Suzano Papel e Celulose S.A.

Financial Statements December 31, 2014 and 2013 including the Independent Auditor's Report on the Financial Statements

(A free translation of the original financial statement in Portuguese, prepared in accordance with the accounting practices adopted in Brazil)

(A FREE TRANSLATION OF THE ORIGINAL IN PORTUGUESE)

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Message from Management

The year 2014 confirmed yet another cycle in Suzano's constant evolution and was marked by the adoption of a series of measures and innovations that made possible solid economic and financial results, supported by our strong focus on structural competitiveness, operating efficiency gains and deleveraging. The important results yielded by these initiatives include the increased profitability of our assets and robust operating cash generation.

In 2014, we posted record-high net revenue and adjusted EBITDA of R$7.3 billion (+28% vs. 2013) and R$2.5 billion (+38% vs. 2013), respectively.

In December, our mill in Imperatriz, Maranhão, which has annual production capacity of 1.5 million tons and surplus power generation of 70 MW to be sold in the grid, completed one year of operations with one of the industry's most competitive cost structures.

We remain engaged in supporting structural projects at our plants to capture cost reductions and improve the operating efficiency of our production lines, which include: a digester at the Suzano Unit expected to come online in May 2015, a new chipper at the Limeira Unit, a shrink project for paperboard and new feller bunchers. The investments in these projects are characterized by high rates of return.

As part of our efforts to create value for our business, in 2014 we invested in modernizing and capturing efficiency gains in our logistics operation by diversifying transport modes and promoting greater integration between the business and distribution areas, seeking to help mitigate one of the factors that has the biggest impact on our costs. Another highlight was the launch of port operations in Itaqui (Maranhão), and of the outbound rail line at Imperatriz, both of which will help improve efficiency and reduce costs. We also made significant advances in our energy balance, with an increase in surplus power available for sale and a reduction in energy consumption.

In the forestry area, the focus remains on reducing the average supply distance, increasing yields and insourcing and standardizing harvest operations.

It is important to note here the ongoing efforts to optimize our liability management strategy, which are helping us to significantly reduce debt costs while lengthening our debt maturity profile.

In the area of Information Technology, in 2014 we concluded the FronTI Project, which lasted two years and further integrated our units and processes while modernizing our ERP (SAP), which has made it easier to operate the systems and provided greater visibility to our decision making. On the same front, in 2014, we created the Simplificar "Simplify" Project to standardize and optimize our processes with a view to making them simpler and more robust.

We have invested in the security of our employees, our third-party service providers and our logistics and forestry workers and, despite the need for continued efforts, we have achieved improvement in the indicators tracking this important topic. We will continue to work intensively in this area.

The year was also marked by heavy investments in people management, with a new record set in employee training, with nearly 400,000 hours of training administered, which focused on strengthening our corporate culture grounded in entrepreneurship and on increasing autonomy throughout the organization. Given our belief that valuing and developing talent with high potential is the main path to boosting our profitability, we reinforce our commitment to investing increasingly more in our people to help transform Suzano and ensure strong results.

Over the course of 2014, we intensified our activities in local communities and identified ways to help promote the regional development of these groups, supported by the creation of Community Councils in the states of Bahia and Maranhão. Through this participatory relationship model, which creates a forum for discussion and dialogue among the various local actors, we have helped to transform the social and economic situations of these communities, while instilling in them an entrepreneurial culture.

In view of this general scenario, we reiterate the permanent need to establish and strengthen our dialogue with shareholders, creditors, society and employees with a view to doing more and to doing it better and differently.
We thank our clients, suppliers, investors, local communities, stakeholders in general and, especially, our employees, who contributed to the expressive progress achieved in 2014.

The Management

Management Report

Overview

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

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

Outside of Brazil, we maintain commercial offices in China, the United States and Switzerland, research laboratories in Israel and China, and subsidiaries in the United Kingdom and Argentina. At the end of 2014, we employed over 7,000 people and had 11,000 outsourced workers.

Operating Performance

Forestry Business Unit

Our forest area amounts to around 1.06 million hectares, of which 519,000 hectares are planted, and is located in the following states: Bahia, Espírito Santo, São Paulo, Minas Gerais, Piauí, Tocantins, Maranhão and Pará. These planted forests are the product of the Genetic Improvement Program conducted at the various Forestry Technology units located in Itapetininga, SP, Mucuri, BA and Imperatriz, MA, which is based solely on hybridization, i.e., crossing different eucalyptus species.

Our main actions in 2014 were concentrated in the areas of management, operational and forestry productivity.

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

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

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

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

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

Pulp Business Unit

According to PPPC (Pulp and Paper Products Council - World 20 report), eucalyptus pulp shipments increased by 11.0% in 2014 vs 2013, driven by stronger demand from China (+717,000 tons), and from Europe (+441,000 tons).

Our pulp production volume in 2014 amounted to 3.0 million tons, increasing 54.3% from the volume produced in 2013. The higher production volume in the period was due to the startup of the new pulp plant in Imperatriz, MA.

Production ('000 ton)	2014	2013	2014 vs. 2013
Market pulp	2,982	1,932	+54.3%

In 2014, Suzano's pulp sales amounted to 2.9 million tons, increasing 50.4% from the sales volume registered in 2013. In 2014, pulp exports amounted to 2.4 million tons, increasing 60.3% compared to 2013 and accounting for 83.2% of total sales in 2014. The main destinations of the Company's sales in the period were Asia (41.2%), Europe (30.1%), Latin America (17.7%) and North America (11.0%).

Table below presents Suzano's pulp sales by segment:

Pulp sales by segment	2014	2013	2014 vs. 2013
Sanitary	55.0%	51.1%	+3.9 p.p.
Specialty	18.0%	22.1%	-4.1 p.p.
Printing & Writing	15.0%	15.0%	0.0 p.p.
Packaging	7.0%	9.7%	- 2.7 p.p.
Other	5.0%	2.1%	+2.9 p.p.

Net revenue from pulp sales in 2014 amounted to R$3.9 billion, increasing 49.4% on the previous year. The share of pulp revenue derived from export sales was 84.2%, while the domestic market accounted for 15.8%. The average net price of pulp sales in 2014 was US$574/ton, down 8.9% from the average net price in 2013. In Brazilian real, the average net price was R$1,351/ton, decreasing 0.7% from the average net price in 2013, negatively impacted by international pulp prices, which were partially offset by the local depreciation against the U.S. dollar of 9.1% (based on the average exchange rate in the period).

Paper Business Unit

According to the Brazilian Forestry Industry Association (Ibá), domestic demand (sales by local manufacturers + imports) grew slightly by 0.3% compared to 2013, with sales by local manufacturers increasing and imports contracting. In the Printing & Writing ("wood-free") segment, Uncoated papers increased by 1.3%, while Coated papers grew by 1.0%. Overall sales by the Printing & Writing segment increased by 1.2% from 2013. In the Paperboard line, sales decreased 2.7% on the previous year.

Suzano's paper production reached 1.3 million tons, 0.6% higher than in 2013.

Production ('000 ton)	2014	2013	2014 vs. 2013
Paper	1,301	1,293	+0.6%
Paperboard	250	250	+0.1%
Coated	256	224	+14.2%
Uncoated	795	819	-2.9%

Paper sales volume in 2014 amounted to 1.3 million tons, increasing 0.8% from the volume sold in 2013. Domestic paper sales amounted to 933,700 tons in 2014, growing 3.3% on the previous year. Paper sales in export markets amounted to 388,800 tons in 2014, decreasing 4.6% from the volume exported in 2013.

Paper sales to Brazil accounted for 70.6% of our total sales in 2014, compared to 68.9% in 2013. Sales to South and Central America accounted for 84.3% of total sales in 2014.

Destination of paper sales	2014	2013	2014 vs. 2013
Brazil	70.6%	68.9%	+1.7 p.p.
South/Central America	13.7%	12.5%	+1.2 p.p.
North America	10.9%	12.2%	-1.3 p.p.
Europe	3.8%	4.9%	-1.1 p.p.
Other	1.0%	1.5%	-0.5 p.p.

Net revenue from paper sales amounted to R$3.4 billion in 2014, increasing 9.7% from the previous year. Of this revenue, 71.5% came from domestic sales and 28.5% from exports. Net revenue from domestic sales increased 11.7% compared to 2013, while net revenue from exports increased 5.1%.

The average net price in Brazilian real was R$2,581/ton, 8.8% higher than in 2013. In the domestic market, the average net paper price was R$2,614/ton, increasing by 8.1% compared to the average price in 2013. The average net paper price in export markets was US$1,063/ton, increasing 1.0% from 2013. In Brazilian real, the average net paper price increased by 10.2%, positively impacted by the local currency depreciation against the U.S. dollar.

Economic and Financial Performance

<u>Results</u>

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

<u>Net Revenue</u>

The Company's net revenue in 2014 amounted to R$7,264.6 million, increasing 27.7% from the net revenue registered in 2013 of R$5,688.6 million, due to the increase in pulp sales volume (+50.4%) resulting from the startup of the new plant in Imperatriz, MA, and to the increase in paper prices (+8.8%). Pulp and paper sales volume in 2014 amounted to 4.2 million tons, compared to 3.2 million tons in 2013.

<u>Cost of Goods Sold</u>

Cost of goods sold (COGS) in 2014 amounted to R$5,355.7 million, increasing 27.8% from R$4,190.3 million in 2013, driven by the sales volume growth in the period. Unit COGS in 2014 amounted to R$1,284/ton, decreasing by 1.8% from R$1,307/ton in 2013.

<u>Gross Profit</u>

As a result of the aforementioned factors, gross profit in 2014 amounted to R$1,908.9 million, increasing by 27.4% from R$1,498.3 million in 2013.

<u>Selling, General and Administrative Expenses</u>

Selling expenses amounted to R$300.8 million in 2014. The ratio of selling expenses to net revenue stood at 4.1%, decreasing by 0.3 p.p. from the ratio in 2013.

In 2014, general and administrative expenses came to R$392.8 million, increasing 4.2% from R$377.0 million in 2013, although below the rate of inflation in the period (6.2%). General and administrative expenses as a ratio of net revenue stood at 5.4%, decreasing 1.2 p.p. from the ratio in 2013.

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.

<u>Other Operating Income/Expenses</u>

Other operating income amounted to R$14.2 million in 2014, compared to R$105.3 million in 2013, when this line was positively impacted mainly by the non-recurring proceeds from the divestment of the interest held by the Company in the Capim Branco Consortium.

Earnings Before Interest, Tax, Depreciation and Amortization

Cash generation, as measured by adjusted EBITDA on "non-recurring" and "non-cash" items, amounted to R$2,452.0 million in 2014, with margin of 33.8%. The result is explained mainly by: (i) the growth in pulp sales volume (+50.4%); (ii) the 8.8% increase in the average net paper price; and (iii) the 9.1% depreciation in the BRL against the USD, which positively impacted export revenue. In 2013, adjusted EBITDA amounted to R$1,781.3 million, with margin of 31.3%. Adjusted EBITDA/ton increased by 5.8% to R$588/ton in 2014.

R$ million, expect where stated otherwise	2014	2013
Net income (loss)	(261.5)	(220.5)
Net financial result	1,593.5	1,255.5
Income and social contribution taxes	(102.4)	(59.5)
EBIT	1,229.6	975.6
Depreciation, amortization and depletion	1,216.1	889.4
EBITDA[1]	2,445.7	1,865.0
EBITDA margin (%)	*33.7%*	*32.8%*
Divestment of interest in Usina de Capim Branco	-	(124.8)
Adjustment to fair value of biological assets	(12.8)	(95.2)
Performance additional bonus	-	25.7
Partial charge-off of expenses with suspended projects	-	60.9
Commercial agreement with suppliers	(31.5)	-
Provision for plant and equipment write-off and losses	22.1	-
Other	28.5	49.8
Adjusted EBITDA	2,452.0	1,781.3
Adjusted EBITDA margin (%)	33.8%	31.3%

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

Reconciliation of consolidated EBITDA	2014	2013
EBITDA	2,445.7	1,865.0
Depreciation, amortization and depletion	1,216.1	889.4
Operating income before Net financial result and Taxes [2]	1,229.6	975.6

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

Net Financial Result

In 2014, the Company recorded a net financial expense of R$1,593.5 million, compared to the net financial expense of R$1,255.5 million in 2013. The 26.9% increase in the net financial expense is mainly explained by the 6.9% increase in gross debt and by the end of the capitalization of interests from the Maranhão Project.

Monetary and foreign exchange variations impacted negatively the Company’s result by R$697.7 million in 2014. In 2013, this negative impact amounted to R$712.4 million. Net proceeds generated by derivatives was negative by R$ 57.4 million in 2014, compared to a negative result of R$ 13.9 million in 2013. These lines were impacted by 13.4% depreciation in the BRL against the USD (closing FX) in the period.

Result before Income Tax and Social Contribution

Due to the aforementioned factors, the Company registered a net loss before income tax and social contribution of R$363.9 million in 2014, in comparison with the net loss of R$280.0 million in 2013.

Income Tax and Social Contribution

Income tax and social contribution in 2014 was a tax credit of R$102.4 million, compared to the tax credit of R$59.5 million in 2013.

Net Income (Loss)

As a result of the aforementioned factors, the Company recorded a net loss of R$261.5 million in 2014, compared to the net loss of R$220.5 million in 2013.

Debt

On December 31st, 2014, gross debt amounted to R$13.8 billion, of which 54.5% was denominated in foreign currency and 45.5% in local currency. We contract debt in foreign currency as a natural hedge, since nearly 60% of our revenue comes from exports. This structural exposure allows us to contract export financing in U.S. dollar at more competitive costs than local financing lines and to match financing payments with receivable flows from sales.

Gross debt on December 31st, 2014 was composed of 87.0% long-term maturities and 13.0% short-term maturities. We concentrate our efforts to obtain financing lines with longer terms and attractive costs.

The net debt/adjusted EBITDA ratio stood at 4.1x at the close of 2014. The Company continues to work on various fronts to improve its EBITDA, with projects to increase productivity and reduce costs, as well as the initiatives already announced to reduce leverage and strengthen the capital structure.

Investments

In 2014, investments amounted to R$1,786.1 million. Investments in maintaining existing production capacity amounted to R$998.7 million. The amount of R$747.8 million was invested in expansion projects (the remaining investment in the Maranhão Project) and modernization projects, while R$39.6 million was allocated to other investments. In 2013, investments amounted to R$2,620.2 million, of which R$666.2 million was allocated to maintenance, R$1.9 billion to growth projects and R$61.2 million to other investments.

Capital Markets

Our capital stock is represented by 371,148,532 common shares (SUZB3) and 736,590,145 preferred shares (SUZB5 and SUZB6), totaling 1,107,738,677 shares, which are traded on the São Paulo Stock Exchange (BM&FBovespa), with 21,140,881 shares held in treasury, of which 6,786,194 are common shares and 14,354,687 are preferred shares.

Our market capitalization on December 31st, 2014 was R$12.5 billion. The free-float corresponded to 41.7% of total shares. At the end of 2014, our preferred stock (SUZB5) was quoted at R$11.25. The Company's stock is listed on the Level 1 corporate governance segment of the BM&FBovespa and is a component of the Ibovespa and IBrX-50 stock indexes. The average number of trades per day in our stock was 11,300 and our average daily financial trading volume was R$44.3 million.

Dividends

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

The Company's management has proposed to the Shareholders' Meeting the payment of dividends in the amount of R$150 million, to be deducted from the existing balance of the Profit Reserve.

Audit and Internal Controls

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

In accordance with CVM Instruction 381/2003, we inform that in the fiscal year ended on December 31, 2014, we hired our independent Auditors for various services connected with the external audit involving the review of tax obligations and other matters. These services were carried out in a period shorter than one year and the corresponding fees did not exceed 5% of the consolidated fees related to the external audit services provided to Suzano. In light of their scope and the procedures executed, these services did not affect the independence and objectiveness of the Independent Auditors.

Note:

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

Company Information / Capital Breakdown

Number of Shares (in thousands)	Last Fiscal Year 12/31/2014
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
Annual and Extraordinary Shareholders' Meeting	4/30/2013	Dividend	5/12/2014	Common		0.10545
Annual and Extraordinary Shareholders' Meeting	4/30/2013	Dividend	5/12/2014	Preferred	Class A Preferred	0.11600
Annual and Extraordinary Shareholders' Meeting	4/30/2013	Dividend	5/12/2014	Preferred	Class B Preferred	0.34523

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Independent Auditor's Report on the Financial Statements

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

We have audited the accompanying individual and consolidated financial statements of Suzano Papel e Celulose S.A. ("Company"), identified as Parent Company and Consolidated, respectively, which comprise the balance sheet as at December 31, 2014, and the related income statement, of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements
Management is responsible for the preparation and fair presentation of the individual financial statements in accordance with accounting practices adopted in Brazil, and for the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and in conformity with accounting practices adopted in Brazil, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Brazilian and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion on the individual financial statements
In our opinion, the individual financial statements referred to above present fairly, in all material respects, the financial position of Suzano Papel e Celulose S.A. as at December 31, 2014, and its financial performance and its cash flows for the year then ended in accordance with accounting practices adopted in Brazil.

Opinion on the consolidated financial statements
In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Suzano Papel e Celulose S.A. as of December 31, 2014, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board - IASB, and accounting practices adopted in Brazil.

Statements of value added
We have also audited the individual and consolidated statements of value added for the year ended December 31, 2014, prepared under Management´s responsibility, the presentation of which is required by Brazilian corporation law for publicly held companies, and as supplementary information under IFRS, whereby no statement of value added presentation is required. These statements have been subject to the same auditing procedures previously described and, in our opinion, are presented fairly, in all material respects, in relation to the financial statements taken as a whole.

São Paulo, March 4, 2015

KPMG Auditores Independentes
CRC 2SP014428/O-6
Original report in Portuguese signed by
Carla Bellangero
Accountant CRC 1SP196751/O-4

Suzano Papel e Celulose S.A.

