

2015 MANAGEMENT REPORT

MESSAGE FROM MANAGEMENT

Following the conclusion of a cycle marked by liability management, Fibria began a new stage of its trajectory in 2015, with a series of strategic decisions designed to ensure a new level of competitiveness, involving an increase in operating capacity, financial discipline, operational excellence and the creation of value for shareholders, underpinned by solid corporate governance standards.

The decision to expand the Três Lagoas mill (MS) – begun with the Horizonte 2 project – the country's largest private investment in 2015 with a budget of around US\$2.2 billion, will allow the Company to consolidate its leadership position and increase its competitiveness. We also executed a contract with Klabin for the exclusive sale of hardwood pulp from the PUMA project to countries outside South America, further expanding our presence in the pulp market.

In 2015, the Company made substantial progress with research and innovation, strengthening its vision of creating new products from their forest base. In front of lignin became owns significant intellectual property in theme with the acquisition of the assets of the Canadian Company Lignol Innovations.

Thanks to the combination of a mature vision of corporate governance, which is constantly evolving, and strong period cash generation, in 2015 the Company was able to launch a dividend policy which prioritizes financial solidity and increases the market transparency of the way we define shareholder remuneration. As a result of this policy, Fibria paid annual dividends of R\$2.149 billion.

Another corporate milestone in 2015 was the achievement of investment grade status, granted to the Company by Standard & Poor's and Moody's, thereby obtaining recognition of the quality of its credit by all three risk rating agencies, once again underlining its capacity for financial discipline and commitment to long-term planning. It is worth noting that Fibria's investment grade rating with a positive outlook was reaffirmed by the agencies even after the worsening of Brazil's political and economic crisis in 2015, which led both S&P and Fitch to downgrade sovereign risk and Moody's put the sovereign rating on review with the possibility of relegation.

From the operational point of view, the Company continued to pursue efficiency gains through the implementation of projects, process improvements and innovation.

The 2015 pulp market exceeded agents' expectations, characterized by higher-than-expected demand growth and unscheduled production downtimes, which meant that new supply was absorbed by the market, in turn allowing the introduction of successive price increases and the maintenance of balanced inventories.

Annual net revenue totaled R\$10.081 billion, 42% up on 2014 and a new record, fueled by the depreciation of the real against the dollar and the higher average net dollar price. EBITDA came to R\$5.337 billion, with a margin of 53%, also the company's best ever figures. We closed 2015 with net income of R\$357 million and free cash flow of R\$2.9 billion, resulting in Management's proposal to pay dividends of R\$300 million in 2016, subject to approval by the Annual Shareholders' Meeting to be held in April.

The Company closed the year with net debt of R\$2.8 billion, which already includes some of the low-cost and long-term funding for the Horizonte 2 project raised through export financing lines and Agribusiness Receivables Certificates (CRAs).

On the social and environmental front, we are concerned with finding solutions for climate-related problems through the development of products and services that help ensure social well-being. We sought to play a leading role in the main climate change meetings in 2015, taking an active part in COP 21, the World Council for Sustainable Development, the Brazilian rounds on the Forestry Code and the Brazilian Climate, Forestry and Agriculture Coalition. Another determining value creation factor is the way Fibria relates to its surrounding communities, which has recorded substantial progress. The Company's community engagement projects, such as the Rural Area Development Program (PDRT), the Tupiniquim Guarani Sustainability Program, the Beehive Program and the Ofayé and Alvorecer Programs, among others, moved ahead strongly, benefiting 5,500 families. Fibria's long-term goals are to help these communities become self-sustainable in 70% of the income generation projects supported by the Company by 2025 and achieve an 80% approval rating from its surrounding communities. The last survey showed that 72% of respondents approved of Fibria's activities. At the end of 2015, we made further progress with the formalization of a Sustainability Policy, approved by the Board of Directors and available on the Company's Investor Relations website, making a further contribution to the governance of our aspirations which are already an integral part of our business proposition.

