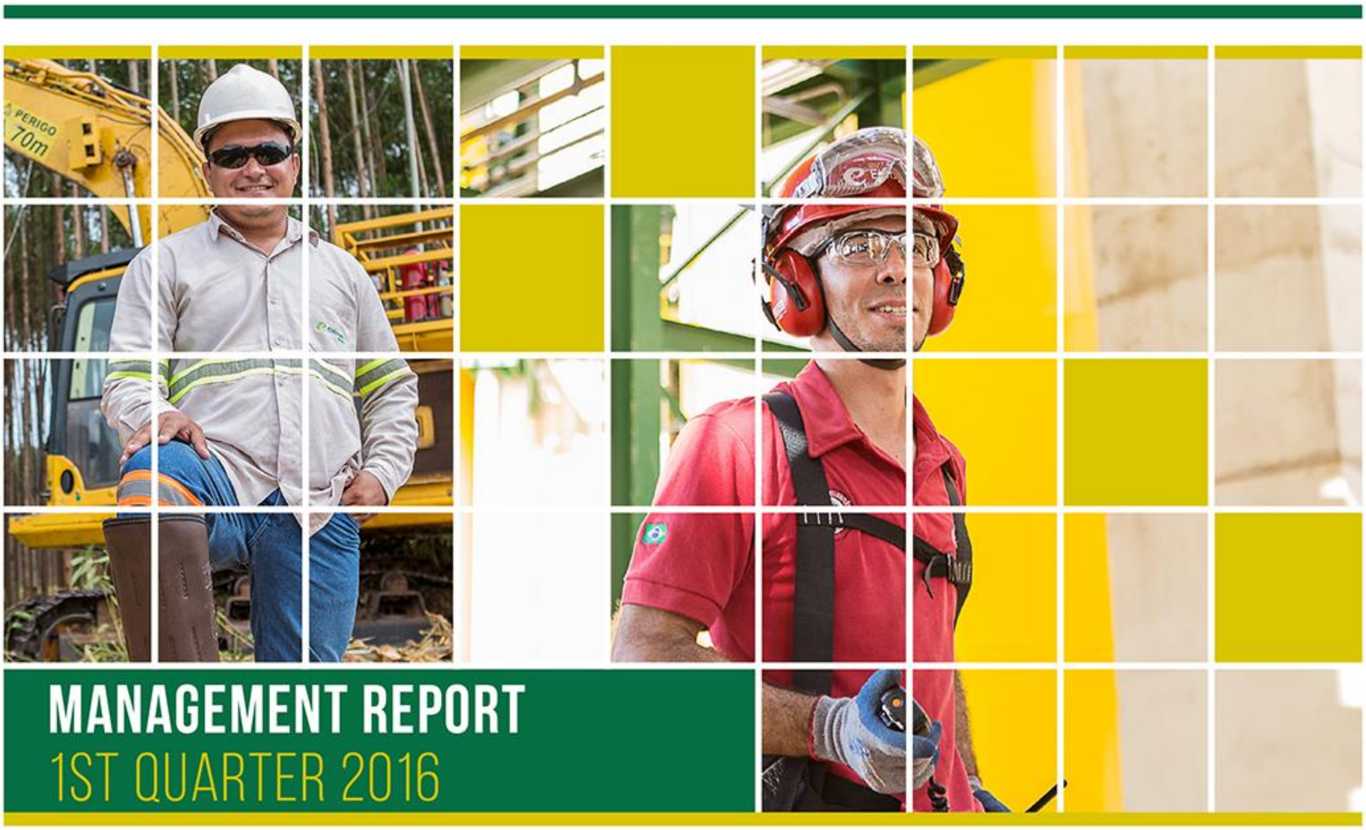
MANAGEMENT REPORT
1ST QUARTER 2016

Eldorado Brasil



Dear Shareholders,

We are pleased to present Eldorado Brasil Celulose S.A.'s ("Eldorado" or "company") Management Report and the Financial Statements for the quarter ended March 31, 2016, in compliance with legal and statutory requirements. This report was prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and also in accordance with the pronouncements, interpretations and guidelines of the Accounting Pronouncements Committee (CPC), approved by resolutions of the Federal Accounting Council (CFC) and of the Brazilian Securities and Exchange Commission (CVM), and is accompanied by the Independent Auditors' Report.

Message from Management

Eldorado has, once again, reaffirmed the successful strategy of its competitiveness model, recording, at the end of March 2016, an Adjusted EBITDA[1] of R$2.1 billion over the last 12 months, a record performance in the company's history. The Adjusted EBITDA[1] margin of 62% from April 2015 to March 2016 is higher than the 58% in 2015, when Eldorado achieved the best margin of the sector in Latin America.

In the quarter, the company achieved an Adjusted EBITDA of R$483 million, with an Adjusted EBITDA[1] margin of 65%, which is 63% higher than in the first quarter of 2015. This improvement is a reflection of the reduction in the cash cost of Eldorado compared to last year, strongly benefited by the smaller distance between the eucalyptus forests and the industrial mill in Três Lagoas (MS) and the inauguration of its own terminal in Santos, in addition to the devaluation of the Brazilian real between the first quarters of 2015 and 2016.

Eldorado started the first quarter of the year with exceptional industrial performance, proven by achieving successive production records. The maximum daily volume was 5,420 tons. The monthly production record was reached in March with 155,000 tons and the first three months of the year reached 428,000 tons. These numbers represent a new benchmark for the global pulp industry.

In the international pulp markets, despite the steady demand in all markets in the first three months of the year, consumer pulp companies, mainly Chinese and European, made inventory adjustments, which impacted negatively on prices. In this context, Eldorado reported net revenues of R$740.9 million in the quarter, up 14% from the same period in the previous year, with sales volume of 354,000 tons in the period, in line with the commercial performance of 2015. Asia and Europe remained as the main destinations of the pulp produced in Três Lagoas, representing 46% and 30% of Eldorado's sales, respectively. The tissue paper (comfort and personal hygiene) and

[1] Includes the effect of unrealized profit on intercompany sales of inventory abroad recorded in the Last Twelve Months in the amount of R$170 million.

the printing and writing segments were responsible for most of the sales volume, and represented, in the first quarter, 35% and 27% of sales, respectively. It is also worth mentioning the increase of the special paper segment in the sales of this quarter, from 11% to 19% when compared to the same period in 2015.

With the consolidation of 100% of the eucalyptus forestry operations in Mato Grosso do Sul, the company was able to advance in the cost reduction and in the improvement of its operational performance in the Nursery, Forestry and Forest Harvesting areas. Eldorado ended the quarter with 217,000 hectares of own eucalyptus forests. The company's Planted forests supply the current production line with capacity of 1.7 million tons per year, while the surplus will supply part of the timber needed for its expansion.

Also during the quarter, Eldorado completed the earthworks related to the Vanguarda 2.0 project, which will add more than 2.3 million tons of pulp per year to the total production of the company and transform the Três Lagoas unit in the world's largest industrial pulp complex. During the first quarter, infrastructure works were held at the expansion site, to be completed by mid 2016.

Eldorado believes in the strength of the pulp market and reinforces its growth strategy based on competitiveness. For this, it maintains its ongoing plan of reducing the average distance between the planted forests and the Três Lagoas unit while intensifying its competitiveness and productivity program.

Eldorado Brasil Celulose releases its results for the 1st Quarter of 2016:

The highlights of the period were:

- **Industrial:** Production volume of 428,840 tons in the quarter, with a monthly record production of 154,634 tons of bleached pulp in March and daily record production of 5,420 tons on March 22.

- **Forestry:** More than 217,000 hectares of planted forests and 100% of the harvesting operations located in the state of Mato Grosso do Sul.

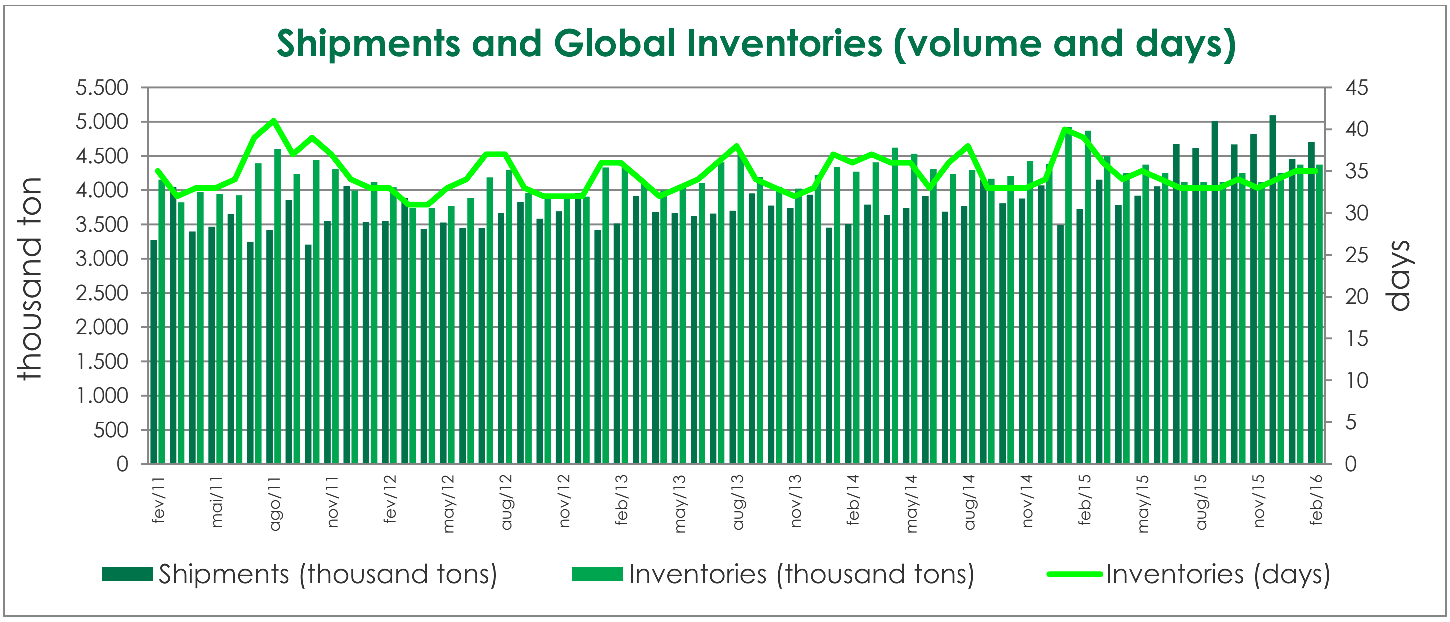
- **Commercial and Logistics:** Sales volume of 354 thousand tons of pulp in the quarter, in line with 4Q15, with consistent sales to Asia and increased sales participation in North America and Latin America.

- **Financial:** Maintenance of the focus on cash generation and debt management, which allowed the reduction of the company's gross debt, with significant decrease of 6% of total debt, with Net Debt/Adjusted EBITDA[1] ratio stable at 4.0x, as measured in U.S. dollars.

[1] Includes the effect of unrealized profit on intercompany sales of inventory abroad recorded in the Last Twelve Months in the amount of R$170 million.

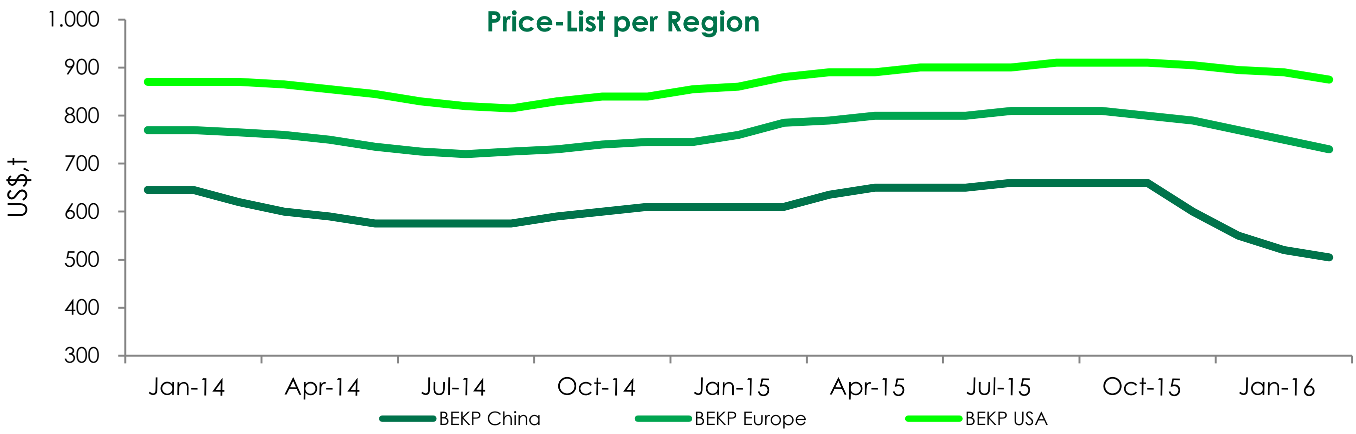
Industry Overview

In the first two months of 2016, Brazilian pulp production increased by 9.4% compared with the same period last year, with production of 3.0 million tons, according to data published by the Ibá (Brazilian Tree Industry).

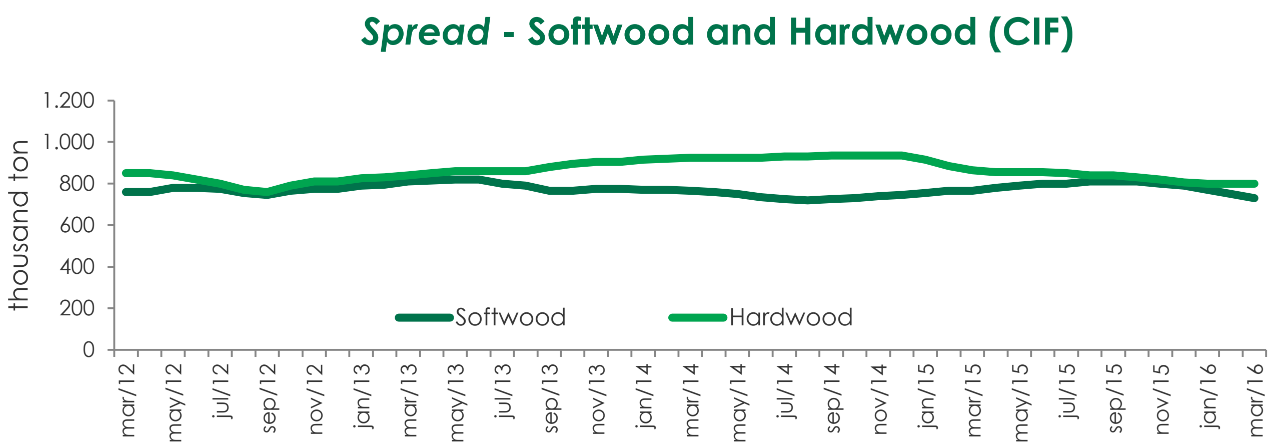


Up to February 2016, the volume of global pulp shipments increased by 3.6%, or 0.32 million tons more than the volume sold in the same period of 2015, according to data from the PPPC (The Pulp and Paper Products Council). The pulp industry global inventory in late February was at 35 days, the same level of February 2015.

The average hardwood pulp price-list of the first quarter of year decreased by 14% in China, 2% in Europe and increased by 3% in North America, compared to the same period last year, according to RISI data provider. This movement is mainly explained by two factors: i) inventory adjustments of pulp consumer companies and ii) anticipation of trading volumes by customers due to the entry of Klabin's new production capacity in Ortigueira (Paraná state).

