



## 2Q14 Earnings Release

São Paulo, August 14<sup>th</sup>, 2014. Suzano Papel e Celulose (Bovespa: SUZB5), one of the largest integrated pulp and paper producers in Latin America, announces today its consolidated results for the second quarter of 2014 (2Q14) and first six months of 2014 (6M14). 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.

### 2Q14 Highlights

- Leverage ratio declines to 4.5x Net Debt/Adjusted EBITDA
- Adjusted EBITDA of R\$521 million in 2Q14 (+28% vs. 2Q13) and R\$2,057 million in the last 12 months ending on June 30<sup>th</sup>, 2014 (+15% vs. 2013)
- Increase of 59% in pulp sales volume compared to 2Q13, reflecting the startup of the Imperatriz Unit
- The deterioration in pulp prices and the exchange rate led to a 10% drop in the average net pulp price compared to 1Q14
- Nominal cash cost stable in 2Q14 compared to 2Q13, despite the higher wood cost (+R\$23/ton) and inflation in the period (+6%)
- Higher energy costs for paper production
- Reduction of 1.5 p.p. in SG&A expenses as a ratio of net revenue compared to 2Q13
- Continuity of liability management: prepayment of debentures from the 2<sup>nd</sup> Series of the 3<sup>rd</sup> Issue

R\$ million, except where otherwise indicated	2Q14	2Q13	Δ Y-o-Y	1Q14	Δ Q-o-Q	6M14	6M13	Δ Y-o-Y
Net Revenue	1,709	1,334	28.1%	1,400	22.1%	3,109	2,508	23.9%
Exports	987	679	45.4%	742	33.0%	1,729	1,301	32.9%
Domestic Market	722	655	10.2%	658	9.8%	1,380	1,207	14.3%
EBITDA	521	515	1.1%	499	4.3%	1,020	842	21.1%
EBITDA Margin (%)	30.5%	38.6%	-8.1 p.p.	35.7%	-5.2 p.p.	32.8%	33.6%	-0.8 p.p.
Adjusted EBITDA <sup>1</sup>	521	408	27.7%	489	6.5%	1,011	735	37.4%
Adjusted EBITDA Margin (%) <sup>1</sup>	30.5%	30.6%	-0.1 p.p.	35.0%	-4.5 p.p.	32.5%	29.3%	3.2 p.p.
Net Financial Results	(69)	(663)	-89.6%	50	n.a.	(18)	(743)	-97.5%
Net Income	97	(248)	n.a.	201	-51.7%	298	(206)	n.a.
Net Debt/EBITDA (x)	4.6x	4.7x	-0.1x	4.6x	0.0x	4.6x	4.7x	-0.1x
Net Debt/Adjusted EBITDA <sup>1</sup> (x)	4.5x	5.1x	-0.6x	4.8x	-0.3x	4.5x	5.1x	-0.6x
<b>Operational Data ('000 tons)</b>								
Sales	1,015	755	34.5%	754	34.6%	1,769	1,466	20.7%
Market Pulp	696	437	59.3%	465	49.7%	1,161	878	32.2%
Paper	319	318	0.4%	289	10.4%	608	587	3.5%
Production	1,085	833	30.2%	923	17.6%	2,007	1,601	25.4%
Market Pulp	755	511	47.8%	602	25.4%	1,357	955	42.0%
Paper	330	322	2.3%	321	2.8%	651	646	0.7%

Note: <sup>(1)</sup> Excludes non-recurring items.

**Conference Call & Webcast  
August 15<sup>th</sup>, 2014**

In Portuguese with  
simultaneous translation into  
English

**Time:** 9:30 a.m (EDT).

Dial-in in Portuguese: +55 (11) 3193-1001

+55 (11) 2820-4001

Dial-in in English: +1 (786) 924-6977

**IR Contacts:**

Marcelo Bacci  
Tiago Fernandes  
Michelle Corda  
Paola Falleiros  
Danielle Hernandes

**Tel:** +55 (11) 3503-9061

**E-mail:** [ri@suzano.com.br](mailto:ri@suzano.com.br)

**IR Website:**

[www.suzano.com.br/ir](http://www.suzano.com.br/ir)



## Market Overview

### Pulp

#### Growth of 10.3% in eucalyptus pulp shipments in 2Q14 vs. 2Q13

The growth in pulp shipments was driven by eucalyptus fiber. According to the Pulp and Paper Products Council (PPPC), world eucalyptus pulp shipments in 2Q14 amounted to 4.3 million tons, growing 10.3% from 2Q13. In 6M14, eucalyptus pulp shipments reached 8.0 million tons, 6.3% more than in the year-ago period. This performance is mainly explained by higher shipments to China and Europe.

World market pulp shipments in 2Q14 amounted to 10.9 million tons, increasing 2.8% compared to 2Q13, driven by higher shipments to China (+12.0%) and Europe (+2.1%). In 6M14, market pulp shipments remained relatively stable (+0.5%) compared to 6M13.

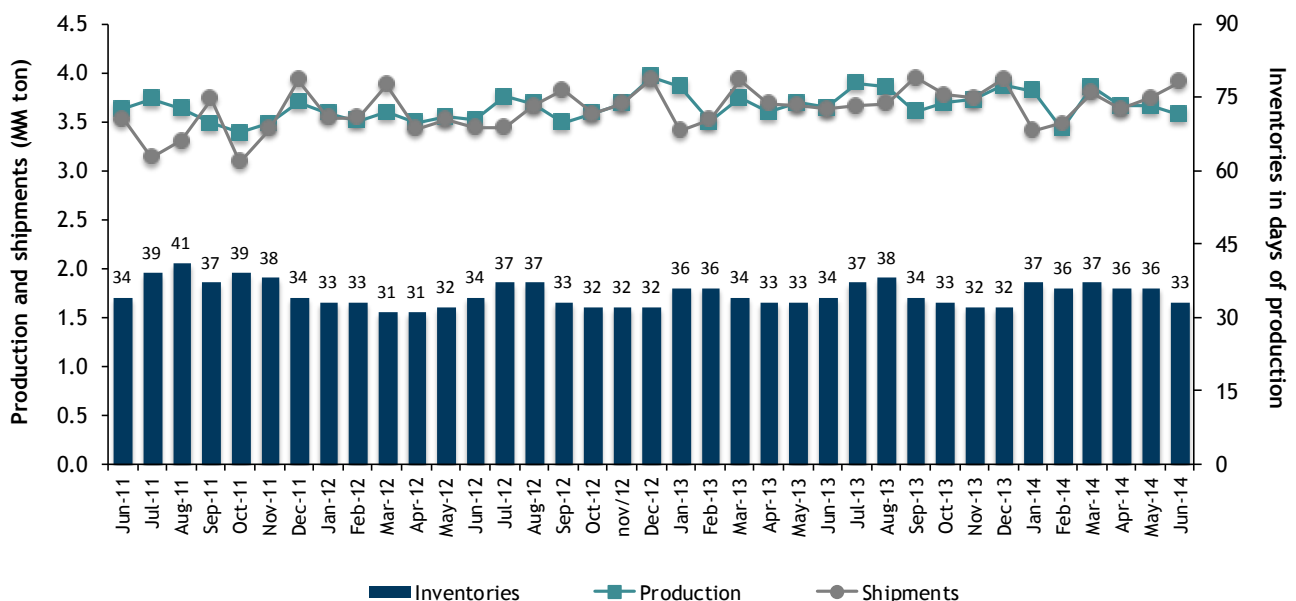
('000 tons)	2Q14	2Q13	Δ Y-o-Y	1Q14	Δ Q-o-Q	6M14	6M13	Δ Y-o-Y
<b>Shipments - Market Pulp*</b>	<b>10,896</b>	<b>10,596</b>	<b>2.8%</b>	<b>10,307</b>	<b>5.7%</b>	<b>21,203</b>	<b>21,095</b>	<b>0.5%</b>
North America	1,958	2,017	-2.9%	1,882	4.0%	3,840	3,943	-2.6%
Europe	3,825	3,748	2.1%	3,761	1.7%	7,586	7,593	-0.1%
Latin America	670	699	-4.1%	644	4.0%	1,314	1,328	-1.1%
China	2,541	2,269	12.0%	2,334	8.9%	4,875	4,655	4.7%
Others	1,902	1,863	2.1%	1,686	12.8%	3,588	3,576	0.3%
<b>Shipments - Eucalyptus Bl. Hardwood</b>	<b>4,269</b>	<b>3,870</b>	<b>10.3%</b>	<b>3,722</b>	<b>14.7%</b>	<b>7,991</b>	<b>7,516</b>	<b>6.3%</b>
North America	459	470	-2.3%	349	31.5%	808	832	-2.9%
Europe	1,701	1,633	4.2%	1,656	2.7%	3,357	3,247	3.4%
Latin America	467	478	-2.3%	445	4.9%	912	908	0.4%
China	1,062	760	39.7%	828	28.3%	1,890	1,544	22.4%
Others	580	529	9.6%	444	30.6%	1,024	985	4.0%

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

\* Excludes Sulphite and UKP

World market pulp production in 2Q14 amounted to 10.9 million tons (-0.5% vs. 2Q13 and -1.8% vs. 1Q14). In June 2014, world pulp inventories stood at 33 days of production (42 days for hardwood pulp, down 6 days vs. May 2014, and 25 days for softwood pulp, down 1 day vs. May 2014).

