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Celulose Irani S.A.

Quarterly information (ITR)
at June 30, 2013
and report on review of
quarterly information

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Report on review of quarterly information

To the Board of Directors and Stockholders
Celulose Irani S.A.

Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of Celulose Irani S.A., included in the Quarterly Information (ITR) Form for the quarter ended June 30, 2013, comprising the balance sheet as at June 30, 2013 and the statements of operations and comprehensive income (loss) for the quarter and six-month period then ended, and the changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of the parent company interim accounting information in accordance with the accounting standard CPC 21, Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC), and of the consolidated interim accounting information in accordance with CPC 21 and International Accounting Standard (IAS) 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB), as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the 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 Reviews 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.

Celulose Irani S.A.

Conclusion on the parent company interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

Conclusion on the consolidated interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 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 and IAS 34 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

Other matters

Statement of value added

We have also reviewed the parent company and consolidated statements of value added for the six-month period ended June 30, 2013. These statements are the responsibility of the Company's management, and are required to be presented in accordance with standards issued by the CVM applicable to the preparation of Quarterly Information (ITR) and are considered supplementary information under IFRS, which do not require the presentation of the statement of value added. These statements have been submitted to the same review procedures described above 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 a manner consistent with the parent company and consolidated interim accounting information taken as a whole.

Porto Alegre, July 31, 2013

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5 "F" RS

Carlos Biedermann
Contador CRC 1RS02931/O-4

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1. General information

Corporate name	CELULOSE IRANI SA
Date of adoption of the corporate name	
Type	Publicly-held corporation
Previous corporate name	
Date of establishment	6/6/1941
Federal Corporate Taxpayers' Registration Number (CNPJ)	92.791.243/0001-03
Brazilian Securities Commission (CVM) code	242-9
CVM registration date	7/20/1977
CVM registration status	Active
Date of effectiveness of status	7/20/1977
Home country	Brazil
Country in which the securities are held in custody	Brazil

Other countries in which the securities can be traded

Country	Date of admission

Activity sector	Pulp and Paper
Description of activities	Manufacture of packaging paper, corrugated cardboard packaging and resins.
Issuer category	Category A
Date of registration in the current category	1/1/2010
Issuer status	Operating phase
Date of effectiveness of status	7/20/1977
Type of ownership control	Private
Date of last change in ownership control	7/20/1977
Date of last change of the fiscal year	
Month/day of the end of the fiscal year	12/31
Issuer's website on the Internet	www.irani.com.br

Newspapers in which the issuer discloses its information

Name of newspapers in which the issuer discloses its information	State
Diário Oficial do Estado (State Official Gazette)	RS
Jornal do Comércio	RS
Valor Econômico	SP

2. Address

Headquarters' address	Rua General João Manoel, 157, 9o. andar, Centro, Porto Alegre, RS, Brasil, CEP 90010-030, Telephone (51) 32203542, Fax (51) 32203757, E-mail ri@irani.com.br
Mail address	Rua Francisco Lindner, 477, Térreo, Centro, Joaçaba, SC, Brasil, CEP 89600-000, Telephone (49) 35275194, Fax (49) 35275185, E-mail ri@irani.com.br

3. Securities

Shares

		Trading			Listing	
Market	**Managing entity**	**Beginning**	**End**	**Trading segment**	**Beginning**	**End**
Stock exchange	BM&FBOVESPA	7/20/1977		Traditional	7/20/1977	

Debentures

		Trading			Listing	
Market	**Managing entity**	**Beginning**	**End**	**Trading segment**	**Beginning**	**End**
Organized OTC market	CETIP	3/19/2010		Traditional	4/12/2010	

4. Auditor

Does the Issuer have an auditor?	YES
CVM code	287-9
Type of auditor	Brazilian Firm
Name/Corporate name	PricewaterhouseCoopers Auditores Independentes
Individual Taxpayers' Registration Number (CPF)/ Federal Corporate Taxpayers' Registration Number (CNPJ)	61.562.112/0006-35
Period of services	1/1/2012

Partner responsible	Period of services	CPF
Carlos Biedermann	1/1/2012	220.349.270-87

5. Share Registrar

Does the Company have a service provider?	YES
Corporate name	Itaú Corretora da Valores S.A.
CNPJ	61.194.353/0001-64
Period of services	5/4/1995
Service address	Av. Eng. Armando Arruda Pereira, 707, 10o. andar, Centro, São Paulo, SP, Brasil, CEP 04344-902, Telephone (11) 50291809, Fax (11) 50291917

6. Investor Relations Officer or Equivalent

Name	Odivan Carlos Cargnin Investor Relations Officer
CPF/CNPJ	767.695.189-53
Mail address	Rua General João Manoel, 157, 10o. andar, Centro, Porto Alegre, RS, Brasil, CEP 90010-030, Telephone (51) 32203542, Fax (51) 32203757, E-mail ri@irani.com.br
Date when the person assumed the position	12/8/2006
Date when the person left the position	

7. Stockholders' Department

CONTACT	**Adriana Wagner**
Date when the person assumed the position	**1/1/2010**
Date when the person left the position	
Mail address	Rua Francisco Lindner, 477, Térreo, Centro, Joaçaba, SC, Brasil, CEP 89600-000, Telephone (49) 35275194, Fax (49) 35275185, E-mail adrianawagner@irani.com.br

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Company information / Capital composition

Number of shares (In thousands)	Current quarter 6/30/2013
Paid-up capital	
Common shares	149,280
Preferred shares	12,810
Total	162,090
Treasury shares	
Common shares	24
Preferred shares	2,352
Total	2,376

Dividends

Event	Date approved	Description	Initial date of payment	Type of share	Class of share	Amount per share (Reais/share)
Board of Directors' Meeting	1/24/2013	Dividend	1/24/2013	Common		0.09022
Board of Directors' Meeting	1/24/2013	Dividend	1/24/2013	Preferred		0.09022
General and Extraordinary Meeting of Stockholders	4/29/2013	Dividend	4/29/2013	Common		0.06190
General and Extraordinary Meeting of Stockholders	4/29/2013	Dividend	4/29/2013	Preferred		0.06190

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Parent company financial statements / balance sheet - assets

(All amounts in thousands of reais)

Code	Description	Current quarter 6/30/2013	Prior year 12/31/2012
1	Total assets	1,262,351	1,230,245
1.01	Current assets	270,571	249,530
1.01.01	Cash and cash equivalents	79,339	95,051
1.01.02	Financial investments	872	931
1.01.03	Accounts receivable	125,799	99,092
1.01.03.01	Customers	104,571	93,785
1.01.03.02	Other receivables	21,228	5,307
1.01.03.02.01	Dividends receivables	21,228	5,307
1.01.04	Inventories	50,823	38,064
1.01.06	Taxes recoverable	3,232	4,083
1.01.08	Other current assets	10,506	12,309
1.02	Non-current assets	991,780	980,715
1.02.01	Long-term receivables	158,246	171,611
1.02.01.05	Biological assets	147,270	159,912
1.02.01.08	Receivables from related parties	1,053	1,553
1.02.01.09	Other non-current assets	9,923	10,146
1.02.01.09.03	Taxes recoverable	2,883	2,766
1.02.01.09.04	Judicial deposits	566	574
1.02.01.09.05	Other assets	6,474	6,806
1.02.02	Investments	286,603	270,809
1.02.02.01	Equity interests	286,603	270,809
1.02.02.01.02	Interests in subsidiaries	286,603	270,809
1.02.03	Property, plant and equipment	546,062	537,075
1.02.03.01	Property, plant and equipment in service	546,062	537,075
1.02.04	Intangible assets	869	1,220

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Parent company financial statements / balance sheet - liabilities and equity

(All amounts in thousands of reais)

Code	Description	Current quarter 6/30/2013	Prior year 12/31/2012
2	Total liabilities and equity	1,262,351	1,230,245
2.01	Current liabilities	244,539	225,875
2.01.01	Social and labor obligations	18,157	23,369
2.01.01.01	Social obligations	18,157	23,369
2.01.01.01.01	Social security obligations	18,157	23,369
2.01.02	Trade payables	83,087	60,155
2.01.03	Tax obligations	14,760	11,170
2.01.03.01	Federal taxes payable	11,236	7,444
2.01.03.01.02	Taxes payable in installments	3,189	3,097
2.01.03.01.03	Other federal taxes	8,047	4,347
2.01.03.02	State taxes payable	3,446	3,667
2.01.03.02.01	Taxes payable in installments	2,097	1,988
2.01.03.02.02	Value-added Tax on Sales and Services (ICMS) payable	1,349	1,679
2.01.03.03	Municipal taxes payable	78	59
2.01.03.03.01	Services Tax (ISS) payable	78	59
2.01.04	Borrowings	118,751	109,398
2.01.04.01	Borrowings	77,158	70,372
2.01.04.02	Debentures	41,593	39,026
2.01.05	Other obligations	9,784	21,783
2.01.05.02	Other	9,784	21,783
2.01.05.02.01	Dividends and interest on capital payable	161	9,957
2.01.05.02.04	Other payables	8,838	10,871
2.01.05.02.05	Advances from customers	785	955
2.02	Non-current liabilities	564,867	550,371
2.02.01	Borrowings	365,486	340,702
2.02.01.01	Borrowings	243,493	208,990
2.02.01.02	Debentures	121,993	131,712
2.02.02	Other obligations	18,835	22,250
2.02.02.02	Other	18,835	22,250
2.02.02.02.03	Taxes payable in installments	3,615	6,245
2.02.02.02.04	Tax obligations	15,220	16,005
2.02.03	Deferred taxes	145,091	149,684
2.02.03.01	Deferred income tax and social contribution	145,091	149,684
2.02.04	Provisions	35,455	37,735
2.02.04.01	Tax, social security, labor and civil provisions	35,455	37,735
2.02.04.01.05	Provision for civil, labor and tax risks	35,455	37,735
2.03	Equity	452,945	453,999
2.03.01	Capital	103,976	103,976
2.03.02	Capital reserves	666	377
2.03.04	Revenue reserves	116,335	106,405
2.03.06	Carrying value adjustments	231,968	243,241

Parent company financial statements / statement of operations

(All amounts in thousands of reais)

Code	Description	Current quarter 4/1/2013 to 6/30/2013	Accumulated - current year 1/1/2013 to 6/30/2013	Same quarter of prior year 4/1/2012 to 6/30/2012	Accumulated - prior year 1/1/2012 to 6/30/2012
3.01	Revenue from sale of goods and/or services	140,411	260,561	112,917	223,553
3.02	Cost of sales and/or services	-105,203	-194,080	-80,949	-164,532
3.02.01	Changes in the fair value of biological assets	-468	-468	3,873	3,873
3.02.02	Cost of products sold	-104,735	-193,612	-84,822	-168,405
3.03	Gross profit	35,208	66,481	31,968	59,021
3.04	Operating expenses	-8,951	-25,526	-22,972	-36,080
3.04.01	Selling expenses	-12,692	-24,546	-10,701	-20,416
3.04.02	General and administrative expenses	-10,564	-19,253	-10,423	-18,800
3.04.04	Other operating income	830	1,288	423	1,127
3.04.05	Other operating expenses	-776	-1,471	-691	-1,086
3.04.06	Equity in results of subsidiaries	14,251	18,456	-1,580	3,095
3.05	Profit before finance result and taxes	26,257	40,955	8,996	22,941
3.06	Finance result	-13,323	-24,617	-17,033	-29,443
3.06.01	Finance income	3,570	7,331	3,393	14,835
3.06.02	Finance costs	-16,893	-31,948	-20,426	-44,278
3.07	Profit (loss) before taxes on income	12,934	16,338	-8,037	-6,502
3.08	Income tax and social contribution	1,039	1,187	2,233	4,054
3.08.02	Deferred	1,039	1,187	2,233	4,054
3.09	Profit (loss) from continuing operations	13,973	17,525	-5,804	-2,448
3.10	Profit from discontinued operations	0	0	73	214
3.10.01	Profit for the period from discontinued operations	0	0	73	214
3.11	Profit (loss) for the period	13,973	17,525	-5,731	-2,234
3.99	Earnings (loss) per share - (reais / share)				
3.99.01	Basic earnings (loss) per share				
3.99.01.01	Common shares	0.08750	0.10970	-0.03630	-0.01530
3.99.01.02	Preferred shares	0.08750	0.10970	-0.03630	-0.01530

Parent company financial statements / statement of comprehensive income (loss)

(All amounts in thousands of reais)

Code	Description	Current quarter 4/1/2013 to 6/30/2013	Accumulated - current year 1/1/2013 to 6/30/2013	Same quarter of prior year 4/1/2012 to 6/30/2012	Accumulated - prior year 1/1/2012 to 6/30/2012
4.01	Profit (loss) for the period	13,973	17,526	-5,731	-2,234
4.02	Other comprehensive loss	-12,738	-12,738	-5,331	-5,331
4.02.01	Cash flow hedge	-19,300	-19,300	-8,077	-8,077
4.02.02	Income tax and social contribution - cash flow hedge	6,562	6,562	2,746	2,746
4.03	Comprehensive income (loss) for the period	1,235	4,788	-11,062	-7,565

Parent company financial statements / statement of cash flows - indirect method

(All amounts in thousands of reais)

Code	Description	Accumulated - current year 1/1/2013 to 6/30/2013	Accumulated - prior year 1/1/2012 to 6/30/2012
6.01	Net cash provided by operating activities	13,288	24,278
6.01.01	Cash from operations	43,770	37,144
6.01.01.01	Profit (loss) before income tax and social contribution	16,338	-6,502
6.04.01.02	Changes in the fair value of biological assets	468	-3,873
6.01.01.03	Depreciation, amortization and depletion	15,411	20,364
6.01.01.05	Result on sale of permanent assets	146	45
6.01.01.06	Equity in results of subsidiaries	-18,456	-2,881
6.01.01.07	Provision for civil, labor and tax risks	-2,280	-2,198
6.01.01.08	Provision for impairment of trade receivables	370	225
6.01.01.10	Equity in results of discontinued operations	0	-214
6.01.01.11	Share-based payment	289	297
6.01.01.12	Monetary variations and charges	38,255	36,715
6.01.01.13	Government grants	-162	497
6.01.01.14	Unrealized hedge result, net of taxes	-6,609	-5,331
6.01.02	Changes in assets and liabilities	-30,482	-12,866
6.01.02.01	Accounts receivable	-11,157	6,955
6.01.02.02	Inventories	-12,759	2,851
6.01.02.03	Taxes recoverable	734	1,911
6.01.02.04	Other assets	2,702	6,355
6.01.02.05	Dividends received	0	1,600
6.01.02.06	Trade payables	21,683	-4,298
6.01.02.07	Social security obligations	-5,212	357
6.01.02.08	Advances from customers	-170	-238
6.01.02.09	Tax obligations	-3,069	-1,412
6.01.02.10	Payment of interest on borrowings	-17,568	-18,700
6.01.02.11	Payment of interest on debentures	-3,633	-6,834
6.01.02.12	Other payables	-2,033	-1,413
6.02	Net cash used in investing activities	-24,029	-16,362
6.02.01	Purchase of property, plant and equipment	-24,235	-14,637
6.02.03	Proceeds from disposal of assets	214	286
6.02.06	Capital contribution	-8	-2,011
6.03	Net cash used in financing activities	-4,971	-7,948
6.03.01	Payment of dividends	-24,062	-5,490
6.03.03	Debentures paid	-12,500	0
6.03.04	New borrowings	86,862	70,357
6.03.05	Repayment of borrowings	-57,279	-66,011
6.03.06	Treasury shares	2,008	-6,804
6.05	Decrease in cash and cash equivalents	-15,712	-32
6.05.01	Cash and cash equivalents at the beginning of the period	95,051	72,496
6.05.02	Cash and cash equivalents at the end of the period	79,339	72,464

Parent company financial statements / statement of changes in equity - 1/1/2013 to 6/30/2013

(All amounts in thousands of reais)

Code	Description	Paid-up capital	Capital reserves, share options and treasury shares	Revenue reserves	Retained earnings	Other comprehensive income (loss)	Equity
5.01	Opening balances	103,976	377	106,405	0	243,241	453,999
5.03	Adjusted opening balances	103,976	377	106,405	0	243,241	453,999
5.04	Capital transactions with owners	0	289	-12,259	0	0	-11,970
5.04.05	Treasury shares sold	0	0	2,008	0	0	2,008
5.04.06	Dividends	0	0	-14,267	0	0	-14,267
5.04.08	Share-based payment	0	289	0	0	0	289
5.05	Total comprehensive income (loss)	0	0	0	22,189	-11,273	10,916
5.05.01	Profit for the period	0	0	0	17,525	0	17,525
5.05.02	Other comprehensive income (loss)	0	0	0	4,664	-11,273	-6,609
5.05.02.06	Realization of deemed cost	0	0	0	4,452	-4,452	0
5.05.02.07	Realization of deemed cost (subsidiaries)	0	0	0	212	-212	0
5.05.02.08	Cash flow hedge	0	0	0	0	-6,609	-6,609
5.06	Internal changes in equity	0	0	-2,180	2,180	0	0
5.06.04	Realized revenue reserve - biological assets	0	0	-232	232	0	0
5.06.05	Realized revenue reserve - biological assets (subsidiaries)	0	0	-1,948	1,948	0	0
5.07	Closing balances	103,976	666	91,966	24,369	231,968	452,945

