

SUZANO PAPEL E CELULOSE S.A.

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

MATERIAL FACT

For compliance with article 157, paragraph 4, of Brazilian Corporate Law (Law No. 6.404/76) and with the provisions of CVM Instruction No. 358/02, as amended, **SUZANO PAPEL E CELULOSE S.A.** (“Company”) (BM&FBOVESPA: SUZB5), announces that on this date **FIBRIA CELULOSE S.A.** (“Fibria”) has accepted on an irrevocable and irreversible basis the Company’s binding offer (“Offer”) to purchase their ownership interest in the assets of Conpacel - Consórcio Paulista de Papel e Celulose (collectively, the “Conpacel Assets”), comprising 50 % of the following:

- (i) Pulp and paper mill with output capacity of approximately 390 thousand tons per year of paper and around 650 thousand tons of pulp per year; and
- (ii) Owned land totaling approximately 76 thousand hectares, and around 71 thousand hectares of planted forests, of which 53 thousand hectares on own land and 18 thousand hectares on leased land.

The purchase prices for the Conpacel Assets is R\$1,450 million. The financial closing of the transaction and the execution of all definitive agreements are scheduled to occur by January 31, 2011.

Additionally, the Offer encompasses the acquisition of paper distribution operations of KSR (“KSR Assets”) for R\$50 million, subject to adjustments following completion of due diligence. The financial closing of this acquisition is scheduled to occur by February 28, 2011.

The acquisition transactions announced herein will be submitted for approval by relevant government authorities.

With Conpacel Assets, the Company should capture operating and administrative synergies with estimated present value of approximately R\$300 million. Synergies of the KSR Assets are not included in such amount.

These acquisitions will entail benefits for the Company, distributors, customers, consumers and the community at the locations where the Company operates. Additionally, it enhances the Company's strategy of (i) operating competitive assets, and consolidating its regional leadership in printing and writing papers; (ii) maximizing the profitability of its paper business; (iii) expanding its regional paper distribution platform; and (iv) growing its market pulp business.

São Paulo, December 21, 2010.

Antonio Maciel Neto

Chief Executive Officer and Investor Relations Officer