Suzano Papel e Celulose S.A.

Financial statements December 31, 2015 and 2014 including the Independent Auditor's Report on the Financial Statements

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

Contents

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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

Introduction
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, 2015, 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 and consolidated financial statements in accordance with accounting practices adopted in Brazil and in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), 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 and consolidated financial statements

In our opinion, the individual and consolidated financial statements referred to above present fairly, in all material respects, the individual and consolidated financial position of Suzano Papel e Celulose S.A. as of December 31, 2015, and its individual and consolidated financial performance and respective 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.

Other matters

Statements of value added

We have also audited the individual and consolidated statements of value added (DVA), for the year ended December 31, 2015, 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, February 18, 2016

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

Message from Management

In 2015, we concluded yet another valuable cycle in our process of continuous transformation and evolution with achievements that show our overcoming of obstacles and excellence. Our cash generation in the year allowed us to deleverage our balance sheet and to structure our strategic goals based on the pillars of structural competitiveness, adjacent businesses and reshaping of the industry to create value in a sustainable way. We made important progress on these three fronts that supported significant advances in the execution of our strategy in the period.

In the pillar of structural competitiveness, we announced investments of R$1.1 billion in retrofitting and expanding capacity at the Imperatriz Unit in the state of Maranhão and at the Mucuri Unit in the state of Bahia and in expanding our forestry base and reducing the average wood supply distance at these sites. In addition to expanding our total production capacity to 5.1 million tons by 2018, these projects will help bring us closer to what we consider our optimal structural cost.

During the year, we strengthened our adjacent businesses strategy, which seeks new uses for our asset base in order to diversify the Company's product portfolio. Through FuturaGene, we obtained approval from the National Biosafety Technical Commission (CTNBio) for the commercial use of higher-yielding genetically modified eucalyptus. This was an important victory as well for Brazil, which was able to adopt technologies applied to the forestry industry, and for society, which continues to advance in the area of forest stewardship and in optimizing the use of natural resources.

This year, we also started the pioneering production of fluff pulp from hardwood pulp, which was named Eucafluff and will serve primarily the diaper and feminine hygiene markets. This R$30 million investment marked our entry into this segment and the first time that fluff pulp is manufactured in Brazil. With initial capacity of 100,000 tons/year, the project is concentrated in the Suzano Unit in the state of São Paulo, following the retrofitting of a printing and writing paper machine that is now producing Eucafluff as well as the product for which it was originally designed.

In the adjacent businesses pillar, we announced investments of R$70 million to install a pilot plant to extract lignin on an industrial scale at the Limeira Unit in the state of São Paulo. With annual production capacity of 20,000 tons and startup slated for the second quarter of 2017, the new plant will mark the startup of our activities in the kraft lignin segment and in a new technological frontier in the industry.

We also announced our first operation in the tissue segment with investment of R$425 million in the construction of two units producing jumbo rolls at the Imperatriz and Mucuri units, with annual production capacity of 60,000 tons each and startup estimated for the second half of 2017.

This breadth of new, innovative and paradigm-shifting businesses not only contributes to our growth, but also helps build diversification avenues to create sustainable value.

In 2015, we announced the association with Ibema by becoming a shareholder in the company and transferring to it the Embu Unit in the state of São Paulo. With the transaction's recent conclusion, our paperboard production is now concentrated in the Suzano Unit.

Last year was marked by strong operating and financial results. We posted record-high net revenue and adjusted EBITDA in 2015, of R$10.22 billion (+41% vs. 2014) and R$4.59 billion (+87% vs. 2014), respectively, and reduced our leverage to 2.7x net debt / adjusted EBITDA at the end of 2015, from 4.1x the end of 2014.

We also continued to make progress on our liability management initiatives, which made an important contribution by reducing our cost of capital through innumerous transactions in the period.

In people management, we intensified the transformation of our organizational culture, which is a gradual process that includes many actions, such as increasing empowerment at all levels, fostering entrepreneurship, challenging the status quo, breaking down silos and a more dynamic and synergic approach. One of the fruits of these efforts was our inclusion in the 2015 ranking of the Best Companies to Work For compiled by the magazine Você SA. Thus, we reaffirm our commitment to investing more in people to transform the Company, without losing sight of our external stakeholders, including our clients, local communities and the environment.

After a year of major achievements and opportunities, we believe that we are on the right path by pursuing return on capital employed and working to meet the expectations of our stakeholders.

We thank all of our clients, investors, suppliers, local communities, partners and, in particular, our employees who contributed to the achievement of these results in 2015.

Management Report

Overview

With a history stretching back 92 years marked by innovation and a pioneering spirit, we are a 100% Brazilian forestry-based company and one of the largest vertically integrated producers of paper and eucalyptus pulp in Latin America.

Our products come from industrial units located in Suzano, Rio Verde and Limeira in the state of São Paulo; in Mucuri in the state of Bahia; and in Imperatriz in the state of Maranhão. In addition to our headquarters in Salvador, Bahia and our administrative office in São Paulo, we have a commercial office in China and subsidiaries in four other countries: United States, Switzerland, United Kingdom and Argentina. We also own the largest distributor of paper and printing products in South America. At the end of 2015, we employed over 8,000 people and had 11,000 outsourced workers.

In Brazil, our forestry base amounts to approximately 1.1 million hectares, with 557 thousand hectares of planted forests in the states of São Paulo, Bahia, Espírito Santo, Minas Gerais, Piauí, Tocantins, Pará and Maranhão. Our annual pulp and paper production capacity is of 4.7 million tons.

In 2010, we acquired FuturaGene, an Israel-based company focusing on biotechnology, which gives us greater competitiveness in the production of pulp, paper and energy.

We also invest in creating new products. We are the first company in the world to manufacture fluff pulp from hardwood pulp (EucaFluff) on an industrial scale. This initiative is aligned with the development of new applications for eucalyptus pulp and makes us as Brazil's first supplier of fluff pulp, which is used in sanitary pads and disposable diapers, and as the world's first manufacturer of fluff pulp from hardwood pulp.

Operating Performance

<u>Pulp Business Unit</u>

According to the Global World 20 Report of the Pulp and Paper Products Council (PPPC), eucalyptus pulp shipments increased 7.1% in 2015 compared to 2014, amounting to 18.7 million tons, driven by stronger demand from China (+614 thousand tons) and Europe (+288 thousand tons).

Our pulp production volume in 2015 amounted to 3.4 million tons, increasing 13.1% from the volume produced in 2014. The higher production volume reflects operation at full capacity of the pulp mill in Imperatriz, Maranhão during 2015.

In the year, Suzano's pulp sales amounted to 3.3 million tons, increasing 15.5% from the sales volume registered in 2014. Pulp exports amounted to 2.8 million tons, increasing 19.5% from 2014 and accounting for 86.1% of total sales in 2015.

Net revenue from pulp sales in 2015 amounted to R$6.6 billion, increasing 71.5% from the previous year. The share of pulp revenue derived from export sales was 87.6%, while the domestic market accounted for 12.4%. The breakdown of Suzano's net revenue from pulp sales in 2015 was as follows: 40.4% sold to Asia, 32.3% to Europe, 14.0% to Latin America and 13.3% to North America. The average net pulp sales price in 2015 was US$602/ton, increasing 4.9% from 2014. In Brazilian real (BRL), the average net price was R$2,006/ton, increasing 48.5% from 2014, supported by the 41.6% depreciation in the currency (average exchange rate).

Paper Business Unit

Data from Brazil's Forestry Industry Association (Ibá) show that Brazilian demand for Printing & Writing Paper and Paperboard (sales by Brazilian industries + imports) fell 16.4% compared to 2014, with reduction of domestic sales (-10.3% vs. 2014) and imports (-38.7% vs. 2014). The Printing & Writing Paper segment reduced 19.0% from 2014, while the Paperboard segment fell 6.0%.

Suzano's paper production amounted to 1.2 million tons, 7.0% lower than the volume produced in 2014, explained, among other factors, by the fluff pulp production.

Paper sales volume in 2015 amounted to 1.2 million tons, decreasing 7.0% from the volume sold in 2014. Domestic sales totaled 827.1 thousand tons in 2015, decreasing 11.4% from the previous year, while paper exports increased 3.7% to 403 thousand tons in the year.

Paper sales within Brazil accounted for 67.2% of total sales in 2015, compared to 70.6% in 2014, reflecting Suzano's commercial strategy to redirect sales to the export markets due to the poor performance of the Brazilian paper market.

Net revenue from paper sales amounted to R$3.6 billion in 2015, increasing 6.1% from the previous year. Of this revenue, 63.8% came from domestic sales and 36.2% from exports, of which 17.9% was exported to South and Central America, 10.1% to North America, 4.0% to Europe and 4.2% to other regions. Net revenue from domestic sales decreased 5.4% compared to 2014, impacted by the lower sales volume, while export revenue increased 34.9%, reflecting the higher sales volumes and the BRL depreciation in the period.

The average net price was R$2,944/ton, 14.0% higher than in 2014. In the domestic market, the average net paper price was R$2,792/ton, increasing 6.8% from 2014. The average net paper price in export markets was US$977/ton, decreasing 8.0% from 2014. In BRL, the average net paper price increased 30.2%, reflecting the currency's depreciation against the U.S. dollar (USD) in the period.

Economic and Financial Performance

Results

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

Net Revenue

In the year, the Company's net revenue amounted to R$10,224.4 million, increasing 40.7% from the net revenue of R$7,264.6 million in 2014, driven by higher pulp prices in BRL, due to the currency's depreciation against the USD and the higher list price, and higher sales volume. Pulp and paper sales volume in 2015 amounted to 4.5 million tons, compared to 4.2 million tons in 2014.

Cost of Goods Sold (COGS)

Cost of goods sold in 2015 amounted to R$6,184.2 million, increasing 15.5% from R$5,355.7 million in 2014, This increase is explained by higher wood costs due to the longer average distance in the supply mix, higher logistics expenses due to the increase in pulp sales volume, the effect from exchange variation on raw materials linked to the USD and on logistics expenses in the export market, and higher fixed and variable industrial costs. Unit COGS in 2015 amounted to R$1,368/ton, increasing 6.6% from R$1,283/ton in 2014 and below the inflation in the period of 10.2%.

Gross Profit

As a result of the factors mentioned above, gross profit in 2015 amounted to R$4,040.1 million, increasing 111.6% from R$1,908.9 million in 2014.

Selling and Administrative Expenses

Selling expenses amounted to R$410.0 million in 2015. The 36.3% increase compared to 2014 is explained by the increase in logistics expenses driven by BRL depreciation, higher sales volume and the geographic distribution of sales. Selling expenses as a ratio of net revenue stood at 4.0%, decreasing 0.1 p.p. from 2014.

Administrative expenses amounted to R$455.6 million in 2015, increasing 16.0% compared to 2014, due to higher expenses with variable compensation, IT and labor claims. Administrative expenses as a ratio of net revenue stood at 4.5%, decreasing 1.0 p.p. from the ratio in 2014. The reduction in selling, general and administrative expenses (SG&A) as a ratio of net revenue was mainly due to the dilution of expenses with the additional sales volume from the Imperatriz Unit and to the implementation of the cost-cutting initiatives established in the matrix budget process.

Other Operating Income/Expenses

Other operating expenses amounted to R$104.5 million in 2015, compared to other operating income of R$14.2 million in 2014. The main items affecting this line were the provision for losses of fixed and biological assets (R$53 million), the loss of tax credits (R$41 million) and goodwill from the sale of the Embu Unit (R$21 million).

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

Cash generation, as measured by adjusted EBITDA with non-recurring and non-cash items, amounted to R$4,593.7 million in 2015, with margin of 44.9%. This result is mainly due to: (i) the depreciation in the BRL against the USD, which impacted export revenue; (ii) increased pulp sales volume and paper exports; (iii) higher pulp price list in USD; (iv) higher paper price; (v) higher wood costs due to the distance of supply; (vi) higher logistics expenses and cost of raw materials linked to the USD; and (vii) higher fixed and variable industrial costs. In 2014, adjusted EBITDA amounted to R$2,452.0 million, with margin of 33.8%. Adjusted EBITDA/ton amounted to R$1,016/ton in 2015, increasing 72.9%.

R$ million, expect where stated otherwise	2015	2014
Net Income (Loss)	(925.4)	(261.5)
Net financial result	4,428.5	1,593.5
Income and social contribution taxes	(433.2)	(102.4)
EBIT	3,070.0	1,229.6
Depreciation, amortization and depletion	1,419.5	1,216.1
EBITDA(1)	4,489.5	2,445.7
EBITDA margin (%)	*43.9%*	*33.7%*
Provision (Reversal) for losses with property, plant and equipment, write-offs, taxes, doubtful accounts and labor claims	48,728	22,132
Refund of fuel oil credit in Maranhão	40,943	-
Adjustment to fair value of biological assets	(23,145)	(12,847)
Loss from Embu sale	20,731	-
Commercial agreement with suppliers	-	(31,500)
Fire are the Itaqui warehouse	844	-
Other	16,112	28,523
Adjusted EBITDA	4,593.7	2,452.0
Adjusted EBITDA margin (%)	44.9%	33.8%

(1) The Company's EBITDA is calculated in accordance with CVM Instruction 527 of October 4th, 2012.

Reconciliation of consolidated EBITDA	2015	2014
EBITDA	4,489.5	2,445.7
Depreciation, amortization and depletion	1,419.5	1,216.1
Operating income before net financial result and taxes (2)	3,070.0	1,229.6

(2) Accounting measurement reported in the consolidated income statement.

Net financial result

In 2015, the Company recorded a net financial expense of R$4,428.5 million, vs. R$1,593.5 million in 2014. The increase is mainly due to the effect from exchange variation in the period and the result from derivative operations.

Monetary and exchange variation generated a negative impact of R$2,828.4 million in 2015, due to the impact on the balance sheet exposure from the local-currency depreciation between the start (R$2.66/US$) and end (R$3.90/US$) of the year, with an accounting effect from the mark-to-market adjustments of the portion of debt in foreign currency, with cash effects limited to debt maturities or amortizations. Derivate operations recorded a loss of R$630.3 million in 2015, compared to a loss of R$57.4 million in 2014.

Result before Income Tax and Social Contribution

Due to the factors mentioned above, the Company registered a net loss before income and social contribution taxes of R$1,358.5 million in 2015, in comparison with the net loss of R$363.9 million in 2014.

Income Tax and Social Contribution

Income tax and social contribution in 2015 was a tax credit of R$433.2 million, compared to the tax credit of R$102.4 million in 2014.

Net Income (Loss)

As a result of the factors mentioned above, the Company recorded a net loss of R$925.4 million in 2015, compared to the net loss of R$261.5 million in 2014.

Debt

Gross debt stood at R$14.7 billion on December 31st, 2015, of which 65.8% was denominated in foreign currency and 34.2% in local currency. The percentage of debt denominated in foreign currency, considering the adjustment for derivatives, was 68%. We contract debt in foreign currency as a natural hedge, since a significant portion of our revenue comes from exports. This structural exposure allows us to contract export financing in USD at more competitive costs than local financing lines and to match financing payments with receivable flows from sales. Gross debt on December 31st, 2015 was composed of 87.6% long-term maturities and 12.4% short-term maturities.

Over the course of 2015, to advance its process to deleverage and capture financial efficiency gains, the Company carried out liability management initiatives that optimized its strong cash generation and included the prepayment of approximately R$4.3 billion in debt. The prepayments enabled the Company to make progress on three fronts: reducing the cost of debt, managing the debt maturity profile and gaining contractual flexibility.

In December 2015, the average cost of debt was 11.9% p.a. in BRL, or 84.4% of the CDI (vs. 10.5% p.a., or 91.2% of CDI, in December 2014), and 4.2% p.a. in USD (vs. 4.7% p.a. in December 2014). On December 31st, 2015, net debt stood at R$12.3 billion (US$3.1 billion), of which 75% was denominated in foreign currencies, considering the adjustment with derivative instruments. The net debt/adjusted EBITDA ratio stood at 2.7x in BRL and 2.3x in USD at the end of the period.

Through these initiatives, Suzano actively and expressly demonstrates its firm commitment to sustainably deleverage its balance sheet and to adopt adequate and efficient structures and costs for its market positioning and operating and managerial capacity.

During 2015, Suzano's credit rating was upgraded by Standard & Poor's and its rating outlook was upgraded by Fitch Ratings. Moody’s assigns to Suzano a senior unsecured rating of 'Ba2/Aa2.br' with a positive outlook.

Standard & Poor’s upgraded Suzano’s rating, including its corporate debt rating, from ‘BB' to 'BB+' on the global scale, with a stable outlook.

Fitch Ratings upgraded its National Long-Term Rating to 'AA-(bra)’ from 'A+(bra),’ while also reaffirming its Issuer Default Ratings (IDRs) in Local and Foreign Currency of 'BB.' The outlook for its corporate ratings is positive.

