Suzano Papel e Celulose S.A.

Financial statements at December 31, 2013 and 2012

(A free translation of the original report in Portuguese as published in Brazil containing financial statements prepared in accordance with accounting practices adopted in Brazil)

Conteúdo

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Independent auditors' report on the financial statements

To
The Board of Directors and Shareholders
Suzano Papel e Celulose S.A.
Salvador - BA

We have audited the individual and consolidated financial statements of Suzano Papel e Celulose S.A. ("Company"), identified as Parent Company and Consolidated, respectively, comprising the balance sheet as of December 31, 2013 and the related statements of operations, comprehensive income, changes in shareholders' equity and cash flows, for the year then ended, as well as the summary of the significant accounting practices and other explanatory notes.

Management's responsibility for the financial statements

The Company's management is responsible for the preparation and fair presentation of the individual financial statements in accordance with the accounting practices adopted in Brazil and of the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board - IASB, and in accordance with the accounting practices adopted in Brazil as well as for the internal controls that it deemed necessary to enable the preparation of these financial statements free from material misstatement, whether due to fraud or error.

Independent auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit, which was conducted in accordance with the Brazilian and international auditing standards. Those standards require the fulfillment of ethical requirements by the auditors and that the audit be planned and performed for the purpose of obtaining reasonable assurance that the financial statements are free from material misstatement.

An audit involves the performing selected procedures to obtain audit evidence about the amounts and disclosures presented in the financial statements. The procedures selected depend on the auditor's judgment, including an assessment of the risks of material misstatement in the financial statements, regardless of whether the latter are caused by fraud or error. In these risk evaluation, according to auditing standards, the auditor considers relevant internal controls for the preparation and adequate presentation of the financial statements of the Company, to plan the audit procedures that are appropriate in the circumstances, but not for purposes of expressing an opinion on the efficacy of these internal controls of the Company. An audit also includes the evaluation of the adequacy of adopted accounting practices and reasonability of accounting estimates made by Management, as well as an assessment of the presentation of financial statements taken as a whole.

KPMG Auditores Independentes, uma sociedade simples brasileira e firma-membro da rede KPMG de firmas-membro independentes e afiliadas à KPMG International Cooperative ("KPMG International"), uma entidade suíça.

KPMG Auditores Independentes, a Brazilian entity and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the individual financial statements

In our opinion, the individual financial statements referred to above present fairly, in all material respects, the financial position of Suzano Papel e Celulose S.A. as of December 31, 2013, the performance of its operations and its cash flows, for the year then ended, in accordance with the accounting practices adopted in Brazil.

Opinion on the consolidated financial statements

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Suzano Papel e Celulose S.A. As of December 31, 2013, the performance of its operations and its cash flows, for the year then ended, in conformity with International Financial Reporting Standards - IFRS issued by the International Accounting Standards Board (IASB) and the accounting practices adopted in Brazil.

Emphasis

As described in the note 2.1, the individual financial statements were prepared in accordance with accounting practices adopted in Brazil. In the case of Suzano Papel e Celulose S.A., these practices differs from IFRS, as far as the individual financial statements are concerned, only as regards the valuation of investments in subsidiaries under the equity method, as for IFRS purposes, they would be valued at cost or fair value. Our opinion is not qualified due this matter.

Other matters

Statement of Added Value

We have also audited the individual and consolidated statements of added value (DVA) for the year ended December 31, 2013, whose presentation is required by Brazilian Corporate Law for publicly-held companies and as supplementary information under IFRS, as these standards do not require the presentation of a statement of value added. These statements were submitted to the same audit procedures previously described and, in our opinion, these supplementary statements are adequately presented, in all material respects, in relation to the basic financial statements taken as a whole.

Sao Paulo, March 13, 2014

KPMG Auditores Independentes
CRC SP-014428/F-7
(Original report in Portuguese signed by)
Carla Bellangero
Accountant CRC 1SP196751/0-4

Message from Management

The year 2013 was marked by the relentless pursuit of profitability through actions aimed at strengthening our structural competitiveness, capturing gains in management efficiency and concluding construction of the new pulp mill in Imperatriz, Maranhão.

Our new pulp mill began operations on-schedule in December. The plant adds 1.5 million tons to our annual market pulp production capacity, which now stands at 3.4 million tons, with the pulp produced by the Imperatriz Unit already FSC-certified.

Adjusted EBITDA was a record R$1.8 billion in 2013, which is explained by the more favorable scenario in the industry and the better exchange rate in the period and by the progress made on operational fronts that led to gains in revenues, costs and expenses. In the revenue line, the highlights were adopting greater discipline in the prices practiced, optimizing the mix of regions and expanding the client base. Meanwhile, on the cost side, the reductions were led by the capture of operating efficiency gains at mills and greater discipline in expenses by adopting matrix budgeting, which has already been effectively incorporated into the Company's routines and made an important contribution.

In terms of structural gains, in 2013, we invested in modernizing our facilities. These investments included the new biomass boiler at the Mucuri Unit, which will allow us to generate surplus electricity and connect to the power grid; the new wood chipper at the Limeira Unit; the standardization and upgrade of the harvesting fleet; and the new digester at the Suzano Unit.

Another important initiative in 2013 was the gradual granting of greater independence to executives in operational areas, seeking to leverage their agility, individual development and collective maturity. We believe in a system based on meritocracy and sharing wealth among shareholders and employees, while aligning interests with the goal of making the Company more profitability.

Like in our management processes, our efforts to forge increasingly stronger relationships with our clients, local communities and NGOs were intensified during the year and benefitted the company by improving its understanding of how to optimize its operations by learning on the ground the needs and concerns of our main stakeholders.

The primary focus of Suzano's management is to reduce leverage, which is a process that will be accelerated in 2014 by improving EBITDA and optimizing cash flow driven by the additional cash generation from the Imperatriz Unit.

We believe our structural competitiveness is key to achieving the expected results, which is why we will continue to focus on this area over the coming years. These are initiatives that put us in a unique position, as is the case, for instance, of our forestry strategy based on reducing the average supply radius and boosting forest yields. Important progress was made in this direction with the submission, which was a subsequent event (January 2014), of the dossier to the National Biosafety Technical Commission (CTNBio) for the approval of genetically modified eucalyptus for commercial use, which, if approved, should boost our yields by some 20% and take us to a whole new level in terms of the yields of our planted forests.

We reinforce our commitment to continue investing in growth that is shared between the Company and its shareholders, while offering to society sustainable practices that promote collective development in which all parties benefit.

We thank our clients, suppliers, investors, local communities, partners and, especially, our employees who contributed to our solid results in 2013. We also take this opportunity to reinforce that, with humility and perseverance, we will continue to transform the company and contribute to the sustainable development of our society.

The Management

Overview

Controlled by Suzano Holding and owned by the Suzano Group, we are a publicly held forestry company operating in the following business segments: Pulp, Paper and Biotechnology.

Our infrastructure includes the head office in São Paulo, SP, two industrial units in Suzano, SP, one in Embu, SP, one in Limeira, SP, one in Mucuri, BA and one in Imperatriz, MA, as well as FuturaGene. We also own SPP-KSR, the largest distributor of paper and printing products in South America.

Outside of Brazil, we maintain commercial offices in China, the United States and Switzerland, research laboratories in Israel and China, and subsidiaries in England and Argentina. At the end of 2013, we employed over 7,000 people and had 10,000 outsourced workers.

1. Operating performance

1.1 Forestry Business Unit

Our forestry area amounts to some 881,000 hectares, of which 367,000 hectares were planted, located in the following states: Bahia, Espírito Santo, São Paulo, Minas Gerais, Piauí, Tocantins and Maranhão. The planted forests are the product of the Genetic Improvement Program conducted at the various Forestry Technology units located in Itapetininga, SP, Mucuri, BA and Imperatriz, MA.

Our main actions in 2013 concentrated on the areas of management and operational and forestry productivity.

In the first area, in order to meet the challenge of efficiently managing units that are so diverse in terms of their economic, social, cultural and weather aspects, we carried out a comprehensive restructuring of the forestry area that included strengthening the regional operations. The gains in autonomy brought by the measure were reflected not just in our production, but also in our relations with local communities and other local stakeholders, since local managers now had greater independence to take decisions.

To improve our management, we also intensified operational controls by adopting systems and equipment with embedded technology.

To improve the productivity of our operations, we carried out numerous actions linked to the Productivity Project, which aims to reduce costs by increasing efficiency, standardizing and optimizing processes, training employees and using specialized service providers. On this front, we also carried out actions to consolidate the transfer of precision agricultural technology to forestry operations, such as the increased use of georeferenced information in forestry management, tractor-driven operations with embedded technology or aerial spraying, which has resulted in higher quality managerial information and more precise and efficient application of inputs, such as herbicides and fertilizers.

The actions implemented to boost forestry productivity sought to improve the sustainability of the results of the Genetic Improvement Program in São Paulo, recover productivity at the Bahia site and consolidate the program at new sites by developing high-performance clones for each micro-region as well as by research and development efforts in the field of polyploidy.

Furthermore, our forests hold national and international certifications, recognizing the fact that our management meets the highest social and environmental standards.

1.2 Pulp Business Unit

Eucalyptus pulp shipments increased by 5.7% in 2013, driven by stronger demand from China (+23.1%), and from North America (+12.0%), due to the new sanitary paper capacities and the conversions from hardwood pulp to dissolving pulp.

Production ('000 ton)	2013	2012	2013 vs. 2012
Market Pulp	1,932	1,876	+3.0%

Our pulp production volume in 2013 amounted to 1.9 million tons, increasing 3.0% from the volume produced in 2012. The higher production volume in the period was due to the operating efficiency gains captured over the course of 2013.

In 2013, Suzano's pulp sales amounted to 1.9 million tons, increasing 2.6% from the volume registered in 2012. In 2013, pulp exports came to 1.5 million tons, increasing 3.1% compared to 2012 and accounting for 78.1% of total sales in 2013. The main destinations of the Company's sales in the period were Asia (36.2%), Europe (30.5%), Brazil (21.9%), North America (10.0%) and South and Central America (1.4%).

Our commercial policy also seeks to balance pulp sales across the different paper segments. The highlight was the paper for sanitary purposes, which increased its share in our sales mix, and representing the main segment served by Suzano.

Pulp sales by segment	2013	2012	2013 vs. 2012
Sanitary Purposes	51.1%	39.4%	+11.7 p.p.
Specialty	22.1%	26.5%	-4.4 p.p.
Printing & Writing	15.0%	25.0%	-10.0 p.p.
Packaging	9.7%	8.1%	+1.6 p.p.
Other	2.1%	1.0%	+1.1 p.p.

Net revenue from pulp sales in 2013 amounted to R$2.6 billion, increasing 17.8% on the previous year. The share of pulp revenue derived from export sales was 79.7%, while the domestic market accounted for 20.3%. The average net pulp sales price in 2013 was US$630/ton, increasing 3.9% from the average price in 2012, which is mainly explained by the demand generated by new paper units coming online. In Brazilian real, the average net price was R$1,360/ton, increasing 14.8% from the average price in 2012, benefitting from the local currency depreciation against the U.S. dollar of 10.5% in the period (based on the average exchange rate in the period).

1.3 Paper Business Unit

According to the Brazilian Association of Pulp and Paper Producers (Bracelpa), domestic demand (sales by local manufacturers + imports) decreased 0.7% compared to 2012, with sales by local manufacturers increasing and imports contracting. Growth was led by the Paperboard line, whose sales increased by 5.2% compared to 2012, surpassing the pace of GDP growth in the period. In the Printing & Writing ("wood-free") segment, Uncoated papers increased by 2.5%, while Coated papers contracted by 12.7%. Overall sales by the Printing & Writing segment contracted by 2.4% compared to 2012.

Imports of Paperboard and Printing & Writing Paper decreased by 11.1% in the year, which is explained by the weaker Brazilian real in relation to the U.S. dollar and by the implementation of government actions to combat tax evasion by improperly declaring the use of tax-exempted paper.

Paper production amounted to 1.3 million tons, or 1.4% less than in 2012, reflecting the administrative shutdowns carried out throughout the year.

Production (‘000 ton)	2013	2012	2013 vs. 2012
Paper	1,293	1,311	-1.4%
Paperboard	250	259	-3.7%
Coated	224	218	+2.5%
Uncoated	819	834	-1.7%

Paper sales volume in 2013 amounted to 1.3 million tons, decreasing 2.6% from the volume sold in 2012. Paper sales in export markets amounted to 407,700 tons in 2013, decreasing 9.9% from the volume exported in 2012, reflecting the strategy to maximize sales in the domestic market. Domestic paper sales amounted to 904,200 tons in 2013, growing by 1.1% on the previous year.

Paper sales to Brazil accounted for 68.9% of our total sales in 2013, compared to 66.4% in 2012. Sales to South and Central America accounted for 79.5% of total sales in 2013.

Destination of paper sales	2013	2012	2013 vs. 2012
Brazil	68.9%	66.4%	+2.5 p.p.
South/Central America	12.5%	15.0%	-2.5 p.p.
North America	12.2%	9.9%	+2.2 p.p.
Europe	4.9%	5.8%	-0.9 p.p.
Other	1.5%	2.8%	-1.3 p.p.

Net revenue from paper sales amounted to R$3.1 billion in 2013, increasing 3.6% from the previous year. Of this revenue, 70.3% came from domestic sales and 29.7% from exports. Net revenue from the domestic market increased 5.7% in relation to 2012, while net revenue from exports decreased by 1.1%.

The average net price in Brazilian real was R$2,372/ton, or 6.4% higher than in 2012. In the domestic market, the average net paper price was R$2,418/ton, increasing by 4.6% in relation to the average price in 2012. The average net paper price in export markets was US$1,052/ton, virtually stable (-0.7%) in relation to 2012, while in Brazilian real it increased by 9.7% due to the local-currency depreciation against the U.S. dollar.

2. Economic and Financial Performance

2.1 Results

The consolidated financial statements were prepared and are presented in compliance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the accounting practices adopted in Brazil (BR GAAP), including the pronouncements issued by the Accounting Pronouncements Committee (CPC).

Net Revenue

The Company's net revenue in 2013 amounted to R$5,688.6 million, increasing 9.6% from the net revenue registered in 2012 of R$5,192.3 million, due to the increase in the average net price (+9.1%) and the higher volume of pulp and paper sales (+0.4%). Paper and pulp sales volume in 2013 amounted to 3,206,800 tons, compared to 3,193,800 tons in 2012.

Cost of Goods Sold

Cost of goods sold in 2013 amounted to R$4,190.3 million, increasing 4.0% from R$4,027.8 million in 2012, with this rate of increase lagging the rate of inflation recorded in the period. The increase was mainly due to: (i) the increase in wood costs, which is explained by the higher share of third-party wood in the supply mix and the increase in the average radius; and (ii) the Brazilian real depreciation against the U.S.

dollar of 10.5%; which were partially offset by (iii) the lower costs with the maintenance stoppages carried out during the year; and (iv) the higher dilution of fixed costs resulting from the growth in production volume in the year (+1.2%). Unit COGS in 2013 amounted to R$1,306.7/ton, increasing by 3.6% from R$1,261.1/ton in 2012.

Gross Profit

As a result of the aforementioned factors, gross profit in 2013 amounted to R$1,498.3 million, increasing by 28.7% from R$1,164.5 million in 2012.

Selling Expenses

Selling expenses amounted to R$251.0 million in 2013. The ratio of selling expenses to net revenue stood at 4.4%, decreasing by 0.4 p.p. from the ratio in 2012, reflecting the actions to reduce expenses implemented over the course of 2013.

General and Administrative Expenses

In 2013, administrative expenses came to R$377.0 million, down 6.6% from R$403.8 million in 2012, which is explained by the lower expenses with expansion projects, which were suspended, and by the lower costs resulting from the adoption of matrix budgeting.

Other Operating Income/Expenses

Other operating income amounted to R$105.3 million in 2013, which was impacted positively by (i) the nonrecurring proceeds from the divestment of the interest held by the Company in the Capim Branco Consortium; (ii) the adjustment to fair value of biological assets (+R$95.2 million); (iii) the sale of wood and electricity; and negatively by (iv) the charge-off of expenses with the projects suspended. In 2012, other operating income amounted to R$31.7 million, which was impacted positively by (i) the gain from the divestment of fixed assets (non-recurring); (ii) the sale of wood and electricity; and negatively by (iii) the adjustment to fair value of biological assets (-R$9.4 million).

EBITDA (Earnings before Interest, Tax, Depreciation and Amortization)

Cash generation, as measured by EBITDA, amounted to R$1,865.0 million in 2013, with EBITDA margin of 32.8%. EBITDA growth in the period was mainly driven by (i) the higher paper and pulp prices; (ii) the reduction in selling and administrative expenses; (iii) the devaluation in the Brazilian real against the U.S. dollar; partially offset (iv) by the higher wood costs and fixed costs. In 2012, EBITDA amounted to R$1,271.6 million, with EBITDA margin of 24.5%. EBITDA/ton increased by 46.1% to R$581.6/ton in 2013.

EBITDA adjusted for "nonrecurring" and "noncash" items was R$1,781.3 million in 2013, with adjusted EBITDA margin of 31.3%, and was R$1,260.3 million and 24.3%, respectively, in 2012. Adjusted EBITDA/ton advanced by 40.8% to R$555.4/ton in 2013.

R$ million, expect where stated otherwise	2013	2012
Net income (loss)	(220.5)	(182.1)
Net financial result	1,255.5	855.3
Income and social contribution taxes	(59.5)	(128.9)
EBIT	975.6	544.4
Depreciation, amortization and depletion	889.4	727.3
EBITDA[1]	1,865.0	1,271.6
EBITDA margin (%)	*32.8%*	*24.5%*
Divestment of interest in Usina de Capim Branco	(124.8)	-
Adjustment to fair value of biological assets	(95.2)	9.4
Divestment of property, plant and equipment	-	(26.2)
Performance additional bonus	25.7	-
Partial charge-off of expenses with suspended projects	60.9	-
Other	49.8	5.5
Adjusted EBITDA	1,781.3	1,260.3
Adjusted EBITDA margin (%)	31.3%	24.3%

[1] The EBITDA of the Company is calculated in accordance with CVM Instruction 527 of October 4, 2012.

Reconciliation of consolidated EBITDA	2013	2012
EBITDA	1,865.0	1,271.6
Depreciation, amortization and depletion	889.4	727.3
Operating income before Net financial result and Taxes [2]	975.6	544.4

[2] Accounting measurement reported in the consolidated income statement.

Financial Income/Expenses

In 2013, the Company recorded a net financial expense of R$543.1 million, compared to the net financial expense of R$398.5 million in 2012. The 36.3% increase in the net financial expense is mainly explained by the 20.1% increase in gross debt.

Net Monetary and Foreign Exchange Variations

Monetary and foreign exchange variations adversely affected the Company's result by R$712.4 million in 2013, which is explained by the 14.6% depreciation in the Brazilian real against the U.S. dollar (based on the exchange rate at end of period). In 2012, this negative impact amounted to R$456.9 million.

Result before Income Tax and Social Contribution

Due to the aforementioned factors, the Company registered a net loss before income tax and social contribution of R$280.0 million in 2013, in comparison with the net loss of R$311.0 million in 2012.

Income Tax and Social Contribution

Income tax and social contribution in 2013 was a tax credit of R$59.5 million, compared to the tax credit of R$128.9 million in 2012.

Net Income (Loss)

As a result of the aforementioned factors, the Company recorded a net loss of R$220.5 million in 2013, in comparison with the net loss of R$182.1 million in 2012.

2.2 Debt

On December 31, 2013, gross debt amounted to R$12.9 billion, of which 55.8% was denominated in foreign currency and 44.2% in local currency. We contract debt in foreign currency as a natural hedge, since nearly 50% of our revenue comes from exports. This structural exposure allows us to contract export financing in U.S. dollar at more competitive costs than local financing lines and to match financing payments with receivable flows from sales.

On December 31, 2013, gross debt was composed of 92.2% in long-term maturities and 7.8% in short-term maturities. We concentrate our efforts on seeking financing lines with longer terms and attractive costs.

The net debt/adjusted EBITDA ratio stood at 5.2x at the close of 2013. The Company continues to work on various fronts to improve its EBITDA, with projects to increase productivity and reduce costs, as well as the initiatives already announced to reduce leverage and strengthen the capital structure.

2.3 Investments

In 2013, investments came to R$2,620.2 million. Investments in maintaining existing capacity and in debottlenecking projects to capture cost reductions came to R$727.3 million, while investments in the Maranhão Unit came to R$1.9 billion. In 2012, investments came to R$2,783.5 million, of which R$495.3 million was allocated to maintenance, R$2.3 million to growth projects and R$25.5 million to other investments.

3. Capital Markets

Our capital stock is represented by 371,148,532 common shares (SUZB3) and 736,590,145 preferred shares (SUZB5 and SUZB6), totaling 1,107,738,677 shares, which are traded on the São Paulo Stock Exchange (BM&FBovespa), with 22,940,881 shares held in treasury, of which 6,786,194 are common shares and 16,154,687 are preferred shares.

Our market capitalization on December 31, 2013 was R$10.2 billion. The free-float corresponded to 41% of total shares. At the end of 2013, our preferred stock (SUZB5) was quoted at R$9.24. The Company's stock is listed on the Level 1 corporate governance segment of the BM&FBovespa and is a component of the Bovespa and IBrX-50 indexes, as well as of the Corporate Sustainability Index (ISE) for the eighth straight year. The average number of trades per day in our stock was 9,000 and our average daily financial trading volume was R$37.1 million.

4. Dividends

Our bylaws, in accordance with governing law, establish a minimum mandatory dividend of 25% of adjusted net income for the year. The amount attributed to the class "A" and "B" preferred shares is 10% higher than that attributed to the common shares.

The Company's management has proposed to the Shareholders' Meeting the payment of dividends in the amount of R$122 million, with the amount deducted from the existing balance of the Profit Reserve.

5. Audit and Internal Controls

We use external auditors and the internal audit to evaluate our results, internal controls and our accounting practices. The findings of these analyses are presented to the Audit Committee. To assist with the independent audit, we retain the services of KPMG Auditores Independentes, whose work has enabled us to improve our internal controls, especially those related to tax, accounting and information technology aspects.

In accordance with CVM Instruction 381/2003, we inform that in the fiscal year ended December 31, 2013, we hired our independent Auditors for various services connected with the external audit involving the review of tax obligations and other matters. These services were carried out in a period shorter than one year and the corresponding fees did not exceed 5% of the consolidated fees related to the external audit services provided to Suzano. In light of their scope and the procedures executed, these services did not affect the independence and objectiveness of the Independent Auditors.

Note:

Non-financial data, such as volumes, quantity, average prices and average quotes in Brazilian real and U.S. dollar, were not examined by our Independent Auditors.

Company Information / Capital Breakdown

Number of Shares (in thousands)	Last Fiscal Year 12/31/2013
Paid-in Capital	
Common	371,149
Preferred	736,590
Total	1,107,739
Treasury Shares	
Common	6,786
Preferred	16,155
Total	22,941

Company Information / Cash Dividends

Event	Approval	Type	Date of Payment	Type of Share	Class of Share	Amount per Share (R$/share)
Board of Directors Meeting	12/29/2010	Interest on Shareholders' Equity	3/15/2011	Common		0.36372
Board of Directors Meeting	12/29/2010	Interest on Shareholders' Equity	3/15/2011	Preferred	Class A Preferred	0.40010
Board of Directors Meeting	12/29/2010	Interest on Shareholders' Equity	3/15/2011	Preferred	Class B Preferred	0.3158
Annual and Extraordinary Shareholders' Meeting	4/29/2011	Dividend	5/9/2011	Common		0.03158
Annual and Extraordinary Shareholders' Meeting	4/29/2011	Dividend	5/9/2011	Preferred	Class A Preferred	0.03473
Annual and Extraordinary Shareholders' Meeting	4/29/2011	Dividend	5/9/2011	Preferred	Class B Preferred	0.03473
Board of Directors Meeting	12/22/2011	Interest on Shareholders' Equity	3/15/2012	Common		0.22619
Board of Directors Meeting	12/22/2011	Interest on Shareholders' Equity	3/15/2012	Preferred	Class A Preferred	0.24881
Board of Directors Meeting	12/22/2011	Interest on Shareholders' Equity	3/15/2012	Preferred	Class B Preferred	0.24881
Annual and Extraordinary Shareholders' Meeting	4/30/2013	Dividend	5/10/2013	Common		0.08655
Annual and Extraordinary Shareholders' Meeting	4/30/2013	Dividend	5/10/2013	Preferred	Class A Preferred	0.09521
Annual and Extraordinary Shareholders' Meeting	4/30/2013	Dividend	5/10/2013	Preferred	Class B Preferred	0.34519
Annual and Extraordinary Shareholders' Meeting	4/30/2013	Dividend	5/10/2013	Common		0.03984
Annual and Extraordinary Shareholders' Meeting	4/30/2013	Dividend	5/10/2013	Preferred	Class A Preferred	0.04669

Suzano Papel e Celulose S.A.

Balance Sheets
December 31, 2013 and 2012
(In thousands - R$)

		Parent Company		Consolidated	
Assets	**Note**	**12/31/2013**	**12/31/2012**	**12/31/2013**	**12/31/2012**
Current Assets					
Cash and Cash Equivalents	5	**2,648,159**	3,718,081	**3,689,640**	4,337,608
Receivables	6	**2,760,655**	1,862,195	**1,474,141**	1,102,676
Inventories	7	**713,613**	533,392	**905,256**	683,750
Receivables from Other Related Parties	10	**2,666**	3,080	**-**	66
Recoverable Taxes	9	**277,485**	258,174	**280,461**	268,438
Prepaid Expenses		**6,813**	7,572	**8,721**	7,957
Unrealized Derivatives Gains	4	**2,534**	165	**10,013**	5,901
Advance to Suppliers	13	**34,529**	31,878	**34,529**	31,878
Receivables from Properties and Forests Sold		**6,931**	8,927	**6,931**	8,927
Other Accounts Receivable		**52,663**	47,114	**62,022**	52,860
Non-current Assets for Sale	31	**-**	1,864	**-**	186,898
Current Assets		**6,506,048**	6,472,442	**6,471,714**	6,686,959
Non-Current Assets					
Long-Term Assets					
Biological Assets	11	**3,023,522**	2,696,797	**2,965,872**	2,643,940
Receivables from Related Parties	10	**44,821**	27,361	**-**	-
Other Recoverable Taxes	9	**510,578**	235,395	**510,578**	235,438
Deferred Income and Social Contribution Taxes	8	**-**	-	**1,075**	813
Unrealized Derivatives Gains	4	**-**	125	**25,967**	20,259
Receivables/Indemnification from Land Expropriation	12	**56,721**	56,721	**56,721**	56,721
Advance to Suppliers	13	**251,910**	261,895	**251,910**	261,895
Judicial Deposits		**55,913**	50,040	**61,431**	54,881
Other Receivables		**26,496**	30,836	**27,778**	31,970
		3,969,961	3,359,170	**3,901,332**	3,305,917
Investments	14	**326,234**	542,495	**-**	-
Property, Plant and Equipment	15	**15,993,588**	14,596,031	**16,551,707**	15,147,822
Intangible Assets	16	**64,193**	63,440	**224,590**	212,739
		16,384,015	15,201,966	**16,776,297**	15,360,561
Non-Current Assets		**20,353,976**	18,561,136	**20,677,629**	18,666,478
Total Assets		**26,860,024**	25,033,578	**27,149,343**	25,353,437

The accompanying notes are an integral part of the financial statements.

