

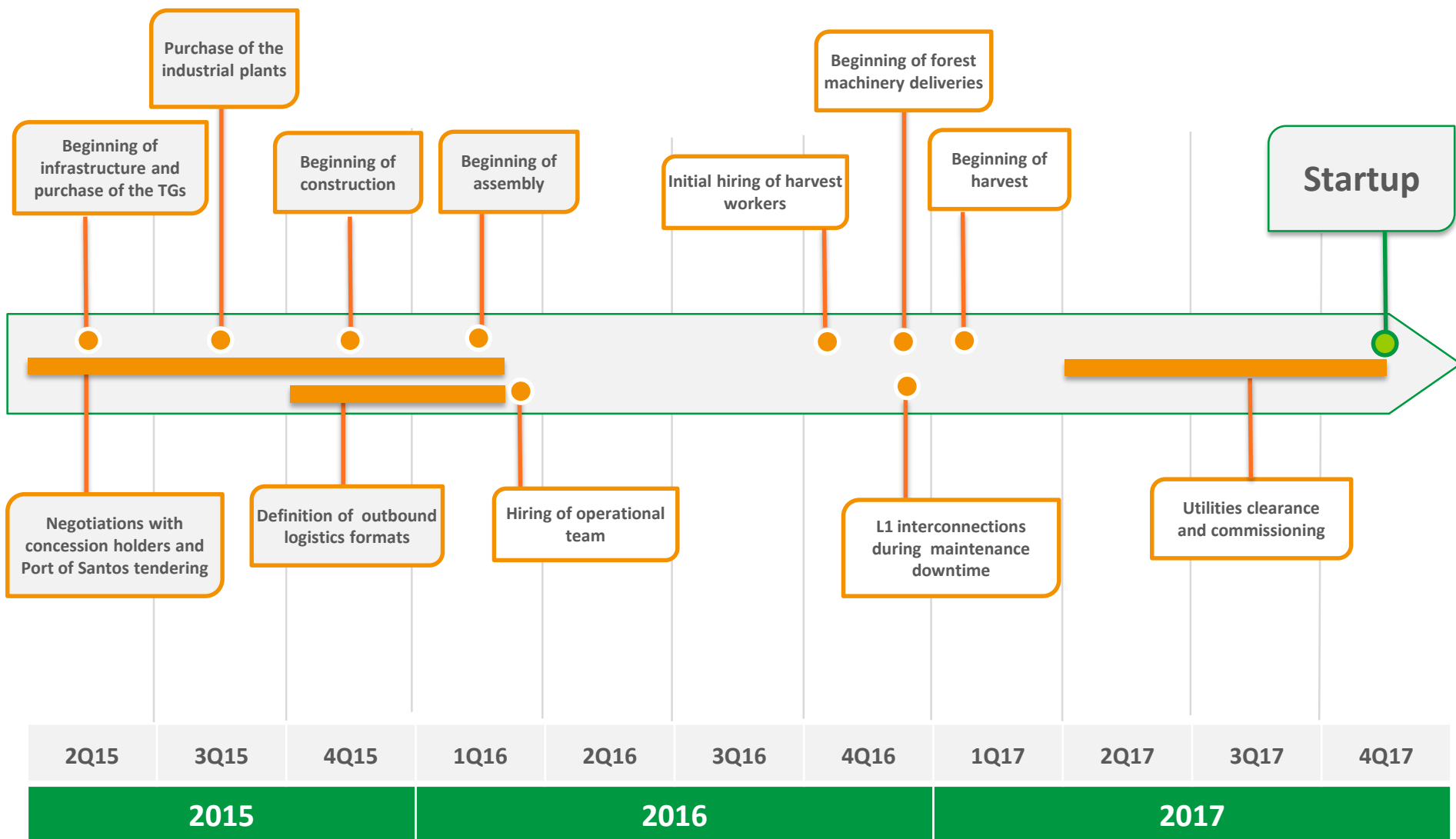


Horizonte 2 Project Update
May 31, 2016



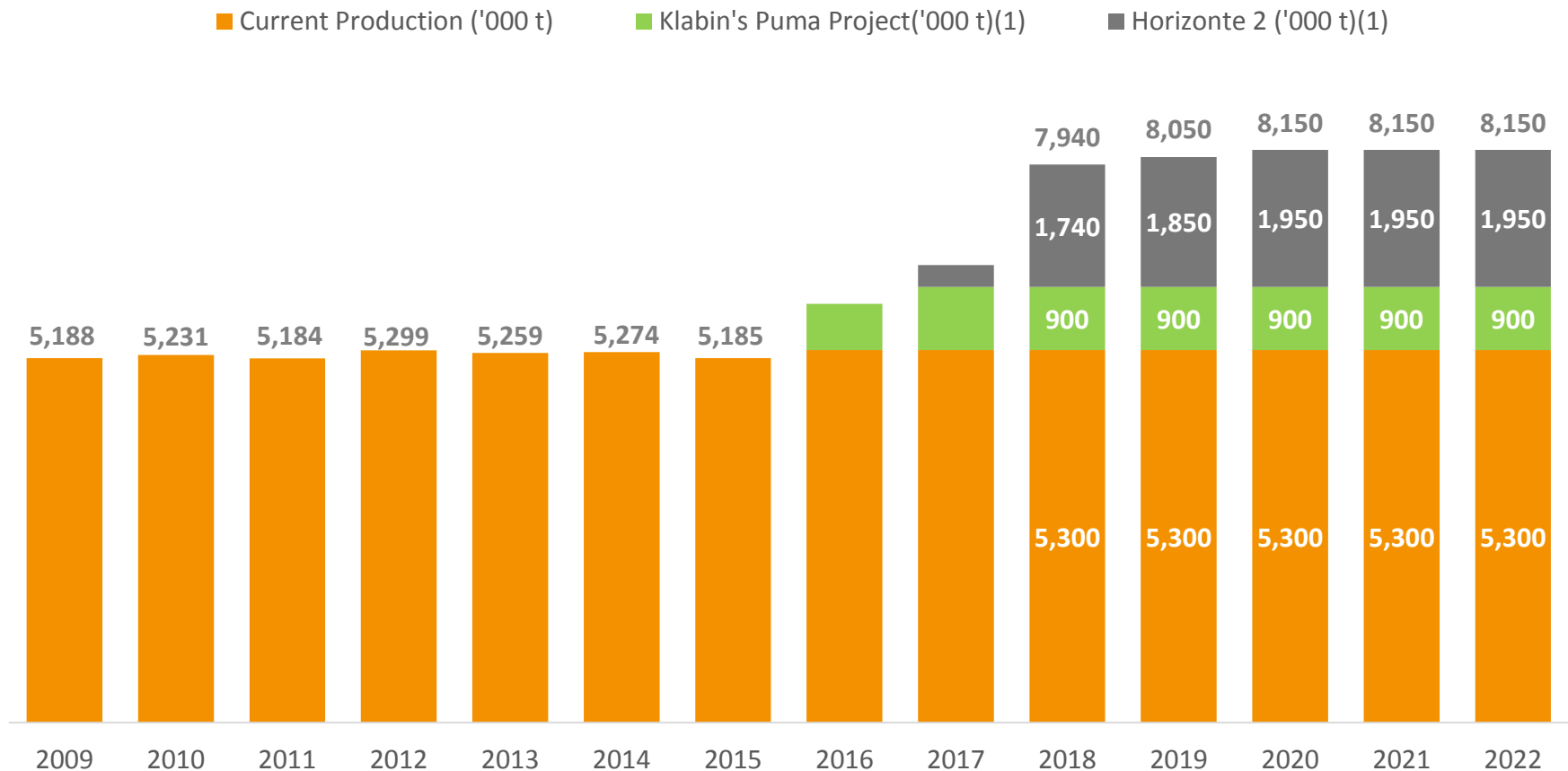
- 1** Project schedule
- 2** Production volumes
- 3** Forestry base
- 4** Logistics
- 5** Capex
- 6** Funding
- 7** Financials and Conclusion

Project schedule – on time, on budget





Fibria's production volumes



⁽¹⁾The volumes in 2016, 2017 and 2018 will depend on the learning curve of the plants. The agreement with Klabin may be renewed by mutual consent.



