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## Nova Petroquímica Releases 2007 Results

**São Paulo, February 20, 2008** – Nova Petroquímica, fancy name of the company Suzano Petroquímica S.A., (the “Company”) (BOVESPA: SZPQ4; LATIBEX: XSUPT), Latin American leader in the production of polypropylene and with interests in Rio Polímeros S.A. (Riopol) and interests in Petroquímica União S.A. (PQU), makes public today the results of the fourth quarter (4Q07) and the year 2007.



### Change in the equity control of the Company

On August 3, 2007, a sale and purchase agreement setting forth the purchase by Petrobras of all shares of Suzano Petroquímica was announced. On November 30, a relevant fact was announced notifying the realization of the indirect purchase of the equity control of Suzano Petroquímica by Petrobras, through the transfer of 97,264,445 common shares and 76,322,383 preferred shares issued by SZPQ, representing 99.9% of all common shares and 76.6% of the capital stock of Suzano Petroquímica.

Petrobras paid to the selling shareholders the global amount of R\$ 2,100,402,215.96 (two billion, one hundred million, four hundred and two thousand, two hundred and fifteen Brazilian Reals and ninety-six cents), corresponding to R\$13.27 per common share and R\$ 10.61 per preferred share, all issued by SZPQ. The total impact of the adjustments resulting from the exercise of the preference right by shareholders subscribers of the shareholder agreement of Petroflex Indústria e Comércio S.A. resulted in a 2.54% decrease in the amount. There was no adjustment in the purchase price as a result of the due diligence proceeding.

On the same date, a Relevant Fact was made public to the market, informing that Petrobras and Unipar – União de Indústrias Petroquímicas S.A. - had entered an Investment Agreement aiming to integrate their respective petrochemical assets.

This new company will be formed with the assets of Suzano Petroquímica S.A., Petroquímica União S.A., Rio Polímeros S.A., Polietilenos União S.A. and Unipar, Divisão Química.

The common shares to be issued as a consequence of the assets integration, as previously mentioned, shall be 60% held by Unipar and 40% by Petrobras. The equity control of the new company shall be held by Unipar and Petrobras, as relevant minority

shareholder, shall have the rights granted by a Shareholders Agreement to be entered upon the implementation of this transaction.

From this date, the company uses the fancy name of Nova Petroquímica, but the corporate name remains the same until the conclusion of the new petrochemical company.

Petrobras will do through Dapean Participações S.A., the company that control Suzano Petroquímica, a Public Offering for Acquisition to acquire the common and preferred shares of Suzano Petroquímica.

### **Disposal of part of the shares issued by Rio Polímeros S.A.**

As a part of the agreement between Petrobras and Unipar, the Company shall sell part of the shares issued by Rio Polímeros S.A. ("Riopol") held by it, corresponding to 24.31% of the capital stock, remaining with a 9.02% participation in the capital stock. The preference right on said shares, set forth in the shareholder agreement, shall be partially and not proportionally exercised; 15.98% of the capital stock shall be purchased by Unipar, 8.33% by BNDES Participações and no share held by the Company shall be purchased by Petrobras Química S.A. Said disposal was approved by the Board of Directors of the Company on January 07, 2008.

These shares shall be sold for an amount of R\$ 283 million, based in the appraisal carried out by Banco ABN AMRO Real S.A. and mentioned in the joint relevant fact made public by Petrobras and Unipar on November 30, 2007. All shares of Riopol were appraised for R\$ 1,164 million

The Company has made a provision for loss on the total shares issued by Riopol held by it. On December 31, 2007, the balance of said provision was of R\$ 113,703 million.

### **Sale of the capital of Petroflex**

As announced in a Relevant Fact, on October 31, 2007 all shares issued by Petroflex held by our subsidiary SPQ Investimentos e Participações Ltda., were transferred to Braskem S.A. and Unipar, corresponding to 4,759,274 common shares and 2,320,597 preferred shares of Petroflex, through the payment of R\$ 91.5 million. Thus, Suzano Petroquímica, from said date, has no equity interests in the capital stock of Petroflex.

Considering the discount to be amortized in this investment, existing up to then, and the adjustment to eliminate the effects of the reappraisal reserves made by Petroflex, the Company registered a gain in this transaction, during the last quarter of 2007, of R\$ 28.7 million (R\$ 18.9 million net of income tax and social contribution), which was entered as "Non-operating Result".

