

Suzano Papel e Celulose S.A.

**Report on the quarterly financial
information (ITR) review**



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Report on the quarterly financial information (ITR) review

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

Introduction

We have reviewed the individual and consolidated interim financial information of Suzano Papel e Celulose S.A. ("Company", included in the Quarterly Financial Information (ITR) referring to the quarter ended September 30, 2016, comprising the balance sheet as of September 30, 2016 and the statements of income and comprehensive income the three- and nine-months period then ended, and changes in shareholders' equity and cash flows for the nine-months period then ended, including the explanatory notes.

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

Scope of Review

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



Conclusion on the financial interim information

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

Other matters

Statements of value added

We also reviewed the individual and consolidated statements of value added (DVA), for the nine-month period ended on September 30, 2016, prepared under management's responsibility, for which the disclosure in the interim information is required in accordance with the rules issued by the Brazilian Securities and Exchange Commission applicable to the preparation of Quarterly Financial Information and considered additional information for IFRS which does not require this disclosure. These statements were submitted to the same review procedures previously described and, based on our review, nothing has come to our attention that would lead us to believe that they have not been fairly stated, in all its material respects, in accordance with the individual and consolidated Quarterly Financial Information taken as whole.

São Paulo, October 25, 2016

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

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Company Information / Capital Breakdown

Number of Shares (in thousands)	Current Quarter 9/30/2016
Paid-in Capital	
Common	371,149
Preferred	736,590
Total	1,107,739
Treasury Shares	
Common	6,786
Preferred	10,755
Total	17,541

Comments on the Performance**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	4/25/2016	Dividend	5/4/2016	Preferred	Class B Preferred	0.34352
Annual and Extraordinary Shareholders' Meeting	4/25/2016	Dividend	5/4/2016	Preferred	Class A Preferred	0.28380
Annual and Extraordinary Shareholders' Meeting	4/25/2016	Dividend	5/4/2016	Common		0.25800
Extraordinary Shareholders' Meeting	11/11/2015	Dividend	11/24/2015	Preferred	Class B Preferred	0.34408
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	Common		0.10337
Annual and Extraordinary Shareholders' Meeting	4/30/2015	Dividend	5/11/2015	Preferred	Class B Preferred	0.34409
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	Common		0.12922

Parent Company Financial Statements / Balance Sheet - Assets**(In thousands of R\$)**

Code	Description	Current quarter 9/30/2016	Previous year 12/31/2015
1	Total Assets	29,424,911	27,995,553
1.01	Current Assets	8,084,744	6,714,790
1.01.01	Cash and Cash Equivalents	1,381,598	569,135
1.01.02	Financial investments	2,055,544	922,728
1.01.03	Receivables	2,630,339	3,521,841
1.01.03.01	Trade receivables	2,630,339	3,521,841
1.01.04	Inventories	1,084,173	895,663
1.01.06	Recoverable Taxes	446,334	586,716
1.01.06.01	Current Recoverable Taxes	446,334	586,716
1.01.06.01.01	Recoverable Income and Social Contribution Taxes	219,495	158,747
1.01.06.01.02	Other Recoverable Taxes	226,839	427,969
1.01.07	Prepaid Expenses	44,540	36,217
1.01.08	Other Current Assets	442,216	182,490
1.01.08.03	Other	442,216	182,490
1.01.08.03.01	Unrealized Derivatives Gains	363,416	40,440
1.01.08.03.02	Other Accounts Receivable	56,738	28,057
1.01.08.03.03	Receivables from Energy Sales	12,039	49,328
1.01.08.03.05	Advance to Suppliers - Development Program	10,023	565
1.01.08.03.06	Receivables from Subsidiaries	0	14,100
1.01.08.03.08	Assets Held for Sale	0	50,000
1.02	Non-Current Assets	21,340,167	21,280,763
1.02.01	Long-Term Assets	5,285,901	5,064,153
1.02.01.05	Biological Assets	4,453,779	4,234,664
1.02.01.08	Receivables from Related Parties	13,000	0
1.02.01.08.04	Receivables from Other Related Parties	13,000	0
1.02.01.09	Other Non-Current Assets	819,122	829,489
1.02.01.09.03	Unrealized Gains from Derivative Operations	71,402	11,284
1.02.01.09.04	Other Recoverable Taxes	349,283	433,070
1.02.01.09.05	Advance to Suppliers - Development Program	220,728	251,287
1.02.01.09.06	Other Receivables	99,867	77,808
1.02.01.09.08	Judicial Deposits	77,842	56,040
1.02.02	Investments	299,761	300,843
1.02.02.01	Equity Interest	299,761	300,843
1.02.02.01.02	Interest in Subsidiaries	295,930	300,843
1.02.02.01.04	Other Interest in Subsidiaries	3,831	0
1.02.03	Property, Plant and Equipment	15,653,738	15,817,652
1.02.03.01	Operational Property, Plant and Equipment	15,287,576	15,587,916
1.02.03.02	Leased Property, Plant and Equipment	11,519	13,230
1.02.03.03	Construction in Progress	354,643	216,506
1.02.04	Intangible Assets	100,767	98,115
1.02.04.01	Intangible Assets	100,767	98,115
1.02.04.01.02	Goodwill	45,445	45,445
1.02.04.01.03	Other Intangible Assets	55,322	52,670

Parent Company Financial Statements / Balance Sheet - Liabilities**(In thousands of R\$)**

Code	Description	Current quarter 9/30/2016	Previous year 12/31/2015
2	Total Liabilities	29,424,911	27,995,553
2.01	Current Liabilities	2,911,889	3,201,724
2.01.01	Payroll and Related Charges	171,256	159,598
2.01.01.01	Payroll Charges Liabilities	20,912	22,255
2.01.01.02	Labor Liabilities	150,344	137,343
2.01.02	Trade Accounts Payable	509,239	540,096
2.01.02.01	Domestic Suppliers	457,156	511,233
2.01.02.02	Foreign Suppliers	52,083	28,863
2.01.03	Tax Liabilities	50,258	41,999
2.01.03.01	Federal Tax Liabilities	42,857	35,337
2.01.03.02	State Tax Liabilities	3,213	2,780
2.01.03.03	Municipal Tax Liabilities	4,188	3,882
2.01.04	Loans and Financing	1,578,075	1,939,391
2.01.04.01	Loans and Financing	1,578,075	1,939,391
2.01.04.01.01	In Domestic Currency	708,576	1,318,784
2.01.04.01.02	In Foreign Currency	869,499	620,607
2.01.05	Other Liabilities	603,061	520,640
2.01.05.01	Related Party Liabilities	58,211	109,952
2.01.05.02	Other	544,850	410,688
2.01.05.02.04	Unrealized Derivative Losses	366,598	184,669
2.01.05.02.05	Accounts Payable	88,681	127,858
2.01.05.02.06	Commitments from Acquisition of Assets	71,494	82,803
2.01.05.02.08	Advance from Customers	18,077	15,358
2.02	Non-Current Liabilities	15,505,857	15,601,748
2.02.01	Loans and Financing	6,938,973	8,062,950
2.02.01.01	Loans and Financing	6,938,973	8,062,950
2.02.01.01.01	In Domestic Currency	3,860,441	3,903,071
2.02.01.01.02	In Foreign Currency	3,078,532	4,159,879
2.02.02	Other Liabilities	6,199,858	5,816,743
2.02.02.01	Related Party Liabilities	5,605,975	4,821,230
2.02.02.01.02	Debts with Subsidiaries	5,605,975	4,821,230
2.02.02.02	Other	593,883	995,513
2.02.02.02.03	Unrealized Derivative Losses	60,434	345,152
2.02.02.02.04	Accounts Payable	12,756	16,302
2.02.02.02.05	Commitments from Acquisition of Assets	520,693	634,059
2.02.03	Deferred Taxes	1,711,883	916,631
2.02.03.01	Deferred Income and Social Contribution Taxes	1,711,883	916,631
2.02.04	Provisions	655,143	805,424
2.02.04.01	Provisions for Tax, Pension, Labor and Civil Claims	226,807	194,602
2.02.04.02	Other Provisions	428,336	610,822
2.02.04.02.04	Provision for Actuarial Liabilities	277,540	263,141
2.02.04.02.05	Share-Based Payments	17,905	42,722
2.02.04.02.06	Provision for Losses of Investments in Subsidiaries	132,891	304,959

Parent Company Financial Statements / Balance Sheet - Liabilities**(In thousands of R\$)**

Code	Description	Current quarter 9/30/2016	Previous year 12/31/2015
2.03	Equity	11,007,165	9,192,081
2.03.01	Paid-in Capital	6,241,753	6,241,753
2.03.02	Capital Reserves	-194,846	-205,892
2.03.02.04	Granted Options	18,944	23,091
2.03.02.05	Treasury Shares	-273,665	-288,858
2.03.02.07	Tax Incentives	75,317	75,317
2.03.02.09	Costs with Share Issue	-15,442	-15,442
2.03.04	Income Reserve	406,137	706,137
2.03.04.01	Legal Reserve	231,926	231,926
2.03.04.08	Additional Dividend Proposed	0	300,000
2.03.04.11	Reserve to Increase Capital	174,211	174,211
2.03.05	Retained Earnings/Accumulated Losses	2,170,624	0
2.03.06	Equity Valuation Adjustment	2,442,267	2,481,076
2.03.08	Other Comprehensive Income (Loss)	-58,770	-30,993

(A FREE TRANSLATION OF THE ORIGINAL IN PORTUGUESE)

ITR – Quarterly Information – September 30, 2016 - SUZANO PAPEL E CELULOSE SA

Version: 1

Parent Company Financial Statements / Statement of Income

(In thousands of R\$)

Code	Description	Current quarter	Year-to-date	Same quarter	Previous year
		7/1/2016 to 9/30/2016	1/1/2016 to 9/30/2016	7/1/2015 to 9/30/2015	1/1/2015 to 9/30/2015
3.01	Income from the Sale of Goods and/or Services Rendered	2,053,545	6,872,029	2,932,357	7,284,085
3.02	Cost of Goods Sold and/or Services Rendered	-1,424,781	-4,182,894	-1,468,706	-4,074,524
3.03	Gross Profit	628,764	2,689,135	1,463,651	3,209,561
3.04	Operating Expense/Income	-280,795	-758,250	-434,508	-1,055,122
3.04.01	Selling Expenses	-208,106	-641,218	-244,651	-655,886
3.04.02	General and Administrative Expenses	-99,510	-277,667	-101,718	-289,108
3.04.04	Other Operating Income	5,453	12,116	6,378	7,512
3.04.05	Other Operating Expenses	-12,762	-38,244	751	-33,084
3.04.06	Equity Pick-up in Subsidiaries and Affiliates	34,130	186,763	-95,268	-84,556
3.05	Earnings Before Financial Result and Taxes	347,969	1,930,885	1,029,143	2,154,439
3.06	Financial Income (Expenses)	-266,095	1,152,610	-2,541,924	-4,163,241
3.06.01	Financial Income	23,741	1,993,004	67,180	218,827
3.06.02	Financial Expenses	-289,836	-840,394	-2,609,104	-4,382,068
3.07	Earnings Before Income Taxes	81,874	3,083,495	-1,512,781	-2,008,802
3.08	Income and Social Contribution Taxes	-29,050	-951,680	553,599	742,798
3.08.01	Current	-9,220	-156,428	2	5
3.08.02	Deferred	-19,830	-795,252	553,597	742,793
3.09	Net Income/(Loss) from Continuing Operations	52,824	2,131,815	-959,182	-1,266,004
3.11	Net Income for the Period	52,824	2,131,815	-959,182	-1,266,004

(A FREE TRANSLATION OF THE ORIGINAL IN PORTUGUESE)

ITR – Quarterly Information – September 30, 2016 - SUZANO PAPEL E CELULOSE SA

Version: 1

Parent Company Financial Statements / Statement of Income

(In thousands of R\$)

Code	Description	Current quarter 7/1/2016 to 9/30/2016	Year-to-date 1/1/2016 to 9/30/2016	Same quarter previous year 7/1/2015 to 9/30/2015	Previous year 1/1/2015 to 9/30/2015
3.99	Earnings per Share - (Reais/Share)				
3.99.01	Basic Earnings per Share				
3.99.01.01	Common	0.04543	1.83372	-0.82631	-1.09083
3.99.01.02	Class A Preferred	0.04999	2.01710	-0.90919	-1.19992
3.99.01.03	Class B Preferred	0.06452	2.03226	-0.90323	-1.19355
3.99.02	Diluted Earnings per Share				
3.99.02.01	Common	0.04535	1.83032	-0.82331	-1.08687
3.99.02.02	Class A Preferred	0.04989	2.01335	-0.90589	-1.19556
3.99.02.03	Class B Preferred	0.06452	2.03226	-0.90323	-1.19355

Parent Company Financial Statements / Statement of Comprehensive Income

(In thousands of R\$)

Code	Description	Current quarter 7/1/2016 to 9/30/2016	Year-to-date 1/1/2016 to 9/30/2016	Same quarter previous year 7/1/2015 to 9/30/2015	Previous year 1/1/2015 to 9/30/2015
4.01	Net Income for the Period	52,824	2,131,815	-959,182	-1,266,004
4.02	Other Comprehensive Income (Loss)	-10,848	-27,777	-5,908	-15,623
4.02.01	Exchange Variation on Translation of Financial Statements and Foreign Investments	-10,848	-27,777	-5,908	-15,623
4.03	Comprehensive Income for the Period	41,976	2,104,038	-965,090	-1,281,627

Parent Company Financial Statements / Statement of Cash Flows - Indirect Method**(In thousands of R\$)**

Code	Description	Year-to-date 1/1/2016 to 9/30/2016	Previous year 1/1/2015 to 9/30/2015
6.01	Net Cash from Operating Activities	3,695,019	4,644,147
6.01.01	Cash Generated in Operations	2,306,583	4,237,878
6.01.01.01	Net Income/(Loss) for the Period	2,131,815	-1,266,004
6.01.01.02	Depreciation, Depletion and Amortization	1,016,211	1,049,978
6.01.01.03	Income from Sale of Permanent Assets	-8,315	-1,452
6.01.01.04	Equity Pick-up in Subsidiaries and Affiliates	-186,763	84,556
6.01.01.05	Exchange and Monetary Variations, Net	-1,863,167	3,480,367
6.01.01.06	Interest Expenses, Net	732,741	887,390
6.01.01.07	Deferred Income and Social Contr. Tax Expenses (Income)	795,252	-742,793
6.01.01.08	Interest on Actuarial Liabilities	25,724	23,266
6.01.01.09	Provision /(Reversal) for Contingencies	5,068	-34,093
6.01.01.10	Reversal/(Provision) for Share-Based Payments	-376	25,769
6.01.01.11	Derivative/(Gains) / Losses, Net	-476,590	660,771
6.01.01.15	Provision/(Reversal) for Doubtful Accounts, Net	7,303	20,393
6.01.01.16	Provision/(Reversal) for Losses with Inventory and Write-offs	14,466	7,485
6.01.01.17	Provision/(Reversal) for Deduction	1,312	-506
6.01.01.19	Provision/(Reversal) for Losses and Write-Offs with Property, Plant and Equipment and Biological Assets	28,529	19,480
6.01.01.20	Other Provisions	83,373	23,271
6.01.02	Changes in Assets and Liabilities	1,388,436	406,269
6.01.02.01	Reduction/(Increase) in Receivables	787,554	-180,725
6.01.02.02	Increase/(Reduction) in Inventories	-218,009	-139,519
6.01.02.03	Reduction/(Increase) in Recoverable Taxes	255,435	5,528
6.01.02.04	Reduction/(Increase) in Other Current and Non-Current Assets	4,999	105,913
6.01.02.06	(Reduction)/Increase in Trade Accounts Payable	-26,647	49,571
6.01.02.07	Increase/(Reduction) in other Current and Non-Current Liabilities	204,055	-60,367
6.01.02.08	Payment of Interest	-800,009	-870,682
6.01.02.09	Payment of Other Taxes and Contributions	-370,455	-288,023
6.01.02.10	Payment of Income and Social Contribution Taxes	-41,257	-41,973
6.01.02.11	Reduction/(Increase) in Related Parties	1,592,770	1,826,546
6.02	Net Cash used in Investment Activities	-2,184,592	-1,098,412
6.02.01	Additions to Property, Plant and Equipment	-431,694	-274,308
6.02.02	Additions to Biological Assets	-689,157	-842,362
6.02.04	Additions to Intangible Assets	-6,099	-6,321
6.02.05	Amounts Received from the Sale of Assets	31,775	24,579
6.02.08	Financial Investments	-1,089,417	0
6.03	Net Cash Provided by (Used in) Financing Activities	-697,964	-4,222,394
6.03.01	Funding	2,702,577	1,707,823

Parent Company Financial Statements / Statement of Cash Flows - Indirect Method

(In thousands of R\$)

Code	Description	Year-to-date 1/1/2016 to 3/31/2016	Previous year 1/1/2015 to 3/31/2015
6.03.02	Settlement of Derivative Operations	-9,293	-39,846
6.03.03	Payment of Loans and Debentures	-3,099,836	-5,748,919
6.03.04	Dividends of Own Shares	8,514	8,514
6.03.05	Dividend Payment	-299,926	-149,966
6.05	Increase (Decrease) in Cash and Cash Equivalents	812,463	-676,659
6.05.01	Cash and Cash Equivalents at the Beginning of the Period	569,135	2,615,579
6.05.02	Cash and Cash Equivalents at the End of the Period	1,381,598	1,938,920

Parent Company Financial Statements / Statement of Changes in Equity - 1/1/2016 to 9/30/2016

(In thousands of R\$)

Code	Description	Paid-In Capital	Capital Reserves, Options Granted and Treasury Shares	Income Reserve	Retained Earnings or Accumulated Losses	Other Comprehensive Income	Equity
5.01	Opening Balances	6,241,753	-205,892	706,137	0	2,450,083	9,192,081
5.03	Adjusted Opening Balances	6,241,753	-205,892	706,137	0	2,450,083	9,192,081
5.04	Equity Transactions with Shareholders	0	11,046	-300,000	0	0	-288,954
5.04.03	Recognized Granted Options	0	-4,147	0	0	0	-4,147
5.04.06	Dividends	0	0	-300,000	0	0	-300,000
5.04.08	Treasury Shares used to meet the Share-Based Payment	0	15,193	0	0	0	15,193
5.05	Total Comprehensive Income/(Loss)	0	0	0	2,131,815	-27,777	2,104,038
5.05.01	Net Income for the Period	0	0	0	2,131,815	0	2,131,815
5.05.02	Other Comprehensive Income (Loss)	0	0	0	0	-27,777	-27,777
5.05.02.06	Exchange Variation on Translation of Financial Statements and Foreign Investments	0	0	0	0	-27,777	-27,777
5.06	Internal Changes in Equity	0	0	0	38,809	-38,809	0
5.06.05	Partial Realization of Attributed Cost Adjustment Net of Deferred Income and Social Contribution Taxes	0	0	0	38,809	-38,809	0
5.07	Closing Balances	6,241,753	-194,846	406,137	2,170,624	2,383,497	11,007,165

Parent Company Financial Statements / Statement of Changes in Equity- 1/1/2015 to 9/30/2015**(In thousands of R\$)**

Code	Description	Paid-In Capital	Capital Reserves, Options Granted and Treasury Shares	Income Reserve	Retained Earnings or accumulated losses	Other Comprehensive Income	Equity
5.01	Opening Balances	6,241,753	-217,912	1,852,294	0	2,438,997	10,315,132
5.03	Adjusted Opening Balances	6,241,753	-217,912	1,852,294	0	2,438,997	10,315,132
5.04	Equity Transactions with Shareholders	0	13,006	-150,004	0	0	-136,998
5.04.03	Recognized Granted Options	0	-1,862	0	0	0	-1,862
5.04.06	Dividends	0	0	-150,004	0	0	-150,004
5.04.08	Treasury Shares used to meet the Share-Based Payment	0	14,868	0	0	0	14,868
5.05	Total Comprehensive Income/(Loss)	0	0	0	-1,266,004	-15,623	-1,281,627
5.05.01	Net Income for the Period	0	0	0	-1,266,004	0	-1,266,004
5.05.02	Other Comprehensive Income (Loss)	0	0	0	0	-15,623	-15,623
5.05.02.06	Exchange Variation on Translation of Financial Statements and Foreign Investments	0	0	0	0	-15,623	-15,623
5.06	Internal Changes in Equity	0	0	0	37,717	-37,717	0
5.06.05	Partial Realization of Attributed Cost adjustment Net of Deferred Income and Social Contribution Taxes	0	0	0	37,717	-37,717	0
5.06.10	Dividends Proposed by the Management	0	0	120,000	0	0	120,000
5.06.11	Partial Use of Profit Reserve for Proposed Dividend Payment	0	0	-120,000	0	0	-120,000
5.07	Closing Balances	6,241,753	-204,906	1,702,290	-1,228,287	2,385,657	8,896,507

Parent Company Financial Statements / Statement of Value Added**(In thousands of R\$)**

Code	Description	Year-to-date 1/1/2016 to 9/30/2016	Previous year 1/1/2015 to 9/30/2015
7.01	Income	8,058,263	8,228,058
7.01.01	Sale of Goods, Products and Services	7,671,349	7,974,936
7.01.02	Other Income	28,885	19,984
7.01.03	Income from Construction of Own Assets	365,332	253,531
7.01.04	Reversal of/Allowance for Doubtful Accounts	-7,303	-20,393
7.02	Input Acquired from Third Parties	-4,451,253	-4,326,204
7.02.01	Cost of Products Sold and Services Rendered	-3,133,133	-3,192,933
7.02.02	Supplies, Electricity, Outsourced Services and Others	-1,318,120	-1,133,271
7.03	Gross Value Added	3,607,010	3,901,854
7.04	Retentions	-1,016,211	-1,049,978
7.04.01	Depreciation, Amortization and Depletion	-1,016,211	-1,049,978
7.05	Net Value Added Produced	2,590,799	2,851,876
7.06	Value Added from Transfers	482,181	1,077,579
7.06.01	Equity Pick-up in Subsidiaries and Affiliates	186,763	-84,556
7.06.02	Financial Income	295,418	1,162,135
7.07	Total Value Added to Distribute	3,072,980	3,929,455
7.08	Distribution of Value Added	3,072,980	3,929,455
7.08.01	Personnel	701,507	676,610
7.08.01.01	Direct Compensation	563,518	549,278
7.08.01.02	Benefits	109,500	97,621
7.08.01.03	F.G.T.S. (Government Severance Indemnity Fund for Employees)	28,489	29,711
7.08.02	Taxes, Fees and Contributions	1,045,939	-865,075
7.08.02.01	Federal	1,159,340	-728,044
7.08.02.02	State	-117,514	-140,721
7.08.02.03	Municipal	4,113	3,690
7.08.03	Value Distributed to Providers of Capital	-806,281	5,383,924
7.08.03.01	Interest Rates	-857,192	5,332,403
7.08.03.02	Rentals	50,911	51,521
7.08.04	Value Distributed to Shareholders	2,131,815	-1,266,004
7.08.04.03	Accumulated Losses/Retained Earnings for the Period	2,131,815	-1,266,004

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

Code	Description	Current quarter 9/30/2016	Previous year 12/31/2015
1	Total Assets	29,809,646	28,259,985
1.01	Current Assets	8,204,881	6,589,019
1.01.01	Cash and Cash Equivalents	2,068,607	1,477,246
1.01.02	Financial Investments	2,117,091	970,850
1.01.03	Receivables	1,495,474	1,885,960
1.01.03.01	Trade receivables	1,495,474	1,885,960
1.01.04	Inventories	1,461,418	1,315,996
1.01.06	Recoverable Taxes	482,778	596,936
1.01.06.01	Current Recoverable Taxes	482,778	596,936
1.01.06.01.01	Recoverable Income and Social Contribution Taxes	232,352	163,237
1.01.06.01.02	Other Recoverable Taxes	250,426	433,699
1.01.07	Prepaid Expenses	46,666	37,146
1.01.08	Other Current Assets	532,847	304,885
1.01.08.03	Other	532,847	304,885
1.01.08.03.01	Unrealized Derivatives Gains	448,550	158,930
1.01.08.03.02	Other Accounts Receivable	62,235	46,062
1.01.08.03.03	Receivables from Energy Sales	12,039	49,328
1.01.08.03.05	Advance to Suppliers - Development Program	10,023	565
1.01.08.03.08	Assets Held for Sale	0	50,000
1.02	Non-Current Assets	21,604,765	21,670,966
1.02.01	Long-Term Assets	5,216,452	4,995,107
1.02.01.05	Biological Assets	4,333,494	4,130,508
1.02.01.06	Deferred Taxes	2,148	2,583
1.02.01.06.01	Deferred Income and Social Contribution Taxes	2,148	2,583
1.02.01.07	Prepaid Expenses	187	0
1.02.01.08	Receivables from Related Parties	13,000	0
1.02.01.08.04	Receivables from Other Related Parties	13,000	0
1.02.01.09	Other Non-Current Assets	867,623	862,016
1.02.01.09.03	Unrealized Derivatives Gains	114,109	36,463
1.02.01.09.04	Other Recoverable Taxes	349,283	433,070
1.02.01.09.05	Advance to Suppliers - Development Program	220,728	251,287
1.02.01.09.06	Other Receivables	100,153	79,543
1.02.01.09.08	Judicial Deposits	83,350	61,653
1.02.02	Investments	3,831	0
1.02.02.01	Equity Interest	3,831	0
1.02.02.01.04	Other Interest in Subsidiaries	3,831	0
1.02.03	Property, Plant and Equipment	16,180,944	16,346,234
1.02.03.01	Operational Property, Plant and Equipment	15,814,782	16,116,498
1.02.03.02	Leased Property, Plant and Equipment	11,519	13,230
1.02.03.03	Construction in Progress	354,643	216,506
1.02.04	Intangible Assets	203,538	329,625
1.02.04.01	Intangible Assets	203,538	329,625
1.02.04.01.02	Goodwill	45,445	45,445
1.02.04.01.03	Other Intangible Assets	158,093	284,180