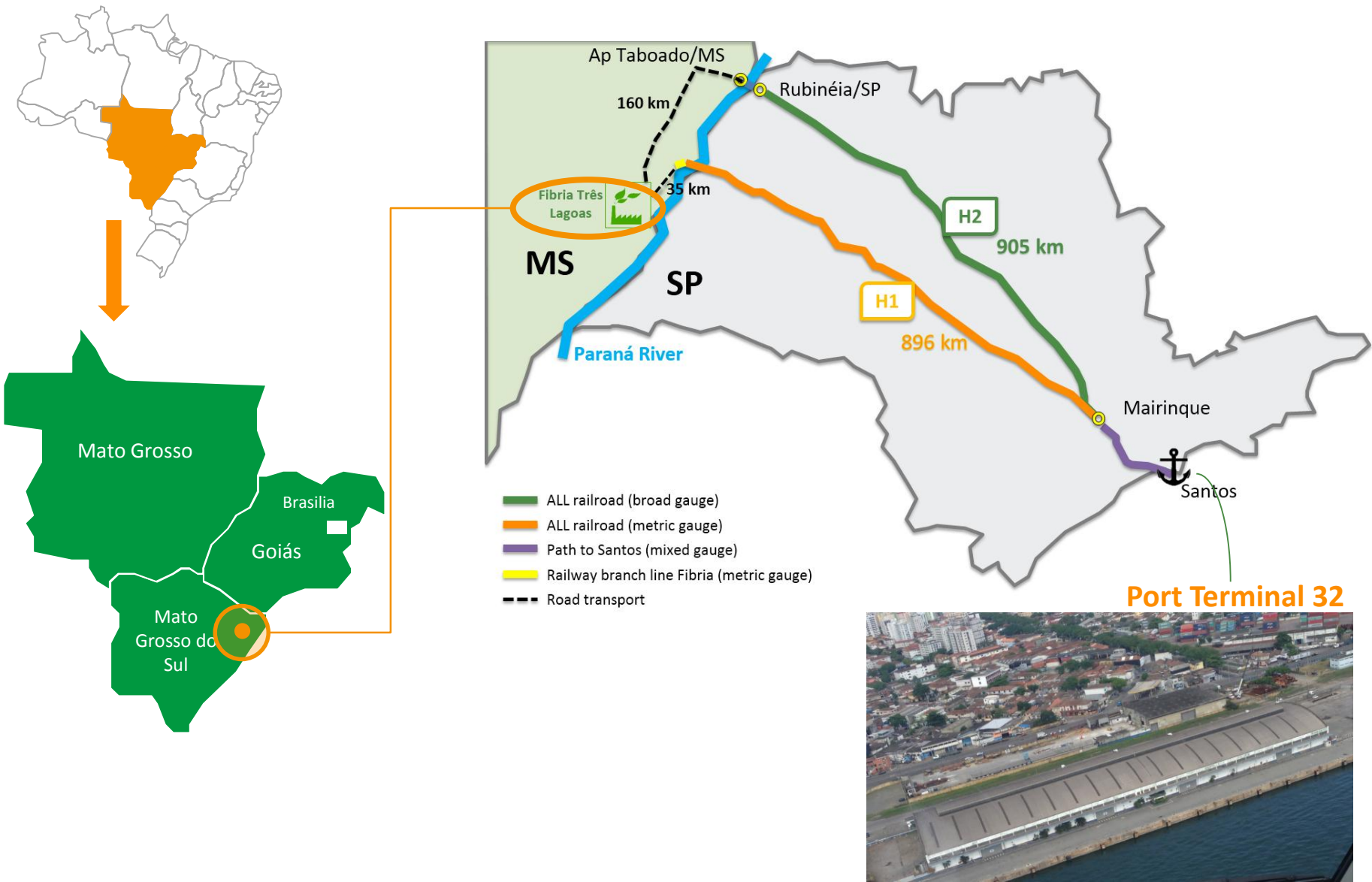
Forestry base required:

H1: 120,000 ha

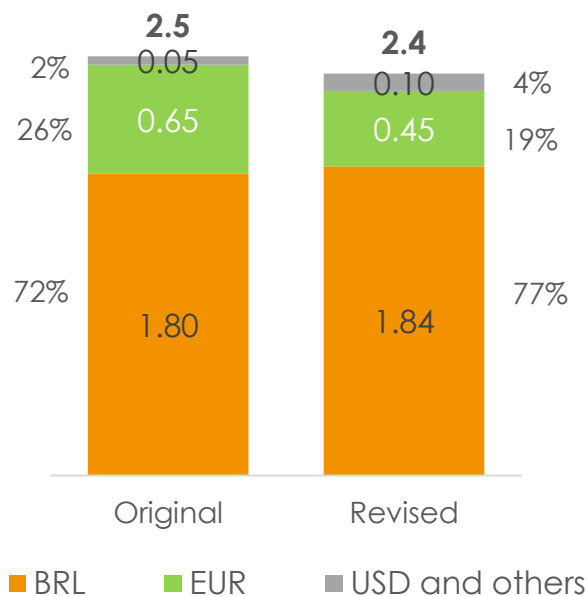
H2: 187,000 ha

Total: 307,000 ha

**Average distance from forest to mill H1 + H2 -> up to 100 km (1st cycle)
2nd cycle average distance should decrease due to less need for 3rd party wood**



