

Suzano Papel e Celulose S.A.

**ITR - Quarterly Information -
march 31, 2014**

(a free translation of the original in portuguese)



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Report on the quarterly financial information (ITR) review

To the Directors and Managers of
Suzano Papel e Celulose S.A.
Salvador - BA

Introduction

We have reviewed the individual and consolidated interim financial information of Suzano Papel e Celulose S.A., identified as Parent Company and Consolidated, respectively, included in the Quarterly Financial Information referring to the quarter ended March 31, 2014, comprising the balance sheet as of March 31, 2014 and the statements of income and comprehensive income, the statement of changes in equity and cash flow statement for the three-month period ended, including the explanatory notes.

The management of the Company is responsible for the preparation and fair presentation of these individual interim financial information in accordance with Committee for Accounting Pronouncements CPC 21 (R1) - Interim Financial Information and the consolidated interim financial information in accordance with CPC 21 (R1) and the international standard IAS 34 - Interim Financial Reporting, as issued by the International Accounting Standards Board - IASB, and presented in a manner consistent with the rules of the Brazilian Securities and Exchange Commission applicable to the preparation of Quarterly Financial Information. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the Brazilian and International Standards on interim financial information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with standards on auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the individual financial interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual interim financial information included in the Quarterly Financial Information described above are not prepared, in all material respects, in accordance with CPC 21 (R1) applicable to the preparation of Quarterly Financial Information - ITR and presented in a manner consistent with the rules issued by the Brazilian Securities and Exchange Commission.



Conclusion on the consolidated financial interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information included in the Quarterly Financial Information described above are not prepared, in all their material respects, in accordance with CPC 21 (R1) and IAS 34 applicable to the preparation of the Quarterly Financial Information - ITR and presented in a manner consistent with the rules issued by the Brazilian Securities and Exchange Commission.

Other matters

Statements of value added

We also reviewed the individual and consolidated statements of value added (DVA), for the three-month period ended on March 31, 2014, prepared under management's responsibility, for which the disclosure in the interim information is required in accordance with the rules issued by the Brazilian Securities and Exchange Commission applicable to the preparation of Quarterly Financial Information and considered additional information for IFRS which does not require this disclosure. These statements were submitted to the same review procedures previously described and, based on our review, nothing has come to our attention that would lead us to believe that they have not been fairly stated, in all its material respects, in accordance with the individual and consolidated Quarterly Financial Information taken as whole.

São Paulo, May 09, 2014

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



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Company Information / Capital Breakdown

| Number of Shares (in thousands) | Current Quarter 3/31/2014 |
|--|--------------------------------------|
| Paid-in Capital | |
| Common | 371,149 |
| Preferred | 736,590 |
| Total | 1,107,739 |
| Treasury Shares | |
| Common | 6,786 |
| Preferred | 14,355 |
| Total | 21,141 |

Company Information / Cash Dividends

| Event | Approval | Type | Date of Payment | Type of Share | Class of Share | Amount per Share (R\$/share) |
|--|-----------------|-------------|------------------------|----------------------|-----------------------|---|
| 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 |

Individual Financial Statements / Balance Sheet - Assets**R\$ (in thousands)**

| Code | Description | Current quarter 3/31/2014 | Previous year 12/31/2013 |
|---------------|---|--------------------------------------|-------------------------------------|
| 1 | Total Assets | 26,759,008 | 26,860,024 |
| 1.01 | Current Assets | 6,277,575 | 6,506,048 |
| 1.01.01 | Cash and Cash Equivalents | 2,129,476 | 2,648,159 |
| 1.01.03 | Receivables | 2,724,458 | 2,760,655 |
| 1.01.03.01 | Trade | 2,724,458 | 2,760,655 |
| 1.01.04 | Inventories | 899,988 | 713,613 |
| 1.01.06 | Recoverable Taxes | 380,870 | 277,485 |
| 1.01.06.01 | Current Recoverable Taxes | 380,870 | 277,485 |
| 1.01.06.01.01 | Recoverable Income and Social Contribution Taxes | 51,551 | 58,149 |
| 1.01.06.01.02 | Other Recoverable Taxes | 329,319 | 219,336 |
| 1.01.07 | Prepaid Expenses | 6,359 | 6,813 |
| 1.01.08 | Other Current Assets | 136,424 | 99,323 |
| 1.01.08.03 | Other | 136,424 | 99,323 |
| 1.01.08.03.01 | Unrealized Derivatives Gains | 6,899 | 2,534 |
| 1.01.08.03.02 | Other Accounts Receivable | 82,933 | 52,663 |
| 1.01.08.03.04 | Receivables from Properties and Forests Sold | 4,718 | 6,931 |
| 1.01.08.03.05 | Advance to Suppliers - Development Program | 38,431 | 34,529 |
| 1.01.08.03.06 | Receivables from Subsidiaries | 3,443 | 2,666 |
| 1.02 | Non-Current Assets | 20,481,433 | 20,353,976 |
| 1.02.01 | Long-Term Assets | 3,959,658 | 3,969,961 |
| 1.02.01.05 | Biological Assets | 3,074,961 | 3,023,522 |
| 1.02.01.08 | Receivables from Related Parties | 45,772 | 44,821 |
| 1.02.01.08.02 | Receivables from Subsidiaries | 45,772 | 44,821 |
| 1.02.01.09 | Other Non-Current Assets | 838,925 | 901,618 |
| 1.02.01.09.04 | Other Recoverable Taxes | 445,668 | 510,578 |
| 1.02.01.09.05 | Advance to Suppliers - Development Program | 251,860 | 251,910 |
| 1.02.01.09.06 | Other Receivables | 26,366 | 26,496 |
| 1.02.01.09.07 | Receivables/Indemnification from Land Expropriation | 56,721 | 56,721 |
| 1.02.01.09.08 | Judicial Deposits | 58,310 | 55,913 |
| 1.02.02 | Investments | 322,690 | 326,234 |
| 1.02.02.01 | Equity Interest | 322,690 | 326,234 |
| 1.02.02.01.02 | Interest in Subsidiaries | 322,690 | 326,234 |
| 1.02.03 | Property, Plant and Equipment | 16,121,580 | 15,993,588 |
| 1.02.03.01 | Operational Property, Plant and Equipment | 15,458,580 | 11,084,388 |
| 1.02.03.02 | Leased Property, Plant and Equipment | 27,536 | 30,107 |
| 1.02.03.03 | Construction in Progress | 635,464 | 4,879,093 |
| 1.02.04 | Intangible Assets | 77,505 | 64,193 |
| 1.02.04.01 | Intangible Assets | 77,505 | 64,193 |
| 1.02.04.01.02 | Goodwill | 34,057 | 34,057 |
| 1.02.04.01.03 | Other Intangible Assets | 43,448 | 30,136 |

Individual Financial Statements / Balance Sheet - Liabilities**R\$ (in thousands)**

| Code | Description | Current quarter 3/31/2014 | Previous year 12/31/2013 |
|---------------|--|--------------------------------------|-------------------------------------|
| 2 | Total Liabilities | 26,759,008 | 26,860,024 |
| 2.01 | Current Liabilities | 1,980,814 | 2,167,727 |
| 2.01.01 | Payroll and Related Charges | 95,671 | 122,329 |
| 2.01.01.01 | Payroll Charges Liabilities | 10,383 | 10,946 |
| 2.01.01.02 | Labor Liabilities | 85,288 | 111,383 |
| 2.01.02 | Trade Accounts Payable | 595,987 | 857,227 |
| 2.01.02.01 | Domestic Suppliers | 557,063 | 816,275 |
| 2.01.02.02 | Foreign Suppliers | 38,924 | 40,952 |
| 2.01.03 | Tax Liabilities | 58,369 | 50,795 |
| 2.01.03.01 | Federal Tax Liabilities | 50,424 | 33,554 |
| 2.01.03.02 | State Tax Liabilities | 4,784 | 12,511 |
| 2.01.03.03 | Municipal Tax Liabilities | 3,161 | 4,730 |
| 2.01.04 | Loans and Financing | 1,053,473 | 956,848 |
| 2.01.04.01 | Loans and Financing | 1,049,063 | 955,462 |
| 2.01.04.01.01 | In Domestic Currency | 537,604 | 534,605 |
| 2.01.04.01.02 | In Foreign Currency | 511,459 | 420,857 |
| 2.01.04.02 | Debentures | 4,410 | 1,386 |
| 2.01.05 | Other Liabilities | 177,314 | 180,528 |
| 2.01.05.01 | Related Party Liabilities | 33,251 | 49,094 |
| 2.01.05.01.02 | Debts with Subsidiaries | 33,251 | 49,094 |
| 2.01.05.02 | Other | 144,063 | 131,434 |
| 2.01.05.02.01 | Dividends and Interest on Shareholders' Equity Payable | 647 | 647 |
| 2.01.05.02.04 | Unrealized Derivative Losses | 17,362 | 15,206 |
| 2.01.05.02.05 | Accounts Payable | 106,872 | 109,026 |
| 2.01.05.02.06 | Debt from Acquisition of Land and Reforestation | 9,094 | 0 |
| 2.01.05.02.08 | Advance from Customers | 10,088 | 6,555 |
| 2.02 | Non-Current Liabilities | 13,874,656 | 14,005,058 |
| 2.02.01 | Loans and Financing | 10,247,868 | 10,381,873 |
| 2.02.01.01 | Loans and Financing | 10,120,045 | 10,249,603 |
| 2.02.01.01.01 | In Domestic Currency | 5,129,659 | 5,161,624 |
| 2.02.01.01.02 | In Foreign Currency | 4,990,386 | 5,087,979 |
| 2.02.01.02 | Debentures | 127,823 | 132,270 |
| 2.02.02 | Other Liabilities | 1,513,002 | 1,568,837 |
| 2.02.02.01 | Related Party Liabilities | 1,436,374 | 1,486,879 |
| 2.02.02.01.02 | Debts with Subsidiaries | 1,436,374 | 1,486,879 |
| 2.02.02.02 | Other | 76,628 | 81,958 |
| 2.02.02.02.03 | Unrealized Derivative Losses | 12,031 | 14,662 |
| 2.02.02.02.04 | Accounts Payable | 12,971 | 8,727 |
| 2.02.02.02.05 | Debt from Acquisition of Land and Reforestation | 51,626 | 58,569 |
| 2.02.03 | Deferred Taxes | 1,581,362 | 1,513,087 |
| 2.02.03.01 | Deferred Income and Social Contribution Taxes | 1,581,362 | 1,513,087 |
| 2.02.04 | Provisions | 532,424 | 541,261 |
| 2.02.04.01 | Provisions for Tax, Pension, Labor and Civil Claims | 204,602 | 200,413 |
| 2.02.04.02 | Other Provisions | 327,822 | 340,848 |
| 2.02.04.02.04 | Provision for Actuarial Liabilities | 258,928 | 255,138 |
| 2.02.04.02.05 | Share-Based Payments | 16,575 | 20,469 |

Individual Financial Statements / Balance Sheet - Liabilities**R\$ (in thousands)**

| Code | Description | Current quarter 3/31/2014 | Previous year 12/31/2013 |
|---------------|---|--------------------------------------|-------------------------------------|
| 2.02.04.02.06 | Provision for Losses of Investments in Subsidiaries | 52,319 | 65,241 |
| 2.03 | Equity | 10,903,538 | 10,687,239 |
| 2.03.01 | Paid-in Capital | 6,241,753 | 6,241,753 |
| 2.03.02 | Capital Reserves | -222,910 | -235,998 |
| 2.03.02.04 | Granted Options | 20,941 | 16,367 |
| 2.03.02.05 | Treasury Shares | -303,726 | -312,240 |
| 2.03.02.07 | Tax Incentives | 75,317 | 75,317 |
| 2.03.02.09 | Costs with Share Issue | -15,442 | -15,442 |
| 2.03.04 | Income Reserve | 2,187,427 | 2,187,427 |
| 2.03.04.01 | Legal Reserve | 231,926 | 231,926 |
| 2.03.04.08 | Additional Dividend Proposed | 122,000 | 122,000 |
| 2.03.04.11 | Reserve to Increase Capital | 1,833,501 | 1,833,501 |
| 2.03.05 | Retained Earnings/Accumulated Losses | 212,200 | 0 |
| 2.03.06 | Equity Valuation Adjustment | 2,567,082 | 2,578,237 |
| 2.03.08 | Other Comprehensive Income (Loss) | -82,014 | -84,180 |

Individual Financial Statements / Statement of Income**R\$ (in thousands)**

| Code | Description | Year-to-date 1/1/2014 to 3/31/2014 | Previous year 1/1/2013 to 3/31/2013 |
|-------------|--|---|--|
| 3.01 | Income from the Sale of Goods and/or Services Rendered | 1,391,628 | 1,131,762 |
| 3.02 | Cost of Goods Sold and/or Services Rendered | -969,182 | -826,396 |
| 3.03 | Gross Profit | 422,446 | 305,366 |
| 3.04 | Operating Expense/Income | -190,300 | -168,877 |
| 3.04.01 | Selling Expenses | -119,177 | -104,874 |
| 3.04.02 | General and Administrative Expenses | -80,431 | -80,468 |
| 3.04.04 | Other Operating Income | 31,500 | 3,733 |
| 3.04.05 | Other Operating Expenses | -29,404 | -1,772 |
| 3.04.06 | Equity Pick-up in Subsidiaries and Affiliates | 7,212 | 14,504 |
| 3.05 | Earnings Before Financial Result and Taxes | 232,146 | 136,489 |
| 3.06 | Financial Income (Expenses) | 56,653 | -78,023 |
| 3.06.01 | Financial Income | 659,485 | 240,489 |
| 3.06.02 | Financial Expenses | -602,832 | -318,512 |
| 3.07 | Earnings Before Income Taxes | 288,799 | 58,466 |
| 3.08 | Income and Social Contribution Taxes | -87,754 | -16,518 |
| 3.08.01 | Current | -19,479 | -4,668 |
| 3.08.02 | Deferred | -68,275 | -11,850 |
| 3.09 | Net Income/(Loss) from Continued Operations | 201,045 | 41,948 |
| 3.11 | Net Income for the Period | 201,045 | 41,948 |
| 3.99 | Earnings per Share - (Reais/Share) | | |
| 3.99.01 | Basic Earnings per Share | | |
| 3.99.01.01 | Common | 0.17359 | 0.03624 |
| 3.99.01.02 | Class A Preferred | 0.19095 | 0.03987 |
| 3.99.01.03 | Class B Preferred | 0.19355 | 0.03226 |
| 3.99.02 | Diluted Earnings per Share | | |
| 3.99.02.01 | Common | 0.17359 | 0.03624 |
| 3.99.02.02 | Class A Preferred | 0.19005 | 0.03987 |
| 3.99.02.03 | Class B Preferred | 0.19355 | 0.03226 |

Individual Financial Statements / Statement of Comprehensive Income

R\$ (in thousands)

| Code | Description | Year-to-date 1/1/2014 to 3/31/2014 | Previous year 1/1/2013 to 3/31/2013 |
|---------|---|--|---|
| 4.01 | Net Income for the Period | 201,045 | 41,948 |
| 4.02 | Other Comprehensive Income (Loss) | 2,166 | 492 |
| 4.02.01 | Exchange Variation on Foreign Investments | 2,166 | 492 |
| 4.03 | Comprehensive Income for the Period | 203,211 | 42,440 |

Individual Financial Statements / Statement of Cash Flows - Indirect Method**R\$ (in thousands)**

| Code | Description | Year-to-date 1/1/2014 to 3/31/2014 | Previous year 1/1/2013 to 3/31/2013 |
|------------|--|--|---|
| 6.01 | Net Cash from Operating Activities | -307,371 | -32,639 |
| 6.01.01 | Cash Generated in Operations | 698,656 | 366,827 |
| 6.01.01.01 | Net Income for the Period | 201,045 | 41,948 |
| 6.01.01.02 | Depreciation, Depletion and Amortization | 254,318 | 182,677 |
| 6.01.01.03 | Income from Sale of Permanent Assets | 38 | -3,493 |
| 6.01.01.04 | Equity Pick-up in Subsidiaries and Affiliates | -7,212 | -14,504 |
| 6.01.01.05 | Exchange and Monetary Variations, Net | -111,041 | -62,236 |
| 6.01.01.06 | Interest Expenses, Net | 222,970 | 190,563 |
| 6.01.01.07 | Deferred Income and Social Contribution Taxes Expenses | 68,275 | 11,850 |
| 6.01.01.08 | Addition to Actuarial Liabilities | 7,366 | 6,008 |
| 6.01.01.09 | (Reversal) Addition to Provision for Contingencies | -667 | 1,311 |
| 6.01.01.10 | Share-Based Payment Expenses | 5,500 | -126 |
| 6.01.01.11 | Net Derivative Gains | -3,332 | -4,758 |
| 6.01.01.15 | Additional Provision for Doubtful Accounts, Net | 3,382 | 885 |
| 6.01.01.16 | Reversal of provision for Inventory Losses | -1,136 | 0 |
| 6.01.01.17 | Reversal of provision for Deduction | -995 | -4,089 |
| 6.01.01.19 | Provision for Losses with Fixed Assets and Write-Offs | 23,897 | 138 |
| 6.01.01.20 | Other Provisions | 36,248 | 20,653 |
| 6.01.02 | Changes in Assets and Liabilities | -1,006,027 | -399,466 |
| 6.01.02.01 | Increase in Receivables | -103,776 | 343,362 |
| 6.01.02.02 | Increase in Inventories | -180,387 | -140,444 |
| 6.01.02.03 | Increase in Recoverable Taxes | -45,073 | -55,046 |
| 6.01.02.04 | Increase in Other Current and Non-Current Assets | -14,866 | -49,503 |
| 6.01.02.06 | Reduction in Trade Accounts Payable | -383,816 | -275,481 |
| 6.01.02.07 | Increase in other Current and Non-Current Liabilities | 39,613 | 46,179 |
| 6.01.02.08 | Payment of Interest | -209,931 | -187,689 |
| 6.01.02.09 | Payment of Other Taxes and Contributions | -93,223 | -74,278 |
| 6.01.02.10 | Payment of Income and Social Contribution Taxes | -14,568 | -6,566 |
| 6.02 | Net Cash used in Investment Activities | -348,249 | -401,932 |
| 6.02.01 | Additions to Property, Plant and Equipment | -192,980 | -281,886 |
| 6.02.02 | Additions to Biological Assets | -152,130 | -124,980 |
| 6.02.04 | Additions to Intangible Assets | -3,496 | -796 |
| 6.02.05 | Proceeds from the Sale of Assets | 357 | 4,268 |
| 6.02.06 | Advances received from Sale of Assets | 0 | 1,462 |
| 6.03 | Net Cash Provided by (Used in) Financing Activities | 136,937 | 454,303 |
| 6.03.01 | Funding | 255,711 | 796,028 |
| 6.03.02 | Settlement of Derivative Operations | -1,508 | -4,441 |
| 6.03.03 | Payment of Loans | -125,780 | -298,566 |
| 6.03.04 | Dividends (Acquisition) of Treasury Shares | 8,514 | -38,718 |
| 6.05 | Increase (Decrease) of Cash and Cash Equivalents | -518,683 | 19,732 |
| 6.05.01 | Cash and Cash Equivalents at the Beginning of the Period | 2,648,159 | 3,718,081 |
| 6.05.02 | Cash and Cash Equivalents at the End of the Period | 2,129,476 | 3,737,813 |

Individual Financial Statements / Statement of Changes in Equity - 1/1/2014 to 3/31/2014**R\$ (in thousands)**

| Code | Description | Paid-In Capital | Capital Reserves, Options Granted | Income Reserve | Retained Earnings | Other Comprehens ive Income | Equity |
|------------|---|--------------------|--|-------------------|----------------------|-----------------------------------|------------|
| 5.01 | Opening Balances | 6,241,753 | -235,998 | 2,187,427 | 0 | 2,494,057 | 10,687,239 |
| 5.03 | Adjusted Opening Balances | 6,241,753 | -235,998 | 2,187,427 | 0 | 2,494,057 | 10,687,239 |
| 5.04 | Equity Transactions with Shareholders | 0 | 13,088 | 0 | 0 | 0 | 13,088 |
| 5.04.03 | Recognized Granted Options | 0 | 4,574 | 0 | 0 | 0 | 4,574 |
| 5.04.08 | Treasury Shares used to meet the Share-Based Payment | 0 | 8,514 | 0 | 0 | 0 | 8,514 |
| 5.05 | Total Comprehensive Income/(Loss) | 0 | 0 | 0 | 201,045 | 2,166 | 203,211 |
| 5.05.01 | Net Income for the Period | 0 | 0 | 0 | 201,045 | 0 | 201,045 |
| 5.05.02 | Other Comprehensive Income (Loss) | 0 | 0 | 0 | 0 | 2,166 | 2,166 |
| 5.05.02.06 | Exchange Variation on Investees | 0 | 0 | 0 | 0 | 2,166 | 2,166 |
| 5.06 | Internal Changes in Equity | 0 | 0 | 0 | 11,155 | -11,155 | 0 |
| 5.06.05 | Partial Realization of Attributed Cost Adjustment Net of Deferred Income and Social Contribution Taxes | 0 | 0 | 0 | 11,155 | -11,155 | 0 |
| 5.07 | Closing Balances | 6,241,753 | -222,910 | 2,187,427 | 212,200 | 2,485,068 | 10,903,538 |

Individual Financial Statements / Statement of Changes in Equity- 1/1/2013 to 3/31/2013**R\$ (in thousands)**

| Code | Description | Paid-In Capital | Capital Reserves, Options Granted | Income Reserve | Retained Earnings | Other Comprehens ive Income | Equity |
|----------------|---|--------------------|--|-------------------|----------------------|-----------------------------------|------------|
| 5.01 | Opening Balances | 6,240,709 | -211,459 | 2,469,809 | 0 | 2,503,019 | 11,002,078 |
| 5.03 | Adjusted Opening Balances | 6,240,709 | -211,459 | 2,469,809 | 0 | 2,503,019 | 11,002,078 |
| 5.04 | Equity Transactions with Shareholders | 0 | -36,717 | 0 | 0 | 0 | -36,717 |
| 5.04.03 | Recognized Granted Options | 0 | 2,001 | 0 | 0 | 0 | 2,001 |
| 5.04.04 | Treasury Shares Acquired | 0 | -38,718 | 0 | 0 | 0 | -38,718 |
| 5.05 | Total Comprehensive Income/(Loss) | 0 | 0 | 0 | 41,948 | 492 | 42,440 |
| 5.05.01 | Net Income for the Period | 0 | 0 | 0 | 41,948 | 0 | 41,948 |
| 5.05.02 | Other Comprehensive Income (Loss) | 0 | 0 | 0 | 0 | 492 | 492 |
| 5.05.02.0 6 | Exchange Variation on Investees | 0 | 0 | 0 | 0 | 492 | 492 |
| 5.06 | Internal Changes in Equity | 0 | 0 | 0 | 9,158 | -9,158 | 0 |
| 5.06.05 | Partial Realization of Attributed Cost Adjustment Net of Deferred Income and Social Contribution Taxes | 0 | 0 | 0 | 9,158 | -9,158 | 0 |
| 5.07 | Closing Balances | 6,240,709 | -248,176 | 2,469,809 | 51,106 | 2,494,353 | 11,007,801 |

Individual Financial Statements / Statement of Added Value**R\$ (in thousands)**

| Code | Description | Year-to-date 1/1/2014 to 3/31/2014 | Previous year 1/1/2013 to 3/31/2013 |
|---------------|--|---|--|
| 7.01 | Income | 2,019,926 | 1,617,076 |
| 7.01.01 | Sale of Goods, Products and Services | 1,601,247 | 1,299,012 |
| 7.01.02 | Other Income | 35,747 | 4,987 |
| 7.01.03 | Income from Construction of Own Assets | 386,314 | 313,962 |
| 7.01.04 | Reversal of/Allowance for Doubtful Accounts | -3,382 | -885 |
| 7.02 | Input Acquired from Third Parties | -1,314,351 | -1,138,267 |
| 7.02.01 | Cost of Products Sold and Services Rendered | -520,534 | -502,886 |
| 7.02.02 | Supplies, Electricity, Outsourced Services and Others | -793,817 | -635,381 |
| 7.03 | Gross Added Value | 705,575 | 478,809 |
| 7.04 | Retentions | -254,318 | -182,677 |
| 7.04.01 | Depreciation, Amortization and Depletion | -254,318 | -182,677 |
| 7.05 | Net Added Value Produced | 451,257 | 296,132 |
| 7.06 | Added Value from Transfers | 666,697 | 254,993 |
| 7.06.01 | Equity Pick-up in Subsidiaries and Affiliates | 7,212 | 14,504 |
| 7.06.02 | Financial Income | 659,485 | 240,489 |
| 7.07 | Total Added Value to Distribute | 1,117,954 | 551,125 |
| 7.08 | Distribution of Added Value | 1,117,954 | 551,125 |
| 7.08.01 | Personnel | 193,569 | 155,243 |
| 7.08.01.01 | Direct Compensation | 159,266 | 125,160 |
| 7.08.01.02 | Benefits | 26,179 | 22,860 |
| 7.08.01.03 | F.G.T.S. (Government Severance Indemnity Fund for Employees) | 8,124 | 7,223 |
| 7.08.02 | Taxes, Fees and Contributions | 63,914 | -9,001 |
| 7.08.02.01 | Federal | 71,896 | 7,368 |
| 7.08.02.02 | State | -8,414 | -17,593 |
| 7.08.02.03 | Municipal | 432 | 1,224 |
| 7.08.03 | Value Distributed to Providers of Capital | 659,426 | 362,935 |
| 7.08.03.01 | Interest Rates | 237,582 | 208,841 |
| 7.08.03.02 | Rentals | 20,480 | 24,903 |
| 7.08.03.03 | Other | 401,364 | 129,191 |
| 7.08.03.03.01 | Monetary Variation Losses | 401,364 | 129,191 |
| 7.08.04 | Value Distributed to Shareholders | 201,045 | 41,948 |
| 7.08.04.03 | Accumulated Losses/Retained Earnings for the Period | 201,045 | 41,948 |