**Special Characteristics of this Result Disclosure:**

The analysis of Consolidated Suzano Petroquímica considers the result of the Consolidated Controlling Company proportionally to the interests held by the Company, at the end of the 3Q07, in its jointly controlled companies Riopol (33.33%) and Petroflex (20.12%). Due to the sale of the 33.9% interests in the total capital of Politeño on April 4, 2006, the consolidated results shall be discussed on a pro forma basis, that is to say, disregarding the result related to the consolidation of Politeño in the 1Q06, for purposes of a better comparison. However, in the 4Q07, the participation of Petroflex, sold on October 31, 2007, is not considered herein and the participation of Riopol was not consolidated in December, because 24.31% of the participation of the company shall be sold, remaining with 9.02% of the total capital.

## **Message from the Management**

2007 was an important mark for the Petrochemical Industry. Great movements took place in the sense of promoting the consolidation of the Brazilian petrochemical sector which, once finalized, shall result in companies with greater dimensions, technology and management, capable to make them competitive worldwide.

With this purpose, on August 3, 2007, PETROBRAS – Petróleo Brasileiro S.A. entered a share purchase and sale agreement aiming to acquire all shares representing the capital stock of Suzano Petroquímica S.A., directly or indirectly held by its controlling shareholders. The acquisition was finally completed on November 30, 2007, through the transfer to PETROBRAS of 99.9% of all common shares and 76.6% of the capital stock of Suzano Petroquímica and the payment to the controlling shareholders of the total amount of R\$ 2,100,402,215.96. Due to the acquisition of the equity control, PETROBRAS shall carry out, through Dapean Participações S.A., the company that currently directly controls Suzano Petroquímica, an acquisition public offer (“APO”) for acquisition of the common and preferred shares issued by Suzano Petroquímica owned by the other shareholders.

On November 30, 2007, PETROBRAS and Unipar – União de Indústrias Petroquímicas S.A. entered an Investment Agreement to form a Petrochemical Company 60% of the common shares of which shall be held by Unipar and 40% by Petrobras. The assets considered for the formation of this Petrochemical Company are Petroquímica União, Rio Polímeros, Polietilenos União, Unipar Divisão Química and Suzano Petroquímica.

After November 30, 2007, Suzano Petroquímica began to use the brand “Nova Petroquímica” associated to its current corporate name and will remain as such up to the completion of the integration of assets of the Petrochemical Company.

As a result of the change of equity control of the then Suzano Petroquímica, the parties in the shareholders agreements of Petroflex Indústria e Comércio S.A - Petroflex – exercised their preference rights on the participations held by the then totally owned subsidiary of the Company, SPQ Investimentos e Participações Ltda. - SPQ. Thus, on October 31, 2007, the Company sold, according to said Shareholders Agreement with Braskem S.A and Unipar, all shares held by SPQ in the Petroflex’s capital, corresponding to 20.12% of the full capital. Furthermore, as a consequence of the transfer of the equity control, the Company has entered a purchase and sale agreement of the shares of Rio Polímeros S.A – Riopol, with the respective parties in the shareholders agreement, and sold 24.31% of the capital stock of Riopol, remaining Nova Petroquímica with interests of 9.02% in Riopol.

For Nova Petroquímica, the year was marked by corporate movements which allowed an expressive cash generation, resulting in a diminishment of the Company’s indebtedness degree, and an increase in the EBITDA margin.

In 2007, the search for acquiring value in the plastic transformation chain and in the business relationships between the company and its clients focused on the investment in innovation and the launching of products with high added value, a fact that can be

proven by the products developed based on nanotechnology and special copolymers, among others.

Still according to the company's strategy, the Duque de Caxias Sea Terminal was completed, located North of Ilha do Boqueirão (State of Rio de Janeiro) where about USD 15 million were invested. The terminal has capacity to receive up to 200 thousand tons/year of propene and, initially, shall supply the Duque de Caxias plant, which undergoes a process of enlargement of operating capacity – from 200 thousand tons/year to 300 thousand tons/year. The new terminal is on the final stage of obtaining operating licenses and shall start its operations at the end of the 1Q08.

In the same line with the investment projects, up to the end of the third quarter of 2008, the second stage of expansion of Mauá shall be completed, from 360 thousand tons/year to 450 thousand tons/year, when Nova Petroquímica shall reach a total polypropylene production capacity of 875 thousand tons/year.

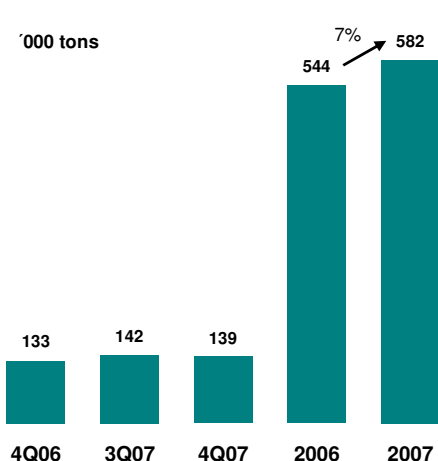
The continued efforts to guarantee a high degree of Corporate Governance and Sustainability were acknowledged and awarded during this year and, for the second consecutive time, Nova Petroquímica is included in the ISE portfolio (Corporate Sustainability Index of Bovespa).