CAPEX (US\$ billion)⁽¹⁾

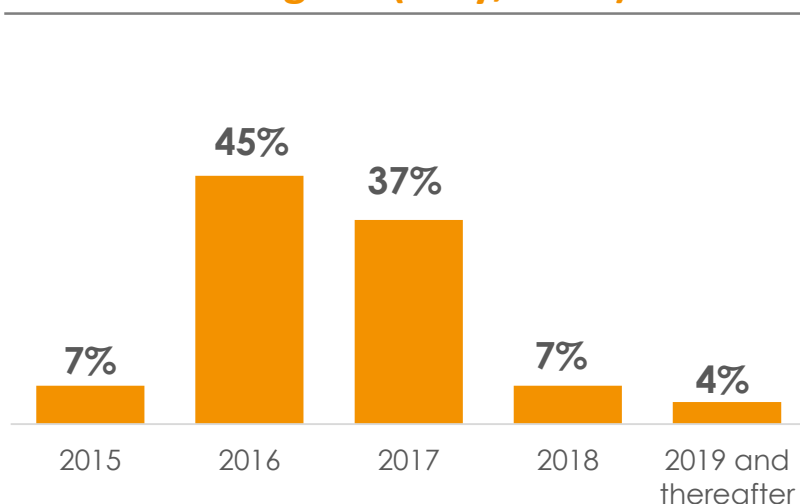


There are opportunities for capex postponement, WITHOUT delay in the project startup

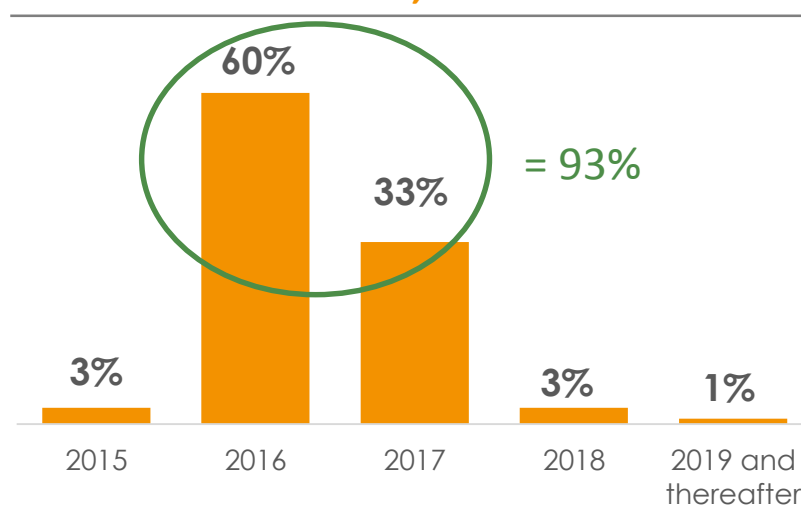
Physical progress⁽²⁾ = 32.5%
Disbursed capex⁽²⁾ = 15%

(1) FX: R\$ 3.65/US\$ | (2) As of April, 2016

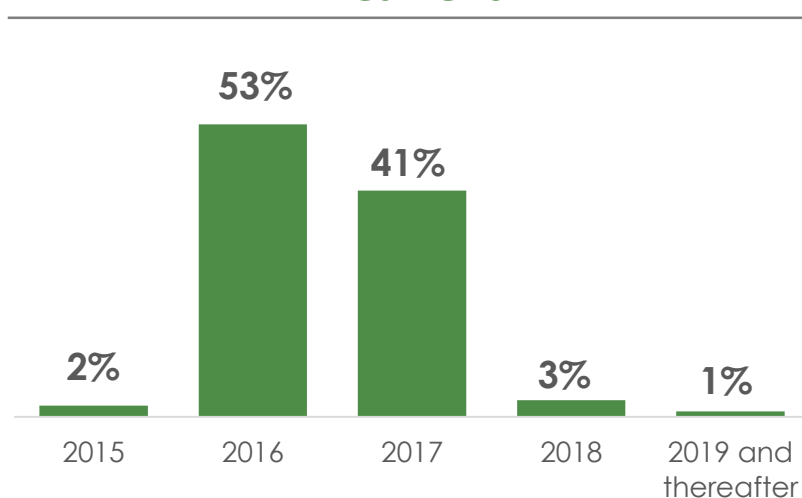
Original (May, 2015)