Capital Expenditure

In 2015, investments amounted to R$1.7 billion. Investments in maintaining existing production capacity (sustaining capex) amounted to R$1.1 billion. A total of R$585.4 million was invested in expansion and retrofitting projects, while R$47.7 million was allocated to other investments. In 2014, investments amounted to R$1.8 billion, of which R$1.0 billion was allocated to sustaining capex, R$747.8 million to growth projects and R$39.6 million to other investments. The investments in modernization include retrofitting projects that will reduce the Company's structural costs.

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 São Paulo Stock Exchange (BM&FBovespa), with 19,340,890 shares held in treasury, of which 6,786,194 are common shares and 12,554,696 are preferred shares.

Our market capitalization on December 31st, 2015 was R$20.7 billion. The free-float corresponded to 41.9% of total shares. At the end of December, the preferred shares SUZB5 were quoted at R$ 18.69/share. 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. In 2015, the average number of trades per day in our stock was 14.8 thousand and our average daily financial trading volume was R$90.0 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.

In 2015, Suzano distributed R$270 million in dividends, of which R$150 million was for fiscal year 2014 and R$120 million was related to the prepayment of mandatory dividends for fiscal year 2015, as a result of the strong cash generation.

The Company's management proposes to the Shareholders’ Meeting the payment of dividends in the amount of R$300 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 December 31st, 2015, 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 BRL and USD, were not examined by our Independent Auditors.*

Company Information / Capital Breakdown

Number of Shares (in thousands)	Last Fiscal Year 12/31/2015
Paid-in Capital	
Common	371,149
Preferred	736,590
Total	1,107,739
Treasury Shares	
Common	6,786
Preferred	12,555
Total	19,341

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	4/30/2014	Dividend	5/12/2014	Common		0.10545
Annual and Extraordinary Shareholders' Meeting	4/30/2014	Dividend	5/12/2014	Preferred	Class A Preferred	0.11600
Annual and Extraordinary Shareholders' Meeting	4/30/2014	Dividend	5/12/2014	Preferred	Class B Preferred	0.34523
Annual and Extraordinary Shareholders' Meeting	4/30/2015	Dividend	5/11/2015	Common		0.12922
Annual and Extraordinary Shareholders' Meeting	4/30/2015	Dividend	5/11/2015	Preferred	Class A Preferred	0.14214
Annual and Extraordinary Shareholders' Meeting	4/30/2015	Dividend	5/11/2015	Preferred	Class B Preferred	0.34409
Extraordinary Shareholders' Meeting	11/11/2015	Dividend	11/24/2015	Common		0.10337
Extraordinary Shareholders' Meeting	11/11/2015	Dividend	11/24/2015	Preferred	Class A Preferred	0.11370
Extraordinary Shareholders' Meeting	11/11/2015	Dividend	11/24/2015	Preferred	Class B Preferred	0.34408

Suzano Papel e Celulose S.A.

Balance Sheets
December 31, 2015 and 2014
(In thousands - R$)

Assets	Note	Parent Company December 31, 2015	Parent Company December 31, 2014	Consolidated December 31, 2015	Consolidated December 31, 2014
Current assets					
Cash and cash equivalents	5	**569.135**	2.615.579	**1.477.246**	3.686.115
Financial investments	6	**922.728**	-	**970.850**	-
Trade receivables	7	**3.521.841**	2.602.814	**1.885.960**	1.207.398
Inventories	8	**895.663**	819.472	**1.315.996**	1.077.081
Receivables from related parties	11	**14.100**	7.985	**-**	-
Recoverable taxes	9	**586.716**	473.673	**596.936**	475.632
Prepaid expenses		**36.217**	17.328	**37.146**	18.325
Unrealized derivative gains	4	**40.440**	30.219	**158.930**	39.266
Advances to suppliers		**565**	9.711	**565**	9.711
Assets held for sale		**50.000**	-	**50.000**	-
Receivables from energy sales		**49.328**	66.157	**49.328**	66.157
Other receivables		**28.057**	15.544	**46.062**	29.739
Total current assets		**6.714.790**	6.658.482	**6.589.019**	6.609.424
Long-term assets					
Biological assets	12	**4.234.664**	3.743.131	**4.130.508**	3.659.421
Receivables from related parties	11	**-**	3.680	**-**	-
Taxes and social contributions to offset	9	**433.070**	481.626	**433.070**	481.626
Deferred income and social contribution taxes	13	**-**	-	**2.583**	1.143
Unrealized derivative gains	4	**11.284**	-	**36.463**	20.826
Advances to suppliers		**251.287**	247.779	**251.287**	247.779
Judicial deposits		**56.040**	53.652	**61.653**	59.499
Other receivables		**77.808**	65.113	**79.543**	66.415
		5.064.153	4.594.981	**4.995.107**	4.536.709
Investments	14	**300.843**	331.658	**-**	-
Property, plant and equipment	15	**15.817.652**	16.156.629	**16.346.234**	16.681.253
Intangible assets	16	**98.115**	122.396	**329.625**	292.070
		16.216.610	16.610.683	**16.675.859**	16.973.323
Total non-current assets		**21.280.763**	21.205.664	**21.670.966**	21.510.032
Total assets		**27.995.553**	27.864.146	**28.259.985**	28.119.456

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

Suzano Papel e Celulose S.A.

Balance Sheets
December 31, 2015 and 2014
(In thousands - R$)

Liabilities	Note	Parent Company December 31, 2015	Parent Company December 31, 2014	Consolidated December 31, 2015	Consolidated December 31, 2014
Current liabilities					
Trade accounts payable	17	540.096	477.768	581.477	501.555
Loans and financing	18	1.732.937	1.751.040	1.818.510	1.795.355
Unrealized derivative losses	4	184.669	26.664	281.317	27.152
Tax liabilities		41.999	48.843	56.285	54.525
Payroll and charges		159.598	138.219	164.782	141.489
Debits payable to related parties	11	109.952	61.140	-	-
Commitments related to asset acquisitions	22	82.803	71.503	91.326	79.092
Accounts payable		127.736	147.402	278.243	208.997
Commercial transactions with suppliers	17.1	206.454	251.544	206.454	251.544
Dividends and interest on shareholders' equity payable	23.7	122	114	122	114
Advance from customers		15.358	5.826	32.058	7.822
Total current liabilities		3.201.724	2.980.063	3.510.574	3.067.645
Non-current liabilities					
Loans and financing	18	8.062.950	10.276.504	12.892.378	11.965.230
Unrealized derivative losses	4	345.152	100.004	353.814	100.116
Debits payable to related parties	11	4.821.230	1.685.927	-	-
Commitments related to asset acquisitions	22	634.059	529.621	733.538	635.598
Accounts payable		16.302	18.035	35.289	32.878
Provision for contingencies	19	194.602	211.883	198.559	218.540
Provision for actuarial liabilities	20	263.141	277.463	263.141	277.463
Deferred income and social contribution taxes	13	916.631	1.357.977	1.037.889	1.479.235
Share-based payments	21	42.722	27.619	42.722	27.619
Provision for losses of investments in subsidiaries	14	304.959	83.918	-	-
Total non-current liabilities		15.601.748	14.568.951	15.557.330	14.736.679
Equity					
Capital		6.241.753	6.241.753	6.241.753	6.241.753
Capital reserves		(205.892)	(217.912)	(205.892)	(217.912)
Profits reserve		706.137	1.852.294	706.137	1.852.294
Equity valuation adjustment		2.481.076	2.530.217	2.481.076	2.530.217
Other comprehensive income		(30.993)	(91.220)	(30.993)	(91.220)
Total equity	23	9.192.081	10.315.132	9.192.081	10.315.132
Total equity and liabilities		27.995.553	27.864.146	28.259.985	28.119.456

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, 2015 and 2014
(In thousands - R$)

	Note	Parent Company		Consolidated	
		12/31/2015	12/31/2014	12/31/2015	12/31/2014
Net sales revenue	27	10,089,705	7,075,999	10,224,361	7,264,599
Cost of goods sold	29	(5,533,686)	(4,858,972)	(6,184,246)	(5,355,664)
Gross profit		4,556,019	2,217,027	4,040,115	1,908,935
Operating income (expenses)					
Selling Expenses	29	(883,138)	(698,979)	(409,986)	(300,796)
General and administrative expenses	29	(409,905)	(356,960)	(455,629)	(392,761)
Equity pick-up in subsidiaries and affiliates	14	(306,204)	(17,180)	-	-
Other operating income, net	24	(112,372)	4,266	(104,516)	14,191
Operating profit before net financial income (loss)		2,844,400	1,148,174	3,069,984	1,229,569
Net financial income (expenses)	26				
Financial income		274,142	259,254	285,380	265,351
Financial expense		(4,496,115)	(1,788,916)	(4,713,885)	(1,858,863)
Net loss before Income and social contribution taxes		(1,377,573)	(381,488)	(1,358,521)	(363,943)
Income and social contribution taxes					
Current	9	-	(2)	(19,052)	(17,480)
Deferred	13	452,219	119,984	452,219	119,917
Net loss for the year		(925,354)	(261,506)	(925,354)	(261,506)
Losses per share for the year	23.6				
Basic - Common		(0.79728)	(0.22570)	(0.79728)	(0.22570)
Basic – Class A Preferred		(0.87701)	(0.24828)	(0.87701)	(0.24828)
Basic – Class B Preferred		(0.87097)	(0.25806)	(0.87097)	(0.25806)
Diluted - Common		(0.79444)	(0.22485)	(0.79444)	(0.22485)
Diluted - Class A Preferred		(0.87389)	(0.24735)	(0.87389)	(0.24735)
Diluted - Class B Preferred		(0.87097)	(0.25806)	(0.87097)	(0.25806)

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, 2015 and 2014
(In thousands - R$)

	Note	Parent Company		Consolidated	
		12/31/2015	12/31/2014	12/31/2015	12/31/2014
Net loss for the year		**(925,354)**	(261,506)	**(925,354)**	(261,506)
Other comprehensive income (loss)		**60,227**	(7,040)	**60,227**	(7,040)
Exchange variation on conversion of financial statements and on foreign investments	**14**	**39,120**	(3,561)	**39,120**	(3,561)
Actuarial (loss) gain	**20**	**31,981**	(5,271)	**31,981**	(5,271)
Deferred income and social contribution taxes		**(10,874)**	1,792	**(10,874)**	1,792
Total comprehensive income		**(865,127)**	(268,546)	**(865,127)**	(268,546)

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, 2015 and 2014
(In thousands - R$)

			Capital reserves				Profit reserve				
	Note	Capital	Tax incentives	Stock options granted	Costs with share issue	Treasury stock	Legal reserve	Reserve for capital increase	Equity valuation adjustment / Other comprehensive income	Retained earnings	Total
Balances on December 31, 2013	23	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 tax		-	-	-	-	-	-	-	(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	-
Balances on December 31, 2014	23	6,241,753	75,317	25,939	(15,442)	(303,726)	231,926	1,620,368	2,438,997	-	10,315,132
Total comprehensive income (loss)											
Net loss for the year		-	-	-	-	-	-	-	-	(925,354)	(925,354)
Actuarial gain, net of deferred income and social contribution taxes		-	-	-	-	-	-	-	21,107	-	21,107
Exchange variation on conversion of financial statements and on foreign investments		-	-	-	-	-	-	-	39,120	-	39,120
Equity transactions with shareholders:											
Stock options granted		-	-	(2,848)	-	-	-	-	-	-	(2,848)
Treasury stock used to meet the share-based compensation plan		-	-	-	-	14,868	-	-	-	-	14,868
Dividends paid		-	-	-	-	-	-	(270,004)	-	-	(270,004)
Reversal of time-barred dividends		-	-	-	-	-	-	-	-	60	60
Internal changes in equity:											
Partial realization of equity valuation adjustment, net of deferred income and social contribution tax		-	-	-	-	-	-	-	(49,141)	49,141	-
Dividends proposed by the Management		-	-	-	-	-	-	(300,000)	-	-	(300,000)
Dividends subject to approval by the Management		-	-	-	-	-	-	300,000	-	-	300,000
Absorption of loss for the year		-	-	-	-	-	-	(876,153)	-	876,153	-
Balances on December 31, 2015	23	6,241,753	75,317	23,091	(15,442)	(288,858)	231,926	474,211	2,450,083	-	9,192,081

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, 2015 and 2014
(In thousands - R$)

	Note	Parent Company		Consolidated	
		12/31/2015	12/31/2014	12/31/2015	12/31/2014
Cash and cash equivalents from operating activities					
Net loss for the year		**(925,354)**	(261,506)	**(925,354)**	(261,506)
Adjustment to reconcile net income (loss) to cash and cash equivalents from operating activities		**6,778,146**	3,181,811	**5,829,002**	3,070,262
Depreciation, depletion and amortization		**1,402,163**	1,203,598	**1,419,477**	1,216,132
Income from sale of property, plant and equipment and biological assets	24	**(600)**	(474)	**(641)**	(432)
Equity pick-up in subsidiaries and affiliates	14	**306,204**	17,180	**-**	-
Exchange and monetary variations, net		**3,553,055**	842,643	**2,807,372**	725,478
Interest expenses, net		**1,113,187**	994,224	**1,137,476**	1,010,924
Derivative losses, net		**635,821**	58,709	**630,251**	57,390
Fair value adjustment of biological assets	12	**(23,145)**	(12,847)	**(23,145)**	(12,847)
Income from deferred income and social contribution taxes	13.1	**(452,219)**	(119,984)	**(452,219)**	(119,917)
Interest on actuarial liabilities	20	**33,629**	31,539	**33,629**	31,539
(Reversal) Addition to provision for contingencies	19	**(35,883)**	5,804	**(38,110)**	6,749
Expenses with share-based payments	21	**31,499**	22,382	**31,499**	22,382
Addition to allowance for doubtful accounts	7	**21,308**	10,718	**21,425**	10,012
(Reversal) Addition of provision for deduction		**(613)**	(5,254)	**67,861**	(11,809)
Provision for inventory losses and write-offs	8	**19,589**	7,598	**19,589**	7,598
Write-off of unratified tax credits	9.3	**40,943**	-	**40,943**	-
Provision and write-off of losses with property and equipment and biological assets	24	**53,164**	39,664	**53,164**	39,664
Realization of loss from goodwill from asset divestment	24	**20,731**	-	**20,731**	-
Other provisions		**59,313**	86,311	**59,700**	87,399
Changes in current and non-current operating assets and liabilities:		**(866,385)**	(1,364,815)	**(2,552,939)**	(1,361,154)
Increase (decrease) in related parties		**1,830,032**	(3,053)	**-**	-
(Increase) decrease in accounts receivable		**(1,057,894)**	208,727	**(824,881)**	326,878
Increase in inventories		**(112,839)**	(114,589)	**(275,563)**	(180,555)
Decrease in recoverable taxes		**36,510**	38,329	**28,249**	50,583
Decrease in other current and non-current assets		**9,692**	20,749	**20,988**	7,220
(Increase) decrease in trade accounts payable		**61,546**	(371,108)	**92,235**	(399,343)
(Decrease) Increase in other current and non-current liabilities		**(99,739)**	195,171	**22,884**	224,967
Payment of interest		**(1,061,281)**	(909,014)	**(1,100,351)**	(923,752)
Payment of other taxes and contributions		**(405,638)**	(379,050)	**(449,726)**	(405,021)
Payment of income and social contribution taxes		**(66,774)**	(50,977)	**(66,774)**	(62,131)
Net cash and cash equivalents provided by operating activities		**4,986,407**	**1,555,490**	**2,350,709**	**1,447,602**
Cash and cash equivalents from investing activities					
Additions to investments, net of cash received		**-**	(43,994)	**-**	(43,994)
Additions to property, plant and equipment	15	**(395,266)**	(603,718)	**(401,280)**	(606,764)
Additions to intangible assets	16	**(12,748)**	(8,863)	**(12,748)**	(8,863)
Additions to biological assets	12	**(1,064,862)**	(762,745)	**(1,044,416)**	(743,551)
Proceeds from asset divestment		**41,868**	9,478	**41,868**	9,478
Financial investments	6	**(886,887)**	-	**(934,186)**	-
Net cash and cash equivalents used in investing activities		**(2,317,895)**	**(1,409,842)**	**(2,350,762)**	**(1,393,694)**
Cash and cash equivalents from financing activities					
Funding	18	**1,672,992**	2,654,850	**3,901,222**	2,654,850
Settlement of derivative operations	4.10	**(254,173)**	10,407	**(251,646)**	16,117
Payment of loans and debentures	18	**(5,872,353)**	(2,729,819)	**(5,872,353)**	(2,730,952)
Payment of dividends		**(269,936)**	(122,180)	**(269,936)**	(122,180)
Dividends (acquisition) of own shares	23.4	**8,514**	8,514	**8,514**	8,514
Net cash and cash equivalents used in financing activities		**(4,714,956)**	**(178,228)**	**(2,484,199)**	**(173,651)**
Exchange variation on cash and cash equivalents		**-**	-	**275,383**	116,218
Reduction in cash and cash equivalents		**(2,046,444)**	**(32,580)**	**(2,208,869)**	**(3,525)**
Cash and cash equivalents at the beginning of the year	5	**2,615,579**	2,648,159	**3,686,115**	3,689,640
Cash and cash equivalents at the end of the year	5	**569,135**	2,615,579	**1,477,246**	3,686,115
Statement of the reduction in cash and cash equivalents		**(2,046,444)**	**(32,580)**	**(2,208,869)**	**(3,525)**

