

ARACRUZ CELULOSE S.A.
CONSOLIDATED STATEMENTS OF OPERATIONS
(Expressed in thousands of US dollars, except for per-share amounts)
(unaudited)

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2004	2003	2004	2003
Operating revenue	343,174	310,573	955,780	765,800
Domestic	19,819	14,423	47,608	23,364
Export	323,355	296,150	908,172	742,436
Sales taxes and other deductions	44,376	24,414	110,531	63,413
Net operating revenue	298,798	286,159	845,249	702,387
Pulp	286,739	275,243	811,359	686,772
Paper	9,599	9,168	26,782	9,168
Sawn wood	2,460	1,748	7,108	6,447
Operating costs and expenses	207,421	198,542	583,114	468,538
Cost of sales	178,930	172,889	504,390	404,966
Pulp	169,800	165,183	478,010	391,419
Paper	5,872	5,165	17,041	5,165
Sawn wood	3,258	2,541	9,339	8,382
Sales	14,120	10,704	38,544	26,619
Administrative	7,482	6,917	23,113	15,439
Other, net	6,889	8,032	17,067	21,514
Operating income	91,377	87,617	262,135	233,849
Non-operating (income) expenses	20,447	8,055	51,545	7,164
Financial income	(17,397)	(14,722)	(35,075)	(33,656)
Financial expenses	31,537	23,951	88,880	75,641
Gain on currency re-measurement, net	(179)	(1,136)	(8,659)	(41,771)
Equity in results of affiliated company	6,511	27	6,434	7,030
Other, net	(25)	(65)	(35)	(80)
Income before income taxes	70,930	79,562	210,590	226,685
Income taxes	41,152	20,258	45,331	106,665
Current	30,597	13,231	35,658	93,850
Deferred	10,555	7,027	9,673	12,815
Net income for the period	29,778	59,304	165,259	120,020
Depreciation and depletion	53,657	51,411	155,830	141,651
Pulp production cost	51,646	50,015	149,744	137,360
Other operating costs and expenses	2,011	1,396	6,086	4,291
EBITDA	145,034	139,028	417,965	375,500
EBITDA (adjusted for other non-cash items)	151,342	147,716	438,329	396,066

ARACRUZ CELULOSE S.A.
CONSOLIDATED BALANCE SHEETS
(Expressed in thousands of US dollars)

ASSETS	Sep. 30, 2004	Dec.31, 2003	LIABILITIES	Sep. 30, 2004	Dec.31, 2003
Current assets	807,953	742,734	Current Liabilities	304,041	513,679
Cash and cash equivalents	63,529	66,284	Suppliers	51,835	79,673
Time deposits	366,278	285,991	Payroll and related charges	14,434	16,245
Accounts receivable, net:			Income and other taxes	34,530	24,120
Related parties		3,174	Current portion of long-term debt		
Other	186,155	219,874	Related party	48,017	55,190
Inventories, net	146,671	131,486	Other	133,267	212,472
Deferred income tax, net	15,945	13,181	Short-term debt - export financing and other	3,498	118,306
Recoverable income and other taxes	23,821	20,464	Accrued financial charges	8,944	6,120
Other current assets	5,554	2,280	Other accruals	9,516	1,553
Property, plant and equipment, net	2,187,771	2,270,369	Long-term liabilities	1,386,878	1,139,501
Investment in affiliated company	257,823	174,257	Long-term debt		
Goodwill	207,050	208,061	Related party	178,368	208,076
Other assets	74,134	59,012	Other	1,020,483	771,359
Advances to suppliers	46,106	38,197	Tax assessment & litigation contingencies	114,758	94,500
Deposits for tax assessments	15,886	14,319	Deferred income tax, net	38,903	26,467
Recoverable income and other taxes	7,180	1,548	Suppliers	13,733	15,222
Other	4,962	4,948	Other	20,633	23,877
			Minority interest	312	292
			Stockholders' equity	1,843,500	1,800,961
TOTAL	3,534,731	3,454,433	TOTAL	3,534,731	3,454,433

ARACRUZ CELULOSE S.A.
CONSOLIDATED STATEMENTS OF CASH FLOW
(Expressed in thousands of US dollars)