Liabilities	Note	Parent Company 12/31/2013	Parent Company 12/31/2012	Consolidated 12/31/2013	Consolidated 12/31/2012
Current Liabilities					
Trade Accounts Payable		**857,227**	858,448	**876,556**	875,648
Loans and Financing	**17**	**955,462**	946,856	**1,007,157**	1,034,647
Debentures	**18**	**1,386**	587,270	**1,386**	587,270
Unrealized Derivative Losses	**4**	**15,206**	18,786	**16,852**	20,548
Tax Liabilities		**50,795**	33,946	**52,586**	36,179
Payroll and Related Charges		**122,329**	124,315	**125,650**	129,816
Related Party Liabilities	**10**	**49,094**	60,910	**-**	-
Debt from Acquisition of Land and Reforestation	**23**	**-**	-	**6,789**	6,017
Accounts Payable		**109,026**	83,162	**184,859**	140,287
Dividends and Interest on Shareholders' Equity Payable	**24**	**647**	627	**647**	627
Income and Social Contribution Taxes		**-**	-	**1,474**	9,264
Advances related to Assets Held for Sale	**31**	**-**	4,010	**-**	4,010
Advance from Customers		**6,555**	10,622	**7,434**	11,547
Current Liabilities		**2,167,727**	2,728,952	**2,281,390**	2,855,860
Non-Current Liabilities					
Loans and Financing	**17**	**10,249,603**	7,681,629	**11,736,172**	8,982,628
Debentures	**18**	**132,270**	114,559	**132,270**	114,559
Unrealized Derivative Losses	**4**	**14,662**	19,401	**16,187**	21,189
Debts with Subsidiaries	**10**	**1,486,879**	1,297,041	**-**	-
Debt from Acquisition of Land and Reforestation	**23**	**58,569**	52,259	**170,899**	170,941
Accounts Payable		**8,727**	8,727	**8,727**	8,727
Provisions for Tax, Pension, Labor and Civil Claims	**19**	**200,413**	192,418	**206,642**	199,847
Provision for Actuarial Liabilities	**20**	**255,138**	289,277	**255,138**	289,277
Deferred Income and Social Contribution Taxes	**8**	**1,513,087**	1,563,731	**1,634,210**	1,684,903
Share-Based Payments	**22**	**20,469**	18,622	**20,469**	18,622
Provision for Losses of Investments in Subsidiaries	**14**	**65,241**	60,078	**-**	-
Other Provisions		**-**	4,806	**-**	4,806
Non-Current Liabilities		**14,005,058**	11,302,548	**14,180,714**	11,495,499
Equity					
Capital Reserves		**6,241,753**	6,240,709	**6,241,753**	6,240,709
Granted Options		**(235,998)**	(211,459)	**(235,998)**	(211,459)
Income Reserve		**2,187,427**	2,469,809	**2,187,427**	2,469,809
Equity Valuation Adjustment		**2,494,057**	2,503,019	**2,494,057**	2,503,019
Equity	**24**	**10,687,239**	11,002,078	**10,687,239**	11,002,078
Total Liabilities		**26,860,024**	25,033,578	**27,149,343**	25,353,437

The accompanying notes are an integral part of the financial statements.

Suzano Papel e Celulose S.A.

Statement of Income
Fiscal years ended December 31, 2013 and 2012
(In thousands - R$)

		Parent Company		Consolidated	
	Note	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Income from the Sale of Goods and/or Services Rendered	28	**5,557,858**	5,012,683	**5,688,625**	5,192,292
Cost of Goods Sold and/or Services Rendered	30	**(3,879,655)**	(3,707,797)	**(4,190,315)**	(4,027,824)
Gross Profit		**1,678,203**	1,304,886	**1,498,310**	1,164,468
Operating Expense/Income					
Selling Expenses	30	**(483,514)**	(481,569)	**(250,996)**	(247,949)
General and Administrative Expenses	30	**(337,604)**	(359,383)	**(377,049)**	(403,826)
Equity Pick-up in Subsidiaries and Affiliates	14	**(36,762)**	(9,225)	**-**	-
Other Operating Income	25	**87,381**	25,583	**105,302**	31,662
Earnings Before Financial Result and Taxes		**907,704**	480,292	**975,567**	544,355
Financial Income (Expenses)	27	**(1,196,139)**	(803,047)	**(1,255,541)**	(855,339)
Earnings Before Income Taxes		**(288,435)**	(322,755)	**(279,974)**	(310,984)
Income and Social Contribution Taxes					
Current	8	**(1,413)**	9,483	**(9,924)**	(2,280)
Deferred	8	**69,389**	131,146	**69,439**	131,138
Net Income for the year		**(220,459)**	(182,126)	**(220,459)**	(182,126)
Earnings per Share - (Reais/Share)	24.6				
Common		**(0.19055)**	(0.23647)	**(0.19055)**	(0.23647)
Class A Preferred		**(0.20961)**	(0.26011)	**(0.20961)**	(0.26011)
Class B Preferred		**(0.22581)**	(0.24000)	**(0.22581)**	(0.24000)
Common		**(0.18989)**	(0.23651)	**(0.18989)**	(0.23651)
Class A Preferred		**(0.20888)**	(0.26016)	**(0.20888)**	(0.26016)
Class B Preferred		**(0.22581)**	(0.24000)	**(0.22581)**	(0.24000)

The accompanying notes are an integral part of the financial statements.

Suzano Papel e Celulose S.A.

Statement of Comprehensive Income
Fiscal years ended December 31, 2013 and 2012
(In thousands - R$)

		Parent Company		Consolidated	
	Note	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Consolidated Net Income for the Year		**(220,459)**	(182,126)	**(220,459)**	(182,126)
Other Comprehensive Income (Loss)		**29,115**	(85,590)	**29,115**	(85,590)
Exchange Variation on Foreign Investments	**14**	**(2,107)**	986	**(2,107)**	986
Result from conversion of debentures of the 5th issue into shares with Related Parties		**-**	(45,745)	**-**	(45,745)
Actuarial Gain (Loss)	**20**	**47,307**	(61,865)	**47,307**	(61,865)
Deferred Income and Social Contribution Taxes		**(16,085)**	21,034	**(16,085)**	21,034
Consolidated Comprehensive Income for the Year		**(191,344)**	(267,716)	**(191,344)**	(267,716)

The accompanying notes are an integral part of the financial statements.

Suzano Papel e Celulose S.A.

Statement of Changes in Equity
Fiscal years ended December 31, 2013 and 2012
(In thousands - R$)

	Note		Capital Reserves, Options Granted and Treasury Shares					Income Reserve					
	Note	Paid-In Capital	Tax Incentives	Options Granted	Mandatory convertible debentures	Expenses with Share Issue	Treasury Shares	Legal Reserve	Capital Increase Reserves	Special Bylaws reserve	Other Comprehensive Income	Accumulated Income	Total
Opening Balances - 12/31/2011	24	3,445,569	65,783	1,192	1,138,332	-	(227,405)	231,926	2,136,992	259,821	2,621,339	-	9,673,549
Total Comprehensive Income (Loss)		-	-	-	-								
Net Income for the Year		-	-	-	-	-	-	-	-	-	-	(182,126)	(182,126)
Actuarial Loss Net of Deferred Income and Social Contribution Taxes		-	-	-	-	-	-	-	-	-	(40,831)	-	(40,831)
Exchange Variation on Investees		-	-	-	-	-	-	-	-	-	986	-	986
Equity Transactions with Shareholders													
Capital Increases		1,463,369	-	-	-	-	-	-	-	-	-	-	1,463,369
Capital Increase conversion of debentures		1,331,771	-	-	(1,137,500)	-	-	-	-	-	(45,745)	-	148,526
Expenses with Share Issue		-	-	-	-	(15,442)	-	-	-	-	-	-	(15,442)
Recognized Granted Options		-	-	164	-	-	-	-	-	-	-		164
Treasury Shares Purchased		-	-	-	-	-	(46,117)	-	-	-	-	-	(46,117)
Internal Changes in Equity													
Realization of Equity Valuation Adjustment, Net of Deferred Income and Social Contribution Taxes		-	-	-	-	-	-	-	-	-	(32,730)	32,730	-
Accrual of Sudene Tax Incentive Reserve - Reinvestment		-	9,534	-	-	-	-	-	-	(9,534)	-	-	-
Partial Use of Profits Reserve for proposed payment of dividends		-	-	-	-	-	-	-	-	(99,997)	-	-	(99,997)
Dividends Proposed by the Management										99,997			99,997
Absorption of loss for the year		-	-	-	-	-	-	-	-	(149,396)	-	149,396	-
Opening Balances - 12/31/2012	24	6,240,709	75,317	1,356	832	(15,442)	(273,522)	231,926	2,136,992	100,891	2,503,019	-	11,002,078
Total Comprehensive Income (Loss)		-	-	-	-								
Net Income for the Year		-	-	-	-	-	-	-	-	-	-	(220,459)	(220,459)
Actuarial Gain Net of Deferred Income and Social Contribution Taxes		-	-	-	-	-	-	-	-	-	31,222	-	31,222
Exchange Variation on Investees		-	-	-	-	-	-	-	-	-	(2,107)	-	(2,107)
Equity Transactions with Shareholders													
Capital Increases		1,044	-	-	(832)	-	-	-	-	-	-	-	212
Recognized Granted Options		-	-	15,011	-	-	-	-	-	-	-		15,011
Treasury Shares Purchased		-	-	-	-	-	(38,718)	-	-	-	-	-	(38,718)
Dividends		-	-	-	-	-	-	-	-	(100,000)	-	-	(100,000)
Internal Changes in Equity									-				
Realization of Equity Valuation Adjustment, Net of Deferred Income and Social Contribution Taxes		-	-	-	-	-	-	-	-	-	(38,077)	38,077	-
Partial Use of Profits Reserve for proposed payment of dividends		-	-	-	-	-	-	-	(122,000)	-	-	-	(122,000)
Proposed Dividends by Management		-	-	-	-	-	-	-	122,000	-	-	-	122,000
Absorption of loss for the year		-	-	-	-	-	-	-	(181,491)	(891)	-	182,382	-
Closing Balances - 12/31/2013	24	6,241,753	75,317	16,367	-	(15,442)	(312,240)	231,926	1,955,501	-	2,494,057	-	10,687,239

The accompanying notes are an integral part of the financial statements.

Suzano Papel e Celulose S.A.

Statement of Cash Flows
Fiscal years ended December 31, 2013 and 2012
(In thousands - R$)

	Note	Parent Company		Consolidated	
		12/31/2013	12/31/2012	12/31/2013	12/31/2012
Cash flows and cash equivalents from operating activities					
Net Loss for the Year		**(220,459)**	(182,126)	**(220,459)**	(182,126)
Adjustment to reconcile profit or loss to cash and cash equivalents from operating activities		**2,564,756**	1,896,180	**2,386,058**	1,890,918
Depreciation, Depletion and Amortization		**877,260**	709,697	**889,386**	727,270
Income from Sale of Property, Plant and Equipment and Biological Assets		**1,399**	(31,122)	**999**	(32,138)
Equity Pick-up in Subsidiaries and Affiliates	14	**36,762**	9,225	**-**	-
Exchange and Monetary Variations, Net		**874,062**	533,425	**703,709**	475,795
Interest Expenses, Net		**812,045**	608,330	**831,853**	640,912
Derivative Gains (Losses)		**19,039**	18,527	**13,915**	26,696
Biological Assets Fair Value Adjustment	11	**(99,998)**	9,423	**(95,179)**	9,423
Deferred Income and Social Contribution Tax Income (Loss)		**(69,389)**	(131,146)	**(69,439)**	(131,138)
Addition to Actuarial Liabilities	20	**26,991**	26,930	**26,991**	26,930
Addition to (Reversal of) Provision for Contingencies	19	**364**	9,981	**108**	10,353
Share-Based Payment Expenses	22	**26,114**	12,942	**26,114**	12,942
Profit (Loss) from Divestment	25	**(124,835)**	-	**(124,835)**	-
Allowance for Doubtful Accounts	6	**7,793**	4,217	**7,987**	4,285
(Reversal of Provision) Provision for Deduction		**(1,859)**	3,756	**8,154**	(712)
Provision (Reversal of Provision) for Inventory Losses	7	**34,985**	(10,026)	**34,985**	(10,026)
Gain over Actuarial Liability Reduction	20	**-**	(2,475)	**-**	(2,475)
Cost of Written-off Biological Assets and Property, Plant and Equipment		**72,494**	-	**47,604**	-
Other Provisions		**71,529**	124,496	**83,706**	132,801
Changes in Assets and Liabilities		**(2,636,422)**	(1,487,749)	**(2,124,864)**	(1,038,902)
Decrease / Increase in Accounts Receivable		**(823,692)**	(470,698)	**(296,891)**	(70,734)
Decrease / Increase in Inventories		**(201,075)**	(30,384)	**(242,360)**	(41,372)
Decrease / Increase in Recoverable Taxes		**(302,998)**	(188,979)	**(291,009)**	(182,346)
Decrease / Increase in Other Current and Non-Current Assets		**(50,063)**	(60,633)	**(30,431)**	(60,285)
(Decrease) Increase in Trade Accounts Payable		**(330,558)**	255,249	**(327,187)**	235,193
Decrease / Increase in Other Current and Non-Current Liabilities		**380,229**	151,108	**406,766**	259,552
Payment of Interest		**(856,608)**	(735,313)	**(872,938)**	(761,282)
Payment of Other Taxes and Contributions		**(412,819)**	(358,970)	**(427,318)**	(358,970)
Payment of Income and Social Contribution Taxes		**(38,838)**	(49,129)	**(43,496)**	(58,658)
Cash and cash equivalents net cash (used in) provided by operating activities		**(292,125)**	226,305	**40,735**	669,890
Cash flows and cash equivalents from investment activities					
Additions to Investments		**-**	(2)	**-**	-
Additions to Property, Plant and Equipment		**(1,654,825)**	(2,262,979)	**(1,662,268)**	(2,275,240)
Additions to Intangible Assets		**(2,409)**	(3,927)	**(2,409)**	(3,927)
Additions to Biological Assets	11	**(592,756)**	(525,942)	**(592,781)**	(504,373)
Advances received from Sale of Assets	31	**-**	4,010	**-**	4,010
Income from Sale of Assets		**18,480**	50,067	**18,870**	65,264
Receivables from Sale of Assets		**314,370**	-	**314,370**	-
Net Cash used in Investment Activities		**(1,917,140)**	(2,738,773)	**(1,924,218)**	(2,714,266)
Cash flows and cash equivalents from financing activities					
Funding	17	**4,124,891**	3,676,713	**4,124,891**	3,676,713
Payment of Dividends and Interest on Shareholders' Equity		**(99,977)**	(83,242)	**(99,977)**	(83,242)
Settlement of Derivative Operations	4.10	**(29,002)**	(25,737)	**(27,921)**	(21,756)
Payment of Loans and Debentures		**(2,805,753)**	(1,856,304)	**(2,849,089)**	(1,943,488)
Capital Increase through Share Issue		**-**	1,463,369	**-**	1,463,369
Own Shares Acquisition		**(50,816)**	(34,019)	**(50,816)**	(34,019)
Net Cash Provided by (Used in) Financing Activities		**1,139,343**	3,140,780	**1,097,088**	3,057,577
Effects of exchange variation in cash and cash equivalents		**-**	-	**138,427**	50,469
Increase (Decrease) of Cash and Cash Equivalents		**(1,069,922)**	628,312	**(647,968)**	1,063,670
Cash and Cash Equivalents at the Beginning of the Year	5	**3,718,081**	3,089,769	**4,337,608**	3,273,938
Cash and Cash Equivalents at the End of the Year	5	**2,648,159**	3,718,081	**3,689,640**	4,337,608
Demonstration (decrease) increase in cash and cash equivalents		**(1,069,922)**	628,312	**(647,968)**	1,063,670

The accompanying notes are an integral part of the financial statements.

Suzano Papel e Celulose S.A.

Statement of Value Added
Fiscal years ended December 31, 2013 and 2012
(In thousands - R$)

	Note	Parent Company 12/31/2013	Parent Company 12/31/2012	Consolidated 12/31/2013	Consolidated 12/31/2012
Income					
Sale of Goods, Products and Services	28	**6,378,856**	5,727,844	**6,518,310**	5,914,608
Other Income		**250,440**	73,483	**268,361**	79,562
Income from Construction of Own Assets		**1,652,544**	1,352,114	**1,652,544**	1,352,114
Reversal of/Allowance for Doubtful Accounts	6	**(7,793)**	(4,217)	**(7,987)**	(4,285)
		8,274,047	7,149,224	**8,431,228**	7,341,999
Input Acquired from Third Parties					
Cost of Products Sold and Services Rendered		**(1,905,428)**	(2,210,188)	**(1,905,428)**	(2,246,134)
Supplies, Electricity, Outsourced Services and Others		**(3,747,028)**	(2,954,704)	**(3,827,437)**	(3,004,525)
		(5,652,456)	(5,164,892)	**(5,732,865)**	(5,250,659)
Gross Added Value		**2,621,591**	1,984,332	**2,698,363**	2,091,340
Depreciation, Amortization and Depletion		**(877,260)**	(709,697)	**(889,386)**	(727,270)
Net Added Value Produced		**1,744,331**	1,274,635	**1,808,977**	1,364,070
Added Value from Transfers					
Equity Pick-up in Subsidiaries and Affiliates	14	**(36,762)**	(9,225)	**-**	-
Financial Income	27	**633,839**	363,356	**599,843**	350,943
		597,077	354,131	**599,843**	350,943
Total Added Value to Distribute		**2,341,408**	1,628,766	**2,408,820**	1,715,013
Personnel	30	**688,419**	632,962	**708,802**	655,172
Direct Compensation		**561,536**	513,250	**579,434**	532,177
Benefits		**96,436**	90,809	**98,828**	93,805
F.G.T.S. (Government Severance Indemnity Fund for Employees)		**30,447**	28,903	**30,540**	29,190
Taxes, Fees and Contributions		**(214,210)**	(127,318)	**(194,340)**	(104,676)
Federal		**(248,192)**	(82,137)	**(228,413)**	(59,773)
State		**30,423**	(48,179)	**30,423**	(48,179)
Municipal		**3,559**	2,998	**3,650**	3,276
Value Distributed to Providers of Capital		**2,087,658**	1,305,248	**2,114,817**	1,346,643
Interest Rates		**942,673**	698,000	**980,238**	744,053
Rentals		**98,104**	97,769	**99,857**	99,285
Monetary Variation Losses	27	**1,046,881**	509,399	**1,034,722**	503,225
Other		**-**	80	**-**	80
Value Distributed to Shareholders		**(220,459)**	(182,126)	**(220,459)**	(182,126)
Accumulated Losses/Retained Earnings for the Year		**(220,459)**	(182,126)	**(220,459)**	(182,126)
Distribuition of Added Value		**2,341,408**	1,628,766	**2,408,820**	1,715,013

The accompanying notes are an integral part of the financial statements.

**** All amounts are in thousands of Brazilian real, unless otherwise stated ****

1 Company Information

Suzano Papel e Celulose S.A. (hereinafter the Company, Parent Company or Suzano) is a corporation domiciled in Brazil and its shares are traded on BM&FBovespa S.A. - Securities, Commodities and Futures Exchange. The Company's headquarters are located in the city of Salvador, state of Bahia. The Company is controlled by Suzano Holding S.A., which holds a 95.5% interest in the common shares of its capital stock.

The core business of the Company and its subsidiaries is manufacturing and trading, in Brazil and abroad, hardwood eucalyptus pulp and paper, as well as the formation and commercial exploration of eucalyptus forests for its own use and sale to third parties. The Company

The Company has industrial plants in the states of Bahia, Maranhão and São Paulo. The Company uses direct sales and its foreign subsidiaries to trade its products in the international market.

On December 31, 2013, the Company announced the operational startup of its new pulp production unit in Imperatriz, Maranhão, with the production of the first bale of pulp, which is already certified by FSC and according to schedule. The new unit in Maranhão has eucalyptus market pulp production capacity of 1.5 million tons/year and surplus power generation of 100 MW. The unit's production in 2014 is estimated at 1.1 million tons.

1.1 Major events in fiscal years 2013 and 2012

a) Capital increase resulting from the conversion of debentures of the 5th issue of the Company

Due to the maturity of debentures of the 5th issue of the Company on December 16, 2013, a total of two hundred ninety-three (293) outstanding debentures of the 1st series and five hundred eighty-five (585) outstanding debentures of the 2nd series were converted, represented by the issue of twenty thousand, four hundred sixty-eight (20,468) common shares and forty thousand, eight hundred ninety-six (40,896) class A preferred shares, at the unit price of seventeen reais and four centavos (R$17.04) and seventeen reais and one centavo (R$17.01), respectively, totaling R$1,044.

b) Divestment of the interest held by Suzano through a subsidiary in the Capim Branco Energia Consortium ("Consortium")

On May 28, 2013, the Company concluded its divestment from the Consortium. The amount obtained from the divestment was R$314,370, after retentions for contingent liabilities and conditions negotiated, resulting in R$124,835 (Note 25).

c) Suspension of Projects: new Pulp Unit in Piauí ("Piauí Project") and Suzano Energia Renovável Ltda. ("SER")

On March 12, 2013, in compliance with Article 157, Paragraph 4, of Law 6,404/76 and CVM Instruction 358/2002, as amended, the Company informed its shareholders and the market in general that it decided to suspend indefinitely the implementation of SER, the wood pellet production unit, and the new pulp production unit in the state of Piauí.

As a result of the above-mentioned events, which altered the circumstances and probability of recovery of the investments made in these projects, the Company recognized in the Consolidated result the losses related to investments in the amount of R$60,877, recorded under Other Operating Income, net.

The Company maintains its commitment to SER to make the necessary investments for maintenance of the planted forests and the land acquired.

d) Stock Buyback Program for Class Preferred Shares issued by the Company ("Program")

On February 21, 2013, the Program approved by the Board of Directors of the Company was concluded. A total of 12,000 thousand class A preferred shares were repurchased for R$84,835, of which R$46,117 paid until December 31, 2012 and R$38,718 paid between January and February 2013. The shares were acquired in accordance with the Program approved by the Board of Directors and pursuant to applicable laws.

The shares acquired under the Program will be held in treasury to cover the beneficiaries of the stock option plans, as well as to offset the long-term incentive plan of the Company.

e) 3rd Issue of Debentures

In the quarters ended September 30, and December 31, 2012, the maximum leverage level was exceeded. At the General Meeting of Debenture Holders held on December 20, 2012, 100% of the debenture holders of the 2nd series approved the granting of waiver to the right entitled thereto by the issue indenture of declaring early maturity of the debentures in the event of breach of the covenants for two consecutive quarters. Such waiver will be valid through the second quarter of 2014, when the Company must once again comply with the maximum leverage level. For this, the Company paid the debenture holders of the 2nd series, on January 3, 2013, a premium equivalent to 0.50% of the restated value of the Debentures in the amount of R$604.

Regarding the debenture holders holding debentures from the 1st series of the 3rd issue of the debentures of the Company, the request for preventive waiver was not granted due to the lack of consensus on the premium amount to be paid by the Company in the event of breach of the covenants and the Company exercised on April 9, 2013 the option to pay the debt of R$585,969 in advance.

f) Capital increase resulting from the conversion of debentures of the 4th and 5th issues of the Company

In the fiscal year ended December 31, 2012, the Board of Directors ratified the increase in the capital of the Company, as represented by the issue of 111,482 thousand common shares and 221,461 thousand class A preferred shares at the unit price of four reais (R$4.00), for an aggregate amount of R$1,331,771, deriving from the orders to convert: (a) 8,681 debentures of the 1st series (upon issue of 891 thousand common shares) and 17,361 debentures of the 2nd series (upon issue of 1,782 thousand class A preferred shares) of the 4th issue of debentures of the Company, and (b) 401,526 debentures of the 1st series (upon issue of 110,591 thousand common shares) and 797,596 debentures of the 2nd series (upon issue of 219,679 thousand class A preferred shares) of the 5th issue of debentures of the Company, effected as from June 28, 2012, as provided for by the indentures of the 4th and 5th issues of debentures of the Company.

g) Primary Public Offering of Shares ("Share Offering")

In the period ended September 30, 2012, the process for a Public Offering for Primary Distribution of Common Shares and Class "A" and "B" Preferred Shares of the Company was concluded and the issue price was four reais (R$4.00) per share, with a total issue of 119,606 thousand registered common shares, 246,222 thousand class A preferred shares, and 15 thousand class B preferred shares, all book-entry, for a capital increase of R$1,463,369 settled in domestic currency. The costs incurred from the transaction were R$15,442 and were recorded under Shareholders' Equity.

h) Unscheduled shutdown – Mucuri Unit - Bahia

There were no material unscheduled shutdowns in 2013. On February 10, 2012, the Company announced an unscheduled shutdown in the Line 2 recovery boiler at the Mucuri Unit – BA in January. The total estimated production loss was 50 thousand tons, i.e., 2.6% of the Company's annual production capacity, which was partially recovered over the following months.

2 Basis of Preparation and Presentation of the Financial Statements

2.1 Statement of compliance (with IFRS and CPC standards)

These financial statements include:

The consolidated financial statements were prepared and are presented in compliance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the accounting practices adopted in Brazil (BR GAAP), including the pronouncements issued by the Accounting Pronouncements Committee (CPC).

The individual financial statements of the parent company were prepared in accordance with the accounting practices adopted in Brazil issued by the Accounting Pronouncements Committee (CPC) are disclosed together with the consolidated financial statements.

The individual financial statements of the parent company were prepared in accordance with BR GAAP, which differs from the IFRS applicable to separate financial statements in relation to the valuation of investments in joint ventures based on the equity accounting method. With the adoption of CPC 19 (R2) – Joint Agreements (IFRS 11) as of January 1, 2013, investments of this nature are classified under Joint Operations, where assets, liabilities, revenues and expenses are booked in the entity that is part of the agreement, in proportion to its rights and obligations, and under Joint Ventures, where the interest held by the company is booked through the equity accounting method and shown under Investments.

Therefore, there is no difference between the shareholders' equity and consolidated profit or loss and the shareholders' equity and profit or loss of the parent company on its individual financial statements. As such, the consolidated financial statements and the individual financial statements of the parent company are presented side by side in a single set of financial statements.

