



Suzano Papel e Celulose S.A.

Unaudited Condensed Consolidated Interim Financial
Information as of September 30, 2018
and independent auditor's report.



Suzano Papel e Celulose S.A.

Unaudited condensed consolidated interim financial information
as of September 30, 2018.

(In thousands of R\$, unless otherwise stated)



3Q18 Earnings Release

Operating Cash Generation¹ sets new quarterly record of R\$1.8 billion

São Paulo, October 25, 2018. Suzano Papel e Celulose (B3: SUZB3), one of the largest integrated pulp and paper producers in Latin America, announces today its consolidated results for the third quarter of 2018 (3Q18).

HIGHLIGHTS:

- Record-high Operating Cash Generation¹ and Adjusted EBITDA²: R\$1.8 billion and R\$2.1 billion, respectively.
- Pulp market marked by strong demand and profitability: sales volume of 902.7 thousand tons (+12.6% vs. 2Q18) and Adjusted EBITDA²/ton of R\$1,895/ton (+15.1% vs. 2Q18).
- Cash cost competitive and below period inflation (4.5%): R\$602/ton, 2.5% higher than in LTM to 3Q17.
- Paper business posts robust results: Adjusted EBITDA²/ton of R\$1,212/ton³ (+32.5% vs. 3Q17).
- Fibra transaction: approval by the Extraordinary Shareholders Meeting; unrestricted authorization by SAMR (China) and Turkey, decision by Brazil's antitrust authority CADE approving the deal without restrictions; and filing with the European Commission.
- Financing of Fibra Transaction: R\$1.6 billion raised in local market, US\$1.0 billion international placement of 10-year bonds.

Financial Data (R\$ million)	3Q18	3Q17	Δ Y-o-Y	2Q18	Δ Q-o-Q	9M18	9M17	Δ Y-o-Y
Net Revenue	4,006	2,595	54.4%	3,204	25.0%	10,208	7,378	38.4%
Adjusted EBITDA ¹	2,118	1,186	78.6%	1,573	34.7%	5,219	3,190	63.6%
Adjusted EBITDA Margin ¹	52.9%	45.7%	7.2 p.p.	49.1%	3.8 p.p.	51.1%	43.2%	7.9 p.p.
Net Financial Result	(1,963)	270	-	(3,970)	-	(6,090)	(283)	-
Net Income	(108)	801	-	(1,849)	-	(1,143)	1,450	-
Operating Cash Generation ¹	1,795	906	98.2%	1,279	40.4%	4,339	2,438	78.0%
Net Debt /Adjusted EBITDA ¹ (x)	1.6 x	2.3 x	-0.6 x	1.7 x	-0.1 x	1.6 x	2.3 x	-0.6 x

Operational Data ('000 tons)	3Q18	3Q17	Δ Y-o-Y	2Q18	Δ Q-o-Q	9M18	9M17	Δ Y-o-Y
Sales	1,239	1,139	8.7%	1,085	14.1%	3,484	3,508	-0.7%
Pulp	903	830	8.8%	802	12.6%	2,581	2,662	-3.1%
Paper ³	336	310	8.6%	284	18.5%	904	846	6.8%
Production	1,291	1,152	12.1%	1,134	13.9%	3,640	3,515	3.6%
Pulp	941	851	10.5%	821	14.7%	2,682	2,657	0.9%
Paper ³	350	301	16.5%	313	11.8%	958	858	11.6%

¹ Operating cash generation corresponds to Adjusted EBITDA less sustaining CAPEX. | ² Excluding non-recurring items. | ³ Including results of the Consumer Goods Unit.

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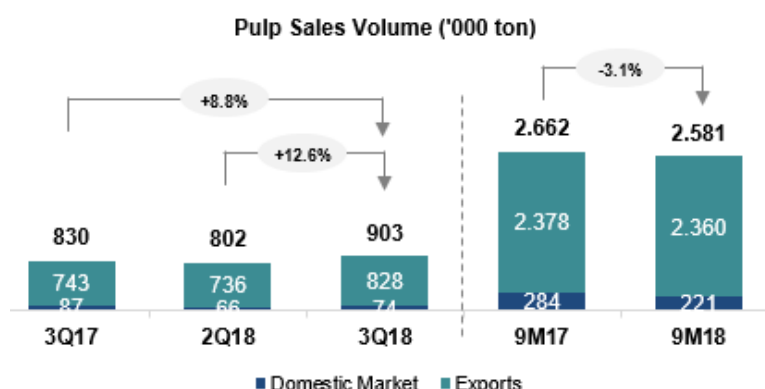


PULP BUSINESS PERFORMANCE

PULP SALES VOLUME AND REVENUE

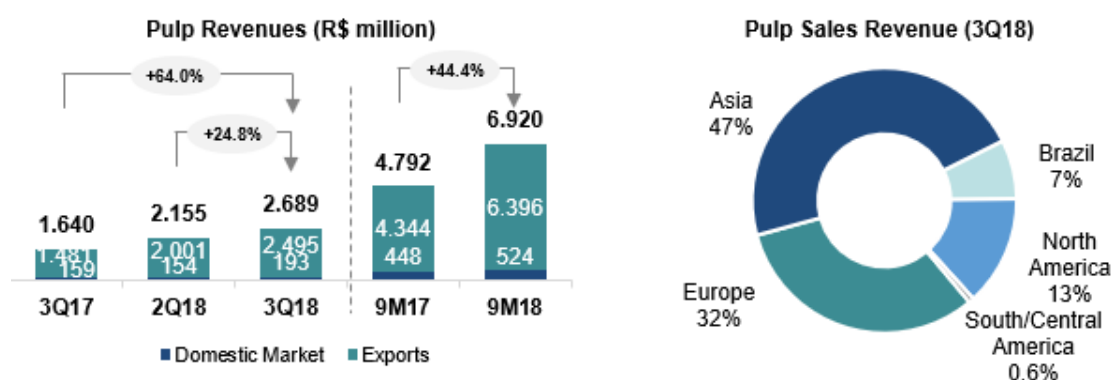
Data from the World 20 Report of the Pulp and Paper Products Council (PPPC) show that, in 3Q18, global pulp shipments grew 5.0% compared to the same period last year. Meanwhile, global eucalyptus pulp shipments grew 18.6%. In 9M18, global pulp shipments came to 38.6 million tons, up 2.9% on the year-ago period, while eucalyptus shipments were 16.7 million tons, increasing 9.0% on 9M17. The level of global pulp inventories reported by the PPPC ended September at 37 days.

Suzano sold 902.7 thousand tons of market pulp in 3Q18, which was 12.6% higher than in 2Q18 and 88% higher than in 3Q17. Meanwhile, sales in the first nine months of the year came to 2.6 million tons, down slightly from 9M17 (-3.1%).



The average net pulp price in USD in 3Q18 was US\$751/ton, increasing US\$5/ton from 2Q18 (+0.7%) and US\$126/ton from 3Q17 (+20.2%). In 9M18, the price stood at US\$744/ton, increasing US\$176/ton (+31.0%) from 9M17. The higher net pulp price is explained by the industry's positive and solid fundamentals.

The average net price in BRL in 3Q18 was R\$2,979/ton, increasing 10.8% and 50.8% compared to 2Q18 and 3Q17, respectively, supported mainly by the higher list price for pulp and by the depreciation in the BRL against the USD. In 9M18, the average net price stood at R\$2,682/ton, increasing 49.0% from 9M17, reflecting the weaker BRL and increases in the pulp list price in USD.



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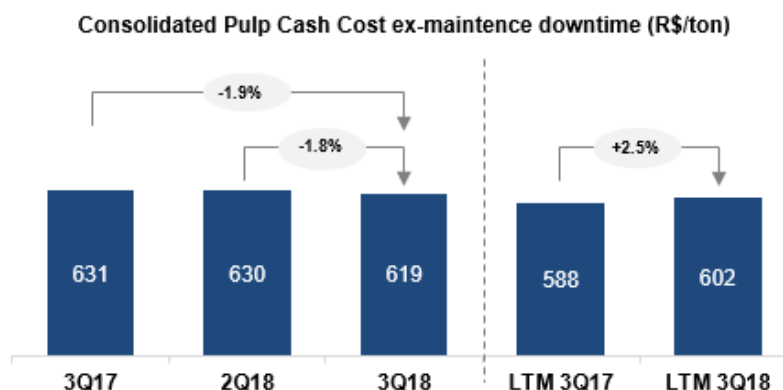
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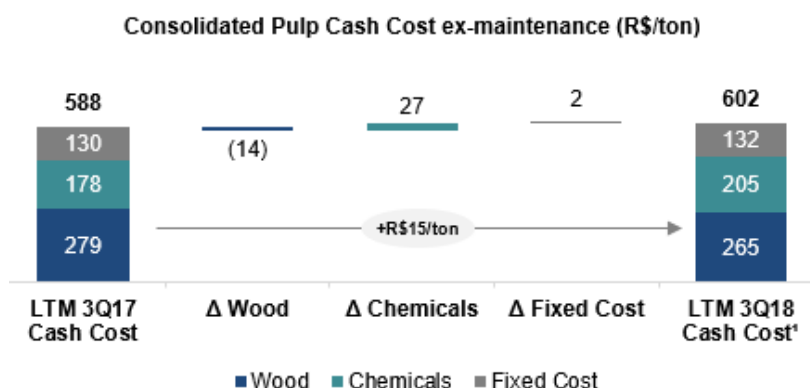


PULP CASH COST

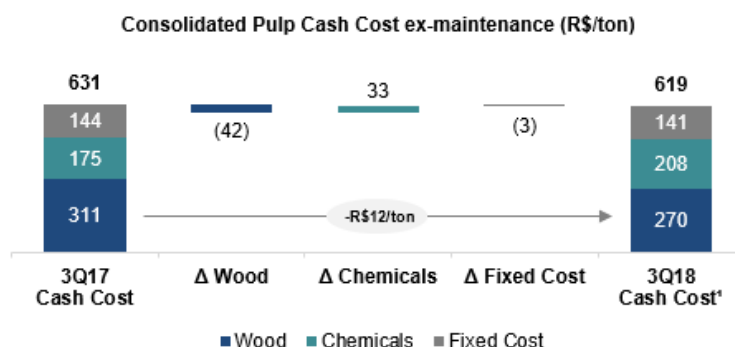
The consolidated cash cost of market pulp production in 3Q18 was R\$619/ton, including and excluding downtime.



Consolidated cash cost of market pulp production in the last 12 months ended in September 2018 was R\$602/ton excluding downtime (vs. R\$588/ton in LTM 3Q17) and R\$627/ton including downtime (vs. R\$609/ton in LTM 3Q17).



Cash cost in 3Q18 decreased R\$12/ton from 3Q17 (-1.9%), supported by the lower wood cost, but pressured by the expenses with inputs pegged to the USD.



¹ In line with market practices and for comparison purposes, the methodology for calculating cash cost was changed in 1Q18 and does not consider the depletion of the standing timber of third parties.

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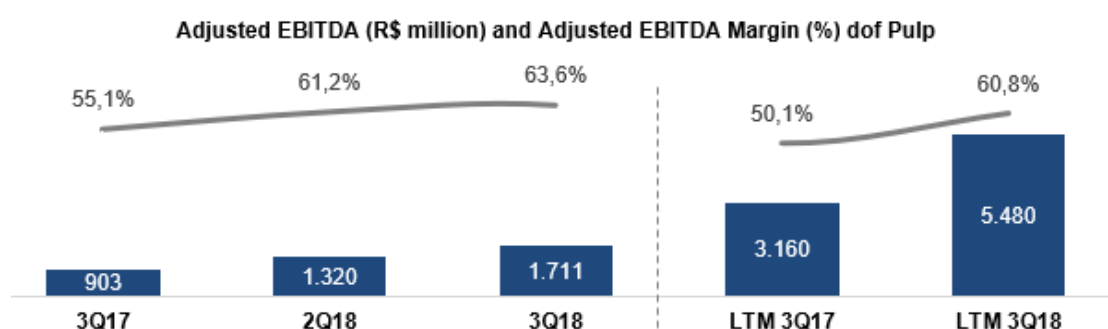
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PULP SEGMENT EBITDA

Pulp Business	3Q18	3Q17	Δ Y-o-Y	2Q18	Δ Q-o-Q	LTM 3Q18	LTM 3Q17	Δ Y-o-Y
Adjusted EBITDA (R\$ '000)	1,710,722	902,816	89.5%	1,319,798	29.6%	5,480,195	3,160,216	73.4%
Sales Volume (ton)	902,738	829,943	8.8%	801,751	12.6%	3,533,529	3,619,308	-2.4%
Pulp Adjusted EBITDA (R\$/ton)	1,895	1,088	74.2%	1,646	15.1%	1,551	873	77.6%

The performance of Adjusted EBITDA from pulp in the above periods reflects primarily the higher pulp list price and the effect from exchange variation in the period.

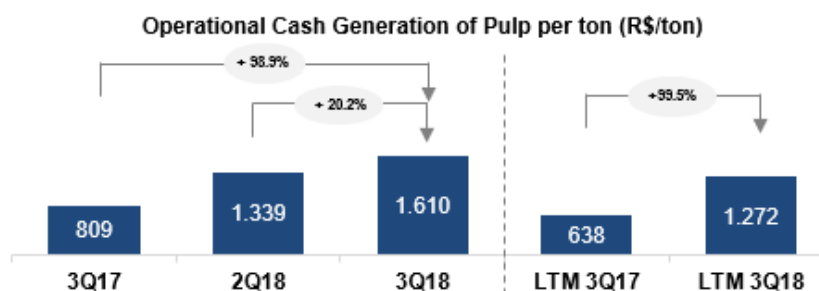


PULP OPERATING CASH GENERATION AND ROIC

The profitability of the pulp business benefitted from the pulp price and from the weaker BRL in the period.

Pulp Business (R\$ '000)	3Q18	3Q17	Δ Y-o-Y	2Q18	Δ Q-o-Q	LTM 3Q18	LTM 3Q17	Δ Y-o-Y
Adjusted EBITDA	1,710,722	902,816	89.5%	1,319,798	29.6%	5,480,199	3,160,216	73.4%
Horizontal (Categoria)	(257,565)	(231,038)	11.5%	(246,419)	4.5%	(984,695)	(851,710)	15.6%
Operating Cash Flow	1,453,157	671,778	116.3%	1,073,378	35.4%	4,495,504	2,308,506	94.7%
Cash Taxes ²						(217,329)	(4,393)	4847.7%
Monetization of ICMS						20,108	-	D.A.
Capital Employed						19,277,350	17,818,087	8.2%
Asset						19,925,228	18,550,278	7.4%
Liabilities						647,878	732,191	-11.5%
ROIC¹ (%)						22.3%	12.9%	9.4 p.p.

¹ ROIC = (Operating Cash Generation – Cash taxes) / Capital Employed (assets – liabilities). | ² Income and Social Contribution taxes.



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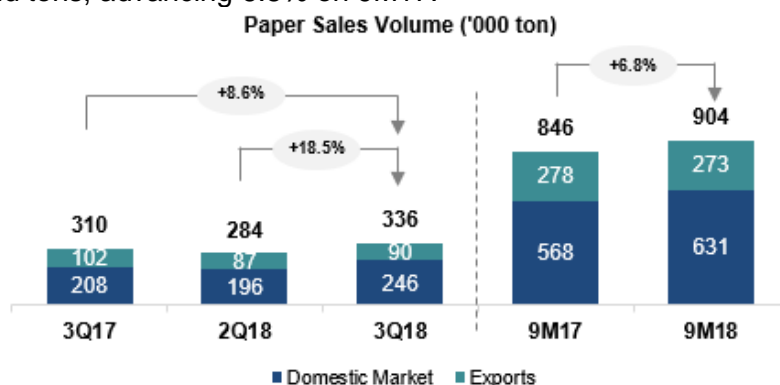


PAPER BUSINESS PERFORMANCE

PAPER SALES VOLUME AND REVENUE

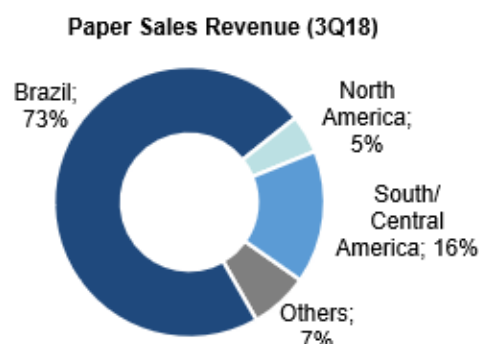
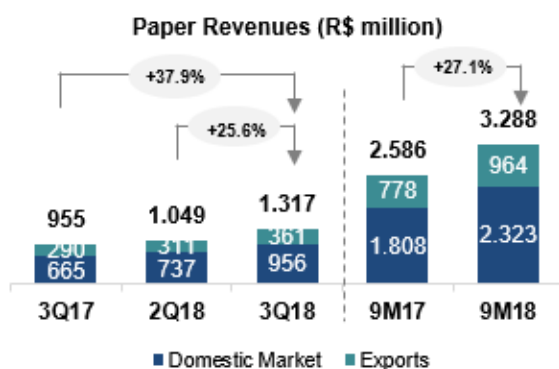
According to the Forestry Industry Association (“Ibá”), in 3Q18, domestic sales of Printing & Writing paper and Paperboard increased 2.1% compared to the same period of 2017, while imports fell 21.4%. In 9M18, sales by local producers grew 1.2% from 9M17, while imports advanced 9.7%.

Suzano’s paper sales came to 336.0 thousand tons in 3Q18, growing 8.6% from 3Q17, driven by the sales made by the consumer goods business that are being incorporated into the paper business. The 18.5% increase in sales volume compared to 2Q18 is explained by the seasonality of the domestic market for paper and paperboard and by the incorporation and ramp-up of the products of the consumer goods unit. In the year to date, sales amounted to 903.7 thousand tons, advancing 6.8% on 9M17.



The average net paper price in the domestic market in 3Q18 stood at R\$3,844/ton, representing increases of R\$129/ton (3.4%) and R\$687/ton (21.5%) compared to 2Q18 and 3Q17, respectively, which is in line with the upward trend in prices in the domestic market. In the year to date, the average net paper price was R\$3,681/ton, 15.7% than in 9M17.

In USD, the average net paper price in the export market in 3Q18 was US\$1,012/ton, representing increases of US\$22/ton (2.3%) and US\$109/ton (12.1%) from 2Q18 and 3Q17, respectively. In BRL, the average net paper price in the export market in 3Q18 was R\$4,011/ton, representing increases of 12.4% and 40.5% from 2Q18 and 3Q17, respectively, explained by the depreciation in the BRL against the USD in the period. In 9M18, the average net paper price in the export market stood at US\$982/ton, up 11.2% from 9M17.



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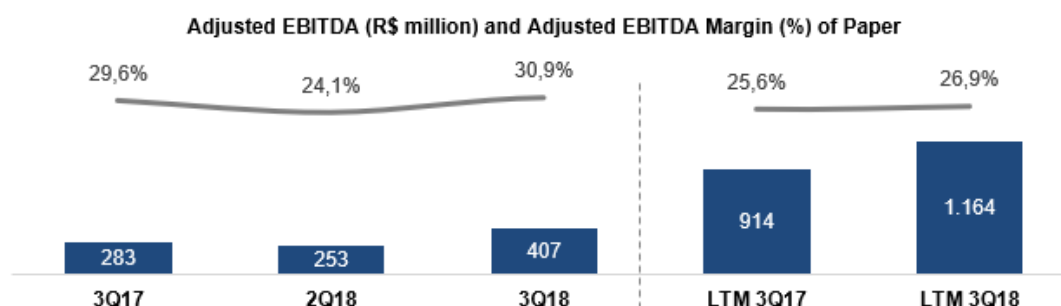
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PAPER EBITDA

Paper Business	3Q18	3Q17	Δ Y-o-Y	2Q18	Δ Q-o-Q	LTM 3Q18	LTM 3Q17	Δ Y-o-Y
Adjusted EBITDA (R\$ '000)	407,194	283,061	43.9%	252,932	61.0%	1,163,840	914,011	27.3%
Sales Volume (ton)	336,024	309,519	8.6%	283,610	18.5%	1,238,027	1,163,112	6.4%
Paper Adjusted EBITDA (R\$/ton)	1,212	915	32.5%	892	35.9%	940	786	19.6%

The performance of Adjusted EBITDA from paper in 3Q18 compared to 3Q17 and 2Q18 is explained by the operational stability, by the price increases successfully implemented in the domestic and international markets and by the depreciation in the BRL against the USD in the period. Note that the paper business is incorporating the results from the consumer goods business, which is still in the ramp-up phase.

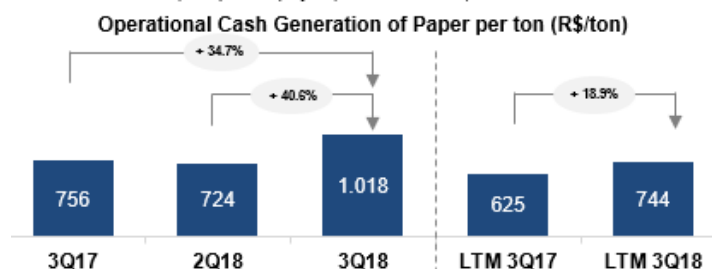


PAPER OPERATING CASH FLOW AND ROIC

The profitability of the paper business benefited from higher paper prices in the domestic and export markets, which were offset by the higher costs and expenses generated primarily by the consumer goods business, which is still in the ramp-up phase.

Paper Business (R\$ '000)	3Q18	3Q17	Δ Y-o-Y	2Q18	Δ Q-o-Q	LTM 3Q18	LTM 3Q17	Δ Y-o-Y
Adjusted EBITDA	407,194	283,061	43.9%	252,932	61.0%	1,163,838	914,009	27.3%
Sustaining Capex	(65,053)	(49,105)	32.5%	(47,517)	36.9%	(243,234)	(186,831)	30.2%
Operating Cash Flow	342,141	233,955	46.2%	205,415	66.6%	920,603	727,178	26.6%
Cash Taxes ²						(24,844)	(8,158)	204.6%
Monetization of ICMS						86,813	-	n.a.
Capital Employed						6,720,918	5,641,867	19.1%
Asset						7,400,851	6,261,363	18.2%
Liabilities						679,933	619,496	9.8%
ROIC¹ (%)						14.6%	12.7%	1.9 p.p.

¹ ROIC = (Operating Cash Generation – Cash taxes) / Capital Employed (assets – liabilities). | ² Income and Social Contribution taxes.



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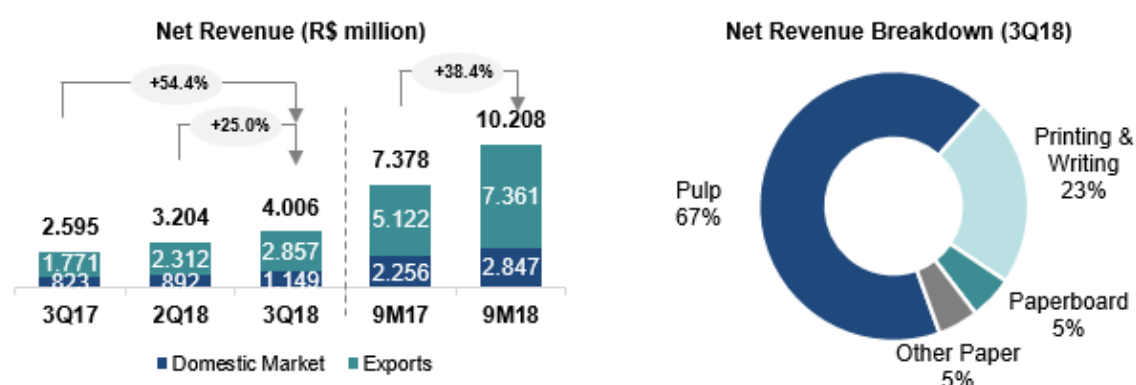
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ECONOMIC AND FINANCIAL PERFORMANCE

NET REVENUE

Suzano's net revenue in 3Q18 amounted to R\$4,005.5 million. Pulp and paper shipments in the quarter came to 1,238.8 thousand tons, increasing 14.1% from 2Q18 and 8.7% from 3Q17. In 9M18, net revenue was R\$10,208.2 million, with 3,484.2 thousand tons of paper and pulp sold.



The performance of consolidated net revenue in relation to 2Q18 is explained mainly by the effect from exchange variation in the period and by the higher paper price in the export market.

Compared to 3Q17, net revenue growth was driven by the higher pulp price in USD (average FOEX in Europe in 3Q18 of US\$1,050 vs. US\$873 in 3Q17), the higher paper price in USD and in BRL and the effect from exchange variation.

In the year to date, the 38.4% increase is explained mainly by the weaker BRL and by the higher pulp list price.

PRODUCTION

Production ('000 tons)	3Q18	3Q17	Δ Y-o-Y	2Q18	Δ Q-o-Q	9M18	9M17	Δ Y-o-Y
Pulp	941	851	10.5%	821	14.7%	2,682	2,657	0.9%
Paper	350	301	16.5%	313	11.8%	958	858	11.6%
Total	1,291	1,152	12.1%	1,134	13.9%	3,640	3,515	3.6%

During 3Q18, no scheduled maintenance downtimes were carried out at the Company's units. In 4Q18, a general scheduled maintenance downtime is scheduled for the Imperatriz Unit.

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Unit	2017				2018				2019			
	1Q17	2Q17	3Q17	4Q17	1T18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19
Imperatriz (MA)									no downtime			
Mucuri - Line 1 (BA)												
Mucuri - Line 2 (BA)					no downtime							
Suzano (SP)					no downtime							
Limeira (SP)	no downtime											

COST OF GOODS SOLD

Cost of goods sold (COGS) in 3Q18 amounted to R\$1,963.1 million or R\$1,584.7/ton. Compared to 2Q18, COGS increased 16.9%, pressured mainly by the higher sales volumes and by the charging of INSS (Social Security Contribution) contributions based on payroll, which previously were based on revenue.

Compared to 3Q17, the 26.6% increase was due to the higher price of industrial inputs, the higher sales volume, the reduction in the Reintegra benefit from 2% to 0.1% and the new charges on payroll.

In 9M18, the total COGS stood at R\$5,227.6, increasing 12.9% from 9M17.

COGS (R\$ '000)	3Q18	3Q17	Δ Y-o-Y	2Q18	Δ Q-o-Q	9M18	9M17	Δ Y-o-Y
Pulp	1,155,471	915,591	26.2%	980,974	17.8%	3,099,612	2,809,949	10.3%
Paper	807,606	635,364	27.1%	697,598	15.8%	2,127,962	1,820,914	16.9%
Consolidated	1,963,077	1,550,955	26.6%	1,678,572	16.9%	5,227,574	4,630,864	12.9%

COGS (R\$/ton)	3Q18	3Q17	Δ Y-o-Y	2Q18	Δ Q-o-Q	9M18	9M17	Δ Y-o-Y
Pulp	1,280	1,103	16.0%	1,224	4.6%	1,201	1,056	13.8%
Paper	2,403	2,053	17.1%	2,460	-2.3%	2,355	2,152	9.4%
Consolidated	1,584.7	1,361	16.4%	1,547	2.5%	1,500	1,320	13.7%

OPERATING EXPENSES

Expenses (R\$ '000)	3Q18	3Q17	Δ Y-o-Y	2Q18	Δ Q-o-Q	9M18	9M17	Δ Y-o-Y
Selling Expenses	160,988	107,499	49.8%	150,305	7.1%	433,250	302,542	43.2%
General and Administrative Expenses	198,576	123,807	60.4%	203,668	-2.5%	549,597	356,095	54.3%
Total Expenses	359,564	231,306	55.4%	353,973	1.6%	982,847	658,637	49.2%
Total Expenses/Sales Volume (R\$/ton)	290	203	43.0%	326	-11.0%	282	188	50.2%

Total selling and administrative expenses stood at R\$290/ton in 3Q18, representing increases of 43.0% in relation to 3Q17 and of 11.0% in relation to 2Q18.

Compared to 3Q17, selling expenses increased by 49.8% or R\$53.5 million, reflecting the increase of approximately R\$37 million associated with structuring the consumer goods business, as well as the higher expenses with logistics in the domestic market. Compared to

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2Q18, the consumer goods business accounted for an increase of approximately R\$6.7 million.

The 60.4% increase in general and administrative expenses compared to 3Q17 is explained by the higher expenses with profit-based compensation due to higher stock prices (approximately R\$30 million), the expenses with the consumer goods structure, especially after the incorporation of Facepa, the expenses with the Fibria transaction (approximately R\$20 million) and the charging of INSS contributions based on payroll. Meanwhile, compared to 2Q18, general and administrative expenses decreased 2.5% due to the lower expenses with profit-based compensation.

ADJUSTED EBITDA

The growth in Adjusted EBITDA in 3Q18 compared to the above periods was driven primarily by the higher pulp list price, the weaker BRL and the higher paper price in the domestic and export markets.

