

**AGREEMENT AND PLAN OF MERGER OF
VALE FLORESTAR S.A. INTO SUZANO PAPEL E CELULOSE S.A.**

By this private instrument and in accordance with law, the management bodies of the parties mentioned below, pursuant to the applicable provisions of Federal Law 6,404 of December 15, 1976, as amended (“Brazilian Corporations Law”):

1. **SUZANO PAPEL E CELULOSE S.A.**, a corporation with head office at Avenida Professor Magalhães Neto, 1752, 10º andar, salas 1009, 1010 e 1011, in the city of Salvador, state of Bahia, inscribed in the corporate taxpayers register (CNPJ/MF) under no. 16.404.287/0001-55 and in the Company Registry (NIRE) under no. 29.300.016.331, herein represented pursuant to its Bylaws (“Suzano” or “Acquiring Company”); and
2. **VALE FLORESTAR S.A.**, a corporation with head office at Rodovia BR 010, km 16, sem número, in the city of Dom Eliseu, state of Pará, CEP 68.633-000, inscribed in the corporate taxpayers register (CNPJ/MF) under no. 11.985.056/0001-69 and in the Company Registry (NIRE) under no. 15.3000.189-19, herein represented pursuant to its Bylaws (“Vale Florestar” or “Acquired Company”),

in light of the agreements between them to cause the merger of the Acquired Company into the Acquiring Company in accordance with articles 224 and 225 of Brazilian Corporations Law, sign this Agreement and Plan of Merger of Vale Florestar S.A. into Suzano Papel e Celulose S.A. (“Merger Agreement”), which sets out the justification and conditions proposed for the transaction, as follows:

1. Introduction

1.1 The capital of the Acquired Company is, on this date, five hundred ninety-six million, seven hundred eighty-two thousand, four hundred fifty-one reais (R\$596,782,451.00), divided into five hundred ninety-six million, seven hundred eighty-two thousand, four hundred fifty-one (596,782,451) registered shares with no par value, distributed among its shareholders as follows:

Shareholder	Number of Shares	Interest
Vale Floresta FIP	596,782,450	99.9%
Suzano	1	0.1%
Total	596,782,451	100%

The capital of the Acquiring Company is six billion, two hundred forty-one million, seven

hundred fifty-three thousand, thirty-two reais and sixteen centavos (R\$ 6,241,753,032.16) divided into one billion, one hundred seven million, seven hundred thirty-eight thousand, six hundred seventy-seven (1,107,738,677) shares with no par value, which consist of three hundred seventy-one million, one hundred forty-eight thousand, five hundred thirty-two (371,148,532) registered common shares, seven hundred thirty-four million, six hundred forty-nine thousand, three hundred twenty-six (734,649,326) class A preferred shares, and one million, nine hundred forty thousand, eight hundred nineteen (1,940,819) class B preferred shares, all book-entry shares.

1.2 Prior to the merger of Vale Florestar into Suzano, Suzano will deliberate on the liquidation of Vale Florestar Fundo de Investimentos em Participações, a private equity fund with address at Avenida Paulista, 1111, 2 andar – parte, Bela Vista/SP, inscribed in the corporate taxpayers register (CNPJ/MF) under no. 11.697.559/0001-39, administered by Citibank Distribuidora de Títulos e Valores Mobiliários S.A. and managed by Global Equity Administradora de Recursos S.A, with head office in the city and state of Rio de Janeiro, at Rua Lauro Muller, nº116, sala 1802, Torre Rio Sul, Botafogo and inscribed in the corporate taxpayers register (CNPJ/MF) under no. 05.739.207/0001-04, authorized to administer securities portfolios by Declaratory Act No. 7,308 of July 16, 2003, of the Securities and Exchange Commission of Brazil (CVM), (“Vale Florestar FIP”), whose sole shareholder is the Acquiring Company, and currently holds equity interest in the Acquired Company, as per clause 1.1 above.

Following the liquidation and subsequent dissolution of Vale Florestar FIP, the shares issued by the Acquired Company, which, on this date, are subscribed to by Vale Florestar FIP, will be transferred to the Acquiring Company, which, prior to the underlying merger of this Merger Agreement, will directly hold all the shares of the Acquired Company.

2. Justification of the Merger

2.1 Given that the Acquiring Company will directly hold all the shares of the Acquired Company and that one of the activities in the corporate purpose of the Acquiring Company is the plantation and exploration of homogeneous forests, which is the same activity as of the Acquired Company, the merger will bring significant operational, administrative, economic or financial benefits to the companies, namely:

- (i) rationalization and simplification of their corporate structure with the concentration in a single company of all assets and, consequently, consolidation and reduction of combined operating costs and expenses, and
- (ii) the merger of the business and equity resources of the companies involved in

the operation will permit better management of their operations, assets and cash flows, thus resulting in better utilization of their operating assets and more benefits for the corporate activities they perform.

Thus, the merger will meet the interests of the Acquiring Company and the Acquired Company, as well as their shareholders.