Balance Sheets December 31, 2014 and 2013

(In thousands - R$)

Assets	Note	Parent Company December 31, 2014	Parent Company December 31, 2013	Consolidated December 31, 2014	Consolidated December 31, 2013
Current assets					
Cash and Cash Equivalents	5	2,615,579	2,648,159	3,686,115	3,689,640
Trade receivables	6	2,668,971	2,760,655	1,273,555	1,474,141
Inventories	7	819,472	713,613	1,077,081	905,256
Receivables from related parties	10	7,985	2,666	-	-
Recoverable taxes	8	473,673	306,906	475,632	310,001
Prepaid expenses		17,328	6,813	18,325	8,721
Unrealized derivative gains	4	30,219	2,534	39,266	10,013
Advances to suppliers		9,711	34,529	9,711	34,529
Receivables from properties and forests sold		3,654	6,931	3,654	6,931
Other receivables		11,890	23,242	26,085	32,482
Total current assets		6,658,482	6,506,048	6,609,424	6,471,714
Non-current assets					
Long-term assets					
Biological assets	11	3,743,131	3,023,522	3,659,421	2,965,872
Receivables from related parties	10	3,680	44,821	-	-
Taxes and social contributions to offset	8	481,626	510,578	481,626	510,578
Deferred income and social contribution taxes	12	-	-	1,143	1,075
Unrealized derivative gains	4	-	-	20,826	25,967
Advances to suppliers		247,779	251,910	247,779	251,910
Judicial deposits		53,652	55,913	59,499	61,431
Other receivables		65,113	83,217	66,415	84,499
		4,594,981	3,969,961	4,536,709	3,901,332
Investments	13	331,658	326,234	-	-
Property, plant and equipment	14	16,156,629	15,993,588	16,681,253	16,551,707
Intangible assets	15	122,396	64,193	292,070	224,590
		16,610,683	16,384,015	16,973,323	16,776,297
Total non-current assets		21,205,664	20,353,976	21,510,032	20,677,629
Total assets		27,864,146	26,860,024	28,119,456	27,149,343

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

Suzano Papel e Celulose S.A.

Balance Sheets December 31, 2014 and 2013

(In thousands - R$)

		Parent Company		Consolidated	
Liabilities	**Note**	**December 31, 2014**	**December 31, 2013**	**December 31, 2014**	**December 31, 2013**
Current liabilities					
Trade accounts payable		**729,312**	857,227	**753,099**	876,556
Loans and financing	**16**	**1,751,040**	955,462	**1,795,355**	1,007,157
Debentures	**16.4**	**-**	1,386	**-**	1,386
Unrealized derivative losses	**4**	**26,664**	15,206	**27,152**	16,852
Tax liabilities		**48,843**	50,795	**53,751**	52,586
Payroll and charges		**138,219**	122,329	**141,489**	125,650
Debits payable to related parties	**10**	**61,140**	49,094	**-**	-
Debt from acquisition of assets	**20**	**71,503**	-	**79,092**	6,789
Accounts payable		**147,402**	109,026	**208,997**	184,859
Dividends and interest on shareholders' equity payable	**21.7**	**114**	647	**114**	647
Income and social contribution taxes		**-**	-	**774**	1,474
Advance from customers		**5,826**	6,555	**7,822**	7,434
Total current liabilities		**2,980,063**	2,167,727	**3,067,645**	2,281,390
Non-current liabilities					
Loans and financing	**16**	**10,276,504**	10,249,603	**11,965,230**	11,736,172
Debentures	**16.4**	**-**	132,270	**-**	132,270
Unrealized derivative losses	**4**	**100,004**	14,662	**100,116**	16,187
Debits payable to related parties	**10**	**1,685,927**	1,486,879	**-**	-
Debt from acquisition of assets	**20**	**529,621**	58,569	**635,598**	170,899
Accounts payable		**18,035**	8,727	**32,878**	8,727
Provision for contingencies	**17**	**211,883**	200,413	**218,540**	206,642
Provision for actuarial liabilities	**18**	**277,463**	255,138	**277,463**	255,138
Deferred income and social contribution taxes	**12**	**1,357,977**	1,513,087	**1,479,235**	1,634,210
Share-based payments	**19**	**27,619**	20,469	**27,619**	20,469
Provision for losses of investments in subsidiaries	**13**	**83,918**	65,241	**-**	-
Total non-current liabilities		**14,568,951**	14,005,058	**14,736,679**	14,180,714
Equity					
Capital		**6,241,753**	6,241,753	**6,241,753**	6,241,753
Capital reserves		**(217,912)**	(235,998)	**(217,912)**	(235,998)
Profits reserve		**1,852,294**	2,187,427	**1,852,294**	2,187,427
Equity valuation adjustment		**2,438,997**	2,494,057	**2,438,997**	2,494,057
Total equity	**21**	**10,315,132**	10,687,239	**10,315,132**	10,687,239
Total liabilities		**27,864,146**	26,860,024	**28,119,456**	27,149,343

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

Suzano Papel e Celulose S.A.

Statement of Income

Fiscal years ended December 31, 2014 and 2013

(In thousands - R$)

	Note	Parent Company		Consolidated	
		December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Net sales revenue	25	**7,075,999**	5,557,858	**7,264,599**	5,688,625
Cost of goods sold	27	**(4,858,972)**	(3,879,655)	**(5,355,664)**	(4,190,315)
Gross profit		**2,217,027**	1,678,203	**1,908,935**	1,498,310
Operating income (expenses)					
Selling Expenses	27	**(698,979)**	(483,514)	**(300,796)**	(250,996)
General and administrative expenses	27	**(356,960)**	(337,604)	**(392,761)**	(377,049)
Equity pick-up in subsidiaries and affiliates	13	**(17,180)**	(36,762)	**-**	-
Other operating income, net	22	**4,266**	87,381	**14,191**	105,302
Operating profit before net financial income (loss)		**1,148,174**	907,704	**1,229,569**	975,567
Net financial income (loss)	24				
Financial income		**259,254**	256,176	**265,351**	246,429
Financial expense		**(1,788,916)**	(1,452,315)	**(1,858,863)**	(1,501,970)
Net loss before Income and social contribution taxes		**(381,488)**	(288,435)	**(363,943)**	(279,974)
Income and Social Contribution Taxes					
Current	8	**(2)**	(1,413)	**(17,480)**	(9,924)
Deferred	12	**119,984**	69,389	**119,917**	69,439
Net loss for the year		**(261,506)**	(220,459)	**(261,506)**	(220,459)
Losses per share for the year	21.6				
Basic - Common		**(0.22570)**	(0.19055)	**(0.22570)**	(0.19055)
Basic – Class A Preferred		**(0.24828)**	(0.20961)	**(0.24828)**	(0.20961)
Basic – Class B Preferred		**(0.25806)**	(0.22581)	**(0.25806)**	(0.22581)
Diluted - Common		**(0.22485)**	(0.18989)	**(0.22485)**	(0.18989)
Diluted - Class A Preferred		**(0.24735)**	(0.20888)	**(0.24735)**	(0.20888)
Diluted - Class B Preferred		**(0.25806)**	(0.22581)	**(0.25806)**	(0.22581)

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

Suzano Papel e Celulose S.A.

Statement of Comprehensive Income

Fiscal years ended December 31, 2014 and 2013

(In thousands - R$)

	Note	Parent Company		Consolidated	
		December 31, 2014	**December 31, 2013**	**December 31, 2014**	**December 31, 2013**
Net loss for the year		**(261,506)**	(220,459)	**(261,506)**	(220,459)
Other comprehensive income (loss)		**(7,040)**	29,115	**(7,040)**	29,115
Exchange variation on foreign investments	**13**	**(3,561)**	(2,107)	**(3,561)**	(2,107)
Actuarial (loss) gain	**18**	**(5,271)**	47,307	**(5,271)**	47,307
Deferred income and social contribution taxes		**1,792**	(16,085)	**1,792**	(16,085)
Total comprehensive loss		**(268,546)**	(191,344)	**(268,546)**	(191,344)

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

Suzano Papel e Celulose S.A.

Statement of Changes in Equity

Fiscal years ended December 31, 2014 and 2013

(In thousands - R$)

	Note	Capital	Capital reserves					Profits reserve			Equity valuation adjustment / Other comprehensive income	Retained earnings	Total
			Tax incentives	Stock options granted	Mandatorily convertible debentures	Costs with share issue	Treasury stock	Legal reserve	Reserve for capital increase	Special Bylaws reserve			
Balance on December 31, 2012	**21**	**6,240,709**	**75,317**	**1,356**	**832**	**(15,442)**	**(273,522)**	**231,926**	**2,136,992**	**100,891**	**2,503,019**	**-**	**11,002,078**
Total comprehensive income (loss)													
Net loss for the year		-	-	-	-	-	-	-	-	-	-	(220,459)	(220,459)
Actuarial gain net of deferred taxes		-	-	-	-	-	-	-	-	-	31,222	-	31,222
Exchange variation on investments		-	-	-	-	-	-	-	-	-	(2,107)	-	(2,107)
Equity transactions with shareholders:													
Capital increase upon conversion of debentures		1,044	-	-	(832)	-	-	-	-	-	-	-	212
Stock options granted		-	-	15,011	-	-	-	-	-	-	-		15,011
Treasury shares purchased		-	-	-	-	-	(38,718)	-	-	-	-	-	(38,718)
Dividends paid		-	-	-	-	-	-	-	-	(100,000)	-	-	(100,000)
Internal changes in equity:									-				
Partial realization of equity valuation adjustment, net of deferred income and social contribution		-	-	-	-	-	-	-	-	-	(38,077)	38,077	-
Dividends proposed by the Management		-	-	-	-	-	-	-	(122,000)	-	-	-	(122,000)
Dividends subject to approval by the Management		-	-	-	-	-	-	-	122,000	-	-	-	122,000
Absorption of loss for the year		-	-	-	-	-	-	-	(181,491)	(891)	-	182,382	-
Balance on December 31, 2013	**21**	**6,241,753**	**75,317**	**16,367**	**-**	**(15,442)**	**(312,240)**	**231,926**	**1,955,501**	**-**	**2,494,057**	**-**	**10,687,239**
Total comprehensive income (loss)													
Net loss for the year		-	-	-	-	-	-	-	-	-	-	(261,506)	(261,506)
Actuarial loss net of deferred taxes		-	-	-	-	-	-	-	-	-	(3,479)	-	(3,479)
Exchange variation on investments		-	-	-	-	-	-	-	-	-	(3,561)	-	(3,561)
Equity transactions with shareholders:													
Stock options granted		-	-	9,572	-	-	-	-	-	-	-		9,572
Treasury stock used to meet the share-based compensation plan		-	-	-	-	-	8,514	-	-	-	-		8,514
Dividends paid		-	-	-	-	-	-	-	(122,208)	-	-	-	(122,208)
Reversal of time-barred dividends												561	561
Internal changes in equity:													
Partial realization of equity valuation adjustment, net of deferred income and social contribution		-	-	-	-	-	-	-	-	-	(48,020)	48,020	-
Dividends proposed by the Management		-	-	-	-	-	-	-	(150,000)	-	-	-	(150,000)
Dividends subject to approval by the Management		-	-	-	-	-	-	-	150,000	-	-	-	150,000
Absorption of loss for the year		-	-	-	-	-	-	-	(212,925)	-	-	212,925	-
Balance on December 31, 2014	**21**	**6,241,753**	**75,317**	**25,939**	**-**	**(15,442)**	**(303,726)**	**231,926**	**1,620,368**	**-**	**2,438,997**	**-**	**10,315,132**

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

Suzano Papel e Celulose S.A.

Statement of Cash Flows

Fiscal years ended December 31, 2014 and 2013

(In thousands - R$)

	Note	Parent Company		Consolidated	
		December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Cash and cash equivalents from operating activities					
Net loss for the year		**(261,506)**	(220,459)	**(261,506)**	(220,459)
Adjustment to reconcile net income (loss) to cash and cash equivalents from operating		**3,186,731**	2,564,756	**3,075,142**	2,386,058
Depreciation, depletion and amortization expenses		**1,203,598**	877,260	**1,216,132**	889,386
Income from sale of property, plant and equipment and biological assets		**(474)**	(5,501)	**(432)**	(5,901)
Equity pick-up in subsidiaries and affiliates	13	**17,180**	36,762	**-**	-
Exchange and monetary variations, net		**842,643**	874,062	**725,438**	703,709
Interest expenses, net		**994,224**	812,045	**1,010,924**	831,853
Derivative gains, net		**58,709**	19,039	**57,390**	13,914
Fair value adjustment of biological assets	11	**(12,847)**	(99,998)	**(12,847)**	(95,179)
Deferred income and social contribution taxes	12.1	**(119,984)**	(69,389)	**(119,917)**	(69,439)
Interest on actuarial liabilities	18	**31,539**	26,991	**31,539**	26,991
Addition to provision for contingencies	17	**5,804**	364	**6,749**	108
Additional provision for share-based payments	19	**22,382**	26,114	**22,382**	26,114
Profit (loss) from divestment	22	**-**	(124,835)	**-**	(124,835)
Addition to allowance for doubtful accounts	6	**10,718**	7,793	**10,012**	7,987
(Reversal) Addition of provision for deduction		**(5,254)**	(1,859)	**(11,809)**	8,154
Provision for inventory losses	7	**7,598**	13,172	**7,598**	13,172
Provision for losses with property, plant and equipment and write-offs	22	**39,664**	79,394	**39,664**	54,504
Addition to other provisions		**91,231**	93,342	**92,318**	105,520
Changes in current and non-current operating assets and liabilities:		**(1,352,482)**	(2,636,422)	**(1,348,821)**	(2,124,864)
Decrease (increase) in accounts receivable		**142,569**	(823,692)	**260,721**	(296,891)
Increase in inventories		**(114,589)**	(201,075)	**(180,555)**	(242,360)
Decrease (increase) in recoverable taxes		**38,329**	(302,998)	**50,583**	(291,009)
Decrease (increase) in other current and non-current assets		**90,983**	(50,063)	**77,453**	(30,431)
Decrease in trade accounts payable		**(371,108)**	(330,558)	**(399,343)**	(327,187)
Increase in other current and non-current liabilities		**200,375**	380,229	**233,224**	406,766
Payment of interest		**(909,014)**	(856,608)	**(923,752)**	(872,938)
Payment of other taxes and contributions		**(379,050)**	(412,819)	**(405,021)**	(427,318)
Payment of income and social contribution taxes		**(50,977)**	(38,838)	**(62,131)**	(43,496)
Net cash and cash equivalents (used in) provided by operating activities		**1,572,743**	(292,125)	**1,464,814**	40,735
Cash and cash equivalents from investment activities					
Additions to investments, net of cash received		**(43,994)**	-	**(43,994)**	-
Additions to property, plant and equipment	14	**(603,718)**	(1,654,825)	**(606,764)**	(1,662,268)
Additions to intangible assets	15	**(8,863)**	(2,409)	**(8,863)**	(2,409)
Additions to biological assets	11	**(762,745)**	(592,756)	**(743,551)**	(592,781)
Proceeds from asset divestment		**5,402**	18,480	**5,402**	18,870
Receivables from divestment		**-**	314,370	**-**	314,370
Net cash and cash equivalents used in investment activities		**(1,413,918)**	(1,917,140)	**(1,397,770)**	(1,924,218)
Cash and cash equivalents from financing activities					
Funding	16	**2,654,850**	4,124,891	**2,654,850**	4,124,891
Settlement of derivative operations	4.10	**(2,770)**	(29,002)	**2,981**	(27,921)
Payment of loans and debentures	16	**(2,729,819)**	(2,805,753)	**(2,730,952)**	(2,849,089)
Payment of dividends and interest on shareholders' equity		**(122,180)**	(99,977)	**(122,180)**	(99,977)
Dividends (acquisition) of own shares	21.4	**8,514**	(50,816)	**8,514**	(50,816)
Net cash and cash equivalents (used in) provided by financing activities		**(191,405)**	1,139,343	**(186,787)**	1,097,088
Exchange variation on cash and cash equivalents		**-**	-	**116,218**	138,427
Reduction in cash and cash equivalents		**(32,580)**	**(1,069,922)**	**(3,525)**	(647,968)
Cash and cash equivalents at the beginning of the year	5	**2,648,159**	3,718,081	**3,689,640**	4,337,608
Cash and cash equivalents at the end of the year	5	**2,615,579**	2,648,159	**3,686,115**	3,689,640
Reduction in cash and cash equivalents		**(32,580)**	(1,069,922)	**(3,525)**	(647,968)

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

Suzano Papel e Celulose S.A.

Statement of Value Added

Fiscal years ended December 31, 2014 and 2013

(In thousands - R$)

	Note	Parent Company		Consolidated	
		December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
Income					
Sale of goods, products and services	25	**8,026,440**	6,378,856	**8,223,537**	6,518,310
Other income		**100,020**	250,440	**109,945**	268,361
Income from construction of own assets		**822,985**	1,652,544	**822,985**	1,652,544
Allowance for doubtful accounts	6	**(10,718)**	(7,793)	**(10,012)**	(7,987)
		8,938,727	8,274,047	**9,146,455**	8,431,228
Input acquired from third parties					
Cost of products and goods sold and services rendered		**(3,741,290)**	(1,905,428)	**(3,723,179)**	(1,905,428)
Supplies, electricity, outsourced services and others		**(1,927,568)**	(3,747,028)	**(2,021,892)**	(3,827,437)
		(5,668,858)	(5,652,456)	**(5,745,071)**	(5,732,865)
Gross added value		**3,269,869**	2,621,591	**3,401,384**	2,698,363
Depreciation, amortization and depletion		**(1,203,598)**	(877,260)	**(1,216,132)**	(889,386)
Net added value produced by the Company		**2,066,271**	1,744,331	**2,185,252**	1,808,977
Added value from transfers					
Equity pick-up in subsidiaries and affiliates	13	**(17,180)**	(36,762)	**-**	-
Financial income	24	**638,486**	633,839	**677,354**	599,843
		621,306	597,077	**677,354**	599,843
Distribution of added value		**2,687,577**	2,341,408	**2,862,606**	2,408,820
Personnel	27	**836,174**	688,419	**852,317**	708,802
Direct compensation		**682,641**	561,536	**696,973**	579,434
Benefits		**115,884**	96,436	**117,694**	98,828
F.G.T.S. (Government Severance Indemnity Fund for Employees)		**37,649**	30,447	**37,650**	30,540
Taxes, fees and contributions		**(181,744)**	(214,578)	**(127,318)**	(194,708)
Federal		**(119,464)**	(248,192)	**(82,137)**	(228,413)
State		**(65,933)**	30,055	**(48,179)**	30,055
Municipal		**3,653**	3,559	**2,998**	3,650
Value distributed to providers of capital		**2,294,653**	2,088,026	**2,399,113**	2,115,185
Interest		**2,204,293**	1,989,922	**2,307,012**	2,015,328
Rentals		**90,360**	98,104	**92,101**	99,857
Value distributed to shareholders		**(261,506)**	(220,459)	**(261,506)**	(220,459)
Net loss for the year		**(261,506)**	(220,459)	**(261,506)**	(220,459)
Distribution of added value		**2,687,577**	2,341,408	**2,862,606**	2,408,820

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

Notes to the Financial Statements

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

1 Company Information

Suzano Papel e Celulose S.A. (hereinafter referred to as the "Company") is a corporation with head office in the city of Salvador, state of Bahia, which, together with its subsidiaries (hereinafter referred to as "Consolidated") has six industrial units in Brazil: one each in Bahia and Maranhão and four in São Paulo. These industrial units produce hardwood pulp from eucalyptus, paper and electricity.

