

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 June 30, 2016, comprising the balance sheet as of June 30, 2016 and the statements of income and comprehensive income the three- and six-month period then ended, and the statement of changes in equity and cash flow statement for the six-month 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 six-month period ended on June 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, August 2, 2016

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

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Company Information / Capital Breakdown

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

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 6/30/2016	Previous year 12/31/2015
1	Total Assets	27,988,292	27,995,553
1.01	Current Assets	6,716,053	6,714,790
1.01.01	Cash and Cash Equivalents	925,930	569,135
1.01.02	Financial investments	1,238,284	922,728
1.01.03	Receivables	2,439,926	3,521,841
1.01.03.01	Trade receivables	2,439,926	3,521,841
1.01.04	Inventories	1,046,939	895,663
1.01.06	Recoverable Taxes	510,030	586,716
1.01.06.01	Current Recoverable Taxes	510,030	586,716
1.01.06.01.01	Recoverable Income and Social Contribution Taxes	191,000	158,747
1.01.06.01.02	Other Recoverable Taxes	319,030	427,969
1.01.07	Prepaid Expenses	54,869	36,217
1.01.08	Other Current Assets	500,075	182,490
1.01.08.03	Other	500,075	182,490
1.01.08.03.01	Unrealized Derivatives Gains	423,786	40,440
1.01.08.03.02	Other Accounts Receivable	61,025	28,057
1.01.08.03.03	Receivables from Energy Sales	4,364	49,328
1.01.08.03.05	Advance to Suppliers - Development Program	10,900	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	21,272,239	21,280,763
1.02.01	Long-Term Assets	5,180,978	5,064,153
1.02.01.05	Biological Assets	4,381,984	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	785,994	829,489
1.02.01.09.03	Unrealized Gains from Derivative Operations	52,573	11,284
1.02.01.09.04	Other Recoverable Taxes	340,237	433,070
1.02.01.09.05	Advance to Suppliers - Development Program	235,441	251,287
1.02.01.09.06	Other Receivables	100,969	77,808
1.02.01.09.08	Judicial Deposits	56,774	56,040
1.02.02	Investments	295,575	300,843
1.02.02.01	Equity Interest	295,575	300,843
1.02.02.01.02	Interest in Subsidiaries	291,648	300,843
1.02.02.01.04	Other Interest in Subsidiaries	3,927	0
1.02.03	Property, Plant and Equipment	15,691,661	15,817,652
1.02.03.01	Operational Property, Plant and Equipment	15,400,270	15,587,916
1.02.03.02	Leased Property, Plant and Equipment	12,089	13,230
1.02.03.03	Construction in Progress	279,302	216,506
1.02.04	Intangible Assets	104,025	98,115
1.02.04.01	Intangible Assets	104,025	98,115
1.02.04.01.02	Goodwill	45,445	45,445
1.02.04.01.03	Other Intangible Assets	58,580	52,670

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

Code	Description	Current quarter 6/30/2016	Previous year 12/31/2015
2	Total Liabilities	27,988,292	27,995,553
2.01	Current Liabilities	2,923,612	3,201,724
2.01.01	Payroll and Related Charges	154,210	159,598
2.01.01.01	Payroll Charges Liabilities	20,380	22,255
2.01.01.02	Labor Liabilities	133,830	137,343
2.01.02	Trade Accounts Payable	485,944	540,096
2.01.02.01	Domestic Suppliers	459,727	511,233
2.01.02.02	Foreign Suppliers	26,217	28,863
2.01.03	Tax Liabilities	70,139	41,999
2.01.03.01	Federal Tax Liabilities	62,428	35,337
2.01.03.02	State Tax Liabilities	4,008	2,780
2.01.03.03	Municipal Tax Liabilities	3,703	3,882
2.01.04	Loans and Financing	1,743,556	1,939,391
2.01.04.01	Loans and Financing	1,743,556	1,939,391
2.01.04.01.01	In Domestic Currency	690,035	1,318,784
2.01.04.01.02	In Foreign Currency	1,053,521	620,607
2.01.05	Other Liabilities	469,763	520,640
2.01.05.01	Related Party Liabilities	70,591	109,952
2.01.05.02	Other	399,172	410,688
2.01.05.02.04	Unrealized Derivative Losses	185,705	184,669
2.01.05.02.05	Accounts Payable	109,809	127,858
2.01.05.02.06	Commitments from Acquisition of Assets	92,032	82,803
2.01.05.02.08	Advance from Customers	11,626	15,358
2.02	Non-Current Liabilities	14,100,304	15,601,748
2.02.01	Loans and Financing	7,018,553	8,062,950
2.02.01.01	Loans and Financing	7,018,553	8,062,950
2.02.01.01.01	In Domestic Currency	3,916,123	3,903,071
2.02.01.01.02	In Foreign Currency	3,102,430	4,159,879
2.02.02	Other Liabilities	4,742,356	5,816,743
2.02.02.01	Related Party Liabilities	3,963,150	4,821,230
2.02.02.01.02	Debts with Subsidiaries	3,963,150	4,821,230
2.02.02.02	Other	779,206	995,513
2.02.02.02.03	Unrealized Derivative Losses	193,276	345,152
2.02.02.02.04	Accounts Payable	12,756	16,302
2.02.02.02.05	Commitments from Acquisition of Assets	573,174	634,059
2.02.03	Deferred Taxes	1,692,053	916,631
2.02.03.01	Deferred Income and Social Contribution Taxes	1,692,053	916,631
2.02.04	Provisions	647,342	805,424
2.02.04.01	Provisions for Tax, Pension, Labor and Civil Claims	202,677	194,602
2.02.04.02	Other Provisions	444,665	610,822
2.02.04.02.04	Provision for Actuarial Liabilities	273,590	263,141
2.02.04.02.05	Share-Based Payments	19,088	42,722
2.02.04.02.06	Provision for Losses of Investments in Subsidiaries	151,987	304,959

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

Code	Description	Current quarter 3/31/2016	Previous year 12/31/2015
2.03	Equity	10,964,376	9,192,081
2.03.01	Paid-in Capital	6,241,753	6,241,753
2.03.02	Capital Reserves	-195,659	-205,892
2.03.02.04	Granted Options	18,131	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	2,104,651	0
2.03.06	Equity Valuation Adjustment	2,455,416	2,481,076
2.03.08	Other Comprehensive Income (Loss)	-47,922	-30,993

(A FREE TRANSLATION OF THE ORIGINAL IN PORTUGUESE)

ITR – Quarterly Information – June 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
		4/1/2016 to 6/30/2016	1/1/2016 to 6/30/2016	4/1/2015 to 6/30/2015	1/1/2015 to 6/30/2015
3.01	Income from the Sale of Goods and/or Services Rendered	2,209,338	4,818,484	2,222,099	4,351,728
3.02	Cost of Goods Sold and/or Services Rendered	-1,442,990	-2,758,113	-1,344,156	-2,605,818
3.03	Gross Profit	766,348	2,060,371	877,943	1,745,910
3.04	Operating Expense/Income	-129,853	-477,455	-271,384	-620,614
3.04.01	Selling Expenses	-227,958	-433,112	-205,503	-411,235
3.04.02	General and Administrative Expenses	-92,219	-178,157	-94,666	-187,390
3.04.04	Other Operating Income	1,264	6,663	-1,625	1,134
3.04.05	Other Operating Expenses	-16,805	-25,482	-20,482	-33,835
3.04.06	Equity Pick-up in Subsidiaries and Affiliates	205,865	152,633	50,892	10,712
3.05	Earnings Before Financial Result and Taxes	636,495	1,582,916	606,559	1,125,296
3.06	Financial Income (Expenses)	735,151	1,418,705	67,496	-1,621,317
3.06.01	Financial Income	1,012,949	1,969,263	76,302	151,647
3.06.02	Financial Expenses	-277,798	-550,558	-8,806	-1,772,964
3.07	Earnings Before Income Taxes	1,371,646	3,001,621	674,055	-496,021
3.08	Income and Social Contribution Taxes	-417,313	-922,630	-218,418	189,199
3.08.01	Current	-63,017	-147,208	3	3
3.08.02	Deferred	-354,296	-775,422	-218,421	189,196
3.09	Net Income/(Loss) from Continuing Operations	954,333	2,078,991	455,637	-306,822
3.11	Net Income for the Period	954,333	2,078,991	455,637	-306,822

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ITR – Quarterly Information – June 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
		4/1/2016 to 6/30/2016	1/1/2016 to 6/30/2016	4/1/2015 to 6/30/2015	1/1/2015 to 6/30/2015
3.99	Earnings per Share - (Reais/Share)				
3.99.01	Basic Earnings per Share				
3.99.01.01	Common	1.78794	1.78845	0.39252	-0.26439
3.99.01.02	Class A Preferred	1.96756	1.96730	0.43177	-0.29083
3.99.01.03	Class B Preferred	1.96774	1.96774	0.41935	-0.29032
3.99.02	Diluted Earnings per Share				
3.99.02.01	Common	1.78409	1.78460	0.39115	-0.26347
3.99.02.02	Class A Preferred	1.96331	1.96306	0.43027	-0.28982
3.99.02.03	Class B Preferred	1.96774	1.96774	0.41935	-0.29032

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

Version: 1

Parent Company Financial Statements / Statement of Comprehensive Income

(In thousands of R\$)

Code	Description	Current quarter	Year-to-date	Same quarter	Previous year
		4/1/2016 to 6/30/2016	1/1/2016 to 6/30/2016	previous year 4/1/2015 to 6/30/2015	1/1/2015 to 6/30/2015
4.01	Net Income for the Period	954,333	2,078,991	455,637	-306,822
4.02	Other Comprehensive Income (Loss)	-5,492	-16,929	-2,322	-9,715
4.02.01	Exchange Variation on Translation of Financial Statements and Foreign Investments	-5,492	-16,929	-2,322	-9,715
4.03	Comprehensive Income for the Period	948,841	2,062,062	453,315	-316,537

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

Code	Description	Year-to-date 1/1/2016 to 6/30/2016	Previous year 1/1/2015 to 6/30/2015
6.01	Net Cash from Operating Activities	1,831,431	3,364,223
6.01.01	Cash Generated in Operations	1,748,025	2,383,398
6.01.01.01	Net income/(loss) for the Period	2,078,991	-306,822
6.01.01.02	Depreciation, Depletion and Amortization	687,796	694,637
6.01.01.03	Income from Sale of Permanent Assets	-413	3,992
6.01.01.04	Equity Pick-up in Subsidiaries and Affiliates	-152,633	-10,712
6.01.01.05	Exchange and Monetary Variations, Net	-1,712,177	1,427,524
6.01.01.06	Interest Expenses, Net	484,242	577,306
6.01.01.07	Deferred Income and Social Contr. Tax Expenses (Income)	775,422	-189,196
6.01.01.08	Interest on Actuarial Liabilities	17,149	15,510
6.01.01.09	Reversal/(provision) for Contingencies	-3,424	-32,824
6.01.01.10	Reversal/(provision) for Share-Based Payments	-449	20,303
6.01.01.11	Derivative/(gains) / Losses, Net	-494,335	144,569
6.01.01.15	Provision/(reversal) for Doubtful Accounts, Net	6,346	10,050
6.01.01.16	Provision/(reversal) for Losses with Inventory and Write-offs	4,974	5,294
6.01.01.17	Provision/(reversal) for Deduction	625	-300
6.01.01.19	Provision/(reversal) for Losses and Write-Offs with Property, Plant and Equipment and Biological Assets	19,720	16,508
6.01.01.20	Other Provisions	36,191	7,559
6.01.02	Changes in Assets and Liabilities	83,406	980,825
6.01.02.01	Reduction/(increase) in Receivables	801,554	26,587
6.01.02.02	Increase/(reduction) in Inventories	-166,129	-148,694
6.01.02.03	Reduction/(increase) in Recoverable Taxes	202,466	9,691
6.01.02.04	Reduction/(increase) in Other Current and Non-Current Assets	10,016	19,758
6.01.02.06	Increase/(reduction) in Trade Accounts Payable	-47,843	-33,623
6.01.02.07	Reduction/(increase) in other Current and Non-Current Liabilities	158,768	126,246
6.01.02.08	Payment of Interest	-592,918	-622,257
6.01.02.09	Payment of Other Taxes and Contributions	-239,039	-177,760
6.01.02.10	Payment of Income and Social Contribution Taxes	-30,206	-33,733
6.01.02.11	Increase/(reduction) in Related Parties	-13,263	1,814,610
6.02	Net Cash used in Investment Activities	-1,007,504	-746,181
6.02.01	Additions to Property, Plant and Equipment	-271,701	-221,661
6.02.02	Additions to Biological Assets	-445,146	-567,049
6.02.04	Additions to Intangible Assets	-5,383	-899
6.02.05	Amounts Received from the Sale of Assets	3,042	43,428
6.02.08	Financial Investments	-288,316	0
6.03	Net Cash Provided by (Used in) Financing Activities	-467,132	-3,072,073
6.03.01	Funding	2,702,577	1,606,560

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	-81,140	8,022
6.03.03	Payment of Loans and Debentures	-2,797,157	-4,545,203
6.03.04	Dividends of Own Shares	8,514	8,514
6.03.05	Dividend Payment	-299,926	-149,966
6.05	Increase (Decrease) of Cash and Cash Equivalents	356,795	-454,031
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	925,930	2,161,548

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

Version: 1

Parent Company Financial Statements / Statement of Changes in Equity - 1/1/2016 to 6/30/2016

(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	10,233	-300,000	0	0	-289,767
5.04.03	Recognized Granted Options	0	-4,960	0	0	0	-4,960
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	2,078,991	-16,929	2,062,062
5.05.01	Net Income for the Period	0	0	0	2,078,991	0	2,078,991
5.05.02	Other Comprehensive Income (Loss)	0	0	0	0	-16,929	-16,929
5.05.02.06	Exchange Variation on Translation of Financial Statements and Foreign Investments	0	0	0	0	-16,929	-16,929
5.06	Internal Changes in Equity	0	0	0	25,660	-25,660	0
5.06.05	Partial Realization of Attributed Cost Adjustment Net of Deferred Income and Social Contribution Taxes	0	0	0	25,660	-25,660	0
5.07	Closing Balances	6,241,753	-195,659	406,137	2,104,651	2,407,494	10,964,376

(A FREE TRANSLATION OF THE ORIGINAL IN PORTUGUESE)

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

Version: 1

Parent Company Financial Statements / Statement of Changes in Equity- 1/1/2015 to 6/30/2015

(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	11,579	-150,004	0	0	-138,425
5.04.03	Recognized Granted Options	0	-3,289	0	0	0	-3,289
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	-306,822	-9,715	-316,537
5.05.01	Net Income for the Period	0	0	0	-306,822	0	-306,822
5.05.02	Other Comprehensive Income (Loss)	0	0	0	0	-9,715	-9,715
5.05.02.06	Exchange Variation on Translation of Financial Statements and Foreign Investments	0	0	0	0	-9,715	-9,715
5.06	Internal Changes in Equity	0	0	0	25,948	-25,948	0
5.06.05	Partial Realization of Attributed Cost adjustment Net of Deferred Income and Social Contribution Taxes	0	0	0	25,948	-25,948	0
5.07	Closing Balances	6,241,753	-206,333	1,702,290	-280,874	2,403,334	9,860,170

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

Code	Description	Year-to-date 1/1/2016 to 6/30/2016	Previous year 1/1/2015 to 6/30/2015
7.01	Income	5,582,186	5,035,871
7.01.01	Sale of Goods, Products and Services	5,342,867	4,791,885
7.01.02	Other Income	10,673	5,969
7.01.03	Income from Construction of Own Assets	234,992	248,067
7.01.04	Reversal of/Allowance for Doubtful Accounts	-6,346	-10,050
7.02	Input Acquired from Third Parties	-2,889,100	-2,834,665
7.02.01	Cost of Products Sold and Services Rendered	-2,088,380	-2,042,752
7.02.02	Supplies, Electricity, Outsourced Services and Others	-800,720	-791,913
7.03	Gross Value Added	2,693,086	2,201,206
7.04	Retentions	-687,796	-694,637
7.04.01	Depreciation, Amortization and Depletion	-687,796	-694,637
7.05	Net Value Added Produced	2,005,290	1,506,569
7.06	Value Added from Transfers	179,845	498,744
7.06.01	Equity Pick-up in Subsidiaries and Affiliates	152,633	10,712
7.06.02	Financial Income	27,212	488,032
7.07	Total Value Added to Distribute	2,185,135	2,005,313
7.08	Distribution of Value Added	2,185,135	2,005,313
7.08.01	Personnel	453,778	446,963
7.08.01.01	Direct Compensation	363,845	363,547
7.08.01.02	Benefits	71,048	63,714
7.08.01.03	F.G.T.S. (Government Severance Indemnity Fund for Employees)	18,885	19,702
7.08.02	Taxes, Fees and Contributions	1,011,779	-284,433
7.08.02.01	Federal	1,063,018	-194,645
7.08.02.02	State	-53,680	-92,133
7.08.02.03	Municipal	2,441	2,345
7.08.03	Value Distributed to Providers of Capital	-1,359,413	2,149,605
7.08.03.01	Interest Rates	-1,391,493	2,116,340
7.08.03.02	Rentals	32,080	33,265
7.08.04	Value Distributed to Shareholders	2,078,991	-306,822
7.08.04.03	Accumulated Losses/Retained Earnings for the Period	2,078,991	-306,822

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

Code	Description	Current quarter 6/30/2016	Previous year 12/31/2015
1	Total Assets	28,377,173	28,259,985
1.01	Current Assets	6,735,890	6,589,019
1.01.01	Cash and Cash Equivalents	1,319,504	1,477,246
1.01.02	Financial Investments	1,291,326	970,850
1.01.03	Receivables	1,566,048	1,885,960
1.01.03.01	Trade receivables	1,566,048	1,885,960
1.01.04	Inventories	1,368,679	1,315,996
1.01.06	Recoverable Taxes	544,316	596,936
1.01.06.01	Current Recoverable Taxes	544,316	596,936
1.01.06.01.01	Recoverable Income and Social Contribution Taxes	195,529	163,237
1.01.06.01.02	Other Recoverable Taxes	348,787	433,699
1.01.07	Prepaid Expenses	56,163	37,146
1.01.08	Other Current Assets	589,854	304,885
1.01.08.03	Other	589,854	304,885
1.01.08.03.01	Unrealized Derivatives Gains	506,134	158,930
1.01.08.03.02	Other Accounts Receivable	68,456	46,062
1.01.08.03.03	Receivables from Energy Sales	4,364	49,328
1.01.08.03.05	Advance to Suppliers - Development Program	10,900	565
1.01.08.03.08	Assets Held for Sale	0	50,000
1.02	Non-Current Assets	21,641,283	21,670,966
1.02.01	Long-Term Assets	5,133,522	4,995,107
1.02.01.05	Biological Assets	4,267,075	4,130,508
1.02.01.06	Deferred Taxes	2,124	2,583
1.02.01.06.01	Deferred Income and Social Contribution Taxes	2,124	2,583
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	851,323	862,016
1.02.01.09.03	Unrealized Derivatives Gains	110,922	36,463
1.02.01.09.04	Other Recoverable Taxes	340,237	433,070
1.02.01.09.05	Advance to Suppliers - Development Program	235,441	251,287
1.02.01.09.06	Other Receivables	102,398	79,543
1.02.01.09.08	Judicial Deposits	62,325	61,653
1.02.02	Investments	3,927	0
1.02.02.01	Equity Interest	3,927	0
1.02.02.01.04	Other Interest in Subsidiaries	3,927	0
1.02.03	Property, Plant and Equipment	16,216,828	16,346,234
1.02.03.01	Operational Property, Plant and Equipment	15,925,437	16,116,498
1.02.03.02	Leased Property, Plant and Equipment	12,089	13,230
1.02.03.03	Construction in Progress	279,302	216,506
1.02.04	Intangible Assets	287,006	329,625
1.02.04.01	Intangible Assets	287,006	329,625
1.02.04.01.02	Goodwill	45,445	45,445
1.02.04.01.03	Other Intangible Assets	241,561	284,180