2.2 The merger will be consummated upon fulfillment of the conditions set forth in this Merger Agreement, which will be submitted to consideration and approval of the respective shareholders of the Acquired Company and the Acquiring Company.

3. Valuation of the Net Assets of the Acquired Company and Reference Date of the Merger.

3.1. The merger will be carried out at the book value of the Acquired Company, determined in a valuation report based on the balance sheet of the Acquired Company prepared on August 31, 2014 (“Reference Date”), as per the carrying amounts in the books of the Acquired Company on said date (“Valuation Report”).

3.2 The net assets of the Acquired Company were valued according to law by the expert firm Deloitte Touche Tohmatsu Auditores Independentes, a civil association with head office in the city and state of São Paulo, at Rua Alexandre Dumas 1.981, Chácara Santo Antonio, registered with the Regional Accounting Council of the state of São Paulo under no. 2 SP 11609/O-8, inscribed in the Corporate Taxpayers Register (CNPJ/MF) under no. 49.928.567/0001-11 and in the Civil Registry of Legal Entities of São Paulo on December 28, 1977, with subsequent amendments registered in the same Notary Public (“Expert Firm”), hired *ad referendum* the Extraordinary Shareholders' Meeting of the Acquiring Company.

3.3 The valuation criteria used by the Expert Firm for the merger was the respective book value, as envisaged in articles 183 and 184 of Brazilian Corporations Law.

3.4 The results of the valuation are described in the Valuation Report dated August 31, 2014, submitted by the Expert Firm, which includes all the requirements of applicable law. The Valuation Report will also be submitted to consideration and vote of the respective shareholders of the Acquired Company and the Acquiring Company, and is attached to this Merger Agreement as Appendix I - Valuation Report.

3.5 Based on the above-mentioned Valuation Report and the balance sheet included in the Valuation Report, the net assets of the Acquired Company on the Reference Date, at book value, to be transferred to the Acquiring Company are four hundred eighty-two

million, seven hundred forty thousand, one hundred seventy-two reais and seventy-seven centavos (R\$ 482,740,172.77).

4. Terms of Merger

4.1. The merger will be carried out under the following terms:

- (a) all the asset and liability items of the Acquired Company will be transferred to the Acquiring Company. The assets and liabilities of Vale Florestar to be transferred to Suzano include, merely as an example and without prejudice to other assets and liabilities comprising the equity of Vale Florestar, the following: (i) the Leasing Agreements listed in Appendix II hereto; (ii) all commercial establishments and branches of Vale Florestar; (iii) all property, plant and equipment, including, but not limited to, all vehicles and equipment related to Vale Florestar; (iv) all personal guarantees and/or security interest granted or provided by third parties on behalf of Vale Florestar; and (v) all agreements to which Vale Florestar is a party; (vi) all licenses and authorizations held by Vale Florestar. Moreover, all employees of Vale Florestar, along with their respective labor obligations, will be transferred to Suzano;
- (b) considering that the net assets of the Acquired Company to be transferred to the Acquiring Company, amounting to four hundred eighty-two million, seven hundred forty thousand, one hundred seventy-two reais and seventy-seven centavos (R\$ 482,740,172.77), correspond solely to the interest held by the Acquiring Company in the capital of the Acquired Company, the merger will be carried out without any increase in the capital of the Acquiring Company;
- (c) the values of the asset and liability items of Vale Florestar are already fully reflected in the equity of the Acquiring Company through equity accounting. Hence the merger will not entail any change in the capital of the Acquiring Company or the issue of new shares, and the five hundred ninety-six million, seven hundred eighty-two thousand, four hundred fifty-one (596,782,451) shares issued by the Acquired Company will be canceled as a result of the merger.

4.2 Changes in equity after the Reference Date will be absorbed and booked directly by the Acquiring Company.

4.3 Once the merger is approved by the respective shareholders of the Acquired Company and the Acquiring Company, the Acquired Company will be dissolved and succeeded by the Acquiring Company, without interruption, in all its assets and liabilities,

rights and obligations of any nature, and the Acquiring Company will be responsible for filing and publishing the merger records.

4.4 To consider and vote on the underlying merger of this Merger Agreement, an (i) Extraordinary Shareholders Meeting of Suzano and (ii) Extraordinary Shareholders Meeting of Vale Florestar will be held.

4.5 The executive boards of the Acquired Company and the Acquiring Company shall take all the measures necessary to consummate the purpose of this Merger Agreement, including, but not limited to, any registrations, filings and declarations with competent public authorities.

IN WITNESS WHEREOF, the parties sign this instrument in six (6) counterparts of equal content, in the presence of two (2) witnesses.

São Paulo, September 12, 2014.

SUZANO PAPEL E CELULOSE S.A.

By:

Position:

SUZANO PAPEL E CELULOSE S.A.

By:

Position:

VALE FLORESTAR S.A.

By:

Position:

VALE FLORESTAR S.A.

By:

Position:

Witnesses:

1.

Name:

RG No.:

2.

Name:

RG No.:

Appendix I
Valuation Report of Vale Florestar S.A.

Appendix II
Leasing Agreements