Pulp and paper are sold in the international market directly by the Company, as well as through its direct and indirect subsidiaries and sales offices in Argentina, China, the United States, England and Switzerland.

The Company's corporate purpose also includes the commercial operation of eucalyptus forest for its own use and for sale to third parties, the operation of port terminals, and the holding of interest, as partner or shareholder, in any other company or project.

The Company is controlled by Suzano Holding S.A., which holds a 95.5% interest in the common shares of its capital stock.

The issue of these financial statements was approved by the Company's Board of Directors on March 4, 2015.

1.1 Major events in 2014 and 2013

a. Corporate Events

(i) Merger and dissolution of subsidiaries

On September 30, 2014, the Extraordinary Shareholders' Meeting (AGE) of the Company approved: a) Merger of subsidiaries: i) Vale Florestar S.A. ("VFSA"); and ii) Suzano Energia Renovável Ltda. ("SER"), with the net assets of R$480,552 and R$41,083, respectively, merged into the Company; and b) dissolution of the subsidiary Aanisan Empreendimentos e Participações Ltda. ("Aanisan"), which has no net assets to be reverted to Suzano.

(ii) Extinction of Vale Florestar Fundo de Investimento em Participações ("VFFIP")

On September 25, 2014, the General Meeting of Shareholders of the Fund approved the early liquidation of VFFIP and the transfer of assets in the fund's portfolio to Suzano in the net amount of R$448.

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

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

(iv) *Divestment of the interest held by the Company through a subsidiary in the Capim Branco Energia Consortium ("Consortium")*
On May 28, 2013, the Company concluded its divestment from the Consortium. The amount obtained from the divestment was R$314,370, after retentions for contingent liabilities and conditions negotiated, resulting in R$124,835 (Note 22).

(v) *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 paid until December 31, 2012 and R$38,718 paid between January and February 2013. The shares were acquired in accordance with the Program approved by the Board of Directors and pursuant to applicable laws.

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

b. Operational Events

(i) *Acquisition of VFFIP*
On August 8, 2014, the Company, through a Notice to the Market, announced that due to the fulfillment of all conditions precedent provided for in the Share Purchase and Sale Agreement entered into on June 4, 2014, the direct acquisition of all shares issued by VFFIP held by Vale S.A., BNDES Participações S.A. - BNDESPAR, Fundação dos Economiários Federais - FUNCEF, and Fundação Petrobrás de Seguridade Social - PETROS for R$528,941, with a down payment of R$44,998 on the settlement date and the outstanding balance in annual and successive installments of ten (10) to fifteen (15) years, with the first of those installments payable one (1) year after the settlement date.

The main asset of VFFIP consists of all the shares of the capital of VFSA, which owns 45,000 hectares of eucalyptus forests planted in leased areas in the state of Pará, which will be used to supply wood to the new Maranhão Unit. (Note 13.2).

(ii) *Early redemption of Debentures of the 2nd series of the 3rd Issue*
On June 6, 2014, the Company announced to its shareholders and the general market the optional early redemption of all debentures of the 2nd Series of the 3rd Issue of Unsecured Non-Convertible Debentures of the Company. The settlement was made on June 11, 2014 for the restated nominal value plus a premium, totaling R$164,371, with the consequent cancelation of the Debentures.

(iii) *Beginning of operations and pulp exports at the new industrial unit in Maranhão*
In the first quarter of 2014, production of premium eucalyptus pulp started at the Maranhão Unit. The first export shipment of this pulp to third parties occurred in March 2014, with the consequent recognition of the unit's results in the Company's profit or loss

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.

(iv) Suspension of Projects: new Pulp Unit in Piauí ("Piauí Project") and SER

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

As a result of the above-mentioned events, which altered the circumstances and probability of recovery of the investments made in these projects, the Company recognized in the Consolidated result for the fiscal year ended December 31, 2013 the losses related to investments in the amount of R$60,877, recorded under Other Operating Income, net.

2 Presentation of the Financial Statements and Critical Accounting Practices

2.1 Presentation of the financial statements

2.1.1 Preparation basis and presentation

The consolidated financial statements were prepared 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).

The individual financial statements of the parent company were prepared in accordance with BR GAAP

The revision of Technical Pronouncements no. 07 (approved in December 2014) amended CPC 35, CPC 37 and CPC 18, and authorized the use of the equity method in the separate financial statements prepared under IFRS, thus eliminating this difference between BR GAAP and IFRS.

The Board of Directors authorized the issue of the individual and consolidated financial statements on March 4, 2015.

The preparation of these financial statements requires the use of certain critical estimates and judgment on the part of Management for the application of certain accounting practices. Areas involving a high level of judgment or complexity, or areas in which the assumptions and estimates are relevant for preparing financial statements are described in Note 3.

2.1.2 Consolidated financial statements

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

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

2.1.3 *Foreign currency translation*

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

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

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

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

Currency	Name	Country	Subsidiary	Final rate		Average rate	
				12/31/2014	12/31/2013	12/31/2014	12/31/2013
USD	U.S. Dollar	United States	Suzano Trading Suzano America	**2.6562**	2.3426	**2.3536**	2.1576
GBP	Pound Sterling	United Kingdom	FuturaGene Sun Paper	**4.1405**	3.8728	**3.8729**	3.3777
CHF	Swiss Franc	Switzerland	Suzano Europa	**2.6836**	2.6304	**2.5711**	2.3300
EUR	Euro	European Union	Bahia Sul Holdings	**3.2270**	3.2265	**3.1225**	2.8675
ARS	Argentine Peso	Argentina	Stenfar	**0.3172**	0.3593	**0.2858**	0.3898

2.1.4 *Presentation of information by operating segment*

The information was prepared and is presented in a way consistent with the internal information provided to the executive officers for decision-making. Management defined Pulp and Paper as the Group's operational segments.

2.1.5 *Statements of added value*

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

2.2 Critical accounting practices

The critical accounting practices adopted by the Company while preparing these financial statements are consistent with those used in the financial statements for the fiscal year ended December 31, 2013.

2.2.1 *Cash and cash equivalents*

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

2.2.2 *Financial instruments*

Financial instruments are recognized as of the date the Company becomes party of financial instruments contractual provisions. These are initially recorded at their fair value, plus transaction costs which are directly attributable to their acquisition or issue, except for the financial assets and liabilities classified under the fair value category through profit or loss, where these costs are directly recorded in the income statement for the year. Their subsequent measure occurs every balance sheet date according to the rules set forth for each type of financial assets and liabilities classification.

The Company does not adopt hedge accounting as required by CPC 38, 39 and 40.

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

The gain or loss from the initial recognition of financial assets and liabilities, arising from the difference between the fair value and present value of cash flows from the instrument discounted at the contractual rate, called day 1 profit or loss, is recognized as profit or loss proportionally to the duration of the operation until the full amount is considered at maturity, if the fair value is not observable directly in an open market.
Financial assets are classified among the categories below according to the purpose to which they were acquired or issued:

(i) Financial assets measured at fair value through profit or loss

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

(ii) Loans (granted) and receivables

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

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

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

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

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

2.2.3 Trade accounts receivable

Accounts receivable from customers are booked at the amount billed on the sale date and shown under Current Assets. Amounts denominated in foreign currency are translated at the exchange rate on the closing date of the balance sheet. Considering the average term for receipt of bills receivable, their amount corresponds to fair value. In the case of doubtful accounts, and in accordance with internal policy, an allowance is accrued in an amount deemed sufficient by the Management to cover eventual losses in the accounts receivable realization.

2.2.4 Inventories

Inventories are shown at the lowest value between average acquisition or production cost and the realization value. Imports in progress are presented at the cost incurred until the balance sheet date. Cost of raw material transferred from biological assets is equivalent to its fair value plus harvest and transport costs. The balance of inventories is presented net of provisions for losses established to cover losses identified by Management.

2.2.5 Non-current assets held for sale

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

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

2.2.6 Biological assets

Biological assets refer to the own eucalyptus reforestation forests and are measured at their fair value, less estimated sales costs at the moment of harvest. All of the wood acquired is used to produce pulp.

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

The discounted cash flow method was used to determine the fair value of these assets using the assumptions of cubic volume of wood expected by crop year, formation, including land costs and an average forest formation cycle of 7 years. The sale price of eucalyptus used in the calculation was based on expert research for each region and transactions conducted by the Company with independent third parties. Results from changes in fair value are recorded as profit or loss on an annual basis under Other Operating Income or Other Operating Expenses.

2.2.7 Investments - Business combination

In the consolidated financial statements, business acquisitions are booked using the acquisition method, and any identifiable assets acquired and liabilities assumed are recognized at the fair value on the acquisition date.

The difference between the net values of the identifiable assets acquired and liabilities assumed on the acquisition date and the consideration transferred, when positive, is recognized in the consolidated financial statements as goodwill from business combination under intangible assets. If the reverse happens, the gain is immediately recognized in profit or loss for the year.

In the individual financial statements, the Company applies the requirements of Technical Interpretation ICPC 09 - Individual Financial Statements, Separate Financial Statements, Consolidated Statements and Application of Equity Accounting, which requires any amounts exceeding the acquisition cost considering the Company's share of the fair value of the identifiable net assets, liabilities and contingent liabilities of the acquired company on the acquisition date to be recognized as goodwill and added to the book value of the investment.

2.2.8 Property, plant and equipment

Property, plant and equipment items are recorded at the cost of acquisition or construction, net of recoverable taxes, including interest and other financial charges incurred during the project design or development, less accumulated depreciation and accumulated impairment losses.

Property, plant and equipment from financial lease agreements are recognized by the lower amount between the present value of minimum lease payments and the fair value of the related assets, plus, when applicable, initial direct costs incurred in the transaction.

Items of property, plant and equipment are depreciated using the straight-line method in the profit or loss statement of the year, based on the economic-useful life of each item (Note 14) and leased items are depreciated by the shortest period between the estimated useful of the asset and the term of the contract.

On December 31, 2014, the Company revised the useful life of its assets and did not identify material adjustments that should be made to the estimated economic useful life of each item.

Maintenance and repair expenses of key industrial equipment that do not significantly increase the useful life of these assets, such as expenses with scheduled shutdowns, are booked directly as profit or loss in the year when they are incurred.

2.2.9 *Intangible assets*

(i) Goodwill

Goodwill is the positive difference between the amount transferred for acquisition and the net fair value of assets and liabilities acquired from an entity. Goodwill balance is not amortized but should be attributed to one or more cash generating units, which are subject to impairment tests at least once a year. If the recoverable value of the cash generating unit is less than the book value of the investment including goodwill, an impairment loss is recognized with a corresponding entry in profit or loss for the year. Impairment losses, when incurred, cannot be reversed in subsequent periods.

(ii) Intangible assets with defined useful life

Other intangible assets acquired by the Company and that have defined useful lives are measured at cost, less amortization based on the useful lives and accumulated impairment losses.

2.2.10 *Trade accounts payable*

Trade accounts payable are obligations arising from the acquisition of assets or services in the normal course of operations and booked at the billed amount. Amounts denominated in foreign currency are translated at the exchange rate on the closing date of the balance sheet.

2.2.11 *Loans and Financing*

Loans and financing are initially recognized at fair value, net of transaction costs incurred when applicable. These are subsequently presented at amortized cost, i.e. plus charges and interest in proportion to the period incurred, based on the effective interest rate method.

2.2.12 *Dividends and interest on shareholders' equity payable*

Distribution of dividends or interest on equity is recognized as liabilities, pursuant to corporate law and the Company's bylaws, up to the limit of minimum mandatory dividends. The surplus dividends declared by Management are presented under Proposed Dividends, together with the profit reserves in shareholders' equity. When the surplus is approved by shareholders, the portion is transferred to current liabilities.

2.2.13 *Other assets and liabilities (current and non-current)*

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

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

2.2.14 *Current and deferred Income Tax and Social Contribution*

Income tax (IRPJ) and social contribution (CSLL) in the fiscal year are determined based on current and deferred bases. These taxes are calculated based on the tax laws in force on the balance sheet date in countries where the Company and its subsidiaries operate, and are recognized in the income statement, except when referring to items recorded in shareholders' equity.

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

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

2.2.15 Provisions

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

2.2.16 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 the outlook of loss is deemed possible by external legal advisors, the Company, complementing this opinion, carries out an individual analysis of the proceedings considering the history of outcomes in similar cases where the possibility of loss was considered probable, and constitutes a provision of a part of the amount considered sufficient, at the time, for the loss expected in each proceeding; and iii) for cases in which the possibility of loss is probable, the Management accrues a provision

2.2.17 Actuarial liabilities

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

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

2.2.18 Share-based payments

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

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

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

2.2.19 *Government grants and assistance*

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

2.2.20 *Adjustment at present value of assets and liabilities*

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

2.2.21 *Income statement*

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

2.2.22 *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.

2.2.23 *Standards issued but not effective yet*

The following standards, interpretations and amendments to the standards issued by IASB and/or CPC are not yet effective as of December 31, 2014, and were not adopted by the Company in advance:

IFRS 9 - Financial Instruments: the new rule has amended instructions regarding the classification and measurement of financial assets, including a new model of provisioning for doubtful accounts based on expected losses, in addition to complementing the new general hedge accounting requirements published in 2013. IFRS 9 is effective for fiscal years starting on or after January 1, 2018.

IFRS 15 - Revenue from contracts with customers: establishes new requirements for recognizing revenue from goods and services. Entities must apply a five-stage model to determine when to recognize the revenue and how much. The model specifies that revenue should be recognized when (or as) an entity transfers control of goods or services to customers, for the amount that the entity expects is entitled to. IFRS 15 is effective for fiscal years starting on or after January 1, 2017.

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

3 Critical accounting estimates and assumptions

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

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

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

Estimate / Assumption	**Note**
Financial instruments - Determination of valuation techniques and assumptions based on market conditions for fair value measurement and sensitivity analysis	4
Deferred income tax and social contribution - Recognition of deferred tax assets and liabilities related to temporary differences and tax losses	12
Biological assets - Assumptions and judgments used to determine fair value	11
Property, plant and equipment / Intangible assets with determined useful life - Useful life used and analysis of the ability to obtain return on assets	14 and 15
Provision for contingency - Measurement of the amount considered sufficient to cover probable and possible losses, when applicable	17
Actuarial Liabilities - Assumptions and actuarial calculation used to determine liabilities arising from the plans	18

4 Financial instruments

4.1 Management of financial risks

a. Overview

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

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

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

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

- Credit risk;
- Liquidity risk;
- Currency risk;
- Market risk and risk of changes in raw material prices;
- Interest rate risk; 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 24.

b. Valuation

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

	Note	Parent Company 12/31/2014	Parent Company 12/31/2013	Consolidated 12/31/2014	Consolidated 12/31/2013
Assets					
Fair value through profit or loss					
Cash and banks	5	**18,114**	35,532	**1,076,067**	1,073,027
Financial investments	5	**2,135,112**	2,341,472	**2,147,695**	2,345,458
Exclusive Funds	5	**462,353**	271,155	**462,353**	271,155
Unrealized gains from derivative operations	4	**30,219**	2,534	**60,092**	35,980
Loans and receivables					
Trade accounts receivable	6	**2,668,971**	2,760,655	**1,273,555**	1,474,141
		5,314,769	5,411,348	**5,019,762**	5,199,761
Liabilities					
Liabilities through amortizable cost					
Trade accounts payable		**729,312**	857,227	**753,099**	876,556
Loans and financing	16	**12,027,544**	11,205,065	**13,760,585**	12,743,329
Loans with related parties	10	**1,729,398**	1,525,218	**-**	-
Debentures	17	**-**	133,656	**-**	133,656
Debt from acquisition of asset	20	**601,124**	58,569	**714,690**	177,688
Fair value through profit or loss					
Unrealized losses from derivative operations	4	**126,668**	29,868	**127,268**	33,039
		15,214,046	13,809,603	**15,355,642**	13,964,268

4.2 Fair value versus book value

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

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

The fair value of debt deriving from the 2nd series of the 3rd issue of the Company's debentures is calculated based on the secondary market quotes published by ANBIMA on the balance sheet date on December 31, 2013. In order to determine the fair value of assets or financial instruments traded on the over-the-counter markets or without liquidity, several assumptions and methods are used based on normal market conditions (and not for settlement or forced sale) at each balance-sheet date, including the use of option pricing models, such as Black & Scholes and Garman-Kolhagen, and estimates of future discounted cash flows. The fair value of agreements for pulp and paper pricing is obtained through the price quotes for corresponding instruments with similar conditions and remaining terms with major players in this market. Finally, the fair value of agreements for oil pricing, when applicable, is based on the New York Mercantile Exchange quotes (NYMEX).

The result of financial instruments trading is recognized on the closing or contracting dates of the operations, on which the Company undertakes to buy or sell these instruments. The liabilities deriving from the contracting of financial instruments are eliminated from our financial statements only when these instruments expire or when the risks, obligations and rights deriving therefrom are transferred.

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

	Consolidated			
	12/31/2014		12/31/2013	
	Book Value	Fair Value	Book Value	Fair Value
Assets				
Cash and cash equivalents	**3,686,115**	**3,686,115**	3,689,640	3,689,640
Unrealized gains from derivative operations (current and non-current)	**60,092**	**60,092**	35,980	35,980
Trade accounts receivable	**1,273,555**	**1,273,555**	1,474,141	1,474,141
	5,019,762	**5,019,762**	5,199,761	5,199,761
Liabilities				
Trade accounts payable	**753,099**	**753,099**	876,556	876,556
Loans and financing (current and non-current)	**13,760,585**	**14,651,963**	12,743,329	13,672,655
Debentures (current and non-current)	**-**	**-**	133,656	178,862
Debt from acquisition of asset	**714,690**	**782,112**	177,688	170,636
Unrealized losses from derivative operations (current and non-current)	**127,268**	**127,268**	33,039	33,039
	15,355,642	**16,314,445**	13,964,268	14,931,748

4.3 Credit risk

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

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

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

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

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

		Parent Company		Consolidated	
	Note	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Assets					
Cash and banks	5	**18,114**	35,532	**1,076,067**	1,073,027
Financial Investments	5	**2,135,112**	2,341,472	**2,147,695**	2,345,458
Exclusive Funds	5	**462,353**	271,155	**462,353**	271,155
Trade accounts receivable	6	**2,668,971**	2,760,655	**1,273,555**	1,474,141
Unrealized gains from derivative operations	4	**30,219**	2,534	**60,092**	35,980
Total		**5,314,769**	5,411,348	**5,019,762**	5,199,761

4.4 Liquidity risk

The following tables show the maturities of financial liabilities settled with cash, including the estimated payment of interest and exchange variation. The amounts disclosed below refer to contracted cash flows not discounted at future value and, therefore, may not be reconciled with the amounts disclosed in the balance sheet.