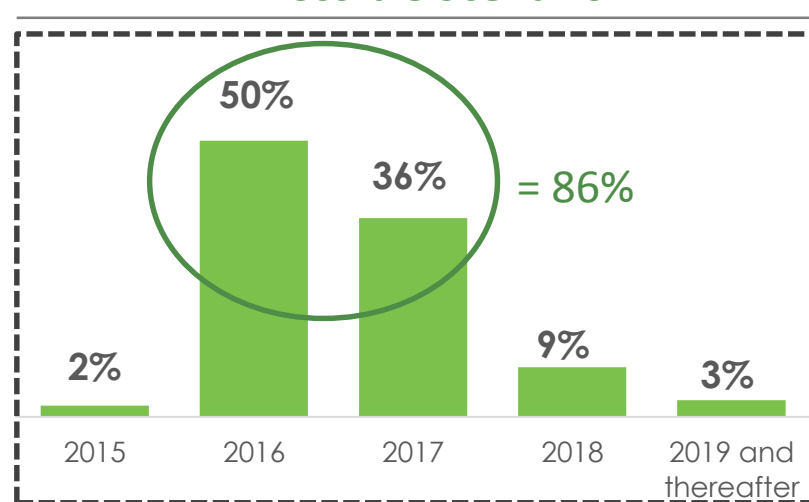
Nov, 2015



Current



Possible Scenario



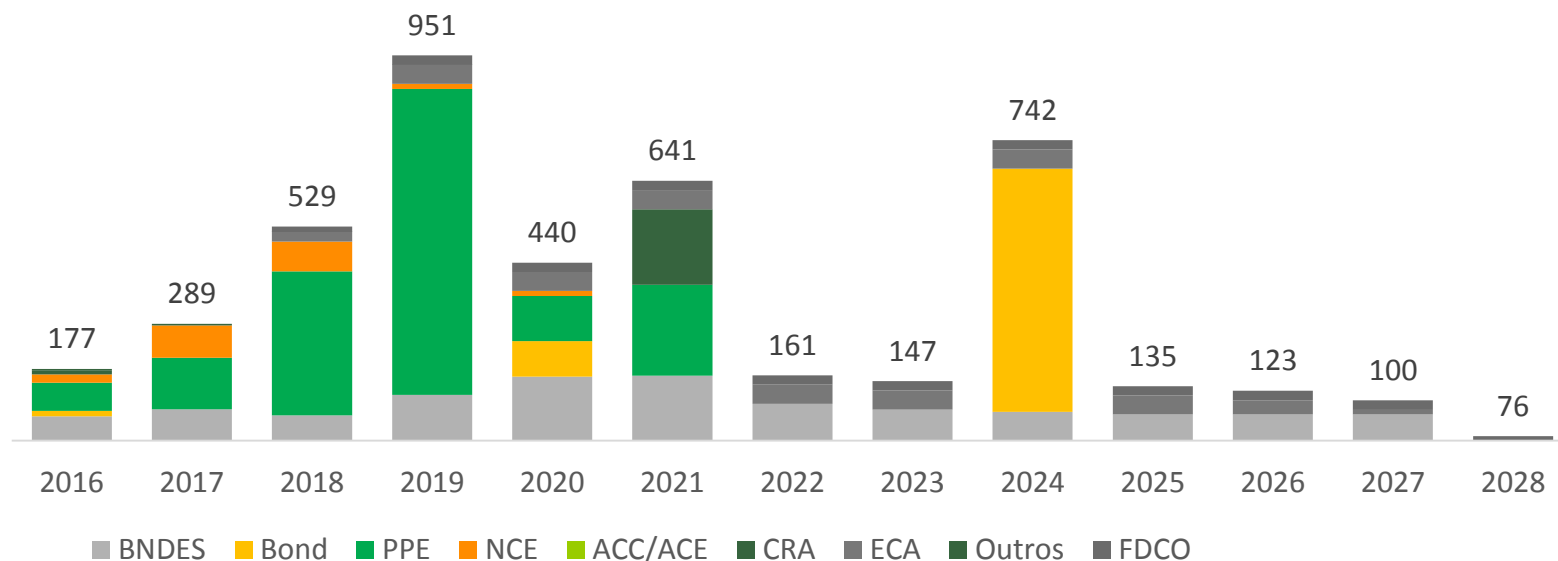
Funding

Cost and maturity

	1Q16	H2	1Q16 + H2
Average Cost (US\$ p.a) ⁽¹⁾	3.4%	2.1%	2.8%
Average Maturity (years)	4.2	5.8	4.7

