



CELULOSE IRANI S.A.

CNPJ Nº 92.791.243/0001-03 NIRE Nº 43300002799 OPEN CAPITAL COMPANY

**MINUTES OF A MEETING OF THE BOARD OF DIRECTORS, HELD AT THE HEAD OFFICE,
RUA GENERAL JOÃO MANOEL, 157, 17th FLOOR, PORTO ALEGRE, RS, AT 5PM
ON MAY 6, 2011.**

1 – The meeting was attended by the majority of the Board members and was presided over by Pericles de Freitas Druck - President.

2 - A presentation was made to the Board members, about the Profit Sharing Program in the Long-Term Results of the Company - UPSIDE 2012 (Annex). This program aims to: (i). align the interests of the executive with those of the shareholders, (ii). guide the behavior and encourage a long-term vision of the executives, (iii). stimulate a sense of ownership and commitment, and (iv). attract, retain and motivate the Company executives.

3 – After the explanations and discussions on the contents of the Project, the Board unanimously approved it without restrictions.

4- No other business was dealt with..

(Signatures: Péricles de Freitas Druck, Eurito de Freitas Druck, Péricles Pereira Druck, Ernani Medaglia Muniz Tavares, Paulo Antonio Schmidt & Jorge Juerecy Oliveira da Cunha).

I certify that this is a true copy of the minutes transcribed in the book of minutes.

Porto Alegre, May 6, 2011.

Péricles de Freitas Druck
Chairman of the Board of Directors



ANNEX

CELULOSE IRANI S.A.

CNPJ Nº 92.791.243/0001- 03 NIRE Nº43300002799 OPEN CAPITAL COMPANY

**PROFIT SHARING PROGRAM IN THE LONG-TERM RESULTS OF THE COMPANY
– “UPSIDE 2012”**

The Company's current Profit Sharing Program ("Upside", "Upside 2012" or "Program"), is based on the growth project from 2010 to 2012 for Celulose Irani S/A ("Company"), where there is an expected increase in the value of the Company's shares.

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1. OBJECTIVES

This program aims to:

- (i) align the interests of executives with those of shareholders;
- (ii) guide the behavior and encourage a long-term vision of the executives;
- (iii) encourage a sense of ownership and commitment, and
- (iv) attract, retain and motivate the Company executives.

2. DEFINITIONS

In the Regulations the following terms will be used, the concepts of which will be interpreted solely and exclusively as follows:

- **Net Debt:** Are the debts with financial institutions, less the financial applications. Installments of taxes collected after the entry into force of this program are also included in the calculation of net debt.
- **Adjusted EBITDA:** This is the EBITDA with the adjustments, as is disclosed in the financial statements.
- **Market Multiple:** This is the multiple used for determining the value of the Company, calculated from the comparison with companies operating in the same sector of activity and in markets with similar characteristics, this has been set at 8 for the purposes of this program.
- **Number of Shares:** This is total the number of shares that represents the capital of the Company, on this date - 8,104,500 (eight million one hundred and four thousand and five hundred) shares.
- **Theoretical Value of the Company:** This is the Adjusted EBITDA multiplied by the Market Multiple, set at 8 (eight) for the purposes of this Program.
- **Theoretical Value of Shares:** This is the result of the Theoretical Value of the Company, less Net Debt.
- **Theoretical Value of a Share:** This is the division of Theoretical Share Value by the Number of Company Shares.

The other terms used that have CAPITALIZED INITIALS in this document shall have their meaning assigned to them then.

3. DIRECTORS

For purposes of this program, the following are included: The Chairman of the Board, the Managing Director, the Director of Administration, Finance and Investor Relations and Director of Paper and Packaging Business, positions currently held by Pericles de Freitas Druck, Druck Pericles Pereira, Odivan Carlos Cargnin and Sergio Luiz Cotrim Ribas, respectively.

