

Notice to the Market



SUZANO PAPEL E CELULOSE S.A.

Publicly Held Company with Authorized Capital

CNPJ/MF nº 16.404.287/0001-55

NIRE 29.3.0001633-1

São Paulo, March 9th 2018 – SUZANO PAPEL E CELULOSE S.A. (SUZB3) (“Suzano” or “Company”), in compliance with paragraph 4th of article 157 of the Federal Law n.º 6.404/76, as amended, and with CVM Instruction n.º 358, dated January 3rd, 2002, clarifies to its shareholders and to the market in general that it received from the Superintendence of Corporations’ Relations – SEP of the Brazilian Securities and Exchange Commission the official letter n.º 73/2018/CVM/SEP/GEA-2, dated March 8th, 2018 (“Official Letter”) the following request transcript below:

“Official Letter nº 73/2018/CVM/SEP/GEA-2

Rio de Janeiro, March 8th, 2018.

To Mister
MARCELO FERIOZZI BACCI
Investor Relations Officer of
SUZANO PAPEL E CELULOSE S.A.
Avenida Brigadeiro Faria Lima, 1.355, 8º andar Pinheiros
01452-919 São Paulo – SP
Tel.: (11) 3503-9703 Fax: (11) 3815-7078
E-mail: dcheade@suzano.com.br

C/C: emissores@b3.com.br; ana.pereira@b3.com.br; maiara.madureira@b3.com.br;
marcelo.heliodorio@b3.com.br; nelson.ortega@b3.com.br

Reference: Request for clarification on press report

Dear Mr. Officer,

1. We make reference to press reports disclosed in the *Valor Economico* and *Informoney* webpages on March 5th 2018 with the title "[Suzano and Fibria are close to announcing a merger, sources said](#)" and "[Fibria and Suzano raise 5% after newspaper publishes that companies are close to a merger; 7 shares react to balance sheet](#)", in which the following information is contained:

Suzano and Fibria are close to announcing merger, sources say

By Ivo Ribeiro, Stella Fontes and Francisco Goés

SÃO PAULO AND RIO (Updated at 12h11) Suzano Papel e Celulose and Fibria, the two global largest eucalyptus pulp producers are close to announce an agreement involving the combination of their assets. The final format of the transaction is still under discussion, but one of the assumptions



already defined is that Votorantim will exit the business and that Suzano will assume the control of the new company, according to market sources.

Shareholders of both companies, Banco Nacional de Desenvolvimento Econômico e Social (BNDES) shall maintain a relevant stake in the new company. Through its investment company, BNDESPar, the bank is owner of 29,08% of Fibria and 6,86% of Suzano.

Over an interview to Valor, the president of BNDES, Paulo Rabello de Castro, confirmed the conversation.

Suzano runs to tie Fibria's acquisition agreement as soon as possible, given the possibility of other interested – foreigner competitors – presenting binding and more aggressive offers, Valor found out.

One of the biggest challenges at this moment is to conciliate the buyer and sellers interests. Suzano seeks to minimize the disbursement of funds in the operation. In turn, Votorantim intends to dispose of all its participation in a single phase.

Under Fibria's by-law, if Votorantim sells the 29.42% it owns in the company, the buyer will have to extend the offer to all shareholders of the company. And this will raise the value of the transaction, considering market prices, to something around USD 10 billion, already discounting the net debt.

Valor found out that an alternative considered to avoid the public tender offer (OPA), mandatory in case of acquisition of 25% or more of the shares of Fibria, is that Votorantim receives cash payment for up to 24.9% of its stake. And exchanges the remaining 4.52% for shares of the new company, remaining for a certain time as a minority or investor. Further on, Votorantim could sell these shares in the market.

In order for this model to prevail, it will also require BNDES's consent, in addition to contemplating the bank's internal interests. BNDES would receive shares of the new company in exchange for the 29.08% it owns in Fibria, and the 6.68% it owns in Suzano.

