CELULOSE IRANI S.A.

CNPJ NR 2.791.243/0001- 03 NIRE Nº43300002799 PUBLIC LISTED COMPANY

MINUTES OF THE MEETING OF THE MANAGEMENT
COUNCIL, OCCURRED ON MARCH 11TH, 2010

DATE, TIME AND PLACE: Occurred on the 11th Day of the month of March 2010, at 10:00 am, at Celulose Irani S.A.'s ("Company"), located at Rua General João Manoel, 157, 17th floor, city of Porto Alegre, State of Rio Grande do Sul.

INVITATION AND ATTENDANCE: Waived the invitation as all members of the Management Council was present, Mr. Péricles de Freitas Druck, Eurito de Freitas Druck, Péricles Pereira Druck, Ernani Medaglia Muniz Tavares, Paulo Sérgio Viana Mallmann and Paulo Antonio Schmidt.

DESK: Works were presided by Mr. Péricles de Freitas Druck, and the secretary of the meeting was Mr. Péricles Pereira Druck.

AGENDA:
(a) Formalize and ratify the cancellation (i) of the 1st private issuance of simple, nominal and not convertible into shares debentures, secured, in a single series, of the Company, in the total amount of R$ 60,000,000.00 (sixty million Brazilian Reais), which had its registration formalized on October 20th 2009 ("1st Private Issue); and (ii) of the 2nd private issuance of simple, nominal, not convertible into shares, unsecured, in a single series debentures of the Company, in the total amount of R$ 50,000,000.00 (fifty million Brazilian Reais), which had its registration formalized on October 10th 2009 ("2nd Private Issue" and, along with the 1st Private Issue, the "Private Issues").

(b) Approve, "ad referendum" of the General Meeting, the issuance, by the Company, of simple, not convertible with shares, secured debentures in the total amount of up to R$ 100,000,000.00 (one hundred million Brazilian Reais), subject to Public distribution, with restrict placement efforts, according to the terms of the CVM Instruction nr 476, dated January 16th 2009 ("Public Issuance"), based on articles 52 and subsequent ones under Law nr 6,404 dated December 15th 1976, as amended ("Law of the Companies Organized by Shares").

(c) Approve in advance the signing, by the Company, of any document or instrument related to the Public Issue, including, without limitation, the instrument to be signed with the financial institutions who will coordinate the Public Issuance that will set the procedures for the public offering with restricted placement efforts, according to the terms of CVM instruction nr 476, dated January 16th 2009, for distribution of debentures object of the Public Issue, before qualified investors ("Distribution Agreement").

(d) Approve, in advance, the pledge of any warranties, material or surety, to be provided by the Company, under the context of the Public Issue; and

(e) Authorize the Board of Directors to execute all other acts needed to implement the present decision.

DECISIONS: Following the discussion of the matter, the members of the Management Council, with unanimity of voting and with no restrictions, decided what follows:
(i) Ratified the cancellation of the debentures object of the Private Issuances, under the terms of Clause 4.3.1 of the respective issuance contracts;