Consolidated Financial Statements / Balance Sheet - Assets**R\$ (in thousands)**

| Code | Description | Current quarter 3/31/2014 | Previous year 12/31/2013 |
|---------------|---|--------------------------------------|-------------------------------------|
| 1 | Total Assets | 27,041,251 | 27,149,343 |
| 1.01 | Current Assets | 6,249,968 | 6,471,714 |
| 1.01.01 | Cash and Cash Equivalents | 3,397,216 | 3,689,640 |
| 1.01.03 | Receivables | 1,178,974 | 1,474,141 |
| 1.01.03.01 | Trade | 1,178,974 | 1,474,141 |
| 1.01.04 | Inventories | 1,128,428 | 905,256 |
| 1.01.06 | Recoverable Taxes | 384,325 | 280,461 |
| 1.01.06.01 | Current Recoverable Taxes | 384,325 | 280,461 |
| 1.01.06.01.01 | Recoverable Income and Social Contribution Taxes | 52,610 | 59,202 |
| 1.01.06.01.02 | Other Recoverable Taxes | 331,715 | 221,259 |
| 1.01.07 | Prepaid Expenses | 7,546 | 8,721 |
| 1.01.08 | Other Current Assets | 153,479 | 113,495 |
| 1.01.08.03 | Other | 153,479 | 113,495 |
| 1.01.08.03.01 | Unrealized Derivatives Gains | 14,543 | 10,013 |
| 1.01.08.03.02 | Other Accounts Receivable | 95,787 | 62,022 |
| 1.01.08.03.04 | Receivables from Properties and Forests Sold | 4,718 | 6,931 |
| 1.01.08.03.05 | Advance to Suppliers - Development Program | 38,431 | 34,529 |
| 1.02 | Non-Current Assets | 20,791,283 | 20,677,629 |
| 1.02.01 | Long-Term Assets | 3,882,276 | 3,901,332 |
| 1.02.01.05 | Biological Assets | 3,012,427 | 2,965,872 |
| 1.02.01.06 | Deferred Taxes | 1,041 | 1,075 |
| 1.02.01.06.01 | Deferred Income and Social Contribution Taxes | 1,041 | 1,075 |
| 1.02.01.09 | Other Non-Current Assets | 868,808 | 934,385 |
| 1.02.01.09.03 | Unrealized Derivatives Gains | 22,995 | 25,967 |
| 1.02.01.09.04 | Other Recoverable Taxes | 445,668 | 510,578 |
| 1.02.01.09.05 | Advance to Suppliers - Development Program | 251,860 | 251,910 |
| 1.02.01.09.06 | Other Receivables | 27,601 | 27,778 |
| 1.02.01.09.07 | Receivables/Indemnification from Land Expropriation | 56,721 | 56,721 |
| 1.02.01.09.08 | Judicial Deposits | 63,963 | 61,431 |
| 1.02.03 | Property, Plant and Equipment | 16,679,153 | 16,551,707 |
| 1.02.03.01 | Operational Property, Plant and Equipment | 16,016,153 | 11,642,507 |
| 1.02.03.02 | Leased Property, Plant and Equipment | 27,536 | 30,107 |
| 1.02.03.03 | Construction in Progress | 635,464 | 4,879,093 |
| 1.02.04 | Intangible Assets | 229,854 | 224,590 |
| 1.02.04.01 | Intangible Assets | 229,854 | 224,590 |
| 1.02.04.01.02 | Goodwill | 34,057 | 34,057 |
| 1.02.04.01.03 | Other Intangible Assets | 195,797 | 190,533 |

Consolidated Financial Statements / Balance Sheet - Liabilities**R\$ (in thousands)**

| Code | Description | Current quarter 3/31/2014 | Previous year 12/31/2013 |
|---------------|--|--------------------------------------|-------------------------------------|
| 2 | Total Liabilities | 27,041,251 | 27,149,343 |
| 2.01 | Current Liabilities | 2,073,297 | 2,281,390 |
| 2.01.01 | Payroll and Related Charges | 98,359 | 125,650 |
| 2.01.01.01 | Payroll Charges Liabilities | 10,331 | 10,893 |
| 2.01.01.02 | Labor Liabilities | 88,028 | 114,757 |
| 2.01.02 | Trade Accounts Payable | 611,943 | 876,556 |
| 2.01.02.01 | Domestic Suppliers | 559,794 | 819,309 |
| 2.01.02.02 | Foreign Suppliers | 52,149 | 57,247 |
| 2.01.03 | Tax Liabilities | 63,469 | 54,060 |
| 2.01.03.01 | Federal Tax Liabilities | 53,198 | 35,412 |
| 2.01.03.01.01 | Income and Social Contribution Taxes Payable | 19,140 | 1,474 |
| 2.01.03.01.02 | Other Federal Tax Liabilities | 34,058 | 33,938 |
| 2.01.03.02 | State Tax Liabilities | 4,908 | 12,341 |
| 2.01.03.03 | Municipal Tax Liabilities | 5,363 | 6,307 |
| 2.01.04 | Loans and Financing | 1,076,269 | 1,008,543 |
| 2.01.04.01 | Loans and Financing | 1,071,859 | 1,007,157 |
| 2.01.04.01.01 | In Domestic Currency | 537,605 | 534,605 |
| 2.01.04.01.02 | In Foreign Currency | 534,254 | 472,552 |
| 2.01.04.02 | Debentures | 4,410 | 1,386 |
| 2.01.05 | Other Liabilities | 223,257 | 216,581 |
| 2.01.05.02 | Other | 223,257 | 216,581 |
| 2.01.05.02.01 | Dividends and Interest on Shareholders' Equity Payable | 647 | 647 |
| 2.01.05.02.04 | Unrealized Derivative Losses | 18,030 | 16,852 |
| 2.01.05.02.05 | Accounts Payable | 176,146 | 184,859 |
| 2.01.05.02.06 | Debt from Acquisition of Land and Reforestation | 16,069 | 6,789 |
| 2.01.05.02.08 | Advance from Customers | 12,365 | 7,434 |
| 2.02 | Non-Current Liabilities | 14,064,416 | 14,180,714 |
| 2.02.01 | Loans and Financing | 11,684,902 | 11,868,442 |
| 2.02.01.01 | Loans and Financing | 11,557,079 | 11,736,172 |
| 2.02.01.01.01 | In Domestic Currency | 5,129,658 | 5,161,624 |
| 2.02.01.01.02 | In Foreign Currency | 6,427,421 | 6,574,548 |
| 2.02.01.02 | Debentures | 127,823 | 132,270 |
| 2.02.02 | Other Liabilities | 190,577 | 195,813 |
| 2.02.02.02 | Other | 190,577 | 195,813 |
| 2.02.02.02.03 | Unrealized Derivative Losses | 12,346 | 16,187 |
| 2.02.02.02.04 | Accounts Payable | 15,869 | 8,727 |
| 2.02.02.02.05 | Debt from Acquisition of Land and Reforestation | 162,362 | 170,899 |
| 2.02.03 | Deferred Taxes | 1,702,620 | 1,634,210 |
| 2.02.03.01 | Deferred Income and Social Contribution Taxes | 1,702,620 | 1,634,210 |
| 2.02.04 | Provisions | 486,317 | 482,249 |
| 2.02.04.01 | Provisions for Tax, Pension, Labor and Civil Claims | 210,814 | 206,642 |
| 2.02.04.02 | Other Provisions | 275,503 | 275,607 |
| 2.02.04.02.04 | Provision for Actuarial Liabilities | 258,928 | 255,138 |
| 2.02.04.02.05 | Share-Based Payment | 16,575 | 20,469 |
| 2.03 | Consolidated Equity | 10,903,538 | 10,687,239 |
| 2.03.01 | Paid-in Capital | 6,241,753 | 6,241,753 |

Consolidated Financial Statements / Balance Sheet - Liabilities**R\$ (in thousands)**

| Code | Description | Current quarter 3/31/2014 | Previous year 12/31/2013 |
|-------------|--------------------------------------|--------------------------------------|-------------------------------------|
| 2.03.02 | Capital Reserves | -222,910 | -235,998 |
| 2.03.02.04 | Granted Options | 20,941 | 16,367 |
| 2.03.02.05 | Treasury Shares | -303,726 | -312,240 |
| 2.03.02.07 | Tax Incentives | 75,317 | 75,317 |
| 2.03.02.09 | Costs with Share Issue | -15,442 | -15,442 |
| 2.03.04 | Income Reserve | 2,187,427 | 2,187,427 |
| 2.03.04.01 | Legal Reserve | 231,926 | 231,926 |
| 2.03.04.08 | Additional Dividend Proposed | 122,000 | 122,000 |
| 2.03.04.11 | Reserve to Increase Capital | 1,833,501 | 1,833,501 |
| 2.03.05 | Retained Earnings/Accumulated Losses | 212,200 | 0 |
| 2.03.06 | Equity Valuation Adjustment | 2,567,082 | 2,578,237 |
| 2.03.08 | Other Comprehensive Income (Loss) | -82,014 | -84,180 |

Consolidated Financial Statements / Statement of Income**R\$ (in thousands)**

| Code | Description | Year-to-date 1/1/2014 to 3/31/2014 | Previous year 1/1/2013 to 3/31/2013 |
|-------------|--|---|--|
| 3.01 | Income from the Sale of Goods and/or Services Rendered | 1,399,616 | 1,174,093 |
| 3.02 | Cost of Goods Sold and/or Services Rendered | -1,009,873 | -887,990 |
| 3.03 | Gross Profit | 389,743 | 286,103 |
| 3.04 | Operating Expense/Income | -147,871 | -143,968 |
| 3.04.01 | Selling Expenses | -64,147 | -53,959 |
| 3.04.02 | General and Administrative Expenses | -88,508 | -87,436 |
| 3.04.04 | Other Operating Income | 32,688 | 3,874 |
| 3.04.05 | Other Operating Expenses | -27,904 | -6,447 |
| 3.05 | Earnings Before Financial Result and Taxes | 241,872 | 142,135 |
| 3.06 | Financial Income (Expenses) | 50,237 | -80,027 |
| 3.06.01 | Financial Income | 704,464 | 262,452 |
| 3.06.02 | Financial Expenses | -654,227 | -342,479 |
| 3.07 | Earnings Before Income Taxes | 292,109 | 62,108 |
| 3.08 | Income and Social Contribution Taxes | -91,064 | -20,160 |
| 3.08.01 | Current | -22,789 | -8,275 |
| 3.08.02 | Deferred | -68,275 | -11,885 |
| 3.09 | Net Income/(Loss) from Continued Operations | 201,045 | 41,948 |
| 3.11 | Consolidated Net Income for the Period | 201,045 | 41,948 |
| 3.11.01 | Attributable to Controlling Shareholders | 201,045 | 41,948 |
| 3.99 | Earnings per Share - (Reais/Share) | | |
| 3.99.01 | Basic Earnings per Share | | |
| 3.99.01.01 | Common | 0.17359 | 0.03624 |
| 3.99.01.02 | Class A Preferred | 0.19095 | 0.03987 |
| 3.99.01.03 | Class B Preferred | 0.19355 | 0.03226 |
| 3.99.02 | Diluted Earnings per Share | | |
| 3.99.02.01 | Common | 0.17359 | 0.03624 |
| 3.99.02.02 | Class A Preferred | 0.19005 | 0.03987 |
| 3.99.02.03 | Class B Preferred | 0.19355 | 0.03226 |

Consolidated Financial Statements/ Statement of Comprehensive Income

R\$ (in thousands)

| Code | Description | Year-to-date 1/1/2014 to 3/31/2014 | Previous year 1/1/2013 to 3/31/2013 |
|---------|--|--|---|
| 4.01 | Consolidated Net Income for the Period | 201,045 | 41,948 |
| 4.02 | Other Comprehensive Income (Loss) | 2,166 | 492 |
| 4.02.01 | Exchange Variation on Foreign Investments | 2,166 | 492 |
| 4.03 | Consolidated Comprehensive Income for the Period | 203,211 | 42,440 |
| 4.03.01 | Attributable to Controlling Shareholders | 203,211 | 42,440 |

Consolidated Financial Statements / Statement of Cash Flows - Indirect Method**R\$ (in thousands)**

| Code | Description | Year-to-date 1/1/2014 to 3/31/2014 | Previous year 1/1/2013 to 3/31/2013 |
|-------------|--|---|--|
| 6.01 | Net Cash from Operating Activities | -44,367 | -35,542 |
| 6.01.01 | Cash Generated in Operations | 756,581 | 389,787 |
| 6.01.01.01 | Net Income for the Period | 201,045 | 41,948 |
| 6.01.01.02 | Depreciation, Depletion and Amortization | 257,485 | 185,121 |
| 6.01.01.03 | Income from Sale of Permanent Assets | 38 | -3,874 |
| 6.01.01.05 | Exchange and Monetary Variations, Net | -64,294 | -55,276 |
| 6.01.01.06 | Interest Expenses, Net | 226,861 | 195,925 |
| 6.01.01.07 | Deferred Income and Social Contribution Taxes Expenses | 68,275 | 11,885 |
| 6.01.01.08 | Addition to Actuarial Liabilities | 7,366 | 6,008 |
| 6.01.01.09 | (Reversal) Addition to Provision for Contingencies | -667 | 1,627 |
| 6.01.01.10 | Share-Based Payment Expenses | 5,500 | -126 |
| 6.01.01.11 | Derivative Gains, net | -5,068 | -15,426 |
| 6.01.01.15 | Additional Provision for Doubtful Accounts, Net | 3,457 | 896 |
| 6.01.01.16 | Reversal of Provision for Inventory Losses | -1,136 | 0 |
| 6.01.01.17 | Reversal of Provision for Deduction | -2,999 | -2,675 |
| 6.01.01.19 | Provision for Losses with Fixed Assets and Write-Offs | 23,897 | 138 |
| 6.01.01.20 | Other Provisions | 36,821 | 23,616 |
| 6.01.02 | Changes in Assets and Liabilities | -800,948 | -425,329 |
| 6.01.02.01 | Increase in Receivables | 155,119 | 237,818 |
| 6.01.02.02 | Increase in Inventories | -217,184 | -149,630 |
| 6.01.02.03 | Increase in Recoverable Taxes | -44,151 | -58,688 |
| 6.01.02.04 | Increase in Other Current and Non-Current Assets | -18,462 | -43,266 |
| 6.01.02.06 | Reduction in Trade Accounts Payable | -387,190 | -189,007 |
| 6.01.02.07 | Increase in Other Current and Non-Current Liabilities | 39,009 | 53,055 |
| 6.01.02.08 | Payment of Interest | -214,326 | -192,209 |
| 6.01.02.09 | Payment of Other Taxes and Contributions | -97,794 | -74,278 |
| 6.01.02.10 | Payment of Income and Social Contribution Taxes | -15,969 | -9,124 |
| 6.02 | Net Cash used in Investment Activities | -343,274 | -395,126 |
| 6.02.01 | Additions to Property, Plant and Equipment | -192,888 | -282,038 |
| 6.02.02 | Additions to Biological Assets | -147,247 | -118,412 |
| 6.02.04 | Additions to Intangible Assets | -3,496 | -796 |
| 6.02.05 | Proceeds from the Sale of Assets | 357 | 4,658 |
| 6.02.06 | Advances received from Sale of Assets | 0 | 1,462 |
| 6.03 | Net Cash Provided by (Used in) Financing Activities | 138,252 | 437,830 |
| 6.03.01 | Funding | 255,711 | 796,028 |
| 6.03.02 | Settlement of Derivative Operations | -193 | -597 |
| 6.03.03 | Payment of Loans | -125,780 | -318,883 |
| 6.03.04 | Dividends (Acquisition) of Treasury Shares | 8,514 | -38,718 |
| 6.04 | Exchange Variation on Cash and Cash Equivalents | -43,035 | -13,827 |
| 6.05 | Increase (Decrease) of Cash and Cash Equivalents | -292,424 | -6,665 |
| 6.05.01 | Cash and Cash Equivalents at the Beginning of the Period | 3,689,640 | 4,337,608 |
| 6.05.02 | Cash and Cash Equivalents at the End of the Period | 3,397,216 | 4,330,943 |

Consolidated Financial Statements / Statement of Changes in Equity - 1/1/2014 to 3/31/2014**R\$ (in thousands)**

| Code | Description | Paid-In Capital | Capital Reserves, Options Granted and Treasury | Income Reserve | Retained Earnings or Accumulated Losses | Other Comprehensive Income | Equity | Non-Controlling Interest | Consolidated Equity |
|------------|--|-----------------|--|----------------|---|----------------------------|------------|--------------------------|---------------------|
| 5.01 | Opening Balances | 6,241,753 | -235,998 | 2,187,427 | 0 | 2,494,057 | 10,687,239 | 0 | 10,687,239 |
| 5.03 | Adjusted Opening Balances | 6,241,753 | -235,998 | 2,187,427 | 0 | 2,494,057 | 10,687,239 | 0 | 10,687,239 |
| 5.04 | Equity Transactions with Shareholders | 0 | 13,088 | 0 | 0 | 0 | 13,088 | 0 | 13,088 |
| 5.04.03 | Recognized Granted Options | 0 | 4,574 | 0 | 0 | 0 | 4,574 | 0 | 4,574 |
| 5.04.08 | Treasury Shares used to meet the Share-Based Payment | 0 | 8,514 | 0 | 0 | 0 | 8,514 | 0 | 8,514 |
| 5.05 | Total Comprehensive Income/(Loss) | 0 | 0 | 0 | 201,045 | 2,166 | 203,211 | 0 | 203,211 |
| 5.05.01 | Net Income for the Period | 0 | 0 | 0 | 201,045 | 0 | 201,045 | 0 | 201,045 |
| 5.05.02 | Other Comprehensive Income (Loss) | 0 | 0 | 0 | 0 | 2,166 | 2,166 | 0 | 2,166 |
| 5.05.02.06 | Exchange Variation on Investees | 0 | 0 | 0 | 0 | 2,166 | 2,166 | 0 | 2,166 |
| 5.06 | Internal Changes in Equity | 0 | 0 | 0 | 11,155 | -11,155 | 0 | 0 | 0 |
| 5.06.05 | Partial Realization of Attributed Cost Adjustment Net of Deferred Income and Social Contribution Taxes | 0 | 0 | 0 | 11,155 | -11,155 | 0 | 0 | 0 |
| 5.07 | Closing Balances | 6,241,753 | -222,910 | 2,187,427 | 212,200 | 2,485,068 | 10,903,538 | 0 | 10,903,538 |

Consolidated Financial Statements / Statement of Changes in Equity - 1/1/2013 to 3/31/2013

R\$ (in thousands)

| Code | Description | Paid-In Capital | Capital Reserves, Options Granted and Treasury | Income Reserve | Retained Earnings or Accumulat ed Losses | Other Comprehen sive Income | Equity | Non- Controlling Interest | Consolidate d Equity |
|------------|---|--------------------|---|-------------------|---|-----------------------------------|------------|---------------------------------|-------------------------|
| 5.01 | Opening Balances | 6,240,709 | -211,459 | 2,469,809 | 0 | 2,503,019 | 11,002,078 | 0 | 11,002,078 |
| 5.03 | Adjusted Opening Balances | 6,240,709 | -211,459 | 2,469,809 | 0 | 2,503,019 | 11,002,078 | 0 | 11,002,078 |
| 5.04 | Equity Transactions with Shareholders | 0 | -36,717 | 0 | 0 | 0 | -36,717 | 0 | -36,717 |
| 5.04.03 | Recognized Granted Options | 0 | 2,001 | 0 | 0 | 0 | 2,001 | 0 | 2,001 |
| 5.04.04 | Treasury Shares Acquired | 0 | -38,718 | 0 | 0 | 0 | -38,718 | 0 | -38,718 |
| 5.05 | Total Comprehensive Income/(Loss) | 0 | 0 | 0 | 41,948 | 492 | 42,440 | 0 | 42,440 |
| 5.05.01 | Net Income for the Period | 0 | 0 | 0 | 41,948 | 0 | 41,948 | 0 | 41,948 |
| 5.05.02 | Other Comprehensive Income (Loss) | 0 | 0 | 0 | 0 | 492 | 492 | 0 | 492 |
| 5.05.02.06 | Exchange Variation on Investees | 0 | 0 | 0 | 0 | 492 | 492 | 0 | 492 |
| 5.06 | Internal Changes in Equity | 0 | 0 | 0 | 9,158 | -9,158 | 0 | 0 | 0 |
| 5.06.05 | Partial Realization of Attributed Cost Adjustment Net of Deferred Income and Social Contribution Taxes | 0 | 0 | 0 | 9,158 | -9,158 | 0 | 0 | 0 |
| 5.07 | Closing Balances | 6,240,709 | -248,176 | 2,469,809 | 51,106 | 2,494,353 | 11,007,801 | 0 | 11,007,801 |

Consolidated Financial Statements / Statement of Value Added**R\$ (in thousands)**

| Code | Description | Year-to-date 1/1/2014 to 3/31/2014 | Previous year 1/1/2013 to 3/31/2013 |
|---------------|--|--|---|
| 7.01 | Income | 2,032,208 | 1,662,209 |
| 7.01.01 | Sale of Goods, Products and Services | 1,610,916 | 1,342,974 |
| 7.01.02 | Other Income | 38,435 | 6,169 |
| 7.01.03 | Income from Construction of Own Assets | 386,314 | 313,962 |
| 7.01.04 | Reversal of/Allowance for Doubtful Accounts | -3,457 | -896 |
| 7.02 | Input Acquired from Third Parties | -1,300,808 | -1,152,313 |
| 7.02.01 | Cost of Products Sold and Services Rendered | -520,534 | -499,589 |
| 7.02.02 | Supplies, Electricity, Outsourced Services and Others | -780,274 | -652,724 |
| 7.03 | Gross Added Value | 731,400 | 509,896 |
| 7.04 | Retentions | -257,485 | -185,121 |
| 7.04.01 | Depreciation, Amortization and Depletion | -257,485 | -185,121 |
| 7.05 | Net Added Value Produced | 473,915 | 324,775 |
| 7.06 | Added Value from Transfers | 704,464 | 262,452 |
| 7.06.02 | Financial Income | 704,464 | 262,452 |
| 7.07 | Total Added Value to Distribute | 1,178,379 | 587,227 |
| 7.08 | Distribution of Added Value | 1,178,379 | 587,227 |
| 7.08.01 | Personnel | 196,609 | 161,104 |
| 7.08.01.01 | Direct Compensation | 161,839 | 130,200 |
| 7.08.01.02 | Benefits | 26,646 | 23,600 |
| 7.08.01.03 | F.G.T.S. (Government Severance Indemnity Fund for Employees) | 8,124 | 7,304 |
| 7.08.02 | Taxes, Fees and Contributions | 69,469 | -3,142 |
| 7.08.02.01 | Federal | 77,451 | 13,141 |
| 7.08.02.02 | State | -8,414 | -17,593 |
| 7.08.02.03 | Municipal | 432 | 1,310 |
| 7.08.03 | Value Distributed to Providers of Capital | 711,256 | 387,317 |
| 7.08.03.01 | Interest Rates | 249,036 | 216,545 |
| 7.08.03.02 | Rentals | 20,915 | 25,318 |
| 7.08.03.03 | Other | 441,305 | 145,454 |
| 7.08.03.03.01 | Monetary Variation Losses | 441,305 | 145,454 |
| 7.08.04 | Value Distributed to Shareholders | 201,045 | 41,948 |
| 7.08.04.03 | Accumulated Losses/Retained Earnings for the Period | 201,045 | 41,948 |

Suzano Pulp and Paper (Bovespa: SUZB5), one of the largest integrated pulp and paper producers in Latin America, announces today its consolidated results for the first quarter of 2014 (1Q14). The consolidated interim financial statements were prepared in accordance with the standards of the Securities and Exchange Commission of Brazil (CVM) and the Accounting Pronouncements Committee (CPC) and comply with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB). The operational and financial information is presented based on consolidated figures and in Brazilian real. Note that figures may present discrepancies due to rounding. Non-financial data, such as volume, quantity, average price and average quotes in Brazilian real and U.S. dollar, were not reviewed by our independent auditors.

Deleveraging process has begun

1Q14 Highlights

- Record-high Adjusted EBITDA/ton of R\$649/ton (+41% vs. 1Q13), with adjusted EBITDA margin of 35% (+7 p.p. vs. 1Q13)
- Adjusted EBITDA of R\$489 million in 1Q14 (+49.6% vs. 1Q13) and R\$1,944 million in the last 12 months ending on March 31, 2014 (+9% vs. 2013)
- Increase of 6% in pulp and paper sales volume compared to 1Q13
- Increase of 12% in the average net pulp and paper prices in BRL compared to 1Q13
- Cash Cost increase of 3.8% compared to 1Q13, below inflation in the period, despite the higher wood cost (+R\$34/ton)
- Reduction of 1.1 p.p. in SG&A as a ratio of net revenue compared to 1Q13
- Reduction in leverage to end the period at 4.8x Net Debt/Adjusted EBITDA

| R\$ million, except where otherwise indicated | 1Q14 | 1Q13 | Δ Y-o-Y | 4Q13 | Δ Q-o-Q |
|---|-------|-------|----------|-------|----------|
| Net Revenue | 1,400 | 1,174 | 19.2% | 1,660 | -15.7% |
| Exports | 742 | 622 | 19.2% | 879 | -15.6% |
| Domestic Market | 658 | 552 | 19.2% | 782 | -15.8% |
| EBITDA | 499 | 327 | 52.6% | 520 | -4.0% |
| EBITDA Margin (%) | 35.7% | 27.9% | 7.8 p.p. | 31.3% | 4.4 p.p. |
| Adjusted EBITDA ¹ | 489 | 327 | 49.6% | 543 | -9.9% |
| Adjusted EBITDA Margin (%) ¹ | 35.0% | 27.9% | 7.1 p.p. | 32.7% | 2.2 p.p. |
| Net Financial Results | 50 | (80) | n.a. | (339) | n.a. |
| Net Income | 201 | 42 | 379.3% | (58) | n.a. |
| Net Debt/EBITDA (x) | 4.6x | 5.0x | -0.4x | 4.9x | -0.3x |
| Net Debt/Adjusted EBITDA ¹ (x) | 4.8x | 5.0x | -0.2x | 5.2x | -0.3x |
| Operational Data ('000 tons) | | | | | |
| Sales | 754 | 711 | 6.1% | 915 | -17.6% |
| Market Pulp | 465 | 441 | 5.4% | 535 | -13.1% |
| Paper | 289 | 269 | 7.2% | 380 | -23.9% |
| Production | 923 | 767 | 20.2% | 817 | 12.9% |
| Market Pulp | 602 | 444 | 35.6% | 483 | 24.5% |
| Paper | 321 | 324 | -0.8% | 334 | -3.9% |

Note: ⁽¹⁾ Excludes non-recurring items.