According to sources, within the state bank there is a group that defends the permanence in the capital of the company resulting from the purchase of Fibria by Suzano. Another evaluates that this is the moment of monetization of the investment made years ago by the bank in this industry and defends the sale of the shares at a good moment for the stock prices. There is already a specific team inside the bank to work on this theme.

The BNDES decision also involves another strategic factor, according to industry sources. Besides Suzano, there are others interested in Fibria and at least one of them, Paper Excellence (PE), would already be seeking for finance to making an offer for 100% of the Ermírio de Moraes pulp producer. With this, there is a risk that one more company in the sector, and the largest one, goes to the hands of the foreign capital.

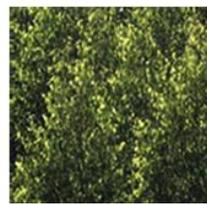
The Indonesian PE has not hesitated to offer R\$ 15 billion by Eldorado Brasil in September, from J&F Investimentos, removing several interested parties, including Fibria.

According to sources heard by Valor, the controlling families of Suzano and Fibria understand that the most interesting transaction is the combination of the assets of the two companies. But other offers will not be ignored. Sought, Votorantim and Suzano did not comment this subject.

“Evident [Na Cara]”

Paulo Rabello de Castro confirmed to Valor that the bank has been discussing with Fibria's and Suzano Papel e Celulose's representatives regarding a possible merger between the two companies.

According to the president of the BNDES, there is an ongoing negotiation between the two companies, and in these discussions the bank has had an active participation. "We have talked and we are integrated in this work that is to join these two giants [from the paper and pulp industry]," he said.



Asked if the conversation indicates to the merger between Suzano and Fibria being possible, Rabello de Castro replied: "It is clear that merger is a possibility, but we are in a moment when nothing else can be said."

Fibria and Suzano raise 5% after News that the companies are close to merger; 7 stocks reacted to balance sheets

Lara Rizério

Fibria (FIBR3) and Suzano (SUZB3)

Fibria and Suzano's shares skyrocket in this session after Valor Econômico reported that the two largest producers of eucalyptus pulp in the world are close to announcing an agreement to combine their assets.

According to the newspaper, the final format of the transaction is still under discussion, but one of the assumptions already defined is that Votorantim will exit the business and that Suzano will assume the control of the new company, according to market sources heard by the publication.

According to sources heard by the newspaper, the controlling families of Suzano and Fibria understand that the most interesting transaction is the combination of the assets of the two companies. But other offers will not be ignored.

Still on the radar of companies, Fibria announces a new price increase for pulp, of USD 20 per ton for Europe and North America, and of USD 10 per ton for Asia, effective as of April 1st. Thus, the new reference prices by region will be: USD 1,050 per ton in Europe, USD 1,230 per ton in North America and USD 840 per ton in Asia.

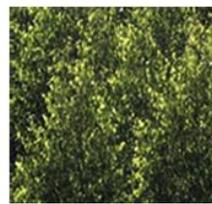
2. In this respect, we request your clarification about the truthfulness of the statements disclosed in the press report, specially those underlined, and, in affirmative case, we request additional clarification on the matter, as well as information on the motives why you understood such press report was not subject to Relevant Fact, according to Instruction n.º 358/02.

3. **Such clarification shall include a copy of this Official Letter to be disclosed via IPE System, under the category "Notices to the Market", type "Clarifications about queries from the CVM/B3". The compliance with the present request for clarification by means of Notice to the Market does not exempt possible investigation on the responsibility for not timely disclosing Relevant Fact, according to CVM Instruction n.º 358/02.**

4. We emphasize that, according to article 3rd of the CVM Instruction n.º 358/02, it is the responsibility of the Investors Relations Officer to disclose and communicate to the CVM and, if applicable, to the stock exchange and over-the-counter market in which the securities issued by the company are admitted for trading, any relevant act or fact occurred or related to its businesses, as well as duly care for the broad and immediate dissemination of such information, simultaneously in all the markets in which the securities are admitted for trading.