An exceptionally positive year for the Company was further underlined by various awards and recognitions. Fibria was maintained in the 2015/16 portfolio of the NYSE's Dow Jones Sustainability Index (DJSI) – Emerging Markets, as well as in the portfolios of other important indices, such as BM&FBovespa's Corporate Sustainability Index (ISE). We were also highlighted in the Customer Relations category by *Exame* magazine's Sustainability Yearbook and elected Best Company in the Pulp and Paper Sector by the *Negócios 360°* and *Melhores da IstoÉ Dinheiro* Yearbooks.

Finally, we would like to thank all those, particularly our employees, clients, partners and suppliers, who have contributed to our excellent results until now, each and every one of whom has played a fundamental role in the history of Fibria's success.

Marcelo Strufaldi Castelli

CEO

José Luciano Penido

Chairman of the Board of Directors

MARKET OVERVIEW

The 2015 pulp market exceeded agents' expectations, characterized by higher-than-expected demand growth and unscheduled production downtimes, which meant that new supply was absorbed by the market, in turn allowing the introduction of successive price increases and the maintenance of balanced inventories.

PERFORMANCE ANALYSIS

Fibria's **pulp production** totaled 5.2 million tons in 2015, 2% down on 2014, due to the slower stabilization curve following the scheduled maintenance downtimes, which, for the first time, were held after 15 months of operations, unlike in previous years, when they took place every 12 months.

Pulp sales volume came to 5.1 million tons, 3.5% less than in 2014. Despite a strong performance for most of 2015, permitting the imposition of three successive price hikes throughout the year, sales in the final quarter were jeopardized by Chinese pressure on prices, leading Fibria to reduce its exposure in Asia to below its historical average.

In terms of final use and sales per region, sales to the Sanitary Paper segment accounted for 50% of the 2015 total, followed by Printing and Writing Paper, with 35%, and Special Papers, with 15%. Europe continued to head the revenue rankings, generating 43% of the total, followed by North America and Asia, with 24% each, and Brazil, with 9%.

Net operating revenue amounted to R\$10.1 billion, 42% more than in 2014, fueled by the higher average net price in dollars and the appreciation of the U.S. currency against the real, partially offset by the period reduction in sales volume.

The **cost of products sold (COGS)** totaled R\$5.9 billion, 6%, or R\$333 million, up on the year before, due to: (i) the increase in the production cash cost, impacted by higher non-recurring wood costs, the exchange rate, and the reduction in energy sales due to lower prices; and (ii) the impact of the exchange variation, on freight charges, partially offset by the reduced cost of bunker adjustments as a result of the slide in oil prices.

Selling expenses amounted to R\$437 million, 20% more than in 2014, chiefly due to the 42% appreciation of the average dollar against the real, which mainly impacted terminal expenses, partially offset by the downturn in sales volume. It is worth noting that the selling expenses to net revenue ratio was 4%, 1 p.p. less than in 2014.

Administrative expenses came to R\$266 million, flat over the previous year.

Adjusted EBITDA stood at R\$5.3 billion, with a margin of 53%, 91% more than the year before and a new record, primarily fueled by the appreciation of the dollar against the real and the higher average net pulp price in dollars, partially offset by the upturn in cash COGS and lower sales volume.

The **financial result** was a net expense of R\$3.7 billion, versus an expense of R\$1.6 billion in 2014, mainly due to the impact of the exchange variation on dollar-denominated debt (the dollar appreciated by 47% against the real in 2015), since a large part of the Company's debt is dollar-pegged given its primary nature as an exporter. The deterioration in the hedge result, partially offset by dollar-pegged assets, which generated period revenue, also contributed to this result.

Given all the above, the Company reported 2015 **net income** of R\$357 million, a 119% improvement over 2014.

STRATEGY

Fibria continues to maintain a strategy based on three pillars: (i) continued operational improvement; (ii) disciplined growth initiatives in regard to pulp production; and (iii) the pursuit of complementary opportunities in the value chain.

In the case of continuous improvement, the main highlights were the initiatives aimed at generating a better operating performance, increasing forest productivity and reducing capital employed in the business, exemplified by the energy efficiency projects and the reduction in production process variability.