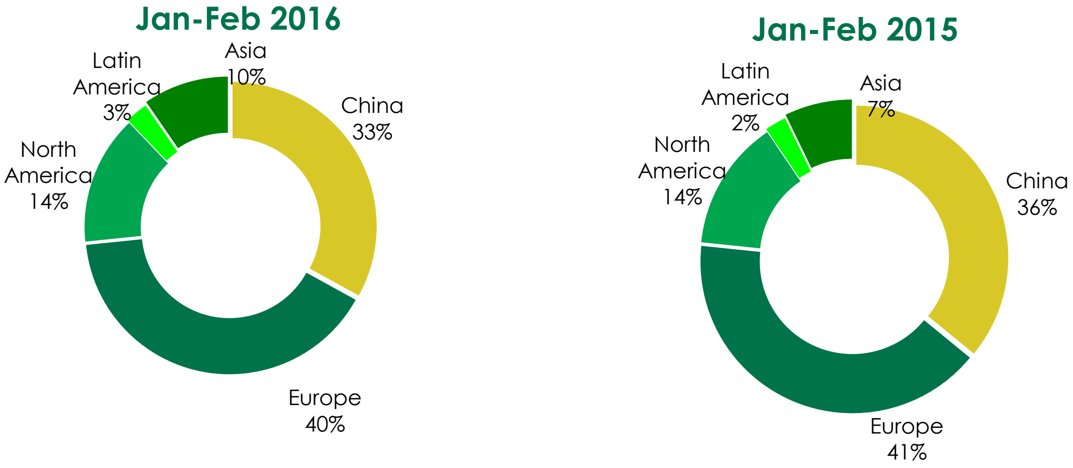


Regarding the difference between the softwood and hardwood price-list in Europe, we were able to observe a trend correction, as that price spread reached nearly US$70/t in March, an amount that is close to historical levels.



Brazilian worldwide exports of pulp and paper maintained consistent levels, and in the first two months of 2016 amounted to US$1.380 billion, up by 19.7% over the same period in 2015 (US$1,158 billion), according to the Brazilian Tree Industry (Ibá). During this period, sales in dollars for all regions of the world recorded an increase, especially Asia (excluding China) (70%), Europe (26%), North America (33%) and China (17%).

Brazilian Pulp Exports per Destination



The U.S. dollar appreciation versus the Brazilian Real at the end of 1Q16 was of 2% compared to 4Q15, and of 38% compared to 1Q15.

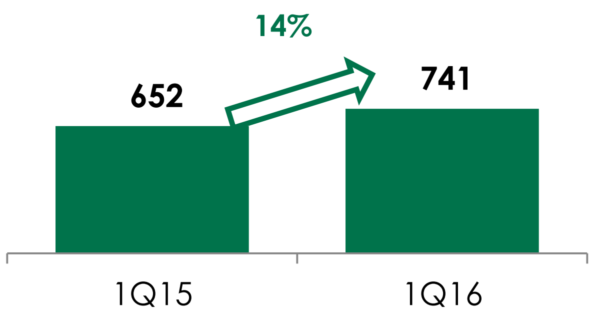
Exchange	1Q16	2015	4Q15	3Q15	2Q15	1Q15
Average dollar	3.90	3.33	3.84	3.54	3.11	2.82
Final dollar	3.56	3.90	3.90	3.97	3.10	3.21

Source: Brazilian Central Bank

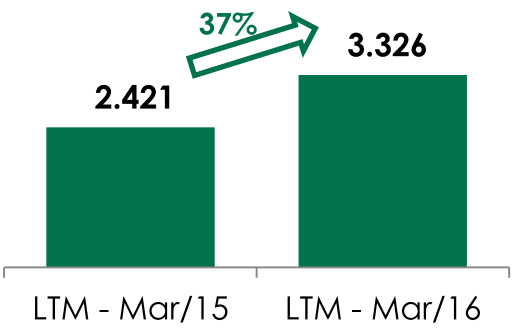
Eldorado 1Q16 Material Information

As has been happening since the beginning of operations, the commercial strategy of diversifying Eldorado's customer base proved to be, once again, adequate for market conditions, which ended up as a competitive advantage for us. The company reported net revenues of R$741 million in the first quarter of 2016, 14% higher than the same period last year, and of R$3.326 billion in the last 12 months, 37% higher than the period from April 2014 to March 2015 and 3% higher than FY2015 revenue.

Net Revenue 1Q16 (R$ million)

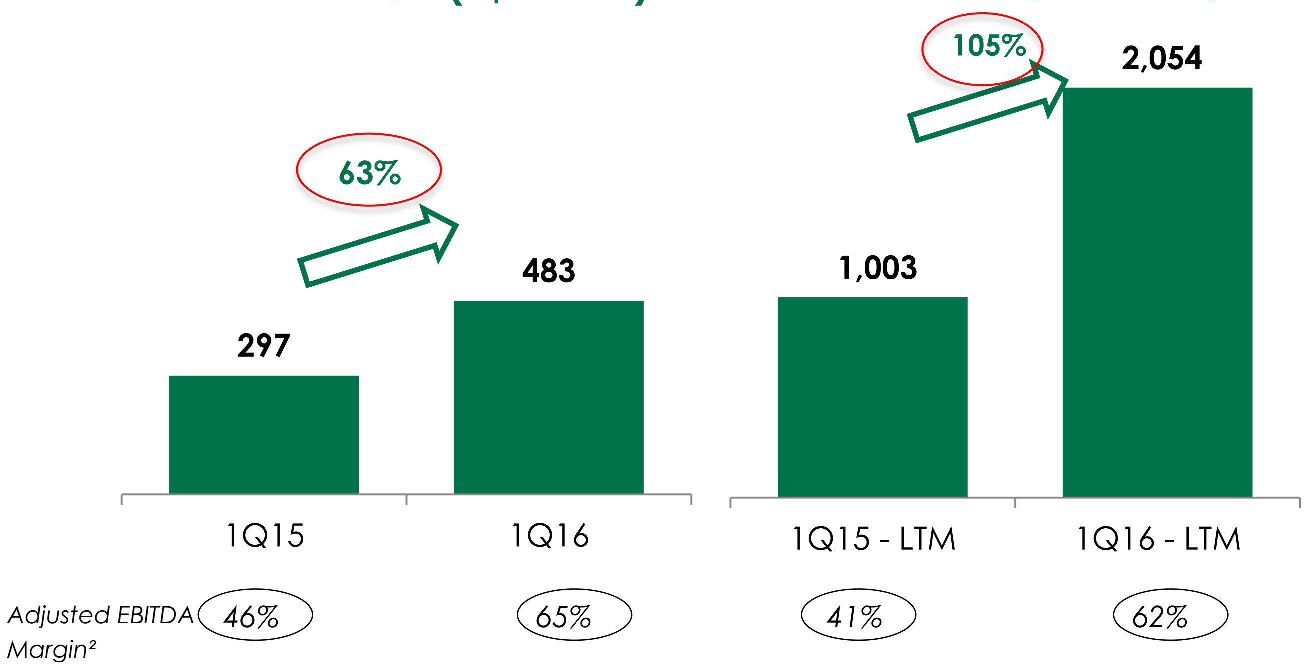


Net Revenue LTM (R$ million)



During the first quarter of 2016, Eldorado's Adjusted EBITDA reached R$483 million, with a margin of 65.2%, a highlight in the pulp sector and a record period of the year in the company.

EBITDA 1Q16 (R$ million) **EBITDA LTM (R$ million)**

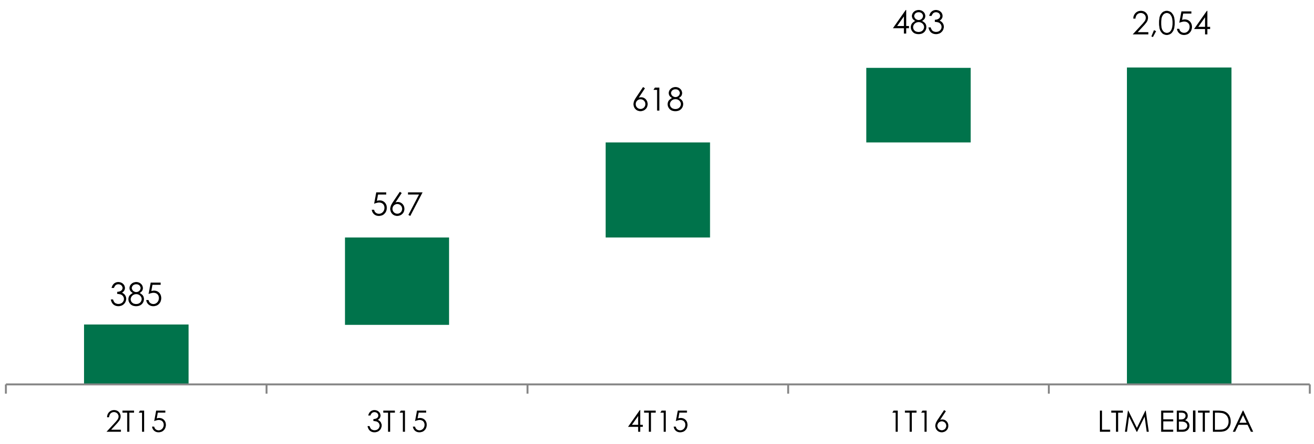


Considering the results of the last twelve months (LTM), the company achieved an **Adjusted EBITDA[1] of R$2.054 billion**, a record performance since the start of Eldorado's operations.

[1] Included unrealized profit on intercompany sales of inventory abroad recorded in the Last Twelve Months in the amount of R$170 million.

[2] Included unrealized profit on intercompany sales of inventory abroad recorded in 4Q16 in the amount of R$54 million.

EBITDA LTM (R$ million)



Industrial

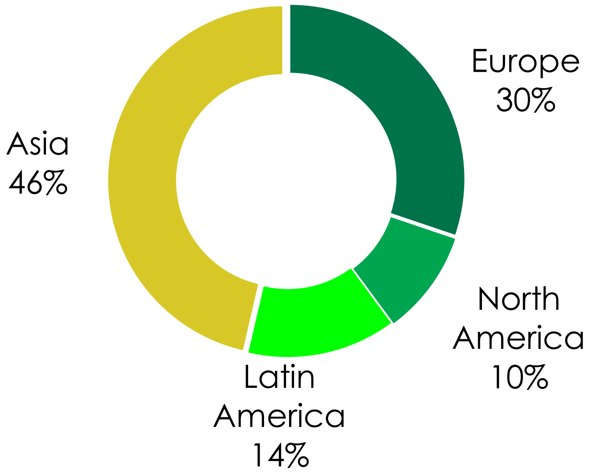
The first quarter of 2016 showed significant operating results, with a bleached hardwood pulp production record volume of 428,800 tons. In March, a new monthly production record of 154,700 tons and a daily record of 5,420 tons, achieved on March 22, were registered. The mill is self-sufficient in terms of green energy – which is produced using biomass from unused materials (such as lignin and wood waste). In this first quarter, the plant produced 357,000 MW of energy and sold 45,000 MW to the national grid, which represented net revenue of R$6 million.

Commercial and Logistics

Eldorado's commercial strategy helped the company to reduce its dependence and risk concentration in a single region or customer, including a solid customer base with a diversified portfolio.

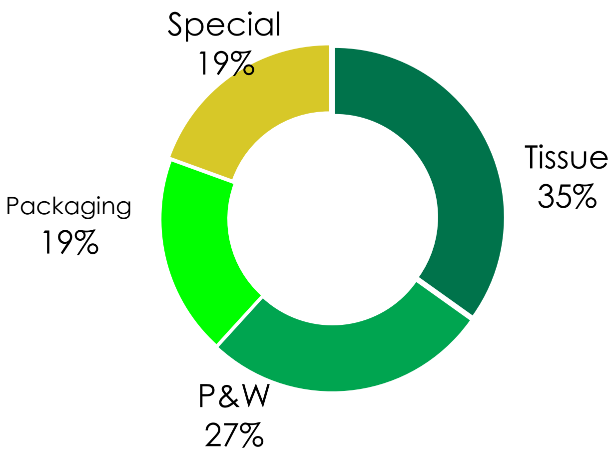
Despite the trend of inventory reduction by clients from January to March, 354,000 tons of pulp was sold, in line with the same period of 2015. Additionally, the company was able to increase its sales to other markets, such as North America and Latin America.

Sales Volume by Region - 1Q16



In the first quarter of 2016, Eldorado has allocated 35% of its sales to the Tissue paper segment (comfort and personal hygiene); 27% for printing and writing; and increased its participation to 38% in the profitable segments of special papers and packaging.

Sales per Segment - 1Q16



In the logistics area, the company continued to benefit from the opening of its own terminal in the port of Santos, with significant cost savings compared to third-party operations held in the same period in 2015.

Forestry

In the first quarter, the Forestry area completed the implementation of the automated subsoiling line project. From the digital elevation model in three dimensions (3D), generated with images obtained by the UAV (unmanned aerial vehicle), it was possible to operationalize the definition of 100% of subsoiling lines, as well as improve the soil conservation system through the analysis of the hydrological behavior of the topography.

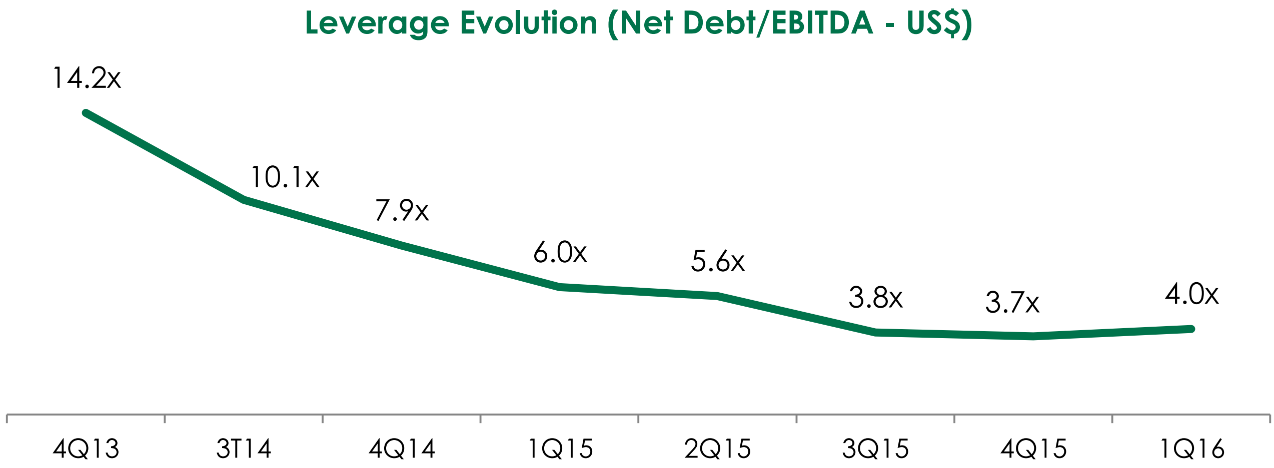
The Forestry area also completed the Field Notes Automation Project, which is fully computerized to include daily notes in the Forestry's operational fronts. This extensive database is crucial to the analysis, monitoring and continuous improvement process of productivity in the field. In the Forestry Technology area, the selection of 12 clones for own experiment was held, the first of Eldorado's to compose the Expanded Clonal Test.

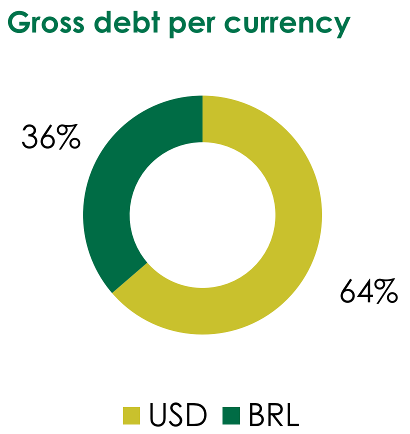
Financial

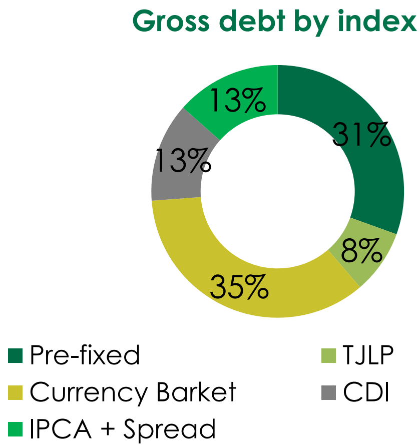
Despite the negative impact of the exchange rate variation in the financial results, the company maintained its net debt at stable levels, reaching R$8,170 million at the end of the quarter. Eldorado continues to permanently monitor its foreign exchange exposure within its Risk Management policy. The issue is recurrently addressed in the Board of Directors meetings.