We hope for 2008 a challenging year, with an increase of competition among domestic and international players in the petrochemical industry. However, we believe that, with the consolidation movement of the assets of Southeast we will be more competitive for this period. The demand for thermoplastic resins in the Brazilian market remains warmed, and, in the case the sustained growth of the economy is maintained (within an environment of lower real interest rate, exchange rates compatible with the economical basis and greater purchasing power of the population), we shall have an environment extremely promising for the Brazilian petrochemical market.

The Management

# NOVA PETROQUÍMICA PARENT COMPANY

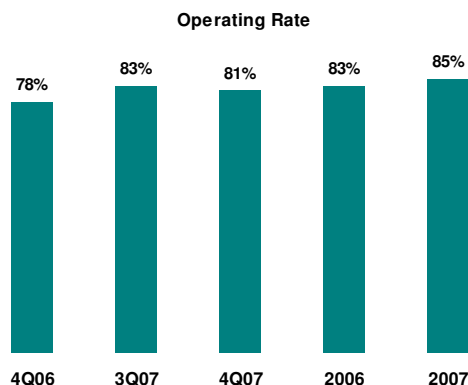
## Production



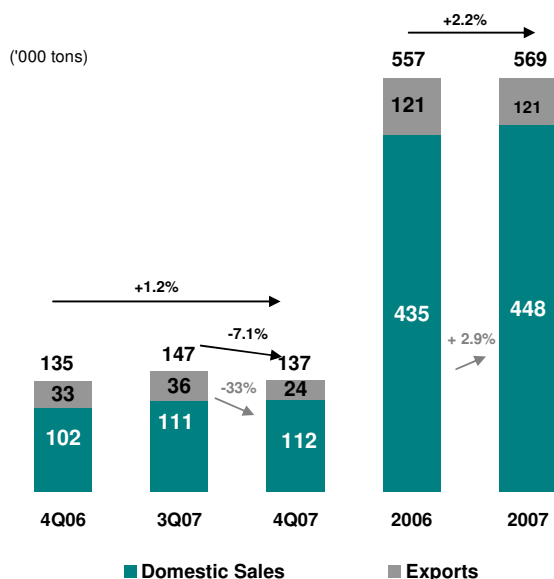
The production of polypropylene of Suzano Petroquímica in the 4Q07 was of 139.2 thousand tons, 1.9% smaller than the recorded in the 3Q07, because some operating problems caused unplanned stoppages in the plants and 4.46% higher than production of 4Q06. The operating rate was 81% in the 4Q07.

The production accumulated was 582.2 thousand tons in 2007, and it increased 7% as regards the production in 2006, reminding that in July 2006 there was a

capacity increase to the 685 thousand tons per year. The operating rate was 85% in 2007.



## Sales



The total polypropylene sales of the Company in the 4Q07 totalized 136.6 thousand tons, 7.1% below the result in the 3Q07, resulting from the seasonal characteristic of the industry and unplanned stoppages of the plants, and volume 1.2% higher than the one recorded in the 4Q06.

In 2007, the volume of polypropylene sold was of 569.4 thousand tons, 2.2% higher than the volume sold in 2006, as a result of the increase in the domestic sales.

The extra demand of polypropylene on domestic market was supplied by imports, because of Real valorization.

The sales in the Brazilian market totalized 112.4 thousand tons in the 4Q07, a volume 1.3% higher than the one recorded in the 3Q07 and 10% higher than the one in the 4Q06. The cumulated domestic sales of

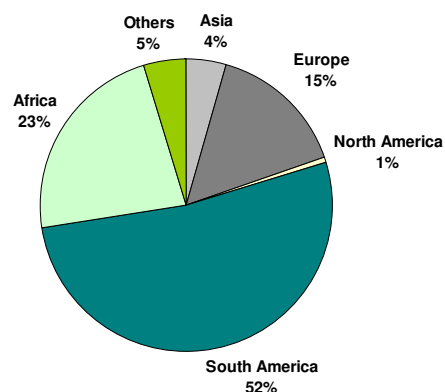
polypropylene in the year totalized 448.1 thousand tons, 2.9% higher than the one recorded in 2006.

The industries with greater sales volumes in the quarter were food products, consumer goods, and vehicles.