The Board of Directors approved the issue of individual and consolidated financial statements on March 13, 2014.

2.2 Standards issued but not effective yet

The following standards, interpretations and amendments to the standards issued by IASB and/or CPC are not yet effective as of December 31, 2013, and were not adopted by the Company in advance:

IFRIC 21—Taxation, consists of an interpretation of IAS 37 – Provisions, contingent liabilities and contingent assets, and classifies the taxes required by the Government through law, clarifies the events originating the responsibility for payment and the moment in which the obligation must be recognized. This interpretation is applicable from January 1, 2014.

Until December 31, 2013, CPC had not yet issued an accounting pronouncement or revision of existing pronouncements corresponding to IFRS 9 – Financial Instruments, which aims to simplify the measuring model and establishes two main categories for financial assets: amortized cost and fair value, the determination is made upon initial recognition and the basis for classification depends on the business model of the entity and the contractual characteristics of cash flow of financial instruments. IFRS 9 is effective for fiscal years starting on or after January 1, 2015.

There are no other standards, interpretations and/or amendment to standards whose application could, the Company expects, generate material impact in its financial statements.

2.3 Consolidated financial statements

The consolidated financial statements include direct and indirect subsidiaries, jointly-controlled companies, in addition to exclusive investment funds (Note 5).

(All amounts are in thousands of Brazilian real, unless otherwise stated)

The reference date of the subsidiaries' financial statements included in the consolidation coincides with those of the Company.

The exchange rates applied when translating the financial statements of foreign subsidiaries into the reporting currency of the financial statements are the following:

Currency	Name	Country	Final rate		Average rate	
			12/31/2013	12/31/2012	12/31/2013	12/31/2012
USD	U.S. Dollar	United States	**2.3426**	2.0435	**2.1576**	1.9531
CHF	Swiss Franc	Switzerland	**2.6304**	2.2324	**2.3300**	2.0822
EUR	Euro	European Union	**3.2265**	2.6954	**2.8675**	2.5093
GBP	Pound Sterling	United Kingdom	**3.8728**	3.3031	**3.3777**	3.0961
ARS	Argentine Peso	Argentina	**0.3593**	0.4158	**0.3898**	0.4262

Since January 1, 2013, Asapir Produção Florestal e Comércio Ltda. ("Asapir") has been evaluated as a Joint Operation in accordance with IFRS 11 and CPC 19 (R2) – Joint Arrangements, which require assets and liabilities, revenues and expenses from the joint operation to be booked in the entity that is part of the joint operation, in proportion to its interest. This change in the classification of investments as joint operations did not cause any change in the consolidated balances of the Company, compared to the proportional consolidation permitted under the standard until December 31, 2012.

2.4 Alert Letter CVM/SEP/GEA-5/ no. 002/2013 received on January 18, 2013 related to the 5th issue of mandatorily convertible debentures

On October 19, 2012, the Company received Letter CVM/SEP/GEA-5 no. 339/2012 requesting clarification on the accounting practices used to register the 5th issue of mandatorily convertible debentures.

In response to the Letter, on November 14, 2012, the Company provided all information it deemed relevant for the proper understanding of the accounting practices adopted in the booking of this transaction and, as requested in the Letter, the Company's response was accompanied by the opinion of external auditors responsible for issuing the auditor's report for the fiscal year ended December 31, 2011, as well as the current external auditors, who issued the quarterly review reports for the quarters ended during fiscal year 2012.

On January 18, 2013, the Company received Alert Letter CVM/SEP/GEA-5/ no. 002/2013, whereby CVM expressed its understanding of the accounting of the mandatorily convertible debentures, as commented below.

The indenture of the debentures provided for the conversion of the principal of the debt into a fixed number of shares at a fixed conversion price. The only hypothesis in which such fixed conversion could be changed would be the occurrence of an event causing the early maturity of the debentures. In the event of early maturity, the debentures could be converted at the market price of the shares on the date of conversion.

According to the indenture of debentures, one of the early maturity events was a public offering of the Company's shares which, in this case, gave the debenture holders the right to convert their debentures at the same price of such public offering. CVM judged that these clauses represent indications that the conversion price was not fixed in any instance, which would necessarily influence the number of shares to be issued, thus making it a variable number and hence the financial instrument would be a financial liability. At the time of the issue of the mandatorily convertible debentures, the Management of the Company considered that the decision whether to hold or not a primary offering of shares was under its control and that, in the event of issue of new equity instruments, as was the case of the Share Offering, the variability of the number of shares would have an exclusive anti-dilution characteristic, since it would not be applied in other situations, such as during volatility in the share price.

The application of the accounting treatment requested by the Letter would result, on December 31, 2011, in the reduction of shareholders' equity by R$1,146,009, increase in non-current liabilities of the parent company and consolidated by R$1,146,365, increase in financial expenses of the parent company and consolidated, related to interest and derivatives, by R$11,631, and a net negative impact on the net income from the fiscal year by R$7,676. There would be no changes in non-current liabilities on December 31, 2012, since the transaction of the 5th issue of mandatorily convertible debentures had substantially been settled already in view of the conversion of these debentures into shares during the Share Offering held in fiscal year 2012. The financial expenses of the parent company and consolidated for the fiscal year ended December 31, 2012 would be increased by R$18,669, with a net negative impact of R$12,322 on the net income from the year.

We wish to stress that the above-mentioned interpretation does have any effect on the form of settlement of this financial liability, which occurs only upon the conversion of debentures into Company shares, as happened with the Share Offering held by the Company.

3 Accounting Practices

The financial information and the annual financial statements for the fiscal year ended December 31, 2012 were prepared using reliable accounting practices.

3.1 Statement of income

Operating revenue from product sales are stated at their net amounts excluding taxes and discounts incurred on sales. Operating revenue from sales of products are recognized in the statement of income when its amounts can be measured reliably, all risks and rewards inherent to the product are transferred to the buyer, the Company no longer has any relation with the goods sold and it is probable that the economic benefits will be generated for the Company. Revenues are not recognized if there is significant uncertainty to their realization.

3.2 Investments and translation of foreign currency-denominated balances

a) Investments, functional currency and presentation of the financial statements

The Company's functional currency is the Brazilian Real (BRL), same currency of presentation of the subsidiaries' financial statements. The financial statements of each subsidiary, which is also that used as basis of evaluation of investments by the equity accounting method, is prepared based on each entity's functional currency.

Concerning foreign subsidiaries, their monetary assets and liabilities are translated from their functional currency to Brazilian Reais, using the exchange rates of balance sheets closing dates and respective revenues and expenses accounts are translated by the monthly average rates of the years. Concerning non-monetary assets and liabilities, they are translated from their functional currency to Brazilian Reais by exchange rate of the accounting transaction date (historical rate). These subsidiaries are measured under the equity accounting method, whose results are recognized at the proportion of the Company's investments.

b) Transactions denominated in foreign currency

Monetary assets and liabilities denominated in foreign currency are translated into the functional currency (Brazilian Real- BRL) using the exchange rate effective on the respective balance sheets dates. Gains and losses resulting from the adjustment of these assets and liabilities, verified between the exchange rate effective on the date of transaction and end of years are recognized as financial income or expenses in the income statement.

3.3 Financial instruments

Financial instruments are recognized as of the date the Company becomes party of financial instruments contractual provisions. These are initially recorded at their fair value, plus transaction costs which are directly attributable to their acquisition or issue, except for the financial assets and liabilities classified under the fair value category through profit or loss, where these costs are directly recorded in the income statement for the year. Their subsequent measure occurs every balance sheet date according to the rules set forth for each type of financial assets and liabilities classification. The Company does not adopt the hedge accounting as required by CPC 38, 39 and 40.

3.3.1. Financial assets
These are classified among the categories below according to the purpose to which they were acquired or issued:

a) Financial assets measured at fair value through profit or loss
These include financial assets held for trading and those assets designated in the initial recognition at fair value through profit or loss and derivatives. These are classified as held for trading if originated with the purpose of sale or repurchase in the short term. These are measured at their fair value at every balance sheet date. Interest rates, monetary restatement, exchange variation and those variations deriving from fair value valuation are recognized as financial income or expenses in the income statement when incurred.

b) Loans (granted) and receivables

These include non-derivative financial assets with fixed or determinable payments, but not quoted on the active market. After initial recognition, these are measured by the amortized cost through the effective interest rate method. Interest rates, monetary restatement, exchange variation, less impairment, when applicable, are recognized as financial income or expenses in the income statement when incurred.

The Company did not identify financial assets that would be classified in the held-to-maturity investments category.

3.3.2. Financial liabilities

These are classified between the categories below according to the nature of financial instruments contracted or issued:

a) Financial liabilities measured at fair value through profit or loss

These include financial liabilities usually traded before maturity, liabilities designated in the initial recognition at fair value through profit or loss and derivatives. They are measured by their fair value at every balance sheet date. Interest rates, monetary restatement, exchange variation and those variations deriving from fair value valuation, where applicable, are recognized in the income statement when incurred.

b) Financial liabilities not measured at fair value

Non-derivative financial liabilities that are not usually traded before maturity. After the initial recognition, they are measured by the amortized cost through the effective interest rate method. The interest rates, monetary restatement and exchange variation, where applicable, are recognized in the income statement when incurred.

3.3.3. Fair value

The fair value of financial instruments actively traded on the organized markets is determined based on the market quotes on the balance sheets closing dates. In the lack of an active market, the fair value is determined through valuation techniques. These techniques include the use of recent market arm's length transactions, benchmark to the fair value of similar financial instruments, discounted cash flows analysis or other valuation models.

3.4 Cash and cash equivalents

Cash and cash equivalents include balances of cash, banks and marketable securities maturing in three months or less from their initial contracting date, which are subject to insignificant risk of change in their fair value. Securities in this category are classified under the "financial assets at fair value through profit or loss" category.

3.5 Trade accounts receivable

These are classified in the financial instruments category "loans (granted) and receivables", stated at their net realization values, including currency adjustment when these are denominated in foreign currency and adjusted by allowance for doubtful accounts, which is defined in an amount deemed as sufficient by the Management to cover eventual losses in the accounts receivable realization.

3.6 Inventories

Inventories are measured by the lower value between the average acquisition cost and the net realizable value. The cost of inventories includes expenses incurred in the acquisition of inventories, production and manufacturing costs and other costs incurred to bring them to their current location and conditions. Provisions are constituted for inventory losses when deemed necessary by Management.

The cost of timber transferred from biological assets is their fair value plus expenses to bring them to their current location and conditions.

3.7 Biological assets

Biological assets refer to the eucalyptus reforestation forests and are measured at their fair value, less estimated sales costs at the moment of harvest.

The discounted cash flow method was used to determine the fair value of these assets using the assumptions of cubic volume of wood expected by crop year, as well as formation and land costs. The sale price of eucalyptus used in the calculation was based on expert research for each region and transactions conducted by the Company with independent third parties. Results from changes in fair value are recorded as profit or loss on an annual basis.

3.8. Property, plant and equipment and financial lease

Property, plant and equipment items are recorded at the historical cost of acquisition or construction, net of recoverable taxes, including interest and other financial charges incurred during the project design or development, less accumulated depreciation and accumulated impairment losses. Assets from financial lease agreements are recognized by the lower amount between the present value of minimum lease payments and the fair value of the related assets, plus, when applicable, initial direct costs incurred in the transaction.
Items of property, plant and equipment are depreciated using the straight-line method in the profit or loss statement of the year, based on the economic-useful life of each item (Note 15) and leased items are depreciated by the shortest period between the estimated useful of the asset and the term of the contract.

On December 31, 2013, the Company revised the useful life of its assets and did not identify material adjustments that should be made to the estimated economic useful life of each item.

Maintenance and repair expenses that do not significantly increase the useful life of these assets are booked as expenses when they are incurred.

3.9 Intangible assets

Goodwill: Goodwill is the positive difference between the acquisition cost and the net fair value of assets and liabilities acquired from an entity. Goodwill is submitted to an annual impairment test to verify losses, which, once recognized, are not reversed.

Intangible assets with determined useful life: Other intangible assets acquired by the Company and that have defined useful lives are measured at cost, less amortization and accumulated impairment losses.

3.10 Impairment

Management reviews, on an annual basis, the net carrying amount of assets aiming at assessing events or changes in economic, operational or technological circumstances that may indicate impairment or loss of their recoverable value. When this evidence is identified and the net carrying amount exceeds the recoverable value, then a provision for asset impairment is recorded, adjusting the net carrying amount to the recoverable value.

3.11 Provisions

Provisions are recognized based on past events, if the Company has a legal or constructive obligation that can be reliably ascertained and for which it is probable that economic resources will be required for settlement. Provisions are recorded based on the best estimates of the risks involved.

3.12 Actuarial liabilities

The defined benefit plans are evaluated by an independent actuary in order to determine the commitments with health care plans and life insurance provided to active employees and retirees, at the end of each year.

Actuarial gains or losses are recognized directly in shareholders' equity. The interest rates on actuarial liability are directly recorded in the income statement under "Financial Expenses".

3.13 Other assets and liabilities

Assets are recognized only when it is probable that the economic benefit associated with the transaction will flow to the entity and its cost or value can be measured reliably. Contingent assets are not recognized.

A liability is recognized when the Company has a legal or constructive obligation arising from a past event, and it is probable that an economic resource will be required to settle this liability.

3.14 Corporate Income Tax ("IRPJ") and Social Contribution on Income ("CSLL")

The tax on income for the year comprises the Corporate Income Tax ("IRPJ") and the Social Contribution on Income ("CSLL"), which includes current and deferred tax, which are calculated based on the taxable income (adjusted book profit), at rates effective on the balance sheet dates: (i) income tax – calculated at the rate of 25% over adjusted book profit (15% over taxable income plus 10% surcharge for the profits exceeding R$240 in a 12-

month period); (ii) Social contribution – calculated at the rate of 9% over the adjusted book profit. Inclusions to the book profit of temporarily non-deductible expenses, or exclusions of temporarily non-taxable income, which are considered when calculating current taxable income, generate deferred tax assets or liabilities.

Deferred tax assets and liabilities are offset if there is a legal right to offset current tax assets and liabilities and they are related to income tax levied by the same tax authority on the same entity subject to taxation. A deferred income and social contribution tax asset is recognized for tax losses, tax credits and unused deductible temporary differences when it is probable that future profits subject to taxation will be available to be used against such assets.

Deferred income and social contribution tax assets are revised at each reporting date and will be deducted as their realization is no longer probable.

3.15 Government grants and assistance

Government grants and assistance are recognized when it is reasonably certain that the conditions established by the granting governmental authority were observed and that these subsidies will be obtained. These are recorded as revenue or expense deduction in the income statement for the period of enjoyment of benefit and subsequently are allocated to the tax incentives reserve under shareholders' equity.

3.16 Share-based payments

The Company's executives and managers receive their compensation partially as: i) share-based payment plans to be paid in cash; and ii) share-based payment plans to be paid with shares, and alternatively in cash.

Plan-related expenses i) e ii) are firstly recognized in the income statement as administrative expenses against financial liabilities during the vesting period (grace period) when services will be rendered. The financial liability is measured again by its fair value every balance sheet date and its variation is recorded in the income statement as administrative expenses.

However, at the option exercise date, if such options are exercised by executive in order to receive Company shares, financial liabilities are reclassified to a shareholders' equity account called "Stock options reserve". In case of option exercise paid in cash, the Company settles the financial liability on behalf of the officer.

3.17 Dividends and Interest on shareholders' equity ("JCP")

The Company's Management proposal to distribute dividends or interest on shareholders' equity is recorded as liability in "Dividends and Interest on Shareholders' Equity payable", however, the amount of dividends exceeding the mandatory minimum dividend declared by Management after the accounting period to which the financial statements refer, but before the authorization date to issue said financial statements, is recorded in "Dividends proposed" under shareholders' equity.

3.18 Adjustment at present value of assets and liabilities

Noncurrent monetary assets and liabilities are monetarily restated, therefore, they are adjusted by their present value. The present value adjustment of current monetary assets and liabilities is calculated and only recorded, if deemed as relevant when compared to the financial statements taken as a whole. For the purposes of recording and determining materiality, the present value adjustment is calculated taking into account contractual cash flows and explicit interest rates, and implicit interest rates in certain cases, of respective assets and liabilities. Based on the analyses made and the Management's best estimate, the Company concluded that the present value adjustment of current monetary assets and liabilities is irrelevant when compared to the financial statements taken as a whole, thus, no adjustments were recorded.

3.19 Critical accounting estimates and assumptions

The preparation of the individual and consolidated financial statements in accordance with IFRS and CPC norms requires the Management to make judgments, estimates and assumptions that affect the application of accounting policies and reported values of assets, liabilities, revenues and expenses. Actual results may differ from such estimates.

Estimates and assumptions are continuously revised. Revisions of accounting estimates are recognized in the fiscal year in which they occur and in any future fiscal years affected.

Estimates and assumptions based on historical experience and on the analysis of relevant factors by the Management, classified as being able to generate significant risks of causing material adjustments to the financial statements over the next fiscal years, are included in the following Notes:

Estimate / Assumption	Note
Establishing evaluation techniques and assumptions based on market conditions for measuring fair value and sensitivity analysis of financial instruments.	4
Calculation of allowance for loan losses	6
Calculation of provision for inventory losses	7
Recognition of deferred tax assets and liabilities related to temporary differences and tax losses	8
Rates and terms applied in the calculation of adjustment to present value of certain assets and liabilities	6 and 9
Assumptions and judgments used to determine the fair value of biological assets	11
Calculation of provision for losses on investments	14
Choice of useful life and analysis of capacity to recover fixed and intangible assets	15 and 16
Measuring the value deemed sufficient by the Management to accrue provision for contingencies of possible and probable loss	19
Premises and rates used to accrue provision for obligations from benefit plans	20
Measuring fair value of share-based compensation plans	22

3.20 Statements of added value

The Company prepared individual and consolidated statements of added value (DVA), pursuant to technical pronouncement CPC 9 – Statement of Added Value, which are presented together with the financial statements under BR GAAP applicable to publicly held companies, while they represent additional financial information under IFRS.

3.21 Non-current assets held for sale and discontinued operations

The Company classifies assets as non-current assets held for sale only when there is immediate availability of sale in their current conditions, their sale is highly probable, the appropriate management hierarchy level is committed to the sale plan and a firm program has been initiated to find a buyer and conclude the plan.

Assets held for sale must be effectively offered for sale at a reasonable price in relation to their current fair value. The sale should be expected to be concluded within one year from the date of the classification, except as permitted under the norm, and the actions necessary to conclude the plan should indicate that it is improbable that material changes to the plan may occur or the plan might even be abandoned.

Assets held for sale are measured by the lower value of their book value and their fair value less sale-related expenses. Once classified as held-for-sale, Intangible Assets and Property, Plant and Equipment can no longer be amortized or depreciated.

3.22 Reclassifications

To better comply with CPC 18 (R2) – Investments in Associates, Subsidiaries and Joint Ventures, and with ICPC 09 (R1) – Individual Financial Statements, Separate Financial Statements, Consolidated Financial Statements and Application of the Equity Method, the Company revised the presentation of unrealized income from upstream transactions, whereby a subsidiary or associate carries out a sale transaction with the parent company, and from downstream transactions, whereby the parent company carries out sale transactions with its subsidiaries and affiliates.

On December 31, 2012, a sum of R$121,814 (R$78,976 on December 31, 2011) in Current Liabilities was reclassified under Investments and, in cases where the investment became negative due to the revision of the criterion, the same is being shown in Non-Current Liabilities in the item Provision for Investment Losses in Subsidiaries in the individual financial statements of the Company. In the same fiscal year that ended, the amount of (R$16,347) (R$7,562 on December 31, 2011) relating to Sales Revenue, Cost of Goods Sold and Selling Expenses was reclassified under Equity Pick-Up, related to unrealized income from descendent transactions.

On December 31, 2012, a sum of R$26,491 (R$23,497 on December 31, 2011, relating to upstream land leasing transactions, was reclassified from Other Operating Expenses to Equity Pick-up in Subsidiaries and Affiliates.

4 Financial instruments

4.1 Management of financial risks

a) Overview

The Company's Management is focused on generating consistent and sustainable results over time. Factors of external risk related to fluctuations in market prices may introduce an unwelcome level of volatility in the Company’s cash flows and income statement. To manage this volatility, so as to not distort or hinder the Company's consistent growth over a long time, the Company has policies and procedures for managing market risk.

These policies seek to: (i) protect the Company’s cash flows and assets against fluctuations in the market prices of raw material and products, exchange rates and interest rates, price and restatement indexes, or other assets or instruments traded in liquid or other markets ("market risk") to which the value of the assets, liabilities and cash flows of the Company are exposed; and (ii) optimize the process of contracting financial instruments for protection against exposure to risk, drawing on natural hedges and correlations between the prices of different assets and markets, avoiding any waste of funds used to contract inefficient operations. All financial transactions entered into by the Company have the objective of protecting it against existing exposures, with the assumption of new risks prohibited, except those arising from the operating activities of Suzano.

The process to manage market risk comprises the following sequential and recurring phases: (i) identification of risk factors and the exposure of the value of the assets, cash flows and results of the Company to market risks; (ii) measuring and reporting the values at risk; (iii) evaluating and formulating strategies for managing market risks; and (iv) implementing and monitoring the performance of strategies. Assessing and controlling risk exposures are supported by integrated operational systems, with the adequate separation of functions in the reconciliations with counterparties.

The Company uses the most liquid financial instruments and: (i) does not contract leveraged transactions or other types of embedded options that alter the ultimate purpose of hedging; (ii) does not hold duel-index debt or other forms of implicit options; and (iii) does not hold operations that require margin deposits or other forms of guarantees for the credit risk of the counterparties. The main financial risks considered by Management are:

- Credit risk;
- Liquidity risk;
- Currency risk;
- Market risk and risk of changes in raw material prices;
- Interest rate risk;
- Operating risk; and
- Capital risk.

(All amounts are in thousands of Brazilian real, unless otherwise stated)

The Company does not adopt hedge accounting. Therefore, all results (gains and losses) from derivative operations (settled and outstanding) are fully recognized in the Parent company and Consolidate statements of income, as presented in Note 27.

b) Valuation

All operations with financial instruments are recognized in the Company's financial statements, as shown below. No reclassifications between categories were made during the fiscal year.

		Parent Company		Consolidated	
	Note	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Assets					
Fair value through profit or loss					
Cash and banks	5	**35,532**	18,257	**1,073,027**	605,566
Financial investments	5	**2,341,472**	3,163,713	**2,345,458**	3,195,931
Exclusive Funds	5	**271,155**	536,111	**271,155**	536,111
Gains from derivative operations	4	**2,534**	290	**35,980**	26,160
Loans and receivables					
Trade accounts receivable	6	**2,760,655**	1,862,195	**1,474,141**	1,102,676
Liabilities					
Liabilities through amortizable cost					
Trade accounts payable		**857,227**	858,448	**876,556**	875,648
Loans and financing	17	**11,205,065**	8,628,485	**12,743,329**	10,017,275
Debentures	18	**133,656**	701,829	**133,656**	701,829
Fair value through profit or loss					
Losses from derivative operations	4	**29,868**	38,187	**33,039**	41,737

4.2 Fair value versus book value

The financial instruments recorded on the balance sheets, such as cash and banks, loans and financing, are stated at their contractual values. The marketable securities and derivative agreements, which are used solely for hedge purposes, are valued at their fair value.

To determine the fair value of assets or liquid financial instruments traded in public markets, the closing market quote on the date of the balance sheet was used. The fair value of interest rate and index swaps is calculated as the present value of their future cash flows, discounted at the current interest rates available for operations with similar conditions and remaining terms. This calculation is made based on the BM&FBovespa and Brazilian Financial and Capital Markets Association (ANBIMA) quotes for interest rate operations denominated in Brazilian real, and the British Bankers Association and Bloomberg for operations in LIBOR. The fair value of futures or forward currency contracts is determined using forward currency rates prevailing on the dates of the balance sheet, according to BM&FBovespa quotes.

The fair value of debt deriving from the 2nd series of the 3rd issue of the Company's debentures is calculated based on the secondary market quotes published by ANBIMA

(All amounts are in thousands of Brazilian real, unless otherwise stated)

on the balance sheet dates. In order to determine the fair value of assets or financial instruments traded on the over-the-counter markets or without liquidity, several assumptions and methods are used based on normal market conditions (and not for settlement or forced sale) at each balance-sheet date, including the use of option pricing models, such as Black & Scholes and Garman-Kolhagen, and estimates of future discounted cash flows. The fair value of agreements for pulp and paper pricing is obtained through the price quotes for corresponding instruments with similar conditions and remaining terms with major players in this market. Finally, the fair value of agreements for oil pricing is based on the New York Mercantile Exchange quotes (NYMEX).
The result of financial instruments trading is recognized on the closing or contracting dates of the operations, on which the Company undertakes to buy or sell these instruments. The liabilities deriving from the contracting of financial instruments are eliminated from our financial statements only when these instruments expire or when the risks, obligations and rights deriving therefrom are transferred.

A comparison between the fair value and carrying value of outstanding financial instruments is shown below:

	Consolidated			
	12/31/2013		12/31/2012	
	Book Value	Fair Value	Book Value	Fair Value
Assets				
Cash and cash equivalents	**3,689,640**	**3,689,640**	4,337,608	4,337,608
Gains from derivative operations (current and non-current)	**35,980**	**35,980**	26,160	26,160
Trade accounts receivable	**1,474,141**	**1,474,141**	1,102,676	1,102,676
Liabilities				
Trade accounts payable	**876,556**	**876,556**	875,648	875,648
Loans and financing (current and non-current)	**12,743,329**	**13,672,655**	10,017,275	9,816,833
Debentures (current and non-current)	**133,656**	**178,862**	701,829	806,453
Losses from derivative operations (current and non-current)	**33,039**	**33,039**	41,737	41,737

4.3 Credit risk

Sales and credit policies, which are determined by the Management of the Company and its subsidiaries, aim to minimize any risks arising from their clients' default. This objective is achieved through meticulous selection of the client portfolio, which takes into account payment capacity (credit analysis) and diversification of sales (risk pooling), as well as the guarantees or instruments contracted to mitigate credit risks, mainly export credit insurance policies.

Requests for credit to clients are duly analyzed using a credit analysis model that includes qualitative and quantitative aspects for determining credit limits, which are submitted to management for approval.

The Company accrues provisions for all amounts overdue more than 90 days and not renegotiated by clients, and for which there are no real guarantees. The Company also accrues provisions for outstanding amounts from clients under judicial reorganization.

(All amounts are in thousands of Brazilian real, unless otherwise stated)

To mitigate credit risk, the financial operations of Suzano are diversified across various banks, with more than 95% of these operations concentrated in banks rated AAA by the main credit rating agencies.