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

Code	Description	Current quarter 6/30/2016	Previous year 12/31/2015
2	Total Liabilities	28,377,173	28,259,985
2.01	Current Liabilities	3,159,047	3,510,574
2.01.01	Payroll and Related Charges	157,364	164,782
2.01.01.01	Payroll Charges Liabilities	20,769	22,501
2.01.01.02	Labor Liabilities	136,595	142,281
2.01.02	Trade Accounts Payable	524,718	581,477
2.01.02.01	Domestic Suppliers	497,822	525,393
2.01.02.02	Foreign Suppliers	26,896	56,084
2.01.03	Tax Liabilities	100,339	56,285
2.01.03.01	Federal Tax Liabilities	78,566	38,941
2.01.03.02	State Tax Liabilities	16,295	11,317
2.01.03.03	Municipal Tax Liabilities	5,478	6,027
2.01.04	Loans and Financing	1,803,563	2,024,964
2.01.04.01	Loans and Financing	1,803,563	2,024,964
2.01.04.01.01	In Domestic Currency	690,195	1,318,815
2.01.04.01.02	In Foreign Currency	1,113,368	706,149
2.01.05	Other Liabilities	573,063	683,066
2.01.05.02.01	Dividends and Interest on Shareholders' Equity Payable	573,063	683,066
2.01.05.02.04	Unrealized Derivative Losses	255,365	281,317
2.01.05.02.05	Accounts Payable	202,039	278,365
2.01.05.02.06	Commitments from Acquisition of Assets	101,094	91,326
2.01.05.02.08	Advance from Customers	14,565	32,058
2.02	Non-Current Liabilities	14,253,750	15,557,330
2.02.01	Loans and Financing	10,998,723	12,892,378
2.02.01.01	Loans and Financing	10,998,723	12,892,378
2.02.01.01.01	In Domestic Currency	3,936,607	3,921,570
2.02.01.01.02	In Foreign Currency	7,062,116	8,970,808
2.02.02	Other Liabilities	942,644	1,122,641
2.02.02.02	Other	942,644	1,122,641
2.02.02.02.03	Unrealized Derivative Losses	253,165	353,814
2.02.02.02.04	Accounts Payable	20,439	35,289
2.02.02.02.05	Commitments from Acquisition of Assets	669,040	733,538
2.02.03	Deferred Taxes	1,813,311	1,037,889
2.02.03.01	Deferred Income and Social Contribution Taxes	1,813,311	1,037,889
2.02.04	Provisions	499,072	504,422
2.02.04.01	Provisions for Tax, Pension, Labor and Civil Claims	206,394	198,559
2.02.04.02	Other Provisions	292,678	305,863
2.02.04.02.04	Provision for Actuarial Liabilities	273,590	263,141
2.02.04.02.05	Share-Based Payment	19,088	42,722
2.03	Consolidated Equity	10,964,376	9,192,081
2.03.01	Paid-in Capital	6,241,753	6,241,753
2.03.02	Capital Reserves	-195,659	-205,892

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

Code	Description	Current quarter 6/30/2016	Previous year 12/31/2015
2.03.02.04	Granted Options	18,131	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	2,104,651	0
2.03.06	Equity Valuation Adjustment	2,455,416	2,481,076
2.03.08	Other Comprehensive Income (Loss)	-47,922	-30,993

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

Version: 1

Consolidated Financial Statements / Statement of Income

(In thousands of R\$)

Code	Description	Current quarter	Year-to-date	Same quarter	Previous year
		4/1/2016 to 6/30/2016	1/1/2016 to 6/30/2016	previous year 4/1/2015 to 6/30/2015	1/1/2015 to 6/30/2015
3.01	Income from the Sale of Goods and/or Services Rendered	2,503,478	5,211,810	2,382,394	4,529,772
3.02	Cost of Goods Sold and/or Services Rendered	-1,680,576	-3,274,142	-1,547,808	-2,936,299
3.03	Gross Profit	822,902	1,937,668	834,586	1,593,473
3.04	Operating Expense/Income	-220,483	-423,843	-224,354	-414,496
3.04.01	Selling Expenses	-101,935	-205,403	-102,695	-183,390
3.04.02	General and Administrative Expenses	-104,143	-200,805	-106,914	-208,545
3.04.04	Other Operating Income	5,148	15,426	2,463	7,999
3.04.05	Other Operating Expenses	-18,329	-28,988	-17,208	-30,560
3.04.06	Equity Pick-up in Subsidiaries and Affiliates	-1,224	-4,073	0	0
3.05	Earnings Before Financial Result and Taxes	602,419	1,513,825	610,232	1,178,977
3.06	Financial Income (Expenses)	772,814	1,496,628	67,616	-1,668,843
3.06.01	Financial Income	1,061,525	2,068,159	78,669	155,406
3.06.02	Financial Expenses	-288,711	-571,531	-11,053	-1,824,249
3.07	Earnings Before Income Taxes	1,375,233	3,010,453	677,848	-489,866
3.08	Income and Social Contribution Taxes	-420,900	-931,462	-222,211	183,044
3.08.01	Current	-66,773	-156,040	-3,790	-6,152
3.08.02	Deferred	-354,127	-775,422	-218,421	189,196
3.09	Net Income/(Loss) from Continued Operations	954,333	2,078,991	455,637	-306,822
3.11	Consolidated Net Income for the Period	954,333	2,078,991	455,637	-306,822
3.11.01	Attributable to Controlling Shareholders	954,333	2,078,991	455,637	-306,822

(A FREE TRANSLATION OF THE ORIGINAL IN PORTUGUESE)

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

Version: 1

Consolidated Financial Statements / Statement of Income

(In thousands of R\$)

Code	Description	Current quarter 4/1/2016 to 6/30/2016	Year-to-date 1/1/2016 to 6/30/2016	Same quarter previous year 4/1/2015 to 6/30/2015	Previous year 1/1/2015 to 6/30/2015
3.99	Earnings per Share - (Reais/Share)				
3.99.01	Basic Earnings per Share				
3.99.01.01	Common	1.78794	1.78845	0.39252	-0.26439
3.99.01.02	Class A Preferred	1.96756	1.96730	0.43177	-0.29083
3.99.01.03	Class B Preferred	1.96774	1.96774	0.41935	-0.29032
3.99.02	Diluted Earnings per Share				
3.99.02.01	Common	1.78409	1.78460	0.39115	-0.26347
3.99.02.02	Class A Preferred	1.96331	1.96306	0.43027	-0.28982
3.99.02.03	Class B Preferred	1.96774	1.96774	0.41935	-0.29032

(A FREE TRANSLATION OF THE ORIGINAL IN PORTUGUESE)

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

Version: 1

Consolidated Financial Statements/ Statement of Comprehensive Income

(In thousands of R\$)

Code	Description	Current quarter	Year-to-date	Same quarter	Previous year
		4/1/2016 to 6/30/2016	1/1/2016 to 6/30/2016	previous year 4/1/2015 to 6/30/2015	1/1/2015 to 6/30/2015
4.01	Consolidated Net Income for the Period	954,333	2,078,991	455,637	-306,822
4.02	Other Comprehensive Income (Loss)	-5,492	-16,929	-2,322	-9,715
4.02.01	Exchange Variation on Translation of Financial Statements and Foreign Investments	-5,492	-16,929	-2,322	-9,715
4.03	Consolidated Comprehensive Income for the Period	948,841	2,062,062	453,315	-316,537
4.03.01	Attributable to the Partners of the Parent Company	948,841	2,062,062	453,315	-316,537

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

Code	Description	Year-to-date 1/1/2016 to 6/30/2016	Previous year 1/1/2015 to 6/30/2015
6.01	Net Cash from Operating Activities	1,357,860	1,049,575
6.01.01	Cash Generated in Operations	1,972,566	2,258,373
6.01.01.01	Net Income/(loss) for the Period	2,078,991	-306,822
6.01.01.02	Depreciation, Depletion and Amortization	697,314	702,251
6.01.01.03	Income from Sale of Permanent Assets	-413	4,005
6.01.01.04	Equity Pick-up in Subsidiaries and Affiliates	4,073	0
6.01.01.05	Exchange and Monetary Variations, Net	-1,619,575	1,251,093
6.01.01.06	Interest Expenses, Net	500,573	589,937
6.01.01.07	Deferred Income and Social Contr. Tax Expenses (Income)	775,422	-189,196
6.01.01.08	Addition to Actuarial Liabilities	17,149	15,510
6.01.01.09	Reversal/(provision) for Contingencies	-3,498	-35,089
6.01.01.10	Reversal/(provision) for Share-Based Payments	-449	20,303
6.01.01.11	Derivative/(gains) / Losses, Net	-489,875	143,091
6.01.01.15	Provision/(reversal) for Doubtful Accounts, Net	7,364	10,044
6.01.01.16	Provision/(reversal) for Losses with Inventory and Write-offs	4,974	5,294
6.01.01.17	Reversal/(provision) for Deduction	-55,812	24,005
6.01.01.19	Provision/(reversal) for Losses and Write-Offs with Property, Plant and Equipment and Biological Assets	19,720	16,508
6.01.01.20	Other Provisions	36,608	7,439
6.01.02	Changes in Assets and Liabilities	-614,706	-1,208,798
6.01.02.01	Reduction/(increase) in Receivables	37,242	-332,150
6.01.02.02	Increase/(reduction) in Inventories	-67,536	-177,554
6.01.02.03	Reduction/(increase) in Recoverable Taxes	182,449	411
6.01.02.04	Reduction/(increase) in Other Current and Non-Current Assets	24,958	-6,164
6.01.02.06	Increase/(reduction) in Trade Accounts Payable	-47,661	6,266
6.01.02.07	Reduction/(increase) in Other Current and Non-Current Liabilities	143,024	176,093
6.01.02.08	Payment of Interest	-595,547	-639,223
6.01.02.09	Payment of Other Taxes and Contributions	-257,380	-197,845
6.01.02.10	Payment of Income and Social Contribution Taxes	-34,255	-38,632
6.02	Net Cash used in Investment Activities	-998,530	-737,827
6.02.01	Additions to Property, Plant and Equipment	-269,289	-223,424
6.02.02	Additions to Biological Assets	-434,393	-556,932
6.02.04	Additions to Intangible Assets	-5,383	-899
6.02.05	Amounts Received from the Sale of Assets	3,042	43,428
6.02.08	Financial Investments	-292,507	0
6.03	Net Cash Provided by (Used in) Financing Activities	-437,645	-1,206,706

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

Code	Description	Year-to-date 1/1/2016 to 6/30/2016	Previous year 1/1/2015 to 6/30/2015
6.03.01	Funding	2,708,994	3,467,543
6.03.02	Settlement of Derivative Operations	-57,943	12,406
6.03.03	Payment of Loans	-2,797,284	-4,545,203
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	-79,427	103,867
6.05	Increase (Decrease) of Cash and Cash Equivalents	-157,742	-791,091
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	1,319,504	2,895,024

Consolidated Financial Statements / Statement of Changes in Equity - 1/1/2016 to 6/30/2016**(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	10,233	-300,000	0	0	-289,767	0	-289,767
5.04.03	Recognized Granted Options	0	-4,960	0	0	0	-4,960	0	-4,960
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	2,078,991	-16,929	2,062,062	0	2,062,062
5.05.01	Net Income for the Period	0	0	0	2,078,991	0	2,078,991	0	2,078,991
5.05.02	Other Comprehensive Income (Loss)	0	0	0	0	-16,929	-16,929	0	-16,929
5.05.02.06	Exchange Variation on Translation of Financial Statements and Foreign Investments	0	0	0	0	-16,929	-16,929	0	-16,929
5.06	Internal Changes in Equity	0	0	0	25,660	-25,660	0	0	0
5.06.05	Partial Realization of Attributed Cost Adjustment Net of Deferred Income and Social Contribution Taxes	0	0	0	25,660	-25,660	0	0	0
5.07	Closing Balances	6,241,753	-195,659	406,137	2,104,651	2,407,494	10,964,376	0	10,964,376

(A FREE TRANSLATION OF THE ORIGINAL IN PORTUGUESE)

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

Version: 1

Consolidated Financial Statements / Statement of Changes in Equity - 1/1/2015 to 6/30/2015

(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	11,579	-150,004	0	0	-138,425	0	-138,425
5.04.03	Recognized Granted Options	0	-3,289	0	0	0	-3,289	0	-3,289
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	-306,822	-9,715	-316,537	0	-316,537
5.05.01	Net Income for the Period	0	0	0	-306,822	0	-306,822	0	-306,822
5.05.02	Other Comprehensive Income (Loss)	0	0	0	0	-9,715	-9,715	0	-9,715
5.05.02.06	Exchange Variation on Translation of Financial Statements and Foreign Investments	0	0	0	0	-9,715	-9,715	0	-9,715
5.06	Internal Changes in Equity	0	0	0	25,948	-25,948	0	0	0
5.06.05	Partial Realization of Attributed Cost Adjustment Net of Deferred Income and Social Contribution Taxes	0	0	0	25,948	-25,948	0	0	0
5.07	Closing Balances	6,241,753	-206,333	1,702,290	-280,874	2,403,334	9,860,170	0	9,860,170

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

Code	Description	Year-to-date 1/1/2016 to 6/30/2016	Previous year 1/1/2015 to 6/30/2015
7.01	Income	5,985,222	5,230,012
7.01.01	Sale of Goods, Products and Services	5,741,664	4,975,880
7.01.02	Other Income	15,930	16,109
7.01.03	Income from Construction of Own Assets	234,992	248,067
7.01.04	Reversal of/Allowance for Doubtful Accounts	-7,364	-10,044
7.02	Input Acquired from Third Parties	-3,189,659	-2,966,186
7.02.01	Cost of Products Sold and Services Rendered	-2,088,380	-2,042,752
7.02.02	Supplies, Electricity, Outsourced Services and Others	-1,101,279	-923,434
7.03	Gross Value Added	2,795,563	2,263,826
7.04	Retentions	-697,314	-702,251
7.04.01	Depreciation, Amortization and Depletion	-697,314	-702,251
7.05	Net Value Added Produced	2,098,249	1,561,575
7.06	Value Added from Transfers	215,497	439,809
7.06.01	Equity Pick-up in Subsidiaries and Affiliates	-4,073	0
7.06.02	Financial Income	219,570	439,809
7.07	Total Value Added to Distribute	2,313,746	2,001,384
7.08	Distribution of Value Added	2,313,746	2,001,384
7.08.01	Personnel	472,767	456,079
7.08.01.01	Direct Compensation	381,233	371,504
7.08.01.02	Benefits	72,649	64,873
7.08.01.03	F.G.T.S. (Government Severance Indemnity Fund for Employees)	18,885	19,702
7.08.02	Taxes, Fees and Contributions	1,003,826	-290,670
7.08.02.01	Federal	1,055,065	-200,882
7.08.02.02	State	-53,680	-92,133
7.08.02.03	Municipal	2,441	2,345
7.08.03	Value Distributed to Providers of Capital	-1,241,838	2,142,797
7.08.03.01	Interest Rates	-1,277,058	2,108,652
7.08.03.02	Rentals	35,220	34,145
7.08.04	Value Distributed to Shareholders	2,078,991	-306,822
7.08.04.03	Accumulated Losses/Retained Earnings for the Period	2,078,991	-306,822

Comments on the Performance

2Q16 Results

São Paulo, August 3rd, 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 second quarter of 2016 (2Q16) and first six months of 2016 (6M16). The consolidated interim financial statements were prepared in accordance with the standards of the Securities and Exchange Commission of Brazil (CVM) and the Accounting Pronouncements Committee (CPC) and comply with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB). The quarterly and annual financial statements ended December 31st, 2015 contain reclassifications to ensure better presentation and comparison with the information for the period ended June 30th, 2016, as described in note 3 "Main Accounting Practices." The operational and financial information is presented based on consolidated figures and in Brazilian real. Note that figures may present discrepancies due to rounding. Non-financial data, such as volume, quantity, average price and average quotes in Brazilian real and U.S. dollar, were not reviewed by our independent auditors.

Strong Operating Cash Generation¹ of R\$ 723 million in 2Q16

2Q16 Highlights

- New records set for Revenue, Adjusted EBITDA and Operating Cash Generation¹ in the LTM² of R\$ 10.9 billion, R\$ 4.94 billion and R\$ 3.8 billion, respectively.
- Consolidation of the paper price increase in the domestic market and advance in the **Suzano+** Program.
- Lower cash cost in the quarter (ex-maintenance downtime): R\$ 636/ton (-R\$ 18/ton vs. 1Q16).
- Adjusted EBITDA of R\$ 803/ton, demonstrating the resilience of the paper industry.
- Reduction in the projected budget reinforces capital discipline: expectation for 2016's investments revised from R\$ 2.4 billion to R\$ 2.1 billion with savings from renegotiations, exchange and longer payment terms.
- Liability Management: dollarization of debt, implemented in July 2016, reinforces financial management and strength.

Note: ¹ Operating cash generation corresponds to Adjusted EBITDA less sustaining CAPEX; ² Last 12 months ended 6/30/2016.

R\$ million, except where otherwise indicated	2Q16	2Q15	Δ Y-o-Y	1Q16	Δ Q-o-Q	6M16	6M15	Δ Y-o-Y
Net Revenue	2,503	2,382	5.1%	2,708	-7.6%	5,212	4,530	15.1%
Exports	1,694	1,633	3.7%	1,932	-12.3%	3,626	3,110	16.6%
Domestic Market	809	749	8.0%	777	4.2%	1,586	1,420	11.7%
Adjusted EBITDA ¹	967	959	0.9%	1,269	-23.8%	2,237	1,891	18.3%
Adjusted EBITDA Margin (%) ¹	38.6%	40.2%	-1.6 p.p.	46.9%	-8.2 p.p.	42.9%	41.7%	1.2 p.p.
Net Financial Results	773	68	1,042.9%	724	6.8%	1,497	(1,669)	n.a.
Net Income	954	456	109.5%	1,125	-15.1%	2,079	(307)	n.a.
Operating Cash Generation	723	593	22.0%	902	-19.8%	1,626	1,302	24.8%
Net Debt/EBITDA (x)	2.1x	3.3x	-1.2x	-2.3x	-0.2x	2.1x	3.3x	-1.2x
Net Debt/Adjusted EBITDA ¹ (x)	2.1x	3.3x	-1.2x	-2.3x	-0.2x	2.1x	3.3x	-1.2x
Operational Data ('000 tons)								
Sales	1,205	1,115	8.1%	1,180	2.1%	2,385	2,230	7.0%
Market Pulp	910	805	13.1%	906	0.5%	1,816	1,662	9.3%
Paper	295	310	-4.9%	274	7.5%	569	568	0.2%
Production	1,115	1,109	0.5%	1,209	-7.8%	2,319	2,211	5.1%
Market Pulp	816	804	1.5%	912	-10.5%	1,724	1,600	8.0%
Paper	298	305	-2.1%	297	0.5%	595	611	-2.6%

Note: ⁽¹⁾ Excludes non-recurring items.

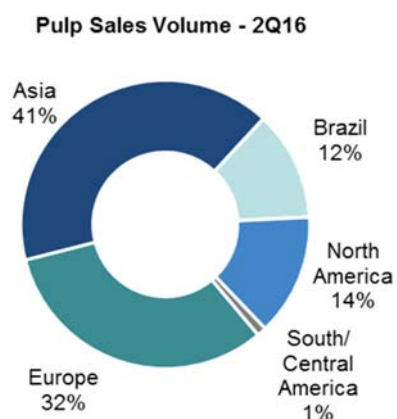
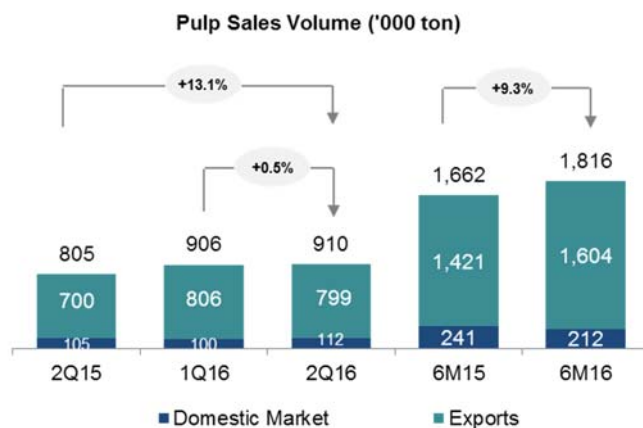
Comments on the Performance

Pulp Business Unit

Data from the Pulp and Paper Products Council (PPPC) show that pulp shipments in 2Q16 increased 4.2% compared to the same period last year, while eucalyptus shipments increased 8.7%. Suzano sold 910.3 thousand tons of market pulp in 2Q16, which was 13.1% higher than in 2Q15 (+105 thousand tons) and in line with the sales volume recorded in 1Q16 (+4 thousand tons).

