

SUZANO PAPEL E CELULOSE S.A.
CNPJ: 16.404.287/0001-55
PUBLICLY HELD COMPANY

NOTICE TO SHAREHOLDERS

**SUBSCRIPTION OF REMAINING DEBENTURES OF THE 4th ISSUE
NOT SUBSCRIBED IN THE PREFERENCE PERIOD**

Suzano Papel e Celulose S.A. (formerly named Suzano Bahia Sul Papel e Celulose S.A.) (“the Company”) hereby advises its stockholders that the period for exercise of the right to subscribe Debentures, convertible into shares, of the Company’s 4th Issue, as approved by the Extraordinary General Meeting of Stockholders of the Company held on July 6, 2006 (“the Debentures” and “the Issue”) not subscribed in the first preference period, starts today and terminates on August 11, 2006. The right to subscribe the remaining securities to which this notice refers is granted only to shareholders who stated their interest in subscribing these remaining securities at the time of their subscription of the Debentures, during the preference period, on the respective subscription bulletin, and is governed by each shareholder’s proportionate percentage holding in the Company’s registered capital. The right of subscription of the remaining Debentures may be exercised at the following branches of the mandated bank for the Issue, Banco Itaú S.A.:

- (i) São Paulo: Rua Boa Vista 176, 1st Basement. Tel: 11 3247-3139
- (ii) Rio de Janeiro: Rua Sete de Setembro 99, Basement. Tel: 21 2508-8086
- (iii) Belo Horizonte: Av. João Pinheiro 195, Ground Floor. Tel: 31 3249-3524
- (iv) Porto Alegre: Rua Sete de Setembro 746, Ground Floor. Tel: 51 3210-9150
- (v) Curitiba: Rua João Negrão 65. Tel: 41-3320-4128
- (vi) Salvador: Av. Estados Unidos 50, 2nd Floor. Tel: 71 3319-8010
- (vii) Brasília: SCS Quadra 3, Edifício Dona Angela, Ground Floor. Tel: 61 3316-4850

São Paulo, August 10, 2006

Bernardo Szpigel
Chief Financial and Investor Relations Officer