

IRANI PRESENTS AN INCREASE OF 37.7% IN 1Q11 ADJUSTED EBITDA,

WITH MARGIN OF 24.3%

1Q11 HIGHLIGHTS

- Net Operating Revenue presented an increase of 17.5% in 1Q11, as compared to 1Q10. Compared to 4Q10, it remained stable. Last twelve months of 2011 had an increase of 21.6% as compared to same period of previous year.
- Gross Profit decreased 22.8% as compared to 1Q10 and increase of 15.7% as compared to 4Q10. Over the last twelve months the variation was 51.3% positive.
- Net Result amount in 1Q11 was R\$ 3,971, against R\$ 7,036 from 1Q10, reversing the negative result from 4Q10. In the accumulated of last twelve months the result totaled R\$ 31,295.
- Adjusted EBITDA in 1Q11 totaled R\$ 28,130, with 24.3% margin. EBITDA had an increase of 37.7% as compared to the same quarter of previous year that was R\$ 20,423, with 20.8% margin. Compared to 4Q10, EBITDA also increased 32.4%.

MAIN FINANCIAL INDICATORS

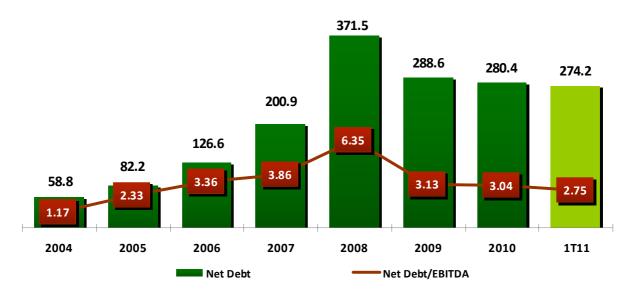
(including descontinued operation)

R\$ thousand	1Q11	4Q10	1Q10	LTM11	LTM10
Net Operating Revenue	115,532	115,836	98,350	464,654	382,171
Domestic Market	100,037	107,862	82,571	415,368	317,387
Foreign Market	15,495	7,974	15,779	49,286	64,784
Gross Profit	31,479	27,204	40,798	161,241	106,546
Gross Margin	27.2%	23.5%	41.5%	34.7%	27.9%
Operating Profit before taxes and Participations	4,928	(3,938)	7,349	37,289	51,506
Operating Margin	4.3%	-3.4%	7.5%	8.0%	13.5%
Net Result	3,971	(2,331)	7,036	31,295	31,579
Net Margin	3.4%	-2.0%	7.2%	6.7%	8.3%

EBITDA - EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION (*)

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R\$ thousand	1Q11	4Q10	1Q10	LTM11	LTM10
Result before Taxes	4,928	(3,938)	7,349	37,289	51,506
Change in fair value - biological assets	-	2,106	(14,545)	(36,193)	(18,066)
Depletion	9,183	4,729	3,463	21,932	25,067
Depreciation and Amortization	3,909	9,129	8,423	30,287	36,329
Financial Result	8,019	6,807	13,584	37,179	(7,819)
EBITDA	26,039	18,833	18,274	90,494	87,071
Reserves	2,091	2,408	2,149	9,374	5,883
Non recurring events*	-	-	-	-	1,645
Adjusted EBITDA	28,130	21,241	20,423	99,868	94,545
EBITDA Margin	24.3%	18.3%	20.8%	21.5%	24.7%
*Non recurring events: Asset sale - farm Windstorm	- -	- -	-	-	1,645 188 1,457

1. Net Indebtedness



Evolution of Net Debt/EBITDA ratio has its high level in December 2008 due to the investments carried out during Project 'Superação' (R\$ 160.8 million). Starting on 1Q09, this indicator captures the benefits of the Project and the reduction in leverage level, going from 6.35 times in 2008 to 3.13 times in 2009 and closing 2010 in 3.04 times, reflecting good results of the year. In 1Q11, EBITDA growth has helped this indicator, closing at 2.75 times.