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

Code	Description	Current quarter 9/30/2016	Previous year 12/31/2015
2	Total Liabilities	29,809,646	28,259,985
2.01	Current Liabilities	3,141,591	3,510,574
2.01.01	Payroll and Related Charges	176,588	164,782
2.01.01.01	Payroll Charges Liabilities	21,266	22,501
2.01.01.02	Labor Liabilities	155,322	142,281
2.01.02	Trade Accounts Payable	547,501	581,477
2.01.02.01	Domestic Suppliers	518,655	525,393
2.01.02.02	Foreign Suppliers	28,846	56,084
2.01.03	Tax Liabilities	78,037	56,285
2.01.03.01	Federal Tax Liabilities	53,910	38,941
2.01.03.02	State Tax Liabilities	18,080	11,317
2.01.03.03	Municipal Tax Liabilities	6,047	6,027
2.01.04	Loans and Financing	1,627,827	2,024,964
2.01.04.01	Loans and Financing	1,627,827	2,024,964
2.01.04.01.01	In Domestic Currency	708,794	1,318,815
2.01.04.01.02	In Foreign Currency	919,033	706,149
2.01.05	Other Liabilities	711,638	683,066
2.01.05.02.01	Dividends and Interest on Shareholders' Equity Payable	711,638	683,066
2.01.05.02.04	Unrealized Derivative Losses	428,742	281,317
2.01.05.02.05	Accounts Payable	183,242	278,365
2.01.05.02.06	Commitments from Acquisition of Assets	80,849	91,326
2.01.05.02.08	Advance from Customers	18,805	32,058
2.02	Non-Current Liabilities	15,660,890	15,557,330
2.02.01	Loans and Financing	12,573,926	12,892,378
2.02.01.01	Loans and Financing	12,573,926	12,892,378
2.02.01.01.01	In Domestic Currency	3,888,328	3,921,570
2.02.01.01.02	In Foreign Currency	8,685,598	8,970,808
2.02.02	Other Liabilities	721,322	1,122,641
2.02.02.02	Other	721,322	1,122,641
2.02.02.02.03	Unrealized Derivative Losses	93,484	353,814
2.02.02.02.04	Accounts Payable	13,092	35,289
2.02.02.02.05	Commitments from Acquisition of Assets	614,746	733,538
2.02.03	Deferred Taxes	1,833,360	1,037,889
2.02.03.01	Deferred Income and Social Contribution Taxes	1,833,360	1,037,889
2.02.04	Provisions	532,282	504,422
2.02.04.01	Provisions for Tax, Pension, Labor and Civil Claims	236,837	198,559
2.02.04.02	Other Provisions	295,445	305,863
2.02.04.02.04	Provision for Actuarial Liabilities	277,540	263,141
2.02.04.02.05	Share-Based Payment	17,905	42,722
2.03	Consolidated Equity	11,007,165	9,192,081
2.03.01	Paid-in Capital	6,241,753	6,241,753
2.03.02	Capital Reserves	-194,846	-205,892

Consolidated Financial Statements / Balance Sheet - Liabilities

(In thousands of R\$)

Code	Description	Current quarter 9/30/2016	Previous year 12/31/2015
2.03.02.04	Granted Options	18,944	23,091
2.03.02.05	Treasury Shares	-273,665	-288,858
2.03.02.07	Tax Incentives	75,317	75,317
2.03.02.09	Costs with Share Issue	-15,442	-15,442
2.03.04	Income Reserve	406,137	706,137
2.03.04.01	Legal Reserve	231,926	231,926
2.03.04.08	Additional Dividend Proposed	0	300,000
2.03.04.11	Reserve to Increase Capital	174,211	174,211
2.03.05	Retained Earnings/Accumulated Losses	2,170,624	0
2.03.06	Equity Valuation Adjustment	2,442,267	2,481,076
2.03.08	Other Comprehensive Income (Loss)	-58,770	-30,993

Consolidated Financial Statements / Statement of Income

(In thousands of R\$)

Code	Description	Current quarter 7/1/2016 to 9/30/2016	Year-to-date 1/1/2016 to 9/30/2016	Same quarter previous year 7/1/2015 to 9/30/2015	Previous year 1/1/2015 to 9/30/2015
3.01	Income from the Sale of Goods and/or Services Rendered	2,172,760	7,384,570	2,985,494	7,515,266
3.02	Cost of Goods Sold and/or Services Rendered	-1,553,517	-4,827,659	-1,655,532	-4,591,831
3.03	Gross Profit	619,243	2,556,911	1,329,962	2,923,435
3.04	Operating Expense/Income	-297,859	-721,702	-214,584	-629,080
3.04.01	Selling Expenses	-96,877	-302,280	-108,686	-292,076
3.04.02	General and Administrative Expenses	-109,778	-310,583	-112,241	-320,786
3.04.04	Other Operating Income	2,767	18,193	9,538	17,537
3.04.05	Other Operating Expenses	-93,875	-122,863	-3,195	-33,755
3.04.06	Equity Pick-up in Subsidiaries and Affiliates	-96	-4,169	0	0
3.05	Earnings Before Financial Result and Taxes	321,384	1,835,209	1,115,378	2,294,355
3.06	Financial Income (Expenses)	-236,110	1,260,518	-2,624,474	-4,293,317
3.06.01	Financial Income	64,135	2,132,294	69,984	225,390
3.06.02	Financial Expenses	-300,245	-871,776	-2,694,458	-4,518,707
3.07	Earnings Before Income Taxes	85,274	3,095,727	-1,509,096	-1,998,962
3.08	Income and Social Contribution Taxes	-32,450	-963,912	549,914	732,958
3.08.01	Current	-12,620	-168,660	-3,683	-9,835
3.08.02	Deferred	-19,830	-795,252	553,597	742,793
3.09	Net Income/(Loss) from Continued Operations	52,824	2,131,815	-959,182	-1,266,004
3.11	Consolidated Net Income for the Period	52,824	2,131,815	-959,182	-1,266,004
3.11.01	Attributable to Controlling Shareholders	52,824	2,131,815	-959,182	-1,266,004

(A FREE TRANSLATION OF THE ORIGINAL IN PORTUGUESE)

ITR – Quarterly Information – September 30, 2016 - SUZANO PAPEL E CELULOSE SA

Version: 1

Consolidated Financial Statements / Statement of Income

(In thousands of R\$)

Code	Description	Current quarter 7/1/2016 to 9/30/2016	Year-to-date 1/1/2016 to 9/30/2016	Same quarter previous year 7/1/2015 to 9/30/2015	Previous year 1/1/2015 to 9/30/2015
3.99	Earnings per Share - (Reais/Share)				
3.99.01	Basic Earnings per Share				
3.99.01.01	Common	0.04543	1.83372	-0.82631	-1.09083
3.99.01.02	Class A Preferred	0.04999	2.01710	-0.90919	-1.19992
3.99.01.03	Class B Preferred	0.06452	2.03226	-0.90323	-1.19355
3.99.02	Diluted Earnings per Share				
3.99.02.01	Common	0.04535	1.83032	-0.82331	-1.08687
3.99.02.02	Class A Preferred	0.04989	2.01335	-0.90589	-1.19556
3.99.02.03	Class B Preferred	0.06452	2.03226	-0.90323	-1.19355

(A FREE TRANSLATION OF THE ORIGINAL IN PORTUGUESE)

ITR – Quarterly Information – September 30, 2016 - SUZANO PAPEL E CELULOSE SA

Version: 1

Consolidated Financial Statements/ Statement of Comprehensive Income

(In thousands of R\$)

Code	Description	Current quarter 7/1/2016 to 9/30/2016	Year-to-date 1/1/2016 to 9/30/2016	Same quarter previous year 7/1/2015 to 9/30/2015	Previous year 1/1/2015 to 9/30/2015
4.01	Consolidated Net Income for the Period	52,824	2,131,815	-959,182	-1,266,004
4.02	Other Comprehensive Income (Loss)	-10,848	-27,777	-5,908	-15,623
4.02.01	Exchange Variation on Translation of Financial Statements and Foreign Investments	-10,848	-27,777	-5,908	-15,623
4.03	Consolidated Comprehensive Income for the Period	41,976	2,104,038	-965,090	-1,281,627
4.03.01	Attributable to the Partners of the Parent Company	41,976	2,104,038	-965,090	-1,281,627

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

Code	Description	Year-to-date 1/1/2016 to 9/30/2016	Previous year 1/1/2015 to 9/30/2015
6.01	Net Cash from Operating Activities	1,927,885	1,560,566
6.01.01	Cash Generated in Operations	2,692,644	3,622,680
6.01.01.01	Net Income/(Loss) for the Period	2,131,815	-1,266,004
6.01.01.02	Depreciation, Depletion and Amortization	1,029,983	1,062,261
6.01.01.03	Income from Sale of Permanent Assets	-8,312	-1,487
6.01.01.04	Equity Pick-up in Subsidiaries and Affiliates	4,169	0
6.01.01.05	Exchange and Monetary Variations, Net	-1,727,257	2,856,698
6.01.01.06	Interest Expenses, Net	757,633	890,132
6.01.01.07	Deferred Income and Social Contr. Tax Expenses (Income)	795,252	-742,793
6.01.01.08	Addition to Actuarial Liabilities	25,724	23,266
6.01.01.09	Provision /(Reversal) for Contingencies	11,335	-36,688
6.01.01.10	Reversal/(Provision) for Share-Based Payments	-376	25,769
6.01.01.11	Derivative/(Gains) / Losses, Net	-498,747	662,309
6.01.01.15	Provision/(Reversal) for Doubtful Accounts, Net	8,709	20,431
6.01.01.16	Provision/(Reversal) for Losses with Inventory and Write-offs	14,466	7,485
6.01.01.17	Reversal/(Provision) for Deduction	-46,749	78,261
6.01.01.18	Partial Write-off of Goodwill on R&D Agreements	78,799	0
6.01.01.19	Provision/(Reversal) for Losses and Write-Offs with Property, Plant and Equipment and Biological Assets	28,529	19,480
6.01.01.20	Other Provisions	87,671	23,560
6.01.02	Changes in Assets and Liabilities	-764,759	-2,062,114
6.01.02.01	Reduction/(Increase) in Receivables	279,794	-710,551
6.01.02.02	Increase/(Reduction) in Inventories	-174,921	-206,752
6.01.02.03	Reduction/(Increase) in Recoverable Taxes	234,912	-3,181
6.01.02.04	Reduction/(Increase) in Other Current and Non-Current Assets	21,919	26,532
6.01.02.06	(Reduction)/Increase in Trade Accounts Payable	-19,265	81,120
6.01.02.07	Increase /(Reduction) in Other Current and Non-Current Liabilities	169,540	24,274
6.01.02.08	Payment of Interest	-831,044	-907,172
6.01.02.09	Payment of Other Taxes and Contributions	-398,736	-318,574
6.01.02.10	Payment of Income and Social Contribution Taxes	-46,958	-47,810
6.02	Net Cash used in Investment Activities	-2,181,328	-1,087,994
6.02.01	Additions to Property, Plant and Equipment	-431,852	-279,065
6.02.02	Additions to Biological Assets	-673,028	-827,187
6.02.04	Additions to Intangible Assets	-6,099	-6,321
6.02.05	Amounts Received from the Sale of Assets	31,775	24,579
6.02.08	Financial Investments	-1,102,124	0
6.03	Net Cash Provided by (Used in) Financing Activities	981,887	-1,913,787

Consolidated Financial Statements / Statement of Cash Flows - Indirect Method

(In thousands of R\$)

Code	Description	Year-to-date 1/1/2016 to 9/30/2016	Previous year 1/1/2015 to 9/30/2015
6.03.01	Funding	4,353,897	4,011,295
6.03.02	Settlement of Derivative Operations	19,238	-34,711
6.03.03	Payment of Loans	-3,099,836	-5,748,919
6.03.04	Dividends of Own Shares	8,514	8,514
6.03.05	Dividend Payment	-299,926	-149,966
6.04	Exchange Variation on Cash and Cash Equivalents	-137,083	134,342
6.05	Increase (Decrease) of Cash and Cash Equivalents	591,361	-1,306,873
6.05.01	Cash and Cash Equivalents at the Beginning of the Period	1,477,246	3,686,115
6.05.02	Cash and Cash Equivalents at the End of the Period	2,068,607	2,379,242

Consolidated Financial Statements / Statement of Changes in Equity - 1/1/2016 to 9/30/2016

(In thousands of R\$)

Code	Description	Paid-In Capital	Capital Reserves, Options Granted and Treasury Shares	Income Reserve	Retained Earnings or Accumulated Losses	Other Comprehensive Income	Equity	Non-Controlling Interest	Consolidated Equity
5.01	Opening Balances	6,241,753	-205,892	706,137	0	2,450,083	9,192,081	0	9,192,081
5.03	Adjusted Opening Balances	6,241,753	-205,892	706,137	0	2,450,083	9,192,081	0	9,192,081
5.04	Equity Transactions with Shareholders	0	11,046	-300,000	0	0	-288,954	0	-288,954
5.04.03	Recognized Granted Options	0	-4,147	0	0	0	-4,147	0	-4,147
5.04.06	Dividends	0	0	-300,000	0	0	-300,000	0	-300,000
5.04.08	Treasury Shares used to meet the Share-Based Payment	0	15,193	0	0	0	15,193	0	15,193
5.05	Total Comprehensive Income/(Loss)	0	0	0	2,131,815	-27,777	2,104,038	0	2,104,038
5.05.01	Net Income for the Period	0	0	0	2,131,815	0	2,131,815	0	2,131,815
5.05.02	Other Comprehensive Income (Loss)	0	0	0	0	-27,777	-27,777	0	-27,777
5.05.02.06	Exchange Variation on Translation of Financial Statements and Foreign Investments	0	0	0	0	-27,777	-27,777	0	-27,777
5.06	Internal Changes in Equity	0	0	0	38,809	-38,809	0	0	0
5.06.05	Partial Realization of Attributed Cost Adjustment Net of Deferred Income and Social Contribution Taxes	0	0	0	38,809	-38,809	0	0	0
5.07	Closing Balances	6,241,753	-194,846	406,137	2,170,624	2,383,497	11,007,165	0	11,007,165

Consolidated Financial Statements / Statement of Changes in Equity - 1/1/2015 to 9/30/2015

(In thousands of R\$)

Code	Description	Paid-In Capital	Capital Reserves, Options Granted and Treasury Shares	Income Reserve	Retained Earnings or Accumulated Losses	Other Comprehensive Income	Equity	Non-Controlling Interest	Consolidated Equity
5.01	Opening Balances	6,241,753	-217,912	1,852,294	0	2,438,997	10,315,132	0	10,315,132
5.03	Adjusted Opening Balances	6,241,753	-217,912	1,852,294	0	2,438,997	10,315,132	0	10,315,132
5.04	Equity Transactions with Shareholders	0	13,006	-150,004	0	0	-136,998	0	-136,998
5.04.03	Recognized Granted Options	0	-1,862	0	0	0	-1,862	0	-1,862
5.04.06	Dividends	0	0	-150,004	0	0	-150,004	0	-150,004
5.04.08	Treasury Shares used to meet the Share-Based Payment	0	14,868	0	0	0	14,868	0	14,868
5.05	Total Comprehensive Income/(Loss)	0	0	0	-1,266,004	-15,623	-1,281,627	0	-1,281,627
5.05.01	Net Income for the Period	0	0	0	-1,266,004	0	-1,266,004	0	-1,266,004
5.05.02	Other Comprehensive Income (Loss)	0	0	0	0	-15,623	-15,623	0	-15,623
5.05.02.06	Exchange Variation on Translation of Financial Statements and Foreign Investments	0	0	0	0	-15,623	-15,623	0	-15,623
5.06	Internal Changes in Equity	0	0	0	37,717	-37,717	0	0	0
5.06.05	Partial Realization of Attributed Cost Adjustment Net of Deferred Income and Social Contribution Taxes	0	0	0	37,717	-37,717	0	0	0
5.06.10	Dividends Proposed by the Management	0	0	120,000	0	0	120,000	0	120,000
5.06.11	Partial Use of Profit Reserve for Proposed Dividend Payment	0	0	-120,000	0	0	-120,000	0	-120,000
5.07	Closing Balances	6,241,753	-204,906	1,702,290	-1,228,287	2,385,657	8,896,507	0	8,896,507

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

Code	Description	Year-to-date 1/1/2016 to 9/30/2016	Previous year 1/1/2015 to 9/30/2015
7.01	Income	8,498,724	8,478,804
7.01.01	Sale of Goods, Products and Services	8,191,758	8,216,366
7.01.02	Other Income	-49,657	29,338
7.01.03	Income from Construction of Own Assets	365,332	253,531
7.01.04	Reversal of/Allowance for Doubtful Accounts	-8,709	-20,431
7.02	Input Acquired from Third Parties	-4,807,791	-4,517,178
7.02.01	Cost of Products Sold and Services Rendered	-3,133,133	-3,192,933
7.02.02	Supplies, Electricity, Outsourced Services and Others	-1,674,658	-1,324,245
7.03	Gross Value Added	3,690,933	3,961,626
7.04	Retentions	-1,029,983	-1,062,261
7.04.01	Depreciation, Amortization and Depletion	-1,029,983	-1,062,261
7.05	Net Value Added Produced	2,660,950	2,899,365
7.06	Value Added from Transfers	453,174	1,186,543
7.06.01	Equity Pick-up in Subsidiaries and Affiliates	-4,169	0
7.06.02	Financial Income	457,343	1,186,543
7.07	Total Value Added to Distribute	3,114,124	4,085,908
7.08	Distribution of Value Added	3,114,124	4,085,908
7.08.01	Personnel	725,613	690,427
7.08.01.01	Direct Compensation	585,263	561,294
7.08.01.02	Benefits	111,861	99,422
7.08.01.03	F.G.T.S. (Government Severance Indemnity Fund for Employees)	28,489	29,711
7.08.02	Taxes, Fees and Contributions	1,004,207	-872,289
7.08.02.01	Federal	1,148,925	-735,130
7.08.02.02	State	-148,703	-140,721
7.08.02.03	Municipal	3,985	3,562
7.08.03	Value Distributed to Providers of Capital	-747,511	5,533,774
7.08.03.01	Interest Rates	-803,175	5,479,860
7.08.03.02	Rentals	55,664	53,914
7.08.04	Value Distributed to Shareholders	2,131,815	-1,266,004
7.08.04.03	Accumulated Losses/Retained Earnings for the Period	2,131,815	-1,266,004

Comments on the Performance

3Q16 Operating Cash Generation¹ of R\$ 507 million demonstrates management's discipline in costs and capital allocation

São Paulo, October 26, 2016. Suzano Pulp and Paper (Bovespa: SUZB5), one of the largest integrated pulp and paper producers in Latin America, announces today its consolidated results for the third quarter of 2016 (3Q16) and first nine months of 2016 (9M16).

MESSAGE FROM MANAGEMENT

In the third quarter of 2016, the results of our pulp segment continued to suffer effects from external factors (pressure on pulp list price and stronger local currency). Price performance has been pointing to a challenging year for the industry, despite demand remaining structurally resilient. Given the healthy demand and current market fundamentals, in October, we announced an increase in our pulp price in China (US\$530/ton).

In the paper segment, despite the weaker demand in Brazil, we were able to expand our market share in the country, with prices stable in relation to the second quarter and above the levels of 2015, reflecting the price increases implemented in all our paper lines.

In 3Q16, the weaker pulp sales volume reflects (i) the lower production due to scheduled maintenance downtimes and the slower production pace at the Imperatriz Unit (in Maranhão state) due to the ramp-up of investments that will allow the debottleneck of the mill in 2018 (Project 5.1); and (ii) delay in pulp shipments.

Despite the impacts on production, pulp cash cost in 3Q16 was in line with 2Q16 and maintained its downward trend towards attaining the optimal structural cash cost. The increase in the Company's cost and expense structure has lagged inflation due to the capture of productivity gains.

The acquisition of properties and forests in the state of Maranhão was the last milestone for our attaining the optimal structural cost of R\$ 475 per ton² by 2021/2022. The transaction will reduce our wood costs and forestry capex over the coming years at the Imperatriz Unit (in Maranhão state) and also will allow us to demobilize forests located further from the mill.

We emphasize that the Company's main management metric is return on invested capital (ROIC), based on operating cash generation, which amounted to R\$2.1 billion in the first nine months of 2016. Given the more challenging scenario, our focus has been on discipline: supply discipline, cost discipline, financial discipline and capital discipline, which will be the main drivers of higher profitability. In terms of supply, we announced the postponement of a part of Project 5.1, at the Mucuri Unit (in Bahia state). Cost discipline seeks to capture efficiency gains to neutralize the effects from inflation. Financial discipline has led to the dollarization of 100% of net debt, prioritized liquidity with competitive costs and lengthened the average debt term. Under capital discipline, we revised our capex guidance for 2016 to R\$1.9 billion from R\$2.1 billion and we expect our dividend distribution to be based on the Company's cash generation.

Suzano maintains its structural focus on the paper and pulp industry, which gives us a significant competitive advantage. We also will maintain our structural-competitiveness strategy based on cutting costs, reducing risks via higher liquidity and deleveraging, which are factors within the scope of our management.

The strategic pillar Adjacent Businesses seeks to identify new applications for our asset base to further diversify the Company's product portfolio. We have made progress on projects previously announced (fluff, tissue and lignin) and reaffirmed our commitment to find new alternatives that can create sustainable value and maximize our asset base.

We will not abandon our financial discipline and will work to protect the company's financial health and preserve the solidity that has always been our trademark.

In short, we continue to prioritize creating value for shareholders to improve the Company's profitability.

Financial Data (R\$ million)	3Q16	3Q15	Δ Y-o-Y	2Q16	Δ Q-o-Q	9M16	9M15	Δ Y-o-Y
Net Revenue	2,173	2,985	(27.2%)	2,503	(13.2%)	7,385	7,515	(1.7%)
Adjusted EBITDA ³	767	1,476	(48.0%)	967	(20.7%)	3,004	3,367	(10.8%)
Adjusted EBITDA Margin ³	35.3%	49.4%	(14.1 p.p.)	38.6%	(3.3 p.p.)	40.7%	44.8%	(4.1 p.p.)
Net Financial Result	(236)	(2,624)	(91.0%)	773	(130.6%)	1,261	(4,293)	(129.4%)
Net Income	53	(959)	(105.5%)	954	(94.5%)	2,132	(1,266)	(268.4%)
Operating Cash Generation	507	1,228	(58.7%)	723	(30.0%)	2,132	2,531	(15.7%)
Variation in Working Capital	53	(652)	(108.2%)	284	(81.2%)	253	(705)	(135.8%)
Cash Generation	560	577	(2.8%)	1,008	(44.4%)	2,385	1,826	30.6%
Net Debt /Adjusted EBITDA ³ (x)	2.4 x	3.0 x	(0.7 x)	2.1 x	0.3 x	2.4 x	3.0 x	(0.7 x)

¹ Operating cash generation corresponds to Adjusted EBITDA less sustaining capex. | ² Value in 2016 BRL | ³ Excludes non-recurring items and/or non-cash items.

Comments on the Performance

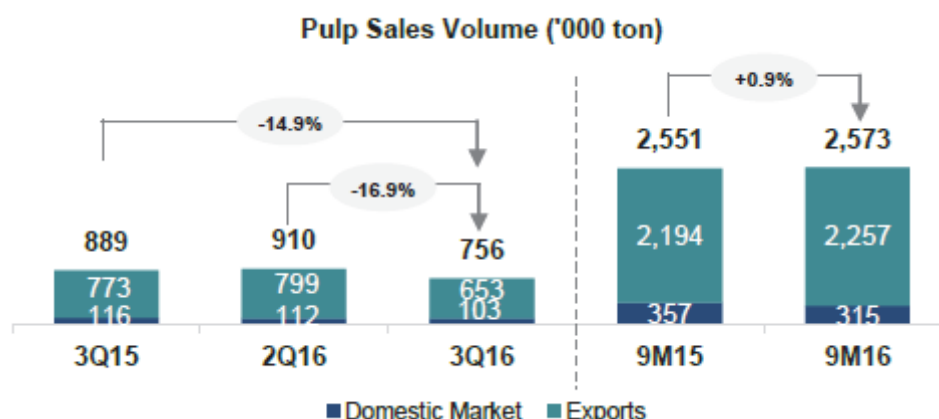
OPERATING PERFORMANCE

PULP BUSINESS UNIT

Data from the Pulp and Paper Products Council (PPPC) show that pulp shipments in July and August increased 2.7% compared to the same period last year, while eucalyptus shipments increased 3.6%. Suzano sold 756.5 thousand tons of market pulp in 3Q16, which was 14.9% lower than in 3Q15 (-132 thousand tons) and 16.9% lower than the sales volume recorded in 2Q16 (-154 thousand tons). Sales volume in 3Q16 reflects the lower production resulting from the scheduled maintenance downtimes (Mucuri (Line 2) and Suzano) and the slower production pace at the Imperatriz Unit (in Maranhão state) in the quarter due to the ramp-up of investments to debottleneck the plant (Project 5.1).