Even in the current adverse scenario of the international pulp market, the company strengthened its competitiveness with a strong cash generation of R$2.054 billion, as measured by the Adjusted EBITDA[1] for the last twelve months, and managed to maintain a deleveraging trend, reaching a Net Debt/Adjusted EBITDA[1] ratio of 4.0x, measured in U.S. dollars.

[1] Includes unrealized profit on intercompany sales of inventory abroad recorded in the Last Twelve Months in the amount of R$170 million.







Eldorado's long-term debt ratio represents 70% of total debt, with 67% of total debt maturing in more than 24 months.

Debt (R$ million)	03.31.2016
Local Currency	**3,122**
Short Term	667
Long Term	2,454
Foreign Currency	**5,699**
Short Term	1,957
Long Term	3,743
Total Gross Debt	**8,821**
(-) Cash	727
(-) MTM of Derivatives	-76
Net Debt	**8,170**

The short-term debt comprises: i) debt from the current production line project, which will have an amortization of R$833 million in the next 12 months and ii) revolving credit lines, in the amount of R$1,790 million, representing lines of trade finance, working capital and structured operations, and can be refinanced according to the Company's liability management program.

Eldorado's debt management strategy is focused on the lengthening of the debt's average maturity and the lower average cost of funding. This implementation has benefited from the increase of the Company's bankability, through intensification of relationships with partner financial institutions and the beginning of relationships with new institutions.

In the first quarter of 2016, the Company recorded a loss of R$182 million, due to the negative impact of the exchange rate variation in the financial result.

Sustainability

The project that deserves highlight in this quarter in the Sustainability area was the partnership established with settlements next to the mill in Três Lagoas for the sale of organic products, promoting the direct relationship between producer and consumer. In addition, Eldorado's restaurant also began to make regular purchases of the products for the preparation of meals served to employees.

In the social area, Eldorado supported several health and education initiatives, such as the construction of toilets adapted for elderly people in the Lar Vicente Marques Queiroz in Aparecida do Taboado (MS). In Três Lagoas, the construction of a shelter for cooling tanks that store milk and the remodeling of the community center, in Pontal do Faia, were completed, and a professional training course was held for construction builders, in partnership with Senai, in Distrito de Garcias. The quarterly environmental education campaign, with students from public schools in Santa Rita do Pardo (MS), focused on water.

Eldorado also renewed its commitment to sustainable practices through audit services of ERM and of ASi, which evaluates the application of the FSC® criteria along with all of the company’s areas involved.

Outlook

The demand for eucalyptus pulp remains strong, despite inventory adjustments by clients in Asia and Europe, which have pressured prices on the international market. According to PPPC, in the first two months of 2016, global demand for eucalyptus pulp increased by 6.8% compared to the same period of 2015. Eldorado's goal of being one of the most competitive companies in the sector is maintained and strengthened by the results achieved in recent quarters. The company aims for the ongoing reduction of the average distance between the eucalyptus forests and the industrial complex in Três Lagoas and has intensified its productivity and competitiveness improvement programs in all of its areas.

Final Considerations

We would like to thank our shareholders for their ongoing support of our management, our suppliers, partners and leaseholders; to BNDES, FI-FGTS, FINNVERA, EKN and OeKB for the financial support, without which the achievement of these results would not have been possible; to the Mato Grosso do Sul State Government and Três Lagoas City Government (MS), for the fundamental support, and to our employees, who are always focused and committed to Eldorado Brasil’s goal of being the most competitive company in the industry.

The Management

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ELDORADO BRASIL CELULOSE S.A.

Interim financial statements
As at March 31, 2016

KPDS 147846

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Report on Review of Quarterly Information - ITR

To the Board of Directors and Board of Executive Officers of
Eldorado Brasil Celulose S.A.
São Paulo - SP

Introduction
We have reviewed the accompanying individual and consolidated interim accounting information of Eldorado Brasil Celulose S.A. (“Company”), contained in the Quarterly Information Form (ITR) for the quarter ended March 31, 2016, which comprises the statement of financial position as at March 31, 2016 and the statements of profit or loss, comprehensive income, changes in equity and cash flows for the three-month period then ended, including the notes to the interim financial statements.

Management is responsible for the preparation of the individual and consolidated interim accounting information in accordance with CPC 21 (R1) and international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the presentation of this information in conformity with the standards issued by the Brazilian Securities Commission, applicable to the preparation of Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim accounting information based on our review.

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

Conclusion on the interim information

Based on our review, we are not aware of any facts that would lead us to believe that the individual and consolidated interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34 applicable to the preparation of Quarterly Information (ITR) and presented in conformity with the standards issued by the Brazilian Securities Commission.

Other matters

Statements of value added

We have also reviewed the individual and consolidated interim statements of value added ("DVA") for the three-month period ended March 31, 2016, prepared under the responsibility of the Company's management and whose presentation in the interim information is required in accordance with the standards issued by the Brazilian Securities Commission (CVM) applicable to the preparation of Quarterly Information (ITR) and considered as supplemental information under IFRS, which does not require the presentation of the DVA. These statements have been submitted to the same review procedures previously described and, based on our review, nothing has come to our attention that causes us to believe that they have not been prepared, in all material respects, in accordance with the individual and consolidated interim accounting information taken as a whole.

São Paulo, April 20, 2016

KPMG Auditores Independentes
CRC 2SP014428/O-6

Orlando Octávio de Freitas Júnior
Accountant CRC 1SP178871/O-4

Eldorado Brasil Celulose S.A.

Statements of financial position at March 31, 2016 and December 31, 2015

(In thousands of Brazilian Reais - R$)

		Parent Company		Consolidated	
Assets	**Note**	**3/31/2016**	**12/31/2015**	**3/31/2016**	**12/31/2015**
Cash and cash equivalents	5.1	288.989	1.058.790	577.891	1.264.151
Trade receivables	6	1.293.847	1.128.532	587.294	704.486
Inventories	8	257.196	255.080	455.610	453.221
Taxes recoverable	9	254.075	369.717	255.454	371.640
Advances to suppliers	10	35.787	40.517	35.847	46.288
Derivatives financial instruments	28 b	-	89.871	-	89.871
Other current assets		17.869	19.587	18.875	20.553
Total current assets		2.147.763	2.962.094	1.930.971	2.950.210
Noncurrent assets					
Marketable securities	5.2	149.255	114.524	149.255	114.524
Taxes recoverable	9	764.753	578.158	767.904	580.827
Advances to suppliers	10	65.033	59.511	65.033	59.511
Deferred income tax and social contribution	18	559.814	522.260	559.814	522.260
Deposits, guarantees and other		3.065	2.746	3.155	2.936
Other noncurrent assets		14.909	14.909	14.909	14.909
		1.556.829	1.292.108	1.560.070	1.294.967
Biological assets	11	1.812.468	1.736.309	1.812.468	1.736.309
Investments	12	108.086	108.061	-	-
Property, plant and equipment	13	4.745.493	4.764.993	4.820.441	4.834.979
Intangible assets	14	7.794	7.279	39.399	39.290
Total noncurrent assets		8.230.670	7.908.750	8.232.378	7.905.545
Total assets		10.378.433	10.870.844	10.163.349	10.855.755

		Parent Company		Consolidated	
Liabilities and equity	**Note**	**3/31/2016**	**12/31/2015**	**3/31/2016**	**12/31/2015**
Current liabilities					
Trade payables	15	216.063	203.773	229.504	212.962
Loans and financing	16	2.623.957	2.286.481	2.623.957	2.286.481
Derivatives financial instruments	28 b	76.433	-	76.433	-
Taxes payable, payroll and related taxes	17	69.879	81.288	71.209	83.143
Amounts due to related parties	7	21.255	45.153	21.255	45.153
Other current liabilities		5.497	15.132	22.557	48.417
Total current liabilities		3.013.084	2.631.827	3.044.915	2.676.156
Noncurrent liabilities					
Loans and financing	16	6.197.116	7.080.152	6.197.116	7.080.152
Provision for contingent liabilities	19	4.403	5.006	4.403	5.006
Provision for losses in subsidiaries	12	246.915	59.418	-	-
Total noncurrent liabilities		6.448.434	7.144.576	6.201.519	7.085.158
Equity	20				
Capital		1.788.792	1.788.792	1.788.792	1.788.792
Translation reserve		(7.926)	(12.418)	(7.926)	(12.418)
Accumulated losses		(863.951)	(681.933)	(863.951)	(681.933)
Total equity		916.915	1.094.441	916.915	1.094.441
Total liabilities		9.461.518	9.776.403	9.246.434	9.761.314
Total liabilities and equity		10.378.433	10.870.844	10.163.349	10.855.755

The accompanying notes are an integral part of these interim financial statements.

Eldorado Brasil Celulose S.A.

Statements of proft or loss

Periods ended March 31, 2016 and 2015

(In thousands of Brazilian Reais - R$)

		Parent Company		Consolidated	
	Note	**3/31/2016**	**3/31/2015**	**3/31/2016**	**3/31/2015**
Net revenue	21	921.494	553.426	740.939	652.026
Cost of sales	23	(368.265)	(338.222)	(314.176)	(365.650)
Gross profit		553.229	215.204	426.763	286.376
Operating (expenses) income					
General and administrative expenses	23	(25.553)	(13.798)	(34.621)	(17.836)
Selling and logistics expenses	23	(36.168)	(49.988)	(90.608)	(87.918)
Fair value of biological assets	11	-	14.533	-	14.533
Share of profits (losses) of subsidiaries	12	(191.964)	4.048	-	-
Other income, net	25	56.942	33.770	57.402	33.695
Profit before finance (costs) income and taxes		356.486	203.769	358.936	228.850
Finance (costs) income, net	24				
Finance costs		(1.132.556)	(1.307.286)	(1.135.442)	(1.374.623)
Finance income		560.809	980.560	561.257	1.022.824
Profit (loss) before provision for income tax and social contribution		(215.261)	(122.957)	(215.249)	(122.949)
Income tax and social contribution					
Current		(4.311)	-	(4.323)	-
Deferred	18	37.554	62.505	37.554	62.497
Loss for the period		(182.018)	(60.452)	(182.018)	(60.452)
Attributable to					
Owners of the Company				(182.018)	(60.452)
Noncontrolling interests				-	-

The accompanying notes are an integral part of these interim financial statements.

Eldorado Brasil Celulose S.A.

Statements of comprehensive income

Periods ended March 31, 2016 and 2015

(In thousands of Brazilian Reais - R$)

	Parent Company		Consolidated	
	3/31/2016	**3/31/2015**	**3/31/2016**	**3/31/2015**
Loss for the period	(182.018)	(60.452)	(182.018)	(60.452)
Foreign operations - foreign currency translation differences	4.492	(2.608)	4.492	(2.608)
Total comprehensive income	(177.526)	(63.060)	(177.526)	(63.060)
Attributable to				
Owners of the Company			(177.526)	(63.060)
Noncontrolling interests			-	-

The accompanying notes are an integral part of these interim financial statements.

Eldorado Brasil Celulose S.A.

Statements of changes in equity

Periods ended March 31, 2016 and 2015

(In thousands of Brazilian Reais - R$)

	Capital	Accumulated losses	Translation reserve	Attributable to owners of the Company	Noncontrolling interests	Total
Balance at December 31, 2014	1.788.792	(962.578)	(10.170)	816.044	-	816.044
Loss for the period	-	(60.452)	-	(60.452)	-	(60.452)
Exchange differences on investments	-	-	(2.608)	(2.608)	-	(2.608)
Balance at March 31, 2015	1.788.792	(1.023.030)	(12.778)	752.984	-	752.984
Balance at December 31, 2015	1.788.792	(681.933)	(12.418)	1.094.441	-	1.094.441
Loss for the period	-	(182.018)	-	(182.018)	-	(182.018)
Exchange differences on investments	-	-	4.492	4.492	-	4.492
Balance at March 31, 2016	1.788.792	(863.951)	(7.926)	916.915	-	916.915

The accompanying notes are an integral part of these interim financial statements.

Eldorado Brasil Celulose S.A.

Statements of cash flows

Periods ended March 31, 2016 and 2015

(In thousands of Brazilian reais - R$)

	Parent Company		Consolidated	
	3/31/2016	**3/31/2015**	**3/31/2016**	**3/31/2015**
Cash flows from operating activities				
Loss for the period	(182.018)	(60.452)	(182.018)	(60.452)
Adjustments to reconcile loss to cash generated by operating activities:				
Depreciation and amortization	59.522	55.888	61.147	56.390
Depletion	9.389	7.259	9.389	7.259
Residual value of property, plant and equipment written off	1.918	199	1.977	192
Fair value of biological assets	-	(14.533)	-	(14.533)
Deferred income tax and social contribution	(37.554)	(62.505)	(37.554)	(62.505)
Financial charges - interest and exchange differences	(304.286)	1.282.780	(304.286)	1.282.780
Provision for contingent liabilities	(603)	144	(603)	144
Fair value of derivatives	166.304	(106.911)	166.304	(106.911)
Exchange differences on trade receivables	(119.891)	-	(134.549)	-
Share of profits (losses) of subsidiaries	191.964	(4.048)	-	-
	(215.255)	1.097.821	(420.193)	1.102.364
Decrease (increase) in assets				
Trade receivables	(45.424)	(121.949)	251.741	(68.629)
Inventories	(2.116)	(22.823)	(2.389)	843
Taxes recoverable	(70.953)	(57.149)	(70.891)	(57.850)
Advances to suppliers	(792)	(13.886)	4.919	(10.273)
Amounts due from related parties	-	26.191	-	26.191
Other current and noncurrent assets	1.399	(14.685)	1.459	(14.953)
Increase (decrease) in liabilities				
Trade payables	12.290	8.894	16.542	(14.949)
Amounts due from related parties	(23.898)	(14.244)	(23.898)	(14.244)
Taxes payable, payroll and related taxes	(11.409)	(21.733)	(11.934)	(21.374)
Other current and noncurrent liabilities	(9.635)	(9.203)	(25.860)	(7.159)
Carrying value adjustments and cumulative translation adjustments	-	(2.608)	4.492	(2.608)
Net cash generated by operating activities	(365.793)	854.626	(276.012)	917.359
Cash flows from investing activities				
Forest development cost	(85.548)	(29.577)	(85.548)	(29.577)
Additions to tangible and intangible assets	(42.455)	(40.684)	(48.695)	(62.257)
Additions to investments	-	(15.262)	-	-
Marketable securities	(34.731)	(1.357)	(34.731)	(1.357)
Net cash used in investing activities	(162.734)	(86.880)	(168.974)	(93.191)
Cash flows from financing activities				
Borrowings from financial institutions	504.719	481.517	504.719	481.517
Repayment of borrowings - principal	(424.010)	(511.327)	(424.010)	(511.327)
Repayment of borrowings - interest	(169.247)	(147.094)	(169.247)	(147.094)
Repayment of borrowings - exchange differences	(152.736)	(98.531)	(152.736)	(98.531)
Borrowing from related party	-	455.579	-	455.579
Repayment of borrowing to related party	-	(835.504)	-	(835.504)
Net cash used in financing activities	(241.274)	(655.360)	(241.274)	(655.360)
Net changes	(769.801)	112.386	(686.260)	168.808
Cash and cash equivalents at the beginning of the period	1.058.790	34.969	1.264.151	54.551
Cash and cash equivalents at the end of the period	288.989	147.355	577.891	223.359

The accompanying notes are an integral part of these interim financial statements.

Eldorado Brasil Celulose S.A.