Consolidated	Note	12/31/2014 Future Value	Up to 1 year	1 - 2 years	2 - 5 years	More than 5 years
Liabilities						
Loans and financing	16	**21,512,473**	**2,524,312**	**2,470,045**	**8,966,098**	**7,552,018**
Trade accounts payable		**753,099**	**753,099**	**-**	**-**	**-**
Debt from acquisition of asset		**1,045,564**	**104,624**	**103,936**	**307,408**	**529,596**
Derivatives payable (1)	4	**69,028**	**15,810**	**4,332**	**48,885**	**-**
Other accounts payable		**241,875**	**208,997**	**32,878**	**-**	**-**
		23,622,038	**3,606,843**	**2,611,192**	**9,322,390**	**8,081,614**

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:

Consolidated Derivatives	12/31/2014 Book value / Fair Value	Up to 1 month	1 - 3 months	3 - 6 months	6 - 12 months	1 - 2 years	2 - 5 years
Assets (1)	**96,958**	4,139	66	19,371	18,413	31,968	23,001
Liabilities (1)	**164,134**	2,678	3,439	9,685	14,104	5,937	128,291
	(67,176)	**1,461**	**(3,373)**	**9,685**	**4,309**	**26,032**	**(105,291)**

(1) The classification between assets and liabilities of derivative operations differs from the amounts presented in the balance sheet as it considers as assets or liabilities all payment flows classified as gains and losses in the long term.

4.5 Market risk

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

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

On December 31, 2014, the net principal of operations contracted for forward sale of U.S. dollar through Non Deliverable Forwards ("NDFs") was US$409.1 million. Their maturities are distributed between January 2015 and January 2016 in order to lock-in the operating margins of a minority portion of sales over this period. The cash effect of these operations occurs only on their maturity dates, when they generate cash disbursements or inflows, depending on the case.

In addition to currency hedge operations, swap contracts are also contracted that exchange floating interest rates for fixed rates in order to reduce the effects from interest rate variation on the amount of debt, as well as swap contracts that exchange various interest rates for inflation rates in order to minimize the mismatch between the various financial assets and liabilities. On December 31, 2014, the Company had outstanding (i) US$99.3 million in swaps to lock-in LIBOR in financing contracts, (ii) US$260 million in swaps of currency coupon for 3-month fixed LIBOR; and (iii) US$150 million in CDI to 6-month Libor swaps.

4.6 Market risk - exchange rate

The following table shows the net exposure in foreign currency:

	12/31/2014 (in R$ thousand)					12/31/2013 (in R$ thousand)				
Consolidated	*USD*	*GBP*	*CHF*	*ARS*	*Total*	*USD*	*GBP*	*CHF*	*ARS*	*Total*
Trade accounts receivable	**263,904**	**-**	**290,781**	**29,119**	**583,804**	493,478	41	215,944	32,004	741,467
Trade accounts payable	**32,119**	**610**	**922**	**11,378**	**45,029**	42,485	502	1,715	12,544	57,247
Loans and financing	**7,498,798**	**-**	**-**	**-**	**7,498,798**	7,047,100	-	-	-	7,047,100
Debt from acquisition of asset	**333,302**	**-**	**-**	**-**	**333,302**	-	-	-	-	-
Derivative NDF	**1,246,050**	**-**	**-**	**12,219**	**1,258,269**	91,643	-	-	-	91,643
Derivative Swap	**1,352,679**	**-**	**-**	**-**	**1,352,679**	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:

			12/31/2014		
Consolidated BRL x USD	**Probable**	**Appreciation (∆ of 25%)**	**Appreciation (∆ of 50%)**	**Depreciation (∆ of 25%)**	**Depreciation (∆ of 50%)**
Loans and financing	(7,498,798)	(1,874,699)	(3,749,399)	1,874,699	3,749,399
Trade accounts receivable	263,904	65,976	131,952	(65,976)	(131,952)
Trade accounts payable	(32,119)	(8,030)	(16,059)	8,030	16,059
Debt from acquisition of asset	(333,302)	(83,325)	(166,651)	83,325	166,651
Derivative Swap	(75,389)	(97,365)	(207,696)	123,298	233,629
Derivative NDF	(20,954)	(268,500)	(537,000)	268,500	537,000
TOTAL	**(7,696,658)**	**(2,265,943)**	**(4,544,853)**	**2,291,876**	**4,570,786**

Consolidated ARS x BRL	**Probable**	**Appreciation (∆ of 25%)**	**Appreciation (∆ of 50%)**	**Depreciation (∆ of 25%)**	**Depreciation (∆ of 50%)**
Trade accounts receivable	29,119	7,280	14,559	(7,280)	(14,559)
Trade accounts payable	(11,378)	(2,845)	(5,689)	2,845	5,689
Derivative NDF	(278)	(3,128)	(6,257)	3,128	6,257
TOTAL	**17,463**	**1,307**	**2,614**	**(1,307)**	**(2,614)**

Consolidated CHF x BRL	Probable	Appreciation (∆ of 25%)	Appreciation (∆ of 50%)	Depreciation (∆ of 25%)	Depreciation (∆ of 50%)
Trade accounts receivable	290,781	72,695	145,391	(72,695)	(145,391)
Trade accounts payable	(922)	(230)	(461)	230	461
TOTAL	**289,860**	**72,465**	**144,930**	**(72,465)**	**(144,930)**

Consolidated GBP x BRL	Probable	Appreciation (∆ of 25%)	Appreciation (∆ of 50%)	Depreciation (∆ of 25%)	Depreciation (∆ of 50%)
Trade accounts payable	(610)	(153)	(305)	153	305
TOTAL	**(610)**	**(153)**	**(305)**	**153**	**305**

4.7 Market risk - interest rates

On December 31, 2014, the exposure of financial instruments pegged to the Interbank Certificate of Deposit ("CDI") rate was R$3,699,801 (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 December 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:

	12/31/2014				
Consolidated Pre	**Probable**	**Incr. (∆ of 25%)**	**Inc. (∆ of 50%)**	**Dec. (∆ of 25%)**	**Dec. (∆ of 50%)**
Loans and financing	(3,699,801)	(924,950)	(1,849,901)	924,950	1,849,901
Debt from acquisition of asset	(459,980)	(114,995)	(229,990)	114,995	229,990
Swap	(62,650)	18,558	22,239	9,954	4,900
Derivative NDF	(21,232)	(14,189)	(27,731)	14,888	30,533
TOTAL	**(4,243,663)**	**(1,035,577)**	**(2,085,383)**	**1,064,788**	**2,115,323**

	12/31/2014				
Consolidated Libor	**Probable**	**Incr. (∆ of 25%)**	**Inc. (∆ of 50%)**	**Dec. (∆ of 25%)**	**Dec. (∆ of 50%)**
Derivative Swap and Convertibility	(45,827)	11,355	8,258	17,642	20,832
Derivative Pulp	(116)	(32)	(64)	32	64
TOTAL	**(45,943)**	**11,324**	**8,195**	**17,674**	**20,896**

	12/31/2014				
Consolidated Dollar Coupon	**Probable**	**Incr. (∆ of 25%)**	**Inc. (∆ of 50%)**	**Dec. (∆ of 25%)**	**Dec. (∆ of 50%)**
Derivative NDF	(21,232)	2,998	5,971	(3,022)	(6,069)
Derivative Swap	(75,389)	24,355	33,756	4,102	(6,830)
TOTAL	**(96,621)**	**27,353**	**39,728**	**1,080**	**(12,899)**

	12/31/2014				
Consolidated Pulp Coupon	**Probable**	**Incr. (∆ of 25%)**	**Inc. (∆ of 50%)**	**Dec. (∆ of 25%)**	**Dec. (∆ of 50%)**
Derivative Pulp	(116)	122	243	(123)	(248)
TOTAL	**(116)**	**122**	**243**	**(123)**	**(248)**

	12/31/2014				
Consolidated ARS Coupon	**Probable**	**Incr. (∆ of 25%)**	**Inc. (∆ of 50%)**	**Dec. (∆ of 25%)**	**Dec. (∆ of 50%)**
Derivative NDF	(278)	7	14	(7)	(14)
TOTAL	**(278)**	**7**	**14**	**(7)**	**(14)**

4.8 Market risk - commodity prices

On December 31, 2014, the following exposure of contracts pegged to pulp commodity prices totals R$50,760 (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 December 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:

	12/31/2014				
Consolidated	**Probable**	**Incr. (Δ of 25%)**	**Inc. (Δ of 50%)**	**Dec. (Δ of 25%)**	**Dec. (Δ of 50%)**
Derivative Pulp	(116)	(12,641)	(25,282)	12,641	25,282
TOTAL	**(116)**	**(12,641)**	**(25,282)**	**12,641**	**25,282**

4.9 Outstanding derivatives

On December 31, 2014 and 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			
						12/31/2014		12/31/2013	
		12/31/2014	12/31/2013	12/31/2014	12/31/2013	Payable	Receivable	Payable	Receivable
Foreign currency swaps									
Long Position - US$ Libor	**1/1/2015 to 11/4/2019**	263,637	440,934	257,028	430,651	-	-	-	-
Short Position - US$ Fixed Rate		263,637	440,934	269,768	450,033	-	-	-	-
SubTotal				(12,740)	(19,382)	12,740	-	19,382	-
Value at Risk (VaR) (1)				343	296	-	-	-	-
Index and Rate Swaps									
Long Position - R$ % DI (2)	**1/1/2015 to 12/5/2018**	331,335	-	353,480	-	-	-	-	-
Short Position - US$ Libor (2)		398,430	-	(416,130)	-	-	-	-	-
SubTotal				(62,650)	-	126,339	63,690	-	-
Value at Risk (VaR) (1)				6,228	-	-	-	-	-
Currency Swap - NDF									
Long Position in R$ x US$	**1/1/2015 to 1/8/2016**	79,686	89,019	3,277	(1,787)	-	3,277	1,787	-
Short Position in R$ x US$		1,166,364	180,661	(24,232)	(6,165)	24,455	224	8,699	2,534
Long Position in US$ x ARS		12,219	-	(278)	-	278	-	-	-
SubTotal				(21,232)	(7,952)	24,733	3,501	10,486	2,534
Value at Risk (VaR) (1)				16,719	985	-	-	-	-
Commodity Swap	**1/1/2015 to**								
Short Position in Pulp BHKP	**1/8/2016**	50,760	91,643	(116)	(3,034)	-	-	-	-
SubTotal				(116)	(3,034)	321	205	3,171	137
Value at Risk (VaR) (1)				152	312	-	-	-	-
Other									
Long Position - Currency Coupon	**1/1/2015 to 1/3/2018**	690,612	796,484	2,314,902	2,668,584	-	-	-	-
Short Position - US$ Fixed Libor		690,612	796,484	2,285,339	2,635,275	-	-	-	-
SubTotal				29,562	33,309	-	29,562	-	33,309
Value at Risk (VaR) (1)				510	461	-	-	-	-
Total results in swaps		**2,661,708**	**1,598,741**	**(67,176)**	**2,941**	**164,134**	**96,958**	**33,039**	**35,980**

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

(2) Through one day gain or loss, the fair value upon contracting (R$12,246) was considered as acquisition cost, without any direct impact on mark-to-market adjustment of the derivative portfolio. Cost will be recognized proportionally to the term of the operation, until the entire amount is recognized at maturity. On 12/31/2014 the amount to be recognized was R$10,834.

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

Description	Notional value on		Fair value on		Equity balances on		Equity balances on	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013	12/31/2014		12/31/2013	
					Payable	Receivable	Payable	Receivable
Foreign currency swaps								
Counterparties								
BTG Pactual (1)	168,773	194,125	(7,295)	(10,905)				
Merrill Lynch	-	29,283	-	(203)				
Santander (2)	47,432	167,329	(2,695)	(4,836)				
Standard Chartered	47,432	50,199	(2,750)	(3,438)				
SubTotal			(12,740)	(19,382)	12,740	-	19,382	-
Index and Rate Swaps								
Counterparties								
Bradesco	398,430		(62,650)					
SubTotal			(62,650)		126,339	63,690	-	-
Currency Swaps - NDF								
Counterparties								
Long Position in R$ x US$								
Itaú BBA	39,843		1,639			1,639		
Votorantim	39,843		1,639			1,639		
Rabobank	-	89,019	-	(1,787)				
Short Position in R$ x US$								
Itaú BBA	79,686	5,552	(1,431)	(547)	1,431			
Rabobank	-	89,019	-	2,534				
Votorantim	515,595	86,091	(13,580)	(8,152)	13,686	107		
Santander	571,083	-	(9,220)	-	9,338	117		
Long Position in US$ x ARS								
Standard Chartered	12,219	-	(278)	-	278			
SubTotal			(21,232)	(7,952)	24,733	3,501	10,486	2,534
Commodity Swap - Pulp								
Counterparties								
Nordea Bank Finland P/C	-	5,552	-	137				
Standard Chartered	50,760	86,091	(116)	(3,171)				
SubTotal			(116)	(3,034)	321	205	3,171	137
Other								
Counterparty								
JP Morgan	690,612	796,484	29,562	33,309				
SubTotal			29,562	33,309	-	29,562	-	33,309
Total result in swaps	**2,661,708**	**1,598,741**	**(67,176)**	**2,941**	**164,134**	**96,958**	**33,039**	**35,980**

1) Current name of bank UBS Pactual

2) Transfer of the derivative portfolio of Standard Bank to Santander.

4.10 Settled derivatives

On December 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	12-month period ended			
		Notional value on		Fair value (settlement value) accumulated on	
		12/31/2014	12/31/2013	12/31/2014	12/31/2013
Foreign currency swaps					
Long Position - US$ Libor	2013: Jan/13 to Dec/13 2014: Jan/14 to Dec/14	815,356	1,562,971	(10,068)	(18,786)
Short Position - US$ Fixed Rate		815,356	1,562,971		
SubTotal				(10,068)	(18,786)
Rate and index swaps					
Long Position - % DI	2013: Jan/13 to Dec/13 2014: Jan/14 to Dec/14	398,430	-		-
Short Position - US$ Fixed Rate		398,430	-	(132)	-
SubTotal				(132)	-
Currency swaps					
Short Position in R$ x US$	2013: Jan/13 to Dec/13 2014: Jan/14 to Dec/14	592,359	821,339	(167)	(9,335)
Long Position in R$ x US$		100,936	509,516	7,942	-
Long Position in US$ x ARS		63,749	118,301	(1,382)	(940)
SubTotal				6,394	(10,275)
Commodity swaps					
Short Position in Pulp BHKP	2013: Jan/13 to Dec/13 2014: Jan/14 to Dec/14	53,151	104,503	(579)	(2,928)
SubTotal				(579)	(2,928)
Other					
Long Position - Currency Coupon	2013: Jan/13 to Dec/13 2014: Jan/14 to Dec/14	212,496	281,112	7,367	4,067
Short Position - US$ Fixed Libor		212,496	281,112		
SubTotal				7,367	4,067
Total result in swaps				2,981	(27,921)

4.11 Capital management

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

	Parent Company		Consolidated	
	12/31/2014	12/31/2013	**12/31/2014**	12/31/2013
Loans and financing	**12,027,544**	11,205,065	**13,760,585**	12,743,329
Debentures	**-**	133,656	**-**	133,656
(-) Cash and cash equivalents	**(2,615,579)**	(2,648,159)	**(3,686,115)**	(3,689,640)
Net debt	**9,411,965**	8,690,562	**10,074,470**	9,187,345
Shareholders' equity	**10,315,132**	10,687,239	**10,315,132**	10,687,239
Shareholders' equity and net debt	**19,727,097**	19,377,801	**20,389,602**	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).

	Consolidated			
	Fair value on 12/31/2014	**Level 1**	**Level 2**	**Level 3**
Assets				
Cash and banks	**1,076,067**	**1,076,067**	**-**	**-**
Financial Investments	**2,147,695**	**-**	**2,147,695**	**-**
Exclusive Fund Paperfect	**462,353**	**-**	**462,353**	**-**
Derivatives [1]	**96,958**	**-**	**96,753**	**205**
		1,076,067	**2,706,801**	**205**
Liabilities				
Derivatives	**164,134**	**-**	**163,813**	**321**
		-	**163,813**	**321**

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

(1) The classification between assets and liabilities of derivative operations differs from the amounts presented in the balance sheet as it considers as assets or liabilities all payment flows classified as gains and losses in the long term.

4.13 Guarantees

On December 31, 2014, the Company had guarantees pegged to consolidated accounts receivable operations related to exports amounting to US$171 million, equivalent to R$454,086 on this date.

5 Cash and Cash Equivalents

	Parent Company		Consolidated	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Cash and banks				
In Brazil	**18,114**	35,532	**25,122**	36,777
Abroad	**-**	-	**1,050,945**	1,036,250
	18,114	35,532	**1,076,067**	1,073,027
Financial investments				
In Brazil	**2,122,431**	2,311,603	**2,135,014**	2,315,589
Abroad	**12,681**	29,869	**12,681**	29,869
	2,135,112	2,341,472	**2,147,695**	2,345,458
Exclusive funds	**462,353**	271,155	**462,353**	271,155
	2,615,579	2,648,159	**3,686,115**	3,689,640

On December 31, 2014 and 2013, these consolidated investments and funds yielded interest at rates varying between 90.0% and 110.0% of the CDI, except for an amount of R$383 of total consolidated cash (R$5,044 in 2013) in Repurchase Commitments, which are investments with daily liquidity, yielding 75% of the CDI.

