

Project Puma Investment Opportunity

June 2012

Executive Summary

- One of the largest Pulp and Paper companies in Brazil (the “Sponsor”) plans to raise US\$850 million in equity (the “Transaction”) to fund the construction of a pulp mill to produce 1,500k tons per year of hard and softwood (fluff) market pulp (“Project”)
- The capital structure of the Project will be comprised of:
 - The Sponsor will contribute 107k ha of planted forest and US\$ 150 million in cash for 51% of the Project;
 - Investors will contribute US\$850 million for 49% of the Project
 - ✓ A non-binding agreement has been reached with a well-known sovereign wealth fund for an indicative commitment of US\$300 million (“Anchor investor”)
 - ✓ The terms of this agreement grant investors will have significant governance rights and a well defined exit path
 - US\$1.8 billion in financing from the Brazilian National Development Bank (BNDES)
- The plant to be build in the South of Brazil is expected to be best-in-class among other global pulp mills as a result of: (i) Proximity of plant to one of the best eucalyptus and pine forests in the World; (ii) High forest productivity (iii) Efficient in and outbound logistics; and (iv) State-of-the-art industrial facility
- The Sponsor is widely recognized for its deep local market knowledge and unique expertise in forest management, built over 112 years of experience in the sector
- Further information on the opportunity will be made available following the execution of a Confidentiality Agreement

The Project will be the most competitive pulp mill in the World

Project at a glance

Formed forest base and pulp mill to produce hardwood and softwood for both domestic and international markets



Wood supply

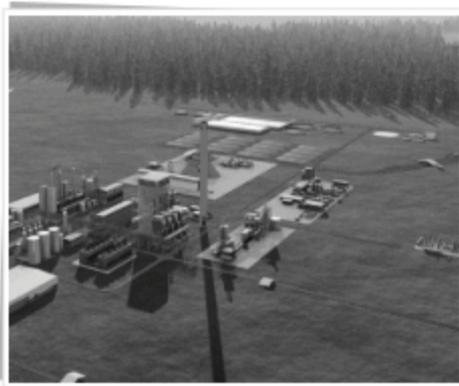
- 106,500 hectares of forest
- Highly productive eucalyptus and pine plantation forest in the State of Paraná. Current Mean Annual Increment (MAI) of:
 - 54 and 42 m³ per hectare per year for Eucalyptus and Pine, respectively⁽¹⁾

Logistics

- Inbound: Average distance from the forest to the mill of 75km, significantly lower than local peers
- Outbound: Access from the mill to the port through railway
 - The Company already owns an area of 40,000 m² in the port

Pulp mill

- State-of-the-art technology
- Location strategically selected
- Production capacity of 1,100kt of hardwood, 50kt of softwood and 350kt of fluff
 - Flexibility to change the mix of production
- 150MW of energy surplus
 - 100% from biomass and cogeneration



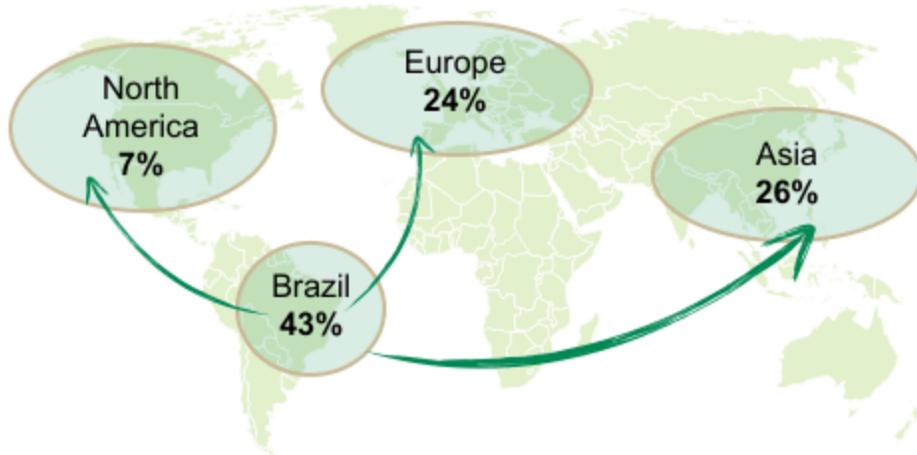
Project Highlights

- Exposure to domestic and international markets
 - The demand for high-value-added Fluff products in Brazil is currently supplied by imported products
 - New plant is expected to supply most of the domestic demand for Fluff
 - The hardwood pulp sales will be sold to the tissue and packaging segments, which are less volatile
- Brazil has the most competitive pulp production in the World
 - Cost advantage stems mainly from:
 - Lower fiber cost, given forestry productivity; and
 - Access to efficient logistics
- Company is well positioned to reap the benefits of a highly attractive opportunity
 - Large experience in forest management and up-to-date capabilities
 - Historic relationship with equipment suppliers and customer base
 - Proven track record in the execution of large scale projects