Consolidated	3Q18	3Q17	Δ Y-o-Y	2Q18	Δ Q-o-Q	LTM 3Q18	LTM 3Q17	Δ Y-o-Y
Adjusted EBITDA (R\$ '000)	2,117,916	1,185,877	78.6%	1,572,729	34.7%	6,644,035	4,091,385	62.4%
EBITDA Margin (%)	52.9%	45.7%	7.2 p.p.	49.1%	3.8 p.p.	49.8%	41.4%	8.3 p.p.
Sales Volume (ton)	1,238,762	1,139,461	8.7%	1,085,360	14.1%	4,771,556	4,782,420	-0.2%
Adjusted EBITDA (R\$/ton)	1,710	1,041	64.3%	1,449	18.0%	1,392	856	62.8%

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FINANCIAL INCOME AND EXPENSES

Financial Result (R\$ '000)	3Q18	3Q17	Δ Y-o-Y	2Q18	Δ Q-o-Q	9M18	9M17	Δ Y-o-Y
Financial Expenses	(475,378)	(315,223)	50.8%	(325,521)	46.0%	(1,035,172)	(876,016)	18.2%
Interest on loans and financing (local currency)	(153,877)	(94,237)	63.3%	(61,163)	151.6%	(274,498)	(325,206)	-15.6%
Interest on loans and financing (foreign currency)	(143,655)	(192,902)	-25.5%	(127,764)	12.4%	(387,287)	(430,892)	-10.1%
Capitalized interest ¹	107	2,459	-95.6%	232	-53.8%	643	5,978	-89.2%
Other financial expenses	(177,953)	(30,541)	482.7%	(136,826)	30.1%	(374,030)	(125,895)	197.1%
Financial Income	133,722	66,327	101.6%	45,007	197.1%	215,455	248,613	-13.3%
Interest on financial investments	128,235	67,082	91.2%	40,788	214.4%	202,105	237,599	-14.9%
Other financial income	5,487	(756)	-825.8%	4,219	30.1%	13,350	11,013	21.2%
Monetary and Exchange Variations	(254,257)	340,840	-174.6%	(1,139,051)	-77.7%	(1,421,714)	162,935	-972.6%
Foreign exchange variations (Debt)	(234,205)	358,854	-165.3%	(1,471,701)	-84.1%	(1,743,817)	239,487	-828.1%
Other foreign exchange variations	(20,052)	(18,014)	11.3%	332,650	-106.0%	322,103	(76,552)	-520.8%
Derivative income (loss), net²	(1,367,075)	177,736	-869.2%	(2,550,067)	-46.4%	(3,848,539)	181,405	-2,221.5%
NDF	(547,191)	-	n.a.	(1,144,478)	-52.2%	(1,691,669)	11,054	-15,403.7%
Zero-Cost Collars	(288,245)	81,078	-455.5%	(825,852)	-65.1%	(1,089,160)	65,983	-1,750.7%
Foreign-Currency Debt Hedge	(526,417)	97,248	-641.3%	(579,698)	-9.2%	(1,062,615)	102,934	-1,132.3%
Other ³	(5,222)	(590)	785.0%	(39)	13,193.0%	(5,095)	1,434	-455.3%
Net Financial Result	(1,962,988)	269,680	-827.9%	(3,969,632)	-50.5%	(6,089,970)	(283,063)	2,051.5%

¹ Capitalized interest due to construction in progress.

² Variation in mark-to-market adjustment plus adjustments paid and received, considering the end-of-month exchange rate (R\$/US\$4.0039 on 9/30/2018).

³ Other includes LIBOR operations.

Financial expenses increased by 46.0% in 3Q18 compared to 2Q18, which is explained by the effects from exchange variation in the period, by the expenses with the commitment of US\$4.5 billion in credit facilities made available for the business combination with Fibria and by the loans taken out as of June 2018 for the business combination with Fibria. Compared to 3Q17, the 50.8% increase in financial expenses is explained by the effects from exchange variation in the period, the financial expenses with the commitment and the credit facilities for the business combination with Fibria.

Compared to 2Q18, financial income in 3Q18 benefitted from the larger cash position amassed for the business combination with Fibria.

Inflation adjustment and exchange variation generated a loss of R\$254.3 million in the quarter due to the effect from foreign exchange variation, with a negative accounting effect from the mark-to-market adjustments of the portion of liabilities denominated in foreign currency, with cash effects limited to maturities or amortizations of liabilities.

The net financial expense was R\$1,963.0 million in 3Q18, compared to the expense of R\$3,969.6 million in 2Q18 and income of R\$269.7 million in 3Q17.

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DERIVATIVE TRANSACTIONS

Suzano carries out derivatives transactions exclusively for hedging purposes.

The Company's currency exposure policy seeks to minimize the volatility of its cash generation and to impart greater flexibility to cash flow management. The policy currently stipulates that surplus dollars may be partially hedged (up to 75% of exchange variation exposure over the next 18 months) using plain vanilla instruments, such as Zero-Cost Collars (ZCC) and Non-Deliverable Forwards (NDF).

ZCC transactions establish minimum and maximum limits for the exchange rate that minimize adverse effects in the event of a small change in the exchange rate within such limits, in which case the Company neither pays nor receives any financial adjustments. The Company is protected in scenarios of extreme BRL appreciation, while its gains are limited in scenarios of extreme BRL depreciation. The characteristics allows for capturing greater benefits from export revenue in a potential scenario of USD appreciation within the range contracted. The Company constantly monitors the market and analyzes the attractiveness at any given time of fully or partially reversing the transaction.

At September 30, 2018, the value of the principal of operations involving forward dollar sales through ZCCs was US\$2,265 million, whose maturities are distributed from October 2018 to October 2020 and were contracted in a range from R\$3.07 to R\$5.26, as well as NDFs whose principal was US\$50 million, with an average forward rate of R\$4.09. The current scenario of volatility in the BRL/USD exchange rate makes this the most adequate strategy for protecting the Company's cash flow.

Cash Flow Hedge	Maturity	Strike Range / Average Forward	Notional (US\$ million)
Zero-Cost Collars	4Q18	3.07 / 4.02	325
Zero-Cost Collars	1Q19	3.70 / 4.00	380
Zero-Cost Collars	2Q19	3.70 / 4.00	275
Zero-Cost Collars	3Q19	3.74 / 4.12	520
Zero-Cost Collars	4Q19	3.68 / 4.07	370
Zero-Cost Collars	1Q20	3.90 / 4.36	350
Zero-Cost Collars	2Q20	4.00 / 5.26	45
NDF	3Q19	4.085	50
Total			2,315

The Company also uses currency and interest rate swaps to mitigate the effects from exchange and interest rate variations on the balance of its debt and on its cash flow. Contracts swapping different interest rates and inflation indexes may be entered into as a way to mitigate the mismatch between financial assets and liabilities.

At September 30, 2018, the Company held US\$1,565 million in swaps of CDI and LIBOR for a fixed rate in USD. In 3Q18, debt hedge transactions posted a loss of R\$137 million.

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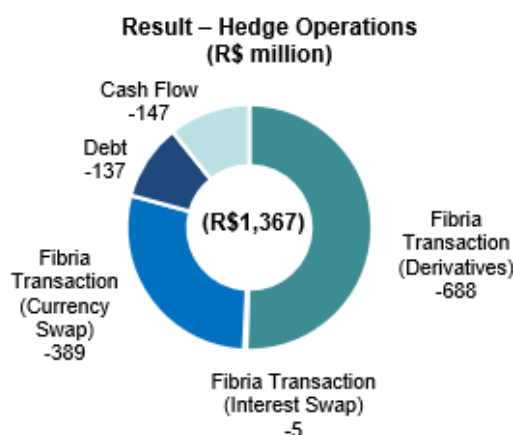
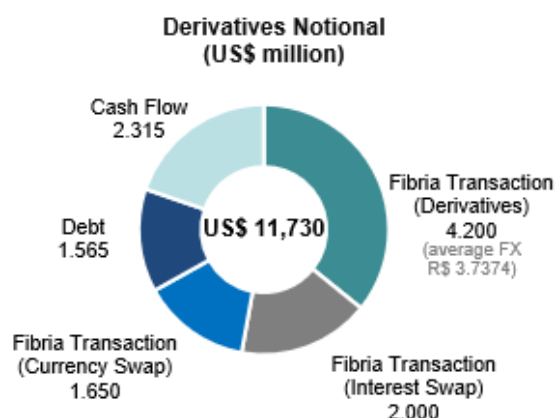


Debt Hedge	Maturity	Receive	Pay	Notional (USD million)
Swap	2020	Brazilian Real CDI	US Dollar Fixed	802
Swap	2023	Libor	US Dollar Fixed	763
Total				1,565

In addition to hedge operations for cash flow and debt, we carried out new hedge operations for the transaction with Fibria. All derivative instruments to hedge the transaction are plain vanilla, as approved by the Company's Derivatives Policy.

At September 30, 2018, the value of the principal of operations involving forward dollar sales through NDFs was US\$2,900 million, with an average forward rate of R\$3.86, whose maturities are distributed from April 2019 to June 2019, as well as ZCCs whose principal value was US\$1,300 million, with maturities distributed from May 2019 to October 2019 and contracted in a range from R\$3.50 to R\$3.99. At September 30, 2018, the Company held US\$3,650 million in swaps of CDI and Libor for a fixed rate in USD.

Fibria's Operation - Hedge	Maturity	Strike Range / Average Forward / Index	Notional (USD million)
Zero-Cost Collars	2Q19	3.50 / 3.99	200
Zero-Cost Collars	3Q19	3.67 / 3.82	900
Zero-Cost Collars	4Q19	3.50 / 3.95	200
NDF	2Q19	3.96	1,700
NDF	3Q19	3.76	1,200
Swap	2026	Brazilian Real CDI – US Dollar Fixed	1,650
Subtotal			5,850
Swap	2024	Libor – US Dollar Fixed	2,000
Total			7,850



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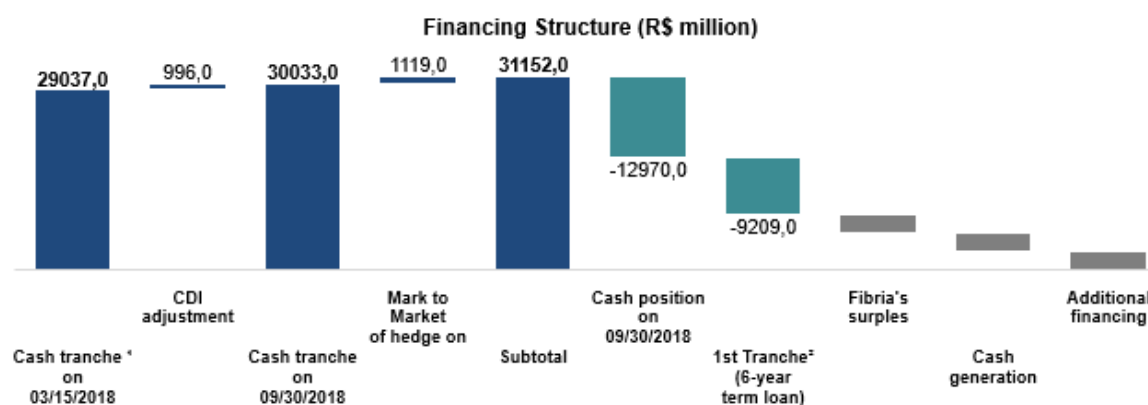
(In thousands of R\$, unless otherwise stated)



TRANSACTION WITH FIBRIA

On March 15, 2018, the Company announced a transaction with Fibria worth R\$29.0 billion (US\$8.8 billion, at the exchange rate on the day).

During 2018, the Company raised funds in the local market in the amount of R\$6.2 billion. In the international market, it successfully placed a US\$1.0 billion issue of 10-year bonds.



* Cash tranche: payment of R\$52.50 for Fibria shareholders per common share issued by Fibria, to be adjusted by the CDI variation from 3/15/2018 to the date the Transaction is consummated. | * Considering all capital raised in the period, as well as the Company's full cash. | * Commitment: US\$2.3 billion with the exchange rate of 9/30/2018 (R\$4.0039/US\$).

INDEBTEDNESS

On September 30, 2018, gross debt stood at R\$23.8 billion and was composed of 92.6% long-term maturities and 7.4% short-term maturities, with 59.5% denominated in foreign currency and 40.5% in local currency. The percentage of gross debt denominated in foreign currency, considering the adjustment for derivatives, was 97.4%.

Meanwhile, net debt stood at R\$10.8 billion (US\$2.7 billion) on September 30, 2018, compared to R\$9.9 billion (US\$2.6 billion) on June 30, 2018.

Debt (R\$ '000)	09/30/2018	09/30/2017	Δ Y-o-Y	06/30/2018	Δ Q-o-Q
Local Currency	9,638,142	3,732,306	158.2%	7,979,130	20.8%
Short Term	1,276,509	497,749	156.5%	1,142,945	11.7%
Long Term	8,361,633	3,234,556	158.5%	6,836,184	22.3%
Foreign Currency	14,180,594	9,400,605	50.8%	9,983,341	42.0%
Short Term	492,823	1,287,617	-61.7%	551,469	-10.6%
Long Term	13,687,771	8,112,986	68.7%	9,431,872	45.1%
Gross Debt	23,818,736	13,132,911	81.4%	17,962,471	32.6%
(-) Cash	12,970,329	3,849,949	236.9%	8,027,522	61.6%
Net Debt	10,848,407	9,282,962	16.9%	9,934,949	9.2%
Net Debt/Adjusted EBITDA ¹ (x)	1.6x	2.3x	-0.6x	1.7x	-0.1x

¹ Excludes nonrecurring items.

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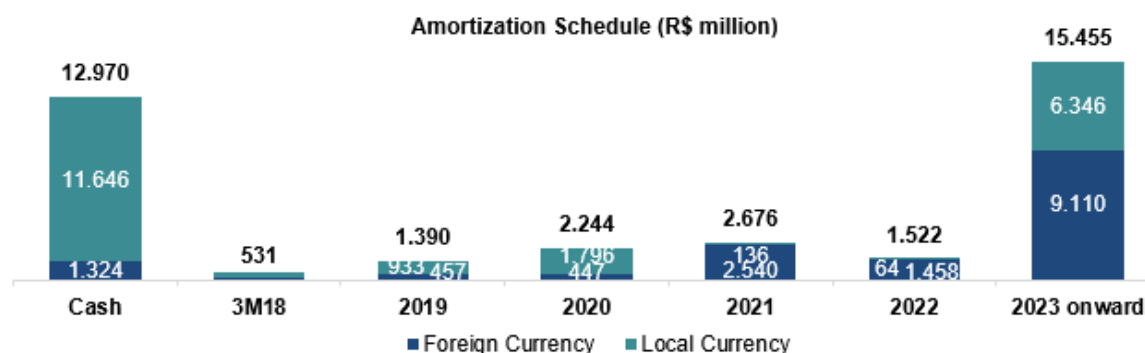
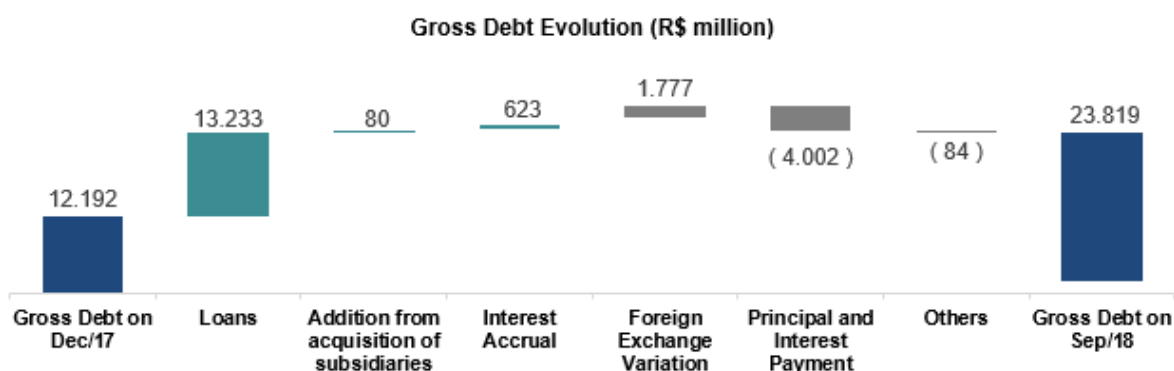
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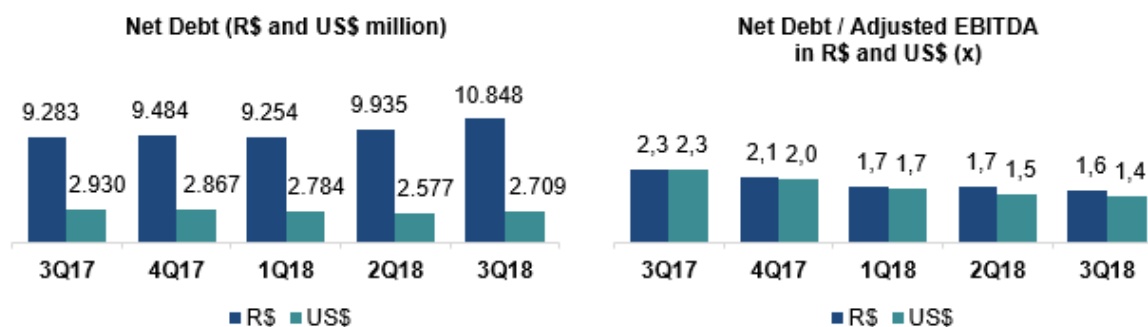


Suzano contracts debt in foreign currency as a natural hedge, since net operating cash generation is denominated in foreign currency. This structural exposure allows it to contract export financing in USD to match financing payments with receivable flows from sales.

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



The ratio of net debt to Adjusted EBITDA in BRL stood at 1.6x on September 30, 2018, compared to 1.7x on June 30, 2018. The ratio of net debt to Adjusted EBITDA in USD stood at 1.4x on September 30, 2018, compared to 1.5x on June 30, 2018. The reduction in the ratio in USD is explained by the effect from exchange variation in the period.



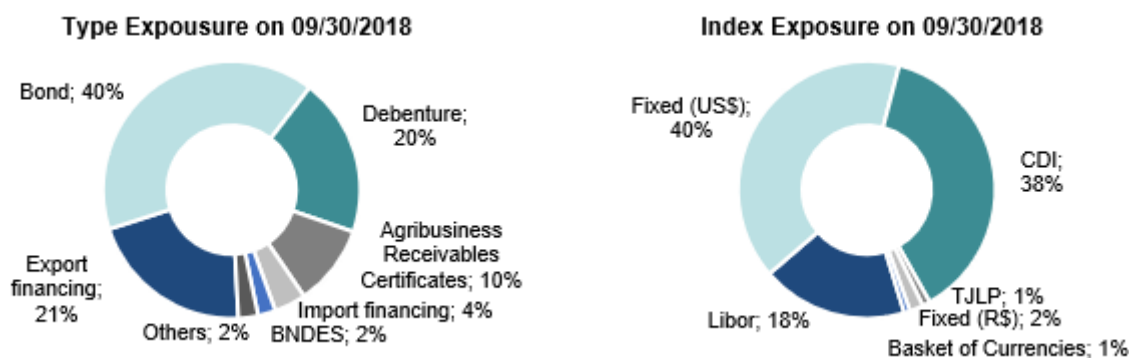
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In September 2018, the total average cost of debt in USD was 5.2% p.a. (debt in BRL adjusted by the market swap curve). The average term of consolidated debt ended the quarter at 93 months (vs. 90 months in June 2018).



INVESTMENTS

Capital expenditure amounted to R\$2,147.8 million in 9M18, of which R\$880.2 million was invested in industrial and forest maintenance. Expenditures on the Structural Competitiveness and Adjacent Businesses projects came to R\$1,043.1 million, which primarily consisted of the acquisition of Facepa (R\$267.9 million), the acquisition of land and forests from Duratex (R\$512.8 million) and the Tissue (Maranhão and Bahia states) and Lignin projects.

For 2018, capex is estimated at R\$2.8 billion, of which R\$1.2 billion corresponds to sustaining capex and R\$1.6 billion to the Adjacent Businesses and Structural Competitiveness projects.

Capex (R\$ '000)	3Q18	3Q17	Δ Y-o-Y	2Q18	Δ Q-o-Q	9M18	9M17	Δ Y-o-Y
Sustaining	322,618	280,143	15.2%	293,937	9.8%	880,173	752,014	17.0%
Industrial Maintenance	67,624	62,958	7.4%	68,780	-1.7%	191,183	166,339	14.9%
Forestry Maintenance	254,994	217,185	17.4%	225,156	13.3%	688,990	585,675	17.6%
Structural Competitiveness and Adjacent Business	432,585	132,260	227.1%	232,373	86.2%	1,043,127	367,043	184.2%
Other	110,578	96,037	15.1%	47,148	134.5%	224,521	141,654	58.5%
Total	865,781	508,441	70.3%	573,457	51.0%	2,147,821	1,260,711	70.4%

CASH FLOW AND ROIC

(R\$ '000)	3Q18	3Q17	Δ Y-o-Y	2Q18	Δ Q-o-Q	LTM 3Q18	LTM 3Q17	Δ Y-o-Y
Adjusted EBITDA	2,117,916	1,185,877	78.6%	1,572,729	34.7%	6,644,035	4,091,385	62.4%
Sustaining Capex	(322,618)	(280,143)	15.2%	(293,936)	9.8%	(1,227,930)	(1,038,541)	18.2%
Operating Cash Flow	1,795,298	905,733	98.2%	1,278,793	40.4%	5,416,105	3,052,845	77.4%

Suzano's operating cash generation (Adjusted EBITDA less sustaining capex) amounted to R\$1.8 billion in 3Q18 and R\$5.4 billion in the last 12 months (ended in September 2018). The variations in the comparison periods are explained by the depreciation in the BRL against the

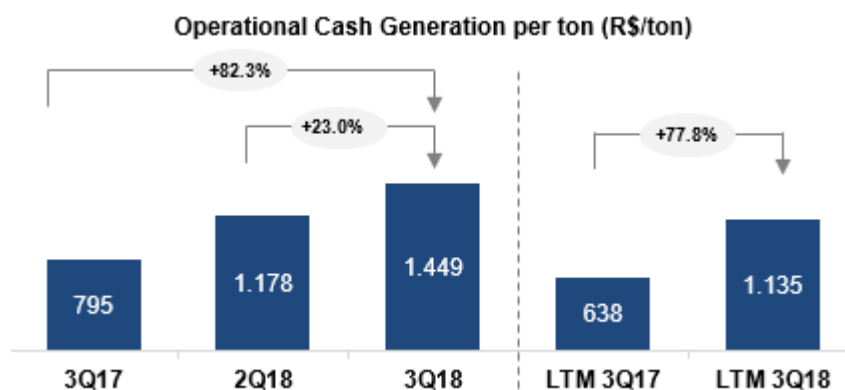
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USD, the higher pulp list price, the higher paper price in the international and domestic markets and the consolidation of Facepa's results as from 2Q18.



Consolidated ROIC stood at 20.3%. The 7.4 p.p. increase compared to the 12 months to 3Q17 is explained by the higher profitability of the pulp segment due to depreciation in the BRL against the USD, the higher pulp price and the successful implementation of paper price increases in the international and domestic markets.

Consolidated ROIC (R\$ '000)	LTM 3Q18	LTM 3Q17	Δ Y-o-Y
Operating Cash Flow	5,416,107	3,052,843	77.4%
Cash taxes ²	(242,173)	(12,550)	1829.6%
Monetization of ICMS	106,921	-	D.a.
Capital Employed	25,998,267	23,459,953	10.8%
Asset	27,326,079	24,811,640	10.1%
Liabilities	1,327,811	1,351,687	-1.8%
ROIC¹ (%)	20.3%	13.0%	7.4 p.p.

¹ ROIC = (Operating Cash Generation – Cash taxes) / Capital Employed (assets – liabilities).

² Income and Social Contribution taxes.

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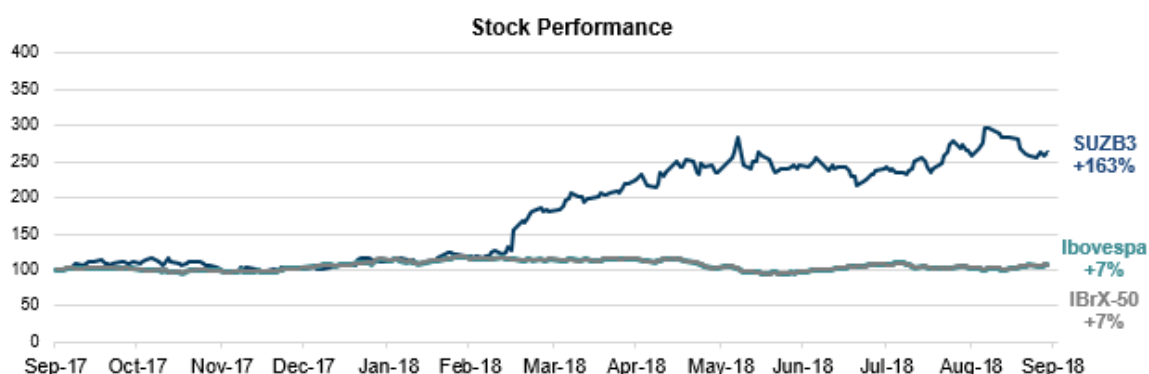
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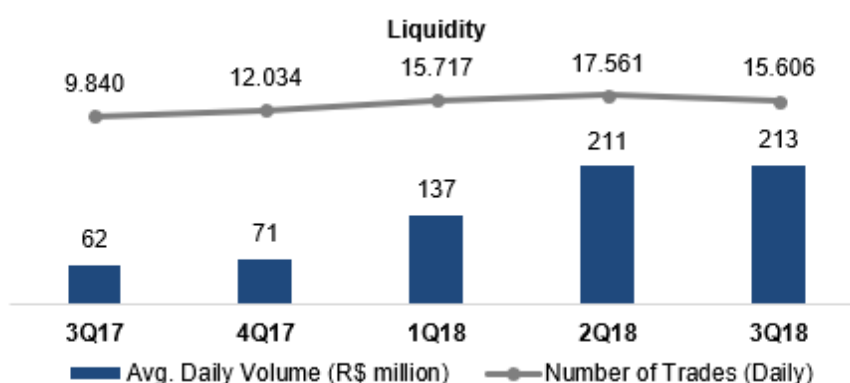


CAPITAL MARKETS

On September 30, 2018, Suzano's common stock (SUZB3) was quoted at R\$48.08/share. The Company's stock is listed on the Novo Mercado, the listing segment of the São Paulo Exchange (B3) with the highest corporate governance standards.



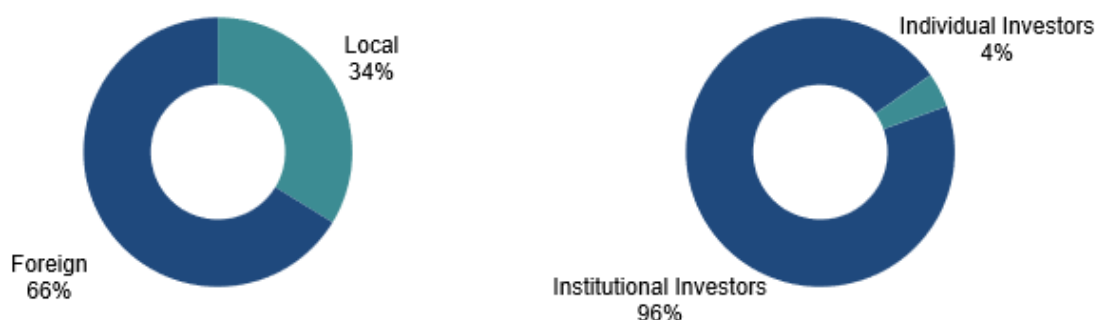
Source: Bloomberg.



Source: Bloomberg.

On September 30, 2018, the Company's capital stock was represented by 1,105,826,145 common shares (SUZB3) traded on the B3, of which 12,042,004 were treasury shares. Suzano's market capitalization stood at R\$53.2 billion on September 30, 2018. In 3Q18, the free-float stood at 42.6% of the total capital.

Free-Float Distribution on 09/30/2018



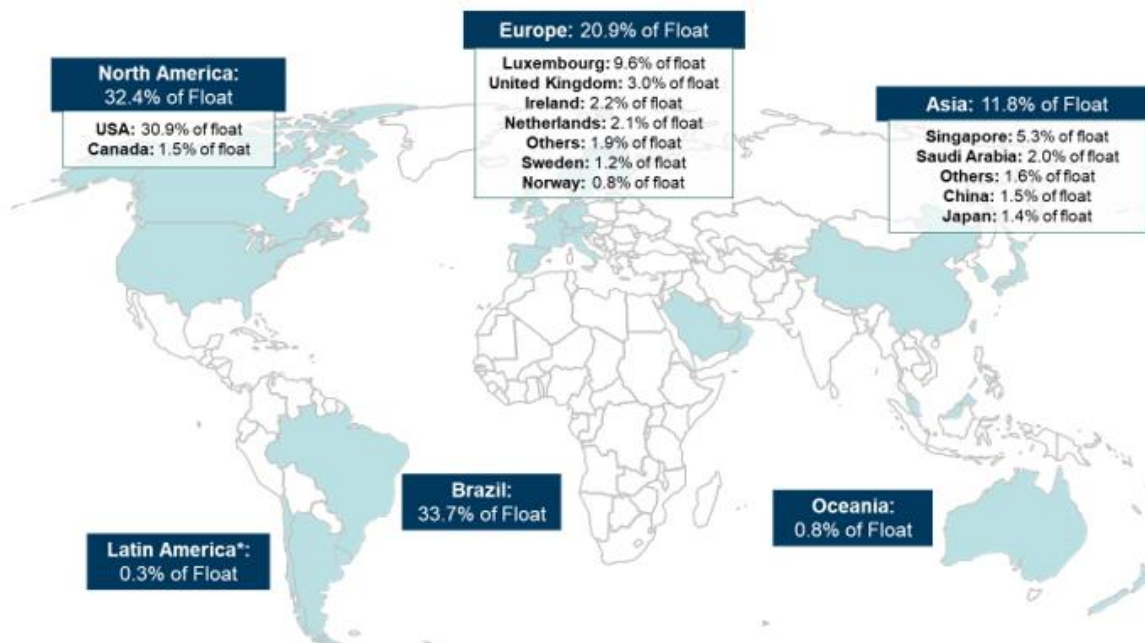
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Free-Float Distribution on 09/30/2018



* Latin America excluding Brazil.