1.1 Financial Result

The financial result was R\$ 8,019 negative in this quarter against R\$ 13,584 negative in the same period of last year. The balances are presented in the following way:

R\$ thousand	1Q11	4Q10	1Q10	LTM11	LTM10
Financial Income	5,450	6,733	10,095	30,764	73,106
Financial Expenses	(13,469)	(13,540)	(23,679)	(67,943)	(65,287)
Financial Result	(8,019)	(6,807)	(13,584)	(37,179)	7,819

There are added to the financial income and financial expenses above the following active and passive exchange variation:

R\$ thousand	1Q11	4Q10	1Q10	LTM11	LTM10
Active exchange variation	4,252	5,156	9,720	25,362	71,168
Passive exchange variation	(1,944)	(2,533)	(13,455)	(19,679)	(19,756)
Net Exchange variation	2,308	2,623	(3,735)	5,683	51,412

The financial result without exchange variation is as follows:

R\$ thousand	1Q11	4Q10	1Q10	LTM11	LTM10
Financial Result					
without Exchange	(10,327)	(9,430)	(9,849)	(42,862)	(43,593)
variation					





Earnings release - 1Q11

All quarters were affected by the exchange variation of dollar and euro that are basis for financing adjustments.

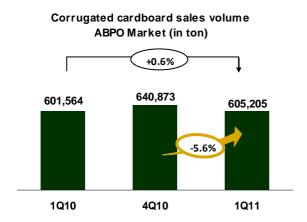
LTM11: last twelve months 2011 (April 2010 to March 2011) - unaudited LTM10: last twelve months 2010 (April 2009 to March 2010) - unaudited

2. OPERATING PERFORMANCE (Unaudited)

2.1 Market Evolution

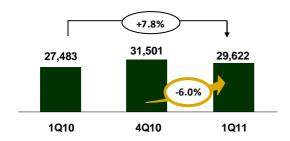
Corrugated cardboard - Comparison ABPO x Irani

ABPO¹ Market [ton]



Irani Market [ton]

Corrugated cardboard sales volume IRANI Market (in ton)



According to the charts, corrugated cardboard sale volume – **ABPO Market**, was stable in 1Q11 compared to 1Q10, while corrugated cardboard sales volume – **Irani Market**, increased 7.8% in the same period. Compared to 4Q10, ABPO Market presented a decrease of 5.6%, while Irani Market decreased 6.0%. IRANI market share (in ton) was 4.89% in this quarter.

¹ ABPO: Brazilian Association of Corrugated Cardboard. 1Q11 ABPO (in ton and m²) are closing preview. There may be some small changes in the official data.





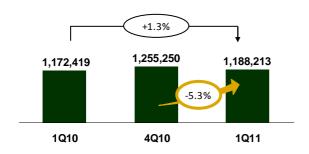


Earnings release - 1Q11

Observing sales evolution in square meters, there is the same growing trend in Irani Market, according to the charts below:

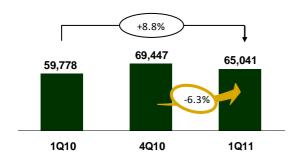
ABPO Market [thousand square meters]

Corrugated cardboard sales volume
ABPO Market (in thousand square meters)



<u>Irani Market [thousand square meters]</u>

Corrugated cardboard sales volume IRANI Market (in thousand square meters)



Sales volume of corrugated cardboard – Market ABPO (in square meters) increased 1.3% in 1Q11 as compared to 1Q10, while Irani Market had an increase of 8.8% in the same period. As compared to 4Q10, ABPO Market decreased 5.3% while Irani Market increased 6.3%. In square meters, Irani market share was 5.47% in this quarter.

2.2 Production and Sales

Production and Sales volumes of main products are presented as follows:

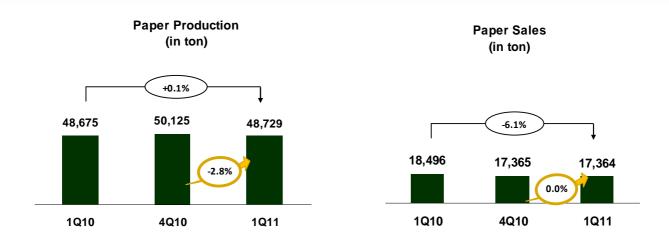
Paper Segment

Paper production remains stable in 1Q11 as compared to 1Q10 and decreased 2.8% as compared to 4Q10. Paper sales in physical volume decreased 6.1% in comparison with 1Q10 and stable as compared to 4Q10.