In 6M16, pulp shipments amounted to 24.0 million tons, increasing 4.1% from the year-ago period, while eucalyptus shipments amounted to 9.6 million tons (+7.7% vs. 6M15). Suzano's pulp sales in the six-month period came to 1.8 million tons, advancing 9.3% in relation to 6M15.

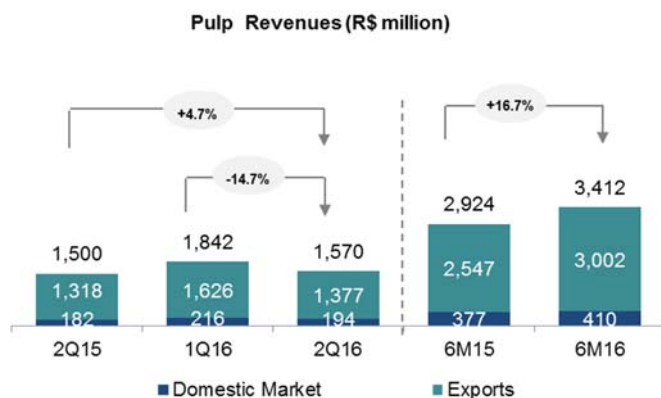
The pulp inventories reported by the PPPC ended June at 34 days, in line with the industry's seasonality.



In USD, the average net pulp price in 2Q16 was US\$ 491/ton, declining US\$ 29/ton (-5.5%) and US\$ 115/ton (-18.9%) from 1Q16 and 2Q15, respectively. In 6M16, the average net pulp price stood at US\$ 506/ton, down US\$ 86/ton (-14.6%) from 6M15.

In BRL, the average net price in 2Q16 was R\$ 1,725/ton, down 15.2% from 1Q16, due to the currency's appreciation against the USD and the deterioration in the list price, especially for hardwood pulp, throughout the period. Compared to 2Q15, the average net price decreased 7.4% due to the deterioration in the pulp list price, which was partially offset by exchange variation in the period.

In the first six months of the year, the average net price was R\$ 1,879/ton, increasing 6.8% from 6M15, benefitting from the depreciation in the BRL against the USD, which was partially offset by the lower list price.



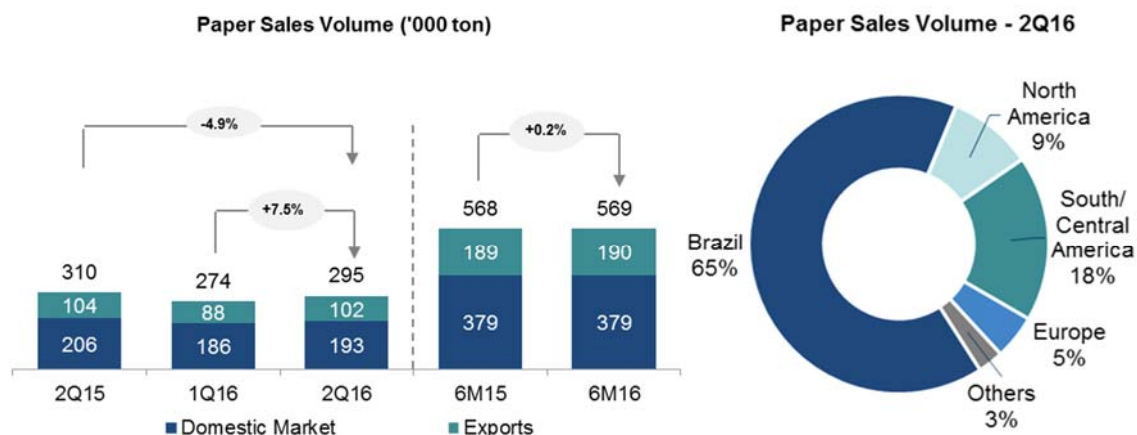
Comments on the Performance

Paper Business Unit

According to the Forestry Industry Association (Ibá), Brazilian demand for printing and writing paper and paperboard (domestic industry sales + imports) decreased 5.7% in 2Q16 compared to 2Q15. In the same period, the domestic sales presented a contraction of 1.4%, while the exports reduced by 26.7%. In comparison with 1Q16, the total domestic demand increase by 0.9% with the domestic sales growing 1.5% and imports decreasing 2.6%.

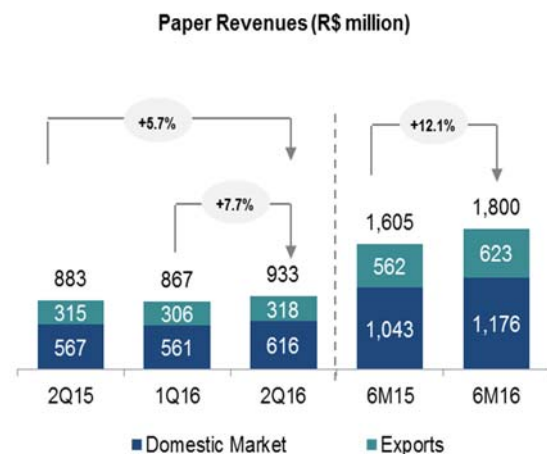
In the first six months of 2016, Brazilian demand for these papers was down 5.8% compared to 6M15, reflecting the 36.4% lower paper imports, which were partially offset by the 1.8% increase in sales by Brazilian producers.

Suzano's paper sales in 2Q16 amounted to 294.7 thousand tons, down 4.9% compared to 2Q15. The 7.5% increase compared to 1Q16 is explained by industry seasonality. In the six-month period, sales remained flat at 569 thousand tons.



The average net paper price in the domestic market in 2Q16 was R\$ 3,196/ton, increasing 16.0% and 6.1% from 2Q15 and 1Q16, respectively. In the first six months of the year, the average net price stood at R\$ 3,105/ton, or 12.8% higher than in the same period of 2015.

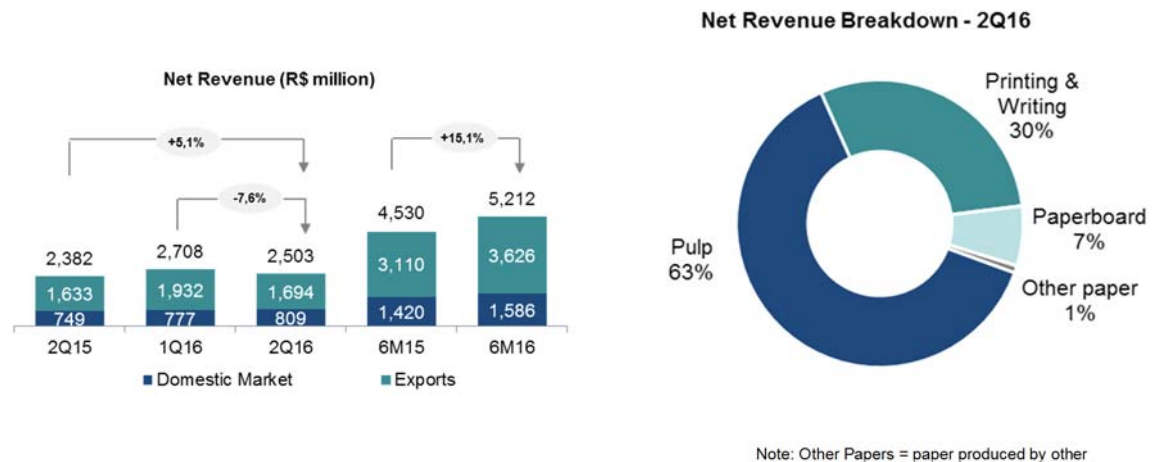
The average net price in USD of exported paper in 2Q16 was US\$ 886/ton, down 10.1% and 0.2% from 2Q15 and 1Q16, respectively. In BRL, the price of exported paper in 2Q16 increased 2.7% compared to 2Q15 and decreased 10.4% compared to 1Q16 due to exchange variation in the period and the mix of geographies and products/formats. In 6M16, the average price stood at US\$ 883/ton, down 11.8% compared to 6M15.



Comments on the Performance

Net revenue

Suzano's net revenue in 2Q16 amounted to R\$ 2,503.5 million. Pulp and paper sales volume in the quarter amounted to 1,205.1 thousand tons, increasing 2.1% from 1Q16 and 8.1% from 2Q15. In the first six months of the year, the net revenue totaled R\$ 5,211.8 million with 2,385.2 thousand tons of paper and pulp commercialized.



The performance of consolidated net revenue compared to 2Q15 is mainly explained by the growth in pulp and paper sales, the weaker BRL offsetting the lower pulp list price in USD, and the higher paper price in the domestic market. Compared to 1Q16, the decrease in net revenue was due to the depreciation in the BRL against the USD, which had a negative impact on export revenue. In the first six months of the year, the increase is explained by the higher pulp sales volume, the weaker local currency and the higher paper price in the domestic market.

Production and Costs

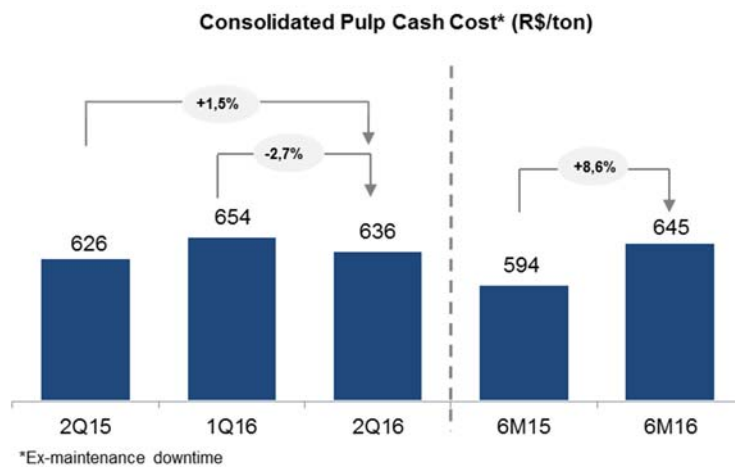
Production ('000 tons)	2Q16	2Q15	Δ Y-o-Y	1Q16	Δ Q-o-Q	6M16	6M15	Δ Y-o-Y
Market Pulp	816	804	1.5%	912	-10.5%	1,728	1,600	8.0%
Paper	298	305	-2.1%	297	0.5%	595	611	-2.6%
TOTAL	1,115	1,109	0.5%	1,209	-7.8%	2,324	2,211	5.1%

The Imperatriz Unit (MA) underwent a scheduled maintenance downtime in the second quarter of the year, which affected pulp production volumes in the quarterly comparisons. In the six-month period, pulp production came to 1,728 thousand tons, increasing 8.0% from the same period of 2015, reflecting the lower number of maintenance downtimes, as shown in the following table. Paper production amounted to 298 thousand tons in 2Q16 and reflects, in addition to the downtime schedule and fluff pulp production, the conclusion of the association with Ibema and the divestment of the Embu mill.

Unit	2014				2015				2016			
	1Q14	2Q14	3Q14	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16
Imperatriz (MA) ¹												
Mucuri - Line 1 (BA)										no downtime		
Mucuri - Line 2 (BA)												
Suzano (SP)												
Limeira (SP)												

Note: ¹There were no scheduled maintenance downtimes in the Imperatriz Unit in 2014, due to its ramp up.

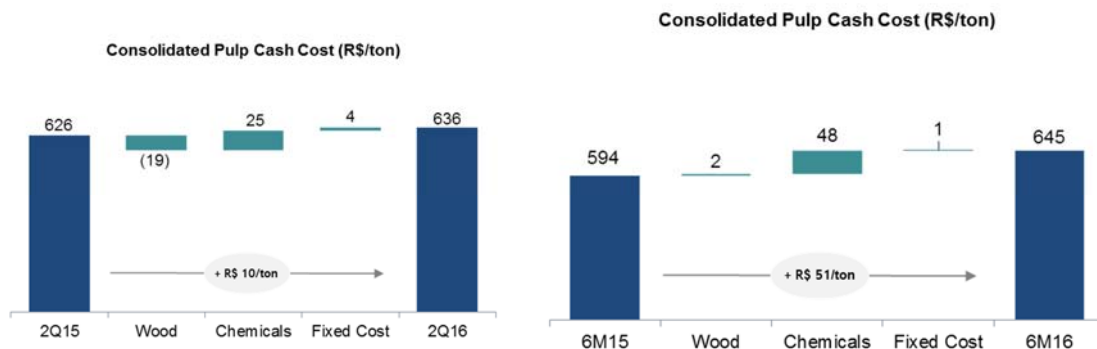
Comments on the Performance



The consolidated cash cost of market pulp production in 2Q16 was R\$ 636/ton excluding downtime and R\$ 676/ton considering downtime. Cash cost was impacted by the following factors: (i) lower revenue from energy sales due to lower spot prices; (ii) effects from exchange variation on raw materials linked to the USD; and (iii) increase in wood costs due to the higher share of third-party wood in

the supply mix at the Mucuri Unit. In 6M16, the consolidated cash cost of market pulp production was R\$ 645/ton excluding downtime and R\$ 664/ton considering downtime.

The higher cash cost compared to the first half of 2015 is explained by the lower sales price for energy and the higher price of inputs due to the weaker BRL, which was partially offset by the lower consumption of inputs due to the capture of efficiency gains resulting from the investments made.



Cost of goods sold (COGS) amounted to R\$ 1,680.6 million in 2Q16, increasing 8.6% from 2Q15, and to R\$ 3,274.1 million in 6M16 (+11.5 vs. 6M15), which is explained by the higher pulp sales volume, the effect from exchange variation on raw materials linked to the USD and maritime freight, and the lower benefit from energy sales. Compared to 1Q16, COGS increased 5.5%, which is explained by the higher sales volume and the maintenance downtime at the Imperatriz Unit, which were partially offset by the lower costs with items linked to the USD due to the stronger BRL.

Average unit COGS was R\$ 1,394.6/ton in 2Q16, increasing 0.5% from 2Q15, and R\$ 1,372.7/ton in 6M16 (+4.3% vs. 6M15), below inflation in the period (8.8%).

Comments on the Performance

Operating Expenses

Expenses (R\$ '000)	2Q16	2Q15	Δ Y-o-Y	1Q16	Δ Q-o-Q	6M16	6M15	Δ Y-o-Y
Sales Expenses	101,935	102,695	0.7%	103,468	-1.5%	205,403	183,390	12.0%
General and Administrative Expenses	104,143	106,914	-2.6%	96,662	7.7%	200,805	208,545	-3.7%
Total Expenses	206,078	209,609	-1.7%	200,130	3.0%	406,208	391,935	3.6%
Total Expenses / Sales Volume (R\$/ton)	171	188	-9.0%	170	0.8%	170	176	-3.1%

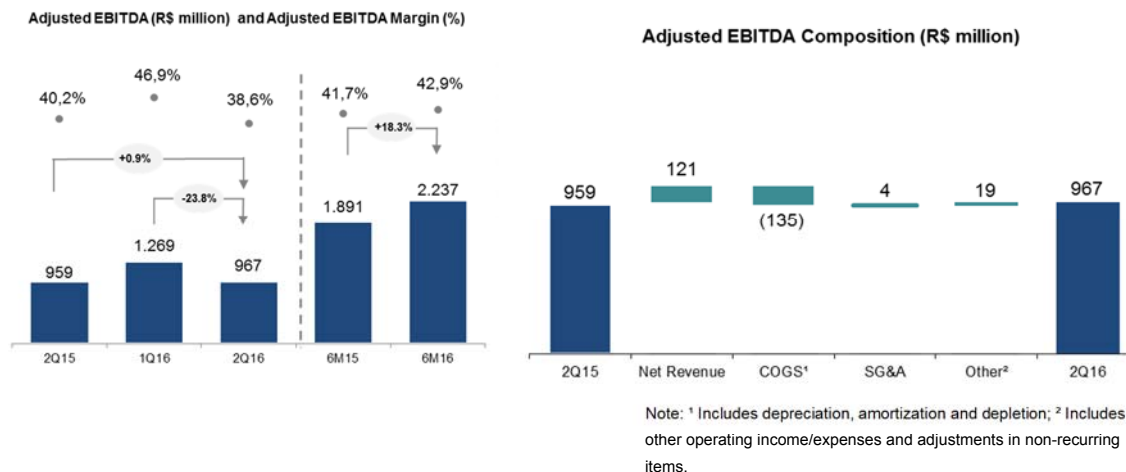
The variation in **selling expenses** between the quarters analyzed is mainly due to the change in sales volume and its impact on logistics expenses, in addition to exchange variation. In the first six months, the 12% increase is explained by higher expenses with sales commissions and insurance.

The variation in **administrative expenses** between the quarters and six-month periods analyzed reflects the expenses with variable compensation.

Total selling and administrative expenses came to R\$ 171/ton in 2Q16, down 9.0% from 2Q15 and flat compared to 1Q16. In 6M16, selling and administrative expenses in relation to sales volume came to R\$ 170/ton, down 3.1% from 6M15, and below inflation in the period (8.8%).

EBITDA

Adjusted EBITDA was impacted by (i) exchange variation; (ii) sales volume; and (iii) the pulp list price, which were partially offset by the higher paper price. The breakdown of Adjusted EBITDA is presented in Attachment V.



Comments on the Performance**Financial Result**

Financial Expenses (R\$ '000)	2Q16	2Q15	Δ Y-o-Y	1Q16	Δ Q-o-Q	6M16	6M15	Δ Y-o-Y
Net Financial Expenses	(209.909)	(239.641)	-12,4%	(234.045)	-10,3%	(443.954)	(472.887)	-6,1%
Financial Expenses	(288.711)	(318.310)	-9,3%	(282.820)	2,1%	(571.531)	(628.293)	-9,0%
Financial Revenues	78.802	78.669	0,2%	48.775	61,6%	127.577	155.406	-17,9%
Exchange Rate Variation	752.527	233.289	222,6%	698.180	7,8%	1.450.707	(1.052.865)	n.a.
Net proceeds generated by derivatives	230.196	73.968	211,2%	259.679	-11,4%	489.875	(143.091)	n.a.
NDF	2.050	61.431	-96,7%	8.347	-75,4%	10.397	(79.409)	n.a.
Zero-Cost Collars	201.006	-	n.a.	213.773	-6,0%	414.779	-	n.a.
Foreign-Currency Debt Hedge	12.602	17.651	-28,6%	62.340	-79,8%	74.943	(64.978)	n.a.
Others ¹	14.538	(5.114)	n.a.	(24.782)	n.a.	(10.244)	1.297	n.a.
Net Financial Result	772.814	67.616	1042,9%	723.814	6,8%	1.496.628	(1.668.843)	n.a.

The performance of the net financial expense in 2Q16 compared to 2Q15 and 1Q16 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 positive impact of R\$ 752 million in the quarter, due to the impact on the balance sheet exposure from the 9.8% local-currency variation between the start (R\$ 3.56/US\$) and end (R\$ 3.21/US\$) of the quarter, with a positive 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.

On June 30th, 2016, the value of the principal of operations involving forward dollar sales through Zero Cost Collars (ZCC) was US\$ 625 million, whose maturities are distributed from October 2016 to January 2018 and were contracted in a range from R\$ 3.50 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\$ 201 million in 2Q16 is composed of a cash impact of R\$ 39.9 million and a noncash impact of R\$ 161.1 million related to the pricing of operations under the Black model.

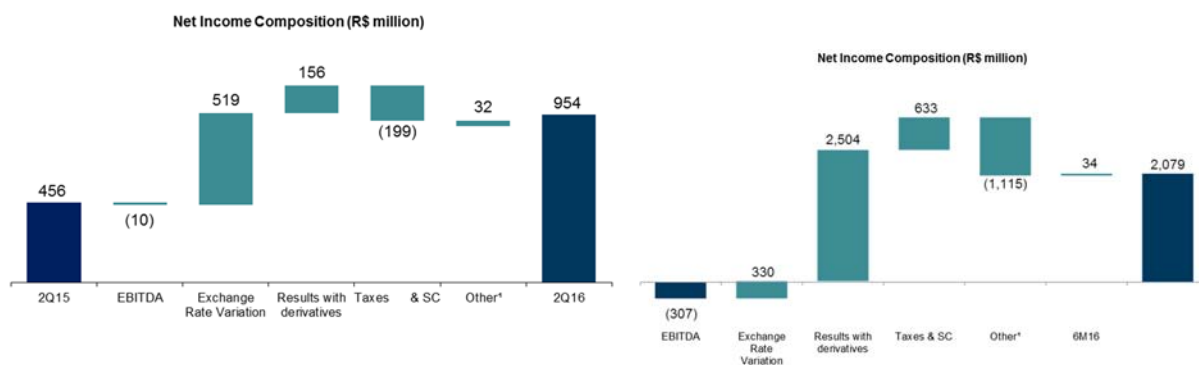
Suzano calibrates its debt profile based on its proportion of dollarized revenue in order to obtain a natural hedge. The currency hedge positions for debt obligations generated a gain of R\$ 12.6 million.