Comments on the Performance

Market Overview

Pulp

Growth of 2.1% in eucalyptus pulp shipments in 1Q14 vs.1Q13

According to the Pulp and Paper Products Council (PPPC), world eucalyptus pulp shipments in 1Q14 amounted to 3.7 million tons, growing by 2.1% from 1Q13. All regions registered demand growth in the period, with the exception of North America. In relation to 4Q13, world eucalyptus pulp shipments decreased by 11.7% due to seasonality.

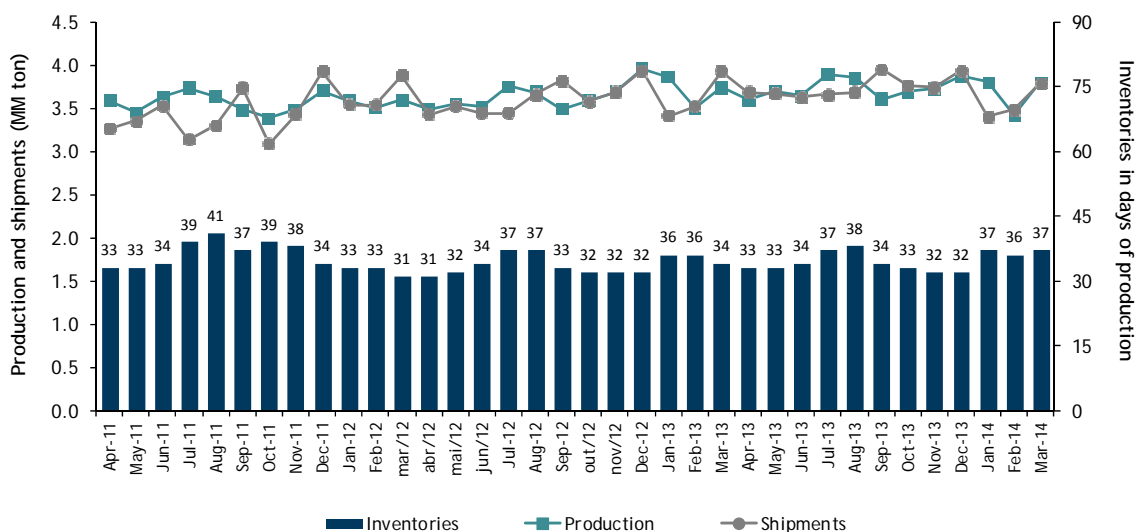
World market pulp shipments in 1Q14 amounted to 10.3 million tons, decreasing by 1.9% compared to 1Q13 and by 6.8% compared to 4Q13. World market pulp production in 1Q14 amounted to 11.1 million tons (+0.6% vs. 1Q13 and -2.3% vs. 4Q13). In March 2014, world pulp inventories stood at 37 days of production (48 days for hardwood pulp and 28 days for softwood pulp).

| ('000 tons) | 1Q14 | 1Q13 | Δ Y-o-Y | 4Q13 | Δ Q-o-Q |
|--|---------------|---------------|--------------|---------------|---------------|
| Shipments - Market Pulp* | 10,298 | 10,499 | -1.9% | 11,045 | -6.8% |
| North America | 1,873 | 1,926 | -2.8% | 2,064 | -9.3% |
| Europe | 3,761 | 3,845 | -2.2% | 3,814 | -1.4% |
| Latin America | 644 | 629 | 2.4% | 677 | -4.9% |
| China | 2,334 | 2,386 | -2.2% | 2,741 | -14.8% |
| Others | 1,686 | 1,713 | -1.6% | 1,749 | -3.6% |
| Shipments - Eucalyptus Bl. Hardwood | 3,722 | 3,646 | 2.1% | 4,214 | -11.7% |
| North America | 349 | 362 | -3.6% | 517 | -32.5% |
| Europe | 1,656 | 1,614 | 2.6% | 1,674 | -1.1% |
| Latin America | 445 | 430 | 3.5% | 458 | -2.8% |
| China | 828 | 784 | 5.6% | 1,082 | -23.5% |
| Others | 444 | 456 | -2.6% | 483 | -8.1% |

Source: PPPC (Pulp and Paper Products Council – World 20 Report)

* Excludes Sulphite and UKP

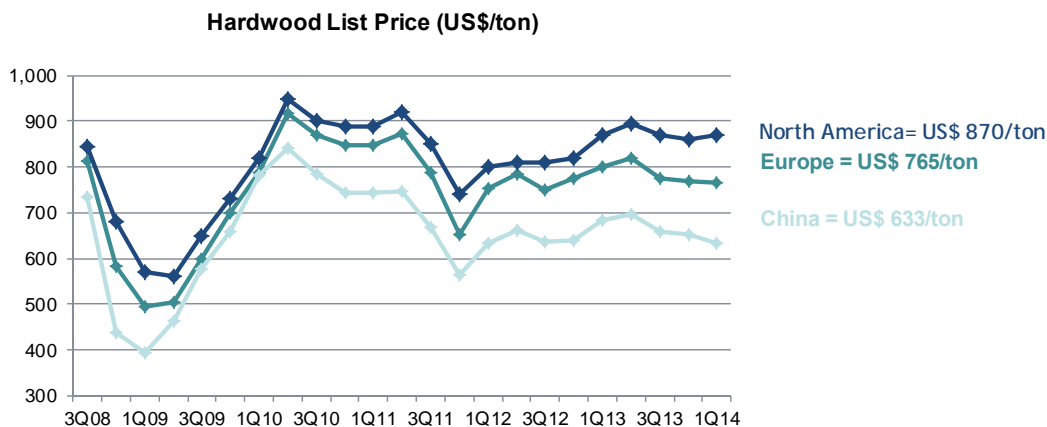
Production, Shipments and Inventories



Source: PPPC (Pulp and Paper Products Council – World 20 Report)

Comments on the Performance

At the end of 1Q14, hardwood pulp prices in Europe were 4.5% and 0.6% lower than at the end of 1Q13 and 4Q13, respectively (Source: Foex). There was also a significant increase in the spread between hardwood pulp and softwood pulp prices at the end of March 2014 to US\$157/ton, from US\$136/ton at the end of 2013. This widening spread favors the potential substitution of softwood pulp by hardwood pulp.



Source: Europe and China - FOEX (BHKP list price for the last week of each month) / North America - RISI (BEKP list price)

Paper

Domestic paper demand grew in 1Q14 compared to 1Q13

According to the Brazilian Association of Pulp and Paper Producers (Bracelpa), domestic demand (domestic sales + imports) for printing and writing paper (“woodfree”) in 1Q14 increased by 2.6% compared to 1Q13 and decreased by 14.0% compared to 4Q13. Domestic demand for paperboard in 1Q14 contracted by 2.6% and 12.7% compared to 1Q13 and 4Q13, respectively.

| Brazilian Demand (tons) | 1Q14 | 1Q13 | Δ Y-o-Y | 4Q13 | Δ Q-o-Q |
|-------------------------|----------------|----------------|-------------|----------------|---------------|
| Paperboard | 136,627 | 140,247 | -2.6% | 156,483 | -12.7% |
| Printing & Writing | 434,081 | 423,251 | 2.6% | 504,777 | -14.0% |
| Coated | 133,889 | 131,523 | 1.8% | 125,640 | 6.6% |
| Uncoated | 300,192 | 291,728 | 2.9% | 379,137 | -20.8% |
| TOTAL | 570,708 | 563,498 | 1.3% | 661,260 | -13.7% |

Source: Brazilian Association of Pulp and Paper Producers – Bracelpa (data considers the Common Mercosul Nomenclature - NCM - for the products manufactured by Suzano)

The share of imports in domestic demand for printing and writing paper in 1Q14 decreased by 3.3 p.p. from 1Q13 and increased by 5.5 p.p. from 4Q13. In domestic paperboard demand, the share of imports decreased by 0.1 p.p. from 1Q13 and increased by 0.9 p.p. from 4Q13.

| Imports share in the domestic market | 1Q14 | 1Q13 | Δ Y-o-Y | 4Q13 | Δ Q-o-Q |
|--------------------------------------|--------------|--------------|------------------|--------------|-----------------|
| Paperboard | 8.1% | 8.2% | -0.1 p.p. | 7.3% | 0.9 p.p. |
| Printing & Writing | 18.9% | 22.2% | -3.3 p.p. | 13.4% | 5.5 p.p. |
| Coated | 51.0% | 60.0% | -9.0 p.p. | 44.0% | 7.0 p.p. |
| Uncoated | 4.6% | 5.2% | -0.7 p.p. | 3.3% | 1.3 p.p. |
| Total | 16.3% | 18.7% | -2.4 p.p. | 12.0% | 4.3 p.p. |

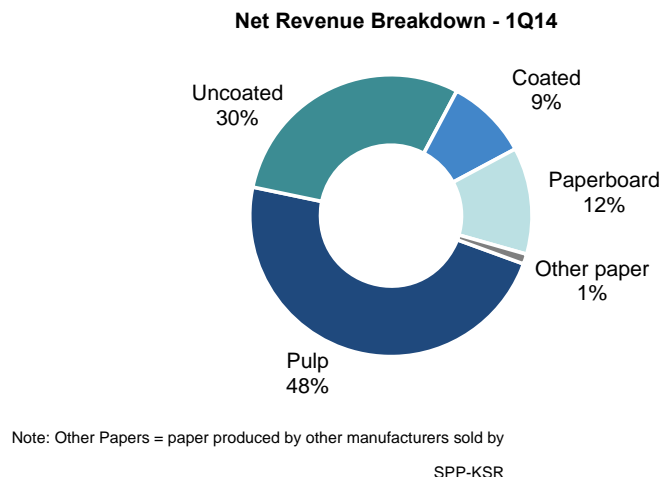
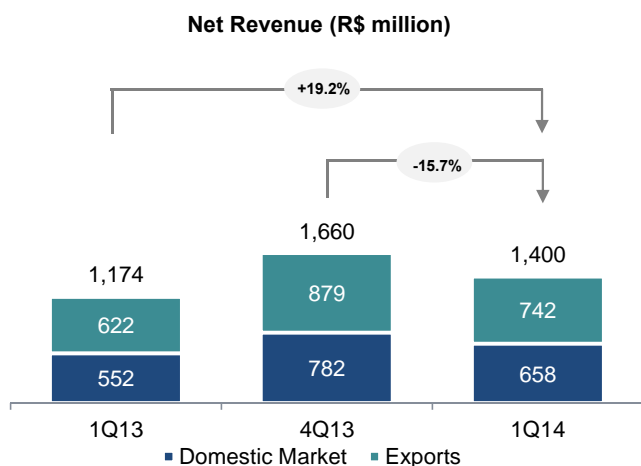
Source: Brazilian Association of Pulp and Paper Producers – Bracelpa (data considers the Common Mercosul Nomenclature - NCM - for the products manufactured by Suzano)

Comments on the Performance

Economic and Financial Performance

Net Revenue

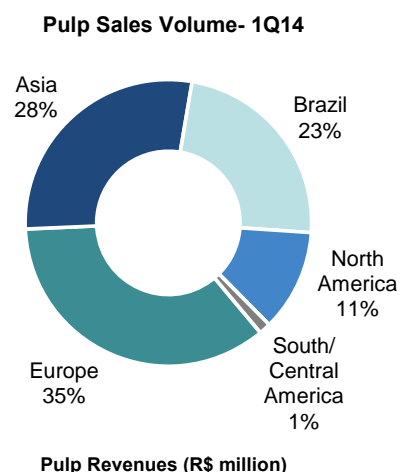
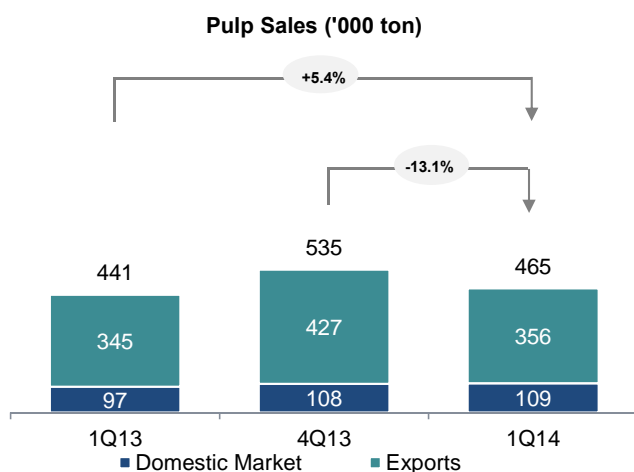
Suzano's net revenue amounted to R\$1,399.6 million in 1Q14. Pulp and paper shipments in the quarter amounted to 754 thousand tons, increasing 6.1% from 1Q13 and decreasing 17.6% from 4Q13.



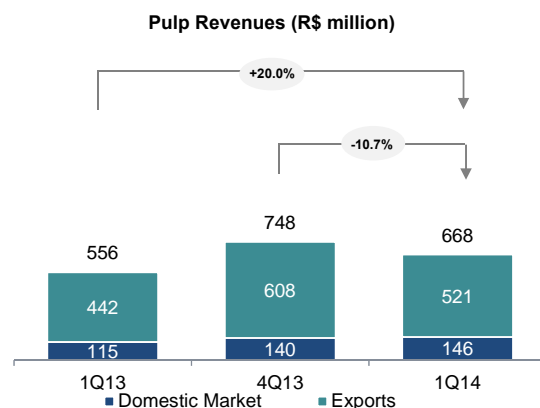
In relation to 1Q13, the performance of total net revenue is mainly explained by: (i) the 12.4% increase in the average net price for paper and pulp in Brazilian real, which benefitted from the currency's depreciation against the U.S. dollar; and (ii) the 6.1% increase in total sales volume.

Pulp Business Unit

In 1Q14, Suzano sold 465.0 thousand tons of market pulp. The main sales destinations in the period were Europe (35.4%), Asia (28.3%) and Brazil (23.4%).



The 20.0% growth in net revenue from pulp sales in 1Q14 compared to 1Q13 is explained by the higher BRL pulp price (+13.9%) due to exchange variation and by higher sales volume (+5.4%). Compared to 4Q13, the 10.7% decrease is explained by lower sales volume due to seasonality.



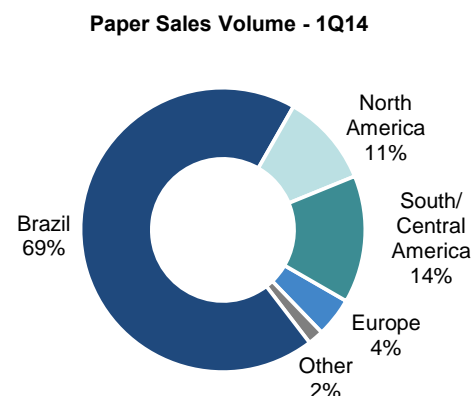
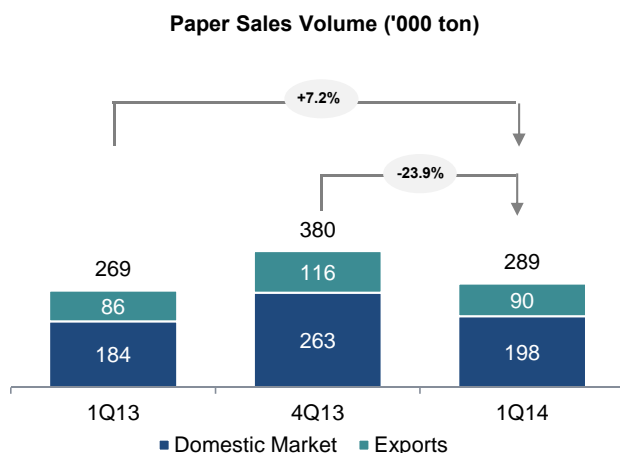
Comments on the Performance

The average net pulp price in USD (domestic and export markets) in 1Q14 was US\$607.2/ton, down US\$24/ton (+3.9%) from 1Q13 and down US\$7/ton (-1.1%) from 4Q13.

In BRL, the average net price stood at R\$1,435.5/ton in 1Q14, increasing 13.9% from 1Q13 and 2.7% from 4Q13, while the currency depreciated against the USD by 18.5% from 1Q13 and by 3.9% from 4Q13.

Paper Business Unit

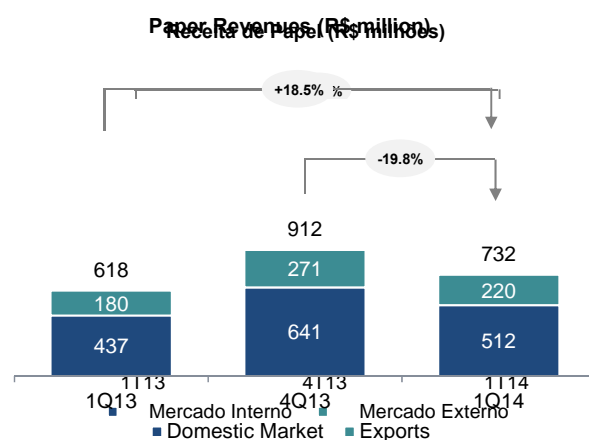
Suzano's paper sales in 1Q14 amounted to 288.9 thousand tons. South America (including Brazil) and Central America, Suzano's core markets, accounted for 83.2% of the Company's sales in the quarter.



The 18.5% increase in net revenue from paper sales in 1Q14 compared to 1Q13 was due to the higher average net paper price (+10.5%) and higher paper sales volume (+7.2%) in the quarter. Compared to 4Q13, the 19.8% decrease reflects the lower sales volume due to seasonality.

The average net paper price (domestic and export market) in 1Q14 was R\$2,533.5/ton, increasing 10.5% and 5.5% from 1Q13 and 4Q13, respectively.

Suzano maintained its leadership in Brazil's **printing and writing paper** segment in the quarter, with **domestic sales** reaching 155.8 thousand tons. Printing and writing paper sales volume was 12.0% higher than in 1Q13 and 24.9% lower than in 4Q13.



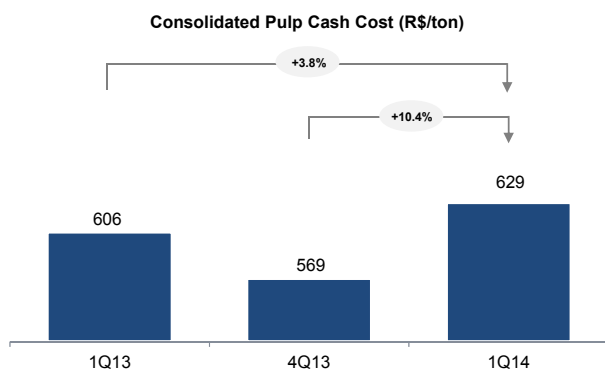
The average net price in USD of printing and writing paper exported in 1Q14 was US\$1,030.2/ton, down 2.5% from 1Q13 and relatively stable in relation to 4Q13 (+0.7%).

Production and Costs

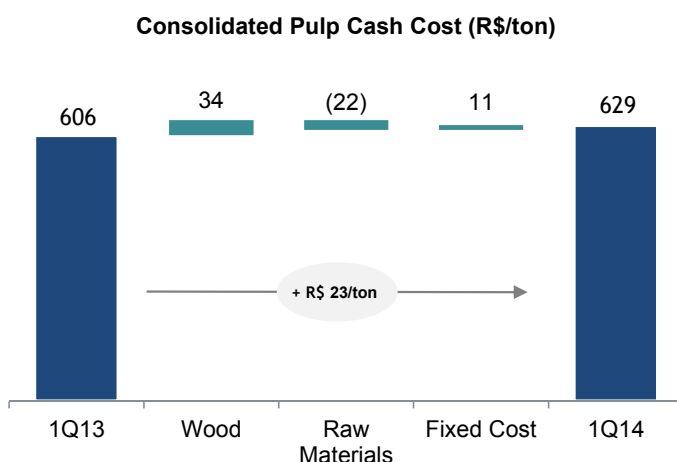
| Production ('000 tons) | 1Q14 | 1Q13 | Δ Y-o-Y | 4Q13 | Δ Q-o-Q |
|------------------------|------------|------------|--------------|------------|--------------|
| Market Pulp | 602 | 444 | 35.6% | 483 | 24.5% |
| Paper | 321 | 324 | -0.8% | 334 | -3.9% |
| Paperboard | 63 | 63 | 1.0% | 66 | -3.3% |
| Coated | 59 | 52 | 12.6% | 63 | -6.3% |
| Uncoated | 198 | 208 | -4.8% | 205 | -3.3% |
| TOTAL | 923 | 767 | 20.2% | 817 | 12.9% |

Comments on the Performance

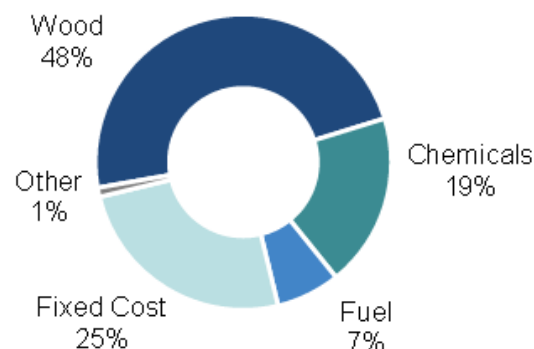
Market pulp production volume grew by 35.6% in 1Q14 compared to 1Q13. This expansion was supported by the startup of the Maranhão Unit.



The 3.8% increase in the consolidated cash cost of market pulp production in 1Q14 compared to 1Q13 was below the inflation rate measured in the period. The main items impacting this performance were: (i) higher wood costs due to the higher average supply radius; (ii) the increase in fixed costs affected by the ramp-up of the Maranhão Unit and by the major repairs carried out at the Mucuri Unit taking advantage of the maintenance downtime; and (iii) the reduction in raw material costs due to the generation of surplus power in the period.



Cash Cost Breakdown - 1Q14



In 1Q14, Suzano carried out scheduled maintenance downtime on Line 2 of the Mucuri Unit. Cash cost including downtime was R\$674/ton in 1Q14, compared to R\$662/ton in 1Q13, with this variation lagging the rate of inflation measured in the period. The schedule of the remaining maintenance downtimes in the year is as follows: Suzano Unit in 2Q14, Line 1 at the Mucuri Unit and Maranhão Unit in 3Q14, and Limeira Unit in 4Q14.

Cost of goods sold (COGS) increased by 13.7% to R\$1,009.9 million in 1Q14 compared to 1Q13, due to: (i) higher pulp and paper sales volume; (ii) higher costs with wood, fixed costs and energy; and (iii) higher costs of items USD denominated resulting from the BRL depreciation in the period.

Compared to 4Q13, COGS decreased 16.1% due to lower sales volume, despite higher costs with wood and scheduled maintenance downtime.

Average unit COGS in 1Q14 was R\$1,339.4/ton, increasing by 7.2% from 1Q13 and by 1.8% from 4Q13.

Operating Expenses / Revenues

| Expenses (R\$ '000) | 1Q14 | 1Q13 | Δ Y-o-Y | 4Q13 | Δ Q-o-Q |
|-------------------------------------|----------------|----------------|-------------|----------------|---------------|
| Sales Expenses | 64,147 | 53,959 | 18.9% | 68,217 | -6.0% |
| General and Administrative Expenses | 88,508 | 87,436 | 1.2% | 112,020 | -21.0% |
| Total Expenses | 152,655 | 141,395 | 8.0% | 180,237 | -15.3% |
| Total Expenses / Net Revenue | 10.9% | 12.0% | -1.1p.p. | 10.9% | 0.1p.p. |

Comments on the Performance

The variation in **selling expenses** in the period mainly reflects the sales volume in the period. **Administrative expenses** as a ratio of net revenue were 6.3% in 1Q14, down 1.1 p.p. and 0.4 p.p. from 1Q13 and 4Q13, respectively. The reduction in selling, general and administrative expenses as a ratio of net revenue was due to the implementation of the cost-cutting initiatives established in the matrix budget.

EBITDA

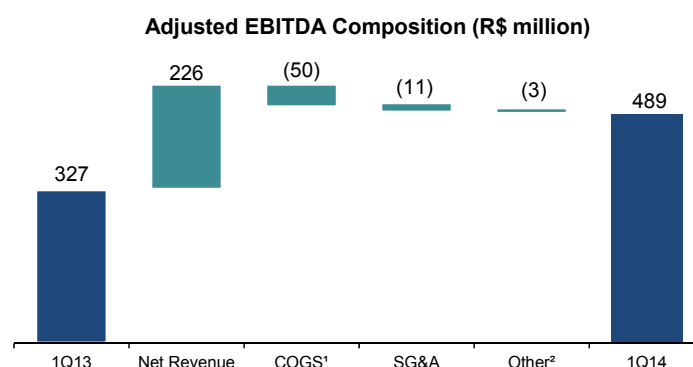
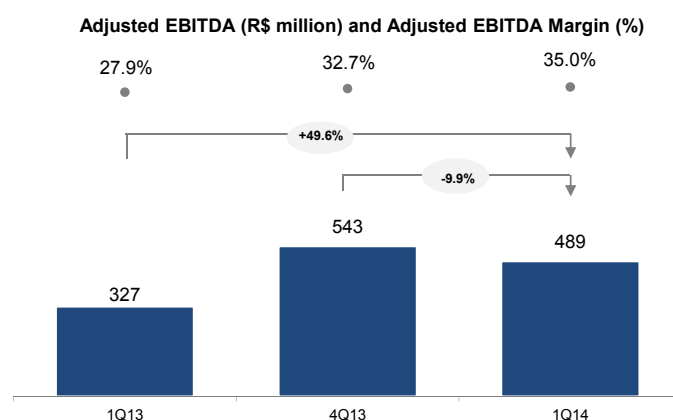
The main factors impacting EBITDA and operating margins in 1Q14 compared to 1Q13 include:

Positive

- 12.4% increase in the average net pulp and paper price in BRL;
- 6.1% increase in pulp and paper sales volume;
- decrease in SG&A expenses as a ratio of net revenue (see page 6 for details);
- 18.5% depreciation in the BRL against the USD, which impacted export revenue;

Negative

- Increase in wood and energy costs (see page 6 for details).