In the case of growth, Fibria announced approval of the Horizonte 2 project to expand its mill in Três Lagoas (MS). This undertaking, already begun, includes the construction of a new bleached eucalyptus pulp production line with a nominal capacity of 1.85 million tons per year, with estimated investments of R\$8.7 billion, equivalent to US\$2.2 billion. Operational start-up is scheduled for the fourth quarter of 2017. The project will increase Fibria's pulp production capacity by 35%.

As for new business, Fibria constantly pursues complementary opportunities in the value chain in such areas as bioproducts, real estate and port development, among others. One such

initiative was the strengthening of the strategic alliance with the American company Ensyn Corporation (Ensyn), begun in 2012, as well as other prospects in the priority areas defined by Fibria's biostrategy study.

In the port development area, it is particularly worth mentioning the expansion studies for Portocel, a private terminal specializing in pulp shipments in Barra do Riacho, Espírito Santo.

CAPITAL EXPENDITURE

Capex totaled R\$1.6 billion in 2015, excluding the Horizonte 2 expansion project and the end-of-year land purchases, 6% down on the estimate announced to the market at the close of 2014. Including Horizonte 2, the land acquisitions, non-recurring maintenance expenses and the external factors of inflation and the exchange variation, capex would have come to R\$2.4 billion.

Management has approved a 2016 capital budget of R\$8.2 billion, R\$5.4 billion of which will be allocated to the Horizonte 2 expansion project.

LIABILITY MANAGEMENT

With the decision to invest in the Horizonte 2 project, the Company structured the necessary funding for its execution through long-term and low-cost financing, which will extend the average term of Fibria's debt from 4.3 to 5.0 years and reduce its average cost in dollars from 3.3% p.a. to 2.8% p.a. The financing sources include export prepayments, Agribusiness Receivables Certificates (CRAs), the Brazilian Development Bank (BNDES), the Midwest Development Fund (FDCO), Export Credit Agencies (ECAs) and the Company's own cash through the freeing of working capital.

Cash and cash equivalents closed the year at R\$1,730 million, including the mark to market of hedge instruments, which came to a negative R\$828 million. Excluding the impact on the cash position of the mark to market of the hedges, 58% of cash was allocated to local currency government and fixed income securities, and the rest to short-term investments abroad.

The Company has four unused revolving credit facilities totaling R\$1,943 million, three of which in local currency totaling R\$850 million and one in foreign currency totaling US\$280 million. These funds, despite not being utilized, help improve the Company's liquidity. When added to the current cash position of R\$1,730 million, these lines have resulted in an immediate liquidity position of R\$3,673 million. As a result, the cash to short-term debt ratio closed 4Q15 at 3.4x.

The Company ended the year with gross debt of R\$12,744 million, corresponding to US\$3,264 million, 4% up on the previous year in dollars due to period funding operations for the Horizonte 2 project. Net debt ended the year at R\$11,015 million, the net debt/EBITDA ratio in dollars stood at 1.78x and the total average debt maturity was 51 months.

DIVIDENDS

In 2015, Fibria fine-tuned its governance procedures by launching a Dividend Policy which makes the criteria through which the Company will propose shareholder payments more transparent to investors, while respecting its financial policies and commitment to maintaining investment grade status. Given strong cash generation and as a result of implementing this policy, Fibria paid dividends of R\$2.15 billion in 2015.

We closed 2015 with net income of R\$357 million and free cash flow of R\$2.9 billion before capex with the Horizonte 2 project, the end-of-year land acquisitions and dividend payments, which formed the basis of Management’s proposal to distribute dividends of R\$300 million in 2016, to be resolved at the next Annual Shareholders’ Meeting in April.

Fibria’s dividend policy envisages the possibility of paying extraordinary dividends throughout the year, in accordance with its cash generating capacity, providing its Debt and Liquidity Policies and commitment to investment grade status are respected.

CAPITAL MARKET

Fibria’s shares, which are traded in the Novo Mercado listing segment of the BM&FBovespa under the ticker FIBR3, appreciated by 71% in 2015, closing at R\$51.89. On the NYSE, the Company’s level III ADRs, traded under the ticker FBR, closed at US\$12.69, 13% up in the year. Daily trading volume on the BM&FBovespa and NYSE averaged 3.1 million shares, 13% more than in 2014, while daily financial volume averaged US\$41.8 million, up by 42%.