Parent company financial statements / statement of changes in equity - 1/1/2012 to 6/30/2012

(All amounts in thousands of reais)

Code	Description	Paid-up capital	Capital reserves, share options and treasury shares	Revenue reserves	Retained earnings	Other comprehensive income (loss)	Equity
5.01	Opening balances	63,381	0	142,302	0	258,547	464,230
5.03	Adjusted opening balances	63,381	0	142,302	0	258,547	464,230
5.04	Capital transactions with owners	40,595	297	-47,399	0	0	-6,507
5.04.01	Capital increases	40,595	0	-40,595	0	0	0
5.04.04	Treasury shares purchased	0	0	-6,804	0	0	-6,804
5.04.08	Share-based payment	0	297	0	0	0	297
5.05	Total comprehensive income (loss)	0	0	0	2,538	-10,103	-7,565
5.05.01	Loss for the period	0	0	0	-2,234	0	-2,234
5.05.02	Other comprehensive income (loss)	0	0	0	4,772	-10,103	-5,331
5.05.02.06	Realization of deemed cost	0	0	0	3,932	-3,932	0
5.05.02.07	Realization of deemed cost (subsidiaries)	0	0	0	840	-840	0
5.05.02.08	Cash flow hedge	0	0	0	0	-5,331	-5,331
5.06	Internal changes in equity	0	0	-2,030	2,030	0	0
5.06.04	Realized revenue reserve - biological assets	0	0	-519	519	0	0
5.06.05	Realized revenue reserve - biological assets (subsidiaries)	0	0	-1,511	1,511	0	0
5.07	Closing balances	103,976	297	92,873	4,568	248,444	450,158

Parent company financial statements / statement of value added

(All amounts in thousands of reais)

Code	Description	Accumulated - current year 1/1/2013 to 6/30/2013	Accumulated - prior year 1/1/2012 to 6/30/2012
7.01	Revenues	339,731	288,685
7.01.01	Sale of goods, products and services	338,813	287,783
7.01.02	Other income	1,288	1,127
7.01.04	Changes in provision for impairment of trade receivables	-370	-225
7.02	Inputs purchased from third parties	-205,582	-158,867
7.02.01	Cost of products and services	-187,757	-153,214
7.02.02	Materials, electric power, outsourced services and other	-17,825	-5,653
7.03	Gross value added	134,149	129,818
7.04	Retentions	-14,943	-24,237
7.04.01	Depreciation, amortization and depletion	-15,411	-20,364
7.04.02	Other	468	-3,873
7.04.02.01	Changes in the fair value of biological assets	468	-3,873
7.05	Net value added generated	119,206	105,581
7.06	Value added received through transfer	25,787	18,144
7.06.01	Equity in results of subsidiaries	18,456	3,309
7.06.02	Finance income	7,331	14,835
7.07	Total value added to be distributed	144,993	123,725
7.08	Value added distributed	144,993	123,725
7.08.01	Personnel	49,124	40,530
7.08.01.01	Direct remuneration	40,628	33,585
7.08.01.02	Benefits	6,288	5,130
7.08.01.03	Government Severance Indemnity Fund for Employees (FGTS)	2,208	1,815
7.08.02	Taxes payable	31,572	28,375
7.08.02.01	Federal	22,337	16,429
7.08.02.02	State	8,989	11,660
7.08.02.03	Municipal	246	286
7.08.03	Remuneration of third-party capital	46,772	57,054
7.08.03.01	Interest	31,948	44,278
7.08.03.02	Rentals	14,824	12,776
7.08.04	Remuneration of own capital	17,525	-2,234
7.08.04.03	Profits reinvested/loss for period	17,525	-2,234

(A free translation of the original in Portuguese)

Consolidated financial statements / balance sheet - assets

(All amounts in thousands of reais)

Code	Description	Current quarter 6/30/2013	Prior year 12/31/2012
1	Total assets	1,221,898	1,208,090
1.01	Current assets	255,432	249,672
1.01.01	Cash and cash equivalents	81,654	96,922
1.01.02	Financial investments	872	931
1.01.03	Accounts receivable	107,671	96,781
1.01.03.01	Customers	107,671	96,781
1.01.04	Inventories	50,883	38,110
1.01.06	Taxes recoverable	3,232	4,083
1.01.08	Other current assets	11,120	12,845
1.02	Non-current assets	966,466	958,418
1.02.01	Long-term receivables	277,986	277,461
1.02.01.05	Biological assets	264,913	263,292
1.02.01.08	Receivables from related parties	1,053	1,553
1.02.01.08.04	Receivables from other related parties	1,053	1,553
1.02.01.09	Other non-current assets	12,020	12,616
1.02.01.09.03	Taxes recoverable	2,883	2,766
1.02.01.09.04	Judicial deposits	631	632
1.02.01.09.05	Other assets	8,506	9,218
1.02.03	Property, plant and equipment	687,608	679,734
1.02.03.01	Property, plant and equipment in service	687,608	679,734
1.02.04	Intangible assets	872	1,223

(A free translation of the original in Portuguese)

Consolidated financial statements / balance sheet - liabilities and equity

(All amounts in thousands of reais)

Code	Description	Current quarter 6/30/2013	Prior year 12/31/2012
2	Total liabilities and equity	1,221,898	1,208,090
2.01	Current liabilities	221,710	219,882
2.01.01	Social and labor obligations	18,534	23,657
2.01.01.01	Social obligations	18,534	23,657
2.01.01.01.01	Social security obligations	18,534	23,657
2.01.02	Trade payables	56,145	43,747
2.01.03	Tax obligations	16,205	12,810
2.01.03.01	Federal taxes payable	12,651	9,050
2.01.03.01.02	Taxes payable in installments	3,328	3,247
2.01.03.01.03	Other federal taxes	9,323	5,803
2.01.03.02	State taxes payable	3,456	3,675
2.01.03.02.01	Taxes payable in installments	2,097	1,988
2.01.03.02.02	Value-added Tax on Sales and Services (ICMS) payable	1,359	1,687
2.01.03.03	Municipal taxes payable	98	85
2.01.03.03.01	Services Tax (ISS) payable	98	85
2.01.04	Borrowings	120,976	118,251
2.01.04.01	Borrowings	79,383	79,225
2.01.04.02	Debentures	41,593	39,026
2.01.05	Other obligations	9,850	21,417
2.01.05.02	Other	9,850	21,417
2.01.05.02.01	Dividends and interest on capital payable	162	9,957
2.01.05.02.04	Other payables	888	975
2.01.05.02.05	Advances from customers	8,800	10,485
2.02	Non-current liabilities	547,234	534,203
2.02.01	Borrowings	312,592	289,979
2.02.01.01	Borrowings	243,495	209,001
2.02.01.02	Debentures	69,097	80,978
2.02.02	Other obligations	18,913	22,384
2.02.02.02	Other	18,913	22,384
2.02.02.02.03	Taxes payable in installments	3,693	6,379
2.02.02.02.04	Other taxes payable	15,220	16,005
2.02.03	Deferred taxes	180,133	183,803
2.02.03.01	Deferred income tax and social contribution	180,133	183,803
2.02.04	Provisions	35,596	38,037
2.02.04.01	Tax, social security, labor and civil provisions	35,596	38,037
2.02.04.01.05	Provision for civil, labor and tax risks	35,596	38,037
2.03	Consolidated equity	452,954	454,005
2.03.01	Capital	103,976	103,976
2.03.02	Capital reserves	666	377
2.03.04	Revenue reserves	116,335	106,405
2.03.06	Carrying value adjustments	231,968	243,241
2.03.09	Non-controlling interests	9	6

Consolidated financial statements / statement of operations

(All amounts in thousands of reais)

Code	Description	Current quarter 4/1/2013 to 6/30/2013	Accumulated - current year 1/1/2013 to 6/30/2013	Same quarter of prior year 4/1/2012 to 6/30/2012	Accumulated - prior year 1/1/2012 to 6/30/2012
3.01	Revenue from sale of goods and/or services	144,580	268,414	117,481	232,405
3.02	Cost of sales and/or services	-94,497	-182,403	-86,991	-169,901
3.02.01	Changes in the fair value of biological assets	9,090	9,090	-2,260	-2,260
3.02.02	Cost of products sold	-103,587	-191,493	-84,731	-167,641
3.03	Gross profit	50,083	86,011	30,490	62,504
3.04	Operating expenses	-23,309	-44,355	-21,561	-39,810
3.04.01	Selling expenses	-12,523	-24,221	-10,549	-20,134
3.04.02	General and administrative expenses	-10,942	-20,054	-11,089	-19,517
3.04.04	Other operating income	1,120	1,581	742	1,276
3.04.05	Other operating expenses	-964	-1,661	-665	-1,435
3.05	Profit before finance result and taxes	26,774	41,656	8,929	22,694
3.06	Finance result	-12,987	-23,968	-16,526	-28,408
3.06.01	Finance income	3,605	7,391	3,445	14,918
3.06.02	Finance costs	-16,592	-31,359	-19,971	-43,326
3.07	Profit (loss) before taxes on income	13,787	17,688	-7,597	-5,714
3.08	Income tax and social contribution	186	-162	1,793	3,266
3.08.01	Current	-265	-427	-313	-510
3.08.02	Deferred	451	265	2,106	3,776
3.09	Profit (loss) from continuing operations	13,973	17,526	-5,804	-2,448
3.10	Profit from discontinued operations	0	0	73	214
3.10.01	Profit for the period from discontinued operations	0	0	73	214
3.11	Consolidated profit (loss) for the period	13,973	17,526	-5,731	-2,234
3.11.01	Attributable to the owners of the Company	13,973	17,525	-5,731	-2,234
3.11.02	Attributable to non-controlling interests	0	1	0	0
3.99	Earnings (loss) per share - (reais / share)				
3.99.01	Basic earnings (loss) per share				
3.99.01.01	Common shares	0.08750	0.10970	-0.03630	-0.01530
3.99.01.02	Preferred shares	0.08750	0.10970	-0.03630	-0.01530

Consolidated financial statements / statement of comprehensive income (loss)

(All amounts in thousands of reais)

Code	Description	Current quarter 4/1/2013 to 6/30/2013	Accumulated - current year 1/1/2013 to 6/30/2013	Same quarter of prior year 4/1/2012 to 6/30/2012	Accumulated - prior year 1/1/2012 to 6/30/2012
4.01	Consolidated profit (loss) for the period	13,973	17,526	-5,731	-2,234
4.02	Other comprehensive loss	-12,738	-12,738	-5,331	-5,331
4.02.01	Cash flow hedge	-19,300	-19,300	-8,077	-8,077
4.02.02	Income tax and social contribution - cash flow hedge	6,562	6,562	2,746	2,746
4.03	Consolidated comprehensive income (loss) for the period	1,235	4,788	-11,062	-7,565
4.03.01	Attributable to the owners of the Company	1,235	4,787	-11,062	-7,565
4.03.02	Attributable to non-controlling interests	0	1	0	0

(A free translation of the original in Portuguese)

Consolidated financial statements / statement of cash flows - indirect method

(All amounts in thousands of reais)

Code	Description	Accumulated - current year 1/1/2013 to 6/30/2013	Accumulated - prior year 1/1/2012 to 6/30/2012
6.01	Net cash provided by operating activities	22,206	32,082
6.01.01	Cash from operations	64,868	54,971
6.01.01.01	Profit (loss) before income tax and social contribution	17,688	-5,714
6.01.01.02	Changes in the fair value of biological assets	-9,090	2,260
6.01.01.03	Depreciation, amortization and depletion	25,547	28,251
6.01.01.05	Result on sale of permanent assets	49	594
6.01.01.06	Share-based payments	289	297
6.01.01.07	Provision for civil, labor and tax risks	-2,424	-2,216
6.01.01.08	Provision for impairment of trade receivables	370	226
6.01.01.10	Non-controlling interests	1	0
6.01.01.12	Monetary variations and charges	39,209	35,741
6.01.01.13	Government grants	-162	497
6.01.01.14	Unrealized hedge result, net of taxes	-6,609	-5,331
6.01.01.15	Discontinued operations	0	366
6.01.02	Changes in assets and liabilities	-42,662	-22,889
6.01.02.01	Accounts receivable	-11,257	-1,063
6.01.02.02	Inventories	-12,773	3,143
6.01.02.03	Taxes recoverable	734	1,920
6.01.02.04	Other assets	2,997	6,738
6.01.02.06	Trade payables	11,057	-6,458
6.01.02.07	Social security obligations	-5,123	550
6.01.02.08	Advances from customers	-87	-446
6.01.02.09	Taxes payable	-3,761	-1,722
6.01.02.10	Payment of interest on borrowings	-19,127	-18,710
6.01.02.11	Payment of interest on debentures	-3,633	-6,834
6.01.02.12	Other payables	-1,689	-7
6.02	Net cash used in investing activities	-24,309	-15,618
6.02.01	Purchase of property, plant and equipment	-24,805	-15,924
6.02.03	Proceeds from disposal of assets	496	306
6.03	Net cash used in financing activities	-13,165	-16,105
6.03.01	Payment of dividends	-24,062	-5,490
6.03.03	Debentures paid	-12,500	0
6.03.04	Real Estate Credit Note (CRI)	-8,186	-8,186
6.03.05	New borrowings	86,862	70,927
6.03.06	Repayment of borrowings	-57,287	-66,552
6.03.07	Treasury shares	2,008	-6,804
6.05	Increase (decrease) in cash and cash equivalents	-15,268	359
6.05.01	Cash and cash equivalents at the beginning of the period	96,922	74,722
6.05.02	Cash and cash equivalents at the end of the period	81,654	75,081

Consolidated financial statements / statement of changes in equity - 1/1/2013 to 6/30/2013

(All amounts in thousands of reais)

Code	Description	Paid-up capital	Capital reserves, share options and treasury shares	Revenue reserves	Retained earnings	Other comprehensive income (loss)	Equity	Non-controlling interests	Consolidated equity
5.01	Opening balances	103,976	377	106,405	0	243,241	453,999	6	454,005
5.03	Adjusted opening balances	103,976	377	106,405	0	243,241	453,999	6	454,005
5.04	Capital transactions with owners	0	289	-12,259	0	0	-11,970	0	-11,970
5.04.04	Treasury shares acquired	0	0	0	0	0	2,008	0	2,008
5.04.05	Treasury shares sold	0	0	2,008	0	0	0	0	0
5.04.06	Dividends	0	0	-14,267	0	0	-14,267	0	-14,267
5.04.08	Share-based payment	0	289	0	0	0	289	0	289
5.05	Total comprehensive income (loss)	0	0	0	22,189	-11,273	10,916	3	10,919
5.05.01	Profit for the period	0	0	0	17,525	0	17,525	3	17,528
5.05.02	Other comprehensive income (loss)	0	0	0	4,664	-11,273	-6,609	0	-6,609
5.05.02.06	Realization of deemed cost	0	0	0	4,452	-4,452	0	0	0
5.05.02.07	Realization of deemed cost (subsidiaries)	0	0	0	212	-212	0	0	0
5.05.02.08	Cash flow hedge	0	0	0	0	-6,609	-6,609	0	-6,609
5.06	Internal changes in equity	0	0	-2,180	2,180	0	0	0	0
5.06.04	Realized revenue reserve - biological assets	0	0	-232	232	0	0	0	0
5.06.05	Realized revenue reserve - biological assets (subsidiaries)	0	0	-1,948	1,948	0	0	0	0
5.07	Closing balances	103,976	666	91,966	24,369	231,968	452,945	9	452,954

Consolidated financial statements / statement of changes in equity - 1/1/2012 to 6/30/2012

(All amounts in thousands of reais)

Code	Description	Paid-up capital	Capital reserves, share options and treasury shares	Revenue reserves	Retained earnings	Other comprehensive income (loss)	Equity	Non-controlling interests	Consolidated equity
5.01	Opening balances	63,381	0	142,302	0	258,547	464,230	20	464,250
5.03	Adjusted opening balances	63,381	0	142,302	0	258,547	464,230	20	464,250
5.04	Capital transactions with owners	40,595	297	-47,399	0	0	-6,507	0	-6,507
5.04.01	Capital increases	40,595	0	-40,595	0	0	0	0	0
5.04.04	Treasury shares purchased	0	0	-6,804	0	0	-6,804	0	-6,804
5.04.08	Share-based payments	0	297	0	0	0	297	0	297
5.05	Total comprehensive income (loss)	0	0	0	2,538	-10,103	-7,565	0	-7,565
5.05.01	Loss for the period	0	0	0	-2,234	0	-2,234	0	-2,234
5.05.02	Other comprehensive income (loss)	0	0	0	4,772	-10,103	-5,331	0	-5,331
5.05.02.06	Realization of deemed cost	0	0	0	3,932	-3,932	0	0	0
5.05.02.07	Realization of deemed cost (subsidiaries)	0	0	0	840	-840	0	0	0
5.05.02.08	Cash flow hedge	0	0	0	0	-5,331	-5,331	0	-5,331
5.06	Internal changes in equity	0	0	-2,030	2,030	0	0	0	0
5.06.04	Realized revenue reserve - biological assets	0	0	-519	519	0	0	0	0
5.06.05	Realized revenue reserve - biological assets (subsidiaries)	0	0	-1,511	1,511	0	0	0	0
5.07	Closing balances	103,976	297	92,873	4,568	248,444	450,158	20	450,178