Investments in balanced funds enjoy daily liquidity and are diversified between bank Certificates of Deposit ("CDB") and repurchase agreements. Funds are managed by Banco BTG Pactual S/A ("Banco BTG"), whose portfolios are as follows:

	Parent Company and Consolidated	
	12/31/2014	12/31/2013
Investment Fund Paperfect		
Investment CDB	**58,000**	82,064
Repurchase agreements	**405,228**	82,821
Deductions (1)	**(875)**	(204)
	462,353	164,681
Investment Fund Report		
Investment funds	**-**	106,609
Deductions (1)	**-**	(135)
	-	106,474
	462,353	271,155

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

6 Trade Accounts Receivable

6.1 Breakdown of balances

	Parent Company		Consolidated	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Domestic clients				
Third parties	**691,782**	726,389	**692,956**	730,100
Subsidiaries	**758**	696	**-**	-
Related Parties [(1)]	**22,209**	18,783	**22,209**	18,783
Foreign clients				
Third parties	**21,072**	20,988	**580,934**	738,090
Subsidiaries	**1,958,428**	2,009,873	**-**	-
Related Parties [(1)]	**-**	-	**3,204**	5,338
Allowance for doubtful accounts	**(25,278)**	(16,074)	**(25,748)**	(18,170)
	2,668,971	2,760,655	**1,273,555**	1,474,141

(1) See Note 10.

6.2 Analysis of maturities

	Parent Company		Consolidated	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Amounts overdue:				
Up to two months	**20,186**	16,928	**70,533**	29,502
Two to six months	**4,694**	7,169	**4,288**	8,296
Over six months	**37,897**	30,643	**41,464**	35,906
	62,777	54,740	**116,285**	73,704

6.3 Changes in provision for losses in the year

	Parent Company		Consolidated	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Opening balance	**(16,074)**	(21,948)	**(18,170)**	(24,239)
Credits accrued in the period	**(10,998)**	(8,519)	**(11,614)**	(9,171)
Credits recovered in the period	**280**	726	**1,602**	1,184
Credits definitively written-off from position	**1,514**	13,667	**1,788**	13,537
Foreign exchange variation	**-**	-	**646**	519
Closing balance	**(25,278)**	(16,074)	**(25,748)**	(18,170)

7 Inventories

	Parent Company		Consolidated	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Finished goods				
Pulp				
Domestic	**92,210**	45,780	**92,210**	45,780
Foreign	**-**	-	**183,923**	116,992
Paper				
Domestic	**197,591**	183,849	**197,591**	183,849
Foreign	**-**	-	**65,179**	65,730
Work in process	**33,721**	31,701	**33,721**	31,701
Raw materials	**329,356**	303,694	**329,356**	303,800
Maintenance and other materials	**166,594**	148,589	**175,101**	157,404
	819,472	713,613	**1,077,081**	905,256

On December 31, 2014, the Parent Company and Consolidated balances of inventories are net of provision for losses amounting to R$29,029, of which: i) finished goods totaled R$928; ii) raw materials totaled R$8,111; iii) materials in production totaled R$84; and iv) maintenance materials totaled R$19,906 (R$54,406 in 2013, of which i) finished goods totaled R$243; ii) raw materials totaled R$32,225; and iii) maintenance materials totaled R$21,938).

No inventory items were given as collateral for or guarantee of liabilities for the periods presented.

8 Recoverable taxes

	Parent Company		Consolidated	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
IRPJ and CSLL - advances and withheld taxes	**125,312**	87,570	**125,425**	88,742
PIS and COFINS - on acquisition of fixed assets (1)	**100,376**	134,475	**100,376**	134,475
PIS and COFINS - other operations (2)	**405,184**	379,567	**405,185**	379,569
ICMS - on acquisition of fixed assets (1)	**75,157**	42,058	**75,157**	42,058
ICMS - other operations (2)	**165,638**	123,292	**167,403**	125,072
Other taxes and contributions	**92,965**	61,383	**93,045**	61,524
Provision for losses of ICMS credits	**(9,333)**	(10,861)	**(9,333)**	(10,861)
	955,299	817,484	**957,258**	820,579
Total current assets	**473,673**	306,906	**475,632**	310,001
Total non-current assets	**481,626**	510,578	**481,626**	510,578

(1) Credits whose realization is linked to the depreciation period of the corresponding asset.

(2) Credits available for immediate realization.

8.1 Income tax and social contribution on net income

Represents IRPJ and CSLL credits paid by estimate during the period whose adjusted calculation base at the end of the fiscal year was a tax loss, taxes withheld on financial investments and restatement based on the Selic rate. The credits are used to offset other federal taxes due and withholding taxes payable.

8.2 Social integration program (“PIS”) and Contribution for social security financing (“COFINS”)

The amounts 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 tax 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.

8.3 State value-added tax on goods and services (“ICMS”)

On December 31, 2014, the amounts of R$77,772 and R$82,398 of the Mucuri - BA and Imperatriz - MA units, respectively (R$90,509 and R$20,879, respectively, in 2013) were chiefly due to the non-utilization of credits in outflows of tax-exempted pulp and paper exports.

The Company requested that the Bahia State Treasury Department and the State of Maranhão inspect and ratify, respectively, these credits for their realization. In Bahia, the amount of R$58,350 has been ratified and may be used for the offsetting authorized by the 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 ICMS credits of Bahia in the amount of R$9,333 (R$10,861 in 2013), and awaits the conclusion of the ratification of the credits in maranhão.

9 Timber Development Program

On December 31, 2014, the balance of advances of financial resources and inputs for timber development amounted to R$257,490, classified under current and non-current assets (R$286,439 in 2013).

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.

10 Related parties

10.1 Balances and transactions in the fiscal year ended December 31, 2014

		ASSETS		LIABILITIES		RESULT
Transactions	Nature of the main operation	Current	Non-current	Current	Non-current and Equity	Income (expenses)
With subsidiaries						
Suzano Trading	Sale of pulp and paper	1,945,222 (2)	-	43,471 (1)	1,685,927 (1)	3,539,490 (2)
Paineiras	Land lease	741	-	403	-	(6,472)
Paineiras Logística	AFCI and Commissioning of road transport	7,130	3,680 (3)	17,229	-	(81,536)
Stenfar	Sale of paper	14,062 (2)	-	37	-	61,323 (2)
Ondurman	Land lease	-	-	-	-	(14,791)
Amulya	Land lease	-	-	-	-	(10,522)
Futuragene	Shared expenses	16 (6)	-	-	-	48 (6)
		1,967,171	3,680	61,140	1,685,927	3,487,540
With related parties						
Suzano Holding S.A.	Guarantees and administrative expenses	-	-	2,686	-	(34,574)
IPLF Holding S.A.	Shared expenses	-	-	-	-	591
Central	Sale of paper	22,209	-	21,494 (4)	-	78,505 (2)
Nemonorte	Real-estate consulting services	-	-	-	-	(799)
Mabex	Aircraft services	-	-	-	-	(516)
Lazam - MDS	Insurance consulting and advisory services	-	-	27	-	(324)
Ecofuturo	Social services	-	-	-	-	(3,229)
Bexma	Administrative expenses	-	-	-	-	93
Shareholders	Dividends and interest on equity	-	-	114	-	-
		22,209	-	24,321	-	39,747
Between related parties						
Stenfar	Shared expenses	3,204	-	-	-	541
IPLF Holding S.A.	Shared expenses	-	-	3,204	-	(541)
		3,204	-	3,204	-	-
		1,992,584	3,680	88,664	1,685,927	3,527,287

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

		ASSETS		LIABILITIES		RESULT
Transactions	Nature of the main operation	Current	Non-current	Current	Non-current and Equity	Income (expenses)
With subsidiaries						
Suzano Trading	Sale of pulp and paper	2,006,426 (2)	-	39,297 (1)	1,486,879 (1)	2,442,603 (2)
Suzano Europe	Refunded expenses	-	-	16 (6)	-	-
Paineiras	AFCI and Property lease	741	7,500 (3)	4,745	-	(12,545) (5)
Paineiras Logística	AFCI and Commissioning of road transport	511	1,184 (3)	2,538	-	(21,532)
Stenfar	Sale of paper	4,654 (2)	-	64	-	27,347 (2)
Ondurman	AFCI and Property lease	679	700 (3)	-	-	(14,188)
Amulya	AFCI and Property lease	-	725 (3)	-	-	(10,006)
Asapir	Refunded expenses	-	-	850 (6)	-	-
SER	AFCI e Shared expenses	64 (6)	34,650 (3)	1,584 (6)	-	-
Bahia Sul Holdings GmbH	AFCI	-	62 (3)	-	-	-
Futuragene	Shared expenses	160 (6)	-	-	-	27 (6)
		2,013,235	44,821	49,094	1,486,879	2,411,706
With related parties						
Suzano Holding S.A.	Guarantees and administrative expenses	161	-	4,757	-	(34,575)
Tec 2 Doc Serviços	Sale of paper	-	-	-	-	17,381 (7)
Central	Sale of paper	18,614	-	16,302 (4)	-	65,417 (2)
Nemonorte	Real-estate consulting services	-	-	-	-	(646)
Mabex	Aircraft services	-	-	-	-	(658)
Lazam - MDS	Insurance consulting and advisory services	-	-	94	-	(458)
Ecofuturo	Social services	-	-	-	-	(4,066)
Bexma	Administrative expenses	8	-	-	-	133
IPLF Holding S.A.	Credit from tax lawsuits	-	-	504 (6)	-	-
Shareholders	Dividends and interest on equity	-	-	647	-	-
		18,783	-	22,304	-	42,528
Between related parties						
Stenfar	Shared expenses	2,667	-	-	-	61
IPLF Holding S.A.	Shared expenses	-	-	2,667	-	(61)
		2,667	-	2,667	-	-
		2,034,685	44,821	74,065	1,486,879	2,454,234

(1) Refer mainly to the “2021 Notes” and import financing contracted by the subsidiary Suzano Trading and transferred to the Company in export prepayment operations, at the rates and terms shown in Note 16.

(2) Pulp and paper sales operations;

(3) Advance for future capital increase “(AFCI”).

(4) Vendor operations classified as loans and financing (Note 16)

(5) Electricity sold through February 2013 and property lease.

(6) Includes telephone, facilities and administrative expenses.

(7) The company Tec2Doc Serviços de Tecnologia e Documentos Ltda (“Tec2Doc Serviços”, formerly Agaprint Indl. e Coml. Ltda) was sold on September 2, 2013, and the results presented refer to the period of eight (8) months.

Legend of company names:

Amulya Empreendimentos Imobiliários Ltda. (“Amulya”)
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”)
Lazam MDS Corretora e Adm. Seguros S.A. (“Lazam-MDS”)
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 Pulp and Paper Europe S.A. (“Suzano Europa”)

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

		Parent Company		Consolidated	
	Note	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Balance receivable					
Trade accounts receivable	6	**1.981.395**	2.029.352	**25.413**	21.450
Receivables from subsidiaries - current		**7.985**	2.666	**-**	-
Receivables from subsidiaries - non-current		**3.680**	44.821	**-**	-
		1.993.060	2.076.839	**25.413**	21.450
Balance payable					
Dividends and Interest on Equity payable		**(114)**	(647)	**(114)**	(647)
Loans and financing	16	**(22.504)**	(19.418)	**(22.504)**	(19.418)
Trade accounts payable		**(1.703)**	(2.239)	**(1.703)**	(2.239)
Obligations with related parties - current		**(61.140)**	(49.094)	**-**	-
Obligations with related parties - non-current		**(1.685.927)**	(1.486.879)	**-**	-
		(1.771.388)	(1.558.277)	**(24.322)**	(22.304)
		221.672	518.562	**1.091**	(854)

10.3 Management compensation

On December 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$78,189 at the Parent Company and R$78,207 on a consolidated basis (R$75,868 and R$77,013 in 2013, respectively).

	Parent Company		Consolidated	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Short-term benefits				
Salary or compensation	**17,771**	19,101	**17,789**	20,181
Direct and Indirect Benefits	**1,728**	1,083	**1,728**	1,148
Bonus	**23,848**	27,561	**23,848**	27,561
	43,347	47,745	**43,365**	48,890
Long-term benefits				
Share-based compensation	**34,842**	28,123	**34,842**	28,123
	34,842	28,123	**34,842**	28,123
Total	**78,189**	75,868	**78,207**	77,013

Short-term benefits include fixed compensation (salaries and fees, vacation, mandatory "13th salary" bonus), and payroll charges (company share of contributions to social security - INSS) and variable compensation such as profit sharing, bonus and benefits (company car, health plan, meal voucher, grocery voucher, life insurance and private pension plan).

Long-term benefits include the Stock Option Plan and Phantom Shares for executives and key management members, in accordance with the specific regulations (see Note 19).

11 Biological Assets

Biological assets are reforested eucalyptus forests in the growth phase, used to supply wood to pulp plants. The summarized changes in the balances of biological assets in the respective fiscal years are shown below:

	Parent Company	Consolidated
Balance on December 31, 2012	2,696,797	2,643,940
Additions (1)	592,755	592,781
Depletion in the year	(301,853)	(301,853)
Gain on fair value adjustment	99,998	95,179
Transfers (2) (3)	(29,350)	(29,350)
Other write-offs (4)	(34,825)	(34,825)
Balance on December 31, 2013	3,023,522	2,965,872
Additions (1)	**762,745**	**743,551**
Merger VFSA	**428,785**	**428,785**
Merger SER	**6,866**	**-**
Depletion in the year	**(455,385)**	**(455,385)**
Gain on fair value adjustment	**12,847**	**12,847**
Other write-offs (4)	**(36,249)**	**(36,249)**
Balance on December 31, 2014	**3,743,131**	**3,659,421**

(1) The costs with land leasing 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 Inventory of the Maranhão Unit and forests acquired from third parties in the physical/forestry inventory phase.

(4) On December 31, 2014, the amount of R$27,505 related to damages (fire/theft). In 2013, it includes the amount of R$28,757 related to the suspension of the SER and Piauí Projects (Note 1.1 b) iv).

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

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

The flow projections based on the expected production of vertical tree bark existing on the balance sheets reference date consider forest average growth cycle of seven years, average productivity obtained by the Annual Average Increase ("IMA") of 35.2m³ / hectare / year (36.8 m³ in 2013) and forest formation costs until the appropriate cutting period of the vertical tree (harvest period, i.e., matured assets). Sales average net price was R$54.63/m³ (R$51.79/m³ in 2013). The discount rate was 9.7% p.a. On December 31, 2014, the Company had 50,737 hectares of areas considered mature assets, and 363,614 hectares considered immature assets, for a total of 414,351 thousand hectares planted eligible for calculation.

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

The Company does not have any type of government incentive related to biological assets, or biological assets given as collateral on the dates of these financial statements.

On December 31, 2014, the fair value calculated was again of R$12,847 (R$99,998 in the parent company and R$95,179 in the consolidated in 2013).

12 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	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Non-current assets				
Income tax				
Credits over tax losses	**614,987**	543,434	**616,130**	544,442
Credits over temporary differences:				
Credits over provisions	**196,000**	189,605	**196,000**	189,654
Credits over effects of Law 11,941/09 and IFRS	**151,273**	141,417	**151,273**	141,417
	962,260	**874,456**	**963,403**	875,513
Social contribution				
Credits over social contribution tax loss carryforwards	**103,357**	88,294	**103,357**	88,294
Credits over temporary differences:				
Credits over provisions	**70,308**	68,005	**70,308**	68,023
Credits over effects of Law 11,941/09 and IFRS	**54,457**	50,910	**54,457**	50,910
	228,122	207,209	**228,122**	207,227
Total non-current assets:	**1,190,382**	1,081,665	**1,191,525**	1,082,740
Non-current liabilities				
Deferred income tax				
Debits over accelerated depreciation	**609,854**	580,142	**609,854**	580,142
Debits over goodwill amortization	**123,569**	123,000	**123,569**	123,000
Debits over effects of Law 11,941/09 and IFRS	**1,301,802**	1,358,331	**1,390,962**	1,447,392
	2,035,225	**2,061,473**	**2,124,385**	2,150,534
Social contribution				
Debits over goodwill amortization	**44,485**	44,280	**44,485**	44,280
Debits over effects of Law 11,941/09 and IFRS	**468,649**	488,999	**500,747**	521,061
	513,134	533,279	**545,232**	565,341
Total non-current liabilities	**2,548,359**	2,594,752	**2,669,617**	2,715,875
Total non-current assets, net	**-**	**-**	**1,143**	1,075
Total non-current liabilities, net	**1,357,977**	1,513,087	**1,479,235**	1,634,210
	1,357,977	1,513,087	**1,478,092**	1,633,135

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

	Parent Company		Consolidated	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Tax losses	**2,459,946**	2,173,735	**2,464,518**	2,177,768
Social contribution tax loss carryforward	**1,148,406**	981,044	**1,148,406**	981,044

12.1 Reconciliation of the effects of income tax and social contribution on profit or loss

	Parent Company		Consolidated	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Net income (loss) before income and social contribution taxes	**(381,488)**	(288,435)	**(363,943)**	(279,974)
Exclusion of equity accounting result	**17,180**	36,762	**-**	-
Net loss after excluding equity accounting results	**(364,308)**	(251,673)	**(363,943)**	(279,974)
Income and social contribution taxes at the nominal rate of 34%	**123,865**	85,569	**123,741**	95,191
Adjustment for accounting of tax rate:				
Income tax on subsidiaries abroad	**(4,867)**	(2,068)	**-**	-
Exchange effect of translating foreign subsidiaries' financial statements	**-**	-	**(20,569)**	(31,085)
Tax effects over adjustments to Law 11,941/09 and IFRS	**1,719**	(453)	**-**	-
Other	**(735)**	(15,072)	**(735)**	(4,591)
Income Tax				
Current	**-**	(1,291)	**(14,367)**	(8,037)
Deferred	**88,224**	51,021	**88,175**	51,071
	88,224	49,730	**73,808**	43,034
Social Contribution				
Current	**(2)**	(122)	**(3,113)**	(1,887)
Deferred	**31,760**	18,368	**31,742**	18,368
	31,758	18,246	**28,629**	16,481
Income and social contribution taxes income recorded as profit or loss in the years	**119,982**	67,976	**102,437**	59,515

On December 31, 2014 and 2013, the Company recorded tax losses; therefore, there is no effective rate for these periods.

12.2 Tax incentives

The Company has tax incentives for a 75% reduction in the income tax until calendar year 2018, calculated based on the exploration profit proportional to the net revenues from pulp at the subsidized unit in Mucuri/BA. The result obtained from this tax benefit is the reduction in income tax expense and, during the distribution of profits from the year, the amount reduced from the expense is allocated to the capital reserve account, pursuant to law. In the fiscal years ended December 31, 2014 and 2013, the Company recorded tax losses and hence did not use said benefit.