Statements of value added

Periods ended March 31, 2016 and 2015

(In thousands of Brazilian Reais - R$)

	Parent Company		Consolidated	
	3/31/2016	3/31/2015	3/31/2016	3/31/2015
Revenues				
Sales of merchandise, products and services	929.559	561.828	751.524	660.428
Other operating income (expenses), net	(131)	23.399	365	23.400
Transfers related to the construction of own assets	3.649	(9.841)	3.649	(31.289)
	933.077	575.386	755.538	652.539
Inputs purchased from third parties				
Cost of sales, materials, energy, outside services and other	(242.909)	(170.137)	(193.751)	(209.991)
Gross value added	690.168	405.249	561.787	442.548
Depreciation and amortization	(57.841)	(55.744)	(59.496)	(56.164)
Wealth created by the entity	632.327	349.505	502.291	386.384
Value added received as transfer				
Share of profits (losses) of subsidiaries	(191.964)	4.048	-	-
Finance income	26.171	1.836	26.177	1.836
Wealth for distribution	466.534	355.389	528.468	388.220
Wealth distribution				
Personnel				
Salaries and wages	60.114	107.395	62.923	108.503
Benefits	45.543	36.150	46.787	36.709
Severance Pay Fund (FGTS)	5.204	4.873	5.287	4.887
	110.861	148.418	114.997	150.099
Taxes, fees and contributions				
Federal	(21.006)	(50.823)	(20.396)	(50.823)
State	(59.444)	(36.408)	(59.352)	(36.408)
Municipal	-	-	194	-
	(80.450)	(87.231)	(79.554)	(87.231)
Lenders and lessors				
Interest	460.184	450.636	460.189	450.645
Rentals	19.779	24.541	20.143	24.742
Others	138.179	(120.523)	194.712	(89.583)
	618.142	354.654	675.044	385.804
Shareholders				
Loss for the period	(182.019)	(60.452)	(182.019)	(60.452)
Total wealth for distribution	466.534	355.389	528.468	388.220

The accompanying notes are an integral part of these interim financial statements.

Notes to the interim financial statements

(In thousands of Brazilian reais - R$)

1 General information

Eldorado Brasil Celulose S.A. ("Company" or "Eldora do") is a publicly traded company, whose register was obtained on June 6, 2012 in the category shares traded over the counter, established under Brazilian laws, with registered office in São Paulo, State of São Paulo (Brazil). The Company's individual and consolidated financial statements for the period ended March 31, 2016 include the Company and its subsidiaries. The Company and its subsidiaries are primarily engaged in the production and sale of bleached short fiber eucalyptus pulp and the processing of biomass to generate power. The Company completed the construction of its plant in the municipality of Três Lagoas, State of Mato Grosso do Sul, and started production in December 2012.

The Company has current liabilities in excess of current assets in the amount of R$ 665,321 in Parent company and R$ 913,944 in consolidated, due to the 8.9% appreciation of the Brazilian Real against the Dollar, which affected the currency hedge transactions and resulted in increase in the installments of short-term debts. To achieve profitability, the Company is working on its action plan to continuously reduce the average radius between the planted forests and the plant and to intensify its competitiveness and productivity program. The management of indebtedness by reducing the average cost of debt and extending the term, as well as increasing bankability through new relationships with new financial institutions and strengthening relationship with existing financiers, will contribute directly to improving its liquidity. The Company's production grew significantly in the first three years of operation and currently the capacity already reaches 1.7 million tons of pulp, 13% above the project's nominal capacity of 1.5 million tons. The second half of 2015 represents a track record in the Company's history, with various actions that contribute to increasing its competitiveness. In June 2015, Eldorado discontinued the harvesting of timber derived from the State of São Paulo, whic h representes the beginning of a process to cut down on costs to carry the timber from the Company's forests to the manufacturing unit in Três Lagoas (MS). Currently all the Company's eucalyptus harvest is made in the State of Mato Grosso do Sul and this process to lower distances between forests and plant will be extremely important to reduce timber costs in the next years. In July 2015, the Company started the operations of its port terminal in Santos, through the subsidiary Rishis Empreendimentos e Participações S.A., contributing to enhancing its l ogistics efficiency and increasing its productivity. The Company also acts on different forefronts to create value and increase its competitiveness. The appreciation of the Real also had impact on the Company's gross debt of R$ 8,821,073 since a large part of the debts are indexed to the Dollar.

2 List of subsidiaries

Subsidiaries

Subsidiaries	Country	Equity interest 3/31/2016	12/31/2015
Cellulose Eldorado Austria Gmbh	Austria	100%	100%
Rishis Empreendimentos e participações S.A.	Brazil	100%	100%
Indirect subsidiary			
Eldorado USA Inc.	United States	100%	100%
Cellulose Eldorado Asia	China	100%	-

3 Basis of preparation and presentation of the interim financial statements

a. Statement of compliance

The individual and consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and also in accordance with the pronouncements, interpretations and guidance issued by the Accounting Pronouncements Committee (CPC), approved by resolutions of the Federal Accounting Council (CFC) and rules of the Brazilian Securities and Exchange Commission (CVM).

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

After appreciation of the Individual and Consolidated Interim Financial Statements by the Board of Directors at the meeting held on April 20, 2016, they were authorized for issue by the Company.

b. Basis of measurement

The individual and consolidated interim financial statements have been prepared on the historical cost basis except for the following material items recognized in the statements of financial position:

- derivative financial instruments are measured at fair value;
- non-derivative financial instruments are measured at fair value through profit or loss; and
- biological assets measured at fair value are recognized in the statement of profit or loss in line item "Fair value of biological assets".

c. Use of estimates and judgments

The preparation of the individual and consolidated interim financial statements in accordance with IFRS and CPC standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

(i) Judgments

The information on judgments made in the application of the accounting policies that have material effects on the amounts recognized in the individual and consolidated interim financial statements are included in the following notes to the interim financial statements:

- **Note 29** – operating leases.

(ii) Uncertainties about assumptions and estimates

The information on uncertainties about assumptions and estimates that have a significant risk of resulting in a material adjustment in the period ended March 31, 2016 is included in the following notes:

- **Note 12** – goodwill on investments;
- **Note 13 –** impairment test;
- **Note 18** – recognition of deferred tax assets: availability of future taxable profits against which tax losses can be utilized; and
- **Note 19** – recognition and measurement of provisions and con tingent liabilities: main assumptions on the probability and magnitude of the cash outflows.

d. Fair value measurement

When measuring the fair value of an asset or a liability, the Company uses as much as possible observable market inputs. Additional information on the assumptions used in the fair value measurement is included in the following notes:

- **Note 11 –** biological assets; and
- **Note 28 –** financial instruments.

e. Functional and presentation currency

This individual and consolidated information is presented in Brazilian reais, which is the Company's functional currency. All financial information presented in Brazilian reais has been rounded to the nearest thousand, unless otherwise indicated.

4 Summary of significant accounting policies

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been applied consistently to all years presented.

f. Basis of consolidation

(i) Subsidiaries

The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(ii) Transactions eliminated on consolidation

Intragroup balances and transactions, and any unrealized income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

g. Operating revenue

Revenue is recognized on an accrual basis. Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the activities of the Company and its subsidiaries.

In accordance with Pronouncement 30, issued by the Accounting Pronouncements Committee - CPC 30 (R1) - Revenue, the Company and its subsidiaries recognize revenue when, and only when:

(i) the amount of revenue can be measured reliably;

(ii) the Company and its subsidiaries have transferred to the buyer the significant risks and rewards of ownership;

(iii) it is probable that future economic benefits will flow to the Company and its subsidiaries;

(iv) the Company and its subsidiaries retain neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

(v) the expenses incurred or to be incurred related to the transaction can be measured reliably.

h. Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of the entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The differences in foreign currencies resulting from retranslation are generally recognized in profit or loss.

Foreign operations

Assets and liabilities of foreign operations are translated into Real at the exchange rates at the end of the reporting period. Revenues and expenses of foreign operations are translated into Real at the exchange rates at the transaction dates.

The differences in foreign currencies generated on the translation to the presentation currency are recognized in other comprehensive income and accumulated in carrying value adjustments in equity.

i. Financial instruments

The Company recognizes loans and receivables issued at the date they were originated. All other financial instruments are recognized initially at the trading date in which the Company becomes a party to the contractual provisions of the instruments.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

- ***Financial assets at fair value through profit or loss***
  A financial asset is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Subsequent to initial recognition, transaction costs are recognized in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes in the fair value of these assets are recognized in profit or loss.

- ***Cash and cash equivalents***
  Cash, banks, and short-term investments are items of the statement of financial position items that are presented in the statement of cash flows as cash and cash equivalents with redemption periods of three months or less from the investment date, subject to an insignificant risk of change in value.

- ***Loans and receivables***
  Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method.

- ***Non-derivative financial liabilities***
  Financial liabilities are initially measured at fair value, plus any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

- ***Impairment of financial assets***
  Financial assets not classified as at fair value through profit or loss are assessed at the end of each reporting period to determine whethere there is objective evidence of impairment. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. Impairment losses are recognized in profit or loss and reflected in an allowance account. When the Company considers that there is no realistic perspective of recovery of the asset, the amount is amortized. If the amount of the impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss.

- ***Derivative financial instruments***
  The Company holds derivative financial instruments to hedge its foreign currency risk exposures. Derivatives are recognized initially at fair value; any attributable transaction costs are recognized in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value and any gains and losses are recognized in profit or loss.

- ***Issued capital***
  Incremental costs directly attributable to the issue of shares are recognized as a deduction from equity, net of any tax effects.

j. Inventories

Inventories are stated at the lower of cost and net realizable value. The cost of inventories is based on the weighted average cost method. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The cost of standing timber transferred from biological assets is measured at the cost determined at the date of harvest.

k. Property, plant and equipment

Property, plant and equipment are carried at the historical cost of acquisition or construction, less accumulated depreciation and any accumulated *impairment* losses.

Any gains or losses arising on the disposal or retirement of an item of property, plant and equipment are recognized in profit or loss.
Financial charges on borrowings that are directly attributable to the acquisition or construction of the assets are capitalized as part of the costs of these assets. Borrowing costs that are not directly related to the assets are capitalized based on an average funding rate on the balance of construction in progress. These costs are amortized over their estimated useful lives.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful life of each asset and is generally recogized in profit or loss (excet land and construction in progress).

The estimated useful lives, the residual values, and the depreciation methods are reviewed at the end of the reporting period, and the effects of any changes in estimates are accounted for prospectively. The annual depreciation rates are as follows:

Weighted annual depreciation rates

Buildings	3.83%
Facilities and improvements	9.46%
Furniture and fixtures	10.07%
Vehicles	24.89%
Technical and scientific instruments	14.90%
IT equipment	22.87%
Machinery and equipment	13.97%
Leasehold improvements	8.57%

Biological assets

Biological assets comprise renewable plantation eucalyptus forests for production of pulp used to produce paper. These assets are measured at fair value less costs to sell, whose impacts are recognized in the statement of profit or loss for the year.

l. Land operating leases

The costs of the land operating leases are recognized in profit or loss on an accrual basis and subsequently allocated to the forest formation cost together with the other related costs.

Operating lease payments are recognized in profit or loss on a straight-line basis over the lease term.

m. Intangible assets

(i) Goodwill arising on business combination

Goodwill acquired in a business combination is carried at its fair value, net of accumulated impairment losses.

Goodwill is tested for impairment annually, or more frequently when there is indication that it may be impaired. If the recoverable amount is lower than the carrying amount, the impairment loss is recognized directly in profit or loss and is not reversed in subsequent periods.

On the disposal of a certain asset to which goodwill has been allocated, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(ii) Other intangible assets

Consist mostly of terminal concession and software, recognized pursuant to CPC 4 (R1) - Intangible Assets at acquisition or development costs, less accumulated amortization and any accumulated impairment losses. The software amortization is recognized on a straight-line basis over their estimated useful lives.

(iii) Amortization

The amortization is calculated to amortize the cost of items of the intangible asset, less its estimated residual values, using the straight-line method based on the estimated useful lives of the items. The amortization is generally recognized in profit or loss. Goodwill is not amortized. The estimated useful lives are as follows:

Software	5 years
Terminal concession	14 years

n. Impairment

At the end of each reporting period, the Company reviews the carrying amounts of its assets to determine where there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss and reversed if there are changes in the estimates used to determine the recoverable amount, except for goodwill. When an impairment loss is reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, as long as the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

The Company's management has not identified any indication of impairment that would justify the need for a provision as at March 31, 2016.

o. Trade payables

Refer to amounts due to suppliers in the normal course of the business of the Company and its subsidiries.

p. Provisions

A provision is recognized as a liability when the Company has present obligations that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The finance costs incurred are recognized in profit or loss.

q. Earnings per share

Basic earnings per share are calculated based on the profit for the year and the weighted average number of shares outstanding during the year. The Company does not have potentially dilutive instruments.

r. Income tax and social contribution

Income tax and social contribution expense includes current and deferred income taxes, which are are recognized in profit or loss unless they are related to business combinations or items directly recognized in equity or in other comprehensive income.

Current and deferred income tax and social contribution are calculated based on the rates of 15%, plus a 10% surtax on taxable profit exceeding R$ 240 for income tax and 9% on taxable profit for social contribution on net income, and consider the offset of income tax and social contribution tax losses, limited to 30% of the taxable profit.

(i) Current income tax

The current tax is the expected tax payable or receivable on taxable profit or loss for the year and any adjustment to taxes payable related to prior years. It is calculated at tax rates enacted or substantially enacted by the end of the reporting period.

(ii) Deferred income tax

The deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used for tax purposes. Deferred taxes are not recognized for the following temporary differences:

- The initial recognition of assets and liabilities in a transaction other than a business combination, and that does not affect either the accounting or taxable profit or loss.

- Differences related to investments in subsidiaries, branches and associates, and interests in joint ventures, when it is probable that they will not reverse in a foreseeable future.

- A deferred tax is not recognized for taxable temporary differences resulting from the initial recognition of goodwill.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities, and if they relate to taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The deferred tax is measured at the rates that are expected to be applied on temporary differences when they reverse, based on the laws that have been enacted or substantially enacted by the end of the reporting period.

s. Employee benefits

(i) Defined contribution pension plan

A defined contribution plan is a postemployment benefit plan under which an entity pays fixed contributions to a separate entity (pension fund) and will not have a legal or constructive obligation to pay additional amounts. Obligations for contributions to defined contribution pension plans are recognized as employee benefit expenses in profit or loss in the periods in which the employees provide services.

t. New standards and interpretations issued and not yet adopted

A number of new international standards, amendments to standards and interpretations are effective for annual periods beginning on or after April 1, 2016 or future dates, and have not been adopted in the preparation of these interim financial statements.

(i) IFRS 9 - Financial Instruments

IFRS 9, published in July 2014, supersedeas the guidance in IAS 39 Financial Instruments: *Recognition* and Measurement. IFRS 9 includes a revised guidance on the classification and measurement of financial instruments, including a new model of expected credit loss for the calculation of the impairment of financial assets and new requirements on hedge accounting. The standard retains the existing guidance on recognition and derecognition of financial instruments of IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. The Company is assessing the effects that the IFRS 9 will have on the interim financial statements and on their disclosures.

IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted.

(ii) IFRS 15 Revenues from Contracts with Customers

IFRS 15 requires that an entity recognize the amount of revenue reflecting the consideration that it expects to receive in exchange for the control of these goods or services. The new standard will replace most of the detailed guidance on revenue recognition currently existing in IFRS. The new standard is effective on or after January 1, 2018. The standard can be adopted on a retrospective basis, using a cumulative effect approach. The Company is assessing the effects that the IFRS 15 will have on the interim financial statements and on their disclosures.

(iii) IFRS 16 - Leases

This standards superseads the previous standard, IAS 17 Leases, and related interpretations and establishes the principle of recognition, measurement, presentation and disclosure of leases for both parties to the agreement, that is, customers (lessees) and suppliers (lessors). Lessees are required to recognize a lease liability reflecting future lease payments and an "right-of-use asset" for virtually all lease agreements, except certain short-term lease agreements and immaterial amount lease agreements. For leassors, the accounting shall remain the same, continuing classifying their leases as operating leases or finance leases and presenting these two types of leases differently.

The Company is assessing the impacts of the adoption.

(iv) Other standards and amendments

Additionally, the following new standards or amendments are not expected to have a material impact on the Group’s consolidated financial statements.

