MANAGEMENT REPORT
1ST QUARTER 2015

Eldorado Brasil

MANAGEMENT REPORT
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Dear shareholders:

In compliance with relevant statutory provisions and our bylaws, we are pleased to submit the Management Report and the Financial Statements of Eldorado Brasil Celulose S.A. ("Eldorado" or "Company"), for the quarter ended March 31, 2015. This report was prepared in accordance with the International Financial Reporting Standards (IFRSs), issued by the International Accounting Standards Board (IASB), and also in accordance with the interpretations and guidance issued by the Accounting Pronouncements Committee (CPC), approved by Federal Accounting Council (CFC) resolutions and Brazilian Securities Commission (CVM) standards, and is accompanied by the Independent Auditor's (KPMG) Report.

Message from Management

The beginning of 2015 was very promising for Eldorado and the pulp and paper industry as a whole. We closed the first quarter with R$652 million in net revenue, a 53% increase compared to the same period last year and a 46% EBITDA margin—an all-time record for this quarter, despite the scheduled downtime for maintenance. The EBITDA of R$297 million reported in the period represents a 150% growth compared to the first quarter of 2014. In the past 12 months, Eldorado's EBITDA exceeded R$1 billion, an extremely important milestone for us, employees, shareholders, and other stakeholders.

The demand for pulp in the international market remained steady, with a price increase in the first months of the year. The industry mood is being driven by increasing consumption, urbanization and purchasing power of the population in developing countries and emerging markets, especially in China.

During 10 days between January and February, we held our scheduled downtime for maintenance. Despite the shutdown, our production volume reached 370,000 tons, while our sales reached 366,000 tons. The efficiency of our manufacturing operation, after resuming operations in one of the largest single line pulp plants in the world, was evidenced by the monthly record volume recorded in March of 146,000 tons..

We should also highlight the sale of more than 37,000 MW of electricity to the national grid, generated from biomass processing-material such as lignin and wood waste that are not used in pulp production. These elements have a high potential to generate bio-energy.

The increase in pulp prices and the depreciation of the Brazilian real (R$) also contributed to Eldorado reporting EBITDA of R$297 million for the first quarter of the year.

In March, our new port terminal under construction in Santos, located 300 meters from the ship-mooring berth, was audited as part of the application process to obtain the customs license. We estimate starting operations in May, for testing, and ramp up operations in the second half of 2015.

The outlook for the next nine months is remarkably consistent. We estimate that our company will generate significant efficiency gains when our private terminal comes into operation and the end of wood harvesting in the state of São Paulo. This strengthens even further our expectation that Eldorado will become one of the most competitive pulp companies.

Eldorado Brasil Celulose discloses its first quarter 2015 results:
The period highlights are as follows:

- **Manufacturing:** record monthly production of 146,000 tons of pulp in March and permit granted to conduct the-next maintenance shutdown within 15 months (instead of the current 12 months). Production volume of 370,000 tons in the quarter.

- **Forestry:** More than 200,000 hectares of company-owned forests planted.

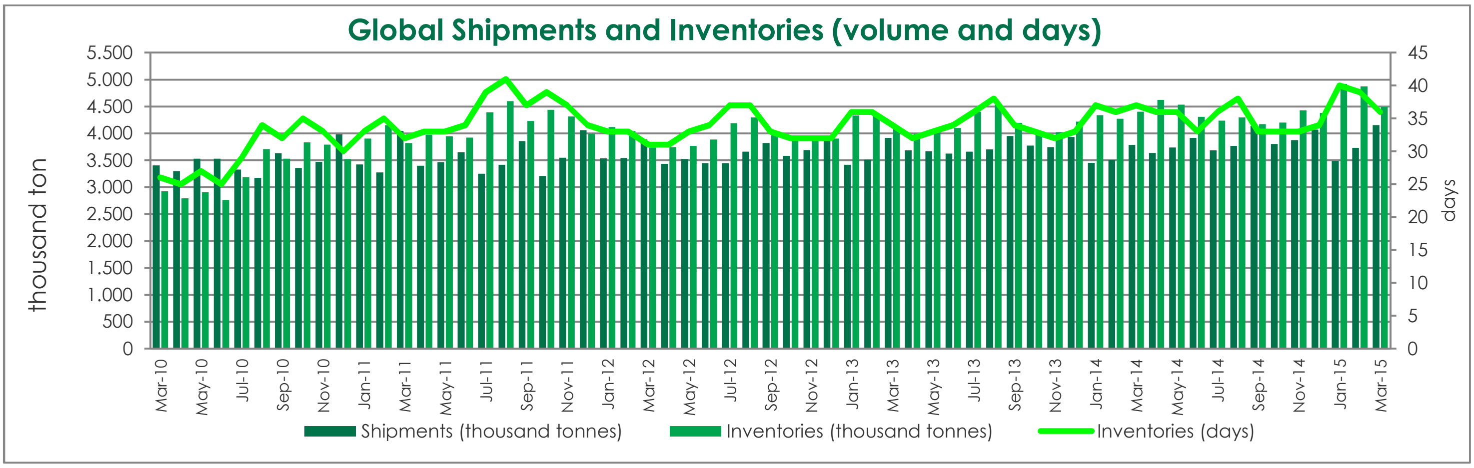
- **Sales and Logistics:** record sales volume for the quarter of 366,000 tons of pulp a 27% increase in sales volume compared to the same period last year.

- **Financial:** EBITDA margin of 46% in 1Q2015, despite the ten-day downtime, when we conducted our maintenance shutdown. Our net debt of R$7.717 billion, most of which is denominated in US dollars, was adversely affected by the Brazilian real 21% depreciation in the period, partially offset by the gains generated by hedging transactions.

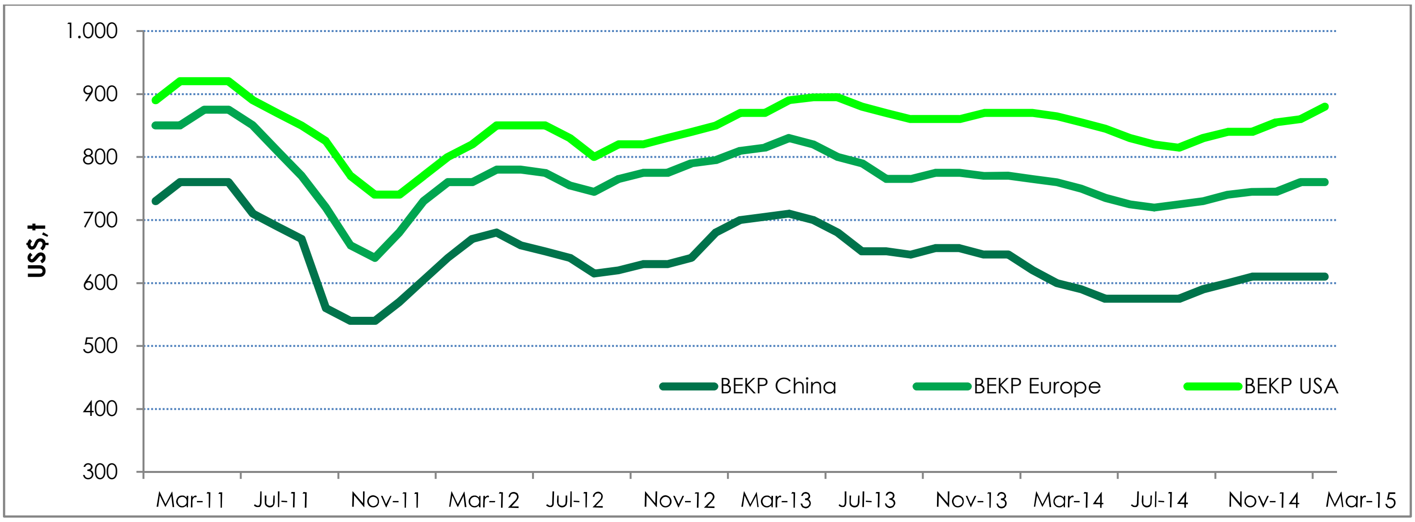
Industry Overview

The Brazilian market pulp output in the first quarter of 2015 increased by 7.0% compared to the same period last year: the industry produced 4.1 million tons of pulp, of which 3.6 million tons of Eucalyptus pulp, 3.6 percent above the volume produced in the same period last year.

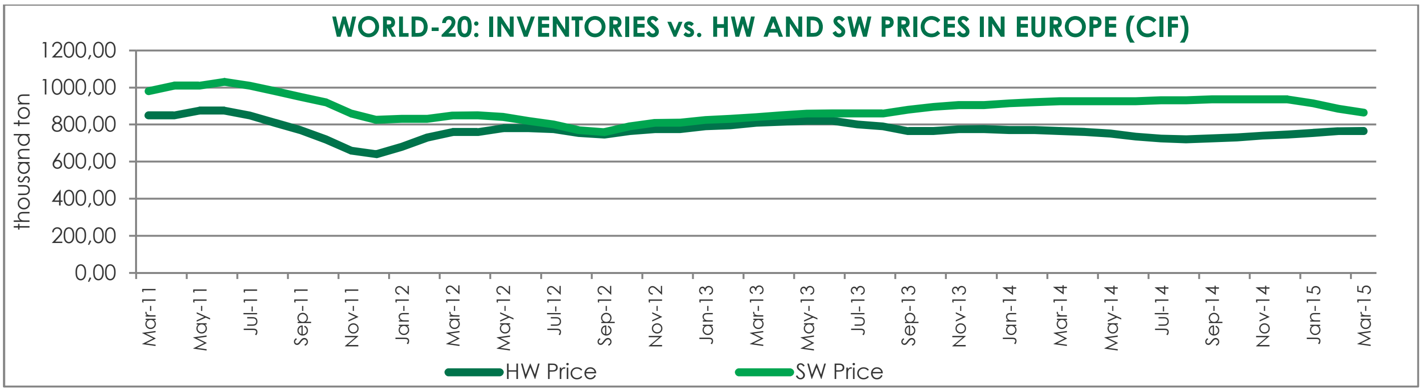
In the first three months of 2015, the volume of global pulp shipments increased by approximately 6.4% or 688 thousand tons above the volume sold in the same period in 2014. The global inventory at the end of March was 36 days.



Bleached Eucalyptus Kraft pulp (BEKP) prices at the end of March increased 2% in Europe and 5% in the United States compared to prices in December 2014.

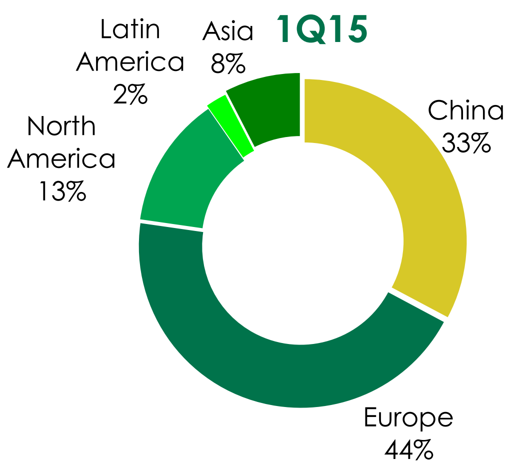


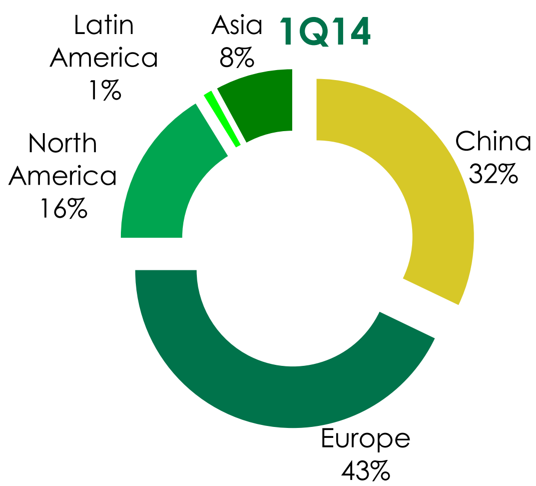
The spread between BEKP pulp and long fiber pulp prices in September, in Europe, was approximately US$100/t.