The Company also uses swap contracts to exchange floating interest rates (Libor) for fixed interest rates in USD as well as contracts to lock in bunker oil prices to mitigate the effects of these variations on its cash flow.

The Company posted net financial income of R\$ 773 million in 2Q16, compared to the financial income of R\$ 724 million in 1Q15 and R\$ 68 million in 2Q15.

Comments on the Performance**Net Income (Loss)**

The Company recorded net income of R\$ 954 million in 2Q16, compared to the net income of R\$ 456 million in 2Q15 and the net income of R\$ 1,125 million in 1Q16, which was mainly affected by the exchange variation in the period. In 6M16, net income was R\$ 2,079 million, compared to a net loss of R\$ 307 million in 6M15.



Note: * Includes other operating income/expenses, equity income (loss) and financial income (loss).

Debt

Debt (R\$ million)	06/30/2016	03/31/2016	Δ Q-o-Q	06/30/2015	Δ Y-o-Y
Local Currency	4.627	4.743	-2,4%	6.078	-23,9%
Short Term	690	1.022	-32,5%	1.018	-32,2%
Long Term	3.937	3.721	5,8%	5.060	-22,2%
Foreign Currency	8.175	9.339	-12,5%	7.827	4,5%
Short Term	1.113	1.266	-12,1%	499	123,1%
Long Term	7.062	8.073	-12,5%	7.328	-3,6%
Gross Debt	12.802	14.082	-9,1%	13.905	-7,9%
(-) Cash	2.611	2.845	-8,2%	2.895	-9,8%
Net Debt	10.191	11.237	-9,3%	11.010	-7,4%
Net Debt / EBITDA (x)	2,1x	2,3x	-0,1x	3,3x	-1,2x
Net Debt / Adjusted EBITDA ¹ (x)	2,1x	2,3x	-0,2x	3,3x	-1,2x

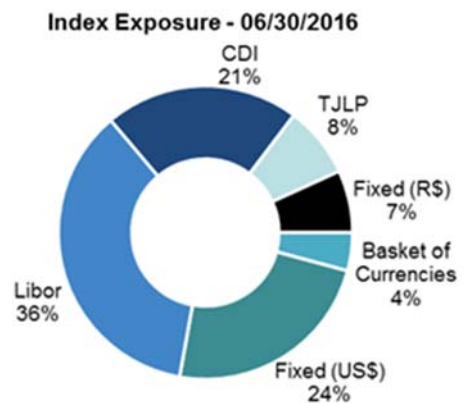
Note: ¹ Excludes non-recurring items

Comments on the Performance

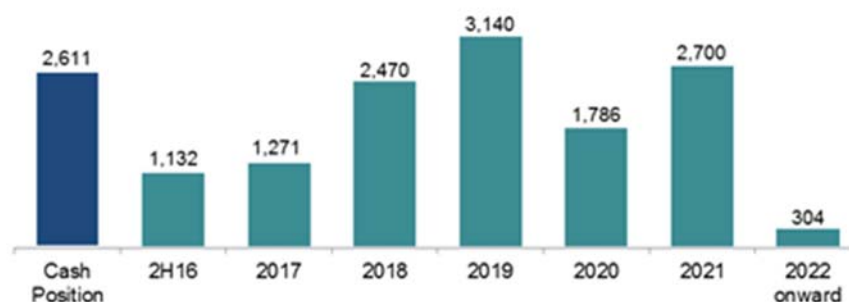
Gross debt stood at R\$ 12.8 billion on June 30th, 2016, of which 63.9% was denominated in foreign currency and 36.1% in local currency. The percentage of debt denominated in foreign currency, considering the adjustment for derivatives, was 66.5%. Suzano contracts foreign-denominated debt as a natural 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.

Gross debt on June 30th, 2016 was composed of 85.9% long-term maturities and 14.1% short-term maturities. In June 2016, the average cost of debt was 11.9% p.a. in BRL, or 84.2% of the CDI (11.8% p.a., or 83.5% of the CDI, in March 2016) and 4.3% p.a. in USD (4.1% p.a. in March 2016). The average term of consolidated debt ended the quarter at 3.0 years, stable compared to 1Q16.

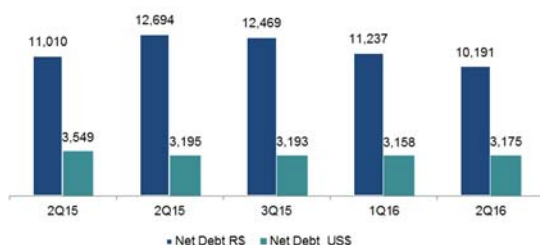
Net debt on June 30th, 2016 was R\$ 10.2 billion (US\$ 3.2 billion), compared to R\$ 11.2 billion (US\$ 3.2 billion) on March 31st, 2016. Net debt in foreign currency, considering the adjustment with derivatives, accounted for 80% of total net debt on June 30th, 2016. The net debt/Adjusted EBITDA ratio stood at 2.1x.



Amortization Schedule (R\$ million)



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



Net Debt/ Adjusted EBITDA (x)



In July, the Company implemented the dollarization of the debt that reinforces the management and financial strength. Thus, the gross debt stood at R\$ 14.4 billion and net debt remained at R\$ 10.2 billion. The average cost of debt in dollars rose from 4.3% p.a. in June 2016 to 4.4% p.a. and the average term increased from 3.0 years to 3.6 years.

Comments on the Performance

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

Liability Management

Advancing its process to deleverage and capture financial efficiency gains, the Company carried out liability management initiatives that optimized its strong cash generation and included the prepayment of approximately R\$ 700 million in debt.

The initiative enabled the Company to make progress on three fronts: reducing the cost of debt, managing the debt maturity profile and gaining contractual flexibility.

The highlights were the issues of Agribusiness Certificates of Receivables (CRA) in the first half of the year in the aggregate amount of R\$ 900 million.

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.

The Company continues to seek alternatives to reduce its debt cost and lengthens its debt maturity profile.

Capital Expenditure

Capex (R\$ '000)	2Q16	2Q15	Δ Y-o-Y	1Q16	Δ Q-o-Q	6M16	6M15	Δ Y-o-Y
Sustain	243.823	365.646	-33,3%	367.109	-33,6%	610.932	588.955	3,7%
Structural Competitiveness and Adjacent Businesses	92.426	110.170	-16,1%	127.551	-27,5%	219.977	195.723	12,4%
Other	31.673	48.044	-31,2%	126.276	-74,9%	157.949	160.542	-1,6%
TOTAL	367.922	521.860	-29,5%	620.936	-40,7%	988.858	945.220	4,6%

Investments amounted to R\$ 989 million in 6M16, of which R\$ 611 million was in industrial and forest maintenance. Investments in Structural Competitiveness and Adjacent Businesses projects amounted to R\$ 220 million and were mainly allocated to the projects 5.1, Tissue and Lignin. Investments in completing the Maranhão Project, retrofitting the Wastewater Treatment Station at the Mucuri Unit and other projects amounted to R\$ 158 million in 6M16.

All projects already announced are on schedule and had their budgets revised due to negotiations and exchange impacts and their payment terms lengthened, which led to a reduction in total estimated capex for 2016 from R\$ 2.4 billion to R\$ 2.1 billion, while the scope of the investments remained unchanged.

The capital discipline is very important to Suzano, with the main focus on deleveraging. The recent changes in the macroeconomic scenario led the Company to be more rigorous in the investment decision, thus reducing 2016's capex, which shows this discipline and flexibility in capital allocation for investments.

Cash Generation

Cash Generation (R\$ '000)	2Q16	2Q15	Δ Y-o-Y	1Q16	Δ Q-o-Q	6M16	6M15	Δ Y-o-Y
Adjusted EBITDA	967.317	958.891	0,9%	1.269.243	-23,8%	2.236.561	1.891.169	18,3%
Sustain CAPEX	(243.823)	(365.646)	-33,3%	(367.109)	-33,6%	(610.932)	(588.955)	3,7%
Operating Cash Generation	723.494	593.245	22,0%	902.134	-19,8%	1.625.628	1.302.214	24,8%
Variation in Working Capital	284.328	138.907	104,7%	(85.203)	n.a.	199.125	(304.815)	n.a.
Cash Generation	1.007.822	732.152	37,7%	816.931	23,4%	1.824.753	997.399	83,0%

Comments on the Performance

Suzano's operating cash generation (Adjusted EBITDA - Sustaining Capex) amounted to R\$ 723.5 million in 2Q16. The variation compared to 2Q15 is explained by the lower sustaining capex, while the reduction compared to 1Q16 reflects the lower EBITDA in the period. Cash generation, including the variation in working capital, was R\$ 1.0 billion in 2Q16.

In 6M16, the 24.8% increase in operating cash generation is explained by the higher EBITDA in the period.

Dividends

The Annual and Extraordinary Shareholders' Meeting of April 25th, 2016 approved the payment of dividends in the amount of R\$ 300 million, which were distributed to shareholders as follows: R\$ 0.25800 per common share; R\$ 0.28380 per class "A" preferred share; and R\$ 0.34352 per class "B" preferred share. The dividends were paid on May 4th, 2016 to shareholders of record on April 25th, 2016.

Capital Markets

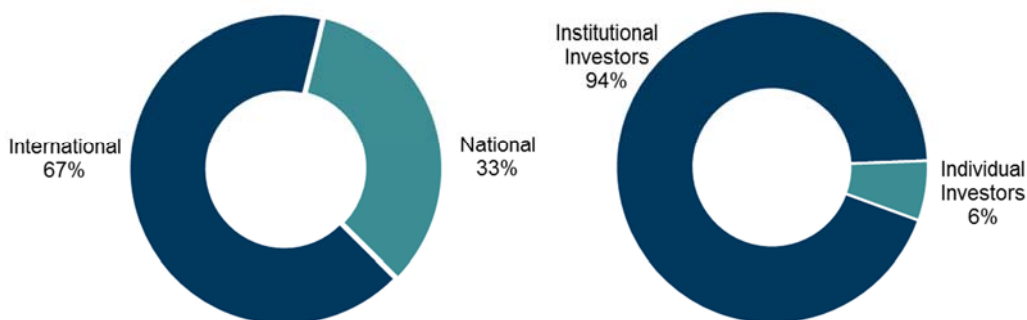
On June 30th, 2016, Suzano preferred stock (SUZB5) was quoted at R\$ 11.33/share. The Company's stock is listed on the Level 1 corporate governance segment and is a component of the Bovespa Index (Ibovespa) and the Brazil Index (IBrX-50).



Source: Bloomberg

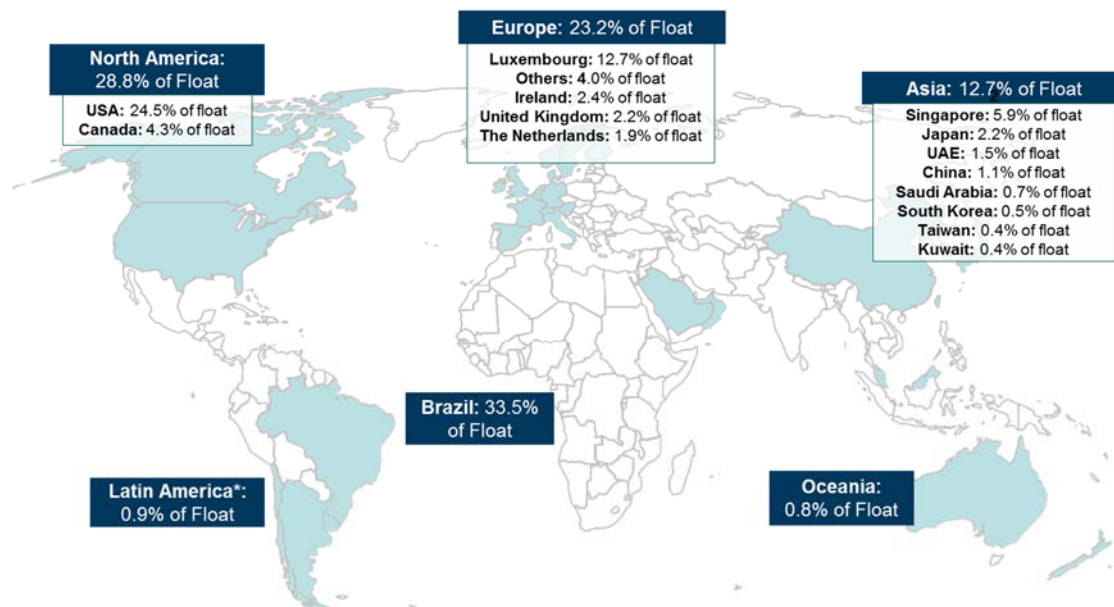
On June 30th, 2016, the Company's capital stock was represented by 371,148,532 common shares (SUZB3) and 736,590,145 preferred shares (SUZB5 and SUZB6), for a total of 1,107,738,677 shares traded on the São Paulo Stock Exchange (BM&FBovespa), of which 17,540,890 were treasury shares (6,786,194 common shares and 10,754,696 preferred shares). Suzano's market capitalization was R\$ 12.6 billion on June 30th, 2016. In 2Q16, the free-float stood at 42.0% of the total capital.

Free Float Distribution on 06/30/2016



Comments on the Performance

Free-Float Distribution on 06/30/2016



*Latin America ex-Brazil

Comments on the Performance

Events in the Period

NCE transaction

On April 13th, 2016, consistent with its Liability Management Program, the Company entered into an ECN transaction of R\$ 600 million, which was secured by Certificates of Agribusiness Receivables (CRAs), at a cost of 98% of the CDI rate, with semiannual interest payments and repayment of principal in a single installment in April 2020.

Annual and Extraordinary Shareholders' Meeting

The Annual and Extraordinary Shareholders' Meeting of Suzano Pulp and Paper was held on April 25th, 2016 to consider and vote on, among other matters, the distribution of R\$ 300 million in dividends. The minutes of the meeting are available on the website of the CVM and on the Company's IR website (www.suzano.com.br/ir).

Fire at Suzano Unit

On May 31st, 2016, a fire broke out in the paper storage area of the Suzano Unit. With the support of the fire department and Suzano's security team, the fire was controlled and extinguished. Two third-party service providers suffered minor injuries. The pulp production unit and the paper machines did not suffer any damage. Losses from the fire are basically paper reels and the structure of the storage shed, all of which have insurance coverage. Pulp production was not affected and paper production by the plant was interrupted for safety reasons, with the area and production was normalized on June 4, 2016.

Acquisition of ownership interest

On June 10th, 2016, the Company was informed that the funds and/or investment companies managed by Mondrian Investment Partners Limited ("Mondrian") acquired 38,745,594 class A preferred shares ("SUZB5"), or 5.27 % of total shares of that class. The Notice to the Market is available on the CVM website and IR website of the Company (www.suzano.com.br/ir).

CRA Transaction

On June 28th, 2016, the Company entered into an ECN transaction of R\$ 300 million, which was secured by Certificates of Agribusiness Receivables (CRAs), divided into two series. The first series, in the amount of R\$ 200 million, has a term of 10 years and cost of 97% of the CDI, with renegotiation every 2 years. The second series, in the amount of R\$ 100 million, has a term of 9 years and a cost of 97.5% of the CDI, with renegotiation every 3 years. In both series, the interest will be paid semiannually and the principal will be repaid through a single installment upon maturity, in June 2026 and June 2025, respectively.

Subsequent Events

Changes in the Board of Directors

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 assumed the position in July 08th, 2016, with a term until Annual Shareholders Meeting in 2018. The minutes of the meeting are available on the website of the CVM and on the Company's IR website (www.suzano.com.br/ir).

Comments on the Performance

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 operation 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.

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.

Comments on the Performance

Attachment I

Operating Data

Sales volume (tons)	2Q16	2Q15	Δ Y-o-Y	1Q16	Δ Q-o-Q	6M16	6M15	Δ Y-o-Y
Exports	900.617	803.910	12,0%	893.871	0,8%	1.794.488	1.610.288	11,4%
Pulp	798.505	699.830	14,1%	805.746	-0,9%	1.604.250	1.421.118	12,9%
Paper	102.112	104.080	-1,9%	88.125	15,9%	190.238	189.171	0,6%
Paperboard	19.479	17.090	14,0%	15.733	23,8%	35.212	32.292	9,0%
Printing & Writing	82.633	86.990	-5,0%	72.393	14,1%	155.026	156.879	-1,2%
Domestic Market	304.447	311.362	-2,2%	286.310	6,3%	590.757	619.759	-4,7%
Pulp	111.815	105.399	6,1%	100.140	11,7%	211.955	240.865	-12,0%
Paper	192.632	205.962	-6,5%	186.170	3,5%	378.801	378.894	0,0%
Paperboard	28.490	38.533	-26,1%	30.198	-5,7%	58.688	71.052	-17,4%
Printing & Writing	158.168	161.955	-2,3%	151.936	4,1%	310.104	296.990	4,4%
Other Paper	5.974	5.474	9,1%	4.035	48,0%	10.009	10.852	-7,8%
Total	1.205.064	1.115.272	8,1%	1.180.181	2,1%	2.385.244	2.230.048	7,0%
Pulp	910.319	805.230	13,1%	905.886	0,5%	1.816.205	1.661.983	9,3%
Paper	294.744	310.043	-4,9%	274.295	7,5%	569.039	568.065	0,2%
Paperboard	47.969	55.623	-13,8%	45.931	4,4%	93.900	103.344	-9,1%
Printing & Writing	240.802	248.945	-3,3%	224.329	7,3%	465.130	453.869	2,5%
Other Paper	5.974	5.474	9,1%	4.035	48,0%	10.009	10.852	-7,8%

Revenue breakdown (R\$ '000)	2Q16	2Q15	Δ Y-o-Y	1Q16	Δ Q-o-Q	6M16	6M15	Δ Y-o-Y
Exports	1.694.163	1.633.277	3,7%	1.931.653	-12,3%	3.625.816	3.109.528	16,6%
Pulp	1.376.610	1.318.024	4,4%	1.625.813	-15,3%	3.002.423	2.547.032	17,9%
Paper	317.553	315.253	0,7%	305.840	3,8%	623.393	562.496	10,8%
Domestic Market	809.315	749.117	8,0%	776.679	4,2%	1.585.994	1.420.244	11,7%
Pulp	193.718	181.725	6,6%	216.017	-10,3%	409.735	377.400	8,6%
Paper	615.597	567.392	8,5%	560.662	9,8%	1.176.259	1.042.844	12,8%
Total	2.503.478	2.382.394	5,1%	2.708.332	-7,6%	5.211.810	4.529.772	15,1%
Pulp	1.570.328	1.499.749	4,7%	1.841.830	-14,7%	3.412.158	2.924.432	16,7%
Paper	933.150	882.645	5,7%	866.502	7,7%	1.799.652	1.605.340	12,1%

Average net price (R\$/ton)	2Q16	2Q15	Δ Y-o-Y	1Q16	Δ Q-o-Q	6M16	6M15	Δ Y-o-Y
Exports	1.881	2.032	-7,4%	2.161	-13,0%	2.021	1.931	4,6%
Pulp	1.724	1.883	-8,5%	2.018	-14,6%	1.872	1.792	4,4%
Paper	3.110	3.029	2,7%	3.471	-10,4%	3.277	2.973	10,2%
Domestic Market	2.658	2.406	10,5%	2.713	-2,0%	2.685	2.292	17,2%
Pulp	1.732	1.724	0,5%	2.157	-19,7%	1.933	1.567	23,4%
Paper	3.196	2.755	16,0%	3.012	6,1%	3.105	2.752	12,8%
Total	2.077	2.136	-2,7%	2.295	-9,5%	2.185	2.031	7,6%
Pulp	1.725	1.863	-7,4%	2.033	-15,2%	1.879	1.760	6,8%
Paper	3.166	2.847	11,2%	3.159	0,2%	3.163	2.826	11,9%

Note: "Other Paper" = paper from other manufacturers sold by the distributor.

