

Q3 2010 Earnings Call

Company Participants

- Alex Yambanis, Head of Pulp Business Unit
- Antonio Maciel Neto, CEO
- Carlos Anibal, Executive Officer, Responsible for Paper Business Unit
- Ernesto Peres Pousada Junior, Executive Officer, Responsible for the Operations Division

Other Participants

- Carlos de Alba, Analyst
- Josh Milberg, Analyst
- Juan Tavaréz, Analyst
- Thiago Lofiego, Analyst

Presentation

Operator

Good morning, ladies and gentlemen. At this time we would like to welcome everyone to the Suzano Pulp and Paper 3Q10 earnings conference call. Today we have a simultaneous webcast with slide presentation on the Internet that can be accessed at the site www.suzano.com.br/ir. There will be a replay facility for this call on the website.

We inform you that all participants will be able to listen to the conference during the Company's presentation. After the Company's remarks are over, there will be a question-and-answer session. After that time -- I'm sorry, at that time further instructions will be given. (Operator Instructions) Today's speaker will be Mr. Antonio Maciel Neto, CEO.

We also would like to inform that statements during this conference may constitute forward-looking statements. Such statements are subject to known and unknown risks and uncertainties that could cause the Company's actual results to differ materially from those said in forward-looking statements -- and forward-looking statements.

I now would like to turn the conference over to Mr. Antonio Maciel Neto. He will start today's conference call. Thank you.

Antonio Maciel Neto {BIO 16703850 <GO>}

Good morning, everyone. Thank you very much for joining us in this conference call this morning. My role here today is to go through six or seven pages, just presenting the

highlights of the message we have released in our press release. So just after, we are going to have the Q-and-A session. I have here our -- the senior management team of Suzano along with me here to answer the questions, as usual.

So going in straight to the page two. I would like to show some -- the pulp and paper markets, the key highlights. Next page will be the Suzano's highlights. So let's talk about the market, the global market now.

Global market of pulp production of 10.8 million tons in the Third Quarter of the 2010. This is -- was a very good quarter, 9.2% higher volumes than the -- higher production than the Second Quarter '10, and 5.7% better than '09.

Sales, market pulp, 10.1 million tons; eucalyptus market pulp 3.4 million tons, very much aligned with the Second Quarter of '10, and about 5% in average below what we had in the Third Quarter of '09 when the sales were higher due mainly the inventory situation at that time.

Global inventories at 32 days, this is a number that -- that were -- we listed in September, below the historic average of 33 days. Here we have a situation; there's a change in the trend. We had seen before September some increase in the inventories going to higher number than this. Everybody, most of the analysts in the industry considered that the cycle was changing direction. And however, due to the high, high volumes of -- of volumes shipped to China in September, this trend changed completely. And now we have a completely different situation where the inventories are below the historical average.

We had a price decrease in the Third Quarter '10. This in fact was in the beginning of the quarter when we had about \$50 reduction in the prices. However, after that we had some stable price. And as we speak, the list price, CIF in Europe is at \$870 per ton.

As I just mentioned, the shipments to China was, I think in September, I think was the key highlight of the month. It was a growth in market pulp of 72% compared to August '10. And for eucalyptus market pulp this was a 98% growth compared with August '10, and 21.5% growth compared to July '10, so big change. This is the -- I think the key highlight for the quarter.

Domestic demand. Here when we talk paper we normally talk about our domestic market where it is most important for the results. You have seen here that printing and writing we had a growth of 15.5% compared with the Second Quarter, 6.3% compared with the same period last year. Paperboard at 8 -- 166,000 tons, 8.4% high than Second Quarter, 10.8% better than '09. So that's very strong movements for the demand of paper in the local market.

The -- we have seen again a print and write paper imports growing a little bit more, that's moving from 23.4% to 25.4% quarter over quarter. The exports accounted for 34% of the sales for the Brazilian industry, compared with 40%. So there is a higher volumes in the local market and some reduction in the exports, and this was the key driver for better profitability for the paper business in Brazil in the Third Quarter.

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In the outside Brazil, worldwide, we have seen a good recovery of the main print and write markets. If we see the comparison between Third Quarter '10 and same period '09, we have seen that's a 7.6% growth in Western Europe, in North American 4.1% compared with last year. We had some reduction compared with Second Quarter, but we don't have still this -- the numbers related to the nine months, we don't have the September numbers. But for the same markets in Europe and North America, we are in a much better number than what we have seen here. So we are going to finish this year of '10 much better than '09 in volumes globally with regard to print and write supply.