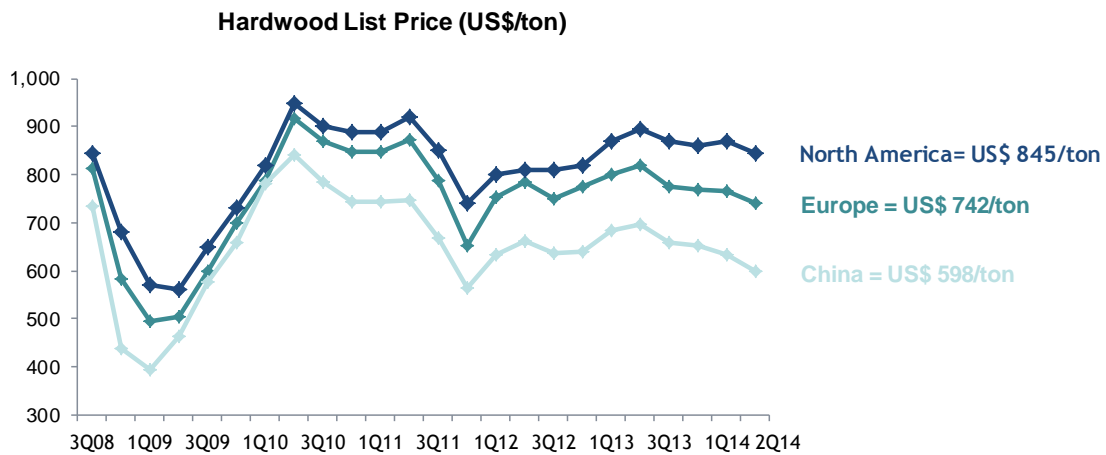
#### Production, Shipments and Inventories



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



Despite the higher pulp shipments, the expectation of new capacities coming online pressured prices in the first half of the year. At the end of 2Q14, hardwood pulp prices in Europe were 9.7% and 3.1% lower than at the end of 2Q13 and 1Q14, respectively (Source: Foex). There was also a significant increase in the spread between hardwood pulp and softwood pulp prices at the end of June 2014 to US\$184/ton from US\$157/ton at the end of March 2014. This widening in 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 decreases from 2Q13

Data from Brazil's Forestry Industry Association (Ibá) indicate that domestic demand (domestic sales + imports) for paper in 2Q14 decreased 5.4% compared to 2Q13 and increased 1.3% compared to 1Q14. In 6M14, domestic paper demand decreased 2.2% from 6M13.

Domestic demand for Printing and Writing paper ("woodfree") in 2Q14 decreased 7.2% on the year-ago quarter and 0.8% compared to 1Q14. In 6M14, domestic paper demand decreased 2.5% from 6M13.

Domestic demand for Paperboard in 2Q14 remained relatively stable (+0.2%) compared to 2Q13 and increased 7.9% from 1Q14. In 6M14, domestic demand decreased 1.1% from 6M13.

Brazilian Demand (tons)	2Q14	2Q13	Δ Y-o-Y	1Q14	Δ Q-o-Q	6M14	6M13	Δ Y-o-Y
Paperboard	147,482	147,198	0.2%	136,627	7.9%	284,109	287,405	-1.1%
Printing & Writing	430,463	463,719	-7.2%	434,081	-0.8%	864,544	886,970	-2.5%
Coated	139,916	143,059	-2.2%	133,889	4.5%	273,805	274,582	-0.3%
Uncoated	290,547	320,660	-9.4%	300,192	-3.2%	590,739	612,388	-3.5%
<b>TOTAL</b>	<b>577,945</b>	<b>610,917</b>	<b>-5.4%</b>	<b>570,708</b>	<b>1.3%</b>	<b>1,148,653</b>	<b>1,174,375</b>	<b>-2.2%</b>

Imports share in the domestic market	2Q14	2Q13	Δ Y-o-Y	1Q14	Δ Q-o-Q	6M14	6M13	Δ Y-o-Y
Paperboard	10.0%	8.2%	1.8 p.p.	8.1%	1.9 p.p.	9.1%	8.2%	0.9 p.p.
Printing & Writing	18.0%	21.7%	-3.8 p.p.	18.9%	-0.9 p.p.	18.4%	22.0%	-3.5 p.p.
Coated	46.9%	59.4%	-12.5 p.p.	51.0%	-4.1 p.p.	48.9%	59.7%	-10.7 p.p.
Uncoated	4.0%	4.9%	-0.9 p.p.	4.6%	-0.5 p.p.	4.3%	5.1%	-0.8 p.p.
<b>Total</b>	<b>15.9%</b>	<b>18.5%</b>	<b>-2.5 p.p.</b>	<b>16.3%</b>	<b>-0.4 p.p.</b>	<b>16.1%</b>	<b>18.6%</b>	<b>-2.5 p.p.</b>

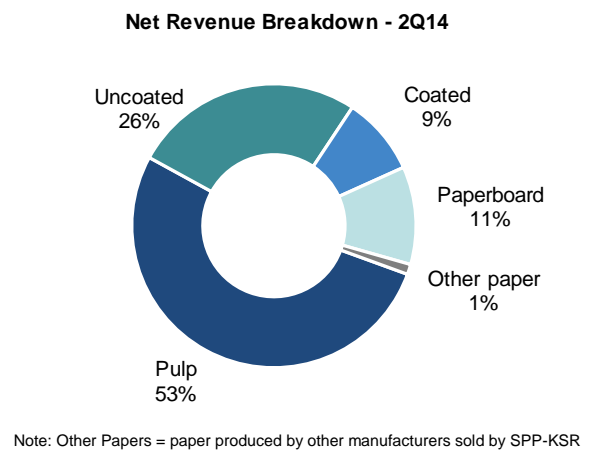
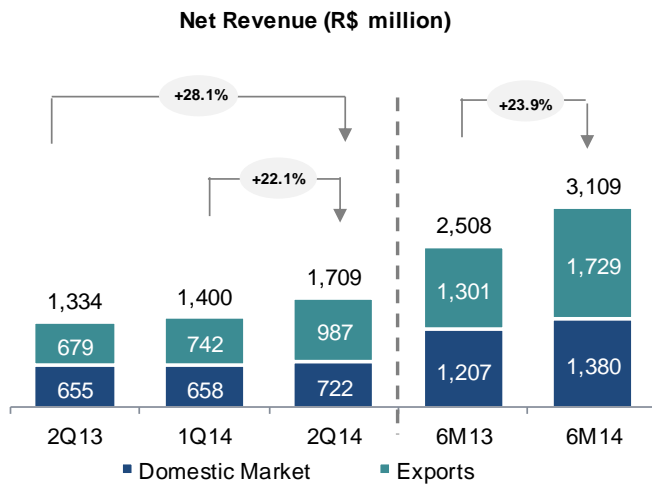
Source: Brazil's Forestry Industry Association - Ibá (data considers the Common Mercosul Nomenclature - NCM - for the products manufactured by Suzano)



## Economic and Financial Performance

### Net Revenue

Suzano's net revenue amounted to R\$1,709.0 million in 2Q14. Pulp and paper sales amounted to 1,015.2 thousand tons in 2Q14, increasing 34.5% and 34.6% compared to 2Q13 and 1Q14, respectively. The higher sales volume in 2014 is explained by the startup of the Imperatriz Unit on December 30<sup>th</sup>, 2013.



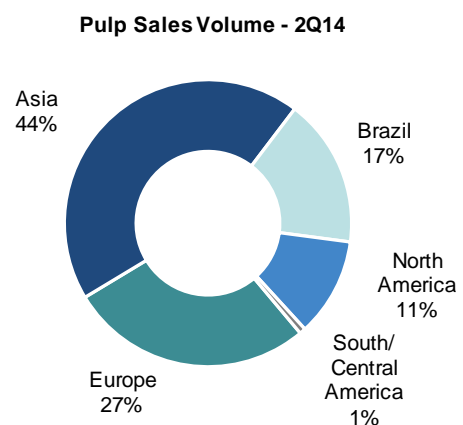
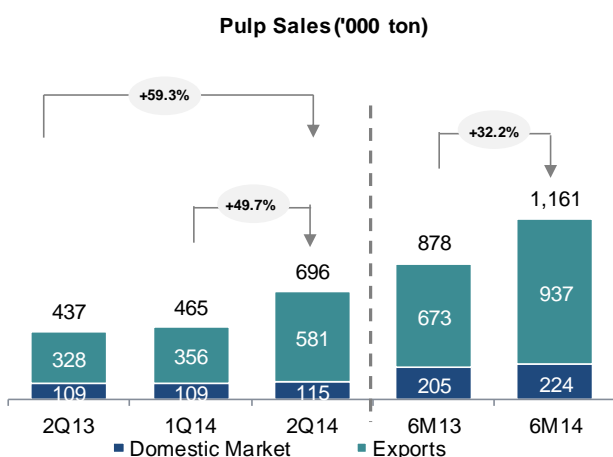
In relation to 2Q13, the performance of total net revenue is mainly explained by the following factors:

- 59.3% increase in pulp sales volume due to the output from the Imperatriz Unit;
- 3.4% decrease in the average net pulp price in BRL due to the deterioration in international prices;
- 7.7% increase in the average net paper price in BRL;
- share of domestic sales in the paper sales mix: 68.9% in 2Q14, compared to 67.7% in 2Q13 and 68.7% in 1Q14;
- 7.7% depreciation in BRL against USD (average exchange rate) compared to 2Q13, which impacted export revenue.

In 6M14, Suzano posted net revenue of R\$3,108.6 million. Pulp and paper sales volume in the six-month period was 1,769.2 tons, or 20.7% higher than in 6M13. The average net pulp price in BRL was 3.9% higher than in 6M13, while the paper price increased 9.0% in the period.