(ii) Approve, in advance, "ad referendum" of the General Meeting, the Public Issuance and execution of all and any documents related to the Public Issue, to be formalized according to the terms of the "Private Instrument of Contract of the 1st Issue of Simple, Not Convertible into Shares, Secured Debentures, for Public Distribution, with Restrict Placement Efforts, of the Celulose Irani S.A. ("Public Issue Contract"), catering for the following conditions: (a) Total Amount of the Issuance: up to R$ 100,000,000.00 (one hundred million Brazilian Reais); (b) Total Quantity of the Issuance: 100 (one hundred) Debentures; (c) Nominal Unitary Value of the Debentures: R$ 1,000,000.00 (one million Brazilian Reais); (d) Series Number: 1 (one); (e) Type and Format: simple and not convertible into shares; (f) Type and additional warranties: the debentures object of the Public Issue will be of the secured type, guaranteed by: (1) Lien of real estate of the property of the Company, along with agricultural pledge of the vegetal layer of such property; (2) Lien of a real estate of the property of Irani Trading S.A., controlled by the Company; (3) Fiduciary Assignment of credit rights of the Company, represented by receivables against its clients; and (4) Fiduciary Assignment of investments and other financial assets made by the Company from its banking accounts where the amounts object of the fiduciary assignment of the credit rights will be deposited, and will be also guaranteed by warranties provided by Irani Trading S.A. and by Irani Participações S.A.; (g) Coupon: equivalent to the accumulated variation of the average daily rates of the Interbank Deposits (DI) for one day, over extra group, expressed as a percentage rate per annum, based on 252 (two hundred and fifty two) working days, calculated and released by CETIP S.A. – Organized Counter of Assets and Derivatives, in its daily report available in its web page (www.cetip.com.br), added by and exponentially accrued with a spread of 5.00% (five percent) per annum, based on 252 (two hundred and fifty two) working days; (h) Coupon Payments: Semi-annual, on the 25th of March and 25th of September, the first payment falling due on September 25th 2010 and the last one at the respective maturity date; (i) Placement: by means of public offering, with restrict distribution efforts according to the terms of CVM Instruction 476, dated 16th January 2009; (j) Subscription Price: The debentures object of the Public Issue will be subscribed by their nominal unitary value, added by the coupon, calculated on pro-rated basis from the issue date to the date of its effective subscription and payment, and may be placed with over or sub price, to be determined, according to the case, at the subscription act; (l) Final Maturity Date: 60 (sixty) months counted from the issue date; (m) Events of Accelerated Maturity: Without prejudice to other events possibly determined by the Company's Management Council: (i) default in payment, by the issuer, of its monetary obligations owed to the debenture holders, at the dates foreseen under the Public Issue Contract; (ii) failure, by the issuer and / or guarantors, to fulfill any of their non monetary obligations foreseen under the Public Issue Contract, unsolved for 15 (fifteen) running days, counted from the date when the issuer receives a written notice dispatched by the fiduciary agent; (iii) if any statement of guarantees provided by the issuer and/or guarantors are proved false or incorrect or misleading in the Issue Documents (as defined in the Public Issuance Contract); (iv) default, at the payment dates or advanced maturity, of any financial obligation owed by the issuer, guarantors and/or their affiliated companies towards third parties, which individual or aggregate principal amount is equal or higher than R$ 1,500,000.00 (one million and five hundred thousand Brazilian Reais), as updated by the IGP-M accumulated variation or by another index that may replace it after the issue date, or the equivalent in other currencies, as long as such default is not solved within the timeline for remedy or rectification foreseen under the respective contracts, if applicable; (v) pledge or granting of any liens or encumbrances over any asset belonging to the fixed or permanent assets of the issuer, guarantors and/or their controlled companies, save for cases of: (1) assets of no use or obsolete; (2) forestry assets and/or lands connected to the respective forestry assets not offered as warranty under the terms of the Issue Documents (as defined at the Public Issue Contract); (3) assets, including shares of the controlled companies of the issuer, already pledged or under lien at the issue date; (4) warranty provided to the National Bank for the Economic and Social Development (BNDES) or to the respective BNDES agent, for operations of machinery and/or equipments financing, needed to perform the activities of the issuer, guarantors and/or their controlled companies; (6) in case of pledging, assets that are replaced for new ones of the same purpose; or (7) in addition to the preceding items, assets that represent, in one or on the aggregate of a series of transactions, a percentage lower than 15% (fifteen percent) of the fixed assets of the issuer, assessed according to the latest consolidated financial statements available for the issuer; (vi) application, by the issuer, guarantors and/or controlled companies, of any plan of judicial or extra-judicial recovery plans to any creditor or class of creditors, regardless whether it is applied for or if the judicial homologation of such plan occurs; or if the issuer, guarantors and/or its controlled companies file in court a request for judicial recovery, regardless of the approval of the process of recovery or its granting by the relevant court; or, still, if verified a state of insolvency of the issuer, guarantors and/or controlled companies, including creditors' agreements, according to the terms of the applicable legislation; (vii) liquidation, dissolution, extinction, application for or declaration of bankruptcy of the issuer, guarantors and/or controlled companies (viii) transformation of the company into a limited liability company, according to articles 220 and 222 of the Law of the Companies Organized