The book value of financial assets representing the maximum exposure to credit risk on the date of the financial statements was as follows:

		Parent Company		Consolidated	
	Note	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Assets					
Cash and banks	5	**35,532**	18,257	**1,073,027**	605,566
Financial Investments	5	**2,341,472**	3,163,713	**2,345,458**	3,195,931
Exclusive Funds	5	**271,155**	536,111	**271,155**	536,111
Trade accounts receivable	6	**2,760,655**	1,862,195	**1,474,141**	1,102,676
Gains from derivative operations	4	**2,534**	290	**35,980**	26,160
Total		**5,411,348**	5,580,566	**5,199,761**	5,466,444

4.4 Liquidity risk

The following tables show the maturities of financial liabilities, including the estimated payment of interest.

		12/31/2013				
Consolidated	**Note**	**Book value**	**Up to 1 year**	**1 - 2 years**	**2 - 5 years**	**More than 5 years**
Liabilities						
Loans and financing	17	**12,743,329**	1,007,157	959,074	5,488,114	5,288,984
Trade accounts payable		**876,556**	876,556	-	-	-
Derivatives payable	4	**33,039**	22,765	9,540	734	-
Other accounts payable		**193,586**	184,859	8,727	-	-
		13,846,510	**2,091,337**	**977,341**	**5,488,848**	**5,288,984**

		12/31/2012				
Consolidated	**Note**	**Book value**	**Up to 1 year**	**1 - 2 years**	**2 - 5 years**	**More than 5 years**
Liabilities						
Loans and financing	17	**10,017,275**	1,034,647	625,266	4,454,210	3,903,152
Trade accounts payable		**875,648**	875,648	-	-	-
Derivatives payable	4	**41,737**	20,508	10,328	10,600	301
Other accounts payable		**149,014**	140,287	8,727	-	-
		11,083,674	**2,071,090**	**644,321**	**4,464,810**	**3,903,453**

Financial assets are presented herein under cash and cash equivalents and trade accounts receivable.

The cash flows included in the maturity analyses of the Company are not expected to occur prior to the established term or in amounts that are materially different from those presented.

The following table shows the maturity of derivative operations:

(All amounts are in thousands of Brazilian real, unless otherwise stated)

				12/31/2013				
Consolidated Derivatives	**Book value**	**Up to 1 month**	**1 - 3 months**	**3 - 6 months**	**6 - 12 months**	**1 - 2 years**	**2 - 5 years**
Assets	**35,980**	1,764	1,765	4,440	6,553	11,146	10,312
Liabilities	**33,039**	1,390	5,785	4,999	10,591	9,540	734
	2,941	**374**	**(4,020)**	**(559)**	**(4,038)**	**1,606**	**9,578**

4.5 Market risk

The contracting of financing and the currency hedge policy of the Company are guided by the fact that more than 50% of net revenue comes from exports with prices in U.S. dollar, while most of the production costs is tied to the Brazilian real (BRL). This structure allows the Company to contract export financing in U.S. dollar and to reconcile financing payments with the flow of receivables from sales, providing a natural cash hedge for these commitments. The surplus revenue in U.S. dollar not linked to debt commitments and other obligations is sold in the currency market as the funds enter the country.

As additional protection, short positions in the futures markets may be contracted to ensure attractive levels of operating margins for a portion of revenue. Sales in the futures market are limited to a minority percentage of the surplus foreign currency over an 18-month time horizon and therefore are matched to the availability of currency for sale in the short term.

On December 31, 2013, the net principal of operations contracted for forward sale of U.S. dollar through Non Deliverable Forwards (“NDFs”) was US$39.1 million. Their maturities are distributed between January 2014 and January 2016 in order to lock-in the operating margins of a minority portion of sales over this period. The cash effect of these operations occurs only on their maturity dates, when they generate cash disbursements or inflows, depending on the case.

In addition to currency hedge operations, swap contracts are also contracted that exchange floating interest rates for fixed rates in order to reduce the effects from interest rate variation on the amount of debt, as well as swap contracts that exchange various interest rates for inflation rates in order to minimize the mismatch between the various financial assets and liabilities. On December 31, 2013, the Company had outstanding (i) US$188 million in swaps to lock-in LIBOR in financing contracts, and (ii) US$340 million in swaps of currency coupon for 3-month fixed LIBOR.

4.6 Market risk – exchange rate

The following table shows the net exposure in foreign currency:

(All amounts are in thousands of Brazilian real, unless otherwise stated)

	12/31/2013 (in R$ thousand)					12/31/2012 (in R$ thousand)				
Consolidated	*USD*	*GBP*	*CHF*	*ARS*	*Total*	*USD*	*GBP*	*CHF*	*ARS*	*Total*
Trade accounts receivable	**493,478**	**41**	**215,944**	**32,004**	**741,467**	303,534	35	171,519	30,466	505,554
Trade accounts payable	**42,485**	**502**	**1,715**	**12,544**	**57,247**	20,729	43	1,316	10,320	32,409
Loans and financing	**7,047,100**	**-**	**-**	**-**	**7,047,100**	4,724,308	-	-	-	4,724,308
Derivative NDF	**91,643**	**-**	**-**	**-**	**91,643**	171,102	-	-	4,826	175,928
Derivative Swap	**1,237,418**	**-**	**-**	**-**	**1,237,418**	1,480,029	-	-	-	1,480,029

Sensitivity analyses – Foreign exchange exposure

For the purpose of analyzing the sensitivity to market risks, the Company jointly analyzes the long and short positions in foreign currency, using as the probable scenario the amounts already booked.

The other scenarios were created considering the depreciation and appreciation of the Brazilian real against other currencies at the rates of 25% and 50%.

(All amounts are in thousands of Brazilian real, unless otherwise stated)

The following table presents the potential impacts on results assuming these scenarios:

	12/31/2013				
Consolidated BRL x USD	**Probable**	**Appreciation (∆ of 25%)**	**Appreciation (∆ of 50%)**	**Depreciation (∆ of 25%)**	**Depreciation (∆ of 50%)**
Loans and financing	(7,047,100)	(1,761,775)	(3,523,550)	1,761,775	3,523,550
Trade accounts receivable	493,478	123,370	246,740	(123,370)	(246,740)
Trade accounts payable	(42,485)	(10,621)	(21,243)	10,621	21,243
Derivative Swap	(19,382)	(4,845)	(9,691)	4,845	9,691
Derivative NDF	(7,952)	(22,460)	(44,920)	22,460	44,920
TOTAL	**(6,623,441)**	**(1,676,332)**	**(3,352,664)**	**1,676,332**	**3,352,664**
Consolidated ARS x BRL	**Probable**	**Appreciation (∆ of 25%)**	**Appreciation (∆ of 50%)**	**Depreciation (∆ of 25%)**	**Depreciation (∆ of 50%)**
Trade accounts receivable	32,004	8,001	16,002	(8,001)	(16,002)
Trade accounts payable	(12,544)	(3,136)	(6,272)	3,136	6,272
TOTAL	**19,460**	**4,865**	**9,730**	**(4,865)**	**(9,730)**
Consolidated CHF x BRL	**Probable**	**Appreciation (∆ of 25%)**	**Appreciation (∆ of 50%)**	**Depreciation (∆ of 25%)**	**Depreciation (∆ of 50%)**
Trade accounts receivable	215,944	53,986	107,972	(53,986)	(107,972)
Trade accounts payable	(1,715)	(429)	(858)	429	858
TOTAL	**214,229**	**53,557**	**107,115**	**(53,557)**	**(107,115)**

4.7 Market risk – interest rates

On December 31, 2013, the exposure of financial instruments pegged to interest rates (Interbank Certificate of Deposit - “CDI”) was R$3,219,986 (R$3,106,476 on December 31, 2012)

Sensitivity analysis – Exposure to interest rates

For the sensitivity analysis of operations impacted by the rates: CDI, Libor, U.S. dollar Coupon and Pulp Coupon, the Company adopted as the probable scenario the amounts already booked. On December 31, 2013, the other scenarios were developed considering positive and negative variations of 25% and 50% in the market interest rates.

The following table shows the potential impacts on the results in the event of these scenarios:

(All amounts are in thousands of Brazilian real, unless otherwise stated)

Consolidated Pre	12/31/2013 Probable	Incr. (Δ of 25%)	Inc. (Δ of 50%)	Dec. (Δ of 25%)	Dec. (Δ of 50%)
Loans and financing	3,219,986	804,997	1,609,993	(804,997)	(1,609,993)
Derivative NDF	(7,952)	(1,840)	(3,578)	1,953	4,028
TOTAL	**3,212,034**	**803,156**	**1,606,415**	**(803,044)**	**(1,605,965)**

Consolidated Libor	12/31/2013 Probable	Incr. (Δ of 25%)	Inc. (Δ of 50%)	Dec. (Δ of 25%)	Dec. (Δ of 50%)
Derivative Swap and Convertibility	29,871	1,698	3,368	(1,728)	(3,489)
Derivative Pulp	(3,034)	(109)	(219)	110	220
TOTAL	**26,837**	**1,589**	**3,150**	**(1,618)**	**(3,269)**

Consolidated Dollar Coupon	12/31/2013 Probable	Incr. (Δ of 25%)	Inc. (Δ of 50%)	Dec. (Δ of 25%)	Dec. (Δ of 50%)
Derivative NDF	(7,952)	434	862	(440)	(887)
Derivative Swap	(15,944)	101	200	(103)	(209)
TOTAL	**(23,896)**	**535**	**1,062**	**(544)**	**(1,096)**

Consolidated Pulp Coupon	12/31/2013 Probable	Incr. (Δ of 25%)	Inc. (Δ of 50%)	Dec. (Δ of 25%)	Dec. (Δ of 50%)
Derivative Pulp	(3,034)	354	704	(357)	(718)
TOTAL	**(3,034)**	**354**	**704**	**(357)**	**(718)**

4.8 Market risk – commodity prices

On December 31, 2013, the following exposure of contracts pegged to pulp commodity prices totals R$91,643 (R$171,102 on December 31, 2012):

Sensitivity analysis – Exposure to commodity prices

For the sensitivity analysis of operations pegged to commodity prices, the Company adopted as the probable scenario the amounts already booked. On December 31, 2013, the other scenarios were developed considering positive and negative variations of 25% and 50% in the market prices of commodities.

The following table shows the potential impacts on the results in the event of these scenarios:

Consolidated	12/31/2013 Probable	Incr. (Δ of 25%)	Inc. (Δ of 50%)	Dec. (Δ of 25%)	Dec. (Δ of 50%)
Contracts pegged to commodity prices PULP	(3,034)	(23,754)	(47,508)	23,754	47,508
TOTAL	**(3,034)**	**(23,754)**	**(47,508)**	**23,754**	**47,508**

(All amounts are in thousands of Brazilian real, unless otherwise stated)

4.9 Outstanding derivatives

On December 31, 2013 and 2012, the consolidated positions of outstanding derivatives, grouped by asset or index, with all trading on the over-the-counter market is presented below:

Description	Maturities	Notional value on		Fair value on		Equity balances on			
						12/31/2013		12/31/2012	
		12/31/2013	12/31/2012	12/31/2013	12/31/2012	Payable	Receivable	Payable	Receivable
Foreign currency swaps									
Long Position - US$ Libor	**1/1/2014 to**	440,934	695,877	430,651	750,041	-	-	-	-
Short Position - US$ Fixed Rate	**11/4/2019**	440,934	695,877	450,033	786,431	-	-	-	-
SubTotal				(19,382)	(36,390)	19,382	-	36,390	-
Value at Risk (VaR) [(1)]				296	443	-	-	-	-
Currency Swap - NDF									
Long Position in R$ x US$	**1/1/2014 to**	89,019	-	(1,787)	-	1,787	-	-	-
Short Position in R$ x US$	**1/8/2016**	180,661	171,102	(6,165)	(1,506)	8,699	2,534	1,796	290
Long Position in US$ x ARS		-	4,826	-	-	-	-	-	-
SubTotal				(7,952)	(1,506)	10,486	2,534	1,796	290
Value at Risk (VaR) [(1)]				985	1,334	-	-	-	-
Commodity Swap	**1/1/2014 to**								
Short Position in Pulp BHKP	**1/8/2016**	91,643	171,102	(3,034)	(2,244)	-	-	-	-
SubTotal				(3,034)	(2,244)	3,171	137	3,551	1,307
Value at Risk (VaR) [(1)]				312	509	-	-	-	-
Other									
Long Position - Currency coupon	**1/1/2014 to**	796,484	613,050	2,668,584	656,772	-	-	-	-
Short Position - US$ Fixed Libor	**1/3/2018**	796,484	613,050	2,635,275	632,208	-	-	-	-
SubTotal				33,309	24,563	-	33,309	-	24,563
Value at Risk (VaR) [(1)]				461	245	-	-	-	-
Total results in swaps		**1,598,741**	**1,655,957**	**2,941**	**(15,577)**	**33,039**	**35,980**	**41,737**	**26,160**

[(1)] VaR with 1-day holding period, with a confidence level of 95%

On December 31, 2013 and 2012, the same consolidated positions, grouped by counterparty, are presented below:

(All amounts are in thousands of Brazilian real, unless otherwise stated)

Description	Notional value on		Fair value on		Equity balances on		Equity balances on	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012	12/31/2013		12/31/2012	
					Payable	Receivable	Payable	Receivable
Foreign currency swaps								
Counterparties								
Itaú BBA	-	262,263	-	(6,405)				
UBS Pactual	194,125	211,390	(10,905)	(15,661)				
Merrill Lynch	29,283	51,087	(203)	(672)				
Standard Bank	167,329	102,175	(4,836)	(8,621)				
Standard Chartered	50,199	68,962	(3,438)	(5,031)				
SubTotal			(19,382)	(36,390)	19,382	-	36,390	-
Currency swaps - NDF								
Counterparties								
Long Position in R$ x US$								
Rabobank	89,019	-	(1,787)	-				
Short Position in R$ x US$								
Itaú BBA	5,552	62,960	(547)	(1,737)				
Rabobank	89,019		2,534					
Votorantim	86,091	108,142	(8,152)	231				
Long Position in US$ x ARS								
Itaú BBA	-	4,826	-					
SubTotal			(7,952)	(1,506)	10,486	2,534	1,737	231
Commodity swaps - Pulp								
Counterparties								
Nordea Bank Finland P/C	5,552	62,960	137	1,307				
Standard Chartered	86,091	108,142	(3,171)	(3,551)				
SubTotal			(3,034)	(2,244)	3,171	137	3,551	1,307
Other								
Counterparty								
JP Morgan	796,484	613,050	33,309	24,563	-	-	-	-
SubTotal			33,309	24,563	-	33,309	-	24,563
Total result in swaps	**1,598,741**	**1,655,957**	**2,941**	**(15,577)**	**33,039**	**35,980**	**41,678**	**26,101**

4.10 Settled derivatives

On December 31, 2013 and 2012, the accumulated positions of settled derivatives, grouped by asset or index, with all trading on the over-the-counter market were as follows:

(All amounts are in thousands of Brazilian real, unless otherwise stated)

Description	Maturities	Notional value on		Fair value (settlement value) accumulated on	
		12/31/2013	12/31/2012	12/31/2013	12/31/2012
Foreign currency swaps	2012: Jan/12 to Dec/12 2013: Jan/13 to Dec/13				
Long Position - US$ Libor		1,562,971	942,840		
Short Position - US$ Fixed Rate		1,562,971	942,840		
SubTotal				(18,786)	(26,870)
Rate and index swaps	2012: Jan/12 to Dec/12 2013: Jan/13 to Dec/13				
Long Position - R$ Fixed Rate		-	326,984		
Short Position - % DI		-	326,984		
SubTotal				-	14,972
Currency swaps					
Short Position in R$ x US$	2012: Jan/12 to Dec/12	821,339	325,451	(9,335)	(13,853)
Long Position in R$ x US$	2013: Jan/13 to Dec/13	509,516		-	
Long Position in US$ x ARS		118,301	164,798	(940)	(1,920)
SubTotal				(10,275)	(15,773)
Commodity swaps	2012: Jan/12 to Dec/12				
Short Position in Pulp BHKP	2013: Jan/13 to Sep/13	104,503	62,682		
SubTotal				(2,928)	4,225
Commodity swaps	2012: Jan/12 to Jul/12				
Long Position in Oil	2013: Jan/13 to Sep/13		12,866		
SubTotal					(1,489)
Other	2012: Jan/12 to Dec/12 2013: Jan/13 to Dec/13				
Long Position - Currency coupon		281,112	81,167		
Long Position - Libor + Spread		-	-		
Short Position - US$ Fixed Libor		281,112	81,167		
Short Position - R$ x US$		-	-		
SubTotal				4,067	3,179
Total result in swaps				(27,921)	(21,756)

(All amounts are in thousands of Brazilian real, unless otherwise stated)

4.11 Capital management

The main objective of Suzano's capital management is to ensure it maintains a solid credit rating and debt ratios in order to support its operations and maximize shareholder value. The Company manages its capital structure and makes adjustments based on changes in economic conditions.

	Parent Company		Consolidated	
	12/31/2013	12/31/2012	**12/31/2013**	12/31/2012
Loans and financing	**11,205,065**	8,628,485	**12,743,329**	10,017,275
Debentures	**133,656**	701,829	**133,656**	701,829
(-) Cash and cash equivalents	**(2,648,159)**	(3,718,081)	**(3,689,640)**	(4,337,608)
Net debt	**8,690,562**	5,612,233	**9,187,345**	6,381,496
Shareholders' equity	**10,687,239**	11,002,078	**10,687,239**	11,002,078
Shareholders' equity and net debt	**19,377,801**	16,614,311	**19,874,584**	17,383,574

4.12 Fair value hierarchy

The financial instruments calculated at fair value, are presented in accordance with the levels defined below:

- Level 1 – Prices quoted (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Inputs other than the prices quoted in active markets included in Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices); and
- Level 3 – Inputs for assets or liabilities that are not based on observable market variables (unobservable inputs).

				Consolidated
	Fair value on 12/31/2013	**Level 1**	**Level 2**	**Level 3**
Assets				
Cash and banks	**1,073,027**	1,073,027	-	-
Financial Investments	**2,345,458**	-	2,345,458	-
Exclusive Fund Paperfect	**164,681**	-	164,681	-
Exclusive Fund Report	**106,474**	106,474	-	-
Derivatives	**35,980**	-	35,843	137
		1,179,501	**2,545,982**	**137**
Liabilities				
Derivatives	**33,039**	-	29,868	3,171
		-	**29,868**	**3,171**

(All amounts are in thousands of Brazilian real, unless otherwise stated)

	Fair value on 12/31/2012	Level 1	Level 2	Level 3
				Consolidated
Assets				
Cash and banks	**605,566**	605,566	-	-
Financial Investments	**3,195,931**	-	3,195,931	-
Exclusive Fund Paperfect	**436,819**	-	436,819	-
Exclusive Fund Report	**99,292**	99,292	-	-
Derivatives	**26,160**	-	24,853	1,307
		704,858	**3,657,603**	**1,307**
Liabilities				
Derivatives	**41,737**	-	38,186	3,551
		-	**38,186**	**3,551**

4.13 Guarantees

On December 31, 2013, the Company had guarantees pegged to consolidated accounts receivable operations related to exports amounting to US$260,102, equivalent to R$609,316 on this date.

5 Cash and Cash Equivalents

	Parent Company		Consolidated	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Cash and banks	**35,532**	18,257	**1,073,027**	605,566
Financial investments	**2,341,472**	3,163,713	**2,345,458**	3,195,931
Exclusive funds	**271,155**	536,111	**271,155**	536,111
	2,648,159	3,718,081	**3,689,640**	4,337,608

On December 31, 2013 and 2012, these consolidated investments and funds yielded interest at rates varying between 90.0% and 110.0% of the CDI, except for an amount in Repurchase Commitments, which are investments with daily liquidity, yielding 75% of the CDI.

Investments in balanced funds are diversified between bank Certificates of Deposit (“CDB”), repurchase agreements and shares in other non-exclusive investment funds with immediate liquidity. Funds are managed by Banco BTG Pactual S/A (“Banco BTG”), whose portfolios are as follows:

(All amounts are in thousands of Brazilian real, unless otherwise stated)

	Parent Company and Consolidated	
	12/31/2013	12/31/2012
Exclusive fund Paperfect		
Investment CDB	**82,064**	112,848
Repurchase agreements	**82,821**	324,763
Deductions [1]	**(204)**	(792)
	164,681	436,819
Exclusive fund Report		
Investment funds	**106,609**	99,411
Deductions [1]	**(135)**	(119)
	106,474	99,292
	271,155	536,111

[1] Includes expenses with auditing, administration fee and withholding income tax.

6 Trade Accounts Receivable

	Parent Company		Consolidated	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Domestic clients				
- Third parties	**726,389**	587,681	**730,100**	591,881
- Subsidiaries	**696**	548	**-**	-
- Related Parties [1]	**18,783**	27,326	**18,783**	27,326
Foreign clients				
- Third parties	**20,988**	25,396	**738,090**	505,104
- Subsidiaries	**2,009,873**	1,243,192	**-**	-
- Related Parties [1]	**-**	-	**5,338**	2,604
Allowance for doubtful accounts	**(16,074)**	(21,948)	**(18,170)**	(24,239)
	2,760,655	1,862,195	**1,474,141**	1,102,676

[1] See Note 10.

The breakdown of balances of overdue trade accounts receivable is as follows:

	Parent Company		Consolidated	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Amounts overdue:				
- Up to two months [1]	**438,847**	16,230	**29,502**	22,737
- Two to six months	**7,169**	12,407	**12,720**	10,928
- Over six months	**30,643**	34,576	**34,321**	38,181
	476,659	63,213	**76,543**	71,846

[1] Includes notes of the subsidiary Suzano Trading Ltd. (“Suzano Trading”) in the amount of R$421,919.

(All amounts are in thousands of Brazilian real, unless otherwise stated)

The changes in the allowance for doubtful accounts in the period are shown below:

	Parent Company		Consolidated	
	12/31/2013	**12/31/2012**	**12/31/2013**	**12/31/2012**
Opening balance	**(21,948)**	(24,880)	**(24,239)**	(26,425)
Credits accrued in the period	**(8,519)**	(5,077)	**(9,171)**	(5,145)
Credits recovered in the period	**726**	860	**1,184**	860
Credits definitively written-off from position	**13,667**	7,149	**13,537**	7,149
Foreign exchange variation	**-**	-	**519**	(678)
Closing balance	**(16,074)**	(21,948)	**(18,170)**	(24,239)

7 Inventories

The breakdown of inventories, net of provision for losses, is as follows:

	Parent Company		Consolidated	
	12/31/2013	**12/31/2012**	**12/31/2013**	**12/31/2012**
Finished goods				
Pulp				
- Domestic	**45,780**	25,202	**45,780**	25,202
- Foreign	**-**	-	**116,992**	97,630
Paper				
- Domestic	**183,849**	164,518	**183,849**	164,518
- Foreign	**-**	-	**65,730**	46,285
Work in process	**31,701**	18,509	**31,701**	18,509
Raw materials	**303,694**	216,608	**303,800**	216,608
Maintenance and other materials	**148,589**	108,555	**157,404**	114,998
	713,613	533,392	**905,256**	683,750

On December 31, 2013, the Parent Company and Consolidated balances of inventories are net of provision for losses amounting to R$54,406, of which: i) finished goods totaled R$243; ii) raw materials totaled R$32,225, of which R$14,680 related to the suspension of the SER and Piauí Projects mentioned in Note 1.1.c); and iii) maintenance and other materials totaled R$21,938 (compared to R$19,421 on December 31, 2012, of which: i) raw materials totaled R$1,839; and ii) maintenance materials totaled R$17,582).

The Company informs that no inventory was given as collateral for or guarantee of liabilities for the periods presented.

(All amounts are in thousands of Brazilian real, unless otherwise stated)

8 Income Tax and Social Contribution on Net Income

8.1 Recoverable income and social contribution taxes

	Parent Company		Consolidated	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Income tax	**51,185**	80,258	**52,201**	85,905
Social contribution	**6,964**	11,467	**7,001**	13,097
	58,149	91,725	**59,202**	99,002

On December 31, 2013, the Company and its subsidiaries paid income and social contribution taxes in the amounts of R$53,583 and R$7,476, respectively (R$86,281 and R$13,532, respectively on December 31, 2012), part of which were paid by offsetting credits of income and social contribution prepaid in previous years.

8.2 Deferred income tax and social contribution taxes

The Company, based on expected generation of future taxable income as determined by a technical study approved by Management, recognized deferred tax assets over temporary differences, income and social contribution tax loss carryforwards, which do not expire.

Deferred income and social contribution taxes are originated as follows:

(All amounts are in thousands of Brazilian real, unless otherwise stated)

	Parent Company		Consolidated	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Non-current assets				
Income tax				
Credits over tax losses	**543,434**	523,751	**544,442**	524,496
Credits over temporary differences:				
- Credits over provisions	**189,605**	153,106	**189,654**	153,156
- Credits over goodwill amortization	**-**	6,897	**-**	6,897
Credits over effects of Law 11,941/09 and IFRS	**141,417**	158,771	**141,417**	158,857
	874,456	842,525	**875,513**	843,406
Social contribution				
Credits over social contribution tax loss carryforwards	**88,294**	79,409	**88,294**	79,409
Credits over temporary differences:				
- Credits over provisions	**68,005**	54,866	**68,023**	54,884
- Credits over goodwill amortization	**-**	2,483	**-**	2,483
Credits over effects of Law 11,941/09 and IFRS	**50,910**	57,158	**50,910**	57,158
	207,209	193,916	**207,227**	193,934
Total non-current assets:	**1,081,665**	1,036,441	**1,082,740**	1,037,340
Non-current liabilities				
Income tax				
Debits over accelerated depreciation	**580,142**	582,481	**580,142**	582,481
Debits over goodwill amortization	**123,000**	106,644	**123,000**	106,644
Debits over effects of Law 11,941/09 and IFRS	**1,358,331**	1,376,952	**1,447,392**	1,466,112
	2,061,473	2,066,077	**2,150,534**	2,155,237
Social contribution				
Debits over goodwill amortization	**44,280**	38,392	**44,280**	38,392
Debits over effects of Law 11,941/09 and IFRS	**488,999**	495,703	**521,061**	527,801
	533,279	534,095	**565,341**	566,193
Total non-current liabilities	**2,594,752**	2,600,172	**2,715,875**	2,721,430
Total non-current assets, net	**-**	-	**1,075**	813
Total non-current liabilities, net	**1,513,087**	1,563,731	**1,634,210**	1,684,903
	1,513,087	1,563,731	**1,633,135**	1,684,090

The breakdown of accumulated tax losses and social contribution tax loss carryforwards is shown below:

	Parent Company		Consolidated	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Tax losses	**2,173,735**	2,095,004	**2,177,768**	2,097,982
Social contribution tax loss carryforward	**981,044**	882,317	**981,044**	882,317

(All amounts are in thousands of Brazilian real, unless otherwise stated)

8.3 Tax incentives

The Company has tax incentives for a 75% reduction in the income tax until calendar year 2018, calculated based on the exploration profit proportional to the net revenues from pulp at the subsidized unit in Mucuri/BA. The result obtained from this tax benefit is the reduction in income tax expense and, during the distribution of profits from the year, the amount reduced from the expense is allocated to the capital reserve account, pursuant to law. In the fiscal years ended December 31, 2013 and 2012, the Company recorded tax losses and hence did not use said benefit.