FIXED INCOME

	Unit	Sep/17	Jun/18	Sep/18
Suzano 2021 - Price	USD/k	108.0	104.1	103.6
Suzano 2021 - Yield	%	3.3	4.3	4.2
Suzano 2026 - Price	USD/k	107.7	102.0	100.5
Suzano 2026 - Yield	%	4.7	5.4	5.7
Suzano 2029 - Price	USD/k	-	-	100.0
Suzano 2029 - Yield	%	-	-	6.0
Suzano 2047 - Price	USD/k	109.3	113.5	103.9
Suzano 2047 - Yield	%	6.3	6.8	6.7
Treasury 10 years	%	2.3	2.9	3.1

RATING

Agency	National Scale	Global Scale	Outlook
Fitch Ratings	AAA	BBB-	Stable
Standard & Poor's	br AAA	BBB-	Stable
Moody's	Aaa.br	Ba1	Stable

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EVENTS

EVENTS IN THE PERIOD

The Material Fact notices and the Notices to the Market mentioned below are available on the website of the Securities and Exchange Commission of Brazil (CVM) and on the Company's IR website (www.suzano.com.br/ir).

Acquisition of Land and Forests in the State of São Paulo

On July 2, 2018, the Company informed its shareholders and the general market that it had exercised the option to acquire around twenty thousand (20,000) hectares of rural areas and five million, six hundred thousand cubic meters (5,600,000 m³) of forests from Duratex, for R\$749.4 million, adjusted in accordance with the Contract.

Merger Agreement

On July 26, 2018, the Company informed its shareholders and the general market that the Board of Directors of Suzano, among other things, approved the execution of an Agreement and Plan of Merger ("Merger Agreement") by and between Suzano, Fibria Celulose S.A. ("Fibria"), and Eucalipto Holding S.A. ("Holding"), establishing the terms and conditions of the corporate restructuring that will enable the combination of the businesses and shareholding bases of Suzano and Fibria, the object of the Voting Commitment and Assumption of Obligations entered into on March 15, 2018 and announced through the Material Fact Notice of the Company of March 16, 2018 ("Operation").

Auction of the Port of Itaqui (Maranhão State)

On July 27, 2018, the Company informed its shareholders and the general market that its proposal presented in connection with Auction 03/2018, held by the National Water Transportation Agency ("ANTAQ") was the winning bid in the auction.

Export Credit Note

On July 31, 2018, the Company informed its shareholders and the general market that it raised a total of seven hundred and seventy million, six hundred thousand reais (R\$ 770,660,000.00) through an Export Credit Note ("ECN") with Banco Safra S.A.

Reduction in Financial Commitment

On July 31, 2018, the Company informed its shareholders and the general market that it approved, in connection with the transaction to combine the operations and shareholder bases of the Company and of Fibria Celulose S.A. ("Fibria") through a corporate restructuring in accordance with said Material Fact ("Transaction"), the reduction from six billion, nine hundred million dollars (US\$6,900,000,000.00) to four billion, four hundred million dollars (US\$ 4,400,000,000.00) of the firm financial commitment with certain international financial institutions to fund the cash portion of the Transaction, whose disbursement is subject to, among other conditions, the consummation of the Transaction.

Receipt of Notice of Effectiveness by the Securities and Exchange Commission (SEC) of the United States of America

On August 9, 2018, the Company informed its shareholders and the general market that, on August 8, 2018, it received the notice of effectiveness from the U.S. Securities and Exchange Commission (SEC) for the registration statement filed by Suzano with the SEC for the purposes of notification, holding and consideration by the Extraordinary Shareholders

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Meetings of Suzano and of Fibria, to be held on first call on September 31, 2018, in accordance with the Notices of Meeting published on August 9, 2018, the proposal for the corporate restructuring to combine the operations and shareholder bases of Suzano and Fibria, which is the object of the Voting Commitment and Assumption of Obligations entered into on March 15, 2018 and announced by the Companies through the Material Fact notices dated March 16, 2018, in accordance with the terms and conditions in the agreement and plan of merger entered into by and between the managements of Suzano, Fibria and Eucalipto Holding S.A. that were approved by the Boards of Directors of Suzano and Fibria in the meetings held on July 26, 2018 and announced by the Companies on the same date.

Clarifications of inquiries by CVM/B3

On August 13, 2018, the Company clarified that, as informed in item 3(c) of Appendix 20-A to the Management Proposal, disclosed on August 9, 2018, the new shares to be issued by Suzano as a result of the corporate restructuring will enjoy the same rights, advantages and restrictions applicable to the current common shares issued by Suzano, including any rights to dividends and other shareholder payments that come to be declared by the Company as from their issue date.

Export Credit Note (ECN) and Farm Product Bonds (FPB)

On August 27, 2018, the Company announced to its shareholders and the general market that it raised capital from Banco Safra S.A. through the issue of Export Credit Notes ("NCEs") and Farm Product Bonds ("CPR").

Approval by antitrust authority in China

On August 31, 2018, the Company, complementing the Material Fact notice of March 16, 2018, announced to its shareholders and the general market that it was informed by the State of Administration for Market Regulation (SAMR), China's antitrust authority, of the approval of the transaction by and between Suzano and Fibria Celulose S.A. without restrictions in China.

Conclusion of the acquisition of land and forests in the State of São Paulo

On August 31, 2018, the Company, complementing the Material Fact notices published (i) on February 5, 2018, announcing the execution by and between Duratex S.A. ("Duratex") of the Commitment to Purchase and Sell Rural Properties, Purchase Option and Other Covenants, with Suspensive Clause ("Agreement"), and (ii) on July 2, 2018, announcing the exercise of the option to purchase approximately twenty thousand (20,000) hectares of rural properties and five million, six hundred thousand cubic meters (5,600,000 m³) of forests, for R\$749.4 million, adjusted in accordance with the Agreement, hereby announces to its shareholders and the general market that, on the date hereof, it concluded the acquisition of the aforementioned rural areas and forests that are the subject matters of such purchase option.

Approval by antitrust authority in Turkey

On September 6, 2018, the Company, complementing the Material Fact notice dated March 16, 2018, announced to its shareholders and the general market that it was informed by the Turkish antitrust authority of the approval of the transaction by and between Suzano and Fibria Celulose S.A. without restrictions in Turkey.

Approval of the Transaction with Fibria by the ESM

On September 13, 2018, the Company informed its shareholders, the market and other stakeholders that the extraordinary shareholders' meetings of Suzano and Fibria held on said

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date approved all matters related to the corporate restructuring with a view to combining their operations and shareholder bases.

Offer of Senior Notes in the international market (2029 Bonds)

On September 17, 2018, the Company, complementing the Material Fact notice dated March 16, 2018, informed its shareholders and the general market that, in connection with the transaction to combine the operations and shareholder bases of the Company and of Fibria Celulose S.A. ("Fibria") through a corporate restructuring in accordance with said Material Fact notice ("Transaction"), it issued and priced on said date, in the international market, through its wholly owned subsidiary Suzano Austria GmbH, Senior Notes due in 2029 in the aggregate amount of one billion U.S. dollars (US\$1,000,000,000.00) ("Notes").

Reduction in Financial Commitment

On September 25, 2018, the Company informed its shareholders and the general market that its Board of Directors, in a meeting held on September 21, 2018, approved, in connection with the transaction to combine the operations and shareholder bases of the Company and of Fibria Celulose S.A. ("Fibria") through a corporate restructuring in accordance with said Material Fact notice ("Transaction"), a reduction from four billion, four hundred million dollars (US\$4,400,000,000.00) to two billion, two hundred million dollars (US\$2,200,000,000.00) in the firm financial commitment with certain international financial institutions to fund the cash portion of the Transaction, whose disbursement is subject, among other conditions, to the consummation of the Transaction.

SUBSEQUENT EVENTS

The Material Fact notice mentioned below is available on the website of CVM and on the Company's IR website (www.suzano.com.br/ir).

Approval from antitrust authority in Brazil

On October 11, 2018, the Company, complementing the Material Fact notice dated March 16, 2018, announced to its shareholders and the general market the publication on the website of Brazil's antitrust authority CADE (*Conselho Administrativo de Defesa Econômica*), on October 11, 2018, of the decision by the General Superintendence of CADE approving, without restrictions, the merger of the operations of Suzano and Fibria Celulose S.A., subject to the legal term, in accordance with governing law.

Integral Reduction in Financial Commitment

On October 25, 2018, the Company, complementing the Material Facts notice of March 16, 2018, July 31, 2018, and September 25, 2018, hereby announced to its shareholders and the market that it approved, in connection with the transaction aimed at combining the operations and shareholder bases of the Company and Fibria Celulose S.A. ("Fibria") through a corporate restructuring process, as per the terms disclosed in said Material Fact notice ("Operation"), the integral reduction of the existing firm financial commitment with certain international financial institutions to finance the cash portion of the Operation.

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APPENDICES

APPENDIX 1 – Operating Data

Revenue breakdown (R\$ '000)	3Q18	3Q17	Δ Y-o-Y	2Q18	Δ Q-o-Q	9M18	9M17	Δ Y-o-Y
Exports	2,856,528	1,771,270	61.3%	2,312,191	23.5%	7,360,769	5,122,226	43.7%
Pulp	2,495,457	1,481,021	68.5%	2,001,072	24.7%	6,396,308	4,343,999	47.2%
Paper	361,071	290,249	24.4%	311,119	16.1%	964,461	778,227	23.9%
Domestic Market	1,148,996	823,422	39.5%	891,602	28.9%	2,847,408	2,256,243	26.2%
Pulp	193,414	158,715	21.9%	154,107	25.5%	524,068	448,326	16.9%
Paper	955,582	664,707	43.8%	737,496	29.6%	2,323,339	1,807,917	28.5%
Total Net Revenue	4,005,524	2,594,692	54.4%	3,203,793	25.0%	10,208,177	7,378,469	38.4%
Pulp	2,688,871	1,639,736	64.0%	2,155,179	24.8%	6,920,376	4,792,325	44.4%
Paper	1,316,653	954,956	37.9%	1,048,615	25.6%	3,287,800	2,586,144	27.1%

Sales volume (tons)	3Q18	3Q17	Δ Y-o-Y	2Q18	Δ Q-o-Q	9M18	9M17	Δ Y-o-Y
Exports	918,456	844,571	8.7%	823,272	11.6%	2,632,111	2,655,328	-0.9%
Pulp	828,442	742,937	11.5%	736,056	12.6%	2,359,528	2,377,601	-0.8%
Paper	90,014	101,633	-11.4%	87,215	3.2%	272,583	277,727	-1.9%
Paperboard	13,594	20,132	-32.5%	12,279	10.7%	40,205	50,168	-19.9%
Printing & Writing	76,420	81,501	-6.2%	74,936	2.0%	232,377	227,559	2.1%
Domestic Market	320,306	294,891	8.6%	262,089	22.2%	852,089	852,645	-0.1%
Pulp	74,296	87,005	-14.6%	65,694	13.1%	220,997	284,260	-22.3%
Paper	246,009	207,885	18.3%	196,394	25.3%	631,092	568,385	11.0%
Paperboard	36,555	27,134	34.7%	30,139	21.3%	96,715	85,408	13.2%
Printing & Writing	177,645	169,210	5.0%	143,457	23.8%	469,467	458,077	2.5%
Other paper ¹	31,809	11,541	175.6%	22,798	39.5%	64,910	24,900	160.7%
Total sales volume	1,238,762	1,139,461	8.7%	1,085,360	14.1%	3,484,199	3,507,974	-0.7%
Pulp	902,738	829,943	8.8%	801,751	12.6%	2,580,525	2,661,861	-3.1%
Paper	336,024	309,519	8.6%	283,610	18.5%	903,674	846,112	6.8%
Paperboard	50,149	47,267	6.1%	42,418	18.2%	136,920	135,576	1.0%
Printing & Writing	254,066	250,711	1.3%	218,393	16.3%	701,844	685,636	2.4%
Other paper ¹	31,809	11,541	175.6%	22,798	39.5%	64,910	24,900	160.7%

Average net price (R\$/ton)	3Q18	3Q17	Δ Y-o-Y	2Q18	Δ Q-o-Q	9M18	9M17	Δ Y-o-Y
Exports	3,110	2,097	48.3%	2,809	10.7%	2,797	1,929	45.0%
Pulp	3,012	1,993	51.1%	2,719	10.8%	2,711	1,827	48.4%
Paper	4,011	2,856	40.5%	3,567	12.4%	3,538	2,802	26.3%
Domestic Market	3,587	2,792	28.5%	3,402	5.4%	3,342	2,646	26.3%
Pulp	2,603	1,824	42.7%	2,346	11.0%	2,371	1,577	50.4%
Paper	3,884	3,197	21.5%	3,755	3.4%	3,681	3,181	15.7%
Total	3,233	2,277	42.0%	2,952	9.5%	2,930	2,103	39.3%
Pulp	2,979	1,976	50.8%	2,688	10.8%	2,682	1,800	49.0%
Paper	3,918	3,085	27.0%	3,697	6.0%	3,638	3,057	19.0%

¹ Paper from other manufacturers sold by the distributor and tissue paper.

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APPENDIX 2 – Consolidated Statement of Income

Consolidated Financial Statement (R\$ '000)	3Q18	3Q17	Δ Y-o-Y	2Q18	Δ Q-o-Q	9M18	9M17	Δ Y-o-Y
Net Revenue	4,005,524	2,594,692	54.4%	3,203,795	25.0%	10,208,178	7,378,470	38.4%
Cost of Goods Sold	(1,983,077)	(1,550,954)	26.6%	(1,878,574)	18.9%	(5,227,577)	(4,830,862)	12.9%
Gross Profit	2,042,447	1,043,738	95.7%	1,525,221	33.9%	4,980,601	2,747,608	81.3%
Gross Margin	51.0%	40.2%	10.8 p.p.	47.6%	3.4 p.p.	48.8%	37.2%	11.6 p.p.
Operating Expense/Income	(308,438)	(234,429)	31.6%	(354,713)	-13.0%	(942,381)	(661,294)	42.5%
Selling Expenses	(160,988)	(107,499)	49.8%	(150,305)	7.1%	(433,250)	(302,541)	43.2%
General and Administrative Expenses	(198,578)	(123,807)	60.4%	(203,687)	-2.5%	(549,598)	(358,095)	54.3%
Other Operating Income (Expenses)	47,136	(3,115)	-1813.2%	(673)	-7103.9%	36,596	(7,472)	-589.8%
Equity Equivalence	3,990	(8)	-449975.0%	(88)	-5987.6%	3,889	4,814	-19.6%
EBIT	1,734,009	809,309	114.3%	1,170,508	48.1%	4,038,220	2,086,314	93.6%
Depreciation, Amortization & Depletion	415,402	348,827	19.1%	374,932	10.8%	1,175,272	1,047,170	12.2%
EBITDA	2,149,411	1,158,136	85.6%	1,545,440	39.1%	5,213,492	3,133,484	66.4%
EBITDA Margin (%)	53.7%	44.6%	9.0 p.p.	48.2%	5.4 p.p.	51.1%	42.5%	8.6 p.p.
Adjusted EBITDA¹	2,117,916	1,185,877	78.6%	1,572,729	34.7%	5,218,928	3,189,793	63.6%
Adjusted EBITDA Margin ¹	52.9%	45.7%	7.2 p.p.	49.1%	3.8 p.p.	51.1%	43.2%	7.9 p.p.
Net Financial Result	(1,962,988)	269,680	-827.9%	(3,969,632)	-50.5%	(6,089,970)	(283,063)	2051.5%
Financial Expenses	133,722	66,327	101.6%	45,007	197.1%	215,455	248,613	-13.3%
Financial Revenues	(475,378)	(315,223)	50.8%	(325,521)	46.0%	(1,035,172)	(876,018)	18.2%
Exchange Rate Variation	(254,257)	340,840	-174.6%	(1,139,051)	-77.7%	(1,421,714)	162,935	-872.6%
Net Proceeds Generated by Derivatives	(1,367,075)	177,736	-869.2%	(2,550,087)	-46.4%	(3,848,539)	181,405	-2221.5%
Earnings Before Taxes	(228,979)	1,078,989	-121.2%	(2,799,124)	-91.8%	(2,051,750)	1,803,251	-213.8%
Income and Social Contribution Taxes	121,371	(278,113)	-143.6%	950,153	-87.2%	908,298	(353,684)	-356.8%
Net Income (Loss)	(107,608)	800,876	-113.4%	(1,848,971)	-94.2%	(1,143,452)	1,449,567	-178.9%
Net Margin	-2.7%	30.9%	-33.6 p.p.	-57.7%	55.0 p.p.	-11.2%	19.6%	-30.8 p.p.

¹ Excluding non-recurring items.

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APPENDIX 3 – Consolidated Balance Sheet

Assets (R\$ '000)	09/30/2018	06/30/2018	03/31/2018	12/31/2017	09/30/2017
Current Assets					
Cash and Cash Equivalent	1,705,762	3,624,737	2,000,336	1,076,833	1,439,776
Financial Applications	11,264,567	4,402,785	1,391,669	1,831,505	2,410,173
Accounts Receivable	2,761,578	2,325,251	2,389,398	2,303,810	1,862,202
Inventories	1,545,585	1,477,406	1,321,436	1,183,567	1,408,791
Recoverable Taxes	287,116	365,551	320,038	306,426	423,523
Prepaid Expenses	61,480	132,027	182,593	37,016	52,317
Other Current Assets	697,453	451,108	278,188	257,718	398,580
Total Current Assets	18,323,541	12,778,865	7,883,658	6,796,875	7,995,362
Non-Current Assets					
Other Accounts Receivable	849,810	1,022,984	816,295	770,792	793,692
Biological Assets	5,002,922	4,697,542	4,579,097	4,548,897	4,248,989
Investments	10,633	6,643	6,712	6,764	5,706
Property, Plant and Equipment	17,032,181	16,648,885	16,415,548	16,211,228	16,195,420
Intangible	346,887	389,624	375,027	188,426	204,202
Total Non-Current Assets	23,242,433	22,765,678	22,192,679	21,726,107	21,448,009
Total Assets	41,565,974	35,544,543	30,076,337	28,522,982	29,443,371
Liabilities and Equity (R\$ '000)	09/30/2018	06/30/2018	03/31/2018	12/31/2017	09/30/2017
Current Liabilities					
Accounts Payable	647,598	646,969	600,564	610,476	641,537
Loans and Financing	1,769,332	1,694,415	1,432,974	2,115,067	1,785,368
Tax Liabilities	132,002	281,530	185,541	125,847	199,080
Salaries and Payroll Taxes	240,797	204,016	154,829	196,467	194,926
Other Payable	2,921,262	1,277,304	696,906	660,506	593,297
Total Current Liabilities	5,710,991	4,104,234	3,070,814	3,708,363	3,414,218
Non-Current Liabilities					
Debentures, Loans and Financing	22,049,402	16,268,057	11,213,131	10,076,789	11,347,543
Deferred Taxes	466,255	682,040	1,857,237	1,789,980	1,775,084
Provision	856,036	797,148	726,336	706,652	675,062
Other Liabilities	1,836,050	2,981,611	742,506	619,664	625,390
Total Non-Current Liabilities	25,207,743	20,728,856	14,539,210	13,193,065	14,423,079
Shareholders' Equity					
Share Capital	6,241,753	6,241,753	6,241,753	6,241,753	6,241,753
Capital Reserve	380,563	380,563	380,564	394,803	197,837
Treasury shares	(218,265)	(218,265)	(218,265)	(241,089)	(241,006)
Profit Reserve	2,897,784	2,897,784	2,927,760	2,927,762	1,657,125
Equity Valuation Adjustment	2,418,918	2,395,646	2,295,927	2,298,327	2,273,885
Retained Earnings/Accumulated Losses	55,560	41,888	16,675	(1,807,435)	26,913
Retained Earnings/Losses of the period	(1,144,210)	(1,036,430)	813,127	1,807,433	1,449,567
Total Equity	10,632,103	10,702,919	12,457,541	11,621,554	11,606,074
Non-controlling shareholders interests	15,137	8,534	8,772	-	-
Total Liabilities and Equity	41,565,974	35,544,543	30,076,337	28,522,982	29,443,371

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APPENDIX 4 – Consolidated Statement of Cash Flow

Cash Flow Statement (R\$ '000)	3Q18	3Q17	9M18	9M17
Cash flow from operating activities				
Net income/(loss) for the period	(107,608)	800,876	(1,143,452)	1,449,567
Depreciation, depletion and amortization	415,402	348,827	1,175,272	1,047,170
Income from sale of fixed and biological assets	(3,144)	(35,641)	1,935	(39,769)
Equity pick-up in subsidiaries and affiliates	(3,988)	8	(3,867)	(4,814)
Exchange and monetary variations, net	336,881	(342,792)	1,655,901	(283,271)
Interest expenses, net	171,779	219,634	500,836	596,507
Derivative gains, net	1,367,075	(177,736)	3,848,539	(181,405)
Expenses from deferred income and social contribution taxes	(218,646)	226,821	(1,328,445)	215,988
Interest on actuarial liabilities	8,617	9,505	25,851	28,517
Provision/ (reversal) for contingencies	(18,970)	8,548	8,990	25,640
Provision/ (reversal) for share-based payments	41,123	20,475	117,780	39,231
Addition to allowance for doubtful accounts, net	1,510	27,108	6,433	35,717
Provision/ (reversal) for discounts - loyalty program	17,692	5,681	28,978	(10,195)
Provision/ (reversal) for inventory losses and write-offs	(41,513)	10,256	(23,140)	11,961
Provision for losses and write-off with fixed and biological assets	3,204	27,723	15,503	31,646
Fair value adjustment of biological assets	-	-	(5,954)	25,268
Other provisions /(reversals)	171,349	3,265	156,718	(19,437)
Increase / (decrease) in accounts receivable	(435,364)	21,626	(389,942)	(268,048)
Decrease/ (increase) in inventories	(29,240)	(83,547)	(295,484)	(111,904)
Decrease/ (increase) in recoverable taxes	58,458	(10,637)	52,700	(37,320)
Increase / (decrease) in other current and non-current assets	75,748	(32,778)	(115,955)	297,815
Decrease / (increase) in trade accounts payable	30,048	(2,488)	21,721	83,414
Increase/(decrease) in other current and non-current liabilities	(415,645)	(16,242)	(64,755)	(212,370)
Taxes payable	349,397	170,821	751,758	604,381
Payment of interest	(292,375)	(216,760)	(662,497)	(724,397)
Payment of other taxes and contributions	(150,815)	(139,824)	(389,467)	(405,755)
Payment of income and social contribution taxes	(185,396)	12,637	(249,476)	(40,199)
Net cash from operating activities	1,145,579	855,366	3,696,481	2,153,938
Cash flow from investing activities				
Financial investments	(6,755,492)	296,931	(9,472,426)	(133,106)
Cash from the acquisition of subsidiaries	(5)	-	21,431	-
Acquisition of subsidiaries	-	-	(315,904)	-
Additions to fixed assets, intangible assets and biological assets	(647,641)	(418,699)	(1,746,265)	(1,242,801)
Proceeds from asset divestment	12,266	51,551	44,131	61,098
Net cash (used in) / provided by investment activities	(7,390,872)	(70,217)	(11,469,033)	(1,314,809)
Cash flow from financing activities				
Funding	1,080,699	1,332,478	8,571,900	2,418,438
Funding of Debentures	4,681,100	-	4,681,100	-
Settlement of derivative operations	(1,093,688)	(15,129)	(1,263,050)	147,204
Payment of loans	(259,360)	(1,573,377)	(3,473,928)	(3,101,826)
Payment of dividends	-	(2)	(210,205)	(370,741)
Acquisition of own shares	-	-	8,514	8,514
Payment of debts with acquisition of assets	(67,595)	(59,902)	(70,666)	(110,348)
Net cash (used in) / provided by financing activities	4,341,156	(315,932)	8,243,665	(1,008,759)
Exchange variation on cash and cash equivalents	(14,838)	(31,324)	157,816	(5,291)
Increase (reduction) in cash and cash equivalents	(1,918,975)	437,893	628,929	(174,921)
Cash and cash equivalents at the beginning of the period	3,624,737	1,001,883	1,076,833	1,614,697
Cash and cash equivalents at the end of the period	1,705,762	1,439,776	1,705,762	1,439,776
Statement of the increase (reduction) in cash	(1,918,975)	437,893	628,929	(174,921)

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APPENDIX 5 – EBITDA

(R\$ '000, except where otherwise indicated)	3Q18	3Q17	9M18	9M17
Net Income	(107,608)	800,876	(1,143,452)	1,449,567
Net Financial Result	1,962,988	(269,680)	6,089,970	283,063
Income and Social Contribution Taxes	(121,371)	278,113	(908,298)	353,684
EBIT	1,734,009	809,309	4,038,220	2,086,314
Depreciation, Amortization and Depletion	415,402	348,827	1,175,272	1,047,170
EBITDA¹	2,149,411	1,158,136	5,213,492	3,133,484
<i>EBITDA Margin</i>	53.7%	44.6%	51.1%	42.5%
Valmet Agreement	(52,780)	-	(52,780)	-
Equity equivalence	(3,990)	8	(3,869)	(4,814)
Expenses with Fibria's transaction	19,959	-	37,746	-
PIS/Cofins Revision	3,729	-	3,729	-
Adjustment of the fair value of biological assets	-	-	(5,954)	25,268
Provision (Reversion) for losses with fixed assets, write-offs, taxes	-	46,947	7,366	48,104
Land conflict agreement	-	1,912	-	13,690
Sale of Distribution Center - Anchieta	-	(31,359)	-	(31,359)
Write-downs of inventories.	-	-	17,092	-
Others	1,588	10,233	2,106	5,419
Adjusted EBITDA	2,117,916	1,185,877	5,218,928	3,189,793
<i>Adjusted EBITDA Margin</i>	52.9%	45.7%	51.1%	43.2%

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

APPENDIX 6 – Segmented Statement of Income

Segmented Financial Statement (R\$ '000)	3Q18				3Q17			
	Pulp	Paper	Non-Segmented	Total Consolidated	Pulp	Paper	Non-Segmented	Total Consolidated
Net Revenue	2,688,869	1,316,653	-	4,005,522	1,639,736	954,956	-	2,594,692
Cost of Goods Sold	(1,155,471)	(807,806)	-	(1,963,277)	(915,591)	(835,384)	-	(1,550,955)
Gross Profit	1,533,399	509,047	-	2,042,445	724,146	319,593	-	1,043,739
<i>Gross Margin</i>	57.0%	38.7%	-	51.0%	44.2%	33.5%	-	40.2%
Operating Expense/Income	(73,901)	(234,536)	-	(308,437)	(97,615)	(168,174)	31,359	(234,429)
Selling Expenses	(55,188)	(105,822)	-	(160,988)	(41,173)	(86,328)	-	(107,499)
General and Administrative Expenses	(64,915)	(133,661)	-	(198,576)	(43,332)	(80,475)	-	(123,807)
Other Operating Income (Expenses)	48,179	957	-	47,137	(13,110)	(21,385)	31,359	(3,116)
Equity Equivalence	-	3,990	-	3,990	-	(8)	-	(8)
EBIT	1,459,497	274,511	-	1,734,008	626,531	151,436	31,359	809,326
Depreciation, Amortization & Depletion	292,842	122,561	-	415,402	249,166	99,661	-	348,827
EBITDA	1,752,339	397,072	-	2,149,411	875,696	251,081	31,359	1,158,137
<i>EBITDA Margin (%)</i>	65.2%	30.2%	-	53.7%	53.4%	26.3%	-	44.6%
Adjusted EBITDA¹	1,710,722	407,194	-	2,117,916	902,816	283,061	-	1,185,877
<i>Adjusted EBITDA Margin¹</i>	63.6%	30.9%	-	52.9%	55.1%	29.6%	-	45.7%
Net Financial Result	-	-	(1,962,988)	(1,962,988)	-	-	269,680	269,680
Earnings Before Taxes	1,459,497	274,511	(1,962,988)	(228,980)	626,531	151,420	301,039	1,078,990
Income and Social Contribution Taxes	-	-	121,371	121,371	-	16	(278,113)	(278,097)
Net Income (Loss)	1,459,497	274,511	(1,841,617)	(107,609)	626,531	151,403	22,926	800,860
<i>Net Margin</i>	54.3%	20.8%	-	-2.7%	38.2%	15.9%	-	30.9%

¹ Excluding non-recurring items.

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Segmented Financial Statement (R\$ '000)	9M18				9M17			
	Pulp	Paper	Non-Segmented	Total Consolidated	Pulp	Paper	Non-Segmented	Total Consolidated
Net Revenue	6,920,374	3,287,801	-	10,208,175	4,792,325	2,586,145	-	7,378,470
Cost of Goods Sold	(3,099,612)	(2,127,982)	-	(5,227,574)	(2,809,949)	(1,820,914)	-	(4,630,864)
Gross Profit	3,820,762	1,159,839	-	4,980,601	1,982,376	765,232	-	2,747,608
Gross Margin	55.2%	35.3%	-	48.8%	41.4%	29.6%	-	37.2%
Operating Expense/Income	(305,890)	(636,492)	-	(942,382)	(269,950)	(439,862)	48,518	(661,294)
Selling Expenses	(158,253)	(274,997)	-	(433,250)	(116,305)	(186,237)	-	(302,542)
General and Administrative Expenses	(183,106)	(366,491)	-	(549,597)	(124,633)	(231,462)	-	(356,095)
Other Operating Income (Expenses)	35,469	1,127	-	36,596	(29,013)	(26,977)	48,518	(7,472)
Equity Equivalence	-	3,889	-	3,889	-	4,814	-	4,814
EBIT	3,514,872	523,347	-	4,038,219	1,712,425	325,387	48,518	2,086,330
Depreciation, Amortization & Depletion	830,179	345,094	-	1,175,273	752,975	294,198	-	1,047,173
EBITDA	4,345,051	868,441	-	5,213,492	2,465,399	619,569	48,518	3,133,485
EBITDA Margin (%)	62.8%	26.4%	-	51.1%	51.4%	24.0%	-	42.5%
Adjusted EBITDA ¹	4,315,810	903,119	-	5,218,929	2,511,080	661,554	17,159	3,189,793
Adjusted EBITDA Margin ¹	62.4%	27.5%	-	51.1%	52.4%	25.6%	-	43.2%
Net Financial Result	-	-	(6,089,970)	(6,089,970)	-	-	(283,063)	(283,063)
Earnings Before Taxes	3,514,872	523,347	(6,089,970)	(2,051,751)	1,712,425	325,371	(234,545)	1,803,251
Income and Social Contribution Taxes	-	-	908,298	908,298	-	16	(353,684)	(353,668)
Net Income (Loss)	3,514,872	523,347	(5,181,672)	(1,143,453)	1,712,425	325,354	(588,229)	1,449,550
Net Margin	50.8%	15.9%	-	-11.2%	35.7%	12.6%	-	19.6%

¹ Excluding non-recurring items.

