



**Conference Call – 3Q15**

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October 23<sup>rd</sup>, 2015

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**Startup: 4Q2017**

**Capacity\*: 1.850 million t/year**

## Main progress 3Q15:

- ✓ Contracting conclusion for industrial packages and main services.
- ✓ Cornerstone ceremony set for October 30, 2015.
- ✓ Regularly updated video on the company website shows the progress of the project.



**Physical and financial execution in line with schedule.**

## Operational Results

record

- 3Q15:  
Net revenue: R\$2.79 billion | EBITDA: R\$1.55 billion | EBITDA margin: 56% | FCF<sup>(1)</sup>: R\$1.12 billion
- LTM<sup>(2)</sup>:  
Net revenue: R\$9.1 billion | EBITDA: R\$4.6 billion | EBITDA margin: 51% | FCF<sup>(1)</sup>: R\$2.3 billion

## Pulp Market

- Sales volume of 1,298 thousand tons in 3Q15, 2% more than period output and higher than 2Q15;
- Pulp inventories at 53 days;
- Low seasonality, with favorable market fundamentals.

## Liability Management

- Net debt of US\$2.41 billion, Fibria's lowest ever level;
- Leverage reduction in US\$ to 1.58x and in R\$ to 2.07x;
- Cost of debt in US\$ reduced to 3.3% p.a.

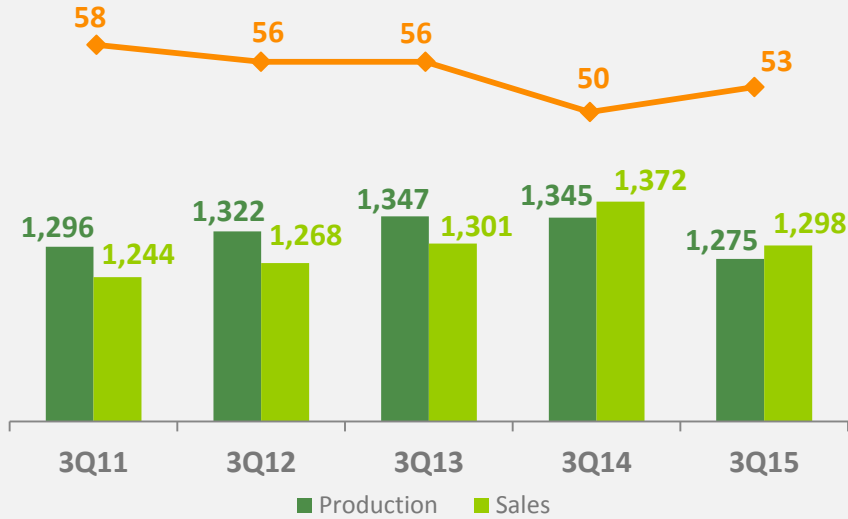
(1) Not considering dividend payment of R\$149 million and capex related to Horizonte 2 project.

(2) LTM: Last twelve months.