Note: ¹ Includes depreciation, amortization and depletion; ² includes other operating revenue/expenses and adjustments in nonrecurring items.

Financial Income (Expenses)

| Financial Expenses (R\$ '000) | 1Q14 | 1Q13 | Δ Y-o-Y | 4Q13 | Δ Q-o-Q |
|-------------------------------|------------------|------------------|--------------|------------------|-------------|
| Financial Expenses | (212,922) | (197,025) | 8.1% | (193,860) | 9.8% |
| Financial Revenues | 71,541 | 72,136 | -0.8% | 54,737 | 30.7% |
| Net Financial Expenses | (141,381) | (124,889) | 13.2% | (139,123) | 1.6% |
| Exchange Rate Variation | 191,618 | 44,862 | 327.1% | (199,910) | n.a. |
| Net Financial Result | 50,237 | (80,027) | n.a. | (339,033) | n.a. |

Comments on the Performance

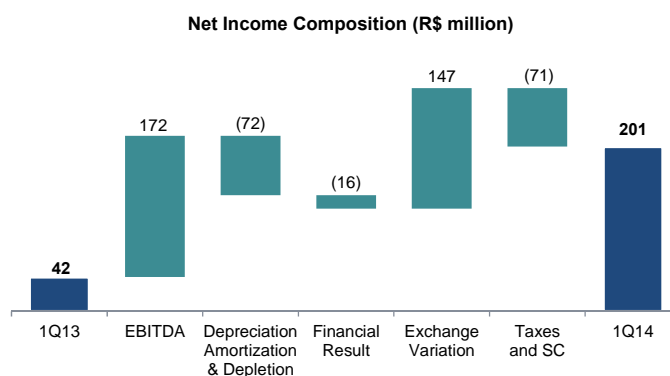
The net financial expense was R\$141.4 million in 1Q14, compared to R\$124.9 million in 1Q13 and R\$139.1 million in 4Q13. Compared to 1Q13, the net financial expense was impacted mainly by financial charges related to Export Credit Notes (NCE). Compared to 4Q13, however, the net financial expense remained practically stable.

Monetary and exchange variation generated a gain of R\$191.6 million in the quarter, due to the 3.4% impact from exchange variation on the exposure of the balance sheet between the start (R\$2.34/US\$) and end (R\$2.26/US\$) of the quarter, with a positive accounting effect from the marking to market of the portion of debt in foreign currency, though with cash effects limited to debt maturities or amortizations.

On March 31st, 2014, the net principal of operations contracted for the future sale of U.S. dollars via conventional Non-Deliverable Forwards (NDF) was US\$32.3 million. The maturities of these NDFs are distributed between April 2014 and January 2016 in order to secure attractive operational margins for a minor portion of sales over the course of this period. The cash effects of these operations occur only on the respective maturity date, when the contracts generate cash expenditures or receivables for the Company, depending on the case. In addition, the Company uses swap contracts to exchange floating interest rates for fixed interest rates as well as contracts to lock in pulp prices, which reduce the effects of potential variations on the Company's cash flow.

Net Income (Loss)

The Company recorded net income of R\$201.0 million in 1Q14, compared to the net income of R\$41.9 million in 1Q13 and net loss of R\$58.0 million in 4Q13.



Debt

| Debt (R\$ million) | 03/31/2014 | 12/31/2013 | Δ Q-o-Q | 03/31/2013 | Δ Y-o-Y |
|---|------------|------------|---------|------------|---------|
| Local Currency | 5,667 | 5,696 | -0.5% | 6,118 | -7.4% |
| Short Term | 538 | 535 | 0.6% | 1,100 | -51.1% |
| Long Term | 5,130 | 5,162 | -0.6% | 5,018 | 2.2% |
| Foreign Currency | 7,094 | 7,181 | -1.2% | 5,007 | 41.7% |
| Short Term | 539 | 474 | 13.7% | 293 | 83.8% |
| Long Term | 6,555 | 6,707 | -2.3% | 4,714 | 39.1% |
| Gross Debt | 12,761 | 12,877 | -0.9% | 11,125 | 14.7% |
| (-) Cash | 3,397 | 3,690 | -7.9% | 4,331 | -21.6% |
| Net Debt | 9,364 | 9,187 | 1.9% | 6,794 | 37.8% |
| Net Debt / EBITDA (x) | 4.6x | 4.9x | -0.3x | 5.0x | -0.4x |
| Net Debt / Adjusted EBITDA ¹ (x) | 4.8x | 5.2x | -0.3x | 5.0x | -0.2x |

Note: ¹ Excludes nonrecurring items.

Comments on the Performance

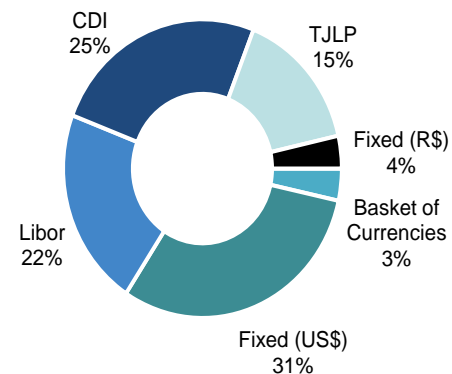
Gross debt on March 31st, 2014 stood at R\$12.8 billion, of which 55.6% was denominated in foreign currency and 44.4% in local currency. Suzano contracts foreign-denominated debt as a natural hedge, since around 50% of its revenue is derived from exports. This structural exposure allows it to contract export financing in USD and to match financing payments with receivable flows from sales.

Gross debt decreased by 0.9% in relation to December 2013. The balance to be disbursed from the BNDES credit facility for the Maranhão project is around R\$370 million.

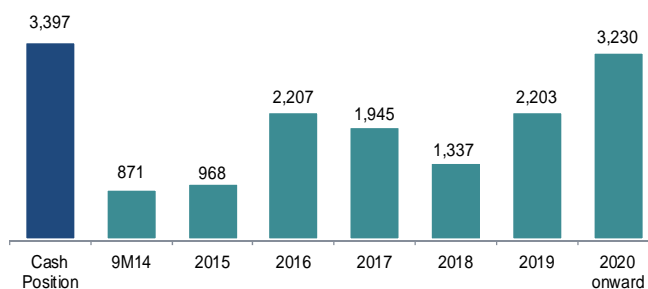
Gross debt on March 31st, 2014 was composed of 91.6% long-term maturities and 8.4% short-term maturities. In March 2014, the average cost of debt was 9.7% p.a. in BRL (vs. 9.2% in December 2013) and 4.8% p.a. in USD (stable vs. December 2013). The average maturity of consolidated debt ended the quarter at 4.2 years (vs. 4.5 years in December 2013).

The net debt/Adjusted EBITDA ratio stood at 4.8x, mainly driven by the R\$162.2 million increase in Adjusted EBITDA in the 12 months ending on March 31st, 2014 compared to 2013 Adjusted EBITDA.

Index Exposure - 03/31/2014

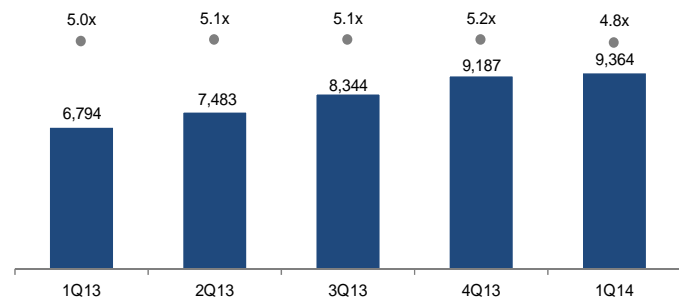


Amortization Schedule (R\$ million)



Note: includes amortization of loans, financings and debentures.

Net Debt (R\$ million) and Net Debt/ Adjusted EBITDA (x)



Note: Net Debt / Adjusted EBITDA does not include non-recurring items.

Capital Expenditure

| Capex (R\$ '000) | 1Q14 | 1Q13 | Δ Y-o-Y | 4Q13 | Δ Q-o-Q |
|--------------------------|----------------|----------------|--------------|----------------|--------------|
| Sustain | 194,600 | 117,663 | 65.4% | 222,935 | -12.7% |
| Expansion / Retrofitting | 484,222 | 620,273 | -21.9% | 515,196 | -6.0% |
| Other | 7,376 | 14,745 | -50.0% | 19,812 | -62.8% |
| TOTAL | 686,198 | 752,681 | -8.8% | 757,944 | -9.5% |

Note: The expansion industrial capex considers effective disbursements in order to better reflect the investment progress in the Maranhão Project.

The higher investments in maintenance are mainly explained by the start of operations at the Maranhão Unit and by investments in projects that will reduce structural costs of the Company. In 1Q14, a large part of the remaining capex in Maranhão Project was disbursed.

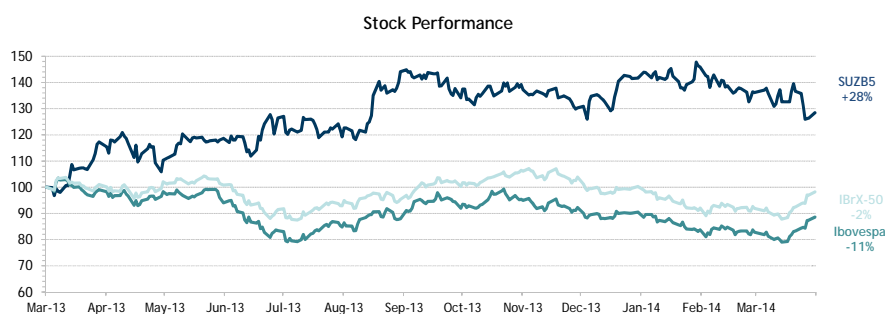
Comments on the Performance

Dividends

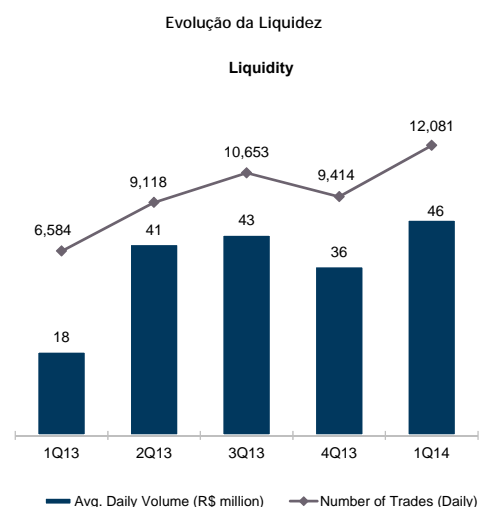
In accordance with governing law, Suzano's bylaws establish a minimum mandatory dividend of 25% of adjusted net income for the fiscal year. The amount attributed to the class "A" and "B" preferred shares is 10% higher than that attributed to the common shares.

Capital Markets

On March 31st, 2014, Suzano preferred stock (SUZB5) was quoted at R\$8.38/share. The Company's stock is listed on the Level 1 corporate governance segment of the BM&FBovespa and, for the ninth straight year, has been a component of the Corporate Sustainability Index (ISE), the Bovespa Index (Ibovespa) and the IBrX-50 index.

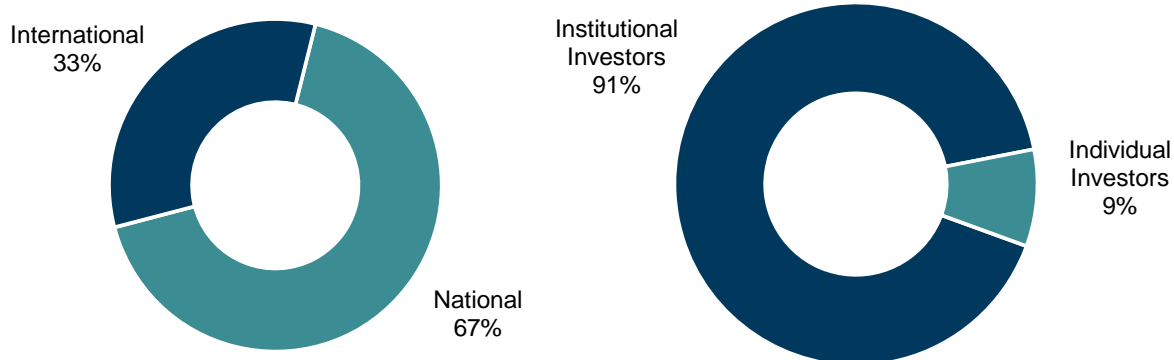


Source: Bloomberg



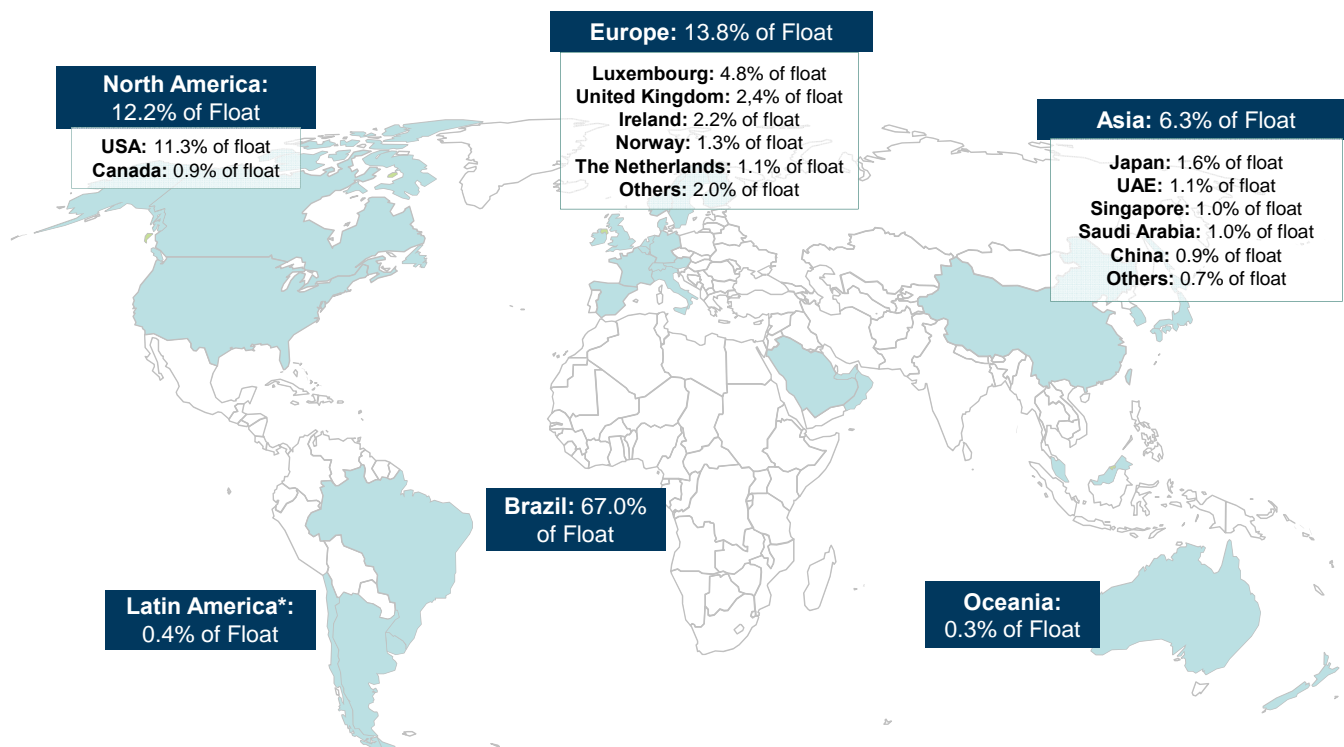
On March 31st, 2014, the Company's capital stock was represented by 371,148,532 common shares (SUZB3) and 736,590,145 preferred shares (SUZB5 and SUZB6), for a total of 1,107,738,677 shares traded on the São Paulo Stock Exchange (BM&FBovespa), of which 21,140,881 were treasury shares (6,786,194 common shares and 14,354,687 preferred shares). Suzano's Market capitalization stood at R\$9.3 billion on March 31st, 2014. In 1Q14, free-float stood at 41.5% of the total capital.

Free Float Distribution on 03/31/2014



Comments on the Performance

Distribution of Free-Float on March 31st, 2014



*Latin America ex-Brazil

Events in the Period

Election of the Executive Board

On March 14th, 2014, Suzano Pulp and Paper announced to the market that its Chief Financial Officer and Investor Relations Officer, Mr. Alberto Monteiro, was leaving the Company. On March 31st, 2014, Mr. Marcelo Bacci became Chief Financial Officer and Investor Relations Officer. The Notice to the Market is available on the website of the CVM and on the Company's IR website (www.suzano.com.br/ir).

Outbound pulp shipments via rail in Maranhão

On March 10th, 2013, the railroad that connects the Maranhão Unit to the North-South Railroad was cleared for operation.

Start of pulp shipments through the Port of Itaqui

On February 26th, 2013, Suzano Pulp and Paper carried out the first pulp shipment to export markets from the Maranhão Unit.

Comments on the Performance

Submission of dossier to CTNBio

On January 16th, 2014, FuturaGene submitted to the National Biosafety Technical Commission (CTNBio), the agency responsible for regulating and approving all activities related to genetically modified organisms in Brazil, a regulatory dossier seeking approval for commercial use.

Subsequent Events

Annual and Extraordinary Shareholders' Meeting

The Annual and Extraordinary Shareholders' Meeting of Suzano Pulp and Paper was held on April 30th, 2014. The minutes are available on the website of the CVM and on the Company's IR website (www.suzano.com.br/ir).

Payment of Dividends

The Annual and Extraordinary Shareholders' Meeting of April 30th, 2014 approved the payment of dividends amounting to R\$122 million, to be distributed to shareholders as follows: R\$0.10545 to the common shares; R\$0.11600 to the class "A" preferred shares; and R\$0.34523 to the class "B" preferred shares. The payment of dividends was effected on May 12th, 2014, based on shareholders of record on April 30, 2014. The shares will trade "ex rights" as from May 2nd, 2014.

Election of Executive Officers and Management Committee Member

On May 9th, 2014, a meeting of the Board of Directors was held to (i) elect the members of the Board of Executive Officers; and (ii) appoint a new member of the Management Committee. The minutes of the meeting and the respective resolutions are available in the Investors Relations website at (www.suzano.com.br/ir)

Corporate Information

Suzano Papel e Celulose S.A., with annual revenue of R\$5.2 billion in 2012, is one of Latin America's largest vertically integrated producers of paper and eucalyptus pulp, with an annual production capacity of 1.3 million tons of paper and 1.9 million tons of market pulp. It offers a broad range of pulp and paper products for the domestic and export markets, with leadership positions in key Brazilian segments, and has four product lines: (i) eucalyptus pulp; (ii) uncoated printing and writing paper; (iii) coated printing and writing paper; and iv) paperboard.

Forward-looking statements

This release may contain forward-looking statements. Such statements are subject to known and unknown risks and uncertainties that could cause the Company's actual results to differ materially from those set forth in the forward-looking statements. These risks include: changes in future demand for the Company's products, changes in factors affecting domestic and international product prices, changes in the cost structure, changes in the seasonal patterns of markets, changes in prices charged by competitors, foreign exchange variations, changes in the political or economic situation of Brazil, and changes in emerging and international markets.

Comments on the Performance

Attachment I

Operating Data

| Sales volume (tons) | 1Q14 | 1Q13 | Δ Y-o-Y | 4Q13 | Δ Q-o-Q |
|------------------------|----------------|----------------|-------------|----------------|---------------|
| Exports | 446,575 | 430,136 | 3.8% | 543,672 | -17.9% |
| Pulp | 356,088 | 344,560 | 3.3% | 427,251 | -16.7% |
| Paper | 90,486 | 85,576 | 5.7% | 116,422 | -22.3% |
| Paperboard | 20,650 | 22,132 | -6.7% | 17,552 | 17.6% |
| Printing & Writing | 69,836 | 63,444 | 10.1% | 98,869 | -29.4% |
| Coated | 1,049 | 931 | 12.6% | 1,874 | -44.1% |
| Uncoated | 68,788 | 62,512 | 10.0% | 96,995 | -29.1% |
| Other Paper | - | - | n.a. | - | n.a. |
| Domestic Market | 307,413 | 280,692 | 9.5% | 371,320 | -17.2% |
| Pulp | 108,961 | 96,818 | 12.5% | 107,857 | 1.0% |
| Paper | 198,452 | 183,874 | 7.9% | 263,464 | -24.7% |
| Paperboard | 37,788 | 34,251 | 10.3% | 47,878 | -21.1% |
| Printing & Writing | 155,826 | 139,117 | 12.0% | 207,365 | -24.9% |
| Coated | 55,295 | 43,276 | 27.8% | 59,668 | -7.3% |
| Uncoated | 100,531 | 95,841 | 4.9% | 147,697 | -31.9% |
| Other Paper | 4,838 | 10,506 | -54.0% | 8,220 | -41.1% |
| Total | 753,987 | 710,828 | 6.1% | 914,992 | -17.6% |
| Pulp | 465,049 | 441,378 | 5.4% | 535,107 | -13.1% |
| Paper | 288,938 | 269,450 | 7.2% | 379,885 | -23.9% |
| Paperboard | 58,438 | 56,383 | 3.6% | 65,431 | -10.7% |
| Printing & Writing | 225,663 | 202,561 | 11.4% | 306,235 | -26.3% |
| Coated | 56,344 | 44,207 | 27.5% | 61,542 | -8.4% |
| Uncoated | 169,319 | 158,354 | 6.9% | 244,693 | -30.8% |
| Other Paper | 4,838 | 10,506 | -54.0% | 8,220 | -41.1% |

| Revenue breakdown (R\$ '000) | 1Q14 | 1Q13 | Δ Y-o-Y | 4Q13 | Δ Q-o-Q |
|------------------------------|------------------|------------------|--------------|------------------|---------------|
| Exports | 741,846 | 622,213 | 19.2% | 878,753 | -15.6% |
| Pulp | 521,467 | 441,720 | 18.1% | 607,587 | -14.2% |
| Paper | 220,379 | 180,493 | 22.1% | 271,166 | -18.7% |
| Paperboard | 55,109 | 47,336 | 16.4% | 46,291 | 19.0% |
| Printing & Writing | 165,270 | 133,154 | 24.1% | 224,875 | -26.5% |
| Coated | 3,619 | 2,748 | 31.7% | 6,326 | -42.8% |
| Uncoated | 161,651 | 130,406 | 24.0% | 218,549 | -26.0% |
| Other Paper | - | - | n.a. | - | n.a. |
| Domestic Market | 657,770 | 551,880 | 19.2% | 781,536 | -15.8% |
| Pulp | 146,119 | 114,607 | 27.5% | 140,318 | 4.1% |
| Paper | 511,651 | 437,273 | 17.0% | 641,218 | -20.2% |
| Paperboard | 116,688 | 95,153 | 22.6% | 138,926 | -16.0% |
| Printing & Writing | 379,016 | 312,415 | 21.3% | 478,154 | -20.7% |
| Coated | 128,032 | 96,099 | 33.2% | 133,718 | -4.3% |
| Uncoated | 250,984 | 216,316 | 16.0% | 344,436 | -27.1% |
| Other Paper | 15,947 | 29,708 | -46.3% | 24,137 | -33.9% |
| Total | 1,399,616 | 1,174,093 | 19.2% | 1,660,289 | -15.7% |
| Pulp | 667,586 | 556,327 | 20.0% | 747,905 | -10.7% |
| Paper | 732,030 | 617,766 | 18.5% | 912,384 | -19.8% |
| Paperboard | 171,797 | 142,489 | 20.6% | 185,217 | -7.2% |
| Printing & Writing | 544,286 | 445,569 | 22.2% | 703,029 | -22.6% |
| Coated | 131,651 | 98,847 | 33.2% | 140,044 | -6.0% |
| Uncoated | 412,635 | 346,722 | 19.0% | 562,985 | -26.7% |
| Other Paper | 15,947 | 29,708 | -46.3% | 24,137 | -33.9% |