The industrial unit at Mucuri/BA is located in an under-developed micro-region in an area under the supervision of SUDENE, the agency for the development of northeast Brazil. Hence, it has the benefit of accelerated depreciation incentive for tax purposes, which involves full depreciation of property, plant and equipment since the start-up of the unit. The accelerated depreciation incentive represents the deferred payment of Income Tax and is not applicable to Social Contribution on net Income. This tax benefit is controlled in the Taxable Income Control Register (LALUR) and hence does not affect depreciation expenses recorded for such assets in subsequent years.

8.4 Reconciliation of income tax and social contribution expenses

	Parent Company		Consolidated	
	12/31/2013	**12/31/2012**	**12/31/2013**	**12/31/2012**
Net loss before income and social contribution taxes	**(288,435)**	(322,755)	**(279,974)**	(310,984)
Exclusion of equity accounting result	**36,762**	9,225	**-**	-
Net loss after excluding equity accounting results	**(251,673)**	(313,530)	**(279,974)**	(310,984)
Income and social contribution taxes at the nominal rate of 34%	**85,569**	106,600	**95,191**	105,735
Adjustment for accounting of tax rate:				
Income tax on subsidiaries abroad	**(2,068)**	(1,353)	**-**	-
Exchange effect of translating foreign subsidiaries' financial statements	**-**	-	**(31,085)**	41
Tax effects over adjustments to Law 11,941/09 and IFRS	**(453)**	18,310	**-**	12,647
Reinvestment tax incentive - Law 8,167/91	**-**	9,534	**-**	9,534
Other	**(15,072)**	7,538	**(4,591)**	901
Income Tax				
Current	**(1,291)**	9,483	**(8,037)**	240
Deferred	**51,021**	96,431	**51,071**	96,458
	49,730	105,914	**43,034**	96,698
Social Contribution				
Current	**(122)**	-	**(1,887)**	(2,520)
Deferred	**18,368**	34,715	**18,368**	34,680
	18,246	34,715	**16,481**	32,160
Income and social contribution taxes income recorded as profit or loss in the years	**67,976**	140,629	**59,515**	128,858

On December 31, 2013 and 2012, the Company recorded tax losses; therefore, there is no effective rate for these periods.

(All amounts are in thousands of Brazilian real, unless otherwise stated)

8.5 Transitional Tax Regime ("RTT")

In the fiscal years ended December 31, 2013 and 2012, the Company and its subsidiaries chose to calculate income tax and social contribution on net income in accordance with the RTT, which aims to ensure tax neutrality by eliminating the accounting effects arising from the application of Law 11,638/07 and Provisional Presidential Decree (MP) 449/08, made into Law 11,941/09, through registrations at LALUR (book registry of actual income) and auxiliary controls.

On November 11, 2013, MP 627 was published, which revokes the RTT and provides on taxation of persons resident in Brazil related to profits originated abroad, as well as the tax treatment and adjustments to be made to the tax records for calculation of the corporate income tax and social contribution base based on net income calculated in accordance with the methods and criteria introduced by Law 11,638/07 and Law 11,941/09.

The provisions of the MP are valid from 2015, with the possibility of early adoption from 2014. The Company assessed the effects of the application of the new standard, and concluded preliminarily that the adoption would result in insignificant adjustments to the financial statements and awaits the MP to be made into law to decide on its early adoption.

9 Other Recoverable Taxes

		Parent Company		Consolidated	
		12/31/2013	**12/31/2012**	**12/31/2013**	**12/31/2012**
PIS and COFINS taxes recoverable	(a)	**514,042**	222,168	**514,044**	222,210
ICMS recoverable	(b)	**165,350**	155,001	**167,130**	157,837
Provision for losses of ICMS credits	(b)	**(10,861)**	(10,892)	**(10,861)**	(10,892)
Other taxes and contributions		**61,383**	35,567	**61,524**	35,719
		729,914	401,844	**731,837**	404,874
Current		**219,336**	166,449	**221,259**	169,436
Non-current		**510,578**	235,395	**510,578**	235,438

a) Social Integration Program ("PIS") and Contribution for Social Security Financing ("COFINS")

On December 31, 2013, the amounts of R$75,348 and R$438,696 are recorded in Current Assets and Non-Current Assets, respectively (R$63,543 and R$158,667, respectively, on December 31, 2012).

The amounts of recoverable PIS and COFINS refer substantially to the credits from inputs and services acquired for product manufacturing, the sale of which were not taxed upon billing, as they were exported, and on the acquisition of property, plant and equipment and services related to the Imperatriz/MA industrial unit, whose credit will be based on the depreciation term of these assets.

The Company will realize these credits with debits deriving from business activities and through other federal tax carryforwards.

b) State Value-Added Tax on Goods and Services ("ICMS")

On December 31, 2013, the amount of R$90,509 of the Mucuri – BA unit (R$90,768 on December 31, 2012) was chiefly due to the non-utilization of credits in outflows of tax-exempted pulp and paper exports. To realize these credits, the Company requested that the Bahia State Treasury Department inspect and ratify these credits, which are already ratified in the amount of R$66,854 (R$37,901 on December 31, 2012). The ratified amounts may be used for the offsetting authorized by the Bahia State ICMS (State VAT) Regulations or traded in the active market, for which the average discount considered is approximately 12% over the credit amount. The Company recorded a provision for the partial loss of these credits in the amount of R$10,861 (R$10,892 on December 31, 2012).

10 Related parties

The Company's Policy for conducting business and operations with related parties establishes that these operations must observe typical market prices and conditions as well the corporate governance practices adopted by the Company and those recommended and/or required by law.

(All amounts are in thousands of Brazilian real, unless otherwise stated)

a) Balances and transactions in the fiscal year ended December 31, 2013

		ASSETS				LIABILITIES				RESULT	
Transactions	Nature of the main operation	Current		Non-current		Current		Non-current and Equity		Income (expenses)	
With subsidiaries											
Suzano Trading	Sale of pulp and paper	2,006,426	(2)	-		39,297	(1)	1,486,879	(1)	2,442,603	(2)
Suzano Europe	Refunded expenses	-		-		16	(7)	-		-	
Paineiras	AFCI and Property lease	741		7,500	(3)	4,745		-		(12,545)	(5)
Paineiras Logística	AFCI and Commissioning of road transport	511		1,184	(3)	2,538		-		(21,532)	
Stenfar	Sale of paper	4,654	(2)	-		64		-		27,347	(2)
Ondurman	AFCI and Property lease	679		700	(3)	-		-		(14,188)	
Amulya	AFCI and Property lease	-		725	(3)	-		-		(10,006)	
Asapir	Refunded expenses	-		-		850	(7)	-		-	
SER	AFCI and Shared expenses	64	(7)	34,650	(3)	1,584	(7)	-		-	
Bahia Sul Holdings	AFCI	-		62	(3)	-		-		-	
Futuragene	Shared expenses	160	(7)	-		-		-		27	(7)
		2,013,235		44,821		49,094		1,486,879		2,411,706	
With related parties											
Suzano Holding	Guarantees	161		-		4,757		-		(34,575)	
Tec 2 Doc Serviços	Sale of paper	-		-		-		-		17,381	(8)
Central	Sale of paper	18,614		-		16,302	(4)	-		65,417	(2)
Nemonorte	Real-estate consulting services	-		-		-		-		(646)	
Mabex	Aircraft services	-		-		-		-		(658)	
Lazam	Insurance consulting and advisory services	-		-		94		-		(458)	
Ecofuturo	Social services	-		-		-		-		(4,066)	
Bexma	Sale of construction materials	8		-		-		-		133	
IPLF Holding	Refunded expenses	-		-		504	(7)	-		-	
Fundo Exclusivo Paperfect	Exclusive investment fund	164,681		-		-		-		39,659	
Fundo Exclusivo Report	Exclusive investment fund	106,474		-		-		-		8,450	
Acionistas	Dividends and interest on equity	-		-		647		-		-	
		289,938		-		22,304		-		90,636	
Between related parties											
Stenfar	Shared expenses	5,338	(6)	-		-		-		-	
IPLF Holding	Shared expenses	-		-		5,338	(6)	-		-	
		5,338		-		5,338		-		-	
		2,308,511		44,821		76,737		1,486,879		2,502,342	

(All amounts are in thousands of Brazilian real, unless otherwise stated)

b) Balances and transactions in the fiscal year ended December 31, 2012

Transactions	Nature of the main operation	ASSETS Current	ASSETS Non-current	LIABILITIES Current	LIABILITIES Non-current and Equity	RESULT Income (expenses)
With subsidiaries						
Suzano Trading	Sale of pulp and paper	1,237,707 (2)	-	34,141 (1)	1,297,041 (1)	2,161,816 (2)
Suzano Europe	Refunded costs and expenses	-	-	16 (7)	-	-
Paineiras	Purchase of electricity	741	-	6,431	-	(30,357) (5)
Stenfar	Sale of paper	6,876 (2)	-	47	-	13,363 (2)
Ondurman	AFCI and Property lease	1,210	1,025 (3)	-	-	(12,406)
Amulya	AFCI and Property lease	-	2,336 (3)	-	-	(9,162)
Asapir	Refunded costs and expenses	-	-	20,275 (7)	-	-
SER	AFCI and refunded expenses	78 (7)	24,000 (3)	-	-	(5)
Futuragene	Refunded costs and expenses	142 (7)	-	-	-	242 (7)
		1,246,754	**27,361**	**60,910**	**1,297,041**	**2,123,492**
With related parties						
Suzano Holding	Guarantees	297	-	1,557	278	(50,939)
Agaprint	Sale of paper	9,878	-	-	-	20,787 (2)
Central	Sale of paper	17,127	-	15,310 (4)	-	64,689 (2)
Nemonorte	Real-estate consulting services	-	-	-	-	(1,833)
Mabex	Aircraft services	-	-	-	-	(583)
Lazam	Insurance consulting and advisory services	-	-	-	-	(578)
Ecofuturo	Social services	12	-	-	-	(4,157)
Bexma	Sale of construction materials	12	-	-	-	9
IPLF Holding	Refunded expenses	-	-	504 (7)	-	-
Arymax	Debentures	-	-	-	-	(494)
Fundo Exclusivo Paperfect	Exclusive investment fund	436,819	-	-	-	33,271
Fundo Exclusivo Report	Exclusive investment fund	99,292	-	-	-	14,555
Premesa	Investment in shares	66	-	-	-	-
Acionistas	Dividends and interest on equity	-	-	627	-	(8,860)
		563,503	**-**	**17,998**	**278**	**65,868**
Between related parties						
Stenfar	Shared expenses	2,604 (6)	-	-	-	143
IPLF Holding	Shared expenses	-	-	2,604 (6)	-	-
					-	
		2,604	**-**	**2,604**	**-**	**143**
		1,812,860	**27,361**	**81,512**	**1,297,319**	**2,189,502**

(1) Refer mainly to the "2021 Notes" and import financing contracted by the subsidiary Suzano Trading and transferred to the Company in export prepayment operations, at the rates and terms shown in Note 17.
(2) Pulp and paper sales operations;
(3) Advance for future capital increase "(AFCI").
(4) Vendor operations classified as loans and financing (Note 17)
(5) Electricity sold through February 2013 and property lease.
(6) Expenses shared between the subsidiary Stenfar and the related-party Clion, acquired by IPLF Holding in October 2012.
(7) Includes telephone, facilities and administrative expenses.
(8) The company Tec2Doc Serviços de Tecnologia e Documentos Ltda ("Tec2Doc Serviços", formerly Agaprint Indl. e Coml. Ltda) was sold on September 2, 2013, and the results presented refer to the period of eight (8) months.

Legend of company names:

Amulya Empreendimentos Imobiliários Ltda ("Amulya")
BAHIA SUL Holdings GmbH ("Bahia Sul Holdings")
Bexma Comercial Ltda ("Bexma")
Central Distribuidora de Papéis Ltda ("Central")
Clion Polímeros S.A. ("Clion")
Comercial e Agrícola Paineiras Ltda ("Paineiras")
Fundação Filantrópica Arymax ("Arymax")
Fundo de Investimento Multimercado Crédito Privado Paperfect ("Fundo Exclusivo Paperfect")
Fundo de Investimento Multimercado Crédito Privado Report ("Fundo Exclusivo Report")
Futuragene Brasil Tecnologia Ltda ("Futuragene")
Instituto Ecofuturo – Futuro para o Desenvolvimento Sustentável ("Ecofuturo")
IPLF Holding S.A ("IPLF Holding")

(All amounts are in thousands of Brazilian real, unless otherwise stated)

Lazam MDS Corretora e Adm. Seguros S.A. (“Lazam”)
Mabex Representações e Participações Ltda (“Mabex”)
Nemonorte Imóveis e Participações Ltda (“Nemonorte”)
Ondurman Empreendimentos Imobiliários Ltda (“Ondurman”)
Paineiras Logística e Transportes Ltda (“Paineiras Logística”)
Premesa S.A (“Premesa”)
Stenfar S.A Indl. Coml. Imp. Y. Exp. (“Stenfar”)
Suzano Holding S.A. (“Suzano Holding”)
Suzano Pulp and Paper Europe S.A. (“Suzano Europa”)

Transactions with subsidiaries and related parties are recorded under the following items in the balance sheet:

		Parent Company		Consolidated	
	Note	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Balance receivable					
Cash and cash equivalents	5	**271,155**	536,111	**271,155**	536,111
Trade accounts receivable	6	**2,029,352**	1,271,066	**24,121**	29,930
Receivables from subsidiaries - current		**2,666**	3,014	**-**	-
Receivables from subsidiaries - non-current		**44,821**	27,361	**-**	-
Receivables from other related parties - current		**-**	66	**-**	66
		2,347,994	**1,837,618**	**295,276**	**566,107**
Balance payable					
Debentures	18	**-**	(81)	**-**	(81)
Debentures 5th Issue (Shareholders' Equity)		**-**	(278)	**-**	(278)
Dividends and Interest on Equity Payable		**(647)**	(627)	**(647)**	(627)
Loans and financing	17	**(19,418)**	(16,786)	**(19,418)**	(16,786)
Trade accounts payable		**(2,239)**	(504)	**(2,239)**	(504)
Obligations with related parties - current		**(49,094)**	(60,910)	**-**	-
Obligations with related parties - non-current		**(1,486,879)**	(1,297,041)	**-**	-
		(1,558,277)	**(1,376,227)**	**(22,304)**	**(18,276)**
		789,717	**461,391**	**272,972**	**547,831**

c) Management compensation

On December 31, 2013, expenses related to the compensation of key management personnel, which include the Board of Directors, Fiscal Council and Board of Executive Officers, in addition to certain executives, recognized in the statement of income for the year amounted to R$75,868 at the Parent Company and R$77,013 on a consolidated basis (R$42,706 and R$47,807 on December 31, 2012, respectively).

(All amounts are in thousands of Brazilian real, unless otherwise stated)

		Parent Company		Consolidated	
		12/31/2013	12/31/2012	12/31/2013	12/31/2012
Short-term benefits	(i)				
Salary or compensation		19,101	20,813	20,181	23,020
Direct and Indirect Benefits		1,083	2,801	1,148	2,940
Bonus		27,561	12,484	27,561	14,118
		47,745	**36,098**	**48,890**	**40,078**
Long-term benefits	(ii)				
Share-based compensation		28,123	6,608	28,123	7,729
		28,123	**6,608**	**28,123**	**7,729**
		75,868	**42,706**	**77,013**	**47,807**

(i) includes fixed compensation (salaries and fees, vacation, mandatory "13th salary" bonus), and payroll charges (contributions to social security – INSS, severance fund - FGTS and other) and variable compensation such as profit sharing, bonus and private pension plan.

(ii) includes Stock Option Plan and Phantom Shares for executives and key management members, in accordance with the specific regulations (see Note 23).

11 Biological Assets

The changes in the balances of biological assets are shown below:

	Parent Company	Consolidated
Balance on December 31, 2011	2,437,883	2,406,595
Additions (1)	525,942	504,373
Harvest in the period	(218,371)	(218,371)
Loss on fair value adjustment	(9,423)	(9,423)
Transfers (2)	(38,632)	(38,632)
Other write-offs	(602)	(602)
Balance on December 31, 2012	2,696,797	2,643,940
Additions	**592,755**	**592,781**
Harvest in the period	**(301,853)**	**(301,853)**
Gain on fair value adjustment	**99,998**	**95,179**
Transfers (2) (3)	**(29,350)**	**(29,350)**
Other write-offs (4)	**(34,825)**	**(34,825)**
Balance on December 31, 2013	**3,023,522**	**2,965,872**

1) The costs with land leasing for forest formation incurred at subsidiaries were eliminated for the consolidated figures.
2) Expenses with land improvements reclassified to Property, Plant and Equipment;
3) Wood harvest for formation of the opening stock of the Maranhão Unit and forests acquired from third parties in the physical/forestry inventory phase.
4) Includes the amount of R$28,757 related to the suspension of the SER and Piauí Projects mentioned in Note 1.1 c).

The determination of fair value for the forest biological assets includes a complex exercise of judgment and estimation that requires an understanding of the Company's business, the utilization of this asset during the manufacturing process, opportunities and restrictions to use timber, and the forest formation and growth cycle.

The volume of timber traded on the market by the Company is not sufficient to fairly represent the eucalyptus price on the market for the purposes of determining the fair value of forests.

When the Company determined the fair value of its assets, it took into account all the costs including implementation, renovation and maintenance, net of taxes.

The valuation of eucalyptus forests was made using the Income Approach method, based on the future cash flows discounted to present value, in order to reflect the economic model of a business unit solely concerned with the eucalyptus forest.

In the future cash flows discounted to present value, the flow projections based on the expected production of vertical tree bark existing on the balance sheets reference date consider forest average growth cycle of seven years, average productivity obtained by the Annual Average Increase (“IMA”) of 36.8m^3 / hectare / year (same as in the previous year) and forest formation costs until the appropriate cutting period of the vertical tree (harvest period, i.e., matured assets). Sales average net price was R$51.79 / m^3 (R$50.20/m^3 on December 31, 2012). The discount rate was 8.7% p.a. On December 31, 2013, the Company had 46,424 hectares of areas considered mature assets, and 313,594 hectares considered immature assets, for a total of 360,018 thousand hectares planted eligible for calculation.

The Company manages the financial risks related to agricultural activities in a preventive manner. In the case of risks related to losses from fire, there is constant monitoring through strategically located watchtowers and fire alarm systems and fire brigades are maintained and trained to fight fires in forest areas. To mitigate risks from edaphoclimatic factors, the weather is monitored through meteorological stations and, in the event of pests and diseases, our Department of Forestry Research and Development includes an area that specializes in physiological and phytosanitary aspects of the Company, which also has procedures to diagnose and act rapidly against any occurrences and losses.

The Company does not have any type of government incentive related to tree planting (biological assets).

The fair value of the biological assets is calculated yearly. The adjustment effects are recorded under “Other Operating Income, Net” and their monthly realization through depletion, under “Cost of Products Sold”. The Company does not have biological assets given as collateral on the dates of these financial statements.

On December 31, 2013, the fair value calculated was again of R$99,998 in the parent company and R$95,179 in the consolidated (loss of R$9,423 in the parent company and consolidated on December 31, 2012).

(All amounts are in thousands of Brazilian real, unless otherwise stated)

12 Damages Receivable from Land Expropriation

On December 31, 2013 and 2012, the amount of R$56,721 recorded under Non-Current Assets is related to compensation due to a property declared an area in the public interest (property included in the Serra do Mar State Park), for which the Company received a favorable final legal decision.

Reversal of the amount payable to the Company was required through the issuance of securities to cover court-ordered debts, payable in ten (10) annual equal and successive installments (2010 to 2019), duly restated by the indexes established in the related court decision. The Company withdrew the first installment deposited in court and payment of other installments is still claimed in the records of the respective suit for damages.

13 Timber Development Program

On December 31, 2013, the balance of advances of financial resources and inputs for timber development amounted to R$286,439, classified under current and non-current assets (R$293,773 on December 31, 2012).

This development program is a system whereby independent producers plant eucalyptus at their own farms in order to supply the agricultural product (timber) to the Company, with these advances not subject to valuation by fair value.

14 Investments

Subsidiaries		Information on Subsidiaries on 12/31/2013					Equity Accounting		Investments and (Provision) for Investment Losses	
			Balance sheet				Year ended:			
		Equity Interest %	Assets	Current and Non-Current Liabilities	Adjusted Equity	Result for the year	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Subsidiaries and direct joint ventures										
Asapir		50.00%	15,034	14,168	416	**(2,384)**	**(1,192)**	(2,051)	**208**	18,399
Paineiras	(b)	100.00%	397,539	130,612	250,462	**(1,729)**	**(1,152)**	6,526	**250,462**	437,009
Suzano Trading	(a)	100.00%	3,608,729	3,566,682	42,047	**(31,759)**	**(22,255)**	29,266	**42,047**	66,396
Sun Paper	(a)	100.00%	3,737	426	3,312	**248**	**699**	419	**3,312**	2,613
SER		99.90%	42,796	36,178	6,618	**(7,805)**	**(11,458)**	(16,169)	**6,611**	18,068
Paineiras Logistica		99.99%	8,532	3,885	4,647	**4,648**	**4,648**	-	**4,647**	-
Aanisan		99.88%	8	1	7	**(11)**	**(11)**	-	**7**	1
Epícares		0.00%	-	-	-	**2,521**	**2,521**	-	**-**	1
Stenfar	(a)/(b)	68.58%	59,837	33,854	21,193	**(194)**	**(1,391)**	(1,082)	**13,029**	(5,035)
Suzano America	(a)/(b)	100.00%	207,636	185,140	(16,566)	**1,834**	**(13,630)**	718	**(16,566)**	(2,927)
Bahia Sul Holdings	(a)	100.00%	63	74	(11)	**(19)**	**(19)**	(18)	**(11)**	8
Suzano Europa	(a)/(b)	100.00%	554,543	524,037	(9,694)	**4,001**	**(3,241)**	(9,349)	**(9,694)**	(6,452)
Ondurman	(b)	100.00%	78,611	66,504	(38,970)	**(9,295)**	**(9,295)**	(9,770)	**(38,970)**	(30,715)
Amulya	(b)	99.90%	61,347	55,430	5,917	**2,423**	**19,014**	(7,715)	**5,911**	(14,949)
							(36,762)	(9,225)	**260,993**	482,417
Total investments									**326,234**	542,495
Total provisions for losses									**(65,241)**	(60,078)
Indirect subsidiaries										
Futuragene PLC.	(a)	100.00%	40,977	18,054	22,923	**(37,179)**	**(37,179)**	(31,373)	**22,923**	10,239
Stenfar	(a)/(b)	31.42%	59,837	33,854	21,193	**(194)**	**1,197**	(2,360)	**8,164**	7,450
SER		0.10%	42,796	36,178	6,618	**(7,805)**	**(8)**	(16)	**7**	19
Amulya	(b)	0.10%	61,347	55,430	5,917	**2,423**	**2**	1	**6**	2
							(35,988)	(33,748)	**31,100**	17,710

(All amounts are in thousands of Brazilian real, unless otherwise stated)

a) The equity accounting of these foreign direct and indirect subsidiaries includes an exchange variation gain amounting to R$15,658 (R$6,928 on December 31, 2012).
b) The shareholders' equity of these subsidiaries considers the elimination of the unrealized profits described in Note 3.22.

A summary of changes in these investments is presented below, net of provision for losses:

	Parent Company			
	12/31/2013		12/31/2012	
Opening balance	**482,417**		456,225	
Equity accounting and foreign exchange variation	**(36,762)**		(9,225)	
Exchange variation in investees (other comprehensive income)	**(2,107)**		986	
Acquisition of new investments	**-**		2	
Capital increase	**4,766**	(d)	34,429	(c)
Sale of subsidiary Epícares	**(187,321)**	(e)	-	
Closing balance	**260,993**		482,417	

a) On March 30, 2012, the capital increase at the subsidiary SER was approved in the amount of R$34,463, upon capitalization of the outstanding intercompany loan balance.
b) In March 2013, Amulya and Ondurman increased their capital by R$1,848 and R$1,041, respectively. In June 2013, Asapir reduced its capital by R$17,000, and in December 2013, Stenfar increased its capital by R$18,877, through capitalization of debt from commercial operations;
c) Divestment on May 28, 2013, related to the divestment from the Capim Branco Energia Consortium (Note 1.1 (b))

15 Property, Plant and Equipment

(All amounts are in thousands of Brazilian real, unless otherwise stated)

Parent Company

		Buildings	Machinery and equipment	Other assets	Lands and farms	Work in progress	Total property, plant and equipment
Annual average depreciation rate		**4.67%**	**5.25%**	**14.41%**	**-**	**-**	**-**
Cost							
Balance on December 31, 2011		1,733,753	9,822,264	153,601	3,716,040	840,209	16,265,867
Transfers	(c)	(8,624)	245,176	9,105	81,815	(244,806)	82,666
Additions	(b)	3	36,497	4,401	2,885	2,496,449	2,540,235
Write-offs		(19,828)	(9,633)	(3,169)	(13,441)	-	(46,071)
Interest capitalization		-	-	-	-	41,242	41,242
Balance on December 31, 2012		1,705,304	10,094,304	163,938	3,787,299	3,133,094	18,883,939
Transfers		**31,401**	**129,534**	**(1,155)**	**(1,557)**	**(152,642)**	**5,581**
Additions	(b)	**-**	**34,921**	**6,808**	**21,993**	**1,782,987**	**1,846,709**
Write-offs	(a)	**(3,099)**	**(28,774)**	**(485)**	**(29,698)**	**(44,290)**	**(106,346)**
Interest capitalization		**-**	**-**	**-**	**-**	**159,944**	**159,944**
Balance on December 31, 2013		**1,733,606**	**10,229,985**	**169,106**	**3,778,037**	**4,879,093**	**20,789,827**
Depreciation							
Balance on December 31, 2011		(472,313)	(3,284,736)	(114,585)	-	-	(3,871,634)
Transfers	(c)	3,891	(2,826)	(126)	-	-	939
Write-offs		12,270	6,857	2,688	-	-	21,815
Depreciation		(38,303)	(391,086)	(9,639)	-	-	(439,028)
Balance on December 31, 2012		(494,455)	(3,671,791)	(121,662)	-	-	(4,287,908)
Transfers		**(15,886)**	**(2,421)**	**(831)**	**-**	**-**	**(19,138)**
Write-offs	(a)	**1,239**	**19,395**	**642**	**-**	**-**	**21,276**
Depreciation		**(36,995)**	**(464,398)**	**(9,076)**	**-**	**-**	**(510,469)**
Balance on December 31, 2013		**(546,097)**	**(4,119,215)**	**(130,927)**	**-**	**-**	**(4,796,239)**
Residual value							
Balance on December 31, 2013		**1,187,509**	**6,110,770**	**38,179**	**3,778,037**	**4,879,093**	**15,993,588**
Balance on December 31, 2012		1,210,849	6,422,513	42,276	3,787,299	3,133,094	14,596,031

Consolidated

		Buildings	Machinery and equipment	Other assets	Lands and farms	Work in progress	Total property, plant and equipment
Annual average depreciation rate		**4.71%**	**5.17%**	**14.54%**	**-**	**-**	**-**
Cost							
Balance on December 31, 2011		1,739,993	9,823,527	393,599	4,262,521	840,719	17,060,359
Transfers	(c) (d)	(8,624)	245,176	(222,581)	82,776	(244,804)	(148,057)
Additions	(b)	3	36,497	4,401	14,091	2,497,504	2,552,496
Write-offs		(19,871)	(9,633)	(3,360)	(29,583)	-	(62,447)
Interest capitalization		-	-	-	-	41,242	41,242
Balance on December 31, 2012		1,711,501	10,095,567	172,059	4,329,805	3,134,661	19,443,593
Transfers		**31,553**	**129,937**	**(823)**	**4,473**	**(153,532)**	**11,608**
Additions	(b)	**-**	**38,722**	**7,181**	**24,221**	**1,784,028**	**1,854,152**
Write-offs	(a)	**(3,140)**	**(29,750)**	**(934)**	**(30,940)**	**(46,008)**	**(110,772)**
Interest capitalization		**-**	**-**	**-**	**-**	**159,944**	**159,944**
Balance on December 31, 2013		**1,739,914**	**10,234,476**	**177,483**	**4,327,559**	**4,879,093**	**21,358,525**
Depreciation							
Balance on December 31, 2011		(478,256)	(3,284,924)	(155,584)	-	-	(3,918,764)
Transfers	(c) (d)	3,891	(2,413)	47,217	-	-	48,695
Write-offs		12,306	6,857	2,781	-	-	21,944
Depreciation		(38,333)	(391,096)	(18,217)	-	-	(447,646)
Balance on December 31, 2012		(500,392)	(3,671,576)	(123,803)	-	-	(4,295,771)
Transfers		**(15,886)**	**(2,421)**	**(831)**	**-**	**-**	**(19,138)**
Write-offs	(a)	**1,273**	**18,805**	**711**	**-**	**-**	**20,789**
Depreciation		**(37,027)**	**(466,065)**	**(9,606)**	**-**	**-**	**(512,698)**
Balance on December 31, 2013		**(552,032)**	**(4,121,257)**	**(133,529)**	**-**	**-**	**(4,806,818)**
Residual value							
Balance on December 31, 2013		**1,187,882**	**6,113,219**	**43,954**	**4,327,559**	**4,879,093**	**16,551,707**
Balance on December 31, 2012		1,211,109	6,423,991	48,256	4,329,805	3,134,661	15,147,822

a) In addition to disposals, write-offs include obsolescence and scrapping.

b) Additions to Works in Progress mainly refer to the construction of the pulp plant in the state of Maranhão.