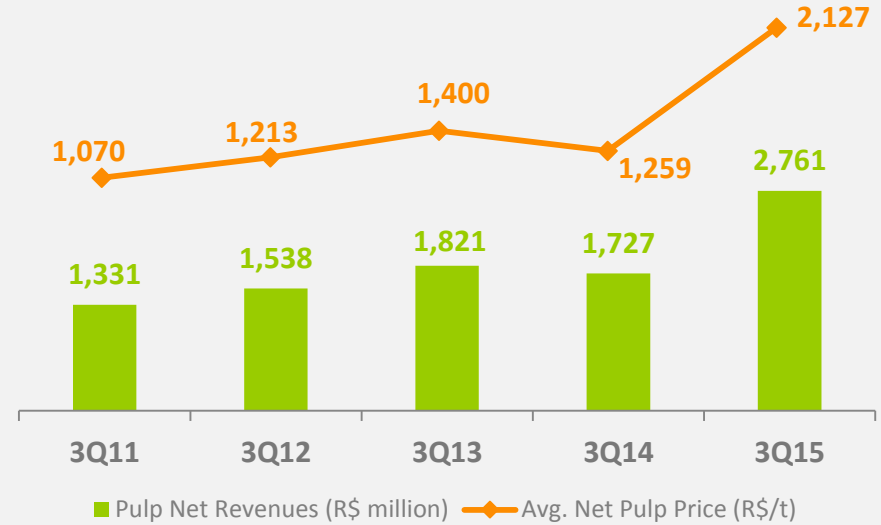
# 3Q15 Results



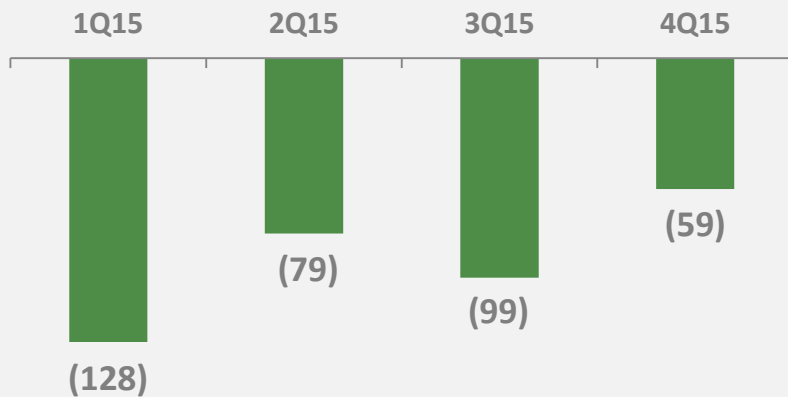
Pulp Sales (000 t) and Inventories (in days)



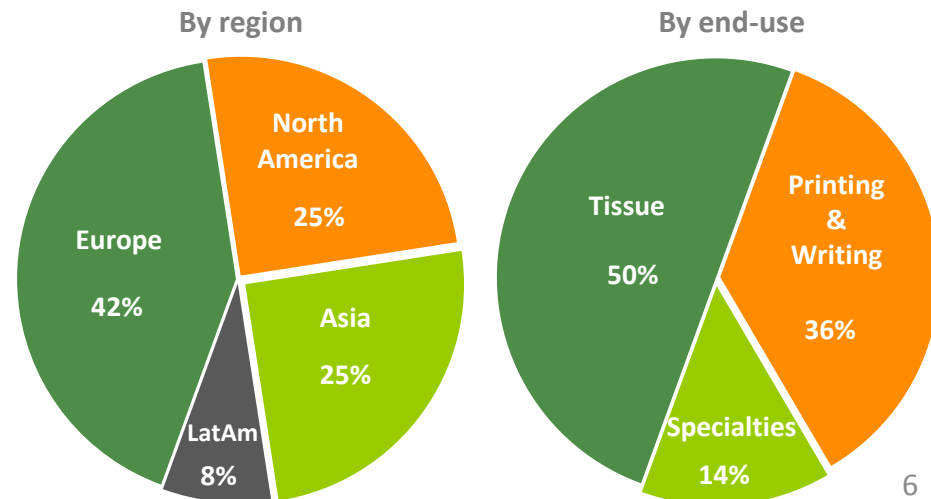
Pulp Net Revenues and Average Net Pulp Price