Brazilian pulp and paper industry worldwide exports in the first three months of 2015 totaled US$1.3 billion, a 5.0% increase compared to the same period last year (US$1.2 billion). In the same period, there was an increase in sales to Latin America (+107%) and China (+12.7%). Note that first quarter figures are affected by the large number of general maintenance downtimes scheduled for the first quarter, which resulted in a decrease of approximately 130,000 tons of eucalyptus pulp shipments to the market. In Brazil alone, there was a 5.3% increase in the sales volume compared to the first quarter of 2014.

Brazilian Pulp Exports per Destination





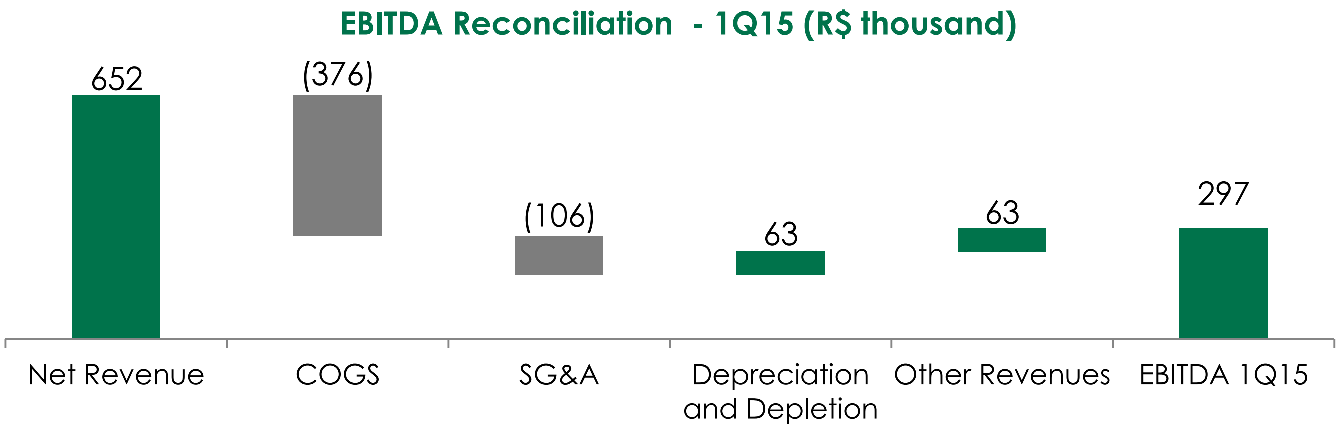
The US dollar appreciation vs. the Brazilian real at the end of 1Q15 compared to 4Q14 was 21%.

Exchange Rate	1Q15	2014	4Q14	3Q14	2Q14	1Q14
Average (US$/R$)	2,82	2,34	2,52	2,27	2,23	2,36
End of Period (US$/R$	3,21	2,66	2,66	2,45	2,20	2,26

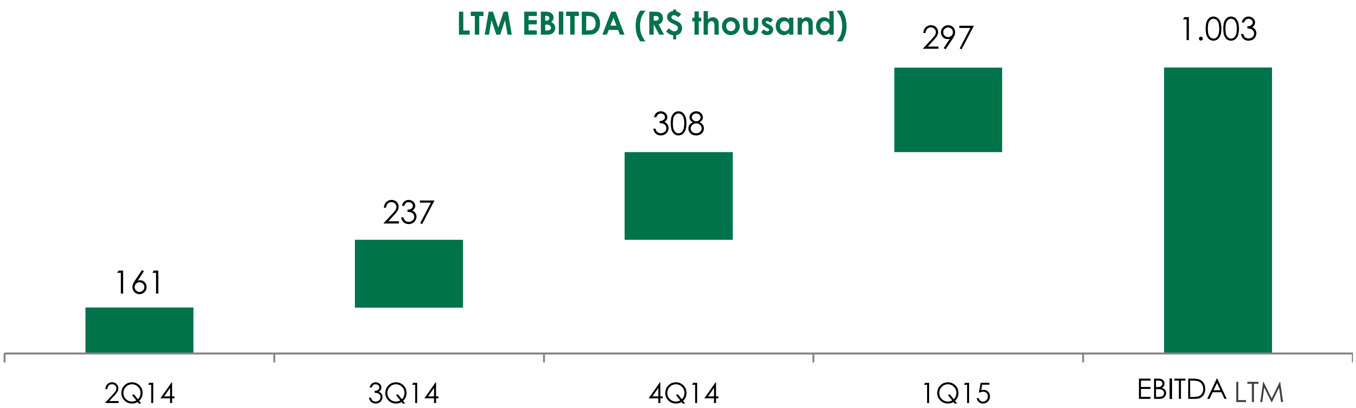
Source: Brazilian Central Bank

1Q15 Material Information

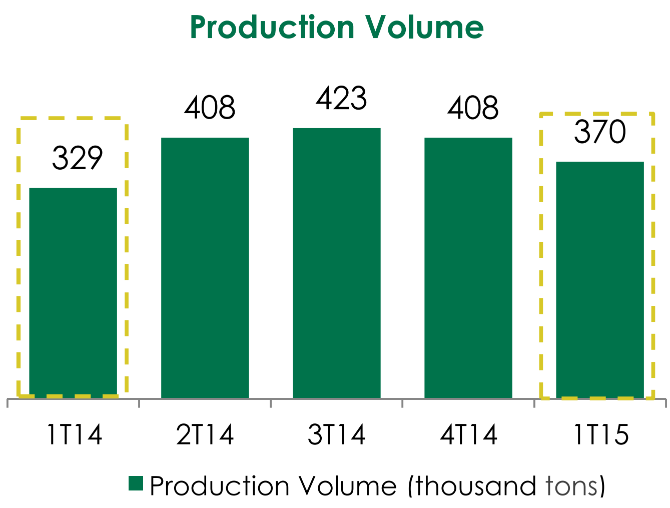
In this quarter, Eldorado reported EBITDA of R$ 297 million, with an EBITDA margin of 46%, a pulp industry highlight and a record for a period when there was a scheduled shutdown for plant maintenance. We more than doubled our EBITDA compared last year's first quarter.

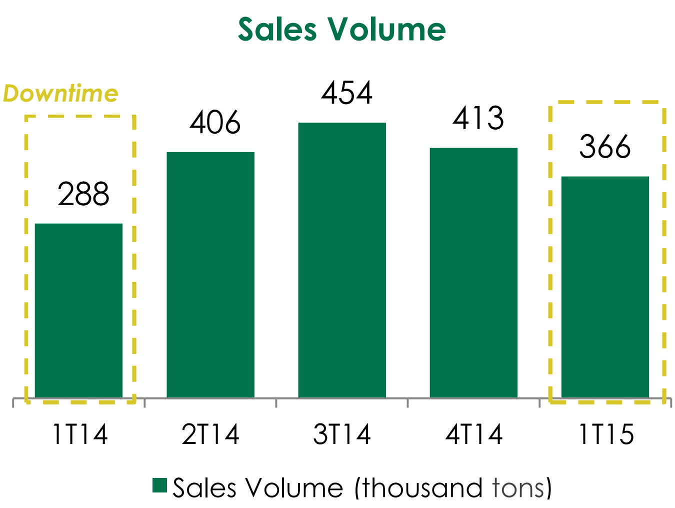


Taking into account the last twelve months (LTM) performance, our EBITDA was R$ 1.003 billion.

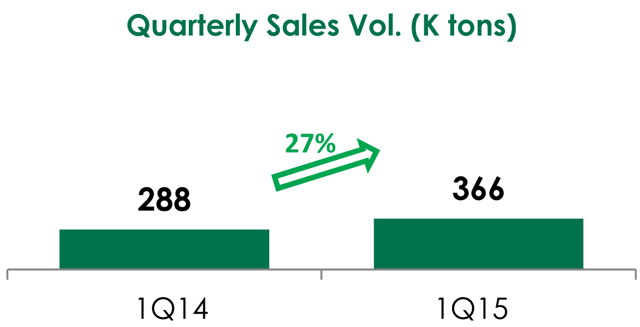


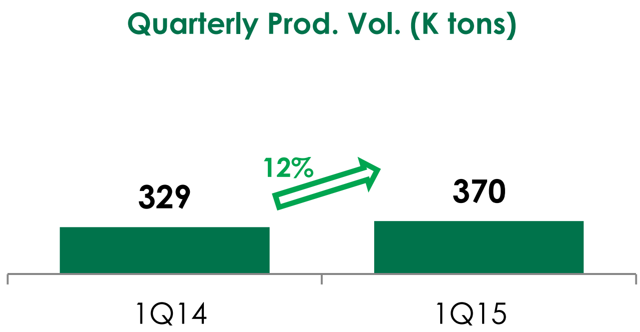
We have been posting consistent results in terms of production and sales volumes in the past quarters.





Below we briefly present our achievements in the first quarter of 2015.





Our sales strategy, which focuses on diversifying our customer base, once again proved to be appropriate for the market conditions, allowing us to increase our sales volume and the price of our pulp. In the first quarter of 2015, Eldorado reported net revenue of R$ 652 million.

In January-March, we reported a loss of R$ 60 million, mostly resulting from the non-cash impact of R$ 964 million, due to changes in foreign exchange rates.

Financial Results	Unit	1Q14	2Q14	3Q14	4Q14	1Q15
Net Revenues	(R$ thousand)	427.047	552.716	596.920	619.083	652.026
EBITDA Margin	(%)	28%	29%	40%	50%	46%
Net Income	(R$ thousand)	-114.826	-60.367	-184.150	-54.225	-60.452

Manufacturing

In the first quarter of 2015 we achieved major operating improvements. Total pulp output in the first quarter was 370,000 tons and the company reported new pulp output record figures: (i) monthly output of 146,900 metric tons in March and (ii) daily output of 5,364 tons. The previous monthly record was held by Eldorado itself, obtained in July 2014, when we produced 144,900 tons of pulp.

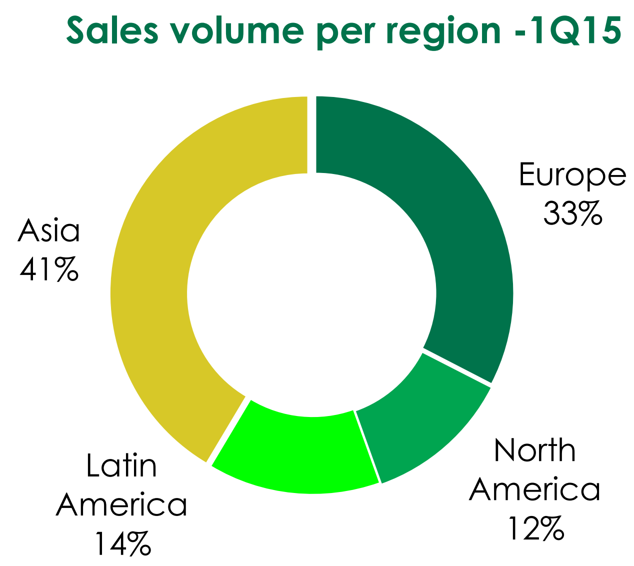
Our plant is self-sufficient in terms of energy, generated using biomass. In the 1Q15, we generated 308,000 MW of energy and sold 37,000 MW in the deregulated energy market.

From January 26 to February 4, 2015 we successfully conducted a scheduled maintenance downtime which involved a total of 1,500 additional workers in the plant. Subsequently, we were granted by the Ministry of Labor and Employment, a permit to extend the recovery boiler inspection interval from twelve to fifteen months. This inspection is one of the main reasons for pulp mills to have their annual mandatory downtime. In practice, the increase of the inspection interval between scheduled shutdowns by one quarter translates into a productivity gain, since every four years our company will have a full year without shutting down operations. Eldorado was one of the first pulp and paper companies in Brazil to qualify for this new extended general maintenance shutdown period rule.