Comments on the Performance

Attachment II

Consolidated Income Statement

CONSOLIDATED FINANCIAL STATEMENT								
(R\$ '000)	2Q16	2Q15	Δ Y-o-Y	1Q16	Δ Q-o-Q	6M16	6M15	Δ Y-o-Y
Net Revenue	2.503.478	2.382.394	5,1%	2.708.332	-7,6%	5.211.810	4.529.772	15,1%
Cost of Goods Sold	(1.680.576)	(1.547.808)	8,6%	(1.593.566)	5,5%	(3.274.142)	(2.936.299)	11,5%
Gross Profit	822.902	834.586	-1,4%	1.114.766	-26,2%	1.937.668	1.593.473	21,6%
Selling Expenses	(101.935)	(102.695)	-0,7%	(103.468)	-1,5%	(205.403)	(183.390)	12,0%
General and Administrative Expenses	(104.143)	(106.914)	-2,6%	(96.662)	7,7%	(200.805)	(208.545)	-3,7%
Other Operating Income (Expenses)	(13.181)	(14.745)	-10,6%	(381)	3359,6%	(13.562)	(22.561)	-39,9%
Equity Equivalence	(1.224)	-	n.a.	(2.849)	n.a.	(4.073)	-	n.a.
EBIT	602.419	610.232	-1,3%	911.406	-33,9%	1.513.825	1.178.977	28,4%
Depreciation, Amortization & Depletion	344.325	346.784	-0,7%	352.989	-2,5%	697.314	702.251	-0,7%
EBITDA	946.744	957.016	-1,1%	1.264.395	-25,1%	2.211.139	1.881.228	17,5%
EBITDA Margin (%)	37,8%	40,2%	-2,4 p.p.	46,7%	-8,9 p.p.	42,4%	41,5%	0,9 p.p.
Adjusted EBITDA	967.317	958.891	0,9%	1.269.243	-23,8%	2.236.561	1.891.169	18,3%
Adjusted EBITDA Margin (%)	38,6%	40,2%	-1,6 p.p.	46,9%	-8,2 p.p.	42,9%	41,7%	1,2 p.p.
Net Financial Result	772.814	67.616	1042,9%	723.814	6,8%	1.496.628	(1.668.843)	n.a.
Financial Expenses	(288.711)	(318.310)	-9,3%	(282.820)	2,1%	(571.531)	(628.293)	-9,0%
Financial Revenues	78.802	78.669	0,2%	48.775	61,6%	127.577	155.406	-17,9%
Exchange Rate Variation	752.527	233.289	222,6%	698.180	7,8%	1.450.707	(1.052.865)	n.a.
Net Proceeds Generated by Derivatives	230.196	73.968	211,2%	259.679	-11,4%	489.875	(143.091)	n.a.
Earnings Before Taxes	1.375.233	677.848	102,9%	1.635.220	-15,9%	3.010.453	(489.866)	n.a.
Income and Social Contribution Taxes	(420.900)	(222.211)	89,4%	(510.562)	-17,6%	(931.462)	183.044	n.a.
Net Income (Loss)	954.333	455.637	109,5%	1.124.658	-15,1%	2.078.991	(306.822)	n.a.

Comments on the Performance

Attachment III

Consolidated Balance Sheet

CONSOLIDATED BALANCE SHEET (R\$'000)					
ASSETS	06/30/2016	03/31/2016	LIABILITIES	06/30/2016	03/31/2016
<u>CURRENT ASSETS</u>			<u>CURRENT LIABILITIES</u>		
Cash and Cash Equivalent	1.319.504	1.698.089	Salaries and Payroll Taxes	157.364	120.877
Financial Applications	1.291.326	1.146.481	Accounts Payable	524.718	542.358
Accounts Receivable	1.566.048	1.761.955	Tax Liabilities	100.339	129.816
Inventories	1.368.679	1.398.133	Loans and Financing	1.803.563	2.287.728
Recoverable Taxes	544.316	645.705	Other Payable	573.063	564.446
Prepaid Expenses	56.163	37.592	TOTAL CURRENT LIABILITIES	3.159.047	3.645.225
Other Current Assets	589.854	409.508			
TOTAL CURRENT ASSETS	6.735.890	7.097.463	<u>NON CURRENT LIABILITIES</u>		
			Loans and Financing	10.998.723	11.794.111
			Other Liabilities	942.644	1.061.280
			Deferred Taxes	1.813.311	1.459.015
			Provision	499.072	489.536
			TOTAL NON CURRENT LIABILITIES	14.253.750	14.803.942
			<u>SHAREHOLDERS EQUITY</u>		
<u>NON CURRENT ASSETS</u>			Share Capital	6.241.753	6.241.753
Biological Assets	4.267.075	4.197.938	Capital Reserve	(195.659)	(196.461)
Other Accounts Receivable	866.447	872.175	Profit Reserve	406.137	706.138
Investments	3.927	5.151	Accumulated Profit	2.104.651	1.137.290
Property, Plant and Equipment	16.216.828	16.277.654	Equity Valuation Adjustment	2.455.416	2.468.444
Intangible	287.006	313.519	Other Comprehensive Income (Loss)	(47.922)	(42.431)
TOTAL NON CURRENT ASSETS	21.641.283	21.666.437	TOTAL EQUITY	10.964.376	10.314.733
TOTAL ASSETS	28.377.173	28.763.900	TOTAL LIABILITIES + EQUITY	28.377.173	28.763.900

Comments on the Performance

Attachment IV

Consolidated Cash Flow Statement

CONSOLIDATED CASH FLOW STATEMENT				
(R\$ '000)	2Q16	2Q15	6M16	6M15
Cash Flow from Operating Activities				
Net Income (Loss)	954.333	455.637	2.078.991	(306.822)
Depreciation, Amortization & Depletion	344.325	346.784	697.314	702.251
Result on Sale of Non-Current and Biological Assets	(299)	5.381	(413)	4.005
Result on Equity Equivalence	1.224	-	4.073	-
Exchange and Monetary Variation, Net	(1.023.074)	70.184	(1.619.575)	1.251.093
Interest Expenses, Net	282.426	302.678	500.573	589.937
Deferred Expenses and Social Contribution Taxes	354.127	218.421	775.422	(189.196)
Interest on Actuarial Liabilities	8.574	7.753	17.149	15.510
(Reversion) Addition to Provision for Contingencies	(1.559)	(37.467)	(3.498)	(35.089)
Share based Payment Plan Addition to Provision	1.420	12.792	(449)	20.303
Losses (Gains) with Derivatives, Net	(230.196)	(73.968)	(489.875)	143.091
Additional Provision for Doubtful Credits, Net	6.578	7.592	7.364	10.044
Reversion for inventory losses	4.254	6.181	4.974	5.294
Provision (Reversion) for Losses	450	13.324	(55.812)	24.005
Provision for losses of Non-Current and Biological Assets	14.301	7.728	19.720	16.508
Addition to Other Provisions	18.829	4.289	36.608	7.439
(Increase) Reduction in Receivables	199.164	(460.343)	37.242	(332.150)
Increase in Inventories	17.032	(41.495)	(67.536)	(177.554)
Reduction in Recoverable Taxes	126.679	(18.271)	182.449	411
Reduction (Increase) in Other Current and Non-Current Assets	(13.788)	56.942	24.958	(6.164)
Increase (Reduction) in Suppliers	(62.918)	117.344	(47.661)	6.266
Increase in Other Current and Non-Current Liabilities	124.546	157.809	143.024	176.093
Interest Payments	(404.285)	(401.248)	(595.547)	(639.223)
Other Taxes and Contributions Payments	(161.614)	(96.781)	(257.380)	(197.845)
Income Tax and Social Contributions Payments	(24.019)	(26.868)	(34.255)	(38.632)
Net cash from operating activities	536.510	634.398	1.357.860	1.049.575
Cash Flow from Investing Activities				
Financial Applications	(153.668)	-	(292.507)	-
Acquisition of Property, Plant and Equipment, Intangible and Biological Assets	(353.570)	(512.662)	(709.065)	(781.255)
Upfront Receivables from Asset Sale	2.427	40.679	3.042	43.428
Net cash from investing activities	(504.811)	(471.983)	(998.530)	(737.827)
Cash Flow from Financing Activities				
Loans Raised	2.053.487	3.134.239	2.708.994	3.467.543
Proceeds Generated by Derivatives, Net	(24.345)	15.689	(57.943)	12.406
Payment of Loans	(2.124.747)	(4.016.546)	(2.797.284)	(4.545.203)
Dividends of Own Shares	-	-	8.514	8.514
Net cash from financing activities	(395.531)	(1.016.584)	(437.645)	(1.206.706)
Effects of Exchange Rate Variation in Cash and Cash Equivalents	(14.753)	(118.775)	(79.427)	103.867
Increase in Cash	(378.585)	(972.944)	(157.742)	(791.091)
Cash in the beginning of the period	1.698.089	3.867.968	1.477.246	3.686.115
Cash in the end of the period	1.319.504	2.895.024	1.319.504	2.895.024
Statement of Increase in Cash	(378.585)	(972.944)	(157.742)	(791.091)

Comments on the Performance

Attachment V

EBITDA

R\$ thousand, except where otherwise indicated	2Q16	2Q15	6M16	6M15
Net Income	954.333	455.637	2.078.991	(306.822)
Net Financial Result	(772.814)	(67.616)	(1.496.628)	1.668.843
Income and Social Contribution Taxes	420.900	222.211	931.462	(183.044)
EBIT	602.419	610.232	1.513.825	1.178.977
Depreciation, Amortization and Depletion	344.325	346.784	697.314	702.251
EBITDA ⁽¹⁾	946.744	957.016	2.211.140	1.881.228
EBITDA Margin	37,8%	40,2%	42,4%	41,5%
Provision (Reversion) for Losses with Fixed Assets, Write-Offs, Taxes, Doubtful Debtors and Labor Obligations	16.130	(2.980)	19.953	4.614
Fire in the warehouse of Itaquí	-	-	(3.004)	500
Franchises with claims in the period	2.960	-	2.960	-
Equity Equivalence	1.224	-	4.073	-
Others	260	4.854	1.440	4.826
Adjusted EBITDA	967.317	958.891	2.236.561	1.891.169
Adjusted EBITDA Margin	38,6%	40,2%	42,9%	41,7%

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

Reconciliation of Consolidated EBITDA	2Q16	2Q15	6M16	6M15
EBITDA	946.744	957.016	2.211.140	1.881.228
Depreciation, Amortization and Depletion	344.325	346.784	697.314	702.251
Operating Results before Financial Results and Taxes ⁽²⁾	602.419	610.232	1.513.826	1.178.977

⁽²⁾ Accounting Measurement released on the Consolidated Financial Statements.

Reports and Declarations / Independent Auditor's Report – Unqualified Opinion

****In millions of Brazilian reais, unless otherwise stated****

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 95.5% interest in the common shares of its capital stock.

1.1 Major events in the six-month period ended June 30, 2016

a) Operational events

i) 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.

ii) Acquisition of eucalyptus forests

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

This transaction aims to increase the wood supply to Imperatriz unit, to support the expansion of its pulp production. In the period ended March 31, 2016, the Company prepaid the amount of R\$30,000 recorded as other receivables under non-current assets.

Reports and Declarations / Independent Auditor's Report – Unqualified Opinion

iii) 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 can request the annual revisions envisaged in applicable 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.

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 June 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").

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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 May 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 (%)	
		6/30/2016	12/31/2015
Amulya Empreendimentos Imobiliários Ltda ("Amulya")	Direct	100%	100%
Asapir Produção Florestal e Comércio Ltda ("Asapir")	Direct	50%	50%
Bahia Sul Holding GmbH ("BHOL")	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")	Direct	100%	100%
Ibema Companhia Brasileira de Papel ("Ibema")	Joint venture	38%	-

The issue of the quarterly information was approved by the Company's Board of Directors on August 2, 2016.

2.2 Functional currency and presentation currency

The Company's functional currency is the Brazilian Real (BRL), same currency of presentation of the subsidiaries' 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).

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

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

Currency	Name	Country	Subsidiary	Final rate		Average rate	
				6/30/2016	12/31/2015	2Q16	2Q15
USD	U.S. Dollar	United States	Suzano Trading Suzano America	3.2098	3.9048	3.5099	3.0722
GBP	Pound Sterling	United Kingdom	FuturaGene Sun Paper	4.2511	5.7881	5.0367	4.7130
CHF	Swiss Franc	Switzerland	Suzano Europa	3.2793	3.9284	3.6191	3.2644
EUR	Euro	European Union	Bahia Sul Holdings	3.5414	4.2504	3.9656	3.3996
ARS	Argentine Peso	Argentina	Stenfar	0.2147	0.3016	0.2436	0.3414

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.

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 June 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 June 30, 2016.

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The reclassifications in the comparative financial statements were conducted for better presentation and comparison with information for the period ended June 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 June 30, 2015, the amounts of R\$54,953 and R\$46,185 in the parent company and consolidated statement of cash flow, respectively, were reclassified among operating, investing and financing activities, mostly also related to confirming operations.

4 Financial instruments and risks

4.1 Management of financial risks

a) Overview

In the six-month period ended June 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
- 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.

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		Parent Company		Consolidated	
	Note	6/30/2016	12/31/2015	6/30/2016	12/31/2015
Assets					
Fair value through profit or loss					
Cash and cash equivalents	5	925,930	569,135	1,319,504	1,477,246
Financial investments	6	1,238,284	922,728	1,291,326	970,850
Unrealized gains from derivative operations	4	476,359	51,724	617,056	195,393
Loans and receivables					
Trade accounts receivable	7	2,439,926	3,521,841	1,566,048	1,885,960
		5,080,499	5,065,428	4,793,934	4,529,449
Liabilities					
Liabilities through amortizable cost					
Trade accounts payable		485,944	540,096	524,718	581,477
Loans and financing	17	8,762,109	10,002,341	12,802,286	14,917,342
Loans with related parties	11	4,022,426	4,892,504	-	-
Commitments related to asset acquisitions	21	665,206	716,862	770,134	824,864
Fair value through profit or loss					
Unrealized losses from derivative operations	4	378,981	529,821	508,530	635,131
		14,314,666	16,681,624	14,605,668	16,958,814

4.2 Fair value versus book value

In the period ended June 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			
	6/30/2016		12/31/2015	
	Book Value	Fair Value	Book Value	Fair Value
Assets				
Cash and cash equivalents	1,319,504	1,319,504	1,477,246	1,477,246
Financial investments	1,291,326	1,291,326	970,850	970,850
Unrealized gains from derivative operations (current and non-current)	617,056	617,056	195,393	195,393
Trade accounts receivable	1,566,048	1,566,048	1,885,960	1,885,960
	<u>4,793,934</u>	<u>4,793,934</u>	<u>4,529,449</u>	<u>4,529,449</u>
Liabilities				
Trade accounts payable	524,718	524,718	581,477	581,477
Loans and financing (current and non-current)	12,802,286	12,193,904	14,917,342	15,833,785
Commitments related to asset acquisitions (current and non-current)	770,134	600,211	824,864	636,504
Unrealized losses from derivative operations (current and non-current)	508,530	508,530	635,131	635,131
	<u>14,605,668</u>	<u>13,827,363</u>	<u>16,958,814</u>	<u>17,686,897</u>

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

		Parent Company		Consolidated	
	Note	6/30/2016	12/31/2015	6/30/2016	12/31/2015
Assets					
Cash and cash equivalents	5	925,930	569,135	1,319,504	1,477,246
Financial investments	6	1,238,284	922,728	1,291,326	970,850
Trade accounts receivable	7	2,439,926	3,521,841	1,566,048	1,885,960
Unrealized gains from derivative operations	4	476,359	51,724	617,056	195,393
Total		5,080,499	5,065,428	4,793,934	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.

	6/30/2016				
Consolidated	Future Value	Up to 1 year	1 - 2 years	2 - 5 years	More than 5 years
Liabilities					
Loans and financing	14,635,366	1,756,262	2,760,120	9,507,575	611,409
Trade accounts payable	524,718	524,718	-	-	-
Commitments related to asset acquisitions	802,671	87,930	87,093	253,446	374,202
Derivatives payable ^(a)	442,347	247,247	124,284	70,816	-
Other accounts payable	222,280	222,280	-	-	-
	16,627,382	2,838,436	2,971,497	9,831,837	985,611
	12/31/2015				
Consolidated	Future Value	Up to 1 year	1 - 2 years	2 - 5 years	More than 5 years
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.

The following table shows the maturity of derivative operations:

Consolidated Derivatives	6/30/2016						
	Future Value	Up to 1 month	1 - 3 months	3 - 6 months	6 - 12 months	1 - 2 years	2 - 5 years
Assets ^(a)	618,741	115,059	1,461	188,504	205,571	108,146	-
Liabilities ^(a)	442,347	110,331	294	90,090	46,532	124,284	70,816
	176,394	4,728	1,167	98,414	159,039	(16,138)	(70,816)

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

4.5 Market risk

On June 30, 2016, the net principal of operations contracted for Zero-Cost Collar is US\$625 million. Their maturities are distributed between October 2016 and January 2018, in addition to US\$8.3 million 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 interest rate variation on the amount of debt, as well as swap contracts that exchange various interest rates for inflation rates in order to minimize the mismatch between the various financial assets and liabilities. On June 30, 2016, the Company had outstanding (i) US\$150 million in CDI swaps for six-month LIBOR, (ii) US\$221 million in swaps of currency coupon for 3-month LIBOR; and (iii) US\$59.9 million in LIBOR swap to U.S. dollar fixed rate.

4.6 Market risk - exchange rate

The following table shows the net exposure in foreign currency:

Consolidated	6/30/2016 (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	117,531	49	36,482	202,933	1,511	358,506	754,165	63	25,721	89,902	30,714	900,565
Financial investments	34,962	-	-	-	-	34,962	29,265	-	-	-	-	29,265
Trade accounts receivable	878,285	21,876	11,782	-	30,308	942,251	1,164,345	4,962	15,075	-	28,320	1,212,702
Trade accounts payable	(7,325)	-	(323)	(1,308)	(17,939)	(26,895)	(39,050)	-	(608)	(2,380)	(14,046)	(56,084)
Loans and financing	(8,175,484)	-	-	-	-	(8,175,484)	(9,676,957)	-	-	-	-	(9,676,957)
Commitments related to asset acquisition	(383,463)	-	-	-	-	(383,463)	(455,495)	-	-	-	-	(455,495)
Derivative Options	-	-	-	-	-	-	(1,952,400)	-	-	-	-	(1,952,400)
Derivative NDF	(6,474)	-	-	-	1,516	(4,958)	(360,305)	-	-	-	(72,532)	(432,837)
Derivative Swap	(148,159)	-	-	-	-	(148,159)	(227,785)	-	-	-	-	(227,785)
TOTAL	(7,690,127)	21,925	47,941	201,625	15,396	(7,403,240)	(10,764,217)	5,025	40,188	87,522	(27,544)	(10,659,026)

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:

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	6/30/2016				
	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	117.531	29.382	58.764	(29.382)	(58.764)
Financial investments	34.962	8.741	17.481	(8.741)	(17.481)
Loans and financing	(8.175.484)	(2.043.871)	(4.087.742)	2.043.871	4.087.742
Trade accounts receivable	878.285	219.571	439.143	(219.571)	(439.143)
Trade accounts payable	(7.325)	(1.831)	(3.663)	1.831	3.663
Derivative Swap	(148.159)	(124.970)	(249.940)	124.970	249.940
Derivative Options	241.028	60.257	120.514	(60.257)	(120.514)
Derivative Convertibility	4.437	1.109	2.218	(1.109)	(2.218)
Derivative NDF	3.486	872	1.743	(872)	(1.743)
Derivative Oil	6.494	1.623	3.247	(1.623)	(3.247)
Derivative Options Oil	(256)	(64)	(128)	64	128
Commitments related to asset acquisitions	(383.463)	(95.866)	(191.732)	95.866	191.732
TOTAL	(7.428.464)	(1.945.047)	(3.890.095)	1.945.047	3.890.095
	6/30/2016				
	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	1.511	378	755	(378)	(755)
Trade accounts receivable	30.308	7.577	15.154	(7.577)	(15.154)
Trade accounts payable	(17.939)	(4.485)	(8.970)	4.485	8.970
Derivative NDF	1.516	379	758	(379)	(758)
TOTAL	15.396	3.849	7.697	(3.849)	(7.697)
	6/30/2016				
	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	202.933	50.733	101.466	(50.733)	(101.466)
Trade accounts payable	(1.308)	(327)	(654)	327	654
TOTAL	201.625	50.406	100.812	(50.406)	(100.812)
	6/30/2016				
	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	36.482	9.121	18.241	(9.121)	(18.241)
Trade accounts receivable	11.782	2.945	5.891	(2.945)	(5.891)
Trade accounts payable	(323)	(81)	(162)	81	162
TOTAL	47.941	11.985	23.970	(11.985)	(23.970)
	6/30/2016				
	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	49	12	25	(12)	(25)
Trade accounts receivable	21.876	5.469	10.938	(5.469)	(10.938)
TOTAL	21.925	5.481	10.963	(5.481)	(10.963)