by Shares; (ix) if the issuer, guarantors and/or controlled companies, directly or indirectly, try or practice any act aiming at voiding, question, review, cancel or repudiate, by judicial, extrajudicial or arbitrage means, any of the Issue Documents (as defined under the Public Issue Contract), and/or any of their clauses and conditions; (x) alter or change the social object of the issuer, guarantors and/or controlled companies which may substantially change the business currently performed by them; (xi) approval of merger, spin offs or acquisitions involving the issuer, guarantors and/or controlled companies without the prior approval from debenture holders detaining at least 75% (seventy five percent) of the debentures placed in a first call, or 51% (fifty one percent) of the placed debentures in a second call for a debenture holders meeting, save for operations of acquisitions among the said controlled companies which do not involve the issuer and/or the guarantors; (xii) occurrence of change in control, direct or indirect, of the issuer, of any of the guarantors and/or their controlled companies, without the prior approval from debenture holders representing at least 75% (seventy five percent) of the placed debentures in a first call, or 51% (fifty one percent) of the placed debentures in a second call for a debenture holders meeting; (xiii) payment, by the issuer, of interest over its own capital and/or any type of profit sharing foreseen in its by-laws and/or any sort of compensation to shareholders of the issuer, which, at the time of decision for its payment, exceed the amount of the minimum compulsory dividend established by law or in its by-laws as applicable at the date of the issuance of the debentures; (xiv) the issuer, guarantors and/or controlled companies make, direct or indirectly, any transaction or series of transactions (including, among others, purchase, sale, leasing or exchange of assets) with any related person or entity, unless such transaction or series of transactions is done under terms and conditions not less favorable to the respective person than those that would have been obtained on comparable transactions, in strictly commercial terms, with a person or entity that was not related (for such purpose, the issuer commits not to grant loans or advances to any related party, save for controlled companies); (xv) occurrence of any procedure of sequester, arrest or pledge of assets of the issuer, guarantors and/or controlled companies, which individual or aggregate book value assessed at a given time represent more than 10% (ten percent) of the consolidated fixed assets of the company at such time, raised based on its latest financial statements, save if such procedure is suspended, postponed, reverted or extinct within up to 30 (thirty) days counted from the occurrence of such events; (xvi) protest against the issuer, guarantors and/or controlled companies, with an individual or aggregate unpaid amount, in whole or isolated, exceeds R$ 1,500,000.00 (one million five hundred thousand Brazilian Reais), accrued by the accumulated variation of the IGP-M or another index that may replace it since the issue date, or the equivalent in other currencies, save if: (1) the protest is effected by error or ill-faith of third parties, as long as validly proved within at most 15 (fifteen) business days, counted from the receipt, by the issuer, of a formal communication sent by the fiduciary agent notifying about such event; or (2) the protest is cancelled prior to such period; (xvii) non observance of a final court decision determining the execution of securities against the issuer, guarantors and/or controlled companies, which unpaid individual or aggregate amount, in whole or individually, exceeds R$ 1,500,000.00 (one million five hundred thousand Brazilian Reais), as accrued by the accumulated variation of the IGP-M or another index that may replace it, from the issue date of the debentures, or equivalent in other currencies, unless when such court decision is suspended within at most 15 (fifteen) days; (xviii) reduction in the issuer's paid up capital, save when the operation is previously approved by debenture holders detaining at least 75% (seventy five percent) of the placed debentures, during a debenture holders meeting called for such purpose, as foreseen under the third paragraph of article 174 of the Law of the Companies Organized by Shares; (xix) non observance of the proper use of the funds raised by means of the Restrict Offer (as foreseen under the Public Issue Contract); (xx) non renewal, cancellation, revoking or suspension of the authorizations, concessions, permits and licenses needed for the proper performance of the activities of the issuer, guarantors and/or controlled companies, which are not solved within 45 (forty five) days, after which it may be declared the accelerated maturity with the approval of debenture holders representing at least 35% (thirty five percent) of the placed debentures on a first call, or 30% (thirty percent) of the placed debentures on a second call for a debenture holders meeting; (xxi) lack of payment of debt, or breach of monetary obligations by the issuer, guarantors and/or controlled companies, observing the timeframes for remedy as foreseen in the respective instruments, if applicable, related to obligations owed to the coordinators, including the leader(s) responsible for the Restricted Offer (as defined under the Public Issue Contract) of the debenture, or companies belonging to the same economic group of any of the coordinators, including the leader(s) of the Public Issue; (xxii) transfer, by the issuer, guarantors and/or controlled companies, by any means, assignment or promise of assignment to third parties, of the rights and obligations undertook under the Issue Documents (as defined in the Public Issue Contract) and/or any of their clauses and conditions, without prior approval from debenture holders detaining at least 85% (eighty five percent) of the placed debentures during a debenture holders meeting called for such purpose; (xxiii) suspension, caused by the issuer, of the negotiation or registration of deals with the debentures at CETIP; (xxiv) occurrence of the events mentioned under articles 333 and 1,425 of Law 10,406 