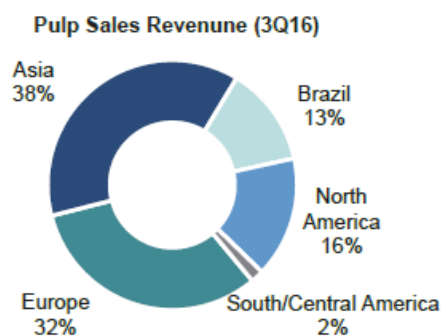
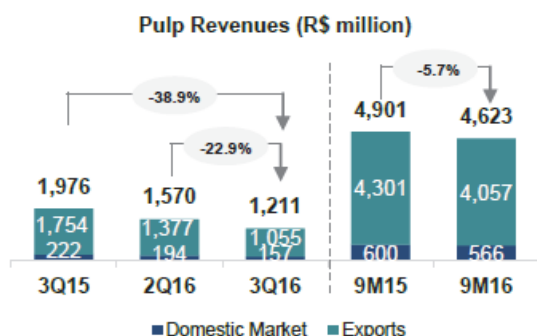
In 8M16, pulp shipments amounted to 32.0 million tons, increasing 3.7% from the year-ago period, while eucalyptus shipments amounted to 12.9 million tons (+12.1% vs. 8M15). Suzano's pulp sales in 9M16 came to 2.6 million tons, relatively stable (+0.9%) in relation to 9M15.

The pulp inventories reported by the PPPC ended August at 38 days, in line with the industry's seasonality.



The average net pulp price in USD was US\$493/ton in 3Q16, in line with the average net price in 2Q16 (US\$491/ton) and down US\$133/ton (-21.3%) from 3Q15. In 9M16, the price stood at US\$506/ton, down US\$102/ton (-16.8%) from 9M15.

The average net price in Brazilian real was R\$1,601/ton in 3Q16, down 7.2% from 2Q16, affected by the BRL appreciation in the period (7.5%). Compared to 3Q15, the average net pulp price decreased 28.0%, due to deterioration in the pulp list price and the BRL appreciation against the USD. In 9M16, the average net price was R\$1,798/ton, down 6.4% from 9M15, reflecting the adverse impact from the BRL appreciation against the USD and the lower list price.



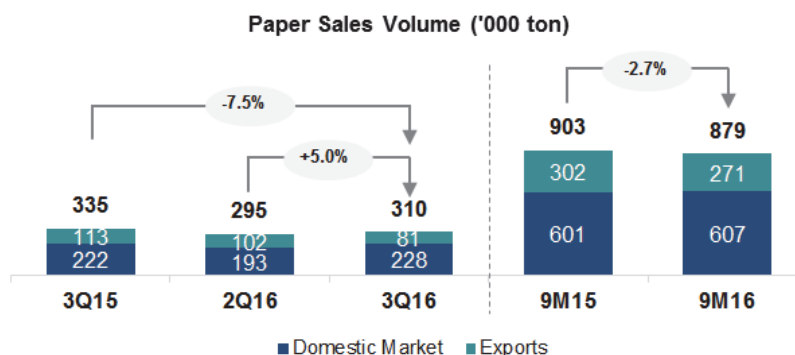
Comments on the Performance

PAPER BUSSINESS UNIT

According to the Forestry Industry Association (Ibá), Brazilian demand for Printing & Writing paper and Paperboard (domestic industry sales + imports) increased 0.8% in 3Q16 compared to the year-ago period. In the same period, the domestic sales presented a contraction of 1.6%, while the imports increased by 16.5%. In comparison with 2Q16, the total domestic demand increase by 14.1% with the domestic sales growing 11.1% and imports increasing 33.8%.

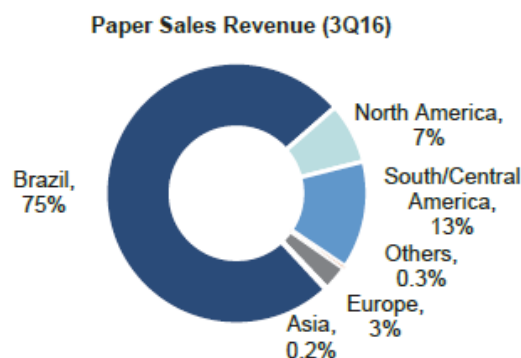
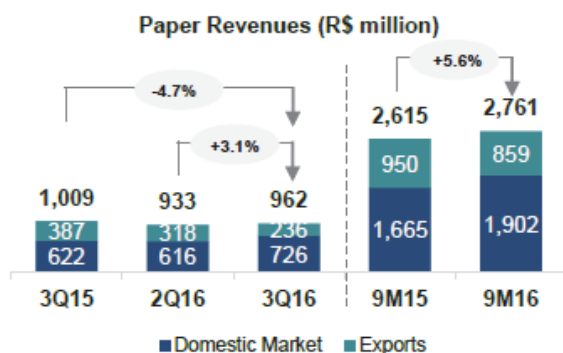
In 9M16, Brazilian demand for these papers contracted 3.7% from 9M15, reflecting sales by domestic producers growing 0.3% and the volume of paper imports decreasing 22.7%.

Suzano’s paper sales in 3Q16 amounted to 309.6 thousand tons, down 7.5% compared to 3Q15, due to the lower volume of paper exports in the period. The 5.0% growth in sales volume compared to 2Q16 is explained by the industry’s seasonality. In 9M16, sales amounted to 879 thousand tons, which represents a stable performance given the divestment of the Embu Unit.



The average net paper price in the domestic market in 3Q16 was R\$3,179/ton, increasing 13.6% and decreasing 0.5% from 3Q15 and 2Q16, respectively. In 9M16, the average net price stood at R\$3,133/ton, 13.1% higher than in the same period of 2015.

The average net price in USD of paper exports in 3Q16 was US\$893/ton, decreasing 7.9% from 3Q15 and increasing 0.8% from 2Q16. In Brazilian real, the average net price of paper exports in 3Q16 decreased 15.7% and 6.7% from 3Q15 and 2Q16, respectively, which is explained by the exchange variation in the period and by shift in the geographic and product mixes. In 9M16, the average net paper price stood at US\$890/ton, down 10.6% compared to 9M15.

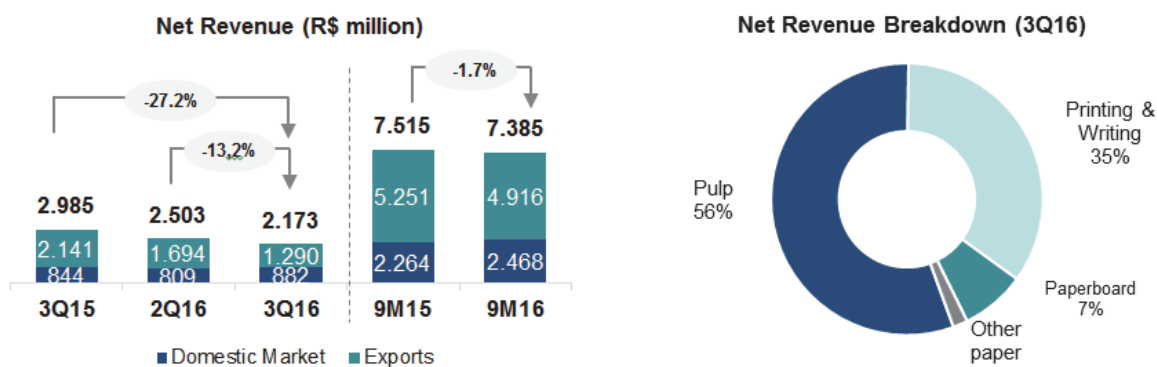


Comments on the Performance

ECONOMIC-FINANCIAL PERFORMANCE

NET REVENUE

Suzano's net revenue was R\$2,172.8 million in 3Q16. Pulp and paper shipments in the quarter amounted to 1,066.0 thousand tons, decreasing by 11.5% from 2Q16 and by 12.9% from 3Q15. In 9M16, net revenue amounted to R\$7,384.6 million, with 3,451.3 thousand tons of paper and pulp sold.



The performance of consolidated net revenue compared to 3Q15 is mainly explained by the lower volume of pulp and paper exports, the lower pulp list price in USD, the lower paper export price and the stronger BRL, with these factors partially neutralized by the higher paper price in the domestic market. Compared to 2Q16, the lower net revenue is mainly due to the BRL appreciation against the USD, which had a negative impact on export revenue, and to the lower pulp sales volume. In 9M16, the decrease is explained by the lower pulp list price, which was partially offset by exchange variation and the higher paper price in the domestic market.

PRODUCTION

Production ('000 tons)	3Q16	3Q15	Δ Y-o-Y	2Q16	Δ Q-o-Q	9M16	9M15	Δ Y-o-Y
Market Pulp	809	929	(13.0%)	817	(1.0%)	2,538	2,530	0.3%
Paper	292	315	(7.5%)	298	(2.2%)	887	926	(4.2%)
Total	1,101	1,245	(11.6%)	1,115	(1.3%)	3,425	3,456	(0.9%)

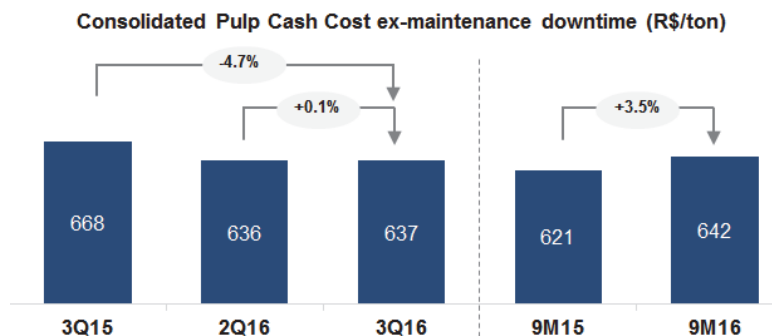
In 3Q16, scheduled maintenance downtimes were carried out at the Suzano Unit (in São Paulo state) and on Line 2 at the Mucuri Unit (in Bahia state), which adversely affected pulp and paper production volume in the quarterly comparisons. In 9M16, pulp production amounted to 2,538 thousand tons, remaining stable in relation to the same period of 2015. Paper production amounted to 292 thousand tons in 3Q16 and reflects, in addition to the downtime schedule and the production of fluff pulp, the consummation of the association with Ibema and the divestment of the Embu mill in 2016.

Unit	2015				2016				2017			
	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17
Imperatriz (MA)												
Mucuri - Line 1 (BA)					no downtime							
Mucuri - Line 2 (BA)												
Suzano (SP)												
Limeira (SP)									no downtime			

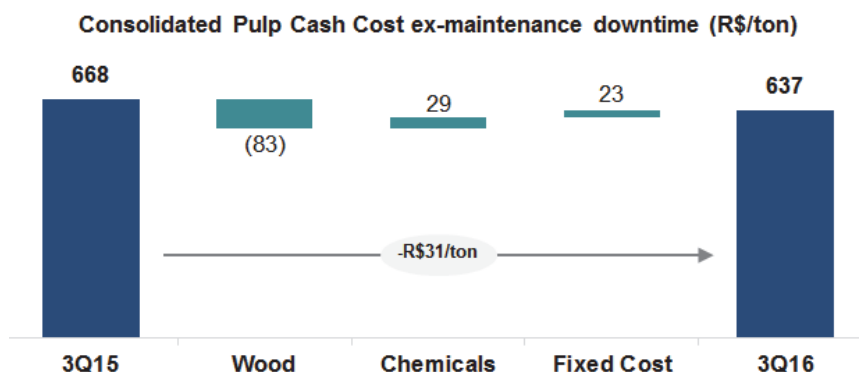
Comments on the Performance

CASH COST

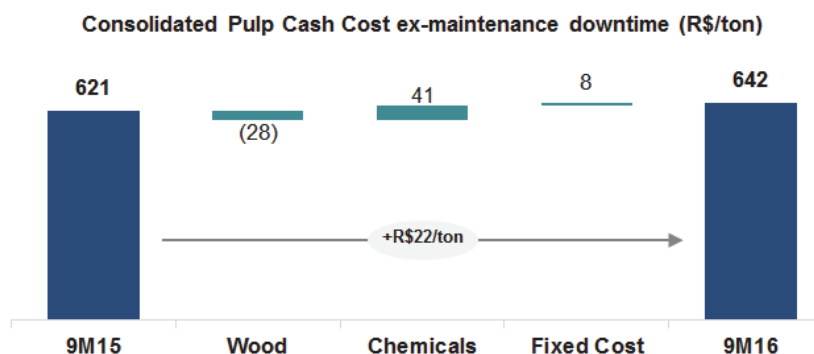
The consolidated cash cost of market pulp production in 3Q16 was R\$637/ton excluding downtimes and R\$666/ton including downtimes. In 9M16, the consolidated cash cost of market pulp production was R\$642/ton excluding downtimes and R\$665/ton including downtimes.



Cash cost was impacted by the following factors: (i) lower dilution of fixed costs resulting from the lower production volume; (ii) effects from exchange variation on raw materials linked to the USD; (iii) higher fuel consumption due to the resumption of maintenance downtimes (there were no downtimes in 3Q15); and (iv) decrease in wood costs due to the lower share of third-party wood in the supply mix at the Mucuri Unit (in Bahia state).



The increase in cash cost compared to 9M15 is explained by the lower energy sales price and the higher price of raw materials linked to the USD due to exchange variation, which was partially offset by the lower wood cost.



COST OF GOODS SOLD

Average unit COGS was R\$1,457.3/ton in 3Q16 (+7.7% vs. 3Q15) and R\$1,398.8/ton in 9M16 (+5.2% vs. 9M15), below the inflation measured in the period (8.5%).

Comments on the Performance

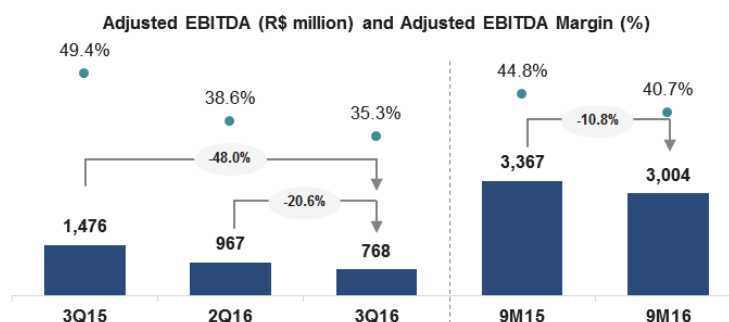
OPERATING EXPENSES

Expenses (R\$ '000)	3Q16	3Q15	Δ Y-o-Y	2Q16	Δ Q-o-Q	9M16	9M15	Δ Y-o-Y
Selling Expenses	96,877	108,686	(10.9%)	101,935	(5.0%)	302,280	292,076	3.5%
General and Administrative Expenses	109,778	112,241	(2.2%)	104,143	5.4%	310,583	320,786	(3.2%)
Total Expenses	206,655	220,927	(6.5%)	206,078	0.3%	612,863	612,862	0.0%
Total Expenses/Sales Volume (R\$/ton)	194	181	7.4%	171	13.4%	178	177	0.1%

Total selling and administrative expenses stood at R\$194/ton in 3Q16, increasing 7.4% from 3Q15, though lagging inflation in the period (+8.5%) and despite the lower sales volume (-12.9%). The increase in selling and administrative expenses per ton compared to 2Q16 (+13.4%) was mainly due to the lower sales volume in the period (-11.5%).

In 9M16, selling and administrative expenses in relation to sales volume were R\$178/ton, stable in relation to 9M15, demonstrating the Company's capacity to neutralize the effects from inflation on its expenses.

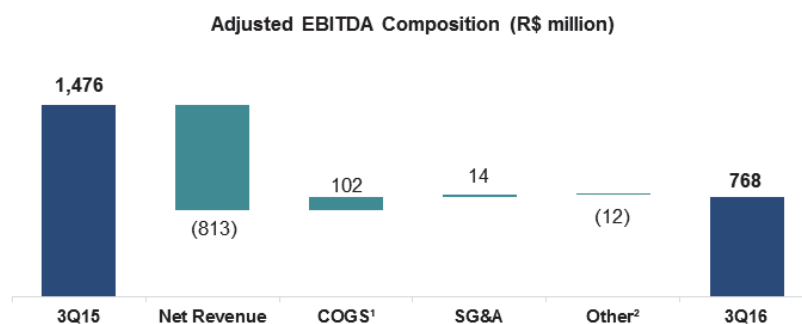
EBITDA



Adjusted EBITDA in 3Q16 compared to 2Q16 was mainly affected by the BRL appreciation, as well as by the lower pulp sales volume. Compared to 3Q15, adjusted EBITDA was impacted by deterioration in the pulp list price, BRL appreciation and lower sales volume. However, part of this impact was offset by the higher paper price in the domestic market and our rigorous cost and expense discipline.

The lower adjusted EBITDA in 9M16 compared to 9M15 was mainly due to the lower pulp price. However, this negative impact was partially neutralized by the BRL depreciation and the higher paper price in the domestic market.

EBITDA adjustments in 3Q16 mainly refer to the write-off of biotechnology research and development agreements due to impairment losses. A breakdown of Adjusted EBITDA is presented in Attachment 5.



¹ Includes depreciation, amortization and depletion.

² Includes other operating income/expenses and adjustments to non-recurring items.

Comments on the Performance**FINANCIAL RESULT**

Financial Result (R\$ '000)	3Q16	3Q15	Δ Y-o-Y	2Q16	Δ Q-o-Q	9M16	9M15	Δ Y-o-Y
Net Financial Expense	(185,651)	(259,673)	(28.5%)	(209,909)	(11.6%)	(629,605)	(732,560)	(14.1%)
Financial Expense	(300,245)	(329,657)	(8.9%)	(288,711)	4.0%	(871,776)	(957,950)	(9.0%)
Financial Income	114,594	69,984	63.7%	78,802	45.4%	242,171	225,390	7.4%
Exchange Rate Variation	(59,331)	(1,845,583)	(96.8%)	752,527	(107.9%)	1,391,376	(2,898,448)	(148.0%)
Derivative income (loss), net	8,872	(519,218)	(101.7%)	230,196	(96.1%)	498,747	(662,309)	(175.3%)
NDF	1,398	(286,505)	(100.5%)	2,050	(31.8%)	11,795	(365,914)	(103.2%)
Zero-Cost Collars	6,170	(129,978)	(104.7%)	201,006	(96.9%)	420,949	(129,978)	(423.9%)
Foreign-Currency Debt Hedge	(25,176)	(84,513)	(70.2%)	12,602	(299.8%)	49,766	(149,491)	(133.3%)
Other ¹	26,480	(18,222)	(245.3%)	14,538	82.1%	16,236	(16,925)	(195.9%)
Net Financial Result	(236,110)	(2,624,474)	(91.0%)	772,814	(130.6%)	1,260,518	(4,293,317)	(129.4%)

¹ Other includes currency swap operations, LIBOR and commodities.

The performance of the net financial expense in 3Q16 compared to 3Q15 and 2Q16 is mainly explained by the effects from exchange variation on interest expenses from foreign-denominated debt in the period.

Monetary and exchange variation generated a negative impact of R\$59.3 billion in the quarter, due to the impact on the balance sheet exposure from the 1.1% local-currency depreciation between the start (R\$3.21/US\$) and end (R\$3.25/US\$) of the quarter, with a negative 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.

At September 30th, 2016, the value of the principal of operations involving forward dollar sales through Zero Cost Collars (ZCC) was US\$800 million, whose maturities are distributed from January 2017 to January 2018 and were contracted in a range from R\$3.28 to R\$5.45. The current volatility in the BRL/USD exchange rate makes this the most adequate strategy for protecting the Company's cash flow. If, upon maturity, the exchange rate is within the contracted range, there are no cash inflows or outflows for Suzano. The positive impact of R\$6.2 million in 3Q16 is composed of a cash impact of R\$72 million and a non-cash impact of R\$65.8 million related to the pricing of operations using the Black model.

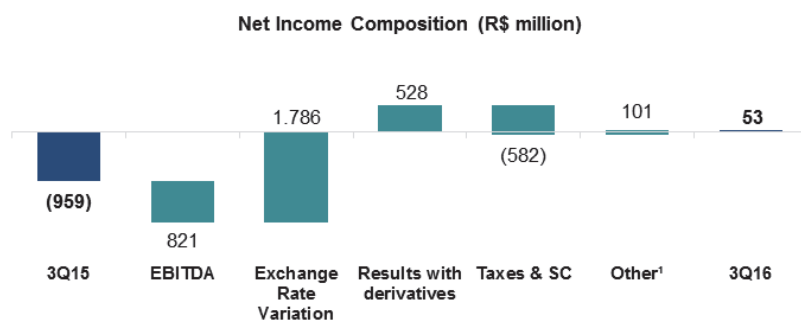
Suzano calibrates its debt profile based on its proportion of dollarized revenue in order to obtain a natural hedge. The currency hedge positions for the debt posted a loss of R\$25.2 million. The Company also uses swap contracts to exchange currency and interest rates and contracts to lock in bunker oil prices to mitigate the effects from these variations on its cash flow.

The Company posted a net financial expense of R\$236 million in 3Q16, compared to net financial income of R\$773 million in 2Q16 and the net financial expense of R\$2,624 million in 3Q15.

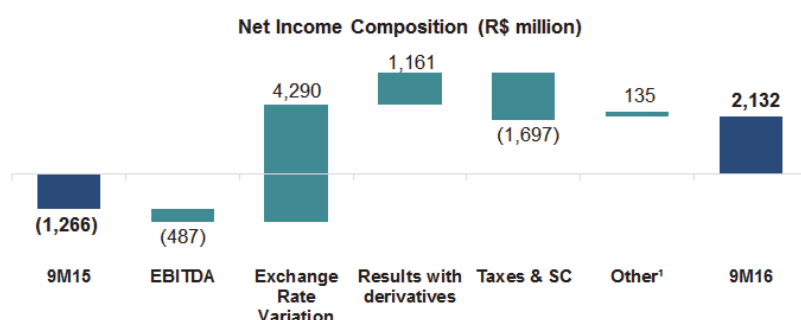
NET INCOME (LOSS)

The Company posted net income of R\$53 million in 3Q16, compared to the net loss of R\$959 million in 3Q15 and the net income of R\$954 million in 2Q16, which was mainly affected by the exchange variation in the period and the lower pulp price. In 9M16, net income amounted to R\$2,132 million, compared to the net loss of R\$1,266 million in 9M15.

Comments on the Performance



¹ Includes other operating income/expenses, equity income (loss) and financial income (loss).



¹ Includes other operating income/expenses, equity income (loss) and financial income (loss).

DEBT

Gross debt on September 30th, 2016 amounted to R\$14.2 billion, composed of 88.5% long-term maturities and 11.5% short-term maturities and with 67.6% denominated in foreign currency and 32.4% in local currency. The percentage of debt denominated in foreign currency, considering the adjustment for derivatives, was 76.5%.

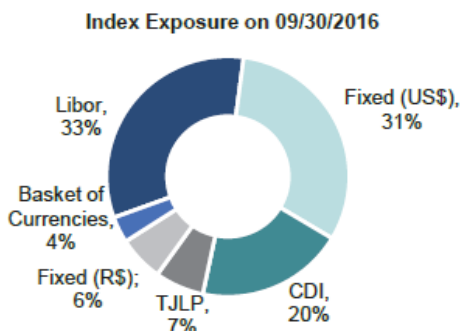
Suzano contracts foreign-denominated debt as a natural hedge, since a significant portion of its revenue is derived from exports. This structural exposure allows it to contract export financing in USD to match financing payments with receivable flows from sales.

Debt (R\$ million)	3Q16	3Q15	Δ Y-o-Y	2Q16	Δ Q-o-Q
Local Currency	4,597	5,120	(10.2%)	4,627	(0.6%)
Short Term	709	983	(27.9%)	690	2.7%
Long Term	3,888	4,137	(6.0%)	3,937	(1.2%)
Foreign Currency	9,605	9,954	(3.5%)	8,175	17.5%
Short Term	919	659	39.5%	1,113	(17.5%)
Long Term	8,686	9,295	(6.6%)	7,062	23.0%
Gross Debt	14,202	15,073	(5.8%)	12,802	10.9%
(-) Cash	4,186	2,379	75.9%	2,611	60.3%
Net Debt	10,016	12,694	(21.1%)	10,191	(1.7%)
<i>Net Debt/EBITDA (x)</i>	<i>2,5x</i>	<i>3,0x</i>	<i>(0.5x)</i>	<i>2,1x</i>	<i>0.4x</i>
<i>Net Debt/Adjusted EBITDA¹ (x)</i>	<i>2,4x</i>	<i>3,0x</i>	<i>(0.7x)</i>	<i>2,1x</i>	<i>0.3x</i>

¹ Excludes non-recurring items and/or non-cash items.

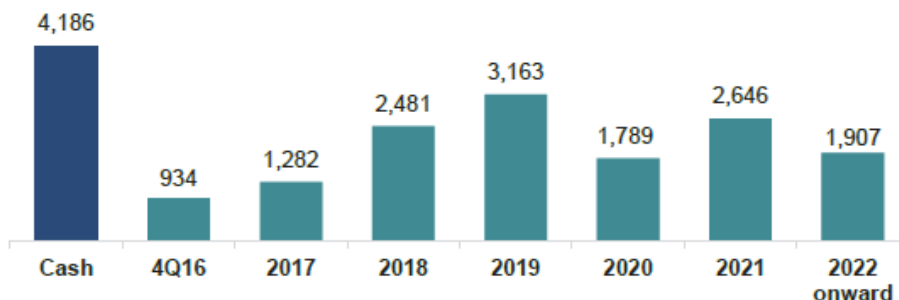
Comments on the Performance

In September 2016, the average cost of debt was 12.0% p.a. in BRL, or 85.0% of the CDI (vs. 11.9% p.a., or 84.2% of the CDI, in June 2016) and 4.6% p.a. in USD (vs. 4.3% p.a. in June 2016). The average term of consolidated debt ended the quarter at 3.5 years vs. 3.0 years in June 2016.