BHKP Schedule Maintenance Downtimes - Brasil (000 t)<sup>(1)</sup>



Net Revenue – 3Q15

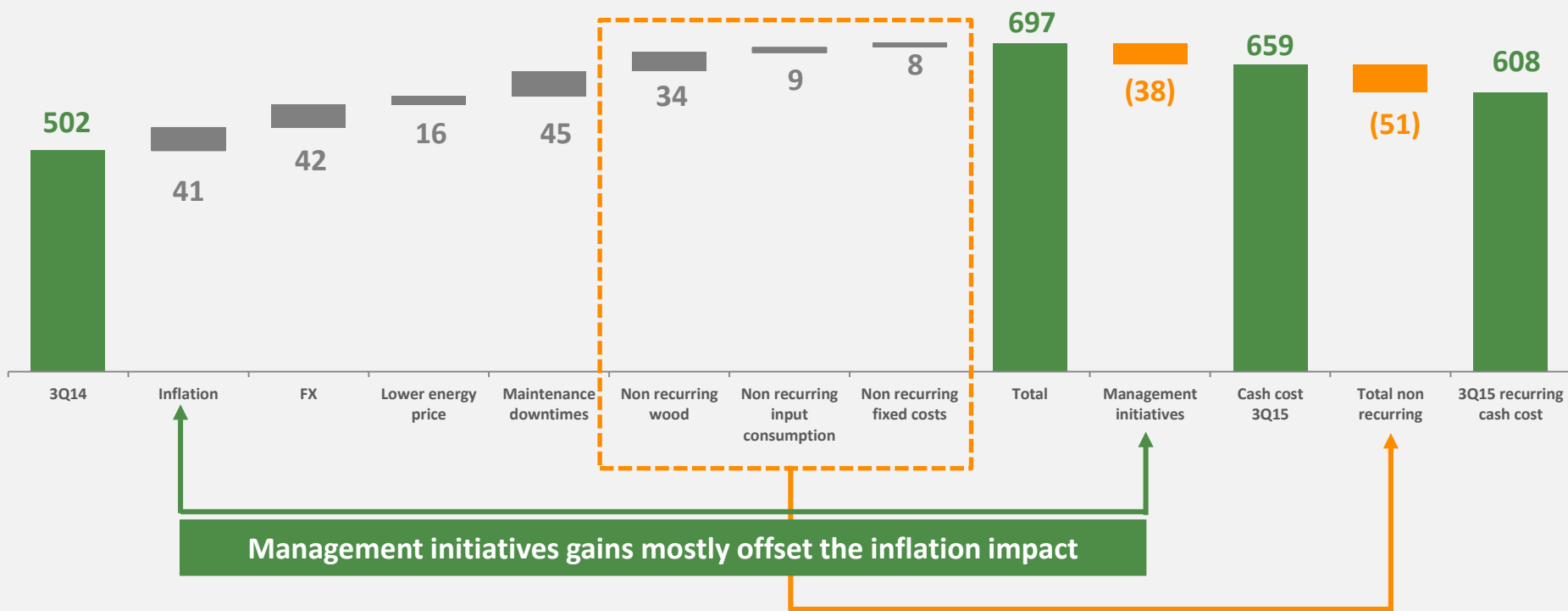


<sup>(1)</sup> ABTCP and Fibria

# Cash Production Cost (R\$/t) – 3Q15



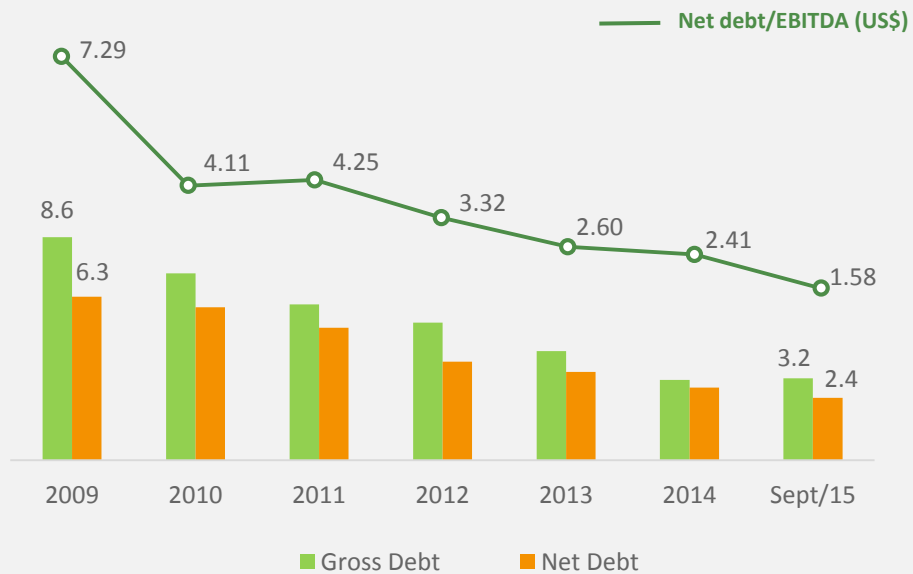
LTM:  
Average FX: 56%  
Inflation (IPCA): 9.5%



