



SUZANO PAPEL E CELULOSE S.A.
Corporate Taxpayer ID (CNPJ/MF): 16.404.287/0001-55
Company Registry (NIRE): 29300016331
Authorized Capital Publicly-Held Company

PROPOSAL OF THE ADMINISTRATION TO HOLDERS OF THE COMPANY UNSECURED NON-CONVERTIBLE DEBENTURES

Proposal of Suzano Papel e Celulose S.A.'s Administration ("Company") to be made to the Debenture holders of the First and Second Series of the Third Issuance of Unsecured Non-convertible Debentures of the Company ("Debentures") at the Meetings summoned to be held on December 20, 2012 ("Meeting").

The General Meetings of Debenture holders have been summoned to pass deliberations on: (A) a waiver to the Company in case it does not comply with the leverage limit sets forth in Clause 4.12.1.i.2 of the Indenture, expressed at the consolidated Net Debt/consolidated EBITDA equal or lower than 4.0, considering that: (i) the Company will be released to comply with this obligation until 04.01.2014 (the maturity date of the Debentures of the First Series) or at an earlier date as may be set by the Meeting and (ii) with respect to the Debentures of the Second Series, this obligation shall become effective again from and based on the initial calculation for the Second quarter of 2014 or other quarter as may be set by the Meeting; and (B) payment of a premium to the Debenture Holders in face of the aforementioned resolution (A).

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 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 accordance with its quarterly financial statements for the quarter ended on September 30, 2012, the Company's net debt was R\$ 6,003.2 million, that is, 11.5% higher than the net debt in June 2012. The net debt against EBITDA ratio was 4.7x which resulted from: (i) the investment made in the period; and (ii) the increase of R\$ 33.4 million in EBITDA over the last 12 months ended on September 30, 2012 in comparison against the EBITDA over the last 12 months ended on June 30, 2012. Thus the limit set forth in Clause 4.12.1.i.2 of the Indenture was exceeded.

Several actions have been taken in order to strengthen the Company's capital composition and to increase Company's liquidity. In 2012 the Company finalized a Public Offering of Shares in the amount of R\$ 1.5 billion and carried out several capital raising operations and debt rollover in the

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amount of R\$ 3.7 billion. Accordingly, the short-term maturities of the Company representing 22.6% of gross debt in September 2011 were reduced to 11.0%, and the average term of debt increased from 3.9 to 4.6 years.

Thus, the Company intends to request the Debenture holders to grant it a preventive waiver regarding the obligation set forth in Clause 4.12.1.i.2 of the Indenture, taking into account that the Company is currently in compliance with the terms of the Indenture. In addition, it is proposed that the waiver should remain in force until the maturity date of the Debentures of the First Series, i.e. in 04/01/2014 or an earlier date as may be set by the Meeting and should be temporary to the Debentures of the Second Series, and the Company shall follow the leverage limit set forth in Clause 4.12.1.i.2 of the Indenture from the Second quarter of 2014 or other quarter as may be set by the Debenture Holders' Meeting to this Series.

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

Sao Paulo, December 04, 2012.

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CFO and Investor Relations Director

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