

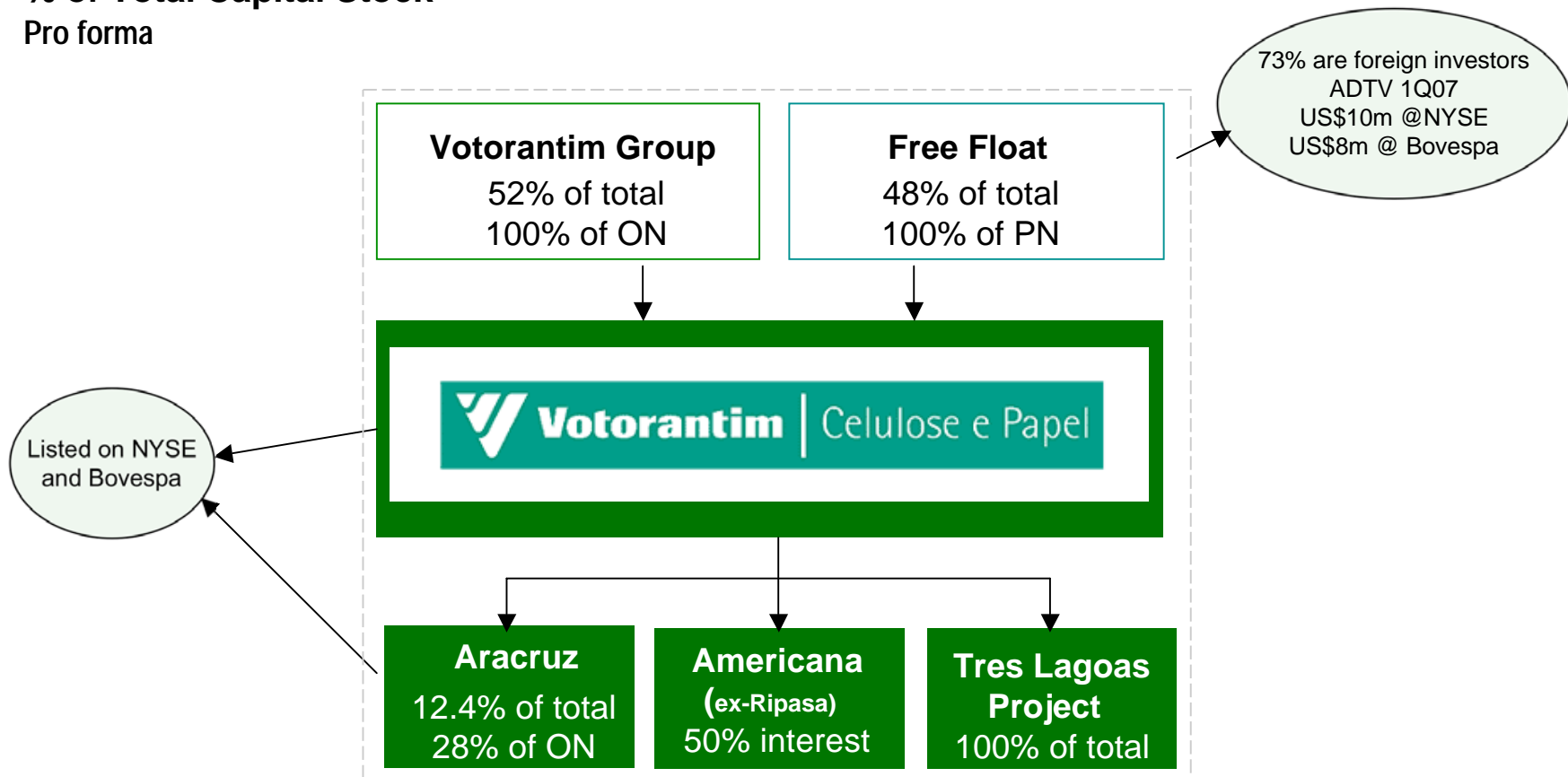
PWC 20th Annual Forest and Paper Industry Conference

José Luciano Penido, CEO
May, 2007



Shareholder Structure

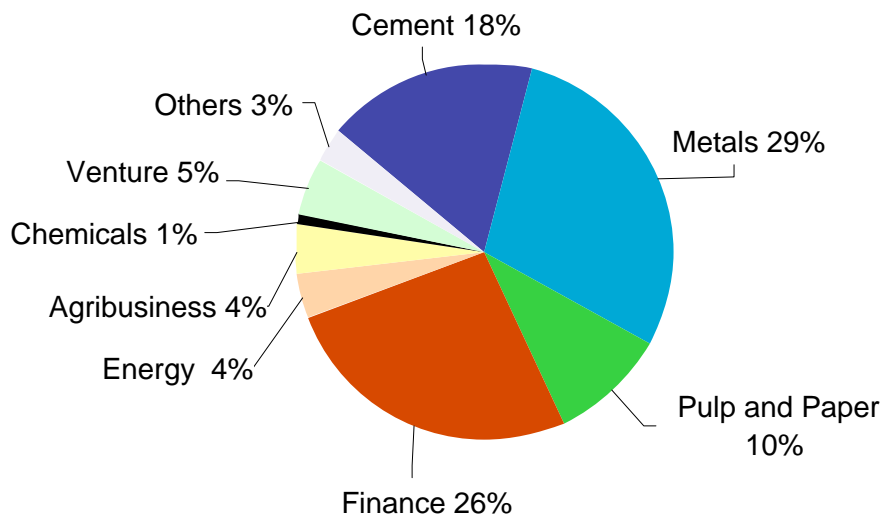
% of Total Capital Stock ⁽¹⁾
Pro forma



⁽¹⁾ Total outstanding shares: 204,145,507 (105,702,452 ON / 98,443,055 PN)

