



CELLULOSE IRANI S.A.
CNPJ Nº92.791.243/0001-03
NIRE Nº43300002799
PUBLIC COMPANY

**MINUTES OF A MEETING OF THE BOARD OF DIRECTORS, HELD IN THE HEADQUARTERS,
AT RUA GENERAL JOÃO MANOEL, 157, PORTO ALEGRE / RS AT 18:30 ON FEB 08 - 2007.**

1. At the meeting were most of the members of Board of Directors, which was presided over by Péricles Freitas Druck - President.

2. Observing what was left over to deliberate from the Meeting of this Council held on Dec 22, 2006, and agreed by the Company in the Purchase Contract of Purchase and Sale of Shares of the company Habitasul Florestal S.A., which was ratified by the Extraordinary Stockholders held on Jan 22; it was unanimously approved, to increase the social capital of the Company within the authorized limit in the article 7º of the Articles of Incorporation, by R\$ 24,291,000.00 (twenty-four million, two hundred and ninety and a thousand), passing of the current R\$ 39,090,494.07 to R\$ 63,381,494.07, by the credit capitalization to the value of R\$ 24,291,000.00 entitled to the companies Companhia Habitasul de Participações & Habitasul Desenvolvimentos Imobiliários S.A. with the Company owing for the acquisition, for these, the shares of Habitasul Florestal S.A., under the following conditions: *a)* 1,566,616 will be issued (one million, five hundred and sixty six thousand, six hundred and sixteen) ordinary Book entry shares and 134,434 (hundred and thirty four thousand, four hundred and thirty four) preferred book stock, the proportionality observed already between the species of existing shares;

b) the shares to be issued because of this increase will identical to those of the existing shares, will be entitled to all the rights, advantages, restrictions and benefits assured to them by the Article of Incorporation, having integral participation in the dividends are declared for the current financial period; *c)* the current shareholders are assured that if they want, in the form of § 2 of the Art. 171 of the Law 6.404/76, the preferential right in the subscription of the new shares, in the same proportion of the shares already held by each one (26.5646% of the current position in each species), by payment of the issuing price of the shares that compete, only once, until the Mar 22 2007, the values collected this way will be given to the creditors in payment of the capitalized credits, and the corresponding shares will be issued directly in favor of the subscribing shareholders; *d)* the subscription / payment in full will be R\$ 14.28 (fourteen real and twenty-eight cents) per share, with a basis in the net worth value per share on Nov 11 2006, in accordance with the article 170, § 1º, inc. II of the law 6.404/76;

e) the period for subscriptions will be 30 days, from the day following the publication of the notice to the shareholders in the Diário Oficial do Estado do Rio Grande do Sul, Jornal do Comércio do Rio Grande do Sul & Gazeta Mercantil - from São Paulo/SP, February 12, 2007, ending the referred period on Mar 14 2007; *f)* if there is a surpluses of shares after the end of the period, these will be divided among the shareholders that demonstrated, on the subscription form, an intention to participate in the these. The sharing will be done proportionally to the subscribed shares by each shareholder in each species of shares, and the pro rata shares should be subscribed between the Mar 20, 2007 and Mar 22, 2007 with the trustee (ITAÚ), and fully paid before Mar 22, 2007. If there are any remaining shares after sharing the surpluses, these will be issued directly in favor of the title-holders' of the capitalized credits.

3. The Management is authorized to carry out all of the necessary actions for the implementation of the arrangements relating to providences to the current shareholders' preferential rights about the shares to be issued due to the capital increase now realized.

4. From now on it is approved to include, in the order of the day of the next General meeting that will be summoned by this Council, of deliberation in the sense of **adapting article 5º of the Articles of Incorporation of the Company to the new capital stock value** due to the deliberations taken in this Meeting.

3. Nothing else was dealt with.

Signatures: Péricles de Freitas Druck, Eurito de Freitas Druck, Péricles Pereira Druck, Ernani Medaglia Muniz Tavares, Erno Froeder, Luiz Carlos Mandelli, Paulo Sérgio Viana Mallmann and Fernando Tadeu Soledade Habckost.

I declare, that this document is a true copy of the minutes transcribed in the record book.

Porto Alegre, February 08, 2007.

Péricles of Freitas Druck

CEO



CNPJ Nº92.791.243/0001-03

CELULOSE IRANI S.A.
NIRE Nº43300002799

PUBLIC COMPANY

To
BANCO ITAÚ S/A.
SUPERINTENDENCY OF CORPORATE SERVICES
Av. Eng. Armando de Arruda Pereira, 707 – 9º andar
04344-902 SÃO PAULO – SP

Gentlemen:

We would like to inform you that the shareholder IRANI PARTICIPAÇÕES S/A. with their head office in Porto Alegre, RS., Rua General João Manoel, 157- 16º andar. registered in CNPJ under no. 86.861.515/0001-00, it is holder of credits, related to Companhia Habitasul de Participações, in the partial value of R\$ 3,000,013.80, registered in the account-----, accountancy code-----, that it should be used for payment in full of 210,085 (two hundred and ten thousand and eighty five) ordinary book stock of the company Celulose Irani S.A, according to enclosed subscription bulletin.

Respectfully,