Trade Finance accounts for 65% medium term debt (2016-2017)

Amortization Schedule ⁽²⁾ – 1Q16 Proforma with TLS II – US\$ million

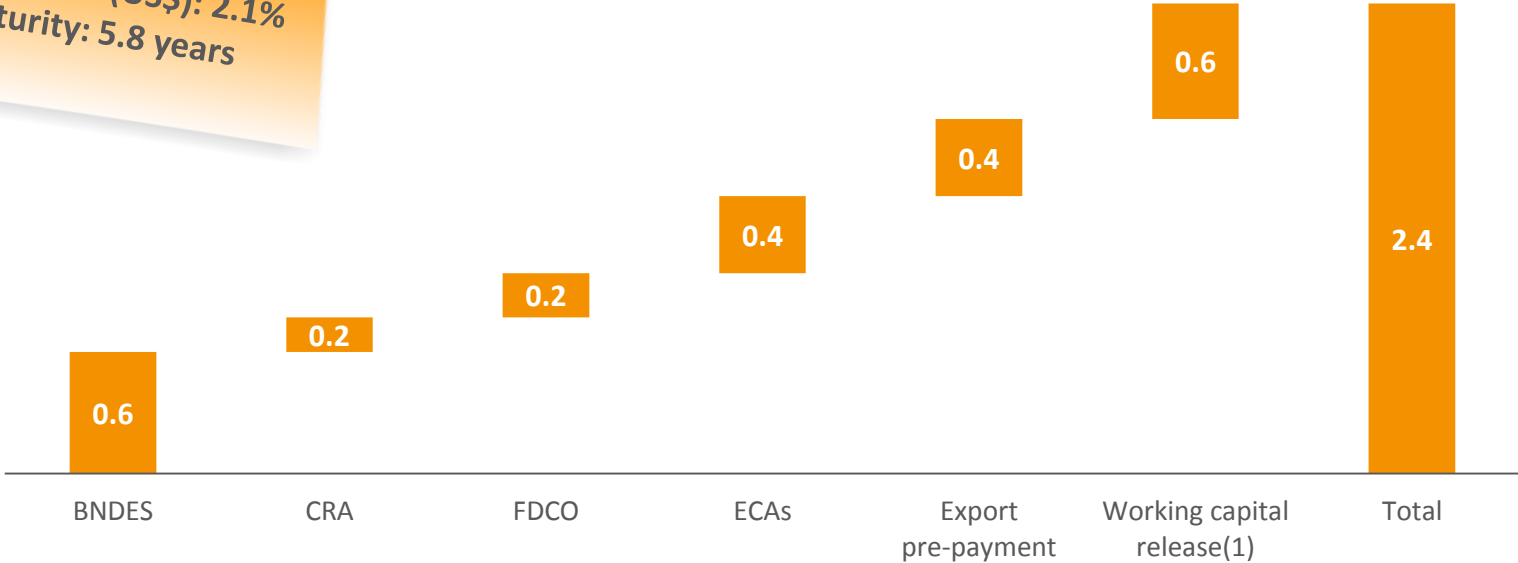


(1) Considering swap curves. | (2) Debt FX 1Q16: 3.5589 / FX considering new funding for the TLS II Project: 3.5589

Funding

Sources – US\$ million

Average cost (US\$): 2.1%
Maturity: 5.8 years



All funding is officially approved. BNDES, FDCO and ECAs will be withdrawn according to capex execution

(1) Working capital to be released in 2016 and 2017 in commercial deals with Klabin and shipping agreements. Main impacts over accounts payable and receivables.