The industrial unit at Mucuri/BA is located in an under-developed micro-region in an area under the supervision of SUDENE, the agency for the development of northeast Brazil. Hence, it has the benefit of accelerated depreciation incentive for tax purposes, which involves full depreciation of property, plant and equipment since the start-up of the unit. The accelerated depreciation incentive represents the deferred payment of Income Tax (IRPJ) and is not applicable to Social Contribution on net Income (CSLL). 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.

12.3 Transitional Tax Regime (“RTT”)

In the fiscal years ended December 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.

Federal Law 12,973/14 was enacted on May 14, 2014, which permanently regulates the tax effects arising from the accounting adjustments introduced by IFRS in the country. The provisions of the Law are mandatorily valid from 2015, with the option of early adoption from 2014 by taxpayers. The Company did not exercise the option of early adoption for the calendar year 2014.

13 Investments

Subsidiaries		Information on Subsidiaries on 12/31/2014					Equity Accounting		Investments and (Provision) for Investment Losses	
			Balance sheet				Year ended:			
		Equity Interest %	Assets	Current and Non-Current Liabilities	Adjusted Equity	Result for the year	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Subsidiaries and direct joint ventures										
Asapir		50.00%	15,358	16,152	(794)	**(3,210)**	**(1,605)**	(1,192)	**(397)**	208
Paineiras	(b)	100.00%	401,694	122,971	257,240	**4,608**	**(222)**	(1,152)	**257,240**	250,462
Suzano Trading	(a)	100.00%	3,742,893	3,699,029	43,864	**(711)**	**5,027**	(22,255)	**43,861**	42,047
Sun Paper	(a)	100.00%	4,854	521	4,333	**792**	**1,021**	699	**4,333**	3,312
SER	(c)	-	-	-	-	**(784)**	**(784)**	(11,458)	**-**	6,611
Paineiras Logística		99.99%	21,134	20,355	779	**(5,404)**	**(5,403)**	4,648	**779**	4,647
Aanisan	(c)	-	-	-	-	**(8)**	**(8)**	(11)	**-**	7
Epícares		-	-	-	-	**-**	**-**	2,521	**-**	-
Vale Florestar S/A	(c)	-	-	-	-	**(2,294)**	**(2,294)**	-	**-**	-
Stenfar	(a)/(b)	68.58%	71,962	40,784	25,740	**8,240**	**3,265**	(1,391)	**15,943**	13,029
Suzano America	(a)/(b)	100.00%	251,904	223,765	(17,589)	**2,633**	**(1,023)**	(13,630)	**(17,589)**	(16,566)
Bahia Sul Holdings	(a)	100.00%	50	9	41	**(14)**	**(13)**	(19)	**38**	(11)
Suzano Europa	(a)/(b)	100.00%	542,609	506,143	(18,020)	**5,344**	**(8,328)**	(3,241)	**(18,021)**	(9,694)
Ondurman	(b)	100.00%	79,800	61,841	(47,909)	**5,151**	**(9,640)**	(9,295)	**(47,911)**	(38,970)
Amulya	(b)	99.99%	61,954	52,490	9,464	**2,827**	**2,827**	19,014	**9,464**	5,911
							(17,180)	**(36,762)**	**247,740**	260,993
Total investments									**331,658**	326,234
Total provisions for losses									**(83,918)**	(65,241)
Indirect subsidiaries										
Futuragene PLC.	(a)	100.00%	41,711	6,147	35,564	**(30,673)**	**(28,339)**	(37,179)	**35,564**	22,923
Stenfar	(a)/(b)	31.42%	71,962	40,784	25,740	**8,240**	**1,633**	1,197	**9,797**	8,164
SER		-	-	-	-	**(784)**	**-**	(8)	**-**	7
Amulya	(b)	0.01%	61,954	52,490	9,464	**2,827**	**-**	2	**-**	6
							(26,706)	(35,988)	**45,361**	31,100

(a) The equity accounting of these foreign direct and indirect subsidiaries includes an exchange variation gain amounting to R$7,860 (R$15,658 in 2013).

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

13.1 Changes in investments

	Parent Company			
	12/31/2014		12/31/2013	
Opening balance	**260,993**		482,417	
Equity accounting and foreign exchange variation	**(17,180)**		(36,762)	
Exchange variation in investees (other comprehensive income)	**(3,561)**		(2,107)	
Acquisition of Vale Florestar	**482,846**		-	
Capital increase	**46,277**	(c)	4,766	(a)
Merger of subsidiary Vale Florestar	**(480,552)**		-	
Merger of subsidiary SER	**(41,083)**		-	
Sale of subsidiary Epícares	**-**		(187,321)	(b)
Closing balance	**247,740**		**260,993**	

(a) In 2013, capital increase in the amounts of R$1,848, R$1,041 and R$18,877 in the subsidiaries Amulya, Ondurman and Stenfar, respectively. At Asapir capital reduction of R$17,000.

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

(c) In 2014, capital increases of R$725, R$35,250, R$700, R$7,500, R$1,534, R$1,000 and R$66 in the subsidiaries Amulya, SER, Ondurman, Paineiras, Paineiras Logística, Asapir and Bahia Sul Holding, respectively. At Paineiras, capital reduction of R$498.

13.2 Acquisition of VFFIP and VFSA

On August 8, 2014, the Company acquired full control of the shares of VFFIP and VFSA. The transaction is in line with the Company's strategy of pursuing structural competitiveness in order to maximize business profitability, and its main benefits are increased harvest flexibility, forest management and long-term payment.

The accounting criteria used to book the transaction followed the provisions of CPC 15 (R1) - Business Combination.

The standard establishes that in case of a preexisting relationship between the acquirer and the acquired company, when the business combination in fact terminated the preexisting relationship, the acquirer must recognize, separately from the business combination, the gain or loss from the effective settlement of the contract.

In compliance with said standard, the Management of the Company analyzed this preexisting relationship separately and verified that: i) neither the agreement for purchase and sale of standing forests nor the contract rescission entered into between the parties envisaged any fine for early rescission; and ii) comparing the agreement with current operations in the market for the purchase and sale of standing forests, from the acquirer's viewpoint the agreement is neither favorable nor unfavorable to the Company. The Management therefore concluded that there are no gains or losses to be recorded from the termination of the preexisting relationship.

Suzano incurred costs related to the acquisition of these assets, which were included in profit or loss for the period when incurred.

The net assets acquired are stated as follows:

In thousands of reais (R$ '000)	VFFIP	VFSA		VFFIP	VFSA
Current	**7**	**13,173**	**Current**	**72**	**1,387**
Cash and cash equivalents	7	11,664	Trade accounts payable	72	196
Trade accounts receivable	-	2	Financing	-	5
Inventory	-	1,246	Taxes and contributions payable	-	556
Advances to suppliers/employees	-	188	Provision for labor claims	-	630
Taxes recoverable	-	73			
Non-current	**483,570**	**519,171**	**Non-current**	-	**46,096**
Long-term financial investments	872	-	Financing	-	45,000
Prepaid expenses	6	-	Deferred tax liability	-	1,096
Biological Assets - Eucalyptus	-	417,800			
Biological Assets - Other specimen	-	36			
Taxes recoverable	-	22,383			
Deferred Income Tax	-	27,790	**Total net of identifiable assets**	**483,505**	**484,861**
Investment property	-	24,223			
Investment - Vale Florestar	482,692	-			
Property, plant and equipment	-	26,461			
Intangible assets	-	478			
Total Assets	**483,577**	**532,344**	**Total Liabilities**	**483,577**	**532,344**

The net assets were valued by external appraisers engaged by the Company to determine their fair values. The Income Approach method was used in determining the fair value of the biological assets, which is based on preparing a future cash flow discounted to present value. The method considers that the fair value of an asset is related to the present value of the free cash flows generated by the asset in the future.

Intangible assets were valued by external appraisers to determine their fair value, though they did not qualify for booking in accordance with the criteria under CPC 04 - Intangible Assets.

The net assets acquired that were valued based on their fair values are shown below:

	R$
Net assets acquired at cost	483,505
Total net assets at fair value	483,505
Total consideration transferred	528,941
Goodwill from business combination	**45,436**

The goodwill calculated, corresponding to 8.6% of the consideration transferred, is attributable mainly to the operating synergies in the forest management of the areas acquired.

14 Property, Plant and Equipment

							Parent Company
		Buildings	Machinery and equipment	Other assets	Lands and farms	Work in progress	Total property, plant and equipment
Annual average depreciation rate		**4.66%**	**5.24%**	**16.77%**	**-**	**-**	**-**
Cost							
Balance on December 31, 2012		1,705,304	10,094,304	163,938	3,787,299	3,133,094	18,883,939
Transfers		31,401	129,534	(1,155)	(1,557)	(152,642)	5,581
Additions	(b)	-	34,921	6,808	21,993	1,782,987	1,846,709
Write-offs		(3,099)	(28,774)	(485)	(29,698)	(44,290)	(106,346)
Interest capitalization		-	-	-	-	159,944	159,944
Balance on December 31, 2013		1,733,606	10,229,985	169,106	3,778,037	4,879,093	20,789,827
Transfers	(c)	**782,054**	**4,349,797**	**21,914**	**19,326**	**(5,161,872)**	**11,219**
Additions	(b)	**92**	**128,343**	**40,452**	**619**	**649,612**	**819,118**
Merger VFSA		**24,949**	**29**	**1,024**	**-**	**-**	**26,002**
Merger SER		**-**	**-**	**-**	**34,035**	**-**	**34,035**
Write-offs	(a)	**(14,943)**	**(68,310)**	**(1,699)**	**(9,158)**	**-**	**(94,110)**
Interest capitalization		**-**	**-**	**-**	**-**	**36,144**	**36,144**
Balance on December 31, 2014		**2,525,758**	**14,639,844**	**230,797**	**3,822,859**	**402,977**	**21,622,235**
Depreciation							
Balance on December 31, 2012		(494,455)	(3,671,791)	(121,662)	-	-	(4,287,908)
Transfers		(15,886)	(2,421)	(831)	-	-	(19,138)
Write-offs		1,239	19,395	642	-	-	21,276
Depreciation		(36,995)	(464,398)	(9,076)	-	-	(510,469)
Balance on December 31, 2013		(546,097)	(4,119,215)	(130,927)	-	-	(4,796,239)
Transfers	(c)	**11,479**	**(12,643)**	**850**	**-**	**-**	**(314)**
Write-offs	(a)	**2,165**	**46,585**	**966**	**-**	**-**	**49,716**
Depreciation		**(77,100)**	**(625,470)**	**(16,199)**	**-**	**-**	**(718,769)**
Balance on December 31, 2014		**(609,553)**	**(4,710,743)**	**(145,310)**	**-**	**-**	**(5,465,606)**
Residual value							
Balance on December 31, 2014		**1,916,205**	**9,929,101**	**85,487**	**3,822,859**	**402,977**	**16,156,629**
Balance on December 31, 2013		1,187,509	6,110,770	38,179	3,778,037	4,879,093	15,993,588

		Buildings	Machinery and equipment	Other assets	Lands and farms	Work in progress	Consolidated Total property, plant and equipment
Annual average depreciation rate		**4.66%**	**5.24%**	**16.77%**	**-**	**-**	**-**
Cost							
Balance on December 31, 2012		1,711,501	10,095,567	172,059	4,329,805	3,134,661	19,443,593
Transfers		31,553	129,937	(823)	4,473	(153,533)	11,607
Additions	(b)	-	38,722	7,181	24,221	1,784,028	1,854,152
Write-offs		(3,140)	(29,750)	(934)	(30,940)	(46,008)	(110,772)
Interest capitalization		-	-	-	-	159,944	159,944
Balance on December 31, 2013		1,739,914	10,234,476	177,483	4,327,559	4,879,093	21,358,525
Transfers	(c)	**782,490**	**4,350,253**	**22,065**	**19,339**	**(5,162,926)**	**11,221**
Additions	(b)	**108**	**129,603**	**40,582**	**1,205**	**650,666**	**822,164**
Merger VFSA		**24,949**	**29**	**1,024**	**-**	**-**	**26,002**
Write-offs	(a)	**(20,396)**	**(68,310)**	**(1,699)**	**(9,936)**	-	**(100,341)**
Interest capitalization		**-**	**-**	**-**	**-**	**36,144**	**36,144**
Balance on December 31, 2014		**2,527,065**	**14,646,051**	**239,455**	**4,338,167**	**402,977**	**22,153,715**
Depreciation							
Balance on December 31, 2012		(500,392)	(3,671,576)	(123,803)	-	-	(4,295,771)
Transfers		(15,886)	(2,421)	(831)	-	-	(19,138)
Write-offs		1,273	18,805	711	-	-	20,789
Depreciation		(37,027)	(466,065)	(9,606)	-	-	(512,698)
Balance on December 31, 2013		(552,032)	(4,121,257)	(133,529)	-	-	(4,806,818)
Transfers	(c)	**11,479**	**(12,643)**	**851**	**-**	**-**	**(313)**
Write-offs	(a)	**7,618**	**46,585**	**966**	**-**	**-**	**55,169**
Depreciation		**(77,273)**	**(626,387)**	**(16,840)**	**-**	**-**	**(720,500)**
Balance on December 31, 2014		**(610,208)**	**(4,713,702)**	**(148,552)**	**-**	**-**	**(5,472,462)**
Residual value							
Balance on December 31, 2014		**1,916,857**	**9,932,349**	**90,903**	**4,338,167**	**402,977**	**16,681,253**
Balance on December 31, 2013		1,187,882	6,113,219	43,954	4,327,559	4,879,093	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.

(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 16.2.

On December 31, 2014, the Company conducted the annual asset impairment testing and no evidence of impairment was identified.

14.1 Assets given as collateral

On December 31, 2014, the Company and its subsidiaries had property, plant and equipment given as collateral in loan operations and lawsuits amounting to R$11,772,855 (R$11,179,424 on December 31, 2013).

14.2 Capitalized expenses

In the quarter 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 in 2013). The amount calculated considers net funding from investments at the average rate of 89% of the CDI overnight interbank rate. No new capitalization of interest was carried out after said date.

15 Intangible Assets

15.1 Goodwill

The Company maintains a balance of goodwill not subject to amortization on investments in B.L.D.S.P.E. Celulose e Papel S.A. (a subsidiary already merged), Vale Florestar and Paineiras Logística in the amounts of R$34,047, R$45,435 and R$10, respectively.

15.2 Intangible assets with determined useful life

						Parent Company and Consolidated	
	Useful life (years)	Book Cost		Accumulated Amortization	Exchange Rate Variation	Residual Values	
						12/31/2014	12/31/2013
KSR [(a)]							
Customer relationship	5	22,617		(17,339)	-	**5,278**	9,801
Other intangible assets						**-**	-
Trademarks and Patents	10	1,176		(735)	-	**441**	648
Software	5	55,287		(18,102)	-	**37,185**	19,687
Balance Parent Company		**79,080**		**(36,176)**	**-**	**42,904**	30,136
Futuragene							
R&D Agreements	18.8	153,316	(a)	(52,942)	66,275	**166,649**	157,356
Other License Agreements	11.8	3,436	(a)	(1,898)	1,486	**3,024**	3,039
Other intangible assets							
Software	5	24		(23)	-	**1**	2
Consolidated Balance		**235,856**		**(91,039)**	**67,761**	**212,578**	190,533

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

On December 31, 2014, the amounts of R$13,301 in the Parent Company and R$30,524 in the Consolidated were amortized (R$9,988 and R$24,164, respectively, in 2013).

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

16 Loans and Financing

	Index		Annual average interest rate on 12/31/2014	Maturity	Parent Company 12/31/2014	Parent Company 12/31/2013	Consolidated 12/31/2014	Consolidated 12/31/2013
Property, plant and equipment:								
BNDES - Finem	Fixed rate /TJLP	(1) (2)	7.05%	2015 to 2023	**1,784,305**	1,977,233	**1,784,305**	1,977,233
BNDES - Finem	Currency basket / US$	(2)	5.76%	2015 to 2022	**2,614,936**	2,195,893	**2,614,936**	2,195,893
BNDES - Finame	Fixed rate /TJLP	(1) (2)	4.64%	2015 to 2024	**25,425**	3,511	**25,425**	3,511
FNE - BNB	Fixed rate	(2)	8.50%	2015 to 2017	**57,441**	75,642	**57,441**	75,642
FINEP	Fixed rate	(2)	4.31%	2015 to 2020	**50,823**	49,597	**50,823**	49,597
Rural credit	Fixed rate		5.50%	2015	**169,511**	20,436	**169,511**	20,436
Financial lease	CDI / US$			2015 to 2022	**25,450**	33,873	**25,450**	33,873
Export Credit Agency - ECA	US$	(2) (3)	1.93%	2015 to 2022	**1,229,931**	1,233,947	**1,229,931**	1,233,947
Working capital:								
Export financing	US$	(4)	4.01%	2015 to 2022	**1,896,408**	2,054,668	**1,896,408**	2,054,668
Export credit note	CDI / Fixed rate	(5)	12.48%	2015 to 2021	**4,070,046**	3,514,454	**4,070,046**	3,514,454
Senior Notes	US$ / Fixed rate	(6)	5.88%	2021	**-**	-	**1,732,670**	1,525,848
Trade notes discount-Vendor				2015	**54,312**	42,566	**54,312**	42,566
Loan Banco do Brasil	CDI	(7)	12.74%	2016	**46,175**	-	**46,175**	-
Other				2015	**2,781**	3,245	**3,152**	15,661
					12,027,544	11,205,065	**13,760,585**	12,743,329
Current (including interests payable)					**1,751,040**	955,462	**1,795,355**	1,007,157
Non-current					**10,276,504**	10,249,603	**11,965,230**	11,736,172
Non-current loans and financing mature as follows:								
2015					**-**	959,074	**-**	959,074
2016					**1,467,241**	2,209,113	**1,467,241**	2,209,113
2017					**1,462,111**	1,940,820	**1,462,111**	1,940,820
2018					**1,825,255**	1,338,181	**1,825,255**	1,338,181
2019					**2,502,531**	2,060,391	**2,502,531**	2,060,391
2020					**1,679,431**	692,944	**1,679,431**	692,944
2021					**1,107,811**	924,481	**2,796,537**	2,411,050
2022 onwards					**232,124**	124,600	**232,124**	124,600
					10,276,504	10,249,603	**11,965,230**	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 March 2004, the Company obtained funds from BNP Paribas in the amount of US$20 million and in October 2006, the Company contracted a US$150 million loan agreement with BNP Paribas and Société Générale, in the proportion of 50% each, to finance imported equipment for the Mucuri/BA 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 million, 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 the agreements establish covenants regarding the maintenance of determined levels of leverage, which are verified for compliance after 60 and 120 days of the closing of the months of June and December of each fiscal year, respectively. As of June 2014, the Company met all the established levels. The next scrutiny will be based on the results of December 2014.