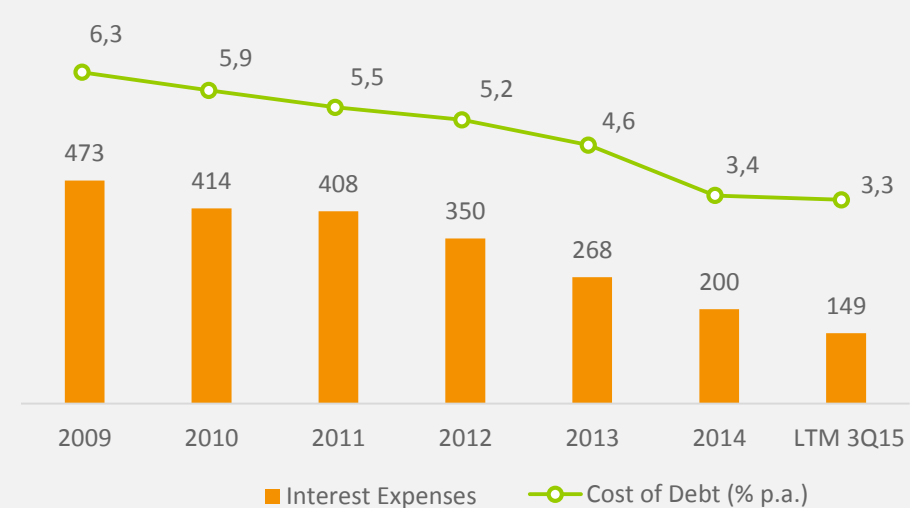
# Indebtedness



### Debt (US\$ billion) and Leverage (US\$)

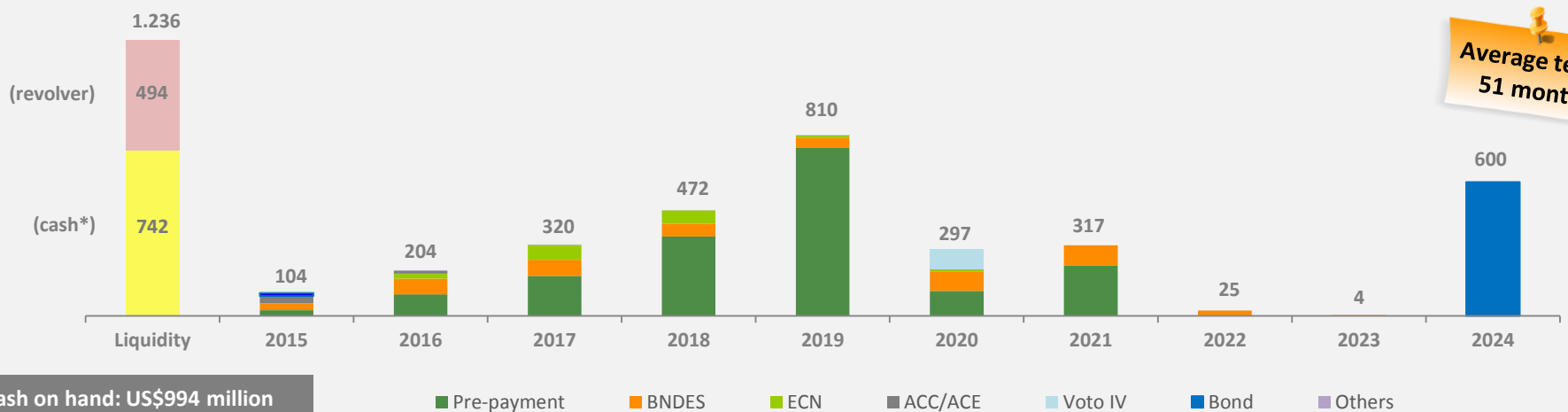


### Interest Expenses (US\$ million) and Cost of Debt in US\$\*



(\*): Considering the portion of debt in reais fully adjusted by the market swap curves at the end of each period.

