



SUZANO
PAPEL E CELULOSE

Shareholders approve Suzano's 4th debenture issue *Private placement*

São Paulo, July 7, 2006: Yesterday a shareholders' meeting of **Suzano Papel e Celulose** (Bovespa: SUZB5), one of Latin America largest integrated producers of pulp and paper, approved the company's 4th **debenture issue**, for private placement, and also the change of the company's name to **Suzano Papel e Celulose S.A.**

The minutes of this meeting in Portuguese are on www.suzano.com.br/ri, and will be in English on that site on Monday. The main points are:

Total amount of the issue: R\$ 240,000,000.00 (two hundred and forty million Reais) at the Issue Date, December 1, 2005.

Par value: R\$ 1,000.00 (one thousand Reais) on the Issue Date.

Remuneration: Nominal Unit Value updated by the Brazilian Long-Term Interest Rate (TJLP), plus 2.5% p.a.

Number of debentures: The total of the issue will be 240,000 (two hundred and forty thousand) debentures.

Series: The issue is made in two series. The first is of 80,000 (eighty thousand) debentures convertible into common shares in Suzano Papel e Celulose, and the second is of 160,000 (one hundred sixty thousand) debentures convertible into class A preferred shares in Suzano Papel e Celulose.

Type and class: The whole issue will be of book-entry debentures, convertible into shares, without deposits or certificates.

Subscription price, paying-in, form and subscription period: The subscription price will be the Nominal Unit Value, plus any Remuneration calculated *pro rata temporis* from the Issue Date to the date of paying in, and paying in for subscription will be at sight, simultaneously with subscription, in Brazilian currency. The debentures will be placed privately, without registration with the CVM (Brazilian Securities Commission), and the subscription period will be 40 (forty) calendar days from the day following the publication of the Notice to Shareholders to be published after the Extraordinary General Meeting of Shareholders ("the Subscription Period" and "the Notice to Shareholders"). The

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Subscription Period will be 30 (thirty) days, in which current shareholders will have first refusal right to subscribe the Debentures and there will be a period for subscription of any leftovers;

Proportionality: Each debenture is equivalent to 1,304.45768333 shares, or 0.07666021% of the capital. Holders of common shares will be able to acquire only debentures of the First Series, and holders of preferred shares will be able to acquire only debentures of the Second Series. If the quantity of debentures which a shareholder is entitled to subscribe, during the preference period, under his preference right, to preserve his proportionality of ownership of the company's capital results in a number which is a fraction, the shareholder's entitlement will be rounded up to the next round number.

First refusal: Current shareholders have the right of first refusal in proportion to the number and type of the shares they own in the company on July 6, 2006, for 30 (thirty) calendar days from the day following publication of the respective Notice to Shareholders, inclusive.

Tenor and maturity date: The tenor of the debentures will be 7 (seven) years from the Issue Date, so that the maturity date will be December 1, 2012;

Convertibility: (a) Each debenture of the First Series and each of the Second Series will be able to be converted at any time at the holder's option - the First Series being convertible into common shares in the company and the Second Series being convertible into class "A" preferred shares in the company. (b) Up to and including December 31, 2006 the conversion price for the debentures of the First and Second Series will be R\$ 14.83 (fourteen Reais and eighty three centavos) per share. (c) On and after January 1, 2007, inclusive, the conversion price of the debentures of the First and Second Series will be R\$ 17.30 (seventeen Reais and thirty centavos) per share.

Suzano Papel e Celulose is one of the largest vertically integrated producers of eucalyptus pulp and paper in Latin America, with annual production capacity totaling 1.1 million tons/year of pulp and 820 thousand tons of paper, and annual revenue of R\$ 1 billion. It offers a broad range of pulp and paper products for the domestic and international markets, with leadership positions in key Brazilian markets. It has four product lines: (i) eucalyptus pulp; (ii) uncoated woodfree printing and writing paper; (iii) coated woodfree printing and writing paper; and (iv) paperboard.

Suzano Papel e Celulose owns 50% of **Ripasa S.A Celulose e Papel**, which produces pulp, printing and writing paper, specialty papers, paperboard and cardboards. In 2005 **Ripasa** sold 646,000 tons of products, for net sales of R\$ 1.4 billion. It has four industrial units in São Paulo State, and forest areas totaling 86,400 hectares.