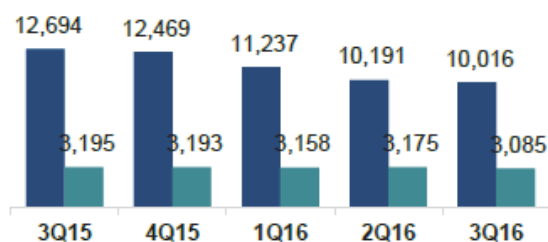


Net debt on September 30th, 2016 was R\$10.0 billion (US\$3.1 billion), compared to R\$10.2 billion (US\$3.2 billion) on June 30th, 2016. Net debt in foreign currency, considering the adjustment with derivatives, accounted for 100% of total net debt on September 30th, 2016. The net debt/Adjusted EBITDA ratio stood at 2.4 times, compared to 2.1 times on June 30th, 2016. The increase in this ratio was due to the lower EBITDA in the period, despite the reduction in net debt.

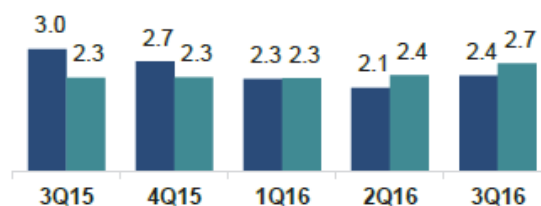
Amortization Schedule (R\$ million)



Net Debt (R\$ and US\$ million)



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



Suzano actively and expressly demonstrates its commitment to deleverage sustainably and to adopt adequate and efficient structures and costs for its market positioning and its operational and managerial capacity.

The Company continues to seek alternatives to reduce its debt cost and lengthen its debt maturity profile. In July, the Company successfully concluded a US\$500 million issue of Green Bonds with a term of 10 years and coupon of 5.75% p.a., which will be due and paid semiannually as from January 2017.

Comments on the Performance

CAPITAL EXPENDITURE

Capex (R\$ '000)	3Q16	3Q15	Δ Y-o-Y	2Q16	Δ Q-o-Q	9M16	9M15	Δ Y-o-Y
Sustaining Structural	260,660	247,869	5.2%	243,823	6.9%	871,592	836,824	4.2%
Competitiveness and Adjacent Business	101,721	117,894	(13.7%)	92,426	10.1%	321,698	458,911	(29.9%)
Other	79,342	15,489	412.2%	31,673	150.5%	237,291	30,738	672.0%
Total	441,723	381,253	15.9%	367,922	20.1%	1,430,581	1,326,473	7.8%

Capital expenditure amounted to R\$1,431 million in 9M16, of which R\$872 million was invested in industrial and forest maintenance. Investments in Structural Competitiveness and Adjacent Businesses projects amounted to R\$322 million and were mainly allocated to the projects 5.1, Tissue and Lignin. Investments in completing the Maranhão Project, retrofitting the Wastewater Treatment Plant at the Mucuri Unit and other projects amounted to R\$237 million in 9M16.

Capital discipline is of great importance to Suzano, with the primary focus on deleveraging. The recent changes in the macroeconomic scenario led the Company to adopt greater rigor in its investment decisions and consequently to reduce its CAPEX guidance for 2016 to R\$1.9 billion, effectively demonstrating its discipline and flexibility in allocating capital for investments.

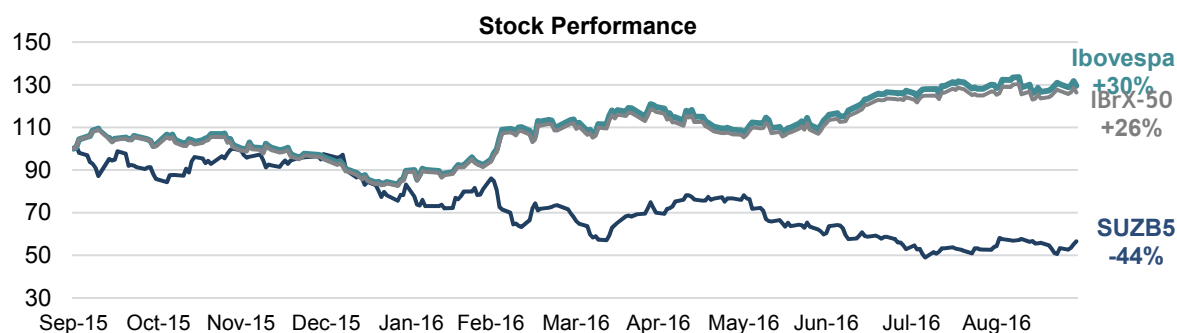
CASH GENERATION

Cash Generation (R\$ '000)	3Q16	3Q15	Δ Y-o-Y	2Q16	Δ Q-o-Q	9M16	9M15	Δ Y-o-Y
Adjusted EBITDA	767,467	1,476,300	(48.0%)	967,317	(20.7%)	3,004,028	3,367,469	(10.8%)
Sustaining Capex	(260,660)	(247,869)	5.2%	(243,823)	6.9%	(871,592)	(836,824)	4.2%
Operating Cash Generation	506,807	1,228,431	(58.7%)	723,494	(30.0%)	2,132,436	2,530,645	(15.7%)
Variation in Working Capital	53,441	(651,852)	(108.2%)	284,328	(81.2%)	252,566	(705,123)	(135.8%)
Cash Generation	560,248	576,579	(2.8%)	1,007,822	(44.4%)	2,385,002	1,825,522	30.6%

Suzano's operating cash generation (Adjusted EBITDA - Sustaining Capex) amounted to R\$506.8 million in 3Q16 and R\$2.1 billion in 9M16. The changes in 3Q15 compared to 2Q16 and in 9M16 compared to 9M15 are explained by the lower Adjusted EBITDA in the period. Cash generation, including the variation in working capital, came to R\$560.2 million in 3Q16 and approximately R\$2.4 billion in 9M16.

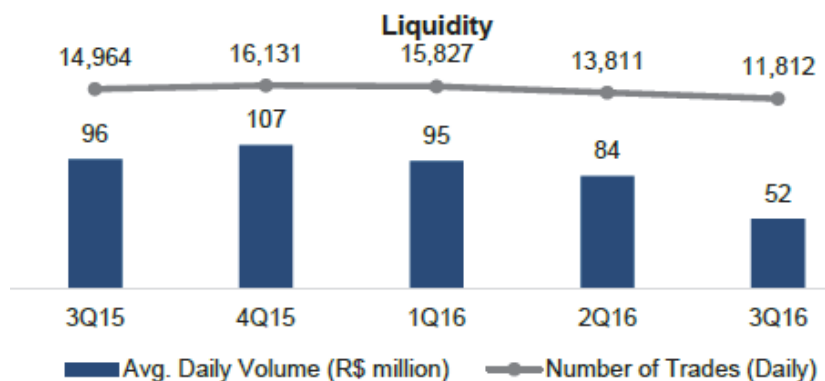
CAPITAL MARKETS

On September 30th, 2016, Suzano preferred stock (SUZB5) was quoted at R\$10.47/share. The Company's stock is listed on the Level 1 corporate governance segment.



Source: Bloomberg.

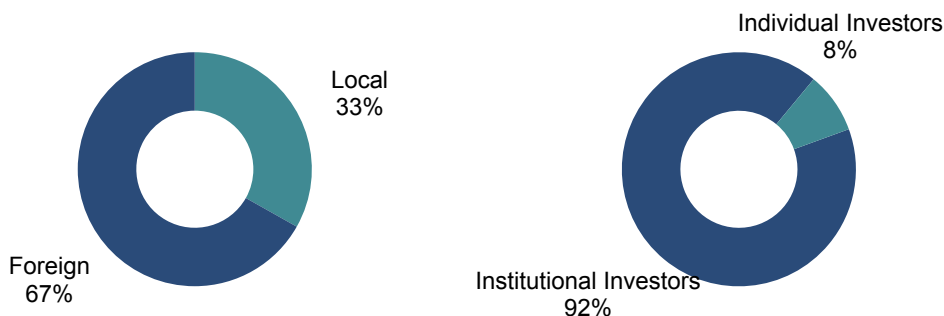
Comments on the Performance



Source: Bloomberg.

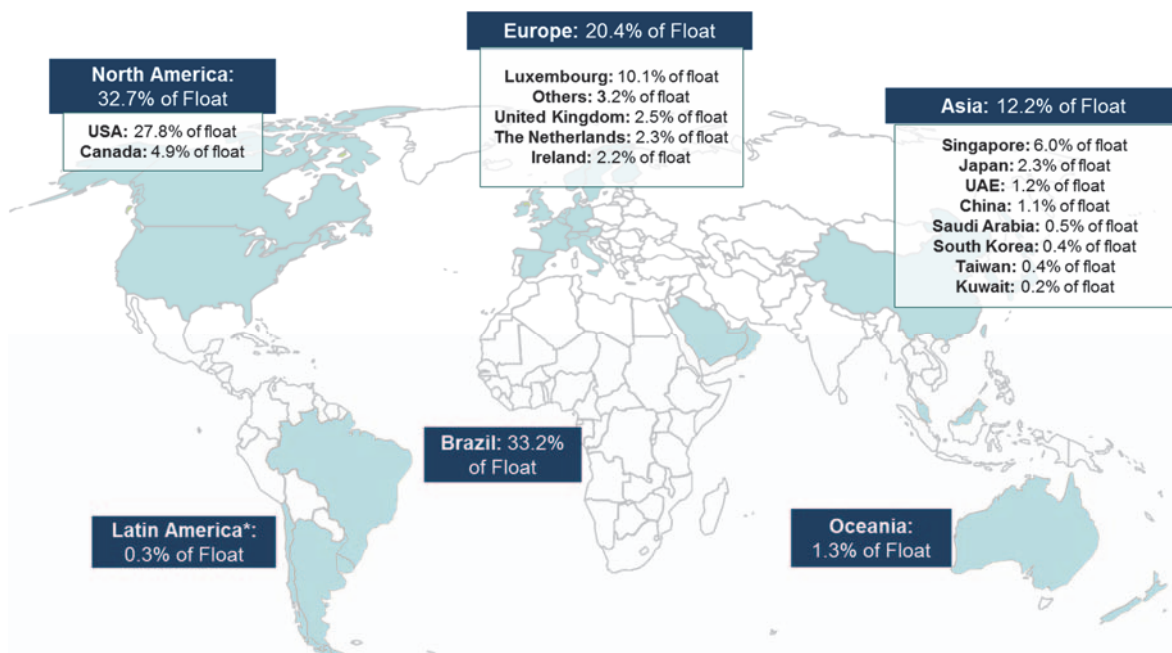
On September 30th, 2016, the Company’s capital stock was represented by 371,148,532 common shares (SUZB3) and 736,590,145 preferred shares (SUZB5 and SUZB6), for a total of 1,107,738,677 shares traded on the São Paulo Stock Exchange (BM&FBovespa), of which 17,540,890 were treasury shares (6,786,194 common shares and 10,754,696 preferred shares). Suzano’s market capitalization on September 30th, 2016, was R\$11.6 billion. In 3Q16, the free-float stood at 42.0% of the total capital.

Free Float Distribution on 09/30/2016



Comments on the Performance

Free Float Distribution on 09/30/2016



* Latin America excluding Brazil.

Comments on the Performance

EVENTS

EVENTS IN THE PERIOD

Election of a new Director

On July 1st, 2016, the Extraordinary Shareholders' Meeting of Suzano Pulp and Paper approved the election of a new member to the Board of Directors. Maria Priscila Rodini Vansetti Machado took office on July 8th, 2016, with a term lasting until the Annual Shareholders Meeting of 2018. The minutes of the meeting are available on the CVM website and the Company's IR website (www.suzano.com.br/ir).

Issue of US\$500 million in Green Bonds

As part of our liability management strategy, in July, the wholly owned subsidiary of Suzano Papel e Celulose S.A., Bahia Sul Holdings GmbH, concluded a US\$500 million international issue of 10-year Senior Notes with coupon of 5.75% p.a. and semiannual payments as from January 2017. The Notes comply with the Green Bond Principles established by the International Capital Market Association, constitute senior obligations and are fully secured by Suzano Papel e Celulose S.A.

Suzano plans to use the proceeds from the Notes issue to finance and refinance investments in sustainable projects in the fields of forest management, native forest restoration, maintenance or development of environmental preservation areas, water management, energy efficiency, renewable energy and reducing greenhouse gas emissions, as well as for paying the fees associated with the issue.

The transaction registered demand of US\$1.4 billion from the United States, Europe, Asia and Latin America, and is the first USD operation of this type by a Brazilian issuer. Moreover, the transaction obtained interest rates and terms that give Suzano one of the best credit profiles in Brazil.

Innovation, New Business and Strategy Department

On August 2nd, 2016, the Company's Directors elected a new member to the Executive Board, Mr. Renato Tyszler, as Officer responsible for the Innovation, New Business and Strategy department, with term of office until the first meeting of the Board of Directors following the Annual Shareholders Meeting in 2017. The minutes of the meeting are available on the CVM website and on the Company's IR website (www.suzano.com.br/ir).

Change in independent auditor

On August 18th, 2016, the Company approved the engagement of PricewaterhouseCoopers Auditores Independentes ("PwC") as the firm responsible for the independent audit of its financial statements, replacing KPMG Auditores Independentes, in compliance with Article 31 of CVM Instruction 308/99, which determines the replacement of the independent auditor every 5 years. PwC will start its activities by examining the quarterly information (ITR) for the first quarter of 2017. The Notice to the Market is available on the CVM website and on the Company's IR website (www.suzano.com.br/ir).

Change in interests held by shareholders belonging to Controlling Group

On September 8th, 2016, the Company retransmitted the contents of the Notice to the Market published by Suzano Holding S.A. informing of the change in the shareholdings in Suzano Holding S.A., the parent company of the Company. The change in the interests held occurred among one of the shareholders and their heirs, who are already part of Suzano's controlling group, without any impact thereto. The Notice to the Market is available on the CVM website and on the Company's IR website (www.suzano.com.br/ir).

Comments on the Performance

SUBSEQUENT EVENTS

Material interest

On October 20th, 2016, the Company was informed that the investment funds and/or companies managed by Mondrian Investment Partners Limited (“Mondrian”) held 73,913,100 class “A” preferred shares (“SUZB5”), or 10.06% of all shares of this class. The Notice to the Market is available on the CVM website and on the Company’s IR website (www.suzano.com.br/ir).

Acquisition of land and forests in the states of Maranhão and Tocantins and of SHPP Mucuri

In October 26th, 2016, the Company announced the acquisition of approximately 75,000 hectares of properties in the states of Maranhão and Tocantins, of which approximately 40,000 hectares comprise planted forests, for a price in local currency corresponding to US\$245 million. The acquisition has the following objectives: (a) increase the supply of wood at the Imperatriz Unit to meet the demand from the expansion in pulp production at said unit; (b) reduce the average supply radius of the forests supplying the Imperatriz Unit; and (c) guarantee, in the long term, the increased competitiveness of wood prices at the unit. Suzano also acquired 100% of the shares issued by Mucuri Energética S.A., which owns a small hydroelectric power plant, for a price in local currency corresponding to US\$14 million. The acquisition announced is subject to certain contractual and legal conditions, including approval from, among others, Brazil’s antitrust agency CADE and the National Electric Power Agency (ANEEL). The Material Fact notice is available on the CVM website and on the Company’s IR website (www.suzano.com.br/ir).

Comments on the Performance

APPENDICES

APPENDIX 1 - Operating Data

Revenue breakdown (R\$ '000)	3Q16	3Q15	Δ Y-o-Y	2Q16	Δ Q-o-Q	9M16	9M15	Δ Y-o-Y
Exports	1,290,309	2,141,299	(39.7%)	1,694,163	(23.8%)	4,916,125	5,250,827	(6.4%)
Pulp	1,054,600	1,753,817	(39.9%)	1,376,610	(23.4%)	4,057,023	4,300,849	(5.7%)
Paper	235,709	387,482	(39.2%)	317,553	(25.8%)	859,102	949,978	(9.6%)
Domestic Market	882,451	844,195	4.5%	809,315	9.0%	2,468,445	2,264,439	9.0%
Pulp	156,534	222,274	(29.6%)	193,718	(19.2%)	566,269	599,674	(5.6%)
Paper	725,917	621,921	16.7%	615,597	17.9%	1,902,176	1,664,765	14.3%
Total Net Revenue	2,172,760	2,985,494	(27.2%)	2,503,478	(13.2%)	7,384,570	7,515,266	(1.7%)
Pulp	1,211,134	1,976,090	(38.7%)	1,570,328	(22.9%)	4,623,292	4,900,522	(5.7%)
Paper	961,626	1,009,403	(4.7%)	933,150	3.1%	2,761,278	2,614,743	5.6%

Sales volume (tons)	3Q16	3Q15	Δ Y-o-Y	2Q16	Δ Q-o-Q	9M16	9M15	Δ Y-o-Y
Exports	734,273	885,492	(17.1%)	900,617	(18.5%)	2,528,761	2,495,781	1.3%
Pulp	653,022	772,889	(15.5%)	798,505	(18.2%)	2,257,273	2,194,007	2.9%
Paper	81,250	112,603	(27.8%)	102,112	(20.4%)	271,488	301,774	(10.0%)
Paperboard	15,901	18,509	(14.1%)	19,479	(18.4%)	51,113	50,800	0.6%
Printing & Writing	65,349	94,095	(30.5%)	82,633	(20.9%)	220,375	250,974	(12.2%)
Domestic Market	331,753	338,200	(1.9%)	304,447	9.0%	922,510	957,959	(3.7%)
Pulp	103,441	115,984	(10.8%)	111,815	(7.5%)	315,397	356,849	(11.6%)
Paper	228,312	222,216	2.7%	192,632	18.5%	607,113	601,110	1.0%
Paperboard	31,964	43,999	(27.4%)	28,490	12.2%	90,651	115,051	(21.2%)
Printing & Writing	184,433	171,610	7.5%	158,168	16.6%	494,537	468,599	5.5%
Other paper ¹	11,915	6,607	80.3%	5,974	99.5%	21,925	17,459	25.6%
Total sales volume	1,066,026	1,223,692	(12.9%)	1,205,064	(11.5%)	3,451,271	3,453,740	(0.1%)
Pulp	756,464	888,873	(14.9%)	910,319	(16.9%)	2,572,669	2,550,856	0.9%
Paper	309,562	334,819	(7.5%)	294,744	5.0%	878,601	902,884	(2.7%)
Paperboard	47,865	62,508	(23.4%)	47,969	(0.2%)	141,764	165,852	(14.5%)
Printing & Writing	249,782	265,705	(6.0%)	240,802	3.7%	714,913	719,573	(0.6%)
Other paper ¹	11,915	6,607	80.3%	5,974	99.5%	21,925	17,459	25.6%

Average net price (R\$/ton)	3Q16	3Q15	Δ Y-o-Y	2Q16	Δ Q-o-Q	9M16	9M15	Δ Y-o-Y
Exports	1,757	2,418	(27.3%)	1,881	(6.6%)	1,944	2,104	(7.6%)
Pulp	1,615	2,269	(28.8%)	1,724	(6.3%)	1,797	1,960	(8.3%)
Paper	2,901	3,441	(15.7%)	3,110	(6.7%)	3,164	3,148	0.5%
Domestic Market	2,660	2,496	6.6%	2,658	0.1%	2,676	2,364	13.2%
Pulp	1,513	1,916	(21.0%)	1,732	(12.7%)	1,795	1,680	6.8%
Paper	3,179	2,799	13.6%	3,196	(0.5%)	3,133	2,769	13.1%
Total	2,038	2,440	(16.5%)	2,077	(1.9%)	2,140	2,176	(1.7%)
Pulp	1,601	2,223	(28.0%)	1,725	(7.2%)	1,797	1,921	(6.5%)
Paper	3,106	3,015	3.0%	3,166	(1.9%)	3,143	2,896	8.5%

¹ Other Paper: paper from other manufacturers sold by the distributor.

Comments on the Performance

APPENDIX 2 - Consolidated Statement of Income

Consolidated Financial Statement (R\$ '000)	3Q16	3Q15	Δ Y-o-Y	2Q16	Δ Q-o-Q	9M16	9M15	Δ Y-o-Y
Net Revenue	2.172.760	2.985.494	(27.2%)	2.503.478	(13.2%)	7.384.570	7.515.266	(1.7%)
Cost of Goods Sold	(1.553.517)	(1.655.532)	(6.2%)	(1.680.576)	(7.6%)	(4.827.659)	(4.591.831)	5.1%
Gross Profit	619.243	1.329.962	(53.4%)	822.902	(24.7%)	2.556.911	2.923.435	(12.5%)
<i>Gross Margin</i>	28.5%	44.5%	(16.0 p.p.)	32.9%	(4.4 p.p.)	34.6%	38.9%	(4.3 p.p.)
Operating Expense/Income	(297.859)	(214.584)	38.8%	(220.483)	35.1%	(721.702)	(629.080)	14.7%
Selling Expenses	(96.877)	(108.686)	(10.9%)	(101.935)	(5.0%)	(302.280)	(292.076)	3.5%
General and Administrative Expenses	(109.778)	(112.241)	(2.2%)	(104.143)	5.4%	(310.583)	(320.786)	(3.2%)
Other Operating Income (Expenses)	(91.108)	6.343	(1,536.4%)	(13.181)	591.2%	(104.670)	(16.218)	545.4%
Equity Income (Loss)	(96)	-	n.a.	(1.224)	(92.2%)	(4.169)	-	n.a.
EBIT	321.384	1.115.378	(71.2%)	602.419	(46.7%)	1.835.209	2.294.355	(20.0%)
Depreciation, Amortization & Depletion	332.669	360.010	(7.6%)	344.325	(3.4%)	1.029.983	1.062.261	(3.0%)
EBITDA	654.053	1.475.388	(55.7%)	946.744	(30.9%)	2.865.192	3.356.616	(14.6%)
<i>EBITDA Margin (%)</i>	30.1%	49.4%	(19.3 p.p.)	37.8%	(7.7 p.p.)	38.8%	44.7%	(5.9 p.p.)
Adjusted EBITDA¹	767.718	1.476.300	(48.0%)	967.318	(20.6%)	3.004.279	3.367.469	(10.8%)
<i>Adjusted EBITDA Margin¹</i>	35.3%	49.4%	(14.1 p.p.)	38.6%	(3.3 p.p.)	40.7%	44.8%	(4.1 p.p.)
Net Financial Result	(236.110)	(2.624.474)	(91.0%)	772.814	(130.6%)	1.260.518	(4.293.317)	(129.4%)
Financial Expense	114.594	69.984	63.7%	78.802	45.4%	242.171	225.390	7.4%
Financial Income	(300.245)	(329.657)	(8.9%)	(288.711)	4.0%	(871.776)	(957.950)	(9.0%)
Exchange Rate Variation	(59.331)	(1.845.583)	(96.8%)	752.527	(107.9%)	1.391.376	(2.898.448)	(148.0%)
Derivative Income (loss), net	8.872	(519.218)	(101.7%)	230.196	(96.1%)	498.747	(662.309)	(175.3%)
Earnings Before Taxes	85.274	(1.509.096)	(105.7%)	1.375.233	(93.8%)	3.095.727	(1.998.962)	(254.9%)
Income and Social Contribution Taxes	(32.450)	549.914	(105.9%)	(420.900)	(92.3%)	(963.912)	732.958	(231.5%)
Net Income (Loss)	52.824	(959.182)	(105.5%)	954.333	(94.5%)	2.131.815	(1.266.004)	(268.4%)
<i>Net Margin</i>	2.4%	(32.1%)	34.6 p.p.	38.1%	(35.7 p.p.)	28.9%	(16.8%)	45.7 p.p.

¹ Excludes non-recurring items and/or non-cash items.