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, 2015 and 2014
(In thousands - R$)

	Note	Parent Company		Consolidated	
		12/31/2015	12/31/2014	12/31/2015	12/31/2014
Income					
Sale of goods, products and services	27	11,047,326	8,026,440	11,195,335	8,223,537
Other income		41,031	100,020	48,887	109,945
Income from construction of own assets		355,364	822,985	355,364	822,985
Allowance for doubtful accounts	7	(21,308)	(10,718)	(21,425)	(10,012)
		11,422,413	8,938,727	11,578,161	9,146,455
Input acquired from third parties					
Cost of products and goods sold and services rendered		(4,235,266)	(3,741,290)	(4,235,266)	(3,723,179)
Supplies, electricity, outsourced services and others		(1,723,880)	(1,927,568)	(1,945,882)	(2,021,892)
		(5,959,146)	(5,668,858)	(6,181,148)	(5,745,071)
Gross added value		5,463,267	3,269,869	5,397,013	3,401,384
Depreciation, amortization and depletion		(1,402,163)	(1,203,598)	(1,419,477)	(1,216,132)
Net added value produced by the Company		4,061,104	2,066,271	3,977,536	2,185,252
Added value from transfers					
Equity pick-up in subsidiaries and affiliates	14	(306,204)	(17,180)	-	-
Financial income	26	1,117,127	638,486	1,258,657	677,354
		810,923	621,306	1,258,657	677,354
Distribution of added value		4,872,027	2,687,577	5,236,193	2,862,606
Personnel	29	935,935	836,174	957,859	852,317
Direct compensation		761,297	682,641	780,557	696,973
Benefits		134,961	115,884	137,625	117,694
F.G.T.S. (Government Severance Indemnity Fund for Employees)		39,677	37,649	39,677	37,650
Taxes, fees and contributions		(550,387)	(181,744)	(561,423)	(127,318)
Federal		(382,720)	(119,464)	(393,628)	(82,137)
State		(172,534)	(65,933)	(172,534)	(48,179)
Municipal		4,867	3,653	4,739	2,998
Value distributed to providers of capital		5,411,833	2,294,653	5,765,111	2,399,113
Interest		5,339,100	2,204,293	5,687,162	2,307,012
Rentals		72,733	90,360	77,949	92,101
Value distributed to shareholders		(925,354)	(261,506)	(925,354)	(261,506)
Net loss for the year		(925,354)	(261,506)	(925,354)	(261,506)
Distribution of added value		4,872,027	2,687,577	5,236,193	2,862,606

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

1 Company Information

Suzano Papel e Celulose S.A. (hereinafter referred to as the "Company" or “Suzano”) 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.

1.1 Major events in 2015 and 2014

a) Operational events

i. Start of production and sale of fluff pulp

On December 7, 2015, the Company started producing and selling fluff pulp, which was named Eucafluff.

Eucafluff production is concentrated in the Suzano unit located in São Paulo and is certified by the Forest Stewardship Council (“FSC”). The investment of R$30,000 in modernizing a printing and writing machine provided flexibility in the production of this type of paper and of Eucafluff. The annual production capacity of the machine is 100,000 tons.

ii. Investigation of dumping

On August 19, 2015, the U.S. Department of Commerce published a preliminary decision in connection with an investigation of dumping involving imports of certain types of uncoated papers from Australia, Brazil, China, Indonesia and Portugal. This decision set initially antidumping duties of 33.09% on the Company’s exports of uncoated paper (sheet or cut size) to the country.

In 2015, the anti-dumping duties totaled R$28,019 and were allocated to the profit or loss for as cost of these products exported and will remain deposited with the U.S. government at least until the final decision is taken, which is expected in the first quarter of 2016. If the final decision is favorable to Suzano, the amounts deposited will be refunded to the Company. In case of an unfavorable decision, the Company can appeal for a review and, until the review is decided, the amounts will remain with the U.S. government.

iii. Contracting of a syndicated pre-export financing transaction

On May 14, 2015, continuing its financial liabilities management program (Liability Management Program), the Company contracted, through its subsidiary Suzano Pulp and Paper Europe SA ("Suzano Europe"), a syndicated pre-export financing transaction in the amount of US$600 million for a term of five years, with amortization of principal starting from the 36th month, and margin of LIBOR plus interest of 2% p.a. initially, which could vary according to Suzano's ratings (Note 18).

iv. Approval of genetically modified eucalyptus for commercial use

On April 9, 2015, the National Biosafety Technical Commission ("CTNBio"), a collegiate responsible, among other things, for setting the standards and technical guidelines related to activities involving authorization for commercial use of genetically modified organisms in Brazil, has approved the request from FuturaGene Brasil Ltda. ("Futuragene") for the commercial use of genetically modified eucalyptus - event H421. The decision is still subject to appealing, in accordance with the applicable laws.

v. Operation with Ibema Participações S.A. ("Ibemapar") and Ibema Companhia Brasileira de Papel ("Ibema")

On March 18, 2015, the Company's Board of Directors had approved an operation with Ibemapar and Ibema, in which Suzano will become holder of a 49.90% interest in the shares of Ibema's capital. Suzano's interest in Ibema's capital will be 38% until the complete exclusion of the assets not related to the paperboard operation.

Through this operation, Suzano sells its paperboard mill located in Embu, São Paulo, to Ibema for R$50,000, to be paid through the assumption of Suzano's debts by Ibema of the same amount. The Company will inject capital of R$8,000 in domestic currency in Ibema.

On December 31, 2015, the amount of R$50,000 recorded under Assets held for sale is composed of: a) Inventories of R$11,429; b) Net Property, Plant and Equipment of R$25,228; and, c) Intangible Assets of R$13,343, net of impairment losses amounting to R$20,731, which was recorded in profit or loss (Note 24).

This operation was conducted after approval from Brazil's antitrust agency ("CADE") and the National Electric Power Agency ("ANEEL") and was performed on January 4, 2016 after the usual conditions precedent were met. After this operation, Ibema will have two production units with annual paperboard production capacity of 140,000 tons, and a professional and independent management team, while control will be shared by Suzano and Ibemapar.

vi. Acquisition of Vale Florestar Fundo de Investimento em Participações ("VFFIP")

On August 8, 2014, due to the fulfillment of all conditions precedent provided for in the Share Purchase and Sale Agreement entered into on June 4, 2014, the Company concluded 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 14.2).

vii. Early redemption of Debentures of the 2nd series of the 3rd Issue

On June 6, 2014, the Company carried out the 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.

viii. 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.

The unit in Maranhão has eucalyptus market pulp production capacity of 1.5 million tons/year and surplus power generation of 100 MW.

b) 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.

2 Presentation of the Financial Statements

2.1 Preparation basis and presentation

The parent company and 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 consolidated financial statements include direct and indirect subsidiaries and joint operations, whose reporting dates coincide with those of the Company.

The issue of the financial statements was approved by the Company's Board of Directors on February 18, 2016.

2.2 Functional currency and presentation currency

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).

Gains and losses from exchange variation on investments in foreign subsidiaries are measured under the equity accounting method, and gains and losses from exchange variation calculated in the process for consolidating the financial statements are recognized in other comprehensive income (Cumulative Translation Adjustment ("CTA")).

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

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	
				12/31/2015	12/31/2014	12/31/2015	12/31/2014
USD	U.S. Dollar	United States	Suzano Trading Suzano America	**3.9048**	2.6562	**3.3315**	2.3536
GBP	Pound Sterling	United Kingdom	FuturaGene Sun Paper	**5.7881**	4.1405	**5.0929**	3.8729
CHF	Swiss Franc	Switzerland	Suzano Europa	**3.9284**	2.6836	**3.4568**	2.5711
EUR	Euro	European Union	Bahia Sul Holdings	**4.2504**	3.2270	**3.6930**	3.1225
ARS	Argentine Peso	Argentina	Stenfar	**0.3016**	0.3172	**0.3539**	0.2858

2.3 Use of estimates and judgments

When preparing these financial statements, Management used judgments, estimates and assumptions affecting the application of the Companies' accounting policies and practices and the amounts of assets, liabilities, income and expenses. Actual results may differ from such estimates.

Estimates and assumptions are continuously revised. Estimate reviews are recognized prospectively.

Information on judgments on the application of accounting policies that have significant effects on amounts recognized in the financial statements and information on uncertainties over assumptions and estimates with significant risk of causing material adjustment in the following year are included in the following notes:

a) Fair value measurement in Note 4 - Financial instruments and Note 12 - Biological assets. Due to determination of evaluation techniques, assumptions based on market conditions, and judgment for determination of fair value;

b) Judgments in Note 15 - Property, plant and equipment, Note 16 - Intangible assets and Note 18.2 - Financial lease agreements. Due to the useful life of assets, capacity of obtaining return on assets and determination of whether a contract contains a lease and its classification;

c) Uncertainties over assumptions and estimates in Note 13 - Deferred income and social contribution taxes, Note 19 - Provision for contingencies and Note 20 - Actuarial liabilities. Due to the availability of future taxable income against which tax losses can be used, classification and measurement of value deemed sufficient to cover probable losses, and assumptions used in actuarial calculation.

2.4 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.

2.5 Statements of added value

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

3 Critical accounting practices

Suzano, its subsidiaries and joint operations adopted the accounting practices described below consistently in all the years reported in these financial statements.

The reclassifications in the comparative financial statements were conducted for better presentation and comparison with information for the year ended December 31, 2015:

a) On December 31, 2014, the amount of R$251,544 was reclassified from trade accounts payable to commercial transactions with suppliers, in current liabilities, related to confirming operations;

b) On December 31, 2014, the amounts of R$17,253 and R$17,212 in the parent company and consolidated statement of cash flow, respectively, were reclassified among operating, investing and financing activities.

3.1 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.

3.2 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.

3.3 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.

3.4 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 wood transferred from biological assets is equivalent to its fair value plus harvest and freight costs. The balance of inventories is presented net of provisions for losses established to cover losses identified by Management.

3.5 Assets held for sale

Assets or net non-current assets held for sale are classified as such if it is highly probable that they will be recovered primarily through sale instead of their continuous use.

These assets are normally measured by the lowest amount between their book value and their fair value less selling expenses. Possible impairment loss is initially allocated to goodwill and then to remaining assets and liabilities. Losses arising from this valuation are recognized in profit or loss. Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortized or depreciated.

3.6 Biological assets

Biological assets are measured at fair value, less sales costs, and any changes are recognized in profit or loss (Note 12).

3.7 Investments - business combination

Business combinations are recorded using the acquisition method when control is transferred to the Company. The consideration is generally measured at fair value, as well as identifiable net assets acquired. Any goodwill from the transaction is tested annually for impairment. Gains from a beneficial purchase are recognized immediately in profit or loss. Transaction costs are recorded in profit or loss as incurred, except for costs related to the issue of debt or equity instruments.

3.8 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 15) and leased items are depreciated by the shortest period between the estimated useful of the asset and the term of the contract.

On December 31, 2015, the Company revised the useful life of its assets and did not identify 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 are booked directly as profit or loss in the year when they are incurred.

3.9 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.

3.10 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.

3.11 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.

3.12 Current and deferred Corporate income tax ("IRPJ") and social contribution on net income ("CSLL")

Income tax and social contribution 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.

3.13 Provisions

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

3.14 Contingent assets and liabilities

Contingent assets are recorded only when court decisions favorable to the Company are final and unappealable and whose amount can be reliably measured.
Contingent liabilities are recognized according to following criteria: i) Contingent liability whose probability of loss is remote is not recorded in provision or disclosed; ii) Contingent liability whose probability of loss is possible is not recorded in provision, but disclosed in the notes to the financial statements; and, iii) Contingent liability whose probability of loss is probable is recorded in provision for an amount deemed sufficient by the Management and its legal advisors to cover future cash disbursements.

3.15 Actuarial liabilities

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

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

3.16 Share-based payments

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

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

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

3.17 Government grants and assistance

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

3.18 Adjustment at present value of assets and liabilities

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

3.19 Operating revenue

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.

3.20 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.

3.21 Standards issued but not effective yet

As of January 1, 2016, a set of new standards and interpretations will become effective, but the Company has not adopted these amendments while preparing these financial statements:

a) Agriculture: Bearer plants (amendments to CPC 27 / IAS 16 and CPC 29 / IAS 41) - The amendments require bearer plants that meet the definition of living plants to be accounted for as property, plant and equipment and included within the scope of CPC 27 / IAS 16 Property, Plant and Equipment, instead of CPC 29 / IAS 41. The Company evaluated the new amendments and concluded that its biological assets do not meet the definition of bearer plants, so these amendments will not have any impact on its financial statements.

b) IFRS 9 Financial instruments - It replaces IAS 39, except for recognition and derecognition of financial instruments. It also includes reviewed requirements for classifying and measuring financial instruments, a new model for expected loss of credit for calculating the impairment of financial assets and new requirements on hedge accounting. IFRS 9 becomes effective for annual periods beginning on or after January 1, 2018. The Company is evaluating the impacts of this standard on its financial statements.

c) IFRS 15 Revenue from contracts with customers - It requires the entity to recognize revenue reflecting the consideration to which it expects to be entitled in exchange for the control of goods or services. The standard becomes effective on or after January 1, 2018. The Company is evaluating the impacts of this standard on its financial statements.

In addition, the following new standards or amendments are not expected to have a significant impact on the Company's consolidated financial statements:

a) Accounting of acquisition of interests in joint operations (amendments to CPC 19 / IFRS 11);
b) Acceptable methods of depreciation and amortization (amendments to CPC 27 / IAS 16 and CPC 04 / IAS 38);
c) Sale or contribution of assets between an investor and its associate/joint venture (amendments to CPC 36 / IFRS 10 and CPC 18 / IAS 28);
d) Investment entities: Exceptions to consolidation (amendments to CPC 36 / IFRS 10, CPC 45 / IFRS 12 and CPC 18 / IAS 28).

The Brazilian Accounting Pronouncements Committee (CPC) has not issued accounting pronouncement or amendment to effective pronouncements corresponding to all new IFRS standards. Thus, early adoption is not permitted for entities disclosing their financial statements in accordance with accounting practices adopted in Brazil.

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.

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 Consolidated statements of income, as presented in Note 25.

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.

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

		Parent Company		Consolidated	
	Note	**12/31/2015**	**12/31/2014**	**12/31/2015**	**12/31/2014**
Assets					
Fair value through profit or loss					
Cash and banks	5	**569,135**	2,615,579	**1,477,246**	3,686,115
Financial investments	6	**922,728**	-	**970,850**	-
Unrealized gains from derivative operations	4	**51,724**	30,219	**195,393**	60,092
Loans and receivables					
Trade accounts receivable	7	**3,521,841**	2,602,814	**1,885,960**	1,207,398
		5,065,428	5,248,612	**4,529,449**	4,953,605
Liabilities					
Liabilities through amortizable cost					
Trade accounts payable	17	**540,096**	477,768	**581,477**	501,555
Loans and financing	18	**9,795,887**	12,027,544	**14,710,888**	13,760,585
Loans with related parties	11	**4,892,504**	1,729,398	**-**	-
Commitments related to asset acquisitions	22	**716,862**	601,124	**824,864**	714,690
Fair value through profit or loss					
Unrealized losses from derivative operations	4	**529,821**	126,668	**635,131**	127,268
		16,475,170	14,962,502	**16,752,360**	15,104,098

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

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.

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 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 bunker pricing is based on the Platts index quotes.

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			
	12/31/2015		12/31/2014	
	Book Value	Fair Value	Book Value	Fair Value
Assets				
Cash and cash equivalents	**1,477,246**	**1,477,246**	3,686,115	3,686,115
Financial investments	**970,850**	**970,850**	-	-
Unrealized gains from derivative operations (current and non-current)	**195,393**	**195,393**	60,092	60,092
Trade accounts receivable	**1,885,960**	**1,885,960**	1,207,398	1,207,398
	4,529,449	**4,529,449**	4,953,605	4,953,605
Liabilities				
Trade accounts payable	**581,477**	**581,477**	501,555	501,555
Loans and financing (current and non-current)	**14,710,888**	**15,627,331**	13,760,585	14,651,963
Commitments related to asset acquisitions	**824,864**	**636,504**	714,690	782,112
Unrealized losses from derivative operations (current and non-current)	**635,131**	**635,131**	127,268	127,268
	16,752,360	**17,480,443**	15,104,098	16,062,898

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

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 financial instruments contracted to mitigate credit risks, mainly export credit insurance policies and domestic sales.

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 for approval according to established hierarchy. In some cases, the approval from the management's meeting and the Credit Committee is applicable.

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	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Assets					
Cash and banks	5	**569.135**	2.615.579	**1.477.246**	3.686.115
Financial Investments	6	**922.728**	-	**970.850**	-
Trade accounts receivable	7	**3.521.841**	2.602.814	**1.885.960**	1.207.398
Unrealized gains from derivative operations	4	**51.724**	30.219	**195.393**	60.092
Total		**5.065.428**	5.248.612	**4.529.449**	4.953.605

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

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.