dated January 10th 2002, as amended; (xxv) violation of any administrative decision of regulatory agencies against which no suspending effect is obtained within 10 (ten) working days, which may, in a proven manner, impact significantly the economic, financial and/or operating conditions of the issuer, guarantors and/or controlled companies; (xxvi) failure to keep for the remaining validity period of the debentures, a credit risk report by Fitch Ratings, by Moodys or by Standard & Poor's, indicating the credit risk classification of the debentures issued, and in such cases the accelerated maturity may only be declared by approval of debenture holders detaining at least 35% (thirty five percent) of the placed debentures on a first call, or 30% (thirty percent) of the placed debentures on a second call for a debenture holders meeting; and (xxvii) non observance of the following limits and financial indicators calculated according to the accounting principles generally accepted in Brazil, to be verified by the fiduciary agent following the end of each fiscal quarter, within the timeframe established at the Public Issue Contract, and assessed from the consolidated financial statements published by the Issuer, prepared according to the provisions of the Law of the Companies Organized by Shares and audited by an independent auditing firm registered at CVM: (1) the ratio between the Net Debt and EBITDA for the past 12 months may not exceed: (I) for fiscal quarters ending on March 31st 2010, June 30th 2010 and September 30th 2010, 3.5 x (three point five times); (II) for fiscal quarters ending on December 31st 2010, March 31st 2011, and June 30th 2011, 3.25 x (three point twenty five times); (III) for fiscal quarters ending on September 30th 2011, December 31st 2011, March 31st 2012, 3.00 x (three times), (IV) for fiscal quarters ending on June 30th 2012 and September 30th 2012, 2.75 x (two point seventy five times); (2) the ratio between the past 12 months EBITDA and the Net Financial Expenses of the past 12 months may not be lower than 2.5 x (two point five times) throughout the whole transaction period, until the full fulfillment of all obligations raised from the Issue Documents (as defined at the Public Issue Contract); (3) the ratio between the past 12 months EBITDA and the Net Income for the past 12 months may not be lower than 17% (seventeen percent) throughout the entire period of the transaction, until the full fulfillment of all obligations raised by the Issue Documents. For the purposes of the Public Issue Contract, it will be considered: (I) "Past 12 months EBITDA" is the summation of quarterly EBITDAs consolidated for the past 4 (four) quarters; (II) "EBITDA" is the summation (i) of the profit / loss before deducting the income tax, the social contribution on the profits and minority participations; (ii) expenses of depreciation, amortization and exhaustion, (iii) provision for IPI (Industrialized Products Tax), as informed in the consolidated financial statements of the company, (iv) financial expenses deducted from financial income, (v) expenses with foreign exchange fluctuation over financial assets or liabilities, deducted from the income with foreign exchange fluctuations over financial assets and liabilities, and (vi) non recurring expenses or non operating ones, deducted from the non recurring or non operating income; (III) "Gross Debt" is the summation of the chargeable debts consolidated before individuals and / or companies, save payables to suppliers, including, without limitation, loans and financings with third parties, issuance of fixed income securities, convertible or not, in the local and/or international capital markets, the summation of sureties, guarantees, pledges and warranties provided to third parties, anticipation of receivables, tax debt (save for tax debt generated from provisions already properly booked in the consolidated financial statements of the Company as of 31st December 2009, prepared and audited by a first grade auditing firm) and the payable balance of derivative transactions (including hedging transactions); (IV) "Net Debt" is the Gross Debt less the Cash and Financial Investments (as defined next); (V) "Cash and Financial Investments" are the summation of the cash balance, financial investments of immediate liquidity, investments in collateral accounts that guarantee the Gross Debt and the balance to receive from derivative transactions (including hedge); (VI) “Past 12 Months Net Financial Expenses” are the summation of quarterly Net Financial Expenses, consolidated for the 4 (four) latest quarters; (VII) “Net Financial Expenses” are the summation of expenses of interest, discounts granted to clients in light of advanced payment of drafts, commissions and banking fees, and taxes, contributions and expenses of any nature arising from financial transactions, including, without limitation, Credit Transactions Taxes, Foreign Exchange Deals and Insurance, or related to Securities – IOF, discounted from the summation of income from financial investments, interest received, discounts obtained, as well as any other financial income, all assessed in consolidated basis under the accounting practices adopted in Brazil, being certain that the foreign exchange variation over financial assets and liabilities, deducted from income with foreign exchange variations over financial assets and liabilities of the company shall not be regarded to assess the Net Financial Expenses; (VIII) “Past 12 months Net Income” is the summation of net income assessed quarterly, consolidated for the past 4 (four) quarters; and (IX) “Foreign Exchange Variation” is the result expressed as a percentage, of the difference between (A) the results of the ratio between (i) the US Dollar rate released by the Central Bank of Brazil System (SISBACEN) using the PTAX 800 option 5 transaction, offer, valid at the date of the end of the fiscal quarter for assessment of such financial indicator and (ii) the US Dollar rate released by the Central Bank of Brazil System (SISBACEN), using the PTAX 800 option 5, offer, valid at the date of end of the fiscal quarter immediately preceding that of the assessment of such financial indicator and (B) 1 (one); and (n) Advance Payment not authorized to the Company;