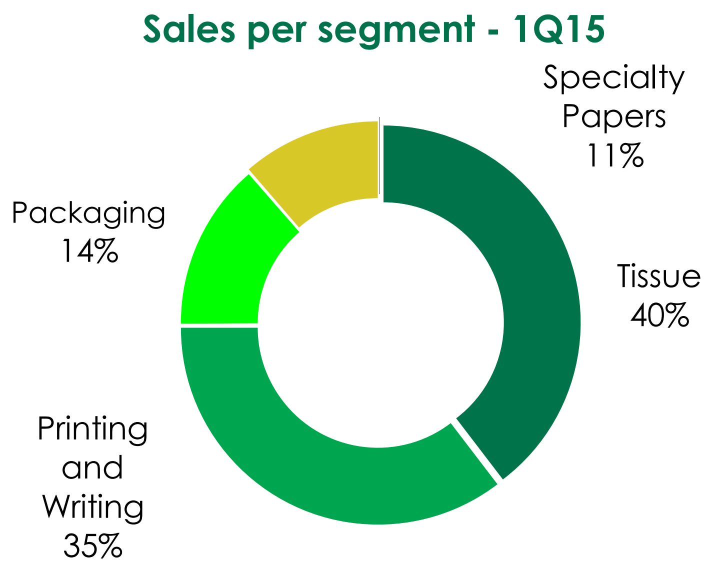
Sales and Logistics

Eldorado focuses its sales strategy on a solid customer base, with a diversified portfolio. Accordingly, we are able to forecast and mitigate dependence from and the risk of concentration in a single region or a single customer resulting in a better position to negotiate the market price. As a result, during the first quarter and following market trends, we reported a price increase of 21% compared to the fourth quarter of 2014.

In the first quarter, despite the maintenance downtime, we sold 366,000 tons of pulp, which represents a 27% increase compared to the same period of 2014. On an annualized basis, the sales are already above 1.6 million tons of pulp per year, an 8% growth on the initial nominal plant capacity of 1.5 million tons of pulp.



By maintaining the strategy of diversifying sales per segment, our sales in January-March 2015 were divided into 40% of Tissue papers and 35% of Printing and Writing papers. The share of Specialty Papers and Packaging Papers was 25%.



Forestry

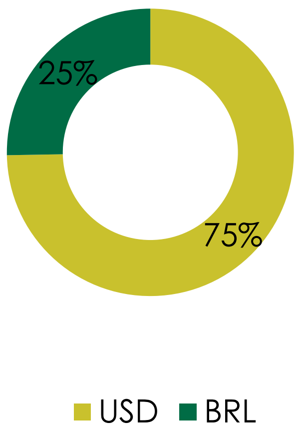
We closed the quarter with more than 200,000 hectares of own planted forest area. During the quarter, we planted more than 4,000 hectares of eucalyptus. In January-March 2015, we harvested more than 1.3 million cubic meters of wood to supply our plant's demand, an

11.3 % increase compared to the same period in 2014, due to the increase in of the operating rate in the Três Lagoas (MS) mill.

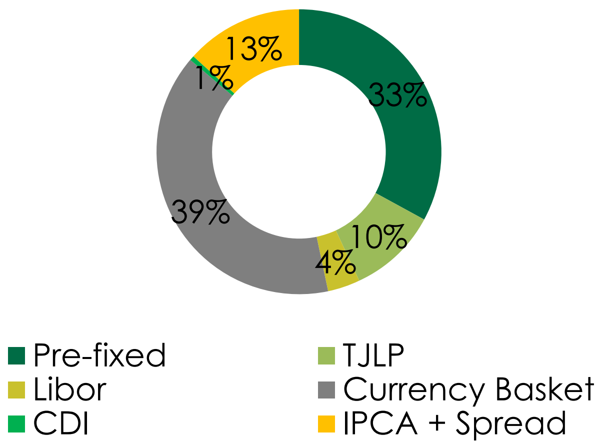
Financial

During this quarter we repaid short-term debt and raised new funds. The increase in our debt reflects mainly the depreciation of the Brazilian real (21% in the period), which affected our foreign currency-denominated debt, corresponding to 75% of our total debt. In March 2015, we settled the entire balance of the current account with our controlling shareholder, which evidences the continuity of the process to access funding from market sources consistent with our operating requirements.

Gross debt per currency

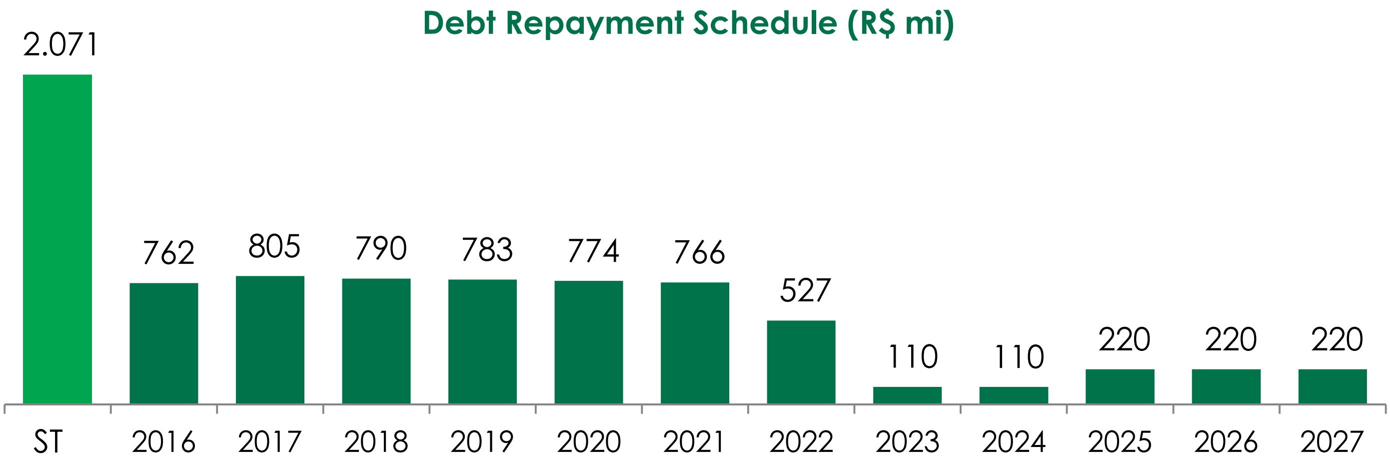


Gross Debt by Index



Indebtness (R$ million)	31.03.2015
Debt in R$	**2.066**
Short Term	187
Long Term	1.879
Debt in US$	**6.094**
Short Term	1.898
Long Term	4.195
Total Gross Debt	**8.160**
(-) Cash + MTM de Derivatives	442
Net Debt	**7.717**

We kept our long-term debt-to-total debt ratio at 75%.



Our short-term debt comprises mostly trade finance lines, which are export financing instruments traditionally and commonly used by Brazilian export companies. As an exporting company, we will always seek increasing access to the trade finance instruments available in the market.

During this quarter, our statement of financial position hedging policy, which aims at hedging against our exposure to foreign exchange fluctuations arising from the US dollar-denominated debt, generated gains on derivatives totaling R$ 819 million.

During the first quarter of 2015, we continued to focus on debt restructuring and debt cost reduction initiatives.

Investments

Besides our forestry and industrial maintenance investments, our main investment this quarter was made in Rishis, our wholly-owned subsidiary that holds a concession to operate a port terminal in Santos. We estimate that the private terminal located in the right bank of the Porto of Santos, only 300 meters from the mooring berth, will come into service in the second quarter of 2015, and we expect generating significant logistic gains.

Sustainability

Aligned with our business strategy, our company's three legs of sustainability are balanced operations resulting high yield pulp production, responsible management of our forestry operations and social actions with a significant impact on the region where we operate.

In the first quarter of 2015, we contributed to the modernization of the health centers in Selviria municipality by donating an ambulance and IT equipment that are benefiting approximately 8,000 people. On the World Water Day (March 22), we organized social and environmental education and awareness-building activities for public school students.

We maintained the "RodoBicho" training programs, which target log transportation truck drivers as a way to raise awareness about safe driving practices and the need to register and report dead wildlife found on route. Thanks to this training, we can now map the areas with the highest number of accidents and the species involved so that we may take tailor-made, assertive actions to minimize these occurrences.

Outlook

Demand in the eucalyptus pulp market is still on an upward trend, mainly due to the accelerated growth of tissue paper production of more than 10% per year, and consumption growth in emerging markets, notably in Asia. We maintain our objective of becoming one of the most competitive companies in the industry, with even better prospects for the coming months due to opening of the private terminal in Santos and the end of the harvesting third-party wood in the state of São Paulo.

Final Considerations

We would like-to thank our shareholders for their ongoing support to our management, our suppliers, our partners, and lessors (BNDES, FI-FGTS, FINNVERA, EKN and OeKB) for their financial support, without which the implementation of our project would not have been possible; to the Mato Grosso do Sul State Government and the City of Três Lagoas, MS for their crucial support; and our employees, always engaged and committed to the success of Eldorado Brasil.

The Management

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Brasil

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Eldorado Brasil Celulose S.A.

Interim financial statements as at March 31, 2015

KPMG Auditores Independentes
April 2015
KPDS 115469

Contents

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, 2015, which comprises the statement of financial position as at March 31, 2015 and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of 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, 2015, 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 28, 2015

KPMG Auditores Independentes
CRC 2SP014428/O-6

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

Notes to the interim financial statements

(In thousands of Brazilian reais - R$)

1 General information

Eldorado Brasil Celulose S.A. ("Company" or "Eldorado") 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, 2015 include the Company and its subsidiaries. The Company and its subsidiaries are primarily engaged in the production 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 Gross do Sul, and started production in December 2012.

The Company has current liabilities in excess of current assets amounting to R$ 679,658 and R$ 756,924, parent company and consolidated, respectively, due to the start-up of its operations at the end of 2012. The Company's production grew significantly in the first two years of operation and has already exceeded the project's nominal production volume (1.5 million tons of pulp), although the maximum revenue capacity has not yet been achieved, which will occur in the next two years (with annual productiong reaching up to 1.7 million tons of pulp). The significant growth of production will be maximized by higher market prices as compared with the last years (already charged in the first three months of 2015) and a considerably higher exchange rate, as we have seen since the last quarter of 2014. There are positive prospects to materialize, in the next three years, the cost reduction efforts in progress , with the insourcing of transportation activitites concluded up to 2015, the greater use of own forests with shorter distances to the plant, and the optimized logistics structure, with the obtainment of the customs license in April and beginning of operation, in May 2015, of the terminal of the subsidiary Rishis Empreendimentos e Participações S.A., in Santos. Eldorado has also consolidated its relationship with the financial market and working capital transactions with longer terms (more than 2 years) are already in process of disbursement at the beginning of this second quarter, increasing the perspectives of a favorable balancing of the current assets and liabilities ratio. Other financial structures are in process of negotiation with the market and the disbursement of funds in these transactions is expected for the second hald of 2015. The combination of these factors will allow the Company to obtain more significant results in its operation and in its working capital financing, with consequent increase of its cash generation and financial rebalancing, as well as the balancing of the current assets and liabilities ratio in the next years.

2 List of subsidiaries

Subsidiaries

Subsidiaries	Country	Equity interest 3/31/2015	Equity interest 12/31/2014
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%

3 Basis of preparation and presentation of the financial statements

a. Statement of compliance

The consolidated interim information has been prepared in accordance with the 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 from the Federal Accounting Council (CFC) and standards from the Brazilian Securities Commission (CVM); and

The individual interim information of the parent company has been prepared in accordance with accounting practices adopted in Brazil.

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 this difference between BR GAAP and IFRS.

After appreciation of the individual and consolidated financial statements by the Board of Directors at the meeting held on April 28, 2015, they were authorized for issue by the Company.

b. Basis of measurement

The individual and consolidated interim information has 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 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 information 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 period in which the estimates are revised and in any future periods 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 information are included in the following notes to the interim financial statements:

- Note 28 – Operating land 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, 2015 is included in the following notes:

- Note 8 – provision for inventory losses;
- 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 contingent liabilities: main assumptions on the probability and magnitude of the cash outflows.