The exports in the 4Q07 totalized 24.2 thousand, a volume 49% smaller than the 3Q07 and 33% smaller than the 4Q06, in line with the strategy of the company to focus on the internal market, allowing higher profits. The exports in 2007 totalized 121.3 thousand tons, a volume similar to the total exported in 2006, corresponding to 21.3% of the total volume sold by the Company.

In 2007, 52.4% of the total export volume was directed to South America, which had the better margins. And in 2006, only 40% of the total export volume was directed to South America.

Exports Destination (%) 2007

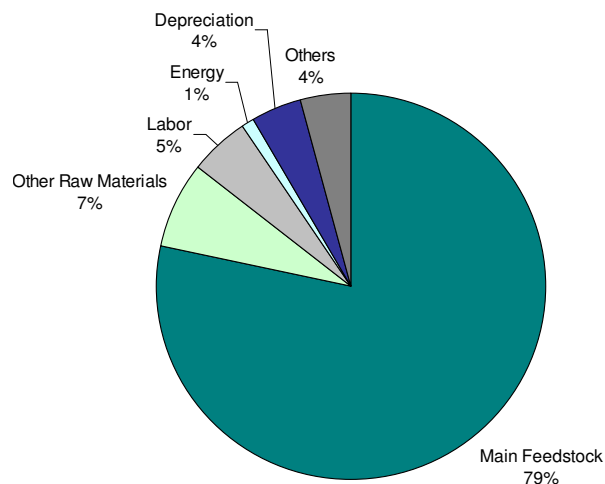


### **Cost of Products Sold (CoPS)**

The Cost of Products Sold (CoPS) in the 4Q07 was of R\$ 392.8 million, 4.6% smaller than the one recorded in the 3Q07 as a result of the decrease in the volume sold. However, as regards the 4Q06, the CoPS raised 2.6%, also as a result of the volume sold.

The unit CoPS in the 4Q07 was of R\$ 2,876.3/t, showing an increase of 2.7% as regards the 3Q07 due to the smaller dilution of fixed costs resulting from the decrease in the volume sold and from non-recurring costs of the halts occurred in the plants. The propylene represented 78.3% of the total CoPS in the 4Q07. As regards the 4Q06, the unit CoPS was 1.4% greater.

The accumulated CoPS in 2007 was of R\$ 1,573.3 million, in line with the one recorded in 2006, R\$ 1,567.5 million. Despite of higher volume sold in 2007, the CoPS was stable because the reduction of 1.9% on the unit CoPS, justified by decrease of propylene and other raw materials. The average purchase price of propylene in 2007 corresponded to 78.9% of the total cost of the CoPS. Other inputs represented 7.4% of the total.



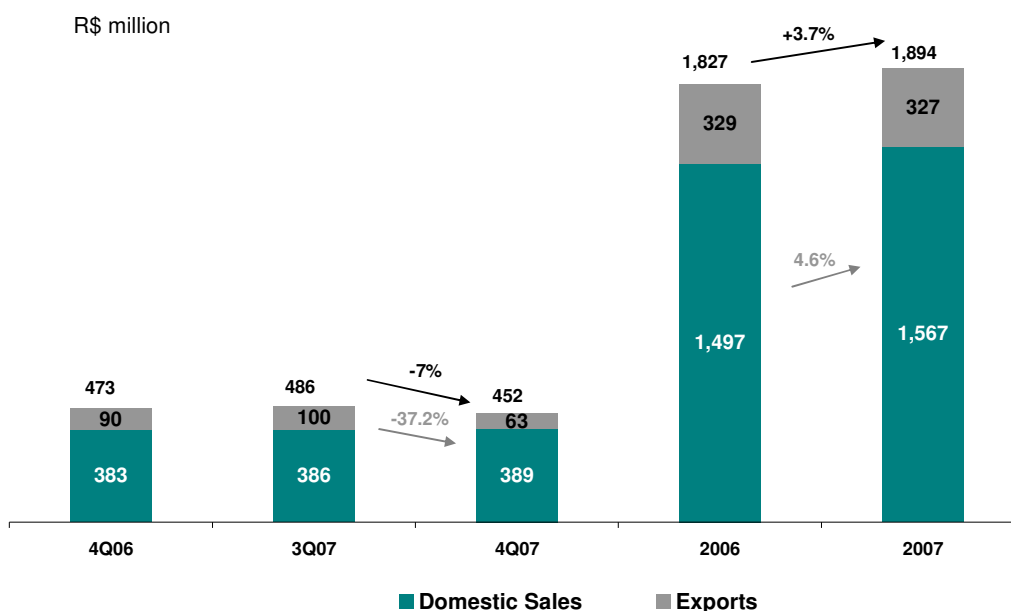
## **Net Operating Revenue**

The net operating revenue in the 4Q07 was of R\$ 451.7 million, 7% lower than the one recorded in the 3Q07, an effect of the decrease in the volume sold. Compared to the 4Q06, the net revenue was 4.8% lower, due to the decrease in the unit net revenue.