Votorantim Group

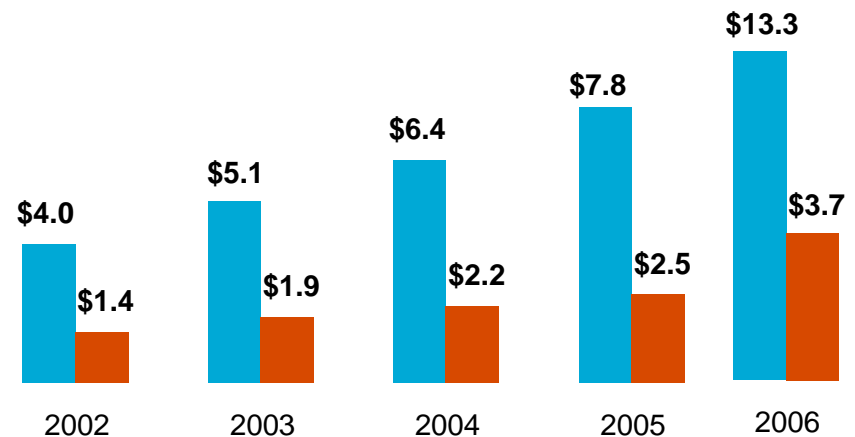
**Sales breakdown
US\$13 billion - 2006**



- **32%** annual revenue growth in the past 5 years
- Exports of over **US\$2 billion** in 2006
- Net debt* of approximately **US\$3 billion** in 2006

Strategic Goals:

- Keep a leading market position in its core businesses
- Growth as a main driver for value creation
- Internationalization and reduction of Brazil risk exposure
- Reach an important level of foreign hard currency cash flow