Total outstanding shares	553,934,646 common shares (ONs)
ADR (American Depositary Receipt)	1 ADR = 1 common share
Market cap on December 31, 2015	R\$28.7 billion US\$7.4 billion

Fibria’s shares are included in the main Brazilian stock market indices – the Ibovespa, the Brazil 50 Index (IBRX-50), the Brazil 100 Index (IBRX-1000), the Corporate Governance Stock Index (IGC), the Special Tag-Along Stock Index (ITAG), the Carbon Efficient Index (ICO2) and the Corporate Sustainability Index (ISE). They are also part of the DJSI Emerging Markets, an important NYSE emerging market sustainability index.

Fibria maintained close relations with its investors and the market in general through the promotion of important public meetings and events, such as the Investor Tour, held this year in the Veracel Mill (BA), in September, and Fibria Day, held at the NYSE in December.

CORPORATE GOVERNANCE

Since its creation in 2009, Fibria has been reaffirming its commitment to best corporate governance practices, while improving its ethical and transparency standards as well as its stakeholder engagement procedures. The main initiatives in 2015 were the creation of the Dividend Policy, underlining its commitment to capital discipline and the maintenance of investment grade status; the drawing up of the Sustainability Policy, based on practices already used by the Company in a transparent and binding manner; and revision of the Ombudsman Policy, further increasing the transparency of this important communication channel. All the policies mentioned were approved by the Board of Directors and are available on the Company's Investor Relations website.

In the constant pursuit of improved governance and integrity standards, Fibria implemented the following initiatives in 2015: a communications campaign to disseminate the new version of the Code of Conduct, as well as a new collection of the Term of Commitment from all employees; adherence to the ETHOS Institute's Business Compact for Integrity and Against Corruption, through which it assumed specific transparency and anti-corruption commitments, thereby contributing to a more honest and ethical market.

Also in 2015, with a view to strengthening the crisis management process, we created the Crisis Management Guidebook, which helped speed up decision making, thereby minimizing any eventual adverse impacts of operations on intangible reputational capital. We also introduced a specific training course for members of the Board of Directors in order to align its activity guidelines with the crisis management process.

Given the current challenges facing the business and in line with the other governance tools, in 2015 Fibria implemented the SAP GRC system's Risk Management (ERM) model, which will provide support for activities related to corporate risk management (ERM – Enterprise Risk Management), from identification and analysis to the treatment and monitoring of risks, by improving and automating various processes.

Fibria has also been strengthening its Compliance Program through workshops focused on three of its pillars: Defense of Competition, Anti-Corruption, and Loss and Fraud Prevention. These initiatives represent the further maturation of the governance model, an evolution of the already existing compliance culture, making it clear to everyone what is expected of them in the organizational context. Our compliance initiatives are conducted with the aim of strengthening adherence to controls and their alignment with the organizational strategy.

In 2015, we improved the due diligence controls in our supply chain and concluded the first phase of the project to construct our value chain with the mapping of strategic suppliers' profiles.

SUSTAINABILITY

The essence of our business is to produce renewable forest-based products while respecting life. We are committed to operating in a sustainable manner, in line with the highest global sustainability standards. Fibria is the first link in an extensive value chain that begins in the forest and ends with the final consumers of various types of paper widely used in the education, hygiene and health areas. Operating in global markets where there is growing demand for social and environmental responsibility throughout the production chain, Fibria interacts with a wide range of people and organizations, including several rural communities adjacent to its operations. Focusing on innovation, operational excellence and dialogue with our stakeholders, we do everything possible to mitigate adverse impacts and increase our contribution to society through the adoption of sustainable planted forest cultivation practices, the constant pursuit of greater industrial and logistics ecoefficiency, and an unwavering willingness to share value with all our stakeholders. As a result of these commitments, the Company received important recognitions in 2015, being voted the Most Sustainable Company in the Pulp and Paper Sector and highlighted in the Customer Relations category by *Exame* magazine's Sustainability Yearbook, and elected Best Company in the Pulp and Paper Sector by the *Negócios 360°* and *Melhores da IstoÉ Dinheiro* Yearbooks. We were also included once again in the NYSE's Dow Jones Sustainability Emerging Markets index (DJSI Emerging Markets) and the BM&FBovespa's Corporate Sustainability Index (ISE).