### Debt Amortization Schedule (US\$ million)



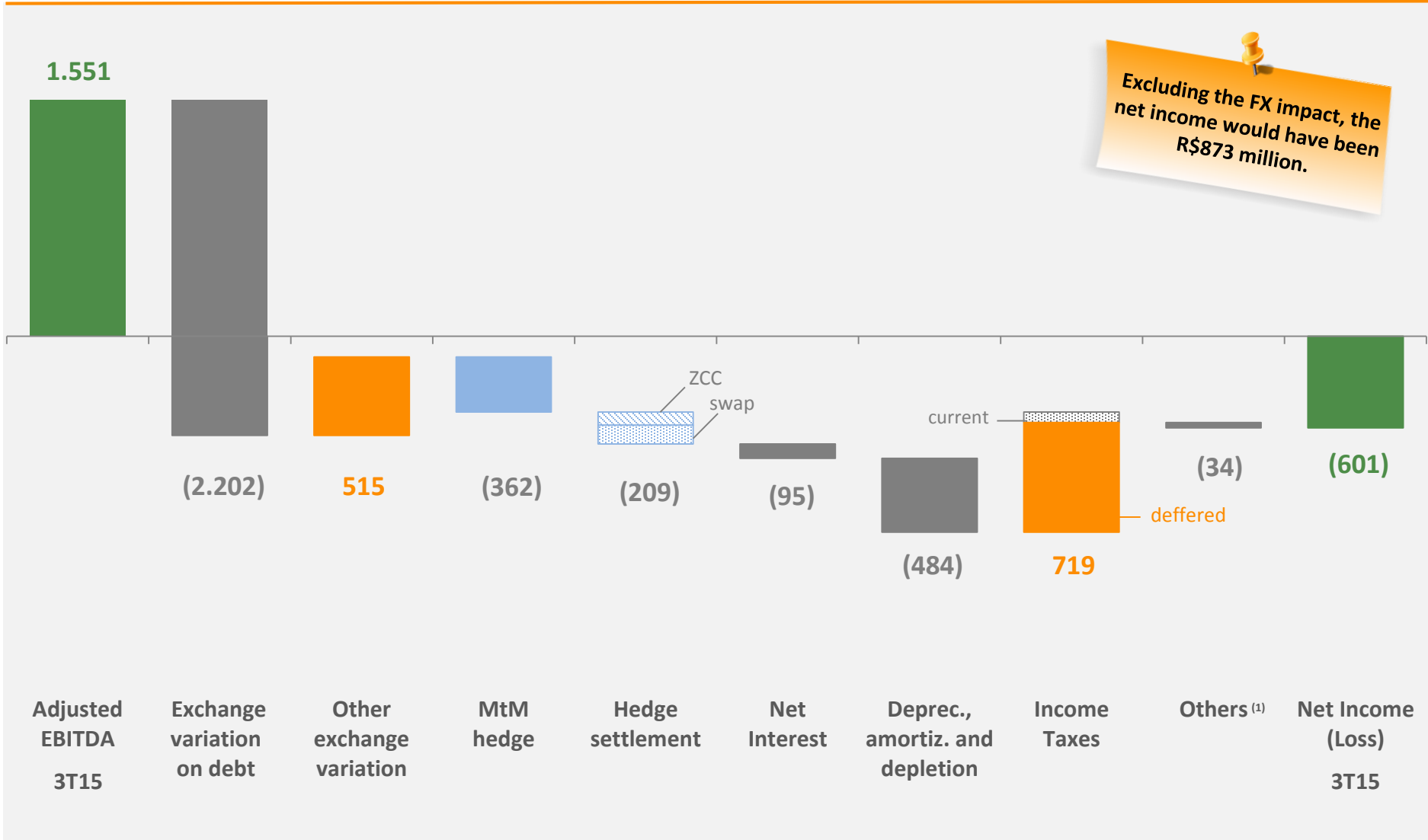
Cash on hand: US\$994 million

Legend: Pre-payment (green), BNDES (orange), ECN (yellow), ACC/ACE (grey), Voto IV (light blue), Bond (dark blue), Others (purple)

\* Includes MtM of hedging transactions.