■ Net Revenues ■ EBITDA

* Net debt industrial only
Source: Votorantim Group, VCP

2020 Outlook

2006

US\$ 1.1 billion
Sales

2020

US\$ 4 billion
Sales

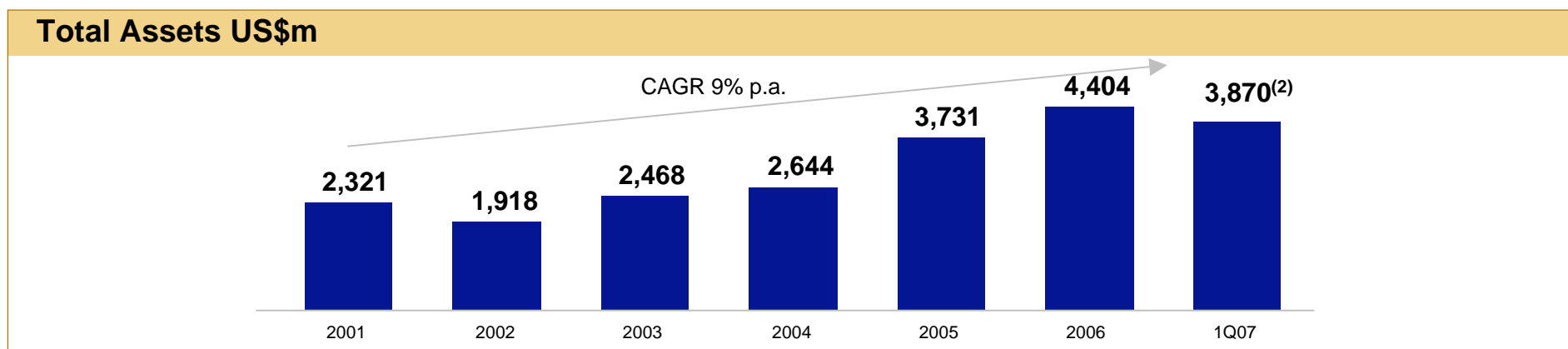
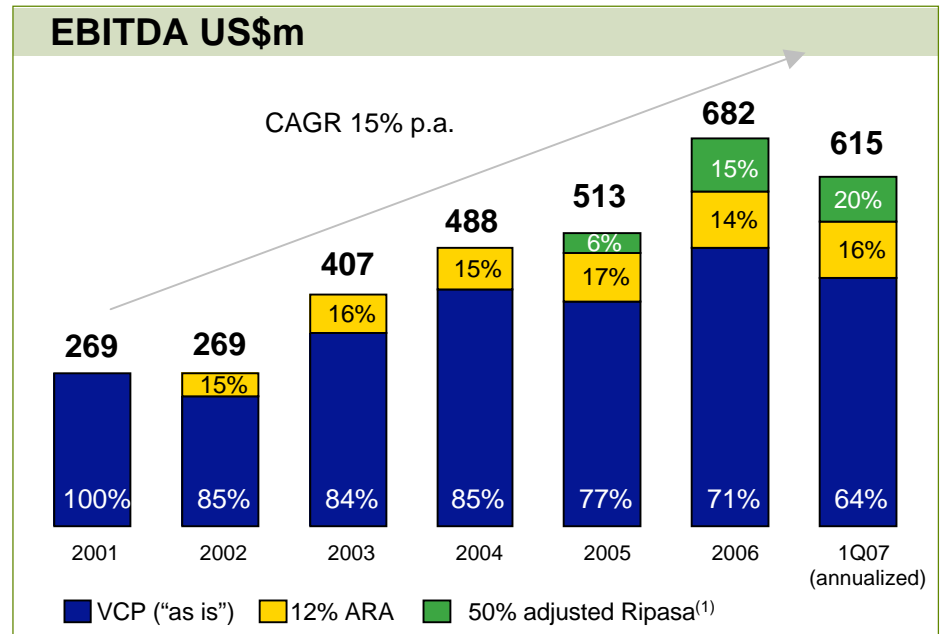
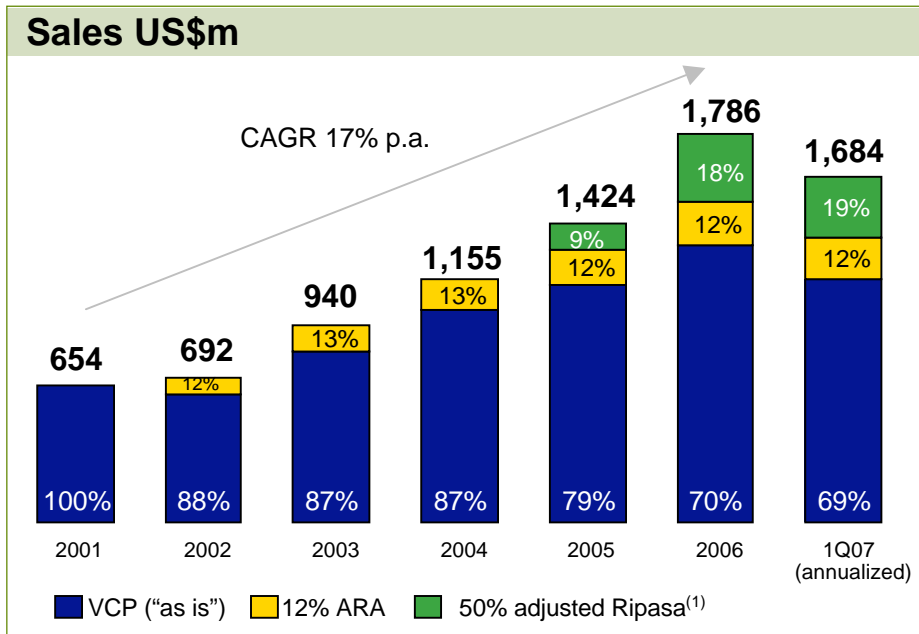
- Drivers:
- . Major pulp player
 - . Regional leadership in value-added papers
 - . Cost efficiency in commodity papers
- How:
- . Expansion of forest base
 - . Pulp complex in Três Lagoas (MS)
 - . Pulp complex in the South (RS)
 - . Existing paper capacity

Total pulp (market and integrated)
6 million tons
CAGR 14%p.a. (2006-2020)