The Company publishes an annual Sustainability Report in accordance with the guidelines (G4 version) of the Global Reporting Initiative (GRI) and the International Integrated Reporting Council (IIRC), which is filed with the CVM through the IPE system in the "Sustainability Report" category.

Sustainability Policy

In December 2015, the Board of Directors approved Fibria's Sustainability Policy, which establishes the principles and guidelines governing the Company's social and environmental practices. In addition to helping guide and engage employees, the document underlines the Company's decision to generate value for society by always considering economic, financial, social and environmental aspects in its productive chain.

Materiality

In 2013, Fibria updated its Materiality Matrix, which identifies the most important issues for the Company and society as a whole, taking into account its strategy and the views of its stakeholders. The issues of business expansion, value creation through innovation, financial management and social and environmental management of the supply chain, as well as the six topics dealt with below, make up the ten principles of the Company's materiality matrix:

Certifications, voluntary industry commitments and regulations: Fibria has certifications for its quality management, environmental, occupational health and safety, and forest management systems. All units are certified by the Forest Stewardship Council (FSC®) and Cerflor/PEFC. The Company also voluntarily participates in several forums, associations or working groups, including the World Business Council for Sustainable Development (WBCSD), the Brazilian Business Council for Sustainable Development (CEBDS), the SustainAbility Engaging Stakeholders program, The Forests Dialogue (TFD), the UN's Global Compact, the Pact for the Restoration of the Atlantic Forest and the Brazilian Climate, Forest and Agriculture Coalition.

Local development and impacts on the communities: In certain specific communities located in underprivileged regions in the north of Espírito Santo and south of Bahia, there are social conflicts whose origins are not always associated with the Company and which the Company is frequently unable to resolve. Despite the complexity of the challenge, helping settle these conflicts is one of Fibria's priorities and the Company has been working either directly with the communities or by engaging with other parties that can also contribute to creating solutions, such as the various spheres of government, NGOs and other companies. In fact, there has been notable progress in the resolution of these conflicts in the last five years, with concrete results that have had a positive impact on the social license to operate.

The company has invested more than R\$100 million in its social development programs since 2009. In 2015, 500 new families benefited from the Company's social projects, which currently cover 5,500 families, with a proven increase in income.

Forest management, biodiversity and soil use: Fibria preserves around 35% of its area (338,000 hectares) through protection, restoration, management and integration with the forest crop base, also seeking to minimize external pressures and degradation factors that may be affecting these areas. One of Fibria's long-term goals is to promote the environmental restoration of 40,000 hectares of its own areas between 2012 and 2025, having restored 13,043 hectares by the end of 2015. Biodiversity in Fibria's forest areas is the subject of studies and monitoring activities that seek to understand, protect and expand native fauna and flora species and populations, as well as improving the environmental quality of the Company's land.

Relations with government Fibria believes that, in a democratic society, everyone, including companies, has the right to participate in the drawing up of public policies and take part in discussions concerning the regulatory frameworks. The Company therefore seeks to contribute by defending its point of view through direct contact with authorities and politicians and/or by participating in the various associations that represent the forestry and pulp and paper sectors of which it is a member in order to ensure a stable political and institutional environment and clear and well-designed regulations.

In this context, Fibria is guided by a structured governance model based on corporate values, with a special emphasis on ethics and transparency, and underpinned by the clear guidelines established in its Code of Conduct and Anti-Corruption Policy, approved by the Board of Directors.

Transparency and engagement with stakeholders: In the course of its business, the Company maintains relations with a wide range of stakeholders in various economic segments, Brazilian states and countries. In order to ensure constructive relationships with these stakeholders, it invests in dialogue and specific communication channels, such as the Ombudsman, which is open to all stakeholders with guaranteed anonymity and through which all violations of the Code of Conduct are reported, and *Fale com a Fibria* (Contact Us), which receives suggestions, requests for information and complaints from the Company's surrounding communities.