On page three, we have now Suzano's key highlights for the quarter. Market pulp and paper production of 680,000 tons, sales volumes at 7 -- 675,000 tons, net revenue of BRL1.1 billion (sic; see Press Release), pulp production cash cost at BRL458; in this case excluding maintenance downtime cost. EBITDA of BRL408 million, EBITDA margin at 35.2%; we have seen here again a growth, better margins than before. Just a good recovery if you compare it with last year. We are going to address this shortly.

Net income of BRL273 million. Here we had some contribution of exchange rate variation. Net debt/EBITDA ratio at 2.4% -- 2.4. That's again some reduction on the net debt working. And here they're demonstrating some de-leveraging of our financial situation in the overall accounts. Reduction of \$50 per ton in pulp prices in August, as I just have mentioned, and in maintenance of prices in September and October. Next page I will tell you that this reduction was not -- didn't cause any effect in -- on Suzano as we changed the mix and managed the sales during this quarter.

New increases in paper prices in both domestic and export markets. This was a key driver of our profitability at the quarter.

And finally, just a quick highlights related with the money that we have raised through senior notes in the global market, \$650 million. And for those addition we had Investment Grade from Moody's and BB+ for Standard & Poor's as our rating. BB+ Standard & Poor's is only one notch below the Investment Grade arena.

Page four, pulp business unit. Sales, as we have already mentioned, 389.5 thousand tons in the Third Quarter, 7.3% lower than Second Quarter of the '10 and 2.4% lower than Third Quarter '09. So volumes were below what we had in both case. Average net prices, this I think is a very, very important highlight. Our net price for the quarter was \$748 per ton, which is 0.9% better than the Second Quarter.

So despite the reduction of the price of \$50 beginning of the quarter we experienced the same price, almost the same price in -- in fact a little bit better price with compared to last quarter, mainly due change in destinations of the pulp and some other revenue management actions that Alex Yambanis and the team took during the period. When you see this average price compared with Second Quarter '10, we have 1.5% lower than compared with this period, a 50.3% higher than Third Quarter '09. This is a very important situation.

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Net revenue of BRL500 million (sic; see Press Release). And if you'll see, I mean, really that's 46.7% higher than Third Quarter '09. Here we need to talk a little bit about the destination of our pulp sales. This -- here we have another key highlight. In the Second Quarter '10, Asia was with 36.7% of the -- as a key destination for us. And in the Third Quarter, Asia was only 25.8%. So this was the change in the revenue management actions that we took to fix the little bit downside that we had seen in the beginning of the quarter in the Chinese pulp market.

We have -- we already mentioned that September we had very strong sales again and the average was below that we had before but not like the beginning of the quarter. Europe and Brazil were the key destinations to offset the pulp that we didn't sell in Asia. And we -- with that we were able to place all the pulp market that we had. And in fact we are still working with very, very low levels of inventories in the pulp business -- of Suzano's pulp business.

Having said that, we can move to page five where we have the paper business unit. Here I think the key point is you can see here the numbers. Compared with '09, we're having printing and writing 10% better; paperboards 5.2% better in volumes; and average paper price 3.7% better in the Third Quarter '10 compared with Second Quarter '10. And compared with last year also we had 4.7% better price. So this is very important highlights for these quarters.

Next, domestic sales 6.1% of the total sales. This I think was the highest percentage in the internal market for many, many quarters. And so this was good, very good along with the better price that we experienced with this best, let's say, mix where always when we had volume more -- higher volumes in Brazil is a situation that's better for our results. So we had a good combination and the overall paper business experienced a very good result in this quarter.

Exports average net price of our -- in our paper business in dollars, in the quarter we had 9.5% better price. And compared with same period last year, the improvement in the price were 25.8%. In reais we had 6.9% in the Third Quarter and 17.9% better price compared with last year. Here the difference is more than explained by the exchange rate variations.

Destinations. The key highlight here is in Brazil, Third Quarter, as I have just mentioned, 61.6% of the total volume compared with 53.3% in the Second Quarter. And all other regions experienced some reduction to compensate, to offset this growth on Brazil. The other ones was very much the same with some similar in percentage reduction of the volumes.

