	1,677,631
Other long-term liabilities	140,304	143,413
Future Periods Results	37,965	38,864
Shareholders' equity	1,021,283	966,570
Total Liabilities	3,440,509	3,375,451

ANNEX 2 – INCOME STATEMENT – PARENT COMPANY

Suzano Petroquímica - Parent Company

Income Statement

R\$ thousand

	1Q 07	1Q 06	Var. %	4Q 06	Var. %
Gross Revenues	571,921	546,357	5%	609,019	-6%
Gross Revenues Deductions	(130,536)	(133,709)	-2%	(135,543)	-4%
Net Revenues	441,385	412,648	7%	473,476	-7%
Cost of Goods Sold	(349,775)	(371,230)	-6%	(382,792)	-9%
Gross Income	91,610	41,418	121%	90,684	1%
<i>Gross Margin</i>	<i>20.8%</i>	<i>10.0%</i>	<i>+10.8p.p.</i>	<i>19.2%</i>	<i>+1.6p.p.</i>
Selling Expenses	(35,102)	(31,316)	12%	(29,627)	18%
General and Administrative Expenses	(10,734)	(15,417)	-30%	(18,402)	-42%
Other Net Operating Revenue (Expenses)	2,736	40	6740%	2,658	3%
Activity Result	48,510	(5,275)	-1020%	45,313	7%
<i>Activity Margin</i>	<i>11.0%</i>	<i>-1.3%</i>	<i>+12.3p.p.</i>	<i>9.6%</i>	<i>+1.4p.p.</i>
Net Financial Revenues (Expenses)	9,400	17,935	-48%	(17,710)	-153%
Financial Revenues	4,315	11,012	-61%	6,118	-29%
Financial Expenses	5,085	6,923	-27%	(23,828)	-121%
Equity Results	28,701	1,601	1693%	3,135	816%
Goodwill Amortization	(13,545)	(17,589)	-23%	(13,866)	-2%
Net non-Operating Revenues (Expenses)	(4,847)	(155)	3027%	(589)	723%
Income Before Income Tax and Social Contribution	68,219	(3,483)	2059%	16,283	319%
Income Tax and Social Contribution	(13,620)	738	-1946%	(6,596)	106%
Minority Interest	-	-	-	-	0%
Net Income/Loss for the Year	54,599	(2,745)	-2089%	9,687	464%
EBITDA	68,460	12,687	440%	65,188	5%
<i>EBITDA Margin</i>	<i>15.5%</i>	<i>3.1%</i>	<i>+12.4p.p.</i>	<i>13.8%</i>	<i>+1.7p.p.</i>

ANNEX 3 – INCOME STATEMENT - CONSOLIDATED

Suzano Petroquímica - Consolidated Income Statement

R\$ thousand

(*) ex Politeño	1Q 07	1Q 06 (*) Pro forma	Var. %	4Q 06	Var. %
Gross Revenues	805,349	621,654	30%	794,825	1%
Gross Revenues Deductions	(174,889)	(146,963)	19%	(172,242)	2%
Net Revenues	630,460	474,691	33%	622,583	1%
Cost of Goods Sold	(504,245)	(427,307)	18%	(502,027)	0%
Gross Income	126,215	47,384	166%	120,556	5%
<i>Gross Margin</i>	<i>20.0%</i>	<i>10.0%</i>	<i>+10.0p.p.</i>	<i>19.4%</i>	<i>+0.6p.p.</i>
Selling Expenses	(48,257)	(34,214)	41%	(42,072)	15%
General and Administrative Expenses	(16,028)	(18,244)	-12%	(23,778)	-33%
Other Net Operating Revenue (Expenses)	2,558	652	292%	3,450	-26%
Activity Result	64,488	-4,422	1558%	58,156	11%
<i>Activity Margin</i>	<i>10.2%</i>	<i>-0.9%</i>	<i>+11.1p.p.</i>	<i>9.3%</i>	<i>+0.9p.p.</i>
Net Financial Revenues (Expenses)	12,005	15,097	-20%	(25,915)	-146%
Financial Revenues	8,766	11,453	-23%	46,017	-81%
Financial Expenses	3,239	3,644	-11%	(71,932)	-105%
Equity Results	0	-	-	-	-
Goodwill amortization	(13,545)	(17,589)	-23%	(13,866)	-2%
Net non-Operating Revenues (Expenses)	10,858	(756)	1536%	(559)	-2041%
Income Before Income Tax and Social Contribution	73,806	(7,670)	1062%	17,816	314%
Income Tax and Social Contribution	(19,207)	2,232	-961%	(8,129)	136%
Minority Interest	-	2,693	-100%	-	0%
Net Income/Loss for the Year	54,599	(2,745)	2089%	9,687	464%
EBITDA	99,392	14,597	581%	90,061	10%
<i>EBITDA Margin</i>	<i>15.8%</i>	<i>3.1%</i>	<i>+12.7 p.p.</i>	<i>14.5%</i>	<i>+1.3 p.p.</i>

ANNEX 4 – INCOME STATEMENT - RIOPOL

Rio Polímeros Income Statement

R\$ thousand

(*) ex Politenio

	1Q 07	4Q 06	Var. %
Gross Revenues	474,111	401,679	18%
Gross Revenues Deductions	(86,994)	(71,429)	22%
Net Revenues	387,117	330,250	17%
Cost of Goods Sold	(312,722)	(267,441)	17%
Gross Income	74,395	62,809	18%
<i>Gross Margin</i>	<i>19.2%</i>	<i>19.0%</i>	<i>+0.2p.p.</i>
Selling Expenses	(31,574)	(28,116)	12%
General and Administrative Expenses	(9,711)	(10,022)	-3%
Other Net Operating Revenue (Expenses)	-	-	-
Activity Result	33,110	24,671	34%
<i>Activity Margin</i>	<i>8.6%</i>	<i>7.5%</i>	<i>+1.1p.p.</i>
Net Financial Revenues (Expenses)	(886)	(22,726)	-96%
Financial Revenues	(1,965)	(22,133)	-91%
Financial Expenses	1,080	(593)	282%
Equity Results	-	-	-
Goodwill amortization	-	-	-
Net non-Operating Revenues (Expenses)	2	0	1907%
Income Before Income Tax and Social Contribution	32,227	1,946	1556%
Income Tax and Social Contribution	(11,031)	(4,138)	167%
Minority Interest	-	-	-
Net Income/Loss for the Year	21,196	(2,192)	1067%
EBITDA	73,942	56,975	30%
<i>EBITDA Margin</i>	<i>19.1%</i>	<i>17.3%</i>	<i>+1.8p.p.</i>

ANNEX 5 – BALANCE SHEET - RIOPOL

Rio Polímeros Balance Sheet

R\$ 000

	3/31/2007	12/31/2006
Cash and cash equivalents	52,185	4,372
Other current assets	456,344	430,803
Long-term assets	317,486	265,011
Other permanent assets	573,777	589,291
Property, plant and equipment	2,298,809	2,410,947
Total Assets	3,698,601	3,700,424
Suppliers	95,475	101,240
Short-term loans	224,949	236,823
Other short-term liabilities	44,212	31,603
Long-term loans	1,617,589	1,635,361
Other long-term liabilities	322,916	323,133
Future Periods Results	-	-
Minority interest	-	-
Shareholders' equity	1,393,460	1,372,264
Total liabilities	3,698,601	3,700,424

