

SUZANO PAPEL E CELULOSE S.A.

Brazilian Tax ID (CNPJ/MF) No. 16.404.287/0001-55

Notice to the Market

São Paulo, December 3, 2010 – For compliance with CVM Instruction No. 358/02, as amended, **Suzano Papel e Celulose S.A. (Bovespa: SUZB5)**, announces that on December 1, 2010, it has received from BNDES Participações S.A. (“**BNDESPAR**”) notice of exercise of conversion rights for issuance of class “A” preferred shares of the Company in exchange for one hundred forty-one thousand, nine hundred and nineteen (141,919) convertible debentures (2nd series), and issuance of common shares of the Company in exchange for seventy thousand, nine hundred fifty-nine (70,959) convertible debentures (1st series) (“**Debentures**”), pursuant to the terms and conditions of the “Private Deed of Fourth Issuance of Convertible Floating Charge Debentures of Suzano Papel e Celulose S.A. (1st and 2nd series)” dated July 6, 2006 (“**Indenture**”). The Debentures were issued with a nominal value of one thousand Brazilian *reais* (R\$1,000.00).

Pursuant to the conversion rules set forth in the Indenture and consistent with the rights thus exercised, as of December 1, 2010, which is the conversion date, the capital stock of Suzano increased by R\$218,523,649.04 million as a result of the issuance to BNDESPAR of 5,263,014 million new common shares and 10,526,267 million new class “A” preferred shares, each in book-entry form, with no par value. All the shares issued have and shall have the same rights and advantages attributed under the bylaws at present and in the future to each respective type and class, participating *pro rata temporis* in the results for the business year in which they were issued. Such as previously agreed between BNDESPAR and Suzano Holding S.A., all of the common shares for which Debentures have been exercised at this time will be acquired by Suzano Holding S.A.

Following this issuance of shares, the capital stock of the Company is now represented by a total of 408,892,401 million shares, of which 140,039,904 million are common shares, 266,926,398 million are class “A” preferred shares and 1,926,099 million are class “B” preferred shares.

Moreover, resulting from this issuance of shares, as of December 1, 2010 the free float increased to forty-five point four percent (45.4%) from forty-four point five percent (44.5%) previously.

For additional information you may contact us at phone number +55 11 3503-9061 or at the e-mail address ri@suzano.com.br