Investment Grade reaffirmed with stable outlook, despite the sovereign downgrade

STANDARD &POOR'S April, 2016

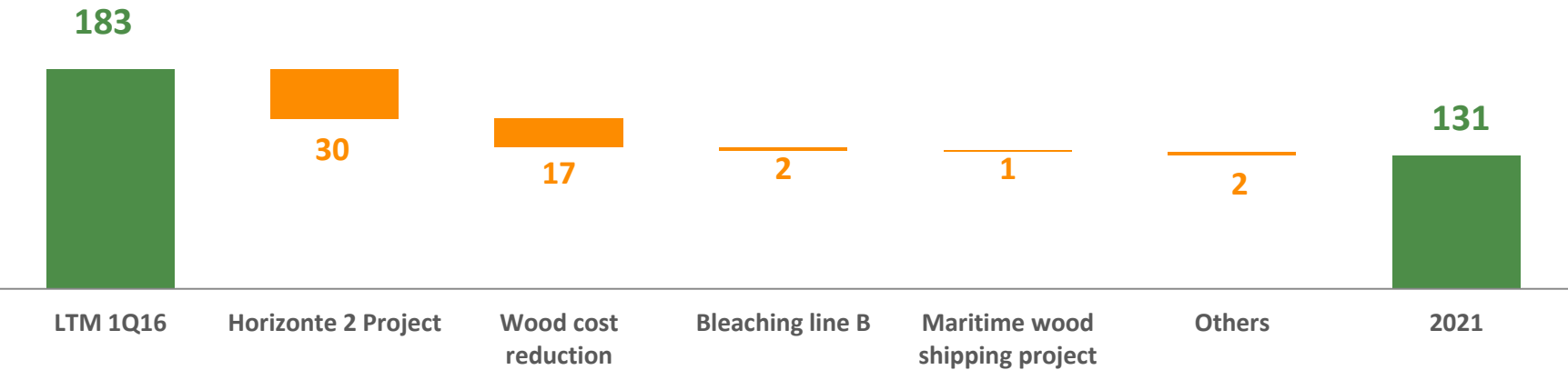
"Its robust performance should provide enough resources to fund the equity portion of its new pulp mill, Horizonte 2, and would help it to reduce leverage towards the end of 2017, when the new mill starts operations. We expect leverage metrics to remain slightly under pressure this year due to the debt load from the investment. But these metrics should gradually decline in 2017 and 2018."

FitchRatings Feb, 2016

"Leverage to Temporarily Increase: Fitch projects net leverage to remain below 2.5x during the construction of the Três Lagoas mill, quickly declining to below 1.5x by the end of 2018."