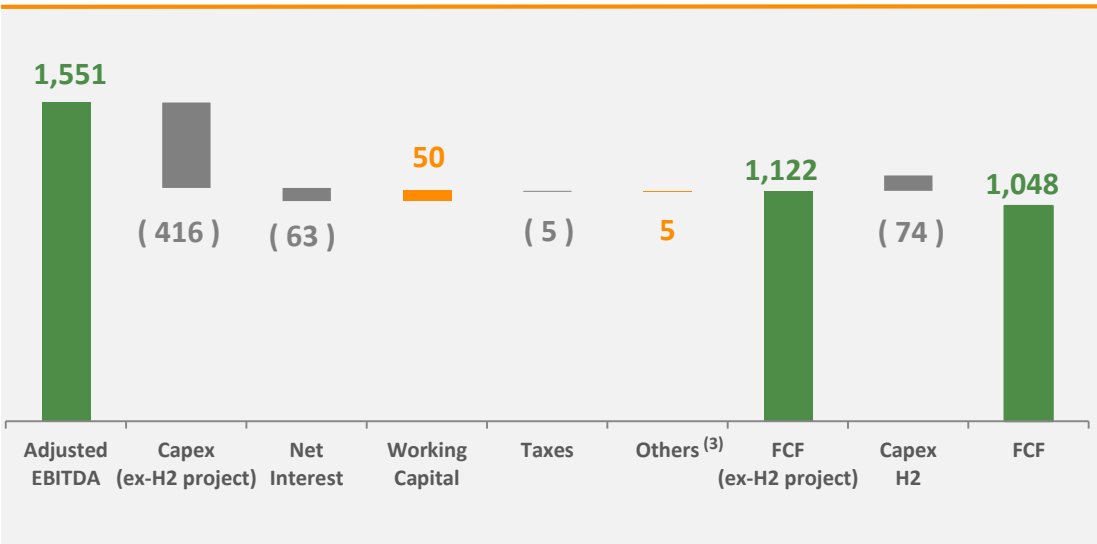
# Net Results (R\$ million) – 3Q15



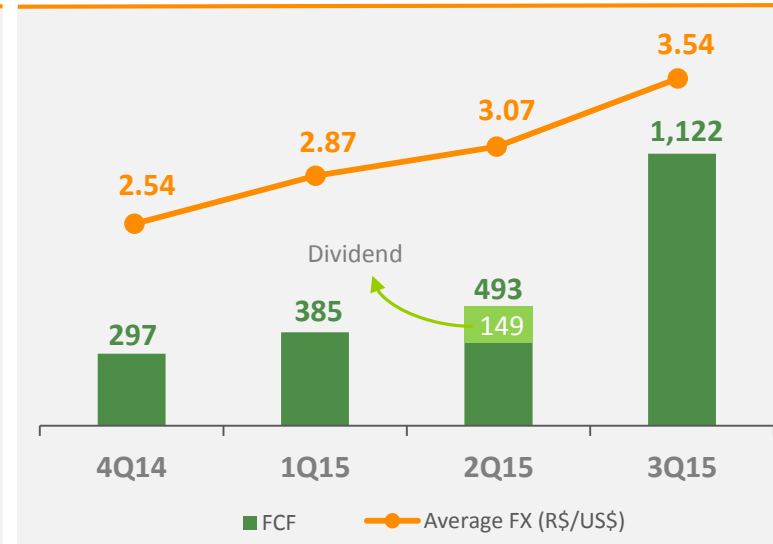
<sup>(1)</sup> Includes non-recurring expenses/non-cash and other financial income/expenses.