Paper
0.5 million tons

Commitment to capital discipline: Minimum wacc+3%

Consistent Historical Growth

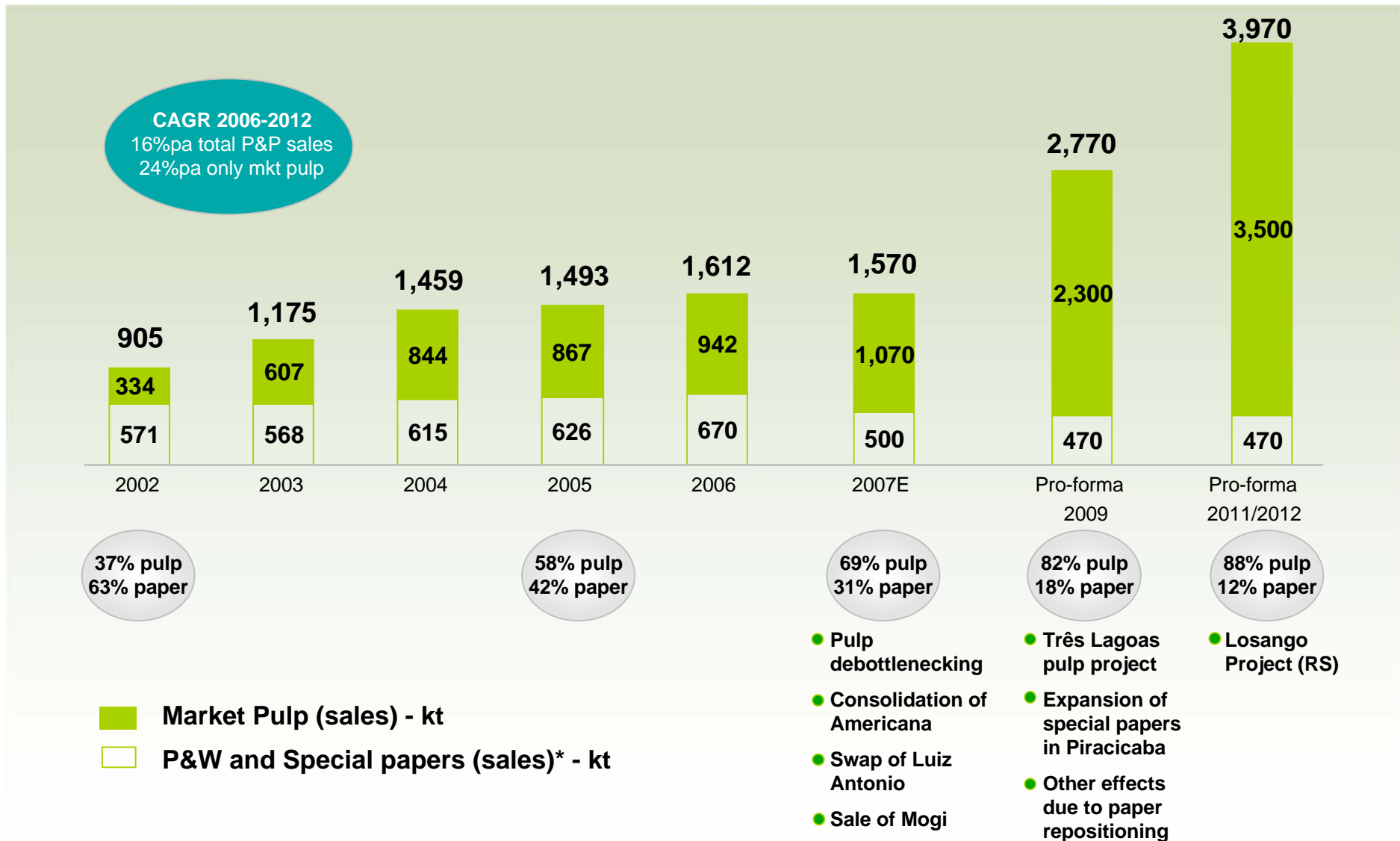


Source: VCP, Company reports

(1) Adjusted figures which combine Ripasa's performance plus the additional value of margins gained at VCP.

(2) Excludes the asset of Três Lagoas pulp mill under construction of US\$1.6 billion.

Near Future: Growth in Pulp, Eyes on Paper



* Includes the paper sales from KSR

Pulp Demand

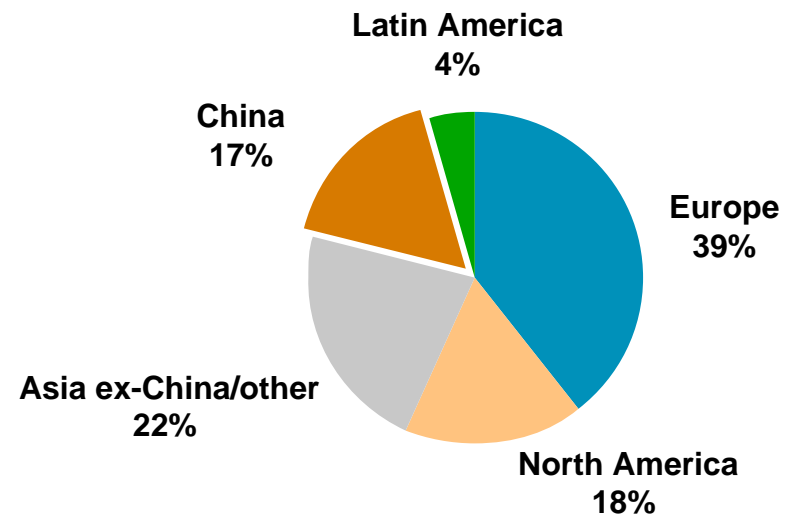
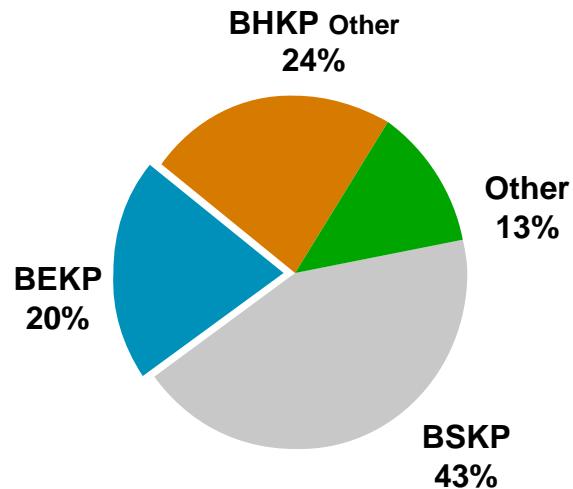
**Eucalyptus and China
on the spotlight**