- IFRS 14 - Regulatory Deferral Accounts;
- Accounting for Aquisitions of Interests in Joint Operations (amendments to IFRS 11);
- Acceptable Methods of Depreciation and Amortization (Clarification on Acceptable Methods of Depreciaton and Amortization (amendments to IAS 16 and IAS 38);
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Transactions between an Investor and its Associate or Joint Venture) (amendments to IFRS 10 and IAS 28);
- • Annual Improvements to IFRSs 2012-2014 Cycle;
- Investment Entities: Applying the Consolidation Exception (Investment Entities: Applying the Consolidation Exception) (amendments to IFRS 10, IFRS 12 and IAS 28); and
- Disclosure Initiative (Initial Disclosure) (amendment to IAS 1);

The Accounting Pronouncements Committee has not yet issued any accounting pronouncements or amendments to existing pronouncements equivalent to these standards. Early adoption is not permitted.

5 Cash and cash equivalents and marketable securities

5.1 Cash and cash equivalents

	Parent Company		Consolidated	
	3/31/2016	**12/31/2015**	**3/31/2016**	**12/31/2015**
Cash and cash equivalents	5	5	9	7
Banks - demand deposits	119,522	104,292	408,420	309,651
Banks - short-term investments (a)	169,462	954,493	169,462	954,493
	288,989	1,058,790	577,891	1,264,151

(a) Highly-liquid short-term investments whose yield approximates the Interbank Certificate of Deposit (CDI) rate. As they are highly liquid, they were classified as cash equivalents in the statements of cash flows. Early redemption does not entail any financial losses. The approximate average yield in the period was 1.02% p.m. (0.85% p.m. in the first quarter of 2015), totaling R$24,287 in the quarter (R$1,836 in the first quarter of 2015) of the consolidated result.

5.2 Marketable securities

	Parent Company		Consolidated	
	3/31/2016	**12/31/2015**	**3/31/2016**	**12/31/2015**
Fundo Caixa FI (a)	55,886	53,961	55,886	53,961
CDB CEF (b)	93,369	60,563	93,369	60,563
	149,255	114,524	149,255	114,524

(a) Fixed-income investment with Caixa Econômica Federal , with gross yield of 100.10% of the CDI. These funds are linked as reciprocity of financial investment to the issue of debentures in FI-FGTS, as shown in note 16.4.

(b) Investment in CDB with Caixa Econômica Federal, with g ross yield of 100.95% of the CDI.

6 Trade receivables

	Parent Company		Consolidated	
	3/31/2016	**12/31/2015**	**3/31/2016**	**12/31/2015**
Domestic market	117,685	116,465	117,686	116,466
Foreign market	28,272	22,808	468,044	587,035
Related parties (Note 7)	1,147,890	989,259	1,564	985
	1,293,847	1,128,532	587,294	704,486

The aging list of trade receivables is as follows:

	Parent Company		Consolidated	
	3/31/2016	**12/31/2015**	**3/31/2016**	**12/31/2015**
Current	998,507	954,837	546,488	617,010
1 to 30 days past due	240,163	162,940	26,304	35,388
31 to 60 days past due	52,023	6,189	6,877	28,586
61 to 90 days past due	-	1,874	-	16,152
Over 90 days past due	3,154	2,692	7,615	7,350
	1,293,847	1,128,532	587,294	704,486

The Company did not identify the need to recognize an allowance for doubtful debts because it has a letter of guarantee and other instruments that guarantee the receipt.

7 Related-party transactions

The main balances between related parties in the statement of financial position and statement of profit or loss accounts are as follows:

		Parent Company		Consolidated	
Asssets	**Type**	**3/31/2016**	**12/31/2015**	**3/31/2016**	**12/31/2015**
Current assets					
Cellulose Eldorado Áustria GmbH (Note 6)	Pulp sale s	1,021,425	866,797	-	-
Eldorado EUA (Note 6)	Pulp sales	124,901	121,477	-	-
JBS (Note 6)	Chip sale	1,564	985	1,564	985
		1,147,890	989,259	1,564	985

		Parent Company		Consolidated	
Liabilities	**Type**	**3/31/2016**	**12/31/2015**	**3/31/2016**	**12/31/2015**
Current liabilities					
JBS (Note 15)	Freight (i)	12,166	13,171	12,166	13,171
J&F Investimentos	Surety (ii)	21,255	45,153	21,255	45,153
Rishis Empreend. e Partic. (Note 15)	Service provision	2,198	246	-	-
		35,619	**58,570**	**33,421**	**58,324**

		Parent Company		Consolidated	
Profit or loss	**Type**	**3/31/2016**	**3/31/2015**	**3/31/2016**	**3/31/2015**
Celulose Eldorado Áustria GmbH	Pulp sales	698,24 4	383,373	-	-
Eldorado EUA Inc.	Pulp sales	90,246	52,701	-	-
JBS	Chip sale	1,453	14,293	1,453	14,293
Total revenue (Note 21)		789,943	450,367	1,453	14,293
JBS	Freight (i)	(1,461)	(16,295)	(1,461)	(16,295)
J&F Investimentos (Note 24)	Surety (ii)	(21,255)	(17,135)	(21,255)	(17,135)
J&F Investimentos (Note 24)	Current account (iii)	-	(14,455)	-	(14,455)
Rishis Empreend. e Partic.	Service provision	(2,198)	-	-	-
		765,029	402,482	(21,263)	(33,592)

(i) Refer to amounts payable on freight related to wood purchases.

(ii) Letter of guarantee provided by the *holding* company J&F Investimentos S.A. to guarantee the Company's financing transactions with financial institutions.

(iii) Current account with the parent company J&F Investimentos S.A. with interest rate equivalent to CDI + 3% p.a., settled in March 2015.

7.1 Management compensation

The expense on key management personnel compensation includes directors and officers, in the following amounts for the periods ended:

	3/31/2016	3/31/2015
Short-term employee benefits (a)	8,847	4,508

(a) Benefits include fixed compensation (salaries, vacation and 13^{th} month salary), social security contributions (INSS), severance pay fund (FGTS), bonus and others. All officers are parties to employment contracts governed by the Consolidated Labor Laws (CLT) and follow all legal requirements related do compensation and benefits.

8 Inventories

	Parent Company		Consolidated	
	3/31/2016	12/31/2015	3/31/2016	12/31/2015
Seedlings	2,118	1,657	2,118	1,657
Raw materials (wood for production)	94,730	101,613	94,730	101,612
Pulp	50,825	41,689	249,116	239,725
Inputs	16,305	16,871	16,305	16,871
Storeroom supplies	93,218	93,250	93,341	93,356
	257,196	255,080	455,610	453,221

During the period the amount of R$9,389 (R$57,202 as at December 31, 2015) was added to the raw material inventory, due to the harvest of the biological asset and its consequent transfer to inventories, as shown in note 11.

9 Taxes recoverable

	Parent Company		Consolidated	
	3/31/2016	12/31/2015	3/31/2016	12/31/2015
State VAT (ICMS) (i)	663,370	590,604	663,250	590,699
Taxes on revenue (PIS and COFINS) (ii)	287,929	299,858	289,152	301,624
Federal VAT (IPI)	-	2,831	-	2,831
Service tax (ISS)	43	155	43	155
Social Security Contribution (INSS)	-	545	-	545
REINTEGRA (iii)	42,129	41,429	42,129	41,430
Withhlding income tax (IRRF) (iv)	9,402	12,543	12,541	15,183
Corporate income tax (IRPJ) prepayment (v)	11,731	-	11,743	-
Social contribution on profit (CSLL) prepayment (v)	4,224	-	4,230	-
	1,018,828	947,875	1,023,358	952,467
Breakdown				
Current assets	254,075	369,717	255,454	371,640
Current liabilities	764,753	578,158	767,904	580,827
	1,018,828	947,875	1,023,358	952,467

(i) ICMS

The Company has an ICMS balance accumulated over the last years basically derived from credits on the purchase of inputs used in the production process, assets classified as property, plant and equipment for implementation of its plant in Três Lagoas, MS. The Company has prioritized a series of actions to maximize the utilization of such credits and currently no losses on their realization are expected. Among the actions taken by Management is the expectation to realize these credits by increasing pulp sales to the foreign market and the granting, by the State of Mato Grosso do Sul, of the right to utilize the ICMS credits to pay suppliers contracted to expand the production capacity.

(ii) PIS and COFINS

Refers basically to noncumulative PIS and COFINS credits on the purchase of property, plant and equipment items, related to the completion of its plant that was placed into service at the end of 2012. This amount refers to credits on equipment purchases and provision of services, which are realizable through offset against debts of these taxes levied on sales in the domestic market and income tax and social contribution payable, and applications for refund to the Federal Revenue, which was filed in the second half of 2014.

(iii) REINTEGRA

In October 2014, the Company adopted Decree 7,633, of December 1, 2011, which regulated the REINTEGRA.

Reintegra establishes the possibility of the producer legal entity, which carries out export of manufactured goods in the country, determining a value for purposes of partial or full refund of the residual tax amount existing in its production chain. The Reintegra regulation establishes that the amount will be calculated by applying the percentage in effect at the time of the transaction to the revenue from export of goods produced by the legal entity.

(iv) IRRF

Refers to withholding income tax on short-term investments, realizable through offset against income tax and social contribution payable on profits.

(v) IRPJ and CSLL - Prepayment

Refer to corporate income tax and social contribution paid in advance based on the taxable profit, in compliance with the rules for Actual Profit taxation regime. At the end of each year, the prepaid balance is realized through offset against the calculated amount of income tax and social contribution due.

10 Advances to suppliers

	Parent Company		Consolidated	
	3/31/2016	**12/31/2015**	**3/31/2016**	**12/31/2015**
Purchase of wood (i)	82,448	68,746	82,448	68,746
Others	18,372	31,282	18,432	37,053
	100,820	100,028	100,880	105,799
Breakdown				
Current assets	35,787	40,517	35,847	46,288
Noncurrent assets	65,033	59,511	65,033	59,511
	100,820	100,028	100,880	105,799

(i) Refer to advances made to wood suppliers, under purchase for future delivery contracts, which will be settled upon the physical delivery of the wood. Company specialists value and monitor forest development to mitigate risks associated to the compliance of each contract.

11 Biological assets

The Company's biological assets are represented by eucalyptus forests under development, intended for the supply of wood to produce pulp, in areas located in the State of Mato Grosso do Sul.

The opening and closing balances are broken down as follows:

	Parent Company		Consolidated	
	3/31/2016	**12/31/2015**	**3/31/2016**	**12/31/2015**
At the beginning of the period	1,736,309	1,508,171	1,736,309	1,508,171
Change in the fair value of biological assets net of costs to sell	-	16,473	-	16,473
Tree felling for inventory	(9,389)	(57,202)	(9,389)	(57,202)
Forest development cost	85,548	268,867	85,548	268,867
	1,812,468	1,736,309	1,812,468	1,736,309

Currently the Company holds a production area of 208,572 ha (203,426 ha as at December 31, 2015), not including other areas such as the permanent preservation and legal reserve areas, in compliance with prevailing environmental laws.

Assumptions for the recognition of biological assets at fair value

In compliance with IAS 41/CPC 29 and in accordance with the hierarchy established in CPC 46 (equivalent to IFRS 13) "Fair value measurement", t he measurement of biological assets is classified as level 3, due to its complexity and calculation structure, the Company used the Discounted Cash Flows method to recognize its biological assets at fair value. In general lines, the methodology can be summarized by the projection of forest growth and its subsequent depletion, with felling age between six and eight years, considering operating restrictions and annual demand.

The volume of trees to be fallen was estimated considering the average productivity in cubic meters of wood of each plantation per hectare at the time of the harvest. This growth is represented by the Average Annual Increase (IMA) expressed in cubic meters per hectare/year.

The crop handling costs include expenditures with the fertilization, weed control, control of ants and other pests, maintenance of roads and firebreaks, and other services required for the maintenance of the planted forests.

The Company decided to assess its biological assets on a quarterly basis and perform the revaluation on an annual basis because it understands that this procedure is sufficient to show the evolution of the fair value of the forests.

The main points considered in estimating the fair value of biological assets were:

	2016	**2015**
Current productive area (hectare)	208,572	203,426
Average Annual Increase (IMA) - m³/ hectare	37.44	37.57
Discount rate (WACC without consumer price index) - %	4.5	4.5

12 Investments

Parent Company	**3/31/2016**	**12/31/2015**
Assets		
Rishis Empreendimentos e Participações S.A.	91,085	77,843
Goodwill on investments in subsidiaries	17,001	17,001
Advance for future capital increase (a)	-	13,217
	108,086	108,061
Liabilities		
Cellulose Eldorado Austria Gmbh	(246,915)	(59,418)
	(246,915)	(59,418)

(b) Advance for future capital increase for subsidiary Rishis, made in January 2016.

Significant information on subsidiaries for the period ended March 31, 2016

Investments in subsidiaries

	Year	Equity interest	Net assets	Unrealized profit on inventories	Company's share of net assets	Profit or loss	Compsmy's hare of profits/loses	Cumulative translation adjustments
Cellulose Eldorado Austria Gmbh	December 31, 2015	100%	100,477	(159,895)	(59,418)	126,637	20,085	(2,248)
Rishis Empreendimentos e Participações S.A.	Decembe r 31, 2015	100%	77,843	-	77,843	(6,112)	(6,112)	-
Balance at December 31, 2015			178.320	(159,895)	18,425	120,525	13,973	(2,248)
Cellulose Eldorado Austria Gmbh	March 31, 2016	100%	(33,091)	(213,824)	(246,915)	(138,060)	(191,989)	4,492
Rishis Empreendimentos e Participações S.A.	March 3 1, 2016	100%	91,085	-	91,085	25	25	-
Balance at March 31, 2016			57,994	(213,824)	(155,830)	(138,035)	(191,964)	4,492

Subsidiaries

Cellulose Eldorado Austria Gmbh

In December 2012, two units strategically located abroad, called Eldorado USA Inc. (United States) and Cellulose Eldorado Austria GmbH (Austria), were opened in order to meet the demand of the sales contracts entered into abroad and the prospecting of new sales abroad. Additionally, in 2013 a commercial office was opened in China (Shanghai), continuing the expansion of the Company's presence in the foreign market.

Rishis Empreendimentos e Participações S.A.

Rishis is a company engaged in, but not limited to, the operation of bonded warehouses and terminals, and the provision of port operator services, and is the lessee of external warehouses located on the right bank of the Santos Port, totaling an area of approximately 12,000 m².

On August 12, 2011, the Company acquired a warrant that entitles it to subscribe to 517,647 common shares, equivalent to 46.32% of Rishis voting capital, at an issue premium of R$9,000 and fixed exercise price of R$13,500. These warrants were exercised and fully paid in May 2014. Of the exercised right, the Company subscribed to 279,569 Rishis shares, and as a result paid in R$7,299 in Rishis share capital.

On October 8, 2013, the Company acquired Rishis control through increase of its equity interest from 46.32% to 60%.

On August 11, 2014, the Company acquired an additional 40% interest, through payment in kind, increasing its stake from 60% to 100%.

On June 30, 2015, the Company started its operation at the Port of Santos.

With this transaction, the Company's management seeks to increase the logistics operational efficiency, adding competitiveness to pulp exports.