Note: "Other Papers" = paper from other suppliers sold by SPP and KSR

Comments on the Performance

Operating Data (continued)

| Average net price (R\$/ton) | 1Q14 | 1Q13 | Δ Y-o-Y | 4Q13 | Δ Q-o-Q |
|-----------------------------|--------------|--------------|--------------|--------------|-------------|
| Exports | 1,661 | 1,447 | 14.8% | 1,616 | 2.8% |
| Pulp | 1,464 | 1,282 | 14.2% | 1,422 | 3.0% |
| Paper | 2,435 | 2,109 | 15.5% | 2,329 | 4.6% |
| Paperboard | 2,669 | 2,139 | 24.8% | 2,637 | 1.2% |
| Printing & Writing | 2,367 | 2,099 | 12.8% | 2,274 | 4.0% |
| Coated | 3,451 | 2,950 | 17.0% | 3,375 | 2.3% |
| Uncoated | 2,350 | 2,086 | 12.7% | 2,253 | 4.3% |
| Other Paper | - | - | n.a. | - | n.a. |
| Domestic Market | 2,140 | 1,966 | 8.8% | 2,105 | 1.7% |
| Pulp | 1,341 | 1,184 | 13.3% | 1,301 | 3.1% |
| Paper | 2,578 | 2,378 | 8.4% | 2,434 | 5.9% |
| Paperboard | 3,088 | 2,778 | 11.2% | 2,902 | 6.4% |
| Printing & Writing | 2,432 | 2,246 | 8.3% | 2,306 | 5.5% |
| Coated | 2,315 | 2,221 | 4.3% | 2,241 | 3.3% |
| Uncoated | 2,497 | 2,257 | 10.6% | 2,332 | 7.1% |
| Other Paper | 3,296 | 2,828 | 16.6% | 2,936 | 12.3% |
| Total | 1,856 | 1,652 | 12.4% | 1,815 | 2.3% |
| Pulp | 1,436 | 1,260 | 13.9% | 1,398 | 2.7% |
| Paper | 2,534 | 2,293 | 10.5% | 2,402 | 5.5% |
| Paperboard | 2,940 | 2,527 | 16.3% | 2,831 | 3.9% |
| Printing & Writing | 2,412 | 2,200 | 9.7% | 2,296 | 5.1% |
| Coated | 2,337 | 2,236 | 4.5% | 2,276 | 2.7% |
| Uncoated | 2,437 | 2,190 | 11.3% | 2,301 | 5.9% |
| Other Paper | 3,296 | 2,828 | 16.6% | 2,936 | 12.3% |

Note: "Other Papers" = paper from other suppliers sold by SPP and KSR

Comments on the Performance

Attachment II

Consolidated Income Statement

| CONSOLIDATED FINANCIAL STATEMENT | | | | | |
|--|--------------|--------------|----------------|--------------|----------------|
| (R\$ '000) | 1Q14 | 1Q13 | Δ Y-o-Y | 4Q13 | Δ Q-o-Q |
| Net Revenue | 1,399,616 | 1,174,093 | 19.2% | 1,660,289 | -15.7% |
| Cost of Goods Sold | (1,009,873) | (887,990) | 13.7% | (1,203,975) | -16.1% |
| Gross Profit | 389,743 | 286,103 | 36.2% | 456,314 | -14.6% |
| Selling Expenses | (64,147) | (53,959) | 18.9% | (68,217) | -6.0% |
| General and Administrative Expenses | (88,508) | (87,436) | 1.2% | (112,020) | -21.0% |
| Other Operating Income | 4,784 | (2,573) | n.a. | 2,378 | 101.2% |
| EBIT | 241,872 | 142,135 | 70.2% | 278,455 | -13.1% |
| Depreciation, Amortization & Depletion | 257,485 | 185,121 | 39.1% | 241,595 | 6.6% |
| EBITDA | 499,357 | 327,256 | 52.6% | 520,050 | -4.0% |
| <i>EBITDA Margin (%)</i> | <i>35.7%</i> | <i>27.9%</i> | <i>7.8 p.p</i> | <i>31.3%</i> | <i>4.4 p.p</i> |
| Adjusted EBITDA | 489,454 | 327,256 | 49.6% | 543,378 | -9.9% |
| <i>Adjusted EBITDA Margin (%)</i> | <i>35.0%</i> | <i>27.9%</i> | <i>7.1 p.p</i> | <i>32.7%</i> | <i>2.2 p.p</i> |
| Net Financial Result | 50,237 | (80,027) | n.a. | (339,033) | n.a. |
| Financial Expenses | (212,922) | (197,025) | 8.1% | (193,860) | 9.8% |
| Financial Revenues | 71,541 | 72,136 | -0.8% | 54,737 | 30.7% |
| Exchange Rate Variation | 191,618 | 44,862 | 327.1% | (199,910) | n.a. |
| Earnings Before Taxes | 292,109 | 62,108 | 370.3% | (60,578) | n.a. |
| Income and Social Contribution Taxes | (91,064) | (20,160) | 351.7% | 2,546 | n.a. |
| Net Income (Loss) | 201,045 | 41,948 | 379.3% | (58,032) | n.a. |

Comments on the Performance

Attachment III

Consolidated Balance Sheet

| CONSOLIDATED BALANCE SHEET (R\$'000) | | | | | |
|--------------------------------------|-------------------|-------------------|---|-------------------|-------------------|
| ASSETS | 03/31/2014 | 12/31/2013 | LIABILITIES | 03/31/2014 | 12/31/2013 |
| CURRENT ASSETS | | | CURRENT LIABILITIES | | |
| Cash and Cash Equivalent | 3,397,216 | 3,689,640 | Salaries and Payroll Taxes | 98,359 | 125,650 |
| Accounts Receivable | 1,178,974 | 1,474,141 | Accounts Payable | 611,943 | 876,556 |
| Inventories | 1,128,428 | 905,256 | Tax Liabilities | 63,469 | 54,060 |
| Recoverable Taxes | 384,325 | 280,461 | Loans and Financing | 1,071,859 | 1,007,157 |
| Prepaid Expenses | 7,546 | 8,721 | Debentures | 4,410 | 1,386 |
| Advances to suppliers | 38,431 | 34,529 | Other Payable | 223,257 | 216,581 |
| Other Current Assets | 115,048 | 78,966 | TOTAL CURRENT LIABILITIES | 2,073,297 | 2,281,390 |
| TOTAL CURRENT ASSETS | 6,249,968 | 6,471,714 | | | |
| | | | NON CURRENT LIABILITIES | | |
| NON CURRENT ASSETS | | | Loans and Financing | 11,557,079 | 11,736,172 |
| Biological Assets | 3,012,427 | 2,965,872 | Debentures | 127,823 | 132,270 |
| Deffered Taxes | 1,041 | 1,075 | Other Liabilities | 28,215 | 24,914 |
| Other Receivable Taxes | 445,668 | 510,578 | Debt on Land and Reforestation Purchase | 162,362 | 170,899 |
| Advances to Suppliers | 251,860 | 251,910 | Deffered Taxes | 1,702,620 | 1,634,210 |
| Receivable Credits | 56,721 | 56,721 | Provision | 486,317 | 482,249 |
| Judicial Deposits | 63,963 | 61,431 | TOTAL NON CURRENT LIABILITIES | 14,064,416 | 14,180,714 |
| Other Accounts Receivable | 50,596 | 53,745 | | | |
| Property, Plant and Equipment | 16,679,153 | 16,551,707 | SHAREHOLDERS EQUITY | | |
| Intangible | 229,854 | 224,590 | Share Capital | 6,241,753 | 6,241,753 |
| TOTAL NON CURRENT ASSETS | 20,791,283 | 20,677,629 | Capital Reserve | (222,910) | (235,998) |
| TOTAL ASSETS | 27,041,251 | 27,149,343 | Profit Reserve | 2,187,427 | 2,187,427 |
| | | | Acumulated Profit | 212,200 | - |
| | | | Equity Valuation Adjustment | 2,485,068 | 2,494,057 |
| | | | TOTAL EQUITY | 10,903,538 | 10,687,239 |
| | | | TOTAL LIABILITIES + EQUITY | 27,041,251 | 27,149,343 |

Comments on the Performance

Attachment IV

Consolidated Cash Flow Statement

| CONSOLIDATED CASH FLOW STATEMENT | | |
|--|------------------|------------------|
| (R\$ '000) | 1Q14 | 1Q13 |
| Cash Flow from Operating Activities | | |
| Net Income (Loss) | 201,045 | 41,948 |
| Depreciation, Amortization & Depletion | 257,485 | 185,121 |
| Result on Sale of Non-Current and Biological Assets | 38 | (3,874) |
| Provision for Plant and Equipment Write-off and Losses | 23,897 | 138 |
| Exchange and Monetary Variation | (64,294) | (55,276) |
| Net Interest Expenses | 226,861 | 195,925 |
| Deferred Income and Social Contribution Taxes | 68,275 | 11,885 |
| Interest on Actuarial Liabilities | 7,366 | 6,008 |
| Contingencies | (667) | 1,627 |
| Share based Payment Plan Expenses | 5,500 | (126) |
| Derivatives Variation | (5,068) | (15,426) |
| Provision for Doubtful Credits | 3,457 | 896 |
| (Reversion) Provision for discounts | (2,999) | (2,675) |
| (Reversion) Provision for inventory losses | (1,136) | - |
| Other Provisions | 36,821 | 23,616 |
| Accounts Receivable Variation | 155,119 | 237,818 |
| Inventories Variation | (217,184) | (149,630) |
| Recoverable Taxes Variation | (44,151) | (58,688) |
| (Increase) in Other Current and Non-Current Liabilities | (18,462) | (43,266) |
| Variation in Accounts Payable | (387,190) | (189,007) |
| Other Current and Non-Current Assets Variation | 39,009 | 53,055 |
| Interest Payments | (214,326) | (192,209) |
| Other Taxes and Contributions Payments | (97,794) | (74,278) |
| Income Tax and Social Contributions Payments | (15,969) | (9,124) |
| Net cash from operating activities | (44,367) | (35,542) |
| Cash Flow from Investing Activities | | |
| Acquisition of Property, Plant and Equipment, Intangible and Biological Assets | (343,631) | (401,246) |
| Upfront Receivables from Asset Sale | - | 1,462 |
| Asset Sales | 357 | 4,658 |
| Net cash generated in investing activities | (343,274) | (395,126) |
| Cash Flow from Financing Activities | | |
| Loans Raised | 255,711 | 796,028 |
| Net proceeds Generated by Derivatives | (193) | (597) |
| Payment of Loans | (125,780) | (318,883) |
| Acquisition of own shares | 8,514 | (38,718) |
| Net cash from financing activities | 138,252 | 437,830 |
| Effects of Exchange Rate Variation in Cash and Cash Equivalents | (43,035) | (13,827) |
| Increase (decrease) in Cash | (292,424) | (6,665) |
| Cash in the beginning of the period | 3,689,640 | 4,337,608 |
| Cash in the end of the period | 3,397,216 | 4,330,943 |
| Statement of Increase (decrease) in Cash | (292,424) | (6,665) |

Comments on the Performance

Attachment V

Consolidated Loans and Financing

| (R\$ '000) | Index | Average annual interest rate in March/14 | Consolidated | |
|---|-----------------------------|--|-------------------|-------------------|
| | | | 03/31/2014 | 12/31/2012 |
| Plant and Equipment | | | | |
| BNDES - Finem | Fixed Rate / TJLP | 7.12% | 1,956,265 | 1,977,233 |
| BNDES - Finem | Basket of Currencies / US\$ | 5.76% | 2,290,551 | 2,195,893 |
| BNDES - Finame | Fixed Rate / TJLP | 4.30% | 23,553 | 3,511 |
| FNE - BNB | Fixed Rate | 8.50% | 71,092 | 75,642 |
| FINEP | Fixed Rate | 4.41% | 47,854 | 49,597 |
| Crédito Rural (Rural Credit) | Fixed Rate | 5.50% | - | 20,436 |
| Leasing | US\$ | - | 22,552 | 33,873 |
| Export Credit Agency -ECA | US\$ | 1.90% | 1,199,848 | 1,233,947 |
| Working Capital | | | | |
| Trade Finance (Exports) | US\$ | 4.46% | 1,988,895 | 2,054,668 |
| Export Credit Note | CDI / Fixed Rate | 11.36% | 3,525,342 | 3,514,454 |
| Senior Notes | Fixed Rate | 5.88% | 1,453,501 | 1,525,848 |
| Receivable Discounting - Vendor | | | 39,741 | 42,566 |
| Others | | | 9,744 | 15,661 |
| | | | 12,628,938 | 12,743,329 |
| Current Liabilities (including interests) | | | 1,071,859 | 1,007,157 |
| Non Current Liabilities | | | 11,557,079 | 11,736,172 |
| The non-current loans and financing mature as follows: | | | | |
| 2015 | | | 763,792 | 959,074 |
| 2016 | | | 2,206,526 | 2,209,113 |
| 2017 | | | 1,945,137 | 1,940,820 |
| 2018 | | | 1,337,063 | 1,338,181 |
| 2019 | | | 2,074,941 | 2,060,391 |
| 2020 | | | 707,349 | 692,944 |
| 2021 | | | 2,379,185 | 2,411,050 |
| 2022 onwards | | | 143,086 | 124,600 |
| | | | 11,557,079 | 11,736,172 |

Comments on the Performance

Attachment VI

Consolidated Debentures

| Issuance | Series | Bonds | 03/31/2014 | | 12/31/2012 | | Index | Interest (% p.a) | Maturity |
|-----------------|-----------------|---------|-----------------------|---------------------------|------------------|------------------|-------|---------------------|----------|
| | | | Current (R\$ '000) | Non Current (R\$ '000) | Total (R\$ '000) | Total (R\$ '000) | | | |
| 3 rd | 2 nd | 167,000 | 4,410 | 127,823 | 132,233 | 133,656 | USD | 9.85% | 5/7/19 |
| | | | 4,410 | 127,823 | 132,233 | 133,656 | | | |

Comments on the Performance

Attachment VII

EBITDA

| R\$ thousand, except where otherwise indicated | 1Q14 | 1Q13 |
|--|----------------|----------------|
| Net Income | 201,045 | 41,948 |
| Net Financial Result | (50,237) | 80,027 |
| Income and Social Contribution Taxes | 91,064 | 20,160 |
| EBIT | 241,872 | 142,135 |
| Depreciation, Amortization and Depletion | 257,485 | 185,121 |
| EBITDA ⁽¹⁾ | 499,357 | 327,256 |
| EBITDA Margin | 35.7% | 27.9% |
| Commercial Agreement with Suppliers | (31,500) | - |
| Provision for Plant and Equipment Write-off and Losses | 22,132 | - |
| Others | (535) | - |
| Adjusted EBITDA | 489,454 | 327,256 |
| Adjusted EBITDA Margin | 35.0% | 27.9% |

⁽¹⁾ Company's EBITDA calculated according to CVM Instruction # 527, as of October, 04th, 2012.

| Reconciliation of Adjusted EBITDA | 1Q14 | 1Q13 |
|--|----------------|----------------|
| EBITDA | 499,357 | 327,256 |
| Depreciation, Amortization and Depletion | 257,485 | 185,121 |
| Operating Results before Financial Results and Taxes ⁽²⁾ | 241,872 | 142,135 |

⁽²⁾ Accounting Measurement released on the Consolidated 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 activity 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 has industrial plants operating 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.

In the quarter ended March 31, 2014, the Company started production of premium eucalyptus pulp at the Maranhão Unit, which will be exported. The first export shipment of this pulp to third parties occurred in March 2014, together with the initial recognition of the Unit's results in the Company's profit or loss.

2 Basis of Preparation and Presentation of the Quarterly Information

2.1 Statement of compliance (with IFRS and CPC standards)

This quarterly financial information report includes:

The Company's individual and consolidated quarterly information statements for the periods ended March 31, 2014 and 2013 were prepared and are presented in accordance with technical pronouncement CPC 21 (R1) Interim Statements and in accordance with international standard IAS 34, following the provisions in Central Bank Circular/CVM/SNC/SEP 003/2011 dated April 28, 2011.

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

Comments on the Performance

The Board of Directors approved the issue of individual and consolidated quarterly information on May 9, 2014.

2.2 Consolidated quarterly information

The consolidated quarterly information includes the direct and indirect subsidiaries, joint operations and exclusive investment funds (Note 5).

The reference date of the subsidiaries' quarterly information included in the consolidation coincides with those of the Company.

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

| Currency | Name | Country | Subsidiary | Final rate | | Average rate | |
|----------|----------------|----------------|----------------------------------|---------------|------------|---------------|-----------|
| | | | | 3/31/2014 | 12/31/2013 | 3/31/2014 | 3/31/2013 |
| USD | U.S. Dollar | United States | Suzano Trading Suzano America | 2.2630 | 2.3426 | 2.3261 | 1.9828 |
| GBP | Pound Sterling | United Kingdom | FuturaGene Sun Paper | 3.7733 | 3.8728 | 3.8649 | 2.9896 |
| CHF | Swiss Franc | Switzerland | Suzano Europa | 2.5605 | 2.6304 | 2.6430 | 2.0954 |
| EUR | Euro | European Union | Bahia Sul Holdings | 3.1175 | 3.2265 | 3.2185 | 2.5696 |
| ARS | Argentine Peso | Argentina | Stenfar | 0.2824 | 0.3593 | 0.2903 | 0.3871 |

3 Accounting Practices

The quarterly information and the annual financial statements for the fiscal year ended December 31, 2013 were prepared using reliable accounting practices and should be read jointly in order to provide a proper understanding of the information updated through March 31, 2014.

3.1 Reclassification

To better comply with CPC 18 (R2) - Investments in Associates, Subsidiaries and Joint Ventures, and with ICPC 09 (R1) - Individual Quarterly Information, 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.

In the three-month period ended March 31, 2013, the net amount of R\$21,110 in the Parent Company income statement relating to Sales Revenue, Cost of Goods Sold and Selling Expenses was reclassified under Equity Pick-Up, related to unrealized income from descendent transactions.

In the same period, a sum of R\$7,193, relating to upstream land leasing transactions, was reclassified from Other Operating Expenses and Selling Expenses to Equity Pick-up in Subsidiaries and Affiliates.

Comments on the Performance

4 Financial instruments

4.1 Management of financial risks

a. Overview

In the period ended March 31, 2014, there were no significant changes in the financial risk management policies and procedures compared to those reported in Note 4 to the financial statements of December 31, 2013. 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.

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 quarterly information and presented in the following table. No reclassifications between categories were made during the period.

| | Note | Parent Company | | Consolidated | |
|--|------|----------------|------------|--------------|------------|
| | | 3/31/2014 | 12/31/2013 | 3/31/2014 | 12/31/2013 |
| Assets | | | | | |
| Fair value through profit or loss | | | | | |
| Cash and banks | 5 | 23,401 | 35,532 | 1,287,308 | 1,073,027 |
| Financial investments | 5 | 1,812,391 | 2,341,472 | 1,816,224 | 2,345,458 |
| Exclusive Funds | 5 | 293,684 | 271,155 | 293,684 | 271,155 |
| Unrealized gains from derivative operations | 4 | 6,899 | 2,534 | 37,538 | 35,980 |
| Loans and receivables | | | | | |
| Trade accounts receivable | 6 | 2,724,458 | 2,760,655 | 1,178,974 | 1,474,141 |
| Liabilities | | | | | |
| Liabilities through amortizable cost | | | | | |
| Trade accounts payable | | 595,987 | 857,227 | 611,943 | 876,556 |
| Loans and financing | 17 | 11,169,108 | 11,205,065 | 12,628,938 | 12,743,329 |
| Debentures | 18 | 132,233 | 133,656 | 132,233 | 133,656 |
| Fair value through profit or loss | | | | | |
| Unrealized losses from derivative operations | 4 | 29,393 | 29,868 | 30,376 | 33,039 |

Comments on the Performance

4.2 Fair value versus book value

In the period ended March 31, 2014, there were no significant changes to the criteria used to determine the market value of assets or financial instruments compared to those reported in Note 4 to the financial statements of December 31, 2013.

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

| | Consolidated | | | |
|--|--------------|------------|------------|------------|
| | 3/31/2014 | | 12/31/2013 | |
| | Book Value | Fair Value | Book Value | Fair Value |
| Assets | | | | |
| Cash and cash equivalents | 3,397,216 | 3,397,216 | 3,689,640 | 3,689,640 |
| Unrealized gains from derivative operations (current and non-current) | 37,538 | 37,538 | 35,980 | 35,980 |
| Trade accounts receivable | 1,178,974 | 1,178,974 | 1,474,141 | 1,474,141 |
| Liabilities | | | | |
| Trade accounts payable | 611,943 | 611,943 | 876,556 | 876,556 |
| Loans and financing (current and non-current) | 12,628,938 | 13,351,463 | 12,743,329 | 13,672,655 |
| Debentures (current and non-current) | 132,233 | 177,879 | 133,656 | 178,862 |
| Unrealized losses from derivative operations (current and non-current) | 30,376 | 30,376 | 33,039 | 33,039 |

4.3 Credit risk

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

| | Note | Parent Company | | Consolidated | |
|---|------|------------------|------------------|------------------|------------------|
| | | 3/31/2014 | 12/31/2013 | 3/31/2014 | 12/31/2013 |
| Assets | | | | | |
| Cash and banks | 5 | 23,401 | 35,532 | 1,287,308 | 1,073,027 |
| Financial Investments | 5 | 1,812,391 | 2,341,472 | 1,816,224 | 2,345,458 |
| Exclusive Funds | 5 | 293,684 | 271,155 | 293,684 | 271,155 |
| Trade accounts receivable | 6 | 2,724,458 | 2,760,655 | 1,178,974 | 1,474,141 |
| Unrealized gains from derivative operations | 4 | 6,899 | 2,534 | 37,538 | 35,980 |
| Total | | 4,860,833 | 5,411,348 | 4,613,728 | 5,199,761 |

Comments on the Performance

4.4 Liquidity risk

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

| | | 3/31/2014 | | | | |
|------------------------|------|-------------------|------------------|------------------|------------------|-------------------|
| Consolidated | Note | Fair value | Up to 1 year | 1 - 2 years | 2 - 5 years | More than 5 years |
| Liabilities | | | | | | |
| Loans and financing | 17 | 13,351,463 | 1,380,610 | 1,814,945 | 4,933,142 | 5,222,766 |
| Trade accounts payable | | 611,943 | 611,943 | - | - | - |
| Derivatives payable | 4 | 30,376 | 22,200 | 7,158 | 1,018 | - |
| Other accounts payable | | 192,015 | 176,146 | 15,869 | - | - |
| | | 14,185,797 | 2,190,899 | 1,837,972 | 4,934,160 | 5,222,766 |
| | | 12/31/2013 | | | | |
| Consolidated | Note | Fair value | Up to 1 year | 1 - 2 years | 2 - 5 years | More than 5 years |
| Liabilities | | | | | | |
| Loans and financing | 17 | 13,672,655 | 1,273,965 | 1,399,503 | 5,446,637 | 5,552,550 |
| 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 | - | - |
| | | 14,775,836 | 2,358,145 | 1,417,770 | 5,447,371 | 5,552,550 |

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:

| | | 3/31/2014 | | | | | |
|--------------------------|-------------------------|----------------|--------------|----------------|---------------|--------------|--------------|
| Consolidated Derivatives | Book value / Fair value | Up to 1 month | 1 - 3 months | 3 - 6 months | 6 - 12 months | 1 - 2 years | 2 - 5 years |
| Assets | 37,538 | 1,707 | 1,842 | 8,879 | 5,870 | 11,055 | 8,185 |
| Liabilities | 30,376 | 4,699 | 2,073 | 10,640 | 4,788 | 7,158 | 1,018 |
| | 7,162 | (2,992) | (231) | (1,761) | 1,082 | 3,897 | 7,167 |

4.5 Market risk

On March 31, 2014, the net principal of operations contracted for forward sale of U.S. dollar through Non Deliverable Forwards (“NDFs”) was US\$32.3 million. Their maturities are distributed between April 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 March 31, 2014, the Company had outstanding (i) US\$182 million in swaps to lock-in LIBOR in financing contracts, and (ii) US\$320 million in swaps of currency coupon for 3-month fixed LIBOR.

Comments on the Performance

4.6 Market risk - exchange rate

The following table shows the net exposure in foreign currency:

| Consolidated | 3/31/2014 (in R\$ thousand) | | | | | 12/31/2013 (in R\$ thousand) | | | | |
|---------------------------|-----------------------------|-----|---------|--------|-----------|------------------------------|-----|---------|--------|-----------|
| | USD | GBP | CHF | ARS | Total | USD | GBP | CHF | ARS | Total |
| Trade accounts receivable | 306,679 | 40 | 207,167 | 20,011 | 533,897 | 493,478 | 41 | 215,944 | 32,004 | 741,467 |
| Trade accounts payable | 42,274 | 158 | 1,244 | 8,473 | 52,149 | 42,485 | 502 | 1,715 | 12,544 | 57,247 |
| Loans and financing | 6,961,675 | - | - | - | 6,961,675 | 7,047,100 | - | - | - | 7,047,100 |
| Derivative NDF | 73,185 | - | - | - | 73,185 | 91,643 | - | - | - | 91,643 |
| Derivative Swap | 1,135,968 | - | - | - | 1,135,968 | 1,237,418 | - | - | - | 1,237,418 |

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%.

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

| Consolidated BRL x USD | 3/31/2014 | | | | |
|---------------------------|--------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| | Probable | Appreciation (Δ of 25%) | Appreciation (Δ of 50%) | Depreciation (Δ of 25%) | Depreciation (Δ of 50%) |
| Loans and financing | (6,961,675) | (1,740,419) | (3,480,838) | 1,740,419 | 3,480,838 |
| Trade accounts receivable | 306,679 | 76,670 | 153,340 | (76,670) | (153,340) |
| Trade accounts payable | (42,274) | (10,569) | (21,137) | 10,569 | 21,137 |
| Derivative Swap | (19,103) | (4,776) | (9,552) | 4,776 | 9,552 |
| Derivative NDF | (3,391) | (18,040) | (36,080) | 18,040 | 36,080 |
| TOTAL | (6,719,764) | (1,697,133) | (3,394,266) | 1,697,133 | 3,394,266 |

| Consolidated ARS x BRL | 3/31/2014 | | | | |
|---------------------------|---------------|----------------------------|----------------------------|----------------------------|----------------------------|
| | Probable | Appreciation (Δ of 25%) | Appreciation (Δ of 50%) | Depreciation (Δ of 25%) | Depreciation (Δ of 50%) |
| Trade accounts receivable | 20,011 | 5,003 | 10,006 | (5,003) | (10,006) |
| Trade accounts payable | (8,473) | (2,118) | (4,237) | 2,118 | 4,237 |
| TOTAL | 11,538 | 2,885 | 5,769 | (2,885) | (5,769) |

| Consolidated CHF x BRL | 3/31/2014 | | | | |
|---------------------------|----------------|----------------------------|----------------------------|----------------------------|----------------------------|
| | Probable | Appreciation (Δ of 25%) | Appreciation (Δ of 50%) | Depreciation (Δ of 25%) | Depreciation (Δ of 50%) |
| Trade accounts receivable | 207,167 | 51,792 | 103,584 | (51,792) | (103,584) |
| Trade accounts payable | (1,244) | (311) | (622) | 311 | 622 |
| TOTAL | 205,923 | 51,481 | 102,962 | (51,481) | (102,962) |

| Consolidated GBP x BRL | 3/31/2014 | | | | |
|---------------------------|--------------|----------------------------|----------------------------|----------------------------|----------------------------|
| | Probable | Appreciation (Δ of 25%) | Appreciation (Δ of 50%) | Depreciation (Δ of 25%) | Depreciation (Δ of 50%) |
| Trade accounts receivable | 40 | 10 | 20 | (10) | (20) |
| Trade accounts payable | (158) | (40) | (79) | 40 | 79 |
| TOTAL | (118) | (30) | (59) | 30 | 59 |

Comments on the Performance

4.7 Market risk - interest rates

On March 31, 2014, the exposure of financial instruments pegged to interest rates (Interbank Certificate of Deposit - "CDI") was R\$3,221,349 (R\$3,219,986 on December 31, 2013).