Earnings release - 1Q11



Transfers of paper to SP Packaging plant for processing were 17,231 tons (17,034 tons in 1Q10 and 16,744 tons in 4Q10) and for SC Packaging plant were transferred the amount of 15,015 tons (13,324 tons in 1Q10 and 13,062 tons in 4Q10).

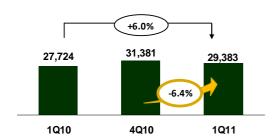
Packaging SP and SC Segment (corrugated cardboard)

Packaging production of corrugated cardboard in both factories (SP and SC) presented an increase of 6.0% as compared to 1Q10 and 6.4% decrease as compared to 4Q10. Sales have also risen 7.8% as compared to the same quarter of previous year but decreased 6.0% as compared to 4Q10.

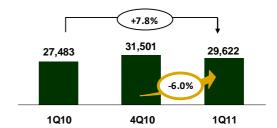
Sales volume of Packaging SP was 11,121 tons of boxes and 5,332 tons of sheets in 1Q11 (9,039 tons of boxes and 6,470 tons of sheets in 1Q10).

Sales volume of Packaging SC was 10,900 tons of boxes and 2,270 tons of sheets in 1Q11 (9,824 tons of boxes and 2,150 tons of sheets in 1Q10).





Corrugated cardboard sales volume IRANI Market (in ton)

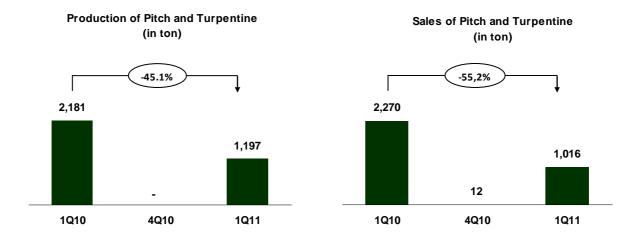






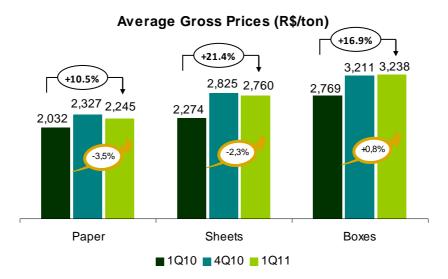
Resins and RS Forestry Segment

Production and sales volumes of Resins Unit had decreased due programming settings in the extraction of resin. In comparison with 4Q10, production and sales increased due to the end of the off-season.



2.3 Average Gross Prices

Average Gross Prices per tons (R\$/ton) of the main products are presented in the following way:



Average Gross Prices per ton of paper increased 10.5% in 1Q11 as compared to 1Q10 and decreased 3.5% compared to 4Q10. Prices of sheets also increased by 21.4% and decreased 2.3% in this quarter as compared to 1Q10 and 4Q10, respectively. Boxes followed the same trend an increased 16.9% in 1Q11, compared to 1Q10 and stable when compared to 4Q10.





Acquisition of its own shares

The Board of Directors approved on November 24, 2010 a program of acquisition of shares issued by the Company to keep in treasury and for subsequent sale or cancellation. During the first quarter of 2011, the Company bought 21,000 ordinary shares and 3,900 preferential shares. As of March 31, 2011 the Company had 31,502 ordinary shares and 5,100 preferential shares of its own emission in treasury.

3. INVESTMENTS

For this year, investments in the amount of approximately R\$ 27.6 million are foreseen to finish some projects already started and are directed to some improvements and necessary replacements to the smooth running of Company's equipments. There are not significant investments planned for 2011, period in which will happened the consolidation and capture of benefits from the investments under Project 'Superação' to which were destined the amount of R\$ 160.8 million during 2007/2008.





Crescendo com valor

Earnings release – 1Q11

For further information, please access our website – www.irani.com.br/ri or get in touch with our Investor Relations

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Statements contained in this material related to business prospects and Company's potential growth are just provisions and were based on Managements hopes towards Company's future. These prospects are highly dependent of market changes, in the general economic development of Brazil and international markets, and, therefore, are subjected to changes.