Corporate Information

Suzano Pulp and Paper, which reported net revenue of R\$10.5 billion in 2017, is one of the largest vertically integrated producers of paper and eucalyptus pulp in Latin America, with annual production capacity of 3.6 million tons of market pulp and 1.4 million tons of paper. Suzano Pulp and Paper offers a broad range of pulp and paper products for the domestic and export markets: (i) eucalyptus pulp; (ii) hardwood fluff pulp; (iii) uncoated printing and writing paper; (iv) coated printing and writing paper; (v) paperboard; and (vi) tissue paper.

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 to differ substantially 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.

Suzano Papel e Celulose S.A.

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(In thousands of R\$, unless otherwise stated)



Balance Sheet

Assets	Note	Parent Company		Consolidated	
		9/30/2018	12/31/2017 Restated (Note 2.4)	9/30/2018	12/31/2017 Restated (Note 2.4)
Current assets					
Cash and cash equivalents	5	382,156	490,701	1,705,762	1,076,833
Financial investments	6	11,202,730	1,579,981	11,264,567	1,631,505
Trade accounts receivable	7	3,490,549	2,579,919	2,761,578	2,303,810
Inventories	8	1,198,812	902,015	1,545,585	1,183,567
Recoverable taxes	9	250,530	263,945	287,116	306,426
Derivative financial instruments	4	512,861	77,090	512,861	77,090
Advances to suppliers	10	67,390	53,124	72,673	86,499
Related parties	11	-	2,369	-	-
Other assets		139,158	109,084	167,284	119,610
		<u>17,244,186</u>	<u>6,058,228</u>	<u>18,317,426</u>	<u>6,785,340</u>
Assets held for sale	15	6,047	11,535	6,114	11,535
Total current assets		<u>17,250,233</u>	<u>6,069,763</u>	<u>18,323,540</u>	<u>6,796,875</u>
Non-current assets					
Recoverable taxes	9	217,381	283,757	217,719	283,757
Deferred taxes	12	-	-	5,960	2,606
Derivative financial instruments	4	129,258	56,820	129,258	56,820
Advances to suppliers	10	242,189	221,555	242,189	221,555
Judicial deposits	22.5	118,590	108,107	129,034	113,613
Receivables from land expropriation	17	63,108	60,975	63,108	60,975
Other assets		19,396	26,072	62,542	31,466
		<u>789,922</u>	<u>757,286</u>	<u>849,810</u>	<u>770,792</u>
Biological assets	13	5,171,879	4,700,344	5,002,922	4,548,897
Investments	14	1,444,128	768,003	10,633	6,764
Property, plant and equipment	15	16,467,019	15,881,105	17,032,182	16,211,228
Intangible assets	16	104,472	113,334	346,887	188,426
		<u>23,187,498</u>	<u>21,462,786</u>	<u>22,392,624</u>	<u>20,955,315</u>
Total non-current assets		<u>23,977,420</u>	<u>22,220,072</u>	<u>23,242,434</u>	<u>21,726,107</u>
Total assets		<u>41,227,653</u>	<u>28,289,835</u>	<u>41,565,974</u>	<u>28,522,982</u>

The accompanying notes are an integral part of this unaudited condensed consolidated interim financial information.

Suzano Papel e Celulose S.A.

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as of September 30, 2018.

(In thousands of R\$, unless otherwise stated)



Balance Sheet

Liabilities	Note	Parent Company		Consolidated	
		9/30/2018	12/31/2017 Restated (Note 2.4)	9/30/2018	12/31/2017 Restated (Note 2.4)
Current assets					
Trade accounts payables	18	597,010	581,810	647,598	610,476
Loans and financing	19	1,596,325	1,329,753	1,685,752	2,115,067
Debentures	21	83,580	-	83,580	-
Derivative financial instruments	4	1,944,042	23,819	1,944,042	23,819
Taxes payable		106,809	85,537	132,002	125,847
Payroll and charges		227,020	189,793	240,797	196,467
Related parties	11	80,469	760,366	-	-
Liabilities for asset acquisitions	25	609,620	76,781	616,514	83,155
Dividends payable		320	180,550	2,037	180,550
Advance from customers		44,808	86,409	56,788	92,545
Other liabilities		134,965	180,717	301,881	280,437
Total current liabilities		5,424,968	3,495,535	5,710,991	3,708,363
Non-current assets					
Loans and financing	19	4,770,096	4,111,295	17,387,922	10,076,789
Debentures	21	4,661,480	-	4,661,480	-
Derivative financial instruments	4	1,277,552	104,077	1,277,552	104,077
Related parties	11	12,521,341	5,973,085	-	-
Liabilities for asset acquisitions	25	494,450	460,467	531,616	502,831
Provision for contingencies	22	345,881	310,153	351,670	317,069
Employee benefits	23	357,645	351,263	357,645	351,263
Deferred taxes	12	391,665	1,711,254	466,255	1,789,960
Share-based compensation plans	24	143,322	36,539	146,721	38,320
Provision for investment losses in subsidiaries	14	191,415	101,857	-	-
Other liabilities		15,735	12,756	26,882	12,756
Total non-current liabilities		25,170,582	13,172,746	25,207,743	13,193,065
Total liabilities		30,595,550	16,668,281	30,918,734	16,901,428
Equity					
Share capital		6,241,753	6,241,753	6,241,753	6,241,753
Capital reserves		380,564	394,801	380,564	394,801
Treasury shares		(218,265)	(241,088)	(218,265)	(241,088)
Profits reserve		2,897,783	2,927,760	2,897,783	2,927,760
Other reserves		2,418,918	2,298,328	2,418,918	2,298,328
Retained loss		(1,088,650)	-	(1,088,650)	-
Total equity	26	10,632,103	11,621,554	10,632,103	11,621,554
Non-controlling interest				15,137	-
Total equity and liabilities		41,227,653	28,289,835	41,565,974	28,522,982

The accompanying notes are an integral part of this unaudited condensed consolidated interim financial information.

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Statement of Income

		Parent Company			
Note	3Q18	3Q17	9M18	9M17	
Net sales revenue	28	3,675,371	2,333,122	9,396,318	6,625,562
Cost of sales	30	(1,619,576)	(1,362,949)	(4,482,731)	(4,070,720)
Gross profit		2,055,795	970,173	4,913,587	2,554,842
Operating income (expenses)					
Selling expenses	30	(296,437)	(211,649)	(786,563)	(634,593)
General and administrative expenses	30	(175,260)	(113,286)	(488,108)	(326,202)
Equity in earnings of associates	14	(28,055)	110,948	54,460	401,287
Other operating income (expenses), net	30	57,460	(7,971)	41,465	(5,319)
Operating profit before net financial income (expense)		1,613,503	748,215	3,734,841	1,990,015
Net financial income (expense)					
Financial income	27	126,010	575,714	197,156	597,154
Financial expenses		(1,970,203)	(248,305)	(5,992,423)	(792,604)
Net income (loss) before taxes		(230,690)	1,075,624	(2,060,426)	1,794,565
Income taxes					
Current	12	(92,930)	(47,927)	(405,468)	(129,010)
Deferred		215,840	(226,821)	1,321,684	(215,988)
Net income (loss) for the period		(107,780)	800,876	(1,144,210)	1,449,567
Basic earnings (loss) per share					
Basic Common	26.5	(0.09854)	0.73341	(1.04647)	1.32792
Diluted Common		(0.09854)	0.73255	(1.04647)	1.32637
		Consolidated			
Note	3Q18	3Q17	9M18	9M17	
Net sales revenue	28	4,005,524	2,594,692	10,208,178	7,378,470
Cost of sales	30	(1,963,077)	(1,550,954)	(5,227,577)	(4,630,862)
Gross profit		2,042,447	1,043,738	4,980,601	2,747,608
Operating income (expenses)					
Selling expenses	30	(160,988)	(107,499)	(433,250)	(302,541)
General and administrative expenses	30	(198,576)	(123,807)	(549,596)	(356,095)
Equity in earnings of associates	14	3,990	(8)	3,867	4,814
Other operating income (expenses), net	30	47,136	(3,115)	36,597	(7,472)
Operating profit before net financial income (expense)		1,734,009	809,309	4,038,219	2,086,314
Net financial income (expense)					
Financial income	27	133,722	584,902	215,456	592,955
Financial expenses		(2,096,710)	(315,222)	(6,305,425)	(876,018)
Net income (loss) before taxes		(228,979)	1,078,989	(2,051,750)	1,803,251
Income taxes					
Current	12	(97,275)	(51,292)	(420,147)	(137,696)
Deferred		218,646	(226,821)	1,328,445	(215,988)
Net income (loss) for the period		(107,608)	800,876	(1,143,452)	1,449,567
Result of the period attributable to the controlling shareholders		(107,780)	800,876	(1,144,210)	1,449,567
Result of the period attributable to non-controlling shareholders		172	-	758	-
Basic earnings (loss) per share					
Basic Common	26.5	(0.09854)	0.73341	(1.04647)	1.32792
Diluted Common		(0.09854)	0.73255	(1.04647)	1.32637

The accompanying notes are an integral part of this unaudited condensed consolidated interim financial information.

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Statement of Comprehensive Income

		Parent Company				
Note	3Q18	3Q17	9M18	9M17		
	Net income (loss) for the period	(107,780)	800,876	(1,144,210)	1,449,567	
	Other comprehensive income (loss)	36,964	(22,656)	176,150	3,338	
	Items that may be subsequently reclassified to profit or loss					
	Exchange variation on conversion of financial statements and on foreign investments	14	36,964	(22,656)	176,150	3,338
	Total comprehensive income (loss)	(70,816)	778,220	(968,060)	1,452,905	

		Consolidated				
Note	3Q18	3Q17	9M18	9M17		
	Net income (loss) for the period	(107,608)	800,876	(1,143,452)	1,449,567	
	Other comprehensive income (loss)	36,964	(22,656)	176,150	3,338	
	Items that may be subsequently reclassified to profit or loss					
	Exchange variation on conversion of financial statements and on foreign investments	14	36,964	(22,656)	176,150	3,338
	Total comprehensive income (loss)	(70,644)	778,220	(967,302)	1,452,905	
	Result of the period attributable to the controlling shareholders	(70,816)	778,220	(968,060)	1,452,905	
	Result of the period attributable to non-controlling shareholders	172	-	758	-	

The accompanying notes are an integral part of this unaudited condensed consolidated interim financial information.

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Statement of Changes in Equity

Note	Capital reserves					Profits reserve			Other reserves	Retained earnings/ (Accumulated losses)	Total	Non-controlling interest	Total equity
	Share Capital	Tax incentives	Stock options granted	Share issuance costs	Treasury shares	Legal reserve	Reserve for capital increase	Special statutory reserve					
Balances at December 31, 2016	6,241,753	199,402	19,754	(15,442)	(273,665)	316,526	1,223,960	116,639	2,314,567	-	10,143,494	-	10,143,494
<u>Total comprehensive income (loss)</u>													
Net income for the period	-	-	-	-	-	-	-	-	-	1,449,567	1,449,567	-	1,449,567
Exchange variation on conversion of financial statements of foreign subsidiaries	-	-	-	-	-	-	-	-	3,338	-	3,338	-	3,338
<u>Equity transactions with shareholders:</u>													
Stock options granted	-	-	1,161	-	-	-	-	-	-	-	1,161	-	1,161
Sale of treasury shares to meet share-based compensation plans	-	-	-	-	8,514	-	-	-	-	-	8,514	-	8,514
<u>Internal changes in equity:</u>													
Partial realization of adjustment of deemed cost of assets, net of deferred taxes	-	-	-	-	-	-	-	-	(44,020)	44,020	-	-	-
Issue of treasury shares to employees	-	-	(7,038)	-	7,038	-	-	-	-	-	-	-	-
Cancellation of treasury	-	-	-	-	17,107	-	-	-	-	(17,107)	-	-	-
Balances at September 30, 2017	6,241,753	199,402	13,877	(15,442)	(241,006)	316,526	1,223,960	116,639	2,273,885	1,476,480	11,606,074	-	11,606,074
Balances at December 31, 2017	6,241,753	396,006	14,237	(15,442)	(241,088)	406,898	2,286,199	234,663	2,298,328	-	11,621,554	-	11,621,554
<u>Total comprehensive income (loss)</u>													
Net (loss) for the period	-	-	-	-	-	-	-	-	-	(1,144,210)	(1,144,210)	758	(1,143,452)
Exchange variation on conversion of financial statements of subsidiaries abroad	-	-	-	-	-	-	-	-	176,150	-	176,150	-	176,150
<u>Equity transactions with shareholders:</u>													
Stock options granted	-	-	72	-	-	-	-	-	-	-	72	-	72
Sale of treasury shares to meet share-based compensation plans	-	-	-	-	8,514	-	-	-	-	-	8,514	-	8,514
Participation of non-controlling interest from business combination	-	-	-	-	-	-	-	-	-	-	-	14,379	14,379
<u>Internal changes in equity:</u>													
Partial realization of adjustment of deemed cost of assets, net of deferred taxes	-	-	-	-	-	-	-	-	(55,560)	55,560	-	-	-
Issue of treasury shares to employees	-	-	(14,309)	-	14,309	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	(29,977)	-	-	-	(29,977)	-	(29,977)
Balances at September 30, 2018	6,241,753	396,006	-	(15,442)	(218,265)	406,898	2,256,222	234,663	2,418,918	(1,088,650)	10,632,103	15,137	10,647,240

The accompanying notes are an integral part of this unaudited condensed consolidated interim financial information.

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Statement of Cash Flows

	Note	Parent Company		Consolidated	
		9/30/2018	9/30/2017	9/30/2018	9/30/2017
Cash and cash equivalents from operating activities					
Net income (loss) for the period		(1,144,210)	1,449,567	(1,143,452)	1,449,567
Adjusted for					
Depreciation, depletion and amortization		1,148,693	1,039,291	1,175,272	1,047,170
Result from sale of property, plant and equipment and biological assets	30	1,935	(35,515)	1,935	(39,769)
Equity in earnings of unconsolidated companies	14	(54,460)	(401,287)	(3,867)	(4,814)
Exchange and monetary variations, net		1,803,579	(230,674)	1,655,901	(283,271)
Interest expenses, net		528,299	527,311	500,836	596,507
Derivative gains (losses), net	27	3,848,539	(178,531)	3,848,539	(181,405)
Fair value adjustment of biological assets	13	(5,954)	25,268	(5,954)	25,268
Deferred taxes	12	(1,321,684)	215,988	(1,328,445)	215,988
Interest on employee benefits	23	25,851	28,517	25,851	28,517
Provision for contingencies	22	7,570	28,990	8,990	25,640
Provision for share-based compensation plans	24	114,411	39,231	117,780	39,231
Allowance for estimated losses with doubtful accounts, net	7	6,336	34,241	6,433	35,717
Reversal of (addition to) provision for loyalty programs		8,289	(3,085)	28,978	(10,195)
Provision for (reversal of) inventory losses and write-offs	8	(22,309)	11,961	(23,140)	11,961
Provision for losses (impairment) and write-off with fixed and biological assets	30	15,503	28,800	15,503	31,646
Other provisions		157,850	(28,846)	156,718	(19,437)
Decrease (increase) in assets					
Related parties		(901,161)	837,201	-	-
Accounts receivables		(8,259)	12,773	(389,942)	(268,048)
Inventories		(251,307)	(126,218)	(295,484)	(111,904)
Recoverable taxes		33,183	(35,104)	52,700	(37,320)
Other current and non-current assets		(72,353)	(74,006)	(115,955)	297,815
Increase (decrease) in liabilities					
Trade accounts payables		15,855	65,276	21,721	83,414
Taxes payable		753,271	559,765	751,758	604,381
Other current and non-current liabilities		(284,536)	(216,928)	(64,755)	(212,370)
Cash provided by (used in) operating activities		4,402,931	3,573,986	4,997,921	3,324,289
Payment of interest		(630,203)	(729,863)	(662,497)	(724,397)
Other taxes and contributions paid		(369,409)	(375,585)	(389,467)	(405,755)
Income taxes paid		(243,976)	(34,396)	(249,476)	(40,199)
Net cash provided by operating activities		3,159,343	2,434,142	3,696,481	2,153,938
Cash flows from investing activities					
Cash from acquisition of subsidiaries		-	11,147	21,431	-
Additions to property, plant and equipment	15	(888,957)	(609,212)	(899,692)	(610,886)
Additions to intangible assets		(6,350)	(7,929)	(6,350)	(7,929)
Additions to biological assets	13	(857,733)	(640,981)	(840,223)	(623,986)
Proceeds from asset divestments		44,131	61,098	44,131	61,098
Financial investments, net		(9,464,788)	(142,434)	(9,472,426)	(133,106)
Capital increase in subsidiaries	14	-	(43,000)	-	-
Acquisition of subsidiaries		(315,904)	-	(315,904)	-
Net cash used in investing activities		(11,489,601)	(1,371,311)	(11,469,033)	(1,314,809)
Cash flows from financing activities					
Proceeds from loans and financing	19	1,688,806	200,838	8,571,900	2,418,438
Issue of debentures	21	4,681,100	-	4,681,100	-
Proceeds from loans from related parties		4,544,713	2,210,892	-	-
Payment of derivative transactions	4	(1,263,050)	128,736	(1,263,050)	147,204
Payment of loans and financings	19	(1,162,156)	(2,545,104)	(3,473,928)	(3,101,826)
Payment of loans with related parties		-	(423,084)	-	-
Payment of dividends		(210,205)	(370,741)	(210,205)	(370,741)
Dividends from own shares		8,514	8,514	8,514	8,514
Payment for asset acquisitions		(66,009)	(58,483)	(70,666)	(110,348)
Net cash provided by (used in) financing activities		8,221,713	(848,432)	8,243,665	(1,008,759)
Exchange variation on cash and cash equivalents		-	-	157,816	(5,291)
Increase (decrease) in cash and cash equivalents		(108,545)	214,399	628,929	(174,921)
Cash and cash equivalents at the beginning of the period	5	490,701	841,056	1,076,833	1,614,697
Cash and cash equivalents at the end of the period	5	382,156	1,055,455	1,705,762	1,439,776
Statement of the increase (reduction) in cash and cash equivalents		(108,545)	214,399	628,929	(174,921)

The accompanying notes are an integral part of this unaudited condensed consolidated interim financial information.

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(In thousands of R\$, unless otherwise stated)



Statement of Value Added

	Note	Parent Company		Consolidated	
		9/30/2018	9/30/2017	9/30/2018	9/30/2017
Income					
Sale of goods, products and services	28	10,282,598	7,411,278	11,140,509	8,172,669
Other income (expenses), net		127,514	52,937	127,754	50,784
Income from construction of own assets		399,583	501,570	399,583	501,570
Allowance for estimated losses with doubtful accounts, net	7	(6,336)	(34,241)	(6,433)	(35,717)
		<u>10,803,359</u>	<u>7,931,544</u>	<u>11,661,413</u>	<u>8,689,306</u>
Input acquired from third parties					
Cost of products and goods sold and services rendered		(3,256,290)	(3,177,578)	(3,300,569)	(3,177,578)
Supplies, electricity, outsourced services and others		(1,344,963)	(1,089,307)	(1,664,094)	(1,373,352)
		<u>(4,601,253)</u>	<u>(4,266,885)</u>	<u>(4,964,663)</u>	<u>(4,550,930)</u>
Gross added value					
		6,202,106	3,664,659	6,696,750	4,138,376
Depreciation, amortization and depletion		(1,148,693)	(1,039,291)	(1,175,272)	(1,047,170)
Net added value produced by the Company		<u>5,053,413</u>	<u>2,625,368</u>	<u>5,521,478</u>	<u>3,091,206</u>
Added value received through transfers					
Equity in the earnings of unconsolidated companies	14	54,460	401,287	3,867	4,814
Financial income		993,798	535,520	995,729	657,524
		<u>1,048,258</u>	<u>936,807</u>	<u>999,596</u>	<u>662,338</u>
Distribution of value added		<u>6,101,671</u>	<u>3,562,175</u>	<u>6,521,074</u>	<u>3,753,544</u>
Personnel					
Personnel		959,830	770,571	1,000,266	784,017
Direct compensation		786,600	620,015	818,037	631,688
Benefits		140,109	120,231	144,880	122,004
F.G.T.S. (Government Severance Indemnity Fund for Employees)		33,121	30,325	37,349	30,325
Taxes, fees and contributions		(578,751)	556,480	(500,578)	523,555
Federal		(703,648)	555,293	(676,847)	544,125
State		120,639	(2,858)	171,865	(24,489)
Municipal		4,258	4,045	4,404	3,919
Value distributed to providers of capital		6,864,802	785,557	7,164,838	996,405
Interest		6,789,065	730,970	7,085,696	940,587
Rentals		75,737	54,587	79,142	55,818
Value distributed to shareholders		(1,144,210)	1,449,567	(1,143,452)	1,449,567
Retained earnings (losses) in the period		(1,144,210)	1,449,567	(1,143,452)	1,449,567
Distribution of value added		<u>6,101,671</u>	<u>3,562,175</u>	<u>6,521,074</u>	<u>3,753,544</u>

The accompanying notes are an integral part of this unaudited condensed consolidated interim financial information.

Suzano Papel e Celulose S.A.

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(In thousands of R\$, unless otherwise stated)



1 Company Information

Suzano Papel e Celulose S.A., hereinafter referred to as the “Suzano”, together with its subsidiaries hereinafter referred to as “Company”, with registered office in the city of Salvador, state of Bahia, Brazil, is a corporation whose shares (SUZB3) are traded on B3 S.A. – Brasil, Bolsa, Balcão (“B3”).

The Company has seven (7) industrial units in Brazil: one (1) in Bahia, one (1) in Maranhão, one (1) in Pará, one (1) in Ceará and three (3) in São Paulo. These industrial units produce hardwood pulp from eucalyptus, paper (coated paper, paperboard, uncoated paper and cut size paper) and jumbo rolls of sanitary paper (consumer goods - tissue) to serve the domestic and international markets, in addition to generating energy for the Company’s consumption and selling surplus energy to third parties. Pulp and paper are sold in the international market directly by Suzano, as well as through its subsidiaries in Argentina, the United States and Switzerland and its sales offices in China and England.

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, the holding of interest, as partner or shareholder, in any other company or project, and generation and sale of electricity.

The Company is controlled by Suzano Holding S.A., through a Voting Agreement whereby it holds 50.04% of the common shares of its share capital.

The issue of this unaudited condensed consolidated interim financial information was approved by the Company’s Board of Directors on October 25, 2018.

1.1 Major events in the nine-month period ended September 30, 2018

a) Operational events

i) Senior Notes Offering (“Notes 2029”)

On September 17, 2018, the Company issued in the international market, through its wholly-owned subsidiary Suzano Austria, Senior Notes totaling US\$ 1.0 billion (corresponding to R\$ 4.7 billion). The 11-year Notes were issued for a coupon of 6.0 % p.a., which will be paid semi-annually.

The net proceeds will be fully used for general corporate purposes, including to finance the operation with Fibria (Note 1.1 b) i)).

ii) Funding through NCE and CPR

On August 27, 2018, the Company raised funds amounting to R\$ 511,000 and R\$ 275,000 through Export Credit Note (“NCE”) and the Rural Producer Credit (“CPR”), respectively. Maturity is August 2026 and interest rate is 1.03% p.a. plus the Interbank Deposit Certificate (“CDI”) rate, payable semi-annually.

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The net proceeds will be fully used to finance the Company's exports, in case of the NCE, and to finance the costing activities, in case of the CPR. For the full funding amount, the Company contracted the respective hedge for the exchange rate at the fixed rate of 5.60% of the US dollar p.a. plus exchange rate variation.

On July 31, 2018, the Company raised funds amounting to R\$ 770,600 through the NCE facility, with maturity in July 2026 and coupon of 0.99% p.a. plus CDI, paid semi-annually.

The net proceeds will be fully used to finance the Company's exports. For the full funding amount, the Company contracted the respective hedge for the exchange rate at the fixed rate of 5.71% of the US dollar p.a. plus exchange rate variation.

iii) Auction of Port of Itaqui (MA)

On July 27, 2018, the Company participated in the auction held by the National Waterway Transportation Agency ("ANTAQ") to lease the public areas and infrastructure for the handling and storage of general paper and cellulose cargo. The Company submitted the winning proposal for the concession of the area spanning 53,545 square meters in the Port of Itaqui in Maranhão (MA).

The project for the new terminal, estimated by ANTAQ at R\$ 215 million, represents another stage in the cycle of investments made by the Company. The initial concession period is 25 years.

iv) Issue of Debentures

On June 29, 2018, the Company issued R\$ 4,681,100 in non-convertible debentures of the 6th issue, in a single series, maturing in June 2026 and paying interest of 112.50% of the CDI rate.

The net proceeds will be fully used to pay the cash installment for the acquisition of all common shares of Fibria (Note 1.1.b i)). For the entire volume object of the issue, the Company contracted the respective exchange hedge at a pre-fixed cost of 5.74% of the U.S. dollar p.a.

v) Truck drivers' strike

In May 2018, the general strike of truck drivers across Brazil interrupted the transportation of goods and products throughout the country for a few days, resulting in shortage of fuels and other products, and causing a temporary suspension of production in most industries. Despite the efforts to minimize the adverse impact of the strike, the Company's production operations were suspended for a few days, resulting in the production loss of approximately 80,000 tons of pulp and approximately 25,000 tons of paper. As of June 1, 2018, Suzano's industrial operations were gradually resumed.

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vi) Acquisition of land and forests in the state of São Paulo

On February 5, 2018, Suzano entered into an Agreement for the Purchase of Forestry Assets, Purchase of Rural Properties, Purchase Option and Other Covenants, with conditions precedent, with Duratex S.A. ("Duratex"), through its affiliates, of the following assets:

(i) around nine thousand and five hundred (9,500) hectares of rural land and one million and two hundred thousand cubic meters (1,200,000 m³) of forests, which reflects the potential of production of existing and already implemented forests in the areas acquired, for R\$ 308,100; and

(ii) call option to acquire approximately twenty thousand (20,000) hectares of rural properties in the same region and five million and six hundred thousand (5,600,000) cubic meters of forests, which reflects the potential of production of existing and already implemented forests, for the price of R\$ 749,300, which option was exercised by Suzano on July 2, 2018, with the acquisition of the rural areas and forests concluded on August 31, 2018.

On April 4, 2018, Brazil's antitrust authority CADE approved the transaction without restrictions.

The sum of R\$ 532,450 was paid on the respective closing dates of the tranches, and the balance of R\$ 527,819, adjusted by the Extended Consumer Price Index ("IPCA"), will be paid on the respective maturity dates in up to 12 months (Note 25).

vii) Export prepayment facility

On February 8, 2018, the Company contracted, through its wholly owned subsidiary Suzano Pulp and Paper Europe S.A. ("Suzano Europe"), an export prepayment facility, structured in a syndicated form, amounting to US\$ 750 million (corresponding to R\$ 2,451 million), with final maturity of 5 years and grace period of 3 years, which has Suzano and Suzano Trading Ltd. ("Suzano Trading"), another subsidiary of Suzano, as guarantors.

The proceeds will be used to settle the export prepayment transaction contracted on May 14, 2015, in the amount of US\$ 600 million (corresponding to R\$ 1,081 million) and to finance export operations.

The new operation reduces borrowing cost in U.S. dollar, extending the average debt term and eliminates financial covenants. The cost of the original line was Libor + 1.75%, the new line cost Libor + 1.35%.

b) Corporate events

i) Voting Commitment and assumption of obligations

On March 15, 2018, Suzano Holding S.A., jointly with other controlling shareholders of the Company (collectively, the "Controlling Shareholders of the Company"), entered into with the controlling shareholders of Fibria Celulose S.A. ("Fibria" and, jointly with Suzano,

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the “Companies”), Votorantim S.A. and BNDES Participações S.A. – BNDESPAR (“BNDESPAR”) (collectively the “Controlling Shareholders of Fibria”), with Suzano as intervening consenting party, a Commitment to Vote and Assumption of Obligations, whereby the Controlling Shareholders of the Company and the Controlling Shareholders of Fibria agreed to exercise their voting rights to combine the operations and shareholding base of Suzano and of Fibria, through corporate restructuring.

A corporate restructuring was submitted to the shareholders of the Companies, which will result in the following: a) the ownership, by Suzano, of all the shares issued by Fibria; and (b) in the receipt by the shareholders of Fibria, for each common share issued by Fibria, of (i) fifty-two reais and fifty centavos (R\$ 52.50), restated at the variation of the CDI rate from March 15, 2018 to the effective payment date, to be paid in a single installment on the date of consummation of the operation; and (ii) 0.4611 common shares of Suzano, to be delivered on the date of consummation of the operation.

Shareholders of Fibria holding American Depositary Shares (“ADS”) will be entitled to receive Suzano ADS, observing the same exchange ratio. To do so, Suzano will adopt measures to (i) register the operation with the U.S. Securities and Exchange Commission; and (ii) list the ADSs of Suzano in the same listing segment with the New York Stock Exchange where Fibria’s ADS are currently listed.

Once the operation is consummated, the shares and ADSs issued by Fibria will no longer be traded on B3 S.A. and the New York Stock Exchange, respectively.

In accordance with the Voting Commitment, if any restrictions imposed by antitrust authorities in Brazil and/or other countries are too burdensome, Suzano may choose not to consummate the operation, upon payment to Fibria of a break-up fee equivalent to R\$ 750 million. The break-up fee may entail certain other conditions of non-consummation of the operation, as expressly envisaged in the Voting Commitment.