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 March 31, 2014, 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:

| | 3/31/2014 | | | | |
|------------------------------------|------------------|------------------|------------------|------------------|--------------------|
| | Probable | Incr. (Δ of 25%) | Incr. (Δ of 50%) | Dec. (Δ of 25%) | Dec. (Δ of 50%) |
| Consolidated Pre | | | | | |
| Loans and financing | 3,221,349 | 805,337 | 1,610,675 | (805,337) | (1,610,675) |
| Derivative NDF | (3,391) | (1,521) | (2,958) | 1,611 | 3,320 |
| TOTAL | 3,217,958 | 803,817 | 1,607,716 | (803,726) | (1,607,354) |
| | | | | | |
| | 3/31/2014 | | | | |
| | Probable | Incr. (Δ of 25%) | Incr. (Δ of 50%) | Dec. (Δ of 25%) | Dec. (Δ of 50%) |
| Consolidated Libor | | | | | |
| Derivative Swap and Convertibility | 27,235 | 1,527 | 3,029 | (1,553) | (3,133) |
| Derivative Pulp | (984) | (87) | (174) | 87 | 175 |
| TOTAL | 26,251 | 1,440 | 2,855 | (1,465) | (2,958) |
| | | | | | |
| | 3/31/2014 | | | | |
| | Probable | Incr. (Δ of 25%) | Incr. (Δ of 50%) | Dec. (Δ of 25%) | Dec. (Δ of 50%) |
| Consolidated Dollar Coupon | | | | | |
| Derivative NDF | (3,391) | 229 | 456 | (231) | (465) |
| Derivative Swap | (15,698) | 62 | 123 | (63) | (128) |
| TOTAL | (19,089) | 291 | 579 | (295) | (593) |
| | | | | | |
| | 3/31/2014 | | | | |
| | Probable | Incr. (Δ of 25%) | Incr. (Δ of 50%) | Dec. (Δ of 25%) | Dec. (Δ of 50%) |
| Consolidated Pulp Coupon | | | | | |
| Derivative Pulp | (984) | 585 | 1,161 | (596) | (1,203) |
| TOTAL | (984) | 585 | 1,161 | (596) | (1,203) |

4.8 Market risk - commodity prices

On March 31, 2014, the following exposure of contracts pegged to pulp commodity prices totals R\$73,185 (R\$91,643 on December 31, 2013).

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 March 31, 2014, 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:

Comments on the Performance

| Consolidated | 3/31/2014 | | | | |
|---|--------------|--------------------------|--------------------------|-------------------------|-------------------------|
| | Probable | Incr. (Δ of 25%) | Incr. (Δ of 50%) | Dec. (Δ of 25%) | Dec. (Δ of 50%) |
| Contracts pegged to commodity prices PULP | (984) | (18,527) | (37,053) | 18,527 | 37,053 |
| TOTAL | (984) | (18,527) | (37,053) | 18,527 | 37,053 |

4.9 Outstanding derivatives

On March 31, 2014 and December 31, 2013, the consolidated positions of outstanding derivatives, grouped by asset or index, with all trading on the over-the-counter market are presented below:

| Description | Maturities | Notional value on | | Fair value on | | Equity balances on | | | |
|------------------------------------|-----------------------|-------------------|------------------|---------------|--------------|--------------------|---------------|---------------|---------------|
| | | 3/31/2014 | 12/31/2013 | 3/31/2014 | 12/31/2013 | 3/31/2014 | | 12/31/2013 | |
| | | | | | | Payable | Receivable | Payable | Receivable |
| Foreign currency swaps | | | | | | | | | |
| Long Position - US\$ Libor | 4/1/2014 to 11/4/2019 | 411,808 | 440,934 | 406,109 | 430,651 | - | - | - | - |
| Short Position - US\$ Fixed Rate | | 411,808 | 440,934 | 425,212 | 450,033 | - | - | - | - |
| SubTotal | | | | (19,103) | (19,382) | 19,103 | - | 19,382 | - |
| Value at Risk (VaR) ⁽¹⁾ | | | | 413 | 296 | - | - | - | - |
| Currency Swap - NDF | | | | | | | | | |
| Long Position in R\$ x US\$ | 4/1/2014 to 1/8/2016 | 85,994 | 89,019 | (6,135) | (1,787) | 6,134 | - | 1,787 | - |
| Short Position in R\$ x US\$ | | 159,180 | 180,661 | 2,744 | (6,165) | 4,155 | 6,898 | 8,699 | 2,534 |
| SubTotal | | | | (3,391) | (7,952) | 10,289 | 6,898 | 10,486 | 2,534 |
| Value at Risk (VaR) (1) | | | | 778 | 985 | - | - | - | - |
| Commodity Swap | | | | | | | | | |
| Short Position in Pulp BHKP | 4/1/2014 to 1/8/2016 | 73,185 | 91,643 | (984) | (3,034) | - | - | - | - |
| SubTotal | | | | (984) | (3,034) | 984 | - | 3,171 | 137 |
| Value at Risk (VaR) (1) | | | | 532 | 312 | - | - | - | - |
| Other | | | | | | | | | |
| Long Position - Currency coupon | 4/1/2014 to 1/3/2018 | 724,160 | 796,484 | 2,440,601 | 2,668,584 | - | - | - | - |
| Short Position - US\$ Fixed Libor | | 724,160 | 796,484 | 2,409,961 | 2,635,275 | - | - | - | - |
| SubTotal | | | | 30,640 | 33,309 | - | 30,640 | - | 33,309 |
| Value at Risk (VaR) (1) | | | | 369 | 461 | - | - | - | - |
| Total results in swaps | | 1,454,327 | 1,598,741 | 7,162 | 2,941 | 30,376 | 37,538 | 33,039 | 35,980 |

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

On March 31, 2014 and December 31, 2013, the same consolidated positions, grouped by counterparty, are presented below:

Comments on the Performance

| Description | Notional value on | | Fair value on | | Equity balances on | | Equity balances on | |
|-------------------------------------|-------------------|------------------|---------------|--------------|--------------------|---------------|--------------------|---------------|
| | 3/31/2014 | 12/31/2013 | 3/31/2014 | 12/31/2013 | 3/31/2014 | | 12/31/2013 | |
| | | | | | Payable | Receivable | Payable | Receivable |
| Foreign currency swaps | | | | | | | | |
| Counterparties | | | | | | | | |
| BTG Pactual | 187,528 | 194,125 | (10,793) | (10,905) | | | | |
| Merrill Lynch | 14,144 | 29,283 | (111) | (203) | | | | |
| Santander | 161,643 | 167,328 | (4,794) | (4,836) | | | | |
| Standard Chartered | 48,493 | 50,198 | (3,405) | (3,438) | | | | |
| SubTotal | | | (19,103) | (19,382) | 19,103 | - | 19,382 | - |
| Currency swaps - NDF | | | | | | | | |
| Counterparties | | | | | | | | |
| Long Position in R\$ x US\$ | | | | | | | | |
| Rabobank | 85,994 | 89,019 | (6,135) | (1,787) | | | | |
| Short Position in R\$ x US\$ | | | | | | | | |
| Itaú BBA | - | 5,552 | - | (547) | | | | |
| Rabobank | 85,995 | 89,019 | 6,899 | 2,534 | | | | |
| Votorantim | 73,185 | 86,090 | (4,155) | (8,152) | | | | |
| SubTotal | | | (3,391) | (7,952) | 10,289 | 6,898 | 10,486 | 2,534 |
| Commodity swaps - Pulp | | | | | | | | |
| Counterparties | | | | | | | | |
| Nordea Bank Finland P/C | - | 5,552 | - | 137 | | | | |
| Standard Chartered | 73,185 | 86,091 | (984) | (3,171) | | | | |
| SubTotal | | | (984) | (3,034) | 984 | - | 3,171 | 137 |
| Other | | | | | | | | |
| Counterparty | | | | | | | | |
| JP Morgan | 724,160 | 796,484 | 30,640 | 33,309 | | | | |
| SubTotal | | | 30,640 | 33,309 | - | 30,640 | - | 33,309 |
| Total result in swaps | 1,454,327 | 1,598,741 | 7,162 | 2,941 | 30,376 | 37,538 | 33,039 | 35,980 |

4.10 Settled derivatives

In the three-month periods ended March 31, 2014 and 2013, the accumulated positions of settled derivatives, grouped by asset or index, with all trading on the over-the-counter market were as follows:

| Description | Maturities | Notional value on | | Fair value (settlement value) accumulated on | |
|-----------------------------------|------------------------|-------------------|-----------|--|-----------|
| | | 3/31/2014 | 3/31/2013 | 3/31/2014 | 3/31/2013 |
| Foreign currency swaps | | | | | |
| Long Position - US\$ Libor | 2013: Jan/13 to Dec/13 | 14,144 | 311,313 | | |
| Short Position - US\$ Fixed Rate | 2014: Jan/14 to Mar/14 | 14,144 | 311,313 | | |
| SubTotal | | | | (113) | (4,379) |
| Currency swaps | | | | | |
| Short Position in R\$ x US\$ | 2013: Jan/13 to Dec/13 | 15,343 | 20,239 | (1,395) | 222 |
| Long Position in US\$ x ARS | 2014: Jan/14 to Mar/14 | - | 7,311 | - | (284) |
| SubTotal | | | | (1,395) | (62) |
| Commodity swaps | | | | | |
| Short Position in Pulp BHKP | 2013: Jan/13 to Dec/13 | 15,343 | 20,239 | | |
| SubTotal | | | | (351) | (224) |
| Other | | | | | |
| Long Position - Currency coupon | 2013: Jan/13 to Dec/13 | 135,780 | 241,656 | | |
| Short Position - US\$ Fixed Libor | 2014: Jan/14 to Mar/14 | 135,780 | 241,656 | | |
| SubTotal | | | | 1,665 | 4,067 |
| Total result in swaps | | | | (193) | (597) |

Comments on the Performance

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 | |
|-----------------------------------|--------------------|-------------|--------------------|-------------|
| | 3/31/2014 | 12/31/2013 | 3/31/2014 | 12/31/2013 |
| Loans and financing | 11,169,108 | 11,205,065 | 12,628,938 | 12,743,329 |
| Debentures | 132,233 | 133,656 | 132,233 | 133,656 |
| (-) Cash and cash equivalents | (2,129,476) | (2,648,159) | (3,397,216) | (3,689,640) |
| Net debt | 9,171,865 | 8,690,562 | 9,363,955 | 9,187,345 |
| Shareholders' equity | 10,903,538 | 10,687,239 | 10,903,538 | 10,687,239 |
| Shareholders' equity and net debt | 20,075,403 | 19,377,801 | 20,267,493 | 19,874,584 |

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).

| | Fair value on 3/31/2014 | Consolidated | | |
|--------------------------|----------------------------|------------------|------------------|------------|
| | | Level 1 | Level 2 | Level 3 |
| Assets | | | | |
| Cash and banks | 1,287,308 | 1,287,308 | - | - |
| Financial Investments | 1,816,224 | - | 1,816,224 | - |
| Exclusive Fund Paperfect | 259,734 | - | 259,734 | - |
| Exclusive Fund Report | 33,950 | 33,950 | - | - |
| Derivatives | 37,538 | - | 37,538 | - |
| | | 1,321,258 | 2,113,496 | - |
| Liabilities | | | | |
| Derivatives | 30,376 | - | 29,392 | 984 |
| | | - | 29,392 | 984 |

Comments on the Performance

| | Fair value on 12/31/2013 | Consolidated | | |
|--------------------------|-----------------------------|------------------|------------------|--------------|
| | | 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 |

4.13 Guarantees

On March 31, 2014, the Company had guarantees pegged to consolidated accounts receivable operations related to exports amounting to US\$216,415, equivalent to R\$489,747 on this date.

5 Cash and Cash Equivalents

| | Parent Company | | Consolidated | |
|-----------------------|------------------|------------|------------------|------------|
| | 3/31/2014 | 12/31/2013 | 3/31/2014 | 12/31/2013 |
| Cash and banks | 23,401 | 35,532 | 1,287,308 | 1,073,027 |
| Financial investments | 1,812,391 | 2,341,472 | 1,816,224 | 2,345,458 |
| Exclusive funds | 293,684 | 271,155 | 293,684 | 271,155 |
| | 2,129,476 | 2,648,159 | 3,397,216 | 3,689,640 |

On March 31, 2014 and December 31, 2013, 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:

Comments on the Performance

| | Parent Company and Consolidated | |
|---------------------------------|--|-------------------|
| | 3/31/2014 | 12/31/2013 |
| Exclusive fund Paperfect | | |
| Investment CDB | 139,211 | 82,064 |
| Repurchase agreements | 121,102 | 82,821 |
| Deductions ⁽¹⁾ | (579) | (204) |
| | 259,734 | 164,681 |
| Exclusive fund Report | | |
| Investment funds | 34,125 | 106,609 |
| Deductions ⁽¹⁾ | (175) | (135) |
| | 33,950 | 106,474 |
| | 293,684 | 271,155 |

⁽¹⁾ Includes expenses with auditing, administration fee and withholding income tax.

6 Trade Accounts Receivable

| | Parent Company | | Consolidated | |
|----------------------------------|-----------------------|-------------------|---------------------|-------------------|
| | 3/31/2014 | 12/31/2013 | 3/31/2014 | 12/31/2013 |
| Domestic clients | | | | |
| - Third parties | 646,649 | 726,389 | 647,820 | 730,100 |
| - Subsidiaries | 703 | 696 | - | - |
| - Related Parties ⁽¹⁾ | 16,746 | 18,783 | 16,746 | 18,783 |
| Foreign clients | | | | |
| - Third parties | 19,330 | 20,988 | 531,304 | 738,090 |
| - Subsidiaries | 2,060,386 | 2,009,873 | - | - |
| - Related Parties ⁽¹⁾ | - | - | 4,414 | 5,338 |
| Allowance for doubtful accounts | (19,356) | (16,074) | (21,310) | (18,170) |
| | 2,724,458 | 2,760,655 | 1,178,974 | 1,474,141 |

⁽¹⁾ See Note 10.

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

| | Parent Company | | Consolidated | |
|---------------------|-----------------------|-------------------|---------------------|-------------------|
| | 3/31/2014 | 12/31/2013 | 3/31/2014 | 12/31/2013 |
| Amounts overdue: | | | | |
| - Up to two months | 30,542 | 16,928 | 35,860 | 29,502 |
| - Two to six months | 5,697 | 7,169 | 18,538 | 12,720 |
| - Over six months | 32,876 | 30,643 | 36,093 | 34,321 |
| | 69,115 | 54,740 | 90,490 | 76,543 |

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

Comments on the Performance

| | Parent Company | | Consolidated | |
|--|------------------------------|-----------------|-----------------|-----------------|
| | Three-month period ended on: | | | |
| | 3/31/2014 | 3/31/2013 | 3/31/2014 | 3/31/2013 |
| Opening balance | (16,074) | (21,948) | (18,170) | (24,239) |
| Credits accrued in the period | (3,387) | (1,508) | (3,462) | (1,673) |
| Credits recovered in the period | 5 | 623 | 5 | 777 |
| Credits definitively written-off from position | 100 | 1,776 | 100 | 1,776 |
| Foreign exchange variation | - | - | 217 | 321 |
| Closing balance | <u>(19,356)</u> | <u>(21,057)</u> | <u>(21,310)</u> | <u>(23,038)</u> |

7 Inventories

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

| | Parent Company | | Consolidated | |
|---------------------------------|----------------|----------------|------------------|----------------|
| | 3/31/2014 | 12/31/2013 | 3/31/2014 | 12/31/2013 |
| Finished goods | | | | |
| Pulp | | | | |
| - Domestic | 144,167 | 45,780 | 144,167 | 45,780 |
| - Foreign | - | - | 131,256 | 116,992 |
| Paper | | | | |
| - Domestic | 231,695 | 183,849 | 231,695 | 183,849 |
| - Foreign | - | - | 87,821 | 65,730 |
| Work in process | 50,460 | 31,701 | 50,460 | 31,701 |
| Raw materials | 312,121 | 303,694 | 312,228 | 303,800 |
| Maintenance and other materials | 161,544 | 148,589 | 170,801 | 157,404 |
| | <u>899,988</u> | <u>713,613</u> | <u>1,128,428</u> | <u>905,256</u> |

On March 31, 2014, the Parent Company and Consolidated balance of inventories is net of provision for losses amounting to R\$33,636, of which: i) finished goods totaled R\$14; ii) raw materials totaled R\$11,863; and iii) maintenance and other materials totaled R\$21,759 (R\$54,406 on December 31, 2013, of which: i) finished goods totaled R\$243, ii) raw materials totaled R\$32,225; and iii) maintenance materials totaled R\$21,938).

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

8 Income Tax and Social Contribution on Net Income

8.1 Recoverable income and social contribution taxes

| | Parent Company | | Consolidated | |
|---------------------|----------------|---------------|---------------|---------------|
| | 3/31/2014 | 12/31/2013 | 3/31/2014 | 12/31/2013 |
| Income tax | 50,019 | 51,185 | 51,037 | 52,201 |
| Social contribution | 1,532 | 6,964 | 1,573 | 7,001 |
| | <u>51,551</u> | <u>58,149</u> | <u>52,610</u> | <u>59,202</u> |

Comments on the Performance

In the period ended March 31, 2014, the Company and its subsidiaries paid income and social contribution taxes in the amounts of R\$15,637 and R\$2,647, respectively (R\$23,902 and R\$7,391, respectively on March 31, 2013), 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:

| | Parent Company | | Consolidated | |
|---|------------------|------------------|------------------|------------------|
| | 3/31/2014 | 12/31/2013 | 3/31/2014 | 12/31/2013 |
| Non-current assets | | | | |
| Income tax | | | | |
| Credits over tax losses | 537,046 | 543,434 | 538,020 | 544,442 |
| Credits over temporary differences: | | | | |
| - Credits over provisions | 160,924 | 189,605 | 160,973 | 189,654 |
| Credits over effects of Law 11,941/09 and IFRS | 140,151 | 141,417 | 140,151 | 141,417 |
| | <u>838,121</u> | <u>874,456</u> | <u>839,144</u> | <u>875,513</u> |
| Social contribution | | | | |
| Credits over social contribution tax loss carryforwards | 82,618 | 88,294 | 82,618 | 88,294 |
| Credits over temporary differences: | | | | |
| - Credits over provisions | 57,680 | 68,005 | 57,698 | 68,023 |
| Credits over effects of Law 11,941/09 and IFRS | 50,455 | 50,910 | 50,455 | 50,910 |
| | <u>190,753</u> | <u>207,209</u> | <u>190,771</u> | <u>207,227</u> |
| Total non-current assets: | <u>1,028,874</u> | <u>1,081,665</u> | <u>1,029,915</u> | <u>1,082,740</u> |
| Non-current liabilities | | | | |
| Income tax | | | | |
| Debits over accelerated depreciation | 611,399 | 580,142 | 611,399 | 580,142 |
| Debits over goodwill amortization | 123,000 | 123,000 | 123,000 | 123,000 |
| Debits over effects of Law 11,941/09 and IFRS | 1,346,733 | 1,358,331 | 1,435,893 | 1,447,392 |
| | <u>2,081,132</u> | <u>2,061,473</u> | <u>2,170,292</u> | <u>2,150,534</u> |
| Social contribution | | | | |
| Debits over goodwill amortization | 44,280 | 44,280 | 44,280 | 44,280 |
| Debits over effects of Law 11,941/09 and IFRS | 484,824 | 488,999 | 516,922 | 521,061 |
| | <u>529,104</u> | <u>533,279</u> | <u>561,202</u> | <u>565,341</u> |
| Total non-current liabilities | <u>2,610,236</u> | <u>2,594,752</u> | <u>2,731,494</u> | <u>2,715,875</u> |
| Total non-current assets, net | - | - | 1,041 | 1,075 |
| Total non-current liabilities, net | 1,581,362 | 1,513,087 | 1,702,620 | 1,634,210 |
| | <u>1,581,362</u> | <u>1,513,087</u> | <u>1,701,579</u> | <u>1,633,135</u> |

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

| | Parent Company | | Consolidated | |
|---|----------------|------------|--------------|------------|
| | 3/31/2014 | 12/31/2013 | 3/31/2014 | 12/31/2013 |
| Tax losses | 2,148,183 | 2,173,735 | 2,152,079 | 2,177,768 |
| Social contribution tax loss carryforward | 917,981 | 981,044 | 917,981 | 981,044 |

Comments on the Performance

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 year ended December 31, 2013, the Company recorded tax losses and hence did not use the benefit. In the quarter ended March 31, 2014, said incentive was used once again in view of the recording of taxable income.

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 | |
|---|----------------|-----------|--------------|-----------|
| | 3/31/2014 | 3/31/2013 | 3/31/2014 | 3/31/2013 |
| Net income before income and social contribution taxes | 288,799 | 58,466 | 292,109 | 62,108 |
| Exclusion of equity accounting result | (7,212) | (14,504) | - | - |
| Net income after excluding equity accounting results | 281,587 | 43,962 | 292,109 | 62,108 |
| Income and social contribution taxes at the nominal rate of 34% | (95,740) | (14,947) | (99,317) | (21,117) |
| Adjustment for accounting of tax rate: | | | | |
| Exchange effect of translating foreign subsidiaries' financial statements | - | - | 401 | 1,799 |
| Tax effects over adjustments to Law 11,941/09 and IFRS | (53) | 3,108 | - | - |
| Tax incentive - SUDENE reduction | 8,584 | 1,779 | 8,584 | 1,779 |
| Other | (545) | (6,458) | (732) | (2,621) |
| Income Tax | | | | |
| Current | (6,236) | (3,456) | (8,995) | (6,342) |
| Deferred | (55,994) | (8,213) | (55,994) | (8,248) |
| | (62,230) | (11,669) | (64,989) | (14,590) |
| Social Contribution | | | | |
| Current | (13,243) | (1,212) | (13,794) | (1,933) |
| Deferred | (12,281) | (3,637) | (12,281) | (3,637) |
| | (25,524) | (4,849) | (26,075) | (5,570) |
| Income and social contribution taxes expense recorded as profit or loss in the period | (87,754) | (16,518) | (91,064) | (20,160) |
| Effective income and social contribution expense tax rate | 31.2% | 37.6% | 31.2% | 32.5% |

8.5 Transitional Tax Regime (“RTT”)

In the periods ended March 31, 2014 and 2013, 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.

Comments on the Performance

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 quarterly information and awaits the MP to be made into law to decide on its early adoption.

9 Other Recoverable Taxes

| | | Parent Company | | Consolidated | |
|--------------------------------------|-----|-----------------|------------|-----------------|------------|
| | | 3/31/2014 | 12/31/2013 | 3/31/2014 | 12/31/2013 |
| PIS and COFINS taxes recoverable | (a) | 543,914 | 514,042 | 543,914 | 514,044 |
| ICMS recoverable | (b) | 180,349 | 165,350 | 182,603 | 167,130 |
| Provision for losses of ICMS credits | (b) | (10,532) | (10,861) | (10,532) | (10,861) |
| Other taxes and contributions | | 61,256 | 61,383 | 61,398 | 61,524 |
| | | 774,987 | 729,914 | 777,383 | 731,837 |
| Current | | 329,319 | 219,336 | 331,715 | 221,259 |
| Non-current | | 445,668 | 510,578 | 445,668 | 510,578 |

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

On March 31, 2014, the amounts of R\$168,269 and R\$375,645 are recorded in Current Assets and Non-Current Assets, respectively (R\$75,348 and R\$438,696, respectively, on December 31, 2013).

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 March 31, 2014, the amounts of R\$87,770 and R\$39,187 of the Mucuri - BA and Imperatriz - MA units, respectively (R\$90,509 and R\$20,879 on December 31, 2013) was chiefly due to the non-utilization of credits in outflows of tax-exempted pulp and paper exports.

Comments on the Performance

To realize the credits of the Mucuri unit, the Company requested that the Bahia State Treasury Department inspect and ratify these credits, which are already ratified in the amount of R\$62,942. 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\$10,532 (R\$10,861 on December 31, 2013).