4.7 Market risk - interest rates

On June 30, 2016, notional position in derivatives pegged to fixed rates totaled R\$1,875,307 (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 June 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:

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	6/30/2016				
	Probable	Incr. (Δ of 25%)	Incr. (Δ of 50%)	Decr.(Δ of 25%)	Decr. (Δ of 50%)
Consolidated Fixed					
Derivative Swap	(141,107)	-	-	-	-
Derivative NDF	3,486	52,462	104,962	(52,422)	(104,802)
Derivative Options	241,028	-	-	-	-
TOTAL	103,407	52,462	104,962	(52,422)	(104,802)

	6/30/2016				
	Probable	Incr. (Δ of 25%)	Incr. (Δ of 50%)	Decr.(Δ of 25%)	Decr. (Δ of 50%)
Consolidated Libor					
Derivative Swap	(141,107)	-	-	-	-
TOTAL	(141,107)	-	-	-	-

	6/30/2016				
	Probable	Incr. (Δ of 25%)	Incr. (Δ of 50%)	Decr.(Δ of 25%)	Decr. (Δ of 50%)
Consolidated Dollar Coupon					
Derivative NDF	3,486	52,462	104,962	(52,422)	(104,802)
Derivative Options	241,028	-	-	-	-
Derivative Swap	(7,052)	662	1,323	(664)	(1,329)
TOTAL	237,462	53,124	106,285	(53,086)	(106,131)

4.8 Market risk - commodity prices

On June 30, 2016, there was no exposure of contracts pegged to pulp commodity prices (R\$22,029 on December 31, 2015). On June 30, 2016, with regard to hedged freight costs, the Company's long position in oil bunker is R\$6,238 (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 June 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:

	6/30/2016				
	Probable	Incr. (Δ of 25%)	Incr. (Δ of 50%)	Decr.(Δ of 25%)	Decr. (Δ of 50%)
Consolidated Commodities					
Derivative Oil	6,494	1,623	3,247	(1,623)	(3,247)
Derivative Options Oil	(256)	(64)	(128)	64	128
TOTAL	6,238	1,559	3,119	(1,559)	(3,119)

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On June 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			
		6/30/2016	12/31/2015	6/30/2016	12/31/2015	6/30/2016		12/31/2015	
						Payable	Receivable	Payable	Receivable
Foreign Currency Swaps									
Long Position - US\$ Libor	7/1/2016 to 11/4/2019	192,300	284,202	187,605	282,290	-	-	-	-
Short Position - US\$ Fixed Rate		192,300	284,202	(194,657)	(293,128)	-	-	-	-
Long Position - US\$ PRE		-	-	-	-	-	-	-	-
Short Position - R\$ % DI		-	-	-	-	-	-	-	-
Subtotal		-	-	(7,052)	(10,838)	7,052	-	10,838	-
Index and Rate Swaps									
Long Position - R\$ % DI (b)	7/1/2016 to 12/5/2018	331,335	331,335	351,721	360,911	-	-	-	-
Short Position - US\$ Libor (b)		481,470	585,720	(492,828)	(619,549)	-	-	-	-
Subtotal		-	-	(141,107)	(258,638)	492,828	351,721	258,638	-
Currency Swaps - NDF									
Long Position in R\$ x US\$	7/1/2016 to 10/3/2016	218,266	265,526	(65,018)	231	65,018	-	-	231
Short Position in R\$ x US\$		218,266	622,699	68,504	(81,676)	-	68,504	81,676	-
Long Position in US\$ x MXN		1,736	-	(20)	-	20	-	-	-
Short Position in US\$ x ARS		6,741	72,532	1,516	10,963	-	1,516	-	10,963
Subtotal		445,009	960,757	4,982	(70,483)	65,038	70,020	81,676	11,193
Currency Swap									
Short Position in R\$ x US\$	7/1/2016 to 1/2/2018	3,611,025	1,952,400	241,028	(121,955)	144,445	385,473	-	-
Long Position in R\$ x US\$		2,808,575	-	-	-	-	-	-	-
Subtotal		6,419,600	1,952,400	241,028	(121,955)	144,445	385,473	121,955	-
Commodity Swaps									
Short Position in Pulp BHKP	7/1/2016 to 1/7/2017	-	22,029	-	(548)	-	-	548	-
Long Position in Oil		21,179	88,095	6,494	(3,681)	-	6,494	3,681	-
Long Position in Oil (ZCC)		5,539	35,008	(256)	(4,449)	361	105	4,448	-
Subtotal		26,718	145,132	6,238	(8,677)	361	6,599	8,677	-
Other									
Long Position - Exchange Coupon	7/1/2016 to 11/4/2019	1,427,140	1,483,824	1,799,352	2,483,280	-	-	-	-
Short Position - US\$ Fixed Libor		1,243,745	1,483,824	(1,794,915)	(2,452,427)	-	-	-	-
Subtotal		1,243,745	-	4,437	30,853	129,980	134,417	-	30,853
Total Result in Derivatives		8,808,842	5,412,035	108,526	(439,738)	839,704	948,230	481,784	42,046
Value at Risk (VaR) ^(a)				53,857	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 June 30, 2016 the amount to be recognized was R\$5,531.

On June 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			
	6/30/2016	12/31/2015	6/30/2016	12/31/2015	6/30/2016		12/31/2015	
					Payable	Receivable	Payable	Receivable
Foreign Currency Swaps								
Counterparties								
BTG Pactual	112,054	172,636	(2,988)	(5,491)	2,988	-	5,491	-
Santander	40,123	55,783	(1,996)	(2,667)	1,996	-	2,667	-
Standard Chartered	40,123	55,783	(2,068)	(2,680)	2,068	-	2,680	-
Bradesco	-	-	-	-	-	-	-	-
Subtotal	-	-	(7,052)	(10,838)	7,052	-	10,838	-
Index and Rate Swaps								
Counterparty								
Bradesco	481,470	585,720	(141,107)	(258,638)	492,828	351,721	258,638	-
Subtotal	-	-	(141,107)	(258,638)	492,828	351,721	258,638	-
Currency Swap - NDF								
Counterparties								
Long Position in R\$ x US\$								
Itaú BBA	218,266	265,526	(65,018)	231	65,018	-	-	231
Short Position in R\$ x US\$								
Itaú BBA	218,266	265,526	68,504	(1,661)	-	68,504	1,661	-
Votorantim	-	181,456	-	(40,843)	-	-	40,843	-
Santander	-	175,716	-	(39,172)	-	-	39,172	-
Long Position in US\$ x MXN								
Standard Chartered	1,736	-	(20)	-	20	-	1,431	-
Long Position in US\$ x ARS								
Rosario Futures Exchange (ROFEX)	-	26,846	-	4,138	-	-	-	4,138
Banco Patagonia	6,741	45,686	1,516	6,825	-	1,516	-	6,825
Subtotal	-	-	4,982	(70,483)	65,038	70,020	81,676	11,193
Currency Options								
Short Position in R\$ x US\$								
Counterparties								
Itaú BBA	1,685,145	732,150	74,425	(48,831)	31,746	106,171	48,832	-
Standard Chartered	-	195,240	-	(6,460)	-	-	6,460	-
JP Morgan	1,941,929	546,672	61,490	(28,156)	50,916	112,406	28,156	-
Votorantim	1,075,283	478,338	52,485	(38,507)	8,998	61,483	38,507	-
Santander	1,043,185	-	42,262	-	23,307	65,570	-	-
Bank of America	353,078	-	(5,976)	-	22,023	16,048	-	-
BNP Paribas	320,980	-	16,342	-	7,455	23,795	-	-
Subtotal	-	-	241,028	(121,955)	144,445	385,473	121,955	-
Commodity Swap - Oil								
Counterparty								
Standard Chartered	-	96,179	-	(2,910)	-	-	2,910	-
JP Morgan	21,179	9,677	6,494	(3,059)	-	6,494	3,059	-
Subtotal	-	-	6,494	(5,969)	-	6,494	5,969	-
Commodity Options - Oil								
Counterparty								
Standard Chartered	3,628	17,247	(148)	(2,160)	185	37	2,160	-
JP Morgan	1,911	-	(108)	-	176	68	-	-
Subtotal	-	-	(256)	(2,160)	361	105	2,160	-
Commodity Swap - Pulp								
Counterparty								
Standard Chartered	-	22,029	-	(548)	-	-	548	-
SubTotal	-	-	-	(548)	-	-	548	-
Other								
Counterparty								
JP Morgan	1,243,745	1,483,824	4,437	30,853	129,980	134,417	-	30,853
Subtotal	-	-	4,437	30,853	129,980	134,417	-	30,853
Total results in Derivatives ^(a)	8,808,842	5,412,035	108,526	(439,738)	839,704	948,230	481,784	42,046

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In the six-month periods ended June 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	Six-month period ended			
	Notional value accumulated on		Fair value (settlement value) accumulated on	
	6/30/2016	6/30/2015	6/30/2016	6/30/2015
Foreign currency Swaps				
Long position - US\$ <i>Libor</i>	49,371	211,442	-	(4,706)
Short position - US\$ Fixed Rate	49,371	211,442	(3,633)	-
Subtotal	-	-	(3,633)	(4,706)
Index and Rate Swaps				
Long position - % DI	331,335	462,780	14,178	13,212
Short position - US\$ Fixed Rate	331,335	-	-	-
Long position - US\$ Fixed Rate	442,059	-	-	-
Short position - % DI	442,059	-	(59,484)	-
Subtotal	-	-	(45,306)	13,212
Currency Swap				
Long position in R\$ x US\$	293,600	780,912	(68,241)	(6,227)
Short position in R\$ x US\$	-	46,131	-	5,516
Short position in US\$ x MXN	5,046	-	(70)	-
Short position in US\$ x ARS	-	87,907	17,165	(1,135)
Subtotal	-	-	(51,146)	(1,846)
Commodity Swap				
Short Position in Pulp BHKP	1,470	26,205	(475)	(785)
Short Position in Oil	6,654	13,519	(3,861)	819
Long Position in Oil	2,185	-	(715)	-
Subtotal	-	-	(5,051)	34
Other				
Long Position - Exchange Coupon	1,008	350,910	-	5,712
Short Position - US\$ Fixed Libor	1,008	350,910	7,205	-
Subtotal	-	-	7,205	5,712
Total results in Swaps ^(a)	-	-	(97,931)	12,406

^(a) On June 30, 2016, the Company received derivative premium totaling R\$39,900 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.

Thus, the Company manages its capital structure and makes adjustments based on changes in economic conditions.

	Parent Company		Consolidated	
	6/30/2016	12/31/2015	6/30/2016	12/31/2015
Loans and financing	8,762,109	10,002,341	12,802,286	14,917,342
(-) Cash and financial investments	(2,164,214)	(1,491,863)	(2,610,830)	(2,448,096)
Net debt	6,597,895	8,510,478	10,191,456	12,469,246
Shareholders' equity	10,964,376	9,192,081	10,964,376	9,192,081
Shareholders' equity and net debt	17,562,271	17,702,559	21,155,832	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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		Consolidated		
	Fair value on 6/30/2016	Level 1	Level 2	Level 3
Assets				
Cash and cash equivalents	1,319,504	358,506	960,998	-
Financial Investments	1,291,326	-	1,291,326	-
Derivatives ^(a)	942,717	-	936,119	6,598
		358,506	3,188,443	6,598
Liabilities				
Derivatives ^(a)	839,704	-	839,343	361
Loans and financing	12,802,286	-	12,802,286	-
Commitments related to asset acquisition	770,134	-	770,134	-
		-	14,411,763	361

		Consolidated		
	Fair value on 12/31/2015	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 acquisition	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 and losses in the long term.

4.13 Guarantees

On June 30, 2016, the Company had guarantees pegged to consolidated accounts receivable operations related to exports amounting to US\$284 million, equivalent to R\$911,936 on this date.

Reports and Declarations / Independent Auditor's Report – Unqualified Opinion**5 Cash and Cash Equivalents**

	Parent Company		Consolidated	
	6/30/2016	12/31/2015	6/30/2016	12/31/2015
Cash and banks				
In Brazil	29,913	18,724	31,796	19,950
Abroad	-	-	358,506	900,565
	29,913	18,724	390,302	920,515
Financial investments				
In Brazil	893,214	521,146	894,240	527,466
Abroad	2,803	29,265	34,962	29,265
	896,017	550,411	929,202	556,731
	925,930	569,135	1,319,504	1,477,246

On June 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	
		6/30/2016	12/31/2015	6/30/2016	12/31/2015
Investment funds ^(a)					
Itaú Investment Grade	104.4%	594,111	572,468	620,186	606,221
Itaú Referenciado DI	101.1%	614,414	243,711	641,381	258,080
		1,208,525	816,179	1,261,567	864,301
Financial investments					
Bank Deposit Certificates	101.6%	29,759	106,549	29,759	106,549
		29,759	106,549	29,759	106,549
		1,238,284	922,728	1,291,326	970,850

^(a) On June 30, 2016, the Consolidated column includes interest of FuturaGene Brasil (2.2% of quotas), Paineiras (1.8% of quotas), Ondurman and Amulya (0.6% 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.

On June 30, 2016, the Company has financial investments allocated to two investment funds administered by Banco Itaú backed by fixed-income funds for private credit and Bank Deposit Certificates (“CDB”).

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

Reports and Declarations / Independent Auditor's Report – Unqualified Opinion**7 Trade Accounts Receivable****7.1 Breakdown of balances**

	Parent Company		Consolidated	
	6/30/2016	12/31/2015	6/30/2016	12/31/2015
Domestic clients				
Third parties	630,415	701,367	630,423	701,368
Subsidiaries	27	6	-	-
Related parties ^(a)	43,813	16,478	43,813	16,478
Foreign clients				
Third parties	30,742	26,096	943,575	1,209,368
Subsidiaries	1,785,368	2,822,481	-	-
Related parties ^(a)	-	-	-	3,770
Allowance for doubtful accounts	(50,439)	(44,587)	(51,763)	(45,024)
	<u>2,439,926</u>	<u>3,521,841</u>	<u>1,566,048</u>	<u>1,885,960</u>

^(a) See Note 11.**7.2 Analysis of maturities**

	Parent Company		Consolidated	
	6/30/2016	12/31/2015	6/30/2016	12/31/2015
Amounts overdue:				
Up to two months	52,692	31,460	54,236	66,967
Two to six months	18,208	22,048	34,526	24,749
Over six months	56,164	36,791	57,960	37,089
	<u>127,064</u>	<u>90,299</u>	<u>146,722</u>	<u>128,805</u>

7.3 Changes in provision for losses in the period

	Parent Company		Consolidated	
	Six-month period ended			
	6/30/2016	6/30/2015	6/30/2016	6/30/2015
Opening balance	(44,587)	(25,278)	(45,024)	(25,748)
Credits accrued in the period	(6,831)	(10,444)	(7,849)	(10,444)
Credits recovered in the period	485	394	485	400
Credits definitively written-off from position	494	1,604	494	1,604
Foreign exchange variation	-	-	131	(27)
Closing balance	<u>(50,439)</u>	<u>(33,724)</u>	<u>(51,763)</u>	<u>(34,215)</u>

Reports and Declarations / Independent Auditor's Report – Unqualified Opinion**8 Inventories**

	Parent Company		Consolidated	
	6/30/2016	12/31/2015	6/30/2016	12/31/2015
Finished goods				
Pulp				
Domestic	97,668	87,930	97,668	87,930
Foreign	-	-	225,201	341,856
Paper				
Domestic	230,911	168,382	230,911	168,382
Foreign	-	-	87,486	67,920
Work in process	79,832	45,616	79,832	45,616
Raw materials	409,310	404,975	409,310	404,975
Maintenance and other materials	229,218	188,760	238,271	199,317
	1,046,939	895,663	1,368,679	1,315,996

On June 30, 2016, the Parent Company and Consolidated balances of inventories are net of provision for losses amounting to R\$34,358, of which: i) finished goods totaled R\$3,345; ii) raw materials totaled R\$12,255; and iii) maintenance materials totaled R\$18,758 (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 provisions for 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.

9 Recoverable taxes

	Parent Company		Consolidated	
	6/30/2016	12/31/2015	6/30/2016	12/31/2015
IRPJ and CSLL - advances and withheld taxes	191,000	158,747	195,529	163,237
PIS and COFINS - on acquisition of fixed assets ^(a)	63,984	70,275	63,984	70,275
PIS and COFINS - other operations ^(b)	93,880	323,731	93,880	323,731
ICMS - on acquisition of fixed assets ^(a)	74,005	75,795	74,005	75,795
ICMS - other operations ^(b)	265,061	230,029	277,874	235,651
Other taxes and contributions ^(c)	172,062	169,207	189,006	169,315
Provision for losses of ICMS credits	(9,725)	(7,998)	(9,725)	(7,998)
	850,267	1,019,786	884,553	1,030,006
Total current assets	510,030	586,716	544,316	596,936
Total non-current assets	340,237	433,070	340,237	433,070

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

^(b) Credits available for immediate realization.

^(c) On June 30, 2016, includes the amount of R\$159,996 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).

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9.1 Income tax and social contribution on net income

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

9.2 Social integration program ("PIS") and Contribution for social security financing ("COFINS")

The amounts refer substantially to the credits from inputs and services acquired for product manufacturing, the sale of which were not taxed upon billing, as they were exported, and on the acquisition of property, plant and equipment and services related to the Imperatriz/MA industrial unit, whose part of tax credit will be based on the depreciation term of these assets. The Company will realize these credits with debits deriving from business activities and through other federal tax carryforwards.

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

On June 30, 2016, the credits of R\$84,547 and R\$152,343 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\$59,257 and R\$22,419 in Bahia and Maranhão, respectively, are ratified and may be used for the offsetting authorized by the ICMS (State VAT) Regulations in the states of Bahia and Maranhão or traded in the active market.

The Company recorded a provision for the partial loss of these ICMS credits of Maranhão in the amount of R\$9,725 (R\$7,988 on December 31, 2015).

10 Timber Development Program

On June 30, 2016, the balance of advances of financial resources and inputs for timber development amounted to R\$246,341, 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.

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11 Related parties

11.1 Balances and transactions in the six-month period ended June 30, 2016

		ASSETS		LIABILITIES		RESULT
Transactions	Nature of the main operation	Current	Non-current	Current	Non-current	Income (expenses)
With subsidiaries						
Suzano Trading	Sale of pulp and paper	1.767.612 ^(b)	-	59.277 ^(a)	3.963.150 ^(a)	2.158.193 ^(b)
Paineiras	Land lease	-	-	417	-	(2.272)
Paineiras Logística	Commissioning of road transport	-	-	8.298	-	(124.216)
Stenfar	Sale of paper	17.756 ^(b)	-	2.599	-	37.869 ^(b)
Ondurman	Land lease	-	-	-	-	(7.486)
Amulya	Land lease	-	-	-	-	(5.008)
Futuragene	Shared expenses	27 ^(d)	-	-	-	-
		1.785.395	-	70.591	3.963.150	2.057.080
With related parties						
Suzano Holding S.A.	Guarantees and administrative expenses	18	-	369	-	(12.653)
IPLF Holding S.A.	Shared expenses	8	-	-	-	5
Central	Sale of paper	15.500 ^(b)	-	14.871 ^(c)	-	23.678 ^(b)
Nemonorte	Real-estate consulting services	-	-	24	-	(137)
Mabex	Aircraft services	-	-	-	-	(22)
Lazam - MDS	Insurance consulting and advisory services	-	-	-	-	(172)
Ecofuturo	Social services	-	-	2	-	(917)
Iberma	Sale of pulp	28.288 ^(b)	13.000	2.778	-	5.604 ^(b)
Shareholders	Dividends and interest on equity	-	-	196	-	-
		43.814	13.000	18.240	-	15.386
		1.829.209	13.000	88.831	3.963.150	2.072.466

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

		ASSETS		LIABILITIES		RESULT
Transactions	Nature of the main operation	Current	Non-current	Current	Non-current	Income (expenses)
With subsidiaries						
Suzano Trading	Sale of pulp and paper	2,786,432 ^(b)	-	72,033 ^(a)	4,821,230 ^(a)	2,467,150 ^(b)
Paineiras	Land lease	-	-	417	-	(2,504)
Paineiras Logistica	Commissioning of road transport	14,100	-	29,928	-	(96,288)
Stenfar	Sale of paper	36,049 ^(b)	-	7,574	-	34,659 ^(b)
Ondurman	Land lease	-	-	-	-	(6,908)
Amulya	Land lease	-	-	-	-	(4,945)
Futuragene	Shared expenses	6 ^(d)	-	-	-	-
		2,836,587	-	109,952	4,821,230	2,391,164
With related parties						
Suzano Holding S.A.	Guarantees and administrative expenses	15	-	345	-	(18,072)
IPLF Holding S.A.	Shared expenses	2	-	-	-	9
Central	Sale of paper	16,461 ^(b)	-	15,493 ^(c)	-	19,484 ^(b)
Nemonorte	Real-estate consulting services	-	-	-	-	(140)
Mabex	Aircraft services	-	-	-	-	(33)
Lazam - MDS	Insurance consulting and advisory services	-	-	-	-	(167)
Ecofuturo	Social services	-	-	-	-	(1,800)
Bexma	Administrative expenses	-	-	-	-	66
Shareholders	Dividends and interest on equity	-	-	114	-	-
		16,478	-	15,952	-	(653)
Between related parties						
Stenfar	Shared expenses	3,770	-	-	-	(50)
IPLF Holding S.A.	Shared expenses	-	-	3,770	-	50
		3,770	-	3,770	-	-
		2,856,835	-	129,673	4,821,230	2,390,511

(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.