The net revenue resulting from sales in the Brazilian market this quarter was of R\$ 389 million, an amount in line with the 3Q07. Compared to the same period of 2006, the net revenue in the internal market was 1.4% higher.

The revenues from exports in the 4Q07 totaled R\$ 62.7 million, 37.2% below the ones recorded in the 3Q07 and 30.3% lower than the 4Q06.

In 2007, the company's net revenue amounted R\$ 1,894.3 million, 3.7% higher than the one recorded in 2006, as a result of the 2.2% increase in the sales volume, despite of the decrease in the average unit revenue between the periods. The revenue resulting from the Brazilian market was of R\$ 1,566.9 million, 4.6% higher than the domestic sales revenue in 2006.



## **Sales, General, and Administrative Expenses (SG&A)**

The Sales, General and Administrative expenses (SG&A) totaled R\$ 52.5 million in the 4Q07, 11.4% higher than those recorded in the 3Q07 and 9.3% higher than those recorded in the 4Q06.

The SG&A accumulated in the year totaled R\$ 193.5 million, 2.7% higher than those recorded in 2006.



The sales expenses in the 4Q07 amounted R\$ 32 million, 2.7% higher than the 3Q07 and 7.9% higher than the 4Q06, because of the increase bad debt provision. In 2007 totalized R\$ 131 million in 2007, 2.3% higher than in 2006.

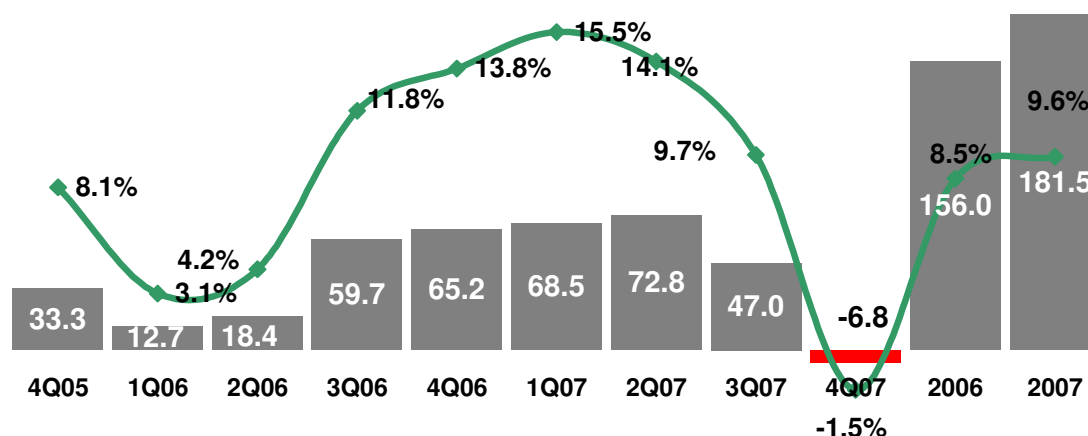
The general and administrative expenses in the 4Q07 were of R\$ 20.5 million, 28.2% higher than those recorded in the 3Q07 and 49.8% higher than the 4Q06, the increase resulting mainly from an increase in non-recurring personal expenses. In 2007, the general and administrative expenses totalized R\$ 62.5 million, 3.6% higher than those in 2006.

## **EBITDA**

The operating cash generation of the company in the 4Q07, measured by the Ebitda criterion, was of less R\$ 6.75 million, due basically to the provision for loss of the remaining 9.02% of shares of RIOPOL, in the total amount of R\$ 30.8 million, representing an 114% fall as regards the 3Q07. Other factors influencing the Ebitda fall in the 4Q07, was the 25% fall in the gross profit, a result from the sales volume decrease and from the sales, general and administrative expenses increase. The Ebitda margin in the quarter was of -1.5%, 11.2 p.p. lower than the margin in the 3Q07 and 15.3 p.p. smaller than the 4Q06.

However, the Ebitda accumulated in 2007 was of R\$ 181.5 million, 16.4% higher than the 2006 Ebitda, due basically to the gross profit increase. The Ebitda margin of the year was of 9.6%, 1.1 p.p. higher than the 2006 margin.

EBITDA AND EBITDA MARGIN



## **Financial Result and Indebtedness**

As of December 31, 2007, the Company's gross indebtedness (considering principal and interests) totalized R\$ 1,157.8 million, 6.7% below the amount as of Dec 31, 2006. The indebtedness remains concentrated in the long-term, with a total of 78.2%

of its maturations. The company has reduced the net indebtedness of the controlling company in 25.4% as regards the closure of 2006, totalizing R\$ 671.7 million in December 31, 2007. The reduction is resulting from the increase cash generation and the Real Appreciation, in comparison to Dollar, because our indebtedness indexed in dollar represents 66% of total.

