

# Notice to the Market



## SUZANO PAPEL E CELULOSE S.A.

Publicly Held Company

Corporate Taxpayer ID (CNPJ/MF): 16.404.287/0001-55

Company Registry (NIRE): 29.3.0001633-1

**São Paulo, March 13, 2015** - SUZANO PAPEL E CELULOSE S.A. ("Suzano") announces to its shareholders and the general market that it received Official Letter 090/2015/CVM/SEP/GEA-2 issued by the São Paulo Stock Exchange (BM&FBovespa) dated March 12, whose entire content is transcribed below:

*"Dear Officer,*

1. *This letter is with regard to the news article published in the newspaper Valor Econômico on March 12, 2015, entitled "Consolidation of Fibria and Suzano back in the spotlight," which is transcribed below:*

*Consolidation of Fibria and Suzano back in the spotlight*

*By Stella Fontes | From São Paulo*

"Brazilian pulp producers are getting ever closer to reaching a decision on potential consolidation movements within the industry, according to Bank of America Merrill Lynch. And a combination of the assets of Fibria, the world's largest eucalyptus pulp producer, and Suzano Pulp and Paper, the world's second largest, appears to be the most "logical" decision and would capture synergies of up to R\$9 billion.

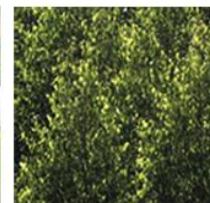
In a report published this week, analysts Thiago Lofiego, Karel Luketic and Betina Roxo highlighted that the combination would also create significant value for the shareholders of both companies, improving corporate governance and creating a large market leader.

The topic of consolidation of the Brazilian pulp industry is back in the spotlight at a time when decisions regarding investments in expansion must be taken if the objective were to take advantage of the window of opportunity in the market in late-2017 and 2018. Before then, new capacities are already scheduled to come online and there would not be enough time to execute a project.

'Over the last few years, the managements of both companies have publicly stated that consolidation would be the best solution for creating value. Fibria has reduced its leverage and is now generating significant free cash flow. Suzano has delivered its pulp capacity expansion project and taken its per-ton operating income to more competitive levels,' said the analysts.

When contacted, Suzano informed that it has no comment on the matter. In a conference call with analysts last week, however, the Company's CEO, Walter Schalka, said that the company could use its cash position in a potential consolidation move. Meanwhile, Fibria also declined to comment on the matter.

Fibria's CEO, Marcelo Castelli, has been saying for some time that consolidation is the company's preferred growth path. In parallel, the company is working hard on the capacity expansion project at the plant in Três Lagoas, Mato Grosso do Sul, which may soon be submitted to the Board of Directors for their consideration.



According to calculations by the analysts at BofA, the synergies in the forestry operations, in raw material sourcing and in selling, general and administrative expenses are “obvious” in the event of a consolidation, with potential gains of R\$7 billion to R\$9 billion, which is equivalent to 20% to 25% of the combined market capitalization of the companies.

The combined companies could produce 8.6 million tons of pulp annually, with a 15% share of the global pulp market.

An essential factor in moving the transaction forward, according to the analysts, would be to ensure that the ownership interests of the controlling shareholders do not change significantly in the new company. “Assuming complete consolidation and the exchange of shares at current market prices, we estimate that the Feffers – the family that holds a controlling interest in Suzano – could end up with 23% of the company, while the Votorantim Group would hold 18% and the Brazilian Development Bank (BNDES), 23%,” said the analysts. They also added that Suzano’s paper business could be spun off.

Meanwhile, a potential combination of Fibria with other private competitors, such as Eldorado Brasil and Cenibra, seems less likely at the moment, according to the analysts. As they explain, the fact that these companies are not publicly listed makes it harder for them to be valued.

For years, there have been rumors that the BNDES is planning to build a national champion in the industry, through the combination of the former Aracruz (now Fibria), Bahia Sul (Suzano) and Cenibra, which became known as the “ABC Project.” More recently, speculations began to involve a combination between Fibria and Eldorado. Both companies deny having had any conversations on a deal.

The construction of a new pulp line by Fibria at the Três Lagoas mill is still not discarded by the analysts. They point out that a decision on the project could be taken by the middle of this year, with disbursements very limited in the first six to nine months. If a consolidation opportunity were to materialize, however, the expansion could be postponed or even canceled.”

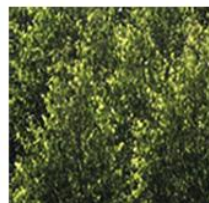
2. Regarding the article, we request that you confirm the veracity of the statements published, particularly regarding if in fact there are ongoing conversations about a potential merger between Suzano Papel e Celulose S.A. and Fibria Celulose S.A., and, if positive, explain the reasons why the company did not treat this as a Material Fact, in accordance with CVM Instruction 358/2008.
3. The response must include a copy of this Letter and be submitted through the IPE System, category “Notice to the Market”, type “Clarifications on CVM/BOVESPA consultation.”
4. We reaffirm that, in accordance with Article 3 of CVM Instruction 358/02, the Investor Relations Officer is responsible for disclosing and informing the CVM, and, if applicable, the stock exchange and over-the-counter market on which the Company’s securities trade, of any material act or fact that has occurred or is related to its business, as well as to strive for the broad and immediate disclosure thereof in all markets in which said securities trade. We further remind you of the obligation set forth in the Sole Paragraph, Article 4 of CVM Instruction 358/02, of inquiring to the managers and controlling shareholders of the Company to determine if they are aware of any information that should be disclosed to the market.
5. We inform for all due purposes that the Company Relations Department, in the exercise of its legal powers and based on Item II, Article 9 of Federal Law 6,385/1976 and Article 7, jointly with Article 9, of CVM Instruction 452/2007, is responsible for determining the application of a fine in the amount of one thousand reais (R\$1,000.00), without prejudice to any other administrative sanctions, for not complying with this letter, which has also been sent via fax and e-mail, within one (1) business day.

c/c Securities and Exchange Commission of Brazil (CVM)

Mr. Fernando Soares Vieira – Company Relations Department

Mr. Guilherme Rocha Lopes – Company Oversight Manager 2”

In compliance with the request, the Company informs that, as of this moment, there is no material information to be disclosed to the market and its shareholders. The Company remains committed to informing its shareholders and the market in a timely and adequate manner of any fact that is required to



be disclosed pursuant to the law and to the regulations of the Securities and Exchange Commission of Brazil (CVM).

The Investor Relations team remains available for any further clarifications deemed necessary by telephone at 55 11 3503-9061 or by e-mail at [ri@suzano.com.br](mailto:ri@suzano.com.br).

São Paulo, March 13, 2015

Marcelo Feriozzi Bacci  
Investor Relations Officer