



SUZANO PAPEL E CELULOSE S.A.
CNPJ/MF No. 16.404.287/0001-55
NIRE 29300016331
Authorized capital publicly-held corporation

ADMINISTRATION'S PROPOSAL FOR THE MEETINGS OF DEBENTURE HOLDERS OF THE 1ST
AND 2ND SERIES OF THE 3RD ISSUANCE OF UNSECURED DEBENTURES NON-CONVERTIBLE
INTO STOCKS OF SUZANO PAPEL E CELULOSE S.A.

Proposal of Suzano Papel e Celulose S.A.'s Administration ("Company") made to the Debenture holders of the 1st and 2nd Series of the 3rd Issuance of Unsecured Debentures Non-convertible into Stocks of the Company ("Debentures") at the Meetings of Debenture holders to be held on December 28, 2011 ("AGDs") under the call notice disclosed to the market.

The General Meetings of Debenture holders have been called to resolve on: (i) the waiver to the Company, in the event of any noncompliance with the leverage limit under the Clause 4.12.1.i.2 of the Indenture; (ii) the indication that upon said waiver, the Company's obligation in respect of the Clause 4.12.1.i.2 of the Indenture shall be performed again from the expiration of said waiver; and (iii) the resolution on a waiver fee to be paid to the Debenture holders under the resolutions above.

As set forth by the Clause 4.12.1.i.2 of the Indenture, the Company shall follow, in respect of its consolidated balance sheet, as computed on a quarterly basis the ratio between Consolidated Net Debt and consolidated EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization) equal or less than 4.0 at the end of each calendar quarter, and such ratio shall not be exceeded by the Company for two consecutive quarters.

In conformity with its quarterly financial statements for the quarter ended on September 30, 2011, the Company's net debt was R\$ 5,291.4 million, that is, 26.1% higher than the net debt in June 2011, which results from: (i) the increased gross debt as a result of variation in exchange rate at 18.8% over the exposure of balance between the opening (R\$ 1.56/USD) and closing (R\$ 1.85/USD) for the quarter, with an accounting impact on debt in foreign currency; and (ii) the reduction of R\$146.7 million in EBITDA over the last 12 months ended on September 30, 2011 against EBITDA over the last 12 months ended on June 30, 2011. The net debt vs. EBITDA ratio is determined in 4.2x and has exceeded the limit set forth in Clause 4.12.1.i.2 of the Indenture.

Several actions are being taken in order to strengthen the Company's capital composition and make feasible the future projects of 2024 Suzano Plan. As previously announced, the Company has been working in disposal of its equity interest in Usina Amador Aguiar (Capim Branco), in sale of lands in the State of São Paulo and in capitalization of Suzano Energia Renovável. Furthermore, the sale of certain assets in the area of paper and/or interests in new cellulose projects is not disregarded, and no

decision has been taken in this respect. The Company emphasizes that it will continue to analyze the best alternatives for its capital composition and business opportunities.

Thus, the Company wishes to request to the Debenture holders to preventively waive the obligation set forth in Clause 4.12.1.i.2 of the Indenture, taking into account that the Company is in compliance with the terms of the Indenture. In addition, it is proposed that the waiver should be temporary, and the Company shall follow the leverage limit set forth in Clause 4.12.1.i.2 of the Indenture at the time to be established at the AGDs.

At last, the Debenture holders shall resolve on the payment of a fee in consideration for the waiver, as described above.

São Paulo, December 16, 2011

Alberto Monteiro de Queiroz Netto
Executive Director for Finances and Investor Relations