World total
BSKP
BEKP
BHKP_{other}
Other

Demand 2007-2011

2%
1%
7%
0%
1%

World Pulp Demand (50 million tons - 2006)



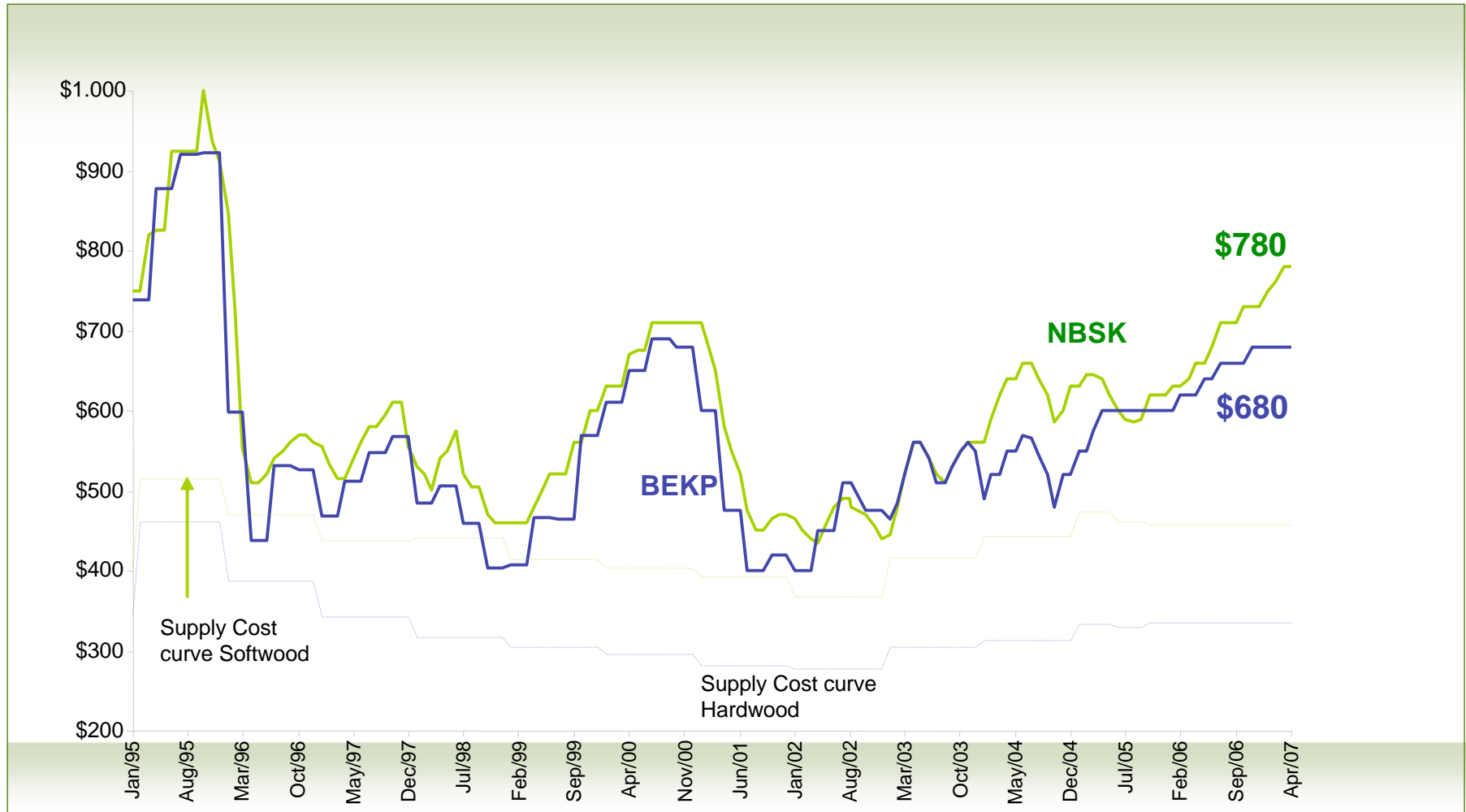
Pulp Supply

- ➔ Strong currency (C\$ and Eur) and high energy costs have led to costs and price increases
- ➔ New capacity additions, shortage of wood and environmental issues have led to capacity shutdowns
- ➔ We expect capacity closures to continue with approximately 1mt per year coming out of the market until 2010

Major expansion projects 2006-2010 (Kton/year)

Chile	Arauco / Nueva Aldea	3Q 2006	850
Chile	CMPC / Santa Fé	4Q 2006	800
Brazil	Suzano / Mucuri	4Q 2007	1000
Uruguay	Botnia / Fray Bentos	4Q 2007	1000
Brazil	Cenibra	2008	240
Brazil	Aracruz / Barra do Riacho	1Q 2008	200
Brazil	VCP / Tres Lagoas	2009	1100
Spain	Ence	2007-2009	260
Indonesia	APP	2007-2010	900