Fair value measurement

When measuring the fair value of an asset or a liability, the Company and its subsidiaries use 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 27 – risk management and financial instruments.

d. 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 oherwise 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.

a. 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. The subsidiaries' accounting policies are aligned with the policies adopted by the Parent Company. In the Parent Company's individual financial statements, the financial information on subsidiaries is accounted for under the equity method. The Company has the following equity interests: 100% in direct subsidiaries Celulose Eldorado Austria GmbH and Rishis Empreendimentos e Participações S.A. and 100% in indirect subsidiary Eldorado USA Inc..

(ii) Non-controlling interests

The Company elected to measure any non-controlling interest in the acquiree by the proportional share of the identifiable net assets at the acquisition date. Changes in the Company's and its subsidiaries' interest in a subsidiary that do not result in loss of control are accounted for as equity transactions.

(iii) 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. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Company's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

b. 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.

c. 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.

d. Financial instruments

Financial instruments are recognized only as from the date that the Company and its subsidiaries become a party to the contractual provisions of the instrument. A financial asset or a financial liability is initially recognized at its fair value, plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability, except for financial assets and financial liabilities classified as at fair value through profit or loss, whose transaction costs are directly expensed.
Financial instruments are subsequently measured at the end of each reporting period according to the rules established for each type of classification of financial assets and liabilities.

- ***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. Financial assets are designated as at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. 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. Financial assets classified in this category are Cash and cash equivalents.

- ***Cash and cash equivalents***

  Cash, banks, and short-term investments are 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.

- ***Loans and receivables***

  Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. 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, less any impairment losses. The main assets held by the Company and its subsidiaries classified in this category are: Trade receivables and balances with related parties.

The Company and its subsidiaries will perform an individual analysis of the receivables and, if necessary, will recognize an allowance for doubtful debts in an amount Management considers sufficient to cover any losses.

- ***Held-to-maturity investments***
  If the Company has the positive intent and ability to hold debt securities to maturity (quoted in an active market), then such financial assets are classified as held-to-maturity. Held-to-maturity investments are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity investments are measured at amortized cost using the effective interest method, less any impairment losses. The Company and its subsidiaries do not have any financial instruments in this category.

- ***Non-derivative financial liabilities***
  The Company and its subsidiaries recognize debt securities issued and subordinated liabilities initially on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the trade date, which is the date that the Company and its subsidiaries become a party to the contractual provisions of the instrument. The Company and its subsidiaries derecognize a financial liability when its contractual obligations are discharged, cancelled or expire. The Company and its subsidiaries hold the following non-derivative financial liabilities: Borrowings and Trade payables.

- ***Available-for-sale financial assets***
  Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified in any of the above categories of financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses. The Company does not have any financial instruments in this category.

- ***Impairment of financial assets***
  Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

  The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables and inventories, where the carrying amount is reduced through the use of an allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

- ***Derivative financial instruments***
  The Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Derivatives are recognized initially at fair value; any attributable transaction costs are recognized in profit or loss when incurred. When a derivative financial instrument is not designated in a hedge relationship that qualifies for hedge accounting, all changes in its fair value are recognized immediately in profit or loss.
  The Company and its subsidiaries use derivative financial instruments only for foreign exchange hedge purpose.
- ***Issued capital***
  Common shares are classified as equity. Incremental costs directly attributable to the issue of shares and share options are recognized as a deduction from equity, net of any tax effects.

e. Inventories

Inventories are stated at the lower of cost and net realizable value. The cost of inventories is based on the average cost and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. 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.

f. 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.

An item of property, plant and equipment is derecognized on disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the residual carrying amount of the asset and is recognized in profit or loss.
The financial charges on borrowings incurred 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 recognized based on the estimated useful life of each asset on a straight-line basis, so that the cost less its residual value after its useful life is fully written off (except 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 from any change in estimates are accounted for prospectively. The annual depreciation rates are as follows:

Weighted annual depreciation rates

Buildings	2.86%
Facilities and improvements	2.81%
Furniture and fixtures	1.35%
Vehicles	13.73%
Technical and scientific instruments	13.12%
IT equipment	18.57%
Machinery and equipment	3.79%
Leasehold improvements	10%

Biological assets

The Company's biological assets comprise the cultivation and plantation of eucalyptus forests aimed at the production of pulp used to manufacture paper. Biological assets are measured at fair value, including any gains and losses thereon, which are recognized in the statement of profit or loss for the year. According to the analyses and the prospects of the forest engineers, the Company measures the fair value of cultivated forests older than three years, since in shorter periods, in addition to the absence of an active market, the fair value and formation cost are basically the same. This position is based on the likelihood that these forests will reach maturity and the reliability of the assumptions used after this maturation period.

g. Operating land leases

Lease advances paid are recognized in assets until the time of consumption at the date of harvest.

h. Intangible assets

(i) Goodwill arising on business combination

Goodwill acquired in a business combination is carried at its fair value on the date of the business combination, net of accumulated impairment losses, if any.

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

On the disposal of a certain asset to which goodwill is 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 formation costs, less accumulated amortization and any accumulated impairment losses. The software amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

(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	6-7 years
• Terminal concession	20 years

i. Impairment

Items of property, plant and equipment and intangible assets with indefinite useful life and other assets (current and non-current), where applicable, are tested for impairment at least annually when there are indications that the asset may be impaired.
At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible 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 in order to determine the extent of the impairment loss.

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. An impairment loss is 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.

j. Trade payables

Refer to the amounts due to suppliers in the normal course of the business of the Company and its subsidiries. If the payment term is equivalent to one year or loss, trade payables are classified in current liabilities. Otherwise, the corresponding amount is classified in non-current liabilities. When applicable, charges, inflation adjustments or exchange differences are added.

k. Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation 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.

l. 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.

m. Income tax and social contribution

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.

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

(i) Current income tax

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

(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.

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.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due.

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.

n. Statement of value added ("DVA")

The Brazilian corporate law requires the presentation of the statement of value added as an integral part of the set of financial statements presented by the Company. The purpose of this statement is to disclose the wealth created by the Company and its distribution during a certain reporting period. The statement of value added has been prepared pursuant to the provisions of CPC 09 Statement of Value Added, using information obtained from the Company's accounting records used to prepare the financial statements.

o. Statements of cash flows

The statements of cash flows have been prepared under the indirect method, based on accounting information, in accordance with the instructions set out in CPC 3 (R2) Statements of Cash Flows.

p. 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, 2015 or future dates, and have not been adopted in the preparation of these financial statements. Those that can be material for the Company are mentioned below: The Company does not plan to adopt these standards early.

(i) IFRS 9 - Financial Instruments

IFRS 9, published in July 2014, supersedeas the guidance in IAS 39 Financial Instruments: Recognition and. 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.

(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, when adopted, will replace most of the detailed guidance on revenue recognition currently existing in IFRS and U.S. GAAP. The new standard is effective on or after January 1, 2017, with early adoption permitted by IFRS. 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 financial statements and on its disclosures. The Company has not yet elected the method of transition to the new standard and has not determined the effects of the new standard on the current financial reports.

(iii) Agriculture: Bearer Plants (amendments to IAS 16 and IAS 41)

These amendments require that bearer plants, defined as a living plant, be accounted for as property, plant and equipment and included within the scope of IAS 16 Property, Plant and Equipment, rather than in IAS 41 Agriculture.

The amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted.

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);

• Clarification of Acceptable Methods of Depreciation and Amortization (amendments to IAS 16 and IAS 38);

• Defined Benefit Plans: Employee Contributions (amendments to IAS 19);

• Annual Improvements to IFRSs 2010-2012 Cycle;

• Annual Improvements to IFRSs 2011-2013 Cycle.

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	
	3/31/2015	**12/31/2014**	**3/31/2015**	**12/31/2014**
Cash and cash equivalents	4	4	6	6
Banks - demand deposits	75,706	26,662	151,601	46,135
Banks - short-term investments	71,645	8,303	71,752	8,410
	147,355	34,969	223,359	54,551

Highly-liquid short-term investments are made with prime banks and their 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 0.85% p.m. (0.85% p.m. in 2014), totaling R$1,836 in the quarter (R$1,210 in the first quarter of 2014) of the consolidated result.

5.2 Marketable securities

	Parent Company		Consolidated	
	3/31/2015	**12/31/2014**	**3/31/2015**	**12/31/2014**
Fundo Caixa FI	49,946	48,589	49,946	48,589
	49,946	48,589	49,946	48,589

The Company closed the first quarter of 2015 with an investment in Fundo Caixa FI Corporativo II at the counterparty Caixa Econômica Federal, with gross yield of 99.62% of the CDI. These funds are linked as reciprocity of financial investment to the issue of debentures in FI-FGTS and its adjusted balance is R$1,085,000. Thus, the amount invested corresponds to 4.60% of the debt's adjusted balance.

6 Trade receivables

	Parent Company		Consolidated	
	3/31/2015	**12/31/2014**	**3/31/2015**	**12/31/2014**
Domestic market	98,153	94,896	98,153	94,896
Foreign market	5,686	10,422	435,767	370,395
Related parties (Note 7)	705,866	582,438	-	-
	809,705	687,756	533,920	465,291

The aging list of trade receivables is as follows:

	Parent Company		Consolidated	
	3/31/2015	**12/31/2014**	**3/31/2015**	**12/31/2014**
Current	560,383	453,603	509,015	419,956
1 to 30 days past due	16,509	19,595	16,770	43,610
31 to 60 days past due	62,741	50,784	223	485
61 to 90 days past due	10,665	43,274	2,170	608
Over 90 days past due	159,407	120,500	5,742	632
	809,705	687,756	533,920	465,291

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

7 Related-party transactions

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

		Parent Company		Consolidated	
Assets	**Type**	**3/31/2015**	**12/31/2014**	**3/31/2015**	**12/31/2014**
Current assets					
Eldorado Austria	Pulp sales	627,685	508,701	-	-
Eldorado USA	Pulp sales	78,181	73,737	-	-
		705,866	582,438	-	-
Non-current assets					
J&F Investimentos	Current account (i)	-	26,191	-	26,191
		-	26,191	-	26,191

		Parent Company		Consolidated	
Liabilities	**Type**	**3/31/2015**	**12/31/2014**	**3/31/2015**	**12/31/2014**
Current liabilities					
JBS (Note 15)	Freight (ii)	28,185	17,015	28,185	17,167
J&F Investimentos	Letter of guarantee (iii)	10,572	31,379	10,572	31,379
		38,757	48,394	38,757	48,546
Non-current liabilities					
J&F Investimentos	Current account (iv)	-	365,470	-	365,470
		-	365,470	-	365,470

		Parent Company		Consolidated	
	Type	**3/31/2015**	**3/31/2014**	**3/31/2015**	**3/31/2014**
Profit or loss					
Eldorado Austria	Pulp sales	383,373	310,202	-	-
Eldorado USA	Pulp sales	52,701	58,092	-	-
Total revenue (Note Note 21)		436,074	368,294	-	-
J&F Investimentos (Note 24)	Surety	-	-	-	-
J&F Investimentos	Interest (iv)	(14,455)	(14,309)	(14,455)	(14,309)
		421,623	353,985	(14,455)	(14,309)

(i) Sale of rural properties called “Florágua Farms”, which bear market interest of 8.5% p.a., settled in March 2015.

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

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

(iv) 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, represented by fifteen members in parent company and consolidated, in the following amounts for the periods ended:

	3/31/2015	3/31/2014
Short-term employee benefits (a)	4,508	2,058

(a) Comprises: fixed compensation, annual bonus for officers, medical care, and other benefits.

All officers are hired under employment contracts pursuant to the provisions of the Brazilian Labor Code (CLT) that comply with all statutory compensation and benefit requirements. Under IAS 24 (revised)/CPC 05 (R1) Related Party Disclosures, the members of the Board of Executive Officers and Board of Directors are not parties to contracts that provide for additional corporate benefits, such as postemployment or any other long-term benefits, severance benefits other than those provided for by the CLT, where applicable, or share-based compensation.