(A free translation of the original in Portuguese)

Consolidated financial statements / statement of value added

(All amounts in thousands of reais)

Code	Description	Accumulated - current year 1/1/2013 to 6/30/2013	Accumulated - prior year 1/1/2012 to 6/30/2012
7.01	Revenues	348,456	306,171
7.01.01	Sale of goods, products and services	347,245	305,121
7.01.02	Other income	1,581	1,276
7.01.04	Changes in provision for impairment of trade receivables	-370	-226
7.02	Inputs purchased from third parties	-174,058	-167,771
7.02.01	Cost of products and services	-151,704	-155,553
7.02.02	Materials, electric power, outsourced services and other	-22,354	-12,218
7.03	Gross value added	174,398	138,400
7.04	Retentions	-34,637	-26,026
7.04.01	Depreciation, amortization and depletion	-25,547	-28,286
7.04.02	Other	-9,090	2,260
7.04.02.01	Changes in the fair value of biological assets	-9,090	2,260
7.05	Net value added generated	139,761	112,374
7.06	Value added received through transfer	7,391	14,926
7.06.02	Finance income	7,391	14,926
7.07	Total value added to be distributed	147,152	127,300
7.08	Value added distributed	147,152	127,300
7.08.01	Personnel	50,810	42,692
7.08.01.01	Direct remuneration	41,761	35,188
7.08.01.02	Benefits	6,763	5,596
7.08.01.03	Government Severance Indemnity Fund for Employees (FGTS)	2,286	1,908
7.08.02	Taxes payable	32,631	30,606
7.08.02.01	Federal	23,322	18,200
7.08.02.02	State	9,047	12,063
7.08.02.03	Municipal	262	343
7.08.03	Remuneration of third-party capital	46,185	56,236
7.08.03.01	Interest	31,360	43,396
7.08.03.02	Rentals	14,825	12,840
7.08.04	Remuneration of own capital	17,526	-2,234
7.08.04.03	Profits reinvested/loss for the period	17,525	-2,234
7.08.04.04	Non-controlling interests in profits reinvested	1	0

Comments on company performance

COMMENTS ON THE COMPANY'S PERFORMANCE FOR 2Q13

The following information refers to the consolidated data. The amounts are presented in accordance with the standards of the Brazilian Securities Commission (CVM), applicable to the preparation of quarterly data, including CVM Instruction 469.

1. ECONOMIC AND FINANCIAL PERFORMANCE

The chief financial indicators are shown below:

CHIEF FINANCIAL INDICATORS
(excluding discontinued operation)

R$ thousand- Consolidated Data	2Q13	2Q12	Δ2Q13/2Q12	1Q13	1H13	1H12	LTM13	LTM12	ΔLTM13/LTM12
Net operating revenue	144,580	117,481	23.1%	123,833	268,414	232,405	519,458	474,394	9.5%
Domestic market	124,301	99,228	25.3%	105,182	229,484	198,644	452,143	413,834	9.3%
Export market	20,279	18,253	11.1%	18,651	38,930	33,761	67,315	60,560	11.2%
Gross profit (including *)	50,083	30,490	64.3%	35,926	86,011	62,504	191,470	142,738	34.1%
(*) change in fair value of biological assets	*9,090*	*(2,260)*	-	-	*9,090*	*(2,260)*	*48,117*	*13,291*	262.0%
Gross margin	34.6%	26.0%	8.6p.p.	29.0%	32.0%	26.9%	36.9%	30.1%	6.8p.p.
Profit (loss) before taxes and profit sharing	13,787	(7,597)	-	3,900	17,688	(5,714)	48,296	(6,170)	-
Operating margin	9.5%	-6.5%	16p.p.	3.1%	6.6%	-2.5%	9.3%	-1.3%	10.6p.p.
Profit (loss)	**13,973**	**(5,731)**	-	**3,552**	**17,526**	**(2,234)**	**46,140**	**366**	12506.6%
Net margin	9.7%	-4.9%	14.6p.p.	2.9%	6.5%	-1.0%	8.9%	0.1%	8.8p.p.

EBITDA - Earnings Before Interest, Taxes, Depreciation and Amortization

R$ thousand- Consolidated Data	2Q13	2Q12	Δ2Q13/2Q12	1Q13	1H13	1H12	LTM13	LTM12	ΔLTM13/LTM12
Profit (loss) before taxes	**13,787**	**(7,597)**	-	**3,900**	**17,688**	**(5,714)**	**48,296**	**(6,170)**	-
Depletion	5,512	3,699	49.0%	4,225	9,737	8,169	20,788	17,723	17.3%
Depreciation and amortization	8,016	10,341	-22.5%	7,794	15,810	20,082	36,457	39,594	-7.9%
Finance result	12,987	16,526	-21.4%	10,981	23,968	28,408	45,911	66,671	-31.1%
EBITDA	**40,302**	**22,969**	75.5%	**26,900**	**67,203**	**50,945**	**151,452**	**117,818**	28.5%
EBITDA of the discontinued operation [1]	-	153	-	-	-	388	6,616	383	1627.4%
Change in the fair value of biological assets [2]	(9,090)	2,260	-	-	(9,090)	2,260	(48,117)	(13,291)	262.0%
Share options/management participation [3]	146	297	-50.8%	144	290	297	3,301	5,548	-40.5%
Non-recurring expenses (4)	-	-	-	-	-	-	6,684	2,076	222.0%
Adjusted EBITDA	**31,358**	**25,679**	22.1%	**27,044**	**58,403**	**53,890**	**119,936**	**112,534**	**6.6%**
Adjusted EBITDA Margin	21.7%	21.9%	-0.2p.p.	21.8%	21.8%	23.2%	23.1%	23.7%	-0.6p.p.

EBITDA is the operating result plus net finance (income) costs and depreciation, depletion, and amortizations. The Company opted to disclose the adjusted EBITDA as permitted by art. 4 of CVM Instruction 527, with the objective of providing information that better reflects the gross operating cash generation from its activities. These adjustments are based on the following:

(1) EBITDA of the discontinued operation refers to the EBITDA generated by the closure of the subsidiary Meu Móvel de Madeira - Comércio de Móveis e Decorações Ltda., which occurred at the end of 2012.
(2) Change in fair value of biological assets because it does not represent cash generation in the period.
(3) Share options/management participation: Share options correspond to the fair value of the instruments and its offsetting entry is the Capital Reserve recorded in Equity, and the management profit sharing is related to the distribution of the Company's financial results. None represent disbursement of cash in the period.
(4) Non-recurring expenses refer to expenses incurred with the public offering register request filed in August/2012, in addition to the assets disposal in the subsidiary HGE - Geração de Energia Sustentável Ltda.

Note: The information for 2Q12, 1H12 and LTM12, presented for comparison purposes, was adjusted to reflect the exclusion of the discontinued operation and differs from the information previously disclosed.

1H13 - first six-month period of 2013 (January - June 2013)
1H12 - first six-month period of 2012 (January - June 2012)
LTM13: last twelve months 2013 (July 2012 to June 2013)
LTM12: last twelve months 2012 (July 2011 to June 2012)

Note: LTM (last twelve months) is the sum of the results calculated for the last twelve months. LTM is not a measure utilized in Brazilian accounting practices, and does not represent a statement of operations for the period, nor should it be regarded as an alternative to net profit from the standpoint of an indicator of operating performance. LTM has no standard definition and our definition thereof may not be comparable to that of other companies. Management utilizes this additional data to measure operating performance for the period.

Comments on company performance

IRANI reports Adjusted EBITDA of R$ 31,358 thousand in 2Q13

2Q13 Highlights

- Net operating revenue of R$ 144,580 thousand, an increase of 23.1% over 2Q12, resulting from the increase of sales volume for the Corrugated Cardboard Packaging and Packaging Paper segments and from the recovery of prices in the Corrugated Cardboard Packaging segment in the period. In the twelve-month period ended June 2013, net revenue increased by 9.5% over prior the year period, totaling R$ 519,458 thousand.

- The gross profit of R$ 50,083 thousand increased 64.3% in comparison with 2Q12. In the last twelve months, it increased by 34.1% over the same period in 2012. In addition, the net revenue was positively impacted by the variation in the fair value of the biological assets in the period.

- Net profit totaled R$ 13,973 thousand in 2Q13, compared with a loss of R$ 5,731 thousand in the same period of 2012. In the last twelve months, net profit totaled R$ 46,140 thousand, against R$ 366 thousand for the same period in the preceding year.

- The adjusted EBITDA totaled R$ 31,358 thousand in 2Q13, an increase of 22.1% over 2Q12, with a margin of 21.7%. In the last twelve months, adjusted EBITDA was R$ 119,936 thousand, a 6.6% increase over R$ 112,534 thousand for the same period in the preceding year.

- Net debt/EBITDA: 2.93 times in June 2013.

- Sales volume in 2Q13 had a two-digit percentage increase for all IRANI's operating segments when compared to 2Q12, as follows: Corrugated Cardboard Packaging - 11.2%, totaling 34 thousand metric tons; Packaging Paper - 49.2%, totaling 28 metric tons; Resins segment - 21.0%.

Comments on company performance

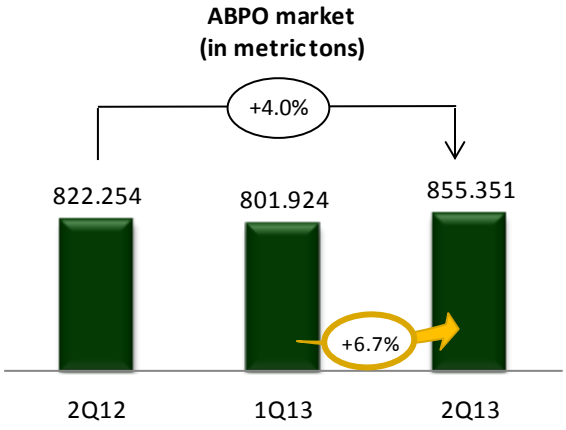
2. OPERATING PERFORMANCE (not reviewed by independent auditors)

2.1 Business Performance

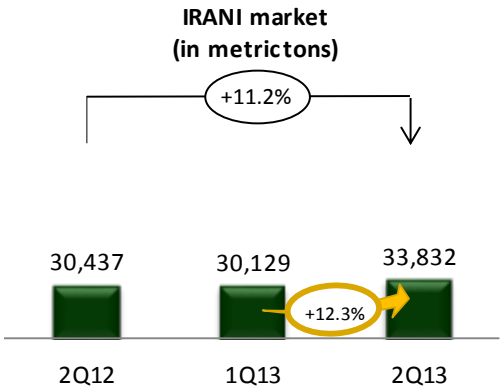
The increase in the sales volume performance for the IRANI Market was above the Brazilian Corrugated Cardboard Association (ABPO) Market both in metric tons and square meters in 2Q13 and for the last twelve months when compared to the prior year period.

As shown in these charts, the volume of corrugated cardboard packaging sales of the ABPO Market in metric tons increased by 4.0% in 2Q13 over 2Q12, and in the IRANI Market it increased by 11.2% in the same period. Compared with 1Q13, the ABPO Market recorded an increase of 6.7% and the IRANI Market recorded an increase of 12.3%. In metric tons, IRANI's market share in this quarter was 3.9% over 3.7% in 2Q12 and 1Q13.

Sales volume (in metric tons) - Corrugated Cardboard Packaging Segment



Source: ABPO (the information related to 2Q13 is an estimate and may change)

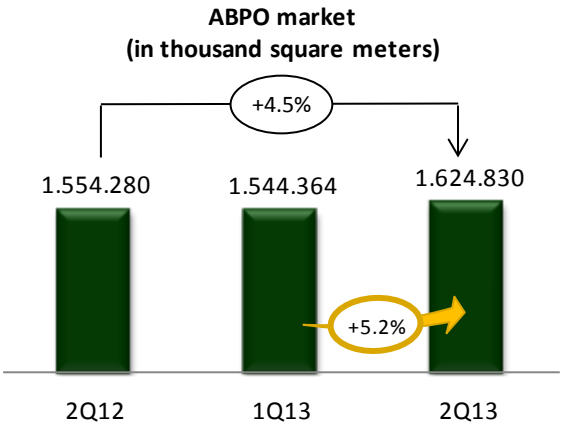


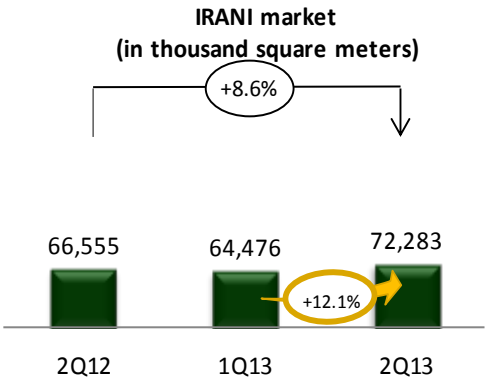
Source: IRANI

The volume of corrugated cardboard packaging sales for the ABPO Market, in square meters, increased 4.5% in 2Q13 as compared with 2Q12, while the IRANI Market increased 8.6% in the period. Compared with 1Q13, the ABPO Market increased 5.2% and the Irani Market increased 12.1%. IRANI's market share in square meters attained 4.4%, 4.3% and 4.2% in 2Q13, 2Q12 and 1Q13, respectively.

Comments on company performance

Sales volume (in square meters) - Corrugated Cardboard Packaging Segment





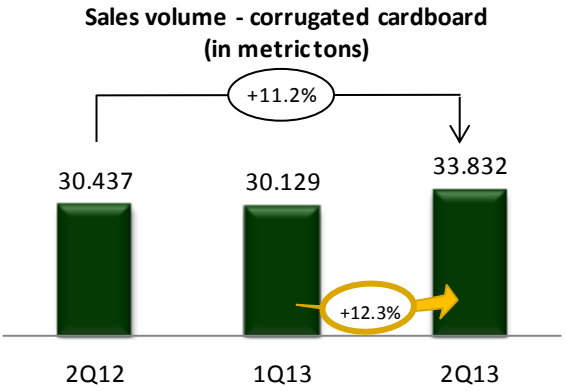
ABPO (the information related to 2Q13 is an estimate and may change) Source: IRANI Source:

2.2 Production and sales

The production and sales volumes of the major products are presented below:

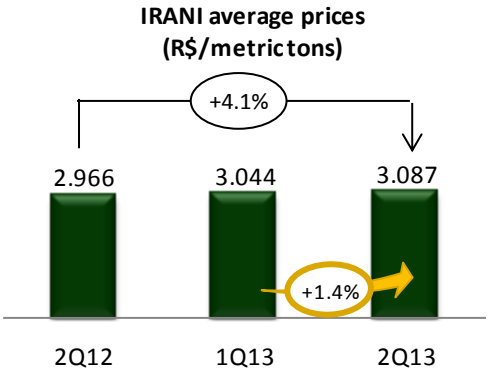
Corrugated Cardboard Packaging Segment

IRANI's sales volume of boxes and sheets totaled 33,832 metric tons, an increase of 11.2% over 2Q12 and of 12.3% over 1Q13. The São Paulo's corrugated cardboard packaging factory volume totaled 12,991 metric tons of boxes and 5,907 metric tons of sheets in 2Q13 (11,837 metric tons of boxes and 5,077 metric tons of sheets in 2Q12), representing 56% of IRANI's total sales volume. The Santa Catarina corrugated cardboard packaging factory's sales volume totaled 11,493 metric tons of boxes and 3,441 metric tons of sheets in 2Q13 (11,131 metric tons of boxes and 2,391 metric tons of sheets in 2Q12), representing 44% of the total.



Comments on company performance

Average IRANI prices (CIF) per metric ton increased 4.1% in 2Q13 over 2Q12, and increased 1.4% over 1Q13, as follows:

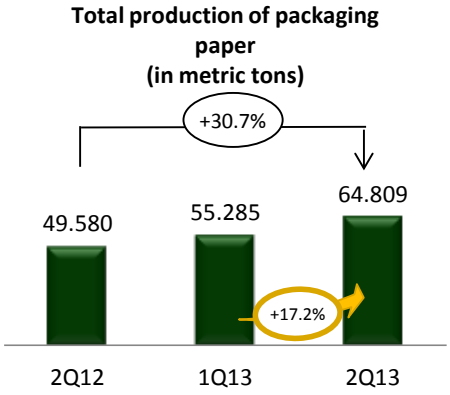


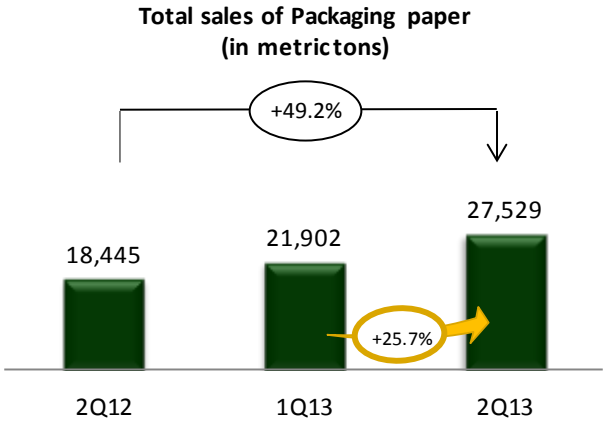
Methodologies - For comparison adjustments, the prices consider:
1 - IRANI prices exclude Excise Tax (IPI) but include Social Integration Program (PIS), Social Contribution on Revenues (COFINS) and Value-added Tax on Sales and Services (ICMS) and are adjusted based on a mix of market boxes and sheets.