5. We further remind that the obligation set forth in the sole paragraph of article 4th of the CVM Instruction n.º 358/02, of inquiring the officers and controlling shareholders of the Company, **as well as all other people with access to relevant acts or facts**, with the objective of clarifying if such officers, controlling shareholders or other people have knowledge about the information that should be disclosed to the market with the objective of clarifying if they would have knowledge of information that should have been disclosed.

6. We emphasize that the CVM has been understanding that, in case of leakage of information or if the securities issued by the company atypically oscillates, the relevant fact shall be immediately disclosed, even if the information refers to deals under negotiation (not concluded), preliminary discussions, viability studies or even the mere intention to make a deal (see decision of the CVM Proceeding RJ2006/592817 and PAC CVM n.º 24/0518). In case the relevant information gets beyond control of the management or atypical oscillation occurs in the quotation, price or quantity of securities issued by the publicly held company traded or securities related to such, the DRI [(Investor Relations Officer)] shall inquire the people with access to all relevant acts or facts, with the objective of clarifying if such people have knowledge of the information that shall be disclosed to the market. Once it is verified that press report involving information not yet disclosed by the issuer, via IPE Mode in the Empresas.NET System, or the disclosure of news that adds new fact about information already disclosed, it is the duty of the management of the company and, specially, its DRI [(Investor Relations Officer)] to analyse the potential impact of such news



about negotiations and, if the case may be, immediately clarify such news, via IPE Mode in the Empresas.NET System, and not only after the receipt of request for clarifications from the CVM or B3.

7. In this sense, cases in which failures on disclosure of relevant act or fact are identified, without prejudice to investigation on potential use of privileged information, the DRI [(Investor Relations Officer)], as well as its controlling shareholders, other officers, members of the board of directors, of the supervisory board [(*conselho fiscal*)] and any other bodies with consulting or technical functions created by the by-laws provisions, are subject to responsibility investigation for potential infringements of the aforementioned articles 3rd, 4th and 6th of the CVM Instruction n.º 358/02 and articles 155, paragraph 1st, and 157, paragraph 4th of Federal Law 6.404/76, as the case may be.

8. According to the Superintendence of Corporations' Relations – SEP, we warn you that it will be such administrative authority, using its legal attributions and, according to item II, of article 9th, of Law n.º 6.385/1976, and to article 7th c/c article 9th of the CVM Instruction n.º 452/2007, to determine the application of fine in the amount of R\$ 1.000,00 (one thousand reais), without prejudice to other administration sanctions for the non compliance with this Official Letter up until March 9th, 2018.”

In compliance with the request above, the Company reiterates to its shareholders and to the market in general, in addition to the Notices to the Market dated February 19th and 22nd 2019, that there are discussions between the Company and the controlling shareholders of Fibria Celulose S.A. (“Fibria”) involving a potential deal between the Company and Fibria. However, there are negotiation matters pending definition, which affect the deal and its conditions, including financial and structural conditions, reason why it is not possible to validate the truthfulness of the press reports published by *Valor Economico* or the *Infomoney* referred to above.

The Company also informs that there is no guaranty that the potential deal between the companies will be reached. The Company consulted with its controlling shareholders, who also confirmed that, up to this point, there is no definition on the potential deal.

Reiterating its Notices to the Market dated February 19th and 22nd, 2018, the Company emphasizes that any decision to buy, sell, hold or negotiate under any form shares issued by the Company or other securities having the shares of the Company as underlying security or other securities related to the Company should be taken based on official information disclosed by the Company.

In case an agreement is entered into involving the matter, the Company will disclose to the market, according to the applicable legislation.

São Paulo, March 9th, 2018.

MARCELO FERIOZZI BACCI
Diretor de Relações com Investidores