

## Votorantim Acquires Ripasa, Consolidating Paper Industry in Brazil

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Brazilian company Votorantim Celulose e Papel S.A., one of Latin America's largest producers of pulp and paper, announced today that it has completed acquisition, jointly with Suzano, of a controlling stake in Ripasa S.A. Celulose e Papel.

On November 10, 2004, VCP and Suzano signed an agreement to buy the common and preferred shares in Ripasa directly and indirectly held by Ripasa's controlling stockholders.

In today's acquisition, 129,676,966 common shares and 41,050,819 preferred shares in Ripasa, representing 77.59% of the voting stock and 46.06% of the total stock, were transferred, on an equal basis, to VCP and Suzano, for a total amount of US\$ 549.15 million.

A purchase option was also signed for the sale of 37,449,084 common shares and 12,388,719 preferred shares, totaling 22.41% of the voting stock and 13.45% of the total stock, to be exercised within six years, for a total amount of US\$ 160.31 million.

Suzano and VCP say they will continue to be competitors in the markets in which they operate, preserving the independence of their activities.

Jose Luciano Penido, VCP's Director-President said: "This transaction represents an important step for VCP's consolidation in the world pulp and paper market.

"It confirms our leadership position in the domestic market for papers and increases our competitiveness as one of the lowest-cost producers of pulp. We are enthusiastic about this opportunity and certain that it will add value for our stockholders."

"We are implementing the Company's sustainable growth strategy, confirming that we are attentive to opportunities both for organic growth and also for growth via mergers and acquisitions, as a focus on VCP's planning for the year 2020," Mr. Penido said.

VCP is one of Latin America's largest companies in the pulp and paper sector, focusing on market pulp, and printing papers. It is listed on the São Paulo and New York Stock Exchanges.

It has implemented an expansion plan which has increased its production capacity: for pulp, to 1.42 million tons, and for paper, to 685,000 tons.

Ripasa, listed at Corporate Government Level I on the São Paulo Stock Exchange (Bovespa), produces pulp, printing papers, writing papers, specialty papers, paper board and cardboard.

It has been operating in the sector for more than 45 years, directly employing more than 2,700 people, and is Brazil's seventh largest producer of pulp, its fourth largest producer of writing papers, and its second largest producer of cardboard.

Votorantim Celulose e Papel S/A  
[www.vcp.com.br](http://www.vcp.com.br)

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