Comments on the Performance

APPENDIX 3 - Consolidated Balance Sheet

Assets (R\$ '000)	09/30/2016	06/30/2016	03/31/2016	12/31/2015	09/30/2015
Current Assets					
Cash and Cash Equivalent	2,068,607	1,319,504	1,698,089	1,477,246	2,379,242
Financial Investments	2,117,091	1,291,326	1,146,481	970,850	-
Accounts Receivable	1,495,474	1,566,048	1,761,955	1,885,960	1,962,655
Inventories	1,461,418	1,368,679	1,398,133	1,315,996	1,259,105
Recoverable Taxes	482,778	544,316	645,705	596,936	595,664
Prepaid Expenses	46,666	56,163	37,592	37,146	40,320
Other Current Assets	532,847	589,854	409,508	304,885	252,689
Total Current Assets	8,204,881	6,735,890	7,097,463	6,589,019	6,489,675
Non-Current Assets					
Biological Assets	4,333,494	4,267,075	4,197,938	4,130,508	4,009,834
Other Accounts Receivable	882,958	866,447	872,175	864,599	960,705
Investments	3,831	3,927	5,151	-	-
Property, Plant and Equipment	16,180,944	16,216,828	16,277,654	16,346,234	16,433,202
Intangible Assets	203,538	287,006	313,519	329,625	336,765
Total Non-Current Assets	21,604,765	21,641,283	21,666,437	21,670,966	21,740,506
Total Assets	29,809,646	28,377,173	28,763,900	28,259,985	28,230,181
Liabilities and Equity (R\$ '000)	09/30/2016	06/30/2016	03/31/2016	12/31/2015	09/30/2015
Current Liabilities					
Salaries and Payroll Taxes	176,588	157,364	120,877	164,782	158,001
Accounts Payable	547,501	524,718	542,358	581,477	580,653
Tax Liabilities	78,037	100,339	129,816	56,285	59,361
Loans and Financing	1,627,827	1,803,563	2,287,728	2,024,964	1,641,682
Other Payable	711,638	573,063	564,446	683,066	1,024,446
Total Current Liabilities	3,141,591	3,159,047	3,645,225	3,510,574	3,464,143
Non-Current Liabilities					
Loans and Financing	12,573,926	10,998,723	11,794,111	12,892,378	13,431,694
Other Liabilities	721,322	942,644	1,061,280	1,122,641	1,179,682
Deferred Taxes	1,833,360	1,813,311	1,459,015	1,037,889	736,437
Provision	532,282	499,072	489,536	504,422	521,718
Total Non-Current Liabilities	15,660,890	14,253,750	14,803,942	15,557,330	15,869,531
Shareholders' Equity					
Share Capital	6,241,753	6,241,753	6,241,753	6,241,753	6,241,753
Capital Reserve	(194,846)	(195,659)	(196,461)	(205,892)	(204,906)
Profit Reserve	406,137	406,137	706,138	706,137	1,702,290
Retained Earnings	2,170,624	2,104,651	1,137,290	-	(1,228,287)
Equity Valuation Adjustment	2,442,267	2,455,416	2,468,444	2,481,076	2,492,500
Other Comprehensive Income (Loss)	(58,770)	(47,922)	(42,431)	(30,993)	(106,843)
Total Equity	11,007,165	10,964,376	10,314,733	9,192,081	8,896,507
Total Liabilities and Equity	29,809,646	28,377,173	28,763,900	28,259,985	28,230,181

Comments on the Performance

APPENDIX 4 - Consolidated Statement of Cash Flow

Cash Flow Statement (R\$ '000)	3Q16	3Q15	9M16	9M15
Cash Flow from Operating Activities				
Net Income/(loss) for the Period	52,824	(959,182)	2,131,815	(1,266,004)
Depreciation, Depletion and Amortization	332,669	360,010	1,029,983	1,062,261
Income from Sale of Permanent Assets	(7,899)	(5,492)	(8,312)	(1,487)
Equity Pick-up in Subsidiaries and Affiliates	96	-	4,169	-
Exchange and Monetary Variations, Net	(107,682)	1,605,605	(1,727,257)	2,856,698
Interest Expenses, Net	257,060	300,195	757,633	890,132
Deferred Income and Social Contr. Tax Expenses (Income)	19,830	(553,597)	795,252	(742,793)
Addition to Actuarial Liabilities	8,575	7,756	25,724	23,266
Provision /(reversal) for Contingencies	14,833	(1,599)	11,335	(36,688)
(Reversal)/provision for Share-Based Payments	73	5,466	(376)	25,769
Derivative/(Gains) / losses, Net	(8,872)	519,218	(498,747)	662,309
Provision/(reversal) for Doubtful Accounts, Net	1,345	10,387	8,709	20,431
Provision/(reversal) for Losses with Inventory and Write-offs	9,492	2,191	14,466	7,485
Reversal/(provision) for Deduction	9,063	54,256	(46,749)	78,261
Provision/(reversal) for Losses and Write-Offs with Property, Plant and Equipment and Biological Assets	8,809	2,972	28,529	19,480
Partial Write-off of Goodwill on R&D Agreements	78,799	-	78,799	-
Other Provisions	51,063	16,121	87,671	23,560
Reduction/(increase) in Receivables	242,552	(378,401)	279,794	(710,551)
(Increase)/reduction in Inventories	(107,385)	(29,198)	(174,921)	(206,752)
Reduction/(increase) in Recoverable Taxes	52,463	(3,592)	234,912	(3,181)
Reduction/(increase) in Other Current and Non-Current Assets	(3,039)	32,696	21,919	26,532
(Reduction)/increase in Trade Accounts Payable	28,396	74,854	(19,265)	81,120
Increase /(reduction) in Other Current and Non-Current Liabilities	26,516	(151,819)	169,540	24,274
Payment of Interest	(235,497)	(267,949)	(831,044)	(907,172)
Payment of Other Taxes and Contributions	(141,356)	(120,729)	(398,736)	(318,574)
Payment of Income and Social Contribution Taxes	(12,703)	(9,178)	(46,958)	(47,810)
Net cash from operating activities	570,025	510,991	1,927,885	1,560,566
Cash Flow from Investing Activities				
Financial Investments	(809,617)	-	(1,102,124)	-
Additions to property, plant and equipment, intangible assets and biological assets	(401,914)	(331,318)	(1,110,979)	(1,112,573)
Amounts Received from the Sale of Assets	28,733	(18,849)	31,775	24,579
Net Cash used in Investment Activities	(1,182,798)	(350,167)	(2,181,328)	(1,087,994)
Cash Flow from Financing Activities				
Funding	1,644,903	543,752	4,353,897	4,011,295
Settlement of Derivative Operations	77,181	(47,117)	19,238	(34,711)
Payment of Loans	(302,552)	(1,203,716)	(3,099,836)	(5,748,919)
Dividend Payment	-	-	(299,926)	(149,966)
Dividends of Own Shares	-	-	8,514	8,514
Net Cash Provided by (Used in) Financing Activities	1,419,532	(707,081)	981,887	(1,913,787)
Exchange Variation on Cash and Cash Equivalents	(57,656)	30,475	(137,083)	134,342
Increase (Decrease) of Cash and Cash Equivalents	749,103	(515,782)	591,361	(1,306,873)
Cash and Cash Equivalents at the Beginning of the Period	1,319,504	2,895,024	1,477,246	3,686,115
Cash and Cash Equivalents at the End of the Period	2,068,607	2,379,242	2,068,607	2,379,242
Statement of Increase / (Reduction) in Cash	749,103	(515,782)	591,361	(1,306,873)

Comments on the Performance**APPENDIX 5 - EBITDA**

(R\$ '000, except where otherwise indicated)	3Q16	3Q15	9M16	9M15
Net Income	52,824	(959,182)	2,131,815	(1,266,004)
Net Financial Result	236,110	2,624,474	(1,260,518)	4,293,317
Income and Social Contribution Taxes	32,450	(549,914)	963,912	(732,958)
EBIT	321,384	1,115,378	1,835,209	2,294,355
Depreciation, Amortization and Depletion	332,669	360,010	1,029,983	1,062,261
EBITDA¹	654,053	1,475,388	2,865,192	3,356,616
<i>EBITDA Margin</i>	<i>30.1%</i>	<i>49.4%</i>	<i>38.8%</i>	<i>44.7%</i>
Provision (Reversal) for losses with fixed assets, write-offs, taxes	98,716	696	118,669	5,310
Fire in the warehouse of Itaqui	-	344	(3,004)	844
Deductibles with claims in the period	-	-	2,960	-
Tax Credits	4,629	-	4,629	-
Equity income (loss)	96	-	4,169	-
Others	10,224	(128)	11,664	4,698
Adjusted EBITDA	767,718	1,476,300	3,004,279	3,367,469
<i>Adjusted EBITDA Margin</i>	<i>35.3%</i>	<i>49.4%</i>	<i>40.7%</i>	<i>44.8%</i>

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

Reconciliation of Consolidated EBITDA (R\$ '000)	3Q16	3Q15	9M16	9M15
EBITDA	654,053	1,475,388	2,865,192	3,356,616
Depreciation, Amortization and Depletion	(332,669)	(360,010)	(1,029,983)	(1,062,261)
Operating Results before Financial Results and Taxes²	321,384	1,115,378	1,835,209	2,294,355

² Accounting measurement released on the Consolidated Financial Statements.

Comments on the Performance

Corporate information

Suzano Pulp and Paper, which posted net revenue of R\$10.2 billion in 2015, is one of the largest vertically integrated producers of paper and eucalyptus pulp in Latin America, with annual production capacity of 3.4 million tons of market pulp and 1.3 million tons of paper. Suzano Pulp and Paper offers a broad range of pulp and paper products for the domestic and export markets and is the leader in key market segments in Brazil through its four product lines: (i) eucalyptus pulp; (ii) uncoated printing and writing paper; (iii) coated printing and writing paper; and (iv) paperboard.

Forward-looking Statements

This release may contain forward-looking statements. Such statements are subject to known and unknown risks and uncertainties that could cause the expectations expressed not to materialize or the actual results to differ materially from the expected results. These risks include changes in future demand for the Company's products, changes in factors affecting domestic and international product prices, changes in the cost structure, changes in the seasonal patterns of markets, changes in prices charged by competitors, foreign exchange variations, changes in the political or economic situation of Brazil, and changes in emerging and international markets. The forward-looking statements were not reviewed by our independent auditors.

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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 five industrial units in Brazil: one each in Bahia and Maranhão and three 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 98.2% interest in the common shares of its capital stock.

1.1 Major events in the nine-month period ended September 30, 2016

a) Operational events

i) Green Bond ("Senior Notes") Offering

On July 7, 2016, the Company launched in the international market, through its wholly-owned subsidiary Suzano Áustria GmbH (former Bahia Sul Holdings GmbH), Senior Notes in the aggregate principal of US\$500,000. The Senior Notes comply with the Green Bond Principles established by the International Capital Market Association.

The 10-year Notes were issued for a coupon (interest) of 5.75% p.a., which will be paid biannually as from January 2017.

Suzano plans to invest the proceeds in sustainable projects in forest management, restoration of native forests, maintenance or development of environmental preservation areas, water management, energy efficiency, renewable energy, reduction of greenhouse gas emissions, in addition to paying the coupon charged for the issue of these Notes.

ii) Contracting of Export Credit Notes ("NCE")

On April 13, 2016, the Company contracted an NCE facility for R\$600,000, guaranteed by an Agribusiness Receivables Certificate (CRA), at a cost of 98% of the CDI, with interest payable biannually and the principal in a single installment in April 2020.

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iii) 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 the estimated area of seven million and five hundred thousand (7,500,000) cubic meters of eucalyptus forests located in the state of Tocantins.

This transaction aims to increase the wood supply to Imperatriz unit, to support the expansion of its pulp production. Up to the period ended September 30, 2016, the Company prepaid the amount of R\$30,000 recorded as other receivables under non-current assets.

iv) 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 maintained the 22.16% rate for the Company.

On March 3, 2016, ITC approved the request for review with its technical department on the bases presented and provided complementary decision that adjusts rate to 22.37% for the Company.

Suzano will request the annual tax revisions envisaged in applicable US laws.

b) Corporate events

i) Operation with Ibema Companhia Brasileira de Papel (“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 Ibema Participações S.A. (“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.

The control of the investee is shared, and this investment is classified as a joint arrangement, recognized at the acquisition cost of R\$8,000 (capital contribution) and evaluated through the equity method of accounting.

Reports and Declarations / Report on Special Review – Unqualified Opinion**2 Presentation of the Quarterly Information****2.1 Preparation basis and presentation**

The Company's parent company and consolidated quarterly information statements for the periods ended September 30, 2016 and 2015 were prepared and are presented in accordance with technical pronouncement CPC 21 (R1) Interim Statements and in accordance with international standard IAS 34 Interim Financial Reporting, following the provisions in Central Bank Circular/CVM/SNC/SEP 003/2011 dated April 28, 2011.

The parent company and consolidated quarterly information were prepared and are being 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").

The consolidated quarterly information include direct and indirect subsidiaries and joint business, whose reporting dates coincide with those of the Company, except for FuturaGene Ltd., whose reference date is August 31, 2016, and which has no material impact on the consolidated figures.

The economic group comprising direct and indirect subsidiaries and joint ventures included in the preparation of consolidated quarterly information is composed of the following entities:

	Type of interest	Interest in capital (%)	
		9/30/2016	12/31/2015
Amulya Empreendimentos Imobiliários Ltda ("Amulya")	Direct	100%	100%
Asapir Produção Florestal e Comércio Ltda ("Asapir")	Direct	50%	50%
Suzano Áustria GmbH ("Suzano Áustria") ^(a)	Direct	100%	100%
Ondurman Empreendimentos Imobiliários Ltda ("Ondurman")	Direct	100%	100%
Comercial e Agrícola Paineiras Ltda ("Paineiras")	Direct	100%	100%
Stenfar S.A. Indll. Coml. Imp. Y. Exp. ("Stenfar")	Direct / Indirect	100%	100%
Paineiras Logística e Transporte Ltda ("Paineiras Logística")	Direct	100%	100%
Sun Paper and Board Limited ("Sun Paper")	Direct	100%	100%
Suzano Pulp and Paper America Inc ("Suzano América")	Direct	100%	100%
Suzano Pulp and Paper Europe S.A. ("Suzano Europa")	Direct	100%	100%
Suzano Trading Ltd ("Suzano Trading")	Direct	100%	100%
FuturaGene Ltd ("Futuragene")	Indirect	100%	100%
Ibema Companhia Brasileira de Papel ("Ibema")	Joint venture	38%	-

(a) On July 7, 2016, after the issue of Green Bonds, the Company changed the name of the subsidiary, which ceased to be called Bahia Sul Holding GmbH.

The issue of the quarterly information was approved by the Company's Board of Directors on October 25, 2016.

Reports and Declarations / Report on Special Review – Unqualified Opinion**2.2 Functional currency and presentation currency**

The Company's functional currency is the Brazilian Real (BRL), same currency of presentation of the subsidiaries' quarterly information. The quarterly information 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 periods 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 periods. 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 translation process for consolidating the quarterly information are recognized in other comprehensive income (Cumulative Translation Adjustment ("CTA")).

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

Subsidiary	Country	Name of the currency	Currency	Final rate		Average rate	
				9/30/2016	12/31/2015	3Q16	3Q15
Suzano Trading	Cayman Islands	U.S. Dollar	USD	3,2462	3,9048	3,2472	3,5480
Suzano America	United States						
FuturaGene	United Kingdom	Pound Sterling	GBP	4,2249	5,7881	4,2632	5,4940
Sun Paper							
Suzano Europa	Switzerland	Swiss Franc	CHF	3,3497	3,9284	3,3288	3,6752
Suzano Áustria	Austria	Euro	EUR	3,6484	4,2504	3,6241	3,9490
Stenfar	Argentina	Argentine Peso	ARS	0,2129	0,3016	0,2155	0,3812

2.3 Use of estimates and judgments

When preparing this quarterly information, Management used judgments, estimates and assumptions to apply certain accounting policies and practices. Actual results may differ from such estimates. Estimates and assumptions are continuously revised and their effects are recognized prospectively.

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The quarterly information and the annual financial statements for the fiscal year ended December 31, 2015 were prepared using reliable critical accounting estimates and assumptions and should be read jointly in order to provide a proper understanding of the information updated through September 30, 2016.

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 value added

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

3 Critical accounting practices

This quarterly information and the financial statements for the fiscal year ended December 31, 2015 were prepared using consistent accounting practices and should be considered jointly for an adequate understanding of the restated information at September 30, 2016.

The reclassifications in the comparative financial statements were conducted for better presentation and comparison with information for the period ended September 30, 2016. On December 31, 2015, the amount of R\$206,454 recorded in the balance sheet was reclassified from commercial transactions with suppliers to loans and financing, within current liabilities, related to confirming operations. On September 30, 2015, the amount of R\$109,979 in the parent company and consolidated statement of cash flow were reclassified among operating and financing activities, mostly also related to confirming operations.

4 Financial instruments and risks

4.1 Management of financial risks

a) Overview

In the nine-month period ended September 30, 2016, there were no significant changes in the financial risk management policies and procedures compared to those reported in Note 4 to the financial statements of December 31, 2015. 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

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- 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 for the periods, as presented in Note 25.

b) Valuation

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

	Note	Parent Company		Consolidated	
		9/30/2016	12/31/2015	9/30/2016	12/31/2015
Assets					
Fair value through profit or loss					
Cash and cash equivalents	5	1,381,598	569,135	2,068,607	1,477,246
Financial investments	6	2,055,544	922,728	2,117,091	970,850
Unrealized gains from derivative operations	4	434,818	51,724	562,659	195,393
Loans and receivables					
Trade accounts receivable	7	2,630,339	3,521,841	1,495,474	1,885,960
		6,502,299	5,065,428	6,243,831	4,529,449
Liabilities					
Liabilities through amortizable cost					
Trade accounts payable		509,239	540,096	547,501	581,477
Loans and financing	17	8,517,048	10,002,341	14,201,753	14,917,342
Loans with related parties	11	5,654,935	4,892,504	-	-
Commitments related to asset acquisitions	21	592,187	716,862	695,595	824,864
Fair value through profit or loss					
Unrealized losses from derivative operations	4	427,032	529,821	522,226	635,131
		15,700,441	16,681,624	15,967,075	16,958,814

4.2 Fair value versus book value

In the period ended September 30, 2016, there were no significant changes to the criteria used to determine the market value of assets or financial instruments compared to those reported in Note 4 to the financial statements of December 31, 2015.

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

	Consolidated			
	9/30/2016		12/31/2015	
	Book Value	Fair Value	Book Value	Fair Value
Assets				
Cash and cash equivalents	2,068,607	2,068,607	1,477,246	1,477,246
Financial investments	2,117,091	2,117,091	970,850	970,850
Unrealized gains from derivative operations (current and non-current)	562,659	569,245	195,393	195,393
Trade accounts receivable	1,495,474	1,495,474	1,885,960	1,885,960
	6,243,831	6,250,417	4,529,449	4,529,449
Liabilities				
Trade accounts payable	547,501	547,501	581,477	581,477
Loans and financing (current and non-current)	14,201,753	12,193,904	14,917,342	15,627,331
Commitments related to asset acquisitions (current and non-current)	695,595	724,512	824,864	636,504
Unrealized losses from derivative operations (current and non-current)	522,226	528,812	635,131	635,131
	15,967,075	13,994,729	16,958,814	17,480,443

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4.3 Credit risk

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

	Note	Parent Company		Consolidated	
		9/30/2016	12/31/2015	9/30/2016	12/31/2015
Assets					
Cash and cash equivalents	5	1,381,598	569,135	2,068,607	1,477,246
Financial investments	6	2,055,544	922,728	2,117,091	970,850
Trade accounts receivable	7	2,630,339	3,521,841	1,495,474	1,885,960
Unrealized gains from derivative operations	4	434,818	51,724	562,659	195,393
Total		6,502,299	5,065,428	6,243,831	4,529,449

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.

	9/30/2016				
	Future Value	Up to 1 year	1 - 2 years	2 - 5 years	More than 5 years
Consolidated					
Liabilities					
Loans and financing	17,374,149	2,268,306	3,160,365	9,294,719	2,650,759
Trade accounts payable	547,501	547,501	-	-	-
Commitments related to asset acquisitions	828,596	106,016	95,698	282,044	344,838
Derivatives payable ^(a)	1,831,379	452,225	568,370	810,784	-
Other accounts payable	196,138	196,138	-	-	-
	20,777,763	3,570,186	3,824,433	10,387,547	2,995,597
	12/31/2015				
	Future Value	Up to 1 year	1 - 2 years	2 - 5 years	More than 5 years
Consolidated					
Liabilities					
Loans and financing	18,870,887	3,084,727	2,336,556	9,733,487	3,716,117
Trade accounts payable	581,477	581,477	-	-	-
Commitments related to asset acquisitions	882,051	109,948	106,316	286,358	379,429
Derivatives payable ^(a)	782,808	289,603	273,558	219,647	-
Other accounts payable	313,532	278,243	35,289	-	-
	21,430,755	4,343,998	2,751,719	10,239,492	4,095,546

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.

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The following table shows the maturity of derivative operations:

Consolidated Derivatives	9/30/2016						
	Future Value	Up to 1 month	1 - 3 months	3 - 6 months	6 - 12 months	1 - 2 years	2 - 5 years
Assets ^(a)	1,871,892	228,019	64,351	136,722	303,626	509,292	629,882
Liabilities ^(a)	1,831,379	213,200	26,786	47,993	164,247	568,370	810,784
	40,513	14,820	37,565	88,729	139,379	(59,077)	(180,902)

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

4.5 Market risk

On September 30, 2016, the net principal of operations contracted for Zero-Cost Collar is US\$800,000. Their maturities are distributed between January 2017 and January 2018, in addition to US\$5,300 in oil bunker futures, 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 and commodity operations, swap contracts are also contracted that exchange floating interest rates for fixed rates in order to reduce the effects from foreign exchange and interest rate variations 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 September 30, 2016, the Company had outstanding (i) US\$150,000 in CDI swaps for six-month Libor, (ii) US\$280,000 in swaps of currency coupon to US dollar fixed rate; (iii) R\$59,500 in Libor swaps to US dollar fixed rate and (iv) US\$232,000 in CDI swaps to US dollar fixed rate.

4.6 Market risk - exchange rate

The following table shows the net exposure in foreign currency:

Consolidated	9/30/2016 (in R\$ thousand)						12/31/2015 (in R\$ thousand)					
	USD	EUR	GBP	CHF	ARS	Total	USD	EUR	GBP	CHF	ARS	Total
Cash and cash equivalents	585,525	3,804	34,186	28,885	56	652,456	754,165	63	25,721	89,902	30,714	900,565
Financial investments	32,652	-	-	-	-	32,652	29,265	-	-	-	-	29,265
Trade accounts receivable	793,780	26,504	10,480	-	33,586	864,350	1,164,345	4,962	15,075	-	28,320	1,212,702
Trade accounts payable	(8,454)	(92)	(355)	(5,864)	(14,081)	(28,846)	(39,050)	-	(608)	(2,380)	(14,046)	(56,084)
Loans and financing	(9,604,631)	-	-	-	-	(9,604,631)	(9,676,957)	-	-	-	-	(9,676,957)
Commitments related to asset acquisition	(337,833)	-	-	-	-	(337,833)	(455,495)	-	-	-	-	(455,495)
Derivative Options	175,777	-	-	-	-	175,777	(1,952,400)	-	-	-	-	(1,952,400)
Derivative Convertibility	27,581	-	-	-	-	27,581	-	-	-	-	-	-
Derivative NDF	4,846	-	-	-	(80)	4,766	(360,305)	-	-	-	(72,532)	(432,837)
Derivative Swap	(172,838)	-	-	-	-	(172,838)	(227,785)	-	-	-	-	(227,785)
Derivative Oil	5,146	-	-	-	-	5,146	-	-	-	-	-	-
TOTAL	(8,498,449)	30,216	44,311	23,021	19,481	(8,381,420)	(10,764,217)	5,025	40,188	87,522	(27,544)	(10,659,026)

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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:

	9/30/2016				
	Probable	Incr. (Δ of 25%)	Incr. (Δ of 50%)	Decr.(Δ of 25%)	Decr. (Δ of 50%)
Consolidated USD x BRL					
Cash and cash equivalents	585,525	146,381	292,762	(146,381)	(292,762)
Financial investments	32,652	8,163	16,326	(8,163)	(16,326)
Loans and financing	(9,604,631)	(2,401,158)	(4,802,316)	2,401,158	4,802,316
Trade accounts receivable	793,780	198,445	396,890	(198,445)	(396,890)
Trade accounts payable	(8,454)	(2,114)	(4,227)	2,114	4,227
Derivative Swap	(172,838)	(67,784)	(134,707)	68,681	138,296
Derivative Options	175,777	(414,812)	(877,732)	522,026	1,135,971
Derivative Convertibility	27,581	6,895	13,791	(6,895)	(13,791)
Derivative NDF	4,846	-	-	-	-
Derivative Oil	5,146	1,287	2,573	(1,287)	(2,573)
Commitments related to asset acquisitions	(337,833)	(84,458)	(168,916)	84,458	168,916
TOTAL	(8,498,449)	(2,609,155)	(5,265,556)	2,717,265	5,527,384

	9/30/2016				
	Probable	Incr. (Δ of 25%)	Incr. (Δ of 50%)	Decr.(Δ of 25%)	Decr. (Δ of 50%)
Consolidated ARS x BRL					
Cash and cash equivalents	56	14	28	(14)	(28)
Trade accounts receivable	33,586	8,396	16,793	(8,396)	(16,793)
Trade accounts payable	(14,081)	(3,520)	(7,041)	3,520	7,041
Derivative NDF	(80)	20	40	(20)	(40)
TOTAL	19,481	4,910	9,820	(4,910)	(9,820)

	9/30/2016				
	Probable	Incr. (Δ of 25%)	Incr. (Δ of 50%)	Decr.(Δ of 25%)	Decr. (Δ of 50%)
Consolidated CHF x BRL					
Cash and cash equivalents	28,885	7,221	14,442	(7,221)	(14,442)
Trade accounts payable	(5,864)	(1,466)	(2,932)	1,466	2,932
TOTAL	23,021	5,755	11,510	(5,755)	(11,510)

	9/30/2016				
	Probable	Incr. (Δ of 25%)	Incr. (Δ of 50%)	Decr.(Δ of 25%)	Decr. (Δ of 50%)
Consolidated GBP x BRL					
Cash and cash equivalents	34,186	8,547	17,093	(8,547)	(17,093)
Trade accounts receivable	10,480	2,620	5,240	(2,620)	(5,240)
Trade accounts payable	(355)	(89)	(177)	89	177
TOTAL	44,311	11,078	22,156	(11,078)	(22,156)

	9/30/2016				
	Probable	Incr. (Δ of 25%)	Incr. (Δ of 50%)	Decr.(Δ of 25%)	Decr. (Δ of 50%)
Consolidated EUR x BRL					
Cash and cash equivalents	3,804	951	1,902	(951)	(1,902)
Trade accounts receivable	26,504	6,626	13,252	(6,626)	(13,252)
Trade accounts payable	(92)	(23)	(46)	23	46
TOTAL	30,216	7,554	15,108	(7,554)	(15,108)

Reports and Declarations / Report on Special Review – Unqualified Opinion**4.7 Market risk - interest rates**

On September 30, 2016, notional position in derivatives pegged to fixed rates totaled R\$2,391,980 (R\$2,242,867 on December 31, 2015).