13 Property, plant and equipment

	Parent Company 2016			
	Weighted annual depreciation and amortization rates	Cost	Accumulated depreciation	Net
Land	-	101,701	-	101,701
Buildings	3,83%	1,059,851	(102,470)	957,381
Leasehold improvements	10%	14,746	(3,402)	11,344
Facilities and improvements	9,35%	234,865	(30,483)	204,382
Furniture and fixtures	9,86%	7,128	(1,780)	5,348
Vehicles	24,89%	133,837	(48,972)	84,865
Technical and scientific instruments	14,79%	4,957	(2,310)	2,647
IT equipment	22,74%	60,930	(35,487)	25,443
Machinery and equipment	13,99%	3,682,002	(476,699)	3,205,303
Construction in progress and advances for capital expenditures	-	147,079	-	147,079
		5,447,096	(701,603)	4,745,493

Parent Company 2015

	Weighted annual depreciation and amortization rates	Cost	Accumulated depreciation	Net
Land	-	101,701	-	101,701
Buildings	4.73%	1,059,722	(94,779)	964,943
Leasehold improvements	10%	14,746	(3,035)	11,711
Facilities and improvements	8.40%	234,651	(27,779)	206,872
Furniture and fixtures	9.77%	7,050	(1,623)	5,427
Vehicles	23.40%	133,829	(42,813)	91,016
Technical and scientific instruments	14.76%	4,890	(2,191)	2,699
IT equipment	22.74%	60,039	(32,586)	27,453
Machinery and equipment	12.22%	3,663,062	(438,291)	3,224,771
Construction in progress and advances for capital expenditures	-	128,400	-	128,400
		5,408,090	(643,097)	4,764,993

Consolidated 2016

	Weighted annual depreciation and amortization rates	Cost	Accumulated depreciation	Net
Land	-	101,701	-	101,701
Buildings	3.83%	1,059,851	(102,470)	957,381
Leasehold improvements	8.57%	70,030	(5,379)	64,651
Facilities and improvements	9.46%	240,027	(30,494)	209,533
Furniture and fixtures	10.07%	7,488	(1,825)	5,663
Vehicles	24.89%	133,961	(49,034)	84,927
Technical and scientific instruments	14.90%	4,957	(2,310)	2,647
IT equipment	22.87%	61,955	(35,879)	26,076
Machinery and equipment	13.97%	3,690,917	(476,941)	3,213,976
Construction in progress and advances for capital expenditures	-	153,886	-	153,886
		5,524,773	(704,332)	4,820,441

Consolidated 2015

	Weighted annual depreciation and amortization rates	Cost	Accumulated depreciation	Net
Land	-	101,701	-	101,701
Buildings	4.73%	1,059,722	(94,779)	964,943
Leasehold improvements	8.57%	70,030	(4,023)	66,007
Facilities and improvements	8.70%	239,817	(27,788)	212,029
Furniture and fixtures	9.99%	7,405	(1,651)	5,754
Vehicles	23.42%	133,965	(42,868)	91,097
Technical and scientific instruments	14.87%	4,891	(2,192)	2,699
IT equipment	22.88%	61,085	(32,932)	28,153
Machinery and equipment	12.21%	3,671,687	(438,363)	3,233,324
Construction in progress and advances for capital expenditures	-	129,272	-	129,272
		5,479,575	(644,596)	4,834,979

Changes in property, plant and equipment

Parent Company

Changes	**Balance at 12/31/2015**	**Additions**	**Disposals**	**Transfers**	**Depreciation**	**Balance at 3/31/2016**
Land	101,701	-	-	-	-	101,701
Buildings	964,943	-	-	130	(7,691)	957,382
Leasehold improvements	11,711	-	-	-	(369)	11,342
Facilities and improvements	206,872	48	-	166	(2,704)	204,382
Furniture and fixtures	5,427	8	-	70	(156)	5,349
Vehicles	91,016	492	(345)	-	(6,298)	84,865
Technical and scientific instruments	2,699	67	-	-	(119)	2,647
IT equipment	27,453	844	-	47	(2,901)	25,443
Machinery and equipment	3,324,771	19,445	(1,573)	1,340	(36,678)	3,205,305
Construction in progress and advances for capital expenditures	128,400	21,506	-	(2,829)	-	147,077
	4,764,993	42,410	(1,918)	(1,076)	(58,916)	4,745,493

Changes	**Balance at 12/31/2014**	**Additions**	**Disposals**	**Transfers**	**Depreciation**	**Balance at 12/31/2015**
Land	101,701	-	-	-	-	101,701
Buildings	1,025,142	21,222	(23,172)	(28,202)	(30,047)	964,943
Leasehold improvements	13,185	-	-	-	(1,474)	11,711
Facilities and improvements	195,688	449	-	21,032	(10,297)	206,872
Furniture and fixtures	5,216	570	-	222	(581)	5,427
Vehicles	85,864	30,974	(3,342)	268	(22,748)	91,016
Technical and scientific instruments	2,427	647	-	75	(450)	2,699
IT equipment	31,077	3,831	(110)	3,757	(11,102)	27,453
Machinery and equipment	3,323,023	27,472	(7,327)	31,526	(149,923)	3,224,771
Construction in progress and advances for capital expenditures	64,581	94,148	-	(30,329)	-	128,400
	4,847,904	179,313	(33,951)	(1,651)	(226,622)	4,764,993

Consolidated

Changes	**Balance at 12/31/2015**	**Additions**	**Disposals**	**Transfers**	**Depreciation**	**Balance at 3/31/2016**
Land	101,701	-	-	-	-	101,701
Buildings	964,943	-	-	130	(7,691)	957,382
Leasehold improvements	66,007	-	-	-	(1,356)	64,651
Facilities and improvements	212,029	48	(4)	166	(2,704)	209,535
Furniture and fixtures	5,754	22	(10)	70	(172)	5,664
Vehicles	91,097	492	(362)	-	(6,300)	84,927
Technical and scientific instruments	2,699	67	-	-	(119)	2,647
IT equipment	28,153	844	(24)	47	(2,944)	26,076
Machinery and equipment	3,233,324	19,445	(1,573)	1,630	(38,849)	3,213,977
Construction in progress and advances for capital expenditures	129,272	27,732	(4)	(3,119)	-	153,881
	4,834,979	48,650	(1,977)	(1,076)	(60,135)	4,820,441

Changes	**Balance at 12/31/2014**	**Additions**	**Disposals**	**Transfers**	**Depreciation**	**Balance at 12/31/2015**
Land	101,701	-	-	-	-	101,701
Buildings	1,025,142	21,222	(23,172)	(28,202)	(30,047)	964,943
Leasehold improvements	13,185	-	-	55,283	(2,461)	66,007
Facilities and improvements	200,828	463	-	21,041	(10,303)	212,029
Furniture and fixtures	5,251	616	-	491	(604)	5,754
Vehicles	85,864	30,974	(3,752)	813	(22,802)	91,097
Technical and scientific instruments	2,427	647	-	75	(450)	2,699
IT equipment	31,578	3,906	(110)	4,091	(11,312)	28,153
Machinery and equipment	3,323,058	27,495	(7,327)	40,086	(149,988)	3,233,324
Construction in progress and advances for capital expenditures	97,350	127,725	-	(95,803)	-	129,272
	4,886,384	213,048	(34,361)	(2,125)	(227,967)	4,834,979

Construction in progress and advances for capital expenditures
The outstanding amounts related to construction in progress and advances for capital expenditures as at March 31, 2016 refer to structural improvements in the pulp plant and surrounding areas and expenditures on basic engineering and equipment to be used in the construction of Projeto Vanguarda 2.0, new production line with capacity of more than 2.3 million tons of pulp. Company assets are pledged as collateral for borrowings up to the maximum limit of each of the debts assumed (Note 16).

Impairment test - property, plant and equipment
The balances of property, plant and equipment and other assets are reviewed annually in order to identify evidence of impairment or whenever changes in events or circumstances indicate that the carrying amount may not be recoverable. In the period, no evidence of impairment was identified.

14 Intangible assets

	Parent Company 2016			
	Weighted annual amortization rates	**Cost**	**Accumulated amortization**	**Net 3/31/2016**
Software	25.15%	13,812	(6,018)	7,794

	Parent Company 2015			
	Weighted annual amortization rates	**Cost**	**Accumulated amortization**	**Net 12/31/2015**
Software	23.59%	12,691	(5,412)	7,279

	Consolidated 2016			
	Weighted annual amortization rates	**Cost**	**Accumulated amortization**	**Net 3/31/2016**
Goodwill	-	17,001	-	17,001
Software	24.63%	14,440	(6,118)	8,322
Terminal concession	7.14%	20,988	(6,912)	14,076
		52,429	(13,030)	39,399

	Consolidated 2015			
	Weighted annual amortization rates	**Cost**	**Accumulated amortization**	**Net 12/31/2015**
Goodwill	-	17,001	-	17,001
Software	23.20%	13,319	(5,481)	7,838
Terminal concession	7.14%	20,988	(6,537)	14,451
		51,308	(12,018)	39,290

Changes in intangible assets

Parent Company	**12/31/2015**	**Additions**	**Transfers**	**Amortization**	**3/31/2016**
Software	7,279	45	1,076	(606)	7,794

Consolidated	**12/31/2015**	**Additions**	**Transfers**	**Amortization**	**3/31/2016**
Goodwill	17,001	-	-	-	17,001
Software	7,838	45	1,076	(637)	8,322
Terminal concession	14,451	-	-	(375)	14,076
	39,290	45	1,076	(1,012)	39,399

Parent Company	**12/31/2014**	**Additions**	**Transfers**	**Amortization**	**12/31/2015**
Software	6,093	1,622	1,651	(2,087)	7,279

Consolidated	**12/31/2014**	**Additions**	**Transfers**	**Amortization**	**12/31/2015**
Goodwill (a)	17,001	-	-	-	17,001
Software	6,216	1,622	2,125	(2,125)	7,838
Terminal concession	15,950	-	-	(1,499)	14,451
	39,167	1,622	2,125	(3,624)	39,290

(a) The amount of R$ 17,001 refers to Rishis goodwill (Note 12).

15 Trade payables

	Parent Company		**Consolidated**	
	3/31/2016	**12/31/2015**	**3/31/2016**	**12/31/2015**
Supplies and services	48,162	39,425	56,173	46,998
Supplies and services – related parties (Note 7)	14 ,364	13,417	12,166	13,171
Inputs	122,778	106,373	122,778	106,373
Others	30,759	44,558	38,387	46,420
	216,063	203,773	229,504	212,962

16 Loans and financing

		Parent Company and Consolidated	
Type	**Average annual interest rate and commissions**	**3/31/2016**	**12/31/2015**
Property, plant and equipment purchase financing			
FINAME - project finance	Average interest of 3% to 8% p.a.	76,696	83,545
ACC (advance on exchange contract) (i)	Forex + interest	1,228,619	1,257,038
BNDES - subloan A (ii)	TJLP + interest of 3.32% p.a.	435,675	448,209
BNDES - subloan B (ii)	Floating rate BNDES + interest of 3.32% p.a.	1,077,292	1,229,368
BNDES - subloans C, H and L (ii)	Floating rate BNDES + interest of 4.52% p.a.	1,229,137	1,402,647
BNDES - subloan G (ii)	TJLP + interest of 2.92% p.a.	114,811	118,249
BNDES - subloan K (ii)	TJLP	16,574	16,587
BNDES - subloan D (ii)	TJLP + interest of 1.8% p.a.	120,955	124,578
BNDES - subloan E (ii)	Floating rate BNDES + interest of 1.8% p.a.	499,267	569,746
BNDES – subloans F and J (ii)	Floating rate BNDES + interest of 3% p.a.	278,505	317,820
BNDES - subloan I (ii)	TJLP + interest of 1.4% p.a.	31,063	31,993
ECAs - Export Credit Agencies (iii)	Forex + interest of 2.8% to 5.69% p.a.	1,304,015	1,415,564
Debentures (second issue) (iv)	IPCA + interest of 7.41% p.a.	1,183,884	1,146,333
FCO (Center-West Financing Fund) (v)	Interest of 8.5% to 9 % p.a.	24,044	23,560
Working capital (vii)	Rate of 5.74% p.a.in US dollars	43,136	50,290
PPE (viii)	LIBOR + spread	39,438	-
NCE (vi)	CDI + spread of 123% to 128% of CDI	1,114,815	1,127,823
Leasing	Fixed rate – 12.9854% p.a. in R$	3,147	3,283
		8,821,073	9,366,633

	Parent Company and Consolidated	
Breakdown	**3/31/2016**	**12/31/2015**
Current liabilities	2,623,957	2,286,481
Noncurrent liabilities	6,197,116	7,080,152
	8,821,073	9,366,633

Noncurrent liabilities mature as follows:	**3/31/2016**	**12/31/2015**
2017	833,219	1,469,551
2018	1,171,355	1,216,522
2019	998,638	1,064,379
2020	828,939	895,377
2021	817,636	883,999
After 2022	1,547,329	1,550,324
	6,197,116	7,080,152

16.1 Changes in borrowings

Parent Company and Consolidated	**3/31/2016**	**12/31/2015**
Opening balance	**9,366,633**	**7,166,908**
Interest – accrued	229,039	708,690
Exchange differences – accrued	(533,325)	2,397,439
New borrowings	504,719	2,694,977
Repayments		
Principal	(424,010)	(2,149,453)
Interest	(169,247)	(627,945)
Exchange differences	(152,736)	(823,983)
Closing balance	**8,821,073**	**9,366,633**

16.2 Company credit facilities

(i) Working capital financing through ACCs (advances on exchange contracts)

(ii) BNDES (Brazilian development bank) funding: on July 22, 2011 the Company entered into a financing agreement with Banco Nacional de Desenvolvimento Social (BNDES), amended on March 5 and August 10, 2012, totaling R$2.7 billion, to build the pulp and paper plant, including the purchase of local machinery and equipment, and the implementation of the social investments program in plant neighboring areas. Thus, BNDES confirmed the effectiveness of the agreement by disbursing the funds between March 2012 and December 2013, to be repaid in 90 installments beginning January 2015.

(iii) ECA (Export Credit Agency) financing agreements, disbursed on December 28, 2012, repayable in 19 semiannual installments, from November 2013 to November 2022, subject to interest and US dollar exchange fluctuation, granted by the following Agencies: Finnvera, R$659,824 subject to 3.1% p.a. equivalent to US$185,401, and R$176,810 subject to 5.69% p.a. equivalent to US$49,681, EKN, R$304,951 subject to 2.8% p.a. equivalent to US$85,687, and Oekb, R$278,778 subject to 5.69% p.a. equivalent to US$78,333.

(iv) On December 1, 2012 the Company carried out the 2nd issue of simple debentures, fully subscribed by FI-FGTS. These debentures are nonconvertible, unsecured, with additional collateral and unsecured guarantee, indexed to the IPCA, plus interest of 7.41% per year and final maturity in December 2027. The debentures were fully distributed on December 17, 2012.

(v) FCO (Mid-west Financing Fund) financing agreement, entered into with Banco do Brasil, in the amount of R$ 24,533 and maturing in 2017, guaranteed by properties (farms) up to the limit of the assumed debt.

(vi) Real-denominated Export Credit Notes (NCE) contracts, maturing within 360 days and 1,540 days.

(vii) Borrowings from Catterpillar Financial Services, denominated in dollars, for financing the purchase of engine, with semiannual amortization from 2014 to 2020.

(viii) In March 2016, the Company entered into an export prepayment contract aimed at extending the repayment profile of the working capital financing. This contract has a two-year term and semiannual repayments starting the first year, and Libor interest rate + spread is charged.

16.3 Restrictive covenants

The financing agreements with ECAs and debentures with FI-FGTS, and the letters of guarantee with Banco do Brasil and Santaneer entered into by the Company for the construction of its plant and the related logistics infrastructure are collateralized by the financed property, plant and equipment up to the limit of the assumed debt, and contain restrictive financial covenants usually applicable to these types of long-term financing.

As required by the aforementioned restrictive covenants, the Company measured its indexes based on the statement of financial position at December 31, 2015 and all of them are within the established limits.

16.4 Guarantees of the borrowings

All borrowing and financing agreements of the BNDES and ECA types and part of the agreements of the ACC, Finame, Working Capital, FCO and Debenture types are guaranteed by J&F Investimentos. The debentures have as guarantee the amounts invested in marketable securities, as shown in note 5.

17 Taxes payable, payroll and related taxes

	Parent Company		**Consolidated**	
	3/31/2016	**12/31/2015**	**3/31/2016**	**12/31/2015**
Payroll and related taxes	26,127	47,783	26,866	49,384
Accruals and taxes	33,956	28,456	34,448	28,696
Taxes payable	9,796	5,049	9,895	5,063
	69,879	81,288	71,209	83,143

18 Deferred income tax and social contribution

As at March 31, 2016, the Company has an accounting loss balance which, adjusted for the expenses and revenues not permitted by the tax law for income tax and social contribution calculation purposes, totals R$ 1,739,173 (R$ 1,744,614 as at December 31, 2015).

