

ARACRUZ CELLULOSE S A  
Form 6-K  
July 07, 2008

United States  
Securities and Exchange Commission  
Washington, D.C. 20549

## **FORM 6-K**

Report of Foreign Private Issuer  
Pursuant to Rule 13a-16 or 15d-16  
of the  
Securities Exchange Act of 1934

For the month of  
July 2008

# **Aracruz Celulose S.A.**

## **Aracruz Cellulose S.A.**

(Translation of Registrant's name into English)

Av. Brigadeiro Faria Lima, 2,277 4th floor  
São Paulo, SP 01452-000, Brazil  
(Address of principal executive office)

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

(Check One) Form 20-F  Form 40-F

(Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1))

(Check One) Yes  No

(Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7))

(Check One) Yes  No

(Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

(Check One) Yes  No

(If  Yes  is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b). 82-.)

---

# Aracruz Celulose S.A.

## Condensed Consolidated Financial Information for the three-month and six-month periods ended June 30 , 2008 and 2007 and Report of Independent Registered Public Accounting Firm

---

### REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Directors and Stockholders

Aracruz Celulose S.A.

Aracruz, Espírito Santo, Brazil

1. We have reviewed the accompanying condensed consolidated balance sheet of Aracruz Celulose S.A. and subsidiaries ( the Company ) as of June 30, 2008 and the related condensed consolidated statements of operations, changes in stockholders' equity and cash flows for the three-month and six-month periods ended June 30, 2008 and 2007, all expressed in United States dollars. These condensed consolidated interim financial statements are the responsibility of the Company's management.
2. We conducted our reviews in accordance with standards of the Public Company Accounting Oversight Board (United States). A review of interim financial statements consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the financial statements taken as a whole.

Accordingly, we do not express such an opinion.

3. Based on our reviews, we are not aware of any material modifications that should be made to such condensed consolidated interim financial statements for them to be in conformity with accounting principles generally accepted in the United States of America.
4. We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheet of the Company as of December 31, 2007, and the related consolidated statements of operations, changes in stockholders' equity, and cash flows for the year then ended (not presented herein) and, in our report dated January 10, 2008, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 31, 2007 is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

July 7, 2008

/s/Deloitte Touche Tohmatsu Auditores Independentes

Deloitte Touche Tohmatsu Auditores Independentes

---

## Aracruz Celulose S.A.

### Condensed Consolidated Balance Sheets (Unaudited)

(Expressed in thousands of United States dollars, except number of shares)

	June 30, 2008	December 31, 2007
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	33,934	53,321

Edgar Filing: ARACRUZ CELLULOSE S A - Form 6-K

Short-term investments	494,128	439,940
Derivative instruments	31,204	
Accounts receivable, net	372,716	361,603
Inventories	276,248	225,023
Deferred income tax	12,977	12,280
Recoverable taxes	144,287	140,390
Prepaid expenses and other current assets	23,781	18,843
	1,389,275	1,251,400
<b>Property, plant and equipment, net</b>	2,672,808	2,518,700
<b>Investment in affiliated companies</b>	440,980	415,394
<b>Goodwill</b>	192,035	192,035
<b>Other assets</b>		
Derivative instruments	59,031	29,699
Advances to suppliers	111,659	100,922
Accounts receivable	26,003	24,671
Deposits for tax assessments	27,493	22,520
Recoverable taxes	73,422	64,899
Other	5,021	4,623
	302,629	247,334
<b>Total Assets</b>	4,997,727	4,624,863

2

## Aracruz Celulose S.A.

### Condensed Consolidated Balance Sheets (Unaudited)

(Expressed in thousands of United States dollars, except number of shares)

	June 30, 2008	December 31, 2007
<b>Liabilities and Stockholders' equity</b>		
<b>Current liabilities</b>		
Suppliers	159,789	119,950
Payroll and related charges	31,208	33,310
Income and other taxes	38,848	31,237
Short-term borrowings	6,279	5,646
Current portion of long-term debt		
Related party	83,514	76,082
Other	8,530	5,897
Accrued finance charges	11,387	9,143
Accrued dividends - interest payable on stockholders' equity	54,749	45,495
Other accruals	4,091	959
	398,395	327,719
<b>Long-term liabilities</b>		
Long-term debt		
Related party	365,765	350,274
Other	1,146,425	962,077
Litigation contingencies	148,376	130,999
Liabilities associated with unrecognized tax benefits	90,797	92,449

Edgar Filing: ARACRUZ CELLULOSE S A - Form 6-K

Interest and penalties on liabilities associated with unrecognized tax benefits	54,683	69,046
Deferred income tax, net	358,156	248,879
Other	50,538	44,905
	2,214,740	1,898,629
<b>Minority interest</b>	20,105	11,397
<b>Stockholders' equity</b>		
Share capital - no-par-value shares authorized, issued and outstanding Common stock June 30, 2008 and December 31, 2007 - 455,390,699 shares	518,385	518,385
Preferred stock		
Class A - 27,958,116 shares as of December 31, 2007 and 27,956,802 shares as of June 30, 2008	41,303	41,305
Class B - 549,205,305 shares as of December 31, 2007 and 549,206,619 shares as of June 30, 2008	853,441	853,439
Treasury stock		
Class B preferred stock June 30, 2008 and December 31, 2007 - 1,483,200 shares and Common stock 2008 and 2007 - 483,114 shares	(2,639)	(2,639)
Total share capital	1,410,490	1,410,490
Appropriated retained earnings	1,595,860	1,434,228
Unappropriated retained deficit	(641,863)	(457,600)
	2,364,487	2,387,118
<b>Total Liabilities and Stockholders equity</b>	4,997,727	4,624,863