Packaging Paper Division

IRANI operates in the Packaging Paper segment, with activities in the hard packaging paper market (corrugated cardboard) and the flexible packaging paper market.

Total packaging paper production grew 30.7% in 2Q13 in relation to 2Q12 and 17.2% in relation to 1Q13. Sales increased by 49.2% over 2Q12 and by 25.7% in comparison with 1Q13.





The increase in the production and sales volume of packaging paper in 2Q13 resulted from the start-up of the operations of the packaging paper production plant in Santa Luzia, State of Minas Gerais, on March 1, 2013 (leased to the Company by São Roberto S.A.), which mainly manufactures hard packaging papers (corrugated cardboard). Production and sales volume by type of paper are as follows:

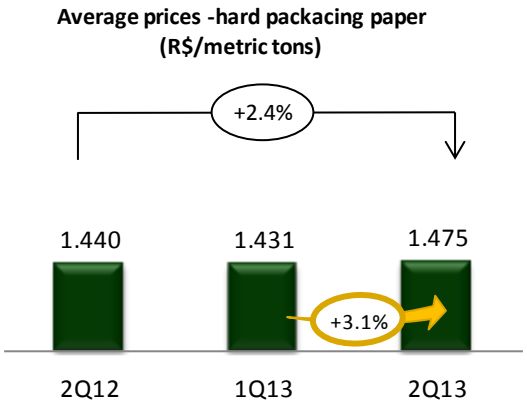
Comments on company performance

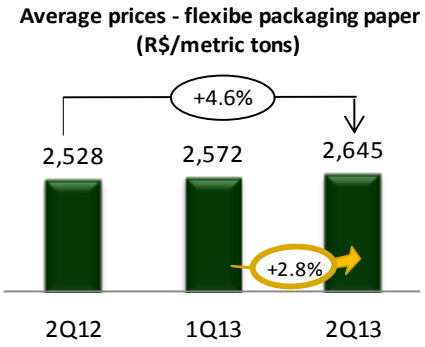
	2Q12		1Q13		2Q13	
Packaging paper	Production (in metric tons)	Sales (in metric tons)	Production (in metric tons)	Sales (in metric tons)	Production (in metric tons)	Sales (in metric tons)
Hard	31,534	385	35,593	2,024	46,054	8,933
Flexible	18,046	18,060	19,692	19,878	18,755	18,596
Total	**49,580**	**18,445**	**55,285**	**21,902**	**64,809**	**27,529**

In 2Q13, transfers of paper for processing to the São Paulo corrugated packaging cardboard factory totaled 17,361 metric tons (16,813 metric tons in 2Q12 and 16,640 metric tons in 1Q13) and to the Santa Catarina corrugated cardboard packaging factory totaled 14,124 metric tons in 2Q13 (13,160 metric tons in 2Q12 and 13,087 metric tons in 1Q13).

Average prices followed the market trend. Hard packaging papers, whose price is inferior to the price of other papers sold by the Company, increased in 2Q13 by 2.4% and 3.1% over 2Q12 and 1Q13, respectively.

On the other hand, prices of flexible packaging papers increased by 4.6% and 2.8% over 2Q12 and 1Q13, respectively.



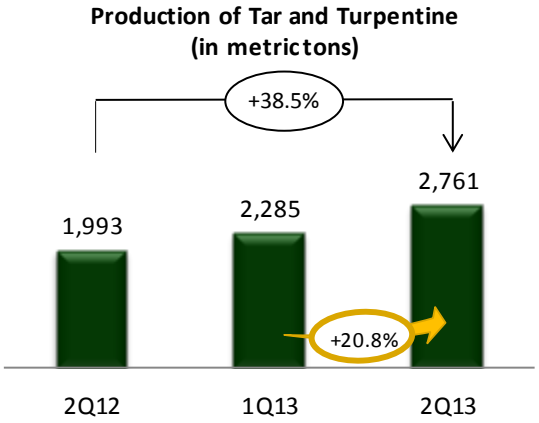


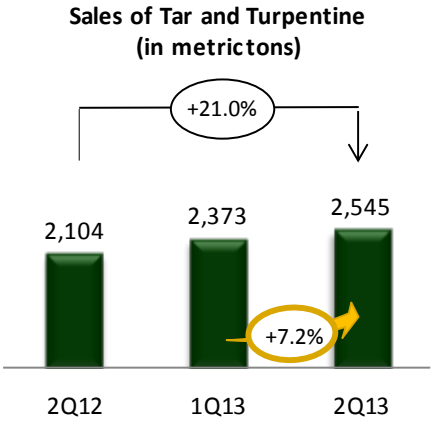
RS Forest and Resins Division:

In 2Q13, the Forest products segment of the State of Rio Grande do Sul produced and sold 57 thousand m³ of pine logs for the domestic market (94 thousand m³ in 2Q12) and supplied 1,197 thousand metric tons of natural resins to the parent company Celulose Irani S.A. to be utilized in the industrial production of tar and turpentine.

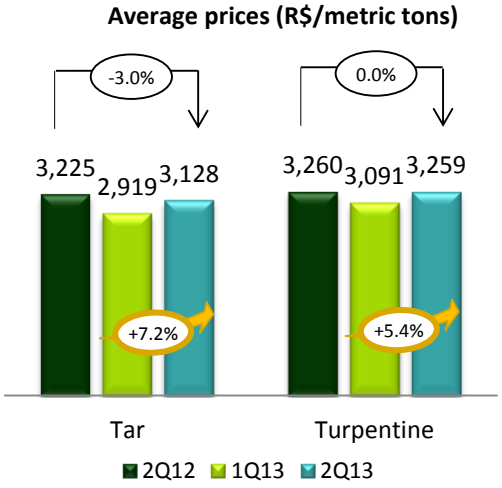
The production and sales volumes for the Resins unit increased in 2Q13 resulting from the establishment of new markets and customers.

Comments on company performance





The gross average price of tar decreased by 3.0% in 2Q13 over the prior year period, while that of turpentine remained stable. On the other hand, both increased when compared to 1Q13. This variation mainly results from the increase of prices in foreign currency and from the devaluation of the Brazilian real vs. the U.S. dollar.



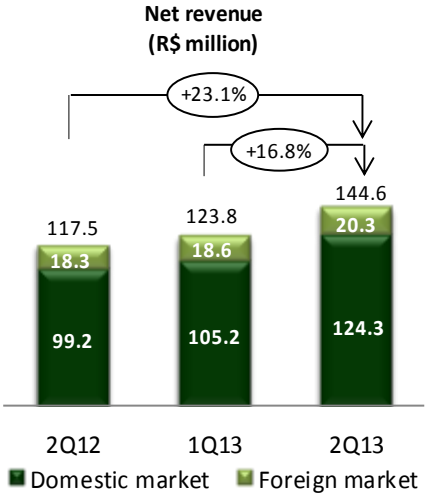
2.3 Net operating revenue

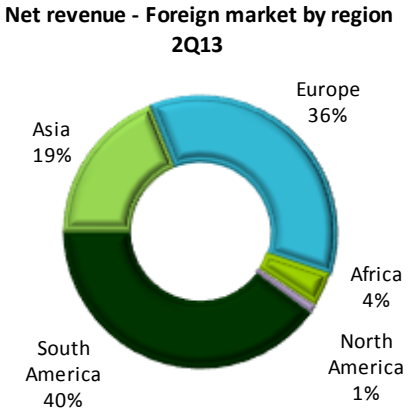
Net operating revenue for 2Q13 totaled R$ 144,580 thousand, with an increase of 23.1% over 2Q12 and of 16.8% over 1Q13. This increase was a result of higher Corrugated Cardboard Packaging and Packaging Paper sales volumes and of the recovery of prices for the Corrugated Cardboard Packaging segment in the period. In the last twelve months, net operating revenue totaled R$ 519,458 thousand, an increase of 9.5% over the same period in the previous year.

Comments on company performance

In the domestic market, the net operating revenue amounted to R$ 124,301 thousand in 2Q13, an increase of 25.3% over 2Q12 and of 18.2% over 1Q13, representing 86.0% of total net operating revenue in IRANI's main operating market. In the last twelve months, it was R$ 452,143 thousand, an increase of 9.3% over the same period in the previous year.

Exports in 2Q13 totaled R$ 20,279 thousand, a growth of 11.1% and 8.7% as compared to 2Q12 and 1Q13, respectively, and represented 14.0% of total net operating revenue. During the last twelve months, exports totaled R$ 67,315 thousand, an increase of 11.2% over the same period in the preceding year. Exports were made mainly to South America (40% of the exports revenue), followed by Europe (36%), the other markets being: Asia (19%), Africa (4%) and North America (1%).





IRANI's main operating segment is the Corrugated Cardboard Packaging segment, responsible for 53% of the consolidated net revenue in 2Q13, followed by the segments of Packaging Paper with 39%, and RS Forest and Resins with 8%.

Comments on company performance

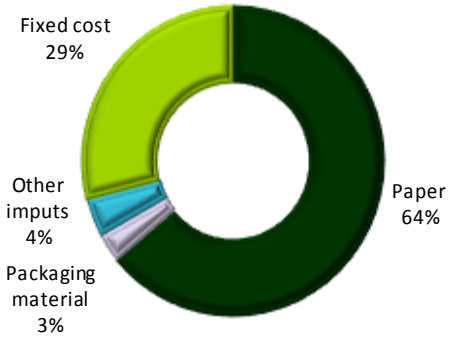
Net revenue by segment



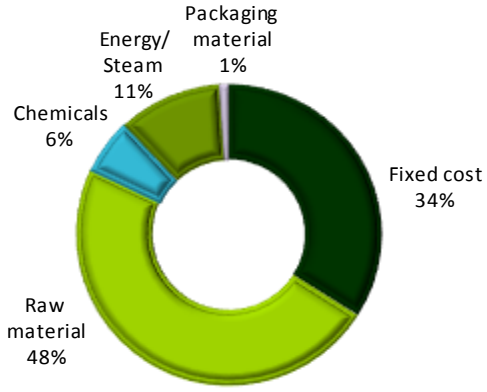
3. OPERATING COSTS AND EXPENSES

The cost of products sold in 2Q13 was R$ 103,587 thousand, an increase of 22.3% over 2Q12 and 0.8% below the change in net revenue, thus showing a better fixed cost dilution.

The cost of the Corrugated Cardboard Packaging segment in 2Q13 is composed as follows:



The cost of the Packaging Paper segment(*) in 2Q13 is composed as follows:



*the cost of the Packaging Paper Segment does not consider the positive change in the fair value of biological assets.

Comments on company performance

Selling expenses in 2Q13 totaled R$ 12,523 thousand representing 8.7% of the consolidated net revenue, as compared to 9.0% in 2Q12.

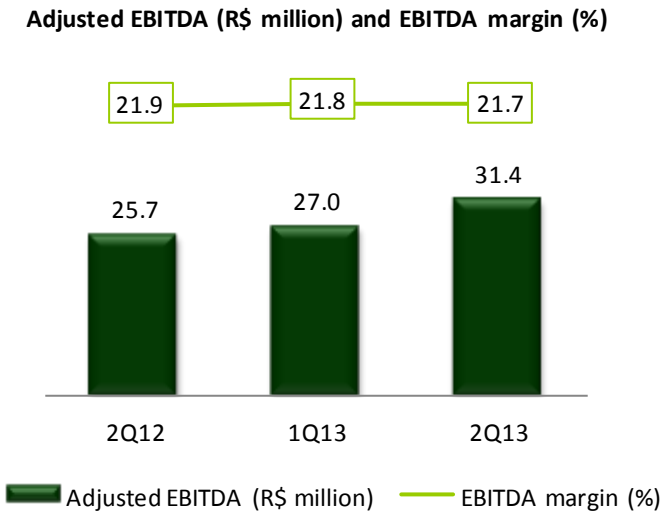
The **administrative expenses** were R$ 10,942 thousand in 2Q13, a decrease of 1.3% in comparison with 2Q12.

Other operating income/expenses resulted in an income of R$ 156 thousand in 2Q13, against an income of R$ 77 thousand in 2Q12.

4. OPERATING CASH GENERATION (ADJUSTED EBITDA)

The operating cash generation, measured using the Adjusted EBITDA, totaled R$ 31,358 thousand in 2Q13, with an increase of 22.1% in relation to the same quarter of the prior year and an increase of 16.0% in relation to 1Q13. The adjusted EBITDA margin in 2Q13 was 21.7%, remaining stable when compared to 2Q12 and 1Q13. The adjusted EBITDA variation is related to the sales volume and net revenue increase, respectively, and the adjusted EBITDA margin remained stable in the period.

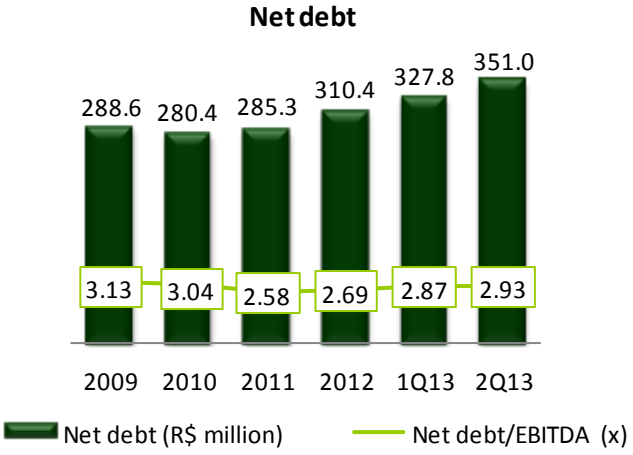
In the last twelve months, the Adjusted EBITDA totaled R$ 119,936 thousand, with a margin of 23.1%. The adjusted EBITDA for 2Q12, 1Q13 and 2Q13 was as follows:



Comments on company performance

5. INDEBTEDNESS AND FINANCE RESULT

5.1 Net indebtedness



At June 30, 2013, the consolidated net indebtedness totaled R$ 351.0 million, against R$ 327.8 million at March 31, 2013. The Net Debt/EBITDA ratio increased from 2.87 times at the end of March 2013 to 2.93 times at the end of 2Q13. The variation of this index was mainly affected by the payment of dividends, which reduced the cash balance, the execution of investments and the devaluation of the Brazilian real vs. the U.S. dollar, which led to the increase of the debt denominated in this currency.

5.2 Finance result

The finance costs amounted to R$ 12,987 thousand in 2Q13, a reduction of 21.4% when compared to 2Q12, which was still affected by the exchange rate variation payable included in the results, initially recorded in equity and recognized in the statement of operations as finance costs upon realization (hedge accounting) as from May 2012. When comparing to 1Q13, the finance result increased by 18.3% and is mainly related to the increase of costs with loan facilities obtained at the Interbank Deposit Certificate (CDI) rate and the Amplified Consumer Price Index (IPCA), in addition to the impact of the exchange variation on the facilities not designated for hedge accounting (Advances on Export Contracts (ACC), Import Financing (Finimp)). In 2Q13, the finance costs totaled R$ 16,592 thousand versus R$ 19,971 thousand in 2Q12 and R$ 14,767 thousand in 1Q13. The finance income reached R$ 3,605 thousand in 2Q13 versus R$ 3,445 thousand in the same period of the previous year and R$ 3,786 thousand in 1Q13.

Comments on company performance

The breakdown of the finance result is as follows:

R$ thousand	2Q13	2Q12	1Q13	1H13	1H12	LTM13	LTM12
Finance income	3,605	3,445	3,786	7,391	14,918	12,010	31,372
Finance costs	(16,592)	(19,971)	(14,767)	(31,359)	(43,326)	(57,921)	(98,043)
Finance result	(12,987)	(16,526)	(10,981)	(23,968)	(28,408)	(45,911)	(66,671)

The following table shows the foreign exchange gains and losses included in the Company's finance income and costs:

R$ thousand	2Q13	2Q12	1Q13	1H13	1H12	LTM13	LTM12
Foreign exchange gains	1,547	1,200	1,713	3,260	10,498	5,219	23,335
Foreign exchange losses	(2,275)	(6,805)	(1,266)	(3,542)	(15,152)	(6,133)	(41,687)
Foreign exchange variations, net	(728)	(5,605)	447	(282)	(4,654)	(914)	(18,352)

The foreign exchange variation negatively impacted the Company's result by R$ 728 thousand in 2Q13 due to the devaluation of the Brazilian real against the U.S. dollar in that quarter.