		31/12/2015				
Consolidated	**Note**	**Future Value**	**Up to 1 year**	**1 - 2 years**	**2 - 5 years**	**More than 5 years**
Liabilities						
Loans and financing	18	**18,664,433**	**2,878,273**	**2,336,556**	**9,733,487**	**3,716,117**
Trade accounts payable	17	**581,477**	**581,477**	**-**	**-**	**-**
Commitments related to asset acquisitions	22	**882,051**	**109,948**	**106,316**	**286,358**	**379,429**
Derivatives payable (1)	4	**782,808**	**289,603**	**273,558**	**219,647**	**-**
Commercial transactions with suppliers	17.1	**206,454**	**206,454**	**-**	**-**	**-**
Other accounts payable		**313,532**	**278,243**	**35,289**	**-**	**-**
		21,430,755	**4,343,998**	**2,751,719**	**10,239,492**	**4,095,546**

		31/12/2014				
Consolidated	**Note**	**Future Value**	**Up to 1 year**	**1 - 2 years**	**2 - 5 years**	**More than 5 years**
Liabilities						
Loans and financing	18	21,512,473	2,524,312	2,470,045	8,966,098	7,552,018
Trade accounts payable	17	501,555	501,555	-	-	-
Commitments related to asset acquisitions	22	1,045,564	104,624	103,936	307,408	529,596
Derivatives payable (1)	4	69,028	15,810	4,332	48,885	-
Commercial transactions with suppliers	17.1	251,544	251,544	-	-	-
Other accounts payable		241,875	208,997	32,878	-	-
		23,622,039	3,606,842	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:

	12/31/2015						
Consolidated Derivatives	**Future Value**	**Up to 1 month**	**1 - 3 months**	**3 - 6 months**	**6 - 12 months**	**1 - 2 years**	**2 - 5 years**
Assets (1)	**216,091**	**99,643**	**11,031**	**31,163**	**18,364**	**50,416**	**5,474**
Liabilities (1)	**782,808**	**109,402**	**37,949**	**67,826**	**74,426**	**273,558**	**219,647**
	(566,717)	**(9,759)**	**(26,918)**	**(36,663)**	**(56,062)**	**(223,142)**	**(214,173)**

(1) The classification between assets and liabilities of derivative operations differs from the amounts presented in the balance sheet as it considers the future value.

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

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 negotiated 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 flows of receivables from sales in foreign market, 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, 2015, the net principal of operations contracted for forward sale of U.S. dollar through Non Deliverable Forwards ("NDFs") and Zero-Cost Collar is US$159.5 million and US$500 million, respectively. Their maturities are distributed between January 2016 and January 2017 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 will generate cash disbursements or inflows, considering that the advantage of the Zero-Cost Collar is not having reimbursement or receipt of cash if exchange rate is within the contracted range.

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, 2015, the Company had outstanding (i) US$150 million in CDI swaps for six-month LIBOR, (ii) US$380 million in swaps of currency coupon for 3-month LIBOR; and (iii) US$72.8 million in LIBOR swap to U.S. dollar fixed rate.

4.6 Market risk - exchange rate

The following table shows the net exposure in foreign currency:

	12/31/2015 (in R$ thousand)						**12/31/2014 (in R$ thousand)**					
Consolidated	*USD*	*EUR*	*GBP*	*CHF*	*ARS*	*Total*	*USD*	*EUR*	*GBP*	*CHF*	*ARS*	*Total*
Cash and cash equivalents	**783,430**	**63**	**25,721**	**89,902**	**30,714**	**929,830**	969,668	50	33,103	58,470	2,335	1,063,626
Trade accounts receivable	**1,164,345**	**4,962**	**15,075**	**-**	**28,320**	**1,212,702**	525,480	22,388	6,817		29,119	583,804
Trade accounts payable	**(39,050)**	**-**	**(608)**	**(2,380)**	**(14,046)**	**(56,084)**	(32,119)	-	(610)	(922)	(11,378)	(45,029)
Loans and financing	**(9,676,957)**	**-**	**-**	**-**	**-**	**(9,676,957)**	(7,498,798)	-	-	-	-	(7,498,798)
Commitments related to asset acquisitions	**(455,495)**	**-**	**-**	**-**	**-**	**(455,495)**	(333,302)	-	-	-	-	(333,302)
Derivative Options	**(1,952,400)**	**-**	**-**	**-**	**-**	**(1,952,400)**	-	-	-	-	-	-
Derivative *NDF*	**(360,305)**	**-**	**-**	**-**	**(72,532)**	**(432,837)**	(1,246,050)	-	-	-	(12,219)	(1,258,269)
Derivative *Swap*	**(227,785)**	**-**	**-**	**-**	**-**	**(227,785)**	(1,352,679)	-	-	-	-	(1,352,679)
TOTAL	**(10,764,217)**	**5,025**	**40,188**	**87,522**	**(27,544)**	**(10,659,026)**	(8,967,800)	22,438	39,310	57,548	7,857	(8,840,647)

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

Sensitivity analysis - 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:

	12/31/2015				
Consolidated USD x BRL	**Probable**	**Incr. (Δ of 25%)**	**Incr. (Δ of 50%)**	**Decr. (Δ of 25%)**	**Decr. (Δ of 50%)**
Loans and financing	(9,676,957)	(2,419,239)	(4,838,479)	2,419,239	4,838,479
Trade accounts receivable	1,164,345	291,086	582,173	(291,086)	(582,173)
Trade accounts payable	(39,050)	(9,762)	(19,525)	9,762	19,525
Derivative Swap	(258,638)	(157,597)	(315,194)	157,597	315,194
Derivative Options	30,853	7,713	15,427	(7,713)	(15,427)
Derivative Convertibility	(81,445)	(90,542)	(180,960)	90,670	181,471
Derivative NDF	(121,955)	(381,015)	(837,288)	357,066	829,956
Derivative Pulp	(548)	(137)	(274)	137	274
Derivative Oil	(3,681)	(920)	(1,840)	920	1,840
Derivative Oil Options	(4,449)	(1,112)	(2,225)	1,112	2,225
Commitments related to asset acquisitions	(455,495)	(113,874)	(227,748)	113,874	227,748
TOTAL	**(9,447,020)**	**(2,875,399)**	**(5,825,932)**	**2,851,577**	**5,819,111**

	12/31/2015				
Consolidated ARS x BRL	**Probable**	**Incr. (Δ of 25%)**	**Incr. (Δ of 50%)**	**Decr. (Δ of 25%)**	**Decr. (Δ of 50%)**
Cash and cash equivalents	30,714	7,678	15,357	(7,678)	(15,357)
Trade accounts receivable	28,320	7,080	14,160	(7,080)	(14,160)
Trade accounts payable	(14,046)	(3,512)	(7,023)	3,512	7,023
Derivative NDF	10,963	2,741	5,481	(2,741)	(5,481)
TOTAL	**55,951**	**13,987**	**27,975**	**(13,987)**	**(27,975)**

	12/31/2015				
Consolidated CHF x BRL	**Probable**	**Incr. (Δ of 25%)**	**Incr. (Δ of 50%)**	**Decr. (Δ of 25%)**	**Decr. (Δ of 50%)**
Cash and cash equivalents	89,902	22,476	44,951	(22,476)	(44,951)
Trade accounts payable	(2,380)	(595)	(1,190)	595	1,190
TOTAL	**87,522**	**21,881**	**43,761**	**(21,881)**	**(43,761)**

	12/31/2015				
Consolidated GBP x BRL	**Probable**	**Incr. (Δ of 25%)**	**Incr. (Δ of 50%)**	**Decr. (Δ of 25%)**	**Decr. (Δ of 50%)**
Cash and cash equivalents	25,721	6,430	12,860	(6,430)	(12,860)
Trade accounts receivable	15,075	3,769	7,537	(3,769)	(7,537)
Trade accounts payable	(608)	(152)	(304)	152	304
TOTAL	**40,188**	**10,047**	**20,093**	**(10,047)**	**(20,093)**

	12/31/2015				
Consolidated EUR x BRL	**Probable**	**Incr. (Δ of 25%)**	**Incr. (Δ of 50%)**	**Decr. (Δ of 25%)**	**Decr. (Δ of 50%)**
Trade accounts payable	5,025	1,256	2,512	(1,256)	(2,512)
TOTAL	**5,025**	**1,256**	**2,512**	**(1,256)**	**(2,512)**

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

4.7 Market risk - interest rates

On December 31, 2015, notional position in derivatives pegged to fixed rates totaled R$2,242,867 (R$3,699,801 on December 31, 2014, pegged to fixed rates linked to Interbank Deposit Certificate ("CDI")).

Sensitivity analysis - exposure to interest rates

For the sensitivity analysis of operations impacted by the rates: Fixed, Libor, and U.S. dollar coupon, the Company adopted as the probable scenario the amounts already booked. On December 31, 2015, 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:

	12/31/2015				
Consolidated Pre	**Probable**	**Incr. (∆ of 25%)**	**Incr. (∆ of 50%)**	**Decr. (∆ of 25%)**	**Decr. (∆ of 50%)**
Derivative Swap	(258,638)	29,823	59,222	(30,268)	(61,004)
Derivative NDF	(81,445)	(147)	(291)	151	305
Derivative Options	(121,955)	(28,724)	(57,590)	28,743	57,702
TOTAL	**(462,038)**	**952**	**1,341**	**(1,374)**	**(2,997)**

	12/31/2015				
Consolidated Libor	**Probable**	**Incr. (∆ of 25%)**	**Incr. (∆ of 50%)**	**Decr. (∆ of 25%)**	**Decr. (∆ of 50%)**
Derivative Swap	(258,638)	(3,235)	(6,447)	3,258	6,540
TOTAL	**(258,638)**	**(3,235)**	**(6,447)**	**3,258**	**6,540**

	12/31/2015				
Consolidated Dollar Coupon	**Probable**	**Incr. (∆ of 25%)**	**Incr. (∆ of 50%)**	**Decr. (∆ of 25%)**	**Decr. (∆ of 50%)**
Derivative NDF	(81,445)	(1,974)	(3,919)	2,005	4,043
Derivative Options	(121,955)	8,069	16,005	(8,211)	(16,571)
Derivative Swap	(10,838)	1,825	3,587	(1,891)	(3,851)
TOTAL	**(214,238)**	**7,920**	**15,673**	**(8,097)**	**(16,379)**

4.8 Market risk - commodity prices

On December 31, 2015, the exposure of contracts pegged to pulp commodity prices totals R$22,029 (R$50,760 on December 31, 2014). On December 31, 2015, with regard to hedged freight costs, the Company's long position in oil bunker is R$123,103 (on December 31, 2014, the Company did not have any long position for this derivative).

Sensitivity analysis - exposure to commodity prices

For the sensitivity analysis of operations pegged to commodity prices, the Company adopts as the probable scenario the amounts already booked. On December 31, 2015, the other scenarios were developed considering positive and negative variations of 25% and 50% in the market price of commodities.

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

	12/31/2015				
Consolidated Commodities	**Probable**	**Incr. (∆ of 25%)**	**Incr. (∆ of 50%)**	**Decr. (∆ of 25%)**	**Decr. (∆ of 50%)**
Derivative Pulp	(548)	(1,572)	(3,144)	1,572	3,144
Derivative Oil	(3,681)	5,938	11,876	(5,938)	(11,876)
Derivative Oil Options	(4,449)	3,870	4,373	2,705	2,077
TOTAL	**(8,678)**	**8,236**	**13,105**	**(1,661)**	**(6,655)**

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

4.9 Outstanding derivatives

On December 31, 2015 and 2014, 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			
						12/31/2015		12/31/2014	
		12/31/2015	12/31/2014	12/31/2015	12/31/2014	Payable	Receivable	Payable	Receivable
Foreign Currency Swaps									
Long Position - US$ Libor	**1/1/2016 to**	284,202	263,637	282,290	257,028	-	-	-	-
Short Position - US$ Fixed Rate	**11/4/2019**	284,202	263,637	(293,128)	(269,768)	-	-	-	-
SubTotal		-	-	(10,838)	(12,740)	10,838	-	12,740	-
Index and Rate Swaps									
Long Position - R$ % DI (2)	**1/1/2016 to**	331,335	331,335	360,911	353,480	-	-	-	-
Short Position - US$ Libor (2)	**11/4/2019**	585,720	398,430	(619,549)	(416,130)	-	-	-	-
SubTotal		-	-	(258,638)	(62,650)	258,638	-	126,339	63,690
Currency Swap - NDF									
Long Position in R$ x US$	**1/1/2016 to**	265,526	79,686	231	3,277	-	231	-	3,277
Short Position in R$ x US$	**11/4/2019**	622,699	1,166,364	(81,676)	(24,232)	81,676	-	24,455	224
Long Position in US$ x ARS		72,532	12,219	10,963	(278)	-	10,963	278	-
SubTotal		960,757	1,258,269	(70,483)	(21,233)	81,676	11,193	24,733	3,501
Currency Options									
Short Position in R$ x US$	**1/1/2016 to**	1,952,400	-	(121,955)	-	-	-	-	-
	1/2/2017				-	-	-	-	-
SubTotal		1,952,400	-	(121,955)	-	121,955		-	
Commodity Swap									
Short Position in Pulp BHKP	**1/1/2016 to**	22,029	50,760	(548)	(116)	548	-	-	-
Long Position in Oil	**11/4/2019**	88,095	-	(3,681)	-	3,681	-	-	-
Long Position in Oil (ZCC)		35,008		(4,449)		4,448	-		
SubTotal		145,132	50,760	(8,677)	(116)	8,677	-	321	205
Other									
Long Position - Currency Coupon	**1/1/2016 to**	1,483,824	690,612	2,483,280	2,314,902	-	-	-	-
Short Position - US$ Fixed Libor	**11/4/2019**	1,483,824	690,612	(2,452,427)	(2,285,339)	-	-	-	-
SubTotal		-	-	30,853	29,563	-	30,853	-	29,562
Total Result in *Derivatives*		**5,412,035**	**2,661,708**	**(439,738)**	**(67,176)**	**481,784**	**42,046**	**164,133**	**96,958**
Value at Risk (VaR) (1)				**140,290**	**23,952**				

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

(2) Through one day gain or loss, the fair value contracting (R$12,243) was considered a transaction cost, without any direct impact on mark-to-market adjustment of the derivative portfolio. Cost will be recognized proportionally to the term of operation, until the entire amount is recognized at maturity. On December 31, 2015 the amount to be recognized was R$8,078

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

On December 31, 2015 and 2014, these consolidated positions, grouped by counterparty, are presented below:

Description	Notional value on		Fair value on		Equity balances on			
					12/31/2015		12/31/2014	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014	Payable	Receivable	Payable	Receivable
Foreign Currency Swaps								
Counterparties								
BTG Pactual	172,636	168,773	(5,491)	(7,295)	5,491	-	-	-
Santander	55,783	47,432	(2,667)	(2,695)	2,667	-	-	-
Standard Chartered	55,783	47,432	(2,680)	(2,750)	2,680	-	-	-
SubTotal	-	-	(10,838)	(12,740)	10,838	-	12,740	-
Index and Rate Swaps								
Counterparty								
Bradesco	585,720	398,430	(258,638)	(62,650)	258,638	-	-	-
SubTotal	-	-	(258,638)	(62,650)	258,638	-	126,339	63,690
Currency Swap - NDF								
Counterparties								
Long Position in R$ x US$								
Itaú BBA	265,526	39,843	231	1,639	-	231	-	1,639
Votorantim	-	39,843	-	1,639	-	-	-	1,639
Short Position in R$ x US$								
Itaú BBA	265,526	79,686	(1,661)	(1,431)	1,661	-	1,431	-
Votorantim	181,456	515,595	(40,843)	(13,580)	40,843	-	13,686	107
Santander	175,716	571,083	(39,172)	(9,220)	39,172	-	9,338	117
Long Position in US$ x ARS								
Mercado Rofex	26,846		4,138		-	4,138		
Standard Chartered	-	12,219	-	-	-	-	-	-
Banco Patagonia	45,686		6,825	(278)	-	6,825	278	-
SubTotal	-	-	(70,483)	(21,232)	81,676	11,193	24,733	3,501
Currency Options								
Short Position in R$ x US$								
Counterparties								
Itaú BBA	732,150	-	(48,831)	-	48,832	-	-	-
Standard Chartered	195,240	-	(6,460)	-	6,460	-	-	-
JP Morgan	546,672	-	(28,156)	-	28,156	-	-	-
Santander	478,338	-	(38,507)	-	38,507	-	-	-
SubTotal	-	-	(121,955)	-	121,955	-	-	-
Commodity Swap - Oil								
Counterparty								
JP Morgan	9,677	-	(3,059)	-	3,059	-	-	-
Standard Chartered	96,179	-	(2,910)	-	2,910	-	-	-
SubTotal	-	-	(5,969)	-	5,969	-	-	-
Commodity Options - Oil								
Counterparty								
Standard Chartered	17,247	-	(2,160)	-	2,160	-	-	-
SubTotal	-	-	(2,160)	-	2,160	-	-	-
Commodity Swap - Pulp								
Counterparty								
Standard Chartered	22,029	50,760	(548)	(116)	548	-	-	-
SubTotal	-	-	(548)	(116)	548	-	321	205
Other								
Counterparty								
JP Morgan	1,483,824	690,612	30,853	29,562	-	30,853	-	-
SubTotal	-	-	30,853	29,562	-	30,853	-	29,562
Total results in *Derivatives*	**5,412,035**	**2,661,708**	**(439,738)**	**(67,176)**	**481,784**	**42,046**	**164,133**	**96,958**