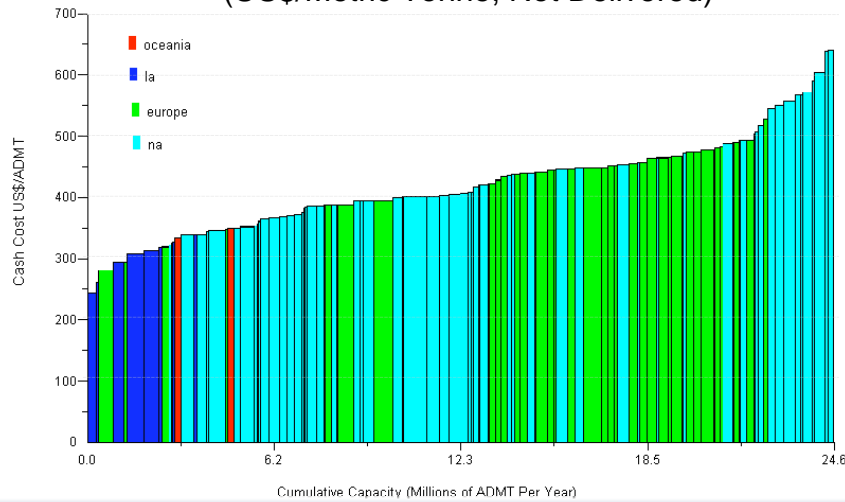
Pulp Prices



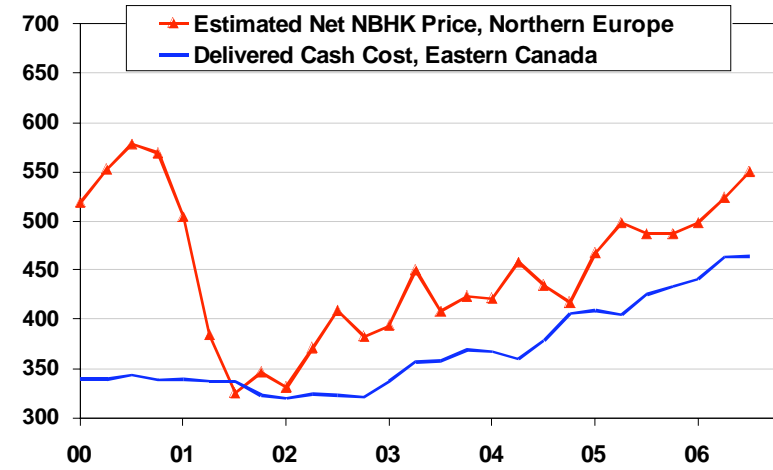
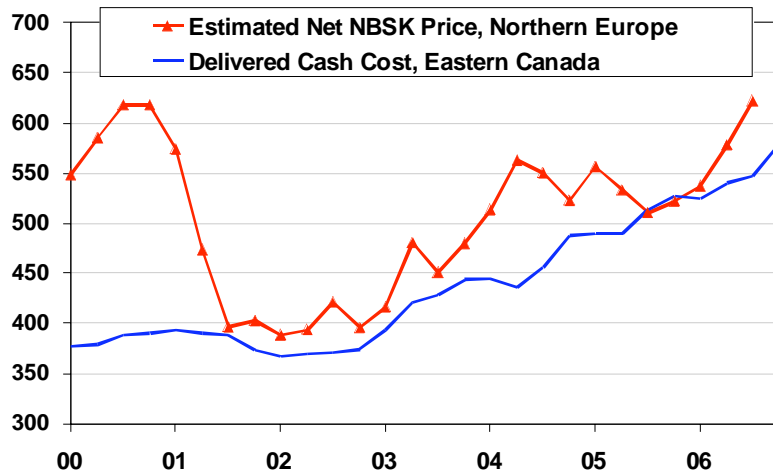
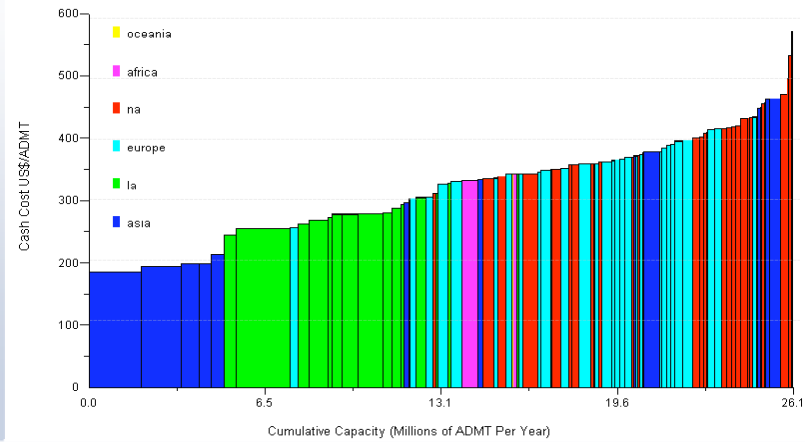
Source: VCP, Hawkings Wright