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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:

	Note	Parent Company		Consolidated	
		6/30/2016	12/31/2015	6/30/2016	12/31/2015
Balance receivable					
Trade accounts receivable	7	1,829,208	2,838,967	43,813	20,248
Receivables from subsidiaries - current		-	14,100	-	-
Receivables from other related parties - non-current		13,000	-	13,000	-
		<u>1,842,208</u>	<u>2,853,067</u>	<u>56,813</u>	<u>20,248</u>
Balance payable					
Dividends and Interest on Equity payable		(196)	(114)	(196)	(114)
Loans and financing	17	(15,240)	(15,838)	(15,240)	(15,838)
Trade accounts payable		(2,804)	-	(2,804)	-
Obligations with related parties - current		(70,591)	(109,952)	-	-
Obligations with related parties - non-current		(3,963,150)	(4,821,230)	-	-
		<u>(4,051,981)</u>	<u>(4,947,134)</u>	<u>(18,240)</u>	<u>(15,952)</u>
		<u>(2,209,773)</u>	<u>(2,094,067)</u>	<u>38,573</u>	<u>4,296</u>

11.3 Management compensation

On June 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\$47,276 at the Parent Company and on a consolidated basis (R\$58,180 at the Parent Company and on a consolidated basis on June 30, 2015).

	Parent Company e Consolidated	
	Six-month period ended	
	6/30/2016	6/30/2015
Short-term benefits		
Salary or compensation	9,733	8,773
Direct and indirect benefits	1,006	1,916
Bonus	9,786	11,586
	<u>20,525</u>	<u>22,275</u>
Long-term benefits		
Share-based compensation	26,751	35,905
	<u>26,751</u>	<u>35,905</u>
Total	<u>47,276</u>	<u>58,180</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 plants. The changes in the balances of biological assets in the respective periods are shown below:

	Parent Company	Consolidated
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	4,234,664	4,130,508
Additions ^(a)	445,146	434,393
Depletion in the period	(281,238)	(281,238)
Other write-offs ^(b)	(16,588)	(16,588)
Balance on June 30, 2016	4,381,984	4,267,075

(a) On June 30, 2016, the costs with land leasing totaling R\$10,573 (December 31, 2015 - R\$ 20,446) incurred at subsidiaries were eliminated for the consolidated figures.

(b) On June 30, 2016, the amount of R\$1,997 refers to sales made in the period, and R\$14,591 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. There were no events in this period that indicate material changes in the balances of such assets.

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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	
	6/30/2016	12/31/2015	6/30/2016	12/31/2015
Non-current assets				
Income tax				
Credits over tax losses	692,370	743,526	694,494	746,109
Credits over temporary differences:				
- Credits over provisions	231,318	265,286	231,318	265,286
Credits over effects of Law 11,941/09 and IFRS	177,730	255,633	177,730	255,633
	1,101,418	1,264,445	1,103,542	1,267,028
Social contribution				
Credits over social contribution tax loss carryforwards	91,249	153,973	91,249	153,973
Credits over temporary differences:				
- Credits over provisions	83,274	95,503	83,274	95,503
Credits over effects of Law 11,941/09 and IFRS	63,984	92,028	63,984	92,028
	238,507	341,504	238,507	341,504
Total non-current assets:	1,339,925	1,605,949	1,342,049	1,608,532
Non-current liabilities				
Income tax				
Debits over accelerated depreciation	1,014,470	604,209	1,014,470	604,209
Debits over goodwill amortization	118,473	117,334	118,473	117,334
Debits over effects of Law 11,941/09 and IFRS	1,364,988	1,293,234	1,454,148	1,382,394
	2,497,931	2,014,777	2,587,091	2,103,937
Social contribution				
Debits over goodwill amortization	42,650	42,240	42,650	42,240
Debits over effects of Law 11,941/09 and IFRS	491,397	465,563	523,495	497,661
	534,047	507,803	566,145	539,901
Total non-current liabilities	3,031,978	2,522,580	3,153,236	2,643,838
Total non-current assets, net	-	-	2,124	2,583
Total non-current liabilities, net	1,692,053	916,631	1,813,311	1,037,889
	1,692,053	916,631	1,811,187	1,035,306

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

	Parent Company		Consolidated	
	6/30/2016	12/31/2015	6/30/2016	12/31/2015
Tax losses	2,769,481	2,974,104	2,777,973	2,984,436
Social contribution tax loss carryforward	1,013,873	1,710,812	1,013,873	1,710,812

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

	Parent Company		Consolidated	
	6/30/2016	Six-month period ended 6/30/2015	6/30/2016	6/30/2015
Income (Loss) before income and social contribution taxes	3,001,621	(496,021)	3,010,453	(489,866)
Income and social contribution taxes at the nominal rate of 34%	(1,020,551)	168,647	(1,023,554)	166,554
Adjustment for accounting of tax rate:				
Tax effects of Law 11,941/09 and IFRS	4,799	785	-	-
Tax incentive - Reduction SUDENE ^(a)	119,199	-	119,199	-
Income and social contribution taxes on the result of equity interest	(17,256)	18,333	1,386	-
Profit or loss taxed at effective rates that differ from nominal rate	-	-	(4,445)	(4,062)
Reintegra credit	1,012	14,649	1,012	14,649
Other non-deductible effects	(9,833)	(13,215)	(25,059)	1,867
Income tax				
Current	(180)	3	(8,188)	(5,494)
Deferred	(646,182)	139,114	(646,182)	139,114
	(646,362)	139,117	(654,370)	133,620
Social Contribution				
Current	(147,028)	-	(147,852)	(658)
Deferred	(129,240)	50,082	(129,240)	50,082
	(276,268)	50,082	(277,092)	49,424
Income and social contribution taxes income recorded as profit or loss in the years	(922,630)	189,199	(931,462)	183,044
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 June 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\$410,262 and ii) tax credits on use of tax losses and on temporary differences amounting to R\$235,920.

Deferred social contribution expenses are composed of: i) realization of tax credits on tax loss carryforwards amounting to R\$62,724; and ii) realization of tax credits on temporary differences amounting to R\$66,515.

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.

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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.

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 6/30/2016					Equity Accounting		Investments and (Provision) for Investment Losses	
	Ownership interest %	Balance sheet			Result in the six-month period ended 6/30/2016	6/30/2016	6/30/2015	6/30/2016	12/31/2015
		Assets	Current and Non-Current Liabilities	Adjusted Equity					
Subsidiaries and joint ventures									
Amulya	100%	63,483	49,198	14,285	1,727	1,727	1,552	14,285	12,557
Asapir	50%	13,982	11,366	2,616	30	15	1,707	1,309	1,293
Bahia Sul Holdings	100%	48	1	47	(5)	(5)	72	47	63
Ondurman ^(a)	100%	84,163	56,551	(61,942)	3,734	(4,516)	(4,750)	(61,942)	(57,427)
Paineiras ^(a)	100%	405,423	121,519	254,904	2,930	425	(80)	254,905	255,559
Paineiras Logística	100%	15,317	15,765	(448)	(8,888)	(8,888)	(2,552)	(448)	4,440
Stenfar ^(a)	90%	83,888	55,095	19,306	5,198	5,438	287	16,426	20,717
Sun Paper	100%	5,349	673	4,676	141	141	767	4,676	6,214
Suzano America ^(a)	100%	367,251	328,258	(25,633)	1,918	36,885	16,294	(25,633)	(54,180)
Suzano Europa ^(a)	100%	2,768,659	2,711,855	(7,648)	4,655	151,821	(11,578)	(7,648)	(148,429)
Suzano Trading	100%	5,915,843	5,972,129	(56,316)	(57,585)	(26,337)	8,993	(56,316)	(44,923)
Ibema	38%	379,939	382,660	(2,722)	(10,718)	(4,073)	-	3,927	-
						152,633	10,712	143,588	(4,116)
Total investments								295,575	300,843
Total provisions for losses								(151,987)	(304,959)
Indirect subsidiaries									
Futuragene PLC.	100%	68,005	29,195	38,810	(18,809)	(18,809)	(28,339)	38,810	36,310
Stenfar ^(a)	10%	83,888	55,095	19,306	5,198	520	1,633	2,879	3,440
						(18,289)	(26,706)	41,689	39,750

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

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14.1 Changes in investments

	Parent Company	
	6/30/2016	12/31/2015
Opening balance	(4,116)	247,740
Equity accounting	152,633	(306,204)
Exchange variation in investees ^(a)	(16,929)	39,120
Capital increase ^(b)	4,000	8,550
Share acquisition ^(c)	8,000	6,679
Closing balance	143,588	(4,116)

(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, b) i).

15 Property, Plant and Equipment

	Parent Company					
	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	2,525,758	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	2,624,312	15,057,270	273,510	3,819,315	216,506	21,990,913
Transfers	17,399	131,385	10,301	2,877	(161,962)	-
Transfers between other assets ^(b)	-	9,879	-	-	(9,942)	(63)
Additions	-	34,208	2,793	-	234,700	271,701
Write-offs ^(a)	(432)	(8,161)	(1,090)	(2,796)	-	(12,479)
Balance on June 30, 2016	2,641,279	15,224,581	285,514	3,819,396	279,302	22,250,072
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	(684,884)	(5,326,980)	(161,397)	-	-	(6,173,261)
Transfers	(11)	1,766	(1,755)	-	-	-
Write-offs ^(a)	200	6,129	910	-	-	7,239
Depreciation	(38,280)	(341,406)	(12,703)	-	-	(392,389)
Balance on June 30, 2016	(722,975)	(5,660,491)	(174,945)	-	-	(6,558,411)
Residual value						
Balance on June 30, 2016	1,918,304	9,564,090	110,569	3,819,396	279,302	15,691,661
Balance on December 31, 2015	1,939,428	9,730,290	112,113	3,819,315	216,506	15,817,652

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		Machinery and	Other	Land and	Work	Consolidated
		Buildings	equipment	assets	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	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)
Additions		(21)	119,554	15,058	975	394,334
Write-offs	(a)	(1,100)	(34,401)	(1,734)	(12,196)	-
Interest capitalization		-	-	-	6,930	6,930
Balances on December 31, 2015		2,626,470	15,065,858	283,294	4,336,084	22,528,212
Transfers		17,399	131,385	10,301	2,877	(161,962)
Transfers between other assets	(b)	-	9,879	-	-	(9,942)
Additions		(202)	33,340	2,184	(733)	234,700
Write-offs	(a)	(431)	(8,161)	(1,090)	(2,796)	-
Balances on June 30, 2016		2,643,236	15,232,301	294,689	4,335,432	22,784,960
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		(11)	1,766	(1,755)	-	-
Write-offs	(a)	200	6,129	910	-	7,239
Depreciation		(38,360)	(341,826)	(13,207)	-	(393,393)
Balances on June 30, 2016		(723,852)	(5,664,677)	(179,603)	-	(6,568,132)
Residual value						
Balances on June 30, 2016		1,919,384	9,567,624	115,086	4,335,432	16,216,828
Balances on December 31, 2015		1,940,789	9,735,112	117,743	4,336,084	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 June 30, 2016, the Company and its subsidiaries had property, plant and equipment given as collateral in loan operations and lawsuits amounting to R\$10,848,754 (R\$10,932,132 on December 31, 2015).

15.2 Capitalized expenses

In the period ended June 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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16.2 Intangible assets with determined useful life

	Parent Company and Consolidated					
	Useful life (years)	Book Cost	Accumulated Amortization	Exchange Rate Variation	Residual Values	
					6/30/2016	12/31/2015
KSR						
Customer relationship	5	22,617	(22,617)	-	-	754
Other intangible assets					-	-
Trademarks and patents	10	1,419	(876)	-	543	347
Software	5	98,515	(40,478)	-	58,037	51,569
Other intangible assets		-	-	-	-	-
Parent Company Balance		122,551	(63,971)	-	58,580	52,670
Futuragene						
R&D Agreements	18.8	153,316 ^(a)	(85,307)	112,083 ^(b)	180,092	227,685
Other License Agreements	11.8	3,436 ^(a)	(3,059)	2,512 ^(b)	2,889	3,825
Other intangible assets						
Software	5	24	(24)	-	-	-
Consolidated Balance		279,327	(152,361)	114,595	241,561	284,180

- a) Amount translated at the original U.S. dollar exchange rate on the date of calculation of the gain from allocation of the price paid.
- b) Net exchange variation from the conversion of the financial statements (historical rate) into presentation currency (current rate) not corresponding to a monetary value.

On June 30, 2016, the amounts of R\$9,415 in the Parent Company and R\$17,929 in the Consolidated were amortized (R\$18,332 and R\$33,627, respectively, on December 31, 2015).

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

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17 Loans and Financing

	Index	Annual average interest rate on 6/30/2016	Maturity	Parent Company		Consolidated		
				6/30/2016	12/31/2015	6/30/2016	12/31/2015	
Property, plant and equipment:								
BNDES - Finem	(a) (b)	Fixed rate /TJLP	8.80%	2016 to 2026	1,234,901	1,335,246	1,255,545	1,353,777
BNDES - Finem	(b)	Currency basket / US\$	6.34%	2016 to 2023	534,311	675,576	534,311	675,576
BNDES - Finame	(a)	Fixed rate /TJLP	4.65%	2016 to 2024	20,265	21,982	20,265	21,982
FNE - BNB	(b)	Fixed rate	5.40%	2017 to 2024	230,966	200,794	230,966	200,794
FINEP	(b)	Fixed rate	4.18%	2017 to 2020	42,601	49,948	42,601	49,948
Rural credit		Fixed rate			-	112,424	-	112,424
Financial lease		CDI / US\$		2016 to 2022	25,110	32,619	25,110	32,619
Export Credit Agency - ECA	(b) (c)	US\$	2.65%	2016 to 2022	1,172,455	1,571,288	1,172,455	1,571,288
					3,260,609	3,999,877	3,281,253	4,018,408
Working capital:								
Export financing	(d)	US\$	4.76%	2016 to 2022	2,424,570	2,501,592	2,424,570	2,501,592
Export credit note	(e)	CDI / Fixed rate	14.10%	2016 to 2026	3,045,437	3,077,244	3,045,437	3,077,244
Senior Notes	(f)	US\$ / Fixed rate	5.88%	2021	-	-	2,101,667	2,553,535
Trade notes discount-Vendor				2016	31,059	38,470	31,059	38,470
Bank Credit Note-CCB	(g)	CDI			-	178,271	-	178,271
Syndicated Loan	(h)	Libor	2.90%	2018 to 2020	-	-	1,917,865	2,329,362
Confirming operations					-	206,454	-	206,454
Other				2016	434	433	435	14,006
					5,501,500	6,002,464	9,521,033	10,898,934
					8,762,109	10,002,341	12,802,286	14,917,342
Current (including interest payable)					1,743,556	1,939,391	1,803,563	2,024,964
Non-current					7,018,553	8,062,950	10,998,723	12,892,378
Non-current loans and financing mature as follows:								
2017					703,786	1,398,348	705,269	1,398,348
2018					1,815,039	1,822,151	2,459,965	2,605,788
2019					2,285,806	3,014,360	3,144,718	4,058,317
2020					1,359,473	852,056	1,775,652	1,354,486
2021					561,582	753,023	2,613,114	3,244,635
2022					192,864	147,265	195,830	149,942
2023 onwards					100,003	75,747	104,175	80,862
					7,018,553	8,062,950	10,998,723	12,892,378

- (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 million loan agreement with BNP Paribas and Société Générale, in the proportion of 50% each, to finance imported equipment for the Mucuri/BA unit. In May 2013, the Company obtained funds through two import financing operations (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 million, for a term of up to 9.5 years, from AB Svensk Exportkredit, BNP Paribas, through its subsidiary Fortis Bank SA/NV, Nordea Bank Finland Plc, Nordea Bank AB and Société Générale, with guarantee furnished by the Export Credit Agencies FINNVERA and EKN. All the agreements establish covenants regarding the maintenance of determined levels of leverage, which are verified for compliance after 60 and 120 days of the closing of the months of June and December of each fiscal year, respectively. With regard to the results of December 2015, the Company met all the established levels. The next scrutiny will be based on the results of June 2016.
- (d) In the period from January to June 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\$ 3.2098 in June 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

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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 million in Senior Notes due on January 23, 2021, with semiannual interest payments of 5.875% p.a. and return for investors of 6.125% p.a. The Company is guarantor of the issue, which corresponds to a senior obligation without security interest of the issuer or the Company and is entitled to the same rights as other obligations of similar nature of these companies. Between September 2013 and July 2014, the Company, through its international subsidiary Suzano Trading, repurchased US\$4.3 million of principal amount of the Senior Notes issued.
- (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 million, with payment of quarterly interest and amortization of the principal between May 2018 and May 2020. This loan has clauses establishing the maintenance of certain levels of leverage, which are verified and have compliance confirmed after 60 and 120 days from the end of June and December of each fiscal year, respectively. With regard to the results of December 2015, the Company met all the established levels. The next scrutiny will be based on the results of June 2016.

17.1 Changes in loans and financing

	Parent Company	Consolidated
Balance 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
Balance on December 31, 2015	10,002,341	14,917,342
Funding	2,702,577	2,708,994
Recognized interest	369,423	471,736
Exchange variation	(1,051,468)	(1,938,726)
Settlement of principal	(2,797,157)	(2,797,284)
Settlement of interest	(481,835)	(583,186)
Funding costs	(6,521)	(6,521)
Amortization of funding costs	24,749	29,931
Balance on June 30, 2016	<u>8,762,109</u>	<u>12,802,286</u>

Reports and Declarations / Independent Auditor's Report – Unqualified Opinion**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 industrial process. These agreements are denominated in U.S. dollar or the CDI overnight rate and contain purchase option clauses for these assets upon the expiration of the lease term, which varies from 8 to 15 years, for a price substantially lower than their fair value. Management intends to exercise the purchase options on the dates estimated in each agreement.

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

	Parent Company and Consolidated	
	6/30/2016	12/31/2015
Machinery and equipment	108,565	108,565
(-) Accumulated depreciation	(96,476)	(95,335)
Property, plant and equipment, net	12,089	13,230
Present value of mandatory installments (financing):		
Less than 1 year	4,733	5,509
From 1 to 5 years	20,377	25,830
Over 5 years	-	1,280
Total present value of mandatory installments (financing)	25,110	32,619
Financial charges to be recognized in the future	8,906	6,911
Total mandatory installments at the expiration of agreements	34,016	39,530

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On June 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	
				6/30/2016	12/31/2015
Senior Notes	29,284	(55,080)	49,798	24,002	32,394
NCE	51,504	(30,670)	-	20,834	28,983
Prepayment	1,636	(632)	-	1,004	1,163
Import (ECA)	101,811	(55,790)	-	46,021	53,679
Syndicated Loan	19,824	(5,455)	391	14,760	20,887
FNE	730	(144)	-	586	652
FINEM	589	(18)	-	571	-
Rural Credit	34	(34)	-	-	14
Total	205,412	(147,823)	50,189	107,778	137,772

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

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

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 6/30/2016
Tax and social security	167.185	12.224	(16.305)	12.243	(1)	175.346
Labor	25.428	2.410	(1.501)	2.352	(3.095)	25.594
Civil	1.989	-	(252)	-	-	1.737
	194.602	14.634	(18.058)	14.595	(3.096)	202.677
Consolidated						
	Balance on 12/31/2015	New lawsuits	Reversals	Inflation adjustment	Settlement of lawsuits	Balance on 6/30/2016
Tax and social security	167.185	12.224	(16.305)	12.243	(1)	175.346
Labor	29.385	2.544	(1.709)	2.397	(3.306)	29.311
Civil	1.989	-	(252)	-	-	1.737
	198.559	14.768	(18.266)	14.640	(3.307)	206.394

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18.2 Tax and Social Security Suits and Proceedings

On June 30, 2016, the company is a defendant in approximately 293 administrative and legal proceedings on tax and social security issues that discuss matters related to various taxes such as PIS, COFINS, IPI, ICMS, ISS, corporate income tax/social contribution and social security contribution, which are provisioned for when the probability of loss is deemed as probable by the Company's external legal advisors and by the Management.