	Three-month period ended		Nine-month period ended	
	September 30,		September 30,	
	2004	2003	2004	2003
Cash flow from operational activities				
Net income for the period	29,778	59,304	165,259	120,020
Non-cash items included in income				
Depreciation and depletion	53,657	51,411	155,830	141,651
Equity in results of affiliated company	6,511	27	6,434	7,030
Deferred income tax	10,555	7,027	9,673	12,815
Gain on currency re-measurement	(179)	(1,136)	(8,659)	(41,771)
Loss (gain) on sale of equipment	(9)	(81)	223	275
Decrease (increase) in assets				
Accounts receivable, net	(11,490)	(4,172)	31,550	8,352
Inventories, net	3,858	(292)	(15,185)	(35,629)
Interest receivable on time deposits	(52,542)	(18,283)	(65,737)	(8,852)
Recoverable income taxes	(2,643)	29,802	(7,958)	59,099
Other	(1,936)	(2,117)	(4,597)	(3,850)
Increase (decrease) in liabilities				
Suppliers	(1,081)	(37,904)	(38,551)	(39,157)
Payroll and related charges	3,416	4,046	(2,019)	4,344
Income and other tax and litigation contingencies	31,011	(39,954)	26,623	11,284
Accrued financial charges	1,786	(4,041)	2,789	(1,926)
Other	2,667	19,026	6,538	24,968
Net cash provided by operational activities	73,359	62,663	262,213	258,653
Cash flow from investments				
Time deposits	18,623	(50,641)	(11,153)	65,867
Proceeds from sale of equipment	9	83	594	461
Investments in affiliate	(44,000)	(389,391)	(89,000)	(623,366)
Additions to property, plant and equipment	(31,453)	(40,889)	(69,801)	(96,984)
Net cash (used in) investment	(56,821)	(480,838)	(169,360)	(654,022)
Cash flow from financing				
Short-term debt, net	3,699	(245,238)	(111,235)	244,045
Long-term debt				
Issuance		400,000	307,488	460,000
Repayments	(23,413)	(68,911)	(179,308)	(164,777)
Treasury stock				(3)
Dividends paid			(115,892)	(109,310)
Net cash provided by (used in) financing	(19,714)	85,851	(98,947)	429,955
Effects of changes in exchange rates on cash and cash equivalent	(421)	384	3,339	(1,115)
Increase (decrease) in cash and cash equivalent	(3,597)	(331,940)	(2,755)	33,471
Cash and cash equivalent, beginning of period	67,126	390,885	66,284	25,474
Cash and cash equivalent, end of period	63,529	58,945	63,529	58,945

Result Reconciliation

Brazilian Corporate Law v US GAAP (US\$ million)	3Q 2004	YTD 2004
Net Parent Company Income (Corporate Legislation)	124.1	230.9
Realized / (unrealized) profits from subsidiaries	4.7	(5.1)
Net Consolidated Income (Corporate Legislation)	128.8	225.8
Depreciation, depletion and asset write-offs	(14.5)	(52.4)
Income tax provision	9.1	6.1
Equity in results of affiliated company	(6.3)	(5.9)
Amortization of goodwill	6.5	16.7
Foreign-exchange variation	(93.8)	(25.0)
Net Consolidated Income - (US GAAP)	29.8	165.3

Exchange rate at the end of September (US\$1,0000 = R\$2.8586)

"Cash Earnings per ADR" Reconciliation

(US\$ thousand)	1Q 2003	2Q 2003	3Q 2003	4Q 2003	FY 2003	1Q 2004	2Q 2004	3Q 2004	YTD 2004
Net Profit	58,516	2,200	59,304	28,069	148,089	47,184	88,297	29,778	165,259
Non cash adjustments									
Depreciation and depletion	44,447	45,793	51,411	49,857	191,508	50,619	51,554	53,657	155,830
Provision for loss on ICMS credit	4,705	5,811	6,278	6,384	23,178	5,684	6,189	5,426	17,299
Provision for a tax contingency	1	1,260	1,804	7,210	10,275	172	292	590	1,054
Provision for labor indemnity	209	335	314	630	1,488	454	321	267	1,042
PIS/Cofins on exchange variation and financial income	3,138	8,954	2,302	2,778	17,172	2,108	1,817	3,000	6,925
Interest on fiscal contingencies	2,489	3,577	4,740	4,833	15,639	2,572	3,052	2,784	8,408
Gain on currency re-measurement	(10,625)	(30,010)	(1,136)	(184)	(41,955)	(264)	(8,216)	(179)	(8,659)
Equity in results of affiliated company	2,013	4,990	27	(186)	6,844	1,918	(1,995)	6,511	6,434
Income tax and social contribution	30,152	27,910	(27,814)	19,219	49,467	(6,658)	(7,980)	31,386	16,748
Other	(967)	524	292	5,645	5,494	388	556	25	969
Cash earnings	134,078	71,344	97,522	124,255	427,199	104,177	133,887	133,245	371,309
# outstanding shares(ADR/'000')	103,070	103,069	103,069	103,069	103,069	103,069	103,069	103,069	103,069
Cash earnings per ADR	1.30	0.69	0.95	1.21	4.14	1.01	1.30	1.29	3.60

This press release contains statements which constitute forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements are necessarily dependent on assumptions, data or methods that may be incorrect or imprecise and that may be incapable of being realized. Prospective investors are cautioned that any such forward looking statements are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those in the forward looking statements as a result of various factors. The company does not undertake, and specifically disclaims any obligation to update any forward-looking statements, which speak only as of the date made.