(All amounts are in thousands of Brazilian real, unless otherwise stated)

c) Reclassification of property, plant and equipment items, previously recorded under Current Assets, as Assets Held for Sale, in the amount of R$36,467, since they did not meet the CPC 31 criteria; and, expenses with improvements to farms, in the amount of R$45,575, previously recorded under Biological Assets;

d) Transfer of property, plant and equipment related to the divestment from the Consortium to Assets Held for Sale, in the net amount of R$185,033. The divestment of these assets was concluded as described in Note 1.1 (b).

Machinery and equipment include amounts recognized as financial leasing outlined in Note 17.1.

On December 31, 2013, the Company conducted the annual asset impairment testing and no evidence of impairment was identified.

15.1 Assets given as collateral

On December 31, 2013, the Company and its subsidiaries had property, plant and equipment given as collateral in loan operations and lawsuits amounting to R$11,179,424 (R$9,266,185 on December 31, 2012).

15.2 Capitalized expenses

On December 31, 2013, interests were capitalized in the amount of R$159,944 referring to the investments in the construction of the new plant in the state of Maranhão (R$41,242 on December 31, 2012). The amount calculated considers net funding from investments at the average rate of 81.73% of the CDI overnight interbank rate.

16 Intangible Assets

16.1 Goodwill

			Consolidated
	B.L.D.S.P.E. Celulose e Papel S.A.	Paineiras Logística	Total
Book cost	46,427	10	46,437
Cumulative amortization to December 31, 2008	(12,380)	-	(12,380)
Residual balance on December 31, 2013 and 2012	**34,047**	**10**	**34,057**

(All amounts are in thousands of Brazilian real, unless otherwise stated)

16.2 Intangible assets with determined useful life

	Useful life (years)	Book Cost		Accumulated Amortization	Exchange Rate Variation	Residual Values 12/31/2013	Residual Values 12/31/2012
KSR [(a)]							
Customer relationship	5	22,617		(12,816)	-	**9,801**	14,324
Other intangible assets [(b)]						**-**	
Trademarks and Patents	10	2,172		(1,524)	-	**648**	744
Software	5	73,128		(53,441)	-	**19,687**	14,315
Balance Parent Company		**97,917**		**(67,781)**	**-**	**30,136**	29,383
Futuragene [(a)]							
R&D Agreements	18.8	153,316	(c)	(36,315)	40,355	**157,356**	146,318
Other License Agreements	11.8	3,436	(c)	(1,302)	905	**3,039**	2,976
Other intangible assets [(b)]							
Software	5	69		(67)	-	**2**	5
Consolidated Balance		**254,738**		**(105,465)**	**41,260**	**190,533**	178,682

a) Intangible assets identified in the process of acquiring these investments. The Income Method was used to value these assets. This method is based on the cash flows value the asset should generate in the future during its remaining useful life. Its application consists of several phases: firstly, cash flows that assets shall generate are projected, which involves an analysis of financial data and interviews with operating area staff in order to estimate the company's future revenues and expenses. Thereafter, cash flows are discounted at present value by applying a rate of return that reflects the cash value over time and the asset's risk. The fair value then will correspond to the sum of projected cash flow values projected to residual value, both discounted at present value, at the end of projection period.

b) Balances transferred from Note 15 Property, Plant and Equipment

c) Amount translated at the original U.S. dollar exchange rate on the date of calculation of the gain from allocation of the price paid.

On December 31, 2013, the amounts of R$9,988 in the Parent Company and R$24,164 in the Consolidated were amortized (R$10,338 and R$19,293, respectively, in 2012).

On December 31, 2013, no evidence of impairment was identified.

(All amounts are in thousands of Brazilian real, unless otherwise stated)

17 Loans and Financing

	Index		Annual average interest rate on 12/31/2013	Maturity	Parent Company 12/31/2013	Parent Company 12/31/2012	Consolidated 12/31/2013	Consolidated 12/31/2012
Property, plant and equipment:								
BNDES - Finem	Fixed rate /TJLP	(1) (2)	7.14%	2013 to 2023	**1,977,233**	1,863,415	**1,977,233**	1,888,985
BNDES - Finem	Currency basket / US$	(2)	5.70%	2013 to 2022	**2,195,893**	1,093,467	**2,195,893**	1,103,240
BNDES - Finame	Fixed rate	(2)	4.50%	2013 to 2019	**3,511**	4,529	**3,511**	4,529
FNE - BNB	Fixed rate	(2)	8.50%	2013 to 2017	**75,642**	93,800	**75,642**	93,800
FINEP	Fixed rate	(2)	4.42%	2013 to 2020	**49,597**	56,555	**49,597**	56,555
Rural credit	Fixed rate		5.50%	2014	**20,436**	20,457	**20,436**	20,457
Financial lease	CDI / US$		9.87%	2013 to 2022	**33,873**	61,021	**33,873**	61,021
Export Credit Agency -ECA	US$	(2) (3) (4)	1.90%	2013 to 2022	**1,233,947**	148,371	**1,233,947**	148,371
Working capital:								
Export financing	US$		4.49%	2013 to 2021	**2,054,668**	1,998,656	**2,054,668**	1,998,656
Nordic Investment Bank				-	**-**	68,488	**-**	68,488
Export credit note	CDI / Fixed rate	(6)	10.57%	2013 to 2021	**3,514,454**	3,070,854	**3,514,454**	3,070,854
BNDES - EXIM	TJLP	(1)	-	2013	**-**	60,511	**-**	60,511
Senior Notes	Fixed rate	(5)	5.88%	2021	**-**	-	**1,525,848**	1,335,465
Trade notes discount-Vendor				2013 to 2014	**42,566**	86,727	**42,566**	86,727
Other				2013 to 2014	**3,245**	1,634	**15,661**	19,616
					11,205,065	8,628,485	**12,743,329**	10,017,275
Current (including interests payable)					**955,462**	946,856	**1,007,157**	1,034,647
Non-current					**10,249,603**	7,681,629	**11,736,172**	8,982,628
Non-current loans and financing mature as follows:								
2014					**-**	625,266	**-**	625,266
2015					**959,074**	808,142	**959,074**	808,142
2016					**2,209,113**	1,838,590	**2,209,113**	1,838,590
2017					**1,940,820**	1,807,478	**1,940,820**	1,807,478
2018					**1,338,181**	963,990	**1,338,181**	963,990
2019					**2,060,391**	749,341	**2,060,391**	749,341
2020					**692,944**	630,024	**692,944**	630,024
2021 onwards					**1,049,081**	258,798	**2,535,650**	1,559,797
					10,249,603	7,681,629	**11,736,172**	8,982,628

1) Term of capitalization corresponds to those exceeding 6% of the Long-Term Interest Rate (“TJLP”) published by the Central Bank of Brazil;

2) Loans and financing are secured, depending on the agreement, by (i) plant mortgages; (ii) rural properties; (iii) fiduciary sale of the asset being financed; (iv) guarantee from shareholders, and (v) bank guarantee.

3) In October 2006, the Company signed a US$150,000 loan agreement with BNP Paribas and Société Générale, in the proportion of 50% each, to finance imported equipment for the Mucuri/BA project. This agreement contains clauses establishing the maintenance of the following maximum debt and leverage levels: (a) the ratio of net debt to EBITDA not exceeding 3.5, and (b) the ratio of consolidated net debt to consolidated shareholders' equity not exceeding or equaling 1.5 during the debt term, which must be verified at the end of each fiscal year. For fiscal year 2013, the Company obtained the consent from the creditor to comply with the requirements at different ratios. In addition to the mentioned agreement, in March 2004, the Company signed a US$20,000 financing agreement with Banco BNP Paribas to finance imported equipment to modernize the Mucuri unit. This agreement contains clauses establishing the maintenance of the following maximum leverage levels: (a) the ratio of net debt to EBITDA not exceeding 3.8, and (b) the ratio of consolidated net debt to consolidated shareholders' equity not exceeding or equaling 1.5 during the debt term, which must be verified at the end of each fiscal year. For fiscal year 2013, the Company obtained the consent from the creditor to comply with the requirements at different ratios.

4) In May 2013, the Company obtained funds through two import financing operations (ECA – Export Credit Agency) for equipment to be installed in the future pulp producing unit in Maranhão. The total amount contracted is equivalent to US$535,000, for a term of up to 9.5 years, from AB Svensk Exportkredit, BNP Paribas, through its subsidiary Fortis Bank SA/NV, Nordea Bank Finland Plc, Nordea Bank AB and Société

(All amounts are in thousands of Brazilian real, unless otherwise stated)

Générale, with guarantee furnished by the Export Credit Agencies FINNVERA and EKN. These agreements establish covenants regarding the maintenance of determined levels of leverage, which are verified in June and December of each fiscal year. In fiscal year 2013, the Company met all the established levels.

5) In September 2010, the Company, through its international subsidiary Suzano Trading (as informed in Note 10), placed in the international market US$650 million in Senior Notes due on January 23, 2021, with semiannual interest payments of 5.875% p.a. and return for investors of 6.125% p.a. The Company is guarantor of the issue, which corresponds to a senior obligation without security interest of the issuer or the Company and is entitled to the same rights as other obligations of similar nature of these companies. In September 2013, the Company, also through its international subsidiary Suzano Trading, repurchased US$3,800 of principal amount of the Senior Notes issued.

6) In December 2013, the Company contracted an Export Financing line of R$200,000 from the Caixa Econômica Federal, with maturity in 2016. Interest will be paid on a quarterly basis and principal will be paid upon maturity of the contract.

Below we present the changes in the balances of borrowings and financing:

	Parent Company		Consolidated	
	12/31/2013	**12/31/2012**	**12/31/2013**	**12/31/2012**
Opening balance	**8,628,485**	6,537,798	**10,017,275**	7,888,105
Funding	**4,124,891**	3,676,713	**4,124,891**	3,676,713
Recognized interest	**641,066**	445,310	**724,648**	535,349
Exchange variation	**699,151**	311,461	**887,213**	427,975
Settlement of principal	**(2,212,088)**	(1,844,259)	**(2,255,424)**	(1,931,443)
Settlement of interest	**(560,781)**	(480,405)	**(643,373)**	(564,825)
Funding costs	**(158,626)**	(20,708)	**(158,626)**	(20,708)
Amortization of funding costs	**42,967**	2,575	**46,725**	6,109
	11,205,065	8,628,485	**12,743,329**	10,017,275

17.1 Financial lease agreements

The financial lease agreements under which the Company and its subsidiaries undertake the risks and benefits inherent to ownership are classified as financial lease agreements.

The Company has financial lease agreements related to equipment used in the pulp and paper industrial process, located in the cities of Limeira-São Paulo and Mucuri-Bahia. These agreements are denominated in U.S. dollar or the CDI overnight rate and contain purchase option clauses for these assets upon the expiration of the lease term, which varies from 8 to 15 years, for a price substantially lower than their fair value. Management intends to exercise the purchase options on the dates estimated in each agreement.

The amounts booked as property, plant and equipment, net of depreciation, and the present value of mandatory installments of the agreement (financing) corresponding to these assets are stated below:

(All amounts are in thousands of Brazilian real, unless otherwise stated)

	Parent Company and Consolidated	
	12/31/2013	12/31/2012
Machinery and equipment	**150,582**	150,582
(-) Accumulated depreciation	**(120,475)**	(109,707)
Property, plant and equipment, net	**30,107**	40,875
Present value of mandatory installments (financing):		
Less than 1 year	**12,949**	33,279
From 1 to 5 years	**14,430**	19,810
Over 5 years	**6,494**	7,932
Total present value of mandatory installments (financing)	**33,873**	61,021
Financial charges to be recognized in the future	**7,337**	9,233
Total mandatory installments at the expiration of agreements	**41,210**	70,254

17.2 Transaction costs and premiums of securities issues

On December 31, 2013, the balances of funding costs to be apportioned to consolidated profit or loss are as follows:

						Consolidated			
Nature	Total cost		Amortization	Exch. Rate Variation	Balance to be amortized				
					12/31/2013		12/31/2012		
Senior Notes	29,284	(1)	(13,272) (2)	11,207	**27,219**	(2)	27,276	(2)	
Debentures 3rd and 5th issues	38,806		(38,806)	-	**-**		4,825		
Export credit note (NCE)	54,106		(15,929)	-	**38,177**		23,473		
Prepayment	27,893		(18,064)		**9,829**		-		
Import (ECA)	101,041	(3)	(11,611)		**89,430**		-		
Rural credit	94		(73)	-	**21**		17		
Total	**251,224**		**(97,755)**	**11,207**	**164,676**		55,591		

(1) Amount in Brazilian real on the transaction date with rate of USD 1.6942.
(2) Amounts translated into Brazilian real on the respective dates by the USD dollar exchange rate based on the closing price.
(3) Costs related to insurance premium, fees and charges.

(All amounts are in thousands of Brazilian real, unless otherwise stated)

18 Debentures

Parent Company and Consolidated			12/31/2013			12/31/2012	Index	Interest rate (p.a.)	Redemption
Issue	Series	Number	Current	Non-current	Current and non-current	Current and non-current			
3rd	1st	-	-	-	-	585,969	IGP-M	10% *	4/9/2013
3rd	2nd	167,000	**1,386**	**132,270**	**133,656**	115,705	USD	9.85%	5/7/2019
5th	1st	-	-	-	-	52	IPCA	4.50%	12/16/2013
5th	2nd	-	-	-	-	103	IPCA	4.50%	12/16/2013
			1,386	**132,270**	**133,656**	**701,829**			

*The instrument was issued at a discount in the amount of R$38,728, fully incorporated into the amount of respective debentures, which changed the effective interest rate of the operation from 8% p.a. to 10% p.a.

18.1 3rd Debenture Issue

The 3rd issue, carried out in August 2004 is composed of two series. The General Meeting of Debenture Holders held on May 22, 2007, approved: (i) the change in the maturity of the 2nd Series Debentures previously scheduled for April 1, 2014, which was postponed to May 7, 2019, and (ii) the change in the interest yield from 10.38% p.a. until May 22, 2007, to 9.85% p.a. after said date until maturity.

As a result of the events described in Note 1.1 (e), all debentures of the 1st series were settled and the Company should once again meet said leverage threshold from the second quarter of 2014.

18.2 5th Debenture Issue

The 5th issue occurred in June 2011, with issue date on December 15, 2010, composed of two series, the first in the nominal amount of R$401,819 and the second in the nominal amount of R$798,181, with private placement and preemptive subscription rights for shareholders, and were fully subscribed to.

As a result of the Company's Share Offering, a substantial portion of holders of debentures of the 5th issue exercised their right to convert their debentures at the same price per share of the Share Offering. A total of 401,526 debentures of the 1st series and 797,596 debentures of the 2nd series were converted, resulting in the issue of 110,591 thousand common shares and 219,679 thousand Class A preferred shares of the Company, respectively.

As a result of the maturity of the debentures on December 16, 2013, a total of 293 debentures of the 1st series and 585 debentures of the 2nd series were converted, resulting in the issue of 20,468 common shares and 40,896 Class A preferred shares, respectively, of the Company.

(All amounts are in thousands of Brazilian real, unless otherwise stated)

19 Provision for Contingencies

Provisions for contingencies observe the following criteria: i) for cases in which the possibility of loss is remote, no provision is accrued, ii) for cases in which loss is possible, the cases are disclosed in an explanatory note together with an individual and thorough analysis based on past data and the possible outcome in order to determine the estimated financial impact, and, if there is a possibility of disbursement, Management opts to accrue a provision, in line with existing internal procedures and iii) for cases in which the possibility of loss is probable, the Management accrues a provision.

The changes in provisions in the period are shown below:

	Parent Company					
	Balance on 12/31/2012	New lawsuits	Reversals	Monetary variation	Settlement of lawsuits	Balance on 12/31/2013
Tax and social security	165,255	17,519	(22,213)	13,367	(2,751)	171,177
Labor	20,730	4,342	(440)	1,399	(4,120)	21,911
Civil	6,433	1,183	(27)	1,786	(2,050)	7,325
	192,418	23,044	(22,680)	16,552	(8,921)	200,413

	Consolidated					
	Balance on 12/31/2012	New lawsuits	Reversals	Monetary variation	Settlement of lawsuits	Balance on 12/31/2013
Tax and social security	165,255	17,519	(22,213)	13,367	(2,751)	171,177
Labor	28,159	4,638	(992)	1,655	(5,320)	28,140
Civil	6,433	1,183	(27)	1,786	(2,050)	7,325
	199,847	23,340	(23,232)	16,808	(10,121)	206,642

Tax and Social Security Suits and Procedures

The company is a defendant in approximately 300 administrative and legal proceedings on tax and social security issues that discuss matters related to various taxes such as PIS, COFINS, IPI, ICMS, corporate income tax and social security contribution, which are provisioned for when the probability of loss is deemed as probable by the Company's external legal advisors and by the Management. For proceedings whose outlook of loss is deemed probable, the Company has provisions amounting to R$10,047.

The Company adhered to the REFIS tax installment program – Law 11,941/09 for certain proceedings, amounting to nearly R$11,954, which is duly provisioned for.

On December 20, 2013, when the period for joining the REFIS-Law 12,865/13 program reopened, the Company paid in cash the principal amount of R$2,347, with full reduction of fine and partial reduction of interest due, paid through the use of tax loss and social contribution tax loss carryforwards.

In addition, the Company is a defendant in proceedings whose probability of loss is deemed as possible, amounting to around R$548,757, for which a provision of R$26,785 was constituted.

On December 31, 2013, the Company holds R$45,165 in judicial deposits related to these proceedings (R$44,728 on December 31, 2012).

Labor claims

On December 31, 2013, the Company was a defendant in approximately 1,617 labor claims, which are provisioned for when the probability of loss is deemed as probable by the Company's external legal advisors and by the Management.

In general, labor claims are related to matters frequently contested by employees in industrial companies, such as wages and severance payments, in addition to suits filed by employees of outsourced service providers of the Company. For proceedings whose outlook of loss is deemed probable, the Company has provisions amounting to R$19,666.

In addition, the Company is a defendant in proceedings whose probability of loss is deemed as possible, in the approximate amount of R$30,895, for which a provision of R$9,268 is constituted.

On December 31, 2013, the Company holds R$15,953 in judicial deposits related to these proceedings (R$9,824 on December 31, 2012).

Civil claims

The Company is a defendant in approximately 185 civil claims, which are provisioned for when the probability of loss is deemed as probable by the Company's external legal advisors and by the Management.

In general, civil proceedings are related to payment of damages, such as those resulting from work-related injuries, possessory action, environmental claims and others. For proceedings whose outlook of loss is deemed probable, the Company has provisions amounting to R$3,981.

In addition, the Company is a defendant in proceedings whose probability of loss is deemed as possible, in the approximate amount of R$231, for which a provision of R$69 is constituted.

On December 31, 2013, the Company holds R$313 in judicial deposits related to these proceedings (R$329 on December 31, 2012).

20 Actuarial Liabilities

The Company guarantees four defined-benefit plans for life to a certain group of retirees:

(All amounts are in thousands of Brazilian real, unless otherwise stated)

- Sepaco health insurance program: ensures coverage of healthcare costs with an accredited network and Hospital Sepaco for former employees who requested retirement by 2003 (until 1998 for Ripasa's former employees), as well as their spouses for life and dependents while they are minors.

- Bradesco health insurance program: ensures coverage of healthcare costs with Bradesco Saúde for a group of former employees, who exceptionally, according to the Company's criteria and resolution, were vested with rights related to the compliance with Articles 30 and 31 of Law 9,656/98.

- Health care plan Sul América Saúde (Limeira unit, former Conpacel): Ensures the payment of healthcare costs by Sul América for the group of former employees with rights thereto, pursuant to the criteria and rights associated with compliance with Articles 30 and 31 of Federal Law 9,656/98.

- Life insurance: life insurance benefit provided to retirees by Bradesco.

On December 31, 2013, the amount of the future liabilities of these benefits was R$255,138 (R$289,277 on December 31, 2012).

The economic and biometric assumptions used in the calculations off health and life insurance are shown below:

	Actuarial assumptions	
	2013	**2012**
Discount rate - health plan	**6.5% p.a.**	4.0% p.a.
Discount rate - life insurance	**6.25% p.a.**	3.5% p.a.
Medical cost growth rate above basic inflation	**3.0% p.a.**	3.0% p.a.
Economic inflation	**5.0% p.a.**	4.25% p.a.
General mortality biometric table	**AT-2000**	AT-83
Biometric table of mortality of disabled persons	**IAPB 57**	IAPB 57

On December 31, 2013, the sensitivity of the balance of actuarial liabilities to the changes in the main assumptions used, considering that all others remain unchanged, is as follows:

	Change	**Increase in assumption**	**Reduction in assumption**
Discount rate	0.50%	Reduction of 5.75 %	Increase of 6.37 %
Medical cost growth rate	0.50%	Increase of 6.53 %	Reduction of 5.93 %
Mortality	1 year	Increase of 3.97 %	Reduction of 3.91 %

(All amounts are in thousands of Brazilian real, unless otherwise stated)

The changes in the actuarial liabilities are shown below:

	12/31/2013	12/31/2012
Opening balance	**289,277**	218,627
Reduction in actuarial liability [a]	**-**	(2,475)
Interest on actuarial liability	**26,991**	26,930
Actuarial (gain) loss	**(47,307)**	61,865
Benefits paid in the year	**(13,823)**	(15,670)
Closing balance	**255,138**	**289,277**

a) On December 31, 2012, the reduction of actuarial liabilities resulted from the change in the plans of the Limeira Unit.

21 Defined-Contribution Private Pension Plan

The supplementary pension plan called Suzano Prev is administered by BrasilPrev. The contributions made by the Company and its employees in the fiscal year ended December 31, 2013 amounted to R$6,386 and R$10,622, respectively (R$5,552 and R$9,213 on December 31, 2012, respectively).

22 Share-Based Payments

22.1 Share-based compensation plans paid in currency

The Company has a long-term incentive plan (ILP) for its senior management linked to the Company share price and paid in Brazilian real (BRL). The general conditions were established for the acquisition and grant by the Company of phantom shares to these executives (beneficiaries), which are defined each year in specific regulations and administrated by the Management Committee, in accordance with the guidelines and conditions established by the Company's Bylaws and Board of Directors.

The number of phantom shares to be granted is determined by dividing the amount of wages paid, based on: i) the achievement of goals; ii) the discretionary value allocated by the Executive Board; and iii) vested quantities, based on the beneficiary's short-term compensation investment, limited to two salaries, plus a similar amount contributed by the Company, by the average of the closing price of the Company's preferred stock in the last 90 trading sessions.

Vesting conditions are considered fully met after a grace period of three years, and if applicable, until a limit period of six years as of the grant date. Vesting conditions are not fully met when: i) in the programs in which vesting is possible, as item (iii) in the previous article, in case of the dismissal for just cause or voluntary resignation (in these cases, the beneficiary automatically loses any right to the exercise the phantom shares granted with no indemnification whatsoever, except only in vesting-related quantities); and ii) in the case of dismissal without just cause or retirement before the vesting of the phantom shares, entitling the beneficiary to the right to immediately exercise all phantom shares.

For the 2006 program, the appreciation in the phantom shares was limited to 120% of the grant value.

The exercise price of each phantom share is determined by the average of the Company's preferred stock over the last 90 sessions as of the exercise date, plus dividends and interest on equity distributed between the grant and exercise date, multiplied by a percentage of the Company's performance in relation to its competitors, where applicable.

As approved at the meeting of the Management Committee in October 2012, the value of the shares of all programs in force until December 31, 2012 will be fixed in the minimum amount of R$ 9.00 per share.

In 2012, the Company granted the programs Programas Especial 2012a (previously ILP Especial I), Programa Especial 2012b, and Programa Especial 2012c (previously ILP Especial II).

The Programa Especial 2012a has a minimum fixed redemption value of R$9.00 and a maximum of R$15.53 per share.