In the 4Q07, the controlling company's net financial result was positive in R\$ 4.6 million, basically due to the appreciation of the Real, which generated a positive monetary and exchange variance on the contracted debt of R\$ 30 million, besides financial revenues resulting from financial investments. The part of financial expenses related to interests on the debt amounted R\$ 22.3 million, reaching the financial result shown in the chart below:

<b>Financial Result (R\$ million)</b>	<b>4Q07</b>	<b>3Q07</b>
<b>Financial Expenses</b>	<b>4.1</b>	<b>12.5</b>
Interests (ACC/ Loans)	-22.3	-23.4
Adjustment for Inflation	-	-
Exchange Rates	30	39.8
Banks/ CPMF/ IOF taxes	-3.1	-2.4
Others	-0.5	-1.5
<b>Financial Revenues</b>	<b>0.4</b>	<b>0.5</b>
Interests on Financial Investments	5.6	4.6
Adjustment for Inflation	-	-
Exchange Rates	-5.1	-4.1
<b>Net Financial Result</b>	<b>4.6</b>	<b>13</b>

### **Net Indebtedness / (Ebitda + Dividends)**

The Net Indebtedness / (Ebitda + Dividends) ratio of the controlling company at the closure of 2007 was 3.7x, 67% lower than the same ratio at the closure of 2006, keeping the trend to diminish the leverage of the Company. The diminishment is due mainly to the 25.4% decrease in the net indebtedness and the company presented also an Ebitda result in 2007 higher than the 2006 result.

### **Net Income**

The net income recorded in the 4Q07 was of R\$ 39.6 million negative, in the 3Q07 was R\$ 57.3 million and in the 4Q06 was R\$ 9.7 million. The result of 4Q07 was influenced by other operating expenses, mainly the provision for loss of the remaining shares of Riopol (9.02% of the capital stock), in the amount of R\$ 30.8 million and non-operating expenses, basically the provision for loss in the sale of 24.31% of the

shares held by the company and issued by Riopol, in the total amount of R\$ 82.9 million and the adjustment of price of 2,129,324 preferred shares of Braskem held by the Company in the amount of R\$ 2.86 million.

The net income accumulated in 2007 was of R\$ 143.7 million, a very large growth compared to the net income of 2006, which was of R\$ 16 thousand. The net income was influenced by the good results in the three first quarters of the year, thanks to a strong cash generation in the period, to the recording of an equity accounting in the amount of R\$ 143.5 million, a positive financial result, and despite the recurring amortization in the year of R\$ 54.9 million related to the premium for the purchase of Polibrasil and for other operating and non-operating expenses, mainly resulting from the sale of part of the control of Riopol.

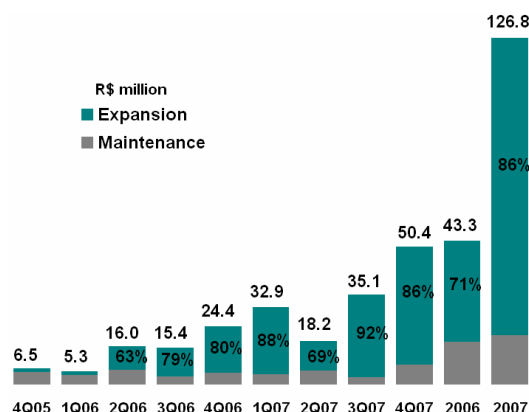
## **Investments**

The investments of the Company in the 4Q07 were of R\$ 58.5 million, 86.2% of which were destined to the projects of expanding the polypropylene production capacity, and the remaining to the maintenance of production equipment.

The Company is in process of increasing the production capacity of its Mauá and Duque de Caxias plants, and is also investing in the construction of a sea terminal for receiving propylene in Duque de Caxias.

The schedule to start the operations of the new capacity sets forth the following stages: (1) construction of a sea terminal in Duque de Caxias to receive propylene for the Duque's plant, which was completed in the 4Q07 and starts its operation in the 1Q08; (2) expansion of the polypropylene production capacity of the Duque de Caxias (RJ) plant in 100 thousand tons/year in the 2Q08; (3) second stage of the increase in the polypropylene production capacity of the Mauá (SP) plant, which will add 90 thousand tons/year more, foreseen for the 3Q08.

The total investment in 2007 was of R\$ 147.6 million, 85.9% of which applied to the expansion projects.