### Pulp Business Unit

In 2Q14, Suzano sold 696.1 thousand tons of market pulp. The main sales destinations were Asia (43.5%), Europe (27.2%) and Brazil (16.6%).





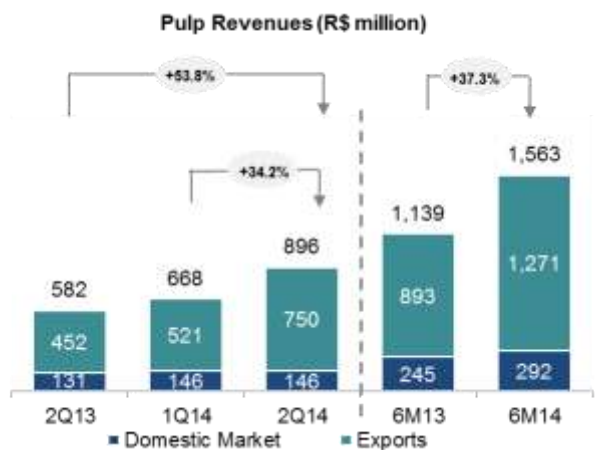
The growth in net revenue from pulp sales in 2Q14 of 53.8% vs. 2Q13 and 34.2% vs. 1Q14 is explained by the increases in sales volume of 59.3% vs. 2Q13 and 49.7% vs. 1Q14 due to the startup of the Imperatriz Unit.

The average net pulp price in USD (domestic and export markets) in 2Q14 was US\$577.2/ton, down US\$66.5/ton (-10.3%) from 2Q13 and down US\$30.0/ton (-4.9%) from 1Q14.

The average net price in BRL stood at R\$1,287.1/ton in the quarter, decreasing 3.4% from 2Q13 and 10.3% from 1Q14, while the currency in relation to the USD depreciated 7.7% from 2Q13 and appreciated 5.7% from 1Q14.

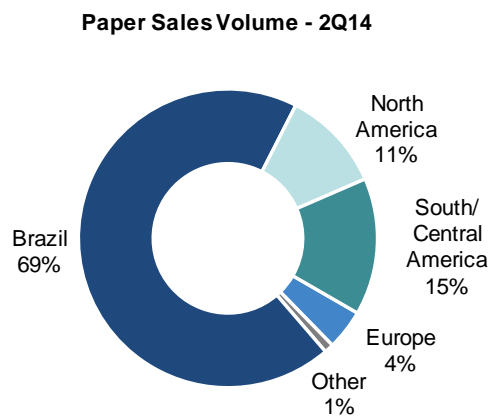
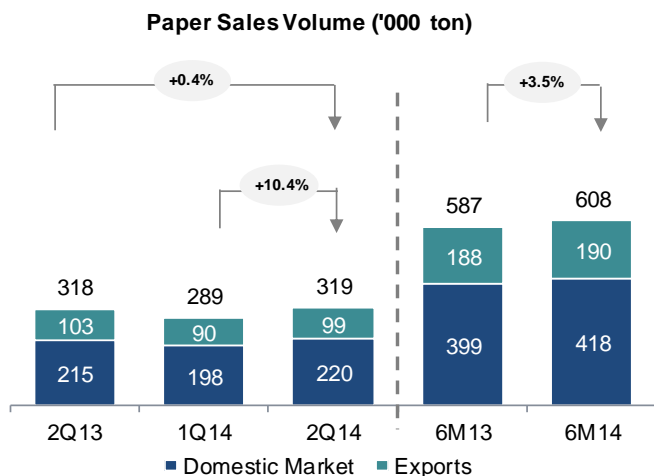
In 6M14, Suzano sold 1,161.1 thousand tons of market pulp, 32.2% higher than in 6M13. The main sales destinations in 6M14 were Asia (37.4%), Europe (30.5%), Brazil (19.3%), North America (11.8%) and South/Central America (0.9%). In 6M14, the average net pulp price in USD (domestic and export markets) was US\$586.2/ton, decreasing by 8.1% from the average net price in USD in 6M13 of US\$637.7/ton.

In BRL, the average net pulp price was R\$1,346.5/ton in 6M14, compared to R\$1,296.3/ton in 6M13 (+3.9%), due to the positive impact from the 13.0% depreciation in BRL against USD.



### Paper Business Unit

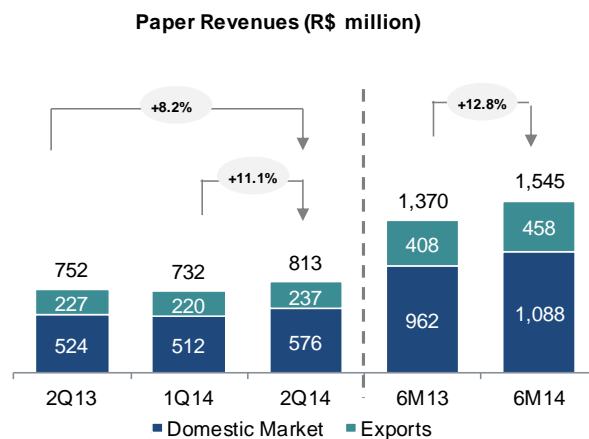
Suzano's paper sales in 2Q14 amounted to 319.1 thousand tons. South America (including Brazil) and Central America accounted for 84% of the Company's sales in the quarter.



The 8.2% increase in net revenue from paper sales in 2Q14 compared to 2Q13 was mainly due to the higher average net paper price in the quarter (+7.7%). The 11.1% increase compared to 1Q14 is explained by the higher sales volume due to seasonality.

The average net paper price (domestic market and exports) in 2Q14 was R\$2,548.0/ton, increasing 7.7% from 2Q13 and remaining relatively stable (+0.6%) in relation to 1Q14.

The average net price in USD of paper exported in 2Q14 was US\$1,070.8/ton, stable in relation to 2Q13 and up 3.9% from 1Q14.

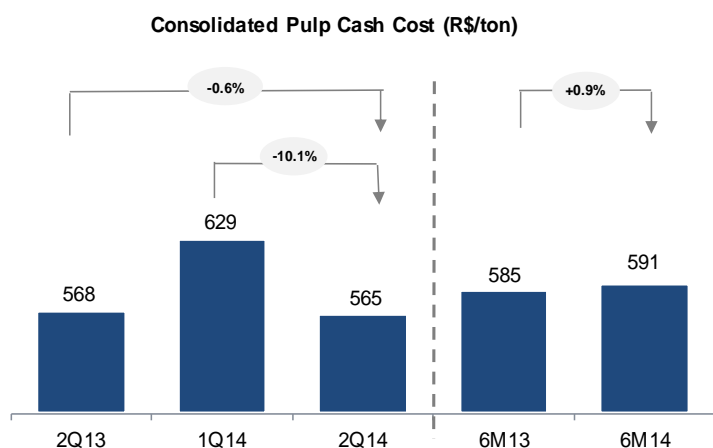




Suzano's paper sales in 6M14 amounted to 608.1 thousand tons. Domestic sales accounted for 68.8% of total sales in 6M14, compared to 68.0% in 6M13. South and Central America (including Brazil) accounted for 83.5% of the Company's sales in the six-month period. In 6M14, the average net paper price (domestic and export markets) was R\$2,541.1/ton, increasing 9.0% from the average net price in 6M13 of R\$2,332.2/ton. The average net price in USD of paper exports in 6M14 was US\$1,049.4/ton, decreasing 1.6% from the average net price in 6M13.

## Production and Costs

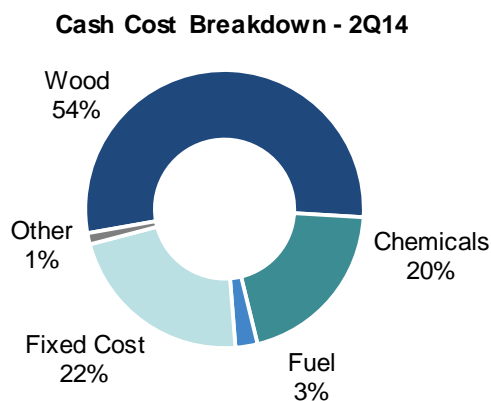
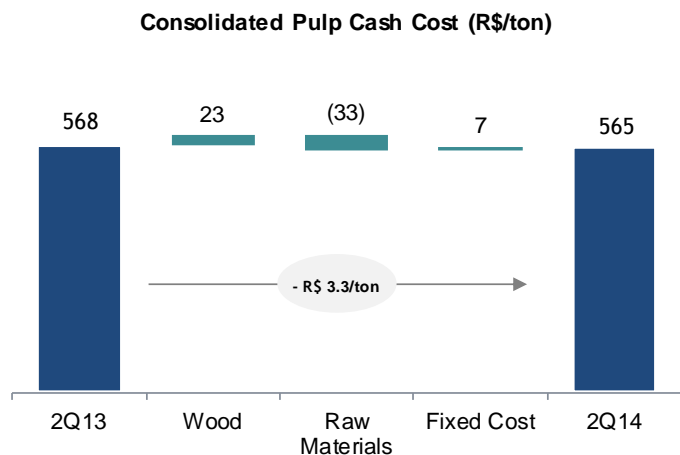
Production ('000 tons)	2Q14	2Q13	Δ Y-o-Y	1Q14	Δ Q-o-Q	6M14	6M13	Δ Y-o-Y
Market Pulp	755	511	47.8%	602	25.4%	1,357	955	42.0%
Paper	330	322	2.3%	321	2.8%	651	646	0.7%
Paperboard	60	62	-2.9%	63	-4.7%	124	125	-0.9%
Coated	66	50	31.4%	59	11.2%	125	102	21.8%
Uncoated	204	210	-3.0%	198	2.7%	402	418	-3.7%
<b>TOTAL</b>	<b>1,085</b>	<b>833</b>	<b>30.2%</b>	<b>923</b>	<b>17.6%</b>	<b>2,007</b>	<b>1,601</b>	<b>25.4%</b>



The growth in market pulp production volume in 2014 is explained by the output from the Imperatriz Unit, which started operations on December 30, 2013.