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.

a) Balances and transactions in the three-month period ended March 31, 2014

| Transactions | Nature of the main operation | ASSETS | | LIABILITIES | | RESULT | | | | |
|--------------------------------|--|------------------|-------------|---------------|------------------------|-------------------|-----------|------------------|----------|----------------|
| | | Current | Non-current | Current | Non-current and Equity | Income (expenses) | | | | |
| With subsidiaries | | | | | | | | | | |
| Suzano Trading | Sale of pulp and paper | 2,050,670 | (2) | - | 16,866 | (1) | 1,436,374 | (1) | 612,296 | (2) |
| Suzano Europe | Refunded expenses | - | - | - | 16 | (7) | - | - | - | |
| Paineiras | AFCI and Property lease | 742 | - | 7,500 | (3) | 5,953 | - | - | (1,700) | (5) |
| Paineiras Logística | AFCI and Commissioning of road transport | 1,288 | - | 1,534 | (3) | 8,142 | - | - | (13,817) | |
| Stenfar | Sale of paper | 10,924 | (2) | - | 80 | - | - | - | 15,859 | (2) |
| Ondurman | AFCI and Property lease | 679 | - | 700 | (3) | - | - | - | (3,676) | |
| Amulya | AFCI and Property lease | - | - | 725 | (3) | - | - | - | (2,559) | |
| Asapir | Refunded expenses | - | - | - | 600 | (7) | - | - | - | |
| SER | AFCI and Shared expenses | 65 | (7) | 35,251 | (3) | 1,584 | (7) | - | - | |
| Bahia Sul Holdings | AFCI | - | - | 62 | (3) | - | - | - | - | |
| Futuragene | Shared expenses | 164 | (7) | - | 10 | - | - | - | 5 | (7) |
| | | 2,064,532 | | 45,772 | | 33,251 | | 1,436,374 | | 606,408 |
| With related parties | | | | | | | | | | |
| Suzano Holding | Guarantees | 179 | - | - | 4,370 | - | - | - | (8,454) | |
| Central | Sale of paper | 16,558 | - | - | 16,488 | (4) | - | - | 16,439 | (2) |
| Nemonorte | Real-estate consulting services | - | - | - | - | - | - | - | (65) | |
| Mabex | Aircraft services | - | - | - | - | - | - | - | (52) | |
| Lazam - MDS | Insurance consulting and advisory services | - | - | - | - | - | - | - | (81) | |
| Ecofuturo | Social services | - | - | - | - | - | - | - | (881) | |
| Bexma | Administrative expenses | 8 | - | - | - | - | - | - | 36 | |
| IPLF Holding | Credit from tax claims | - | - | - | 504 | - | - | - | - | |
| Shareholders | Dividends and interest on equity | - | - | - | 647 | - | - | - | - | |
| | | 16,745 | | - | | 22,009 | | - | | 6,942 |
| Between related parties | | | | | | | | | | |
| Stenfar | Shared expenses | 2,479 | (6) | - | - | - | - | - | (188) | |
| IPLF Holding | Shared expenses | - | - | - | 2,479 | (6) | - | - | 188 | |
| | | 2,479 | | - | | 2,479 | | - | | - |
| | | 2,083,756 | | 45,772 | | 57,738 | | 1,436,374 | | 613,350 |

Comments on the Performance

b) Balances on December 31, 2013 and transactions in the three-month period ended March 31, 2013

| Transactions | Nature of the main operation | ASSETS | | LIABILITIES | | RESULT | |
|--------------------------------|--|------------------|---------------|---------------|------------------------|-------------------|----------------|
| | | 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) | 551,278 (2) |
| Suzano Europe | Refunded expenses | - | - | - | 16 (7) | - | - |
| Paineiras | AFCI and Property lease | 741 | - | 7,500 (3) | 4,745 | - | (7,798) (5) |
| Paineiras Logística | AFCI and Commissioning of road transport | 511 | - | 1,184 (3) | 2,538 | - | - |
| Stenfar | Sale of paper | 4,654 | (2) | - | 64 | - | 4,106 (2) |
| Ondurman | AFCI and Property lease | 679 | - | 700 (3) | - | - | (3,521) |
| Amulya | AFCI and Property lease | - | - | 725 (3) | - | - | (2,470) |
| 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) | - | - | - | 9 (7) |
| | | 2,013,235 | 44,821 | 49,094 | 1,486,879 | | 541,604 |
| With related parties | | | | | | | |
| Suzano Holding | Guarantees | 161 | - | - | 4,757 | - | (8,701) |
| Tec 2 Doc Serviços | Sale of paper | - | - | - | - | - | 7,212 (8) |
| Central | Sale of paper | 18,614 | - | - | 16,302 (4) | - | 12,610 (2) |
| Nemonorte | Real-estate consulting services | - | - | - | - | - | (431) |
| Mabex | Aircraft services | - | - | - | - | - | (162) |
| Lazam - MDS | Insurance consulting and advisory services | - | - | - | 94 | - | (84) |
| Ecofuturo | Social services | - | - | - | - | - | (1,128) |
| Bexma | Administrative expenses | 8 | - | - | - | - | - |
| IPLF Holding | Credit from tax claims | - | - | - | 504 | - | - |
| Shareholders | Dividends and interest on equity | - | - | - | 647 | - | - |
| | | 18,783 | - | 22,304 | - | | 9,316 |
| Between related parties | | | | | | | |
| Stenfar | Shared expenses | 2,667 | (6) | - | - | - | (38) |
| IPLF Holding | Shared expenses | - | - | - | 2,667 (6) | - | 38 |
| | | 2,667 | - | 2,667 | - | | - |
| | | 2,034,685 | 44,821 | 74,065 | 1,486,879 | | 550,920 |

(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, in accordance with the rates and terms stated 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 Polímeros S.A., 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”, current corporate name of Agaprint Indl. e Coml. Ltda) was sold on September 2, 2013.

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”)

Comercial e Agrícola Paineiras Ltda (“Paineiras”)

Futuragene Brasil Tecnologia Ltda (“Futuragene”)

Instituto Ecofuturo - Futuro para o Desenvolvimento Sustentável (“Ecofuturo”)

IPLF Holding S.A (“IPLF Holding”)

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”)

Stenfar S.A Indl. Coml. Imp. Y. Exp. (“Stenfar”)

Suzano Holding S.A. (“Suzano Holding”)

Suzano Pulp and Paper Europe S.A. (“Suzano Europa”)

Comments on the Performance

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

| | Note | Parent Company | | Consolidated | |
|--|------|--------------------|--------------------|-----------------|-----------------|
| | | 3/31/2014 | 12/31/2013 | 3/31/2014 | 12/31/2013 |
| Balance receivable | | | | | |
| Trade accounts receivable | 6 | 2,077,835 | 2,029,352 | 21,160 | 24,121 |
| Receivables from subsidiaries - current | | 3,443 | 2,666 | - | - |
| Receivables from subsidiaries - non-current | | 45,772 | 44,821 | - | - |
| | | <u>2,127,050</u> | <u>2,076,839</u> | <u>21,160</u> | <u>24,121</u> |
| Balance payable | | | | | |
| Dividends and Interest on Equity Payable | | (647) | (647) | (647) | (647) |
| Loans and financing | 17 | (19,661) | (19,418) | (19,661) | (19,418) |
| Trade accounts payable | | (1,700) | (2,239) | (1,700) | (2,239) |
| Obligations with related parties - current | | (33,251) | (49,094) | - | - |
| Obligations with related parties - non-current | | (1,436,374) | (1,486,879) | - | - |
| | | <u>(1,491,633)</u> | <u>(1,558,277)</u> | <u>(22,008)</u> | <u>(22,304)</u> |
| | | <u>635,417</u> | <u>518,562</u> | <u>(848)</u> | <u>1,817</u> |

c) Management compensation

On March 31, 2014, 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\$32,817 at the Parent Company and R\$32,822 on a consolidated basis (R\$14,618 and R\$15,922 on March 31, 2013, respectively).

| | | Parent Company | | Consolidated | |
|------------------------------|------|----------------------|----------------------|----------------------|----------------------|
| | | 3/31/2014 | 3/31/2013 | 3/31/2014 | 3/31/2013 |
| Short-term benefits | | | | | |
| Salary or compensation | (i) | 5,892 | 4,354 | 5,897 | 5,361 |
| Direct and Indirect Benefits | | 486 | 203 | 486 | 234 |
| Bonus | | 5,270 | 3,737 | 5,270 | 3,831 |
| | | <u>11,648</u> | <u>8,294</u> | <u>11,653</u> | <u>9,426</u> |
| Long-term benefits | | | | | |
| Share-based compensation | (ii) | 21,169 | 6,324 | 21,169 | 6,496 |
| | | <u>21,169</u> | <u>6,324</u> | <u>21,169</u> | <u>6,496</u> |
| Total | | <u><u>32,817</u></u> | <u><u>14,618</u></u> | <u><u>32,822</u></u> | <u><u>15,922</u></u> |

(i) includes fixed compensation (salaries and fees, vacation, mandatory "13th"), payroll charges (contributions to social security - INSS) and variable compensation such as profit sharing, bonus and private pension plan (accumulated in the year company portion) and benefits (vehicle, healthcare plan, meal voucher, grocery voucher, life insurance 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 22).

Comments on the Performance

11 Biological Assets

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

| | <u>Parent Company</u> | <u>Consolidated</u> |
|-----------------------------------|-------------------------|-------------------------|
| Balance on December 31, 2012 | 2,696,797 | 2,643,940 |
| Additions ⁽¹⁾ | 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 | <u>3,023,522</u> | <u>2,965,872</u> |
| Additions ⁽¹⁾ | 152,130 | 147,247 |
| Harvest in the three-month period | (100,279) | (100,280) |
| Other write-offs | (412) | (412) |
| Balance on March 31, 2014 | <u>3,074,961</u> | <u>3,012,427</u> |

- 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.

The fair value of biological assets is calculated on an annual basis, as reported in Note 11 to the Company's annual financial statements. There were no events in this period that indicate material changes in the balances of such assets.

12 Damages Receivable from Land Expropriation

On March 31, 2014 and December 31, 2013, 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.

The reversal of the amount payable to the Company was ordered 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 March 31, 2014, the balance of advances of financial resources and inputs for timber development amounted to R\$290,291, classified under current and non-current assets (R\$286,439 on December 31, 2013).

Comments on the Performance

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 3/31/2014 | | | | | Equity Accounting | | Investments and (Provision) for Investment Losses | |
|---|--|---------------|-------------------------------------|-------------------------------|--|------------------------------|-----------|---|------------|
| | Equity Interest % | Balance sheet | | | Result for the three-month period ended on 3/31/2014 | Three-month period ended on: | | 3/31/2014 | 12/31/2013 |
| | | Assets | Current and Non-Current Liabilities | Adjusted Shareholders' Equity | | 3/31/2014 | 3/31/2013 | | |
| Subsidiaries and direct joint ventures | | | | | | | | | |
| Asapir | 50.00% | 14,838 | 14,566 | 282 | (132) | (66) | (836) | 141 | 208 |
| Paineiras (b) | 100.00% | 397,649 | 130,652 | 249,136 | 70 | (1,325) | 2,319 | 249,136 | 250,462 |
| Suzano Trading (a) | 100.00% | 3,560,979 | 3,541,304 | 19,676 | (22,972) | (25,396) | 594 | 19,676 | 42,047 |
| Sun Paper (a) | 100.00% | 4,064 | 592 | 3,473 | 245 | 161 | (126) | 3,473 | 3,312 |
| SER | 99.90% | 43,065 | 37,222 | 5,843 | (774) | (773) | (4,222) | 5,837 | 6,611 |
| Paineiras Logistica | 99.99% | 17,615 | 6,101 | 11,514 | 6,867 | 6,866 | - | 11,513 | 4,647 |
| Aanisan | 99.88% | 7 | - | 7 | (1) | (1) | (4) | 7 | 7 |
| Epicares | 0.00% | - | - | - | - | - | (14) | - | - |
| Stenfar (a)/(b) | 68.58% | 51,192 | 28,317 | 16,868 | 2,454 | (2,351) | 904 | 9,819 | 13,029 |
| Suzano America (a)/(b) | 100.00% | 228,368 | 206,196 | (10,958) | 442 | 5,608 | 4,213 | (10,958) | (16,566) |
| Bahia Sul Holdings (a) | 100.00% | 60 | 73 | (13) | - | - | (2) | (13) | (11) |
| Suzano Europa (a)/(b) | 100.00% | 448,680 | 409,516 | 16,522 | 9,469 | 26,215 | 15,733 | 16,522 | (9,694) |
| Ondurman (b) | 100.00% | 79,081 | 65,690 | (41,361) | 1,283 | (2,393) | (2,181) | (41,361) | (38,970) |
| Amulya (b) | 99.90% | 61,446 | 54,860 | 6,586 | 668 | 667 | (1,874) | 6,579 | 5,911 |
| | | | | | | 7,212 | 14,504 | 270,371 | 260,993 |
| Total investments | | | | | | | | 322,690 | 326,234 |
| Total provisions for losses | | | | | | | | (52,319) | (65,241) |
| Indirect subsidiaries | | | | | | | | | |
| Futuragene PLC. (a) | 100.00% | 60,070 | 5,846 | 54,224 | (9,653) | (9,925) | (5,399) | 54,224 | 22,923 |
| Stenfar (a)/(b) | 31.42% | 51,192 | 28,317 | 16,868 | 2,454 | 771 | (449) | (771) | 8,164 |
| SER | 0.10% | 43,065 | 37,222 | 5,843 | (774) | (1) | (4) | 6 | 7 |
| Amulya (b) | 0.10% | 61,446 | 54,860 | 6,586 | 668 | 1 | 1 | 7 | 6 |
| | | | | | | (9,154) | (5,851) | 53,466 | 31,100 |

(a) The equity accounting of these foreign direct and indirect subsidiaries includes an exchange variation loss amounting to R\$7,239 (a gain of R\$15,658 on December 31, 2013).

(b) The shareholders' equity of these subsidiaries considers the elimination of the unrealized profits described in Note 3.1.

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

| | Parent Company | |
|--|----------------|---------------|
| | 3/31/2014 | 12/31/2013 |
| Opening balance | 260,993 | 482,417 |
| Equity accounting and foreign exchange variation | 7,212 | (36,762) |
| Exchange variation in investees (other comprehensive income) | 2,166 | (2,107) |
| Capital increase | - | 4,766 (c) |
| Sale of subsidiary Epicares | - | (187,321) (d) |
| Closing balance | 270,371 | 260,993 |

(c) 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 with Suzano;

(d) Divestment on May 28, 2013, related to the divestment from the Capim Branco Energia Consortium.

Comments on the Performance

15 Property, Plant and Equipment

| | | | | | | Parent Company |
|---|-----|--|--|--|--|-------------------------------------|
| | | | | | | Total property, plant and equipment |
| | | | | | | Work in progress |
| | | | | | | Lands and farms |
| | | | | | | Other assets |
| | | | | | | Machinery and equipment |
| | | | | | | Buildings |
| Annual average depreciation rate | | | | | | - |
| Cost | | | | | | - |
| Balance on December 31, 2012 | | | | | | 18,883,939 |
| Transfers | | | | | | 5,581 |
| Additions | (b) | | | | | 1,846,709 |
| Write-offs | | | | | | (106,346) |
| Interest capitalization | | | | | | 159,944 |
| Balance on December 31, 2013 | | | | | | 20,789,827 |
| Transfers | (c) | | | | | (11,310) |
| Additions | (b) | | | | | 284,818 |
| Write-offs | (a) | | | | | (31,188) |
| Interest capitalization | | | | | | 36,144 |
| Balance on March 31, 2014 | | | | | | 21,068,291 |
| Depreciation | | | | | | - |
| Balance on December 31, 2012 | | | | | | (4,287,908) |
| Transfers | | | | | | (19,138) |
| Write-offs | | | | | | 21,276 |
| Depreciation | | | | | | (510,469) |
| Balance on December 31, 2013 | | | | | | (4,796,239) |
| Transfers | (c) | | | | | (1,446) |
| Write-offs | (a) | | | | | 3,463 |
| Depreciation | | | | | | (152,489) |
| Balance on March 31, 2014 | | | | | | (4,946,711) |
| Residual value | | | | | | - |
| Balance on March 31, 2014 | | | | | | 16,121,580 |
| Balance on December 31, 2013 | | | | | | 15,993,588 |
| Consolidated | | | | | | |
| | | | | | | Total property, plant and equipment |
| | | | | | | Work in progress |
| | | | | | | Lands and farms |
| | | | | | | Other assets |
| | | | | | | Machinery and equipment |
| | | | | | | Buildings |
| Annual average depreciation rate | | | | | | - |
| Cost | | | | | | - |
| Balance on December 31, 2012 | | | | | | 19,443,593 |
| Transfers | | | | | | 11,607 |
| Additions | (b) | | | | | 1,854,152 |
| Write-offs | | | | | | (110,772) |
| Interest capitalization | | | | | | 159,944 |
| Balance on December 31, 2013 | | | | | | 21,358,525 |
| Transfers | (c) | | | | | (11,311) |
| Additions | (b) | | | | | 284,726 |
| Write-offs | (a) | | | | | (31,187) |
| Interest capitalization | | | | | | 36,144 |
| Balance on March 31, 2014 | | | | | | 21,636,897 |
| Depreciation | | | | | | - |
| Balance on December 31, 2012 | | | | | | (4,295,771) |
| Transfers | | | | | | (19,138) |
| Write-offs | | | | | | 20,789 |
| Depreciation | | | | | | (512,698) |
| Balance on December 31, 2013 | | | | | | (4,806,818) |
| Transfers | (c) | | | | | (1,445) |
| Write-offs | (a) | | | | | 3,463 |
| Depreciation | | | | | | (152,944) |
| Balance on March 31, 2014 | | | | | | (4,957,744) |
| Residual value | | | | | | - |
| Balance on March 31, 2014 | | | | | | 16,679,153 |
| Balance on December 31, 2013 | | | | | | 16,551,707 |

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.

Comments on the Performance

- c) Composed substantially of transfers related to the construction of the pulp plant in Maranhão, the balance relates to the transfer to intangible assets.

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 March 31, 2014, the Company and its subsidiaries had property, plant and equipment given as collateral in loan operations and lawsuits amounting to R\$11,513,672 (R\$11,179,424 on December 31, 2013).

15.2 Capitalized expenses

In the three-month period ended March 31, 2014, interests were capitalized in the amount of R\$36,144 referring to the investments in the construction of the new plant in the state of Maranhão (R\$159,944 on December 31, 2013). The amount calculated considers net funding from investments at the average rate of 89% 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 March 31, 2014 and December 31, 2013 | 34,047 | 10 | 34,057 |

Comments on the Performance**16.2 Intangible assets with determined useful life**

| | Useful life (years) | Book Cost | Accumulated Amortization | Exchange Rate Variation | Residual Values | |
|---|---------------------------|----------------|-----------------------------|-------------------------------|-----------------|------------|
| | | | | | 3/31/2014 | 12/31/2013 |
| KSR ^(a) | | | | | | |
| Customer relationship | 5 | 22,617 | (13,946) | - | 8,671 | 9,801 |
| Other intangible assets ^(b) | | | | | - | - |
| Trademarks and Patents | 10 | 2,181 | (1,560) | - | 621 | 648 |
| Software | 5 | 89,379 | (55,223) | - | 34,156 | 19,687 |
| Balance Parent Company | | 114,177 | (70,729) | - | 43,448 | 30,136 |
| Futuragene ^(a) | | | | | | |
| R&D Agreements | 18.8 | 153,316 (c) | (37,587) | 33,773 | 149,502 | 157,356 |
| Other License Agreements | 11.8 | 3,436 (c) | (1,348) | 757 | 2,845 | 3,039 |
| Other intangible assets ^(b) | | | | | | |
| Software | 5 | 70 | (68) | - | 2 | 2 |
| Consolidated Balance | | 270,999 | (109,732) | 34,530 | 195,797 | 190,533 |

- 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.

In the three-month period ended March 31, 2014, the amounts of R\$2,948 in the Parent Company and R\$4,267 in the Consolidated were amortized (R\$2,461 and R\$4,431, respectively, on March 31, 2013).

On March 31, 2014, no evidence of impairment was identified.

Comments on the Performance

17 Loans and Financing

| | Index | Annual average interest rate on 3/31/2014 | Maturity | Parent Company | | Consolidated | |
|--|----------------------------|---|--------------|-------------------|-------------------|-------------------|-------------------|
| | | | | 3/31/2014 | 12/31/2013 | 3/31/2014 | 12/31/2013 |
| Property, plant and equipment: | | | | | | | |
| BNDDES - Finem | Fixed rate /TJLP (1) (2) | 7.12% | 2014 to 2023 | 1,956,265 | 1,977,233 | 1,956,265 | 1,977,233 |
| BNDDES - Finem | Currency basket / US\$ (2) | 5.76% | 2014 to 2022 | 2,290,551 | 2,195,893 | 2,290,551 | 2,195,893 |
| BNDDES - Finame | Fixed rate /TJLP (2) | 4.30% | 2014 to 2024 | 23,553 | 3,511 | 23,553 | 3,511 |
| FNE - BNB | Fixed rate (2) | 8.50% | 2014 to 2017 | 71,092 | 75,642 | 71,092 | 75,642 |
| FINEP | Fixed rate (2) | 4.41% | 2014 to 2020 | 47,854 | 49,597 | 47,854 | 49,597 |
| Rural credit | Fixed rate | 5.50% | 2014 | - | 20,436 | - | 20,436 |
| Financial lease | US\$ | | 2014 to 2022 | 22,552 | 33,873 | 22,552 | 33,873 |
| Export Credit Agency -ECA | US\$ (2) (3) | 1.90% | 2014 to 2022 | 1,199,848 | 1,233,947 | 1,199,848 | 1,233,947 |
| Working capital: | | | | | | | |
| Export financing | US\$ | 4.46% | 2014 to 2021 | 1,988,895 | 2,054,668 | 1,988,895 | 2,054,668 |
| Export credit note | CDI / Fixed rate (5) | 11.36% | 2014 to 2021 | 3,525,342 | 3,514,454 | 3,525,342 | 3,514,454 |
| Senior Notes | Fixed rate (4) | 5.88% | 2021 | - | - | 1,453,501 | 1,525,848 |
| Trade notes discount-Vendor | | | 2014 to 2015 | 39,741 | 42,566 | 39,741 | 42,566 |
| Other | | | 2014 to 2015 | 3,415 | 3,245 | 9,744 | 15,661 |
| | | | | 11,169,108 | 11,205,065 | 12,628,938 | 12,743,329 |
| Current (including interests payable) | | | | 1,049,063 | 955,462 | 1,071,859 | 1,007,157 |
| Non-current | | | | 10,120,045 | 10,249,603 | 11,557,079 | 11,736,172 |
| Non-current loans and financing mature as follows: | | | | | | | |
| 2015 | | | | 763,792 | 959,074 | 763,792 | 959,074 |
| 2016 | | | | 2,206,526 | 2,209,113 | 2,206,526 | 2,209,113 |
| 2017 | | | | 1,945,137 | 1,940,820 | 1,945,137 | 1,940,820 |
| 2018 | | | | 1,337,063 | 1,338,181 | 1,337,063 | 1,338,181 |
| 2019 | | | | 2,074,941 | 2,060,391 | 2,074,941 | 2,060,391 |
| 2020 | | | | 707,349 | 692,944 | 707,349 | 692,944 |
| 2021 | | | | 942,151 | 924,481 | 2,379,185 | 2,411,050 |
| 2022 onwards | | | | 143,086 | 124,600 | 143,086 | 124,600 |
| | | | | 10,120,045 | 10,249,603 | 11,557,079 | 11,736,172 |

- 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. 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. 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 Générale, with guarantee furnished by the Export Credit Agencies FINNVERA and EKN. All 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. The next verification of compliance is scheduled for June 2014.
- 4) In September 2010, the Company, through its international subsidiary Suzano Trading, placed in the international market US\$650,000 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.
- 5) In December 2013, the Company contracted an Export Financing Transaction in the amount of R\$200,000 maturing in 2016 from Caixa Econômica Federal. Interest will be paid on quarterly basis and the principal will be paid upon maturity.

Comments on the Performance

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

| | Parent Company | | Consolidated | |
|-------------------------------|-------------------|------------------|-------------------|-------------------|
| | 3/31/2014 | 3/31/2013 | 3/31/2014 | 3/31/2013 |
| Opening balance | 11,205,065 | 8,628,485 | 12,743,329 | 10,017,275 |
| Funding | 255,711 | 796,028 | 255,711 | 796,028 |
| Recognized interest | 180,107 | 148,077 | 201,472 | 167,961 |
| Exchange variation | (192,105) | (46,405) | (247,696) | (74,732) |
| Settlement of principal | (125,780) | (298,566) | (125,780) | (318,883) |
| Settlement of interest | (164,781) | (137,167) | (210,000) | (176,340) |
| Funding costs | (1,134) | (11,850) | (1,134) | (11,850) |
| Amortization of funding costs | 12,025 | 6,013 | 13,036 | 6,883 |
| | 11,169,108 | 9,084,615 | 12,628,938 | 10,406,342 |

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 city of Mucuri-Bahia. These agreements are denominated in U.S. dollar 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:

| | Parent Company and Consolidated | |
|--|---------------------------------|------------|
| | 3/31/2014 | 12/31/2013 |
| Machinery and equipment | 150,582 | 150,582 |
| (-) Accumulated depreciation | (123,046) | (120,475) |
| Property, plant and equipment, net | 27,536 | 30,107 |
| Present value of mandatory installments (financing): | | |
| Less than 1 year | 2,883 | 12,949 |
| From 1 to 5 years | 14,049 | 14,430 |
| Over 5 years | 5,620 | 6,494 |
| Total present value of mandatory installments (financing) | 22,552 | 33,873 |
| Financial charges to be recognized in the future | 7,838 | 7,337 |
| Total mandatory installments at the expiration of agreements | 30,390 | 41,210 |

Comments on the Performance

17.2 Transaction costs and premiums of securities issues

On March 31, 2014, the balances of funding costs to be apportioned to consolidated profit or loss are as follows:

| Nature | Total cost | Amortization | Exch. Rate Variation | Consolidated | |
|--------------------------|----------------|-----------------|-------------------------|-------------------------|----------------|
| | | | | Balance to be amortized | |
| | | | | 3/31/2014 | 12/31/2013 |
| Senior Notes | 29,284 (1) | (13,799) (2) | 9,832 | 25,317 (2) | 27,219 (2) |
| Export credit note (NCE) | 46,688 | (9,466) | - | 37,222 | 38,177 |
| Prepayment | 9,830 | (4,915) | | 4,915 | 9,829 |
| Import (ECA) | 101,063 (3) | (16,634) | | 84,429 | 89,430 |
| Rural credit | 94 | (94) | | - | 21 |
| Total | 186,959 | (44,908) | 9,832 | 151,883 | 164,676 |

(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) Amounts related to insurance premiums, fees and charges.