The following table shows the finance result without the foreign exchange variation:

R$ thousand	2Q13	2Q12	1Q13	1H13	1H12	LTM13	LTM12
Finance result without the foreign exchange variation	(12,259)	(10,921)	(11,428)	(23,686)	(23,754)	(44,997)	(48,319)

In 2012, the Company restructured the maturities of its commitments in foreign currency (U.S. dollar) in the amount of US$ 62.6 million, with the purpose of hedging its exports for the next five years. The exchange variation of these transactions is accounted for monthly in Equity and recorded in the results as finance costs when realized (hedge accounting). In 2Q13, the negative amount recognized in Equity was R$ 7,951 thousand.

Foreign exchange

The foreign exchange rate was R$ 2.01/US$ at March 31, 2013, increasing during 2Q13 to reach R$ 2.22/US$ at the end of June. The average foreign exchange rate for the quarter was R$ 2.07/US$, 3.50% higher than in 1Q13 and 5.61% higher than in the same period of 2012.

	2Q13	1Q13	2Q12	Δ2Q13/1Q13	Δ2Q13/2Q12
Average U.S. dollar	2.07	2.00	1.96	+3.50%	+5.61%
Final U.S. dollar	2.22	2.01	2.02	+10.45%	+9.90%
Source: Brazilian Central Bank (BACEN)					

Comments on company performance

6. NET PROFIT

In 2Q13, profit was R$ 13,973 thousand as compared to a loss of R$ 5,731 thousand in 2Q12 and profit of R$ 3,552 thousand in 1Q13. In the last twelve months, the net result amounted to R$ 46,140 thousand over R$ 366 thousand for the prior year period.

7. INVESTMENTS

The capital budget proposed by Management and approved by the Company's Board of Directors for 2013 established investments of approximately R$ 75.6 million for the year. In 2Q13, the investment budgets were reviewed and adjusted in respect of the execution and disbursement flows, being approved at approximately R$ 65.6 million. These investments are directed towards maintenance, productivity improvements, and capacity expansion of certain of the Company's production lines.

R$ thousand	2Q13	1H13
Land	282	282
Buildings	1	3
Equipment	13,878	26,469
Leased assets	-	418
Intangible assets	17	60
Reforestation	1,196	2,268
Total	**15,374**	**29,500**

The investments of R$ 15,374 thousand in 2Q13 and R$ 29,500 thousand in the accumulated for the year were made, mainly for productivity improvement and equipment maintenance.

8. CAPITAL MARKETS

IRANI's capital comprises 162,090,000 shares, of which 149,279,740 (92%) are common shares and 12,810,260 (8%) are preferred shares. At June 30, 2013, the Company had 2,376,100 treasury shares, of which 24,000 are common shares and 2,352,100 are preferred shares. At the same date, the Company's market value was R$ 294,531 thousand.

9. DIVIDENDS

At the General Meeting held on April 29, 2013, the stockholders approved the distribution of dividends from the adjusted profit for the year ended December 31, 2012 amounting to R$ 0.0619 per common and preferred share, not subject to Withholding Income Tax (IRRF), pursuant to Article 10 of Law 9,249/95, totaling R$ 9.8 million. Payment to stockholders was made on June 4, 2013.

CELULOSE IRANI SA

Notes to the Quarterly Information
at June 30, 2013
(All amounts in thousands of reais unless otherwise stated)

CELULOSE IRANI S.A.

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CELULOSE IRANI SA

Notes to the Quarterly Information
at June 30, 2013
(All amounts in thousands of reais unless otherwise stated)

1. GENERAL INFORMATION

Celulose Irani S.A. Celulose Irani S.A. ("Company") is a corporation headquartered at Rua General João Manoel, 157, 9th floor, in the city of Porto Alegre, State of Rio Grande do Sul, and is listed on the São Paulo Stock Exchange. The Company and its subsidiaries are primarily engaged in manufacturing corrugated cardboard packaging, packaging paper, resin products and their byproducts. The Company is also engaged in forestation and reforestation and utilizes the production chain of planted forests and paper recycling as the basis for all its production.

The direct subsidiaries are listed in Note 4.

The Company is a direct subsidiary of Irani Participações S.A., a Brazilian privately-held corporation. Its final parent company is D.P. Representações e Participações Ltda., which is also a company of the Habitasul Group.

The issue of these financial statements was authorized by the Board of Directors on July 25, 2013.

2. PRESENTATION OF FINANCIAL STATEMENTS

The consolidated interim accounting information, contained in the Quarterly Information Form (ITR) for the six-month period and the quarter ended June 30, 2013, has been prepared in accordance with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), and accounting practices adopted in Brazil, based on the technical pronouncements issued by the Brazilian Accounting Pronouncements Committee (CPC) in convergence with the IFRS, as well as the standards established by the Brazilian Securities Commission (CVM).

The parent company financial statements have been prepared in conformity with the accounting practices adopted in Brazil, which differ from IFRS practices adopted in the consolidated financial statements with respect to the measurement of investments in subsidiaries by the equity method of accounting which, for purposes of IFRS, would be measured at cost or fair value.

The accounting practices adopted in Brazil comprise those included in Brazilian corporate law and the pronouncements, guidance and interpretations issued by the Brazilian Accounting Pronouncements Committee ("CPC") and approved by the Brazilian Securities Commission ("CVM").

Since there is no difference between the consolidated equity and profit (loss) attributable to the owners of the Company in the consolidated financial statements prepared in accordance with IFRS and the accounting practices adopted in Brazil, and the parent company's equity and profit (loss) in the parent company financial statements prepared in accordance with accounting practices adopted in Brazil, the Company opted for presenting these parent company and consolidated financial statements together.

The financial statements have been prepared under the historical cost convention, except for certain financial instruments and biological assets measured at fair values and property, plant and equipment measured at deemed cost at January 1, 2009, the date of the initial adoption of the new Technical Pronouncements ICPC10/CPC 27, as described in the accounting policies below. The historical cost is generally based on the fair value of the consideration paid in exchange for assets.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Functional currency and translation of foreign currencies

The parent company and consolidated financial statements are presented in Brazilian reais (R$), which is the functional and reporting currency of the Company and its subsidiaries.

Foreign-currency transactions are originally recorded at the exchange rate effective on the transaction date. Gains and losses arising from the difference between the translation of balances in foreign currency into the functional currency are recognized in the statement of operations, except when designated for cash flow hedge accounting, and, therefore, deferred in equity as cash flow hedge transactions.

b) Cash and cash equivalents

Cash and cash equivalents comprise cash, banks and highly liquid investments with low risk of change in value and maturity of 90 days or less, held for the purpose of meeting short-term cash requirements.

c) Trade receivables and provision for impairment of trade receivables

Trade receivables are recorded at their original amounts plus the effect of foreign exchange rate changes, when applicable. The provision for impairment of trade receivables is calculated based on losses estimated through an individual analysis of trade receivables and taking into account the history of losses, and is recognized in an amount considered sufficient by the Company's management to cover expected losses on the collection of receivables.

d) Impairment of financial assets

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired, with recognition of impairment losses only if there is objective evidence that one or more events have impacts on the estimated future cash flows of the financial asset or a group of financial assets, which may be reliably estimated.

The criteria that the Company uses to determine whether there is objective evidence of an impairment loss include:

i) significant financial difficulty of the issuer or debtor;
ii) a breach of contract, such as a default in interest or principal payments;
iii) it becomes probable that the borrower will enter bankruptcy or other financial reorganization;
iv) the disappearance of an active market for that financial asset because of financial difficulties;
v) adverse changes in conditions and/or the economy that indicate a reduction in the estimated future cash flows of the portfolios of financial assets.

If there are evidences that a financial asset or a group of financial assets is impaired, the difference between the carrying amount and the present value of the future cash flows is estimated and the impairment loss is recognized in the statement of operations.

e) Inventories

Inventories are stated at the lower of average production or acquisition cost and net realizable value. The net realizable value corresponds to the inventories' estimated selling price less the estimated costs of completion and the estimated expenditures necessary to make the sale.

f) Investments

Investments in subsidiaries are accounted for by the equity method in the parent company financial statements.

Under the equity method, investments in subsidiaries are adjusted to recognize the Company's share in the profit or loss and other comprehensive income of the subsidiary.

Transactions, balances and unrealized gains on related-party transactions are eliminated. Unrealized losses are also eliminated, unless the transaction provides evidence of impairment of the asset transferred. The accounting policies of subsidiaries are changed where necessary to ensure consistency with the policies adopted by the Company.

g) Property, plant and equipment and intangible assets

Property, plant and equipment are stated at deemed cost less accumulated depreciation and impairment losses, when applicable. In the case of qualifying assets, borrowing costs are capitalized as part of the costs of construction in progress. Assets are classified in appropriate categories of property, plant and equipment when completed and ready for the intended use. Depreciation begins when the assets are ready for the intended use on the same basis as other property, plant and equipment items.

Depreciation is calculated on the straight-line method taking into consideration the estimated useful lives of the assets based on the expectation of the generation of future economic benefits, except for land, which is not depreciated. The estimated useful lives of the assets are reviewed annually and adjusted, if necessary, and may vary based on the technological stage of each unit.

The Company's intangible assets comprise mainly computer software licenses, which are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over the estimated useful life of the software (three to five years). Costs associated with maintaining computer software programs are recognized as an expense as incurred.

h) Biological assets

The Company's biological assets are primarily represented by pine forests, which are used in the production of packaging paper, corrugated cardboard boxes and sheets and also for sale to third parties and extraction of gum resin. Pine forests are located near the pulp and paper factory in Santa Catarina, and also in Rio Grande do Sul, where they are used for production of gum resin and sale of timber logs.

Biological assets are periodically measured at fair value less selling expenses, and the variation of each period is recognized in profit (loss) as change in fair value of biological assets. The assessment of the fair value of biological assets is based on certain assumptions, as disclosed in Note 14.

i) Impairment

The Company reviews the balance of non-financial assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or group of assets may not be recoverable based on future cash flows. Such reviews have not indicated the need to recognize impairment losses.

j) Income tax and social contribution (current and deferred)

Income tax and social contribution are provisioned based on the taxable profit determined according to prevailing tax legislation, which differs from the profit reported in the statement of operations, since it excludes income or expenses taxable or deductible in other periods, as well as permanently non-taxable or non-deductible items. The provision for income tax and social contribution is calculated for each company individually, based on the statutory rates prevailing at the end of the period. The Company calculates its taxes at a rate of 34% on taxable profit. However, the subsidiaries Habitasul Florestal S.A. and Iraflor - Comércio de Madeiras Ltda. adopt the deemed rate of 3.08% and Irani Trading S.A. adopts the deemed rate of 10.88%, based on revenues.

The Company recognizes deferred income tax and social contribution on temporary differences for tax purposes, tax losses, deemed cost adjustments and change in the fair value of biological assets. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are recognized for all deductible temporary differences, only if it is probable that the Company will have sufficient future taxable income against which such deductible temporary differences can be utilized. Deferred income tax and social contribution are

recorded for the subsidiaries with the deemed taxable profit regime, in respect of the fair value of biological assets and the deemed cost of property, plant and equipment.

k) Borrowings and debentures

These payables are stated at original amounts, less the relating transaction costs, when applicable, adjusted based on indices established by contracts with creditors, plus interest calculated using the effective interest rate and the effects of foreign exchange rate changes, when applicable, through the balance sheet dates, as described in the detailed notes.

l) Derivative financial instruments

Some derivatives, depending on their nature, are measured at fair value at the balance sheet date, with the changes in fair value recorded as finance income or costs in the result for the period. Certain derivatives are measured and recognized in the statement of operations for the period as finance income or costs, since they form part of a single financial instrument (derivative financial instrument linked to funding transactions).

m) Hedge accounting

The Company documents at the inception of the transaction the relationship between the hedging instruments and the hedged items, as well as its risk management objectives and strategy for undertaking hedging transactions. The Company also documents its assessment, both at the hedge inception and on an ongoing basis, of whether the hedge instruments that are used in the transactions are highly effective in offsetting changes in cash flows of hedged items. Changes in the hedging amounts classified in "Carrying value adjustments" within equity are shown in Note 21.

The effective portion of changes in the fair value of hedge instruments that are designated and qualify as cash flow hedges is recognized in equity within "Carrying value adjustments". The gain or loss relating to the ineffective portion is recognized immediately in the statement of operations for the period.

The amounts accumulated in equity are reclassified to the statement of operations in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of instruments hedging highly probable transactions is recognized in the

statement of operations within "Finance costs". The gain or loss relating to the ineffective portion is recognized in the statement of operations for the period.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized in profit or loss when the transaction is recognized in the statement of operations. When a transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the statement of operations for the period.

n) Leases

The Company as the lessee

Leases of property, plant and equipment in which the Company substantially assumes all the ownership risks and benefits are classified as finance leases. All other leases are classified as operating leases and the related expense is recorded in the result for the period. Finance leases are recorded in the same manner as financed purchases, recognizing at the beginning of the lease the property, plant and equipment item and a financing liability (lease). Property, plant and equipment items acquired under finance leases are depreciated at the rates specified in Note 13. Operating lease payments (net of any incentives received from the lessor) are recognized in the statement of operations on the straight-line method over the lease term.

o) Provisions

A provision is recognized in the balance sheet when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation. Provisions are constituted at amounts considered by Management as sufficient to cover probable losses and adjusted for applicable financial charges through the balance sheet date, based on the nature of each contingency and on the opinion of the Company's legal counsel.

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p) Significant accounting judgments, estimates and assumptions

In preparing the financial statements, judgments, estimates and assumptions were utilized to account for certain assets, liabilities, income and expenses.

Accounting judgments, estimates and assumptions adopted by Management were based on the best information available at the reporting date, the experience of past events, projections about future events, and the assistance of experts, when applicable.
The financial statements include, therefore, various estimates, including, but not limited to, the determination of useful life of property, plant and equipment (Note 13), the realization of deferred tax assets (Note 11), the provision for impairment of trade receivables (Note 6), the fair value measurement of biological assets (Note 14), the provision for tax, social security, civil and labor claims (Note 20), and the provision for impairment of assets.

Actual results involving accounting judgments, estimates and assumptions, when realized, could differ from those recognized in the financial statements.

i) The Company has ICMS tax incentive granted by the State Government of Santa Catarina. The Federal Supreme Court (STF) handed down decisions in Direct Actions, declaring the unconstitutionality of several state laws that granted ICMS tax benefits without previous agreement between the States.

Although the Company has no tax incentive being judged by the STF, it has been following, together with its legal advisors, the evolution of this issue in the courts to assess possible impacts on its operations and consequent effects on the financial statements.

q) Determination of results

Revenue and expenses are recognized on the accrual basis and include interest, charges and the effects of exchange rate changes at official rates, applicable to current and non-current assets and liabilities and, when applicable, adjustments to realizable value.

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r) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services, less any expected returns, trade discounts and/or bonuses granted to the buyer and other similar deductions. Revenue between the Company and its subsidiaries is eliminated in the consolidated results.

Sales revenue is recognized when all of the following conditions are met:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the product;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the products sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be reliably measured.

s) Government grants

The financing of taxes, directly or indirectly granted by the Government, at interest rates below market rates, are recognized as government grants and measured at the difference between the amounts received and the fair value calculated based on market interest rates. This difference is recorded with a corresponding entry to sales revenue in the statement of operations and will be appropriated based on the amortized cost and the effective rate over the period.

t) Statement of value added

The Brazilian corporate law requires the presentation of the statement of value added, parent company and consolidated, as an integral part of the set of financial statements presented by a publicly-traded entity. For IFRS, this statement is presented as supplementary information, and not part of the required set of financial statements. The purpose of this statement is to show the wealth created by the Company and its distribution during the reporting period.

The statement of value added was prepared pursuant to the provisions of CPC 09 - Statement of Value Added, with information obtained from the same accounting records as those used to prepare the financial statements.

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4. CONSOLIDATION OF FINANCIAL STATEMENTS

The consolidated financial statements include the accounts of Celulose Irani S.A and the following subsidiaries:

Ownership interest - (%)		
Subsidiaries - direct ownership	6.30.13	12.31.12
Habitasul Florestal S.A.	100.00	100.00
Irani Trading S.A.	100.00	100.00
HGE - Geração de Energia Sustentável LTDA	99.98	99.98
Iraflor - Comércio de Madeiras LTDA.	99.99	99.99

The accounting practices of the subsidiaries are consistent with those adopted by the Company. Intercompany balances and investments and equity of subsidiaries, as well as intercompany transactions and unrealized profits and/or losses, have been eliminated in consolidation. The subsidiaries' accounting information used for consolidation was prepared as of the same date as the Company's accounting information.
The operations of the subsidiaries are described in Note 12.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

	Parent company		Consolidated	
	6.30.13	12.31.12	6.30.13	12.31.12
Fixed fund	20	18	23	21
Banks	1,561	1,245	1,690	1,373
Short-term bank deposits	77,758	93,788	79,941	95,528
	79,339	95,051	81,654	96,922

Short-term bank deposits (CDB) are remunerated at the average of 100.68% of the Interbank Deposit Certificate (CDI) rate.