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

4.10 Settled derivatives

In the years ended December 31, 2015 and 2014, 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	Year ended			
		Notional value accumulated on		Fair value (settlement value) accumulated on	
		12/31/2015	12/31/2014	12/31/2015	12/31/2014
Foreign Currency Swaps					
Long Position - US$ Libor	**2014: Jan/14 to Dec/14**	263.358	815.356	(9.695)	(10.067)
Short Position - US$ Fixed Rate	**2015: Jan/15 to Dec/15**	263.358	815.356	-	-
SubTotal		-	-	(9.695)	(10.067)
Index and Rate Swaps					
Long Position - % DI	**2014: Jan/14 to Dec/14**	462.780	398.430	27.162	13.043
Short Position - US$ Fixed Rate	**2015: Jan/15 to Dec/15**	-	398.430	-	-
SubTotal		-	-	27.162	13.043
Currency Swap					
Long and Short Position in R$ x US$	**2014: Jan/14 to Dec/14**	2.010.131	693.295	(267.586)	7.801
Long Position in US$ x ARS	**2015: Jan/15 to Dec/15**	137.338	63.749	(3.329)	(1.382)
SubTotal		-	-	(270.915)	6.419
Commodity Swap					
Short Position in Pulp BHKP	**2014: Jan/14 to Dec/14**	58.340	53.151	(3.821)	(575)
Long Position in Oil	**2015: Jan/15 to Dec/15**	37.659	-	(4.602)	-
SubTotal		-	-	(8.423)	(575)
Other					
Long Position - Currency Coupon	**2014: Jan/14 to Dec/14**	1.151.112	212.496	10.225	7.297
Short Position - US$ Fixed Libor	**2015: Jan/15 to Dec/15**	1.151.112	212.496	-	-
SubTotal		-	-	10.225	7.297
Total results in *Swaps*		-	-	(251.646)	16.117

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	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Loans and financing	**9,795,887**	12,027,544	**14,710,888**	13,760,585
(-) Cash and cash equivalents	**(1,491,863)**	(2,615,579)	**(2,448,096)**	(3,686,115)
Net debt	**8,304,024**	9,411,965	**12,262,792**	10,074,470
Shareholders' equity	**9,192,081**	10,315,132	**9,192,081**	10,315,132
Shareholders' equity and net debt	**17,496,105**	19,727,097	**21,454,873**	20,389,602

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

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 12/31/2015	Level 1	Level 2	Level 3
Assets				
Cash and banks	**1,477,246**	**948,144**	**529,102**	**-**
Financial Investments	**970,850**	**-**	**970,850**	**-**
Derivatives [(1)]	**42,046**	**-**	**41,964**	**82**
		948,144	**1,541,916**	**82**
Liabilities				
Derivatives [(1)]	**481,784**	**-**	**473,025**	**8,759**
Loans and financing	**15,627,331**	**-**	**15,627,331**	**-**
Commitments related to asset acquisitions	**636,504**	**-**	**636,504**	**-**
		-	**16,736,860**	**8,759**

				Consolidated
	Fair value on 12/31/2014	Level 1	Level 2	Level 3
Assets				
Cash and banks	3,686,115	1,076,067	2,610,048	-
Financial Investments	-	-	-	-
Derivatives [(1)]	96,958	-	96,753	205
		1,076,067	2,706,801	205
Liabilities				
Derivatives [(1)]	164,134	-	163,813	321
Loans and financing	14,651,963	-	14,651,963	-
Commitments related to asset acquisitions	782,112	-	782,112	-
		-	15,597,888	321

[(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, 2015, the Company had guarantees pegged to consolidated accounts receivable operations related to exports amounting to US$272 million, equivalent to R$1,062,184 on this date.

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

5 Cash and Cash Equivalents

	Parent Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Cash and banks				
In Brazil	**18,724**	18,114	**19,950**	25,122
Abroad	**-**	-	**900,565**	1,050,945
	18,724	18,114	**920,515**	1,076,067
Financial investments				
In Brazil	**521,146**	2,584,784	**527,466**	2,597,367
Abroad	**29,265**	12,681	**29,265**	12,681
	550,411	2,597,465	**556,731**	2,610,048
	569,135	2,615,579	**1,477,246**	3,686,115

On December 31, 2015, these consolidated investments yielded interest at rates varying between 97% and 110% of the CDI (90.0% and 110.0% on December 31, 2014), except for an amount of R$23 of total consolidated cash in repurchase commitments, which are investments with daily liquidity, yielding 75% of the CDI (amount of R$383 yielding 75% of the CDI on December 31, 2014).

6 Financial Investments

	Average remuneration rate	Parent Company 12/31/2015	Consolidated 12/31/2015
Investment funds			
Itaú Investment Grade	103.7% of CDI	**572.468**	**606.221** (1)
Itaú Referenciado DI	101.3% of CDI	**243.711**	**258.080** (1)
		816.179	**864.301**
Financial investments			
Bank Deposit Certificates	101.2% of CDI	**106.549**	**106.549**
		106.549	**106.549**
		922.728	**970.850**

(1) The Consolidated column includes interest of Futuragene Brasil (3.0% of quotas), Paineiras (2.1% of quotas), Ondurman and Amulya (0.5% of quotas summed) in market investment fund.

In December 31, 2015, the Company has financial investments allocated to two investment funds administered by Banco Itaú backed by fixed-income funds for private credit and Bank Deposit Certificates ("CDB").

Investment funds operate with daily liquidity, have a conservative profile and are available for sale. Investments in CDB are made only in high-grade, low-risk papers of financial institutions.

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

7 Trade Accounts Receivable

7.1 Breakdown of balances

	Parent Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Domestic clients				
Third parties	**701,367**	625,625	**701,368**	626,799
Subsidiaries	**6**	758	**-**	-
Related Parties [(1)]	**16,478**	22,209	**16,478**	22,209
Foreign clients				
Third parties	**26,096**	21,072	**1,209,368**	580,934
Subsidiaries	**2,822,481**	1,958,428	**-**	-
Related Parties [(1)]	**-**	-	**3,770**	3,204
Allowance for doubtful accounts	**(44,587)**	(25,278)	**(45,024)**	(25,748)
	3,521,841	2,602,814	**1,885,960**	1,207,398

(1) See Note 11.

7.2 Analysis of maturities

	Parent Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Amounts overdue:				
Up to two months	**31,460**	13,330	**66,967**	70,533
Two to six months	**22,048**	4,143	**24,749**	4,288
Over six months	**36,791**	37,726	**37,089**	41,464
	90,299	55,199	**128,805**	116,285

7.3 Changes in provision for losses in the year

	Parent Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Opening balance	**(25,278)**	(16,074)	**(25,748)**	(18,170)
Credits accrued in the period	**(21,575)**	(10,998)	**(22,587)**	(11,614)
Credits recovered in the period	**267**	280	**1,162**	1,602
Credits definitively written-off from position	**1,999**	1,514	**1,999**	1,788
Foreign exchange variation	**-**	-	**150**	646
Closing balance	**(44,587)**	(25,278)	**(45,024)**	(25,748)

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

8 Inventories

	Parent Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Finished goods				
Pulp				
Domestic	**87,930**	92,210	**87,930**	92,210
Foreign	**-**	-	**341,856**	183,923
Paper				
Domestic	**168,382**	197,591	**168,382**	197,591
Foreign	**-**	-	**67,920**	65,179
Work in process	**45,616**	33,721	**45,616**	33,721
Raw materials	**404,975**	329,356	**404,975**	329,356
Maintenance and other materials	**188,760**	166,594	**199,317**	175,101
	895,663	819,472	**1,315,996**	1,077,081

On December 31, 2015, the Parent Company and Consolidated balances of inventories are net of provision for losses amounting to R$42,466, of which i) finished goods totaled R$703; ii) raw materials totaled R$23,502; and iii) maintenance materials totaled R$18,261 (R$29,029 on December 31, 2014, of which: i) finished goods totaled R$928; ii) raw materials totaled R$8,111; and iii) materials in production totaled R$84; and iv) maintenance materials totaled R$19,906. These losses are recognized in profit or loss under cost of goods sold.

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

9 Recoverable taxes

	Parent Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
IRPJ and CSLL - advances and withheld taxes	**158,747**	125,312	**163,237**	125,425
PIS and COFINS - on acquisition of fixed assets (1)	**70,275**	100,376	**70,275**	100,376
PIS and COFINS - other operations (2)	**323,731**	405,184	**323,731**	405,185
ICMS - on acquisition of fixed assets (1)	**75,795**	75,157	**75,795**	75,157
ICMS - other operations (2)	**230,029**	165,638	**235,651**	167,403
Other taxes and contributions (3)	**169,207**	92,965	**169,315**	93,045
Provision for losses of ICMS credits	**(7,998)**	(9,333)	**(7,998)**	(9,333)
	1,019,786	955,299	**1,030,006**	957,258
Total current assets	**586,716**	473,673	**596,936**	475,632
Total non-current assets	**433,070**	481,626	**433,070**	481,626

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

(2) Credits available for immediate realization.

(3) On December 31, 2015, includes the amount of R$157,021 referring to credits of the Special Regime of Tax Refunds for Export Companies ("Reintegra"), in accordance with Law 13,043/2014 and Decree 8,415 from February 27, 2015 (on December 31, 2014, the amount was R$82,286). The credits are recognized in income under “cost of goods sold”.

9.1 Income tax and social contribution on net income

Represents IRPJ and CSLL credits paid by estimate during the year 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.

9.2 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 part of 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.

9.3 State value-added tax on goods and services ("ICMS")

On December 31, 2015, the credits of R$80,264 and R$125,297 of the Mucuri - BA and Imperatriz - MA units, respectively (R$77,772 and R$72,593, respectively, on December 31, 2014) were chiefly due to the non-utilization of credits in outflows of tax-exempted pulp and paper exports.

The Company requested that the Treasury Department of the States of Bahia and Maranhão inspect and ratify these credits for their realization. The amounts of R$67,722 and R$31,650 in Bahia and Maranhão, respectively, are ratified and may be used for the offsetting authorized by the ICMS (State VAT) Regulations or traded in the active market.

In the year ended December 31, 2015, the Company reverted R$40,943 relating to ICMS credits on fuel oil not ratified in the state of Maranhão for the period from October 31, 2013 to September 30, 2014.

In the year ended December 31, 2015, the Company reversed all of its provision for ICMS losses in Bahia due to commercial actions implemented since 2014, to use the ICMS credit through internal paper sale transactions (On December 31, 2014, the provision amounted to R$9,333). During the year, the Company recorded a provision for the partial loss of these ICMS credits of Maranhão in the amount of R$7,988.

10 Timber Development Program

On December 31, 2015, the balance of advances of financial resources and inputs for timber development amounted to R$251,852, classified under current and non-current assets (R$257,490 on December 31, 2014).

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.

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

11 Related parties

11.1 Balances and transactions in the fiscal year ended December 31, 2015

		ASSETS		LIABILITIES		RESULT
Transactions	**Nature of the main operation**	**Current**	**Non-current**	**Current**	**Non-current**	**Income (expenses)**
With subsidiaries						
Suzano Trading	Sale of pulp and paper	2.786.432 (2)	-	72.033 (1)	4.821.230 (1)	5.202.095 (2)
Paineiras	Land lease	-	-	417	-	(5.078)
Paineiras Logística	AFCI and Commissioning of road transport	14.100 (3)	-	29.928	-	(226.316)
Stenfar	Sale of paper	36.049 (2)	-	7.574	-	84.219 (2)
Ondurman	Land lease	-	-	-	-	(14.009)
Amulya	Land lease	-	-	-	-	(9.953)
Futuragene	Shared expenses	6 (5)	-			39
		2.836.587	**-**	**109.952**	**4.821.230**	**5.030.997**
With related parties						
Suzano Holding S.A.	Guarantees and administrative expenses	15	-	345	-	(27.100)
IPLF Holding S.A.	Shared expenses	2	-	-	-	23
Central	Sale of paper	16.461	-	15.493 (4)	-	47.928 (2)
Nemonorte	Real-estate consulting services	-	-	-	-	(320)
Mabex	Aircraft services	-	-	-	-	(277)
Lazam - MDS	Insurance consulting and advisory services	-	-	-	-	(342)
Ecofuturo	Social services	-	-	-	-	(3.642)
Bexma	Administrative expenses	-	-	-	-	39
Shareholders	Dividends and interest on equity	-	-	-	-	-
		16.478	**-**	**15.838**	**-**	**16.309**
Between related parties						
Stenfar	Shared expenses	3.770	-	-	-	523
IPLF Holding S.A.	Shared expenses	-	-	3.770	-	(523)
		3.770	**-**	**3.770**	**-**	**-**
		2.856.835	**-**	**129.560**	**4.821.230**	**5.047.306**

11.2 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**	**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	-	-	-	-	(13.423)
Amulya	Land lease	-	-	-	-	(9.549)
Futuragene	Shared expenses	16 (5)	-	-	-	48 (5)
		1.967.171	**3.680**	**61.140**	**1.685.927**	**3.489.881**
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)	-	59.727 (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**	**-**	**20.969**
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**	**3.510.850**

(1) New loans through subsidiaries (Note 18, items 6 and 8).
(2) Pulp and paper sales operations;
(3) Advance for future capital increase “(AFCI”).
(4) Vendor operations classified as loans and financing (Note 18)
(5) Includes telephone, facilities and administrative expenses.

<u>Legend of company names:</u>

Amulya Empreendimentos Imobiliários Ltda. (“Amulya”)

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Bexma Comercial Ltda. (“Bexma”)
Central Distribuidora de Papéis Ltda. (“Central”)
Comercial e Agrícola Paineiras Ltda. (“Paineiras”)
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”)

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

		Parent Company		Consolidated	
	Note	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Balance receivable					
Trade accounts receivable	7	**2,838,967**	1,981,395	**20,248**	25,413
Receivables from subsidiaries - current		**14,100**	7,985	**-**	-
Receivables from subsidiaries - non-current		**-**	3,680	**-**	-
		2,853,067	1,993,060	**20,248**	25,413
Balance payable					
Dividends and Interest on Equity payable		**-**	(114)	**-**	(114)
Loans and financing	18	**(15,838)**	(22,504)	**(15,838)**	(22,504)
Trade accounts payable		**-**	(1,703)	**-**	(1,703)
Obligations with related parties - current		**(109,952)**	(61,140)	**-**	-
Obligations with related parties - non-current		**(4,821,230)**	(1,685,927)	**-**	-
		(4,947,020)	(1,771,388)	**(15,838)**	(24,321)
		(2,093,953)	221,672	**4,410**	1,092

11.3 Management compensation

On December 31, 2015, 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$86,685 at the Parent Company and on a consolidated basis (R$78,189 and R$78,207, respectively, on December 31, 2014).

	Parent Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Short-term benefits				
Salary or compensation	20,183	17,771	20,183	17,789
Direct and indirect benefits	2,802	1,728	2,802	1,728
Bonus	18,591	23,848	18,591	23,848
	41,576	43,347	**41,576**	43,365
Long-term benefits				
Share-based compensation	45,109	34,842	45,109	34,842
	45,109	34,842	**45,109**	34,842
Total	**86,685**	78,189	**86,685**	78,207

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

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 21).

12 Biological Assets

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

	Parent Company	Consolidated
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 (2)	(36.249)	(36.249)
Balance on December 31, 2014	3.743.131	3.659.421
Additions (1)	**1.135.766**	**1.115.320**
Depletion in the year	**(602.418)**	**(602.418)**
Gain on fair value adjustment	**23.145**	**23.145**
Other write-offs (2)	**(64.960)**	**(64.960)**
Balance on December 31, 2015	**4.234.664**	**4.130.508**

1) On December 31, 2015, the costs with land leasing totaling R$ 20,446 (December 31, 2014 - R$ 19,194) incurred at subsidiaries were eliminated for the consolidated figures.

2) On December 31, 2015, the amount of R$18,303 refers to sales made in the year, and R$46,657 to other write-offs related to losses and claims (on December 31, 2014, the amounts were R$8,744 and R$27,505, respectively).

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 35.1m³ / hectare / year and forest formation costs until the appropriate cutting period of the vertical tree (harvest period, i.e., matured assets). Sales average price of eucalyptus of R$56.36/m³ (R$54.63/m³ in 2014) was based on expert research for each region and transactions conducted by the Company with independent third parties. The discount rate was 10.39% p.a. On December 31, 2015, the Company had 56,863 hectares of areas considered mature assets, and 374,814 hectares considered immature assets, for a total of 431,677 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, 2015, fair value adjustment was a gain of R$23,145 (December 31, 2014 - gain of R$12,847), which is annually recognized in profit or loss under other operating income (expenses).