8 Inventories

Inventories, carried at standard cost and adjusted to actual cost on the monthly closing, are broken down as follows:

	Parent Company		Consolidated	
	3/31/2015	12/31/2014	3/31/2015	12/31/2014
Seedlings	2,290	1,661	2,290	1,661
Raw materials (wood for production)	83,849	95,248	83,849	95,248
Pulp	82,886	39,086	190,584	170,450
Inputs	25,335	25,782	25,335	25,782
Storeroom supplies	57,721	67,481	57,721	67,481
	252,081	229,258	359,779	360,622

During the period the amount of R$7,259 (R$65,499 at December 31, 2014) 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.

Changes in provision for inventory impairment

Parent Company	3/31/2015
Opening balance at December 31, 2014	(3,921)
Additions	-
Write-offs	-
Balance at March 31, 2015	(3,921)

9 Taxes recoverable

	Parent Company		Consolidated	
	3/31/2015	**12/31/2014**	**3/31/2015**	**12/31/2014**
State VAT (ICMS) (i)	378,470	331,856	378,479	331,866
Taxes on revenue (PIS and COFINS) (ii)	302,616	302,215	304,891	303,806
Federal VAT (IPI)	2,261	1,905	2,261	1,905
Service tax (ISS)	262	254	262	254
REINTEGRA (iii)	23,425	13,756	23,425	13,756
Withhlding income tax (IRRF) (iv)	5,624	5,523	5,699	5,580
	712,658	655,509	715,017	657,167
Breakdown				
Current assets	292,,405	294,878	294,,748	296,536
Non-current assets	420,,253	360,631	420,,269	360,631
	712,658	655,509	715,017	657,167

(i) ICMS

The Company records ICMS accumulated over the last years basically related to 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, and a new package of tax incentives granted by the Mato Grosso do Sul State Government for use in the current operation and future industrial expansion.

The Company has prioritized a series of actions intended to maximize the utilization of these credits and currently does not expect any losses on their realization. Management actions include the expected realization of these credits by increasing pulp sales in the domestic market, payment to suppliers and utilization in the production capacity expansion project for purchase of machinery and equipment.

(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 of 3% of the revenue from export of goods produced by the legal entity.

(iv) IRRF

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

10 Advances to suppliers

	Parent Company		Consolidated	
	3/31/2015	**12/31/2014**	**3/31/2015**	**12/31/2014**
Purchase of wood (i)	61,165	47,148	61,165	47,148
Others	11,112	11,243	11,112	14,856
	72,277	58,391	72,277	62,004
Breakdown				
Current assets	19,676	11,243	19,676	14,856
Non-current assets	52,601	47,148	52,601	47,148
	72,277	58,391	72,277	62,004

(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. The settlement of these advances will be based on the value of the wood received. 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	
	3/31/2015	**12/31/2014**	**31/05/2015**	**12/31/2014**
At the beginning of the year	1,508,171	1,176,791	1,508,171	1,179,932
Change in the fair value of biological assets net of costs to sell	14,533	12,293	14,533	12,293
Tree felling for inventory	(7,259)	(65,499)	(7,259)	(68,640)
Forest development cost	29,577	384,586	29,577	384,586
	1,545,022	1,508,171	1,545,022	1,508,171

Currently the Company holds a production area of 193,919 ha (193,911 ha at December 31, 2014), not including other areas such as the permanent preservation areas and statutory reserves, in compliance with prevailing environmental laws.

Assumptions for the recognition of biological assets at fair value

In compliance with IAS 41/CPC 29, 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 five and eight years, considering operating restrictions and annual demand. The standing timber inventory is exposed to market and costs, expenses and taxes are deducted. These revenues and expenses comprise a discounted cash flow at a real WACC rate of 4.5%, which reflects the Company forecasts of both investment return and funding.

The harvested wood volumes are determined based on growth and felling age. This growth is represented by the Average Annual Increase (IMA) expressed in cubic meters per hectare/year. In the wood flow used to calculate the biological asset, the IMA was 39.28 m³/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 maitenance 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 th efair value of the forests. The Company does not have biological assets involving financial risks.

The Company does not have insurance for its forests and has the following preventions programs to avoid losses of biological assets:

- watchtowers;
- constant boundary monitoring;
- teams with specialized firefighting training;
- wood transportation monitoring.

12 Investments

	Parent Company	
Parent Company	**3/31/2015**	**12/31/2014**
Assets		
Celulose Eldorado Austria GmbH	-	-
Rishis Empreendimentos e participações S.A.	38,463	10,788
Goodwill on investment in subsidiaries (c)	17,001	17,001
Advance for future capital increase (b)	34,592	45,706
	90,056	73,495
Liabilities		
Cellulose Eldorado Austria Gmbh (a)	(74,506)	(77,255)
	(74,506)	(77,255)

a) As the investment in subsidiary Cellulose Eldorado Austria GmbH presented negative equity, the investment was reclassified to liabilities, in line item "Provision for losses in subsidiaries".

b) Advance for future capital increase for subsidiary Rishis to be made in 2015.

c) The goodwill arose from the acquisition of subsidiaries, which is presented as intangible asset in the parent company. See note 14.

Significant information on subsidiaries for the period ended March 31, 2014

Investments in subsidiaries

	Year	Equity interest	Net assets	Unrealized profit on inventories	Company's share of net assets	Profit or loss	Company's share of profits/ losses	Cumulative translation adjustments
	2014							
Cellulose Eldorado Austria Gmbh	December 31	100%	(33,437)	43,818	(77,255)	(64,565)	(90,674)	2.378
Rishis Empreendimentos e participações S.A.	December 31	100%	10,788	-	10,788	(2,959)	(2,591)	-
Balance at December 31, 2014			(22.649)	43,818	(66,467)	(67,524)	(93,265)	2,378
	2015							
Cellulose Eldorado Austria Gmbh	March 31	100%	(25,881)	48,624	(74,506)	10,163	5,357	(2.608)
Rishis Empreendimentos e participações S.A.	March 31	100%	38,463	-	38,463	(1,310)	(1,309)	-
Balance at March 31, 2015			12.582	48,624	(36,043)	8,853	4,048	(2,608)

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, continuing the expansion of the Company's presence in the foreign market, in 2013 two commercial offices were opened, one in Shanghai, China, and another in Baar, in Switzerland.

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's 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 the equity interest from 46.32% to 60%.

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

The Company's management seeks obtaining a logistic operating gain through this transaction, which would increase the Company's competitiveness in pulp exports.

13 Property, plant and equipment

	Parent Company 2015			
	Weighted annual depreciation and amortization rates	**Cost**	**Accumulated depreciation**	**Net 3/31/2015**
Land	-	101,701	-	101,701
Buildings	2.86%	1,090,382	(72,249)	1,018,133
Leasehold improvements	10%	14,746	(1,930)	12,816
Facilities and improvements	2.81%	213,170	(20,039)	193,131
Furniture and fixtures	1.35%	6,363	(1,183)	5,180
Vehicles	13.73%	113,727	(27,395)	86,332
Technical and scientific instruments	13.12%	4,179	(1,808)	2,371
IT equipment	18.57%	52,609	(24,212)	28,397
Machinery and equipment	3.79%	3,636,737	(326,653)	3,310,084
Construction in progress and advances for capital expenditures	-	74,345	-	74,345
		5,307,959	(475,469)	4,832,490

	Parent Company 2014			
	Weighted annual depreciation and amortization rates	**Cost**	**Accumulated depreciation**	**Net 12/31/2014**
Land	-	101,701	-	101,701
Buildings	2.86%	1,089,882	(64,740)	1,025,142
Leasehold improvements	10%	14,746	(1,561)	13,185
Facilities and improvements	2.81%	213,170	(17,482)	195,688
Furniture and fixtures	1.35%	6,258	(1,042)	5,216
Vehicles	13.73%	107,932	(22,068)	85,864
Technical and scientific instruments	13.12%	4,119	(1,692)	2,427
IT equipment	18.57%	52,561	(21,484)	31,077
Machinery and equipment	3.79%	3,613,023	(290,000)	3,323,023
Construction in progress and advances for capital expenditures	-	64,581	-	64,581
		5,267,973	(420,069)	4,847,904

	Consolidated 2015			
	Weighted annual depreciation and amortization rates	**Cost**	**Accumulated depreciation**	**Net 3/31/2015**
Land	-	101,701	-	101,701
Buildings	2.86%	1,090,382	(72,249)	1,018,133
Leasehold improvements	10%	14,746	(1,930)	12,816
Facilities and improvements	2.81%	218,320	(20,049)	198,271
Furniture and fixtures	1.35%	6,411	(1,195)	5,216
Vehicles	13.73%	113,727	(27,395)	86,332
Technical and scientific instruments	13.12%	4,179	(1,808)	2,371
IT equipment	18.57%	53,260	(24,380)	28,880
Machinery and equipment	3.79%	3,636,787	(326,669)	3,310,118
Advances for capital expenditures	-	128,592	-	128,592
		5,368,105	(475,675)	4,892,430

	Consolidated 2014			
	Weighted annual depreciation and amortization rates	**Cost**	**Accumulated depreciation**	**Net 12/31/2014**
Land	-	101,701	-	101,701
Buildings	2.86%	1,089,882	(64,740)	1,025,142
Leasehold improvements	10%	14,746	(1,561)	13,185
Facilities and improvements	2.81%	218,314	(17,486)	200,828
Furniture and fixtures	1.35%	6,298	(1,047)	5,251
Vehicles	13.73%	107,932	(22,068)	85,864
Technical and scientific instruments	13.12%	4,119	(1,692)	2,427
IT equipment	18.57%	53,197	(21,619)	31,578
Machinery and equipment	3.79%	3,613,065	(290,007)	3,323,058
Advances for capital expenditures	-	97,350	-	97,350
		5,306,604	(420,220)	4,886,384

Changes in property, plant and equipment

Parent Company

Changes	Balance at 12/31/2014	Additions	Write-offs	Transfers	Depreciation	Balance at 3/31/2015
Land	101,701	-	-	-	-	101,701
Buildings	1,025,142	-	-	500	(7,509)	1,018,133
Leasehold improvements	13,185	-	-	-	(369)	12,816
Facilities and improvements	195,688	-	-	-	(2,557)	193,131
Furniture and fixtures	5,216	105	-	-	(141)	5,180
Vehicles	85,864	5,795	-	-	(5,327)	86,332
Technical and scientific instruments	2,427	60	-	-	(116)	2,371
IT equipment	31,077	48	-	-	(2,728)	28,397
Machinery and equipment	3,323,023	14,183	(199)	9,730	(36,653)	3,310,084
Construction in progress and advances for capital expenditures	64,581	19,994	-	(10,230)	-	74,345
	4,847,904	40,185	(199)	-	(55,400)	4,832,490

Changes	Balance at 12/31/2013	Additions	Write-offs	Transfers	Depreciation	Balance at 12/31/2014
Land	341,425	47,714	(287,743)	305	-	101,701
Buildings	1,044,006	-	-	10,974	(29,838)	1,025,142
Leasehold improvements	6,126	7,800	-	609	(1,350)	13,185
Facilities and improvements	205,892	-	-	20	(10,224)	195,688
Furniture and fixtures	4,508	1,142	-	41	(475)	5,216
Vehicles	36,256	56,646	(156)	4,625	(11,507)	85,864
Technical and scientific instruments	2,756	129	-	-	(458)	2,427
IT equipment	41,873	1,824	(1,779)	98	(10,939)	31,077
Machinery and equipment	3,397,076	23,717	(5,003)	51,861	(144,628)	3,323,023
Construction in progress and advances for capital expenditures	71,879	64,101	-	(71,399)	-	64,581
	5,151,797	203,073	(294,681)	(2,866)	(209,419)	4,847,904