Page six, we have some highlights here related to the operational performance. Here we -- one of the key bullets we have here, I just mentioned that the revenue of the paper in Suzano business was 56% in Third Quarter compared with 53% in the Second Quarter. The pulp, the cash was 1.3% lower than Second Quarter, mainly due to the lower cost related to the wood from third parties. We have reduced this quarter the participation of the third parties, what means the better results for us. Lower chemical cost and higher

fixed cost, the fixed cost we had some non-recurrence items as well, but this were offset by -- with -- in the end we had 1.3% lower cost if you sum up everything.

Pulp cash cost, you see here that from the BRL464 that we had in the Second Quarter going to the Third Quarter at BRL458. We had two key variations; wood going down, the cost in BRL26 per ton, and the fixed cost going up BRL20 per ton as well. In the fixed cost, as we had downtimes and the lower level of production, the fixed cost per ton became higher.

Next we can go to page seven to talk little bit about debt and leverage. You can see that our net debt/EBITDA is at 2.4. June was 2.7 and September was 3.6. Our gross debt in September is BRL7.4 billion. Cash and cash equivalents, BRL3.6 billion. So net debt at BRL3.8 billion as we speak.

At the bottom of the page, you have a chart, bar chart where you see -- can see the situation of our amortization's commitment that we have, BRL3.6 billion in cash as we speak. And if you look at the Fourth Quarter '10, the need for the Fourth Quarter '10 and the following years you can see that we have a in a very -- it's very comfortable and very good situation for us in the -- our capacity to pay all these commitments is very high. And here, for the first time, you can see this BRL1.9 billion after 2016, and this is due to the mission of the senior notes at value of \$650 million that we just completed during the Third Quarter.

Final page, page eight, is a -- just to -- our key message, we have four bullets here. The first one is to underline that the -- really the demand recovery is a reality in the pulp and paper market if you compare it with last year. This is a big, big recover. In the paper, we were able to price a little bit more and to sell more in the domestic market. And those actions were very important for the results of this quarter.

In the pulp business, September was a month very, very important to change a little bit the trend and perception about the short-term future of our business and here we had a - - as a consequence, the pulp inventories were reduced, and now they are below the historical average.

And the second bullet is really to talk about the margins. EBITDA margins improved. And in that trend 2000 -- same period last year compared with -- Third Quarter '10 compared with Third Quarter '09 we are about 10percentage points better than last year. That's a big, big recovery, very quick.

The financial position is very solid. We still -- we are maintaining this very adequate debt profile. And as important as the profile were the cost of our debt, that's extremely competitive. Leverage reduction is now we are at 2.4, last -- same period last year we were at 3.6 net debt to EBITDA. And also what we have mentioned about the money that we were able to raise in the -- using the senior notes instrument, at \$650 million.

The strategy, the growth strategy. We are implementing the growth strategy as planned. Good evolution in Maranhao and Piaui projects. We have already the prior license for

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Maranhao's industrial facility. We are working on the financials of this project. We're looking at alternatives of financing in the local market BNDES, BNB and also ECAs, therefore the important materials. So we are working and we are on track to those projects as we have announced before.

Another key highlight was the acquisition -- let's say the completion of the acquisition of FuturaGene in the quarter. We have invested another \$84 million to buy 100% of the company and the integration of FuturaGene with our biotech area, our labs in (Tocantins) and Sao Paulo. There are -- have a lot of people working on these. And first of all our target is to have everything, to complete the integration by the First Quarter next year.

Suzano Renewable Energy is moving forward same way. And by the year end we are going to conclude a lot of other projects related to our customers for the -- with -- related to the industrial facilities, site locations and the capital structure, lot of things happening. Also First Quarter next year, first semester next year we are going to see this company as moving very fast as well to deliver the number that we had announced before.

So having said that, I will -- I am concluding my presentation, this first presentation, and we are going to be very happy to take your questions immediately after this. Thank you very much.

Questions And Answers

Operator

Thank you. Ladies and gentlemen. we will now initiate the question-and-answer session.
(Operator Instructions)

Our first question comes from Carlos de Alba from Morgan Stanley.

Q - Carlos de Alba {BIO 15072819 <GO>}

Yes. Good morning. Thank you very much for taking the questions. I want to know if the problems that you saw after the stoppage in Mucuri 1 are solved now completely. And also if you have -- you can comment a little bit on the impacts, the impact on the results for the Fourth Quarter that you expect coming from the stoppage in line 2 in Mucuri in terms of cash cost, and also, if possible, in terms of pulp sales. That was my first question.