Use of Water: Fibria continuously monitors the micro-basins in its operational areas in order to prevent or minimize any possible adverse effects of its forest management activities on the quantity and quality of the water and the most recent results of this process indicate no such impacts on the water reserves in these regions. Based on the use of the best available water management technologies and practices and the adoption of effective prevention and control procedures, the Company has achieved high levels of water reuse. As a member of the Water

Footprint Network, Fibria is a pioneer in this type of assessment in the Brazilian pulp and paper industry, assuming the management of water resources throughout the pulp production value chain. The harvesting of water for the mills and forest management activities is authorized through grants and registration, pursuant to local environmental legislation and the mills' own operating licenses. All the industrial units are in compliance with international water use and effluent quality standards.

TECHNOLOGICAL INNOVATION

Through continuous investments in research and technological innovation, Fibria seeks a better understanding of the fiber x industrial process x final product interaction equation, thereby generating competitive advantages capable of maintaining its leadership of the pulp market. By identifying those pulp characteristics that are essential for the production of high quality paper, we introduce new challenges for our genetic improvement program and develop new industrial processes in order to ensure innovative products with greater added value. The research and technological innovation activities undertaken by Fibria's Technology Center are geared towards increasing forest productivity and improving eucalyptus pulp quality in a sustainable manner. These efforts do not only take place inside our laboratories, but also in association with universities, suppliers and research institutes in various parts of the world. Given the importance of innovation to the Company's strategy, in 2015 it invested around R\$51 million in this area, including operating expenses and capital expenditure.

The Technology Center is equipped with a structured scientific base for achieving these results, including genetic improvements and the development of new forest management techniques in order to ensure a continuous and sustainable increase in the productivity of our planted forests. With this in mind, our scientists were involved in several major initiatives in 2015, as reported below.

We implemented the Integrated Fertilizer Recommendation System (SIRA), which allows us to recommend the most appropriate fertilizer for each stage of forest growth, given that the Company has around 23,000 forest stands, with an enormous variety of soil types. Use of the correct fertilizer without waste results in lower costs, healthier trees and higher levels of forest productivity in a sustainable manner.

Risk management is another Technology Center priority. In 2015, we increased the number of clones planted on an operational scale by around four times. The great benefit of this strategy

is that it mitigates risks associated with climate change. By increasing genetic variation, we can safely affirm that our current forests are better prepared to adapt to changes in the climate.

Fibria also made progress with Genetically Modified Eucalyptus (EucaGM). We created a multidisciplinary engagement group so that employees could develop an understanding of the Company's work and objectives in this area, intensifying EucaGM use feasibility studies and listening to representatives of our production chain in Brazil and abroad. Based on a diagnosis of risks and opportunities, we began working with outside specialists with various points of view, who, together with Fibria, will evaluate the social, economic and environmental impacts of this new technology.

In 2015, the company recorded a major advance on the lignin research front by acquiring the assets of the Canadian company Lignol Innovations, now Fibria Innovations. As a result, Fibria became the owner of substantial intellectual property regarding the subject and established an important link with one of Canada's leading universities, the University of British Columbia, expanding its options for the pursuit of new scientific knowledge. We are now working on making the best possible use of the quality of our patent portfolio and developing higher added value applications for lignin.

Also in 2015, we made substantial progress with research and innovation related to the diversification of our business, with a focus on bioproducts, most notably in regard to the creation of Brazil's first bio-oil plant and the development of nanocellulose research.

SUPPLIERS

Fibria has an extensive and diversified supplier base, ranging from small farmers to large national and multinational corporations. It currently has around 8,000 registered suppliers, with whom it seeks to engage in best social and environmental practices, focusing on the responsible use of natural resources and respect for workers' rights.

The Company requires that all its suppliers diligently execute the prevailing labor and environmental policies and legislation and comply rigorously with Fibria's safety criteria, whether in the company ratification and/or contracting processes, or throughout the term of the contracts. In 2015, we implemented the Fibria Suppliers' Portal to facilitate communication with prospective suppliers in the ratification process and the evaluation of strategic suppliers.