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

3

## Aracruz Celulose S.A.

### Condensed Consolidated Statements of Operations (Expressed in thousands of United States dollars, except number of shares and per-share amounts) (Unaudited) Continued

	Three-month period ended June 30		Six-month period ended June 30	
	2008	2007	2008	2007
<b>Operating revenues</b>				
Sales of eucalyptus pulp				
Domestic	42,534	32,359	82,387	61,435
Export	562,609	531,818	1,072,880	958,439
	605,143	564,177	1,155,267	1,019,874
Sales taxes and other deductions	66,697	69,973	132,660	130,260
Net operating revenues	538,446	494,204	1,022,607	889,614
<b>Operating costs and expenses</b>				
Cost of sales	348,525	312,988	667,036	553,362
Selling	24,628	21,502	46,188	38,578
Administrative	18,500	15,549	31,990	25,963
Other, net	5,045	(24,012)	14,243	(16,277)
	396,698	326,027	759,457	601,626
<b>Operating income</b>	141,748	168,177	263,150	287,988
<b>Non-operating (income) expenses</b>				

Edgar Filing: ARACRUZ CELLULOSE S A - Form 6-K

Financial income	(100,822)	(62,898)	(129,636)	(112,788)
Financial expenses	18,695	19,303	39,983	44,904
(Gain) loss on currency				
remeasurement, net	11,103	(226)	11,802	475
Other		(3)		(3)
	(71,024)	(43,824)	(77,851)	(67,412)
<b>Income before income taxes, minority interest and equity in results of affiliated companies</b>	212,772	212,001	341,001	355,400
<b>Income tax expense (benefit)</b>				
Current	12,803	12,840	23,861	33,792
Deferred	107,039	54,090	108,612	70,229
	119,842	66,930	132,473	104,021
<b>Minority interest</b>	3,644	6,434	7,708	6,896

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

4

## Aracruz Celulose S.A.

### Condensed Consolidated Statements of Operations (Expressed in thousands of United States dollars, except number of shares and per-share amounts) (Unaudited) Continued

Equity in results of affiliated companies	18,022	16,096	12,664	22,420
<b>Net income</b>	71,264	122,541	188,156	222,063

	Three-month period ended June 30		Six-month period ended June 30	
	2008	2007	2008	2007
<b>Basic and diluted earnings per share</b>				
Class A preferred stock	0.072	0.124	0.190	0.225
Class B preferred stock	0.072	0.124	0.190	0.225
Common stock	0.066	0.113	0.173	0.204
<b>Weighted-average number of shares outstanding (thousands)</b>				
Class A preferred stock	27,957	37,962	27,958	37,962
Class B preferred stock	547,723	537,718	547,722	537,718
Common stock	454,908	454,908	454,908	454,908

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

5

## Aracruz Celulose S.A.

**Condensed Consolidated Statements of Operations** (Expressed in thousands of United States dollars, except number of shares and per-share amounts) (Unaudited) Continued

	2008	Six-month period ended June 30, 2007
<b>Cash flows from operating activities</b>		
Net income	188,156	222,063
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and depletion	113,192	104,868
Equity results of affiliated company	12,664	22,420
Deferred income tax	108,612	70,229
(Gain) loss on currency remeasurement	11,802	475
(Gain) loss on sale of equipment	(2,584)	736
Decrease (increase) in operating assets		
Accounts receivable, net	(12,592)	(27,608)
Interest on short-term investments	(84,958)	(13,054)
Inventories, net	(51,248)	(11,261)
Recoverable taxes	7,094	(18,253)
Other	(6,771)	(1,265)
Increase (decrease) in operating liabilities		
Suppliers	33,363	(1,712)
Payroll and related charges	(4,254)	(2,421)
Litigation, contingencies and liabilities associated with unrecognized tax benefits	(24,303)	12,953
Accrued finance charges	1,890	(8,813)
Other	11,744	6,508
Net cash provided by operating activities	301,807	355,865
<b>Cash flows from investing activities</b>		
Short - term investments		
Applications	(39,323)	(1,967)
Redemptions	61,823	193,716
Proceeds from sale of equipment	2,775	201
Investments in affiliate	(38,250)	(96,000)
Additions to property, plant and equipment	(270,005)	(249,408)
Net cash used in investing activities	(282,980)	(153,458)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

6

**Aracruz Celulose S.A.****Condensed Consolidated Statements of Cash Flows** (Expressed in thousands of United States dollars)

(Unaudited) (Continued)

Six-month period

Edgar Filing: ARACRUZ CELLULOSE S A - Form 6-K

	2008	ended June 30, 2007
<b>Cash flows from financing activities</b>		
Net borrowings short-term debt	7,517	340
Long-term debt		
Borrowings		
Related parties	19,888	22,110
Other	180,000	210,000
Repayments		
Related parties	(39,764)	(33,757)
Other		(201,854)
Dividends and interest on stockholders' equity paid	(205,218)	(150,517)
Net cash used in financing activities	(37,577)	(153,678)
Effect of changes in exchange rates on cash and cash equivalents	(637)	