In the quarter, there was a migration from non-coated paper production to coated paper production to take advantage of market opportunities.

In 2Q14, the consolidated cash cost of market pulp production was R\$565.1/ton, remaining stable in relation to 2Q13. The main items impacting cash cost in 2Q14 were: (i) increased wood costs due to higher share of third-party wood and higher average distance at the Mucuri Unit; and (ii) the reduction in raw material costs due to the sale of surplus power at the Imperatriz Unit.





In 2Q14, Suzano carried out scheduled maintenance downtime at the Suzano Unit. Cash cost including downtime was R\$568/ton in the quarter, in line with the amount in 2Q13. The schedule of remaining maintenance downtimes in the year is as follows: Line 1 at the Mucuri Unit in 3Q14 and the Limeira Unit in 4Q14. The downtime scheduled at the Imperatriz Unit in 3Q14 was postponed to 1Q15.

Cost of goods sold (COGS) increased by 35.5% to R\$1,328.3 million in 2Q14 compared to 2Q13, and by 31.5% compared to 1Q14 due to: (i) higher pulp and paper sales volume, (ii) higher costs with energy, wood and fixed costs, and (iii) the impact from exchange variation on USD-denominated items. The increase in energy costs was due to price spread between the Southeast submarket, where Suzano purchases energy, and the North submarket, where the Company sells energy. Energy generation and sales are ramping up at the Imperatriz Unit. For the second half of 2014, approximately 70% of the Company's energy purchases and sales is already contracted.

In 6M14, cost of goods sold was R\$2,338.2 million, 25.2% higher than in 6M13, which is explained by the same items cited in the quarterly variation.

Average unit COGS in 2Q14 was R\$1,308.5/ton, increasing 0.8% from 2Q13 and decreasing 2.3% from 1Q14. In 6M14, average unit COGS was R\$1,321.7 million, increasing 3.7% from 6M13, with this increase below the rate of inflation measured in the period. Note that Suzano's product mix changed with the startup of the Imperatriz Unit, which increased the Company's pulp production capacity.

## Operating Expenses

Expenses (R\$ '000)	2Q14	2Q13	Δ Y-o-Y	1Q14	Δ Q-o-Q	6M14	6M13	Δ Y-o-Y
Sales Expenses	71,585	60,130	19.1%	64,147	11.6%	135,732	114,089	19.0%
General and Administrative Expenses	95,851	90,514	5.9%	88,508	8.3%	184,359	177,950	3.6%
<b>Total Expenses</b>	<b>167,436</b>	<b>150,644</b>	<b>11.1%</b>	<b>152,655</b>	<b>9.7%</b>	<b>320,091</b>	<b>292,039</b>	<b>9.6%</b>
Total Expenses / Net Revenue	9.8%	11.3%	-1.5p.p.	10.9%	-1.1p.p.	10.3%	11.6%	-1.3p.p.

The increase in **selling expenses** in the quarterly comparisons (2Q14 vs. 2Q13 and 2Q14 vs. 1Q14) and in the six-month comparison (6M14 vs. 6M13) reflects the higher sales volume in the period. Selling expenses as a ratio of net revenue decreased in both the quarterly and year-to-date comparisons.

**Administrative expenses** as a ratio of net revenue were 5.6% in 2Q14, down 1.2 p.p. and 0.7 p.p. from 2Q13 and 1Q14, respectively. In 6M14, this ratio stood at 5.9%, down 1.2 p.p. from 6M13.

The reduction in selling, general and administrative expenses as a ratio of net revenue was mainly due to the dilution of expenses with the additional sales volume from the Imperatriz Unit and to the implementation of the cost-cutting initiatives established in the matrix budget process.

## EBITDA

The main factors impacting EBITDA and operating margins in 2Q14 compared to 2Q13 were:

### Positive

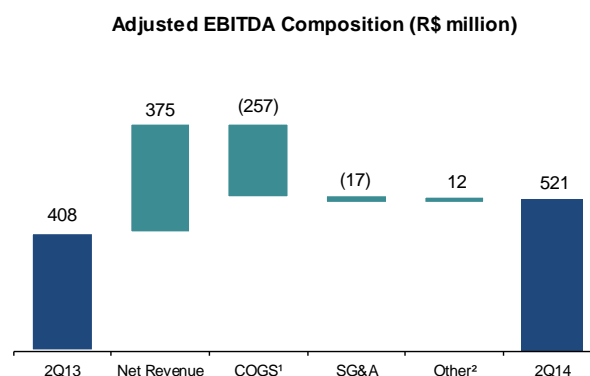
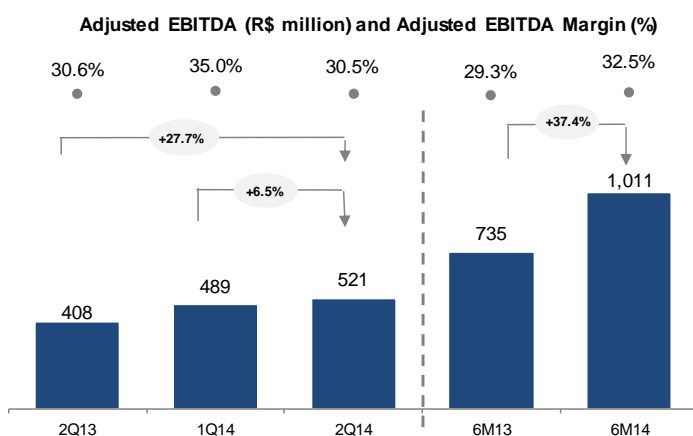
- 59.3% increase in pulp sales volume;
- 7.7% increase in the average net paper price;
- sales of surplus power at the Imperatriz Unit;
- lower SG&A expenses as a ratio of net revenue (see item "Operating Expenses" for details);
- 7.7% depreciation in BRL against USD, which impacted export revenue.

### Negative

- 3.4% decrease in the average net pulp price in BRL;



- higher wood costs at the Mucuri Unit;
- higher energy costs for paper production.



Note: <sup>1</sup>Includes depreciation, amortization and depletion; <sup>2</sup> includes other operating revenue/expenses and adjustments in non-recurring items.

In 6M14, Adjusted EBITDA amounted to R\$1,010.7 million, accompanied by EBITDA margin of 32.5% as a ratio of net revenue in the period. In 6M14, the main factors affecting EBITDA and operating margins compared to 6M13 were: (i) 20.7% increase in pulp and paper sales volume; (ii) 2.7% increase in the average net pulp and paper price in BRL; (iii) 13.0% depreciation in the BRL against the USD, which impacted export revenue; and (iv) higher costs with wood and energy.

## Financial Income (Expenses)

Financial Expenses (R\$ '000)	2Q14	2Q13	Δ Y-o-Y	1Q14	Δ Q-o-Q	6M14	6M13	Δ Y-o-Y
Financial Expenses	(303,573)	(204,263)	48.6%	(212,922)	42.6%	(516,495)	(401,288)	28.7%
Financial Revenues	69,991	64,425	8.6%	71,541	-2.2%	141,532	136,561	3.6%
<b>Net Financial Expenses</b>	<b>(233,582)</b>	<b>(139,838)</b>	<b>67.0%</b>	<b>(141,381)</b>	<b>65.2%</b>	<b>(374,963)</b>	<b>(264,727)</b>	<b>41.6%</b>
Exchange Rate Variation	164,888	(523,128)	n.a.	191,618	-13.9%	356,506	(478,266)	n.a.
<b>Net Financial Result</b>	<b>(68,694)</b>	<b>(662,966)</b>	<b>-89.6%</b>	<b>50,237</b>	<b>n.a.</b>	<b>(18,457)</b>	<b>(742,993)</b>	<b>-97.5%</b>

The net financial expense was R\$233.6 million in 2Q14, compared to R\$139.8 million in 2Q13 and R\$141.4 million in 1Q14. Compared to 2Q13 and 1Q14, the net financial expense was impacted mainly by the end of the capitalization of interest from the Maranhão Project and the prepayment of the 2<sup>nd</sup> Series of the 3<sup>rd</sup> Debentures Issue (non-recurring expense of R\$35 million).

Monetary and exchange variation generated a gain of R\$164.9 million in the quarter, due to the 2.7% impact from exchange variation on the exposure of the balance sheet between the start (R\$2.26/US\$) and end (R\$2.20/US\$) of the quarter, with a positive accounting effect from the mark to market of the portion of debt in foreign currency with cash effects limited to debt maturities or amortizations.

On June 30<sup>th</sup>, 2014, the net principal of operations contracted for the future sale of U.S. dollars through conventional Non-Deliverable Forwards (NDF) was US\$27.9 million. The maturities of these NDFs are distributed between July 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 these variations on the Company's cash flow.