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6. TRADE RECEIVABLES

	Parent company		Consolidated	
	6.30.13	12.31.12	6.30.13	12.31.12
Trade receivables:				
Customers - domestic market	99,586	91,600	103,343	95,252
Customers - foreign market	11,587	8,417	11,616	8,447
	111,173	100,017	114,959	103,699
Provision for impairment of trade receivables	(6,602)	(6,232)	(7,288)	(6,918)
	104,571	93,785	107,671	96,781

At June 30, 2013, the amount of R$ 9,129 in consolidated trade receivables was overdue and not provisioned. The balance referred to independent customers with no history of default.

Trade receivables by maturity are as follows:

	Parent company		Consolidated	
	6.30.13	12.31.12	6.30.13	12.31.12
Not yet due	95,692	84,302	98,542	86,729
Overdue up to 30 days	6,610	6,237	6,854	6,811
Overdue from 31 to 60 days	918	1,899	919	1,900
Overdue from 61 to 90 days	392	240	392	241
Overdue from 91 to 180 days	561	89	569	95
Overdue for more than 180 days	7,000	7,250	7,683	7,923
	111,173	100,017	114,959	103,699

The average credit term on the sale of products is 50 days. The Company recognized a provision for the impairment of trade receivables for balances past due for over 180 days based on an analysis of the financial position of each debtor and on past default experiences. A provision for impairment of trade receivables is also constituted for balances past due less than 180 days, when the amounts are considered uncollectible, taking into consideration the financial position of each debtor.

	Parent company		Consolidated	
	6.30.13	12.31.12	6.30.13	12.31.12
Balance at the beginning of the year/period	(6,232)	(5,835)	(6,918)	(6,544)
Provision for losses recognized	(370)	(397)	(370)	(397)
Amounts recovered in the period	-	-	-	23
Balance at the end of the year/period	(6,602)	(6,232)	(7,288)	(6,918)

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Part of the receivables, amounting to approximately R$ 62,556, was assigned as collateral for certain financial transactions, among which were the pledge for 25% of the amount of the outstanding balance of the principal of debentures (Note 16) and the equivalent to 3 lease installments of the CCI operation (Note 15).

The credit quality of financial assets that were neither past due nor impaired at June 30, 2013 was assessed by reference to historical information about default rates, as follows:

Quality - trade receivables

		Consolidated
Customer category	History-%	Amount receivable
a) Customers with no history of default	92.6	91,250
b) Customers with history of default of up to 7 days	6.5	6,405
c) Customers with history of default over 7 days	0.9	887
		98,542

a) Performing customers with no history of default.
b) Defaulting customers with a history of default of up to 7 days, without history of delinquency.
c) Defaulting customers with a history of default of more than 7 days, without history of delinquency.

7. INVENTORIES

	Parent company		Consolidated	
	6.30.13	12.31.12	6.30.13	12.31.12
Finished products	4,353	4,334	4,353	4,334
Production materials	29,858	19,931	29,858	19,931
Consumable materials	14,814	13,040	14,874	13,086
Other	1,798	759	1,798	759
	50,823	38,064	50,883	38,110

The cost of inventories recognized as an expense for the quarter totaled R$ 104,735 (R$ 84,822 in 2Q12) in the parent company and R$ 103,587 (R$ 84,731 in 2Q12) in the consolidated.

The cost of inventories recognized as an expense did not include any write-down of inventory to net realizable value. Management expects inventories to be used in less than 12 months.

8. TAXES RECOVERABLE

Taxes recoverable consist of the following:

	Parent company		Consolidated	
	6.30.13	12.31.12	6.30.13	12.31.12
Value-added Tax on Sales and Services (ICMS) on the acquisition of property, plant and equipment	4,564	4,239	4,564	4,239
Value-added Tax on Sales and Services (ICMS)	185	277	185	277
Social Integration Program (PIS)/ Social Contribution on Revenues (COFINS)	393	852	393	852
Excise Tax (IPI)	142	88	142	88
Income tax	151	74	151	74
Social contribution	58	29	58	29
Withholding Income Tax (IRRF)	622	1,290	622	1,290
	6,115	6,849	6,115	6,849
Current	3,232	4,083	3,232	4,083
Non-current	2,883	2,766	2,883	2,766

ICMS credits generated on the acquisition of property, plant and equipment are recoverable in 48 monthly and consecutive installments as determined by specific legislation.

9. BANKS - RESTRICTED ACCOUNT

	Parent company and Consolidated	
	6.30.13	12.31.12
Banco do Brasil - New York (a)	872	931
Total current	872	931

(a) Banco do Brasil - New York / The United States of America- represented by amounts retained to guarantee the settlement of the quarterly installments of the export prepayment loan obtained from Credit Suisse Bank, relating to the installment falling due in August 2013. Because of the renegotiation of the contract subject to the retention on April 27, 2012, only the contractual interest will be due up to November 2014.

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10. OTHER ASSETS

	Parent company		Consolidated	
	6.30.13	12.31.12	6.30.13	12.31.12
Carbon credits	-	4,378	-	4,378
Advances to suppliers	1,263	467	1,803	940
Employee receivables	1,061	1,418	1,096	1,432
Renegotiation with customers	5,835	3,404	5,866	3,435
Prepaid expenses	634	1,056	642	1,075
Credits receivable - XKW Trading	8,058	7,674	8,058	7,674
Other receivables	129	718	2,161	3,129
	16,980	19,115	19,626	22,063
Current	10,506	12,309	11,120	12,845
Non-current	6,474	6,806	8,506	9,218

Carbon credits - the carbon credit amounts were received in March 2013.

Renegotiation with customers - refers to overdue receivables for which debt acknowledgment agreements were formalized. The final maturity of the monthly installments will be in November 2014 and the average interest rate is 1% to 2% p.m., recognized as income on receipt. Some agreements establish collateral covenants for machinery, equipment and property to guarantee the renegotiated debt amount.
The Company assesses the customers in renegotiation and, when applicable, records a provision for impairment on the amount of the renegotiated credits. In order to cover losses, R$ 1,789 of credits were provisioned and deducted from the amount presented in the Parent Company (R$ 5,835) and Consolidated (R$ 5,866).

Prepaid expenses - refer primarily to premiums paid when contracting the insurance for all the Company's units, recognized in the statement of operations on a monthly basis, over the term of each policy.

Credits receivable - XKW Trading Ltda. - refer to the sale of the subsidiary Meu Móvel de Madeira Ltda. on December 20, 2012.

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11. DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION

Deferred income tax and social contribution are calculated on the temporary differences for tax purposes, tax losses, adjustments of deemed cost and variations in the fair value of biological assets.

In 2012 and 2013, the Company computed income tax and social contribution on the effects of foreign exchange variations taxed on the cash basis and recorded a deferred tax liability related to unrealized exchange variations.

Deferred tax liabilities were recognized based on the fair value of biological assets and the deemed cost of property, plant and equipment, as well as adjustments relating to the review of the useful lives of property, plant and equipment, treated as Tax Transitional Regime (RTT) and recorded in this account.

The initial tax impacts on the deemed cost of property, plant and equipment were recognized in equity.

ASSETS	Parent company		Consolidated	
	6.30.13	12.31.12	6.30.13	12.31.12
Deferred income tax assets				
On temporary differences	10,401	11,462	10,401	11,462
On tax losses	3,353	1,624	3,353	1,624
Deferred social contribution assets				
On temporary differences	3,744	4,126	3,744	4,126
On tax losses	1,207	585	1,207	585
	18,705	17,797	18,705	17,797

LIABILITIES	Parent company		Consolidated	
	6.30.13	12.31.12	6.30.13	12.31.12
Deferred income tax liabilities				
Exchange rate variations taxed on the cash basis	1,442	1,661	1,442	1,661
Interest on debentures	-	-	3,224	2,683
Fair value of biological assets	36,470	37,230	37,998	38,628
Deemed cost of property, plant and equipment and review of useful lives	86,806	86,074	107,618	106,913
Government grants	546	505	546	505
Cash flow hedges	(4,825)	(2,322)	(4,825)	(2,322)
Deferred social contribution liabilities				
Exchange rate variations taxed on the cash basis	519	598	519	673
Interest on debentures	-	-	1,161	891
Fair value of biological assets	13,129	13,403	13,954	14,133
Deemed cost of property, plant and equipment and review of useful lives	31,250	30,986	38,742	38,489
Government grants	196	182	196	182
Cash flow hedges	(1,737)	(836)	(1,737)	(836)
	163,796	167,481	198,838	201,600

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LIABILITIES	Parent company		Consolidated	
	6.30.13	12.31.12	6.30.13	12.31.12
Deferred tax liabilities (net)	145,091	149,684	180,133	183,803

Management recorded deferred income tax and social contribution on temporary differences and tax losses. Based on forecasts approved by the Board of Directors, Management expects these balances to be realized as follows:

Deferred tax assets	Consolidated
Period	6.30.13
2013	5,004
2014	5,583
2015	4,723
2016	3,395
	18,705

Deferred tax liabilities	Consolidated
Period	6.30.13
2013	1,531
2014	2,245
2015	2,470
2016	2,717
2017 and thereafter	189,875
	198,838

The changes in deferred income tax and social contribution were as follows:

Parent company	Opening balance - 12.31.12	Recognized in the results	Closing balance - 6/30/2013
Deferred tax assets related to:			
Provision for bonuses	2,614	(612)	2,002
Provision for sundry risks	12,846	(754)	12,092
Other	128	(77)	51
Total temporary differences	15,588	(1,443)	14,145
Tax losses	2,209	2,351	4,560
	17,797	908	18,705

Consolidated	Opening balance - 12.31.12	Recognized in the results	Closing balance - 6/30/2013
Deferred tax assets related to:			
Provision for bonuses	2,614	(612)	2,002
Provision for sundry risks	12,846	(754)	12,092
Other	177	(77)	100
Total temporary differences	15,637	(1,443)	14,194
Tax losses	2,160	2,351	4,511
	17,797	908	18,705

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Parent company	Opening balance	Recognized in the results	Recorded in equity	Closing balance
	12.31.12			6.30.13
Deferred tax liabilities related to:				
Exchange rate variations taxed on the cash basis	2,259	(298)	-	1,961
Fair value of biological assets	50,633	(1,034)	-	49,599
Deemed cost of biological assets and useful life review	117,060	997	-	118,057
Government grants	687	56	-	742
Cash flow hedges	(3,158)	-	(3,404)	(6,562)
	167,481	(279)	(3,404)	163,797

Consolidated	Opening balance	Recognized in the results	Recorded in equity	Closing balance
	12.31.12			6.30.13
Deferred tax liabilities related to:				
Exchange rate variations taxed on the cash basis	2,335	(374)	-	1,961
Interest on debentures	3,573	812	-	4,385
Fair value of biological assets	52,761	(808)	-	51,953
Deemed cost of biological assets and useful life review	145,402	958	-	146,360
Government grants	687	55	-	742
Cash flow hedges	(3,158)	-	(3,405)	(6,563)
	201,600	643	(3,405)	198,838

12. INVESTMENTS

	Habitasul Forestry	Irani Trading company	Iraflor Comércio de Madeiras	HGE Geração de Energia	Meu Móvel de Madeira	Total
At December 31, 2011	115,033	90,524	38,130	3,529	1,359	248,575
Equity in the results of subsidiaries	1,613	11,820	9,083	(2,946)	-	19,570
Equity in the results of discontinued operations	-	-	-	-	596	596
Proposed dividends	(14,086)	(14,450)	(594)	-	-	(29,130)
Capital increase	-	4,563	3,370	700	2,011	10,644
Advances for future capital increase	9,420	15,100	-	-	-	24,520
Decrease in capital - Meu Móvel de Madeira	-	-	-	-	(2,049)	(2,049)
Sale of interest in Meu Móvel de Madeira	-	-	-	-	(1,917)	(1,917)
At December 31, 2012	111,980	107,557	49,989	1,283	-	270,809
Equity in the results of subsidiaries	7,394	6,042	5,071	(51)	-	18,456
Proposed dividends	(6,513)	(9,408)	-	-	-	(15,921)
Capital increase	-	-	13,259	-	-	13,259
At June 30, 2013	112,861	104,191	68,319	1,232	-	286,603
Liabilities	22,905	37,753	573	7	-	
Equity	112,861	104,194	68,325	1,232	-	
Assets	135,766	141,947	68,898	1,239	-	
Net revenue	9,288	8,560	8,636	-	-	
Profit (loss) for the period	7,394	6,042	5,072	(51)	-	
Equity interest in %	100.00	100.00	99.99	99.98	-	

The subsidiary Habitasul Florestal S.A. is engaged in planting, developing and harvesting pine forests and extracting resins.

At the General Meeting held on April 30, 2013, the stockholders of the subsidiary Habitasul Florestal S.A. approved the distribution of additional dividends amounting to R$ 6,513, to be paid up to December 31, 2013.

The activities of the subsidiary Irani Trading S.A. include intermediation in the export and import of products, the export of products acquired for resale and the management and rental of properties.

At the General Meeting held on April 22, 2013, the stockholders of the subsidiary Irani Trading S.A. approved the distribution of additional dividends amounting to R$ 9,408, to be paid up to December 31, 2013.

The subsidiary Iraflor Comércio de Madeiras Ltda. carries out activities related to the management and sale of planted forests for the parent company Celulose Irani S.A. and also for the market. In 1H13, it received a capital contribution from the subsidiary Celulose Irani S.A. amounting to R$ 13,259, which was paid up through the transfer of forest assets amounting to R$ 13,251 as well as R$ 8 in local currency.

The subsidiary HGE Geração de Energia Sustentável was acquired in 2009 and has as its corporate objective the generation, transmission and distribution of electric power sourced from wind energy to permanently trade it as an independent power producer. This subsidiary continues to be in the preoperating stage and is evaluating projects for implementation.

The subsidiary Meu Móvel de Madeira Comércio de Móveis e Decorações Ltda. was engaged in the retail sale of furniture and decoration products and furniture assembly services. The Company's Board of Directors approved, in the meeting held on December 20, 2012, the divestiture of this subsidiary, as disclosed in Note 32.

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13. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

a) Composition of property, plant and equipment:

Parent company

	Land	Buildings and constructions	Equipment and facilities	Vehicles and tractors	(*) Other	Construction in progress	Advances to suppliers	Assets under finance leases	Leasehold improvements	Total
At December 31, 2011										
Net book value	123,901	29,114	326,772	497	3,563	20,614	759	16,592	14,027	535,839
At December 31, 2012										
Opening balance	123,901	29,114	326,772	497	3,563	20,614	759	16,592	14,027	535,839
Additions	-	583	4,130	92	346	27,587	14,568	1,226	-	48,532
Disposals	-	-	(130)	-	-	(135)	(9,297)	(54)	-	(9,616)
Transfers	-	4,318	21,887	-	712	(26,917)	-	-	-	-
Depreciation	-	(1,276)	(31,480)	(181)	(925)	-	-	(3,175)	(643)	(37,680)
Cost	123,901	40,692	542,676	1,850	8,588	21,149	6,030	28,523	16,061	789,470
Accumulated depreciation	-	(7,953)	(221,497)	(1,442)	(4,892)	-	-	(13,934)	(2,677)	(252,395)
Net book value	123,901	32,739	321,179	408	3,696	21,149	6,030	14,589	13,384	537,075
At June 30, 2013										
Opening balance	123,901	32,739	321,179	408	3,696	21,149	6,030	14,589	13,384	537,075
Additions	-	3	3,113	413	503	19,316	12,623	419	-	36,390
Disposals	-	-	(344)	-	(13)	(3,354)	(9,509)	(3)	-	(13,223)
Transfers	-	227	7,101	-	15	(7,343)	-	-	-	-
Depreciation	-	(518)	(11,339)	(105)	(285)	-	-	(1,611)	(322)	(14,180)
Net book value	123,901	32,451	319,710	716	3,916	29,768	9,144	13,394	13,062	546,062
Cost	123,901	40,922	552,546	2,263	9,093	29,768	9,144	28,939	16,061	812,637
Accumulated depreciation	-	(8,471)	(232,836)	(1,547)	(5,177)	-	-	(15,545)	(2,999)	(266,575)
Net book value	123,901	32,451	319,710	716	3,916	29,768	9,144	13,394	13,062	546,062

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	Land	Buildings and constructions	Equipment and facilities	Vehicles and tractors	(*) Other	Construction in progress	Advances to suppliers	Assets under finance leases	Leasehold improvements	Total
At December 31, 2011										
Net book value	174,487	117,372	326,868	584	6,481	21,024	759	16,709	14,027	678,311
At December 31, 2012										
Opening balance	174,487	117,372	326,868	584	6,481	21,024	759	16,709	14,027	678,311
Additions	1,688	4,469	4,177	124	363	27,689	14,567	1,222	-	54,299
Disposals	(61)	(138)	(131)	-	(2,212)	(234)	(9,296)	(55)	-	(12,127)
Assets of discontinued operation	-	-	(75)	(27)	(206)	-	-	(62)	-	(370)
Transfers	-	4,318	21,887	-	712	(26,917)	-	-	-	-
Depreciation	-	(3,870)	(31,428)	(205)	(1,038)	-	-	(3,195)	(643)	(40,379)
Cost	176,114	153,062	542,798	1,953	9,077	21,562	6,030	28,563	16,061	955,220
Accumulated depreciation	-	(30,911)	(221,500)	(1,477)	(4,977)	-	-	(13,944)	(2,677)	(275,486)
Net book value	176,114	122,151	321,298	476	4,100	21,562	6,030	14,619	13,384	679,734
At June 30, 2013										
Opening balance	176,114	122,151	321,298	476	4,100	21,562	6,030	14,619	13,384	679,734
Additions	282	3	3,113	413	513	19,316	12,623	418	-	36,681
Disposals	(185)	-	(344)	(1)	(13)	(3,354)	(9,509)	(2)	-	(13,408)
Transfers	-	227	7,101	-	15	(7,343)	-	-	-	-
Depreciation	-	(1,710)	(11,341)	(113)	(299)	-	-	(1,615)	(321)	(15,399)
Net book value	176,211	120,671	319,827	775	4,316	30,181	9,144	13,420	13,063	687,608
Cost	176,211	153,292	552,668	2,365	9,592	30,181	9,144	28,979	16,061	978,493
Accumulated depreciation	-	(32,621)	(232,841)	(1,590)	(5,276)	-	-	(15,559)	(2,998)	(290,885)
Net book value	176,211	120,671	319,827	775	4,316	30,181	9,144	13,420	13,063	687,608

(*) Refers to assets such as furniture and fittings and IT equipment.