18 Debentures

| Parent Company and Consolidated | | | 3/31/2014 | | 12/31/2013 | | Index | Annual interest rate (p.a.) | Redemption |
|---------------------------------|-----------------|---------|--------------|----------------|----------------------------|----------------------------|-------|-----------------------------------|------------|
| Issue | Series | Number | Current | Non-current | Current and non-current | Current and non-current | | | |
| 3 rd | 2 nd | 167,000 | 4,410 | 127,823 | 132,233 | 133,656 | USD | 9.85% | 5/7/2019 |
| | | | 4,410 | 127,823 | 132,233 | 133,656 | | | |

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.

All debentures of the 1st series have been settled and the Company should once again comply with the maximum leverage level as from the second quarter of 2014.

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:

Comments on the Performance

| Parent Company | | | | | | |
|-------------------------|----------------------------------|---------------------|------------------|-------------------------------|-----------------------------------|---------------------------------|
| | Balance on 12/31/2013 | New lawsuits | Reversals | Monetary variation | Settlement of lawsuits | Balance on 3/31/2014 |
| Tax and social security | 171,177 | 4,131 | (4,719) | 3,688 | - | 174,277 |
| Labor | 21,911 | 3,478 | - | 2,747 | (1,189) | 26,946 |
| Civil | 7,325 | 433 | (3,990) | 186 | (575) | 3,379 |
| | <u>200,413</u> | <u>8,042</u> | <u>(8,709)</u> | <u>6,621</u> | <u>(1,764)</u> | <u>204,602</u> |

| Consolidated | | | | | | |
|-------------------------|----------------------------------|---------------------|------------------|-------------------------------|-----------------------------------|---------------------------------|
| | Balance on 12/31/2013 | New lawsuits | Reversals | Monetary variation | Settlement of lawsuits | Balance on 3/31/2014 |
| Tax and social security | 171,177 | 4,131 | (4,719) | 3,688 | - | 174,277 |
| Labor | 28,140 | 3,478 | - | 2,746 | (1,206) | 33,158 |
| Civil | 7,325 | 433 | (3,990) | 186 | (575) | 3,379 |
| | <u>206,642</u> | <u>8,042</u> | <u>(8,709)</u> | <u>6,620</u> | <u>(1,781)</u> | <u>210,814</u> |

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.

The Company adhered to the REFIS tax installment program - Law 11,941/09 for certain proceedings, amounting to nearly R\$12,120, which is duly provisioned for, and interest and fines will be paid through the use of tax loss and social contribution tax loss carryforwards.

The Company is a defendant in proceedings whose probability of loss is deemed as possible, amounting to around R\$485,277, for which a provision of R\$27,313 was constituted.

On March 31, 2014, the Company holds R\$45,357 in judicial deposits related to these proceedings (R\$45,165 on December 31, 2013).

Labor claims

On March 31, 2014, the Company was a defendant in approximately 1,680 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, mainly, 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\$24,606.

In addition, the Company is a defendant in proceedings whose probability of loss is deemed as possible, in the approximate amount of R\$28,508, for which a provision of R\$8,552 is constituted.

Comments on the Performance

On March 31, 2014, the Company holds R\$18,163 in judicial deposits related to these proceedings (R\$15,953 on December 31, 2013).

Civil claims

On March 31, 2014, the Company is a defendant in approximately 195 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.

Civil proceedings are related, mainly, 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\$3,300.

In addition, the Company is a defendant in proceedings whose probability of loss is deemed as possible, in the approximate amount of R\$261, for which a provision of R\$79 is constituted.

On March 31, 2014, the Company holds R\$443 in judicial deposits related to these proceedings (R\$313 on December 31, 2013).

20 Actuarial Liabilities

On March 31, 2014, there were no changes to the defined-benefit plans and there were no significant changes to the sensitivity analysis compared to those reported in Note 20 to the financial statements of December 31, 2013.

On March 31, 2014, the amount of the future liabilities of these benefits was R\$259,928 (R\$255,138 on December 31, 2013).

The economic and biometric assumptions used in the calculations of health and life insurance are as follows:

| | |
|--|-------------------|
| Discount rate - health plan | 6.5% p.a. |
| Discount rate - life insurance | 6.25% p.a. |
| Medical cost growth rate above basic inflation | 3.0% p.a. |
| Economic inflation | 5.0% p.a. |
| General mortality biometric table | AT-2000 |
| Biometric table of mortality of disabled persons | IAPB 57 |

Comments on the Performance

The changes in the actuarial liabilities are shown below:

| Parent Company and Consolidated | |
|--|-----------------------|
| Opening balance on 12/31/2012 | 289,277 |
| Interest on actuarial liability | 26,991 |
| Actuarial loss | (47,307) |
| Benefits paid in the year | (13,823) |
| Closing balance on 12/31/2013 | <u>255,138</u> |
| Interest on actuarial liability | 7,366 |
| Benefits paid in the period | (3,576) |
| Closing balance on 3/31/2014 | <u>258,928</u> |

21 Defined-Contribution Private Pension Plan - Suzano Prev

The supplementary pension plan Suzano Prev is administered by BrasilPrev. The contributions by the Company and by employees in the period ended March 31, 2014 amounted to R\$1,596 and R\$2,663, respectively (R\$1,579 and R\$2,626 on March 31, 2013, respectively).

22 Share-Based Payments

In the period ended March 31, 2014, the Company has two (2) share-based compensation Plans: i) Share-based payment in cash; and ii) Share-based payment or alternatively in cash (Stock option plan of Class A preferred shares). These plans did not undergo any changes in their characteristics and measurement criteria, and no new programs were implemented since the financial statements of December 31, 2013 (Note 22).

On March 31, 2014, there were 14,355 thousand preferred treasury shares to guarantee the options granted by the Plan.

a) Summary of the changes to the share-based payments

Long-Term Incentive - phantom shares

Comments on the Performance

Parent Company and Consolidated

| Program | Grant Date | Fair value on the grant date | Fair value at the end of the period | 1 st exercise date | 2 nd exercise date | Available at the beginning of the period | Granted in the Period | Exercised | Exercised due to dismissal | Transfer ⁽¹⁾ | Abandoned/Prescribed due to dismissal | 3/31/2014 | |
|-------------------------------|------------|------------------------------|-------------------------------------|-------------------------------|-------------------------------|--|-----------------------|----------------|----------------------------|-------------------------|---------------------------------------|------------------------------------|--|
| | | | | | | | | | | | | Available at the end of the period | Weighted average price of exercised shares |
| ILP 2007 (PN) | 3/1/2008 | R\$ 34.74 | R\$ 9.00 | 3/1/2011 | 3/1/2014 | 13,043 | - | 13,043 | - | - | - | - | 9.00 |
| ILP 2008 (PN) Mar-09 | 3/1/2009 | R\$ 15.11 | R\$ 9.00 | 3/1/2012 | 3/1/2015 | 55,769 | - | 7,332 | - | - | - | 48,437 | 9.00 |
| ILP 2009 A - Mar08 | 3/1/2008 | R\$ 34.74 | R\$ 9.00 | 3/1/2013 | 3/1/2016 | 11,663 | - | 3,189 | - | - | - | 8,474 | 9.00 |
| ILP 2008 A - Mar08 / Mar12 | 3/1/2008 | R\$ 34.74 | R\$ 9.00 | 3/1/2012 | 3/1/2015 | 11,663 | - | 3,189 | - | - | - | 8,474 | 9.00 |
| ILP 2008 - Jan09 / Sep12 (ii) | 1/1/2009 | R\$ 18.01 | R\$ 9.00 | 3/1/2012 | 3/1/2015 | 16,502 | - | 16,502 | - | - | - | - | 9.00 |
| 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 | 2,837 | - | 2,837 | - | - | - | - | 9.00 |
| ILP 2009 - Mar09 / Mar12 | 3/1/2009 | R\$ 15.11 | R\$ 9.00 | 3/1/2012 | 3/1/2015 | 14,724 | - | - | - | - | - | 14,724 | - |
| ILP 2009 M - Sep09 / Sep12 | 9/1/2009 | R\$ 15.11 | R\$ 9.00 | 9/1/2012 | 9/1/2015 | 27,055 | - | 6,609 | - | - | - | 20,446 | 9.00 |
| ILP 2010 | 3/1/2010 | R\$ 23.86 | R\$ 9.00 | 3/1/2013 | 3/1/2016 | 50,836 | - | 18,354 | - | - | - | 32,482 | 9.00 |
| ILP 2011 | 3/1/2011 | R\$ 18.64 | R\$ 9.00 | 3/1/2014 | 3/1/2017 | 322,580 | - | 223,829 | 8,013 | - | - | 90,738 | 9.00 |
| ILP 2012 | 3/1/2012 | R\$ 7.49 | R\$ 9.00 | 3/1/2015 | 3/1/2018 | 859,609 | - | - | 36,466 | - | 60,080 | 763,063 | 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 | - | - | - | - | 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 | 1,082,186 | - | - | 22,796 | - | 68,389 | 991,001 | 8.97 |
| Programa Especial 2012a | 12/21/2012 | R\$ 5.55 | R\$ 9.00 | 3/31/2014 | 3/31/2014 | 70,000 | - | 70,000 | - | - | - | - | 9.00 |
| 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 | 6/30/2014 | 6/30/2014 | 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 | - | - | - | - | 9.00 |
| 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 | - | - | - | - | 9.00 |
| 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 | | | | | | 3,084,417 | | 468,325 | 67,275 | | 128,469 | 2,420,348 | 9.00 |

Parent Company and Consolidated

| Program | Grant Date | Fair value on the grant date | Fair value at the end of the period | 1 st exercise date | 2 nd exercise date | Available at the beginning of the period | Granted in the Period | Exercised | Exercised due to dismissal | Transfer ⁽¹⁾ | Abandoned/Prescribed due to dismissal | 12/31/2013 | |
|--|------------|------------------------------|-------------------------------------|-------------------------------|-------------------------------|--|-----------------------|----------------|----------------------------|-------------------------|---------------------------------------|------------------------------------|--|
| | | | | | | | | | | | | 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

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

Comments on the PerformanceParent Company and Consolidated
3/31/2014

| Program | Granted series | Grant date | 1 st exercise date | 2 nd exercise date and expiration | Prices On the grant date | Number of shares | | | | |
|--------------|----------------|------------|-------------------------------|--|-----------------------------|------------------|------------------|--------------------------------|---------|------------------------------|
| | | | | | | Granted | Exercised | Not exercised due to dismissal | Expired | Total in effect on 3/31/2014 |
| Program 2 | Series I | 8/11/2010 | 8/1/2013 | 12/31/2015 | 5.97 | 80,000 | - | - | - | 80,000 |
| | Series II | 8/11/2010 | 8/1/2014 | 12/31/2015 | 5.97 | 80,000 | - | - | - | 80,000 |
| | Series III | 8/11/2010 | 8/1/2015 | 12/31/2015 | 5.97 | 240,000 | - | - | - | 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 | | | | | | 9,400,000 | 1,800,000 | - | - | 7,600,000 |

b) Recognition and measurement of the fair value of share-based payments

The amounts corresponding to the services received and recognized in the quarterly information are presented below:

| | Parent Company and Consolidated | | | |
|-------------------------------------|--------------------------------------|---------------|----------------|--------------|
| | Liabilities and Shareholders' equity | | Profit or loss | |
| | 3/31/2014 | 12/31/2013 | 3/31/2014 | 3/31/2013 |
| Non-current liabilities | | | | |
| Provision for phantom stocks plan | 16,575 | 20,469 | (926) | 263 |
| Provision for stock option plan | - | - | - | 542 |
| Total share-based compensation plan | <u>16,575</u> | <u>20,469</u> | | |
| Shareholders' equity | | | | |
| Stock option reserve | <u>20,941</u> | <u>16,367</u> | <u>(4,574)</u> | <u>(679)</u> |
| Profit or loss | | | <u>(5,500)</u> | <u>126</u> |

Comments on the Performance

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”)”.

On March 31, 2014, debts related to the acquisition of land, farms, reforestation and houses under construction in Maranhão did not change in relation to the December 31, 2013 financial statements, totaling R\$178,431 in the Consolidated, presented under Debt from Acquisition of Assets in Current and Non-Current Liabilities (R\$177,688 on December 31, 2013).

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.

24.2 Capital stock

On March 31, 2014, 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 21,141 thousand shares are held in treasury, of which 6,786 thousand are common shares, 12,445 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 |
| Other Controlling Shareholders and Management | 10,003,760 | 2.70 | 81,302,635 | 11.07 | 3,383 | 0.17 | 91,309,778 | 8.24 |
| Sub-Total | 364,362,338 | 98.17 | 262,943,386 | 35.78 | 21,081 | 1.08 | 627,326,805 | 56.63 |
| BNDESPAR | - | - | 129,509,862 | 17.63 | - | - | 129,509,862 | 11.69 |
| Treasury | 6,786,194 | 1.83 | 12,444,988 | 1.69 | 1,909,699 | 98.40 | 21,140,881 | 1.91 |
| Other shareholders | - | - | 329,751,090 | 44.89 | 10,039 | 0.52 | 329,761,129 | 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 March 31, 2014, SUZB5 preferred stock ended the period quoted at R\$8.38 (R\$9.24 on December 31, 2013).

Comments on the Performance

24.3 Treasury Shares

| | Number of shares | | | Total | R\$ ('000) | Average (R\$) |
|-----------------------------|------------------|-------------------|------------------|-------------------|----------------|------------------|
| | Common | Pref. A | Pref. B | | | |
| Balance on 12/31/2013 | 6,786,194 | 14,244,988 | 1,909,699 | 22,940,881 | 312,240 | 13.61 |
| Shares sold ⁽¹⁾ | - | (1,800,000) | - | (1,800,000) | (8,514) | 4.73 |
| Balance on 3/31/2014 | 6,786,194 | 12,444,988 | 1,909,699 | 21,140,881 | 303,726 | 14.37 |

(1) Treasury shares used to meet the Share-Based Payment (Note 22).

Stock Buyback Program for Class A 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 acquired 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.

24.4 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 item 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.

Comments on the Performance**24.5 Earnings 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.

| | | | | <u>3/31/2014</u> |
|---|----------------|--------------------------|--------------------------|------------------|
| | <u>Common</u> | <u>Class A Preferred</u> | <u>Class B Preferred</u> | <u>Total</u> |
| Earnings attributed to shareholders | 63,250 | 137,789 | 6 | 201,045 |
| Weighted average number of shares in the period | 371,149 | 734,649 | 1,941 | 1,107,739 |
| Weighted average treasury shares | (6,786) | (13,045) | (1,910) | (21,741) |
| Weighted average number of outstanding shares | 364,363 | 721,604 | 31 | 1,085,998 |
| Basic earnings per share | 0.17359 | 0.19095 | 0.19355 | |

| | | | | <u>3/31/2013</u> |
|---|----------------|--------------------------|--------------------------|------------------|
| | <u>Common</u> | <u>Class A Preferred</u> | <u>Class B Preferred</u> | <u>Total</u> |
| Earnings attributed to shareholders | 13,204 | 28,742 | 1 | 41,948 |
| Weighted average number of shares in the period | 371,128 | 734,608 | 1,941 | 1,107,677 |
| Weighted average treasury shares | (6,786) | (13,624) | (1,910) | (22,320) |
| Weighted average number of outstanding shares | 364,342 | 720,984 | 31 | 1,085,357 |
| Basic earnings per share | 0.03624 | 0.03987 | 0.03226 | |

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.

| | | | | <u>3/31/2014</u> |
|---|----------------|--------------------------|--------------------------|------------------|
| | <u>Common</u> | <u>Class A Preferred</u> | <u>Class B Preferred</u> | <u>Total</u> |
| Earnings attributed to shareholders | 63,249 | 137,790 | 6 | 201,045 |
| Weighted average number of outstanding shares | 364,363 | 721,604 | 31 | 1,085,998 |
| Adjustment by stock options | - | 3,420 | - | 3,420 |
| Weighted average number of shares (diluted) | 364,363 | 725,024 | 31 | 1,089,418 |
| Diluted earnings per share | 0.17359 | 0.19005 | 0.19355 | |

| | | | | <u>3/31/2013</u> |
|---|----------------|--------------------------|--------------------------|------------------|
| | <u>Common</u> | <u>Class A Preferred</u> | <u>Class B Preferred</u> | <u>Total</u> |
| Earnings attributed to shareholders | 13,205 | 28,741 | 1 | 41,948 |
| Weighted average number of outstanding shares | 364,342 | 720,984 | 31 | 1,085,357 |
| Adjustment by stock options | - | (85) | - | (85) |
| Weighted average number of shares (diluted) | 364,342 | 720,899 | 31 | 1,085,272 |
| Diluted earnings per share | 0.03624 | 0.03987 | 0.03226 | |

Comments on the Performance

25 Other Operating Income, Net

| | Parent Company | | Consolidated | |
|--|----------------|-----------|--------------|-----------|
| | 3/31/2014 | 3/31/2013 | 3/31/2014 | 3/31/2013 |
| Income (loss) on sale of other products | (2,468) | (503) | 1,188 | (461) |
| Income (loss) from sale of fixed and biological assets | (38) | 3,493 | (38) | 3,874 |
| Provision for loss with fixed assets and write-offs | (23,897) | (138) | (23,897) | (138) |
| Commercial agreement with Suppliers | 31,500 | - | 31,500 | - |
| Amortization of intangible assets | (1,131) | (1,131) | (3,843) | (3,421) |
| Other operating income (expenses), net | (1,870) | 240 | (126) | (2,427) |
| Total other operating income | 31,500 | 3,733 | 32,688 | 3,874 |
| Total other operating expenses | (29,404) | (1,772) | (27,904) | (6,447) |
| Other operating income (expenses), net | 2,096 | 1,961 | 4,784 | (2,573) |

(1) Refers to a commercial agreement with a former supplier of the Company, due to credits outstanding from the commercial relationship.

26 Operating lease agreements

Payments of operating lease agreements are recognized as operating expenses in the Company's income statement and are as follows:

| Description | Installment amount R\$ (thousand) | Index | Maturity |
|---|--------------------------------------|-----------|------------|
| Administrative office in Anhembi - SP | 1 | - | 2/28/2015 |
| 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 | - | 3/31/2017 |
| Office/warehouse in São Simão - SP | 1 | - | 12/31/2014 |
| Administrative office in Rio Claro - SP | 2 | - | 3/31/2017 |
| 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 | 240 | IPCA/IBGE | 6/22/2017 |
| Call center and licenses | 43 | - | 5/19/2015 |
| Call center and licenses | 17 | - | 8/15/2015 |
| Hardware equipment | 58 | IGP-M | 7/28/2014 |
| Hardware equipment | 1 | IGP-M | 12/27/2014 |
| Hardware equipment | 6 | IGP-M | 10/26/2014 |
| Hardware equipment | 7 | IGP-M | 3/27/2015 |
| Hardware equipment | 13 | IGP-M | 5/21/2015 |
| Hardware equipment | 11 | IGP-M | 12/27/2014 |
| Hardware equipment | 5 | IGP-M | 5/28/2015 |
| Hardware equipment | 26 | IGP-M | 5/10/2017 |
| Hardware equipment | 11 | IGP-M | 8/26/2017 |
| Hardware equipment | 20 | IGP-M | 10/25/2015 |
| Hardware equipment | 14 | IGP-M | 3/25/2016 |
| Hardware equipment | 2 | IGP-M | 4/16/2016 |

Comments on the Performance

On March 31, 2014 and December 31, 2013, the minimum payments of maturing operating lease agreements were as follows:

| | <u>3/31/2014</u> | <u>12/31/2013</u> |
|-------------------------|----------------------|-------------------|
| Less than 1 year | 5,429 | 5,230 |
| From 1 year to 3 years | 7,348 | 8,536 |
| From 3 years to 5 years | 809 | 1,919 |
| Total installments due | <u>13,586</u> | <u>15,685</u> |

27 Net Financial Result

| | <u>Parent Company</u> | | <u>Consolidated</u> | |
|---|-------------------------|--|-------------------------|------------------|
| | <u>3/31/2014</u> | <u>Three-month period ended on 3/31/2013</u> | <u>3/31/2014</u> | <u>3/31/2013</u> |
| Interest income | 58,473 | 56,653 | 61,844 | 58,845 |
| Monetary and exchange variations gains | 596,647 | 181,212 | 632,923 | 190,316 |
| Derivative operations gains | 4,365 | 2,624 | 9,697 | 13,291 |
| Total financial income | <u>659,485</u> | <u>240,489</u> | <u>704,464</u> | <u>262,452</u> |
| Interest expenses | (183,713) | (176,512) | (185,122) | (178,483) |
| Monetary and exchange variations losses | (401,364) | (129,191) | (441,305) | (145,454) |
| Derivative operations losses | (1,033) | 2,134 | (4,629) | 2,135 |
| Other financial expenses | (16,722) | (14,943) | (23,171) | (20,677) |
| Total financial expenses | <u>(602,832)</u> | <u>(318,512)</u> | <u>(654,227)</u> | <u>(342,479)</u> |
| Net financial result | <u>56,653</u> | <u>(78,023)</u> | <u>50,237</u> | <u>(80,027)</u> |

28 Net Revenue

The reconciliation of gross revenue and net revenue for the three-month periods ended March 31, 2014 and 2013 is shown below:

| | <u>Parent Company</u> | | <u>Consolidated</u> | |
|----------------------------|-------------------------|------------------|-------------------------|------------------|
| | <u>3/31/2014</u> | <u>3/31/2013</u> | <u>3/31/2014</u> | <u>3/31/2013</u> |
| Gross sales revenue | 1,622,199 | 1,317,300 | 1,633,177 | 1,362,506 |
| Deductions | | | | |
| Sales taxes (a) | (209,619) | (167,250) | (211,300) | (168,881) |
| Returns and cancelations | (16,834) | (14,491) | (18,143) | (15,735) |
| Discounts and rebates | (4,118) | (3,797) | (4,118) | (3,797) |
| Net Revenue | <u>1,391,628</u> | <u>1,131,762</u> | <u>1,399,616</u> | <u>1,174,093</u> |

- 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.

Comments on the Performance

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 three-month period ended March 31, 2014 and 2013 is as follows:

| | Consolidated | | | | | | | |
|-----------------------------|--------------|-----------|---------------|------------|------------|-----------|---------------|------------|
| | 3/31/2014 | | | | 3/31/2013 | | | |
| | Pulp | Paper | Not segmented | Total | Pulp | Paper | Not segmented | Total |
| Net revenue | 667,586 | 732,030 | - | 1,399,616 | 556,327 | 617,766 | - | 1,174,093 |
| Net financial result | - | - | 50,237 | 50,237 | - | - | (80,027) | (80,027) |
| Other operating income, net | - | - | 4,784 | 4,784 | - | - | (2,573) | (2,573) |
| Operating income (expense) | 74,101 | 162,987 | 55,021 | 292,109 | 82,431 | 60,407 | (80,730) | 62,108 |
| | 3/31/2014 | | | | 12/31/2013 | | | |
| Total assets | 13,064,074 | 5,345,414 | 8,631,763 | 27,041,251 | 12,832,084 | 5,527,949 | 8,789,310 | 27,149,343 |

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:

| | Consolidated | | | | | |
|---------------------------|--------------|---------|-----------|-----------|---------|-----------|
| | 3/31/2014 | | | 3/31/2013 | | |
| | Pulp | Paper | Total | Pulp | Paper | Total |
| Net revenue | 667,586 | 732,030 | 1,399,616 | 556,327 | 617,766 | 1,174,093 |
| Domestic market | 146,119 | 511,651 | 657,770 | 114,607 | 437,273 | 551,880 |
| Foreign market | 521,467 | 220,379 | 741,846 | 441,720 | 180,493 | 622,213 |
| Asia | 191,403 | 5,236 | 196,639 | 176,479 | 9,376 | 185,855 |
| Europe | 234,845 | 31,762 | 266,607 | 182,908 | 25,890 | 208,798 |
| North America | 85,682 | 76,451 | 162,133 | 75,234 | 65,509 | 140,743 |
| South and Central America | 9,537 | 102,637 | 112,174 | 7,099 | 79,718 | 86,817 |
| Africa | - | 4,293 | 4,293 | - | - | - |

30 Expenses by Nature

| | Parent Company | | Consolidated | |
|---|------------------|------------------|------------------|------------------|
| | 3/31/2014 | 3/31/2013 | 3/31/2014 | 3/31/2013 |
| Variable and fixed costs, other selling and administrative expenses | 720,903 | 673,818 | 708,434 | 683,160 |
| Personnel expenses | 193,569 | 155,243 | 196,609 | 161,104 |
| Depreciation, depletion and amortization | 254,318 | 182,677 | 257,485 | 185,121 |
| | <u>1,168,790</u> | <u>1,011,738</u> | <u>1,162,528</u> | <u>1,029,385</u> |

Comments on the Performance

31 Commitments

32.1 Vale Florestar

In 2009, the Company entered into an agreement with Vale to acquire 31.5 million m³ of timber from eucalyptus cultivated under the program “Vale Florestar” being implemented in the state of Pará since 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 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 March 31, 2014, 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 March 31, 2014, 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 March 31, 2014, the insured amount was R\$10,000.

33 Subsequent events

Payment of Dividends

On April 30, 2014, the Annual and Extraordinary Shareholders' Meeting (AGEO) approved the management proposal for distribution of dividends in the amount of one R\$122,000, to be distributed to shareholders and discounted from the Special Bylaws Reserve, as follows: R\$0.10545 to common shares; R\$0.11600 to class A preferred shares; and R\$0.34523 to class B preferred shares. The dividends proposed herein will be paid within ten days from the date of the Meeting, to shareholders of record on April 30, 2014, and shares will be traded “ex-rights” starting May 2, 2014.