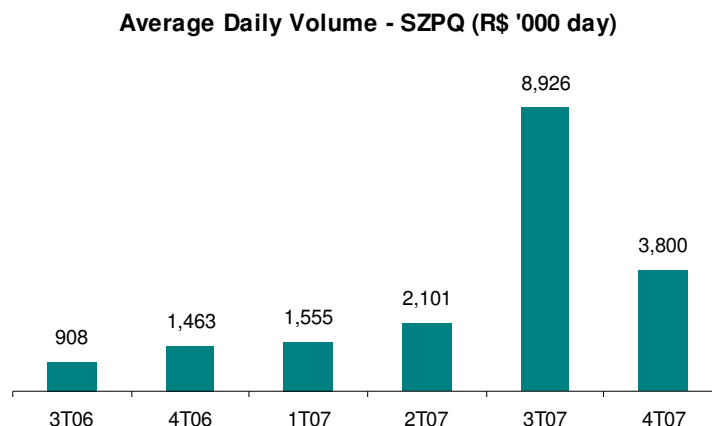


## **Capital Market**

The preferred share of the company ended the year priced R\$ 10.07, 157% higher than the amount at the end of 2006, as a result of the sale of control of Suzano

Petroquímica and the tag along right of 80%. On November 30, the amount of R\$ 13.26 per common share was paid to the controlling shareholders, ensuring the amount of R\$10.61 for the preferred shares.

The daily average financial volume in the 4Q07 was of R\$ 3.8 million and in 2007 was of R\$ 4.1 million.



### **Social and Environmental Responsibility for Sustainable Development**

In 2007, the Program of Local Productive Arrangements (APL) of Plastic of the Great ABC was launched, an articulation of Suzano Petroquímica with the other players in the region – City Administrations, other Companies of the Petrochemical Pole of Capuava, Educational Institutions, Labor Unions, together with SEBRAE-SP, FIESP, IFC-World Bank and the Economic Development Agency of the Great ABC. The project has as primary object the increase of the competitiveness and the growth of the micro, small and medium size transformation industry in the region, aiming to the economic and social development of the Great ABC.

Besides that, the program AGIR-Mauá for selective collection was launched in Mauá – State of São Paulo, which differentiates from other regional similar initiatives for the model of separation in the source and permanent environmental education of the publics of interest.

In the second quarter, an external audit proceeding was carried out by the consultancy company Det Norske Veritas (DNV). All units and the corporate office were audited, ensuring the maintenance of the ISO 9001, ISO 14001 and OHSAS 18001 certifications.

The company gave support to the 2007 Pan-American and Para-Pan-American Games, which took place in the city of Rio of Janeiro, supplying more than 6 million of water bottles made in polypropylene, which were distributed to athletes of the 42 participating countries, in a partnership with Nova Cedae (Companhia Estadual de Águas e Esgotos) and Guaracamp.

The company has adhered to the Corporate Pact against Children and Adolescent Sexual Exploitation in the Brazilian Highways, encouraging all its carriers to adhere to this commitment in a lecture given during the Carriers Meeting. The subject sustainability was also theme of the Annual Meeting of Suppliers and a consciousness-raising lecture was given at Brasilplast.

In a survey carried out by the consultancy company DOM Strategy Partners on corporative good standing standards, governance, management of intangible assets, as sustainability, brands, innovation, information technology and talents, Suzano Petroquímica was ranked 32<sup>nd</sup> among more than one thousand largest companies in Brazil, including foreign branches here installed. This was an important acknowledgment of the company's good practices of management. The company was also ranked among the 32 best companies in the Exame Sustainability Guide, 2007 edition. This yearbook is the largest survey on practices of corporate sustainability in Brazil.

The Camaçari Plant has received also the 2006 Citizen Company certificate, for its social work of insertion of young apprentices in the work market. The company has also submitted a work to run for the Eco Award (*Prêmio Eco*), in the Values, Transparency and Governance category, obtaining the 2<sup>nd</sup> place.

And once again, Suzano Petroquímica is included in the Bovespa's ISE – Corporate Sustainability Index portfolio. The current 2007-2008 ISE portfolio includes shares of 32 companies, which account R\$ 927 billion in market value.