(4) In July 2014, the conditions of a US$50 million Export Financing agreement in the portfolio were renegotiated and the maturity postponed from 2016 to 2019. In October and November 2014, the Company contracted two Advances on Export Contracts (ACC) in the total amount of US$ 50 million and maturing in six months.

(5) In October 2014, the Company settled in advance three Export Credit Notes (NCE) in the mandatory modality, totaling R$102,500, and contracted on the same date a new Note for the same amount, thus changing the maturity from 1.4 years to 3 years. In November 2014, the terms of two US$1,200,000 NCEs in the portfolio were renegotiated and the maturity was postponed from 2016 and 2017 to 2020. In the same month, a compulsory NCE was contracted in the amount of R$100,000 and maturing in five months.

(6) In September 2010, the Company, through its subsidiary Suzano Trading, placed in the international market US$650 million in Senior Notes due on January 23, 2021, with semiannual interest payments of 5.875% p.a. and return for investors of 6.125% p.a. The Company is guarantor of the issue, which corresponds to a senior obligation without security interest of the issuer or the Company and is entitled to the same rights as other obligations of similar nature of these companies. Between September 2013 and July 2014, the Company, through its international subsidiary Suzano Trading, repurchased US$4.3 million of principal amount of the Senior Notes issued.

(7) Due to the merger of Vale Florestar, a debt of R$45,000 (principal) maturing in 2016 was added to the portfolio.

16.1 Changes in loans and financing

	Parent Company		Consolidated	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Opening balance	**11,205,065**	8,628,485	**12,743,329**	10,017,275
Funding	**2,654,850**	4,124,891	**2,654,850**	4,124,891
Recognized interest	**829,738**	641,066	**917,212**	724,648
Exchange variation	**662,977**	699,151	**854,940**	887,213
Settlement of principal	**(2,598,991)**	(2,212,088)	**(2,600,124)**	(2,255,424)
Settlement of interest	**(799,897)**	(560,781)	**(887,401)**	(643,373)
Loan added through merger	**46,367**	-	**46,367**	-
Funding costs	**(23,638)**	(158,626)	**(23,638)**	(158,626)
Amortization of funding costs	**51,073**	42,967	**55,050**	46,725
	12,027,544	11,205,065	**13,760,585**	12,743,329

16.2 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. These agreements are denominated in U.S. dollar or the CDI overnight rate and contain purchase option clauses for these assets upon the expiration of the lease term, which varies from 8 to 15 years, for a price substantially lower than their fair value. Management intends to exercise the purchase options on the dates estimated in each agreement.

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

	Parent Company and Consolidated	
	12/31/2014	12/31/2013
Machinery and equipment	**153,072**	150,582
(-) Accumulated depreciation	**(131,228)**	(120,475)
Property, plant and equipment, net	**21,844**	30,107
Present value of mandatory installments (financing):		
Less than 1 year	**3,758**	12,949
From 1 to 5 years	**17,470**	14,430
Over 5 years	**4,222**	6,494
Total present value of mandatory installments (financing)	**25,450**	33,873
Financial charges to be recognized in the future	**5,100**	7,337
Total mandatory installments at the expiration of agreements	**30,550**	41,210

16.3 Transaction costs and premiums of securities issues

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

				Consolidated	
Nature	Total cost	Amortization	Exch. Rate Variation	Balance to be amortized	
				12/31/2014	12/31/2013
Senior Notes	29,284	(19,530)	16,628	**26,382**	27,219
NCE	58,401	(20,207)	-	**38,194**	38,177
Prepayment	20,531	(19,052)	-	**1,479**	9,829
Import (ECA)	101,151	(30,801)	-	**70,350**	89,430
Rural credit	94	(94)	-	-	21
Total	**209,461**	**(89,684)**	**16,628**	**136,405**	164,676

The total cost of Senior Notes was converted into Real at the USD rate on the funding date (US$ 1.6942), and amortizations, on the respective dates, were converted at the closing USD rate. The total ECA cost includes expenses related to insurance premiums, fees and rates.

16.4 Debentures

The 3rd issue, carried out in August 2004 is composed of two series. On April 9, 2013, the Company exercised the option to redeem the Debentures of the 1st series of the 3rd issue, in the total amount of R$594,150. On June 11, 2014, the Company carried out the optional early redemption of the Debentures of the 2nd series of the 3rd issue in the total amount of R$164,371. The Company canceled the redeemed Debentures (Note 1.1 b) ii).

17 Provision for Contingencies

17.1 Changes in provisions for contingencies

	Parent Company					
	Balance on 12/31/2013	New lawsuits	Reversals	Monetary variation	Settlement of lawsuits	Balance on 12/31/2014
Tax and social security	171,177	21,219	(24,990)	15,515	(8,166)	174,755
Labor	21,911	13,625	-	2,081	(3,084)	34,533
Civil	7,325	486	(4,536)	(105)	(575)	2,595
	200,413	35,330	(29,526)	17,491	(11,825)	211,883

	Consolidated					
	Balance on 12/31/2013	New lawsuits	Reversals	Monetary variation	Settlement of lawsuits	Balance on 12/31/2014
Tax and social security	171,177	21,219	(24,990)	15,515	(8,166)	174,755
Labor	28,140	14,813	(243)	2,081	(3,601)	41,190
Civil	7,325	486	(4,536)	(105)	(575)	2,595
	206,642	36,518	(29,769)	17,491	(12,342)	218,540

17.2 Tax and Social Security Suits and Proceedings

The company is a defendant in approximately 260 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$12,796, 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$345,634, for which a provision of R$28,112 was accrued.

On December 31, 2014, the Company holds R$37,096 in judicial deposits related to these proceedings (R$45,165 in 2013).

17.3 Labor claims

On December 31, 2014, the Company was a defendant in approximately 1,795 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 primarily 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$30,829.

In addition, the Company is a defendant in proceedings whose probability of loss is deemed as possible, in the approximate amount of R$35,106, for which a provision of R$10,361 is accrued.

On December 31, 2014, the Company holds R$22,291 in judicial deposits related to these proceedings (R$15,953 in 2013).

17.4 Civil claims

On December 31, 2014, the Company is a defendant in approximately 220 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 primarily 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$2,558.

In addition, the Company is a defendant in proceedings whose probability of loss is deemed as possible, in the approximate amount of R$123, for which a provision of R$37 is constituted.

On December 31, 2014, the Company holds R$112 in judicial deposits related to these proceedings (R$313 in 2013).

18 Actuarial Liabilities

18.1 Defined benefits plans

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

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

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

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

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

On December 31, 2014, the amount of the future liabilities of these benefits was R$277,463 (R$255,138 in 2013).

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

18.2 Key actuarial economic and biometric assumptions used in the calculations

	Actuarial assumptions	
	2014	**2013**
Discount rate - health plan	**6.15% p.a.**	6.5% p.a.
Discount rate - life insurance	**6.15% p.a.**	6.25% p.a.
Medical cost growth rate above basic inflation	**3.0% p.a.**	3.0% p.a.
Economic inflation	**5.0% p.a.**	5.0% p.a.
General mortality biometric table	**AT-2000**	AT-2000
Biometric table of mortality of disabled persons	**IAPB 57**	IAPB 57

On December 31, 2014, the sensitivity of the balance of actuarial liabilities to the changes in the main assumptions used, considering that all others remain unchanged, is as follows:

	Change	Increase in assumption	Reduction in assumption
Discount rate	0.50%	Reduction of 5.71 %	Increase of 6.66 %
Rate of increase of medical costs	0.50%	Increase of 6.85 %	Reduction of 5.92 %
Mortality	1 year	Increase of 4.24 %	Reduction of 3.85 %

18.3 Changes in actuarial liabilities

	12/31/2014	12/31/2013
Opening balance	**255,138**	289,277
Interest on actuarial liability	**31,539**	26,991
Actuarial loss (gain)	**5,271**	(47,307)
Benefits paid in the year	**(14,485)**	(13,823)
Closing balance	**277,463**	**255,138**

19 Share-Based Payments

19.1 Share-based compensation plans paid in currency

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

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

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

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

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

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

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

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

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

The Company granted on April 1, 2014 the Share Appreciation Rights (SAR) Program 2014 of phantom options, exclusively for new inclusions as of that date.

In this program, participants should invest 5% of the total amount corresponding to the number of options at the grant date and 20% after three years to acquire the option. The amounts will be calculated based on the average quote of the 90 previous trading sessions starting from the closing quote on the last business day of the month prior to the month of the grant.

This program has a vesting period of 3 years and term of 5 years from the grant date. The calculation of the amount to be paid by the beneficiary upon exercising the options will also be based on the average stock price in the 90 previous trading sessions as from the last day of the month prior to the exercise date.

On dates when the SUZB5 stock is not traded, the quote of the previous trading session will be considered. Options granted and subscribed to by the beneficiaries will not entitle their holders to dividends.

For plans with grants until 2013, the same conditions set for previous programs remain valid until the settlement date.

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

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

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

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

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

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

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

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

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

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

On December 31, 2014, there were 12,445 thousand preferred treasury shares to guarantee the options granted by the Plan.

19.3 Changes to long-term incentive plans

(i) Phantom shares

Parent Company and Consolidated

12/31/2014

Program	Grant Date	Fair value on the grant date	Fair value at the end of the period	1st exercise date	2nd exercise date	Available at the beginning of the period	Granted in the Period	Exercised	Exercised due to dismissal	Transfer[1]	Abandoned/ Prescribed due to dismissal	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$ 10.08	3/1/2012	3/1/2015	55,769	-	12,220	-	-	-	43,549	9.00
ILP 2009 A - Mar08	3/1/2008	R$ 34.74	R$ 10.08	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$ 10.08	3/1/2012	3/1/2015	11,663	-	5,316	-	-	-	6,347	9.00
ILP 2008 - Jan09 / Sep12 (ii)	1/1/2009	R$ 18.01	R$ 10.08	3/1/2012	3/1/2015	16,502	-	16,502	-	-	-	-	9.00
ILP 2007 (PE)	8/1/2008	R$ 34.74	R$ 10.08	9/1/2014	9/1/2014	10,125	-	10,125	-	-	-	-	9.00
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$ 10.08	3/1/2012	3/1/2015	14,724	-	4,886	-	-	-	9,838	9.00
ILP 2009 M - Sep09 / Sep12	9/1/2009	R$ 15.11	R$ 10.08	9/1/2012	9/1/2015	27,055	-	6,609	-	-	-	20,446	9.00
ILP 2010	3/1/2010	R$ 23.86	R$ 10.08	3/1/2013	3/1/2016	50,836	-	18,354	-	91,029	-	123,511	9.00
ILP 2011	3/1/2011	R$ 18.64	R$ 10.08	3/1/2014	3/1/2017	322,580	-	247,957	27,770	-	-	46,853	9.00
ILP 2012	3/1/2012	R$ 7.49	R$ 10.08	3/1/2015	3/1/2018	859,609	-	-	75,820	89,360	94,744	778,405	9.00
ILP 2011 (F)	3/1/2011	R$ 18.64	R$ 10.08	3/1/2014	3/1/2017	7,159	-	-		-	-	7,159	-
ILP 2009 (J)	9/1/2010	R$ 17.25	R$ 10.08	9/1/2013	9/1/2016	3,441	-	3,441		-	-	-	9.00
ILP 2012 (PE)	9/30/2012	R$ 9.00	R$ 10.08	9/30/2015	9/30/2018	35,225	-	-	-	-	-	35,225	-
ILP 2013	3/1/2013	R$ 6.58	R$ 10.08	3/1/2016	3/1/2019	1,082,186	-	-	57,203	117,059	124,925	1,017,117	8.97
Programa Especial 2012a [2]	12/21/2012	R$ 5.55	R$ 10.08	3/31/2014	3/31/2014	70,000	-	70,000	-	-	-	-	9.00
Programa Especial 2012a [2]	12/21/2012	R$ 5.55	R$ 10.08	3/31/2015	3/31/2015	70,000	-	-	-	-	-	70,000	-
Programa Especial 2012b [2]	12/21/2012	R$ 5.55	R$ 10.08	6/30/2014	6/30/2014	30,000	-	-	-	-	-	30,000	-
Programa Especial 2012b [2]	12/21/2012	R$ 5.55	R$ 10.08	3/31/2014	3/31/2014	40,000	-	40,000	-	-	-	-	9.00
Programa Especial 2012b [2]	12/21/2012	R$ 5.55	R$ 10.08	3/31/2015	3/31/2015	30,000	-	-	-	-	-	30,000	-
Programa Especial 2012b [2]	12/21/2012	R$ 5.55	R$ 10.08	3/31/2015	3/31/2015	40,000	-	-	-	-	-	40,000	-
Programa Especial 2012c [2]	12/21/2012	R$ 5.55	R$ 10.08	3/31/2014	3/31/2014	60,000	-	60,000	-	-	-	-	9.00
Programa Especial 2012c [2]	12/21/2012	R$ 5.55	R$ 10.08	3/31/2015	3/31/2015	80,000	-	-	-	-	-	80,000	-
Programa Especial 2012c [2]	12/21/2012	R$ 5.55	R$ 10.08	3/31/2016	3/31/2016	140,000		-	-	-	-	140,000	-
SAR 2014	4/1/2014	R$ 8.93	R$ 8.16	4/1/2017	4/1/2019	-	958,889	-	-	-	14,922	943,967	-
TOTAL						**3,084,417**	**958,889**	**514,479**	**160,793**	**297,448**	**234,591**	**3,430,891**	**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

Parent Company and Consolidated

12/31/2013

Program	Grant Date	Fair value on the grant date	Fair value at the end of the period	1st exercise date	2nd exercise date	Available at the beginning of the period	Granted in the Period	Exercised	Exercised due to dismissal	Transfer [1]	Abandoned/ Prescribed due to dismissal	Available at the end of the period	Weighted average price of exercised shares
ILP 2006 (PN)	5/1/2007	R$ 23.38	R$ 9.00	9/1/2010	9/1/2013	650	-	650	-	-	-	-	9.00
ILP 2007 (PN)	3/1/2008	R$ 34.74	R$ 9.00	3/1/2011	3/1/2014	21,448	-	9,278	-	873	-	13,043	9.00
ILP 2008 (PN) Mar-09	3/1/2009	R$ 15.11	R$ 9.00	3/1/2012	3/1/2015	110,287	-	62,407	-	7,889	-	55,769	9.00
ILP 2009 A - Mar08	3/1/2008	R$ 34.74	R$ 9.00	3/1/2013	3/1/2016	64,485	-	56,164	-	3,342	-	11,663	9.00
ILP 2008 A - Mar08 / Mar12	3/1/2008	R$ 34.74	R$ 9.00	3/1/2012	3/1/2015	21,029	-	12,708	-	3,342	-	11,663	9.00
ILP 2008 - Jan09 / Sep12 (i)	1/1/2009	R$ 18.01	R$ 9.00	3/1/2012	9/1/2015	9,767	-	-	9,767	-	-	-	-
ILP 2008 - Jan09 / Sep12 (ii)	1/1/2009	R$ 18.01	R$ 9.00	3/1/2012	3/1/2015	16,502	-	-	-	-	-	16,502	-
ILP 2007 (PE)	8/1/2008	R$ 34.74	R$ 9.00	9/1/2014	9/1/2014	10,125	-	-	-	-	-	10,125	-
ILP 2007 (PN) - PA	3/1/2008	R$ 43.38	R$ 9.00	3/1/2011	3/1/2014	5,356	-	2,519	-	-	-	2,837	9.00
ILP 2009 - Mar09 / Mar12	3/1/2009	R$ 15.11	R$ 9.00	3/1/2012	3/1/2015	55,241	-	45,403	-	4,886	-	14,724	9.00
ILP 2009 M - Sep09 / Sep12	9/1/2009	R$ 15.11	R$ 9.00	9/1/2012	9/1/2015	127,998	-	101,111	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	-
Programa Específico - 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						**2,659,203**	**1,180,153**	**684,015**	**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

(ii) Class "A" preferred shares stock option

Parent Company and Consolidated
12/31/2014

Program	Granted series	Grant date	1st exercise date	2nd exercise date and expiration	Prices: On the grant date	Number of Shares: Granted	Exercised	Not exercised due to dismissal	Expired	Total in effect on 12/31/2014
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**

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

(i) Phantom shares plan

Since the Plan is settled in cash, Suzano has to revise the fair value of the phantom shares at every reporting date. This value is then multiplied by the Total Shareholder Return (TRS) in the period (which varies between 75% and 125%, depending on the performance of SUZB5 in relation to its peers in Brazil).

(ii) Stock option plan

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

Description of assumptions	Indexes – Options: Program II	Program III	SAR 2014
Calculation Model	Bjerksund-Stensland	Binomial	Monte Carlo Simulation
Asset base price (1)	R$7.02/ share	R$ 7.73/ share	R$ 8.93/ share
Expectation of volatility (2)	40.02% p.a.	40.47% p.a.	36.82 % p.a.
Phantom stocks/options average life expectancy (3)	2.59 years	Equal to option life	Equal to option life
Dividends expectancy (4)	3.49% p.a.	3.49% p.a.	2.94% p.a.
Risk-free weighted average interest rate (5)	average of 8.02%	average of 8.99%	average of 11.90%

(1) The asset base price was defined considering the arithmetic average of the closing price of the last 90 trading sessions for SUZB5 share;

(2) The expectation of volatility was calculated for each exercise date, taking into account the remaining time to complete the vesting period, as well as the historical volatility of returns, considering a standard deviation of 90 observations of returns;

(3) The expectation of average life of phantom stocks and stock options was defined by the remaining term until the limit exercise date;

(4) The expectation of dividends was defined based on historical earnings per share of the Company;

(5) Risk-free weighted average interest rate used was the BRL yield curve (DI expectation) observed on the open market, which is the best comparison basis with the Brazilian market risk-free interest rates. The rate used for each exercise date changes according to the vesting period.