13 Deferred income 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.

Suzano Papel e Celulose S.A.

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Deferred income and social contribution taxes are originated as follows:

	Parent Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Non-current assets				
Income tax				
Credits over tax losses	**743,526**	614,987	**746,109**	616,130
Credits over temporary differences:				
Credits over provisions	**265,286**	196,000	**265,286**	196,000
Credits over effects of Law 11,941/09 and IFRS	**255,633**	151,273	**255,633**	151,273
	1,264,445	962,260	**1,267,028**	963,403
Social contribution				
Credits over social contribution tax loss carryforwards	**153,973**	103,357	**153,973**	103,357
Credits over temporary differences:				
Credits over provisions	**95,503**	70,308	**95,503**	70,308
Credits over effects of Law 11,941/09 and IFRS	**92,028**	54,457	**92,028**	54,457
	341,504	228,122	**341,504**	228,122
Total non-current assets:	**1,605,949**	1,190,382	**1,608,532**	1,191,525
Non-current liabilities				
Income tax				
Debits over accelerated depreciation	**604,209**	609,854	**604,209**	609,854
Debits over goodwill amortization	**117,334**	123,569	**117,334**	123,569
Debits over effects of Law 11,941/09 and IFRS	**1,293,234**	1,301,802	**1,382,394**	1,390,962
	2,014,777	2,035,225	**2,103,937**	2,124,385
Social contribution				
Debits over goodwill amortization	**42,240**	44,485	**42,240**	44,485
Debits over effects of Law 11,941/09 and IFRS	**465,563**	468,649	**497,661**	500,747
	507,803	513,134	**539,901**	545,232
Total non-current liabilities	**2,522,580**	2,548,359	**2,643,838**	2,669,617
Total non-current assets, net	**-**	-	**2,583**	1,143
Total non-current liabilities, net	**916,631**	1,357,977	**1,037,889**	1,479,235
	916,631	1,357,977	**1,035,306**	1,478,092

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

	Parent Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Tax losses	**2,974,104**	2,459,946	**2,984,436**	2,464,518
Social contribution tax loss carryforward	**1,710,812**	1,148,406	**1,710,812**	1,148,406

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

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

	Parent Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Loss before income and social contribution taxes	**(1.377.573)**	(381.488)	**(1.358.521)**	(363.943)
Income and social contribution taxes at the nominal rate of 34%	**468.375**	129.706	**461.897**	123.741
Adjustment for accounting of tax rate:				
Tax effects of Law 11,941/09 and IFRS	**480**	1.719	**-**	-
Taxes levied on profits of subsidiaries abroad	**(10.767)**	(4.867)	**(10.767)**	(4.867)
Income and social contribution taxes on the result of equity interest	**(13.150)**	(1.076)	**-**	-
Profit or loss taxed at effective rates that differ from nominal rate	**-**	-	**(12.574)**	(11.515)
Reintegra credit	**25.432**	10.900	**25.432**	10.900
Other non-deductable effects	**(18.152)**	(16.400)	**(30.822)**	(15.822)
Income tax				
Current	**-**	-	**(17.688)**	(14.367)
Deferred	**330.630**	88.224	**330.630**	88.175
	330.630	88.224	**312.942**	73.808
Social Contribution				
Current	**-**	(2)	**(1.364)**	(3.113)
Deferred	**121.589**	31.760	**121.589**	31.742
	121.589	31.758	**120.225**	28.629
Income and social contribution taxes income recorded as profit or loss in the years	**452.219**	119.982	**433.167**	102.437

On December 31, 2015, the Company recorded tax losses; therefore, there is no effective rate for this period.

13.2 Tax incentives

The industrial units at Mucuri-BA and Imperatriz-MA are located in an area under the supervision of SUDENE, the agency for the development of northeast Brazil, and are benefitted by tax incentives for a 75% reduction in the income tax on the exploration profit and the Stimulated Accelerated Depreciation (“DAI”).

For Mucuri-BA unit, lines 1 and 2 have tax benefit for 75% of income tax on the exploration profit up to the calendar years 2024 and 2018, respectively. Imperatriz unit is benefitted from tax incentive until 2024. This tax incentive is calculated in profit or loss of stimulated operations calculated based on the exploration profit. The result obtained from this tax benefit is the reduction in income tax expense. The amount reduced from income tax is allocated to the capital reserve account, pursuant to law. In the fiscal year ended December 31, 2015, the Company recorded tax losses and did not use said benefit.

The benefit of DAI 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.

At the Mucuri-BA unit, full depreciation of property, plant and equipment acquired for Line 2 took place with the operational start-up of the Line. For other items of property, plant and equipment of the units of Bahia and Maranhão, the tax incentive obtained, which applied to acquisitions taking place until December 2018, may be exercised up to 4 years after acquisition of the asset.

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

14 Investments

Subsidiaries		Information on Subsidiaries on 12/31/2015					Equity Accounting		Investments and (Provision) for Investment Losses	
		Equity Interest %	Balance sheet			Result in the year ended 12/31/2015				
			Assets	Current and Non-Current Liabilities	Adjusted Equity		12/31/2015	12/31/2014	12/31/2015	12/31/2014
Subsidiaries and direct joint ventures										
Aanisan	(b)	-	-	-	-	**-**	**-**	(8)	**-**	-
Amulya		100.00%	62,942	50,384	12,558	**3,095**	**3,095**	2,827	**12,557**	9,464
Asapir		50.00%	15,054	12,466	2,588	**1,382**	**691**	(1,605)	**1,293**	(397)
Bahia Sul Holdings		100.00%	63	-	63	**(70)**	**(70)**	(13)	**63**	38
Ondurman	(a)	100.00%	82,305	58,427	(57,427)	**5,920**	**(9,518)**	(9,640)	**(57,427)**	(47,911)
Paineiras	(a)	100.00%	404,045	121,991	255,558	**3,485**	**(1,526)**	(222)	**255,559**	257,240
Paineiras Logística		100.00%	36,912	32,472	4,440	**(3,819)**	**(3,819)**	(5,403)	**4,440**	779
SER	(b)	-	-	-	-	**-**	**-**	(784)	**-**	-
Stenfar	(a)	90.00%	114,079	79,675	24,157	**5,870**	**585**	3,265	**20,717**	15,943
Sun Paper		100.00%	6,875	661	6,214	**149**	**149**	1,021	**6,214**	4,333
Suzano America	(a)	100.00%	446,495	401,081	(54,180)	**2,903**	**(50,964)**	(1,023)	**(54,180)**	(17,589)
Suzano Europa	(a)	100.00%	3,526,559	3,463,369	(148,428)	**9,443**	**(147,691)**	(8,328)	**(148,429)**	(18,021)
Suzano Trading		100.00%	7,863,187	7,876,832	(44,923)	**(65,861)**	**(97,136)**	5,027	**(44,923)**	43,861
Vale Florestar S/A		-	-	-	-	**-**	**-**	(2,294)	**-**	-
							(306,204)	(17,180)	**(4,116)**	247,740
Total investments									**300,843**	331,658
Total provisions for losses									**(304,959)**	(83,918)
Indirect subsidiaries										
Futuragene PLC.		100.00%	61,887	25,577	36,310	**(30,422)**	**(29,356)**	(28,339)	**36,310**	35,564
Stenfar	(a)	10.00%	114,079	79,675	24,157	**5,870**	**478**	1,633	**3,440**	9,797
							(28,878)	(26,706)	**39,750**	45,361

a) The shareholders' equity of these subsidiaries considers the elimination of the unrealized profits.
b) On September 30, 2014, the subsidiary SER was merged into the Company and the subsidiary Aanisan was dissolved.

14.1 Changes in investments

	Parent Company	
	12/31/2015	12/31/2014
Opening balance	**247,740**	260,993
Equity accounting	**(306,204)**	(17,180)
Exchange variation in investees (a)	**39,120**	(3,561)
Acquisition of Vale Florestar (b)	-	482,846
Capital increase (c)	**8,550**	46,277
Share acquisition (d)	**6,679**	-
Merger of subsidiary Vale Florestar (b)	**-**	(480,552)
Merger of subsidiary SER	**-**	(41,083)
Closing balance	**(4,116)**	**247,740**

a) Includes exchange variation on investment and translation adjustment of foreign subsidiaries' financial statements.
b) In September 2014, VFFIP was dissolved in advance and the subsidiary VFSA was merged into the Company (Note 1.1 a) vi).
c) During 2015, capital increase in the amounts of R$1,000, R$7,480 and R$70 in the subsidiaries Asapir, Paineiras Logística and Bahia Sul Holding, respectively. 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.

d) On April 1, 2015, Suzano acquired from Paineiras Comercial the amount of 17,626 shares of Stenfar, increasing its stake in this subsidiary from 68.58% to 90%.

14.2 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.

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

15 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		**4.39%**	**5.46%**	**16.93%**	**-**	**-**	**-**
Cost							
Balance on December 31, 2013		1,733,606	10,229,985	169,106	3,778,037	4,879,093	20,789,827
Transfers	(c)	757,831	4,346,544	21,914	19,326	(5,145,615)	-
Transfers between other assets	(d)	24,223	3,253			(16,257)	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
Balances on December 31, 2014		2,525,758	14,639,844	230,797	3,822,859	402,977	21,622,235
Transfers		**117,120**	**410,183**	**33,512**	**9,943**	**(570,758)**	**-**
Transfers between other assets	(d)	**(17,266)**	**(77,066)**	**(1,903)**	**(1,291)**	**(15,377)**	**(112,903)**
Additions		**(200)**	**118,709**	**12,643**	**-**	**392,734**	**523,886**
Write-offs		**(1,100)**	**(34,400)**	**(1,539)**	**(12,196)**	**-**	**(49,235)**
Interest capitalization		**-**	**-**	**-**	**-**	**6,930**	**6,930**
Balance on December 31, 2015		**2,624,312**	**15,057,270**	**273,510**	**3,819,315**	**216,506**	**21,990,913**
Depreciation							
Balance on December 31, 2013		(546,097)	(4,119,215)	(130,927)	-	-	(4,796,239)
Transfers	(c)	11,479	(12,329)	850	-	-	-
Transfers between other assets	(d)	-	(314)	-			(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)
Transfers between other assets	(d)	**10,031**	**65,328**	**2,590**	**-**	**-**	**77,949**
Write-offs		**965**	**25,138**	**984**	**-**	**-**	**27,087**
Depreciation		**(86,327)**	**(706,703)**	**(19,661)**	**-**	**-**	**(812,691)**
Balance on December 31, 2015		**(684,884)**	**(5,326,980)**	**(161,397)**	**-**	**-**	**(6,173,261)**
Residual value							
Balance on December 31, 2015		**1,939,428**	**9,730,290**	**112,113**	**3,819,315**	**216,506**	**15,817,652**
Balance on December 31, 2014		1,916,205	9,929,101	85,487	3,822,859	402,977	16,156,629

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

							Consolidated
		Buildings	Machinery and equipment	Other assets	Lands and farms	Work in progress	Total property, plant and equipment
Annual average depreciation rate		**4.39%**	**5.46%**	**16.93%**	**-**	**-**	**-**
Cost							
Balance on December 31, 2013		1,739,914	10,234,476	177,483	4,327,559	4,879,093	21,358,525
Transfers	(c)	758,267	4,347,000	22,065	19,339	(5,146,671)	-
Transfers between other assets	(d)	24,223	3,253	-	-	(16,255)	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
Balances on December 31, 2014		2,527,065	14,646,051	239,455	4,338,167	402,977	22,153,715
Transfers		**117,792**	**411,720**	**32,418**	**10,429**	**(572,359)**	**-**
Transfers between other assets	(d)	**(17,266)**	**(77,066)**	**(1,903)**	**(1,291)**	**(15,376)**	**(112,902)**
Additions		**(21)**	**119,554**	**15,058**	**975**	**394,334**	**529,900**
Write-offs		**(1,100)**	**(34,401)**	**(1,734)**	**(12,196)**	**-**	**(49,431)**
Interest capitalization		**-**	**-**	**-**	**-**	**6,930**	**6,930**
Balance on December 31, 2015		**2,626,470**	**15,065,858**	**283,294**	**4,336,084**	**216,506**	**22,528,212**
Depreciation							
Balance on December 31, 2013		(552,032)	(4,121,257)	(133,529)	-	-	(4,806,818)
Transfers	(c)	11,479	(12,330)	851	-	-	-
Transfers between other assets	(d)	-	(313)	-			(313)
Write-offs	(a)	7,618	46,585	966	-	-	55,169
Depreciation		(77,273)	(626,387)	(16,840)	-	-	(720,500)
Balances on December 31, 2014		(610,208)	(4,713,702)	(148,552)	-	-	(5,472,462)
Transfers between other assets	(d)	**10,031**	**65,328**	**2,590**	**-**	**-**	**77,949**
Write-offs		**965**	**25,138**	**1,142**	**-**	**-**	**27,245**
Depreciation		**(86,469)**	**(707,510)**	**(20,731)**	**-**	**-**	**(814,710)**
Balance on December 31, 2015		**(685,681)**	**(5,330,746)**	**(165,551)**	**-**	**-**	**(6,181,978)**
Residual value							
Balances on December 31, 2015		**1,940,789**	**9,735,112**	**117,743**	**4,336,084**	**216,506**	**16,346,234**
Balances on December 31, 2014		1,916,857	9,932,349	90,903	4,338,167	402,977	16,681,253

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.

d) Refer substantially to the transfer of the Embu unit to the available-for-sale group. The remaining balance refers to the transfer to intangible assets. Includes transfers between the lines of inventory, intangible assets, investment properties and non-current assets held for sale.

Machinery and equipment include amounts recognized as financial leasing outlined in Note 18.2.

On December 31, 2015, the Company conducted the annual asset impairment testing and no evidence of impairment was identified.

15.1 Assets given as collateral

On December 31, 2015, the Company and its subsidiaries had property, plant and equipment given as collateral in loan operations and lawsuits amounting to R$10,932,132 (R$11,772,855 on December 31, 2014).

15.2 Capitalized expenses

During 2015, interests were capitalized in the amount of R$6,930 referring to the investments in the implementation of the new digester system of Suzano unit.

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

16 Intangible Assets

16.1 Goodwill

The Company maintains goodwill not subject to amortization on investments in Vale Florestar and Paineiras Logística in the amounts of R$45,435 and R$10, respectively.

A total of R$34,047 relating to the investments of B.L.D.S.P.E. Celulose e Papel S.A. (merged subsidiary) was realized due to sale of Embu unit. (Note 1.1, item a) v).

16.2 Intangible assets with determined useful life

						Parent Company and Consolidated	
	Useful life (years)	Book cost		Accumulated amortization	Exchange rate variation	Residual values	
						12/31/2015	12/31/2014
KSR [a]							
Customer relationship	5	22.617		(21.863)	-	**754**	5.278
Other intangible assets							
Trademarks and patents	10	1.176		(829)	-	**347**	441
Software	5	83.433		(31.864)	-	**51.569**	37.185
Parent Company Balance		**107.226**		**(54.556)**	**-**	**52.670**	42.904
Futuragene							
R&D agreements	18.8	153.316	(a)	(95.125)	169.494	**227.685**	166.649
Other license agreements	11.8	3.436	(a)	(3.411)	3.800	**3.825**	3.024
Other intangible assets							
Software	5	24		(24)	-	**-**	1
Consolidated Balance		**264.002**		**(153.116)**	**173.294**	**284.180**	212.578

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, 2015, the amounts of R$18,332 in the Parent Company and R$62,077 in the Consolidated were amortized (R$13,301 and R$30,524, respectively, on December 31, 2014).

On December 31, 2015, no evidence of impairment was identified.

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

17 Trade Accounts Payable

	Parent Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Domestic suppliers	**511,233**	450,216	**525,393**	456,526
Foreign suppliers	**28,863**	27,552	**56,084**	45,029
	540,096	477,768	**581,477**	501,555

The Company normally operates with average payment period of approximately 41 days for its operating suppliers. With regard to suppliers of property, plant and equipment items or those linked to structural projects, the terms are established in each commercial negotiation, without a specific average term.

17.1 Commercial transactions with suppliers

Confirming operations, which are recorded on the balance sheet as commercial transactions with suppliers, refer to transactions by suppliers of the Company with certain financial institutions in order to receive in advance the amounts due, with the approval of the Company. On December 31, 2015, confirming operations amounted to R$206,454 in Parent Company and Consolidated (R$251,544 on December 31, 2014) (Note 3).