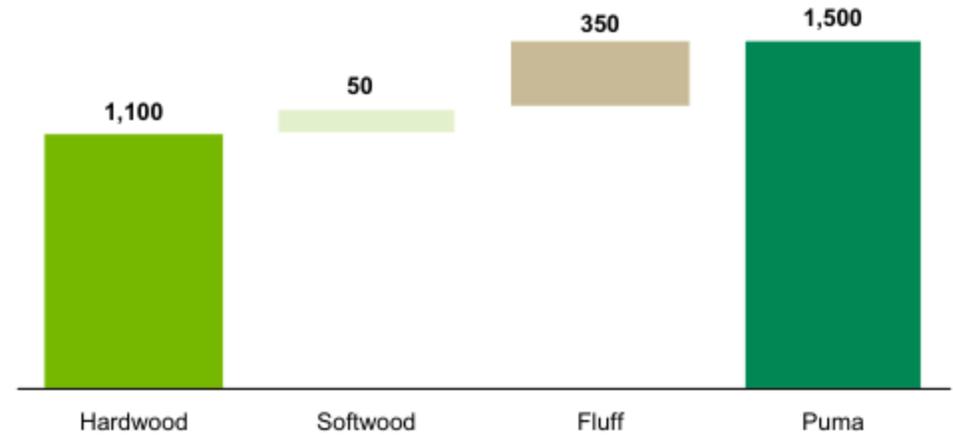
Note: (1) Debarked wood

Project at a Glance (cont.)

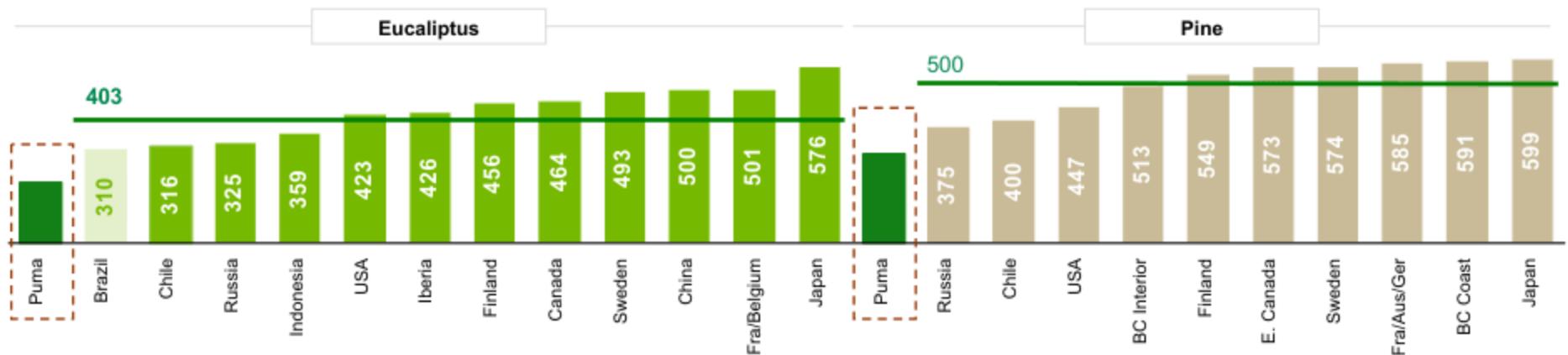
Expected mix of sale (% of production)



Project potential capacity (Mtpy)



Cash Cost FOB (US\$ / tonne)



Source: Sponsor and Hawkins Wright, July 2011 – FOB - Hardwood 1Q11 Estimates / Softwood 2Q11 Estimates

Investment highlights



Exposure to domestic and international attractive markets



Undisputable competitiveness with the lowest cash costs in the World

Project Puma

Formed forest base with unmatched productivity

Unparalleled logistics – plant close to forest and linked to port



High flexibility to change product mix aiming to leverage on market opportunities

Strong margins and stable cash generation allowing for consistent and attractive returns



Strong sponsorship and seasoned management team