

By Thais Santi
Special for *O Papel*

SUZANO PAPEL E CELULOSE



This deal creates
the 4th most valuable
company in Brazil

SUZANO S.A.: NEW GIANT OF THE SECTOR TO BEGIN OPERATING JANUARY 2019

Suzano will have an annual production capacity of 11 million tons of market pulp and 1.4 million tons of paper

Suzano Papel e Celulose S.A. and Fibria Celulose S.A. informed, on November 29th, conclusion of the competition analysis phase by regulatory bodies, with the European Union's approval of the deal that will give rise to the 4th most valuable company in Brazil (excluding financial companies). The decision finalizes the analysis process of the agreement's validity, which was under analysis by the European Union since October 9, 2018.

The companies are now ready to complete the corporate reorganization process of combining their operations and shareholder bases, scheduled to occur January 14, 2019. But the new Board, which will take over on this date, was already announced on November 30, during a press conference with journalists and company executives:

Walter Schalka, CEO of the new company, and Marcelo Bacci, Finance and Investor Relations Director. **(See box)**

In addition to the names appointed, other important details were communicated to the market, such as the European Union's requirement to anticipate from 2021 to 2019 the contract rescission between Fibria and Klabin for supplying hardwood pulp. Bacci explained that this rescission was going to happen anyway. He added that "this does not impact the company's operations and that Klabin will also receive support in this process regarding the transition in transport, storage and team".

Another aspect pointed out by Schalka was the option presented by Suzano for next year exceptionally so pulp customers can close deals

at fixed prices. Prices generally vary throughout a contract term. The objective, in this case, is to reduce cost volatility for customers.

During the November 30 press conference, the company also announced with exclusivity the new trademark. Effective January 14, 2019, the company logo will be adopted with the company's new name: Suzano S.A.

Next steps

- December 10, 2018 – listing of Suzano's shares on the NYSE: SUZ – for migrating shareholders.
- January 3, 2019 – last day of Fibria's listing on the exchange, whereby effective January 4 shareholders will be entitled to Suzano shares. Due to the merger, Suzano's shares will be traded on the New York Stock Exchange (NYSE).
- January 14, 2019 – full payment of the adjusted cash installment.

"This merger will allow us to invest even more in sustainability, employees and innovation projects using renewable sources. We are investing a lot of effort in this project. For such, we created a robust team based on two criteria: people who have been delivering good results and with a future-oriented outlook," said Schalka about the new corporate structure that will take over next year.

The CEO also pointed out that the culture of both companies was analyzed in order to make this adaptation process the most seamless possible and that they were very happy to find out that the two cultures are very aligned. It's important to also mention that Fibria's CEO, Marcelo Castelli, will take over the position of Global CEO of Votorantim Cimentos on February 1, 2019, when the operation ends. Castelli will succeed Votorantim Cimentos' current Global CEO Walter Dissinger, who informed the company his desire to try new professional challenges. ■

SUZANO S.A. at a glance

The company will have roughly 37,000 direct and indirect employees and 11 production units, capable of supplying more than 90 countries and generating an export volume of R\$26 billion in the last 12 months ended September 30, 2018.

Executives responsible for the business units and corporate areas:

BUSINESS UNITS

Paper – Leonardo Grimaldi

Pulp, Commercial and Logistics – Carlos Aníbal

Pulp, Industrial, Engineering and Energy – Aires Galhardo

Consumer Goods – Fabio Prado

Forestry – Alexandre Chueri

CORPORATE AREAS

Business Development – Vinícius Nonino

Finance and IR – Marcelo Bacci

R&D – Fernando Bertolucci

Sustainability – Malu Paiva

HR, Communications, Strategy and IT – Christian Orglmeister

Audit – Mariano Zavattiero

Approval stages:

Jurisdiction	Approval date
USA	May 31, 2018
China	August 31, 2018
Turkey	September 6, 2018
Brazil (Administrative Council of Economic Defense-CADE)	October 11, 2018
Brazil (National Waterway Transport Agency-ANTAQ)	November 14, 2018
Europe	November 29, 2018