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

18 Loans and Financing

	Index		Annual average interest rate on 12/31/2015	Maturity	Parent Company 12/31/2015	Parent Company 12/31/2014	Consolidated 12/31/2015	Consolidated 12/31/2014
Property, plant and equipment:								
BNDES - Finem	Fixed rate /TJLP	(1) (2) (10)	7.95%	2016 to 2024	**1,335,246**	1,784,305	**1,353,777**	1,784,305
BNDES - Finem	Currency basket / US$	(2) (10)	6.44%	2016 to 2022	**675,576**	2,614,936	**675,576**	2,614,936
BNDES - Finame	Fixed rate /TJLP	(1) (2)	4.69%	2016 to 2024	**21,982**	25,425	**21,982**	25,425
FNE - BNB	Fixed rate	(2)	5.75%	2016 to 2024	**200,794**	57,441	**200,794**	57,441
FINEP	Fixed rate	(2)	4.21%	2016 to 2020	**49,948**	50,823	**49,948**	50,823
Rural credit	Fixed rate	(9)	6.50%	2016	**112,424**	169,511	**112,424**	169,511
Financial lease	CDI / US$			2016 to 2022	**32,619**	25,450	**32,619**	25,450
Export Credit Agency - ECA	US$	(2) (3)	2.44%	2016 a 2022	**1,571,288**	1,229,931	**1,571,288**	1,229,931
					3,999,877	5,957,822	**4,018,408**	5,957,822
Working capital:								
Export financing	US$	(4)	4.56%	2016 to 2022	**2,501,592**	1,896,408	**2,501,592**	1,896,408
Export credit note	CDI / Fixed rate	(5)	14.52%	2016 to 2021	**3,077,244**	4,070,046	**3,077,244**	4,070,046
Senior Notes	US$ / Fixed rate	(6)	5.88%	2021	**-**	-	**2,553,535**	1,732,670
Trade notes discount-Vendor				2016	**38,470**	54,312	**38,470**	54,312
Bank Credit Note-CCB	CDI	(7)	13.53%	2016	**178,271**	46,175	**178,271**	46,175
Syndicated Loan	Libor	(8)	2.60%	2018 to 2020	**-**	-	**2,329,362**	-
Other				2016	**433**	2,781	**14,006**	3,152
					5,796,010	6,069,722	**10,692,480**	7,802,763
					9,795,887	12,027,544	**14,710,888**	13,760,585
Current (including interests payable)					**1,732,937**	1,751,040	**1,818,510**	1,795,355
Non-current					**8,062,950**	10,276,504	**12,892,378**	11,965,230
Non-current loans and financing mature as follows:								
2016					**-**	1,467,241	**-**	1,467,241
2017					**1,398,348**	1,462,111	**1,398,348**	1,462,111
2018					**1,822,151**	1,825,255	**2,605,788**	1,825,255
2019					**3,014,360**	2,502,531	**4,058,317**	2,502,531
2020					**852,056**	1,679,431	**1,354,486**	1,679,431
2021					**753,023**	1,107,811	**3,244,635**	2,796,537
2022					**147,265**	225,025	**149,942**	225,025
2023 onwards					**75,747**	7,099	**80,862**	7,099
					8,062,950	10,276,504	**12,892,378**	11,965,230

1) Term of capitalization corresponds to those exceeding 6% of the Long-term interest rate ("TJLP") published by the Central Bank of Brazil;

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

3) In October 2006, the Company 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. With regard to the results of June 2015, the Company met all the established levels. The next scrutiny will be based on the results of December 2015.

4) In the year from January to December 2015, no new export financing operation was contracted, and the variation is justified by the appreciation of the U.S. dollar against the Brazilian real (R$/US$ 2.6562 in December 2014 and R$/US$ 3.9048 in December 2015).

5) In April 2015, two Export Credit Notes (NCE) were issued under the compulsory modality in the amount of R$100,000 each, maturing in August and December 2015. In June 2015, the Company contracted an NCE transaction of R$675,000, guaranteed by an Agribusiness Receivables Certificate (CRA) and made available to the market at a cost of 101% of the CDI, while interest will be paid bi-annually and the principal in a single installment in 2019. In addition, in the months of June to September, the Company settled in advance the amount of R$1,531,000 in NCE, which would mature between 2016 and 2021.

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) In March 2015, the Company contracted two Bank Credit Note ("CCB") operations in the amount of R$123,000 and maturity in 1 year.

8) In May 2015, the Company, through its subsidiary Suzano Pulp and Paper Europe, contracted a syndicated loan in the amount of US$600 million, with payment of quarterly interest and amortization of the principal between May 2018 and May 2020. This loan has clauses establishing the maintenance of certain levels of leverage, which are verified and have compliance confirmed after 60 and 120 days from the end of June and December of each fiscal year, respectively. With regard to the results of June 2015, the Company met all the established levels. The next scrutiny will be based on the results of December 2015.

9) Between May and June 2015, the Company contracted rural credit transactions in the total amount of R$108,300 and maturing in one year.

10) In the months of May and June 2015, the Company settled in advance a BNDES-Finem transaction in the amount of R$2,690,752.

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

18.1 Changes in loans and financing

	Parent Company		Consolidated	
	12/31/2015	**12/31/2014**	**12/31/2015**	**12/31/2014**
Opening balance	**12.027.544**	11.205.065	**13.760.585**	12.743.329
Funding	**1.672.992**	2.654.850	**3.901.222**	2.654.850
Recognized interest	**893.192**	829.738	**1.053.077**	917.212
Exchange variation	**1.926.567**	662.977	**2.871.789**	854.940
Settlement of principal	**(5.872.353)**	(2.598.991)	**(5.872.353)**	(2.600.124)
Settlement of interest	**(877.587)**	(799.897)	**(1.015.806)**	(887.401)
Loan added by merger	**-**	46.367	**-**	46.367
Funding costs	**(16.351)**	(23.638)	**(39.395)**	(23.638)
Amortization of funding costs	**41.883**	51.073	**51.769**	55.050
	9.795.887	12.027.544	**14.710.888**	13.760.585

18.2 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	
	12/31/2015	**12/31/2014**
Machinery and equipment	**108,565**	108,565
(-) Accumulated depreciation	**(95,335)**	(86,721)
Property, plant and equipment, net	**13,230**	21,844
Present value of mandatory installments (financing):		
Less than 1 year	**5,509**	3,758
From 1 to 5 years	**25,830**	17,470
Over 5 years	**1,280**	4,222
Total present value of mandatory installments (financing)	**32,619**	25,450
Financial charges to be recognized in the future	**6,911**	5,100
Total mandatory installments at the expiration of agreements	**39,530**	30,550

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

18.3 Transaction costs and premiums of securities issues

On December 31, 2015, 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	
				12/31/2015	12/31/2014
Senior Notes	29,284	(63,811)	66,921	**32,394**	26,382
NCE	73,405	(44,422)	-	**28,983**	38,194
Prepayment	1,636	(473)	-	**1,163**	1,479
Import (ECA)	101,736	(48,057)	-	**53,679**	70,350
Syndicated Loan	19,824	(3,548)	4,611	**20,887**	-
FNE	730	(78)	-	**652**	-
Rural Credit	34	(20)	-	**14**	-
Total	**226,649**	**(160,409)**	**71,532**	**137,772**	136,405

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.

The total cost of the syndicated loan was converted into Real at the Swiss Franc rate on the funding date (CHF 3.3795), and amortizations were converted on the respective dates at the closing USD rate.

19 Provision for Contingencies

19.1 Changes in provisions for contingencies

	Parent Company					
	Balance on 12/31/2014	New lawsuits	Reversals	Monetary variation	Settlement of lawsuits	Balance on 12/31/2015
Tax and social security	174,755	26,278	(54,083)	20,238	(3)	**167,185**
Labor	34,533	6,152	(13,927)	9,300	(10,630)	**25,428**
Civil	2,595	145	(448)	291	(594)	**1,989**
	211,883	32,575	(68,458)	29,829	(11,227)	**194,602**

	Consolidated					
	Balance on 12/31/2014	New lawsuits	Reversals	Monetary variation	Settlement of lawsuits	Balance on 12/31/2015
Tax and social security	174,755	26,278	(54,083)	20,238	(3)	**167,185**
Labor	41,190	6,784	(16,786)	10,081	(11,884)	**29,385**
Civil	2,595	145	(448)	291	(594)	**1,989**
	218,540	33,207	(71,317)	30,610	(12,481)	**198,559**

19.2 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, ISS, corporate income tax/social contribution 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$13,398 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$212,734, for which no provision was accrued.

On December 31, 2015, the Company and its subsidiaries hold R$37,869 in judicial deposits related to these proceedings (R$37,096 on December 31, 2014).

19.3 Labor claims

On December 31, 2015, the Company was a defendant in approximately 2,100 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 agribusiness companies, such as certain wages and/or severance payments, in addition to suits filed by outsourced employees of the Company. In addition, the Company is a defendant in proceedings whose probability of loss is deemed as possible, in the approximate amount of R$29,040, for which no provision was accrued.

On December 31, 2015, the Company and its subsidiaries hold R$23,784 in judicial deposits related to these proceedings (R$22,291 on December 31, 2014).

19.4 Civil claims

On December 31, 2015, the Company is a defendant in approximately 240 civil claims.

Civil proceedings are related primarily to payment of damages, such as those resulting from contractual obligations, work-related injuries, possessory actions, environmental claims and others.

The Company is a defendant in proceedings whose probability of loss is deemed as possible, in the approximate amount of R$1,410, for which no provision was constituted.

On December 31, 2015, the Company does not hold judicial deposits related to these proceedings (R$112 on December 31, 2014).

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

20 Actuarial Liabilities

20.1 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, 2015, the amount of the future liabilities of these benefits was R$263,141 (R$277,463 on December 31, 2014).

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

20.2 Key actuarial economic and biometric assumptions used in the calculations

	Actuarial assumptions	
	2015	**2014**
Discount rate - health plan	**7.30% p.a.**	**6.15% p.a.**
Discount rate - life insurance	**7.30% p.a.**	**6.15% p.a.**
Medical cost growth rate above basic inflation	**3.0% p.a.**	**3.0% p.a.**
Economic inflation	**5.70% p.a.**	**5.0% p.a.**
Biometric table of general mortality	**AT-2000**	**AT-2000**
Biometric table of mortality of disabled persons	**IAPB 57**	**IAPB 57**

On December 31, 2015, 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**	**Decrease in assumption**
Discount rate	0.50%	Decrease of 5.23 %	Increase of 5.75 %
Growth rate of medical costs	0.50%	Increase of 6.89 %	Decrease of 6.31 %
Mortality rate	1 year	Increase of 3.78 %	Decrease of 3.82 %

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

20.3 Changes in actuarial liabilities

	12/31/2015	12/31/2014
Opening balance	**277.463**	255.138
Interest on actuarial liability	**33.629**	31.539
Actuarial loss (gain)	**(31.981)**	5.271
Benefits paid in the year	**(15.970)**	(14.485)
Closing balance	**263.141**	277.463

21 Share-Based Payments

21.1 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 and 2015 and September 1, 2015 the Share Appreciation Rights (SAR) Program 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 March 1, 2015, the Company granted the Program “Diferimento 2014”, related to the complement of the additional bonus for 2014. The grace period and maturity of the plan to exercise the shares will occur on March 1, 2018 and 2019.

On September 1, 2015, the Company also launched the “LTI 2015” Program. The grace period and expiry date of the plan for exercising the stock options will be September 1, 2018, and this program has the same rules for redemption as the LTI plans in force until 2012, except for the minimum amount fixed for the redemption of the phantom shares.

The abovementioned installments will only be due if the executive is an employee of the Company on the payment date. In case of termination of the employment by initiative of the Company or by initiative of the executive, before the abovementioned periods are completed, the executive will not be entitled to receive all outstanding incentives.

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.

21.2 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 11, 2010 *(*grant date*)*, the 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/Earnings before interest, taxes, depreciation, and amortization (EBITDA) ratio; and (iii) Return on Equity (ROE). If the targets mentioned above are exceeded, the vesting period of the tranches options will be reduced by 12 months.

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

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

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

On December 31, 2015, there were 10,645 thousand preferred treasury shares to guarantee the options granted by the Plan.

21.3 Changes to long-term incentive plans

i. Phantom shares

Parent Company and Consolidated
12/31/2015

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	Abandoned/ Prescribed	Abandoned/ Prescribed due to dismissal	Available at the end of the period	Weighted average price of exercised shares
ILP 2008 (PN) Mar09	3/1/2009	R$ 15.11	R$ 18.11	3/1/2012	3/1/2015	43,549	-	43,549	-	-	-	-	-	17.30
ILP 2009 A - Mar08	3/1/2008	R$ 34.74	R$ 18.11	3/1/2013	3/1/2016	8,474	-	1,215	-	-	-	-	7,259	17.30
ILP 2008 A - Mar08 / Mar12	3/1/2008	R$ 34.74	R$ 18.11	3/1/2012	3/1/2015	6,347	-	6,347	-	-	-	-	-	17.30
ILP 2009 - Mar09 / Mar12	3/1/2009	R$ 15.11	R$ 18.11	3/1/2012	3/1/2015	9,838	-	9,838	-	-	-	-	-	17.30
ILP 2009 M - Sep09 / Sep12	9/1/2009	R$ 15.11	R$ 18.11	9/1/2012	9/1/2015	28,408	-	20,446	-	-	-	7,962	-	17.30
ILP 2010	3/1/2010	R$ 23.86	R$ 18.11	3/1/2013	3/1/2016	159,926	-	105,149	-	-	-	36,415	18,362	17.30
ILP 2011	3/1/2011	R$ 18.64	R$ 18.11	3/1/2014	3/1/2017	88,003	-	3,678	-	-	-	41,150	43,175	17.30
ILP 2012	3/1/2012	R$ 7.49	R$ 18.11	3/1/2015	3/1/2018	865,572	-	573,741	46,826	-	-	87,167	157,838	17.30
ILP 2011 (F)	3/1/2011	R$ 18.64	R$ 18.11	3/1/2014	3/1/2017	7,159	-	-	-	-	-	-	7,159	-
ILP 2012 (PE)	9/30/2012	R$ 9.00	R$ 18.11	9/30/2015	9/30/2018	35,225	-	10,000	-	-	-	-	25,225	17.30
ILP 2013	3/1/2013	R$ 6.58	R$ 22.64	3/1/2016	3/1/2019	1,159,918	-	-	44,104	-	76,400	101,297	938,117	17.30
Programa Especial 2012a	12/21/2012	R$ 5.55	R$ 15.53	3/31/2015	3/31/2015	70,000	-	70,000	-	-	-	-	-	17.30
Programa Especial 2012b	12/21/2012	R$ 5.55	R$ 15.53	6/30/2014	6/30/2014	30,000	-	9,923	-	-	20,077	-	-	17.30
Programa Especial 2012b	12/21/2012	R$ 5.55	R$ 15.53	3/31/2015	3/31/2015	30,000	-	22,317	-	-	7,683	-	-	17.30
Programa Especial 2012b	12/21/2012	R$ 5.55	R$ 15.53	3/31/2015	3/31/2015	40,000	-	40,000	-	-	-	-	-	17.30
Programa Especial 2012c	12/21/2012	R$ 5.55	R$ 15.53	3/31/2015	3/31/2015	80,000	-	80,000	-	-	-	-	-	17.30
Programa Especial 2012c	12/21/2012	R$ 5.55	R$ 15.53	3/31/2016	3/31/2016	140,000	-	-	-	-	-	-	140,000	-
SAR 2014	4/1/2014	R$ 8.93	R$ 19.05	4/1/2017	4/1/2019	997,617	-	-	-	-	93,227	-	904,390	-
Deferral 2014	3/1/2015	R$ 10.80	R$ 18.11	3/1/2015	3/1/2018	-	304,558	1,705	2,660	-	30,087	-	270,106	17.30
Deferral 2014	3/1/2015	R$ 10.80	R$ 18.11	3/1/2015	3/1/2019	-	304,558	1,705	2,660	-	30,087	-	270,106	17.30
SAR 2015	4/1/2015	R$ 11.69	R$ 18.16	4/1/2015	4/1/2018	-	747,600	-	-	-	7,352	-	740,248	-
SAR 2015 - September	9/1/2015	R$ 15.99	R$ 17.42	9/1/2015	9/1/2018	-	4,340	-	-	-	-	-	4,340	-
ILP 2015	9/1/2015	R$ 15.99	R$ 18.11	9/1/2015	9/1/2018	-	62,540	-	2,085	-	16,677	-	43,778	17.30
TOTAL						**3,800,036**	**1,423,596**	**999,613**	**98,335**	**-**	**281,590**	**273,991**	**3,570,103**	**17.30**

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) Mar09	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	35,017	-	6,609	-	-	-	28,408	9.00
ILP 2010	3/1/2010	R$ 23.86	R$ 10.08	3/1/2013	3/1/2016	87,251	-	18,354	-	91,029	-	159,926	9.00
ILP 2011	3/1/2011	R$ 18.64	R$ 10.08	3/1/2014	3/1/2017	363,730	-	247,957	27,770	-	-	88,003	9.00
ILP 2012	3/1/2012	R$ 7.49	R$ 10.08	3/1/2015	3/1/2018	946,776	-	-	75,820	89,360	94,744	865,572	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	1,224,987	-	-	57,203	117,059	124,925	1,159,918	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	-	1,012,539	-	-	-	14,922	997,617	-
TOTAL						**3,399,912**	**1,012,539**	**514,479**	**160,793**	**297,448**	**234,591**	**3,800,036**	**9.00**

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

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

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

ii. Class A preferred shares stock option

Parent Company and Consolidated
12/31/2015

					Prices	Number of Shares				
Program	Granted series	Grant date	1st exercise date	2nd exercise date and expiration	On the grant date	Granted	Exercised	Not exercised due to dismissal	Expired	Total in effect on 12/31/2015
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**	**3,600,000**	**-**	**400,000**	**5,400,000**

21.4 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 ("TSR") 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	SAR 2015
Calculation Model	Bjerksund-Stensland	Binomial	Monte Carlo Simulation	Monte Carlo Simulation
Asset base price (1)	R$7.02/share	R$7.73/ share	R$8.93/ share	R$10.93/ share
Expectation of volatility (2)	40.02% p.a.	40.47% p.a.	36.82 % p.a.	34.77 % p.a.
Phantom stock/options average life expectancy (3)	2.59 years	Equal to option life	Equal to option life	Equal to option life
Dividends expectancy (4)	3.49% p.a.	3.49% p.a.	2.94% 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%	average of 12.83%

(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 745 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:

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

	Parent Company and Consolidated			
	Liabilities and Shareholders' Equity		Profit or Loss	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Non-current liabilities				
Provision for phantom stock plan	**42,722**	27,619	**(27,993)**	(12,810)
Shareholders' equity				
Stock option reserve	**23,091**	25,939	**(3,506)**	(9,572)
Result			**(31,499)**	(22,382)

22 Commitments Related to Asset Acquisitions

On December 31, 2015, these commitments totaled R$716,862 in the Parent Company and R$824,864 in the Consolidated, and are classified under current and non-current liabilities (On December 31, 2014, they totaled R$601,124 and R$714,690, respectively).

