



SUZANO PAPEL E CELULOSE S.A.
CNPJ/MF nº 16.404.287/0001-55

SUZANO HOLDING S.A.
CNPJ/MF nº 60.651.809/0001-05

MATERIAL FACT

In the terms of article 157, § 4 of Law 6,404 of December 15, 1976, as amended ("Brazilian Corporate Law") and the provision of Instruction n 358, of January 3, 2002, as amended, of the Brazilian Securities Commission ("CVM"), **Suzano Papel e Celulose S.A. (BOVESPA: SUZB5)** ("Company") and **Suzano Holding S.A.** ("Suzano Holding"), as a supplement to the communication already disclosed to the market, inform its shareholders and the market in general that the Company shareholders, at the Extraordinary General Meeting held on May 12, 2011 ("EGM"), approved the proposal to issue 1,200,000 debentures, of type with floating guarantee, for private distribution, with unit nominal value of R\$ 1,000.00, totaling the amount of R\$ 1,200,000,000.00, at the issuance date, namely, December 15, 2010, which will constitute the 5th (fifth) issuance of the Company debentures ("Issuance"). The Issuance will be carried out in two series, the 1st series composed of 401,819 debentures convertible into common shares issued by the Company ("Debentures of the 1st Series") and the 2nd. series composed of 798,181 debentures convertible into preferred shares issued by the Company ("Debentures of the 2nd Series"). The debentures will not be traded on a stock exchange or non-organized over-the-counter market.

In addition, the Company and Suzano Holding will execute with **BNDES PARTICIPAÇÕES S.A. - BNDESPAR** ("BNDESPAR") the "Private Agreement of Promise for the Subscription of Debentures Convertible into Shares, of Type with Floating Guarantee of the 5th (fifth) Issuance of Suzano Papel e Celulose S.A. and Other Covenants", as approved by BNDESPAR Executive Board at meeting held on April 12, 2011. In the terms of the mentioned contract, (a) BNDESPAR commits to subscribe and pay up to 561,789 Debentures of the 2nd. Series, a number composed of (i) the portion to which BNDESPAR is entitled as the Company shareholder, upon the exercise of its preemptive right; and (ii) the remaining possibly unsubscribed Debentures of the 2nd Series; and (b) Suzano Holding commits to subscribe and pay, at least 371,626 Debentures of the 1st. Series and 236,392 Debentures of the 2nd. Series, this number composed of (i) the portion to which Suzano Holding is entitled as the Company shareholder, upon the exercise of its preemptive right; and (ii) the remaining possibly unsubscribed Debentures of the 1st Series, so as to guarantee the subscription of total 1st. Series Debentures.

The Company and Suzano Holding further inform that the Shareholders Agreement will be executed with BNDESPAR and the controlling shareholders of Suzano Holding. The Shareholders Agreement will be effective as from the payment date by BNDESPAR, of the

remaining 2nd. Series Debentures to which it is entitled in the scope of the Issuance the copy of which will be available in full, as soon as executed, both at the Company site (<http://www.suzano.com.br/ri>), and at CVM site (<http://www.cvm.gov.br>).

The Company and Suzano Holding will keep their shareholders and the market informed on the Issuance, as soon as new facts occur

São Paulo, May 12, 2011.

Antonio Maciel Neto
CEO and Investors Relation Officer
Suzano Papel e Celulose S.A.

Orlando de Souza Dias
Vice-CEO and Investors Relation Officer
Suzano Holding S.A.