A Structural Change

World BSK "Cash" Cost Curve
(US\$/Metric Tonne, Not Delivered)

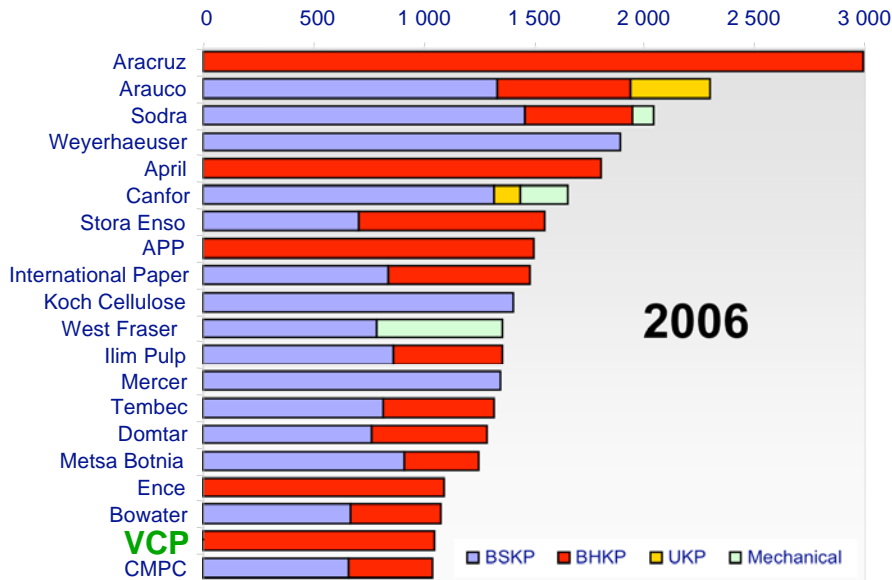


World BHK "Cash" Cost Curve
(US\$/Metric Tonne, Not Delivered)