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b) Composition of intangible assets

Intangible assets comprise software licenses utilized by the Company, which are capitalized at historical cost of acquisition.

	Parent company	Consolidated
At December 31, 2011		
Net book value	1,088	1,103
At December 31, 2012		
Opening balance	1,088	1,103
Additions	574	607
Disposals	(13)	(58)
Amortization	(429)	(429)
Cost	5,722	5,726
Accumulated amortization	(4,502)	(4,503)
Net book value	1,220	1,223
At December 31, 2012		
Cost	5,722	5,726
Accumulated amortization	(4,502)	(4,503)
Net book value	1,220	1,223
At June 30, 2013		
Opening balance	1,220	1,223
Additions	60	60
Amortization	(411)	(411)
Cost	5,782	5,786
Accumulated amortization	(4,913)	(4,914)
Net book value	869	872

c) Depreciation method

The table below shows the annual depreciation rates defined based on the economic useful lives of assets. The rates are presented at the annual weighted average.

	Rate - %
Buildings and constructions *	2.19
Equipment and facilities **	5.86
Furniture, fittings and IT equipment	5.71
Vehicles and tractors	20.0

* includes weighted rates of leasehold improvements
** includes weighted rates of finance leases

d) Other information

Construction in progress refers to projects for the improvement and maintenance of the production process of the Packaging Paper and Corrugated Cardboard Packaging Units in Vargem Bonita - SC and the Packaging Unit in Indaiatuba - SP. During the period, finance charges in the amount of R$ 341 were capitalized at an average rate of 6.28% per annum, related to new funds utilized to finance specific investment projects.

Advances to suppliers refer to investments in the Packaging Paper and Corrugated Cardboard Packaging Units in Vargem Bonita - SC.

The Company has finance lease agreements for machinery, IT equipment and vehicles, with purchase option clauses, negotiated at a fixed rate and with 1% of the guaranteed residual value, payable at the end or diluted during the period of the lease. The agreements are collateralized by the leased assets. The commitments assumed are recognized as new funds in current and non-current liabilities.

Leasehold improvements refer to the renovation of the Corrugated Cardboard Packaging Unit in Indaiatuba-SP, and are being depreciated on the straight-line method at the rate of 4% per year. The property is owned by MCFD - Administração de Imóveis Ltda. and PFC - Administração de Imóveis Ltda., and the renovation expenses were fully funded by Celulose Irani S.A.

Of the total depreciation of property, plant and equipment in the first half of 2013, in the parent company, R$ 13,729 refers to cost of products sold and R$ 451 to administrative and selling expenses (in the first half of 2012, R$ 17,506 and R$ 864, respectively). In the consolidated for 1H13, R$ 14,832 refers to cost of products sold and R$ 567 to administrative and selling expenses (in 1H12, R$ 18,673 and R$ 980, respectively). The variation in the depreciation of property, plant and equipment in 1H13 over 1H12 is a result of the review carried by the Company of the useful lives of its assets, as required by CPC 27, which is being applied prospectively as from January 2013.

Of the total amortization of intangible assets for 1H13, in the parent company, R$ 62 refers to cost of products sold and R$ 349 to administrative and selling expenses (in 1H12, R$ 64 and R$ 365, respectively). In the consolidated for 1H13, R$ 62 refers to cost of products sold and R$ 349 to administrative and selling expenses (in 1H12, R$ 64 and R$ 365, respectively).

e) Impairment of property, plant and equipment

The Company did not identify any indicators of impairment of its assets at June 30, 2013.

f) Assets pledged as collateral

The Company pledged certain property, plant and equipment assets as collateral for financial transactions, as disclosed below.

	Consolidated
	6/30/2013
Equipment and facilities	33,490
Buildings and constructions	90,722
Land	108,120
Total assets pledged	232,332

14. BIOLOGICAL ASSETS

The Company's biological assets comprise mainly the planting and cultivation of pine trees for the supply of raw material for the production of pulp used in the packaging paper production process, production of resins and sales of timber logs to third parties. All of the Company's biological assets form a single group named "forests", measured together at fair value on a six-monthly basis. Because the harvesting of the forests planted is realized based on the requirement for raw material and timber sales, and also considering that all areas are replanted, the changes in the fair value of these biological assets are not significantly affected at the time of harvesting.

The balance of the Company's biological assets consists of the cost of formation of the forests and the fair value difference in relation to the cultivation cost. Consequently, the total balance of biological assets is recorded at fair value, as follows:

	Parent company		Consolidated	
	6.30.13	12.31.12	6.30.13	12.31.12
Cost of development of biological assets	41,004	40,932	85,630	78,602
Difference in fair value	106,266	118,980	179,283	184,690
Biological assets at fair value	147,270	159,912	264,913	263,292

The Company considers that R$ 192,043 of the total biological assets relates to forests used as raw material for pulp and paper production, of which R$ 137,782 refers to mature forests with more than six years. The remaining amount refers to growing forests, which still need forestry treatments. These assets are located near the Pulp and Paper plant in Vargem Bonita, SC, where they are consumed.

The forests are harvested mainly based on the requirement of raw material for pulp and paper production, and forests are replanted when cut, forming a renovation cycle that meets the production demand of the unit.

The biological assets utilized for the production of resins and the sale of timber logs totaled R$ 72,870 and are located on the coast of Rio Grande do Sul. The resin is extracted based on the generation capacity of this product by the forest, and the trees for sale of logs are extracted based on the demand for supply of timber in the region.

a) Assumptions for recognition of fair value less costs to sell of biological assets.

The Company recognizes its biological assets at fair value utilizing the following assumptions:

(i) The methodology utilized to measure the fair value of biological assets is the projection of future cash flows in accordance with the projected productivity cycle of forests, determined considering the production optimization, taking into consideration price changes and the growth of biological assets.
(ii) The discount rate utilized for cash flows was the Cost of Own Capital (Capital Asset Pricing Model - CAPM). The cost of capital is estimated through the analysis of the return targeted by investors for forest assets.
(iii) Projected productivity volumes of forests are defined based on stratification according to the type of each species, sorted by production planning, age of forests, productive potential and considering a production cycle of the forests. Forest management alternatives are created to establish the optimum long-term production flow, to maximize the yield of the forests.
(iv) The prices adopted for biological assets are those charged in two past years, based on market researches in the regions where the assets are located. Prices are calculated in R$/cubic meter, taking into consideration the costs necessary to bring the assets to the point of sale or consumption.
(v) Asset development expenses refer to the formation costs of biological assets incurred by the Company.
(vi) The depletion of biological assets is calculated based on their average fair value, multiplied by the volume harvested in the period.
(vii) The Company reviews the fair value of its biological assets periodically (in general on a semiannual basis), which is considered to be an interval deemed sufficient to prevent any lag in the balance of the fair value of biological assets recorded in the financial statements.

The main assumptions considered in the calculation of the fair value of biological assets include: i) the remuneration of own contributing assets (lease), at the rate of 3% per year, and ii) a discount rate of 8.0% per year for SC and RS assets.

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In this period, the Company validated the assumptions and criteria used to evaluate the fair value of its biological assets, and valued all of its biological assets. In the period, no other events impacted the valuation of the biological assets, such as rainstorms, lightning and others that could affect the forests.

Main changes

The changes in the period were as follows:

	Parent company	Consolidated
At 12.31.2011	128,516	239,997
Development expenses	5,126	5,748
Depletion		
Historical cost	(601)	(3,369)
Fair value	(1,764)	(15,851)
Transfers for capitalization of subsidiary	(3,370)	-
Changes in fair value	32,005	36,767
At 12.31.2012	159,912	263,292
Development expenses	1,897	2,268
Depletion		
Historical cost	(211)	(3,396)
Fair value	(609)	(6,341)
Transfers for capitalization of subsidiary	(13,251)	-
Changes in fair value	(468)	9,090
At 6.30.2013	147,270	264,913

The depletion of biological assets was mainly charged to production cost, after an initial allocation to inventories when forests are harvested and the subsequent utilization in the production process or sale to third parties.

On June 3, 2011, the Company's Board of Directors approved the capital contribution to Iraflor Comércio de Madeiras Ltda. through the transfer of forest assets owned by the Company. The contribution of further biological assets, amounting to R$ 13,251, was authorized in the six-month period ended June 30, 2013. The purpose of this transaction was to improve the management of forest assets and raise funds through CDCA, as mentioned in Note 15.

b) Biological assets pledged as collateral

The Company has certain biological assets, in the amount of R$ 126,525, pledged as collateral for financial transactions. The pledged assets represent approximately 48% of total biological assets, equivalent to 20.6 thousand hectares of land used, with approximately 10.3 thousand hectares of planted forests.

c) Production on third-party land

The Company has entered into non-cancelable lease agreements for the production of biological assets on third-party land, called partnerships. These agreements are valid until all planted forests in these areas are harvested in a cycle of approximately 15 years. The amount of biological assets in third-party land represents 9.3% of the total area with the Company's biological assets.

15. BORROWINGS

	Parent company		Consolidated		
	6.30.13	12.31.12	6.30.13	12.31.12	
Current					
Local currency					
Government Agency for Machinery and Equipment Financing (FINAME)	3,006	2,641	3,006	2,641	a)
Working capital	28,832	33,288	28,832	33,288	b)
Working capital - CDCA	16,122	16,306	16,122	16,306	c)
Finance leases	1,321	1,419	1,336	1,433	d)
Real Estate Credit Note (CCI)	-	-	2,210	8,839	e)
Total local currency	49,281	53,654	51,506	62,507	
Foreign currency					
Finance leases	1,613	2,839	1,613	2,839	f)
Advances on exchange contracts	9,099	8,490	9,099	8,490	g)
Banco Credit Suisse	801	738	801	738	h)
Banco Santander (Brazil)	-	1,690	-	1,690	i)
Banco Itaú BBA	11,380	-	11,380	-	j)
Banco do Brasil	2,126	1,329	2,126	1,329	k)
Banco Citibank	2,858	1,632	2,858	1,632	l)
Total foreign currency	27,877	16,718	27,877	16,718	
Total current	77,158	70,372	79,383	79,225	

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	Parent company		Consolidated		
	6.30.13	12.31.12	6.30.13	12.31.12	
Non-current					
Local currency					
Government Agency for Machinery and Equipment Financing (FINAME)	12,844	7,796	12,844	7,796	a)
Working capital	59,130	18,880	59,130	18,880	b)
Working capital - CDCA	49,292	66,741	49,292	66,741	c)
Finance leases	737	982	739	993	d)
Total local currency	122,003	94,399	122,005	94,410	
Foreign currency					
Banco Credit Suisse	82,351	75,051	82,351	75,051	h)
Banco Itaú BBA	32,310	34,716	32,310	34,716	j)
Banco do Brasil	2,533	2,048	2,533	2,048	k)
Banco Citibank	4,296	2,776	4,296	2,776	l)
Total foreign currency	121,490	114,591	121,490	114,591	
Total non-current	243,493	208,990	243,495	209,001	
Total	320,651	279,362	322,878	288,226	

	Parent company		Consolidated	
Long-term maturities:	6.30.13	12.31.12	6.30.13	12.31.12
2014	19,570	46,322	19,572	46,333
2015	64,946	58,952	64,946	58,952
2016	119,307	67,654	119,307	67,654
2017 to 2019	39,670	36,062	39,670	36,062
	243,493	208,990	243,495	209,001

Local currency loans:

a) FINAME - subject to an annual average interest rate of 5.69% with final maturity in 2019.

b) Working capital - subject to an annual average interest rate of 9.33% with final maturity in the first half of 2016.

Transaction costs:

The working capital transactions with Banco Safra incurred a transaction cost of R$ 279, with an effective interest rate of 10.72% p.a. The transaction costs to be allocated to the results in each subsequent period are as follows:

Year	Principal
2013	26
2014	36
2015	19
	81

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c) Working capital - CDCA

On June 20, 2011, the Company issued Agribusiness Credit Right Certificates (CDCA), in the original amount of R$ 90,000, in favor of Banco Itaú BBA S.A. and Banco Rabobank International Brasil S.A.

The CDCA relates to the credit rights arising from the Rural Producer Notes ("CPR"), issued by the subsidiary Iraflor Comércio de Madeiras Ltda., which have as the creditor Celulose Irani S.A., under the terms of Law 8,929 of August 22, 1994.

This transaction is being settled in six annual installments as from June 2012, adjusted by the Amplified Consumer Price Index (IPCA), plus 10.22% p.a.

Transaction costs:

This transaction incurred a transaction cost of R$ 3,636, with an effective interest rate of 16.15% p.a. The transaction costs to be allocated to the results in each subsequent year are as follows:

Year	Principal
2013	351
2014	634
2015	484
2016	310
2017	109
	1,888

d) Finance leases - subject to an annual average interest rate of 14.44% with final maturity in the first half of 2016.

	Parent company		Consolidated	
Long-term maturities of finance leases:	6.30.13	12.31.12	6.30.13	12.31.12
2014	347	780	349	791
2015	356	202	356	202
2016	34	-	34	-
	737	982	739	993

e) Real Estate Credit Note - CCI

On August 3, 2010, the subsidiary Irani Trading S.A. issued a Private Instrument of Real Estate Credit Note (CCI) backed by the lease agreement entered into on October 20, 2009 between Irani Trading S.A. and Celulose Irani S.A.

Irani Trading S.A. assigned the CCI to Brazilian Securities Companhia de Securitização ("Securitizer"). As a result of this assignment, Securitizer issued Certificates of Real Estate Receivables (CRIs) and on August 6, 2010 paid to Irani Trading S.A. the CCI assignment price of R$ 40,833, which was equivalent to the net present value of 37 future leasing installments at the rate 14.70% per year.

This transaction is being settled in 37 monthly and consecutive installments of R$ 1,364 each, from August 25, 2010 through August 25, 2013, due by the lessee Celulose Irani S.A. to the lessor Irani Trading S.A., as determined by the lease agreement.

Foreign currency loans:

Loans in foreign currency at June 30, 2013 are adjusted by the exchange variation of the U.S. dollar, and they bear annual average interest of 7.90%.

f) Finance leases are adjusted for U.S. dollar exchange rate fluctuations and are repayable in quarterly installments, with final maturity at the end of 2013.

g) Advances on foreign exchange contracts are adjusted for U.S. dollar exchange rate fluctuations and are repayable in a single installment according to each contract, with maturities in the first half of 2014.

h) The financing from Banco Credit Suisse is adjusted for U.S. dollar exchange rate fluctuations and is repayable in quarterly installments. This transaction refers to prepayments of future exports.

Through the Amended and Restated Agreement of April 27, 2012, the Company and Credit Suisse renegotiated the export prepayment transaction for a final maturity in 2017 and grace period of 30 months for the payment of the installments of the principal.

Transaction costs:

This transaction incurred a cost of R$ 5,310. The Company renegotiated the term on April 27, 2012, incurring an additional transaction cost of R$ 2,550. Consequently, the effective interest rate decreased from 19.12% to 12.31%.

The transaction costs to be allocated to the results in each subsequent year are as follows:

Year	Principal
2013	481
2014	1,142
2015	1,588
2016	2,209
2017	396
	5,816

i) Banco Santander (Brazil) - adjusted for Euro exchange rate fluctuations and repayable in annual installments with final maturity and settlement made in May 2013.

j) Banco Itaú BBA - adjusted for U.S. dollar exchange rate fluctuations and repayable in semiannual installments with final maturity in 2017.