My second question is if you could comment a little bit on your order book for Asia sales, particularly in China, so far in October and November. Obviously, the result, as you pointed out, for September were very, very encouraging and underpin a decline in inventories, global inventories, but if you can give us some signs as to what you are seeing in October and November, that would be very helpful. Thank you.

A - Ernesto Peres Pousada Junior

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Okay, first. Good morning, Carlos. Here is Ernesto to comment about the Mucuri mill. Actually, we had a planned shutdown in August for line 1 and we have had another one in early October for line 2. Those two planned shutdowns were a consequence of the issue we had in the beginning of the year. So they were already planned. The one in October for line 2 was shorter than a typical shutdown, was five days. Mucuri production is back to normal.

What we should expect is an impact on cash cost of course of the shutdown in October, so for Fourth Quarter we should expect a cash cost in the similar levels as we had now.

Q - Carlos de Alba {BIO 15072819 <GO>}

Thank you. Any comments in terms of volumes?

A - Ernesto Peres Pousada Junior

In terms of volumes, we had that initial loss in the beginning of the year. That was already accounting for the losses. At that time, we mentioned about 42,000 tons, and we're not able to recover for that loss, so that should be about the loss we have for the year.

Q - Carlos de Alba {BIO 15072819 <GO>}

Thank you.

A - Alex Yambanis

Yes, hi, this is Alex Yambanis. Your second question concerning the prices in China for October and November, we see stable volumes and stable prices in China due to many factors. Number one, inventories are under control throughout the chain, pulp inventories are under control. Paper inventors in China are normal. And in anticipation to the Chinese New Year, Lunar New Year in February we are entering a good season in terms of paper production in China. So we see stability for October and November.

Q - Carlos de Alba {BIO 15072819 <GO>}

Thank you very much.

A - Alex Yambanis

You are welcome.

Operator

Thank you. The next question comes from Thiago Lofiego from Merrill Lynch.

Q - Thiago Lofiego {BIO 16359318 <GO>}

Thank you. My first question here is on paper prices in the domestic market. Is it reasonable to expect new price increases for paper in Brazil in the short term, and also what kind of variation can we expect in average prices in the Fourth Quarter as a result of

previously announced price increases? Meaning was there any (inaudible) in Third Quarter, and we could see higher average prices in the Fourth Quarter?

A - Carlos Anibal {BIO 19090865 <GO>}

Okay, Thiago. Good morning. This is Carlos Anibal speaking. For the domestic market, I will start with uncoated free sheets, okay. We see price stability in the last quarter. Paperboard, we may see prices slightly higher than the ones that we are presenting right now due to the consolidation of the price announcements that we had during the Third Quarter.

The only points of attention that I have right now is coated paper. We saw in the last two or three months higher imports and that might put some pressure in the local markets. So we are -- we are (basing) on that, okay.

So the total number should be, I would say, 1% or 2% higher than what you're presented right now. For the export markets, okay, we are considering as of today, a different product mix and also a different geographic mix. So that might bring us a price that is going to be roughly \$50 lower, okay. On the top of the mix, we also have some pressure in some specific countries in the northern part of Latin America. So all in all, I would say \$50 or \$60 lower than what we are presenting right now for exports.

Q - Thiago Lofiego {BIO 16359318 <GO>}

On the export side in dollar terms, right?

A - Carlos Anibal {BIO 19090865 <GO>}

That's right.

Q - Thiago Lofiego {BIO 16359318 <GO>}

Yes, right. Okay.

So -- and my second question here is on pulp. Could you give us some color on the outlook for pulp demand in Europe in the First Quarter and also for 2011? Mainly taking into perspective the Brazil-euro appreciation, so -- which in one hand makes pulp imports cheaper in Europe, but also drives paper exports margins down for the European papermakers. So if you could give us your take on that I would appreciate it.

A - Alex Yambanis

Yes, hi, this is Alex Yambanis. You are correct. When it comes to exchange rates, the euro appreciation makes pulp imports cheaper. Therefore, in terms of pricing we don't foresee any problems in Europe.

Your question relating to the First Quarter, the First Quarter in Europe is traditionally the beginning of the very strong season for European papermaking. European papermaking between February and May is traditionally a very strong period. So we foresee that this

would somehow compensate the burden that the European papermakers will suffer in terms of their lack of competitiveness in international markets due to the exchange rate.