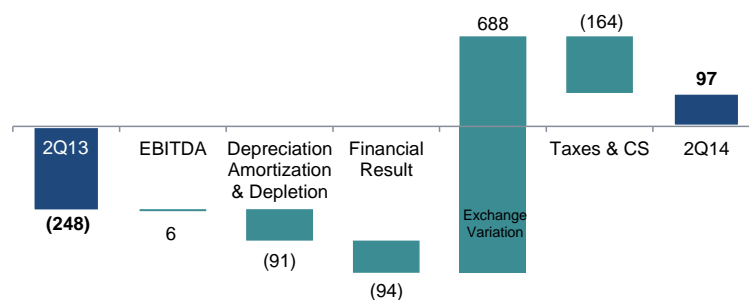




## Net Income (Loss)

The Company recorded net income of R\$97.2 million in 2Q14, compared to the net loss of R\$247.5 million in 2Q13 and the net income of R\$201.0 million in 1Q14. In 6M14, the Company recorded net income of R\$298.2 million, compared to the net loss of R\$205.6 million in 6M13.

Net Income Composition (R\$ million)



## Debt

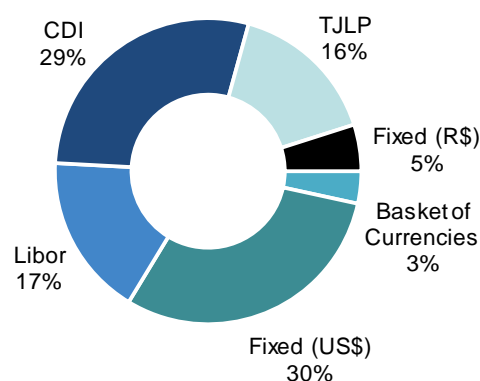
Debt (R\$ million)	06/30/2014	03/31/2014	Δ Q-o-Q	06/30/2013	Δ Y-o-Y
Local Currency	6,114	5,667	7.9%	5,357	14.1%
Short Term	686	538	27.5%	465	47.5%
Long Term	5,428	5,130	5.8%	4,892	11.0%
Foreign Currency	6,339	7,094	-10.6%	6,584	-3.7%
Short Term	586	539	8.7%	398	47.1%
Long Term	5,753	6,555	-12.2%	6,186	-7.0%
Gross Debt	12,453	12,761	-2.4%	11,942	4.3%
(-) Cash	3,114	3,397	-8.3%	4,459	-30.2%
Net Debt	9,339	9,364	-0.3%	7,483	24.8%
Net Debt / EBITDA (x)	4.6x	4.6x	0.0x	4.7x	-0.1x
Net Debt / Adjusted EBITDA <sup>1</sup> (x)	4.5x	4.8x	-0.3x	5.1x	-0.6x

Note: <sup>1</sup> Excludes non-recurring items

Gross debt on June 30<sup>th</sup>, 2014 stood at R\$12.5 billion, of which 51% was denominated in foreign currency and 49% in local currency. The percentage of debt denominated in foreign currency, considering the adjustment for derivatives, was 54%. Suzano contracts foreign currency denominated debt as a natural hedge, since a significant portion 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 on June 30<sup>th</sup>, 2014 was composed of 89.8% long-term maturities and 10.2% short-term maturities. In June 2014, the average cost of debt was 9.9% p.a. in BRL, or 91.8% of the CDI (vs. 9.7% p.a., or 92.2% of the CDI, in March 2014) and 4.7% p.a. in USD (vs. 4.8% p.a. in March 2014). The average maturity of consolidated debt ended the quarter at 4.0 years (vs. 4.2 years in March 2014).

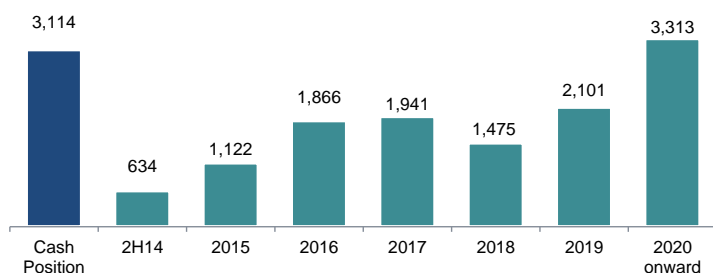
Index Exposure - 06/30/2014



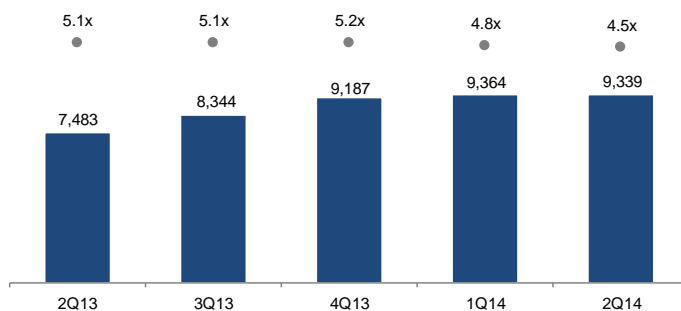


The net debt/Adjusted EBITDA ratio stood at 4.5x, which is mainly explained by the R\$113.2 million increase in Adjusted EBITDA in the 12 months to June 30<sup>th</sup>, 2014 compared to Adjusted EBITDA in the 12 months to March 31<sup>st</sup>, 2014.

Amortization Schedule (R\$ million)



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



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

## Liability Management

Liability management transactions amounted to R\$894 million and included the prepayment of all debentures in the 2<sup>nd</sup> Series of the 3<sup>rd</sup> Debentures Issuance of the Company, which was its most expensive debt. The cost of this renegotiated debt decreased by 1.3% p.a., from 5.1% p.a. to 3.8% p.a., while the average maturity was extended from 2.8 years to 4.5 years.

## Capital Expenditure

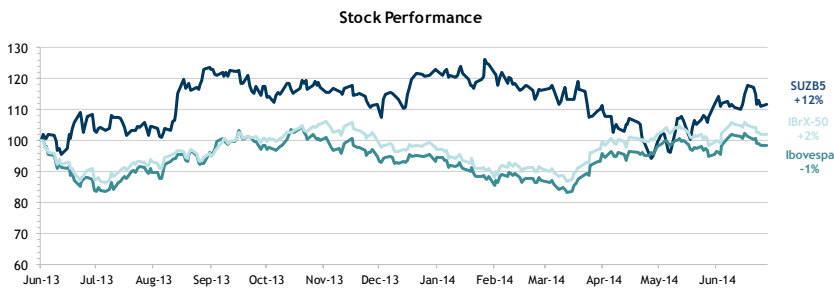
Capex (R\$ '000)	2Q14	2Q13	Δ Y-o-Y	1Q14	Δ Q-o-Q	6M14	6M13	Δ Y-o-Y
Sustain	235,259	126,434	86.1%	194,600	20.9%	429,859	244,097	76.1%
Expansion / Retrofitting	63,291	405,624	-84.4%	484,222	-86.9%	547,513	1,026,257	-46.6%
Other	5,311	18,298	-71.0%	7,376	-28.0%	12,688	33,043	-61.6%
<b>TOTAL</b>	<b>303,862</b>	<b>550,356</b>	<b>-44.8%</b>	<b>686,198</b>	<b>-55.7%</b>	<b>990,060</b>	<b>1,303,397</b>	<b>-24.0%</b>

The increase in maintenance capex is mainly explained by the startup of the Imperatriz Unit on December 30<sup>th</sup>, 2013. The expansion capex in the period reflects the remaining capex for the Maranhão Project. The Investments in modernization are for projects to reduce the Company's structural costs.

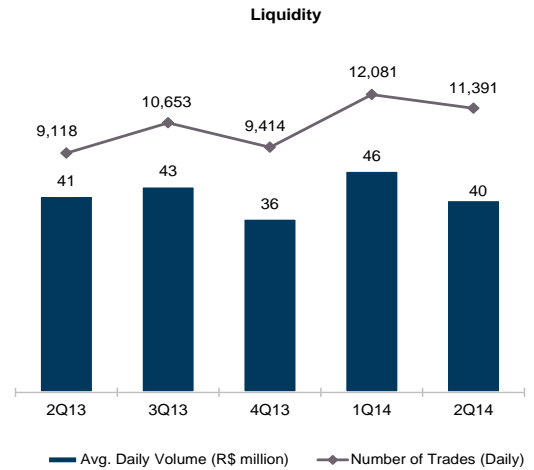


## Capital Markets

On June 30<sup>th</sup>, 2014, Suzano preferred stock (SUZB5) was quoted at R\$8.39/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.