The Company adhered to the REFIS tax installment program - Law 11,941/09 for certain proceedings, amounting to nearly R\$13,995 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\$267,923, for which no provision was accrued.

On June 30, 2016, the Company and its subsidiaries hold R\$37,042 in judicial deposits related to these proceedings (R\$37,869 on December 31, 2015).

18.3 Labor claims

On June 30, 2016, the Company was a defendant in 2,173 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.

The Company is a defendant in proceedings whose probability of loss is deemed as possible, in the approximate amount of R\$43,620, for which no provision was accrued.

On June 30, 2016, the Company and its subsidiaries hold R\$25,283 in judicial deposits related to these proceedings (R\$23,784 on December 31, 2015).

18.4 Civil claims

On June 30, 2016, the Company is a defendant in approximately 244 civil claims.

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

The Company is a defendant in proceedings whose probability of loss is deemed as possible, in the approximate amount of R\$4,768, for which no provision was constituted.

Reports and Declarations / Independent Auditor's Report – Unqualified Opinion**19 Actuarial Liabilities**

On June 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 June 30, 2016, the amount of the future liabilities of these benefits was R\$273,590 (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 12/31/2014	277,463
Interest on actuarial liability	33,629
Actuarial loss	(31,981)
Benefits paid in the year	(15,970)
Opening balance on 12/31/2015	263,141
Interest on actuarial liability	17,149
Benefits paid in the period	(6,700)
Closing balance on 6/30/2016	273,590

20 Share-Based Payments

In the period ended June 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 June 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 01, 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.

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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.

20.1 Changes to long-term incentive plans**Phantom shares**Parent Company and Consolidated
6/30/2016

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	Transfer	Abandoned/ Prescribed	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\$13.29	3/1/2013	3/1/2016	7,259	-	7,259	-	-	-	-	-	-
ILP 2010	3/1/2010	R\$23.86	R\$13.29	3/1/2013	3/1/2016	18,362	-	18,362	-	-	-	-	-	-
ILP 2011	3/1/2011	R\$18.64	R\$13.29	3/1/2014	3/1/2017	43,175	-	27,039	-	-	-	-	16,136	-
ILP 2012	3/1/2012	R\$7.49	R\$13.29	3/1/2015	3/1/2018	157,838	-	72,209	12,755	-	-	-	72,874	-
ILP 2011 (F)	3/1/2011	R\$18.64	R\$13.29	3/1/2014	3/1/2017	7,159	-	-	-	-	-	-	7,159	-
ILP 2012 (PE)	9/30/2012	R\$9.00	R\$13.29	9/30/2015	9/30/2018	25,225	-	25,225	-	-	-	-	-	-
ILP 2013	3/1/2013	R\$6.58	R\$13.29	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\$13.59	4/1/2017	4/1/2019	904,390	-	-	-	-	-	87,915	816,475	-
Deferral 2014	3/1/2015	R\$10.80	R\$13.29	3/1/2018	3/1/2018	270,106	-	-	-	-	-	26,950	243,156	-
Deferral 2014	3/1/2015	R\$10.80	R\$13.29	3/1/2019	3/1/2019	270,106	-	-	-	-	-	26,950	243,156	-
SAR 2015	4/1/2015	R\$11.69	R\$13.21	4/1/2018	4/1/2020	740,248	-	-	-	-	-	72,325	667,923	-
SAR 2015 - September	9/1/2015	R\$15.99	R\$12.49	9/1/2018	9/1/2020	4,340	-	-	-	-	-	-	4,340	-
ILP 2015	9/1/2015	R\$15.99	R\$13.29	9/1/2018	9/1/2021	43,778	-	-	-	-	-	-	43,778	-
Deferral 2015	3/1/2016	R\$16.93	R\$13.29	3/1/2019	3/1/2019	-	91,369	-	-	-	-	2,145	89,224	-
Deferral 2015	3/1/2016	R\$16.93	R\$13.29	3/1/2020	3/1/2020	-	91,369	-	-	-	-	2,145	89,224	-
SAR 2016	4/1/2016	R\$15.96	R\$11.40	4/1/2019	4/1/2021	-	679,868	-	-	-	-	-	679,868	-
PLUS 2016	4/1/2016	R\$15.96	R\$11.20	4/1/2019	4/1/2021	-	221,381	-	-	-	-	-	221,381	-
TOTAL						3,570,103	1,083,987	1,114,459	12,755			290,466	3,236,410	

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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	Transfer	Abandoned/ Prescribed	Abandoned/ Prescribed due to dismissal	Available at the end of the period	Weighted average price of exercised shares
ILP 2008 (PN) Mar09	3/1/2009	RS 15.11	RS 18.11	3/1/2012	3/1/2015	43,549	-	43,549	-	-	-	-	-	17.30
ILP 2009 A - Mar08	3/1/2008	RS 34.74	RS 18.11	3/1/2013	3/1/2016	8,474	-	1,215	-	-	-	-	7,259	17.30
ILP 2008 A - Mar08 / Mar12	3/1/2008	RS 34.74	RS 18.11	3/1/2012	3/1/2015	6,347	-	6,347	-	-	-	-	-	17.30
ILP 2009 - Mar09 / Mar12	3/1/2009	RS 15.11	RS 18.11	3/1/2012	3/1/2015	9,838	-	9,838	-	-	-	-	-	17.30
ILP 2009 M - Sep09 / Sep12	9/1/2009	RS 15.11	RS 18.11	9/1/2012	9/1/2015	28,408	-	20,446	-	-	-	7,962	-	17.30
ILP 2010	3/1/2010	RS 23.86	RS 18.11	3/1/2013	3/1/2016	159,926	-	105,149	-	-	-	36,415	18,362	17.30
ILP 2011	3/1/2011	RS 18.64	RS 18.11	3/1/2014	3/1/2017	88,003	-	3,678	-	-	-	41,150	43,175	17.30
ILP 2012	3/1/2012	RS 7.49	RS 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	RS 18.64	RS 18.11	3/1/2014	3/1/2017	7,159	-	-	-	-	-	-	7,159	-
ILP 2012 (PE)	9/30/2012	RS 9.00	RS 18.11	9/30/2015	9/30/2018	35,225	-	10,000	-	-	-	-	25,225	17.30
ILP 2013	3/1/2013	RS 6.58	RS 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	RS 5.55	RS 15.53	3/31/2015	3/31/2015	70,000	-	70,000	-	-	-	-	-	17.30
Programa Especial 2012b	12/21/2012	RS 5.55	RS 15.53	6/30/2014	6/30/2014	30,000	-	9,923	-	-	20,077	-	-	17.30
Programa Especial 2012b	12/21/2012	RS 5.55	RS 15.53	3/31/2015	3/31/2015	30,000	-	22,317	-	-	7,683	-	-	17.30
Programa Especial 2012b	12/21/2012	RS 5.55	RS 15.53	3/31/2015	3/31/2015	40,000	-	40,000	-	-	-	-	-	17.30
Programa Especial 2012c	12/21/2012	RS 5.55	RS 15.53	3/31/2015	3/31/2015	80,000	-	80,000	-	-	-	-	-	17.30
Programa Especial 2012c	12/21/2012	RS 5.55	RS 15.53	3/31/2016	3/31/2016	140,000	-	-	-	-	-	-	140,000	-
SAR 2014	4/1/2014	RS 8.93	RS 19.05	4/1/2017	4/1/2019	997,617	-	-	-	-	93,227	-	904,390	-
Deferral 2014	3/1/2015	RS 10.80	RS 18.11	3/1/2018	3/1/2018	-	304,558	1,706	2,660	-	30,087	-	270,106	17.30
Deferral 2014	3/1/2015	RS 10.80	RS 18.11	3/1/2019	3/1/2019	-	304,558	1,706	2,660	-	30,087	-	270,106	17.30
SAR 2015	4/1/2015	RS 11.69	RS 18.16	4/1/2015	4/1/2018	-	747,600	-	-	-	7,352	-	740,248	-
SAR 2015 - September	9/1/2015	RS 15.99	RS 17.42	9/1/2015	9/1/2018	-	-	4,340	-	-	-	-	4,340	-
ILP 2015	9/1/2015	RS 15.99	RS 18.11	9/1/2015	9/1/2018	-	62,540	-	2,085	-	16,677	-	43,778	17.30
TOTAL						3,800,036	1,423,596	999,613	98,336	-	281,590	273,991	3,570,103	17.30

Class A preferred shares stock option

Parent Company and Consolidated

6/30/2016

6/30/2016

					Prices	Number of Shares				
Program	Granted series	Grant date	1 st exercise date	2 nd exercise date and expiration	On the grant date	Granted	Exercised	Not exercised due to dismissal	Expired	Total in effect on 6/30/2016
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

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:

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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\$ 13.29	R\$ 13.29	R\$ 13.29
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	Equal to option life	Equal to option life	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	
	6/30/2016	12/31/2015	Six-month period ended 6/30/2016	6/30/2015
Non-current liabilities				
Provision for phantom stock plan	19,088	42,722	2,168	(17,238)
Shareholders' equity				
Stock option reserve	18,131	23,091	(1,719)	(3,065)
Profit or loss			<u>449</u>	<u>(20,303)</u>

21 Commitments Related to Asset Acquisitions

On June 30, 2016, these commitments totaled R\$665,206 in the Parent Company and R\$770,134 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 June 30, 2016, the commitments related to the acquisition of land, farms, reforestation and houses under construction in Maranhão totaled R\$64,127 in the Parent Company and R\$169,055 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).

Reports and Declarations / Independent Auditor's Report – Unqualified Opinion**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 June 30, 2016, the total restated outstanding balance is R\$607,078 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 June 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.

The composition of the capital stock is presented below:

SHAREHOLDER	COMMON SHARES		CLASS A PREFERRED SHARES		CLASS B PREFERRED SHARES		TOTAL SHARES	
	NUMBER	%	NUMBER	%	NUMBER	%	NUMBER	%
Suzano Holding S.A.	354,349,459	95.47	3,245,077	0.44	17,698	0.91	357,612,234	32.28
Controlling Shareholders and Management	10,012,879	2.70	257,349,704	35.03	3,883	0.20	267,366,466	24.14
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)	-	-	38,745,594	5.27	-	-	38,745,594	3.50
Other shareholders	-	-	350,553,969	47.73	9,539	0.49	350,563,508	31.65
TOTAL	371,148,532	100.00	734,649,326	100.00	1,940,819	100.00	1,107,738,677	100.00

^(a) On June 10, 2016, the Company announced the acquisition of interest 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.

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On June 30, 2016, SUZB5 preferred stock ended the period quoted at R\$11.33 (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\$	Average
	Common	Pref. A	Pref. B	Total	('000)	price per (R\$)
Balance on 12/31/2014	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 12/31/2015	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 6/30/2016	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 by transfer of shares held by the Directors to Suzano Papel e Celulose.

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

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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.

	6/30/2016			
	Common	Class A Preferred	Class B Preferred	Total
Loss attributed to shareholders	651,645	1,427,285	61	2,078,991
Weighted average number of shares in the period	371,149	734,649	1,941	1,107,739
Weighted average treasury shares	(6,786)	(9,145)	(1,910)	(17,841)
Weighted average number of outstanding shares	364,363	725,504	31	1,089,898
Basic earnings per share	1.78845	1.96730	1.96774	

	6/30/2015			
	Common	Class A Preferred	Class B Preferred	Total
Loss attributed to shareholders	(96,335)	(210,478)	(9)	(306,822)
Weighted average number of shares in the period	371,149	734,649	1,941	1,107,739
Weighted average treasury shares	(6,786)	(10,945)	(1,910)	(19,641)
Weighted average number of outstanding shares	364,363	723,704	31	1,088,098
Basic loss per share	(0.26439)	(0.29083)	(0.29032)	

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.

				6/30/2016
	Common	Class A Preferred	Class B Preferred	Total
Loss attributed to shareholders	650,240	1,428,690	61	2,078,991
Weighted average number of outstanding shares	364,363	725,504	31	1,089,898
Adjustment by stock options	-	2,285	-	2,285
Weighted average number of shares (diluted)	364,363	727,789	31	1,092,183
Diluted earnings per share	1.78459	1.96306	1.96774	

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	6/30/2015			
	Common	Class A Preferred	Class B Preferred	Total
Loss attributed to shareholders	(96,000)	(210,813)	(9)	(306,822)
Weighted average number of outstanding shares	364,363	723,704	31	1,088,098
Adjustment by stock options	-	3,683	-	3,683
Weighted average number of shares (diluted)	364,363	727,387	31	1,091,781
Diluted loss per share	(0.26347)	(0.28982)	(0.29032)	

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	
	Six-month period ended			
	6/30/2016	6/30/2015	6/30/2016	6/30/2015
Income (loss) from sale of other products	1,050	1,134	10,096	7,999
Income (loss) from sale of property, plant and equipment and biological assets	413	(3,992)	413	(4,005)
Provision for loss and write-offs of property, plant and equipment and biological assets ^(a)	(19,720)	(16,508)	(19,720)	(16,508)
Amortization of intangible assets	(754)	(2,262)	(9,268)	(9,073)
Lease of land with subsidiaries	(5,008)	(5,010)	-	-
Other operating income, net	5,200	(6,063)	4,917	(974)
Total other operating income	6,663	1,134	15,426	7,999
Total other operating expenses	(25,482)	(33,835)	(28,988)	(30,560)
Other operating income (expenses), net	(18,819)	(32,701)	(13,562)	(22,561)

^(a) On June 30, 2016, R\$14,591 refers to write-offs related to losses and claims with biological assets and R\$5,129 with property, plant and equipment (on June 30, 2015, R\$12,989 refers to write-offs related to losses and claims with biological assets and R\$3,519 with property, plant and equipment).

24 Operating lease agreements

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.

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Description	Monthly installment amount - R\$ ('000)	Index	Maturity
Administrative offices and deposits	1 to 1,092	IGP-M and IPCA/IBGE	7/31/2016 to 1/27/2024
Call center and licenses	12 to 263	IGP-DI	8/15/2016 to 9/30/2017
Hardware equipment	1 to 17	IGP-M	7/1/2016

The minimum payments of maturing operating were as follows:

	6/30/2016
Less than 1 year	20.664
From 1 year to 3 years	27.623
From 3 years to 5 years	20.968
Total installments due	69.255

25 Net Financial Result

	Parent Company		Consolidated	
	6/30/2016	Six-month period ended 6/30/2015	6/30/2016	6/30/2015
Interest income	107,25	142,465	109,886	144,070
Other financial income	14,226	9,182	17,691	11,336
Total financial income	121,476	151,647	127,577	155,406
Interest expenses	(527,070)	(596,119)	(540,430)	(607,362)
Other financial expenses	(23,488)	(16,087)	(31,101)	(20,931)
Total financial expenses	(550,558)	(612,206)	(571,531)	(628,293)
Monetary and exchange variations on loans and financing	1,772,063	(1,253,263)	1,782,671	(1,206,618)
Monetary and exchange variations on other assets and liabilities	(418,611)	237,074	(331,964)	153,753
Monetary and exchange variation, net	1,353,452	(1,016,189)	1,450,707	(1,052,865)
Derivative gains	538,667	22,528	658,687	52,747
Derivate losses	(44,332)	(167,097)	(168,812)	(195,838)
Net derivative income (loss)	494,335	(144,569)	489,875	(143,091)
Financial income	1,969,263	151,647	2,068,159	155,406
Financial expenses	(550,558)	(1,772,964)	(571,531)	(1,824,249)
Net financial income (expenses)	1,418,705	(1,621,317)	1,496,628	(1,668,843)

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26 Net Revenue

	Parent Company	Six-month period ended		Consolidated
	6/30/2016	6/30/2015	6/30/2016	6/30/2015
Gross sales revenue	5,375,320	4,825,352	5,792,766	5,011,153
Deductions				
Sales taxes ^(a)	(524,383)	(440,157)	(529,854)	(446,108)
Returns and cancelations	(26,277)	(29,093)	(44,926)	(30,899)
Discounts and rebates	(6,176)	(4,374)	(6,176)	(4,374)
Net Revenue	4,818,484	4,351,728	5,211,810	4,529,772

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

27 Information by Segment

27.1 Operating segment

The information presented under "Not segmented" is related to expenses not directly attributed to the pulp and paper segments, such as, expenses with information technology, net financial result, administrative expenses and others which are not allocated.

	Consolidated							
	6/30/2016				6/30/2015			
	Pulp	Paper	Not segmented ^(a)	Total	Pulp	Paper	Not segmented ^(a)	Total
Net revenue	3,412,158	1,799,652	-	5,211,810	2,924,432	1,605,340	-	4,529,772
Net financial income (loss)	-	-	1,496,628	1,496,628	-	-	(1,668,843)	(1,668,843)
Other operating income, net	-	-	(13,562)	(13,562)	-	-	(22,561)	(22,561)
Equity pick-up	-	-	(4,073)	(4,073)	-	-	-	-
Operating income (loss)	1,166,152	365,308	1,478,993	3,010,453	968,498	233,040	(1,691,404)	(489,866)

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	6/30/2016			6/30/2015		
	Pulp	Paper	Total	Pulp	Paper	Total
Net revenue	3,412,158	1,799,652	5,211,810	2,924,432	1,605,340	4,529,772
Domestic market	409,735	1,176,259	1,585,994	377,400	1,042,844	1,420,244
Foreign market	3,002,423	623,393	3,625,816	2,547,032	562,496	3,109,528
Asia	1,327,863	23,136	1,350,999	1,141,155	33,735	1,174,890
Europe	1,120,420	84,470	1,204,890	956,105	61,391	1,017,496
North America	509,584	179,487	689,071	389,914	162,168	552,082
South and Central America	39,233	294,228	333,461	59,858	281,787	341,645
Africa	5,323	42,072	47,395	-	23,415	23,415

28 Expenses by Nature

	Parent Company		Consolidated	
	6/30/2016	Six-month period ended 6/30/2015	6/30/2016	6/30/2015
Cost of Product Sold				
Personnel expenses	243.972	232.700	243.972	232.700
Variable cost	1.445.068	1.390.011	1.499.865	1.390.451
Logistics cost	121.649	103.922	476.474	434.982
Depreciation, depletion and amortization	674.034	683.260	682.484	690.045
Other costs	273.390	195.925	371.347	188.121
	2.758.113	2.605.818	3.274.142	2.936.299
Selling expenses				
Personnel expenses	32.296	28.933	58.679	44.070
Services	9.126	23.438	20.850	24.829
Logistics cost	370.715	335.839	97.778	94.231
Depreciation and amortization	1.401	1.464	1.723	1.679
Other expenses ^(a)	19.574	21.561	26.373	18.581
	433.112	411.235	205.403	183.390
Administrative expenses				
Personnel expenses	103.986	122.648	111.718	128.108
Services	34.320	33.495	39.508	40.489
Depreciation and amortization	12.361	9.913	13.107	10.527
Other expenses ^(b)	27.490	21.334	36.472	29.421
	178.157	187.390	200.805	208.545
	3.369.382	3.204.443	3.680.350	3.328.234

(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.

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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 June 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 June 30, 2016, in the Consolidated, the insured amount was R\$120,000.

Civil and general liability: To reimburse the Company for damages arising from final and unappealable court decisions or agreements previously approved and authorized by the insurance company caused by involuntary damages, whether material and/or physical, to third parties as a result of the industrial and/or commercial activities, including accidental pollution. The insurance also covers, among other things, the liability of the employer, contingent vehicles, and products within Brazil. On June 30, 2016, in the Consolidated, the insured amount was R\$20,000.

30 Events after the reporting period

Green Bond (“Senior Notes”) Offering

On July 7, 2016, the Company launched and priced in the international market, through its wholly-owned subsidiary Bahia Sul Holdings GmbH, Senior Notes in the aggregate principal of US\$500 million. 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 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 and reduction of greenhouse gas emissions.