So the exchange rate is a double-sword effect -- double -- yes, sword -- double-sword effect in terms that it facilitates imports of pulp, but it's -- it erodes the profitability of exports of paper. But one thing will compensate the other.

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Q - Thiago Lofiego {BIO 16359318 <GO>}

Okay. Great. Thank you.

Operator

Thank you. The next question comes from Josh Milberg from Deutsche Bank.

Q - Josh Milberg {BIO 2004065 <GO>}

Good day, everyone. Just a couple of follow-up questions on issues that came up on the Portuguese call. So just first you had mentioned that you expect your domestic -- that domestic/export paper mix to revert to lower levels both in the Fourth Quarter and next year. And I just wanted to understand how much of that reversion is because of continued pressure from imports. And just assuming that the currency stays pretty stable going forward, do you see imports' share of the coated paper market staying at current levels in the coming quarters or could they actually increase further?

A - Carlos Anibal {BIO 19090865 <GO>}

Okay, so --

Q - Josh Milberg {BIO 2004065 <GO>}

That's the first question.

A - Carlos Anibal {BIO 19090865 <GO>}

Yes. Good morning, Carlos speaking. What do we see for the Fourth Quarter in terms of the market demand is going to be a number pretty much aligned with the one that we had in the Third Quarter. So we don't see any big reduction in the market demand, okay.

What you're going to see is a higher import -- high exports due to some demands that will have some specific markets, mainly overseas, okay. In the Third Quarter, we accumulated inventory to support a higher sales that we had in the Third Quarter, and also now in the last -- in the Fourth Quarter.

But now, between November and December, we're going to have some extra availability to our export market. That's why we're going to increase the content of our exports in the Fourth Quarter.

Regarding coated paper -- sorry?

Q - Josh Milberg {BIO 2004065 <GO>}

No, go ahead, thank you.

A - Carlos Anibal {BIO 19090865 <GO>}

Regarding coated paper, okay, we have here in Brazil a demand that is higher than the local capacity. So the market needs to import coated paper. As we see this market growing, naturally we're going to see a higher content for coated paper being imported. So that is natural, that's going to have upon our orders as soon as or as long as we have the market growing.

Q - Josh Milberg {BIO 2004065 <GO>}

Okay, that's great. Then my second question is really just a clarification related to China. You highlighted the rise of shipments to the country from August to September that was reported by the PPPC. At the same time, if I understood correctly, on the Portuguese call and maybe just a few minutes ago as well, you suggested that you yourself have not seen a major increase in your shipments to China in September and October because of the fact that you've held prices pretty stable, while other producers in the market like (Risal) have offered substantially lower levels. Is my understanding there correct?

A - Alex Yambanis

Well yes --

Q - Josh Milberg {BIO 2004065 <GO>}

And if that's true, we should expect your shipment levels to China for the Fourth Quarter to be roughly stable with the Third Quarter?

A - Alex Yambanis

Yes. Well this is Alex Yambanis. In the first place in September we had a very good shipment rate to China. In the Third Quarter, our shipments to China were lower than the Second Quarter due to the reasons explained before, i.e. we try to protect our pricing, our international pricing levels by shipping less to China, therefore not putting too much pressure on that market. That was under pressure in the Second Quarter.

For the Fourth Quarter, what we foresee is a slight recovery of our shipments to China if compared to the Third Quarter. This being said, we'll stay very, very alert in order not to put any additional pressure in that market. And we hope that the recovery we saw in September in terms of overall shipments will continue in the Fourth Quarter due to the recovery of the Chinese paper production at higher levels in view of the Chinese New Year in September.

Q - Josh Milberg {BIO 2004065 <GO>}

Okay. Thank you very much.

A - Alex Yambanis

You are welcome.

Operator

(Operator Instructions) Our next question is from Juan Tavaréz from Citi.

Q - Juan Tavaréz {BIO 15083199 <GO>}

All right. Thank you. Good morning, everyone. Just a quick question on your pulp cost. We saw that wood cost came down. I'm wondering if this is a trend that we should see going into the Fourth Quarter, or this was just a one-time event for the coming quarters?

A - Ernesto Peres Pousada Junior

No. Hello. Good morning, Ernesto speaking. No. This is a -- for Fourth Quarter, we should see a similar trend than we saw in the Third Quarter in terms of the wood cost.