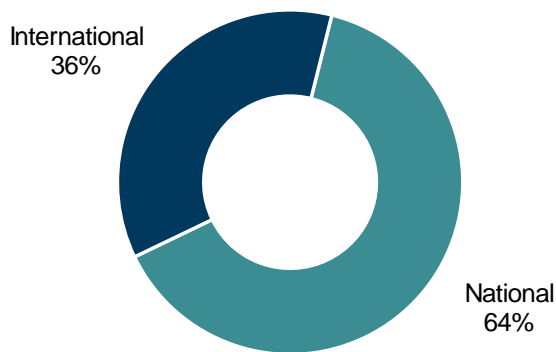


Source: Bloomberg



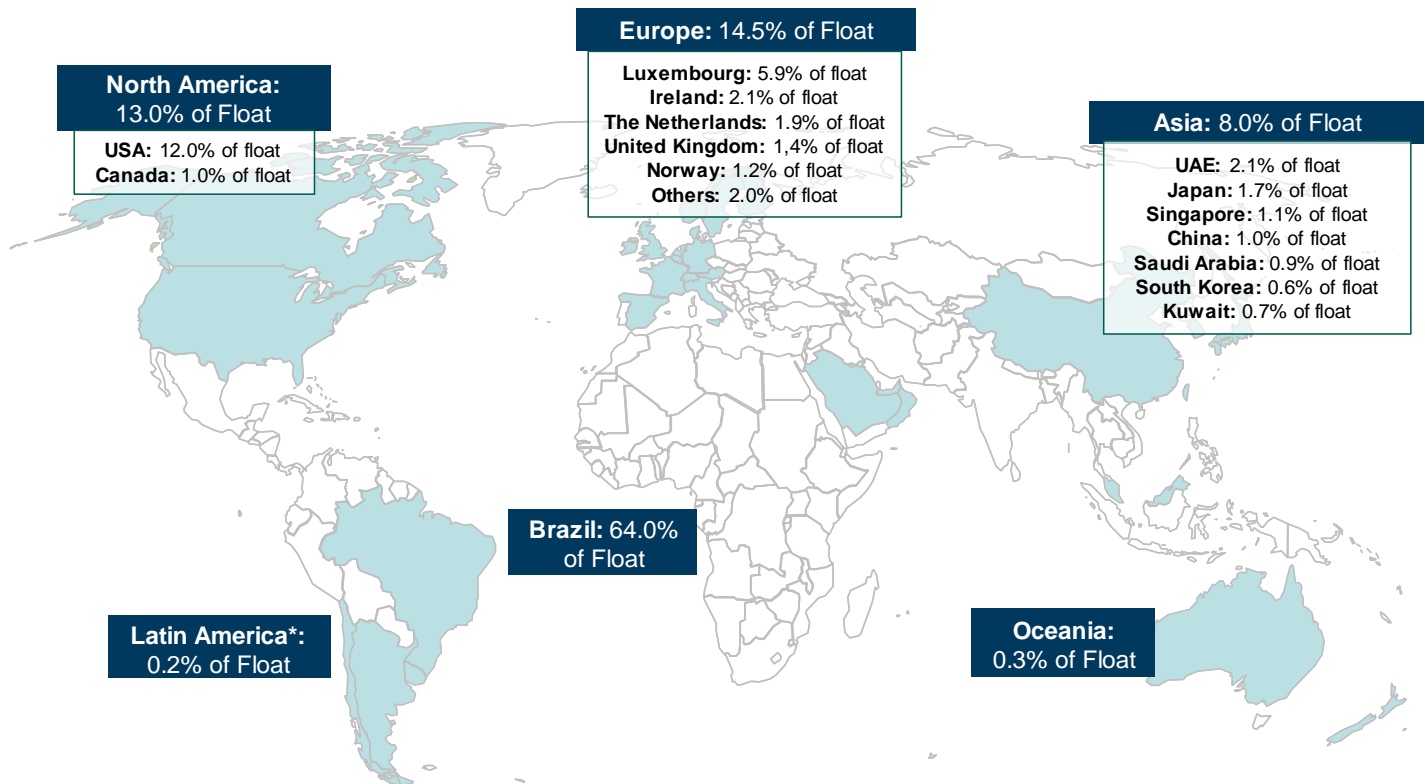
On June 30<sup>th</sup>, 2014, the Company's capital stock was represented by 371,148,532 common shares (SUZB3) and 736,590,145 preferred shares (SUZB5 and SUZB6), for a total of 1,107,738,677 shares traded on the São Paulo Stock Exchange (BM&FBovespa), of which 21,140,881 were treasury shares (6,786,194 common shares and 14,354,687 preferred shares). Suzano's market capitalization stood at R\$9.3 billion on June 30<sup>th</sup>, 2014. In 2Q14, the free-float stood at 41.5% of the total capital.

## Free Float Distribution on 06/30/2014





## Free-Float Distribution on 6/30/2014



\*Latin America ex-Brazil

## Events in the Period

### New Export Credit Note Contract

On June 25<sup>th</sup>, 2014, the Board of Directors authorized the contracting of Export Credit Notes ("NCE") from Banco Bradesco in the amount of one hundred and fifty million dollars (US\$150,000,000.00), and of a swap contract for converting the exchange rates contracted in the NCE. The minutes of the meeting are available on the website of the CVM and on the Company's IR website ([www.suzano.com.br/ir](http://www.suzano.com.br/ir)).

### Prepayment of all debentures from the 2<sup>nd</sup> Series of the 3<sup>rd</sup> Issue

On June 6<sup>th</sup>, 2014, Suzano Pulp and Paper announced to the market the prepayment of all debentures from the 2<sup>nd</sup> Series of the 3<sup>rd</sup> Debentures Issue at the restated nominal price, plus a premium, in the total amount of R\$164 million, with the subsequent cancellation of the Debentures. The transaction is aligned with Suzano's liability management strategy focused on reducing its debt costs. 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](http://www.suzano.com.br/ir)).

### Acquisition of Vale Florestar

On June 4<sup>th</sup>, 2014, Suzano Pulp and Paper announced to the market the acquisition of all shares in the private equity fund Vale Florestar Fundo de Investimento em Participações ("Fundo Vale Florestar") for R\$528,940,906.15. The assets owned by Fundo Vale Florestar comprised 45,000 hectares of eucalyptus forests planted on leased areas in the state of Pará. The forestry assets were acquired to supply wood to the Imperatriz Unit. The transaction was aligned with Suzano's strategy of pursuing structural competitiveness to maximize the profitability of its business, with the main



benefits of the transaction including increased harvest flexibility, better forestry management by Suzano and long payment terms. The Material Fact notice is available on the website of the CVM and on the Company's IR website ([www.suzano.com.br/ir](http://www.suzano.com.br/ir)).

### **Election of the Executive Board**

On May 9<sup>th</sup>, 2014, the Board of Directors held a meeting to (i) elect the members of the Board of Executive Officers; (ii) appoint members to the Management Committee; and (iii) define the duties and powers. The minutes of the meeting and the respective resolutions are available on the website of the CVM and on the Company's IR website ([www.suzano.com.br/ir](http://www.suzano.com.br/ir)).

## **Subsequent Events**

### **Vale Florestar Closing**

On August 8<sup>th</sup>, 2014, Suzano Pulp and Paper announced that it had concluded the acquisition of all shares in the private equity fund Vale Florestar Fundo de Investimento em Participações (Fundo Vale Florestar). The total price and payment conditions remain those informed in the Material Fact notice published on June 4<sup>th</sup>, 2014. 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](http://www.suzano.com.br/ir)).



## Upcoming Events

Suzano will hold a conference call to present its 2Q14 results:

**Date:** August 15<sup>th</sup>, 2014 (Friday)

**In Portuguese with simultaneous translation into English**

**Time:** 10:30 a.m. (Brasília)

9:30 a.m. (New York – EDT)

**Dial-in (Portuguese):** +55 (11) 3193-1001 or +55 (11) 2820-4001

**Dial-in (English):** +1 (786) 924-6977

**Code:** Suzano

Please connect 10 minutes before the conference call is scheduled to begin.

The conference call will feature a slide presentation and be transmitted simultaneously via webcast. The links to the slideshow and webcast will be available on the Company's Investor Relations website ([www.suzano.com.br/ir](http://www.suzano.com.br/ir)).

If you are unable to participate, the webcast link will be available for future consultation on the Company's Investor Relations website.

## Corporate Information

Suzano Pulp and Paper, which registered annual net revenue of R\$5.7 billion in 2013, is one of the largest vertically integrated producers of paper and eucalyptus pulp in Latin America, with annual production capacity of 3.4 million tons of market pulp and 1.3 million tons of paper. It offers a broad range of pulp and paper products for the domestic and export markets, and is the leader in key market segments in Brazil through its 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 expectations expressed to not materialize or the actual results to differ materially from the expected results. 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.*



## Attachment I

### Operating Data

Sales volume (tons)	2Q14	2Q13	Δ Y-o-Y	1Q14	Δ Q-o-Q	6M14	6M13	Δ Y-o-Y
<b>Exports</b>	<b>679,967</b>	<b>430,980</b>	<b>57.8%</b>	<b>446,575</b>	<b>52.3%</b>	<b>1,126,542</b>	<b>861,117</b>	<b>30.8%</b>
Pulp	580,601	328,423	76.8%	356,088	63.0%	936,689	672,983	39.2%
Paper	99,366	102,557	-3.1%	90,486	9.8%	189,852	188,133	0.9%
Paperboard	17,963	24,222	-25.8%	20,650	-13.0%	38,613	46,355	-16.7%
Printing & Writing	81,404	78,335	3.9%	69,836	16.6%	151,240	141,778	6.7%
Coated	1,078	1,304	-17.4%	1,049	2.8%	2,126	2,236	-4.9%
Uncoated	80,326	77,030	4.3%	68,788	16.8%	149,114	139,543	6.9%
Other Paper	-	-	n.a.	-	n.a.	-	-	n.a.
<b>Domestic Market</b>	<b>335,196</b>	<b>323,854</b>	<b>3.5%</b>	<b>307,413</b>	<b>9.0%</b>	<b>642,609</b>	<b>604,546</b>	<b>6.3%</b>
Pulp	115,449	108,646	6.3%	108,961	6.0%	224,410	205,464	9.2%
Paper	219,748	215,208	2.1%	198,452	10.7%	418,199	399,082	4.8%
Paperboard	44,867	40,550	10.6%	37,788	18.7%	82,655	74,801	10.5%
Printing & Writing	168,899	162,485	3.9%	155,826	8.4%	324,725	301,602	7.7%
Coated	63,178	48,188	31.1%	55,295	14.3%	118,473	91,464	29.5%
Uncoated	105,721	114,297	-7.5%	100,531	5.2%	206,252	210,138	-1.8%
Other Paper	5,982	12,173	-50.9%	4,838	23.7%	10,820	22,679	-52.3%
<b>Total</b>	<b>1,015,164</b>	<b>754,834</b>	<b>34.5%</b>	<b>753,987</b>	<b>34.6%</b>	<b>1,769,151</b>	<b>1,465,662</b>	<b>20.7%</b>
Pulp	696,050	437,069	59.3%	465,049	49.7%	1,161,099	878,448	32.2%
Paper	319,114	317,765	0.4%	288,938	10.4%	608,052	587,215	3.5%
Paperboard	62,829	64,772	-3.0%	58,438	7.5%	121,267	121,156	0.1%
Printing & Writing	250,302	240,819	3.9%	225,663	10.9%	475,965	443,381	7.3%
Coated	64,255	49,492	29.8%	56,344	14.0%	120,599	93,700	28.7%
Uncoated	186,047	191,327	-2.8%	169,319	9.9%	355,366	349,681	1.6%
Other Paper	5,982	12,173	-50.9%	4,838	23.7%	10,820	22,679	-52.3%