In connection with the transaction and with its effectiveness subject to its consummation, on March 15, 2018, the Controlling Shareholders of the Company entered into an Agreement for Voting and Other Covenants with BNDES (“BNDESPAR Voting Agreement”), establishing certain governance commitments, financial and environmental policies of the Company, and limiting the transfer of shares in the Company held by its Controlling Shareholders.

Suzano secured firm commitments from certain international financial institutions to contract financing facilities, in the total amount of US\$ 4.5 billion, after deducting the amount initially contracted, whose disbursement is conditioned, among other things, on the consummation of the operation. Proceeds from said financing will be used to finance a part of the installment in cash and combined exports of the companies.

ii) Approval of the transactions

On June 1, 2018, the Company was informed by the Federal Trade Commission, the U.S. antitrust authority, of the early conclusion of the analysis of the operation between Suzano and Fibria, which constitutes an authorization - without restrictions - for the transaction in the United States of America.

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On July 26, 2018, the Board of Directors and Audit Board of Suzano approved, among other items, the signing of the Protocol and Justification between Suzano, Fibria Celulose S.A. and Eucalipto Holding S.A., which establishes the terms and conditions of the corporate reorganization that will enable the combination of the operations and shareholding bases of Suzano and Fibria, which is the object of the Commitment to Vote and Assumption of Obligations signed on March 15, 2018 and disclosed through the a Material Fact notice of the Company on March 16, 2018 (Note 1.1 b i)).

On August 8, 2018, the declaration of effectiveness by the U.S. Securities and Exchange Commission ("SEC") for the registration statement filed by Suzano with it.

On August 31, 2018, the Company received notification of the State of Administration for Market Regulation (SAMR), the antitrust authority in China, approving the operation between Suzano and Fibria without restrictions.

On September 6, 2018, the Company received a notification from the Turkish antitrust authority approving the operation between Suzano and Fibria without restrictions in Turkey.

The Extraordinary Shareholders Meeting (ESM) held on September 13, 2018, approved all the matters related to the corporate reorganization aimed at combining the operations and shareholding bases of the Companies.

On October 11, 2018, CADE, the Brazilian antitrust authority, published in its website the decision to approve the merger of the operations of Suzano and Fibria, which is subject to the legal timeframe, pursuant to applicable laws. (Note 32 i)).

Consummation of the operation is still subject to typical conditions for operations of this nature, including approval by the antitrust authority in the European Union.

iii) Acquisition of company in Tissue segment (Facepa)

On January 19, 2018, Brazil's antitrust agency CADE approved without restrictions the acquisition of around 92.84% of the total capital of Facepa – Fábrica de Papel da Amazônia ("Facepa") by Suzano.

On March 1, 2018, once all the conditions precedent were implemented and all the approvals obtained from competent government authorities, the direct and indirect acquisition of approximately 92.84% of the total capital and 99.99% of the common capital of Facepa was concluded. Suzano acquired 100% of the control of AGFA - Comércio, Administração e Participações Ltda. ("AGFA"), which holds 28.8% of Facepa, and directly acquired 64.0% from the controlling shareholders of Facepa, thus totaling 92.8%. AGFA is a company with no commercial operation and whose balance sheet basically includes the investment in Facepa.

With the acquisition, in addition to Facepa's units in Belém (PA) and Fortaleza (CE), the Company already operates its own sanitary paper units in Mucuri (BA) and Imperatriz (MA).

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The amount paid for the acquisition was R\$ 267,876, made on the date of the acquisition and a contingent amount of R\$ 40,000, which is conditioned on the non-materialization of indemnifiable losses by the sellers, totaling R\$ 307,876 (Note 14.1 i)).

iv) Acquisition of company in the energy segment (PCH Mucuri)

On February 19, 2018, after the fulfillment of all the conditions precedent and after approval was obtained from competent government authorities, the operation for the acquisition of all the shares issued by Mucuri Energética S.A. ("PCH Mucuri" or "PCH") was concluded. PCH Mucuri owns a small hydroelectric plant located in the cities of Carlos Chagas and Pavão, in the state of Minas Gerais.

The total amount paid was R\$ 48,028 (Note 14.1 ii)).

2 Presentation of the unaudited condensed consolidated interim financial information

2.1 Preparation basis and presentation

The parent company and consolidated condensed interim financial information was prepared and is presented in accordance with technical pronouncement CPC 21 (R1) Interim Statements and the international standard IAS 34 Interim Financial Reporting.

The interim information was prepared using the historical cost as the basis of value, except for certain financial assets and liabilities and biological assets that are measured at fair value.

The Company affirms that all the information relevant to its interim information is reported and that it corresponds to that used by the Management for its administration.

2.1.1 Consolidated Interim Financial Information

The unaudited condensed consolidated interim financial information was prepared based on the information provided by Suzano and its subsidiaries on the reference date, as well as in accordance with consistent accounting practices and policies, except for Futuragene PLC, whose reference date is August 31, 2018, but whose information does not have significant impact on consolidated result.

The subsidiaries are consolidated as from the date of ownership control up to the date control ceases to exist. In the case of joint control (joint venture) with other companies, these investments are measured by the equity method for both the individual and consolidated interim financial information.

In the consolidation process, the balances in the balance sheet and income statement accounts corresponding to the transactions carried out with subsidiaries are eliminated, as well as the unrealized gains and losses and the investments in these subsidiaries and their respective equity accounting results.

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Companies included in the Company's consolidated interim financial information:

Investee	Nature of the main operation	Type of interest	Interest in capital (%)	
			9/30/2018	12/31/2017
AGFA - Comércio, Administração e Participações Ltda. ("AGFA") (a)	Investment in Facepa	Direct	100%	-
Asapir Produção Florestal e Comércio Ltda ("Asapir")	Loan agreement	Joint Venture	50%	50%
CMN Solutions A097 Participações S.A. ("CMN")	Holding company	Direct	100%	-
Comercial e Agrícola Paineiras Ltda ("Paineiras")	Land lease	Direct	100%	100%
Eucalpto Holding S.A. ("Eucalpto")	Holding company	Direct	100%	-
Facepa - Fábrica de papel da Amazônia S.A. ("Facepa") (a)	Production and sale of tissue paper	Direct/Indirect	92,8%	-
FuturaGene Ltd ("FuturaGene")	Biotechnology research and development	Indirect	100%	100%
Mucuri Energética S.A. ("PCH Mucuri") (b)	Energy generation and distribution	Direct	100%	-
Ondurman Empreendimentos Imobiliários Ltda ("Ondurman")	Land lease	Direct	100%	100%
Paineiras Logística e Transporte Ltda ("Paineiras Logística")	Commissioning of road transport	Direct	100%	100%
Stenfar S.A. Indll. Coml. Imp. Y. Exp. ("Stenfar")	Sale of paper and IT materials	Direct/Indirect	100%	100%
Sun Paper and Board Limited ("Sun Paper")	Shared expenses	Direct	100%	100%
Suzano Áustria GmbH ("Suzano Áustria")	Capital raising	Direct	100%	100%
Suzano Luxembourg ("Suzano Luxemburgo")	Not operational	Direct	100%	-
Suzano Pulp and Paper America Inc ("Suzano América")	Sale of pulp and paper	Direct	100%	100%
Suzano Pulp and Paper Europe S.A. ("Suzano Europa")	Sale of pulp and paper	Direct	100%	100%
Suzano Trading Ltd ("Suzano Trading")	Sale of pulp and paper	Direct	100%	100%

(a) See Note 1.1 b) iii).

(b) See Note 1.1 b) iv).

2.2 Statement of Value Added ("DVA")

The Company prepared the individual and consolidated Statement of Value Added as part of the interim financial information, as required by the Brazilian corporate law and the accounting practices adopted in Brazil, in accordance with the criteria defined in Technical Pronouncement CPC 09 – Statement of Value Added. IFRS standards do not require the DVA, therefore, they are considered as supplemental information, without prejudice to the interim financial information.

2.3 Functional currency and presentation currency

The items included in the interim financial information of each of the Company's subsidiaries are measured using the currency of the main economic environment in which the subsidiary operates (the "functional currency").

The individual and consolidated interim financial information is presented in Brazilian real, which is Suzano's functional currency, and Company's presentation currency.

The functional currency used when translating the interim financial information of foreign subsidiaries is the following:

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Subsidiary	Country	Functional currency
Suzano Trading	Cayman Islands	
Suzano Luxemburgo	Luxembourg	
Suzano América	United States	U.S. dollar
Suzano Áustria	Austria	
FuturaGene		
Sun Paper	United Kingdom	Pound sterling
Suzano Europa	Switzerland	Swiss franc
Stenfar	Argentina	Argentine peso

2.4 Restatement of comparison figures

The financial statements on December 31, 2017, presented for comparison purposes, were adjusted for improved presentation and comparison with the information for the period ended September 30, 2018. The reclassifications within Current Asset items did not alter the total of this group or the total amount recorded under Assets. The following amounts were reclassified:

- i) R\$ 24,343 and R\$ 23,394 at the Parent Company and Consolidated, respectively, reclassified from Advances to suppliers for acquisition of services and materials, previously recorded under Inventories, to Advances to Suppliers;
- ii) R\$ 12,870 at the Parent Company and Consolidated, from Other Receivables, related to advances for wood purchases, to Advances to Suppliers.
- iii) The following items were reclassified in the statement of cash flows, between operating and financing activities: (a) Commitments for the acquisition of assets, in the amounts of R\$ 58,483 and R\$ 110,348 at the Parent Company and Consolidated, respectively; and (b) Loans with related parties in the amount of (R\$ 1,787,808) at the Parent Company.

3 Accounting Policies

The interim financial information was prepared using accounting practices consistent with those used in the preparation of the annual financial statements at December 31, 2017, except for the application of the new accounting standards as of January 1, 2018, as described below. However, despite the application, there was no material impact on the interim financial information, as previously mentioned in the financial statements as of December 31, 2017. This information should be considered jointly with the annual financial statements.

3.1 Accounting Policies Adopted

3.1.1 Financial Instruments – IFRS 9

IFRS 9 replaces the provisions of IAS 39 in relation to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The Company opted for the modified transition method whose comparative figures have not been restated.

The adoption of IFRS 9 Financial Instruments from January 1, 2018 resulted in changes in accounting policies. However, considering the assessment made by Company, there was no material impact or adjustment resulting from adoption of the new standard as of January 1, 2018.

(i) Classification and measurement

The Company classifies its financial assets in the following categories: (a) amortized cost and (b) at fair value through profit or loss. The classification depends on the purpose for which the financial assets were acquired as explained below:

(a) Amortized cost

Financial assets are held by the Company: (i) to receive their contractual cash flow and not sale for profit or loss; and (ii) when their contractual terms give rise, on specified dates, to cash flows of payments of principal and interest on the principal amount outstanding.

These include the balance of cash and cash equivalents and trade accounts receivable. Any changes are recognized in the income statement under "Financial income" or "Financial expenses", depending on the result.

(b) Financial assets at fair value through profit or loss

They represent the balance of financial investments and derivative financial instruments. Any changes are recognized in the income statement under "Financial income" or "Financial expenses", depending on the result.

(ii) Impairment of financial assets

The Company revised its impairment methodology under IFRS 9. On January 1, 2018, the Company started to apply IFRS 9 to measure the expected credit losses that use an allowance for expected losses for all accounts receivable. The total impact of the change in impairment methodology on January 1, 2018 was not material.

3.1.2 Revenue recognition – IFRS 15

The Company adopted IFRS 15 - Revenue from Contracts with Customers as of January 1, 2018, which resulted in changes in accounting policies, opting for the modified transition method, whose comparative figures have not been restated.

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The Company recognizes revenues from contracts with customers from the transfer of control of the products to the customers, represented by the ability to determine the use of the products and obtain substantially all the remaining benefits from the products.

The Company follows the conceptual framework of the standard, based on the five-step model: (i) identification of contracts with customers; (ii) identification of performance obligations under contracts; (iii) determining the transaction price; (iv) allocation of the transaction price to the performance obligation provided for in the contracts; and (v) recognition of revenue when the performance obligation is fulfilled.

The transaction is confirmed based on the parameters provided by the corresponding International Commercial Terms (Incoterms) and credit confirmation for the completion of the transaction. The revenue is recognized when a performance obligation is fulfilled by transferring a promised good or service to a customer (which is when the customer acquires control over such good or service).

a) Sale of products

The recognition of revenue for domestic and export sales of pulp and paper is based on the following principles:

(i) Domestic market - sales are mainly credit sales. Revenue is recognized when the customer receives the product, whether at the freight company's premises or at its own premises, at which point the benefits of ownership are transferred and the performance obligation is fulfilled.

(ii) Export market - export orders are normally fulfilled by third party warehouses located near strategic markets; sales are mainly credit sales. Revenue is recognized in accordance with the Incoterm parameters used.

3.2 New standards, revisions and interpretations not yet in force

The International Accounting Standards Board (IASB) issued and approved the following accounting standards/interpretations that are not yet effective and the Company did not early adopt them for the preparation of this interim financial information.

The Management evaluated or is evaluating and measuring the impacts of adopting the following standards/interpretations:

i) IFRS 16 – Leases – It replaces IAS 17 and essentially requires that lessees recognize future payments in their liabilities and the right to use a leased item in assets for practically all lease agreements. Therefore, financial lease and operating lease agreements receive similar accounting treatment, although certain short-term leases or those for small amounts are outside the scope of this standard. This standard will be effective as of January 1, 2019.

The Company, based on preliminary assessments, believes that the biggest impact produced by this standard is related to the recognition in the balance sheet of the lease agreements of land used to plant eucalyptus forests, with terms of up to 3 cycles of forest formation, around 21 years (Note 19.4)), but for the reporting date, the Company was

still analyzing these and other lease agreements, as well as the transition criterion to be adopted to implement the new Standard.

ii) IFRIC 23 Uncertainty over Income Tax Treatments – Clarifies the accounting of tax positions that have not yet been accepted by tax authorities. Both IAS 12/CPC 32 Income Taxes and the new interpretation IFRIC 23 apply only to Income Tax and Social Contribution. IFRIC 23 does not introduce new disclosures, but reinforces the need to comply with certain reporting requirements on (i) judgments made; (ii) assumptions or other estimates used; and (iii) potential impact of uncertainties that are not reflected in the financial statements. This standard will be effective as of January 1, 2019.

The Company is assessing the impacts from adopting the new standard on its financial statements.

4 Financial Instruments and Risks

4.1 Management of financial risks

a) Overview

In the nine-month period ended September 30, 2018, 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, 2017.

The main financial risk factors considered by Management are:

- Liquidity risk;
- Credit risk;
- Currency risk;
- Interest rate risks.

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 of the periods, as presented in Note 27.

b) Measurement

All operations with financial instruments are recognized in the Company's interim financial information, as shown below. As a result of the adoption of IFRS 9, no material change in the measurement of financial instruments methodology applied for the prior year.

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	Note	Parent Company		Consolidated	
		9/30/2018	12/31/2017	9/30/2018	12/31/2017
Assets					
At fair value through profit or loss					
Financial investments	6	11,202,730	1,579,981	11,264,567	1,631,505
Derivative financial instruments	4.3	642,119	133,910	642,119	133,910
At amortized costs					
Cash and cash equivalents	5	382,156	490,701	1,705,762	1,076,833
Trade accounts receivable	7	3,490,549	2,579,919	2,761,578	2,303,810
		<u>15,717,554</u>	<u>4,784,511</u>	<u>16,374,026</u>	<u>5,146,058</u>
Liabilities					
At amortized cost					
Trade accounts payable	18	597,010	581,810	647,598	610,476
Loans and financing	19	6,366,421	5,441,048	19,073,674	12,191,856
Payable to related parties ^(a)		12,589,675	6,722,399	-	-
Debentures	21	4,745,060	-	4,745,060	-
Liabilities from asset acquisition	25	1,104,070	537,248	1,148,130	585,986
At fair value through profit or loss					
Derivative financial instruments	4.5	3,221,594	127,896	3,221,594	127,896
		<u>28,623,830</u>	<u>13,410,401</u>	<u>28,836,056</u>	<u>13,516,214</u>

(a) New financing obtained through subsidiaries.

c) Fair value versus book value

The comparison between the fair value and carrying value of outstanding financial instruments, at their amortized cost, is shown below:

	Consolidated			
	9/30/2018		12/31/2017	
	Book Value	Fair Value	Book Value	Fair Value
Assets				
Cash and cash equivalents	1,705,762	1,705,762	1,076,833	1,076,833
Financial investments	11,264,567	11,264,567	1,631,505	1,631,505
Trade accounts receivable	2,761,578	2,761,578	2,303,810	2,303,810
Derivative financial instruments (current and non-current)	642,119	642,119	133,910	133,910
	<u>16,374,026</u>	<u>16,374,026</u>	<u>5,146,058</u>	<u>5,146,058</u>
Liabilities				
Trade accounts payables	647,598	647,598	610,476	610,476
Loans and financing (current and non-current)	19,073,674	21,037,765	12,191,856	13,755,352
Debentures	4,745,060	5,101,190	-	-
Accounts payable from asset acquisition (current and non-current)	1,148,130	1,092,417	585,986	564,292
Derivative financial instruments (current and non-current)	3,221,594	3,221,594	127,896	127,896
	<u>28,836,056</u>	<u>31,100,564</u>	<u>13,516,214</u>	<u>15,058,016</u>

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Risk rating ^(a)	Consolidated			
	Cash and cash equivalents and financial investments		Derivative financial instruments	
	9/30/2018	12/31/2017	9/30/2018	12/31/2017
AAA	7,591,765	2,168,810	328,744	65,510
AA+	5,128,778	169,881	299,775	51,231
AA	64,371	207,925	-	3,143
AA-	137,225	113,623	13,600	14,026
A	47,137	45,753	-	-
A-	1,051	2,330	-	-
BB	2	16	-	-
	12,970,329	2,708,338	642,119	133,910

- (a) We use the Brazilian Risk Rating and the rating is given by rating agencies Fitch Ratings, Standard & Poor's and Moody's.

The risk rating of trade accounts receivable is as follows:

	Consolidated	
	9/30/2018	12/31/2017
Low Risk ^(a)	2,716,004	2,268,675
Average Risk ^(b)	24,371	21,016
High Risk ^(c)	58,681	52,859
	2,799,056	2,342,550

- (a) Not past due and overdue up to 30 days.

- (b) Overdue between 30 and 90 days.

- (c) Overdue more than 90 days and renegotiated by the client or with security interest.

The amounts do not consider the Estimated Loss with Doubtful Accounts ("PECLD") of R\$ 37,478 and R\$ 38,740 on September 30, 2018 and December 31, 2017, respectively.

4.4 Market risk

4.4.1. Exchange rate risk

The following table shows the net exposure of assets and liabilities in foreign currency, primarily the U.S. dollar:

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	Consolidated	
	9/30/2018	12/31/2017
Assets		
Cash and cash equivalents	1,307,774	585,541
Trade accounts receivable	1,952,066	1,544,749
Derivative financial instruments	636,600	133,910
	<u>3,896,440</u>	<u>2,264,200</u>
Liabilities		
Trade accounts payables	(101,690)	(36,018)
Loans and financing	(14,180,594)	(8,616,807)
Liabilities from asset acquisitions	(337,943)	(332,193)
Derivative financial instruments	(3,208,211)	(126,781)
	<u>(17,828,438)</u>	<u>(9,111,799)</u>
Liability exposure, net	<u>(13,931,998)</u>	<u>(6,847,599)</u>

Sensitivity analysis – foreign exchange exposure

For market risk analysis, the Company uses scenarios to jointly evaluate the long and short positions in foreign currency, and the possible effects on its results. The probable scenario represents the amounts already booked, as they reflect the translation into Brazilian reais on the base date of the balance sheet.

The other scenarios were created considering the depreciation of the Brazilian real against the U.S. dollar at the rates of 25% and 50%.

This analysis assumes that all other variables, particularly interest rates, remain constant, and the following table presents the potential impacts on the results assuming these scenarios:

Consolidated	9/30/2018		
	Probable	Effect on Income and Equity	
		Possible Increase (Δ 25%)	Remote Increase (Δ 50%)
Cash and cash equivalents	1,307,774	326,944	653,887
Trade accounts receivable	1,952,066	488,017	976,033
Trade accounts payables	(101,690)	(25,422)	(50,845)
Loans and financing	(14,180,594)	(3,545,149)	(7,090,297)
Liabilities from asset acquisitions	(337,943)	(84,486)	(168,971)
Derivatives Non Deliverable Forward ("NDF") ^(a)	(693,529)	(2,903,544)	(5,807,089)
Derivatives swap ^(a)	(1,072,653)	(2,396,414)	(4,814,731)
Derivatives options ^(a)	(805,429)	(2,949,900)	(6,210,908)
	<u>(13,931,998)</u>	<u>(11,089,953)</u>	<u>(22,512,921)</u>

(a) For the notional values of derivatives, see Note 4.5

4.4.2 Interest rate risk

Fluctuations in interest rates could result in increase or decrease in costs of new financing and operations already contracted.

The Company constantly seeks alternatives to use financial instruments in order to avoid negative impacts on its cash flows.

Sensitivity analysis – exposure to interest rates

For market risk analysis, the Company uses scenarios to evaluate the sensitivity that variations in operations impacted by the rates: Interbank Deposit Rate (“CDI”), Long Term Interest Rate (“TJLP”), Special System for Settlement and Custody (“SELIC”) and the London Interbank Offered Rate (“LIBOR”) may have on its results. The probable scenario represents the amounts already booked, as they reflect the best estimate of the Management.

This analysis assumes that all other variables, particularly exchange rates, remain constant. The other scenarios were developed considering appreciation of 25% and 50% in the market interest rates. The following table shows the potential impacts on the results:

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Consolidated	9/30/2018		
	Effect on Income and Equity		
	Probable	Possible Increase (Δ 25%)	Remote Increase (Δ 50%)
CDI			
Cash and cash equivalents	397,988	6,607	13,316
Financial investments	9,239,424	153,380	309,142
Loans and financing	(4,253,649)	(341,375)	(413,085)
Debentures	(4,745,060)	(380,813)	(460,808)
Derivative swap	(1,072,652)	949,578	1,867,252
Derivative options	(805,429)	(155,860)	(282,602)
	<u>(1,239,378)</u>	<u>231,517</u>	<u>1,033,215</u>
Special System for Settlement and Custody ("SELIC")			
Financial investments	2,025,143	33,618	67,759
	<u>2,025,143</u>	<u>33,618</u>	<u>67,759</u>
TJLP			
Loans and financing	(216,461)	(3,653)	(7,306)
	<u>(216,461)</u>	<u>(3,653)</u>	<u>(7,306)</u>
Libor			
Loans and financing	(4,378,718)	(24,740)	(49,480)
Derivative swap	(7,865)	288,702	569,456
	<u>(4,386,583)</u>	<u>263,962</u>	<u>519,976</u>

4.5 Derivative financial instruments

The Company determines the fair value of derivative contracts and recognizes that these amounts may differ from the amounts realized in the event of early settlement. The amounts reported by the Company are based on an estimate and using data provided by a third party, calculated by an external advisor, which are reviewed by Management.

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a) Outstanding derivatives by type of contract

On September 30, 2018 and December 31, 2017, the consolidated positions of outstanding derivatives are presented below:

Consolidated	Notional value in US\$		Fair value	
	9/30/2018	12/31/2017	9/30/2018	12/31/2017
Cash flow				
Exchange hedge				
Zero-cost collar (R\$ vs. US\$)	2,265,000	1,485,000	(375,455)	25,822
NDF (R\$ x US\$)	50,000	-	(4,087)	-
Fixed Swap (US\$) vs. CDI	-	50,000	-	5,356
Fixed Swap CDI vs. US\$	-	50,000	-	(2,485)
Subtotal	2,315,000	1,585,000	(379,542)	28,693
Debt hedge				
Exchange hedge				
Swap CDI vs. Fixed (US\$)	801,772	291,725	(541,402)	(21,562)
Subtotal	801,772	291,725	(541,402)	(21,562)
Interest hedge				
Swap Libor vs. Fixed (US\$)	763,492	19,841	(2,647)	(1,117)
Subtotal	763,492	19,841	(2,647)	(1,117)
Cash flow - total derivatives	3,880,264	1,896,566	(923,591)	6,014
Fibria operation				
Exchange hedge				
Zero-cost collar (R\$ vs. US\$)	1,300,000	-	(429,975)	-
NDF (R\$ x US\$)	2,900,000	-	(689,441)	-
Subtotal	4,200,000	-	(1,119,416)	-
Debt hedge				
Exchange hedge				
Swap CDI vs. Fixed (US\$)	1,650,000	-	(531,251)	-
Subtotal	1,650,000	-	(531,251)	-
Interest hedge				
Swap Libor vs. Fixed (US\$)	2,000,000	-	(5,217)	-
Subtotal	2,000,000	-	(5,217)	-
Fibria operation - total derivatives	7,850,000	-	(1,655,884)	-
Total in derivatives	11,730,264	1,896,566	(2,579,475)	6,014
Current assets			512,861	77,090
Non-current assets			129,258	56,820
Current liabilities			(1,944,042)	(23,819)
Non-current liabilities			(1,277,552)	(104,077)
			(2,579,475)	6,014

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Fair value does not represent an obligation for immediate disbursement or cash receipt, given that such effect will only occur on the dates of contractual fulfillment or on the maturity of each transaction, when the result will be determined, depending on the case and market conditions on agreed dates.

Contracts outstanding on September 30, 2018 are over-the-counter operations without any margin or early settlement clause imposed due to mark-to-market variations.

As mentioned in Note 1.1 b) i) related to the corporate restructuring with Fibria, the Company obtained firm commitments from international financial institutions to obtain funding in the amount of US\$ 4.5 billion, to be disbursed subject to, among other conditions, the consummation of the operation. The proceeds from these financing facilities will be used to settle the cash portion of the transaction, denominated in Brazilian real (R\$). To mitigate the exchange rate risk between the origin of the proceeds in U.S. dollar and the commitment in Brazilian real, the Company increased the position of exchange rate hedge instruments in the period.

As the business under acquisition is usually precified in US\$ and the guaranteed credit line obtained is also in US\$, management strategy is to hedge the final consideration to be paid in US\$, entering into derivative contracts.

b) Fair value by maturity date

Derivatives mature as follows:

Maturity of derivatives	Net Fair value	
	9/30/2018	12/31/2017
2018	(20,171)	53,270
2019	(1,453,611)	(16,064)
2020	(221,378)	(31,192)
2021	228,579	-
2022	190,561	-
2023	142,488	-
2024	117,099	-
2025	(740,186)	-
2026	(822,856)	-
	<u>(2,579,475)</u>	<u>6,014</u>

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c) Long and short position of outstanding derivatives

On September 30, 2018 and December 31, 2017, the consolidated positions of outstanding derivatives are presented below:

Consolidated	Currency	Notional value		Fair value	
		9/30/2018	12/31/2017	9/30/2018	12/31/2017
Debt hedge					
Assets					
Swap CDI vs. Fixed (US\$)	R\$	8,888,288	950,000	138,199	22,525
Swap Libor vs. Fixed (US\$)	US\$	2,763,492	19,841	5,519	65,517
Subtotal				143,718	88,042
Liabilities					
Swap CDI vs. Fixed (US\$)	US\$	2,451,772	291,725	(1,210,852)	(44,087)
Swap Libor vs. Fixed (US\$)	US\$	2,763,492	19,841	(13,383)	(66,634)
Subtotal				(1,224,235)	(110,721)
Total swap agreements				(1,080,517)	(22,679)
Cash flow					
Zero-cost collar (US\$ vs. R\$)	US\$	3,565,000	1,485,000	(805,429)	25,822
Swap Fixed (US\$) vs. CDI	US\$	-	50,000	-	5,356
NDF (R\$ vs. US\$)	US\$	2,950,000	-	(693,529)	-
Swap CDI vs. Fixed (US\$)	US\$	-	50,000	-	(2,485)
Subtotal				(1,498,958)	28,693
Total in derivatives				(2,579,475)	6,014

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d) Settled derivatives

In the period ended September 30, 2018 and 2017, the consolidated positions of settled derivatives were as follows:

Consolidated	Cash paid / Received amount			
	3Q18	3Q17	9M18	9M17
Cash flow				
Exchange hedge				
Zero-cost collar (R\$ vs. US\$)	(8,472)	665	1,693	665
NDF (R\$ vs. US\$)	(998,139)	-	(998,139)	11,110
NDF (MXN vs. US\$)	-	-	-	39
Subtotal	(1,006,611)	665	(996,446)	11,814
Commodity hedge				
Bunker (oil)	-	-	-	2,631
Subtotal	-	-	-	2,631
Debt hedge				
Exchange hedge				
Swap CDI vs. Fixed (US\$)	(705)	-	(6,387)	49,588
Swap Fixed (US\$) vs. CDI	-	-	-	(8,809)
Subtotal	(705)	-	(6,387)	40,779
Interest hedge				
Swap Libor vs. Fixed (US\$)	-	-	(615)	(1,544)
Swap Coupon vs. Fixed (US\$)	-	-	-	15,824
Subtotal	-	-	(615)	14,280
Total in derivatives ^(a)	(1,007,316)	665	(1,003,448)	69,504

^(a) In the periods ended September 30, 2018 and 2017, there was a receipt of R\$ 259,602 and R\$ 77,700, respectively, from short positions on unexpired options and is hence not presented in the table above.

4.6 Capital management

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

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The Company monitors constantly significant indicators, such as:

i) consolidated financial leverage ratio, which is the ratio of total net debt to its adjusted Earnings Before Interest, Taxes, Depreciation, and Amortization (“EBITDA”); and

ii) management of contractual financial covenants, maintaining a safety margin so as not to breach these covenants. Management prioritizes new loans denominated in the same currency of its main cash generation source, in order to obtain a natural hedge in the long term for its cash flow. The Company manages its capital structure and makes adjustments based on changes in economic conditions.