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

	Parent Company and Consolidated			
	Liabilities and Shareholders' equity		Profit or loss	
	12/31/2014	**12/31/2013**	**12/31/2014**	**12/31/2013**
Non-current liabilities				
Provision for phantom stocks plan	**27,619**	20,469	**(12,810)**	(14,182)
Provision for stock option plan	**-**	-	**-**	1,759
Total share-based compensation plan	**27,619**	20,469		
Shareholders' equity				
Stock option reserve	**25,939**	16,367	**(9,572)**	(13,691)
Profit or loss			**(22,382)**	(26,114)

20 Debts Related to Asset Acquisitions

On December 31, 2014, these debts totaled R$601,124 in the Parent Company and R$714,690 in the Consolidated, and are classified under Current and Non-current liabilities (In 2013, they totaled R$58,569 and R$177,688, respectively).

20.1 Real Estate Receivables Certificates ("CRI")

The Company and its subsidiaries carried out transactions to acquire land for reforestation and houses in Maranhão, signing the following agreements:

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

On December 31, 2014, these debts totaled R$58,159 in the Parent Company and R$171,725 in the Consolidated (In 2013, they totaled R$58,569 and R$177,688, respectively).

20.2 Acquisition of VFFIP

On August 8, 2014, the acquisition of VFFIP was concluded for the sum of R$528,941, with a down payment of R$44,998 on the contract date. The outstanding balance of R$483,943 will be paid in 10 to 15 years, of which R$195,551 is restated at the variation of the Broad Consumer Price Index ("IPCA"), and R$288,392 is restated at the variation of the U.S. dollar exchange rate, plus usual market interest rates.

The main asset held by VFFIP was the shares in VFSA which owned eucalyptus forests in Pará.

On December 31, 2014, the total restated outstanding balance is R$542,965 at the Parent Company and Consolidated, recorded under Debt from Acquisition of Assets in Current and Non-Current Liabilities. (Note 1.1 b).

21 Shareholders' Equity

21.1 Authorized capital

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.

21.2 Capital stock

On December 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	32.28
Controlling Shareholders and Management	10,009,122	2.70	216,093,860	29.41	650	0.03	226,103,632	20.41
Sub Total	**364,358,581**	**98.17**	**219,338,933**	**29.86**	**18,348**	**0.95**	**583,715,862**	**52.69**
Treasury	6,786,194	1.83	12,444,988	1.69	1,909,699	98.40	21,140,881	1.91
BNDESPAR	-	-	97,132,396	13.22	-	-	97,132,396	8.77
Other shareholders	3,757	0.00	405,733,009	55.23	12,772	0.66	405,749,538	36.63
TOTAL	**371,148,532**	**100.00**	**734,649,326**	**100.00**	**1,940,819**	**100.00**	**1,107,738,677**	**100.00**

On December 31, 2014, SUZB5 preferred stock ended the period quoted at R$11.25 (R$9.24 in 2013).

21.3 Reserves

(i) Profit reserve

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

The Special Statutory Reserve includes the remaining 10% of the remaining balance of net income for the year and aims to ensure the distribution of dividends.

(ii) Capital reserve

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

21.4 Treasury shares

	Number of shares				R$	Average price
	Common	Pref. A	Pref. B	Total	('000)	(R$)
Balance on 12/31/2012	6,786,194	8,948,388	1,909,699	17,644,281	273,522	15.50
Shares purchased	-	5,296,600	-	5,296,600	38,718	7.31
Balance on 12/31/2013	6,786,194	14,244,988	1,909,699	22,940,881	312,240	13.61
Shares sold [(1)]	-	(1,800,000)	-	(1,800,000)	(8,514)	4.73
Balance on 12/31/2014	**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 compensation plan (Note 19).

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

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

21.5 Equity valuation adjustment and other comprehensive income

(i) Equity Valuation Adjustment

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

(ii) 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 5^{th} issue into shares for Related Parties, net of deferred income and social contribution taxes.

21.6 Earnings (losses) per share

Basic

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

				12/31/2014
	Common	Class A Preferred	Class B Preferred	Total
Loss attributed to shareholders	**(82,236)**	**(179,263)**	**(8)**	**(261,506)**
Weighted average number of shares in the period	**371,149**	**734,649**	**1,941**	**1,107,739**
Weighted average treasury shares	**(6,786)**	**(12,645)**	**(1,910)**	**(21,341)**
Weighted average number of outstanding shares	**364,363**	**722,004**	**31**	**1,086,398**
Basic loss per share	**(0.22570)**	**(0.24828)**	**(0.25806)**	

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

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.

				12/31/2014
	Common	Class A Preferred	Class B Preferred	Total
Loss attributed to shareholders	**(81,927)**	**(179,572)**	**(8)**	**(261,506)**
Weighted average number of outstanding shares	**364,363**	**722,004**	**31**	**1,086,398**
Adjustment by stock options	-	**3,966**	-	**3,966**
Weighted average number of shares (diluted)	**364,363**	**725,970**	**31**	**1,090,364**
Diluted loss per share	**(0.22485)**	**(0.24735)**	**(0.25806)**	

				12/31/2013
	Common	Class A Preferred	Class B Preferred	Total
Loss attributed to shareholders	(69,185)	(151,267)	(7)	(220,459)
Weighted average number of outstanding shares	364,344	720,522	31	1,084,897
Adjustment by stock options and debentures of the 5th issue	-	3,661	-	3,661
Weighted average number of shares (diluted)	364,344	724,183	31	1,088,558
Diluted loss per share	(0.18989)	(0.20888)	(0.22581)	

21.7 Dividends

Date of Approval AGO/E	Total amount (R$ '000)	Amount per share			Record date	Payment date
		Common	Pref. A	Pref. B		
4/30/2014	122,000	R$ 0.10545	R$ 0.11600	R$ 0.34523	5/2/2014	5/12/2014
4/30/2013	100,000	R$ 0.08655	R$ 0.09521	R$ 0.34519	5/2/2013	5/10/2013
4/30/2013 (a)		R$ 0.03984	R$ 0.04669	-		

(a) Proportional portion of dividends *pro-rata* attributable to shares issued on July 5 and 16, 2012.

On December 31, 2014, the Management proposed the payment of dividends amounting to R$150,000, with the amount deducted from the existing balance of the Profit Reserve.

22 Other Operating Income, Net

	Parent Company		Consolidated	
	12/31/2014	**12/31/2013**	**12/31/2014**	**12/31/2013**
Income (loss) from sale of other products	**(7,997)**	(4,085)	**4,397**	8,438
Income (loss) from sale of fixed and biological assets	**474**	5,501	**432**	5,901
Income (loss) from divestment	**-**	124,835 (1)	**-**	124,835
Income (loss) from restatement of fair value of biological assets	**12,847**	99,998	**12,847**	95,179
Provision for loss with fixed assets and write-offs	**(39,664)** (2)	(6,900)	**(39,664)**	(6,900)
Commercial agreement with Suppliers [3]	**31,500**	-	**31,500**	-
Reorganization expenses	**-**	(8,456)	**-**	(8,456)
Additional performance bonus	**-**	(23,569)	**-**	(25,729)
Partial write-off of suspended projects [4]	**-**	(85,749)	**-**	(60,877)
Lawsuits received [5]	**-**	-	**10,756**	-
Amortization of intangible assets	**(4,523)**	(4,523)	**(15,326)**	(14,426)
Other operating income (expenses), net	**11,629**	(9,671)	**9,249**	(12,663)
Total other operating income	**56,450**	230,334	**69,181**	234,353
Total other operating expenses	**(52,184)**	(142,953)	**(54,990)**	(129,051)
Other operating income (expenses), net	**4,266**	87,381	**14,191**	105,302

(1) Divestment of interest in the Capim Branco Energia Consortium (Note 1.1 a) iv)).

(2) Amount substantially composed of the write-off of obsolete operating assets of R$17,431 and accrual for losses on operating assets of R$16,005.

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

(4) Includes expenses related to the suspension of projects (see Note 1.1. b) iv).

(5) The amount is related to the receipt of a portion of the credits from compulsory loans claimed through lawsuits against Centrais Elétricas Brasileiras S.A - Eletrobrás.

23 Operating lease agreements

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

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

Description	**Installment amount R$ (thousand)**	**Index**	**Maturity**
Administrative offices and deposits	1 to 952	IGP-M and IPCA/IBGE	2/28/2015 to 1/27/2024
Call center and licenses	17 to 207	IGP-DI	5/19/2015 to 9/30/2017
Hardware equipment	2 to 21	IGP-M	3/27/2015 to 4/16/2016

The minimum payments of maturing operating were as follows:

	12/31/2014
Less than 1 year	**16,926**
From 1 year to 3 years	**17,636**
From 3 years to 5 years	**20,126**
Total installments due	**54,688**

24 Net Financial Result

	Parent Company		Consolidated	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Interest income	**244,889**	247,130	**246,506**	248,102
Other financial income	**14,365**	9,046	**18,845**	(1,673)
Total financial income	**259,254**	256,176	**265,351**	246,429
Interest expenses	**(1,028,094)**	(729,694)	**(1,049,516)**	(750,999)
Other financial expenses	**(42,481)**	(16,376)	**(54,211)**	(24,664)
Total financial expenses	**(1,070,575)**	(746,070)	**(1,103,727)**	(775,663)
Monetary and exchange variations on loans and financing	**(857,021)**	(654,474)	**(908,314)**	(833,036)
Monetary and exchange variations on other assets and liabilities	**197,389**	(32,732)	**210,568**	120,643
Monetary and exchange variation, net	**(659,632)**	(687,206)	**(697,746)**	(712,393)
Derivative gains	**49,433**	17,988	**64,680**	31,084
Derivate losses	**(108,142)**	(37,027)	**(122,070)**	(44,999)
Net derivative income (loss)	**(58,709)**	(19,039)	**(57,390)**	(13,914)
Financial income	**259,254**	256,176	**265,351**	246,429
Financial expenses	**(1,788,916)**	(1,452,315)	**(1,858,863)**	(1,501,970)
Net financial income (expenses)	**(1,529,662)**	(1,196,139)	**(1,593,512)**	(1,255,541)

25 Net Revenue

		Parent Company		Consolidated	
		12/31/2014	12/31/2013	12/31/2014	12/31/2013
Gross sales revenue		**8,186,665**	6,444,849	**8,391,809**	6,589,727
Deductions					
Sales taxes	(a)	**(950,441)**	(820,998)	**(958,938)**	(829,685)
Returns and cancelations		**(144,537)**	(52,203)	**(152,584)**	(57,627)
Discounts and rebates		**(15,688)**	(13,790)	**(15,688)**	(13,790)
Net Revenue		**7,075,999**	5,557,858	**7,264,599**	5,688,625

(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 indefinitely, as per the change published in Law 13,043 of November 13, 2014.

26 Information by Segment

26.1 Operating segment

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.

								Consolidated
	12/31/2014				12/31/2013			
	Pulp	Paper	Not segmented	Total	Pulp	Paper	Not segmented	Total
Net revenue	**3,851,303**	**3,413,296**	-	**7,264,599**	2,577,288	3,111,337	-	5,688,625
Net financial income (loss)	**-**	**-**	**(1,593,512)**	**(1,593,512)**	-	-	(1,255,541)	(1,255,541)
Other operating income, net	**-**	**-**	**14,191**	**14,191**	-	-	105,302	105,302
Operating income (loss)	**603,463**	**611,915**	**(1,579,321)**	**(363,943)**	412,388	457,877	(1,150,239)	(279,974)
Total assets	**13,444,974**	**4,878,378**	**9,796,104**	**28,119,456**	13,837,746	7,063,976	6,247,621	27,149,343

26.2 Information on geographic areas

						Consolidated
	12/31/2014			12/31/2013		
	Pulp	Paper	Total	Pulp	Paper	Total
Net revenue	**3,851,303**	**3,413,296**	**7,264,599**	2,577,288	3,111,337	5,688,625
Domestic market	**609,396**	**2,440,944**	**3,050,340**	523,206	2,185,989	2,709,195
Foreign market	**3,241,907**	**972,352**	**4,214,259**	2,054,082	925,348	2,979,430
Asia	**1,570,698**	**12,501**	**1,583,199**	940,401	30,226	970,627
Europe	**1,169,069**	**118,007**	**1,287,076**	785,353	139,822	925,175
North America	**461,334**	**363,529**	**824,863**	289,926	361,359	651,285
South and Central America	**40,806**	**465,403**	**506,209**	38,402	389,362	427,764
Africa	**-**	**12,912**	**12,912**	-	4,579	4,579

27 Expenses by Nature

	Parent Company		Consolidated	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Cost of Product Sold				
Personnel expenses	**431,804**	333,931	**431,804**	333,931
Variable cost	**2,731,557**	2,102,765	**2,680,526**	2,063,428
Logistics cost	**174,795**	59,294	**654,822**	431,157
Depreciation, depletion and amortization	**1,139,597**	792,382	**1,139,597**	829,208
Other costs	**381,219**	591,283	**448,914**	532,591
	4,858,972	3,879,655	**5,355,664**	4,190,315
Selling expenses				
Personnel expenses	**54,188**	44,038	**78,733**	66,887
Services	**37,386**	20,673	**36,188**	31,284
Logistics cost	**576,570**	390,218	**157,285**	123,235
Depreciation and amortization	**2,767**	2,518	**3,116**	2,920
Other expenses (1)	**28,068**	26,067	**25,474**	26,669
	698,979	483,514	**300,796**	250,996
Administrative expenses				
Personnel expenses	**227,925**	211,817	**236,222**	217,040
Services	**61,776**	60,670	**69,793**	66,925
Depreciation and amortization	**15,775**	9,750	**16,660**	10,426
Other expenses (2)	**51,484**	55,368	**70,086**	82,658
	356,960	337,604	**392,761**	377,049
	5,914,911	4,700,773	**6,049,221**	4,818,360

(1) Includes provision for doubtful accounts, insurance, materials (use and consumption), expenses with travel, accommodation, participation in trade fairs and events.

(2) Includes corporate expenses, insurance, materials (use and consumption), social projects and donations, expenses with travel and accommodation.

28 Insurance Coverage

In order to protect its assets and liabilities, the Company takes insurance cover for risks that, may lead to losses that significantly impact the assets and/or results of the Company.

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

- **Operating Risks:** Coverage against material damage caused to buildings, machinery and equipment, furniture and fixtures caused by fire, lightning and explosion, removal of debris, flooding, breakdown of machinery and electrical damage, as well as Loss of Gross Revenue caused by the interruption of production arising from material damages. On December 31, 2014, in the Parent Company, the insured amount was R$17,813,510 and the maximum limit of damages is R$3,747,500.

- **Directors and Officers Liability (D&O):** Coverage taken to protect the civil liability of Executives against losses and damages arising from their activities as Directors, Executive Officers and Managers of the Company. On December 31, 2014, in the Consolidated, the insured amount was R$70,000.

- **Civil and General Liability:** To reimburse the company for damages arising from final and unappealable court decisions or agreements previously approved and authorized by the insurance company caused by involuntary damages, whether material and/or physical, to third parties as a result of the industrial and/or commercial activities, including accidental pollution. The insurance also covers, among other things, the liability of the employer, contingent vehicles, and products within Brazil. On December 31, 2014, in the Consolidated, the insured amount was R$10,000.

29 Events after the reporting period

The Company signed a contract with Transportadora Floresta do Araguaia Ltda. for the purchase of 8 million m^3 of wood to supply the Imperatriz Unit. This wood should supply the plant from 2015 to 2024. The Company will make monthly payments from 2015 to 2024 in the month subsequent to consumption, with no financial advances. It is important to note that the wood posts excellent yield, with a positive impact on harvesting costs.

Fiscal council report

The Shareholders, members of the FISCAL COUNCIL of Suzano Papel e Celulose S.A. in a meeting held on this date, and in the use of their legal and statutory attributions reviewed the Management Report, the Financial Statements, the Consolidated Financial Statements and corresponding notes, the Proposal for Allocation of Net Income for the Year, referring to the fiscal year ended December 31, 2014, accompanied by the report of the independent auditors, "KPMG Auditores Independentes", as well as the Projection of the Company's Results, for purposes of compliance with CVM Rule 371 of June 27, 2002, which comply with the legal precepts and they favorably approve the aforementioned documents.

São Paulo, March 4, 2015.

Rubens Barletta

Luiz Augusto Marques Paes

Amauri Sebastião Niehues

Reports and Declarations / Management Statement on the Financial Statements

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

I declare, in the capacity of Executive Officer of Suzano Papel e Celulose S.A., a corporation headquartered in the city of Salvador, state of Bahia, located at Avenida Professor Magalhães Neto, 1752 - 10° andar, salas 1009, 1010 e 1011, CEP 41810-011, corporate taxpayer ID (CNPJ/MF) 16.404.287/0001-55 ("Company"), pursuant to items V and VI of Paragraph 1 of Article 25 of CVM Rule 480 of December 7, 2009, that jointly with other members of the Company's board of executive officers, I reviewed, discussed and agreed with the Company's financial statements related to the fiscal year ended December 31, 2014.

São Paulo, March 4, 2015.

Walter Schalka
Chief Executive Officer

Alexandre Chueri Neto
Executive Officer of the Forest Business Unit

Carlos Alberto Griner
Chief Human Resources Officer

Carlos Anibal Fernandes de Almeida Júnior
Executive Officer responsible for the Paper and Pulp Business Units

Ernesto Peres Pousada Junior
Chief Operations, Strategic Planning and M&A Officer

Marcelo Feriozzi Bacci
Chief Financial and Investor Relations Officer

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

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

I declare in the capacity of Executive Officer of Suzano Papel e Celulose S.A., a corporation headquartered in the city of Salvador, state of Bahia, located at Avenida Professor Magalhães Neto, 1752 - 10° andar, salas 1009, 1010 e 1011, CEP 41810-011, corporate taxpayer ID (CNPJ/MF) 16.404.287/0001-55 ("Company"), pursuant to items V and VI of Paragraph 1 of Article 25 of CVM Rule 480 of December 7, 2009, that jointly with other members of the Company's board of executive officers, I reviewed, discussed and agreed with the independent auditors' report related to the fiscal year ended December 31, 2014.

São Paulo, March 4, 2015.

Walter Schalka
Chief Executive Officer

Alexandre Chueri Neto
Executive Officer of the Forest Business Unit

Carlos Alberto Griner
Chief Human Resources Officer

Carlos Anibal Fernandes de Almeida Júnior
Executive Officer responsible for the Paper and Pulp Business Units

Ernesto Peres Pousada Junior
Chief Operations, Strategic Planning and M&A Officer

Marcelo Feriozzi Bacci
Chief Financial and Investor Relations Officer