Revenue breakdown (R\$ '000)	2Q14	2Q13	Δ Y-o-Y	1Q14	Δ Q-o-Q	6M14	6M13	Δ Y-o-Y
<b>Exports</b>	<b>986,966</b>	<b>678,963</b>	<b>45.4%</b>	<b>741,846</b>	<b>33.0%</b>	<b>1,728,813</b>	<b>1,301,173</b>	<b>32.9%</b>
Pulp	749,720	451,647	66.0%	521,467	43.8%	1,271,187	893,367	42.3%
Paper	237,246	227,316	4.4%	220,379	7.7%	457,625	407,806	12.2%
Paperboard	49,054	55,204	-11.1%	55,109	-11.0%	104,163	102,540	1.6%
Printing & Writing	188,192	172,112	9.3%	165,270	13.9%	353,462	305,266	15.8%
Coated	3,718	4,042	-8.0%	3,619	2.7%	7,337	6,790	8.1%
Uncoated	184,474	168,070	9.8%	161,651	14.1%	346,125	298,476	16.0%
Other Paper	-	-	n.a.	-	n.a.	-	-	n.a.
<b>Domestic Market</b>	<b>722,008</b>	<b>655,213</b>	<b>10.2%</b>	<b>657,770</b>	<b>9.8%</b>	<b>1,379,777</b>	<b>1,207,095</b>	<b>14.3%</b>
Pulp	146,137	130,773	11.7%	146,119	0.0%	292,256	245,380	19.1%
Paper	575,870	524,440	9.8%	511,651	12.6%	1,087,521	961,715	13.1%
Paperboard	141,469	119,185	18.7%	116,688	21.2%	258,157	214,338	20.4%
Printing & Writing	414,775	372,206	11.4%	379,016	9.4%	793,791	684,622	15.9%
Coated	149,246	107,525	38.8%	128,032	16.6%	277,279	203,624	36.2%
Uncoated	265,528	264,681	0.3%	250,984	5.8%	516,512	480,998	7.4%
Other Paper	19,626	33,049	-40.6%	15,947	23.1%	35,573	62,755	-43.3%
<b>Total</b>	<b>1,708,974</b>	<b>1,334,176</b>	<b>28.1%</b>	<b>1,399,616</b>	<b>22.1%</b>	<b>3,108,590</b>	<b>2,508,268</b>	<b>23.9%</b>
Pulp	895,857	582,420	53.8%	667,586	34.2%	1,563,444	1,138,747	37.3%
Paper	813,116	751,756	8.2%	732,030	11.1%	1,545,146	1,369,521	12.8%
Paperboard	190,523	174,389	9.3%	171,797	10.9%	362,320	316,878	14.3%
Printing & Writing	602,967	544,318	10.8%	544,286	10.8%	1,147,253	989,888	15.9%
Coated	152,964	111,567	37.1%	131,651	16.2%	284,616	210,414	35.3%
Uncoated	450,002	432,751	4.0%	412,635	9.1%	862,637	779,474	10.7%
Other Paper	19,626	33,049	-40.6%	15,947	23.1%	35,573	62,755	-43.3%

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



## Operating Data (continued)

Average net price (R\$/ton)	2Q14	2Q13	Δ Y-o-Y	1Q14	Δ Q-o-Q	6M14	6M13	Δ Y-o-Y
<b>Exports</b>	<b>1,451</b>	<b>1,575</b>	<b>-7.9%</b>	<b>1,661</b>	<b>-12.6%</b>	<b>1,535</b>	<b>1,511</b>	<b>1.6%</b>
Pulp	1,291	1,375	-6.1%	1,464	-11.8%	1,357	1,327	2.2%
Paper	2,388	2,216	7.7%	2,435	-2.0%	2,410	2,168	11.2%
Paperboard	2,731	2,279	19.8%	2,669	2.3%	2,698	2,212	22.0%
Printing & Writing	2,312	2,197	5.2%	2,367	-2.3%	2,337	2,153	8.5%
Coated	3,450	3,099	11.3%	3,451	0.0%	3,451	3,037	13.6%
Uncoated	2,297	2,182	5.3%	2,350	-2.3%	2,321	2,139	8.5%
Other Paper	-	-	n.a.	-	n.a.	-	-	n.a.
<b>Domestic Market</b>	<b>2,154</b>	<b>2,023</b>	<b>6.5%</b>	<b>2,140</b>	<b>0.7%</b>	<b>2,147</b>	<b>1,997</b>	<b>7.5%</b>
Pulp	1,266	1,204	5.2%	1,341	-5.6%	1,302	1,194	9.0%
Paper	2,621	2,437	7.5%	2,578	1.6%	2,600	2,410	7.9%
Paperboard	3,153	2,939	7.3%	3,088	2.1%	3,123	2,865	9.0%
Printing & Writing	2,456	2,291	7.2%	2,432	1.0%	2,445	2,270	7.7%
Coated	2,362	2,231	5.9%	2,315	2.0%	2,340	2,226	5.1%
Uncoated	2,512	2,316	8.5%	2,497	0.6%	2,504	2,289	9.4%
Other Paper	3,281	2,715	20.8%	3,296	-0.5%	3,288	2,767	18.8%
<b>Total</b>	<b>1,683</b>	<b>1,768</b>	<b>-4.8%</b>	<b>1,856</b>	<b>-9.3%</b>	<b>1,757</b>	<b>1,711</b>	<b>2.7%</b>
Pulp	1,287	1,333	-3.4%	1,436	-10.3%	1,347	1,296	3.9%
Paper	2,548	2,366	7.7%	2,534	0.6%	2,541	2,332	9.0%
Paperboard	3,032	2,692	12.6%	2,940	3.1%	2,988	2,615	14.2%
Printing & Writing	2,409	2,260	6.6%	2,412	-0.1%	2,410	2,233	8.0%
Coated	2,381	2,254	5.6%	2,337	1.9%	2,360	2,246	5.1%
Uncoated	2,419	2,262	6.9%	2,437	-0.7%	2,427	2,229	8.9%
Other Paper	3,281	2,715	20.8%	3,296	-0.5%	3,288	2,767	18.8%

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





## Attachment II

### Consolidated Income Statement

#### CONSOLIDATED FINANCIAL STATEMENT

(R\$ '000)	2Q14	2Q13	Δ Y-o-Y	1Q14	Δ Q-o-Q	6M14	6M13	Δ Y-o-Y
Net Revenue	1,708,974	1,334,175	28.1%	1,399,616	22.1%	3,108,590	2,508,268	23.9%
Cost of Goods Sold	(1,328,346)	(980,211)	35.5%	(1,009,873)	31.5%	(2,338,219)	(1,868,201)	25.2%
Gross Profit	380,628	353,964	7.5%	389,743	-2.3%	770,371	640,067	20.4%
Selling Expenses	(71,585)	(60,130)	19.1%	(64,147)	11.6%	(135,732)	(114,089)	19.0%
General and Administrative Expenses	(95,851)	(90,514)	5.9%	(88,508)	8.3%	(184,359)	(177,950)	3.6%
Other Operating Income	4,295	99,306	-95.7%	4,784	-10.2%	9,079	96,733	-90.6%
EBIT	217,487	302,626	-28.1%	241,872	-10.1%	459,359	444,761	3.3%
Depreciation, Amortization & Depletion	303,401	212,418	42.8%	257,485	17.8%	560,886	397,539	41.1%
EBITDA	520,888	515,044	1.1%	499,357	4.3%	1,020,245	842,300	21.1%
<i>EBITDA Margin (%)</i>	<i>30.5%</i>	<i>38.6%</i>	<i>-8.1 p.p</i>	<i>35.7%</i>	<i>-5.2 p.p</i>	<i>32.8%</i>	<i>33.6%</i>	<i>-0.8 p.p</i>
Adjusted EBITDA	521,213	408,058	27.7%	489,454	6.5%	1,010,667	735,314	37.4%
<i>Adjusted EBITDA Margin (%)</i>	<i>30.5%</i>	<i>30.6%</i>	<i>-0.1 p.p</i>	<i>35.0%</i>	<i>-4.5 p.p</i>	<i>32.5%</i>	<i>29.3%</i>	<i>3.2 p.p</i>
Net Financial Result	(68,694)	(662,966)	-89.6%	50,237	n.a.	(18,457)	(742,993)	-97.5%
Financial Expenses	(303,573)	(204,263)	48.6%	(212,922)	42.6%	(516,495)	(401,288)	28.7%
Financial Revenues	69,991	64,425	8.6%	71,541	-2.2%	141,532	136,561	3.6%
Exchange Rate Variation	164,888	(523,128)	n.a.	191,618	-13.9%	356,506	(478,266)	n.a.
Earnings Before Taxes	148,793	(360,340)	n.a.	292,109	-49.1%	440,902	(298,232)	n.a.
Income and Social Contribution Taxes	(51,633)	112,812	n.a.	(91,064)	-43.3%	(142,697)	92,652	n.a.
Net Income (Loss)	97,160	(247,528)	n.a.	201,045	-51.7%	298,205	(205,580)	n.a.



