

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") hereby informs its shareholders and the market in general, pursuant to CVM Instruction 358/02, that a decision was issued by the Judge of the 10th Court of the Judiciary Section of the Federal District, within the scope of Lawsuit No. 0052041-02.2016.4.01.3400, determining several injunctions, and among them, the following measures related to the Company:

i) The dismissal of Joesley Mendonça Batista from the position of Chairman of the Board of Directors of the Company, and the appointment of a professional Chairman, within the term of 30 (thirty) days, as well as the prohibition that Joesley Mendonça Batista, as a shareholder of J&F Investimentos S.A. ("J&F"), deliberates on any matter related to the management of the Company;

ii) The obligation of hiring, at the expense of J&F and Joesley Mendonça Batista, a new independent investigation into the facts allegedly occurred in the Company, with the formation of a new supervisory committee composed by 1 member to be appointed by FUNCEF and 1 member to be appointed by PETROS, as well as another member of unimpeachable reputation and outstanding experience in independent investigation to be appointed by the Company itself, with a deadline for completion of the work not exceeding 4 (four months);

iii) The obligation of obedience by Eldorado and J&F, when and where applicable, of the norms of ISO 19600 standard, and ISO 37001 (anti-bribery management system), Brazilian Corporate Governance Code - Public Companies and the full and perennial disclosure of information and documents ("total disclosure") of the Company in favor of FUNCEF and PETROS, so that they may, as shareholders, permanently and free from any interference, carry out extensive auditing, due diligence and investigation of facts concerning the entire period of existence of the Company, guaranteeing access to such data and documents regardless of any confidentiality that may be alleged by the Company.

The Company informs that it will comply with the judicial decision in question, and that it will present the appropriate appeals, in what it deems necessary, reinforcing that it remains available to the Justice seeking clarification of the facts.

Regarding the above measures, the Company informs that despite not having its shares listed in the securities market, it already follows a series of *Novo Mercado Corporate Governance* standards, in addition to having an anti-corruption program that meets several requirements established in Law 12.846/2014 and Decree 8.420/2015, and that a program to improve its corporate governance procedures and internal standards of conduct is in progress.

In addition, the Company reinforces that it has always given access to the information and documents that its shareholders may require, always guaranteeing the transparency of data and information.

Regarding the Company's Chief Executive Officer, he will use the 5-day period granted by the Judge to present his defense against the Federal Public Prosecutor's request regarding his resignation from the Company's presidency.

Eldorado reaffirms its commitment to transparency and reinforces that all its activities are carried out in accordance with the current legislation.

São Paulo, April 1st, 2017.

ELDORADO BRASIL CELULOSE S.A.
José Carlos Grubisich Filho
Investor Relations Officer