Consolidated

Changes	Balance at 12/31/2014	Additions	Write-offs	Transfers	Depreciation	Balance at 3/31/2015
Land	101,701	-	-	-	-	101,701
Buildings	1,025,142	-	-	500	(7,509)	1,018,133
Leasehold improvements	13,185	-	-	-	(369)	12,816
Facilities and improvements	200,828	15	-	-	(2,572)	198,271
Furniture and fixtures	5,251	125	-	-	(160)	5,216
Vehicles	85,864	5,795	-	-	(5,327)	86,332
Technical and scientific instruments	2,427	60	-	-	(116)	2,371
IT equipment	31,578	107	-	-	(2,805)	28,880
Machinery and equipment	3,323,058	14,183	(192)	9,730	(36,661)	3,310,118
Construction in progress and advances for capital expenditures	97,350	41,472	-	(10,230)	-	128,592
	4,886,384	61,757	(192)	-	(55,519)	4,892,430

Changes	Balance at 12/31/2013	Additions	Write-offs	Transfers	Depreciation	Balance at 12/31/2014
Land	377,698	37,503	(324,016)	10,516	-	101,701
Buildings	1,044,006	-	-	10,974	(29,838)	1,025,142
Leasehold improvements	10,659	7,800	-	(3,924)	(1,350)	13,185
Facilities and improvements	205,911	584	-	4,549	(10,216)	200,828
Furniture and fixtures	4,566	1,157	-	12	(484)	5,251
Vehicles	36,256	56,646	(156)	4,625	(11,507)	85,864
Technical and scientific instruments	2,756	129	-	-	(458)	2,427
IT equipment	42,258	1,828	(1,780)	298	(11,026)	31,578
Machinery and equipment	3,397,085	23,717	(5,003)	51,891	(144,632)	3,323,058
Construction in progress and advances for capital expenditures	72,266	96,765	(58)	(71,623)	-	97,350
	5,193,461	226,129	(331,013)	7,318	(209,511)	4,886,384

Construction in progress and advances for capital expenditures
The outstanding amounts related to construction in progress and advances for capital expenditures at March 31, 2015 refer to structural improvements in the pulp plant and surrounding areas and expenditures on basic engineering and equipment to be used in line two. Company assets are pledged as collateral for borrowings p to the maximum limit of each of the debts assumed (Note 16).

Review of useful lives
As at December 31, 2012, the Company reviewed the useful lives of its property, plant and equipment items by engaging a specialized firm. From the start of plant operations, the new acquisitions and/or constructions are recorded with an estimated useful life The Company's management reviews annually if there was any significant change in the useful lives of the property, plant and equipment items and, when applicable, they are changed.

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 circustamces indicate that the carrying amount may not be recoverable. In the period, no evidence of impairment was identified.

14 Intangible assets

Parent Company 2015

	Weighted annual amortization rates	Cost	Accumulated amortization	Net 12/31/2014
Software	15.00%	9,916	(3,812)	6,104

Parent Company 2014

	Weighted annual amortization rates	Cost	Accumulated amortization	Net 12/31/2014
Software	15.00%	9,417	(3,324)	6,093

Consolidated 2015

	Weighted annual amortization rates	Cost	Accumulated amortization	Net 3/31/2015
Goodwill	-	17,001	-	17,001
Software	15.00%	10,070	(3,851)	6,219
Terminal concession	7.14%	20,988	(5,412)	15,576
		48,059	(9,264)	38,796

Consolidated 2014

	Weighted annual amortization rates	Cost	Accumulated amortization	Net 12/31/2014
Goodwill	-	17,001	-	17,001
Software	15.00%	9,571	(3,355)	6,216
Terminal concession	7.14%	20,988	(5,038)	15,950
		47,560	(8,393)	39,167

Changes in intangible assets

Parent Company	**12/31/2014**	**Additions**	**Transfer**	**Amortization**	**3/31/2015**
Software	6,093	499	-	(488)	6,104
	6,093	499	-	(488)	6,104

Consolidated	**12/31/2014**	**Additions**	**Transfer**	**Amortization**	**3/31/2015**
Goodwill	17,001	-	-	-	17,001
Software	6,216	500	-	(496)	6,220
Terminal concession	15,950	-	-	(375)	15,575
	39,167	500		(871)	38,796

Goodwill breakdown

Rishis Empreendimentos e participações S.A.
Goodwill of R$ 15,203 on acquisition of 100% of the shares and voting capital of Rishis Empreendimentos e Participações S.A., of which 60% in October 2013 and 40% in August 2014, based on expected future earnings. From the acquisition date the goodwill was complemented by the payment of the installments corresponding to the year of the share subscription. As at March 31, 2015, goodwill totals R$ 17,001.

Impairment test - intangible assets

At December 31, 2014, the Company tested the impairment of goodwill using the concept of “value in use”, based on the comparability of the gain on own operation against the outsourced operation.

The determination of the value in use involves the use of assumptions, judgments and estimates on cash flows, such as revenue, cost and expense growth rates, estimates of future investments and working capital, and discount rates. The assumptions on growth, cash flow and future cash flow projections are based on management’s best estimates and comparable market data, and the economic conditions that will exist during the useful lives of the group of assets that generate the cash flows. Future cash flows were discounted based on the rate representing the cost of capital.

Based on the annual impairment test of the Company’s intangible assets at December 31, 2014, prepared using the projections made on the financial statements, growth prospects at the time, and the monitoring of projections and operating results for the period, no possible impairment losses or indications of impairment were identified since the value in use estimate is higher than the net carrying amount on the test date.

15 Trade payables

	Parent Company		Consolidated	
	3/31/2015	**12/31/2014**	**3/31/2015**	**12/31/2014**
Supplies and services	36,081	43,228	1,767	30,179
Supplies and services – related parties (Note 7)	28,185	17,015	28,185	17,015
Inputs	104,911	106,887	113,716	111,161
Others	24,218	17,371	26,858	27,120
	193,395	184,501	170,526	185,475

16 Borrowings

Type	**Average annual interest rate and commissions**	**Parent Company and Consolidated**	
		3/31/2015	**12/31/2014**
Property, plant and equipment purchase financing			
FINAME - project finance	Average interest of 3% to 8,00% p.a.	88,704	93,627
ACC (advance on exchange contract) (i)	Forex + interest	1,459,974	1,157,659
BNDES - subloan A (ii)	TJLP + interest of 3.32% p.a.	503,294	514,926
BNDES - subloan B (ii)	Floating rate BNDES + interest of 3.32% p.a.	1,124,064	960,388
BNDES - subloans C, H and L (ii)	Floating rate BNDES + interest of 4.52% p.a.	1,282,458	1,098,702
BNDES - subloan G (ii)	TJLP + interest of 2.92% p.a.	132,631	137,031
BNDES - subloan K (ii)	TJLP	12,892	12,748
BNDES - subloan D (ii)	TJLP + interest of 1.8% p.a.	139,734	144,364
BNDES - subloan E (ii)	Floating rate BNDES + interest of 1.8% p.a.	520,965	445,210
BNDES – subloans F and J (ii)	Floating rate BNDES + interest of 3% p.a.	290,599	248,849
BNDES - subloan I (ii)	TJLP + interest of 1.4% p.a.	35,886	37,075
ECAs - Export Credit Agencies (iii)	Forex + interest of 2.8% to 5.69% p.a.	1,330,674	1,062,017
Debentures (first issue) (iv)	110% of CDI	3,058	4,536
Debentures (second issue) (v)	IPCA + interest of 7.41% p.a.	1,085,655	1,047,365
FCO (Mid-west Financing Fund) (vi)	Interest of 8.5% to 9 % p.a.	24,039	49,960
Lease	4.86 % to 9.84% p.a	-	-
Working capital (viii)	Rate of 5.74% p.a. in dollars and 10.27% to 12.41% p.a. in reais	47,261	41,415
NCE (vii)	CDI + spread	77,910	111,036
		8,159,798	7,166,908

	Parent Company and Consolidated	
	3/31/2015	**12/31/2014**
Breakdown		
Current liabilities	2,070,507	1,744,957
Non-current liabilities	6,089,291	5,421,951
	8,159,798	7,166,908

	Parent Company and Consolidated	
	3/31/2015	**12/31/2014**
Non-current liabilities mature as follows:		
2016	762,009	765,019
2017	804,708	681,906
2018	790,254	680,005
2019	783,283	672,967
After 2020	2,949,037	2,622,054
	6,089,291	5,421,951

Changes in borrowings

Parent Company and Consolidated	**12/31/2014**
Opening balance at December 31, 2014	**7,166,908**
Interest – accrued	133,702
Exchange differences – accrued	1,134,623
New borrowings	481,517
Repayments	
Principal	(511,327)
Interest	(147,094)
Exchange differences	(98,531)
Closing balance at March 31, 2015	**8,159,798**

16.1 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 acquisition of local machinery and equipment, and the implementation of the social investments program in plant neighboring areas ("Project"). 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$617,525 subject to 3.1% p.a. equivalent to US$192,495, and R$165,452 subject to 5.69% p.a., equivalent to US$51,5753, EKN, R$285,907 subject to 2.8% p.a. equivalent to US$89,123 and Oekb, R$261,790 subject to 5.69% p.a., equivalent to US$81,605.

(iv) On August 20, 2012 the Company carried out the 1st issue of simple, nonconvertible, unsecured debentures, in a single series for private placement, therefore exempt from CVM registration, with interest of 110% of CDI per year and final maturity in September 2015. The debentures were fully distributed on November 29, 2012.

(v) 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.

(vi) FCO (Mid-west Financing Fund) financing agreement, entered into with Banco do Brasil, in the amount of R$ 24,030 and maturing in 2017, guaranteed by properties (farms) up to the limit of the assumed debt.

(vii) Real-denominated Export Credit Notes (NCE) contracts, maturing within 360 days.

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

16.2 Restrictive covenants

The financing agreements, ECAs and debentures 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. These covenants prescribe that the compliance tests with the agreed terms and conditions shall be conducted after the end of the period ended December 31, 2015.

16.3 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 the parent company 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	
	3/31/2015	**12/31/2014**	**3/31/2015**	**12/31/2014**
Payroll and related taxes	43,624	56,450	44,465	57,021
Accruals and taxes	23,112	20,056	23,195	20,050
Taxes payable	642	12,619	657	12,634
Others	50	36	50	36
	67,428	89,161	68,367	89,741

18 Deferred income tax and social contribution

As at March 31, 2015, the Company has a tax 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$ 1,969,849 (R$ 1,155,593 as at December 31, 2014).

Movement in Tax Loss	
Opening balance at 12/31/2014	**1,155,593**
Adjustment to deferred income tax and social contributon on the 2014 tax loss - change of exchange difference taxation criterion to the accrual basis	514,988
Tax loss for the first quarter of 2015	299,268
Closing balance at 3/31/2015	**1,969,849**

Parent Company

Income tax and social contribution reconciliation:

	3/31/2015	3/31/2014
Income tax and social contribution		
Loss before income tax and social contribution	(122,957)	(236,945)
Additions:		
Permanent differences	182	401
Provision fo inventory losses	-	-
MTM hedge to be realized	(106,911)	238,782
Products billed but not shipped	33,772	-
Accrued payroll	(15,836)	-
Operating provisions	(9,636)	4,252
Others	(2,285)	-
(Exclusions):		
Fair value of biological assets	(14,533)	(4,694)
Share of profits (losses) of subsidiaries	(4,048)	21,764
Exchange differences	-	(146,205)
Tax incentives granted	(57,016)	-
Tax loss for the period	(299,269)	(122,645)
Temporary differences	115,429	(238,340)
Tax loss – prior years		
	(183,839)	(360,985)
Tax rate	34%	34%
Income tax and social contribution to be realized	62,505	(122,735)
Provision for non-realization of tax credits	-	-
Total income tax and social contribution expense	62,505	(122,735)

Changes in deferred income tax and social contribution:	3/31/2015	12/31/2014
Opening balance	**522,830**	**270,879**
Recognition of deferred income tax and social contribution - 34% tax rate on biological assets' appreciation	-	-
Recognition of deferred income tax and social contribution assets on tax losses	101,751	48,599
Recognition of deferred income tax and social contribution assets on temporary differences	(39,246)	204,679
Closing deferred income tax and social contribution	**62,505**	**253,278**
Deferred income tax and social contribution assets	-	522,830
Deferred income tax and social contribution liabilities	-	-
	585,335	**522,830**

The Company expects to generate taxable profits in the next years, as mentioned in Note 1.