## Attachment III

### Consolidated Balance Sheet

#### CONSOLIDATED BALANCE SHEET (R\$'000)

ASSETS	06/30/2014	03/31/2014	LIABILITIES	06/30/2014	03/31/2014
<b>CURRENT ASSETS</b>			<b>CURRENT LIABILITIES</b>		
Cash and Cash Equivalent	3,114,040	3,397,216	Salaries and Payroll Taxes	127,505	98,359
Accounts Receivable	1,168,002	1,178,974	Accounts Payable	670,439	611,943
Inventories	1,260,677	1,128,428	Tax Liabilities	50,734	63,469
Recoverable Taxes	425,523	384,325	Loans and Financing	1,271,311	1,071,859
Prepaid Expenses	25,539	7,546	Debentures	-	4,410
Advances to suppliers	41,924	38,431	Other Payable	248,249	223,257
Other Current Assets	83,201	115,048	<b>TOTAL CURRENT LIABILITIES</b>	<b>2,368,238</b>	<b>2,073,297</b>
<b>TOTAL CURRENT ASSETS</b>	<b>6,118,906</b>	<b>6,249,968</b>			
			<b>NON CURRENT LIABILITIES</b>		
<b>NON CURRENT ASSETS</b>			Loans and Financing	11,181,339	11,557,079
Biological Assets	3,047,467	3,012,427	Debentures	-	127,823
Deffered Taxes	1,015	1,041	Other Liabilities	25,064	28,215
Other Receivable Taxes	383,798	445,668	Debt on Land and Reforestation Purchase	160,245	162,362
Advances to Suppliers	250,809	251,860	Deffered Taxes	1,705,824	1,702,620
Receivable Credits	56,721	56,721	Provision	492,108	486,317
Judicial Deposits	56,387	63,963	<b>TOTAL NON CURRENT LIABILITIES</b>	<b>13,564,580</b>	<b>14,064,416</b>
Other Accounts Receivable	41,889	50,596			
Property, Plant and Equipment	16,635,442	16,679,153	<b>SHAREHOLDERS EQUITY</b>		
Intangible	222,234	229,854	Share Capital	6,241,753	6,241,753
<b>TOTAL NON CURRENT ASSETS</b>	<b>20,695,762</b>	<b>20,791,283</b>	Capital Reserve	(220,488)	(222,910)
<b>TOTAL ASSETS</b>	<b>26,814,668</b>	<b>27,041,251</b>	Profit Reserve	2,065,219	2,187,427
			Acumulated Profit	316,222	212,200
			Equity Valuation Adjustment	2,479,144	2,485,068
			<b>TOTAL EQUITY</b>	<b>10,881,850</b>	<b>10,903,538</b>
			<b>TOTAL LIABILITIES + EQUITY</b>	<b>26,814,668</b>	<b>27,041,251</b>



## Attachment IV

### Consolidated Cash Flow Statement

<b>CONSOLIDATED CASH FLOW STATEMENT FOR THE QUARTER</b>				
(R\$ '000)	2Q14	2Q13	6M14	6M13
<b>Cash Flow from Operating Activities</b>				
Net Income (Loss)	97,160	(247,528)	298,205	(205,580)
Depreciation, Amortization & Depletion	303,401	212,418	560,886	397,539
Result on Sale of Non-Current and Biological Assets	(1,638)	(2,082)	(1,600)	(5,956)
Result on Sale of Investments	-	(123,098)	-	(123,098)
Provision for Plant and Equipment Write-off and Losses	9,539	4,266	33,436	4,404
Exchange and Monetary Variation	(189,023)	547,630	(253,317)	492,354
Net Interest Expenses	246,357	194,623	473,218	390,548
Deferred Income and Social Contribution Taxes	3,205	(108,736)	71,480	(96,851)
Fair Value Adjustment on Biological Assets	-	3,667	-	3,667
Interest on Actuarial Liabilities	7,365	6,008	14,731	12,016
Contingencies	3,722	(1,184)	3,055	443
Share based Payment Plan Expenses	6,009	4,139	11,509	4,013
Derivatives Variation	(3,689)	18,569	(8,757)	3,143
Provision for Doubtful Credits	3,525	378	6,982	1,274
(Reversion) Provision for discounts	(3,618)	(320)	(6,617)	(2,995)
(Reversion) Provision for inventory losses	1,244	-	108	-
Other Provisions	23,645	26,617	60,466	50,233
Accounts Receivable Variation	13,072	(79,441)	168,191	158,377
Inventories Variation	(138,585)	(90,984)	(355,769)	(240,614)
Recoverable Taxes Variation	(8,526)	(64,596)	(52,677)	(123,284)
(Increase) in Other Current and Non-Current Liabilities	96,805	4,423	78,343	(38,843)
Variation in Accounts Payable	7,085	260,492	(380,105)	71,485
Other Current and Non-Current Assets Variation	69,315	63,939	108,324	116,994
Interest Payments	(277,028)	(304,409)	(491,354)	(496,618)
Other Taxes and Contributions Payments	(82,594)	(117,041)	(180,388)	(191,319)
Income Tax and Social Contributions Payments	(11,295)	(12,150)	(27,264)	(21,274)
<b>Net cash from operating activities</b>	<b>175,453</b>	<b>195,600</b>	<b>131,086</b>	<b>160,058</b>
<b>Cash Flow from Investing Activities</b>				
Acquisition of Property, Plant and Equipment, Intangible and Biological Assets	(267,285)	(641,294)	(610,916)	(1,042,540)
Receivables from Asset Sale	-	310,419	-	310,419
Asset Sales	7,219	4,948	7,576	11,068
<b>Net cash generated in investing activities</b>	<b>(260,066)</b>	<b>(325,927)</b>	<b>(603,340)</b>	<b>(721,053)</b>
<b>Cash Flow from Financing Activities</b>				
Loans Raised	673,372	2,532,005	929,083	3,328,033
Net proceeds Generated by Derivatives	(4,439)	(7,593)	(4,632)	(8,190)
Loans and debentures payment	(761,147)	(2,238,327)	(886,927)	(2,557,210)
Dividends and Interests on Equity Payment	(122,178)	(99,977)	(122,178)	(99,977)
Acquisition of own shares	-	-	8,514	(38,718)
<b>Net cash from financing activities</b>	<b>(214,392)</b>	<b>186,108</b>	<b>(76,140)</b>	<b>623,938</b>
Effects of Exchange Rate Variation in Cash and Cash Equivalents	15,829	71,833	(27,206)	58,006
<b>Increase (decrease) in Cash</b>	<b>(283,176)</b>	<b>127,614</b>	<b>(575,600)</b>	<b>120,949</b>
Cash in the beginning of the period	3,397,216	4,330,943	3,689,640	4,337,608
Cash in the end of the period	3,114,040	4,458,557	3,114,040	4,458,557
<b>Statement of Increase (decrease) in Cash</b>	<b>(283,176)</b>	<b>127,614</b>	<b>(575,600)</b>	<b>120,949</b>



## Attachment V

### EBITDA

R\$ thousand, except where otherwise indicated	2Q14	2Q13	6M14	6M13
Net Income	97,160	(247,528)	298,205	(205,580)
Net Financial Result	68,694	662,966	18,457	742,993
Income and Social Contribution Taxes	51,633	(112,812)	142,697	(92,652)
<b>EBIT</b>	<b>217,487</b>	<b>302,626</b>	<b>459,359</b>	<b>444,761</b>
Depreciation, Amortization and Depletion	303,401	212,418	560,886	397,539
<b>EBITDA <sup>(1)</sup></b>	<b>520,888</b>	<b>515,044</b>	<b>1,020,245</b>	<b>842,300</b>
<b>EBITDA Margin</b>	<b>30.5%</b>	<b>38.6%</b>	<b>32.8%</b>	<b>33.6%</b>
Divestment of interest in the Capim Branco Energia Consortium	-	(123,098)	-	(123,098)
Commercial Agreement with Suppliers	-	-	(31,500)	-
Provision for Plant and Equipment Write-off and Losses	-	-	22,132	-
Others	325	16,112	(210)	16,112
<b>Adjusted EBITDA</b>	<b>521,213</b>	<b>408,058</b>	<b>1,010,667</b>	<b>735,314</b>
<b>Adjusted EBITDA Margin</b>	<b>30.5%</b>	<b>30.6%</b>	<b>32.5%</b>	<b>29.3%</b>

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

Reconciliation of Consolidated EBITDA	2Q14	2Q13	6M14	6M13
EBITDA	520,888	515,044	1,020,245	842,300
Depreciation, Amortization and Depletion	303,401	212,418	560,886	397,539
<b>Operating Results before Financial Results and Taxes <sup>(2)</sup></b>	<b>217,487</b>	<b>302,626</b>	<b>459,359</b>	<b>444,761</b>

<sup>(2)</sup> Accounting Measurement released on the Consolidated Financial Statements.