The Programa Especial 2012b and Programa Especial 2012c have a minimum guaranteed redemption value of R$9.00, but no maximum fixed value.

On March 1, 2013, the Programa ILP 2013 was granted. This program of phantom shares has a vesting period of 3 years from the date of grant and maturity in 6 years from the date of grant. The exercise price of the phantom shares is based on the average price in the last 90 trading sessions prior to the exercise date.

22.2 Share-based compensation plan paid in shares or alternatively in currency (Class A preferred stock options)

At the Extraordinary Shareholders' Meeting held on August 29, 2008, the Company's Stock Option Plan (Plan) - Class A Preferred Shares was approved.

The plan establishes the Company's general conditions for the acquisition and granting of stock options to its executives, management and employees (beneficiaries), which are defined in specific regulations and administrated by the Management Committee in accordance with the guidelines and conditions established by the Company's Bylaws and the Board of Directors.

According to the Plan, the options granted cannot exceed 2% of the Company's total paid-up and subscribed capital stock, and must derive from, as suggested by the Management Committee and approved by the Board of Directors: (i) the issue of new shares, within the limit of the Company's authorized capital; and/or (ii) treasury shares.

At the Board of Directors' meeting held on August 10, 2009 and August 11, 2010 *(*grant dates*)*, the first (already ended) and second Program of the Plan were approved, in which the Company granted stock options to beneficiaries, as well as, it defined the following conditions so that these beneficiaries are entitled to exercise these options (vesting and non-vesting conditions): i) in cases of the termination of employment with cause, request for voluntary termination of employment or retirement, the beneficiary will automatically lose any right to exercise the options granted thereto, without indemnification; ii) in cases of dismissal without cause or retirement, the terms foreseen for exercise of the phantom shares will be anticipated and the beneficiary will be entitled to immediately exercise a proportional number of shares *pro rata* to the vesting period of the phantom shares; iii) in the lack of any situation (i) mentioned above, the vesting conditions are deemed fully met, thus allowing the beneficiary to exercise his/her options under the terms defined by regulation.

During the grace period of options exercise, the beneficiary is prohibited from selling or encumbering these options.

The Exercise Price per share was R$15.53 for Program 2, less dividends and interest on equity distributed between the grant date and the option exercise, both adjusted based on the Company's Weighted Average Cost of Capital (WACC) calculated by renowned financial institutions.

The Extraordinary Shareholders' Meeting held on April 30, 2013 approved the 3rd Stock Option Program. This program gives beneficiaries the right to acquire the Company shares at a fixed price, provided targets related to the following aspects are met: (i) Appreciation of the Company's shares; (ii) Net Debt/EBITDA ratio; and (iii) Return on Equity (ROE). If the targets mentioned above are exceeded, the vesting period of the tranches options will be reduced by 12 months.

(All amounts are in thousands of Brazilian real, unless otherwise stated)

The vesting periods and maturity of Program 2 and Program 3 are as follows:

Program	Vesting Period	Number of Class "A" preferred shares
Program 2	1st exercise date: from 8/1/2013 to 12/31/2015	120,000 shares or 20% of total shares under option
	2nd exercise date: from 8/1/2014 to 12/31/2015	120,000 shares or 20% of total shares under option
	3rd exercise date: from 8/1/2015 to 12/31/2015	360,000 shares or 60% of total shares under option
Program 3	1st exercise date: from 1/18/2015 to 4/18/2015	1,800,000 shares or 20% of total shares under option
	2nd exercise date: from 1/18/2016 to 4/18/2016	1,800,000 shares or 20% of total shares under option
	3rd exercise date: from 1/18/2018 to 4/18/2018	1,800,000 shares or 20% of total shares under option
	4th exercise date: from 1/18/2019 to 4/18/2019	1,800,000 shares or 20% of total shares under option
	5th exercise date: from 1/18/2020 to 4/18/2020	1,800,000 shares or 20% of total shares under option

On December 31, 2013, there were 16,155 thousand preferred treasury shares to guarantee the options granted by the Plan.

22.3 Summary of the changes to share-based payments

Long-Term Incentive – phantom shares

Parent Company and Consolidated

12/31/2013

Program	Grant Date	Fair value on the grant date	Fair value at the end of the period	1st exercise date	2nd exercise date	Available at the beginning of the period	Granted in the Period	Exercised	Exercised due to dismissal	Transfer Entrance(1)	Abandoned/ Prescribed due to dismissal	Available at the end of the period	Weighted average price of exercised shares
ILP 2006 (PN)	5/1/2007	R$ 23.38	R$ 9.00	9/1/2010	9/1/2013	650	-	650	-	-	-	-	9.00
ILP 2007 (PN)	3/1/2008	R$ 34.74	R$ 9.00	3/1/2011	3/1/2014	21,448	-	9,278	-	873	-	13,043	9.00
ILP 2008 (PN) Mar-09	3/1/2009	R$ 15.11	R$ 9.00	3/1/2012	3/1/2015	110,287	-	62,407	-	7,889	-	55,769	9.00
ILP 2009 A - Mar08	3/1/2008	R$ 34.74	R$ 9.00	3/1/2013	3/1/2016	64,485	-	56,164	-	3,342	-	11,663	9.00
ILP 2008 A - Mar08 / Mar12	3/1/2008	R$ 34.74	R$ 9.00	3/1/2012	3/1/2015	21,029	-	12,708	-	3,342	-	11,663	9.00
ILP 2008 - Jan09 / Sep12 (i)	1/1/2009	R$ 18.01	R$ 9.00	3/1/2012	9/1/2015	9,767	-	-	9,767	-	-	-	-
ILP 2008 - Jan09 / Sep12 (ii)	1/1/2009	R$ 18.01	R$ 9.00	3/1/2012	3/1/2015	16,502	-	-	-	-	-	16,502	-
ILP 2007 (PE)	8/1/2008	R$ 34.74	R$ 9.00	9/1/2014	9/1/2014	10,125	-	-	-	-	-	10,125	-
ILP 2007 (PN) - PA	3/1/2008	R$ 43.38	R$ 9.00	3/1/2011	3/1/2014	5,356	-	2,519	-	-	-	2,837	9.00
ILP 2009 - Mar09 / Mar12	3/1/2009	R$ 15.11	R$ 9.00	3/1/2012	3/1/2015	55,241	-	45,403	-	4,886	-	14,724	9.00
ILP 2009 M - Sep09 / Sep12	9/1/2009	R$ 15.11	R$ 9.00	9/1/2012	9/1/2015	141,078	-	109,241	2,307	2,475	-	27,055	9.00
ILP 2010	3/1/2010	R$ 23.86	R$ 9.00	3/1/2013	3/1/2016	182,926	-	129,356	6,018	3,284	-	50,836	9.00
ILP 2011	3/1/2011	R$ 18.64	R$ 9.00	3/1/2014	3/1/2017	395,168	-	61,470	21,841	10,723	-	322,580	9.00
ILP 2012	3/1/2012	R$ 7.49	R$ 9.00	3/1/2015	3/1/2018	1,009,121	-	143,721	45,110	39,319	-	859,609	9.00
ILP 2011 (F)	3/1/2011	R$ 18.64	R$ 9.00	3/1/2014	3/1/2017	7,159	-	-	-	-	-	7,159	-
ILP 2009 (J)	9/1/2010	R$ 17.25	R$ 9.00	9/1/2013	9/1/2016	3,441	-	-	-	-	-	3,441	-
Specific Program - Mar09/Sep12	6/1/2009	R$ 15.11	R$ 9.00	9/1/2012	9/1/2015	23,275	-	23,275	-	-	-	-	9.00
ILP 2012 (PE)	9/30/2012	R$ 9.00	R$ 9.00	9/30/2015	9/30/2018	35,225	-	-	-	-	-	35,225	-
ILP 2013	3/1/2013	R$ 6.58	R$ 8.94	3/1/2016	3/1/2019	-	1,180,153	35,953	-	-	62,014	1,082,186	7.70
Programa Especial 2012a (2)	12/21/2012	R$ 5.55	R$ 9.00	3/31/2014	3/31/2014	70,000	-	-	-	-	-	70,000	-
Programa Especial 2012a (2)	12/21/2012	R$ 5.55	R$ 9.00	3/31/2015	3/31/2015	70,000	-	-	-	-	-	70,000	-
Programa Especial 2012b (2)	12/21/2012	R$ 5.55	R$ 9.00	3/31/2014	3/31/2014	30,000	-	-	-	-	-	30,000	-
Programa Especial 2012b (2)	12/21/2012	R$ 5.55	R$ 9.00	3/31/2014	3/31/2014	40,000	-	-	-	-	-	40,000	-
Programa Especial 2012b (2)	12/21/2012	R$ 5.55	R$ 9.00	3/31/2015	3/31/2015	30,000	-	-	-	-	-	30,000	-
Programa Especial 2012b (2)	12/21/2012	R$ 5.55	R$ 9.00	3/31/2015	3/31/2015	40,000	-	-	-	-	-	40,000	-
Programa Especial 2012c (2)	12/21/2012	R$ 5.55	R$ 9.00	3/31/2014	3/31/2014	60,000	-	-	-	-	-	60,000	-
Programa Especial 2012c (2)	12/21/2012	R$ 5.55	R$ 9.00	3/31/2015	3/31/2015	80,000	-	-	-	-	-	80,000	-
Programa Especial 2012c (2)	12/21/2012	R$ 5.55	R$ 9.00	3/31/2016	3/31/2016	140,000	-	-	-	-	-	140,000	-
TOTAL						**2,672,283**	**1,180,153**	**692,145**	**85,043**	**76,133**	**62,014**	**3,084,417**	**9.00**

(1) Shares received due to transfer of employees from Futuragene to Suzano Papel e Celulose SA.

(2) Programa ILP Especial I was renamed Programa Especial 2012a and Programa ILP Especial II was renamed Programa Especial 2012b and Programa Especial 2012c

(All amounts are in thousands of Brazilian real, unless otherwise stated)

Parent Company and Consolidated
12/31/2012

Program	Grant Date	Fair value on the grant date	Fair value at the end of the period	1st exercise date	2nd exercise date	Number: Available at the beginning of the period	Granted in the Period	Exercided	Exercised due to dismissal	Transferred (1)	Not exercised due to dismissal	Available at the end of the period	Weighted average price of exercised shares
ILP 2006 (PN)	5/1/2007	R$ 23.38	R$ 9.00	9/1/2010	9/1/2013	31,105	-	30,455	-	-	-	650	-
ILP 2007 (PN)	3/1/2008	R$ 34.74	R$ 9.00	3/1/2011	3/1/2014	146,180	-	-	124,732	-	-	21,448	4.54
ILP 2007 (PN) - PA	3/1/2008	R$ 43.38	R$ 0.01	3/1/2011	3/1/2014	10,181	-	-	4,825	-	-	5,356	-
ILP 2007 (PE)	8/1/2008	R$ 34.74	R$ 9.00	9/1/2014	-	10,125	-	-	-	-	-	10,125	-
ILP 2009 - Mar08 / Mar12	3/1/2008	R$ 34.74	R$ 9.00	3/1/2012	3/1/2015	78,019	-	-	56,990	-	-	21,029	4.54
ILP 2009 A - Mar08	3/1/2008	R$ 34.74	R$ 9.00	3/1/2013	3/1/2016	78,019	-	-	13,534	-	-	64,485	4.54
ILP 2008 Jan09 / Sep12 (i)	1/1/2009	R$ 18.01	R$ 9.00	3/1/2012	9/1/2015	9,767	-	-	-	-	-	9,767	
ILP 2008 Jan09 / Sep12 (ii)	1/1/2009	R$ 18.01	R$ 9.00	3/1/2012	3/1/2015	16,502	-	-	-	-	-	16,502	-
ILP 2008 (PN) Mar-09	3/1/2009	R$ 15.11	R$ 9.00	3/1/2012	3/1/2015	276,997	-	-	166,710	-	-	110,287	4.54
ILP 2009 - Mar09 / Mar12	3/1/2009	R$ 15.11	R$ 9.00	3/1/2012	3/1/2015	131,352	-	-	76,111	-	-	55,241	-
ILP 2009 M - Sep09 / Sep12	9/1/2009	R$ 15.11	R$ 9.00	9/1/2012	9/1/2015	209,057	-	-	67,979	-	-	141,078	4.54
Specific Program - Mar09 / Sep12	6/1/2009	R$ 15.11	R$ 9.00	9/1/2012	9/1/2015	23,275	-	-	-	-	-	23,275	-
ILP 2010	3/1/2010	R$ 23.86	R$ 9.00	3/1/2013	3/1/2016	275,448	-	-	92,522	-	-	182,926	4.54
ILP 2009 (J)	9/1/2010	R$ 17.25	R$ 9.00	9/1/2013	9/1/2016	3,441	-	-	-	-	-	3,441	-
ILP 2011	3/1/2011	R$ 18.64	R$ 9.00	3/1/2014	3/1/2017	499,600	-	-	104,432	-	-	395,168	4.54
ILP 2011 (F)	3/1/2011	R$ 18.64	R$ 9.00	3/1/2014	3/1/2017	7,159	-	-	-	-	-	7,159	
ILP 2012	3/1/2012	R$ 7.49	R$ 9.00	3/1/2015	3/1/2018	1,165,351	-	-	146,803	9,427	-	1,009,121	4.54
ILP 2012 (PE)	9/30/2012	R$ 9.00	R$ 9.00	9/1/2015	9/1/2018	35,225	-	-	-	-	-	35,225	-
Programa Especial 2012a	12/21/2012	R$ 5.55	R$ 9.00	3/31/2014	3/31/2014	-	70,000	-	-	-	-	70,000	-
Programa Especial 2012a	12/21/2012	R$ 5.55	R$ 9.00	3/31/2015	3/31/2015	-	70,000	-	-	-	-	70,000	-
Programa Especial 2012b	12/21/2012	R$ 5.55	R$ 9.00	3/31/2014	3/31/2014	-	30,000	-	-	-	-	30,000	-
Programa Especial 2012b	12/21/2012	R$ 5.55	R$ 9.00	3/31/2014	3/31/2014	-	40,000	-	-	-	-	40,000	-
Programa Especial 2012b	12/21/2012	R$ 5.55	R$ 9.00	3/31/2015	3/31/2015	-	30,000	-	-	-	-	30,000	-
Programa Especial 2012b	12/21/2012	R$ 5.55	R$ 9.00	3/31/2015	3/31/2015	-	40,000	-	-	-	-	40,000	-
Programa Especial 2012c	12/21/2012	R$ 5.55	R$ 9.00	3/31/2014	3/31/2014	-	60,000	-	-	-	-	60,000	-
Programa Especial 2012c	12/21/2012	R$ 5.55	R$ 9.00	3/31/2015	3/31/2015	-	80,000	-	-	-	-	80,000	-
Programa Especial 2012c	12/21/2012	R$ 5.55	R$ 9.00	3/31/2016	3/31/2016	-	140,000	-	-	-	-	140,000	-
TOTAL						**3,006,803**	**560,000**	**30,455**	**854,638**	**9,427**	**-**	**2,672,283**	**4.54**

(1) Shares received due to transfer of employees from Suzano Holding to Suzano Papel e Celulose S.A.

Long-Term Incentive – Class "A" preferred shares stock option

Parent Company and Consolidated
12/31/2013

Program	Granted series	Grant date	1st exercise date	2nd exercise date and expiration	Prices: On the grant date	Number of shares: Granted	Exercised	Not exercised due to dismissal	Expired	Total in effect on 12/31/2013
Program 2	Series I	8/11/2010	8/1/2013	12/31/2015	5.97	120,000	40,000	-	-	80,000
	Series II	8/11/2010	8/1/2014	12/31/2015	5.97	120,000	40,000	-	-	80,000
	Series III	8/11/2010	8/1/2015	12/31/2015	5.97	360,000	120,000	-	-	240,000
Program 3	Series I	1/18/2013	1/18/2015	4/18/2015	3,53	1,800,000	-	-	-	1,800,000
	Series II	1/18/2013	1/18/2016	4/18/2016	3,71	1,800,000	-	-	-	1,800,000
	Series III	1/18/2013	1/18/2018	4/18/2018	3,91	1,800,000	-	-	-	1,800,000
	Series IV	1/18/2013	1/18/2019	4/18/2019	3,96	1,800,000	-	-	-	1,800,000
	Series V	1/18/2013	1/18/2020	4/18/2020	3,99	1,800,000	-	-	-	1,800,000
Total						**9,600,000**	**200,000**	**-**	**-**	**9,400,000**

(All amounts are in thousands of Brazilian real, unless otherwise stated)

22.4 Recognition and measurement of the fair value of share-based payments

Phantom Shares Plan

Since the Plan is settled in cash, Suzano has to revise the fair value of the phantom shares at every reporting date. As shown previously, the fair value is calculated as the average price of the SUZB5 share in the 90 previous trading sessions, by the volume traded on each date. This value is then multiplied by the Total Shareholder Return (TRS) in the period (which varies between 75% and 125%, depending on the performance of SUZB5 in relation to its peers in Brazil).

Stock Option Plan

To measure the fair value of the Class A preferred shares stock options of Program 2 and Program 3, the Company used, respectively, the mathematical model of approximation for options Bjerksund & Stensland, and the Binomial model, which considers the dividends distribution rate and the following mathematical assumptions:

Description of assumptions	Indexes	
	Options Program II	Options Program III
Calculation Model	Bjerksund-Stensland	Binomial
Asset base price (1)	R$7.02/ share	R$7.73/ share
Expectation of volatility (2)	40.02% p.a.	40.47% p.a.
Phantom stocks/options average life expectancy (3)	2.59 years	Same as option life
Dividends expectancy (4)	3.61% p.a.	3.49% p.a.
Risk-free weighted average interest rate (5)	average of 8.02%	average of 8.99%

(1) The asset base price was defined considering the arithmetic average of the closing price of the last 90 trading sessions for SUZB5 share;
(2) The expectation of volatility was calculated for each exercise date, taking into account the remaining time to complete the vesting period, as well as the historical volatility of returns, considering a standard deviation of 90 observations of returns;
(3) The expectation of average life of phantom stocks and stock options was defined by the remaining term until the limit exercise date;
(4) The expectation of dividends was defined based on historical earnings per share of the Company;
(5) Risk-free weighted average interest rate used was the BRL yield curve (DI expectation) observed on the open market, which is the best comparison basis with the Brazilian market risk-free interest rates. The rate used for each exercise date changes according to the vesting period.

(All amounts are in thousands of Brazilian real, unless otherwise stated)

The amounts corresponding to the services received and recognized in the financial statements are presented below:

	Parent Company and Consolidated			
	Liabilities and Shareholders' equity		Profit or loss	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Non-current liabilities				
Provision for phantom stocks plan	**20,469**	13,243	**(14,182)**	(8,548)
Provision for stock option plan	**-**	5,379	**1,759**	(4,231)
Total share-based compensation plan	**20,469**	18,622		
Shareholders' equity				
Stock option reserve	**16,367**	1,356	**(13,691)**	(164)
Profit or loss			**(26,114)**	(12,942)

23 Debts Related to Asset Acquisitions

The Company and its subsidiaries carried out transactions involving the acquisition of land and reforestation through “Purchase and Sale Agreements” and “Real Estate Receivables Certificates (“CRI”)”, as follows:

Acquiring companies	Suzano	Ondurman	Amulya
Features of the agreement			
Amount of the agreement	51,716	75,000	59,379
Type of property	Houses under construction	Land	Land
Type of agreement	CRI	CRI	CRI
Insurance / issuing company	RB Capital Companhia de Securitização	Brazilian Securities	Brazilian Securities
Trustee	Pentágono	Oliveira Trust Dist. Tít. Mob.	Oliveira Trust Dist. Tít. Mob.
Date of issue	12/13/2012	10/27/2009	2/21/2011
Final term	12/13/2024	10/27/2023	2/21/2025
Number of installments	11	168	168
Payment periods	Annually	Monthly	Monthly
Term	12 years (including 24 months grace period)	14 years	14 years
Readjustment index	IPCA index	Reference Rate	Reference Rate
Compensatory interest	5.68% p.a.	11.40%/p.a.	11.23%/p.a.

On December 31, 2013, debts are related to the acquisition of land, farms, reforestation and houses under construction in Maranhão, totaling R$177,688 in the Consolidated, presented under Debt from Acquisition of Assets in Current and Non-Current Liabilities (R$176,456 on December 31, 2012).

24 Shareholders’ Equity

24.1 Authorized capital

The Extraordinary Shareholders’ Meeting held on May 30, 2012 approved the creation of authorized capital for Common Shares and the change in the limit of authorized capital for class "A" preferred shares. By resolution of the Board of Directors or Shareholders' Meeting, the capital may be increased, independent of an amendment to the Bylaws, up to the limit of 260,040 thousand common shares, 517,080 thousand class "A" preferred shares and 3,000 thousand class "B" preferred shares, all exclusively book-entry shares.

(All amounts are in thousands of Brazilian real, unless otherwise stated)

24.2 Capital stock

On December 31, 2013, the capital stock of the Company was R$6,241,753, divided into 1,107,739 thousand shares without par value, of which 371,149 thousand are registered common shares, 734,649 thousand are class A preferred shares and 1,941 thousand are Class B preferred shares. A total of 22,941 thousand shares are held in treasury, of which 6,786 thousand are common shares, 14,245 thousand are class A preferred shares, and 1,910 thousand are class B preferred shares.

The composition of the capital stock is presented below:

SHAREHOLDER	COMMON SHARES		CLASS A PREFERRED SHARES		CLASS B PREFERRED SHARES		TOTAL SHARES	
	NUMBER	%	NUMBER	%	NUMBER	%	NUMBER	%
Suzano Holding S.A.	354,349,459	95.47	3,245,073	0.44	17,698	0.91	357,612,230	32.27
David Feffer	2,280	0.00	48,815,984	6.65	-	-	48,818,264	4.41
Daniel Feffer	2,280	0.00	44,151,315	6.01	-	-	44,153,595	3.99
Jorge Feffer	2,279	0.00	42,497,581	5.78	-	-	42,499,860	3.84
Ruben Feffer	2,280	0.00	42,930,798	5.84	-	-	42,933,078	3.88
Shareholders and Management	10,003,760	2.70	79,502,635	10.82	3,183	0.16	89,509,578	8.08
Sub-Total	**364,362,338**	**98.17**	**261,143,386**	**35.54**	**20,881**	**1.07**	**625,526,605**	**56.47**
BNDESPAR	-	-	129,509,862	17.63	-	-	129,509,862	11.69
Treasury	6,786,194	1.83	14,244,988	1.94	1,909,699	98.40	22,940,881	2.07
Other shareholders	-	-	329,751,090	44.89	10,239	0.53	329,761,329	29.77
TOTAL	**371,148,532**	**100.00**	**734,649,326**	**100.00**	**1,940,819**	**100.00**	**1,107,738,677**	**100.00**

On December 31, 2013, SUZB5 preferred stock ended the period quoted at R$9.24 (R$7.02 on December 31, 2012).

24.3 Reserves

Profit reserve

The reserve for capital increase is composed of 90% of the remaining balance of net income for the year, after dividends and legal reserve, and aims to ensure the Company adequate operational conditions.

The special statutory reserve includes the remaining 10% of the remaining balance of net income for the year and aims to ensure the distribution of dividends.

(All amounts are in thousands of Brazilian real, unless otherwise stated)

Capital reserve

The capital reserve is composed of the balances of the tax incentive reserve, the stock option reserve, the treasury shares the and the costs directly attributable to the Share Offering, which are primarily composed of the expenses with the fees and commissions charged by legal counsel, consultants and auditors.

24.4 Treasury shares

	Number of shares				R$	Average
	Common	Pref. A	Pref. B	Total	('000)	(R$)
Balance on 12/31/2012	6,786,194	8,948,388	1,909,699	17,644,281	273,522	15.50
Shares purchased	-	5,296,600	-	5,296,600	38,718	7.31
Balance on 12/31/2013	**6,786,194**	**14,244,988**	**1,909,699**	**22,940,881**	**312,240**	**13.61**

24.5 Equity valuation adjustment and other comprehensive income

Equity Valuation Adjustment

The Company recorded under “Other Comprehensive Income" the corresponding entries of deemed cost adjustments upon the adoption of the IFRS on January 1, 2009. This reserve changes as a result of the realization of items in property, plant and equipment as well as other offsetting entries arising from the adoption of IFRS.

Other Comprehensive Income (Loss)

The Company recorded under this balance sheet item the corresponding entries to Exchange Variation on investees abroad, gains or losses from the restatement of actuarial liabilities and the income (loss) from the conversion of debentures of the 5th issue into shares for Related Parties, net of deferred income and social contribution taxes.

24.6 Earnings (losses) per share

Basic

Basic earnings per share is calculated by dividing the profit attributable to the Company’s shareholders by the weighted average common shares issued during the period, excluding the common shares acquired by the Company and held as treasury shares.

(All amounts are in thousands of Brazilian real, unless otherwise stated)

	Common	Class A Preferred	Class B Preferred	Total
				12/31/2013
Loss attributed to shareholders	**(69,426)**	**(151,026)**	**(7)**	**(220,459)**
Weighted average number of shares in the period	**371,130**	**734,612**	**1,941**	**1,107,683**
Weighted average treasury shares	**(6,786)**	**(14,090)**	**(1,910)**	**(22,786)**
Weighted average number of outstanding shares	**364,344**	**720,522**	**31**	**1,084,897**
Basic loss per share	**(0.19055)**	**(0.20961)**	**(0.22581)**	

	Common	Class A Preferred	Class B Preferred	Total
				12/31/2012
Loss attributed to shareholders	(56,873)	(125,246)	(6)	(182,126)
Weighted average number of shares in the period	247,298	484,309	1,935	733,542
Weighted average treasury shares	(6,786)	(2,804)	(1,910)	(11,500)
Weighted average number of outstanding shares	240,512	481,505	25	722,042
Basic loss per share	**(0.23647)**	**(0.26011)**	**(0.24000)**	

Diluted

Diluted earnings per share is calculated by adjusting the weighted average of outstanding preferred and common shares assuming the conversion of all preferred and common shares that would cause dilution. The Company presents two categories of potential shares that would cause dilution: call options exercisable at the discretion of the holder and debentures convertible into common and preferred shares.