19 Provision for contingent liabilities

The Company is subject, in the normal course of business, to tax, labor, and civil lawsuits. Management, based on the opinion of its legal counsel and, where applicable, specific opinions issued by specialists, assesses the expected outcome of ongoing proceedings 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:

	12/31/2013	Additions	Write-offs	12/31/2014	Additions	Write-offs	3/31/2015
Civil	1,600	2	(1,273)	329	175	(1)	503
Labor	1,600	1,763	(1,684)	1,679	48	-	1,727
Tax	-	404	(48)	356	-	(78)	278
	3,200	**2,169**	**(3,005)**	**2,364**	**223**	**(79)**	**2,508**

As at March 31, 2015, the Company was the defendant in environmental, civil, labor and tax lawsuits, amounting to R$ 53,282 (R$ 65,588 as at December 31, 2014), of which the Company accrued R$ 2,508 (R$ 2,364 as at December 31, 2014), classified by its management and legal counsel as likelihood of probable loss. In general, the claims that originated the lawsuits involve claims for obligations, indemnity for pain and suffering and property damages, collection and prohibitory interedict.

For the lawsuits classified as possible losses in the amount of R$47,944 (R$63,029 as at December 31, 2014), management understands that no provision for losses is necessary, in accordance with CPC 25 Provisions, Contingent Liabilities and Contingent Assets.

20 Equity

20.1 Issued capital

	Subscribed capital	Unpaid capital	Issued capital
Balances at March 31, 2015	1,788,792	-	1,788,792

On August 20, 2012, subscribed capital increased from R$1,718,291,902 (1,495,274,914 shares) to R$1,788,791,902 (1,525,558,419 shares), i.e., by R$70,500,000, paid in through the issue of 30,283,505 registered common shares without par value.

20.2 Advance for future capital increase

On November 28, 2014, J&F Investimentos S.A. merged MJ Participações S.A., its wholly-owned subsidiary, with the consequent dissolution of the merged company and succession, by J&F Investimentos S.A., of all its rights and obligations. Considering that: (i) MJ Participações S.A. held shares in Eldorado's capital subscribed in capital increases of Eldorado made on 10/21/2010 and 9/27/2011, which had not been paid up until then, in the amount of R$221,157 and (ii) J&F Investimentos S.A. had an advance for future capital increase with Eldorado in the total amount of R$ 221,157, subsequently to the merger of MJ Participações S.A., J&F Investimentos S.A. utilized the credits from such advance for future capital increase in order to paid up Eldorado shares received from MJ Participações S.A. as a result of the merger. The result of this transaction was the elimination of the advance for future capital increase, whose credits were fully consumed in the payment of Eldorado shares received from MJ Participações S.A. pending payment, and the full payment of all the shares of Eldorado's capital issued through this date.

20.3 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.

20.4 Dividends

Under the Company bylaws, the balance of the profit for the year remaining after the 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.

20.5 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.

20.6 Earnings per share

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

Basic

Basic loss per share is calculated by dividing the loss attributable to Company owners by the number of shares outstanding in the year.

	3/31/2015	**3/31/2014**
Loss attributable to Company owners	(60,452)	(114,221)
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	(0.04)	(0.07)

21 Net revenue

	Parent Company		Consolidated	
	3/31/2015	**3/31/2014**	**3/31/2015**	**3/31/2014**
Gross sales revenue				
Domestic market	113,654	95,907	113,654	95,908
Foreign market	12,228	-	650,198	348,633
Foreign market – related parties (Note 7)	436,074	368,294	-	-
Discounts and rebates	(128)	-	(103,424)	-
	561,828	464,201	660,428	444,541
Sales returns and taxes	(8,402)	(17,494)	(8,402)	(17,494)
Net operating revenue	553,426	446,707	652,026	427,047

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	621,082	16,625	14,318	652,026
Cost of sales	(363,755)	(248)	(11,804)	(375,807)
Gross profit	**257,327**	**16,377**	**2,514**	**276,218**
Operating (expenses) income				
General and administrative expenses	(17,836)	-	-	(17,836)
Selling expenses	(87,918)	-	-	(87,918)
Fair value of biological assets	14,533	-	-	14,533
Other income (expenses), net	43,852	-	-	43,852
Finance income (costs), net				
Finance costs	(1,374,623)	-	-	(1,374,623)
Finance income	1,022,824	-	-	1,022,824
Profit (loss) before income tax and social contribution	**(141,841)**	**16,377**	**2,514**	**(122,949)**
Income tax and social contribution				
Current	-	-	-	-
Deferred	62,497	-	-	62,497
Loss (profit) for the period	**(79,344)**	**16,377**	**2,514**	**(60,452)**

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 and non-current assets are based on the customer's geographic location. The segment's revenue is based on the customers' geographic location and the segment's assets are based on the assets' geographic location.

(i) Operating revenue

	3/31/2015	3/31/2014
Brazil	85,375	72,991
Latin America	13,770	9,366
Europe	226,773	170,430
North America	80,563	54,738
Asia	245,545	117,783
Others	-	1,739
	652,026	**427,047**

(ii) Non-current assets

	3/31/2015	3/31/2014
Brazil	7,596,278	7,449,598
Austria	5,285	6,675
United States	144	110
	7,601,707	**7,456,383**

23 Selling, general and administrative expenses

	Parent Company		Consolidated	
	3/31/2015	**3/31/2014**	**3/31/2015**	**3/31/2014**
Personnel expenses	(15,527)	(16,069)	(17,207)	(16,964)
Service, material and transportation expenses	(10,509)	(35,541)	(49,189)	(81,609)
Depreciation and amortization	(4,948)	(4,614)	(5,368)	(5,237)
Others	(32,802)	-	(33,990)	(5,999)
	(63,786)	**(56,224)**	**(105,754)**	**(109,809)**
Breakdown				
General and administrative expenses	(13,798)	(10,604)	(17,836)	(13,619)
Selling and logistics expenses	(49,988)	(45,620)	(87,918)	(96,190)
	(63,786)	**(56,224)**	**(105,754)**	**(109,809)**

24 Finance (costs) income, net

	Parent Company		Consolidated	
	3/31/2015	**3/31/2014**	**3/31/2015**	**3/31/2014**
Finance income				
Interest receivable	48	-	51	-
Income from short-term investments	1,836	1,207	1,836	1,210
Gain (loss) on derivatives	819,713	-	819,713	-
Foreign exchange gains, net	158,434	160,580	200,694	160,765
Other finance income	529	-	530	-
	980,560	161,787	1,022,824	161,975
Finance costs				
Sundry banking costs	(46)	(466)	(54)	(786)
Interest payable	(164,149)	(120,860)	(164,149)	(120,860)
Foreign exchange losses, net	(1,100,423)	(19,269)	(1,164,519)	(19,270)
Related parties - letter of guarantee for debts (Note 7)	(14,455)	(14,033)	(14,455)	(14,033)
Gain (loss) on derivatives	-	(250,186)	-	(250,186)
Guarantee expenses	(22,597)	(4,501)	(22,597)	(4,501)
Other finance costs	(5,616)	(27,004)	(8,849)	(27,174)
	(1,307,286)	(436,319)	(1,374,623)	(436,810)
	(326,726)	(274,532)	(351,799)	(274,835)

25 Other income (expenses), net

	Parent Company		Consolidated	
	3/31/2015	**3/31/2014**	**3/31/2015**	**3/31/2014**
ICMS credits (a)	35,013	5,051	35,013	5,051
Insurance indemnity	-	52	-	52
PIS/COFINS credit	10,157	-	10,157	-
Others	(1,243)	1,006	(1,318)	879
	43,927	6,109	43,852	5,982

(a) This amount includes credits from a new tax incentive package granted by the Mato Grosso do Sul State Government in the first half of 2014, for use in the current operation and future industrial expansion.

26 Insurance

As at March 31, 2015, the insurance coverage against operating risks totaled R$ 4,700,000 for property damages, R$ 1,200,000 for loss of profits, and R$ 58,300 for civil liability.

27 Risk management and 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

The Company is exposed to market risks arising from its business activities. These market risks comprise mainly possible changes in foreign exchange and interest rates. The risks are concentrated on its debt to financial institutions and suppliers, related to the construction of the plant and formation of the eucalyptus forests.

a. Interest rate risks

Interest rate risk refers to the potential financial losses that the Company and its subsidiaries could incur due to adverse changes in this risk factor, triggered by different reasons, such as economic crises, changes in sovereign monetary policies, and market fluctuations. 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 at March 31, 2015 and December 31, 2014 is as follows:

Type	Average annual interest rate and commissions	Parent Company 3/31/2015	12/31/2014
BNDES - subloan A	TJLP + interest of 3.32% p.a.	503,294	514,926
BNDES - subloan B	Floating rate BNDES + interest of 3.32% p.a.	1,124,064	960,388
BNDES - subloans C, H and L	Floating rate BNDES + interest of 4.52% p.a.	1,282,458	1,098,702
BNDES - subloan G	TJLP + interest of 2.92% p.a.	132,631	137,031
BNDES - subloan K	TJLP	12,892	12,748
BNDES - subloan D	TJLP + interest of 1.8% p.a.	139,734	144,364
BNDES - subloan E	Floating rate BNDES + interest of 1.8% p.a.	520,965	445,210
BNDES - subloans F and J	Floating rate BNDES + interest of 3% p.a.	290,599	248,849
BNDES - subloan I	TJLP + interest of 1.4% p.a.	35,886	37,075
Debentures (first issue)	110% of CDI	3,058	4,536
Debentures (second issue)	IPCA + interest of 7.41% p.a.	1,085,655	1,047,365
FINAME - Enterprise financing	Average interest of 3% to 8% p.a.	88,704	93,627
ACC (advance on exchange contract)	Forex + interest	1,459,974	1,157,659
ECAs	Forex + interest of 2.8% to 5.69% p.a.	1,330,674	1,062,017
FCO - Fundo para o Financiamento do Centro-Oeste	Interest of 8.5% to 9 % p.a.	24,039	49,960
Lease	4.86 % to 9.84% p.a	-	
Working capital	Rate of 5.74% p.a. in US$ and 10.27% to 12.41% p.a. in R$	47,261	41,415
NCE	CDI + spread	77,911	111,036
Short-term investments (repos)	99% of CDI	(121,591)	(56,892)
Checking account (iv)	100 % CDI +spread	-	365,471
		8,038,208	7,475,487

Sensitivity analysis

For the purpose of providing information on how the market risks to which the Company is exposed at March 31, 2015 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 - 3/31/2015	**Risk**	**Position**	**Possible 25%**	**Remote 50%**
BNDES	TJPLP + interest and Floating Rate BNDES + interest	72,116	18,029	36,058
Debentures (Interest)	IPCA + interest of 7.41% p.a and 110% of CDI	18,619	4,655	9,309
Debentures (Adjustment for Inflation)	IPCA	38,396	9,599	19,198
FINAME	Average interest of 3% to 8% p.a.	1,082	270	541
ACC (advance on exchange contract)	Forex + interest	15,751	3,938	7,875
ECAs	Forex + interest of 2.8% to 5.69% p.a.	13,577	3,394	6,788
FCO - Fundo para o Financiamento	Interest of 8.5% to 9 % p.a.	847	212	424
Working capital	Rate of 5.74% p.a. in US$ and 10.27% to 12.41% p.a. in R$	670	168	335
Current account	CDI + spread	14,455	3,614	7,227
NCE	CDI + spread	3,091	773	1,546
Net exposure to interest rates		178,604	44,652	89,301

Transaction - 12/31/2014	**Risk**	**Position**	**Possible 25%**	**Remote 50%**
BNDES	TJPLP + interest and Floating Rate BNDES + interest	247,606	61,901	123,803
Debentures (Interest)	IPCA + interest of 7.41% p.a and 110% of CDI	75,175	18,794	37,587
Debentures (Adjustment for Inflation)	IPCA	64,945	16,236	32,473
FINAME	Average interest of 3% to 8% p.a.	2,672	668	1,336
ACC (advance on exchange contract)	Forex + interest	38,667	9,667	19,333
ECAs	Forex + interest of 2.8% to 5.69% p.a.	43,375	10,844	21,688
FCO - Fundo para o Financiamento	Interest of 8.5% to 9 % p.a.	4,358	1,089	2,179
Working capital	Rate of 5.74% p.a. in US$ and 10.27% to 12.41% p.a. in R$	5,473	1,368	2,736
Current account	CDI + spread	128,489	32,122	64,245
NCE	CDI + spread	13,542	3,387	6,771
		-	-	-
Net exposure to interest rates		624,302	156,076	312,151

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 serve as benchmark of the basic cost of funding granted by BNDES and at the reporting date was 5.5% per year.

b. *Foreign exchange rate risks*

The foreign exchange rate is the risk that foreign exchange rate fluctuations make the Company incur unexpected losses, leading to a decrease in assets or an increase in liabilities.