## **Annexes**

1. Balance Sheets – Parent Company and Consolidated
2. Statement of Results – Parent Company
3. Statement of Results – Consolidated

## ANNEX 1 – BALANÇO PATRIMONIAL

### Suzano Petroquímica - Parent Company Balance Sheet

R\$ 000

	12/31/2007	12/31/2006
Cash and cash equivalents	455,434	134,865
Other current assets	732,868	457,446
Long-term assets	274,956	198,892
Other permanent assets	515,437	1,179,414
Property, plant and equipment	546,707	465,164
<b>Total Assets</b>	<b>2,525,403</b>	<b>2,435,781</b>
Suppliers	174,013	127,641
Short-term loans	252,524	163,460
Other short-term liabilities	123,519	58,498
Long-term loans	905,279	1,076,925
Other long-term liabilities	9,438	21,416
Future Periods Results	17,676	21,271
Minority interest	-	-
Shareholders' equity	1,042,953	966,570
<b>Total liabilities</b>	<b>2,525,403</b>	<b>2,435,781</b>

### Suzano Petroquímica - Consolidated Balance Sheet

R\$ 000

	12/31/2007	12/31/2006
Cash and cash equivalents	456.155	304.031
Other current assets	732.869	786.407
Long-term assets	274.956	296.570
Other permanent assets	514.716	631.678
Property, plant and equipment	546.707	1.356.765
<b>Total Assets</b>	<b>2.525.403</b>	<b>3.375.451</b>
Suppliers	174.013	197.620
Short-term loans	252.524	256.517
Other short-term liabilities	123.519	94.836
Long-term loans	905.279	1.677.631
Other long-term liabilities	9.438	143.413
Future Periods Results	17.676	38.864
Minority interest	-	-
Shareholders' equity	1.042.954	966.570
<b>Total Liabilities</b>	<b>2.525.403</b>	<b>3.375.451</b>

## ANNEX 2 – STATEMENT OF RESULT – PARENT COMPANY

### Suzano Petroquímica - Parent Company Income Statement

R\$ thousand

	2007	2006
Gross Revenues	2,466,982	2,375,750
Gross Revenues Deductions	(572,644)	(548,936)
<b>Net Revenues</b>	<b>1,894,338</b>	<b>1,826,814</b>
Cost of Goods Sold	(1,573,264)	(1,567,509)
<b>Gross Income</b>	<b>321,074</b>	<b>259,305</b>
<i>Gross Margin</i>	<i>16.9%</i>	<i>14.2%</i>
Selling Expenses	(130,942)	(127,966)
General and Administrative Expenses	(62,533)	(60,351)
Other Net Operating Revenue (Expenses)	(27,732)	9,884
<b>Activity Result</b>	<b>99,867</b>	<b>80,872</b>
<i>Activity Margin</i>	<i>5.3%</i>	<i>4.4%</i>
Net Financial Revenues (Expenses)	48,372	(58,645)
Financial Revenues	11,140	23,098
Financial Expenses	37,232	(81,743)
Equity Results	143,519	23,233
Goodwill amortization	(54,979)	(57,321)
Net non-Operating Revenues (Expenses)	(90,735)	(1,158)
<b>Income Before Income Tax and Social Contribution</b>	<b>146,044</b>	<b>(13,019)</b>
Income Tax and Social Contribution	(2,295)	13,035
Minority Interest		
<b>Net Income/Loss for the Year</b>	<b>143,749</b>	<b>16</b>
EBITDA	181,451	155,951
<i>EBITDA Margin</i>	<i>9.6%</i>	<i>8.5%</i>

## ANNEX 3 – STATEMENT OF RESULT – CONSOLIDATED

### Suzano Petroquímica - Consolidated Income Statement

R\$ thousand

	2007	2006
Gross Revenues	3.228.205	3.184.497
Gross Revenues Deductions	(722.086)	(702.015)
<b>Net Revenues</b>	<b>2.506.119</b>	<b>2.482.482</b>
Cost of Goods Sold	(2.059.031)	(2.150.304)
<b>Gross Income</b>	<b>447.088</b>	<b>332.178</b>
<i>Gross Margin</i>	<i>17,8%</i>	<i>13,4%</i>
Selling Expenses	(177.522)	(173.825)
General and Administrative Expenses	(84.219)	(85.849)
Other Net Operating Revenue (Expenses)	(26.964)	13.763
<b>Activity Result</b>	<b>158.383</b>	<b>86.267</b>
<i>Activity Margin</i>	<i>6,3%</i>	<i>3,5%</i>
Net Financial Revenues (Expenses)	69.608	(92.105)
Financial Revenues	25.335	86.384
Financial Expenses	44.273	(178.489)
Equity Results	1.140	-
Goodwill amortization	(54.979)	(57.321)
Net non-Operating Revenues (Expenses)	11.152	36.879
<b>Income Before Income Tax and Social Contribution</b>	<b>185.305</b>	<b>(26.280)</b>
Income Tax and Social Contribution	(40.840)	26.855
Minority Interest		(559)
<b>Net Income/Loss for the Year</b>	<b>144.465</b>	<b>16</b>
EBITDA	287.486	199.112
<i>EBITDA Margin</i>	<i>11,5%</i>	<i>8,1%</i>