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 September 30, 2016, 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:

	9/30/2016				
	Probable	Incr. (Δ of 25%)	Incr. (Δ of 50%)	Decr.(Δ of 25%)	Decr. (Δ of 50%)
Consolidated Fixed					
Derivative Swap	(10,716)	49,620	98,593	(50,292)	(101,284)
Derivative NDF	4,846	-	-	-	-
Derivative Options	175,777	(34,156)	(69,112)	37,253	74,008
TOTAL	169,907	15,464	29,481	(13,039)	(27,276)
Consolidated Libor					
Derivative Swap	(155,455)	(17,571)	(35,373)	17,348	34,483
TOTAL	(155,455)	(17,571)	(35,373)	17,348	34,483
Consolidated Dollar Coupon					
Derivative NDF	4,846	-	-	-	-
Derivative Options	175,777	8,075	14,853	(5,627)	(12,556)
Derivative Swap	(6,667)	817	1,631	(818)	(1,639)
TOTAL	173,956	8,892	16,484	(6,445)	(14,195)

4.8 Market risk - commodity prices

On September 30, 2016, there was no exposure of contracts pegged to pulp commodity prices (R\$22,029 on December 31, 2015). On September 30, 2016, with regard to hedged freight costs, the Company's long position in oil bunker is R\$17,144 (R\$123,103 on December 31, 2015).

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 September 30, 2016, 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:

	9/30/2016				
	Probable	Incr. (Δ of 25%)	Incr. (Δ of 50%)	Decr.(Δ of 25%)	Decr. (Δ of 50%)
Consolidated Commodities					
Derivative Oil	5,146	1,287	2,573	(1,287)	(2,573)
TOTAL	5,146	1,287	2,573	(1,287)	(2,573)

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4.9 Outstanding derivatives

On September 30, 2016 and December 31, 2015, 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			
		9/30/2016	12/31/2015	9/30/2016	12/31/2015	9/30/2016		12/31/2015	
						Payable	Receivable	Payable	Receivable
US Dollar Interest Swaps									
Long Position - US\$ Libor	10/1/2016 to 11/4/2019	192,519	284,202	192,868	282,290	-	-	-	-
Short Position - US\$ Fixed Rate		192,519	284,202	(199,535)	(293,128)	-	-	-	-
Subtotal		-	-	(6,667)	(10,838)	6,667	-	10,838	-
Currency Swaps									
Long Position - R\$ % DI (b)	10/1/2016 to 4/13/2020	331,335	331,335	363,799	360,911	-	-	-	-
Short Position - US\$ Libor (b)		486,930	585,720	(519,254)	(619,549)	-	-	-	-
Long Position - R\$ % DI		750,000	-	763,881	-	-	-	-	-
Short Position - US\$ FIXED		753,790	-	(774,597)	-	-	-	-	-
SubTotal		-	-	(166,171)	(258,638)	186,107	19,936	258,638	-
Currency Forward									
Long Position in R\$ x US\$	10/1/2016 to 10/3/2016	220,742	265,526	(70,866)	231	70,866	-	-	231
Short Position in R\$ x US\$		220,742	622,699	75,712	(81,676)	-	75,712	81,676	-
Long Position in US\$ x MXN		-	-	-	-	-	-	-	-
Long Position in US\$ x ARS		6,557	72,532	(80)	10,963	80	-	-	10,963
SubTotal		448,040	960,757	4,766	(70,483)	70,946	75,712	81,676	11,193
Currency Options									
Put option R\$ x US\$	10/1/2016 to 1/2/2018	3,165,045	1,952,400	345,179	(121,955)	-	345,179	-	-
Call option R\$ x US\$		3,733,130	-	(169,402)	-	169,402	-	-	-
Subtotal		6,898,175	1,952,400	175,777	(121,955)	169,402	345,179	121,955	-
Commodities Forward									
Long Position in Pulp BHKP	10/1/2016 to 1/7/2017	-	22,029	-	(548)	-	-	548	-
Short Position in Oil		17,144	88,095	5,146	(3,681)	-	5,146	3,681	-
Short Position in Oil (ZCC)		-	35,008	-	(4,449)	-	-	4,448	-
Subtotal		17,144	145,132	5,146	(8,677)	-	5,146	8,677	-
Other									
Long Position - Exchange Coupon	10/1/2016 to 11/4/2019	1,224,930	1,483,824	1,576,247	2,483,280	-	-	-	-
Short Position - US\$ Fixed Rate		1,071,945	1,483,824	(1,548,665)	(2,452,427)	-	-	-	-
Subtotal		-	-	27,582	30,853	95,690	123,271	-	30,853
Total Result in Derivatives		9,868,544	5,412,035	40,433	(439,738)	528,812	569,244	481,784	42,046
Value at Risk (VaR) ^(a)				31,884	140,290				

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

(b) 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 September 30, 2016 the amount to be recognized was R\$6,010.

On September 30, 2016 and December 31, 2015, these consolidated positions, grouped by counterparty, are presented below:

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Description	Notional value on		Fair value on		Equity balances on			
	9/30/2016	12/31/2015	9/30/2016	12/31/2015	9/30/2016		12/31/2015	
					Payable	Receivable	Payable	Receivable
Foreign Currency Swaps								
Counterparties								
BTG Pactual	111,363	172,636	(2,842)	(5,491)	2,842		5,491	-
Santander	40,578	55,783	(1,910)	(2,667)	1,910		2,667	-
Standard Chartered	40,578	55,783	(1,915)	(2,680)	1,915		2,680	-
Subtotal	-	-	(6,667)	(10,838)	6,667		10,838	-
Currency Swaps								
Counterparty								
Bradesco	688,903	585,720	(161,115)	(258,638)	167,125	6,010	258,638	-
Itaú	149,677	-	14	-	2,446	2,460		
Votorantim	402,140	-	(5,070)	-	16,536	11,466		
SubTotal	-	-	(166,171)	(258,638)	186,107	19,936	258,638	-
Currency Forward								
Counterparties								
Long Position in R\$ x US\$								
Itaú BBA	220,742	265,526	(70,866)	231	70,866	-	-	231
Short position in R\$ x US\$								
Itaú BBA	220,742	265,526	75,712	(1,661)	-	75,712	1,661	-
Votorantim	-	181,456	-	(40,843)	-	-	40,843	-
Santander	-	175,716	-	(39,172)	-	-	39,172	-
Short Position in US\$ x ARS								
Rosario Futures Exchange (ROFEX)	-	26,846	-	4,138	-	-	-	4,138
Banco Patagonia	6,557	45,686	(80)	6,825	80	-	-	6,825
Subtotal	-	-	4,766	(70,483)	70,946	75,712	81,676	11,193
Currency Options								
Short Position in R\$ x US\$								
Counterparty								
Itaú BBA	1,363,404	732,150	22,933	(48,831)	35,245	58,178	48,832	-
Standard Chartered	-	195,240	-	(6,460)	-	-	6,460	-
JP Morgan	2,434,650	546,672	79,003	(28,156)	39,041	118,044	28,156	-
Votorantim	600,547	478,338	21,569	(38,507)	14,515	36,084	38,507	-
Santander	1,817,872	-	27,319	-	63,865	91,184	-	-
Bank of America	129,848	-	10,350	-	-	10,350	-	-
BNP Paribas	519,392	-	20,138	-	11,201	31,339	-	-
Rabobank	32,462	-	(5,535)	-	5,535	-	-	-
Subtotal	-	-	175,777	(121,955)	169,402	345,179	121,955	-
Commodity Forward - Oil								
Counterparty								
Standard Chartered	-	96,179	-	(2,910)	-	-	2,910	-
JP Morgan	17,144	9,677	5,146	(3,059)	-	5,146	3,059	-
Subtotal	-	-	5,146	(5,969)	-	5,146	5,969	-
Commodity Options - Oil								
Counterparty								
Standard Chartered	-	17,247	-	(2,160)	-	-	2,160	-
Subtotal	-	-	-	(2,160)	-	-	2,160	-
Commodity Forward - Pulp								
Counterparty								
Standard Chartered	-	22,029	-	(548)	-	-	548	-
Subtotal	-	-	-	(548)	-	-	548	-
Other								
Counterparty								
JP Morgan	1,071,945	1,483,824	27,582	30,853	95,690	123,271	-	30,853
Subtotal	-	-	27,582	30,853	95,690	123,271	-	30,853
Total Results in Derivatives	9,868,544	5,412,035	40,433	(439,738)	528,812	569,244	481,784	42,046

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In the nine-month periods ended September 30, 2016 and 2015, the accumulated positions of settled derivatives, grouped by asset or index, with all trading on the over-the-counter market were as follows:

Description	Nine-month period ended			
	Notional value accumulated on		Fair value (settlement value) accumulated on	
	9/30/2016	9/30/2015	9/30/2016	9/30/2015
US Dollar Interest Swaps				
Long Position - US\$ <i>Libor</i>	49,371	211,442	-	(4,706)
Short Position - US\$ Fixed Rate	49,371	211,442	(3,634)	-
Subtotal	-	-	(3,634)	(4,706)
Currency Swaps				
Long Position - % DI	-	462,780	-	13,212
Short Position - US\$ Fixed Rate	-	-	-	-
Long Position - % DI	331,335	-	14,178	-
Short Position - US\$ <i>Libor</i>	331,335	-	-	-
Long Position - US\$ Fixed Rate	609,615	-	-	-
Short Position - % DI	609,615	-	(59,484)	-
Subtotal	-	-	(45,306)	13,212
Currency Forward				
Long Position in R\$ x US\$	1,702,394	1,062,830	(68,241)	(47,436)
Short Position in R\$ x US\$	-	-	-	-
Short Position in US\$ x MXN	7,205	-	(52)	-
Short Position in US\$ x ARS	96,353	137,338	17,192	(1,250)
Subtotal	-	-	(51,101)	(48,686)
Commodity Forward				
Long Position in pulp BHKP	1,470	41,642	(475)	(2,130)
Short Position in oil	37,622	24,290	(3,116)	(209)
Long Position in oil	-	-	-	-
Subtotal	-	-	(3,591)	(2,339)
Other				
Long Position - Exchange Coupon	502,092	912,348	10,914	7,808
Short Position - US\$ Fixed <i>Libor</i>	-	912,348	-	-
Subtotal	-	-	10,914	7,808
Total Results in Derivatives ^(a)	-	-	(92,718)	(34,711)

^(a) On September 30, 2016, the Company received derivative premium totaling R\$111,956 from short positions not overdue and therefore not included in the table above.

4.11 Capital management

The main objective of Suzano's capital management is to ensure it maintains a solid credit rating, in addition to mitigating risks that may affect capital availability in business development.

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To achieve this, the Company monitors constantly significant indicators, such as:

- i) consolidated financial leverage index, which is the total net debt divided by adjusted Earnings Before Interest, Taxes, Depreciation, and Amortization (“EBITDA”);
- ii) management of contractual financial covenants, maintaining safety margin to not exceed these covenants.

Management prioritizes new loans denominated in the same currency of its main cash generation source, in order to obtain a natural hedge in the long term for its cash flow.

The Company manages its capital structure and makes adjustments based on changes in economic conditions.

	Parent Company		Consolidated	
	9/30/2016	12/31/2015	9/30/2016	12/31/2015
Loans and financing	8,517,048	10,002,341	14,201,753	14,917,342
(-) Cash and financial investments	(3,437,142)	(1,491,863)	(4,185,698)	(2,448,096)
Net debt	5,079,906	8,510,478	10,016,055	12,469,246
Shareholders' equity	11,007,165	9,192,081	11,007,165	9,192,081
Shareholders' equity and net debt	16,087,071	17,702,559	21,023,220	21,661,327

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).

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	Fair value on 9/30/2016	Consolidated		
		Level 1	Level 2	Level 3
Assets				
Cash and cash equivalents	2,068,607	682,288	1,386,319	-
Financial Investments	2,117,091	-	2,117,091	-
Derivatives ^(a)	569,245	-	569,245	-
		682,288	4,072,655	-
Liabilities				
Derivatives ^(a)	528,812	-	528,812	-
Loans and financing	12,193,904	-	12,193,904	-
Commitments related to asset acquisitions	724,512	-	724,512	-
		-	13,447,228	-

	Fair value on 12/31/2015	Consolidated		
		Level 1	Level 2	Level 3
Assets				
Cash and cash equivalents	1,477,246	948,144	529,102	-
Financial Investments	970,850	-	970,850	-
Derivatives ^(a)	42,046	-	41,964	82
		948,144	1,541,916	82
Liabilities				
Derivatives ^(a)	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

^(a) 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 (receivables) and losses (payables) in the long term (see Note 4.9).

4.13 Guarantees

On September 30, 2016, the Company had guarantees pegged to consolidated accounts receivable operations related to exports amounting to US\$255,000, equivalent to R\$830,788 on this date.

5 Cash and Cash Equivalents

	Parent Company		Consolidated	
	9/30/2016	12/31/2015	9/30/2016	12/31/2015
Cash and banks				
In Brazil	28,736	18,724	29,833	19,950
Abroad	-	-	652,456	900,565
	28,736	18,724	682,289	920,515
Financial investments				
In Brazil	1,352,862	521,146	1,353,666	527,466
Abroad	-	29,265	32,652	29,265
	1,352,862	550,411	1,386,318	556,731
	1,381,598	569,135	2,068,607	1,477,246

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On September 30, 2016, these consolidated investments yielded interest at rates varying between 99% and 110% of the CDI (97% and 110% on December 31, 2015), except for financial investments amounting to R\$16 under repurchase agreements yielding 75% of the CDI (amount of R\$23 on December 31, 2015).

6 Financial Investments

	Average annual remuneration rate	Parent Company		Consolidated	
		9/30/2016	12/31/2015	9/30/2016	12/31/2015
Investment funds					
Itaú Investment Grade ^(a)	104.1%	624,402	572,468	645,624	606,221
Itaú Referenciado DI ^(a)	101.2%	1,167,413	243,711	1,207,738	258,080
Bradesco ^(b)	101.5%	128,497	-	128,497	-
		<u>1,920,312</u>	<u>816,179</u>	<u>1,981,859</u>	<u>864,301</u>
Financial investments					
Bank Deposit Certificates	101.6%	135,232	106,549	135,232	106,549
		<u>135,232</u>	<u>106,549</u>	<u>135,232</u>	<u>106,549</u>
		<u>2,055,544</u>	<u>922,728</u>	<u>2,117,091</u>	<u>970,850</u>

(a) On September 30, 2016, the Consolidated column also includes interest of Futuragene Brasil (1.5% of quotas), Paineiras (1.3% of quotas), Ondurman and Amulya (0.5% of total quotas) — 3.0% of quotas, 2.1% of quotas, and 0.5% of total quotas, respectively, on December 31, 2015 — in market investment fund.

(b) On September 30, 2016, only Suzano holds interest in the market investment fund.

On September 30, 2016, the Company has financial investments allocated to two investment funds administered by Banco Itaú, one investment fund managed by Bradesco and Bank Deposit Certificates (“CDB”). The fund amounts are backed by the fixed income from private credit and government bonds.

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.

7 Trade Accounts Receivable

7.1 Breakdown of balances

	Parent Company		Consolidated	
	9/30/2016	12/31/2015	9/30/2016	12/31/2015
Domestic clients				
Third parties	619,596	701,367	619,595	701,368
Subsidiaries	248	6	-	-
Related parties ^(a)	49,207	16,478	49,207	16,478
Foreign clients				
Third parties	36,862	26,096	866,066	1,209,368
Subsidiaries	1,962,106	2,822,481	-	-
Related parties ^(a)	-	-	-	3,770
Allowance for doubtful accounts	(37,680)	(44,587)	(39,394)	(45,024)
	<u>2,630,339</u>	<u>3,521,841</u>	<u>1,495,474</u>	<u>1,885,960</u>

(a) See Note 11.

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7.2 Analysis of maturities

	Parent Company		Consolidated	
	9/30/2016	12/31/2015	9/30/2016	12/31/2015
Amounts overdue:				
Up to two months	32,151	31,460	60,115	66,967
Two to six months	28,233	22,048	48,154	24,749
Over six months	50,420	36,791	52,396	37,089
	110,804	90,299	160,665	128,805

7.3 Changes in provision for losses in the period

	Parent Company		Consolidated	
	9/30/2016	Nine-month period ended 9/30/2015	9/30/2016	9/30/2015
Opening balance	(44,587)	(25,278)	(45,024)	(25,748)
Credits accrued in the period	(8,077)	(20,614)	(9,570)	(20,654)
Credits recovered in the period	774	221	861	223
Credits definitively written-off from position	14,210	2,045	14,210	2,045
Foreign exchange variation	-	-	129	(111)
Closing balance	(37,680)	(43,626)	(39,394)	(44,245)

8 Inventories

	Parent Company		Consolidated	
	9/30/2016	12/31/2015	9/30/2016	12/31/2015
Finished goods				
Pulp				
Domestic	105,208	87,930	105,208	87,930
Foreign	-	-	279,468	341,856
Paper				
Domestic	239,183	168,382	239,183	168,382
Foreign	-	-	89,913	67,920
Work in process	76,483	45,616	76,483	45,616
Raw materials	443,412	404,975	443,412	404,975
Warehouse materials	195,318	163,248	203,182	173,805
Advances to suppliers	24,569	25,512	24,569	25,512
	1,084,173	895,663	1,461,418	1,315,996

On September 30, 2016, the Parent Company and Consolidated balances of inventories are net of provision for losses amounting to R\$35,955, of which: i) finished goods totaled R\$7,560; ii) raw materials totaled R\$10,366; and iii) maintenance materials totaled R\$18,029 (R\$42,466 on December 31, 2015, of which: i) finished goods totaled R\$703; ii) raw materials totaled R\$23,502; and iii) maintenance materials totaled R\$18,261. 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 periods presented.

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	Parent Company		Consolidated	
	9/30/2016	12/31/2015	9/30/2016	12/31/2015
IRPJ and CSLL - advances and withheld taxes	219,495	158,747	232,352	163,237
PIS and COFINS - on acquisition of fixed assets ^(a)	63,105	70,275	63,105	70,275
PIS and COFINS - other operations ^(b)	25,581	323,731	26,775	323,731
ICMS - on acquisition of fixed assets ^(a)	71,056	75,795	71,055	75,795
ICMS - other operations ^(b)	283,188	230,029	298,686	235,651
Other taxes and contributions ^(c)	143,783	169,207	150,679	169,315
Provision for losses of ICMS credits	(10,591)	(7,998)	(10,591)	(7,998)
	795,617	1,019,786	832,061	1,030,006
Total current assets	446,334	586,716	482,778	596,936
Total non-current assets	349,283	433,070	349,283	433,070

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

^(b) Credits available for immediate usage.

^(c) On September 30, 2016, includes the amount of R\$131,432 referring to credits of the Special Regime of Tax Refunds for Export Companies ("Reintegra"), in accordance with Law 13,043/2014 and Decrees 8,415 of February 27, 2015 and 8,543 of October 21, 2015 (on December 31, 2015, the amount was R\$157,021).

9.1 Corporate Income tax ("IRPJ") and social contribution on net income ("CSLL")

Represents IRPJ and CSLL credits paid by estimate in previous years whose adjusted calculation base at the end of the fiscal year was a tax loss and withholding income tax for the year on financial investments. The credits are restated at the Selic rate and 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 September 30, 2016, the credits of R\$82,344 and R\$167,249 of the Mucuri/BA and Imperatriz/MA units, respectively (R\$80,264 and R\$125,297, respectively, on December 31, 2015) 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\$55,024 and R\$18,463 in Bahia and Maranhão, respectively, are ratified and may be used for the offsetting or traded in the active market, in accordance with these states' ICMS regulations.

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The Company recorded a provision for the partial loss of these ICMS credits of Maranhão in the amount of R\$10,591 (R\$7,988 on December 31, 2015).

10 Timber Development Program

On September 30, 2016, the balance of advances of financial resources and inputs for timber development amounted to R\$230,751, classified under current and non-current assets (R\$251,852 on December 31, 2015).

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. Suzano provides producers with eucalyptus seedlings and technical assistance as incentive and prepayment in cash, which are not subject to valuation by fair value.

11 Related parties**11.1 Balances and transactions in the nine-month period ended September 30, 2016**

Transactions	Nature of the main operation	ASSETS		LIABILITIES		RESULT
		Current	Non-current	Current	Non-current	Income (expenses)
With subsidiaries						
Suzano Trading	Sale of pulp and paper	1,944,092 ^(b)	-	29,277 ^(a)	4,008,180 ^(a)	4,908,098 ^(b)
Suzano Europa	Shared expenses	231	-	-	-	237
Suzano Austria GmbH	Capital raising	2,346	-	19,683 ^(a)	1,597,795 ^(a)	(9,404)
Paineiras	Land lease	117	-	417	-	(3,409)
Paineiras Logistica	Commissioning of road transport	-	-	6,402	-	(188,433)
Stenfar	Sale of paper	15,437 ^(b)	-	2,422	-	52,719 ^(b)
Ondurman	Land lease	-	-	-	-	(11,229)
Amulya	Land lease	-	-	-	-	(7,513)
Futuragene	Shared expenses	131 ^(d)	-	10	-	136
		1,962,354	-	58,211	5,605,975	4,741,202
With related parties						
Suzano Holding S.A.	Guarantees and administrative expenses	-	-	358	-	(17,735)
IPLF Holding S.A.	Shared expenses	-	-	-	-	11
Central	Sale of paper	19,966 ^(b)	-	5,053 ^(c)	-	41,356 ^(b)
Nemonorte	Real-estate consulting services	-	-	-	-	(194)
Mabex	Aircraft services	-	-	-	-	(31)
Lazam - MDS	Insurance consulting and advisory services	-	-	-	-	(263)
Ecofuturo	Social services	-	-	42	-	(2,780)
Ibema	Sale of pulp	29,241 ^(b)	13,000	6,306	-	64,258 ^(b)
Shareholders	Dividends and interest on equity	-	-	196	-	-
		49,207	13,000	11,955	-	84,623
		2,011,561	13,000	70,166	5,605,975	4,825,825

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11.2 Balances at December 31, 2015 and transactions in the nine-month period ended September 30, 2015

Transactions	Nature of the main operation	ASSETS		LIABILITIES		RESULT
		Current		Current	Non-current	Income (expenses)
With subsidiaries						
Suzano Trading	Sale of pulp and paper	2,786,432 ^(b)		72,033 ^(a)	4,821,230 ^(a)	3,293,709 ^(b)
Paineiras	Land lease	-		417	-	(3,826)
Paineiras Logística	Commissioning of road transport	14,100		29,928	-	(175,390)
Stenfar	Sale of paper	36,049 ^(b)		7,574	-	60,716 ^(b)
Ondurman	Land lease	-		-	-	(10,363)
Amulya	Land lease	-		-	-	(7,449)
Futuragene	Shared expenses	5 ^(d)		-	-	33
Suzano Austria	Advance for future capital increase	-		-	-	-
		2,836,586		109,952	4,821,230	3,157,430
With related parties						
Suzano Holding S.A.	Guarantees and administrative expenses	15		345	-	(22,918)
IPLF Holding S.A.	Shared expenses	2		-	-	18
Central	Sale of paper	16,461 ^(b)		15,493 ^(c)	-	33,342 ^(b)
Nemonorte	Real-estate consulting services	-		-	-	(220)
Mabex	Aircraft services	-		-	-	(260)
Lazam - MDS	Insurance consulting and advisory services	-		-	-	(255)
Ecofuturo	Social services	-		-	-	(2,678)
Bexma	Administrative expenses	-		-	-	36
Shareholders	Dividends and interest on equity	-		114	-	-
		16,478		15,952	-	7,065
Between related parties						
Stenfar	Shared expenses	3,770		-	-	1,743
IPLF Holding S.A.	Shared expenses	-		3,770	-	(1,743)
		3,770		3,770	-	-
		2,856,834		129,674	4,821,230	3,164,495

^(a) New loans through subsidiaries (Note 17, items f and h).

^(b) Pulp and paper sales operations;

^(c) Vendor operations classified as loans and financing (Note 17)

^(d) Includes telephone, facilities and administrative expenses.

Legend of names of related parties:

Bexma Comercial Ltda. (“Bexma”)

Central Distribuidora de Papéis Ltda. (“Central”)

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”)

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

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	Note	Parent Company		Consolidated	
		9/30/2016	12/31/2015	9/30/2016	12/31/2015
Balance receivable					
Trade accounts receivable	7	2,011,561	2,838,967	49,207	20,248
Receivables from subsidiaries - current		-	14,100	-	-
Receivables from other related parties - non-current		13,000	-	13,000	-
		<u>2,024,561</u>	<u>2,853,067</u>	<u>62,207</u>	<u>20,248</u>
Balance payable					
Dividends and Interest on Equity payable		(196)	(114)	(196)	(114)
Loans and financing	17	(5,411)	(15,838)	(5,411)	(15,838)
Trade accounts payable		(6,348)	-	(6,348)	-
Obligations with related parties - current		(58,211)	(109,952)	-	-
Obligations with related parties - non-current		(5,605,975)	(4,821,230)	-	-
		<u>(5,676,141)</u>	<u>(4,947,134)</u>	<u>(11,955)</u>	<u>(15,952)</u>
		<u>(3,651,580)</u>	<u>(2,094,067)</u>	<u>50,252</u>	<u>4,296</u>

11.3 Management compensation

On September 30, 2016, 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 period amounted to R\$58,916 at the Parent Company and on a consolidated basis (R\$67,171 at the Parent Company and on a consolidated basis on September 30, 2015).