22.1 Real estate receivables certificates ("CRI")

The Company and its subsidiaries carried out transactions involving the acquisition of land and reforestation through CRI. On December 31, 2015, the commitments related to the acquisition of land, farms, reforestation and houses under construction in Maranhão totaled R$59,483 in the Parent Company and R$167,485 in the Consolidated, presented under Commitment from acquisition of assets in current and non-current liabilities (R$58,159 and R$171,725, respectively, on December 31, 2014).

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
Tiype 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	Annualy	Monthly	Monthly
Term	12 year (including 24 months grace period)	14 years	14 years
Readjustment index	IPCA	TR	TR
Compensatory interest	5.68% p.a.	11.40% p.a.	11.23% p.a.

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

22.2 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.

On December 31, 2015, the total restated outstanding balance is R$657,379 at the Parent Company and Consolidated, recorded under Commitments from acquisition of assets in current and non-current liabilities (R$542,965 on December 31, 2014).

23 Shareholders' Equity

23.1 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.

23.2 Capital stock

On December 31, 2015, 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 19,341 thousand shares are held in treasury, of which 6,786 thousand are common shares, 10,645 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	3,245,077	0.44	17,698	0.91	357,612,234	32.28
Controlling Shareholders and Management	10,012,879	2.70	256,224,704	34.88	3,883	0.20	266,241,466	24.03
Sub Total	**364,362,338**	**98.17**	**259,469,781**	**35.32**	**21,581**	**1.11**	**623,853,700**	**56.32**
Treasury	6,786,194	1.83	10,644,997	1.45	1,909,699	98.40	19,340,890	1.75
BNDESPAR	-	-	75,909,985	10.33	-	-	75,909,985	6.85
Other shareholders	-	-	388,624,563	52.90	9,539	0.49	388,634,102	35.08
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, 2015, SUZB5 preferred stock ended the year quoted at R$18.69 (R$11.25 on December 31, 2014).

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

23.3 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.

23.4 Treasury shares

	Number of shares				R$	Average
	Common	Pref. A	Pref. B	Total	('000)	(R$)
Balance on 12/31/2013	6.786.194	14.244.988	1.909.699	22.940.881	312.240	13,61
Shares purchased	-	(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
Shares sold [1]	-	(1.800.000)	-	(1.800.000)	(14.868)	8,26
Shares transferred [2]	-	9	-	9	-	-
Balance on 12/31/2015	**6.786.194**	**10.644.997**	**1.909.699**	**19.340.890**	**288.858**	**14,94**

[1] Treasury shares used to meet the share-based compensation plan (Note 21).

[2] Reversal of loan by transfer of shares held by the Directors to Suzano Papel e Celulose.

23.5 Equity valuation adjustment and other comprehensive income

i. Equity Valuation Adjustment

The Company recorded in this balance sheet's item 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 arising from conversion of financial statements of subsidiaries located abroad, exchange variation on investees abroad, gains or losses from the restatement of actuarial liabilities and the income (loss) from the conversion of debentures of the 5th issue into shares for Related Parties, net of deferred income and social contribution taxes.

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

23.6 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.

				12/31/2015
	Common	Class A Preferred	Class B Preferred	Total
Loss attributed to shareholders	**(290,500)**	**(634,827)**	**(27)**	**(925,354)**
Weighted average number of shares in the period	**371,149**	**734,649**	**1,941**	**1,107,739**
Weighted average treasury shares	**(6,786)**	**(10,795)**	**(1,910)**	**(19,491)**
Weighted average number of outstanding shares	**364,363**	**723,854**	**31**	**1,088,248**
Basic loss per share	**(0.79728)**	**(0.87701)**	**(0.87097)**	

				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)	(0.24829)	(0.25806)	

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.

				12/31/2015
	Common	Class A Preferred	Class B Preferred	Total
Loss attributed to shareholders	**(289,465)**	**(635,862)**	**(27)**	**(925,354)**
Weighted average number of outstanding shares	**364,363**	**723,854**	**31**	**1,088,248**
Adjustment by stock options	**-**	**3,770**	**-**	**3,770**
Weighted average number of shares (diluted)	**364,363**	**727,624**	**31**	**1,092,018**
Diluted loss per share	**(0.79444)**	**(0.87389)**	**(0.87097)**	

				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)	

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

23.7 Dividends

Date of Approval AGO/E	Total amount (R$ '000)	Amount per share			Shareholding position (reference date)	Payment date
		Common	Pref. A	Pref. B		
4/30/2014	122,000	R$0.10545	R$0.11600	R$0.34523	4/30/2014	5/12/2014
4/30/2015	150,000	R$0.12922	R$0.14214	R$0.34409	4/30/2015	5/11/2015
11/11/2015	120,000	R$0.10337	R$0.11370	R$0.34408	11/12/2015	11/24/2015

On December 31, 2015, Company management proposes to pay dividendstotaling R$300,000 to be attributed to retained earnings reserve.

24 Other Operating Income, Net

	Parent Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Income (loss) from sale of other products	**(11,708)**	(7,997)	**5,608**	4,397
Income (loss) from sale of fixed and biological assets	**600**	474	**641**	432
Income (loss) from adjustment of fair value of biological assets	**23,145**	12,847	**23,145**	12,847
Provision for loss and write-offs of fixed and biological assets (1)	**(53,164)**	(39,664)	**(53,164)**	(39,664)
Commercial agreement with suppliers (2)	**-**	31,500	**-**	31,500
Receipt of lawsuits (3)	**-**	-	**-**	10,756
Amortization of intangible assets	**(4,523)**	(4,523)	**(19,815)**	(15,326)
Lease of land with subsidiaries	**(9,953)**	(9,549)	**-**	-
Realization of goodwill through sale of assets (4)	**(20,731)**	-	**(20,731)**	-
Loss from Tax Credits (5)	**(40,943)**	-	**(40,943)**	-
Other operating income, net	**4,905**	21,178	**743**	9,249
Total other operating income	**28,650**	65,999	**30,137**	69,181
Total other operating expenses	**(141,022)**	(61,733)	**(134,653)**	(54,990)
Other operating income (expenses), net	**(112,372)**	4,266	**(104,516)**	14,191

1) On December 31, 2015, the amount referred to R$46,657 in write-offs related to losses and claims with biological assets and R$6,507 with property, plant and equipment. On December 31, 2014, the amount substantially comprises R$17,431 referred to the write-off of obsolete operating assets and R$16,005 referred to the constitution of a provision for losses on operating assets.
2) Refers to a commercial agreement with a former supplier of the Company, due to credits outstanding from the commercial relationship.
3) 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.
4) The amount refers to the loss from the sale of Embu-SP production unit to Ibema, material fact mentioned in Note 1.1 a) v).
5) The amount refers to the write-off of ICMS credit not approved in the state of Maranhão (Note 9.3).

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

25 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 987	IGP-M and IPCA/IBGE	2/28/2016 to 1/27/2024
Call center and licenses	18 to 233	IGP-DI	8/15/2016 to 9/30/2017
Hardware equipment	2 to 40	IGP-M	3/25/2016 to 6/1/2016

The minimum payments of maturing operating were as follows:

	12/31/2015
Less than 1 year	**25,260**
From 1 year to 3 years	**21,556**
From 3 years to 5 years	**20,981**
Total installments due	**67,797**

26 Net Financial Result

	Parent Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Interest income	**265,458**	244,889	**269,188**	246,506
Other financial income	**8,684**	14,365	**16,192**	18,845
Total financial income	**274,142**	259,254	**285,380**	265,351
Interest expenses	**(1,177,690)**	(1,028,094)	**(1,203,143)**	(1,049,516)
Other financial expenses	**(39,636)**	(42,481)	**(52,084)**	(54,211)
Total financial expenses	**(1,217,326)**	(1,070,575)	**(1,255,227)**	(1,103,727)
Monetary and exchange variations on loans and financing	**(3,282,273)**	(857,021)	**(3,286,245)**	(908,314)
Monetary and exchange variations on other assets and liabilities	**639,305**	197,389	**457,838**	210,568
Monetary and exchange variation, net	**(2,642,968)**	(659,632)	**(2,828,407)**	(697,746)
Derivative gains	**(14,929)**	49,433	**156,777**	64,680
Derivate losses	**(620,892)**	(108,142)	**(787,028)**	(122,070)
Net derivative income (loss)	**(635,821)**	(58,709)	**(630,251)**	(57,390)
Financial income	**274,142**	259,254	**285,380**	265,351
Financial expenses	**(4,496,115)**	(1,788,916)	**(4,713,885)**	(1,858,863)
Net financial income (expenses)	**(4,221,973)**	(1,529,662)	**(4,428,505)**	(1,593,512)

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

27 Net Revenue

	Parent Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Gross sales revenue	**11,107,460**	8,186,665	**11,263,266**	8,391,809
Deductions				
Sales taxes [(a)]	**(957,621)**	(950,441)	**(970,974)**	(958,938)
Returns and cancelations	**(52,664)**	(144,537)	**(60,461)**	(152,584)
Discounts and rebates	**(7,470)**	(15,688)	**(7,470)**	(15,688)
Net Revenue	**10,089,705**	7,075,999	**10,224,361**	7,264,599

a) Includes 1% up to November 2015 and 2.5% for December 2015 of gross revenue, relating to the social contribution paid to Brazil's National Institute of Social Security (INSS), valid indefinitely, as per Law 12,546/11, Article 8, Annex I and its amendments.

28 Information by Segment

28.1 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 others which are not allocated.

								Consolidated
	12/31/2015				12/31/2014			
	Pulp	Paper	Not segmented [(1)]	Total	Pulp	Paper	Not segmented [(1)]	Total
Net revenue	**6.603.405**	**3.620.955**	-	**10.224.360**	3.851.303	3.413.296	-	7.264.599
Net financial income (loss)	**-**	**-**	**(4.428.505)**	**(4.428.505)**	-	-	(1.593.512)	(1.593.512)
Other operating income, net	**-**	**-**	**(104.516)**	**(104.516)**	-	-	14.191	14.191
Operating income (loss)	**2.248.530**	**925.969**	**(4.533.021)**	**(1.358.522)**	603.463	611.915	(1.579.321)	(363.943)
	12/31/2015				12/31/2014			
Total assets	**13.984.101**	**4.990.287**	**9.285.597**	**28.259.985**	13.444.974	4.878.378	9.796.104	28.119.456

(1) The Company does not manage this information by business segment, therefore allocating to the non-segmented flow.

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

28.2 Information on geographic areas

	Consolidated					
	12/31/2015			12/31/2014		
	Pulp	Paper	Total	Pulp	Paper	Total
Net revenue	**6,603,406**	**3,620,955**	**10,224,361**	3,851,303	3,413,296	7,264,599
Domestic market	**822,293**	**2,308,970**	**3,131,263**	609,396	2,440,944	3,050,340
Foreign market	**5,781,113**	**1,311,985**	**7,093,098**	3,241,907	972,352	4,214,259
Asia	**2,664,453**	**78,071**	**2,742,524**	1,570,698	12,501	1,583,199
Europe	**2,130,942**	**144,017**	**2,274,959**	1,169,069	118,007	1,287,076
North America	**883,421**	**365,662**	**1,249,083**	461,334	363,529	824,863
South and Central America	**102,297**	**648,637**	**750,934**	40,806	465,403	506,209
Africa	**-**	**75,598**	**75,598**	-	12,912	12,912

29 Expenses by Nature

	Parent Company		Consolidated	
	12/31/2015	12/31/2014	12/31/2015	12/31/2014
Cost of Product Sold				
Personnel expenses	**477,416**	431,804	**477,416**	431,804
Variable cost	**3,123,211**	2,731,557	**3,058,399**	2,680,526
Logistics cost	**213,081**	174,795	**866,682**	654,822
Depreciation, depletion and amortization	**1,227,164**	1,139,597	**1,227,164**	1,139,597
Other costs	**492,814**	381,219	**554,585**	448,914
	5,533,686	4,858,972	**6,184,246**	5,355,664
Selling expenses				
Personnel expenses	**61,212**	54,188	**96,698**	78,733
Services	**46,619**	37,386	**51,725**	36,188
Logistics cost	**717,306**	576,570	**209,823**	157,285
Depreciation and amortization	**2,926**	2,767	**3,528**	3,116
Other expenses (1)	**55,075**	28,068	**48,211**	25,474
	883,138	698,979	**409,986**	300,796
Administrative expenses				
Personnel expenses	**261,570**	227,925	**275,242**	236,222
Services	**75,042**	61,776	**91,756**	69,793
Depreciation and amortization	**21,150**	15,775	**22,582**	16,660
Other expenses (2)	**52,143**	51,484	**66,049**	70,086
	409,905	356,960	**455,629**	392,761
	6,826,729	5,914,911	**7,049,861**	6,049,221

(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.

30 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, 2015, in the Parent Company, the insured amount was R$24,968,579 and the maximum limit of damages is R$5,320,000.

- **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, 2015, in the Consolidated, the insured amount was R$120,000.

- **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, 2015, in the Consolidated, the insured amount was R$10,000.

31 Events after the reporting period

Acquisition of eucalyptus forests

On January 27, 2016, the Company entered into with Eco Brasil Florestas S.A. (“Eco Brasil”) an instrument for acquisition of eucalyptus forests, through which Suzano acquired from Eco Brasil the estimated area of seven million and five hundred thousand (7,500,000) cubic meters of eucalyptus forests located in the state of Tocantins.

Wood Acquisition Operation aims to increase the wood supply to Imperatriz unit, to support the expansion of its pulp production.

Operation with Ibema

On January 4, 2016, after all the conditions precedent were met and approvals from all regulatory agencies were obtained, the operation with Ibema and Ibemapar was concluded.

From that date, Ibema owns the unit in Embu, São Paulo, and Ibemapar and Suzano are shareholders of Ibema in the initial proportion of sixty-two percent (62%) and thirty-eight percent (38%), respectively, of its capital stock.

Revision of duties and affirmative decision in dumping process

On January 12, 2016, the U.S. Department of Commerce delivered a new decision revising the anti-dumping duty on Suzano from 33.09% to 22.16%, to be levied solely on sheet and cut size uncoated paper exported to the United States.

On February 9, 2016, the International Trade Commission ("ITC"), which is responsible for verifying if imports from countries under investigation are adversely affecting the U.S. market, provided final and affirmative decision on dumping process against Australia, Brazil, China, Indonesia and Portugal, ratifying the levy of anti-dumping duties on sales by such countries to the USA. ITC's decision does not change the current scenario, which maintains the 22.16% rate for Suzano.

In any case, Suzano can request the annual revisions envisaged in applicable laws.

Reports and Declarations / 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, 2015, 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, February 18, 2016.

Rubens Barletta

Luiz Augusto Marques Paes

Alessandro Golombiewski Teixeira

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, 2015.

São Paulo, February 18, 2016.

Walter Schalka
Chief Executive Officer

Alexandre Chueri Neto
Executive Officer of the Forest Business Unit

Carlos Alberto Griner
Chief Human Resources, Institutional Relations and Sustainability Officer

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

Marcelo Feriozzi Bacci
Chief Financial and Investor Relations Officer

(A FREE TRANSLATION OF THE ORIGINAL IN PORTUGUESE)

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, 2015.

São Paulo, February 18, 2016.

Walter Schalka
Chief Executive Officer

Alexandre Chueri Neto
Executive Officer of the Forest Business Unit

Carlos Alberto Griner
Chief Human Resources, Institutional Relations and Sustainability Officer

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

Marcelo Feriozzi Bacci
Chief Financial and Investor Relations Officer