	Parent Company		Consolidated	
	9/30/2018	12/31/2017	9/30/2018	12/31/2017
Loans and financing	6,366,421	5,441,048	19,073,674	12,191,856
Debentures	4,745,060	-	4,745,060	-
(-) Cash and financial investments	(11,584,886)	(2,070,682)	(12,970,329)	(2,708,338)
Net debt	(473,405)	3,370,366	10,848,405	9,483,518
Equity attributable to controlling shareholders	10,632,103	11,621,554	10,632,103	11,621,554
Equity attributable to non-controlling shareholders	-	-	15,137	-
Equity and net debt	10,158,698	14,991,920	21,495,645	21,105,072

4.7 Fair value hierarchy

The financial instruments and other interim financial information items assessed 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 – Data 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	9/30/2018			
	Fair value	Level 1	Level 2	Level 3
Assets				
Financial investments	11,264,567	4,612,652	6,651,915	-
Derivative financial instruments	642,119	-	642,119	-
Biological assets ^(a)	5,002,922	-	-	5,002,922
	<u>16,909,608</u>	<u>4,612,652</u>	<u>7,294,034</u>	<u>5,002,922</u>
Liabilities				
Derivative financial instruments	3,221,594	-	3,221,594	-
	<u>3,221,594</u>	<u>-</u>	<u>3,221,594</u>	<u>-</u>
	12/31/2017			
Consolidated	Fair value	Level 1	Level 2	Level 3
Assets				
Financial Investments	1,631,505	-	1,631,505	-
Derivative financial instruments	133,910	-	133,910	-
Biological assets ^(a)	4,548,897	-	-	4,548,897
	<u>6,314,312</u>	<u>-</u>	<u>1,765,415</u>	<u>4,548,897</u>
Liabilities				
Derivative financial instruments	127,896	-	127,896	-
	<u>127,896</u>	<u>-</u>	<u>127,896</u>	<u>-</u>

^(a) Changes in fair value of biological assets are shown in Note 13.

4.8 Guarantees

The Company has as guarantee letters of credit and credit insurance policies.

On September 30, 2018, consolidated accounts receivable operations pegged to exports amount to US\$ 476 million, equivalent to R\$ 1,909,840 on that date (US\$ 429 million, corresponding to R\$ 1,421,446 on December 31, 2017).

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5 Cash and Cash Equivalents

	Parent Company		Consolidated	
	9/30/2018	12/31/2017	9/30/2018	12/31/2017
Cash and banks				
Local currency	26,915	18,533	30,057	19,124
Foreign currency	-	-	1,307,774	583,604
	26,915	18,533	1,337,831	602,728
Financial investments				
Local currency	355,241	472,168	367,931	472,168
Foreign currency	-	-	-	1,937
	355,241	472,168	367,931	474,105
	382,156	490,701	1,705,762	1,076,833

Financial investments in local currency are low risk and highly liquid, and correspond to investments indexed to CDI. On September 30, 2018, the interest rates on financial investments ranged from 92% to 104% of the CDI rate (on December 31, 2017, the interest rates on financial investments ranged from 94% to 110% of the CDI rate).

6 Financial Investments

	Parent Company		Consolidated	
	9/30/2018	12/31/2017	9/30/2018	12/31/2017
Financial assets measured at fair value through profit or loss held for trading				
Investment funds ^(a)	4,550,815	1,542,068	4,612,652	1,593,066
Bank Deposit Certificates ("CDB") ^(b)	4,626,772	37,913	4,626,772	38,439
Government bonds ^(c)	2,025,143	-	2,025,143	-
	11,202,730	1,579,981	11,264,567	1,631,505

^(a) Investment funds invest in fixed income instruments, diversified between private institution bonds and government bonds, and are remunerated at a rate between 73.32% and 100.84%, of the CDI rate at September 30, 2018. Investment portfolios are frequently monitored by the Company for the purpose of ensuring compliance with the investment policy, which seeks low risk and high liquidity of securities. The risk classification of these assets is presented on Note 4.3

^(b) Bank Deposit Certificates ("CDB") were remunerated on average at 102.06% of the CDI on September 30, 2018 (102.48% on December 31, 2017).

^(c) Government bonds are represented by investments in Brazilian Floating-Rate Government Bonds ("LFT") remunerated at 100% of the Selic basic interest rate.

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7 Trade Accounts Receivables

7.1 Breakdown of balances

	Parent Company		Consolidated	
	9/30/2018	12/31/2017	9/30/2018	12/31/2017
Domestic customers				
Third parties	719,660	739,858	776,328	741,558
Receivables Investment Fund ("FIDC") ^(a)	21,873	25,825	21,873	25,825
Subsidiaries ^(b)	30,062	-	-	-
Related parties ^(b)	48,660	28,652	48,660	28,652
Foreign customers				
Third parties	50,962	45,572	1,952,195	1,546,515
Subsidiaries ^(b)	2,653,811	1,775,848	-	-
Estimated losses with doubtful accounts ("PECLD")	(34,479)	(35,836)	(37,478)	(38,740)
	3,490,549	2,579,919	2,761,578	2,303,810

(a) In 2017 the Company created the FIDC, that is a vehicle with the purpose with of acquiring credit rights originated from sales made by Suzano to facilitate credit to certain clients. FIDC is an investment fund that acquires receivables and securities representing credit rights. The FIDC has duration of two years and may be renewed under certain conditions. The Company has a co-obligation and retains substantial credit risk. Accordingly it recorded accounts receivable of R\$ 21,873 and liabilities of R\$ 21,384, net of transaction costs (Note 19). (The amounts of R\$ 25,825 and R\$ 24,665, respectively, on December 31, 2017).

(b) See Note 11.

7.2 Past due securities

	Parent Company		Consolidated	
	9/30/2018	12/31/2017	9/30/2018	12/31/2017
Past due:				
Up to 30 days	20,389	38,270	88,794	67,239
From 31 and 60 days	9,113	9,418	19,537	16,066
From 61 and 90 days	4,053	3,825	4,834	3,949
From 91 and 120 days	2,310	2,949	3,335	2,831
From 121 and 180 days	5,856	9,959	5,724	9,423
Over 180 days	44,942	36,402	49,622	39,905
	86,663	100,823	171,846	139,413
% Total overdue receivables	2%	4%	6%	6%

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7.3 Changes in allowance for doubtful accounts

	Parent Company			
	3Q18	3Q17	9M18	9M17
Balance at beginning of the period	(37,866)	(25,155)	(35,836)	(35,309)
Credits accrued in the period	(3)	(29,843)	(8,512)	(39,131)
Credits recovered in the period	801	2,671	2,176	4,890
Credits definitively written-off from position	2,589	11,268	7,693	28,491
Balance at end of the period	<u>(34,479)</u>	<u>(41,059)</u>	<u>(34,479)</u>	<u>(41,059)</u>

	Consolidated			
	3Q18	3Q17	9M18	9M17
Balance at beginning of the period	(38,602)	(26,989)	(38,740)	(35,603)
Credits accrued in the period	(2,767)	(29,774)	(11,315)	(40,663)
Credits recovered in the period	1,256	2,666	4,882	4,946
Credits definitively written-off from position	2,589	11,268	7,851	28,491
Exchange variation	46	24	(156)	24
Balance at end of the period	<u>(37,478)</u>	<u>(42,805)</u>	<u>(37,478)</u>	<u>(42,805)</u>

The Company has guarantees for overdue securities in its commercial transactions, through credit insurance policies, letters of credit and collateral. Part of these guarantees is equivalent to the need to recognize allowance for doubtful accounts, in accordance with the credit policy (Note 4.3).

8 Inventories

	Parent Company		Consolidated	
	9/30/2018	12/31/2017	9/30/2018	12/31/2017
		Restated (Note 2.4)		Restated (Note 2.4)
Finished goods				
Pulp				
Domestic	176,774	81,829	176,774	81,829
Foreign	-	-	238,443	198,380
Paper				
Domestic	233,480	196,944	233,480	196,944
Foreign	-	-	67,007	67,146
Consumer Goods				
Domestic	13,531	6,376	21,659	6,376
Work in process	64,041	63,797	69,493	63,797
Raw materials	504,492	388,383	513,565	388,383
Spare parts and others	206,494	164,686	225,164	180,712
	<u>1,198,812</u>	<u>902,015</u>	<u>1,545,585</u>	<u>1,183,567</u>

On September 30, 2018, inventories are net of the balance of estimated losses in the amount of R\$ 31,055 (R\$ 51,911 on December 31, 2017).

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8.1 Changes in estimated losses

	Parent Company and Consolidated			
	3Q18	3Q17	9M18	9M17
Balance at beginning of the period	(40,447)	(27,957)	(51,911)	(28,206)
Estimated loss	(4,240)	(10,410)	(8,111)	(10,422)
Reversal of estimated loss	3,193	471	4,588	471
Write-off	10,439	-	24,379	261
Balance at end of the period	(31,055)	(37,896)	(31,055)	(37,896)

Additions to and reversals of estimated losses and direct write-offs are recognized under profit or loss, in cost of goods sold.

In the nine-month periods ended September 30, 2018, additional write-offs were recorded directly as profit or loss in the amount of R\$ 18,785 and R\$ 19,616 at the parent company and consolidated, respectively (R\$ 3,450 and R\$ 3,417 at the parent company and consolidated, respectively, on September 30, 2017).

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

9 Recoverable Taxes

	Parent Company		Consolidated	
	9/30/2018	12/31/2017	9/30/2018	12/31/2017
IRPJ and CSLL - Withholding and prepaid taxes	39,830	50,239	52,232	58,823
PIS and COFINS - on acquisition of fixed assets ^(a)	56,299	58,767	56,637	58,767
PIS and COFINS - other operations	37,740	54,360	38,915	55,515
ICMS - on acquisition of fixed assets ^(b)	73,761	71,603	73,761	71,603
ICMS - other operations ^(c)	217,479	250,006	222,426	280,384
Reintegra Program ^(d)	49,148	71,376	49,148	71,376
Other taxes and contributions	5,283	1,934	23,345	4,298
Provision for the impairment of ICMS credits ^(e)	(11,629)	(10,583)	(11,629)	(10,583)
	467,911	547,702	504,835	590,183
Current assets	250,530	263,945	287,116	306,426
Non-current assets	217,381	283,757	217,719	283,757

(a) Social Integration Program ("PIS") / Social Security Funding Contribution ("COFINS") - Credits whose realization is linked to the depreciation period of the corresponding asset.

(b) Value-added Tax on Sales and Services ("ICMS"): Credits from the entry of goods destined for property, plant and equipment are recognized at the ratio of 1/48 from the entry and on a monthly basis, as per the bookkeeping of ICMS Control on Property, Plant and Equipment ("CIAP").

(c) ICMS credits accrued due to the volume of exports and credit generated in operations of entry of products. Credits are concentrated in the state of Maranhão, where the Company realizes the

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credits through "Transfer of Accrued Credit" (sale of credits to third parties), after approval from the State Ministry of Finance. Credits are also being realized through consumption in its consumer goods (tissue) operations in the domestic market that are already operational in Maranhão.

- (d) Special Regime of Tax Refunds for Export Companies ("Reintegra"). Reintegra is a program that aims to refund the residual costs of taxes paid throughout the exportation chain to taxpayers, in order to make them more competitive in international markets.
- (e) Provision for discount on sales to third parties of accrued ICMS tax credit (item c)).

10 Advance to Suppliers

	Parent Company		Consolidated	
	9/30/2018	12/31/2017	9/30/2018	12/31/2017
Forest development program ^(a)	225,024	237,466	225,024	237,466
Advance for purchase of finished product	-	33,324	-	33,324
Advance to suppliers ^(b)	84,554	3,889	89,837	37,264
	<u>309,579</u>	<u>274,679</u>	<u>314,862</u>	<u>308,054</u>
Current assets	67,390	53,124	72,673	86,499
Non-current assets	242,189	221,555	242,189	221,555

(a) Advances of funds and inputs for timber development.

(b) Advances to suppliers for the acquisition of inputs, services and standing timber from third parties.

11 Related Parties

Related parties	Type of operation
Bexma Comercial Ltda. ("Bexma")	Administrative expenses
Bizma Investimentos Ltda. ("Bizma")	Management of investment funds
Central Distribuidora de Papéis Ltda. ("Central")	Sale of paper
Ibema Cia Brasileira de Papel ("Ibema")	Sale of paper
Instituto Ecofuturo - Futuro para o Desenvolvimento Sustentável ("Ecofuturo")	Social services
IPLF Holding S.A. ("IPLF")	Shared corporate costs and expenses
Lazam MDS Corretora e Adm. Seguros S.A. ("Lazam-MDS")	Insurance advisory and consulting
Mabex Representações e Participações Ltda. ("Mabex")	Aircraft services (freight)
Nemonorte Imóveis e Participações Ltda. ("Nemonorte")	Real estate advisory
Suzano Holding S.A. ("Holding")	Grant of suretyship and administrative costs

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11.1 Balance sheets in the period ended September 30, 2018

Item of balance sheet	ASSETS			LIABILITIES		
	Current			Current		Non-current
	Trade receivables - subsidiaries	Trade receivables - related parties	Trade receivables	Trade payables	Payables - subsidiaries	Payables - related parties
With subsidiaries						
Suzano Trading	2,598,698 ^(b)	-	-	-	20,540 ^(a)	-
Suzano Europa	72	-	-	-	-	-
Suzano Austria	2,527	-	-	-	47,794 ^(a)	-
Suzano América	-	-	-	-	43	-
Paineiras	-	-	-	-	455	-
Paineiras Logística	-	-	-	-	5,959	-
Stenfar	52,514 ^(b)	-	-	-	1,069	-
Futuragene	-	101	-	-	-	-
Sun Paper	-	-	-	-	4,609	-
Facepa	30,062 ^(b)	-	-	-	-	-
	2,683,873	101			80,469	
						12,521,341
With related parties						
Holding	-	3	-	-	-	122
IPLF	-	1	-	-	-	-
Bexma	-	1	-	-	-	-
Ibema	-	48,553 ^(b)	6,376	-	-	-
Bizma	-	1	-	-	-	-
		48,559	6,376			122
	2,683,873	48,660	6,376		80,469	122
						12,521,341

11.2 Balance sheets at December 31, 2017

Item of balance sheet	ASSETS			LIABILITIES		
	Current			Current		Non-current
	Trade receivables - subsidiaries	Trade receivables - related parties	Trade receivables	Trade payables	Payables - subsidiaries	Payables - related parties
With subsidiaries						
Suzano Trading	1,732,080 ^(b)	-	-	-	661,643 ^(a)	-
Suzano Europa	49	-	-	-	-	-
Suzano Austria	-	-	-	-	90,946 ^(a)	-
Paineiras Logística	-	-	2,369	-	2,749	-
Stenfar	43,719 ^(b)	-	-	-	1,001	-
Futuragene	-	20	-	-	-	-
Sun Paper	-	-	-	-	4,027	-
	1,775,848	20	2,369		760,366	
						5,973,085
With related parties						
Holding	-	-	-	-	-	141
Ecofuturo	-	4	-	45	-	-
Ibema	-	28,628 ^(b)	-	6,954	-	-
		28,632		6,999		141
	1,775,848	28,652	2,369	6,999	760,366	141
						5,973,085

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11.3 Transactions in the three- and nine-month periods ended September 30, 2018 and 2017

Item of balance sheet	Result				Result			
	3Q18		3Q17		9M18		9M17	
	Income	Expenses	Income	Expenses	Income	Expenses	Income	Expenses
With subsidiaries								
Suzano Trading	2,520,813 ^(b)	(176,429)	900,867 ^(b)	(28,245)	6,485,632 ^(b)	(757,254)	3,932,429 ^(b)	(114,517)
Suzano Europa	17	(75)	-	-	89	(75)	-	-
Suzano Austria	-	(138,972)	-	(54,955)	-	(939,986)	134,944	(123,000)
Paineiras	-	(1,951)	-	(905)	-	(5,478)	-	(3,409)
Paineiras Logística	-	(80,808)	-	(63,326)	-	(202,220)	-	(188,564)
Stenlar	26,502 ^(b)	(593)	16,617 ^(b)	(1,452)	72,456 ^(b)	(1,058)	66,478 ^(b)	(1,649)
Ondurman	-	(3,954)	-	(4,005)	-	(11,863)	-	(12,015)
Amulya	-	-	-	(976)	-	-	-	(6,745)
Futuragene	-	-	-	281	-	(9)	-	281
Sun Paper	-	(14)	-	-	-	(570)	-	-
Facepa	39,606 ^(b)	-	-	-	68,351 ^(b)	-	-	-
	<u>2,586,939</u>	<u>(402,796)</u>	<u>917,485</u>	<u>(153,583)</u>	<u>6,626,527</u>	<u>(1,918,513)</u>	<u>4,133,851</u>	<u>(449,618)</u>
With related parties								
Holding	7	(3,032)	5	(3,516)	42	(9,090)	347	(10,666)
IPLF	1	-	-	-	3	-	9	(8)
Central	-	-	1,161	-	-	-	4,056	-
Nemonorte	-	(288)	-	(481)	-	(228)	-	(1,368)
Mabex	-	42	-	(78)	-	(83)	-	(285)
Bexma	2	-	4	-	8	-	4	-
Lazam - MDS	-	-	-	(61)	-	(31)	-	(309)
Ecofuturo	-	-	-	(925)	2	(1,750)	-	(2,822)
Ibema	71,351 ^(b)	(7,344)	14,960 ^(b)	-	127,926 ^(b)	(7,344)	43,907 ^(b)	-
Bizma	1	-	-	-	14	-	-	-
	<u>71,361</u>	<u>(10,562)</u>	<u>16,130</u>	<u>(5,061)</u>	<u>127,994</u>	<u>(18,525)</u>	<u>48,323</u>	<u>(15,458)</u>
	<u>2,658,301</u>	<u>(413,358)</u>	<u>933,615</u>	<u>(158,644)</u>	<u>6,754,521</u>	<u>(1,937,038)</u>	<u>4,182,174</u>	<u>(465,076)</u>

(a) New loans through subsidiaries (Note 19 (d));

(b) Pulp and paper sales operations.

11.4 Management compensation

For the periods ended September 30, 2018 and 2017, 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, are presented as follows:

	Parent Company				Consolidated			
	3Q18	3Q17	9M18	9M17	3Q18	3Q17	9M18	9M17
Short-term benefits								
Salary or compensation	17,553	4,434	36,497	18,135	17,979	4,434	37,478	18,135
Direct and indirect benefits	710	959	2,102	2,100	734	959	2,172	2,100
Bonus	3,644	5,153	13,933	16,088	3,721	5,153	14,150	16,088
	<u>21,907</u>	<u>10,546</u>	<u>52,532</u>	<u>36,323</u>	<u>22,434</u>	<u>10,546</u>	<u>53,800</u>	<u>36,323</u>
Long-term benefits								
Share-based compensation	13,175	6,215	63,374	33,456	13,331	6,215	63,530	33,456
	<u>13,175</u>	<u>6,215</u>	<u>63,374</u>	<u>33,456</u>	<u>13,331</u>	<u>6,215</u>	<u>63,530</u>	<u>33,456</u>
Total	<u>35,082</u>	<u>16,761</u>	<u>115,906</u>	<u>69,779</u>	<u>35,765</u>	<u>16,761</u>	<u>117,330</u>	<u>69,779</u>

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Short-term benefits include fixed compensation (salaries and fees, vacation, mandatory bonus and “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 members of the Management, in accordance with the specific regulations (Note 24).

12 Current and Deferred Taxes

The Company, based on expected generation of future taxable income as determined by a technical study approved by Management, recognized deferred tax assets over temporary differences, income and social contribution tax loss carryforwards, which do not expire.

Deferred income and social contribution taxes are originated as follows:

	Parent Company		Consolidated	
	9/30/2018	12/31/2017	9/30/2018	12/31/2017
Income tax loss carryforward	386,999	572,356	390,153	575,248
Social contribution tax loss carryforward	6,627	29,830	6,627	29,830
Provision for tax, civil and labor liabilities	98,996	103,631	98,996	103,631
Provisions (operational and sundry losses)	263,491	203,831	263,491	203,831
Exchange variation - payable on a cash basis for tax purposes	687,908	82,793	687,908	82,793
Losses on derivatives	877,021	29,943	877,021	29,943
Other temporary differences	154,653	109,789	157,459	109,503
Non-current assets	2,475,695	1,132,173	2,481,655	1,134,779
Tax benefit of goodwill - goodwill not amortized for accounting purposes	12,386	10,063	12,386	10,063
Property, plant and equipment - deemed cost adjustment	1,488,382	1,525,281	1,563,133	1,603,987
Biological assets - fair value	149,878	90,461	149,878	90,461
Tax accelerated depreciation	1,189,433	1,183,115	1,189,433	1,183,115
Gains on derivatives	-	31,988	-	31,988
Other temporary differences	27,281	2,519	27,120	2,519
Non-current liabilities	2,867,360	2,843,427	2,941,950	2,922,133
Total non-current assets, net	-	-	5,960	2,606
Total non-current liabilities, net	391,665	1,711,254	466,255	1,789,960

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The income tax loss carryforward, negative basis of social contribution and accelerated depreciation are only achieved by the Income Tax (IRPJ).

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

	Parent Company		Consolidated	
	9/30/2018	12/31/2017	9/30/2018	12/31/2017
Tax loss carryforward	1,547,997	2,289,425	1,560,613	2,300,993
Social contribution tax loss carryforward	73,632	331,445	73,632	331,445

The projected realization of deferred taxes was prepared based on the Management's best estimates and on projected results. However, since there are diverse assumptions over which the Company has no control, such as inflation indices, exchange volatility, international market prices and other economic uncertainties in Brazil, future results may materially differ from those considered in this projection.

Year	9/30/2018
	Consolidated
October to December 2018	891,247
In 2019	1,043,142
In 2020	176,932
In 2021	159,036
In 2022	103,718
In 2023	15,731
2024 to 2027	91,849
	<u>2,481,655</u>

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13 Biological Assets

The changes in the balances of biological assets in the respective periods are shown below:

	<u>Parent Company</u>	<u>Consolidated</u>
Balances at December 31, 2016	4,198,382	4,072,528
Additions ^(a)	934,992	912,368
Depletion for the year	(551,135)	(551,135)
Gain on adjustment to fair value ^(b)	192,504	192,504
Disposal of forests	(28,030)	(28,030)
Other write-offs	(46,369)	(49,338)
Balances at December 31, 2017	4,700,344	4,548,897
Additions ^(a)	1,004,124	986,614
Depletion for the period	(516,948)	(516,948)
Gain on restatement of fair value	5,954	5,954
Disposal of forests	(14,817)	(14,817)
Other write-offs	(6,778)	(6,778)
Balances at September 30, 2018	<u>5,171,879</u>	<u>5,002,922</u>

^(a) Refers to the formation and acquisition of forests, of which R\$ 629,460 of forest formation and R\$ 374,664 of forest acquisition at the Parent Company (R\$ 798,578 and R\$ 136,414, respectively, on December 31, 2017). The costs incurred to lease lands with subsidiaries are eliminated;

^(b) The gain reported in 2017 is mainly due to the gross wood price in the regions of Maranhão and Pará and the maintenance of other assumptions.

The Company's biological assets are mainly made of eucalyptus forest for reforestation used to supply wood to pulp and paper mills and are located in the states of São Paulo, Bahia, Espírito Santo, Maranhão, Minas Gerais, Pará, Piauí and Tocantins. Permanent preservation and legal reserve areas were not included in the calculation of fair value due to its nature.

The fair value of eucalyptus forests is determined semiannually through the income approach method by using the Discounted Cash Flow method.

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14 Investments

	Subsidiaries										Joint Ventures		Total				
	AGFA	Amulya	Facepa	Mucuri Energética	Ondurman	Paineiras	Paineiras Logística	Stenfar	Sun Paper	Suzano America	Suzano Austria	Suzano Europa		Suzano Luxemburgo	Suzano Trading	Asapir ^(c)	Ibema
Provision for losses on December 31, 2016	-	(15,173)	-	-	(66,715)	-	-	-	-	(19,554)	(2,087)	-	-	-	-	-	(103,529)
Investment on December 31, 2016	-	-	-	-	-	172,605	1,938	19,872	4,535	-	-	1,416	-	29,802	2,042	873	233,083
Equity in the earnings of unconsolidated companies	-	9,279	-	-	(7,921)	(14,495)	(1,504)	(426)	(382)	(7,282)	3,332	(6,305)	-	512,558	(55)	5,872	492,671
Exchange variation in investees	-	-	-	-	-	(437)	-	(3,935)	469	748	153	3,756	-	37,123	129	-	38,006
Acquisition of shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	21	21
Capital increase	-	43,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	43,000
Merger of subsidiary	-	(37,106)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(37,106)
Provision for losses on December 31, 2017	-	-	-	-	(74,636)	-	-	-	-	(26,088)	-	(1,133)	-	-	-	-	(101,857)
Investment on December 31, 2017	-	-	-	-	-	157,673	434	15,511	4,622	-	1,398	-	-	579,483	2,116	6,766	768,003
Equity in the earnings of unconsolidated companies	3,039	-	5,363	1,915	(5,262)	2,140	1,667	(18,536)	(220)	(31,116)	(1,278)	(69,980)	-	171,505	(3,196)	3,867	59,908
Exchange variation in investees	-	-	-	-	-	(617)	-	(5,551)	772	9,860	92	15,517	14	154,319	1,744	-	176,150
Acquisition of subsidiaries (a)	31,242	-	276,634	48,028	-	-	-	-	-	-	-	-	-	-	-	-	355,903
Amortization of intangible assets of subsidiaries	-	-	(8,253)	-	-	-	-	-	-	-	-	-	-	-	-	-	(8,253)
Deferred tax on amortization of acquisitions and intangible assets of subsidiaries	-	-	2,805	-	-	-	-	-	-	-	-	-	-	-	-	-	2,805
Capital increase in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	55	-	-	-	55
Provision for losses on December 31, 2018 (b)	-	-	-	-	(79,898)	-	-	(8,576)	-	(47,344)	-	(55,597)	-	-	-	-	(191,415)
Investment on September 30, 2018 (b)	34,281	-	276,549	49,943	-	159,196	2,101	-	5,174	-	212	-	69	905,307	664	10,633	1,444,128

(a) See Note 1.1 b) iii) and iv).

(b) Includes unrealized profit from intercompany transactions and estimated investment losses.

(c) Shared control with 50% consolidation.

On September 30, 2018 the subsidiaries CMN and Eucalipto were not presented in the chart above since the investment amount is immaterial.

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The financial information of subsidiaries and joint ventures is shown below:

	Subsidiaries													Indirect subsidiaries			Joint Ventures	
	AGFA	Facepa	Mucuri Energética	Ondurman	Paineiras	Paineiras Logística	Stenfar	Sun Paper	Suzano America	Suzano Austria	Suzano Europa	Suzano Luxemburgo	Suzano Trading	Stenfar	Futuragene	Facepa	Asapir	Ibema
Equity interest %	100%	64.04%	100%	100%	100%	100%	90%	100%	100%	100%	100%	100%	100%	10%	100%	28.8%	50%	49.9%
Total assets	34,281	194,358	131,314	93,431	276,209	13,442	77,642	5,507	511,604	8,841,106	4,535,275	69	7,505,407	77,642	60,505	194,358	12,816	343,721
Total liabilities	-	77,344	81,679	44,647	76,066	11,341	77,533	333	452,435	8,840,894	4,445,312	-	6,596,325	77,533	43,294	77,344	11,488	334,002
Adjusted equity	34,281 ^(a)	117,014 ^{(a) (b)}	49,635 ^(a)	(79,898) ^(b)	159,196 ^(b)	2,101	(8,565) ^(b)	5,174	(47,344) ^(b)	212	(55,597) ^(b)	69	905,307 ^(b)	109	17,211	117,014 ^{(a) (b)}	1,328	9,719
Net income (loss) for the period	3,039	10,585	1,915	7,812	6,579	1,666	(20,398)	(220)	4,149	(1,278)	3,538	-	175,136	(20,398)	(26,549)	10,585	(6,392)	8,676

- (a) Adjusted equity considers the difference between the value of the consideration transferred and the net assets acquired. The business combination was accounted for in September 2018 and is considered as temporary, see Notes 14.1 i) and ii).
- (b) Adjusted equity considers the elimination of unrealized profit.

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14.1 Business combination

To determine the accounting criteria for recording this transaction, we observed the provisions of CPC 15 (R1) – Business Combination and ICPC 09 (R2) – Individual financial statements, separate statements, consolidated statements and application of the equity method.

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

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

Intangible assets were valued by external appraisers to determine their fair value, and some qualified for booking in accordance with the criteria laid by CPC 04 (R1) – Intangible Assets.

i) Facepa

On March 1, 2018, Suzano acquired the (direct and indirect) control of 92.84% of the shares of Facepa – Fábrica de Papel da Amazônia S.A.

The net assets acquired are stated below, and the accounting numbers are very close to the fair value numbers:

Facepa - Fabrica de Papel da Amazônia S.A.			
Assets	3/1/2018	Liabilities	3/1/2018
Current assets		Current assets	
Cash and cash equivalents	12,743	Trade accounts payables	21,814
Trade accounts receivable	49,315	Loans and financing	5,277
Inventories	20,162	Social and tax liabilities	8,087
Taxes to offset	13,710	Advances to clients	595
Other assets	2,011	Dividends payable	1,717
		Other payables with transaction	9,762
Total current	97,941	Other payables (rebates)	1,214
Non-current assets		Total current	48,466
Taxes to offset	425	Non-current assets	
Judicial deposits	1,341	Loans and financing	21,399
Other assets	290	Labor provisions	1,350
Investments	423	Other accounts payable	418
Property, plant and equipment	77,431		
Intangible assets	211	Total non-current	23,167
Total non-current	80,121	Total net assets	106,429
Total assets	178,062	Total liabilities	178,062

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Assets identified in the valuation, based on their fair values, are shown below:

	Amounts (92.84%)	Amounts (100.00%)
Net assets acquired from Facepa	98,808	106,429
net assets acquired from AGFA ^(a)	590	
Intangible assets - Brands	20,052	21,598
Intangible assets - Relationship with customers	26,464	28,505
Intangible assets - Non Compete	3,133	3,374
Intangible assets - Surplus value of PPE	46,247	49,814
Total net assets at fair value	195,294	209,720
Total consideration transferred/to be transferred	307,876	
Goodwill from business combination	112,582	

(a) As mentioned in Note 1.1 b) iii), AGFA is a non-operating company and was acquired in the Facepa transaction, considering 100% of the shares. The balance of the net assets is related to accounts receivable from Facepa and the balance held in bank accounts.