(1) According to rating agency methodology

Fibria's Cash cost (US\$/t) – 2021 @ R\$/USD 3.54



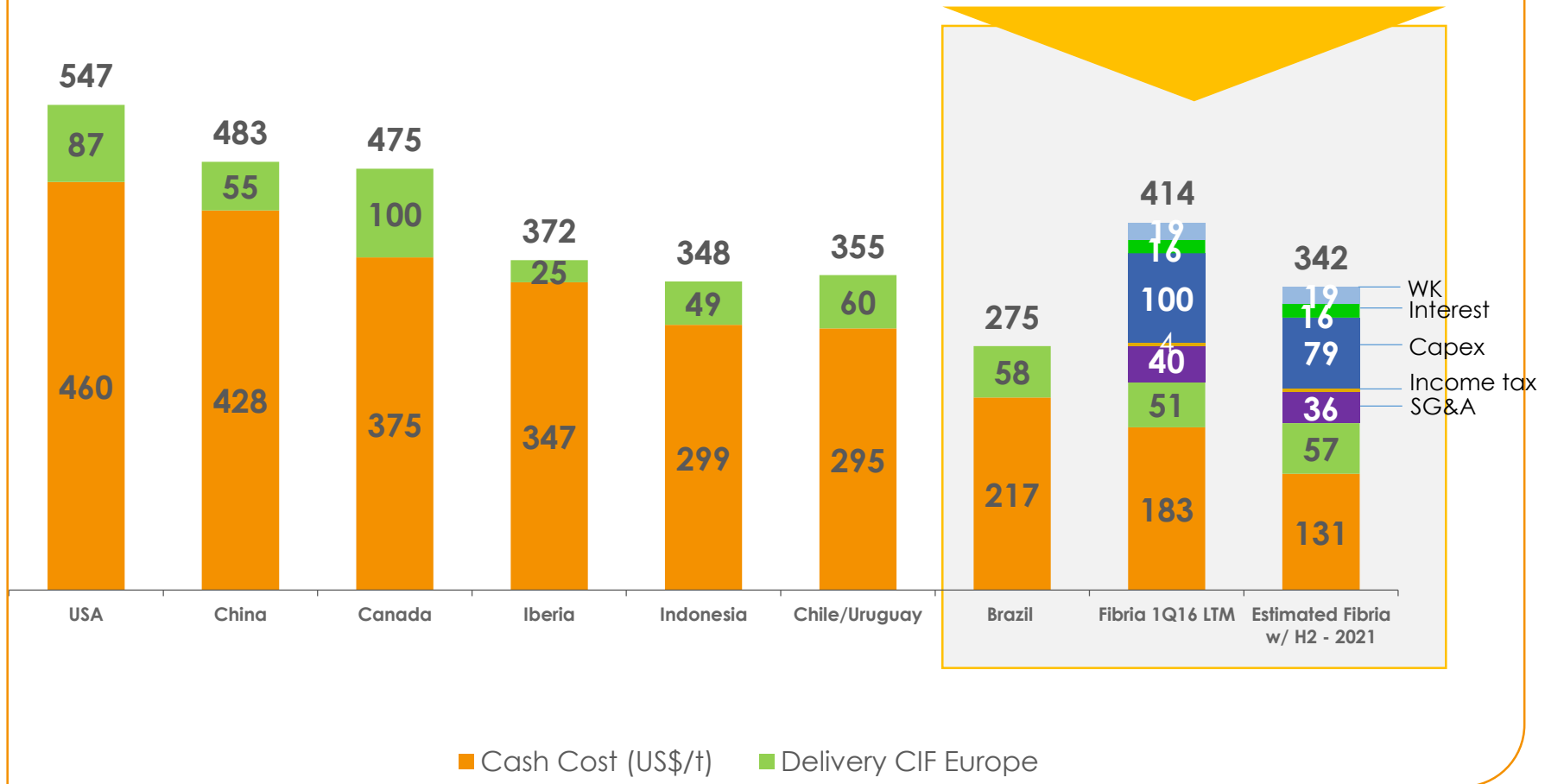
FX Sensitivity	
FX	Cash cost (US\$/t)
3.20	144
3.40	136
3.54	131
3.65	128
3.90	120

Even more competitive cash production cost w/ H2

BHKP (US\$/t)

BHKP capacity (000' t)	1,130	2,075	1,095	2,290	3,420	4,915	15,275	Total: 30,200
------------------------	-------	-------	-------	-------	-------	-------	--------	---------------

BHKP (US\$/t)



Source: Hawkins Wright (Price Forecast April 2016) and Fibria's 1Q16 Earnings Release -FX considered by the consultant at R\$/US\$3.54. H2 cash cost was estimated according to weighted average cost, after mill balance, converted at R\$/US\$3.54. Includes energy sales.

Horizonte 2 project assumptions

	UNIT	R\$	US\$
Pulp production/year	k tons	1,950	1,950
Expansion capex ⁽¹⁾	\$ billion	8.7	2.4
Expansion capex ⁽¹⁾	\$/t	4,481	1,229
Sustaining capex ⁽²⁾	\$/t	206	58
Cash production cost ⁽³⁾	\$/t	326	92
Energy surplus	MWh	130	130
Project approval FX	R\$/US\$	2.80	-
All in cash cost (estimated range) ⁽⁴⁾	\$/t	-	250-300
Pulp price ⁽⁵⁾	\$/t	-	523
Free Cash Flow (estimated)	\$/t	-	223-273
Payback period (estimated)	years	-	4.5-5.5

(1) Includes chemical leasing and investments in order to increase capacity to 1,950 kt/year (FX@3.65).

(2) Estimated sustaining capex in perpetuity (FX @ 3.65).

(3) Estimated weighted average cost, after mill balance. Includes energy sales (FX @ 3.54).

(4) Cash cost + freight + SG&A + Sustaining Capex + Interest + taxes (FX @ 3.54)

(5) 2016 market consensus.



- Economies of scale
- Synergies with current operations
- Wood availability and low distance from forest to mill
- Fibria's total energy surplus to be increased by 130 MWh
- Cash cost competitiveness
- Meet customers' demand growth
- Attractive returns even in adverse scenarios of pulp price and BRL
- Solid financial profile



Investor Relations:

Website: www.fibria.com.br/ri

E-mail: ir@fibria.com.br

Tel: +55 11 2138-4565