	Parent Company and Consolidated	
	Nine-month period ended	
	9/30/2016	9/30/2015
Short-term benefits		
Salary or compensation	14,756	13,266
Direct and indirect benefits	1,499	2,351
Bonus	15,312	17,879
	<u>31,567</u>	<u>33,496</u>
Long-term benefits		
Share-based compensation	27,349	33,675
	<u>27,349</u>	<u>33,675</u>
Total	<u>58,916</u>	<u>67,171</u>

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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 20).

12 Biological Assets

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

	<u>Parent Company</u>	<u>Consolidated</u>
Balance on December 31, 2014	3,743,131	3,659,421
Additions ^(a)	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 ^(b)	(64,960)	(64,960)
Balance on December 31, 2015	<u>4,234,664</u>	<u>4,130,508</u>
Additions ^(a)	689,157	673,028
Depletion in the period	(426,132)	(426,132)
Other write-offs ^(b)	(43,910)	(43,910)
Balance on September 30, 2016	<u>4,453,779</u>	<u>4,333,494</u>

(a) On September 30, 2016, the costs with land leasing totaling R\$16,129 (December 31, 2015 - R\$20,446) incurred at subsidiaries were eliminated for the consolidated figures.

(b) On September 30, 2016, the amount of R\$22,376 refers to sales made in the period, and R\$21,534 to other write-offs related to losses and claims (on December 31, 2015, the amounts were R\$18,303 and R\$46,657, respectively).

The fair value of biological assets is calculated on an annual basis, as reported in Note 12 to the Company's annual financial statements.

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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.

Deferred income and social contribution taxes are originated as follows:

	Parent Company		Consolidated	
	9/30/2016	12/31/2015	9/30/2016	12/31/2015
Tax losses	693,753	743,526	695,900	746,109
Social contribution tax loss carryforwards	87,297	153,973	87,297	153,973
Provision for tax, civil and labor contingencies	75,294	64,633	75,294	64,633
Provisions for operations and sundry losses	163,958	185,745	163,958	185,745
Provision for impairment of goodwill ^(a)	158,921	158,921	158,921	158,921
Derivative losses	125,373	187,454	125,373	187,454
Unrealized profit	89,473	160,412	89,473	160,412
Other temporary differences - Law 11941/09 and 11638/07	8,091	10,855	8,091	10,855
Non-current assets	1,402,159	1,665,519	1,404,306	1,668,102
Goodwill – Tax benefit on goodwill not amortized in accounting books	161,897	159,574	161,897	159,574
Property, plant and equipment - Deemed Cost Adjustment	1,510,312	1,545,233	1,631,570	1,666,491
Biological assets - fair value	243,818	231,746	243,818	231,746
Accelerated Depreciation Incentive	1,055,670	604,209	1,055,670	604,209
Derivative gains	140,367	38,515	140,367	38,515
Other temporary differences - Law 11941/09 and 11638/07	1,979	2,873	2,198	2,873
Non-current liabilities	3,114,042	2,582,150	3,235,519	2,703,408
Total non-current assets, net	-	-	2,148	2,583
Total noncurrent liabilities, net	1,711,883	916,631	1,833,361	1,037,889

^(a) In the transition to international accounting standards, the Company assigned a new cost (Deemed Cost) to certain classes of property, plant and equipment of Consórcio Paulista de Papel e Celulose (Conpacel). It also applied CPC 1 (R1) - Impairment of Assets on this investment and recorded a provision for losses on the residual value of existing goodwill.

The above-mentioned information has all the items by nature shown based on deferred taxes obtained by IRPJ and CSLL equally. The only exceptions are those presented separately - tax losses and social contribution tax loss carryforwards - and accelerated incentivized depreciation, which is obtained only through IRPJ.

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

	Parent Company		Consolidated	
	9/30/2016	12/31/2015	9/30/2016	12/31/2015
Tax losses	2,775,012	2,974,104	2,783,600	2,984,436
Social contribution tax loss carryforward	969,966	1,710,812	969,966	1,710,812

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	Parent Company		Consolidated	
	9/30/2016	Nine-month period ended 9/30/2015	9/30/2016	9/30/2015
Income (Loss) before income and social contribution taxes	3,083,495	(2,008,802)	3,095,727	(1,998,962)
Income and social contribution taxes at the nominal rate of 34%	(1,048,388)	682,993	(1,052,547)	679,647
Adjustment for accounting of tax rate:				
Taxation on profit of subsidiaries abroad	-	-	-	-
Tax effects of Law 11,941/09 and IFRS	(1,811)	2,970	-	-
Tax incentive - Reduction SUDENE ^(a)	115,825	-	115,825	-
Income and social contribution taxes on the result of equity interest	(4,363)	44,739	1,417	-
Profit or loss taxed at effective rates that differ from nominal rate	-	-	(6,656)	12,556
Reintegra credit	1,376	21,291	1,376	21,291
Other	(14,320)	(9,195)	(23,328)	19,464
Income tax				
Current	(180)	5	(11,152)	(8,954)
Deferred	(668,397)	544,286	(668,397)	544,286
	(668,577)	544,291	(679,549)	535,332
Social Contribution				
Current	(156,248)	-	(157,508)	(881)
Deferred	(126,855)	198,507	(126,855)	198,507
	(283,103)	198,507	(284,363)	197,626
Income and social contribution taxes income recorded as profit or loss in the years	(951,680)	742,798	(963,912)	732,958
Effective rate of income and social contribution taxes recorded as profit or loss	31%	-	31%	-

(a) The Company used the benefit of reducing 75% calculated based on Exploration Profit of Mucuri/BA and Imperatriz/MA units.

On September 30, 2015, the Company recorded tax losses; therefore, there is no effective rate for this period.

Deferred income tax expense in the period is composed of: i) use of tax benefit of Stimulated Accelerated Depreciation (“DAI”), with deferred income tax totaling R\$451,462 and ii) tax credits on use of tax losses and on temporary differences amounting to R\$216,935.

Deferred social contribution expenses are composed of: i) realization of tax credits on tax loss carryforwards amounting to R\$66,676; and ii) realization of tax credits on temporary differences amounting to R\$60,179.

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 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.

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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 part “B” of Tax Accounting Records (“ECF”) 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.

14 Investments

Subsidiaries	Information on Subsidiaries on 9/30/2016					Equity Accounting		Investments and (Provision) for Investment Losses	
	Ownership interest %	Balance sheet			Result in the nine-month period ended 9/30/2016	9/30/2016	9/30/2015	9/30/2016	12/31/2015
		Assets	Current and Non-Current Liabilities	Adjusted Equity					
Subsidiaries and joint ventures									
Amulya	100%	63,763	48,628	15,135	2,576	2,576	2,301	15,135	12,557
Asapir	50%	13,794	9,704	4,090	1,504	752	1,482	2,045	1,293
Suzano Áustria	100%	1,621,290	1,622,529	(1,239)	(1,310)	(1,310)	(60)	(1,239)	63
Ondurman	(a) 100%	85,124	55,001	(64,155)	5,645	(6,729)	(7,171)	(64,155)	(57,427)
Paineiras	(a) 100%	407,818	121,988	255,582	4,884	1,128	9	255,582	255,559
Paineiras Logística	100%	12,191	12,108	83	(8,357)	(8,357)	(5,754)	83	4,440
Stenfar	(a) 90%	77,754	48,138	21,390	6,273	7,668	6,263	18,430	20,717
Sun Paper	100%	5,266	611	4,655	150	150	1,997	4,655	6,214
Suzano America	(a) 100%	338,648	298,493	(21,361)	2,639	40,717	(62,140)	(21,361)	(54,180)
Suzano Europa	(a) 100%	2,633,865	2,575,276	(7,874)	5,268	150,424	(89,302)	(7,874)	(148,429)
Suzano Trading	(a) 100%	6,091,394	6,128,851	(38,262)	(26,659)	3,913	67,819	(38,262)	(44,923)
Ibema	38%	354,136	357,110	(2,974)	(10,971)	(4,169)	-	3,831	-
						186,763	(84,556)	166,870	(4,116)
Total investments								299,761	300,843
Total provisions for losses								(132,891)	(304,959)
Indirect subsidiaries									
Futuragene	100%	74,471	37,561	36,910	(9,216)	(9,372)	(25,423)	36,910	36,310
Stenfar	(a) 10%	77,754	48,138	21,390	6,273	627	1,468	2,960	3,440
						(8,745)	(23,955)	39,870	39,750

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

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14.1 Changes in investments

	<u>Parent Company</u>
Investment on December 31, 2014	247,740
Equity accounting	(306,204)
Exchange variations in investees ^(a)	39,120
Capital increase	8,550
Share acquisition	6,679
Investment on December 31, 2015	<u>(4,116)</u>
Equity accounting	186,763
Exchange variations in investees ^(a)	(27,777)
Capital increase ^(b)	4,000
Share acquisition ^(c)	8,000
Investment on September 30, 2016	<u><u>166,870</u></u>

(a) Includes exchange variation on translation of financial statements and foreign investments.

(b) During the first six months of 2016, the Company increased capital stock in the amount of R\$4,000 in the subsidiary Paineiras Logística.

(c) See Note 1.1 b) i).

15 Property, Plant and Equipment

	<u>Parent Company</u>					
	<u>Buildings</u>	<u>Machinery and equipment</u>	<u>Other assets</u>	<u>Land and farms</u>	<u>Work in progress</u>	<u>Total property, plant and equipment</u>
Annual average depreciation rate	3.87%	5.26%	18.00%	-	-	-
Cost						
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 ^(b)	(17,266)	(77,066)	(1,903)	(1,291)	(15,377)	(112,903)
Additions	(200)	118,709	12,643	-	392,734	523,886
Write-offs ^(a)	(1,100)	(34,400)	(1,539)	(12,196)	-	(49,235)
Interest capitalization	-	-	-	-	6,930	6,930
Balance on December 31, 2015	<u>2,624,312</u>	<u>15,057,270</u>	<u>273,510</u>	<u>3,819,315</u>	<u>216,506</u>	<u>21,990,913</u>
Transfers	30,229	168,621	12,797	4,304	(215,951)	-
Transfers between other assets ^(b)	-	15,033	-	-	(10,826)	4,207
Additions	-	62,648	4,132	-	364,914	431,694
Write-offs ^(a)	(820)	(26,470)	(1,125)	(4,159)	-	(32,574)
Balance on September 30, 2016	<u>2,653,721</u>	<u>15,277,102</u>	<u>289,314</u>	<u>3,819,460</u>	<u>354,643</u>	<u>22,394,240</u>
Depreciation						
Balance on December 31, 2014	(609,553)	(4,710,743)	(145,310)	-	-	(5,465,606)
Transfers between other assets ^(b)	10,031	65,328	2,590	-	-	77,949
Write-offs ^(a)	965	25,138	984	-	-	27,087
Depreciation	(86,327)	(706,703)	(19,661)	-	-	(812,691)
Balance on December 31, 2015	<u>(684,884)</u>	<u>(5,326,980)</u>	<u>(161,397)</u>	<u>-</u>	<u>-</u>	<u>(6,173,261)</u>
Transfers	(33)	1,822	(1,789)	-	-	-
Write-offs ^(a)	520	23,748	940	-	-	25,208
Depreciation	(57,663)	(515,807)	(18,979)	-	-	(592,449)
Balance on September 30, 2016	<u>(742,060)</u>	<u>(5,817,217)</u>	<u>(181,225)</u>	<u>-</u>	<u>-</u>	<u>(6,740,502)</u>
Residual value						
Balance on September 30, 2016	<u>1,911,661</u>	<u>9,459,885</u>	<u>108,089</u>	<u>3,819,460</u>	<u>354,643</u>	<u>15,653,738</u>
Balance on December 31, 2015	<u>1,939,428</u>	<u>9,730,290</u>	<u>112,113</u>	<u>3,819,315</u>	<u>216,506</u>	<u>15,817,652</u>

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						Consolidated
	Buildings	Machinery and equipment	Other assets	Land and farms	Work in progress	Total property, plant and equipment
Annual average depreciation rate	3.87%	5.26%	18.00%	-	-	-
Cost						
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 (b)	(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 (a)	(1,100)	(34,401)	(1,734)	(12,196)	-	(49,431)
Interest capitalization	-	-	-	-	6,930	6,930
Balances on December 31, 2015	2,626,470	15,065,858	283,294	4,336,084	216,506	22,528,212
Transfers	30,229	168,621	12,797	4,304	(215,951)	-
Transfers between other assets (b)	-	15,033	-	-	(10,826)	4,207
Additions	(39)	63,128	3,991	(142)	364,914	431,852
Write-offs (a)	(820)	(26,470)	(1,128)	(4,159)	-	(32,577)
Balances on September 30, 2016	2,655,840	15,286,170	298,954	4,336,087	354,643	22,931,694
Depreciation						
Balances on December 31, 2014	(610,208)	(4,713,702)	(148,552)	-	-	(5,472,462)
Transfers between other assets (b)	10,031	65,328	2,590	-	-	77,949
Write-offs (a)	965	25,138	1,142	-	-	27,245
Depreciation	(86,469)	(707,510)	(20,731)	-	-	(814,710)
Balances on December 31, 2015	(685,681)	(5,330,746)	(165,551)	-	-	(6,181,978)
Transfers	(33)	1,822	(1,789)	-	-	-
Write-offs (a)	520	23,748	940	-	-	25,208
Depreciation	(57,784)	(516,438)	(19,758)	-	-	(593,980)
Balances on September 30, 2016	(742,978)	(5,821,614)	(186,158)	-	-	(6,750,750)
Residual value						
Balances on September 30, 2016	1,912,862	9,464,556	112,796	4,336,087	354,643	16,180,944
Balances on December 31, 2015	1,940,789	9,735,112	117,743	4,336,084	216,506	16,346,234

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

b) Includes transfers between the lines of inventory, intangible assets and non-current assets held for sale.

Machinery and equipment include amounts recognized as financial leasing outlined in Note 17.2.

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 September 30, 2016, the Company and its subsidiaries had property, plant and equipment given as collateral in loan operations and lawsuits amounting to R\$11,580,425 (R\$10,932,132 on December 31, 2015).

15.2 Capitalized expenses

In the period ended September 30, 2016, no expenses were capitalized. 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.

16 Intangible Assets**16.1 Goodwill**

The Company maintains goodwill on investments in Vale Florestar and Paineiras Logística in the amounts of R\$45,435 and R\$10, respectively.

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The goodwill on Vale Florestar is mainly attributable to operating synergies related to forest management of acquired areas.

16.2 Intangible assets with determined useful life

						Consolidated	Parent Company
	Customer relationship	Trademarks and patents	Software	R&D Agreements	Other	Total	Total
Useful life (years)	5	10	5	18.8	11.8		
Acquisition cost	22,617	1,176	82,237	309,711	8,129	423,883	107,226
Accumulated amortization	(21,863)	(829)	(31,864)	(82,026)	(3,108)	(139,703)	(54,556)
Balances on December 31, 2015	754	347	50,373	227,685	5,021	284,180	52,670
Acquisitions	-	-	6,135	-	-	6,135	6,100
Foreign currency translation adjustment	-	-	-	(38,791)	(256)	(39,047)	-
Amortization	(754)	(70)	(13,173)	(10,788)	(387)	(25,172)	(13,998)
Disposal/Write-offs	-	-	(277)	(75,370) ^(a)	(3,182) ^(a)	(78,829)	(277)
Transfers and others	-	243	10,583	-	-	10,826	10,826
Book balance	-	520	53,641	102,736	1,196	158,093	55,322
Acquisition cost	22,617	1,419	98,678	195,550	4,691	322,968	123,875
Accumulated amortization	(22,617)	(899)	(45,037)	(92,814)	(3,495)	(164,875)	(68,554)
Balances on September 30, 2016	-	520	53,641	102,736	1,196	158,093	55,322

- (a) Low research and development agreements signed by FuturaGene Biotechnology Ltd on amount of R\$ 78,552, R\$ classified in heading specifics and 75,370 3,182 R\$ in "Other". The difference to the amount of R\$ 78,799 presented in note 23 derives from Exchange variation between the closing rate and the conversion rate of the dollar.

17 Loans and Financing

	Index	Annual average interest rate on 9/30/2016	Maturity	Parent Company		Consolidated		
				9/30/2016	12/31/2015	9/30/2016	12/31/2015	
Property, plant and equipment:								
BNDES - Finem	(a) (b)	Fixed rate /TJLP	8.86%	2016 to 2026	1,150,375	1,335,246	1,178,480	1,353,777
BNDES - Finem	(b)	Currency basket / US\$	6.39%	2016 to 2023	514,528	675,576	514,528	675,576
BNDES - Finame	(a)	Fixed rate /TJLP	4.63%	2016 to 2024	19,406	21,982	19,406	21,982
FNE - BNB	(b)	Fixed rate	5.31%	2017 to 2024	226,457	200,794	226,457	200,794
FINEP	(b)	Fixed rate	4.18%	2017 to 2020	38,930	49,948	38,930	49,948
Rural credit		Fixed rate			-	112,424	-	112,424
Financial lease		CDI / US\$		2016 to 2022	24,444	32,619	24,444	32,619
Export Credit Agency - ECA	(b) (c)	US\$	2.78%	2016 to 2022	1,197,648	1,571,288	1,197,648	1,571,288
					3,171,788	3,999,877	3,199,893	4,018,408
Working capital:								
Export financing	(d)	US\$	4.84%	2016 to 2022	2,211,853	2,501,592	2,211,853	2,501,592
Export credit note	(e)	CDI / Fixed rate	14.12%	2016 to 2026	3,108,680	3,077,244	3,108,680	3,077,244
Senior Notes	(f)	US\$ / Fixed rate	5.82%	2021 to 2026	-	-	3,716,124	2,553,535
Trade notes discount-Vendor				2016	24,302	38,470	24,302	38,470
Bank Credit Note-CCB	(g)	CDI			-	178,271	-	178,271
Syndicated Loan	(h)	Libor	2.85%	2018 to 2020	-	-	1,940,476	2,329,362
Confirming operations					-	206,454	-	206,454
Other				2016	425	433	425	14,006
					5,345,260	6,002,464	11,001,860	10,898,934
					8,517,048	10,002,341	14,201,753	14,917,342
Current (including interest payable)					1,578,075	1,939,391	1,627,827	2,024,964
Non-current					6,938,973	8,062,950	12,573,926	12,892,378
Non-current loans and financing mature as follows:								
2017					588,739	1,398,348	588,739	1,398,348
2018					1,828,011	1,822,151	2,480,833	2,605,788
2019					2,293,587	3,014,360	3,162,823	4,058,317
2020					1,365,898	852,056	1,788,669	1,354,486
2021					569,335	753,023	2,646,042	3,244,635
2022					195,207	147,265	198,789	149,942
2023 onwards					98,196	75,747	1,708,031	80,862
					6,938,973	8,062,950	12,573,926	12,892,378

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- (a) Term of capitalization corresponds to those exceeding 6% of the Long-term interest rate (“TJLP”) published by the Central Bank of Brazil;
- (b) 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.
- (c) In October 2006, the Company contracted a US\$150,000 loan agreement with BNP Paribas and Société Générale, in the proportion of 50% each, to finance imported equipment for the Mucuri/BA unit. In May 2013, the Company obtained funds through two import financing operations (Export Credit Agency (“ECA”)) for equipment to be installed in the future pulp producing unit in Maranhão. The total amount contracted is equivalent to US\$535,000, for a term of up to 9.5 years, from AB Svensk Exportkredit, BNP Paribas, through its subsidiary Fortis Bank SA/NV, Nordea Bank Finland Plc, Nordea Bank AB and Société Générale, with guarantee furnished by the Export Credit Agencies FINNVERA and EKN. All 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 2016, the Company met all the established levels. The next scrutiny will be based on the results of December 2016.
- (d) In the period from January to September 2016, no new Export Financing operation was contracted, and the variation is justified by the appreciation of the Brazilian real against the U.S. dollar (R\$/US\$ 3.9048 in December 2015 and R\$/US\$ 3.2462 in September 2016).
- (e) In June 2015, the Company contracted an Export Credit Notes (“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 biannually and the principal in a single installment in 2019. In February 2016, the Company settled a NCE of R\$73,500, which would mature in March 2021. In April 2016, the Company contracted a NCE transaction of R\$600,000, guaranteed by CRA and made available to the market at a cost of 98% of the CDI, while interest will be paid biannually and the principal in a single installment in 2020. In May 2016, a total of R\$447,000 was raised through Advances on Foreign Exchange Contracts (“ACC”), due in July and December 2016, to enable the prepayment of R\$713,500 relating to the partial settlement of an NCE due in May 2019. In June 2016, two more CRAs were issued: the first in the amount of R\$200,000, at cost of 97% of the CDI and due in 2018; and the second in the amount of R\$100,000, at cost of 97.5% of the CDI and due in 2019.
- (f) In September 2010, the Company, through its subsidiary Suzano Trading, placed in the international market US\$650,000 in Senior Notes due on January 23, 2021, with semiannual interest payments of 5.875% p.a. and return for investors of 6.125% p.a. The Company is guarantor of the issue, which corresponds to a senior obligation without security interest of the issuer or the Company and is entitled to the same rights as other obligations of similar nature of these companies. Between September 2013 and July 2014, the Company, through its international subsidiary Suzano Trading, repurchased US\$4,300 of principal amount of the Senior Notes issued. In July 2016, the Company, through its subsidiary Suzano Áustria, issued Senior Notes in the international market in the amount of US\$500,000, falling due on July 14, 2026, with coupon payable biannually of 5.75% p.a. for investor’s final profitability. The Company is guarantor of the issue, which is a senior obligation without security interest of the issuer or the Company and concurs with issuer’s or Company’s other obligations of similar nature.
- (g) In March 2015, the Company contracted two Bank Credit Note (“CCB”) operations in the amount of R\$123,000 and maturity in 1 year. In March 2016, Suzano settled in advance R\$31,000 relating to CCB of Vale Florestar.
- (h) In May 2015, the Company, through its subsidiary Suzano Pulp and Paper Europe, contracted a syndicated loan in the amount of US\$600,000, 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 2016, the Company met all the established levels. The next scrutiny will be based on the results of December 2016.

Reports and Declarations / Report on Special Review – Unqualified Opinion**17.1 Changes in loans and financing**

	<u>Parent Company</u>	<u>Consolidated</u>
Balances on December 31, 2014	12,279,088	14,012,129
Funding	1,879,546	4,107,775
Recognized interest	893,192	1,053,077
Exchange variation	1,926,567	2,871,789
Settlement of principal	(6,123,996)	(6,123,996)
Settlement of interest	(877,588)	(1,015,806)
Funding costs	(16,351)	(39,395)
Amortization of funding costs	41,883	51,769
Balances on December 31, 2015	<u>10,002,341</u>	<u>14,917,342</u>
Funding	2,702,577	4,353,897
Recognized interest	544,761	711,295
Exchange variation	(1,070,185)	(1,926,242)
Settlement of principal	(3,099,836)	(3,099,836)
Settlement of interest	(580,256)	(756,856)
Negative goodwill	-	(15,354)
Amortization of negative goodwill	-	283
Funding costs	(12,651)	(21,088)
Amortization of funding costs	30,297	38,312
Balances on September 30, 2016	<u>8,517,048</u>	<u>14,201,753</u>

17.2 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:

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	Parent Company and Consolidated	
	9/30/2016	12/31/2015
Machinery and equipment	108,565	108,565
(-) Accumulated depreciation	(97,046)	(95,335)
Property, plant and equipment, net	11,519	13,230
Present value of mandatory installments (financing):		
Less than 1 year	4,796	5,509
From 1 to 5 years	19,648	25,830
Over 5 years	-	1,280
Total present value of mandatory installments (financing)	24,444	32,619
Financial charges to be recognized in the future	4,875	6,911
Total mandatory installments at the expiration of agreements	29,319	39,530

17.3 Transaction costs and premiums of securities issues

On September 30, 2016, the balances of funding costs to be apportioned to consolidated profit or loss are as follows:

Nature	Total cost	Amortization	Exch. rate variation	Consolidated	
				Balance to be amortized	
				9/30/2016	12/31/2015
Senior Notes	37,515	(33,301)	26,902	31,116	32,394
NCE	54,880	(32,414)	-	22,466	28,983
Prepayment	1,636	(711)	-	925	1,163
Import (ECA)	101,811	(59,452)	-	42,359	53,679
Syndicated Loan	19,951	(6,792)	479	13,638	20,887
FNE	730	(177)	-	553	652
FINEM	589	(48)	-	541	-
Rural Credit	34	(34)	-	-	14
Total	217,146	(132,929)	27,381	111,598	137,772

The total funding cost in foreign currency was converted into Brazilian real at the rates of the funding date and amortizations were converted at the closing rate.

