

**ELDORADO BRASIL CELULOSE S.A.**  
**CNPJ/MF Nº 07.401.436/0002-12**  
**PUBLICLY-HELD COMPANY**

**MATERIAL FACT**

Eldorado Brasil Celulose S.A. ("Company" or "Eldorado"), in compliance with CVM Instruction no. 358/02, hereby announces to its shareholders and the market that, although its work with independent auditors to prepare and publish its audited financial statements for the fiscal year ending on December 31<sup>st</sup>, 2016 ("2016 Annual Earnings Report") are in an advanced stage, such work has not yet been completed.

The Company clarifies that the search and seizure procedures which took place at the Company's headquarters on July 1<sup>st</sup> and on September 5<sup>th</sup>, 2016, as announced previously in the correspondent Material Facts, resulted in the need for a detailed and in-depth analysis of all of its accounts, processes and internal procedures, resulting in a delay in the completion of the 2016 Annual Earnings Report, impeding the Company to publish the 2016 Annual Earnings Report within the period established in CVM Instruction no. 480/09.

Nevertheless, in views of maintaining its shareholders and the market informed, the Company decided to anticipate some relevant information for the fiscal year ending on December 31<sup>st</sup>, 2016, yet to be reviewed by its independent auditors, as presented below:

The pulp production volume was of 1,638 thousand tons in 2016, a result 3% higher than 2015 and 9% above the mill's nominal capacity production of 1,5 million tons of pulp per year.

The Company registered sales volume of 1,665 thousand tons of pulp in 2016, a result higher than the pulp production of the year and a record to the Company, being 7% above the result of 2015.

In 2016, the pulp sector has faced a challenging scenario, with a strong reduction in the pulp prices in the international market, impacted essentially by the startup of new capacities and the expectation of new units, which would increase the pulp supply in the global market. This effect was offset by Eldorado's successful commercial strategy, based in a direct relationship with clients, diversified portfolio and focus in partners with high growth potential, especially in the tissue and specialty papers sectors, that allowed the Company to compensate part of the market oscillations along the year.

The Company presents the lowest cash cost figures for the sector reaching the level of R\$/ton 619.21 in 2016.

Eldorado ended the year with a net debt of BRL 7,898 million and available cash of BRL 1,2 billion. At the end of the year, Eldorado presented a proportion of long term debt of 70% of the total debt, being 67% of the total debt due in over 24 months.

The short term debt is formed of: i) structured lines incurred for the construction of the current pulp mill, which will be repaid in an amount of BRL 782 million in the next 12 months and ii) trade finance revolving credit lines in the amount of BRL 1,582 billion, which represent trade finance, working capital, and structured operations in which the Company has the option to refinance or revolve, in line with its liability management program. The cash position of BRL 1,2 billion by the end of the period ensures to the Company a solid position in relation to its project debts, while the option to revolve its trade finance lines increases the certainty of the Company's liquidity.

## Relevant Information of Eldorado 2016

### KPIs

Operational KPIs	Unit	4Q16	3Q16	4Q15	2016	2015
Pulp Production volume	thousand ton	415	432	409	1,638	1,597
Pulp Sales volume	thousand ton	438	409	407	1,665	1,562
Net Revenues	R\$ million	703	652	820	2,908	3,237
Cash Cost	R\$/ton	594	585	567	619	676
Cash Cost	US\$/ton	180	180	148	178	208

The Company affirms that, although it believes that the financial and operational indicators presented above are correct, given the advanced stage of its audit process, such indicators may be altered as the audit of its financial statements is completed.

Lastly, the Company informs that it will endeavor its best efforts to unite 100% of its shareholders in the ordinary general meeting in order to approve its 2016 Annual Earnings Report by April 30<sup>th</sup>, 2017.

São Paulo, March 30<sup>th</sup>, 2017.

**ELDORADO BRASIL CELULOSE S.A.**

**José Carlos Grubisich Filho**  
**Investor Relations Officer**