4. PARTICIPATION

Under the terms of this program, each Director will be able to participate in the growth of the value of the Company, receiving in the form of Profit Sharing, an amount related to the variation of the Theoretical Value of a Company Share in accordance with the criteria established in section 0 of this program.

5. DETERMINATION OF THE VALUE OF PARTICIPATION

The Value of the Profit Sharing will correspond to the positive difference between the Theoretical Value of a share in 2012 and the Theoretical Value of a share 2009 Adjusted, multiplied by the Theoretical Profit Sharing given to each Director.

6. THEORETICAL VALUE PER SHARE 2009

The Theoretical Unit Value of a share in 2009 is calculated based on the Adjusted EBITDA 2009, multiplied by Market Multiple, in this case 8 (eight), less the Net Debt at 12/31/2009, divided by the number of shares at that time, resulting in the value of R \$ 56.01 (fifty six reais and one centavo), according to the calculation criteria set out below, shown in the Financial Statements for the year ended 12/31/2009:

Adjusted EBITDA 2009:	R\$ 92,818 thousand
Market Multiple:	8
Theoretical Value of Company:	R\$ 742,544 thousand
Net Debt:	R\$ 288,637 thousand
Theoretical Value of the Shares on 12/31/2009:	R\$ 453,907 thousand
Number of Shares:	8,104,500
Theoretical Unit Value per Share 2009:	R\$ 56,01

7. THEORETICAL VALUE PER SHARE ADJUSTED 2009

The Theoretical Value per Share Adjusted 2009, will be the Theoretical Value per Share 2009 plus 6% per annum and have the variation of the TR - Referential Rate added, minus the dividends or interest on capital actually paid in the years 2010 to 2012 per Company share.

8. THEORETICAL VALUE PER SHARE 2012

The Theoretical Value per Share 2012 will be calculated based on the 2012 Adjusted EBITDA, multiplied by 8 (eight), minus the net debt in 12/31/2012, divided by the number of shares representing the capital of the Company in 12/31/2012.

9. THEORETIC PARTICIPATION

To calculate the value of the profit share to be paid under this program, each Director will have a theoretical participation assigned, which is equivalent to 30,000 (thirty thousand) shares for the following Directors; Sergio Luiz Carlos Cotrim Ribas and Odivan Carlos Cargnin and the equivalent of 40,000 (forty thousand) shares for the Directors Pericles Pereira Druck and Pericles de Freitas Druck.

10. ADDITIONAL THEORETIC PARTICIPATION

If the theoretical value per share 2012 is equal to or greater than R\$ 98.72 (ninety eight reais and seventy two centavos), corrected by the variation of the TR - Referential Rate from that date, the theoretical participation (profit sharing) of each Director shall be increased by 10,000 (ten thousand) theoretic shares for the purposes of the calculation of the value of the Bonus.

11. CALCULATION DATE

The calculating of the value of the profit sharing will be the Company's financial statements dated 12/31/ 2012.

12. PROVISION

Art. 24 of the Company Bylaws will be used for the payment of Participation of the Provisions for the Profit Sharing of the Company Directors, these being constituted during the period of the program.

13. PAYMENT DATE

Payment of the Profit Sharing bonus will be made before 05/31/2013.

14. METHOD OF PAYMENT

The payment of Profit Sharing bonus will be paid in cash directly to the Directors within the period specified in section 0.

15. LIMIT ON THE VALUE OF THE PARTICIPATION

The Value of the Profit Sharing bonus that may exceed the limits specified in § 1, art. 152 of Law 6404/76, surpassing the Profit Sharing provision established in the form of art. 24 of the Bylaws shall be paid as bonuses to directors, respecting the limit of total remuneration of the Board, as defined by the General Assembly.

16. SEVERANCE OF A DIRECTOR

Any Director, who is removed from IRANI on their own initiative or at the Company's initiative, before 12/31/2012, shall have no right to any participation in this program. This program was examined and approved at the Company's Board of Directors Meeting held on May 6, 2011.

Porto Alegre, May 6, 2011.

Péricles de Freitas Druck
Chair of the Meeting