	Common	Class A Preferred	Class B Preferred	Total
				12/31/2013
Loss attributed to shareholders	**(69,185)**	**(151,267)**	**(7)**	**(220,459)**
Weighted average number of outstanding shares	**364,344**	**720,522**	**31**	**1,084,897**
Adjustment by stock options	**-**	**3,661**	**-**	**3,661**
Weighted average number of shares (diluted)	**364,344**	**724,183**	**31**	**1,088,558**
Diluted Loss per share	**(0.18989)**	**(0.20888)**	**(0.22581)**	

	Common	Class A Preferred	Class B Preferred	Total
				12/31/2012
Loss attributed to shareholders	(56,884)	(125,236)	(6)	(182,126)
Weighted average number of outstanding shares	240,512	481,505	25	722,042
Adjustment by stock options and debentures of the 5^{th} issue	3	(123)	-	(120)
Weighted average number of shares (diluted)	240,515	481,382	25	721,922
Diluted Loss per share	**(0.23651)**	**(0.26016)**	**(0.24000)**	

(All amounts are in thousands of Brazilian real, unless otherwise stated)

24.7 Dividends

Dividend distribution

On April 30, 2013, the Annual and Extraordinary Shareholders' Meeting (AGEO) approved the management proposal for distribution of dividends in the amount of R$100,000, to be distributed to shareholders and discounted from the Special Bylaws Reserve, as follows: R$ 0.08655 (zero point zero eight six five five reais) for full dividend common shares; R$ 0.09521 (zero point zero nine five two one reais) for full dividend class "A" preferred shares, R$ 0.34519 (zero point three four five one nine reais) for full dividend class "B" preferred shares; R$ 0.03984 (zero point zero three nine eight four reais) for pro rata common shares issued on July 16, 2012, and R$ 0.04669 (zero point zero four six six nine reais) for pro rata class "A" preferred shares issued on July 5, 2012. The dividends proposed herein were paid (credit to account) to shareholders on May 10, 2013, based on the shareholding position on this date, and shares will be traded "ex-rights" as from May 2, 2013.

On December 31, 2013, the Management proposed the payment of dividends amounting to R$122,000, with the amount deducted from the existing balance of the Profit Reserve.

25 Other Operating Income, Net

	Parent Company		Consolidated	
	12/31/2013	**12/31/2012**	**12/31/2013**	**12/31/2012**
Income (loss) on sale of other products	**(4,085)**	(387)	**9,150**	7,863
Gain with reduction of actuarial liability	**-**	2,475	**-**	2,475
Reversal of provision	**524**	4,800 (a)	**524**	4,800
Income (loss) from sale of fixed and biological assets	**(1,399)**	31,122 (b)	**(999)**	32,138
Amortization of intangible assets	**(4,523)**	(4,523)	**(14,426)**	(13,488)
Income (loss) from divestment	**124,835**	-	**124,835** (c)	-
Income (loss) from adjustment of fair value of biological assets	**99,998**	(9,423)	**95,179**	(9,423)
Restructuring expenses	**(8,456)**	-	**(8,456)**	-
Additional performance bonus	**(23,569)**	-	**(25,729)**	-
Partial write-off of expenses with suspended projects	**(85,749)** (d)	-	**(60,877)** (d)	-
Other operating income (expenses), net	**(10,195)**	1,519	**(13,899)**	7,297
Total other operating income	**225,357**	39,916	**229,688**	54,573
Total other operating expenses	**(137,976)**	(14,333)	**(124,386)**	(22,911)
Other operating income, net	**87,381**	25,583	**105,302**	31,662

a) In the fiscal year ended December 31, 2012, the provision for the sale of the Turmalina assets to comply with contractual clauses was partially reversed;
b) Includes the sale of non-strategic properties used by the Company in the amount of R$26,226;
c) Divestment of "Capim Branco", see Note 1.1 (b);
d) Includes expenses related to the suspension of projects (see Note 1.1. c)).

26 Operating lease agreements

The Company maintains operating lease agreements related to the lease of areas, offices, properties, a call center, hardware equipment and installation services, whose agreements were executed in Brazilian real and Management has no intention of buying the assets at the end of the agreement, and the term of the agreements are not equivalent.

(All amounts are in thousands of Brazilian real, unless otherwise stated)

Operating lease payments are recognized as operating expenses in the Company's income statement.

Description	Installment amount R$ (thousand)	Index	Maturity
Administrative office in Anhembi - SP	1	-	2/28/2014
Administrative office in Avaré - SP	2	-	6/11/2014
Administrative office in Araraquara - SP	1	IGP-M	5/2/2014
Administrative office in Rio Claro - SP	2	-	3/31/2014
Office/warehouse in São Simão - SP	1	-	10/31/2014
Administrative office in Rio Claro - SP	2	-	3/31/2014
Administrative office in Lençóis Paulista – SP5	1	-	5/31/2014
Administrative office in Itararé - SP	4	IGP-M	12/31/2015
Administrative office in Itatinga - SP	2	IGP-M	4/1/2014
Wood deposit in Salesópolis - SP	4	-	5/15/2014
Administrative office in Biritiba Mirim - SP	-	-	7/31/2014
Administrative office in Teresina - PI	6	IGP-M	9/1/2014
Administrative office in São Paulo - SP	320	IPCA/IBGE	6/22/2017
Call center and licenses	43	-	5/19/2015
Call center and licenses	17	-	8/15/2015

On December 31, 2013 and 2012, the minimum payments of maturing operating lease agreements were as follows:

	12/31/2013	12/31/2012
Less than 1 year	**4,744**	**4,503**
From 1 year to 3 years	**8,075**	**8,272**
From 3 years to 5 years	**1,919**	**5,400**
Total installments due	**14,738**	**18,175**

(All amounts are in thousands of Brazilian real, unless otherwise stated)

27 Net Financial Result

	Parent Company		Consolidated	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Interest income	**256,176**	302,944	**246,430**	295,198
Monetary and exchange variations gains	**359,675**	53,978	**322,329**	46,373
Derivative operations gains	**17,988**	6,434	**31,084**	9,372
Total financial income	**633,839**	363,356	**599,843**	350,943
Interest expenses	**(675,339)**	(564,343)	**(681,558)**	(575,291)
Monetary and exchange variations losses	**(1,046,881)**	(509,399)	**(1,034,722)**	(503,225)
Derivative operations losses	**(37,027)**	(24,961)	**(44,999)**	(36,068)
Other financial expenses	**(70,731)**	(67,700)	**(94,105)**	(91,698)
Total financial expenses	**(1,829,978)**	(1,166,403)	**(1,855,384)**	(1,206,282)
Net financial result	**(1,196,139)**	(803,047)	**(1,255,541)**	(855,339)

28 Net Revenue

The reconciliation of gross revenue and net revenue for the fiscal years ended December 31, 2013 and 2012 is shown below:

	Parent Company		Consolidated	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Gross sales revenue	**6,444,849**	5,785,037	**6,589,727**	5,981,761
Deductions				
Sales taxes	**(820,998)** (a)	(715,161)	**(829,685)** (a)	(722,316)
Returns and cancelations	**(52,203)**	(44,798)	**(57,627)**	(54,758)
Discounts and rebates	**(13,790)**	(12,395)	**(13,790)**	(12,395)
Net Revenue	**5,557,858**	5,012,683	**5,688,625**	5,192,292

a) Includes the social contribution paid to Brazil's National Institute of Social Security (INSS), instituted by Law 12,715/12 and Decree 7,828/12 corresponding to 1% of gross revenue, valid through December 31, 2014.

29 Information by Segment

29.1 Operating segment

Management defined Pulp and Paper as the Group's operational segments. The information presented under "Not Segmented" is related to expenses not directly attributed to the Pulp and Paper segments, such as, expenses with information technology, net financial result, administrative expenses and other.

The main information, consolidated by business segment, corresponding to the fiscal years ended December 31, 2013 and 2012 is as follows:

(All amounts are in thousands of Brazilian real, unless otherwise stated)

	12/31/2013				12/31/2012			Consolidated
	Pulp	Paper	Not segmented	Total	Pulp	Paper	Not segmented	Total
Net revenue	**2,577,288**	**3,111,337**	-	**5,688,625**	2,188,731	3,003,561	-	5,192,292
Net financial result	-	-	**(1,255,541)**	**(1,255,541)**	-	-	(855,339)	(855,339)
Other operating income, net	-	-	**105,302**	**105,302**	-	-	31,662	31,662
Operating income (expense)	**412,388**	**457,877**	**(1,150,239)**	**(279,974)**	118,247	385,994	(815,225)	(310,984)
Total assets	**12,832,084**	**5,527,949**	**8,789,310**	**27,149,343**	11,288,150	5,213,124	8,852,163	25,353,437

29.2 Information on geographic areas

The geographic areas are determined based on the location of consumer markets. The Company's net revenue classified by geographic region can be represented as follows:

	12/31/2013			12/31/2012		Consolidated
	Pulp	Paper	Total	Pulp	Paper	Total
Net revenue	**2,577,288**	**3,111,337**	**5,688,625**	2,188,731	3,003,561	5,192,292
Domestic market	**523,206**	**2,185,989**	**2,709,195**	457,633	2,068,146	2,525,779
Foreign market	**2,054,082**	**925,348**	**2,979,430**	1,731,098	935,415	2,666,513
Asia	**940,401**	**30,226**	**970,627**	776,396	53,808	830,204
Europe	**785,353**	**139,822**	**925,175**	718,812	149,632	868,444
North America	**289,926**	**361,359**	**651,285**	190,827	289,635	480,462
South and Central America	**38,402**	**389,362**	**427,764**	45,063	437,919	482,982
Africa	**-**	**4,579**	**4,579**	-	4,421	4,421

30 Expenses by Nature

	Parent Company		Consolidated	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012
Variable and fixed costs, other selling and administrative expenses	**3,135,094**	3,206,090	**3,220,172**	3,297,157
Personnel expenses	**688,419**	632,962	**708,802**	655,172
Depreciation, depletion and amortization	**877,260**	709,697	**889,386**	727,270
	4,700,773	4,548,749	**4,818,360**	4,679,599

31 Assets Held for Sale

In the fiscal year ended December 31, 2013, the sale of non-strategic property, plant and equipment classified as held for sale was concluded, and the result of R$130,222 was recorded net under Other Operating Income, Net (Note 25).

(All amounts are in thousands of Brazilian real, unless otherwise stated)

On December 31, 2012, the Company had the following assets held for sale:

Asset	Company	Class of fixed assets	Book Value 12/31/2012
Interest in Capim Branco Energia Consortium	Paineiras	Other Assets (Hydro Power Plant)	185,034
Land	Suzano	Land	189
Property	Suzano	Buildings	1,675
			186,898

Hydroelectric Plant – Interest in the Amador Aguiar Plant (Capim Branco) in Minas Gerais. On December 31, 2012, the Company had a loan from BNDES related to this asset, recorded under Loans and Financing in the Consolidated balance sheet, amounting to R$35,344 under current liabilities.

Land – Refers to the land estates in Jundiapeba/SP sold at an auction in December 2012; and

Property – Refers to an industrial property in São Paulo not used by the Company, sold through an auction in December 2012.

On December 31, 2012, the advances received from the land and property sales, amounting to R$1,850 and R$2,160, respectively, are shown separately in the financial statements under “Advances related to assets held for sale”.

32 Commitments

32.1 Vale Florestar

In 2009, the Company entered into an agreement with Vale to acquire 31.5 million m^3 of timber from eucalyptus cultivated under the program “Vale Florestar” being implemented in the state of Pará 2007, for delivery to the Company from 2014 to 2028. The prices of these volumes, which are calculated based on formulas established in the agreement, will be ascertained at harvest.

32.2 Rail freight

To serve an important part of the logistics structure required for the future Maranhão Industrial Unit, the Company entered into an agreement with Ferrovia Norte Sul S.A. for the rail transport of 1.3 million tons/year of eucalyptus pulp as of 2014, for the period of 360 months as of the first day of the month immediately after the effective startup of this new industrial plant.

32.3 Construction of the Maranhão industrial unit

The Company entered into agreements with the suppliers mentioned below for the acquisition of items used in the construction of the Maranhão unit, in the approximate amount of R$2,973,789, which includes the initial contracted amount and additions made over the course of construction. On December 31, 2013, the residual balance of these commitments corresponds to approximately 5% of the contracted amount. The agreements include clauses related to performance guarantees after the operational startup of the unit and fines conditioned on the meeting of assessment parameters, which are still being ascertained.

(All amounts are in thousands of Brazilian real, unless otherwise stated)

Supplier	**Contract date**	**Description of items**
CentroProjekt do Brasil S.A.	3/23/2012	Sewage Treatment Station (“ETE”)
Veolia Water Systems Brasil Ltda	12/19/2011	Water Treatment Station ("ETA") and Boiler Water Treatment Station ("ETAC")
Siemens	4/18/2011	Turbo generator and Power Transmission and Distribution System up to 230 kV
Metso	4/18/2011	(i) Timber Yard; (ii) Firing and Washing; (iii) Fiber Line; (iv) 2 Driers, Baling and Shipping; (v) Recovery and Biomass Boiler; (vi) Causticizing and Lime Kiln; (vii) Evaporation; and (viii) integrated automation systems (DCS - Distributed Control System).

33 Insurance Coverage

In order to protect its assets and liabilities, the Company takes insurance cover for risks that, if they eventually occur, may lead to losses that significantly impact the assets and/or results of the Company, considering the risks subject to mandatory insurance, whether required by legal or contractual provisions.

Some of the main insurance types contracted by the Company are:

- **Operating Risks:** Coverage against material damage caused to buildings, machinery and equipment, furniture and fixtures caused by fire, lightning and explosion, removal of debris, flooding, breakdown of machinery and electrical damage, as well as Loss of Gross Revenue caused by the interruption of production arising from material damages. On December 31, 2013, the insured amount was R$17,036,528 and the maximum limit of damages is R$5,447,500.

- **Directors and Officers Liability (D&O):** Coverage taken to protect the civil liability of Executives against losses and damages arising from their activities as Directors, Executive Officers and Managers of the Company. On December 31, 2013, the insured amount was R$55,000.

- **Civil and General Liability:** To reimburse the company for damages arising from final and unappealable court decisions or agreements previously approved and authorized by the insurance company caused by involuntary damages, whether material and/or physical, to third parties as a result of the industrial and/or commercial activities, including accidental pollution. The insurance also covers, among other things, the liability of the employer, contingent vehicles, and products within Brazil. On December 31, 2013, the insured amount was R$10,000.

Other Information Deemed as Relevant by the Company

Other Information Deemed as Relevant by the Company

In compliance with the Corporate Governance Special Practices Rules (Level 1), below, a statement of the ownership structure of investor or shareholder owning more than 5% of shares of each type and class of the Company's capital stock, directly or indirectly, including individuals, on December 31, 2013.

OWNERSHIP STRUCTURE - SUZANO PAPEL E CELULOSE S/A - Position on 12/31/2013

CAPITAL STOCK - R$ 6,241,753,032.16 (Board of Directors' Meeting - RCA of 12/26/2013)

SHAREHOLDER	COMMON SHARES		CLASS "A" PREFERRED SHARES		CLASS "B" PREFERRED SHARES		TOTAL	
	NUMBER OF SHARES	%	NUMBER OF SHARES	%	NUMBER OF SHARES	%	NUMBER OF SHARES	%
SUZANO HOLDING S A	354,349,459	95.47%	3,245,073	0.44%	17,698	0.91%	357,612,230	32.28%
DAVID FEFFER	2,280	0.00%	48,815,984	6.64%	-	0.00%	48,818,264	4.41%
DANIEL FEFFER	2,280	0.00%	44,151,315	6.01%	-	0.00%	44,153,595	3.99%
JORGE FEFFER	2,279	0.00%	42,497,581	5.78%	-	0.00%	42,499,860	3.84%
RUBEN FEFFER	2,280	0.00%	42,930,798	5.84%	-	0.00%	42,933,078	3.88%
CONTROLLING SHAREHOLDERS AND MANAGEMENT	10,003,760	2.70%	79,502,635	10.82%	3,183	0.16%	89,509,578	8.08%
BNDES PART SA BNDESPAR	-	0.00%	129,509,862	17.63%	-	0.00%	129,509,862	11.69%
TREASURY	6,786,194	1.83%	14,244,988	1.94%	1,909,699	98.40%	22,940,881	2.07%
Other Shareholders	-	0.00%	329,751,090	44.89%	10,239	0.53%	329,761,329	29.77%
TOTAL	371,148,532	100.00%	734,649,326	100.00%	1,940,819	100.00%	1,107,738,677	100.00%

OWNERSHIP STRUCTURE - SUZANO HOLDING S.A - Position on 12/31/2013

CAPITAL STOCK: R$ 1,953,374,350.97 (Annual and Extraordinary Shareholders' Meeting - AGOE of 4/30/2013)

SHAREHOLDER	COMMON SHARES		CLASS "A" PREFERRED SHARES		CLASS "B" PREFERRED SHARES		TOTAL	
	NUMBER OF SHARES	%	NUMBER OF SHARES	%	NUMBER OF SHARES	%	NUMBER OF SHARES	%
FANNY FEFFER	19,471,470	27.50%	17,696,891	25.81%	8,069,675	27.52%	45,238,036	26.82%
DAVID FEFFER	12,833,469	18.13%	12,249,431	17.86%	5,312,663	18.12%	30,395,563	18.02%
DANIEL FEFFER	12,833,469	18.13%	12,181,059	17.76%	5,312,663	18.12%	30,327,191	17.98%
JORGE FEFFER	12,833,469	18.13%	12,087,374	17.63%	5,312,663	18.12%	30,233,506	17.92%
RUBEN FEFFER	12,833,469	18.13%	11,988,727	17.48%	5,312,663	18.12%	30,134,859	17.86%
OTHER	-	0.00%	2,369,295	3.46%	3	0.00%	2,369,298	1.40%
TOTAL	70,805,346	100.00%	68,572,777	100.00%	29,320,330	100.00%	168,698,453	100.00%

OWNERSHIP STRUCTURE - IPLF HOLDING S.A - Position on 12/31/2013

CAPITAL STOCK R$ 405,279,982.75 (Annual and Extraordinary Shareholders' Meeting - AGOE of 4/30/2013)

SHAREHOLDER	COMMON SHARES		PREFERRED SHARES		TOTAL	
	NUMBER OF SHARES	%	NUMBER OF SHARES	%	NUMBER OF SHARES	%
FANNY FEFFER	150,232,500	27.50%	1,762	27.49%	150,234,262	27.50%
DANIEL FEFFER	99,016,875	18.13%	1,161	18.12%	99,018,036	18.12%
DAVID FEFFER	99,016,875	18.13%	1,161	18.12%	99,018,036	18.12%
JORGE FEFFER	99,016,875	18.13%	1,161	18.12%	99,018,036	18.12%
RUBEN FEFFER	99,016,875	18.13%	1,161	18.12%	99,018,036	18.12%
OTHER	-	0.00%	3	0.05%	3	0.00%
TOTAL	546,300,000	100.00%	6,409	100.00%	546,306,409	100.00%

Other Information Deemed as Relevant by the Company

In compliance with the Corporate Governance Special Practices Rules (Level 1), below, a statement of the amount and characteristics of securities issued by the Company to which the Controlling Shareholder, officers and members of the Fiscal Council, Board of Directors and Management Committee are direct or indirect holders, on December 31, 2013 and 2012.

OWNERSHIP STRUCTURE - SUZANO PAPEL E CELULOSE S/A - Position on 12/31/2013
CAPITAL STOCK - R$ 6,241,753,032.16 (Board of Directors' Meeting - RCA of 12/26/2013)

SHAREHOLDER	COMMON SHARES		CLASS "A" PREFERRED SHARES		CLASS "B" PREFERRED SHARES		TOTAL	
	NUMBER OF SHARES	%	NUMBER OF SHARES	%	NUMBER OF SHARES	%	NUMBER OF SHARES	%
CONTROLLING SHAREHOLDER	364,362,338	98.17%	259,425,722	35.31%	20,881	1.08%	623,808,941	56.31%
TREASURY	6,786,194	1.83%	14,244,988	1.94%	1,909,699	98.40%	22,940,881	2.07%
BOARD OF DIRECTORS	-	0.00%	1,635,064	0.22%	-	0.00%	1,635,064	0.15%
BOARD OF EXECUTIVE OFFICERS	-	0.00%	68,400	0.01%	-	0.00%	68,400	0.01%
FISCAL COUNCIL	-	0.00%	14,200	0.00%	-	0.00%	14,200	0.00%
MANAGEMENT COMMITTEE	-	0.00%	-	0.00%	-	0.00%	-	0.00%
Other Shareholders	-	0.00%	459,260,952	62.51%	10,239	0.53%	459,271,191	41.46%
TOTAL	371,148,532	100.00%	734,649,326	100.00%	1,940,819	100.00%	1,107,738,677	100.00%

OWNERSHIP STRUCTURE - SUZANO PAPEL E CELULOSE S/A - Position on 12/31/2012
CAPITAL STOCK - R$ 6,240,708,616.48 (Board of Directors' Meeting - RCA of 9/19/2012)

SHAREHOLDER	COMMON SHARES		CLASS "A" PREFERRED SHARES		CLASS "B" PREFERRED SHARES		TOTAL	
	NUMBER OF SHARES	%	NUMBER OF SHARES	%	NUMBER OF SHARES	%	NUMBER OF SHARES	%
CONTROLLING SHAREHOLDER	364,341,870	98.17%	258,674,522	35.21%	20,781	1.07%	623,037,173	56.25%
TREASURY	6,786,194	1.83%	8,948,388	1.22%	1,909,699	98.40%	17,644,281	1.59%
BOARD OF DIRECTORS	-	0.00%	68,747	0.01%	-	0.00%	68,747	0.01%
BOARD OF EXECUTIVE OFFICERS	-	0.00%	1,572,899	0.21%	-	0.00%	1,572,899	0.14%
FISCAL COUNCIL	-	0.00%	14,200	0.00%	-	0.00%	14,200	0.00%
MANAGEMENT COMMITTEE	-	0.00%	128,353	0.02%	-	0.00%	128,353	0.01%
Other Shareholders	-	0.00%	465,201,321	63.33%	10,339	0.53%	465,211,660	42.00%
TOTAL	371,128,064	100.00%	734,608,430	100.00%	1,940,819	100.00%	1,107,677,313	100.00%

In compliance with the Corporate Governance Special Practices Rule (Level 1), below, a statement of the number of outstanding shares and their percentage in relation to total shares issued, on December 31, 2013.

OWNERSHIP STRUCTURE - SUZANO PAPEL E CELULOSE S/A - Position on 12/31/2013
CAPITAL STOCK - R$ 6,241,753,032.16 (Board of Directors' Meeting - RCA of 12/26/2013)

SHAREHOLDER	COMMON SHARES		CLASS "A" PREFERRED SHARES		CLASS "B" PREFERRED SHARES		TOTAL	
	NUMBER OF SHARES	%	NUMBER OF SHARES	%	NUMBER OF SHARES	%	NUMBER OF SHARES	%
SUZANO HOLDING S.A.	354,349,459	95.47%	3,245,073	0.44%	17,698	0.91%	357,612,230	32.28%
DAVID FEFFER	2,280	0.00%	48,815,984	6.64%	-	0.00%	48,818,264	4.41%
DANIEL FEFFER	2,280	0.00%	44,151,315	6.01%	-	0.00%	44,153,595	3.99%
JORGE FEFFER	2,279	0.00%	42,497,581	5.78%	-	0.00%	42,499,860	3.84%
RUBEN FEFFER	2,280	0.00%	42,930,798	5.84%	-	0.00%	42,933,078	3.88%
TREASURY	6,786,194	1.83%	14,244,988	1.94%	1,909,699	98.40%	22,940,881	2.07%
OTHER CONTROLLING SHAREHOLDERS	10,003,760	2.70%	77,799,171	10.59%	3,183	0.16%	87,806,114	7.93%
MANAGEMENT*	-	0.00%	1,703,464	0.23%	-	0.00%	1,703,464	0.15%
OUTSTANDING SHARES	-	0.00%	459,260,952	62.51%	10,239	0.53%	459,271,191	41.46%
TOTAL	371,148,532	100.00%	734,649,326	100.00%	1,940,819	100.00%	1,107,738,677	100.00%

***Management** = Board of Executive Officers, Board of Directors

FISCAL COUNCIL REPORT

The Shareholders, members of the FISCAL COUNCIL of Suzano Papel e Celulose S.A. in a meeting held on this date, and in the use of their legal and statutory attributions reviewed the Management Report, the Financial Statements, the Consolidated Financial Statements and corresponding notes, the Proposal for Allocation of Net Income for the Year, referring to the fiscal year ended December 31, 2013, accompanied by the independent auditors' report on the financial statements, "KPMG Auditores Independentes", as well as the Projection of the Company's Results, pursuant to CVM Rule 371 of June 27, 2002, which comply with the legal precepts and they favorably approve the aforementioned documents.

São Paulo, March 13, 2014

Rubens Barletta

Luiz Augusto Marques Paes

Amauri Sebastião Niehues

Reports and Declarations / Management Statement on the Financial Statements

Reports and Declarations / Management Statement on the Financial Statements

FOR THE PURPOSE OF ARTICLE 25 OF CVM RULE 480/09

I declare, in the capacity of Executive Officer of Suzano Papel e Celulose S.A., a corporation headquartered in the city of Salvador, state of Bahia, located at Avenida Professor Magalhães Neto, 1752 – 10° andar, salas 1009, 1010 e 1011, CEP 41810-011, corporate taxpayer ID (CNPJ/MF) 16.404.287/0001-55 ("Company"), pursuant to items V and VI of Paragraph 1 of Article 25 of CVM Rule 480 of December 7, 2009, that jointly with other members of the Company's board of executive officers, I reviewed, discussed and agreed with the Company's financial statements related to the fiscal year ended December 31, 2013.

São Paulo, March 13, 2014

Walter Schalka
Chief Executive Officer

Alberto Monteiro de Queiroz Netto
Chief Financial and Investor Relations Officer

Alexandre Chueri Neto
Executive Officer of the Forest Business Unit

Carlos Alberto Griner
Chief Human Resources Officer

Carlos Anibal Fernandes de Almeida Júnior
Paper Business Unit Executive Officer

Ernesto Peres Pousada Junior
Chief Operations Officer

Reports and Declarations / Management Statement on the Independent Auditor's Report

Reports and Declarations / Management Statement on the Independent Auditor's Report

FOR THE PURPOSE OF ARTICLE 25 OF CVM RULE 480/09

I declare in the capacity of Executive Officer of Suzano Papel e Celulose S.A., a corporation headquartered in the city of Salvador, state of Bahia, located at Avenida Professor Magalhães Neto, 1752 – 10° andar, salas 1009, 1010 e 1011, CEP 41810-011, corporate taxpayer ID (CNPJ/MF) 16.404.287/0001-55 ("Company"), pursuant to items V and VI of Paragraph 1 of Article 25 of CVM Rule 480 of December 7, 2009, that jointly with other members of the Company's board of executive officers, I reviewed, discussed and agreed with the independent auditors' report on the financial statements related to the fiscal year ended December 31, 2013.

São Paulo, March 13, 2014

Walter Schalka
Chief Executive Officer

Alberto Monteiro de Queiroz Netto
Chief Financial and Investor Relations Officer

Alexandre Chueri Neto
Executive Officer of the Forest Business Unit

Carlos Alberto Griner
Chief Human Resources Officer

Carlos Anibal Fernandes de Almeida Júnior
Paper Business Unit Executive Officer

Ernesto Peres Pousada Junior
Chief Operations Officer