(iii) Approved, in advance, the signing by the Company of any document or instrument related to the Public Issue, including (without limitation) the Distribution Contract;

(iv) Approved, in advance, the granting, by the Company, of any guarantees (real and/or personal), to be provided in the Public Issue, including (without limitation) those by means of signing the following documents: (i) “Private Instrument of the Agricultural Pledge Contract and Other Matters”, (ii) Private Instrument of the Fiduciary Pledge of Real Estate Trading Contract and Other Matters”, (iii) Private Instrument of the Contract of the Fiduciary Pledge of the Irani Real Estate and Other Matters”, (iv) Private Instrument of the Fiduciary Assignment of Assets and Financial Assets under Warranty”; and (v) “Private Instrument of the Contract of Fiduciary Assignment, Promise of Fiduciary Assignment of Credit Rights, Pledge of Rights and Other Matters”; and

(v) Ratified the acts already practiced, and authorized the Board of Directors to practice all other necessary acts for the decisions above to be effective, including, without limitation, signing, on behalf of the Company, the instruments listed above, and any documents related to them, as well as to adopt, before governmental entities, public registrars and private entities, the procedures needed for the decisions above to be effective as approved in this Management Council Meeting, including regarding the cancellation of the debentures object of the Private Issuances, and the write-off of the respective registrations of such debentures, as well as of the guarantee instruments related to them.

CLOSING: With nothing further to be discussed, the meeting was ended, and these minutes were produced, read and found in good order, signed by the following members of the Management Council: Péricles de Freitas Druck; Eurito de Freitas Druck; Péricles Pereira Druck; Ernani Medaglia Muniz Tavares; Paulo Sérgio Viana Mallmann; and Paulo Antonio Schmidt.

DECLARATION: Agrees with the original, recorded in a proper book, at pages 73 to 77.

Porto Alegre, March 11th 2010.

Péricles de Freitas Druck	Péricles Pereira Druck
President	Secretar