

The information below is presented on a consolidated basis, except when related to 3Q2006 since the financial statements were not consolidated at that date. The amounts are expressed in Brazilian reais and are in accordance with Brazilian accounting practices.

1 – FINANCIAL PERFORMANCE

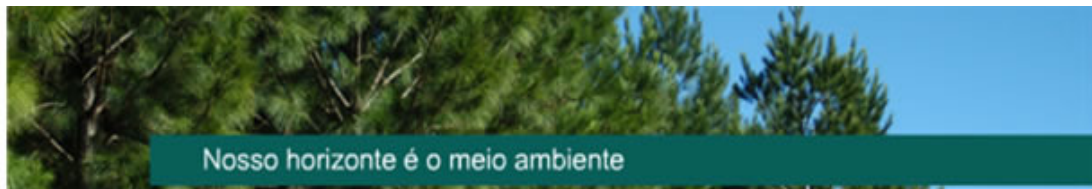
The principal financial indicators for 3Q2007 and 3Q2006 are as follows:

MAIN FINANCIAL INDICATORS

(R\$ thousand)	3Q2007 Company	%	3Q2007 Consolidated	3Q2006 Company
Gross operating revenue	109,682	12.6	112,140	97,374
Net operating revenue	87,141	12.8	89,437	77,261
Gross profit	23,094	20.8	23,993	19,114
Gross margin	26.5%		26.8%	24.7%
Income (loss) from operations. net	5,661		5,739	1,060
Net income (loss)	3,985		3,985	980
EBITDA	11,859	20.4	12,565	9,852
EBITDA margin	13.6%		14.0%	12.8%

EBITDA - EARNINGS BEFORE INTEREST. TAXES. DEPRECIATION AND AMORTIZATION

(R\$ thousand)	3Q2007 Company	%	3Q2007 Consolidated	3Q2006 Company
Net income (loss)	3,985		3,985	980
Income and social contribution taxes	1,704		1,782	162
Income (loss) before income and social contribution taxes	5,689		5,767	1,142
Depreciation. depletion and amortization	6,747	54.4	7,326	4,369
Financial income (expenses)	(577)		(528)	4,341
EBITDA	11,859	20.4	12,565	9,852



Comments on company performance – 3rd Quarter of 2007

The Company's gross revenue increased 12.6% this quarter compared to the same quarter of the prior year, totaling R\$109,682 (R\$112,140 consolidated). Net Operating Revenue and Gross Profit increased 12.8% and 20.8%, respectively, in 3Q2007 in relation to 3Q2006.

The Company reported Loss from Operations in the amount of R\$1,060 in 3Q2006, and Income from Operations in the amount of R\$5,661 in 3Q2007 (R\$5,739 consolidated), as well as net loss of R\$980 in 3Q2006 and net income of R\$3,985 in 3Q2007.

EBITDA increased 20.4% from R\$9,852 in 3Q2006 to R\$11,859 in 3Q2007 (R\$12.56 consolidated). EBITDA margin increased from 12.8% to 13.6% (14.0% consolidated) in 3Q2007.

The improvement of financial performance is a result of good sales performance and better production cost management.

Financial income (expenses)

This quarter the Company recorded net financial expenses of R\$577 (R\$528 consolidated) compared to net financial expenses of R\$4,341 in the same quarter of prior year. The balances for 3Q2007 and 3Q2006 are as follows:

3Q2007 – Financial income R\$15,403 and Financial expenses R\$14,824

3Q2006 – Financial income R\$825 and Financial expenses R\$5,166

The main change refers to the increase in financial income resulting principally from exchange variation on the financing obtained from Credit Suisse Bank in the amount of US\$60 million, which is being invested in the plants in 2007 and should be completed by 2008. Financial income also includes income from temporary cash investments for the period. Financial expenses did not vary significantly from the same quarter of 2006.

2 – OPERATIONAL PERFORMANCE

a) Production and Sales

Production and sales volumes of the main products are as follows:

Not reviewed

PRODUCTION AND SALES VOLUMES

Products	3Q2007				3Q2006	
	Production	%	Sale	%	Production	Sale
Packaging paper (t)	44,006.5	2.5	24,531.10	(3.5)	42,923.4	25,430.7
Packaging – São Paulo (t)	10,778.8	(17.4)	10,554.8	(16.9)	13,055.0	12,706.4
Packaging – Santa Catarina (ton)	8,235.7	2.6	8,059.1	(3.5)	8,029.4	8,352.3
Furniture (m3)	5,123.6	107.8	5,155.1	125.6	2,465.6	2,285.2
Wood (m3)	416.7	(85.8)	220.3	(92.3)	2,929.4	2,846.0
Resins (t)	1,846.3	72.3	1,418.6	12.4	1,071.5	1,262.6

Paper production increased 2.5% this quarter in relation to 3Q2006, paper sales in physical volume decreased 3.5% compared to 3Q2006. Transfers of paper to our São Paulo packaging plant for processing were 9,662.5 tonnes (13,852.9 tonnes in 3Q2006), and the sales volume of this Business Unit was 5,655.5 tonnes of boxes and 4,899.3 tonnes of sheets (7,239.7 tonnes of boxes and 5,466.7 tonnes of sheets in 3Q2006). This quarter there were also transfers of paper to our Santa Catarina packaging plant for processing in the amount of 7,483.3 tonnes (7,947.7 tonnes in 3Q2006), and the sales volume of this Business Unit was 6,738.1 tonnes of boxes and 1,321.0 tonnes of sheets (6,757.5 tonnes of boxes and 1,594.8 tonnes of sheets in 3Q2006).

The sales of sawed wood decreased as compared to the same quarter of prior year. This quarter the sawing unit in Vargem Bonita, Santa Catarina, was discontinued. In 3Q2006, used for comparative purposes, the Company operated the São José do Norte unit, which was discontinued in 2006.

The Furniture Division reported an increase in sales volume this quarter compared to 3Q2006. The furniture plant outsourced in 3Q2007 a volume of 3,841.6 m³ (666.6 m³ in 3Q2006), which contributed to sales for the quarter under analysis.

Sales of the Resins Division increased 12.4% compared to 3Q2006, and expected sales volume for this year remain the same as for 2006.

b) Gross Average Prices

Gross average prices of the main products sold are as follows:

	3Q2007	3Q2006
Paper	R\$1,823.26	R\$1,595.07
Sheets	R\$2,359.20	R\$1,972.25
Boxes	R\$2,777.10	R\$2,271.91

Gross average prices for paper increased 14.3% in 3Q2007 compared to 3Q2006. The prices of corrugated cardboard sheets and corrugated cardboard boxes also increased 19.6% and 22.2%, respectively, compared to 3Q2006.