	Non-controlling interest (7.16%)
Net assets acquired from Facepa	7,620
Intangible assets - Brands	1,546
Intangible assets - Relationship with customers	2,041
Intangible assets - Non Compete	242
Intangible assets - Surplus value of PPE	3,567
Total net assets at fair value	15,016
Amortization of identified intangible assets	(637)
Total non-controlling interest	14,379

The goodwill, which corresponds to 36.6% of the consideration transferred, is attributable mainly to the expectation of future profitability due to the operating synergies related to the tissue segment.

If the acquisition had occurred on 1 January 2018, consolidated pro-forma revenue and loss for the period ended 30 September 2018 would have been R\$ 271.413 and R\$ 3.759 respectively (unaudited). This information regarding net revenue and loss was obtained through the aggregation of the amounts of the acquiring and acquired companies and does not represent the actual amounts consolidated for the period.

The net revenue and profit that impacted the consolidation are R\$ 216,404 and R\$ 10,585, respectively.

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ii) PCH Mucuri

On February 19, 2018, the Company acquired 100.00% of the shares of PCH Mucuri.

The net assets acquired are stated below:

Mucuri Energética S.A.			
Assets	2/19/2018	Liabilities	2/19/2018
Current assets		Current assets	
Cash and cash equivalents	8,692	Trade accounts payables	255
Trade accounts receivable	2,663	Loans and financing	5,439
Taxes to offset	111	Related parties	4
Prepaid expenses	17	Social and tax liabilities	540
Total current	11,483	Sector charges	12
		Guarantees by creditor	57
		Sundry provisions	12,328
Non-current assets		Total current	18,635
Judicial deposits	1,682	Non-current assets	
Financial investments	2,472	Loans and financing	47,808
Property, plant and equipment	110,459	Labor provisions	550
Deferred	9	Provision TAC	11,500
Intangible assets	109	Total non-current	59,858
Total non-current	114,731	Total net assets	47,721
Total assets	126,214	Total liabilities	126,214

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

	<u>Amounts</u>
Net assets acquired	47,721
Total net assets at fair value	47,721
Total consideration transferred/to be transferred	<u>48,028</u>
Goodwill from business combination	<u>307</u>

If the acquisition had occurred on 1 January 2018, consolidated pro-forma revenue and loss for the period ended 30 September 2018 would have been R\$ 19,040 and R\$ 110,907 respectively (unaudited). This information regarding net revenue and profit was obtained through the aggregation of the amounts of the acquiring and acquired companies and does not represent the actual amounts consolidated for the period.

The net revenue and profit that impacted the consolidation are R\$ 15,803 and R \$ 1,915, respectively.

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15 Property, Plant and Equipment

	Parent Company					Total
	Buildings	Machinery and equipment	Other assets	Land and farms	Work in progress	
Annual average depreciation rate	3.47%	5.41%	17.74%	-	-	-
Cost						
Balances at December 31, 2016	2,681,691	15,335,813	289,431	4,008,345	390,671	22,705,951
Transfers	141,161	485,182	3,297	3,920	(633,560)	-
Transfers between other assets	(b) (4,500)	4,434	(7,035)	-	(8,705)	(15,806)
Additions	4,500	104,402	5,895	1,739	731,740	848,276
Write-offs	(a) (9,463)	(95,277)	(13,520)	(10,561)	(4,697)	(133,518)
Merger AMYA	(d) -	-	-	25,793	-	25,793
Interest capitalization	-	-	-	-	8,286	8,286
Balances at December 31, 2017	2,813,389	15,834,554	278,068	4,029,236	483,735 (c)	23,438,982
Transfers	71,004	220,127	11,481	745,070	(1,047,682)	-
Transfers between other assets	(b) 4,500	1,164	988	-	(2,078)	4,574
Additions	555	92,656	8,090	2	1,149,758	1,251,061
Write-offs	(a) (6,786)	(65,029)	(1,033)	(21,853)	-	(94,701)
Interest capitalization	-	-	-	-	1,498	1,498
Balances at September 30, 2018	2,882,662	16,083,472	297,594	4,752,455	585,231 (c)	24,601,414
Depreciation						
Balances at December 31, 2016	(761,724)	(5,904,324)	(175,704)	-	-	(6,841,752)
Transfers	8	270	(278)	-	-	-
Write-offs	(a) 3,172	64,536	13,140	-	-	80,848
Depreciation	(70,037)	(700,416)	(26,520)	-	-	(796,973)
Balances at December 31, 2017	(828,581)	(6,539,934)	(189,362)	-	-	(7,557,877)
Transfers	8	1,391	(1,399)	-	-	-
Write-offs	(a) 1,118	59,173	196	-	-	60,487
Depreciation	(56,132)	(559,816)	(21,057)	-	-	(637,005)
Balances at September 30, 2018	(883,587)	(7,039,186)	(211,622)	-	-	(8,134,395)
Net						
Balances at December 31, 2017	1,984,808	9,294,620	88,706	4,029,236	483,735 (c)	15,881,105
Balances at September 30, 2018	1,999,075	9,044,286	85,972	4,752,455	585,231 (c)	16,467,019

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	Consolidated						Total
	Buildings	Machinery and equipment	Other assets	Land and farms	Added value ^(e)	Work in progress	
Annual average depreciation rate	3.47%	5.41%	17.74%	-	-	-	-
Cost							
Balances at December 31, 2016	2,683,827	15,345,570	299,131	4,368,577	-	390,671	23,087,775
Transfers	141,161	485,182	3,297	3,920	-	(633,560)	-
Transfers between other assets ^(b)	(4,500)	4,434	(7,035)	-	-	(8,705)	(15,806)
Additions	4,648	106,422	6,527	2,257	-	731,740	851,594
Write-offs ^(a)	(9,463)	(95,277)	(13,525)	(26,161)	-	(4,697)	(149,123)
Interest capitalization	-	-	-	-	-	8,286	8,286
Balances at December 31, 2017	2,815,673	15,846,331	288,395	4,348,592	-	483,735 ^(c)	23,782,726
Transfers	71,004	224,003	11,481	745,070	-	(1,051,558)	-
Transfers between other assets ^(b)	4,500	1,164	988	-	-	(2,078)	4,574
Additions	1,679	99,552	9,142	1,206	-	1,150,216	1,261,795
Acquisition Facepa	18,505	46,165	1,920	7,446	49,814	4,691	128,540
Acquisition PCH	102,376	3,781	26	4,273	-	2	110,458
Write-offs ^(a)	(8,495)	(65,199)	(1,013)	(22,291)	-	-	(96,998)
Interest capitalization	-	-	-	-	-	1,498	1,498
Balances at September 30, 2018	3,005,242	16,155,797	310,938	5,084,296	49,814	586,506 ^(c)	25,192,593
Depreciation							
Balances at December 31, 2016	(762,686)	(5,908,943)	(180,866)	-	-	-	(6,852,495)
Transfers	8	270	(278)	-	-	-	-
Write-offs ^(a)	3,172	64,536	13,145	-	-	-	80,853
Depreciation	(70,315)	(701,822)	(27,719)	-	-	-	(799,856)
Balances at December 31, 2017	(829,821)	(6,545,959)	(195,718)	-	-	-	(7,571,498)
Transfers	7	1,391	(1,398)	-	-	-	-
Write-offs ^(a)	1,318	59,243	197	-	-	-	60,758
Depreciation	(58,822)	(568,578)	(22,271)	-	-	-	(649,671)
Balances at September 30, 2018	(887,318)	(7,053,903)	(219,190)	-	-	-	(8,160,411)
Net							
Balances at December 31, 2017	1,985,852	9,300,372	92,677	4,348,592	-	483,735 ^(c)	16,211,228
Balances at September 30, 2018	2,117,924	9,101,894	91,748	5,084,296	49,814	586,506 ^(c)	17,032,182

- (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 for sale, of which: semi trucks – R\$ 6,047 and vehicles – R\$ 67 (on December 31, 2017, semi trucks were R\$ 7,035 and commercial properties were R\$ 4,500).
- (c) The balance of construction in progress comes from investments made in line with its strategy to maximize return to shareholders, of which: (i) adjacent business – R\$ 88,278; (ii) structural competitiveness – R\$ 406,801; and (iii) other investments – R\$ 91,426 (December 31, 2017, (i) adjacent business – R\$ 134,299; (ii) structural competitiveness – R\$ 264,606; (iii) other investments – R\$ 84,830);
- (d) The subsidiary Amulya Empreendimentos Imobiliários Ltda. (“AMYA”) was fully merged on August 31, 2017;
- (e) See Notes 14.1 i).

Machinery and equipment include amounts recognized as financial lease outlined in Note 19.4.

On September 30, 2018, the Company did not identify any event that indicated impairment of assets.

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15.1 Assets given as collateral

On September 30, 2018, assets given as collateral in loan operations and lawsuits amounted to R\$ 11,449,579 (R\$ 11,571,632 on December 31, 2017).

15.2 Capitalized expenses

In the nine-month period ended September 30, 2018, interests were capitalized in the amount of R\$ 1,498 referring to the investments in adjacent business and structural competitiveness (December 31, 2017 the amount of R\$ 8,286 referring to the same investments). The amount considers acquisitions net of investments at the average rate of 0.54% per month.

16 Intangible Assets

16.1 Goodwill

	Parent Company		Consolidated	
	9/30/2018	12/31/2017	9/30/2018	12/31/2017
Vale Florestar	45,435	45,435	45,435	45,435
Paineiras Logística	10	10	10	10
PCH Mucuri ^(a)	-	-	307	-
Facepa ^(a)	-	-	112,582	-
	<u>45,445</u>	<u>45,445</u>	<u>158,334</u>	<u>45,445</u>

^(a) Companies acquired in the first quarter of 2018, see allocation of the purchase price on Notes 14.1 i) and ii)).

16.2 Intangible assets with indefinite useful life

On September 30, 2018 and December 31, 2017, the amount related to other intangible assets with indefinite useful life was R\$ 1,196.

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16.3 Intangible assets with determined useful life

						Consolidated	Parent Company
	Trademarks and patents	Software	Relationship with clients	Non Compete	R&D Agreements	Total	Total
Useful life (years)	8.4	5	2.5	5	18.8		
Acquisition cost	1,635	120,718	-	-	196,023	318,376	144,933
Accumulated amortization	(920)	(49,533)	-	-	(94,976)	(145,429)	(73,069)
Balances at December 31, 2016	715	71,185	-	-	101,047	172,947	71,864
Acquisitions	-	8,054	-	-	-	8,054	8,054
Foreign currency translation adjustment	-	-	-	-	1,284	1,284	-
Amortization	(105)	(21,825)	-	-	(8,339)	(30,268)	(21,930)
Write-offs	-	-	-	-	(18,937)	(18,937)	-
Transfers and others	-	8,705	-	-	-	8,705	8,705
Book balance	610	66,119	-	-	75,055	141,785	66,693
Acquisition cost	1,635	137,477	-	-	178,370	317,482	161,693
Accumulated amortization	(1,025)	(71,358)	-	-	(103,315)	(175,698)	(95,000)
Balances at December 31, 2017	610	66,119	-	-	75,055	141,785	66,693
Acquisitions	-	6,349	-	-	-	6,349	6,350
Acquisition PCH/FACEPA	17	749	-	-	-	766	-
Acquisition FACEPA - identified items	21,598	-	28,505	3,374	-	53,478	-
Foreign currency translation adjustment	-	-	-	-	15,221	15,221	-
Amortization	(75)	(17,215)	-	-	(5,627)	(22,917)	(17,290)
Amortization PCH/FACEPA	(13)	(499)	-	-	-	(512)	-
Amortization FACEPA - identified items	(1,845)	-	(6,651)	(394)	-	(8,890)	-
Transfers and others	-	2,077	-	-	-	2,077	2,077
Book balance	20,293	57,580	21,854	2,981	84,649	187,357	57,831
Acquisition cost	23,250	146,652	28,505	3,374	193,591	395,373	170,120
Accumulated amortization	(2,958)	(89,072)	(6,651)	(394)	(108,942)	(208,017)	(112,288)
Balances at September 30, 2018	20,293	57,580	21,854	2,981	84,649	187,357	57,831

17 Receivables from land expropriation

In the nine-month period ended September 30, 2018, there was no change in the nature and opinion of the Management and the legal advisors regarding the information reported on December 31, 2107.

On September 30, 2018 the amount receivable from land expropriation was R\$ 63,108 (R\$ 60,975 on December 31, 2017).

18 Trade accounts payable

	Parent Company		Consolidated	
	9/30/2018	12/31/2017	9/30/2018	12/31/2017
Domestic suppliers	527,158	567,306	545,908	574,458
Foreign suppliers	69,852	14,504	101,690	36,018
	597,010	581,810	647,598	610,476

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19 Loans and Financing

	Index	Annual average interest rate on 9/30/2018	Maturity	Parent Company		Consolidated		
				9/30/2018	12/31/2017	9/30/2018	12/31/2017	
Property, plant and equipment:								
BNDES - Finem	(a) (b)	Fixed rate /TJLP	7.17%	2019 to 2030	274,594	311,836	349,312	339,798
BNDES - Finem	(b)	Currency basket / US\$	7.20%	2019 to 2022	174,783	165,125	174,783	165,125
BNDES - Finame	(a)	Fixed rate /TJLP	5.24%	2018 to 2024	3,412	4,708	3,412	4,708
FNE - BNB	(b)	Fixed rate	6.39%	2024 to 2026	227,284	244,452	227,284	244,452
FINEP	(b)	Fixed rate	4.00%	2020	14,788	20,577	14,788	20,577
Financial lease		CDI/US\$		2018 to 2022	20,114	19,686	20,114	19,686
Export Credit Agency - ECA	(b) (c)	US\$/LIBOR	3.62%	2022	951,029	864,761	951,029	864,761
					1,666,004	1,631,145	1,740,722	1,659,107
Working capital:								
Export financing		US\$/LIBOR	5.90%	2021 to 2022	425,837	844,388	425,837	844,388
Export credit note	(f)	CDI	6.72%	2018 to 2026	3,978,459	2,907,200	3,978,459	2,907,200
Senior Notes	(d)	US\$/Fixed rate	6.13%	2021 to 2047	-	-	9,599,958	4,730,800
Trade notes discount-Vendor					-	33,363	-	33,363
Syndicated Loan	(e)	US\$/LIBOR	3.41%	2023	-	-	3,001,851	1,986,691
Fund of Investments in Receivables	(h)			2018	21,384	24,665	21,384	24,665
Rural Producer Credit	(g)	CDI	7.42%	2026	274,547	-	274,547	-
Other				2018 to 2025	190	287	30,916	5,642
					4,700,417	3,809,903	17,332,952	10,532,749
					6,366,421	5,441,048	19,073,674	12,191,856
Current Portion (includes interest payments)					1,596,325	1,329,753	1,685,752	2,115,067
Non-current portion					4,770,096	4,111,295	17,387,922	10,076,789
Non-current loans and financing mature as follows:								
2019					147,827	1,236,638	151,783	2,122,767
2020					2,229,084	2,160,696	2,243,714	2,599,279
2021					573,059	494,345	2,676,457	1,121,216
2022					174,983	119,750	1,522,068	123,745
2023					49,263	49,164	378,202	53,160
2024					30,816	30,089	39,710	34,084
2025 onwards					1,565,064	20,613	10,375,988	4,022,538
					4,770,096	4,111,295	17,387,922	10,076,789

- (a) If the Long-term Interest Rate ("TJLP") exceeds 6% p.a., the exceeding portion is included within the principal and subject to interest.
- (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 order to fund the import of equipment's for the pulp production in the unit located in Maranhão, Suzano obtained financing in the approximate amount of US\$ 535 million, maturing in up to 9.5 years, guaranteed by the Export Credit Agencies Finnvera and EKN ("Export Credit Agency"). These agreements establish covenants related to the maintenance of certain leverage levels, which are verified for compliance twice a year (June and December). Until this moment, the Company complied with all covenants established in the agreements.
- (d) In the last quarter of 2017, Suzano, through its subsidiary Suzano Trading, repurchased senior notes amounting to: (i) US\$ 456 million and, through Suzano Áustria, re-tapped the issues of Senior Notes in the amount of US\$ 200 million, maturing on July 14, 2026, and paying interest of 4.62% p.a., due semiannually in January and July; and ii) US\$ 200 million, maturing on March 16, 2047, with interest corresponding to 6.30% p.a., due semiannually in March and September. In March 2017, Suzano Austria, issued US\$ 300 million in Senior Notes due on March 16, 2047, with semiannual interest payments of 7.00% p.a. and final return for investors of 7.38% p.a. Additionally, in September 2018, there was a new issue of Senior Notes amounting to US\$ 1.0 billion, with interest of 6% p.a. and maturity in 2029 (Note 1.1 a i)).

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- (e) In February 2018, the Company, through its subsidiary Suzano Europa, contracted a syndicated loan in the amount of US\$ 750 million, with payment of quarterly interest and amortization of the principal between February 2021 and February 2023 (Note 1.1 a) vii)).
- (f) In the third quarter of 2018, two Export Credit Notes were contracted, totaling R\$ 1.3 billion, pegged to the CDI rate and maturing in 2026.
- (g) In the third quarter of 2018, a Rural Producer Financial Note was contracted in the amount of R\$ 275 million, pegged to the CDI rate and maturing in 2026.
- (h) See Note 7.1.

Certain financing agreements have financial and non-financial covenants. Financial covenants establish some maximum levels of leverage, normally expressed as a ratio of Net Debt to Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA), with which the Company was compliant on the date of these interim financial statements. Non-financial covenants establish the maximum level of assignment of receivables, guarantees to third parties and sale of operating assets, with which the Company is also in compliance.

19.1 Changes in loans and financing

	<u>Parent Company</u>	<u>Consolidated</u>
Balances at December 31, 2016	8,150,116	14,012,779
Funding	242,740	2,561,954
Exchange variation	(7,754)	81,849
Settlement of principal	(2,927,471)	(4,533,736)
Settlement of interest	(565,514)	(1,025,117)
Interest expenses and other costs	551,614	1,041,995
Transaction costs and other costs	(2,683)	52,132
Balances at December 31, 2017	<u>5,441,048</u>	<u>12,191,856</u>
Funding	1,688,806	8,571,900
Addition from acquisition of subsidiaries	-	79,923
Exchange variation	339,523	1,776,547
Settlement of principal	(1,162,156)	(3,473,928)
Settlement of interest	(183,939)	(528,012)
Interest expenses and other costs	254,905	539,506
Transaction costs and other costs	(11,766)	(84,118)
Balances at September 30, 2018	<u><u>6,366,421</u></u>	<u><u>19,073,674</u></u>

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19.2 Transaction costs and premiums of securities issues

Nature	Total cost	Amortization	Consolidated	
			Balance to be amortized	
			9/30/2018	12/31/2017
Senior Notes	115,911	(68,176)	47,735	27,280
NCE	77,457	(54,534)	22,923	23,076
Import (ECA)	101,811	(83,290)	18,521	26,386
Syndicated Loan	41,560	(26,886)	14,674	6,479
Debentures	20,295	(675)	19,620	-
Other	7,728	(4,156)	3,572	2,424
Total	364,762	(237,717)	127,045	85,645

The cost of funding in foreign currency is amortized on the contractual dates based on the effective interest rate and the currency of origin, and is translated into Brazilian reais for reporting purposes.

19.3 Guarantees for loans and financings

Some loan and financing contracts have clauses of guarantee of the financed equipment itself or other fixed assets indicated by the Company (Note 15.1).

19.4 Lease

i) Financial lease agreements

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	
	9/30/2018	12/31/2017
Machinery and equipment	108,160	108,160
(-) Accumulated depreciation	(100,852)	(99,452)
Property, plant and equipment, net	7,308	8,708
Present value of mandatory installments (financing):		
Less than 1 year	5,747	4,632
From 1 to 5 years	14,367	15,054
Total present value of mandatory installments (financing)	20,114	19,686
Financial charges to be recognized in the future	3,333	2,770
Total mandatory installments at the expiration of agreements	23,447	22,456

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ii) Operating lease agreements

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

Description	Monthly installment amount	Index	Maturity
Administrative offices and deposits	1 to 1,163	IGP-M ^(a) and IPCA ^(b) /IBGE ^(c)	11/2018 to 1/2024
Call center and licenses	1 to 120	IGP-DI ^(d)	12/2018
Land	182 to 2,047	IGP-M, IPCA/IBGE and others	10/2018 to 10/2045

(a) General Market Price Index calculated by the Getulio Vargas Foundation.

(b) Broad Consumer Price Index.

(c) Brazilian Institute of Geography and Statistics.

(d) General Price Index – Domestic Availability.

The minimum payments of maturing operating were as follows:

	9/30/2018
Less than 1 year	180,610
From 1 year to 3 years	335,654
From 3 years to 5 years	295,787
More than 5 years	639,871
Total installments due	<u>1,451,922</u>

20 Other commitments

In the normal course of its operations, the Company enters into contracts and commercial commitments to guarantee better operating conditions to expand its business. The most relevant are:

- i) Contracts for future sale of finished products, backed by performance sale operations recorded in the short term. The amounts are initially recognized in "advances from customers" and are recorded in the income statement as these products are delivered. On September 30, 2018, there were no amounts outstanding for agreements for future sale of finished products recorded under "Advances from Customers" (R\$ 63,201 on December 31, 2017).

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21 Debentures

21.1 Debentures of the 6th Issue

The 6th issue of debentures was concluded on June 29, 2018, in a single series, with unit face value of R\$1. Debentures will not be convertible into shares of the Company (Note 1.1 a) iv)).

Parent Company and Consolidated			9/30/2018			Index	Annual rate of interest	Due date
Issue	Series	Issuance amount	Current	Non-current	Total			
6 th	Single	4,681,100	83,580	4,661,480	4,745,060	CDI	112.50%	6/29/2026
			<u>83,580</u>	<u>4,661,480</u>	<u>4,745,060</u>			

22 Provision for Contingencies

22.1 Changes in provisions for contingencies

	Parent Company						
	Balance on 12/31/2017	New lawsuits due to acquisition of subsidiaries	New lawsuits	Reversals	Inflation adjustment	Settlement of lawsuits	Balance on 9/30/2018
Tax and social security	268,654	-	49,373	(13,606)	5,720	(13,939)	296,202
Labor	38,117	-	20,606	(3,383)	7,192	(16,658)	45,874
Civil	3,382	-	87	(2)	338	-	3,805
	<u>310,153</u>	<u>-</u>	<u>70,066</u>	<u>(16,991)</u>	<u>13,250</u>	<u>(30,597)</u>	<u>345,881</u>
	Consolidated						
	Balance on 12/31/2017	New lawsuits due to acquisition of subsidiaries	New lawsuits	Reversals	Inflation adjustment	Settlement of lawsuits	Balance on 9/30/2018
Tax and social security	273,324	-	49,373	(13,606)	3,592	(13,939)	298,744
Labor	40,363	1,900	22,067	(4,784)	7,367	(17,802)	49,111
Civil	3,382	-	97	(2)	338	-	3,815
	<u>317,069</u>	<u>1,900</u>	<u>71,537</u>	<u>(18,392)</u>	<u>11,297</u>	<u>(31,741)</u>	<u>351,670</u>

22.2 Tax and Social Security Suits and Proceedings

On September 30, 2018, the Company was a defendant in 323 administrative proceedings as well as tax and social security lawsuits in which the disputed matters related to diverse taxes such as IRPJ/Social Contribution ("CSLL"), PIS, COFINS, Tax on Industrialized Products ("IPI"), social security contributions, Rural Property Tax ("ITR"), State Value-Added Tax ("ICMS"), Tax on Services ("ISS") and Urban Property Tax ("IPTU"), whose amounts are provisioned for when the likelihood of loss is deemed probable by the Company's external legal counsel and the Management.

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With the issue of Provisional Decree 783/2017, later passed into Law 13,496/2017, which introduced the Special Program for Payment of Overdue Taxes (PERT), due to benefits of reduction in the interest, fines and legal charges, the Company opted to migrate some debts covered by REFIS – Law 11,941/09, not consolidated yet, and include other debts whose loss is deemed probable in said Installment Payment Program. These debts are recorded in provision amounting to R\$ 4,398 on September 30, 2018, already deducting from this amount any legal deductions and amounts paid in advance to the Federal Revenue Service of Brazil, whose consolidation still depends on the regulatory act to be issued by the respective Public Authority.

22.3 Labor claims

On September 30, 2018, the Company was a defendant in 3,559 labor claims.

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.

22.4 Civil claims

On September 30, 2018, the Company is a defendant in approximately 464 civil claims.

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

22.5 Judicial deposits

On September 30, 2018, the Company has judicial deposits of R\$ 129,034, of which R\$ 81,343 refer to labor lawsuits, R\$ 43,716 refer to tax and social security lawsuits and R\$ 3,975 refer to civil lawsuits (on December 31, 2017, the amount of R\$ 113,613, of which R\$ 69,599 refer to labor lawsuits and R\$ 44,014 refer to tax and social security lawsuits).

22.6 Lawsuits with possible tax contingencies

The Company is involved in tax, civil and labor lawsuits, as they involve risks with a possible likelihood of loss (not probable), according to Management and its legal counsel, which are not recorded in the Company's books.

	<u>Parent Company</u>		<u>Consolidated</u>	
	<u>9/30/2018</u>	<u>12/31/2017</u>	<u>9/30/2018</u>	<u>12/31/2017</u>
Tax and social security	1,051,311	1,026,950	1,051,311	1,026,950
Labor	46,825	14,268	47,618	14,268
Civil	107,029	23,666	107,096	23,666
	<u>1,205,165</u>	<u>1,064,884</u>	<u>1,206,025</u>	<u>1,064,884</u>

The Company is a defendant in tax and social security lawsuits whose likelihood of loss is deemed possible, in the amount of R\$ 1,051,311, for which no provision is recorded.

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Of this amount, R\$ 841,991 refers to a tax-deficiency notice of PIS and COFINS, from 2007 to 2013, which was not considered and judged by the Federal Revenue Service of Brazil. The other tax and social security lawsuits are related to a variety of taxes such as social security, IRPJ, ITR, ICMS, Withholding Income Tax ("IRRF"), PIS and COFINS, mainly due to differences in the interpretation of the applicable tax rules and information provided in ancillary obligations.

23 Employee Benefits

23.1 Defined benefits plans

The Company guarantees coverage of healthcare costs for former employees who retired by 2003 (until 1998 for former employees of Ripasa, current Limeira unit), as well as their spouses for life and dependents while they are minors.

For other group of former employees, who exceptionally, according to the Company's criteria and resolution or according with rights related to the compliance with pertinent legislation, the Company ensures the healthcare program.

The Company offers life insurance benefit provided to retirees.

23.2 Changes in actuarial liabilities

Parent Company and Consolidated	
Opening balance on December 31, 2016	339,009
Interest on employee benefit	38,022
Actuarial loss	(4,173)
Benefits paid in the period	<u>(21,595)</u>
Opening balance on December 31, 2017	351,263
Interest on employee benefit	25,851
Benefits paid in the period	<u>(19,469)</u>
Closing balance on September 30, 2018	<u><u>357,645</u></u>

24 Share-Based Compensation Plans

On September 30, 2018, the Company had two share-based, long-term compensation plans: i) Paying in Phantom Shares Plan ("Phantom Shares ("PS")) and ii) Share Appreciation Rights ("SAR"), both paid in domestic currency.

These plans did not undergo any changes in their characteristics and measurement criteria since the financial statements of December 31, 2017.

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24.1 Phantom Stock Option Plan

	9/30/2018	12/31/2017
	Shares (No.)	Shares (No.)
Available at the beginning of the period	5,055,519	3,048,991
Granted during the period	1,415,476	3,035,488
Exercised ^(a)	(240,983)	(695,532)
Exercised due to dismissal ^(a)	(122,746)	(161,270)
Abandoned / prescribed due to dismissal	(515,660)	(172,158)
Available at the end of the period	5,591,606	5,055,519

^(a) For share options exercised and those exercised due to termination of employment, the average price on September 30, 2018 and December 31, 2017 was R\$ 47.93 and R\$ 19.84, respectively.