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

As at March 31, 2015, the US dollar, Euro, and Swedish Krona quotations were R$ 3,2080, R$ 3,4457 e R$ 0,3718, respectively.

As at March 31, 2015, the foreign exchange fluctuation risk concentrates in line items 'Trade receivables', 'Advances to suppliers', 'Trade payables' and 'Borrowings'.

To hedge against the foreign exchange volatility risk, the Company seeks balancing the amounts of assets and liabilities in foreign currencies.

The Company's assets and liabilities exposed to the foreign exchange risk, related to the period ended March 31, 2015, are as follows:

Parent Company

	3/31/2015	**12/31/2014**
Trade receivables (US dollar)	221,805	542,704
Total trade receivables	221,805	542,704
Advances (Euro)	348	
Advances (US dollar)	34	-
Total advances to suppliers	382	-
Non Deliverable Forwards (US$)	1,937,000	4,401,323
Total derivatives receivable	1,937,382	4,401,323
Trade payables (US dollar)	(1,229)	(200,993)
Trade payables (Euro)	(330)	(324)
Trade payables (Swedish Krona)	(464)	(163)
Total trade payables	(2,023)	(201,480)
ACC (advance on exchange contract) (US dollar)	(455,104)	(827,138)
BNDES – Subloans C, H and L (US dollar)	(399,671)	(909,035)
BNDES - Subloan B (US dollar)	(350,308)	(793,455)
BNDES - Subloans D, E, F, J and I (US dollar)	(307,650)	(575,249)
ECAs (US dollar)	(414,799)	(869,575)
Caterpillar Financial	(14,732)	(36,792)
Total borrowings	(1,942,264)	(4,011,244)
Net exposure	214,900	731,303

The risk of foreign exchange fluctuation may result in losses for the Company due to a possible decrease in its assets or increase in its liabilities.

Sensitivity analysis
For the purpose of providing information on how the market risks to which the Company is exposed at March 31, 2015 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

		3/31/2015		
Transaction	**Risk**	**Position**	**25%**	**50%**
Exposure of assets and liabilities	R$ depreciation	(1,722,100)	(430,525)	(861,050)
No Deliverable Forwards (NDFs)	R$ appreciation	1,937,000	484,250	968,500
Net exposure to currency risk		214.900	53,725	107,450

Derivative financial instruments
As at March 31, 2015, the outstanding derivatives with maturity on April 1, 2015 and July 1, 2015, totaling US$ 1,937,000, refer to Non Deliverable Forwards (NDF) contracts aimed at reducing the volatility in dollar-denominated debt transactions.

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	
NDFs	**US dollar**	**Real**	**Maturity**	**US dollar**	**Real**
Short position (US$)	1,937,000	6,213,896	4/01/15 to 7/01/15	45.499	145.962

Maturity	Notional in Dollars	Average Rate	MtM
04/01/2015	225,000	3,1554	10,941
05/04/2015	596,000	3,1401	52,219
06/01/2015	788,000	3,1673	69,055
07/01/2015	328,000	3,2432	13,746
Total	1,937,000	3,1704	145,961

c. *Credit risk*

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

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	
	3/31/2015	**12/31/2014**	**3/31/2015**	**12/31/2014**
Cash and cash equivalents	147,355	34,969	223,359	54,551
Marketable securities	49,946	48,589	49,946	48,589
Trade receivables	103,839	105,318	533,920	465,291
Amounts due from related parties	705,866	608,629	-	26,191
Derivatives receivable	135,045	28,134	135,045	28,134
	1,210,094	825,639	1,010,313	622,756

Guarantees

As a result of the transactions between BNDES and ECAs, the following shared guarantees were provided: a) first mortgage of the plan in the city of Três Lagoas, b) pledge of 750,000,000 registered common shares of Eldorado, c) pledge of 368,000,000 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	**3/31/2015**	**12/31/2014**
Estimated amount of firm contracts	87,340	48,591
Advances made	(61,165)	(47,148)
	26,175	1,443

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*

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 and their maturities:

Parent Company

	Less than 1 year	Between 1 nd 2 years	Between 3 and 4 years	Over 4 years	Fair value
At March 31, 2015					
Trade payables	165,210				165,210
Amounts due to related parties	28,185				28,185
Borrowings	2,070,507	762,009	804,708	4,522,574	8,159,798
Borrowings – related parties	-	-	-	-	-
No Deliverable Forwards (NDFs)	(135,045)	-	-	-	(135,045)
(-) Cash and cash equivalents	(147,355)	-	-	-	(147,355)
	1,981,502	762,009	804,708	4,522,574	8,070,793
At December 31, 2014					
Trade payables	167,334	-	-	-	167,334
Amounts due to related parties	17,167	-	-	-	17,167
Borrowings	1,744,957	765,019	681,906	3,975,026	7,166,908
Borrowings – related parties	-	365,470	-	-	365,470
No Deliverable Forwards (NDFs)	(28,134)	-	-	-	(28,134)
(-) Cash and cash equivalents	(34,969)	-	-	-	(34,969)
	1,866,355	1,130,489	681,906	3,975,026	7,653,776

Consolidated

	Less than 1 year	Between 1 and 2 years	Between 3 and 4 years	Over 4 years	Fair value
At March 31, 2015					
Trade payables	142,341	-	-	-	142,341
Amounts due to related parties	28,185	-	-	-	28,185
Borrowings	2,070,507	762,009	804,708	4,522,574	8,159,798
Borrowings – related parties	-	-	-	-	-
No Deliverable Forwards (NDFs)	(135,045)	-	-	-	(135,045)
(-) Cash and cash equivalents	(223,359)	-	-	-	(223,359)
	1,882,629	762,009	804,708	4,522,574	7,971,920
At December 31, 2014					
Trade payables	168,308	-	-	-	168,308
Amounts due to related parties	17,167	-	-	-	17,167
Borrowings	1,744,957	765,019	681,906	3,975,026	7,166,908
Borrowings – related parties	-	365,470	-	-	365,470
No Deliverable Forwards (NDFs)	(28,134)	-	-	-	(28,134)
(-) Cash and cash equivalents	(54,551)	-	-	-	(54,551)
	1,847,747	1,130,489	681,906	3,975,026	7,635,168

f. Fair value of financial instruments

Financial assets and financial liabilities are presented in the financial statements at their carrying amounts and the related accrued income or expenses are accounted for according to their expected realization or settlement.

Under CPC 40/IFRS 7 Financial Instruments: Disclosures, the Company and its subsidiaries classify fair value measurement by the levels in the fair value hierarchy that reflect the importance of the indices used in this measurement, as follows:

- **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:

Parent Company

	3/31/2015			12/31/2014		
	Level 1	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Assets						
Cash and cash equivalents	147,355	-	-	34,969	-	-
No Deliverable Forwards (NDFs)	-	135,045	-	-	28,134	-
Total assets	147,355	135,045	-	34,969	28,134	-

Consolidated

	3/31/2015			12/31/2014		
	Level 1	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Assets						
Cash and cash equivalents	223,359	-	-	54,551	-	-
No Deliverable Forwards (NDFs)	-	135,045	-	-	28,134	-
Total assets	223,359	135,045	-	54,551	28,134	-

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

Parent Company	3/31/2015		12/31/2014	
	Carrying amount	**Fair value**	**Carrying amount**	**Carrying value**
Assets				
Fair value through profit or los				
Cash and cash equivalents	147,355	147,355	34,969	34,969
No Deliverable Forwards (NDFs)	135,045	135,045	28,134	28,134
Loans and receivables				
Trade receivables	103,839	103,839	105,318	105,318
Amounts due from related parties	705,866	705,866	582,438	582,438
Advances to suppliers	72,277	72,277	58,391	58,391
Total financial assets	1,164,382	1,164,382	808,250	808,250

	3/31/2015		12/31/2014	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Liabilities				
Liabilities at amortized cost				
Borrowings	8,159,798	8,159,798	7,166,908	7,166,908
Borrowings – related parties	-	-	365,470	365,470
Trade payables	165,210	165,210	167,334	167,334
Amounts due to related parties	28,185	28,185	17,167	17,167
Total financial liabilities	8,353,193	8,353,193	7,716,879	7,716,879

Consolidated

	3/31/2015		12/31/2014	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Assets				
Fair value through profit or los				
Cash and cash equivalents	223,359	223,359	54,551	54,551
No Deliverable Forwards (NDFs)	135,045	135,405	28,134	28,134
Loans and receivables				
Trade receivables	533,920	533,920	439,100	439,100
Amounts due from related parties	-	-	26,191	26,191
Advances to suppliers	72,277	72,277	62,004	62,004
Total financial assets	964,601	964,601	609,980	609,980

	3/31/2015		12/31/2014	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Liabilities				
Liabilities at amortized cost				
Borrowings	8,159,798	8,159,798	7,166,908	7,166,908
Borrowings – related parties	-	-	365,470	365,470
Trade payables	142,341	142,341	168,308	168,308
Amounts due to related parties	28,185	28,185	17,167	17,167
Total financial liabilities	8,330,324	8,330,324	7,717,853	7,717,853

	Parent Company and Consolidated	
	3/31/2015	**12/31/2014**
Total borrowings	8,159,798	7,166,908
(-) Borrowings subsidized by the BNDES (i)	(4,041,534)	(3,599,292)
(-) Financing from Export Credit Agency (ECA) (i)	(1,330,674)	(1,062,017)
(-) Debentures (i)	(1,088,713)	(1,051,902)
(-) Short-term borrowings (ii)	(2,070,507)	(1,744,957)

The Company shows that the carrying amounts of financial instruments approximate their fair values due to: (i) the absence of an active market for such instruments; (ii) borrowings with short-term maturities, presented net when the impact of fair value measurement is immaterial.

28 Operating land leases

The future lease payments under operating land are as follows:

	Parent Company and Consolidated	
	3/31/2015	**12/31/2014**
Less than one year	69,793	83,645
Between one and five years	425,559	335,385
More than five years	480,000	558,548
	975,352	977,578

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 changes in a local price index.

During the period an amount of R$ 20,847 (R$ 53,942 at December 31, 2014) was recognized as biological assets development cost in respect of operating leases.

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 property lessor is increased to market rent at regular intervals, and the Company does not participate in the residual value of the land; it was determined that substantially all the risks and rewards of the land and buildings are with the lessor. Thus, the Company determined that the leases are operating leases.

Board of Executive Officers

José Carlos Grubisich Filho
CEO

Helio Baptista Novaes
Chief Financial Officer and
Investor Relations Officer

Carlos Roberto Paiva Monteiro
Industrial Techical Officer

Luis Fernando Sartini Felli
Sales Officer

Germano Aguiar Vieira
Forest Officer

Board of Directors

Joesley Mendonça Batista
Chairman of the Board

Wesley Mendonça Batista
Vice Chairman of the Board

Lício da Costa Raimundo
Director

Paulo Eduardo Nigro
Director

Max Mauran Pantoja da Costa
Director

José Batista Sobrinho
Director

Miguel João Jorge Filho
Director

Accountant

Monica Aparecida da Fonseca
CRC SP 1SP174689