(a) Reconciliation of the effective tax rates:

	Parent Company		Consolidated	
	3/31/2016	**3/31/2015**	**3/31/2016**	**3/31/2015**
Loss before income tax and social contribution	(215,261)	(122,957)	(215,249)	(122,949)
Income tax and social contribution – statutory rate of 34%	73,189	41,805	73,185	41,803
Reconciliation for effective expenses				
Profit (loss) of investees accounted for as own capital, net of taxes	65,268	(1,376)	-	-
Nondeductible expenses	(186)	62	(186)	62
Government grant	(25,130)	(19,385)	(25,130)	(19,385)
Effect of taxes of foreign subsidiaries	-	-	65,268	(1,376)
Others	(6)	-	2	5
Current and deferred income tax and social contribution	33,243	62,505	33,231	62,497
Effective rate	(15,44%)	(50,84%)	(15,44%)	(50,83%)

(b) Changes in deferred income tax and social contribution:

Parent Company	**12/31/2015**	**Additions**	**Deductions**	**3/31/2016**
Tax loss (i)	593,169	-	(1,850)	591,319
Hedge - derivatives	(30,556)	56,543	-	25,987
Biological assets	(65,202)	-	-	(65,202)
Products not shipped	10,682	-	(10,682)	-
Operating provisions	14,167	-	(6,457)	7,710
Balance in the period	**522,260**	**56,543**	**(18,989)**	**559,814**

Consolidated	**12/31/2015**	**Additions**	**Deductions**	**3/31/2016**
Tax loss (i)	593,169	-	(1,850)	591,319
Hedge - derivatives	(30,556)	56,543	-	25,987
Biological assets	(65,202)	-	-	(65,202)
Products not shipped	10,682	-	(10,682)	-
Operating provisions	14,167	-	(6,457)	7,710
	522,260	**56,543**	**(18,989)**	**559,814**

(i) As at March 31, 2016, the Company had an accumulated tax loss balance which, adjusted for expenses and revenues not permitted by tax legislation for purposes of calculation of income tax and social contributon, totals R$ 1,739,173.

Deferred taxes arising from temporary differences will be reversed as they are settled or realized. Tax losses can be carried forward indefinitely; however, the utilization of accumulated losses from prior years is limited to 30% of the annual taxable profit.

When assessing the probability of realization of deferred tax assets calculated on tax losses, Management considers earning taxable profit in its budget and in the multiannual strategic plan as from 2017 and, thus, it is highly possible that the deferred asset will be realized.

19 Provision for contingent liabilities

In the normal course of its activities, the Company is subject to tax, labor and civil lawsuits and, based on the opinion of its legal counsel and, where applicable, specific opinions issued by specialists, assesses the expected outcome of ongoing lawsuits and determines the need to whether or not set up a provision for contingent liabilities. Based on this assessment, the Company provided for the following amounts:

	12/31/2014	Additions	Write-offs	12/31/2015	Additions	Write-offs	3/31/2016
Civil	329	625	(2)	952	422	(230)	1,144
Labor	1,679	3,329	(1,232)	3,776	727	(1,522)	2,981
Tax	356	3	(81)	278	-	-	278
	2,364	**3,957**	**(1,315)**	**5,006**	**1,149**	**(1,752)**	**4,403**

As at March 31, 2016, the Company was the defendant in environmental, civil, labor and tax lawsuits, amounting to R$ 76,267 (R$ 77,381 as at December 31, 2015), of which the Company accrued R$ 4,403 (R$ 5,006 as at December 31, 2015), classified by its management and legal counsel as likelihood of probable loss. Management believes the negotiations will not occur during at least twelve months. In general, the claims that originated the lawsuits involve claims for obligations, indemnity for pain and suffering and property damages, collection and prohibitory interdict.

For the lawsuits classified as possible losses in the amount of R$ 165,887 (R$ 67,855 as at December 31, 2015), there is an indemnity lawsuit of R$ 100,000 where the Company is the defendant which alleges Company infringement for utilization of eucalypts clones in its forests. The Company's legal counselors understand that no provision for loss on these lawsuits is necessary, in accordance with CPC 25 Provisions, Contingent Liabilities and Contingent Assets.

20 Equity

20.1 Issued capital

The subscribed and paid-in capital as at March 31, 2016 is R$ 1,788,792, comprising 1,525,558,419 shares.

20.2 Legal reserve

Recognized, when applicable, at the rate of 5% of the profit for each year, as provided for by Article 193 of Law 6,404/76, up to the ceiling of 20% of the share capital.

20.3 Dividends

Under the Company bylaws, the balance of the profit for the year remaining after the offset of accumulated losses and allocation to the legal reserve and the contingency reserve, is used for the payment of a mandatory minimum dividend that cannot be lower than 25% of profit for the year adjusted as prescribed by the Corporate Law.

20.4 Carrying value adjustments

The reserve for carrying value adjustments includes the cumulative translation adjustments of all differences in foreign currency arising from the translation of the financial statements of foreign operations.

20.5 Earnings per share

As required by IAS 33/CPC 41 Earnings per Share, the tables below reconcile profit (loss) for the year with the amounts used to calculate basic earnings (loss) per share.

Basic

Basic earnings (loss) per share are calculated by dividing the profit (loss) attributable to Company owners by the number of shares outstanding in the year.

	3/31/2016	3/31/2015
Loss attributable to Company owners	(182,018)	(60,452)
Total shares outstanding in the period (subscribed and advance for future capital increase) – in thousands	1,525,558	1,525,558
Loss per thousand shares	**(0.12)**	**(0.04)**

21 Net revenue

	Parent Company		Consolidated	
	3/31/2016	**3/31/2015**	**3/31/2016**	**3/31/2015**
Gross sales revenue				
Domestic market	112,236	99,361	112,236	99,361
Foreign market	28,407	12,228	761,496	650,198
Domestic and foreign markets – related parties (Note 7)	789,943	450,367	1,453	14,293
Discounts and rebates	(855)	(128)	-	-
	929,731	561,828	875,185	763,852
Sales returns and taxes	(8,237)	(8,402)	(134,246)	(111,826)
Net operating revenue	**921,494**	**553,426**	**740,939**	**652,026**

22 Operating segments

a. Base for segmentation

The Company has three reportable segments: pulp, energy and others. The summary below describes the operations of each of the reportable segments:

Reportable segments	Operations
Energy	Generation and sale of energy.
Pulp	Plantation and management of forest resources, purchase of wood, and production of pulp.
Others	Sale of chips, scrap and waste

b. Reportable segments

Information on the results of each reportable segment is presented below.

	Consolidated			
	Pulp	**Energy**	**Others**	**Total**
Net revenue				
Foreign	639,947	-	-	639,947
Domestic	93,726	6,557	709	100,992
Cost of sales	(248,218)	(2,777)	(1,522)	(252,517)
Gross loss	**485.455**	**3,780**	**(813)**	**488,422**
Operating (expenses) income				
General and administrative expenses	(30,103)	-	-	(30,103)
Sales and logistics	(86,249)	-	-	(86,249)
Depreciation, amortization and depletion	(70,536)	-	-	(70,536)
Other income (expenses), net	57,402	-	-	57,402
Finance income (costs), net				
Finance costs	(1,135,442)	-	-	(1,135,442)
Finance income	561,257	-	-	561,257
Profit (loss) before income tax and social contribution	**(218,216)**	**3,780**	**(813)**	**(215,249)**
Income tax and social contribution	33,231	-	-	33,231
Profit (loss) for the period	**(184,985)**	**3,780**	**(813)**	**(182,018)**

c. Geographic segments

The Pulp segment is managed at international level, although it operates sales offices in Austria, China and the USA.

In the presentation based on geographic segments, the segment's revenue is based on the customers' geographic location..

Operating revenue	**3/31/2016**	**3/31/2015**
Brazil	100,992	102,967
Argentina	25,131	11,380
United States	66,109	61,450
Germany	23,333	30,319
Austria	38,074	16,273
China	218,803	171,620
Singapore	28,679	19,862
Egypt	3,422	1,987
Slovenia	7,989	4,082
Spain	1,808	4,928
France	19,692	14,947
Israel	1,141	5,015
Italy	93,207	106,311
Japan	40,954	62,141
Polland	20,299	1,639
Czech Republic	3,735	1,340
Sweden	3,542	3,746
Canada	13,029	14,557
Mexico	10,286	5,585
Others	20,714	11,877
	740,939	**652,026**

In the presentation based on geographic segments, the segment's assets are based on the assets' geographic location.

Noncurrent assets	**3/31/2016**	**12/31/2015**
Brazil	8,028,905	7,902,501
Austria	3,282	2,893
United States	180	150
China	11	-
	8,032,378	**7,905,544**

23 Selling, logistics, general and administrative expenses

	Parent Company		**Consolidated**	
	3/31/2016	**3/31/2015**	**3/31/2016**	**3/31/2015**
Personnel expenses	65,840	52,733	69,978	54,413
Service, material and transportation expenses	11,160	15,797	68,741	54,477
Depreciation and amortization	67,231	62,706	68,885	63,126
Variable costs \(raw materials and consumables)	226,419	240,951	226,419	240,951
Others	59,336	29,821	5,382	58,437
	429,986	**402,008**	**439,405**	**471,404**
Breakdown				
Cost of sales	368,265	338,222	314,176	365,650
General and administrative expenses	25,553	13,798	34,621	17,836
Selling and logistics expenses	36,168	49,988	90,608	87,918
	429,986	**402,008**	**439,405**	**471,404**

24 Finance income (costs), net

	Parent Company		**Consolidated**	
	3/31/2016	**3/31/2015**	**3/31/2016**	**3/31/2015**
Finance income				
Interest receivable	450	48	450	51
Income from short-term investments	24,287	1,836	24,288	1,836
Gain (loss) on derivatives	-	819,713	-	819,713
Foreign exchange gains	534,641	158,434	535,082	200,694
Other finance income	1,431	529	1,437	530
	560,809	980,560	561,257	1,022,824
Finance costs				
Sundry banking costs	(38)	(46)	(44)	(54)
Interest payable	(222,760)	(164,149)	(222,785)	(164,149)
Interest payable – related parties (Note 7)	-	(14,455)	-	(14,455)
Foreign exchange losses	(131,911)	(1,100,423)	(132,017)	(1,164,519)
Related parties - letter of guarantee for debts (Note 7)	(21,255)	(17,135)	(21,255)	(17,135)
Gain (loss) on derivatives	(745,594)	-	(745,594)	-
Guarantee expenses	(3,869)	(5,462)	(3,869)	(5,462)
Other finance costs	(7,129)	(5,616)	(9,878)	(8,849)
	(1,132,556)	(1,307,286)	(1,135,442)	(1,374,623)
	(571,747)	(326,726)	(574,185)	(351,799)

Gains (losses) on daily adjustments of financial instruments used as a hedge of assets and liabilities in the futures market, as well as the amounts of the positions marked to market of the agreements traded on the over-the-counter market, are recognized in line item "Gains (losses) on derivatives".

25 Other income (expenses), net

	Parent Company		Consolidated	
	3/31/2016	3/31/2015	3/31/2016	3/31/2015
ICMS credits (a)	57,133	35,013	57,133	35,013
Insurance indemnity	106	-	106	-
Others	(297)	(1,243)	163	(1,318)
	56,942	33,770	57,402	33,695

(a) This amount includes credits from a tax incentive package granted by the Mato Grosso do Sul State Government for use in the current operation and future industrial expansion.

26 Employee benefits

a. Defined contribution pension plan

In July 2015, the Company joined a pension plan from Fundação Petrobras de Seguridade Social - Petros, a closed pension fund.

Under the regulations of the benefit plan, the Company's contributions match the employees' contributions and may range from 3% to 6% of the nominal salary. The contributions made by the Company in the period ended March 31, 2016 totaled R$ 520.

27 Insurance

As at March 31, 2016, the insurance coverage against operating risks totaled R$ 5,105,084 for property damages, R$ 894,915 for loss of profits, and R$ 88,972 for civil liability.

28 Financial instruments

In the normal course of business, the Company is exposed to market risks relating to interest rate and foreign exchange fluctuation, and liquidity risks.

Market risks

Market risk is the risk that changes in market prices – such as changes in foreign exchange and interest rates – will affect the company yield or t he value of its interests in financial instruments.

The objective of the market risk management is to manage and control the exposure to market risk within acceptable parameters, to optimize the return. The Company uses derivatives to manage the market risk. Generally the Company seeks to use hedge to manage the volatility in profits or losses.

a. Interest rate risks

The Company has assets and especially liabilities exposed to this risk, in transactions pegged to indices such as the CDI (interbank deposit rate), TJLP (benchmark long-term interest rate), and the IPCA (extended consumer price index), and occasional transactions with fixed positions in relation to some of the indices above that could result in unrealized and/or realized losses caused by mark-to-market. The Company seeks to mitigate the interest rate risk by diversifying the contracted indices.

The interest rate risk is directly linked to the risk of increase in financial charges on Company borrowings, as a result of market fluctuations.

The Company's exposure to interest rate risk refers basically to borrowings. The position as at March 31, 2016 and December 31, 2015 is as follows:

		Parent Company	
Type	**Average annual interest rate and commissions**	**3/31/2016**	**12/31/2015**
BNDES - subloan A	TJLP + interest of 3.32% p.a.	435,675	448,209
BNDES - subloan B	Floating rate BNDES + interest of 3.32% p.a.	1,077,292	1,229,368
BNDES - subloans C, H and L	Floating rate BNDES + interest of 4.52% p.a.	1,229,137	1,402,647
BNDES - subloan G	TJLP + interest of 2.92% p.a.	114,811	118,249
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BNDES - subloan I	TJLP + interest of 1.4% p.a.	31,063	31,993
Debentures (second issue)	IPCA + interest of 7.41% p.a.	1,183,884	1,146,333
FINAME - project finance	Average interest of 3% to 8% p.a.	76,696	83,545
ACC (advance on exchange contract)	Forex + interest	1,228,619	1,257,038
Working capital	Rate of 5.74% p.a. in US$	43,136	50,290
PPE	LIBOR + spread	39,438	-
NCE	CDI+spread of 123% to 128% of CDI	1,114,815	1,127,823
Leasing	Fixed rate – 12.9854% p.a. in R$	3,147	3,283
		7,493,014	7,927,509

Sensitivity analysis

For the purpose of providing information on how the market risks to which the Company is exposed as at March 31, 2016 would behave, the possible 25% and 50% changes in interest rates on the risk variables, as compared to the probable scenario, are shown below.

Management considers that the closing interest rates used to measure Company financial assets and financial liabilities, at the reporting date, represent a probable scenario, whose effects are already recognized in profit or loss. The net results of exposures are as follows:

Transaction - 3/31/2016	**Risk**	**Position**	**Possible 25% (i)**	**Remote 50% (ii)**
BNDES	TJPLP + interest and floating rate BNDES + interest	81,835	20,459	40,917
Debentures (Interest)	IPCA + interest of 7.41% p.a.	20,258	5,065	10,129
Debentures (Adjustment for Inflation)	IPCA	37,693	9,423	18,847
FINAME	Average interest of 3% to 8% p.a.	1,401	350	701
ACC (advance on exchange contract)	Forex + interest	18,177	4,544	9,089
Working capital	Rate of 5.74% p.a. in US$ and 10.27% to 12.41% p.a. in R$	798	200	399
PPE	LIBOR + spread	11	3	5
Leasing	Fixed rate – 12.9854% p.a.	102	26	51
NCE	CDI + spread of 123% to 127% of CDI	46,052	11,513	23,026
Net exposure to interest rates		206,327	51,583	103,164

Transaction - 12/31/2015	**Risk**	**Position**	**Possible 25% (i)**	**Remote 50%(ii)**
BNDES	TJPLP + interest and floating rate BNDES + interest	316,726	79,182	158,363
Debentures (Interest)	IPCA + interest of 7.41% p.a.	79,051	19,763	39,526
Debentures (Adjustment for Inflation)	IPCA	110,793	27,698	55,397
FINAME	Average interest of 3% to 8% p.a.	4,043	1,011	2,022
ACC (advance on exchange contract)	Forex + interest	78,400	19,600	39,200
ECAs	Forex + interest of 2.8% to 5.69% p.a.	60,385	15,096	30,193
FCO (Center-West Financing Fund)	Interest of 8.5% to 9 % p.a.	2,330	583	1,166
Working capital	Rate of 5.74% p.a. in US$ and 10.27% to 12.41% p.a. in R$	3,085	771	1,543
Leasing	Fixed rate – 12.9854% p.a.	175	44	87
NCE	CDI + spread of 123% to 127% of CDI	53,702	13,426	26,851
Net exposure to interest rates		708,690	177,174	354,348

Scenarios II and III take into account a 25% and 50% increase in the interest rates, respectively.