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18 Provision for Contingencies**18.1 Changes in provisions for contingencies**

Parent Company						
	Balance on 12/31/2015	New lawsuits	Reversals	Inflation adjustment	Settlement of lawsuits	Balance on 9/30/2016
Tax and social security	167,185	16,749	(21,443)	27,243	-	189,734
Labor	25,428	10,335	(1,501)	5,267	(6,658)	32,871
Civil	1,989	1,180	(252)	1,285	-	4,202
	<u>194,602</u>	<u>28,264</u>	<u>(23,196)</u>	<u>33,795</u>	<u>(6,658)</u>	<u>226,807</u>

Consolidated						
	Balance on 12/31/2015	New lawsuits	Reversals	Inflation adjustment	Settlement of lawsuits	Balance on 9/30/2016
Tax and social security	167,185	23,806	(21,443)	27,243	-	196,791
Labor	29,385	10,469	(2,425)	5,311	(6,896)	35,844
Civil	1,989	1,180	(252)	1,285	-	4,202
	<u>198,559</u>	<u>35,455</u>	<u>(24,120)</u>	<u>33,839</u>	<u>(6,896)</u>	<u>236,837</u>

18.2 Tax and Social Security Suits and Proceedings

On September 30, 2016, the company is a defendant in 299 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\$14,106 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\$262,715, for which no provision was accrued.

On September 30, 2016, the Company and its subsidiaries hold R\$48,898 in judicial deposits related to these proceedings (R\$37,869 on December 31, 2015).

18.3 Labor claims

On September 30, 2016, the Company was a defendant in 2,308 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.

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The Company is a defendant in proceedings whose probability of loss is deemed as possible, in the approximate amount of R\$44,883, for which no provision was accrued. On September 30, 2016, the Company and its subsidiaries hold R\$34,452 in judicial deposits related to these proceedings (R\$23,784 on December 31, 2015).

18.4 Civil claims

On September 30, 2016, the Company is a defendant in 265 civil claims.

Civil proceedings are related primarily to payment of damages, such as those resulting from contractual obligations, traffic-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\$9,255, for which no provision was constituted.

19 Actuarial Liabilities

On September 30, 2016, there were no changes to the defined-benefit plans and there were no significant changes to the sensitivity analysis compared to those reported in Note 20 to the financial statements of December 31, 2015. The actuarial study is updated on an annual basis for disclosure in the financial statements of December 31, 2016.

On September 30, 2016, the amount of the future liabilities of these benefits was R\$277,540 (R\$263,141 on December 31, 2015).

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

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

The changes in the actuarial liabilities are shown below:

Parent Company and Consolidated	
Opening balance on December 31, 2014	277,463
Interest on actuarial liability	33,629
Actuarial gain	(31,981)
Benefits paid in the year	(15,970)
Opening balance on December 31, 2015	263,141
Interest on actuarial liability	25,724
Benefits paid in the period	(11,325)
Closing balance on December 30, 2016	(277,540)

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20 Share-Based Payments

In the period ended September 30, 2016, the Company has two (2) share-based compensation Plans: i) Share-based payment in cash; and ii) Payment in shares or alternatively in cash (Stock option plan of Class A preferred shares). These plans did not undergo any changes in their characteristics and measurement criteria since the financial statements of December 31, 2015 (Note 21). On September 30, 2016, there were 8,845 thousand class A preferred treasury shares to guarantee the options granted by the Plan.

On March 1, 2016, the Company approved the “Deferral 2015” Program, related to the complement of the additional bonus for 2015. The grace period and maturity of the plan to exercise the shares will occur on March 1, 2019 and 2020.

On April 1, 2016, the Company granted the Share Appreciation Rights (SAR) 2016 and PLUS 2016 (program complementing the Share Appreciation Rights) Programs 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 time of grant and 20% after three years to acquire the option. This program has a vesting period of 3 years and term of 5 years from the grant date.

The installments of the abovementioned programs 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.

The installments of these programs will be adjusted by the variation in the price of the Company’s shares (SUZB5) between the granting and the payment period. On dates when the SUZB5 stock is not traded, the quote of the previous trading session will be considered.

Price per Share: the share price is 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.

Shares and 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.

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20.1 Changes to long-term incentive plans

Phantom shares

Parent Company and Consolidated
9/30/2016

Program	Grant Date	Fair value on the grant date	Fair value at the end of the period	1 st exercise date	2 nd exercise date	Available at the beginning of the period	Granted in the Period	Exercised	Exercised due to dismissal	Abandoned/ Prescribed due to dismissal	Available at the end of the period	Weighted average price of exercised shares
ILP 2009 A - Mar08	3/1/2008	R\$ 34.74	R\$ 11.03	3/1/2013	3/1/2016	7,259	-	7,259	-	-	-	-
ILP 2010	3/1/2010	R\$ 23.86	R\$ 11.03	3/1/2013	3/1/2016	18,362	-	18,362	-	-	-	-
ILP 2011	3/1/2011	R\$ 18.64	R\$ 11.03	3/1/2014	3/1/2017	43,175	-	36,130	7,045	-	-	11.89
ILP 2012	3/1/2012	R\$ 7.49	R\$ 11.03	3/1/2015	3/1/2018	157,838	-	86,400	12,755	-	58,683	11.89
ILP 2011 (F)	3/1/2011	R\$ 18.64	R\$ 11.03	3/1/2014	3/1/2017	7,159	-	7,159	-	-	-	11.89
ILP 2012 (PE)	9/30/2012	R\$ 9.00	R\$ 11.03	9/30/2015	9/30/2018	25,225	-	25,225	-	-	-	-
ILP 2013	3/1/2013	R\$ 6.58	R\$ 11.03	3/1/2016	3/1/2019	938,117	-	824,365	-	72,036	41,716	-
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\$ 11.13	4/1/2017	4/1/2019	904,390	-	-	-	95,553	808,837	-
Deferral 2014	3/1/2015	R\$ 10.80	R\$ 11.03	3/1/2018	3/1/2018	270,106	-	-	-	30,552	239,554	-
Deferral 2014	3/1/2015	R\$ 10.80	R\$ 11.03	3/1/2019	3/1/2019	270,106	-	-	-	30,552	239,554	-
SAR 2015	4/1/2015	R\$ 11.69	R\$ 10.59	4/1/2018	4/1/2020	740,248	-	-	-	78,045	662,203	-
SAR 2015 - September	9/1/2015	R\$ 15.99	R\$ 9.81	9/1/2018	9/1/2020	4,340	-	-	-	-	4,340	-
ILP 2015	9/1/2015	R\$ 15.99	R\$ 11.03	9/1/2018	9/1/2021	43,778	-	-	-	-	43,778	-
Deferral 2015	3/1/2016	R\$ 16.93	R\$ 11.03	3/1/2019	3/1/2019	-	91,369	-	-	3,494	87,875	-
Deferral 2015	3/1/2016	R\$ 16.93	R\$ 11.03	3/1/2020	3/1/2020	-	91,369	-	-	3,494	87,875	-
SAR 2016	4/1/2016	R\$ 15.96	R\$ 9.04	4/1/2019	4/1/2021	-	679,868	-	-	5,214	674,654	-
PLUS 2016	4/1/2016	R\$ 15.96	R\$ 9.04	4/1/2019	4/1/2021	-	221,381	-	-	-	221,381	-
TOTAL						3,570,103	1,083,987	1,144,900	19,800	318,940	3,170,450	11.89

Parent Company and Consolidated
12/31/2015

Program	Grant Date	Fair value on the grant date	Fair value at the end of the period	1 st exercise date	2 nd exercise date	Available at the beginning of the period	Granted in the Period	Exercised	Exercised due to dismissal	Abandoned/ Prescribed	Abandoned/ Prescribed due to dismissal	Available at the end of the period	Weighted average price of exercised shares
ILP 2008 (PN) Mar-09	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	3/1/2018	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	3/1/2019	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	4/1/2018	4/1/2018	-	747,600	-	-	7,352	-	740,248	-
SAR 2015 - September	9/1/2015	R\$ 15.99	R\$ 17.42	9/1/2018	9/1/2018	-	4,340	-	-	-	-	4,340	-
ILP 2015	9/1/2015	R\$ 15.99	R\$ 18.11	9/1/2018	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

Class A preferred shares stock option

Parent Company and Consolidated
9/30/2016

Program	Granted series	Grant date	1 st exercise date	2 nd exercise date and expiration	Prices		Number of Shares			
					On the grant date	Granted	Exercised	Not exercised due to dismissal	Expired	Total in effect on 9/30/2016
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						9,000,000	5,400,000	-	-	3,600,000

Reports and Declarations / Report on Special Review – Unqualified Opinion**20.2 Recognition and measurement of the fair value of share-based payments****Phantom shares plan**

Since the Plan is settled in cash, Suzano has to revise the fair value of the phantom shares at every reporting date. 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).

Stock option plan

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

Description of assumptions	Indexes			
	Options			
	Program III	SAR 2014	SAR 2015	SAR 2016 and Plus 2016
Calculation Model	Binomial	Monte Carlo Simulation	Monte Carlo Simulation	Monte Carlo Simulation
Asset base price ^(a) (per share)	R\$ 7.73	R\$ 11.03	R\$ 11.03	R\$ 11.03
Expectation of volatility ^(b)	40.47% p.a.	36.82% p.a.	34.77% p.a.	33.85% p.a.
Phantom stock/options average life expectancy ^(c)	Equal to option life			
Dividends expectancy ^(d)	3.49% p.a.	2.94% p.a.	2.94% p.a.	4.80% p.a.
Risk-free weighted average interest rate ^(e)	average of 8.99%	average of 11.90%	average of 12.83%	average of 14.33%

- (a) The asset base price was defined considering the arithmetic average of the closing price of the last 90 trading sessions for SUZB5 share;
- (b) 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;
- (c) The expectation of average life of phantom stocks and stock options was defined by the remaining term until the limit exercise date;
- (d) The expectation of dividends was defined based on historical earnings per share of the Company;
- (e) 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 quarterly information are presented below:

	Parent Company and Consolidated			
	Liabilities and Shareholders' Equity		Profit or Loss	
	9/30/2016	12/31/2015	Nine-month period ended	
		9/30/2016	9/30/2015	
Non-current liabilities				
Provision for phantom stock plan	17,905	42,722	2,905	(21,277)
Shareholders' equity				
Stock option reserve	18,944	23,091	(2,529)	(4,492)
Profit or loss			376	(25,769)

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21 Commitments Related to Asset Acquisitions

On September 30, 2016, these commitments totaled R\$592,187 in the Parent Company and R\$695,595 in the Consolidated, and are classified under current and non-current liabilities (R\$716,862 and R\$824,864, respectively, on December 31, 2015).

21.1 Real estate receivables certificates (“CRI”)

The Company and its subsidiaries carried out transactions involving the acquisition of land and reforestation through CRI. On September 30, 2016, the commitments related to the acquisition of land, farms, reforestation and houses under construction in Maranhão totaled R\$65,750 in the Parent Company and R\$169,158 in the Consolidated, presented under Commitments from acquisition of assets in current and non-current liabilities (R\$59,483 and R\$167,485, respectively, on December 31, 2015).

21.2 Acquisition of Vale Florestar Fundo de Investimento em Participações (“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 September 30, 2016, the total restated outstanding balance is R\$526,437 at the Parent Company and Consolidated, recorded under Commitments from acquisition of assets in current and non-current liabilities (R\$657,379 on December 31, 2015).

22 Shareholders’ Equity

22.1 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.

22.2 Capital stock

On September 30, 2016, 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 17,541 thousand shares are held in treasury, of which 6,786 thousand are common shares, 8,845 thousand are class A preferred shares, and 1,910 thousand are class B preferred shares.

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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.	364,349,459	98.17	3,245,077	0.44	17,698	0.91	367,612,234	33.19
Controlling Shareholders and Management	12,879	0.00	257,349,704	35.03	3,883	0.20	257,366,466	23.23
Subtotal	364,362,338	98.17	260,594,781	35.47	21,581	1.11	624,978,700	56.42
Treasury	6,786,194	1.83	8,844,997	1.20	1,909,699	98.40	17,540,890	1.58
BNDESPAR	-	-	75,909,985	10.33	-	-	75,909,985	6.85
Mondrian Investment Partners ^(a)	-	-	73,885,800	10.06	-	-	73,885,800	6.67
Other shareholders	-	-	315,413,763	42.94	9,539	0.49	315,423,302	28.47
TOTAL	371,148,532	100.00	734,649,326	100.00	1,940,819	100.00	1,107,738,677	100.00

- (a) On September 29, 2016, the Company announced an increase of stake in its capital by funds and investment companies managed by Mondrian Investment Partners Limited ("Mondrian"), a company established under the laws of the United Kingdom. This is a non-controlling interest that does not change Company's ownership control or administrative structure, and Mondrian and its affiliates do not intend to acquire any additional shares for such purpose.

On September 30, 2016, SUZB5 preferred stock ended the period quoted at R\$10.47 (R\$18.69 on December 31, 2015).

22.3 Reserves**Profit reserve**

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

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

Capital reserve

The Capital Reserve is composed of the balances of the tax incentive reserve, the stock option reserve, the treasury shares 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.

22.4 Treasury shares

	Number of shares			R\$ (‘000)	Average price per (R\$)	
	Common	Pref. A	Pref. B			Total
Balance on December 31, 2014	6,786,194	12,444,988	1,909,699	21,140,881	303,726	14.37
Shares sold ^(a)	-	(1,800,000)	-	(1,800,000)	(14,868)	8.26
Shares transferred ^(b)	-	9	-	9	-	-
Balance on December 31, 2015	6,786,194	10,644,997	1,909,699	19,340,890	288,858	14.94
Shares sold ^(a)	-	(1,800,000)	-	(1,800,000)	(15,193)	8.44
Balance on September 30, 2016	6,786,194	8,844,997	1,909,699	17,540,890	273,665	15.60

- (a) Treasury shares used to meet the share-based compensation plan (Note 20).

- (b) Reversal of loan through transfer of shares held by Directors to Suzano Papel e Celulose.

Reports and Declarations / Report on Special Review – Unqualified Opinion**22.5 Equity valuation adjustment and other comprehensive income****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.

Other Comprehensive Income (Loss)

The Company recorded under this balance sheet item the corresponding entries to exchange variation arising from conversion of quarterly information 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.

22.6 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.

				9/30/2016
	Common	Class A Preferred	Class B Preferred	Total
Loss attributed to shareholders	668,139	1,463,614	63	2,131,815
Weighted average number of shares in the period	371,149	734,649	1,941	1,107,739
Weighted average treasury shares	(6,786)	(9,045)	(1,910)	(17,741)
Weighted average number of outstanding shares	364,363	725,604	31	1,089,998
Basic earnings per share	1.83372	2.01710	2.03226	

				9/30/2015
	Common	Class A Preferred	Class B Preferred	Total
Loss attributed to shareholders	(397,460)	(868,507)	(37)	(1,266,004)
Weighted average number of shares in the period	371,149	734,649	1,941	1,107,739
Weighted average treasury shares	(6,786)	(10,845)	(1,910)	(19,541)
Weighted average number of outstanding shares	364,363	723,804	31	1,088,198
Basic loss per share	(1.09083)	(1.19992)	(1.19355)	

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.

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	9/30/2016			
	Common	Class A Preferred	Class B Preferred	Total
Loss attributed to shareholders	666,900	1,464,852	63	2,131,815
Weighted average number of outstanding shares	364,363	725,604	31	1,089,998
Adjustment by stock options	-	1,964	-	1,964
Weighted average number of shares (diluted)	364,363	727,568	31	1,091,962
Diluted earnings per share	1.83032	2.01335	2.03226	

	9/30/2015			
	Common	Class A Preferred	Class B Preferred	Total
Loss attributed to shareholders	(396,015)	(869,952)	(37)	(1,266,004)
Weighted average number of outstanding shares	364,363	723,804	31	1,088,198
Adjustment by stock options	-	3,848	-	3,848
Weighted average number of shares (diluted)	364,363	727,652	31	1,092,046
Diluted loss per share	(1.08687)	(1.19556)	(1.19355)	

22.7 Dividends

Date of Approval AGO/E	Total amount (R\$ '000)	Amount per share			Shareholding position (reference date)	Payment date
		Common	Pref. A	Pref. B		
4/30/2015	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
4/25/2016	300,000	R\$ 0.25800	R\$ 0.28380	R\$ 0.34352	4/25/2016	5/4/2016

23 Other Operating Income, Net

	Parent Company		Consolidated	
	Nine-month period ended			
	9/30/2016	9/30/2015	9/30/2016	9/30/2015
Income (loss) from sale of other products	3,801	(2,762)	9,881	9,747
Income (loss) from sale of property, plant and equipment and biological assets	8,315	1,452	8,312	1,487
Provision for loss and write-offs of property, plant and equipment and biological assets ^(a)	(28,529)	(19,480)	(28,529)	(19,480)
Amortization of intangible assets	(754)	(3,393)	(12,994)	(14,275)
Lease of land with subsidiaries	(7,513)	(7,449)	-	-
Write-off of goodwill on R&D agreements ^(b)	-	-	(78,799)	-
Other operating income, net	(1,449)	6,060	(2,541)	6,303
Total other operating income	12,116	7,512	18,193	17,537
Total other operating expenses	(38,244)	(33,084)	(122,863)	(33,755)
Other operating income (expenses), net	(26,128)	(25,572)	(104,670)	(16,218)

(a) On September 30, 2016, R\$21,534 refers to write-offs related to losses and claims with biological assets and R\$7,271 with property, plant and equipment (on September 30, 2015, R\$14,585 refers to write-offs related to losses and claims with biological assets and R\$4,895 with property, plant and equipment).

(b) Write-off of intangible assets related to agreements entered into by the subsidiary Futuragene Ltd.

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The Company maintains operating lease agreements related to the lease of areas, offices, properties, call centers, hardware equipment and installation services, whose agreements were executed in Brazilian real. 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	Monthly installment amount - R\$ ('000)	Index	Maturity
Administrative offices and deposits	1 to 1,092	IGP-M and IPCA/IBGE	10/1/2016 to 1/27/2024
Call center and licenses	1 to 208	IGP-DI	9/30/2017

The minimum payments of maturing operating were as follows:

	<u>9/30/2016</u>
Less than 1 year	17,620
From 1 year to 3 years	25,289
From 3 years to 5 years	20,968
Total installments due	<u>63,877</u>

25 Net Financial Result

	Parent Company		Consolidated	
	9/30/2016	Nine-month period ended 9/30/2015	9/30/2016	9/30/2015
Interest income	216,011	211,352	220,028	213,957
Other financial income	17,133	7,475	22,143	11,433
Total financial income	<u>233,144</u>	218,827	<u>242,171</u>	225,390
Interest expenses	(802,239)	(906,149)	(822,744)	(924,220)
Other financial expenses	(38,155)	(25,687)	(49,032)	(33,730)
Total financial expenses	<u>(840,394)</u>	(931,836)	<u>(871,776)</u>	(957,950)
Monetary and exchange variations on loans and financing	1,684,126	(3,451,578)	1,701,499	(3,439,811)
Monetary and exchange variations on other assets and liabilities	(400,856)	662,117	(310,123)	541,363
Monetary and exchange variation, net	<u>1,283,270</u>	(2,789,461)	<u>1,391,376</u>	(2,898,448)
Derivative gains	543,528	51,860	671,170	100,128
Derivate losses	(66,938)	(712,631)	(172,423)	(762,437)
Net derivative income (loss)	<u>476,590</u>	(660,771)	<u>498,747</u>	(662,309)
Financial income	<u>1,993,004</u>	218,827	<u>2,132,294</u>	225,390
Financial expenses	<u>(840,394)</u>	(4,382,068)	<u>(871,776)</u>	(4,518,707)
Net financial income (expenses)	<u>1,152,610</u>	(4,163,241)	<u>1,260,518</u>	(4,293,317)

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26 Net Revenue

	Parent Company		Consolidated	
	9/30/2016	Nine-month period ended 9/30/2015	9/30/2016	9/30/2015
Gross sales revenue	7,718,785	8,019,272	8,260,283	8,264,819
Deductions				
Sales taxes (a)	(799,320)	(690,851)	(807,188)	(701,100)
Returns and cancelations	(38,856)	(38,412)	(59,945)	(42,529)
Discounts and rebates	(8,580)	(5,924)	(8,580)	(5,924)
Net Revenue	6,872,029	7,284,085	7,384,570	7,515,266

- (a) Includes 1% until November 2015 and 2.5% from December 2015 onwards on gross revenue from domestic sales, relating to social security (National Institute of Social Security - INSS) contribution, for an indefinite period of time, as established by Law 12,546/11, Article 8, Annex I and its respective amendments.

27 Information by Segment and Geographical Areas

The information presented under “Not segmented” is related to income statement and balance sheet items not directly attributed to the pulp and paper segments, such as equity pickup on joint venture, net financial result and income tax and social contribution expenses, as well as asset and liability items.

	9/30/2016				9/30/2015			
	Pulp	Paper	Not segmented	Total Consolidated	Pulp	Paper	Not segmented	Total Consolidated
Net revenue	4.623.292	2.761.278	-	7.384.570	4.900.522	2.614.744	-	7.515.266
Domestic market	566.269	1.902.176	-	2.468.445	599.674	1.664.765	-	2.264.439
Foreign market	4.057.023	859.102	-	4.916.125	4.300.849	949.979	-	5.250.827
Asia	1.763.298	25.254	-	1.808.552	2.115.724	63.150	-	2.178.874
Europe	1.509.846	114.737	-	1.624.583	1.480.958	100.320	-	1.581.279
North America	699.448	251.552	-	951.000	622.152	268.284	-	890.435
South and Central America	59.108	422.506	-	481.614	82.015	473.367	-	555.382
Africa	5.323	45.053	-	50.376	-	44.858	-	44.858
Cost of products sold + operating expenses	(3.457.719)	(2.087.472)	-	(5.545.192)	(3.148.142)	(2.072.769)	-	(5.220.911)
Equity pick-up	-	-	(4.169)	(4.169)	-	-	-	-
Operating income or loss	1.165.572	673.806	(4.169)	1.835.209	1.752.380	541.975	-	2.294.355
Operating margin (%)	25,2%	24,4%	-	24,9%	35,8%	20,7%	-	30,5%
Net financial result	-	-	1.260.518	1.260.518	-	-	(4.293.317)	(4.293.317)
Income or loss before taxes on profit	-	-	3.095.727	3.095.727	-	-	(1.998.962)	(1.998.962)
Income tax and social contribution	-	-	(963.912)	(963.912)	-	-	732.958	732.958
Net income (loss) for the year	-	-	2.131.815	2.131.815	-	-	(1.266.004)	(1.266.004)
Total assets	13.463.791	4.969.486	11.376.368	29.809.646	14.109.406	4.847.775	9.273.000	28.230.181
Total liabilities	-	-	18.802.481	18.802.481	-	-	19.333.674	19.333.674
Total shareholders' equity	-	-	11.007.165	11.007.165	-	-	8.896.507	8.896.507
Products sold (in tons)	2.572.669	878.601	-	3.451.271	2.550.856	902.884	-	3.453.740
Domestic market	2.257.273	271.488	-	2.528.761	2.194.007	301.774	-	2.495.781
Foreign market	315.397	607.113	-	922.510	356.849	601.110	-	957.959

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28 Expenses by Nature

	Parent Company		Consolidated	
	9/30/2016	Nine-month period ended 9/30/2015	9/30/2016	9/30/2015
Cost of Product Sold				
Personnel expenses	373,283	354,107	373,283	354,107
Variable cost	2,160,045	2,197,849	2,176,764	2,172,967
Logistics cost	178,895	166,463	702,415	681,148
Depreciation, depletion and amortization	995,234	1,032,334	1,007,457	1,043,240
Other costs	475,437	323,771	567,740	340,369
	4,182,894	4,074,524	4,827,659	4,591,831
Selling expenses				
Personnel expenses	50,326	43,902	84,647	67,594
Services	37,543	41,589	27,876	38,461
Logistics cost	523,243	526,286	148,872	146,365
Depreciation and amortization	2,115	2,170	2,578	2,533
Other expenses ^(a)	27,991	41,938	38,307	37,123
	641,218	655,885	302,280	292,076
Administrative expenses				
Personnel expenses	161,827	182,259	171,919	191,337
Services	52,408	56,122	60,949	66,546
Depreciation and amortization	18,862	15,474	19,948	16,488
Other expenses ^(b)	44,570	35,253	57,767	46,415
	277,667	289,108	310,583	320,786
	5,101,779	5,019,517	5,440,522	5,204,693

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

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

29 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 September 30, 2016, 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 September 30, 2016, in the Consolidated, the insured amount was R\$200,000.

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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 September 30, 2016, in the Consolidated, the insured amount was R\$20,000.

30 Events after the reporting period

Acquisition of land and forests in the states of Maranhão and Tocantins and of SHPP Mucuri

On October 26, 2016, Suzano entered into with Companhia Siderúrgica Vale do Pindaré and COSIMA - Siderúrgica do Maranhão Ltda, together, an agreement to acquire land and eucalyptus forests in the states of Maranhão and Tocantins. The operation involves seventy-five thousand (75,000) hectares, of which around forty thousand (40,000) hectares are planted eucalyptus forests, at the price equivalent to US\$245 million in local currency. The purpose of the acquisition is to (a) increase the supply of wood at the Imperatriz Unit to meet the demand from the expansion in pulp production at said unit; (b) reduce the average supply radius of the forests supplying the unit; and (c) guarantee, in the long term, the increased competitiveness of wood prices.

Additionally, the Company entered into with Queiroz Galvão Energia S.A. an agreement to acquire all shares of Mucuri Energética S.A, owner of a small hydroelectric power plant (SHPP) at the price equivalent to US\$14 million in local currency.

Both acquisitions announced are subject to certain contractual and legal conditions, including approval from, among others, Brazil's antitrust agency CADE and the National Electric Power Agency (ANEEL).