



Klabin

KLABIN S.A.

CNPJ/MF: nº 89.637.490/0001-45

NIRE: 35300188349

Publicly Held Company

Notice to the Market

Klabin SA ("Klabin") hereby states to the market that it has concluded, on this date, the initiation of a partnership named Guaricana Reflorestadora SA ("SPE"), whose partners are Klabin and a Timber Investment Management Organization ("TIMO"). The main objective of this venture is the exploration of forestry activity in the state of Santa Catarina ("SC").

Klabin's contribution to form the SPE came from the concession of 4,511 hectares of planted pine forests in SC (not including land). TIMO, in turn, contributed R\$ 191.6 million in cash. Klabin will own 69.48% of the voting capital.

The SPE has signed definitive documents for the acquisition ("Acquisition") of certain forest assets ("Assets") consisting of 11,541 hectares of rural lands in SC, with 7,644 hectares of planting area, of which 7,141 are currently planted. The SPE will use the contributed proceeds to effect the Acquisition and to fund its working capital needs.

Pursuant to the transaction documents, Klabin shall have the right of first refusal to purchase the forestry production of the SPE, among other rights that are typical for controlling shareholders of a company of the nature of the SPE.

The Acquisition is subject to conditions precedent typical of transactions of this nature and has been approved by the competent regulatory authorities, so that the closing of the Acquisition should occur in the short term.

Combined with Klabin's solid forestry asset base located in SC, where it already owns around 60,000 hectares of planted land, the forestry production from SPE will increase the availability of wood to Klabin in the region, efficiently, as it will not require capital allocation for the acquisition of the Assets.

São Paulo, 13 de dezembro de 2018

Klabin S.A.

Gustavo Henrique Santos de Sousa
Diretor Financeiro e Relações com Investidores