The borrowing cost based on the basket of currencies is defined based on the average funding cost of the Bank in the international market and consists of the UMBNDES plus a basket of currencies that corresponds to a variable interest rate.

The long-term interest rate (TJLP) was created to be used as a benchmark of the basic cost of funding granted by BNDES and at the reporting date was 7.5% per year.

b. Foreign exchange rate risks

The Company is exposed to foreign exchange rate risk when there is a mismatching between the currencies in which its sales, purchases and borrowings are denominated and its functional currency.

The main Company exposures refer to the US dollar, euro, and Swedish krona fluctuations in relation to the Brazilian real.

As at March 31, 2016, the US Dollar, Euro, and Swedish Krona quotations were R$ 3.5589, R$ 4.0539 e R$ 0.4396, respectively.

As at March 31, 2016, the foreign exchange fluctuation risk concentrates in line items ‘Trade receivables’, ‘Advances to suppliers’, ‘Trade payab les’ and ‘Borrowings’.

In order to hedge against the foreign exchange volatility risk, the Company seeks to balance the amounts of assets and liabilities in foreign currencies.

The Company’s assets and liabilities exposed to the foreign exchange risk as at March 31, 2016 are as follows:

Parent Company

	3/31/2016	12/31/2015
Operating		
Trade receivables (US Dollar)	1,174,599	1,011,081
Advances (Euro)	1,461	1,840
Advances (US Dollar)	84	111
Trade payables (Euro)	(73)	(148)
Trade payables (US Dollar)	(136)	(136)
Trade payables (Pound Sterling)	(44)	-
Trade payables (Swedish Krona)	(169)	(250)
Total operating	1,175,722	1,012,498
Derivatives		
Derivatives (US Dollar)	4,846,019	7,503,999
Total derivatives	4,846,019	7,503,999
Net exposure to currency risk	**6,021,741**	**8,516,497**

The foreign exchange rate risk may result in losses for the Company due to a possible appreciation of the Real.

Sensitivity analysis

For the purpose of providing information on how the market risks to which the Company is exposed at March 31, 2016 would behave, the possible 25% and 50% changes in interest rates on the risk variables, as compared to the probable scenario, are shown below. Management considers that the closing quotations used to measure Company financial assets and financial liabilities, at the reporting date, represent a probable scenario, whose effects are already recognized in profit or loss. The net results of asset and liability exposures are as follows:

Parent Company

		3/31/2016		
Transaction	**Risk**	**Position**	**25%**	**50%**
Operating exposure	R$ appreciation	1,175,722	293,930	587,861
Derivative exposure	R$ appreciation	4,846,019	1,211,505	2,423,010
Net exposure to foreign exchange rate risk		6,021,741	1,505,435	3,010,871

Derivative financial instruments

As at March 31, 2016, the outstanding derivatives with maturity on May 2, 2016, totaling U$ 1,318,250, refer to Non Deliverable Forward (NDF) contracts.

The fair value of the derivative instruments is calculated based on the discounted cash flow method, using the BM&F projection curves.

Outstanding derivatives

	Notional amount			Fair value	
Derivatives	**US Dollar**	**Real**	**Maturity**	**US Dollar**	**Real**
Short position (US$)	1,318,250	4,846,019	02/05/2016	(21,260)	(76,433)

Maturity	**Notional in Dollars**	**Average Rate**	**MtM**
05/02/2016	1,318,250	3,6761	(76,433)
Total	1,318,250	3,6761	(76,433)

c. *Credit risk*

Credit risk is the risk that the Company may incur losses on a financial instrument arising from the failure of a customer or counterparty to perform contractual obligations. The risk basically refers to trade receivables and financial instruments, as described below.

The credit risk in the Company's operating activities is managed based on specific rules for customer acceptance, credit analysis and establishment of exposure limits for each customer, which are periodically reviewed. The Company works to ensure the realization of the past-due receivables by constantly monitoring its default customers and using letter of credit and other financial instruments.

Bank deposits, financial investments and NDF transactions are contracted with prime financial institutions; therefore, the risk of incurring any loss with these financial institutions is minimum.

Exposure to credit risk

The carrying amount of the financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the end of the reporting period was:

	Parent Company		Consolidated	
	3/31/2016	**12/31/2015**	**3/31/2016**	**12/31/2015**
Cash and cash equivalents	288,989	1,058,790	577,891	1,264,151
Marketable securities	149,255	114,524	149,255	114,524
Trade receivables	145,957	139,273	585,731	703,501
Amounts due from related parties	1,147,890	989,259	1,563	985
Derivatives receivable	-	89,871	-	89,871
	1,732,091	2,391,717	1,314,440	2,173,032

Guarantees

As a result of the transactions between BNDES and ECAs, the following shared guarantees were provided: a) first mortgage of the plant in the city of Três Lagoas, b) pledge of 750,000,000 registered common shares of Eldorado, c) pledge of 268,000,000 book-entry common shares of the associate JBS S.A. and d) statutory lien on the forest equipment financed by ECAs in the amount of approximately R$ 80,000.

d. *Price risk*

The Company is exposed to wood price volatility only for new agreements not closed, resulting from factors beyond management control, such as climate factors, offer volume, transportation costs, forestry policies and others. To ensure the supply of the raw material necessary for the operation of its plant, the Company has been entering into partially prepaid wood supply contracts for future delivery and is not exposed to the volatility of prices for the contracts already signed.

Parent Company	**3/31/2016**	**12/31/2015**
Estimated amount of firm contracts	515,010	488,048
Advances made	(241,904)	(166,645)
	273,106	321,403

The risks of changes in prices are mitigated by the actual delivery of wood, when the trade payable and the related inventory are recognized, both at a price set when the contract is closed. Thus, according to the delivery schedule, as the wood inventories are not yet fully delivered, there is no payment obligation and, particularly, there is no risk of wood price fluctuation.

The risks of not receiving the wood are mitigated by the continuous monitoring of forest development by Company specialists.

e. *Liquidity risk*

Liquidity risk is the risk that the Company may face difficulties to fulfill its obligations associated with its financial liabilities that are settled through delivery of cash or other financial assets.

The Company's long-term debts comprise the following types: BNDES, ECAs and debentures, with maturities between 10 and 15 years, and grace period of less than one year. The ECA and debenture debts have customized payments. In the first years the repayment of the principal is lower than in years that approximate the total settlement.
The Company's working capital financing is made by contracting ACCs, NCEs and Prepayments credit lines.

The table below shows the fair value of the Company’s financial liabilities according to their maturities and do no include expected interest cash outflows:

Parent Company	**Less than 1 year**	**1 to 2 years**	**2 to 3 years**	**After 3 years**	**Fair value**
At March 31, 2016					
Trade payables	216,063	-	-	-	216,063
Borrowings	2,623,957	833,219	1,171,355	4,192,542	8,821,073
Derivatives payable	76,433	-	-	-	76,433
(-) Cash and cash equivalents	(288,989)	-	-	-	(288,989)
	2,627,464	833,219	1,171,355	4,192,542	8,824,580
At December 31, 2015					
Trade payables	190,356	-	-	-	190,356
Amounts due to related parties	13,417	-	-	-	13,417
Borrowings	2,286,481	1,469,551	1,216,522	4,394,079	9,366,633
(-) Derivatives receivable	(89,871)	-	-	-	(89,871)
(-) Cash and cash equivalents	(1,058,790)	-	-	-	(1,058,790)
	1,341,593	1,469,551	1,216,522	4,394,079	8,421,745
Consolidated					
At March 31, 2016					
Trade payables	229,504	-	-	-	229,504
Borrowings	2,623,957	833,219	1,171,355	4,192,542	8,821,073
Derivatives payable	76,433	-	-	-	76,433
(-) Cash and cash equivalents	(577,891)	-	-	-	(577,891)
	2,352,003	833,219	1,171,355	4,192,542	8,549,119
At December 31, 2015					
Trade payables	199,791	-	-	-	199,791
Amounts due to related parties	13,171	-	-	-	13,171
Borrowings	2,286,481	1,469,551	1,216,522	4,394,079	9,366,633
(-) Derivatives receivable	(89,871)	-	-	-	(89,871)
(-) Cash and cash equivalents	(1,264,151)	-	-	-	(1,264,151)
	1,145,421	1,469,551	1,216,522	4,394,079	8,225,573

f. Fair value of financial instruments

The assets and liabilities measured at fair value in the statement of financial position are classified based on the following fair value hierarchy levels:

- **Level 1 -** Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2 -** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices), and valuation techniques that use market inputs.
- **Level 3** - Inputs for the asset or liability that are not based on observable market inputs. The Company and its subsidiaries do not have instruments in this measurement level.

The table below shows the classification per risk level:

	3/31/2016			**12/31/2015**		
Parent Company	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Assets						
Cash and cash equivalents	288,989	-	-	1,058,790	-	-
Trade receivables	-	1,293,847	-	-	1,128,532	-
Advances to suppliers	-	100,820	-	-	100,028	-
Derivatives receivable	-	-	-	-	89,871	-
Marketable securities	149,255	-	-	114,524	-	-
Total assets	438,244	1,394,667	-	1,173,314	1,318,431	-

	3/31/2016			12/31/2015		
Parent Company	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Liabilities						
Trade payables	-	216,063	-	-	203,773	-
Borrowings	-	8,821,073	-	-	9,366,633	-
Other payables – related parties	-	21,255	-	-	45,153	-
Derivatives payable	-	76,433	-	-	-	-
Total liabilities	-	9,134,824	-	-	9,615,559	-

	3/31/2016			12/31/2015		
Consolidated	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Assets						
Cash and cash equivalents	577,891	-	-	1,264,151	-	-
Trade receivables	-	587,294	-	-	704,486	-
Advances to suppliers	-	100,880	-	-	105,799	-
Derivatives receivable	-	-	-	-	89,871	-
Marketable securities	149,255	-	-	114,524	-	-
Total assets	727,146	688,174	-	1,378,675	900,156	-

	3/31/2016			12/31/2015		
Consolidated	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Liabilities						
Trade payables	-	229,504	-	-	212,962	-
Borrowings	-	8,821,073	-	-	9,366,633	-
Other payables – related parties	-	21,255	-	-	45,153	-
Derivatives payable	-	76,433	-	-	-	-
Total liabilities	-	9,148,265	-	-	9,624,748	-

Breakdown of the balances of financial instruments per category and fair value:

	3/31/2016		12/31/2015	
Parent Company	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Assets				
Fair value through profit or los				
Cash and cash equivalents	288,989	288,989	1,058,790	1,058,790
Derivatives receivable	-	-	89,871	89,871
Marketable securities	149,255	149,255	114,524	114,524
Loans and receivables				
Trade receivables	1,293,847	1,293,847	1,128,532	1,128,532
Advances to suppliers	100,820	100,820	100,028	100,028
Total financial assets	1,832,911	1,832,911	2,491,745	2,491,745

Parent Company	3/31/2016 Carrying amount	3/31/2016 Fair value	12/31/2015 Carrying amount	12/31/2015 Fair value
Liabilities				
Liabilities at amortized cost				
Trade payables	216,063	216,063	203,773	203776
Borrowings	8,821,076	8,821,073	9,366,633	9,366,633
Other payables – related parties	21,255	21,255	45,153	45,153
Derivatives payable	76,433	76,433	-	-
Total financial liabilities	9,134,824	9,134,824	9,615,559	9,615,559

Consolidated	3/31/2016 Carrying amount	3/31/2016 Fair value	12/31/2015 Carrying amount	12/31/2015 Fair value
Assets				
Fair value through profit or los				
Cash and cash equivalents	577,891	577,891	1,264,151	1,264,151
Derivatives receivable	-	-	89,871	89,871
Marketable securities	149,255	149,255	114,524	114,524
Loans and receivables				
Trade receivables	587,294	587,294	704,486	704,486
Advances to suppliers	100,880	100,880	105,799	105,799
Total financial assets	1,415,320	1,415,320	2,278,831	2,278,831

Consolidated	3/31/2016 Carrying amount	3/31/2016 Fair value	12/31/2015 Carrying amount	12/31/2015 Fair value
Liabilities				
Liabilities at amortized cost				
Borrowings	8,821,073	8,821,073	9,366,633	9,366,633
Trade payables	229,504	229,504	212,962	212,962
Other payables – related parties	21,255	21,255	45,153	45,153
Derivatives payable	76,433	76,433	-	-
Total financial liabilities	9,148,265	9,148,265	9,624,748	9,624,748

The fair value of the financial assets and liabilities refers to the value for which the instrument can be changed in a current transaction between willing parties and not in a forced sale or liquidation transaction. The methods and assumptions used to estimate the fair value are described below.

The fair value of cash and cash equivalents, trade receivables, advances to suppliers, trade payables and amounts due from/to related parties approximates their carrying amounts, mainly due to the short-term maturity of these instruments. The fair value of the other long-term liabilities does not differ materially from their carrying amounts.

Borrowings and debentures are adjusted baased on the interest rates contracted, mainly floating rate, based on usual market conditions (Note 16). Therefore, the balances payable at the notification date approximate their fair values, including those classified as "noncurrent".

Derivatives are mesured using valuation techniques based on observable data and include currency forward contracts. The valuation techniques more commonly used include swap contract pricing models, calculated at present value. The models comprise several data, including the credit quality of the counterparty, location and forward exchange rate.

29 Operating leases

a. Land operating leases

Land operating leases are paid as follows:

	Parent Company and Consolidated	
	3/31/2016	**12/31/2015**
2016	60,830	70,568
2017	73,956	71,479
2018	74,853	72,156
2019	75,627	72,622
2020 and thereafter	537,184	509,325
	822,450	796,150

The Company leases land used in its operations under operating lease agreements effective for fourteen years. Lease payments are adjusted every five years according to market rentals. Some leases provide for additional lease payments that are based on individual valuations of each farm.

The leases recorded by the Company refer basically to land where eucalyptus is planted. As no land title deed is transferred, the Company determined that the land leases are operating leases. The lease paid to the land lessor is adjusted according to market prices at regular intervals, and the Company does not participate in any residual value; it was determined that basically all the risks and rewards of the lease are of the lessor. Thus, the Company determined that the leases are operating leases.

b. Operating Lease of Chemical and Oxygen Plant

(i) Future minimum lease payments

As at March 31, 2016, future minimum noncancelable lease payments are as follows:

	Consolidated	
	(In thousands of Reais)	
	3/31/2016	**12/31/2015**
2016	26,447	37,819
2017	37,819	37,819
2018	37,819	37,819
2019	37,819	37,819
2020 and thereafter	302,549	302,549
	442,451	**453,823**

(ii) Amounts recognized in profit or loss

	Consolidated	
	(In thousands of Reais)	
	3/31/2016	**3/31/2015**
Lease expenses	11,372	10,209
	11,372	**10,209**

The Company enters into operating leases of chemical plants to meet the needs for inputs to produce pulp.

There are two lease agreements, both with a fifteen years term, one to meet the needs for Chlorine Dioxide that started in December 2012, whose price of Ton of Sodium Chloride shall be adjusted on the first day of each year by the IPCA (Extended Cosnumer Price Index) and another to meet the needs for Oxygen in its gaseous form that started in October 2012, whose debt was contracted in dollar and the monthly fixed installments shall be adjusted by the CPI (Consumer Price Index) on the first tday of each year.

Board of Executive Officers

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CEO

José Carlos Grubisich Filho
Investor Relations Officer

Carlos Roberto Paiva Monteiro
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Luis Fernando Sartini Felli
Sales Officer

Germano Aguiar Vieira
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Board of Directors

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Chairman of the Board of Directors

Wesley Mendonça Batista
Vice Chairman of the Board of Directors

Henrique Jäger
Director

Paulo Eduardo Nigro
Director

Max Mauran Pantoja da Costa
Director

José Batista Sobrinho
Director

Miguel João Jorge Filho
Director

Accountant

Angela Midori Shimotsu do Nascimento
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