The Company also puts great importance on the creation of value in the regions where it operates, prioritizing, whenever possible, the acquisition of products and/or services from local suppliers. In addition, in order to help these suppliers improve their business, it sponsors and actively participates in development programs to certify such suppliers in regard to environmental, financial management, tax, labor, quality and health and safety issues. These initiatives include the Integrated Supplier Development and Qualification Program (PRODFOR) in Espírito Santo, which was created on the initiative of Fibria and is now a national reference, and the Supplier Qualification Program (PQF Avançado) in Mato Grosso do Sul, created and led by Fibria. The Company also participates as an anchor in the rounds of negotiations promoted by official supplier encouragement and development bodies in its operational areas. These meetings are designed to bring together small suppliers of major supply chain driving companies.

In 2015, Fibria published its Value Chain Report for suppliers participating in the Value Chain project, initiated in 2014 to identify the sustainability aspects of the Company's strategic suppliers and encourage the adoption and monitoring of improved sustainability practices. With this initiative, Fibria expects to encourage these suppliers to reduce their carbon emissions by using natural resources in a responsible manner and ensuring respect for human rights.

PEOPLE

In 2015, Fibria's activities were grounded in the concept of growth with a new horizon. And this growth is directly linked to a culture of high performance, proactivity and the entire organization's commitment to the expansion of the business. These characteristics have become increasingly consolidated over the years, so that our organizational development policies have become more and more interlinked with our corporate strategies.

The Performance Management Cycle, which has covered all the Company's employee levels since 2013, closed with more than 84% of employees having been assessed and given formal feedback, resulting in the drawing up of Individual Development Plans.

One initiative arising from the Performance Management Cycle was the indication of employees for the Três Lagoas factory expansion project (the Horizonte 2 project), through which the successors mapped in the Succession Plan were invited to occupy positions of leadership as a form of meritocracy and professional development.

The ratio of internal promotion to top management positions has been around 80%, underlining the Human and Organizational Development area's aim of developing and recognizing talent from within the Company.

The Horizonte 2 project also has a social purpose aligned with Fibria's vision of sustainability. When hiring employees for this operational expansion, we sought to recruit people from the Três Lagoas region, providing them with training programs in association with the SENAI (National Industrial Training Service)

It is also worth noting the First Leadership program, which invests in the development of new leaders and has already trained more than 300 Company managers.

Fibria is strongly committed to the health and safety of its own and outsourced employees in all its operations. Its Occupational Health and Safety system comprises tools and practices that help prevent accidents, incidents and occupational diseases. These practices have ensured compliance with the requirements of OHSAS 18001 at the Santos Port Terminal and of the sustainable forest management certifications CERFLOR and FSC (Forest Stewardship Council). Progress in 2015 was demonstrated by an accident rate resulting in lost days of 0.84 accidents per million man-hours worked. Unfortunately, despite all our efforts, there was one fatal accident involving a forestry service provider in the Vale do Paraíba (SP) regional unit. Aiming to strengthen the safety culture, the Occupational Hygiene (HSMT), Safety and Medicine and Human and Organizational Development areas created a new training module in order to reinforce health and safety guidelines and practices among the various operational teams.

RELATIONS WITH THE INDEPENDENT AUDITORS

Pursuant to CVM Instruction 308/1999, which sets forth the mandatory rotation of the independent auditing firm every five years, we hereby declare that, it was approved the hiring of Baker Tilly Brasil Auditores Independentes S/S ("Baker Tilly") as the Company's independent auditing firm in Brazil for the term of 3 years, counted from the first quarter of the 2015 fiscal year on, in replacement of PricewaterhouseCoopers Auditores Independentes ("PwC"). PwC has expressed its consent in respect of the justification for its replacement, in accordance with article 28 of such instruction.

Pursuant to CVM Instruction 381/2003, we hereby declare that, in the fiscal year ended December 31, 2015, we did not contract our independent auditors to carry out any work other than that related to the external audit.

The Company's policy for contracting services not related to the external audit from our independent auditors is based on internationally accepted principles that preserve their independence, namely that the auditors: (a) shall not audit their own work, (b) shall not perform management activities for their client and (c) shall not promote their client's interests.