24.2 Common stock option plan

Program	Granted series	Grant date	1 st exercise date	2 nd exercise date and expiration	Price on the grant date	Granted shares	Exercised shares	Total in effect on 9/30/2018
Program 3	Série I	1/18/2013	1/18/2015	4/18/2015	3,53	1,800,000	1,800,000	-
	Série II	1/18/2013	1/18/2016	4/18/2016	3,71	1,800,000	1,800,000	-
	Série III	1/18/2013	1/18/2018	4/18/2018	3,91	1,800,000	1,800,000	-
	Série IV	1/18/2013	1/18/2019	4/18/2019	3,96	1,800,000	1,800,000	-
	Série V	1/18/2013	1/18/2020	4/18/2020	3,99	1,800,000	1,800,000	-
Total						9,000,000	9,000,000	-

24.3 Balance sheet and income statement balances

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

	Consolidated					
	Liabilities and equity		Result			
	9/30/2018	12/31/2017	3Q18	3Q17	9M18	9M17
Non-current liabilities						
Provision for phantom stock plan	146,721	38,320	(41,123)	(20,113)	(117,708)	(38,069)
Equity						
Stock option reserve	-	14,237	-	(362)	(72)	(1,162)
Total general and administrative expenses from share-based transactions			(41,123)	(20,475)	(117,780)	(39,231)

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25 Liabilities from Asset Acquisitions

	Parent Company		Consolidated	
	9/30/2018	12/31/2017	9/30/2018	12/31/2017
Acquisition of land and forests				
Real Estate Receivable Certificate - ("CRI") (a)	57,275	53,321	101,335	102,059
Vale Florestar Fundo de Investimento em Participações ("VFFIP") (b)	478,419	483,927	478,419	483,927
Duratex (c)	527,819	-	527,819	-
Acquisition of subsidiaries				
Fábrica de Papel da Amazônia ("FACEPA") (d)	40,557	-	40,557	-
	<u>1,104,070</u>	<u>537,248</u>	<u>1,148,130</u>	<u>585,986</u>
Total current liabilities	609,620	76,781	616,514	83,155
Total non-current liabilities	494,450	460,467	531,616	502,831

- (a) Refers to accounts payable related to the acquisition of land, farms, reforestation and houses built in Maranhão, restated at the IPCA inflation index.
- (b) In August 2014, Suzano acquired the majority shareholder VFFIP of Vale Florestar S.A. for R\$ 528,941 with a down payment of R\$ 44,998 and outstanding balance due up to August 2029. The monthly settlements are subject to interest and restated at the variation of the U.S. dollar exchange rate, and partially restated at the variation of the IPCA inflation index.
- (c) Refers to accounts payable related to the acquisition of rural properties and forests (biological assets), restated at the IPCA rate with maturity in December 2018 and August 2019.
- (d) Acquired in March 2018, for the amount of R\$ 307,876, upon payment of R\$ 267,876 and the remaining R\$ 40,000, restated at the Broad Consumer Price Index ("IPCA"), adjusted by any losses incurred through the payment date, in accordance with the agreement, with maturities in March 2023 and March 2028 (Note 1.1 b) iii)).

26 Equity

26.1 Share capital

On September 30, 2018, the share capital of Suzano is R\$ 6,241,753, divided into 1,105,826,145 registered, book-entry common shares without par value.

The composition of the share capital is presented below:

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Shareholder	Common Shares	
	Number	(%)
Suzano Holding S.A.	367,612,234	33.24
Controlling Shareholders	185,693,440	16.80
Subtotal	553,305,674	50.04
Management	69,948,940	6.33
Treasury	12,042,004	1.09
BNDESPAR	75,909,985	6.86
Mondrian Investment Partners	72,878,900	6.59
Other shareholders	321,740,642	29.09
Total	1,105,826,145	100.00

By resolution of the Board of Directors, the capital may be increased, irrespective of any amendment to the Bylaws, up to the limit of 780,120 thousand common shares, all exclusively book-entry shares.

On September 30, 2018, SUZB3 common shares ended the period quoted at R\$ 48.08 (R\$ 18.69 on December 31, 2017).

26.2 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.

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26.3 Treasury shares

	Number of shares				R\$	Average price per share
	Common	Pref. A	Pref. B	Total	(in thousand)	(R\$)
Balance on 12/31/2016	6,786,194	8,846,932	1,912,532	17,545,658	273,665	15.60
Shares sold ^(a)	-	(1,800,000)	-	(1,800,000)	(15,552)	8.64
Shares transferred ^(b)	7,055,810	(7,055,810)	-	-	-	-
Shares canceled ^(c)	-	-	(1,912,532)	(1,912,532)	(17,107)	8.94
Repurchase of shares ^(d)	-	8,878	-	8,878	82	9.24
Balance on 12/31/2017	13,842,004	-	-	13,842,004	241,088	17.42
Shares sold ^(a)	(1,800,000)	-	-	(1,800,000)	(22,823)	12.68
Balance on 9/30/2018	12,042,004	-	-	12,042,004	218,265	18.13

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

(b) On September 29, 2017, the Company approved the proposal for migration to the Novo Mercado of B3 S.A. – Brasil, Bolsa, Balcão (“B3”) and the consequent conversion of all preferred shares issued by the Company into common shares at the ratio of one (1) preferred share, class “A” or class “B”, for one (1) common share.

(c) On April 28, 2017, the Annual and Extraordinary Shareholders Meeting approved the cancellation of 1,912,532 class B preferred shares.

(d) Repurchase of shares related to rights of withdrawal exercised by shareholders who did not join the conversion of preferred shares into common shares.

26.4 Other reserves

	Conversion of debentures - 5 th issue	Actuarial gains/losses ^(a)	Exchange variation/ Conversion reserves	Realization of deemed cost	Total
Balances at December 31, 2016	(45,745)	(55,503)	(11,384)	2,427,199	2,314,567
Actuarial gains net of deferred income and social contribution taxes	-	2,754	-	-	2,754
Gains from translation of operations abroad	-	-	38,006	-	38,006
Partial realization of the adjustment to attributed cost of assets, net of deferred income and social contribution taxes	-	-	-	(56,999)	(56,999)
Balances at December 31, 2017	(45,745)	(52,749)	26,622	2,370,200	2,298,328
Gains from translation of operations abroad	-	-	176,150	-	176,150
Partial realization of the adjustment to attributed cost of assets, net of deferred income and social contribution taxes	-	-	-	(55,560)	(55,560)
Balances at September 30, 2018	(45,745)	(52,749)	202,772	2,314,640	2,418,918

(a) Amount net of the effects of deferred income and social contribution taxes.

26.5 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 year, excluding the common shares acquired by the Company and held as treasury shares.

As described in item b) of Note 26.3, in November 2017, the Company migrated to the Novo Mercado segment. Thus, all preferred shares were converted into common shares at the ratio of one preferred share for one common share; Considering that there was no

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change in share capital, with mere conversion of preferred shares, for the purposes of calculation and presentation of earnings per share, this conversion was made retrospectively.

	3Q18	3Q17	9M18	9M17
(Losses) earnings attributable to controlling shareholders	(107,780)	800,876	(1,144,210)	1,449,567
Weighted average number of shares in the period	1,105,826	1,105,826	1,105,826	1,106,457
Weighted average treasury shares	(12,042)	(13,833)	(12,431)	(14,853)
Weighted average number of outstanding shares	1,093,784	1,091,993	1,093,395	1,091,604
Total basic (losses) earnings per common share	<u>(0.09854)</u>	<u>0.73341</u>	<u>(1.04647)</u>	<u>1.32792</u>

Diluted

Diluted earnings per share is calculated by adjusting the weighted average of outstanding common shares assuming the conversion of all common shares that would cause dilution.

	3Q18	3Q17	9M18	9M17
(Losses) earnings attributable to controlling shareholders	(107,780)	800,876	(1,144,210)	1,449,567
Weighted average number of shares in the period	1,093,784	1,091,993	1,093,395	1,091,604
Adjustment by stock options	-	1,275	-	1,275
Weighted average number of shares (diluted)	1,093,784	1,093,268	1,093,395	1,092,879
Total diluted (losses) earnings per common share	<u>(0.09854)</u>	<u>0.73255</u>	<u>(1.04647)</u>	<u>1.32637</u>

26.6 Dividends

The minimum dividends for each fiscal year should be equivalent to the lowest of the following: (i) twenty-five percent (25%) of the net income from the year adjusted according to article 202 of the Brazilian Corporations Law; or (ii) ten percent (10%) of the Company's cash generation in the respective fiscal year.

On December 31, 2017, the Company calculated dividends as follows:

	12/31/2017
Net income for the year	1,807,433
Accrual of legal reserve - 5%	(90,372)
Accrual of tax incentive reserve	(196,604)
Dividend calculation base	1,520,457
Minimum mandatory dividends - 25%	380,115
Dividends prepaid as Interest on Equity	<u>(199,835)</u>
	<u>180,280</u>

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Item V of CVM Resolution 207 of December 13, 1996 establishes that: "Interest paid or credited may be calculated only towards the minimum dividend set forth in article 202 of Federal Law 6,404/76 at the amount net of withholding income tax."

The Company, in compliance with article 26, item c) of its Bylaws and CVM Resolution 207, revised the proposed amount of dividends for the fiscal year ended December 31, 2017 and calculated such dividends as follows:

<u>Article 26. c), i)</u>		<u>Article 26. c), ii)</u>	
Net Income for the year	1,807,433	Net Income for the year	1,807,433
Net Income Allocation:		(-) Financial income	(379,049)
Legal Reserve 5% - Art. 31, "a" of the Bylaws and Art. 193 of Federal Law 6,404/76	90,372	(+) Financial expenses	1,397,889
Tax Incentive Reserve (Profit from Exploration) Art. 19 of Decree 1,598/77	<u>196,604</u>	(+) Depreciation/Amortization/Depletion	1,402,778
Dividend distribution base	1,520,458	(+) IRPJ / CSLL	<u>431,632</u>
Proposed dividends	380,115	EBITDA	4,660,683
Interest on equity	199,835	(-) Fair Value of Biological Assets	(192,504)
(-) Withholding Income Tax on interest on Equity	<u>(29,975)</u>	(+) Other non-recurring adjustments	<u>146,720</u>
Minimum mandatory dividends payable	210,255	Adjusted EBITDA*	4,614,899
		(-) Sustaining CAPEX	<u>(1,099,771)</u>
		Operating Cash Generation - GCO	3,515,128
		Dividends - Art 26, "c" of the Bylaws	351,513
		Interest on equity	199,835
		(-) Withholding Income Tax on interest on Equity	<u>(29,975)</u>
		Minimum mandatory dividends payable	181,653

Based on the calculation above, the amount of R\$ 351,513 was considered as minimum mandatory dividends for fiscal year 2017, of which the net amount of R\$ 169,860 was paid as interest on equity, with the balance of R\$ 181,653 outstanding to be paid. The difference of R\$ 1,373 between the amount previously disclosed on December 31, 2017 and the minimum dividend calculated in accordance with article 26, c), item ii) of the Bylaws of the Company was deemed immaterial by the Management and therefore the financial statements for the fiscal year ended December 31, 2017 will not be restated.

Even though the minimum mandatory dividend amounted to R\$ 351,513, Management submitted for approval of the Annual Shareholders Meeting held on April 26, 2018, which approved it, the proposal for total dividends related to fiscal year 2017 of R\$ 380,115, which was paid on December 11, 2017 via interest on equity of R\$ 199,835, with the outstanding balance paid on May 9, 2018.

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27 Net Financial Result

	Parent Company			
	3Q18	3Q17	9M18	9M17
Income from financial investments	122,593	61,777	195,058	220,796
Other financial income	3,417	926	2,098	19,601
Total financial income	126,010	62,703	197,156	240,397
Loan interest expenses	(174,725)	(145,416)	(338,518)	(453,056)
Intercompany loan interest expenses	(121,682)	(72,108)	(313,295)	(226,524)
Other interest expenses	(20,033)	(19,537)	(63,752)	(67,885)
Other financial expenses	(25,133)	(11,244)	(39,720)	(45,139)
Total financial expenses	(341,573)	(248,305)	(755,285)	(792,604)
Monetary and exchange variations on loans and financing	(253,110)	367,908	(1,724,220)	206,760
Monetary and exchange variations on other assets and liabilities	(8,445)	(32,634)	335,621	(28,534)
Monetary and exchange variation, net	(261,555)	335,274	(1,388,599)	178,226
Derivative gains	121,536	116,726	321,018	333,309
Derivative losses	(1,488,611)	61,011	(4,169,557)	(154,778)
Derivative gain (loss)	(1,367,075)	177,737	(3,848,539)	178,531
Financial income	126,010	575,714	197,156	597,154
Financial expenses	(1,970,203)	(248,305)	(5,992,423)	(792,604)
Financial result, net	(1,844,193)	327,409	(5,795,267)	(195,450)

	Consolidated			
	3Q18	3Q17	9M18	9M17
Income from financial investments	128,236	64,620	206,962	226,603
Other financial income	5,486	1,706	8,494	22,010
Total financial income	133,722	66,326	215,456	248,613
Loan interest expenses	(297,425)	(281,736)	(661,140)	(745,159)
Other interest expenses	(26,042)	(19,639)	(80,381)	(75,010)
Other financial expenses	(151,911)	(13,847)	(293,651)	(55,849)
Total financial expenses	(475,378)	(315,222)	(1,035,172)	(876,018)
Monetary and exchange variations on loans and financing	(234,205)	358,854	(1,743,817)	239,487
Monetary and exchange variations on other assets and liabilities	(20,052)	(18,014)	322,103	(76,550)
Monetary and exchange variation, net	(254,257)	340,840	(1,421,714)	162,937
Derivative gains	121,536	177,996	321,017	328,600
Derivative losses	(1,488,611)	(260)	(4,169,556)	(147,195)
Derivative gain (loss)	(1,367,075)	177,736	(3,848,539)	181,405
Financial income	133,722	584,902	215,456	592,955
Financial expenses	(2,096,710)	(315,222)	(6,305,425)	(876,018)
Financial result, net	(1,962,988)	269,680	(6,089,969)	(283,063)

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28 Net Sales Revenue

	Parent Company			
	3Q18	3Q17	9M18	9M17
Gross sales	4,027,172	2,624,110	10,327,375	7,458,124
Deductions				
Present value adjustment	(1,478)	(2,601)	(3,421)	(6,319)
Returns and cancelations	(11,120)	(9,516)	(35,819)	(34,598)
Discounts and rebates	(2,376)	(1,291)	(5,537)	(5,929)
	4,012,198	2,610,702	10,282,598	7,411,278
Taxes on sales	(336,827)	(277,580)	(886,280)	(785,716)
Net sales revenue	3,675,371	2,333,122	9,396,318	6,625,562
	Consolidated			
	3Q18	3Q17	9M18	9M17
Gross sales	4,389,899	2,889,502	11,201,178	8,221,657
Deductions				
Present value adjustment	(1,478)	(2,601)	(3,421)	(6,319)
Returns and cancelations	(16,272)	(10,137)	(49,381)	(36,740)
Discounts and rebates	(4,709)	(1,291)	(7,867)	(5,929)
	4,367,441	2,875,473	11,140,509	8,172,669
Taxes on sales	(361,917)	(280,781)	(932,331)	(794,199)
Net sales revenue	4,005,524	2,594,692	10,208,178	7,378,470

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The table below shows the breakdown of consolidated net revenue by foreign and domestic markets, specifying the countries where sales in the export market are more significant:

	Consolidated			
	3Q18		3Q17	
	Net revenue	% Total net revenue	Net revenue	% Total net revenue
Domestic market	1,148,996	29%	823,422	32%
Foreign market	2,856,528	71%	1,771,270	68%
China	746,283	19%	85,534	3%
Hong Kong	419,414	10%	215,623	8%
United States	363,872	9%	544,514	21%
France	224,927	6%	204,109	8%
Germany	185,722	5%	1,675	0%
Italy	142,281	4%	83,556	3%
Turkey	133,296	3%	33,094	1%
Peru	59,212	1%	146,531	6%
United Kingdom	59,189	1%	48,791	2%
Spain	47,845	1%	188,161	7%
South Korea	47,108	1%	17,680	1%
Singapore	43,345	1%	29,416	1%
Egypt	42,429	1%	28,633	1%
Other countries	341,605	9%	143,953	6%
Total net revenue	4,005,524	100%	2,594,692	100%

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	Consolidated			
	9M18		9M17	
	Net revenue	% Total net revenue	Net revenue	% Total net revenue
Domestic market	2,847,409	28%	2,256,243	31%
Foreign market	7,360,769	72%	5,122,227	69%
China	1,717,085	17%	223,934	3%
Hong Kong	1,153,866	11%	1,084,795	15%
United States	986,623	10%	965,683	13%
France	678,328	7%	805,839	11%
Germany	441,592	4%	202,665	3%
Italy	359,899	4%	236,206	3%
Turkey	309,697	3%	134,564	2%
United Kingdom	188,283	2%	130,028	2%
Peru	137,576	1%	162,757	2%
Spain	133,618	1%	335,334	5%
South Korea	128,222	1%	58,901	1%
Argentina	122,253	1%	82,867	1%
Egypt	107,067	1%	43,775	1%
Other countries	896,660	9%	654,881	5%
Total net revenue	10,208,178	100%	7,378,470	100%

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29 Information by Segment and Geographic Areas

29.1 Criteria for identifying operating segments

The Company evaluates the performance of its business segments through the operating result. The information presented under “Not Segmented” is related to income statement and balance sheet items not directly attributed to the pulp and paper segments, such as, net financial result and income and social contribution taxes expenses, in addition to the balance sheet classification items of assets and liabilities.

The operating segments defined by Management are as follows:

- i) Pulp: comprises production and sale of hardwood eucalyptus pulp and fluff pulp mainly to supply the foreign market, with any surplus sold in the domestic market.
- ii) Paper: comprises production and sale of paper to meet the demands of both domestic and foreign markets. Consumer goods (tissue) sales are classified under this segment due to its immateriality.

29.2 Information on operating segments

	Consolidated							
	3Q18				3Q17			
	Pulp	Paper	Not segmented	Total	Pulp	Paper	Not segmented	Total
Net sales revenue	2,688,871	1,316,653	-	4,005,524	1,639,736	954,956	-	2,594,692
Domestic market	193,414	955,582	-	1,148,996	158,715	664,707	-	823,422
Foreign market	2,495,457	361,071	-	2,856,528	1,481,021	290,249	-	1,771,270
Asia	1,259,338	36,115	-	1,295,453	684,712	7,207	-	691,919
Europe	857,490	48,468	-	905,958	520,124	31,194	-	551,318
North America	362,041	60,219	-	422,260	260,320	73,087	-	333,407
South and Central America	16,588	208,356	-	224,944	15,865	173,917	-	189,782
Africa	-	7,913	-	7,913	-	4,844	-	4,844
Cost of sales	(1,155,471)	(807,606)	-	(1,963,077)	(915,590)	(635,364)	-	(1,550,954)
Gross profit	1,533,401	509,047	-	2,042,447	724,147	319,591	-	1,043,738
<i>Gross margin (%)</i>	<i>57.0%</i>	<i>38.7%</i>	-	<i>51.0%</i>	<i>44.2%</i>	<i>33.5%</i>	-	<i>40.2%</i>
Operating income (expenses)	(73,902)	(234,536)	-	(308,438)	(97,614)	(168,174)	31,359	(234,429)
Selling expenses	(55,166)	(105,822)	-	(160,988)	(41,173)	(66,326)	-	(107,499)
General and administrative expenses	(64,915)	(133,661)	-	(198,576)	(43,332)	(80,475)	-	(123,807)
Other operating income (expenses)	46,178	957	-	47,136	(13,109)	(21,365)	31,359	(3,115)
Equity pick-up	-	3,990	-	3,990	-	(8)	-	(8)
Operating profit before net financial income (expense)	1,459,498	274,511	-	1,734,009	626,532	151,418	31,359	809,309
<i>Operating margin (%)</i>	<i>54.3%</i>	<i>20.8%</i>	-	<i>43.3%</i>	<i>38.2%</i>	<i>15.9%</i>	-	<i>31.2%</i>
Financial result, net	-	-	(1,962,988)	(1,962,988)	-	-	269,680	269,680
Income (loss) before taxes	1,459,498	274,511	(1,962,988)	(228,979)	626,532	151,418	301,039	1,078,989
Income taxes	-	-	121,371	121,371	-	-	(278,113)	(278,113)
Net income (loss) for the period	1,459,498	274,511	(1,841,617)	(107,608)	626,532	151,418	22,926	800,876
<i>Profit (loss) margin for the period (%)</i>	<i>54.3%</i>	<i>20.8%</i>	-	<i>-2.7%</i>	<i>38.2%</i>	<i>15.9%</i>	-	<i>30.9%</i>
Depreciation, depletion and amortization	292,842	122,561	-	415,402	249,166	99,661	-	348,827
Products sold (in tons)	902,738	336,024	-	1,238,762	829,943	309,519	-	1,139,461
Foreign market	828,442	90,014	-	918,456	742,937	101,633	-	844,571
Domestic market	74,296	246,010	-	320,306	87,005	207,885	-	294,890

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	Consolidated							
	9M18				9M17			
	Pulp	Paper	Not segmented	Total	Pulp	Paper	Not segmented	Total
Net sales revenue	6,920,377	3,287,801	-	10,208,178	4,792,325	2,586,145	-	7,378,470
Domestic market	524,069	2,323,340	-	2,847,409	448,326	1,807,917	-	2,256,243
Foreign market	6,396,308	964,461	-	7,360,769	4,343,999	778,228	-	5,122,227
Asia	3,108,361	80,173	-	3,188,534	2,199,230	25,283	-	2,224,513
Europe	2,259,516	162,527	-	2,422,043	1,412,489	91,371	-	1,503,860
North America	993,779	136,982	-	1,130,761	679,923	206,245	-	886,168
South and Central America	34,652	556,744	-	591,396	52,357	433,679	-	486,036
Africa	-	28,035	-	28,035	-	21,650	-	21,650
Cost of sales	(3,099,613)	(2,127,964)	-	(5,227,577)	(2,809,948)	(1,820,914)	-	(4,630,862)
Gross profit	3,820,763	1,159,838	-	4,980,601	1,982,377	765,231	-	2,747,608
Gross margin (%)	55.2%	35.3%	-	48.8%	41.4%	29.6%	-	37.2%
Operating income (expenses)	(305,889)	(636,494)	-	(942,382)	(269,950)	(439,860)	48,517	(661,293)
Selling expenses	(158,253)	(274,997)	-	(433,250)	(116,305)	(186,236)	-	(302,541)
General and administrative expenses	(183,105)	(366,491)	-	(549,596)	(124,633)	(231,462)	-	(356,095)
Other operating income (expenses), net	35,470	1,127	-	36,597	(29,012)	(26,976)	48,517	(7,472)
Equity pick-up	-	3,867	-	3,867	-	4,814	-	4,814
Operating profit before net financial income (expense)	3,514,874	523,344	-	4,038,219	1,720,068	317,729	48,517	2,086,314
Operating margin (%)	50.8%	15.9%	-	39.6%	35.9%	12.3%	-	28.3%
Financial result, net	-	-	(6,089,969)	(6,089,969)	-	-	(283,063)	(283,063)
Income (loss) before taxes	3,514,875	523,344	(6,089,969)	(2,051,750)	1,720,068	317,729	(234,546)	1,803,251
Income taxes	-	-	908,298	908,298	-	-	(353,684)	(353,684)
Net income (loss) for the period	3,514,875	523,344	(5,181,671)	(1,143,452)	1,720,068	317,729	(588,230)	1,449,567
Profit margin for the period (%)	50.8%	15.9%	-	-11.2%	35.9%	12.3%	-	19.6%
Depreciation, depletion and amortization	830,178	345,094	-	1,175,272	752,974	294,196	-	1,047,170
Total assets (a)	19,925,228	7,400,851	14,239,895	41,565,974	18,550,278	6,261,363	4,631,730	29,443,371
Total liabilities (a)	647,878	679,933	29,590,923	30,918,734	732,191	619,496	16,485,610	17,837,297
Equity of controlling shareholders (a)	-	-	10,632,103	10,632,103	-	-	11,606,074	11,606,074
Equity of non-controlling shareholders (a)	-	-	15,137	15,137	-	-	-	-
Total equity (a)	-	-	10,647,240	10,647,240	-	-	11,606,074	11,606,074
Products sold (in tons)	2,580,525	903,676	-	3,484,201	2,661,861	846,112	-	3,507,973
Foreign market	2,359,528	272,584	-	2,632,112	2,377,601	277,727	-	2,655,328
Domestic market	220,997	631,092	-	852,089	284,260	568,385	-	852,645

(a) The Company's evaluation based on operating segments is only made for assets and liabilities comprising the measurement of Return on Invested Capital ("ROIC"), since this is used in the decision-making process.

29.3 Net sales by product

The following table shows the breakdown of consolidated net sales by product:

Products	Consolidated			
	3Q18	3Q17	9M18	9M17
Market pulp ^(a)	2,688,871	1,639,736	6,920,378	4,792,325
Printing & writing paper ^(b)	1,090,073	749,329	2,689,562	2,026,585
Cardboard	209,690	168,750	546,991	478,126
Other	16,890	36,877	51,247	81,434
Total net sales	4,005,524	2,594,692	10,208,178	7,378,470

(a) Revenue from fluff pulp is immaterial (around 1% of total net sales) and, therefore, was included in market pulp sales.

(b) Tissue is a recently launched product and its revenues represent less than 3.5% of total net sales. Therefore, it was included in the sales of printing and writing paper.

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30 Expenses by Nature

	Parent Company			
	3Q18	3Q17	9M18	9M17
Cost of sales				
Personnel expenses	(159,963)	(137,233)	(450,126)	(402,751)
Variable cost	(854,110)	(735,535)	(2,307,274)	(2,104,439)
Logistics cost	(85,133)	(70,028)	(238,258)	(200,229)
Depreciation, depletion and amortization	(389,543)	(337,868)	(1,122,317)	(1,014,622)
Other costs	(130,827)	(82,285)	(364,756)	(348,679)
	(1,619,576)	(1,362,949)	(4,482,731)	(4,070,720)
Selling expenses				
Personnel expenses	(24,325)	(17,110)	(64,699)	(52,234)
Services	(20,163)	(20,591)	(52,211)	(50,441)
Logistics cost	(235,262)	(158,125)	(611,851)	(486,280)
Depreciation and amortization	(905)	(763)	(2,724)	(2,425)
Other expenses (a)	(15,782)	(15,060)	(55,078)	(43,213)
	(296,437)	(211,649)	(786,563)	(634,593)
General and administrative expenses				
Personnel expenses	(110,982)	(69,211)	(316,188)	(197,791)
Services	(42,910)	(20,830)	(102,492)	(62,530)
Depreciation and amortization	(7,905)	(7,489)	(23,652)	(22,244)
Other expenses (b)	(13,463)	(15,756)	(45,776)	(43,637)
	(175,260)	(113,286)	(488,108)	(326,202)
Other operating income (expenses)				
Result from sale of other products	(821)	461	(4,063)	1,982
Result from sale of fixed and biological assets	3,144	31,387	(1,935)	35,515
Provision for loss and write-off of property, plant and equipment and biological assets ^(c)	(3,202)	(27,723)	(15,502)	(28,800)
Gain (loss) from restatement of fair value of biological assets	-	-	5,954	(25,268)
Provision for losses from asset realization	-	(24,305)	-	(24,305)
Judicial agreements and contractual indemnity	51,846	10,671	51,846	30,902
Other operating income (expenses), net	6,493	1,528	5,165	4,655
	57,460	(7,971)	41,465	(5,319)

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	Consolidated			
	3Q18	3Q17	9M18	9M17
Cost of sales				
Personnel expenses	(172,178)	(137,233)	(471,023)	(402,751)
Variable cost	(916,631)	(754,158)	(2,406,689)	(2,133,133)
Logistics cost	(289,406)	(233,274)	(777,669)	(696,274)
Depreciation, depletion and amortization	(405,799)	(340,218)	(1,146,740)	(1,021,166)
Other costs	(179,063)	(86,071)	(425,456)	(377,538)
	(1,963,077)	(1,550,954)	(5,227,577)	(4,630,862)
Selling expenses				
Personnel expenses	(39,982)	(25,274)	(102,933)	(77,275)
Services	(24,053)	(11,991)	(62,275)	(29,865)
Logistics cost	(85,283)	(55,453)	(216,334)	(152,204)
Depreciation and amortization	(1,160)	(882)	(3,302)	(2,763)
Other expenses (a)	(10,510)	(13,899)	(48,406)	(40,434)
	(160,988)	(107,499)	(433,250)	(302,541)
General and administrative expenses				
Personnel expenses	(115,892)	(73,530)	(340,625)	(207,871)
Services	(44,934)	(23,287)	(116,927)	(70,431)
Depreciation and amortization	(8,443)	(7,727)	(25,230)	(23,241)
Other expenses (b)	(29,307)	(19,263)	(66,814)	(54,552)
	(198,576)	(123,807)	(549,596)	(356,095)
Other operating income (expenses)				
Result from sale of other products	1,223	1,597	3,090	7,669
Result from sale of fixed and biological assets	3,144	35,641	(1,935)	39,769
Provision for loss and write-off of property, plant and equipment and biological assets ^(c)	(3,202)	(27,723)	(15,502)	(31,646)
Land conflict agreement	-	-	-	(11,779)
Amortization of intangible assets	(2,055)	(2,057)	(5,611)	(6,191)
Gain (loss) from restatement of fair value of biological assets	-	-	5,954	(25,268)
Provision for losses from asset realization	-	(24,305)	-	(24,305)
Judicial agreements and contractual indemnity	51,846	10,671	51,846	30,902
Other operating income (expenses), net	(3,820)	3,061	(1,246)	13,377
	47,136	(3,115)	36,597	(7,472)

(a) Includes allowance 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.

(c) On September 30, 2018, the amount refers to R\$ 12,294 of write-offs related to losses and damages with biological assets, and R\$ 3,208 with property, plant and equipment (September 30, 2017, the amount refers to R\$ 27,935 of write-offs related to losses and damages with biological assets and R\$ 3,711 with property, plant and equipment).

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31 Complementary cash flow information of non-cash transactions

	Parent Company and Consolidated	
	9/30/2018	9/30/2017
Recoverable taxes	(188,638)	(202,557)
Tax payable	188,638	-
Exchange variation on investees	176,150	3,338
Additions to property, plant and equipment	(363,601)	-
Additions to biological assets	(146,391)	-
Liabilities for assets acquisitions	509,993	-

32 Subsequent events

i) Approval of the transaction with Fibria by CADE

On October 11, 2018, a decision approving the merger involving the operation between Suzano and Fibria, which is subject to the legal deadline, was published on the CADE website, under the terms of the applicable legislation.

Consummation of the operation is subject to typical conditions for operations of this nature, including approval by antitrust authorities in the European Union.

ii) Integral Reduction in Financial Commitment

On October 25, 2018, the Company announced that it approved, in connection with the transaction aimed at combining the operations and shareholding bases of the Company and Fibria (Note 1.1 b) i) through a corporate reorganization in accordance with the terms disclosed, the integral reduction of the existing firm financial commitment with certain international financial institutions to finance the cash portion of the transaction.

The reduction described above refers to one line of credit, still remaining another line in the amount of US\$ 2.3 billion.