

## MATERIAL FACT

In addition to the Material Facts released by Eldorado Brasil Celulose S.A. (“**Company**” or “**Eldorado**”) on September 2, 2017, September 25, 2017 and December 12, 2017, in connection with the Share Purchase and Sale Agreement entered into on September 2, 2017 (“**Agreement**”), among, on one side, J&F and others (“**Sellers**”) and, on the other side, CA Investment (Brazil) S.A. (“**CA Investment**” or “**Purchaser**”) and Paper Excellence B.V., Eldorado hereby communicates to its shareholders and to the market in general, as follows.

On the date hereof, the Company received a notice from J&F Investimentos S.A. (“**J&F**”) informing that:

- (i) After 12 months from the execution of the Agreement, the Longstop Date (September 3, 2018) was reached and the Purchaser has not concluded the acquisition of the equity participation from J&F, representing 50.59% of the capital stock of Eldorado; and
- (ii) the Sellers, in view of the fact described in item (i), exercised their right to terminate the Agreement being automatically released from their respective obligations related to the sale of the shares they hold.

Therefore, the Company's shareholding structure shall remain as follows, J&F holding 50.59% of the capital stock and CA Investment holding 49.41%.

In addition, Eldorado notes that it is in progress before the 2<sup>nd</sup> Court of Company Law and Arbitration Conflicts of the County of São Paulo, files number 1083967-87.2018.8.26.0100, a lawsuit filed by CA Investment against the Sellers and Eldorado. The Company will keep the market informed about any further developments within the legal terms, given that the judicial proceeding is under legal secrecy.

Nonetheless, the Company reinforces that remains focused on its operating performance, indebtedness reduction and cash generation. Finally, the Company thanks all of its clients, suppliers, stakeholders and creditors for the trust they have always had in Eldorado.

### **About the Company**

Eldorado is one of the leading companies in world in the pulp industry. It is one of the most competitive companies in such industry, with the lowest cash cost of the industry, producing more than 1,700,000 tons of pulp per year. Currently, the Company exports to more than 40 countries and operates in several sectors.

The Company has about 230,000 hectares of forests certified by the main international seals (FSC and CERFLOR), following principles and criteria recognized worldwide as good practices for the management of its forests. Such principles include criteria for compliance with legislation, rational use of forest resources, respect for and zeal for water, biodiversity, indigenous peoples and for the communities in which the Company operates.

Therefore, all those who purchase pulp from Eldorado have ensured that their products have been produced considering the environmental, economic and social development of the regions in which the Company operates.

São Paulo, September 4, 2018

**Rodrigo Libaber**  
**Investor Relations Officer**