# Free Cash Flow <sup>(1)</sup> – FCF

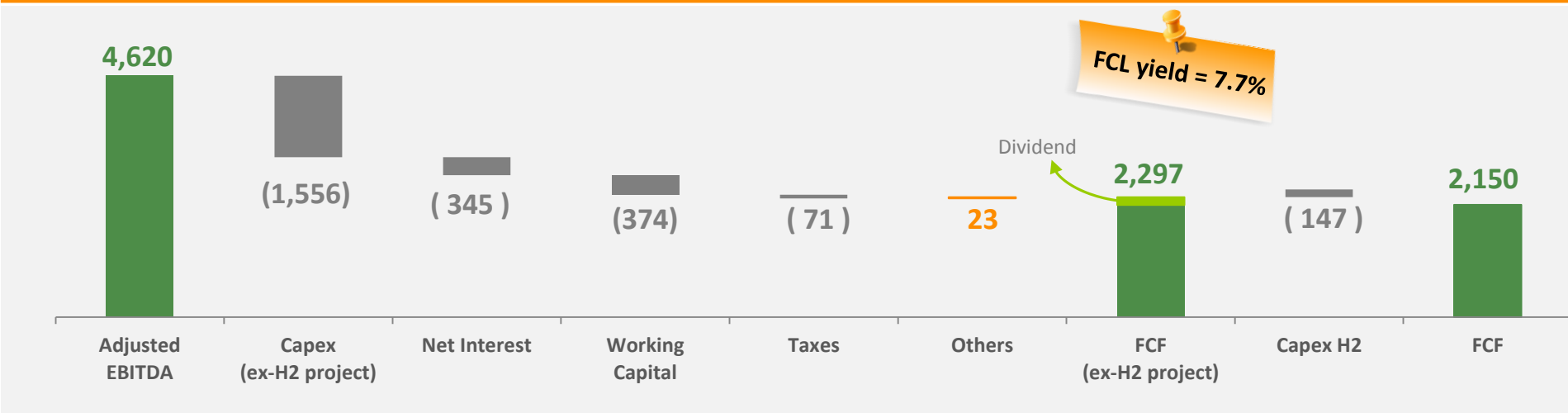
R\$ million – 3Q15



FCF Evolution <sup>(2)</sup> (R\$ million) and Average FX



R\$ million - LTM



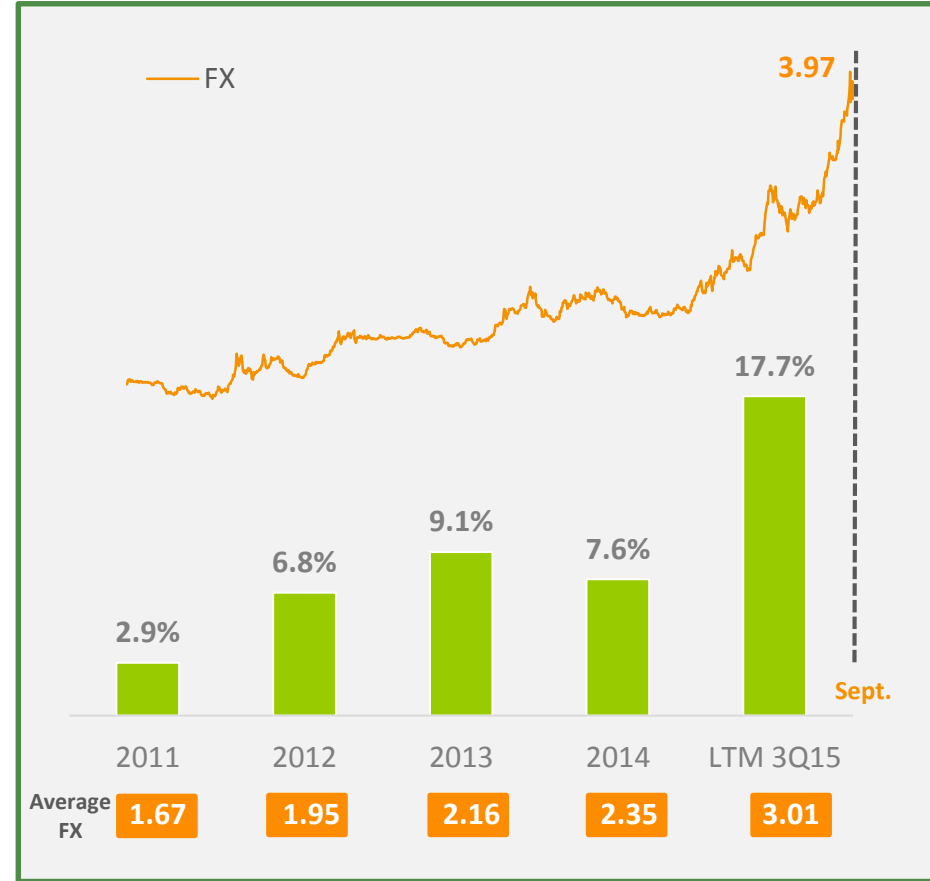
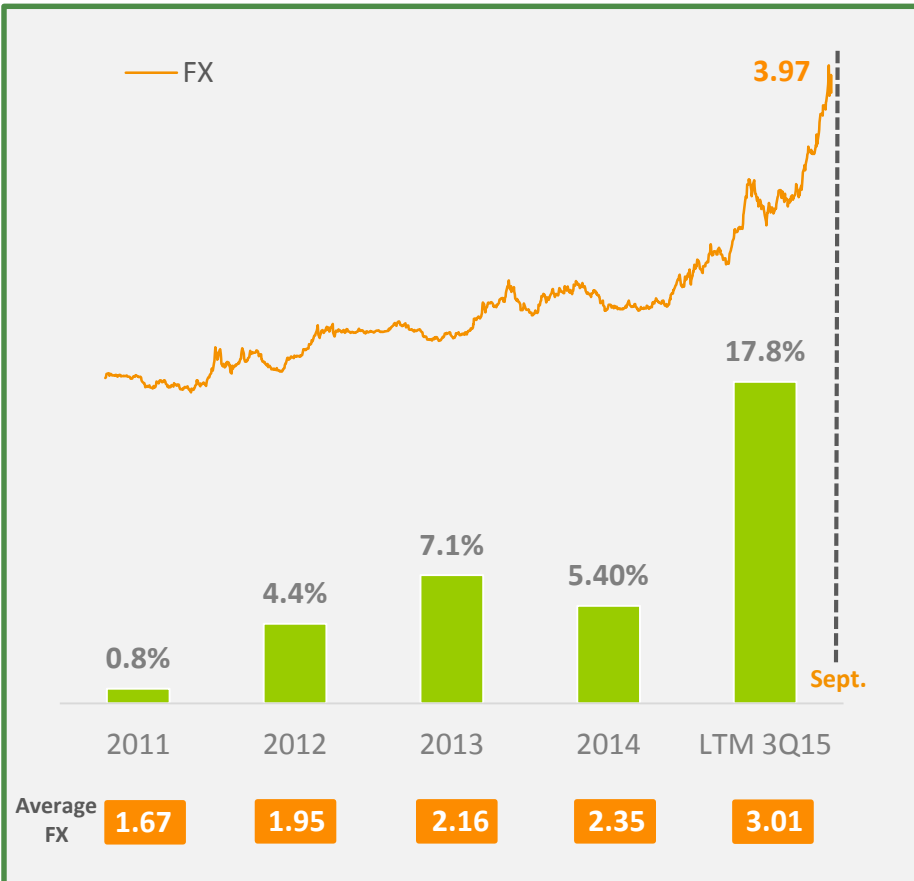
(1) Not considering dividend payment of R\$149 million.  
 (2) Not considering capex related to the Horizonte 2 project.  
 (3) Includes other financial results.

# ROE and ROIC (R\$)



ROE = Adjusted EBIT<sup>(1)</sup>/ Equity before IAS 41<sup>(2)</sup>

ROIC = Adjusted EBIT<sup>(3)</sup>/ Invested Capital before IAS 41<sup>(2)</sup>



- (1) Adjusted EBITDA – CAPEX – Net Interest – Taxes
- (2) International accounting standards for biological assets.
- (3) Adjusted EBITDA – CAPEX – Taxes

# Approval of Dividend Policy

*Commitment to Corporate Governance best practices.*

## - Criteria:

- ✓ Proposed dividends based on cash generation, taking into consideration the company's strategic planning and in line with its policies, notably the Indebtness and Risk Management policies.
- ✓ Preserving Investment Grade.



**Extraordinary dividend if Policy criteria are met.**

# Proposed Extraordinary Dividend of R\$ 2 billion



## ➤ Drivers:

- Strong cash generation
- Cash position above minimum cash
- Low leverage level
- Low average cost of debt
- Funding status of Horizonte 2 project
- Capital discipline

## ➤ Timeline:

- Call to EGM: **October 22<sup>nd</sup>, 2015**
- EGM date: **November 30<sup>th</sup>, 2015**
- Payment on: **December, 2015**

*Implementation of  
Dividend Policy approved*

**Dividend yield\* = 7%**



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