A - Antonio Maciel Neto {BIO 16703850 <GO>}

However -- this is Maciel, just to complete -- the next year we are going to see some more percentage compared to what we had in this quarter from the third parties. So as Ernesto mentioned, in the Fourth Quarter it's going to be most likely the -- very much the same. But the trend is to go back for the -- not exactly what we had in the beginning of this year where we had almost 40% of the wood coming from the third parties and it's not exactly where we are now, it is very low levels.

So this is a -- the numbers that we have now probably will be maintained in the wood cost for the main piece for the Fourth Quarter, but next year we are going to see some recovery, not in the same level that we had before but higher than what we are seeing now.

Q - Juan Tavaréz {BIO 15083199 <GO>}

So overall your cash cost for the next quarter will be stable to slightly lower and next year it should be flat or slightly higher?

A - Ernesto Peres Pousada Junior

Yes, I want to say more flat, because we're expecting to watch that some of this by some productivity in the industry. So I would say that's probably going to be around the same flat number.

Q - Juan Tavaréz {BIO 15083199 <GO>}

Okay. And just wondering if you can share with us -- I'm not sure if you've already done your budgets for 2011, but if you can share what your CapEx expectations are for 2011 and if you have an internal FX rate forecast that you look at.

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A - Antonio Maciel Neto {BIO 16703850 <GO>}

The CapEx, we are still working on our budget for next year, but the key numbers, rough numbers that we have as we speak, this BRL400 million for the sustained, this is related to the operations that we have now as far as the industry, that's about BRL400 million.

And for the projects we see on the forest side the expansion about \$150 million in this case for -- to complete the -- to continue the plantations and the land acquisition or the stock. This is to be about around \$150 million. And for the industrial piece of Maranhao, the greenfield plant, this is about \$200 million, \$250 million. This is about an average of 8% to 10% of the total cost that normally we expend as a down payment for the project.

So this is the rough number, \$250 million for the industry, \$150 million for the forest in dollars, and BRL400 million for the sustained locally.

Q - Juan Tavaréz {BIO 15083199 <GO>}

Now, just to clarify on that Maranhao CapEx. Is that approved already or is that something you're anticipating to be approved?

A - Antonio Maciel Neto {BIO 16703850 <GO>}

No, no, I'm anticipating that; it's not formally approved yet. We had our board meeting the day before yesterday. We had a continuously giving updates for the boards.

We are moving fast on the financing side. We are talking to the key suppliers. And this is the anticipation -- Juan, thank you for the question, this is only the anticipation what we probably we will see approved by the Board in the end of this year, beginning of next year.

Q - Juan Tavaréz {BIO 15083199 <GO>}

Okay, perfect, thank you.

Operator

(Operator Instructions) This concludes the question-and-answer session. At this time, I would like to turn the call back over to Mr. Antonio Maciel Neto for any closing remarks.

A - Antonio Maciel Neto {BIO 16703850 <GO>}

Okay. Thank you very much for the participation in the call. We will continue available for questions, Andrea Fernandes and the team. We're more than happy to take your questions and further clarifications about our results.

This -- we are moving very fast on our (expensive) good evolution on our growth strategy paying attention to long term, but paying a lot of attention to the short-term situation as well, maintain a very solid financial position and a very conservative approach with our

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numbers. That is a key for the success in this very volatile environment that we have seen worldwide in the last three, four years.

This be in the -- we are very bullish on what's happening now with the domestic market in Brazil. Good recover, good chance for our paper business. And though we have seen this recovery as well worldwide in this, in the pulp business, Europe is maintaining the levels. Normally, at this time we have some reduction in volumes. This year we have seen the stable -- very much stable volumes during the first semester and as we are moving for the end of the year with very strong numbers compared with last year at least.

So in our case here what we are working very hard in order to continue to improve our operations, to improve productivity, to face the challenge that we're going to see in the coming years. So we don't see big newcomers, new production coming on-stream in the community in 2011. So this, the -- probably the offer will be very much the same that we have seen in 2009, probably some high-cost startups of plants that had been shutdown before. But from the offer side, we don't see big changes as we -- in 2011. On the other side, we see that demand can pick and can move very fast. So we are working. We've -- that's a stable for -- environment for the next year where we can as we improve our operations to continue improving our results.

Thank you very much for the attention today.

Operator

Thank you. This concludes today's presentation. You may now disconnect your lines at this time. Have a nice day.

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