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Annex 1 – Consolidated Balance Sheets (R\$ thousand)

ASSETS	31/3/2011	31/12/2010	LIABILITIES AND SHAREHOLDERS' EQUITY	31/3/2011	31/12/2010
CURRENT ITEM	175,852	182,313	CURRENT ITEM	216,520	209,696
Cash and cash equivalents	30,843	40,362	Loans and financing	114,740	114,912
Trade accounts receivable	84,229	78,900	Trade accounts payable	36,588	39,632
Recoverable taxes	8,394	8,650	Dividends payable	9,773	9,775
Banks restricted account	4,663	6,419	Taxes payable	8,435	7,431
Other receivables	7,604	8,445	Payroll and related charges	10,760	9,889
Inventories	39,600	39,007	Tax in installments	3,401	4,114
Assets from discontinued operations	519	530	Debentures	25,004	12,788
			Advances from customers	1,459	1,941
NONCURRENT ITEM	954,243	962,447	Other payables	6,360	9,214
IR and social contribution deferred	14,281	14,252	NONCURRENT ITEM	443,066	467,934
Recoverable taxes	1,966	2,401			
Other receivables	4,820	5,118	Loans and financing	101,963	115,380
Escrow deposits	7,876	7,513	Debentures	71,683	88,124
Banks restricted account	3,434	4,065	Reserve for civil, labour and tax risks	43,093	39,928
Assets from discontinued operations	6,560	6,560	Tax in Installments	14,585	14,623
			Taxes payable	8,115	6,231
Property, plant and equipment	679,899	684,323	Other payables	621	621
Biological assets	235,407	238,215	Income tax and social contribution deferred	203,006	203,027
			SHAREHOLDERS' EQUITY	470,509	467,130
			Capital	63,381	63,381
			Treasury shares	(902)	(309
			Revaluation reserves	9,955	10,044
			Legal reserve	2,863	2,863
			Profit reserve to realize	78,138	79,770
			Equity valuation adjustments	273,051	273,631
			Profit retention reserve	37,733	37,736
			Accumulated deficit	6,275	-
			Shareholders equity assigned to the		
			participation of controlling shareholders	470,494	467,116
			participation of non controlling shareholders	15	14
TOTAL ASSETS	1,130,095	1,144,760	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	Y 1,130,095	1,144,760

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







Crescendo com valor

Annex 2 – Consolidated Statements of Income (R\$ thousand)

	1Q11	4Q10	1Q10	LTM11	LTM10
NET REVENUE FROM SALES	115,532	115,836	98,350	464,654	382,171
Fair value variation - biological assets	-	(2,106)	14,545	36,193	18,066
Cost of products sold	(84,053)	(86,526)	(72,097)	(339,606)	(293,691)
GROSS PROFIT	31,479	27,204	40,798	161,241	106,546
OPERATING (EXPENSES) INCOME	(26,014)	(29,071)	(33,449)	(123,952)	(55,040)
Selling expenses	(10,065)	(9,546)	(9,208)	(39,060)	(38,166)
General and administrative	(9,239)	(14,503)	(10,557)	(48,641)	(38,798)
Net financial income (expenses)	(8,020)	(6,807)	(13,584)	(37,180)	7,819
Other operating income	1,310	1,785	806	4,513	53,540
Other operating expenses	(537)	(2,071)	(906)	(3,584)	(39,435)
OPERATING PROFIT (LOSS) BEFORE TAX EFFECTS,					
MANAGEMENT SHARING AND NON CONTROLLING					
SHAREHOLDERS	4,928	(3,938)	7,349	37,289	51,506
Income tax and social contribution current	(1,361)	(626)	(561)	(4,630)	(920)
Income tax and social contribution deferred	405	6,051	248	2,455	(19,005)
Management profit sharing	-	(3,818)	-	(3,818)	-
Non controlling shareholders	(1)	-	-	(1)	(2)
Net profit (loss)	3,971	(2,331)	7,036	31,295	31,579

The accompanying notes are an integral part of the financial statements.

Note: Income Statements include discontinued operation.