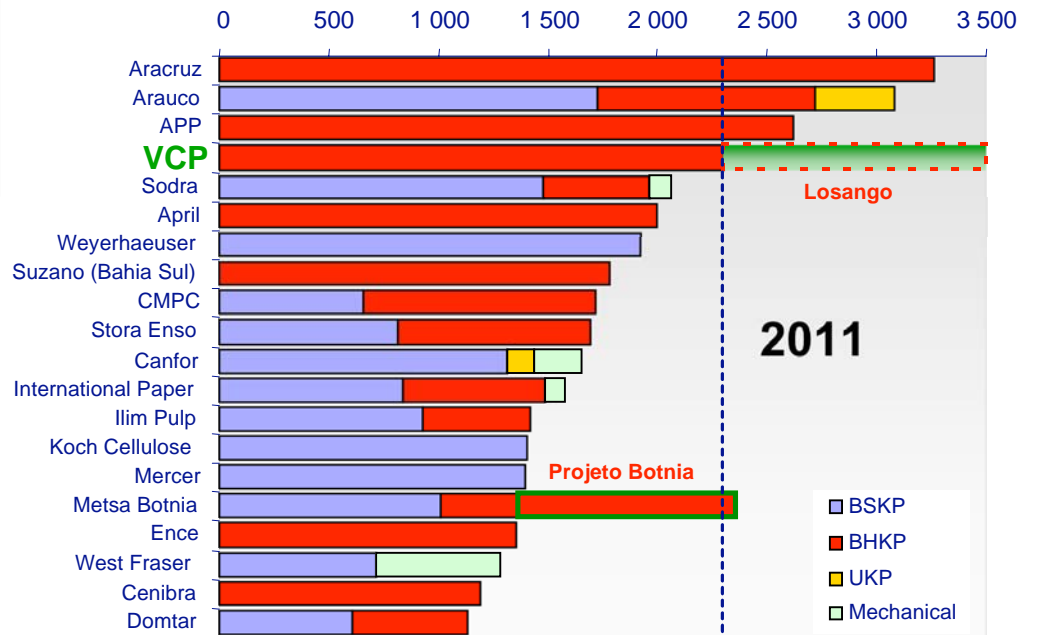
Source: RISI

Capacities Ranking – Market Pulp kt



Top 10=35%
Top 20=59%

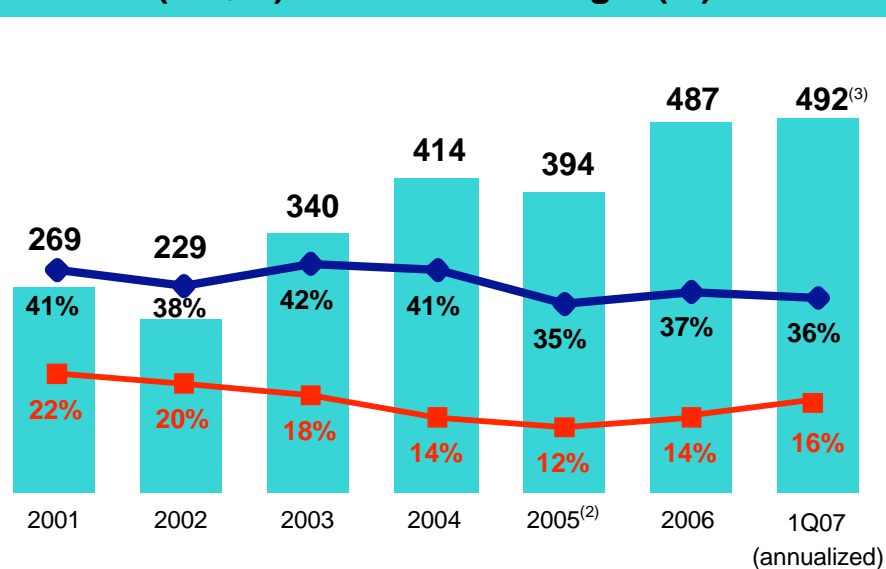
Top 10=40%
Top 20=65%



2011

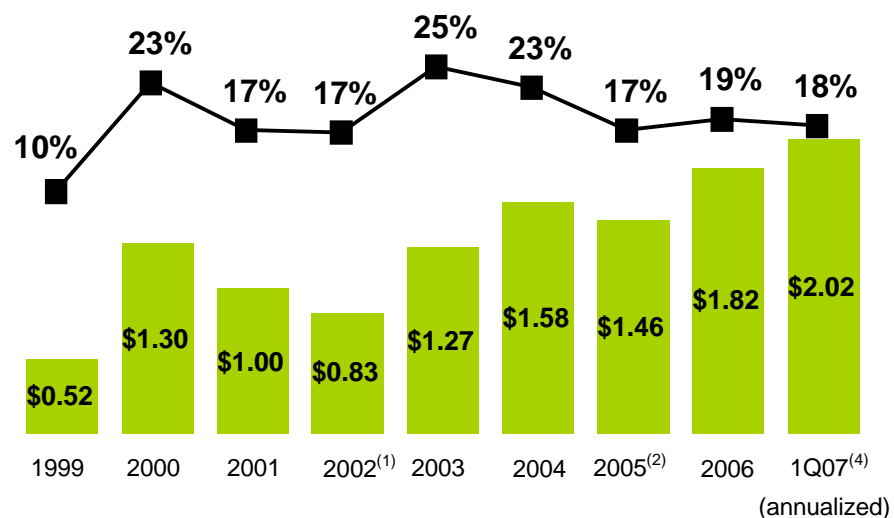
Financial Performance

EBITDA (US\$m) and EBITDA Margin (%)



- EBITDA US\$ million
- ◆ VCP EBITDA margin (%)
- EBITDA margin Europe (%)

EPS & ROE



- (1) Adjusted for the impairment of Aracruz
 - (2) Adjusted for non-cash and non-recurring provisions
 - (3) Includes 50% consolidation of Americana
 - (4) Adjusted for the non-cash and non-recurring net effect of asset exchange of US\$651 million
- EPS = Net profit USGAAP / total outstanding shares
 ROE = Net profit / Average shareholder's equity

Corporate Governance evolution



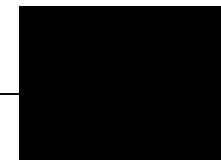
2000	2001	2002	2003	2004	2005	2006	2007
NYSE ADR III USGAAP & BRGAAP Quarterly results	Acquisition of 12.4% stake in Aracruz Level I: BOVESPA Corporate governance	Fiscal Committee CVM 358/02 EDGAR filing IBF project	Dividend policy (60% FCF) Sarbanes Oxley Secondary share offering BNDES (US\$285m)	Stock split Ratio 1ADR:1PN Stock liquidity Ethics Committee	Audit Committee Acquisition of Ripasa ISE member (Sustainability index Bovespa) Competitive financing costs, 7yrs	Investment Grade Quarterly Result Guidance Liability management Sustainability report (GRI)	Buyback Program SOX Certified 20F-Form filing in January 2007

Reducing the risks of the business

Certified forests – FSC / Cerflor

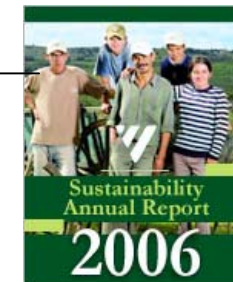


Ecoefficiency Votorantim



Adoption of the GRI principles

GRI - Global Reporting Initiatives – is an international organization that develops and distributes guidelines for sustainability reports in economic, social and environmental areas



Poupança Florestal: breaking the paradigm

Social inclusion program through the agroforestry development



Thank You!

This release contains forward-looking statements relating to the prospects of the business, estimates for operating and financial results and those related to growth prospects of VCP. These are merely projections and, as such, are based exclusively on the expectations of VCP's management concerning the future of the business and its continued access to capital to fund the Company's business plan. Such forward-looking statements depend, substantially, on changes in market conditions, government regulations, competitive pressures, the performance of the Brazilian economy and the industry among other factors and risks disclosed in VCP's filed disclosure documents and are, therefore, subject to change without prior notice.