Transaction costs:

This transaction incurred a transaction cost of R$ 560, with an effective interest rate of 6.38% p.a., The transaction costs to be allocated to the results in each subsequent year are as follows:

Year	Principal
2013	77
2014	122
2015	78
2016	32
2017	4
	313

k) Banco do Brasil - adjusted for U.S. dollar exchange rate fluctuations and repayable in semiannual installments with final maturity in 2015.

l) Banco Citibank - adjusted for U.S. dollar exchange rate fluctuations and repayable in quarterly installments with final maturity in 2016.

Transaction costs:

This transaction incurred a transaction cost of R$ 101, with an effective interest rate of 5.68% p.a., The transaction costs to be allocated to the results in each subsequent year are as follows:

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Year	Principal
2013	18
2014	27
2015	10
	55

Collateral:

The collateral for the loans includes sureties of the controlling stockholders and/or statutory liens on land, buildings, machinery and equipment, biological assets (forests), commercial pledges and assignments of receivables amounting to R$ 117,920. Some transactions have specific guarantees, as follows:

i) For working capital - Certificate of Agribusiness Receivables (CDCA), the Company provided collaterals of approximately R$ 82,580, including:

- Assignment of credit rights relating to Rural Producer Notes (CPRs) in favor of the creditor.
- Mortgage on some of the Company's properties in favor of the banks for a total area equivalent to 9,500 hectares.
- Statutory lien on pine and eucalyptus forests on the mortgaged properties owned by the issuer.

ii) For the Real Estate Credit Note (CCI), the Company provided collaterals in favor of the Securitizer of approximately R$ 38,904, including:

- Mortgage on some properties of Celulose Irani S.A., (registration 2479, 2481 and 8535 of the Real Estate Registry Office of the Judicial District of Ponte Serrada, SC).
- Agricultural pledge of forest assets (pine and eucalyptus trees) planted in the mortgaged areas, mentioned in the previous item.
- Assignment of lease receivables, in the amount equivalent to three monthly installments due by the lessee Celulose Irani S.A. to the lessor Irani Trading S.A., as determined by the lease agreement.

iii) For the export prepayment financing granted by Banco Credit Suisse, the Company pledged as collateral the shares held in its subsidiary Habitasul Florestal S.A.

Restrictive financial covenants:
Some financing agreements with financial institutions have restrictive covenants requiring the Company to comply with certain financial ratios, calculated based on the consolidated financial statements, as mentioned below:

i) Working capital - Agribusiness Credit Right Certificates (CDCA)
ii) Real Estate Credit Note - CCI
iii) Banco Itaú BBA

Some restrictive financial covenants linked to compliance with certain financial ratios, measured on a quarterly basis, were established and the non-compliance with these covenants could generate the accelerated maturity of the debt.

a) The ratio between net debt and EBITDA over the last 12 months must not exceed 3 times (3.00x) as from the quarter ended June 30, 2012.. Non-compliance with these covenants could generate the accelerated maturity of the debt. However, if in a specific quarter (Reference Quarter), the non-compliance with the ratio between net debt and EBITDA over the last 12 months has occurred in a period when the foreign exchange variation is positive and higher than 15%, it is established that only in this case the Issuer will be released from complying with such financial ratio for this quarter. The indicator will be measured again based on the results for the immediately subsequent quarter, in which period the ratio between net debt and EBITDA over the last 12 months must not exceed the limit previously established for the Reference Quarter.

b) The ratio between EBITDA and net financial expenses over the last 12 months must not be lower than 2.00x as from the quarter ended June 30, 2012.

c) The ratio between EBITDA and net revenue over the last 12 months must not be lower than 17% over the entire transaction period, until full compliance with all obligations arising from the Issue Documents.

The Company complied with the covenants described above at June 30, 2013.

iv) Banco Credit Suisse

a) Net debt/EBITDA ratio of (i) 3.00x for the quarters ended between June 30, 2012 and March 31, 2015, and (ii) 3.75x for the subsequent quarters up to 2017.

b) Ratio of EBITDA over the net finance costs of 2.00x for the quarters ended as from June 30, 2012 up to 2017.

The Company complied with the covenants described above at June 30, 2013.

v) Banco Santander (Brazil) (analysis performed only at the end of each year).

a) EBITDA margin equal to or higher than 17%;
b) Ratio between net debt and EBITDA, maximum of 3x;
c) Maximum financial leverage of 2x the tangible equity, as defined in the agreement.

Key:
TJLP - Long-term Interest Rate
CDI - Interbank Deposit Certificate
EBITDA - operating income (loss) plus net finance income (costs) and depreciation, depletion and amortization.
ROL - Net operating revenue

16. DEBENTURES

First issue of simple debentures

On April 12, 2010, the Company issued simple, nonconvertible debentures, placed through public offering with restricted distribution (i.e. only to qualified institutional investors), in the amount of R$100,000. The debentures will mature in March 2015 and are being repaid in eight semiannual installments as from September 2011, adjusted based on the CDI rate plus annual interest of 5%. Interest is due in semiannual installments, without a grace period.

Transaction costs:

This transaction incurred a transaction cost of R$ 3,623, with an effective interest rate of 16% p.a., The transaction costs to be allocated to the results in each subsequent year are as follows:

Year	Principal
2013	426
2014	893
2015	226
	1,545

Collateral:

Debentures have collateral in the amount of R$ 156,008, as follows:

- Assignment in favor of the Land Trustee of Celulose Irani in conformity with the terms and conditions determined in the Private Instrument of Assignment of Real Estate of Irani and Other Covenants, which will guarantee the debt up to the limit of R$ 26,527.

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- Assignment in favor of the Land and Buildings Trustee of Irani Trading ("Trading") in conformity with the terms and conditions of the Private Instrument of Assignment of Real Estate of Trading and Other Covenants, which will guarantee the debt up to the limit of R$ 40,000.
- Agricultural pledge in favor of the Forest Assets Trustee of Celulose Irani in conformity with the terms and conditions of the Private Instrument of Agricultural Pledge and Other Covenants.
- Assignment of receivables in favor of the Receivables Trustee of Celulose Irani, equivalent to 25% of the outstanding principal balance of the Debentures.

Restrictive financial covenants:

Some restrictive financial covenants relating to compliance with certain financial ratios, measured on a quarterly basis, were established. Non-compliance with these covenants could generate the accelerated maturity of the debt. The covenants, set out below, were fully complied with in the period:

a) The ratio between net debt and EBITDA over the last 12 months must not exceed 3 times (3.00x) as from the quarter ended June 30, 2012. However, if in a specific quarter (Reference Quarter), the non-compliance with the ratio between net debt and EBITDA over the last 12 months has occurred in a period when the foreign exchange variation is positive and higher than 15%, it is established that only in this case the Issuer will be released from complying with such financial ratio for this quarter. The indicator will be measured again based on the results for the immediately subsequent quarter, in which period the ratio between net debt and EBITDA over the last 12 months must not exceed the limit previously established for the Reference Quarter.

b) The ratio between EBITDA and net finance costs over the last 12 months must not be lower than 2.00x as from the quarter ended June 30, 2012.

c) The ratio between EBITDA and net revenues over the last 12 months must not be lower than 17% over the entire transaction period, until full compliance with all the obligations arising from the Issue Documents.

The Company complied with the covenants described above at June 30, 2013.

Second issue of simple debentures

On November 30, 2012, the Company issued simple, nonconvertible debentures, placed through public offering with restricted distribution (i.e. only to qualified institutional investors), in the amount of R$ 60,000. The debentures will mature in November 2017 and are being repaid in five annual installments as from November 2013, adjusted based on the CDI rate plus annual interest of 2.75%.

Transaction costs:

This transaction incurred a transaction cost of R$ 1,120, with an effective interest rate of 10.62% p.a., The transaction costs to be allocated to the results in each subsequent year are as follows:

Year	Principal
2013	189
2014	321
2015	251
2016	173
2017	87
	1,021

Collateral:

Debentures will have collateral in the amount of R$ 63,251, as follows:

- Assignment in favor of the Land Trustee of Celulose Irani in conformity with the terms and conditions determined in the Private Instrument of Assignment of Real Estate of Irani and Other Covenants, in first degree, in the amount of R$ 9,055 and in 2nd degree in the amount of R$ 31,252.
- Agricultural pledge of certain assets in favor of the Forest Assets Trustee of Celulose Irani in conformity with the terms and conditions of the Private Instrument of Agricultural Pledge and Other Covenants.
- Assignment of receivables in favor of the Receivables Trustee of Celulose Irani, equivalent to 25% of the outstanding principal balance of the Debentures.

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Restrictive financial covenants:

Some restrictive financial covenants relating to compliance with certain financial ratios, measured on an annual basis, were established. Non-compliance with these covenants could generate the accelerated maturity of the debt. The covenants, set out below, were fully complied with in the period:

a) The ratio between net debt and EBITDA for the year ended December 31, 2012 cannot be higher than 3.50x.
b) The ratio between net debt and EBITDA for the year ended December 31, 2013 cannot be higher than 3.65x.
c) The ratio between net debt and EBITDA for the year ended December 31, 2014 cannot be higher than 3.25x.
d) As from the year ended December 31, 2015, the ratio between net debt and EBITDA cannot be higher than 3.00x.
e) The ration between EBITDA and the net finance costs cannot be lower than 2.00x as from the year ended December 31, 2012.

First private issue of simple debentures

On August 19, 2010, the Company issued simple, nonconvertible debentures for R$ 40,000, paid up by the subsidiary Irani Trading S.A. The debentures will mature in a single installment in August 2015 and are adjusted based on the IPCA plus annual interest of 6%. Interest will be paid together with the single installment of the principal in August 2015.

Transaction costs:

This transaction incurred a transaction cost of R$ 1,902, with an effective interest rate of 9.62% p.a., which will be allocated to the results in each subsequent year as follows:

Year	Principal
2013	20
2014	588
2015	1,082
	1,690

This issue is not collateralized and does not have restrictive financial covenants.

The repayment of the debentures, by year, is due as follows:

	Parent company		Consolidated	
Year	6.30.13	12.31.12	6.30.13	12.31.12
2013	24,933	36,526	24,933	36,526
2014	36,664	36,089	36,664	36,089
2015	76,904	74,175	24,009	23,440
2016	12,498	11,935	12,498	11,935
2017	12,587	12,013	12,586	12,014
	163,586	170,738	110,690	120,004
Current	41,593	39,026	41,593	39,026
Non-current	121,993	131,712	69,097	80,978

17. TRADE PAYABLES

Payables to suppliers are as follows:

	Parent company		Consolidated	
CURRENT	6.30.13	12.31.12	6.30.13	12.31.12
Domestic				
Materials	43,686	31,265	43,773	31,210
Property, plant and equipment	1,055	2,112	1,055	2,112
Service providers	4,627	2,453	4,697	2,597
Carriers	6,207	5,511	6,210	5,514
Related parties	27,102	16,500	-	-
Property, plant and equipment being shipped	-	2,168	-	2,168
Consignment	65	65	65	65
Foreign				
Materials	345	81	345	81
	83,087	60,155	56,145	43,747

18. TAXES PAYABLE IN INSTALLMENTS

The Company opted for the REFIS - tax refinancing program regulated by Law 11,941/09 and Provisional Measure 470/09, for the payment of its taxes in installments. The installments are paid monthly and are subject to interest at the Special System for Settlement and Custody (SELIC) rate.

The Company also refinanced the ICMS of the State of São Paulo, which is subject to interest of 0.9% per month, paid monthly.

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The amounts are as follows:

CURRENT

	Parent company		Consolidated	
Federal Tax Installments	6.30.13	12.31.12	6.30.13	12.31.12
REFIS installments - Federal Revenue Service	2,405	2,330	2,405	2,360
Employer's INSS payable in installments	784	767	897	862
FNDE payable in installments	-	-	26	25
	3,189	3,097	3,328	3,247

	Parent company		Consolidated	
State Tax Installments	6.30.13	12.31.12	6.30.13	12.31.12
ICMS payable in installments	2,097	1,988	2,097	1,988
	2,097	1,988	2,097	1,988
Total installments	5,286	5,085	5,425	5,235

NON-CURRENT LIABILITIES

	Parent company		Consolidated	
Federal Tax Installments	6.30.13	12.31.12	6.30.13	12.31.12
REFIS installments - Federal Revenue Service	2,634	3,919	2,634	3,945
Employer's INSS payable in installments	654	1,022	665	1,054
FNDE payable in installments	-	-	67	76
	3,288	4,941	3,366	5,075

	Parent company		Consolidated	
State Tax Installments	6.30.13	12.31.12	6.30.13	12.31.12
ICMS payable in installments	327	1,304	327	1,304
	327	1,304	327	1,304
Total installments	3,615	6,245	3,693	6,379

Long-term maturities:	Parent company		Consolidated	
	6.30.13	12.31.12	6.30.13	12.31.12
2014	906	2,393	930	2,527
2015	510	618	536	618
2016	249	343	275	343
2017 onwards	1,950	2,891	1,952	2,891
	3,615	6,245	3,693	6,379

INSS - Refers to the refinancing of social security contributions established by Law 10,684/03, where the Company opted for REFIS in November 2009.

Federal Revenue Service - Refers to the refinancing of federal taxes established by Law 10,684/03, where the Company opted for Refis in November 2009, and the refinancing of other Excise Tax (IPI) debts in the current amount of R$ 5,039. This amount is being paid in 180 installments and is subject to the SELIC interest rate.

Employer's INSS - Refers to the refinancing of social security contributions in November and December 2008.

19. RELATED-PARTY TRANSACTIONS

Parent company	Receivables		Payables		Debentures payable	
	6.30.13	12.31.12	6.30.13	12.31.12	6.30.13	12.31.12
Irani Trading S.A.	8,685	3,136	1,492	1,415	52,895	50,734
Habitasul Florestal S.A.	12,543	2,171	2,583	81	-	-
HGE - Geração de Energia	-	-	475	601	-	-
Management	1,053	1,553	-	-	-	-
Iraflor - Com. de Madeiras Ltda.	-	-	23,027	15,004	-	-
Management remuneration	-	-	670	1,630	-	-
Management profit sharing	-	-	2,934	8,210	-	-
Ind. Papel São Roberto S.A	7,517	-	1,914	-	-	-
Companhia Com.de Imóveis	-	310	-	-	-	-
Total	29,798	7,170	33,095	26,941	52,895	50,734
Current portion	28,745	5,617	33,095	26,941	-	-
Non-current portion	1,053	1,553	-	-	52,895	50,734

Parent company	Revenue		Expenses		Revenue		Expenses	
	Quarter ended		Quarter ended		Six-month period ended		Six-month period ended	
	6.30.13	6.30.12	6.30.13	6.30.12	6.30.13	6.30.12	6.30.13	6.30.12
Companhia Com.de Imóveis	-	-	-	-	836	-	-	-
Ind. Papel São Roberto S.A	367	-	31	-	5,639	-	5,165	-
Irani Trading S.A.	-	-	4,296	4,313	-	-	8,576	8,621
Habitasul Florestal S.A.	-	-	1,821	1,086	-	-	3,073	2,125
Iraflor - Com. de Madeiras Ltda.	-	-	4,377	1,481	-	-	7,586	5,098
Druck, Mallmann, Oliveira & Advogados Associados	-	-	54	52	-	-	108	132
MCFD Administração de Imóveis Ltda.	-	-	255	260	-	-	510	521
Irani Participações S.A.	-	-	120	120	-	-	240	240
Habitasul Desenvolvimentos Imobiliarios	-	-	27	28	-	-	56	56
Share-based payment	-	-	119	244	-	-	237	244
Management remuneration	-	-	1,757	1,581	-	-	3,448	2,734
Total	367	-	12,857	9,165	6,475	-	28,999	19,771

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Consolidated	Receivables		Payables	
	6.30.13	12.31.12	6.30.13	12.31.12
Companhia Com.de Imóveis	-	310	-	-
Management remuneration	-	-	670	1,770
Ind. Papel São Roberto S.A	7,517	-	1,914	-
Management	1,053	1,553	-	-
Management profit sharing	-	-	2,934	8,210
Total	8,570	1,863	5,518	9,980
Current portion	-	310	5,518	9,980
Non-current portion	8,570	1,553	-	-

Consolidated	Revenue		Expenses		Revenue		Expenses	
	Quarter ended		Quarter ended		Six-month period ended		Six-month period ended	
	6.30.13	6.30.12	6.30.13	6.30.12	6.30.13	6.30.12	6.30.13	6.30.12
Irani Participações S/A	-	-	120	120	-	-	240	120
Companhia Com.de Imóveis	-	-	-	-	836	-	-	-
Druck, Mallmann, Oliveira & Advogados Associados	-	-	54	80	-	-	108	80
MCFD Administração de Imóveis Ltda.	-	-	255	261	-	-	510	261
Management remuneration	-	-	1,770	1,241	-	-	3,448	1,241
Habitasul Desenvolvimentos Imobiliarios	-	-	27	28	-	-	56	56
Ind. Papel São Roberto S.A	367	-	31	-	5,639	-	5,165	-
Share-based payment	-	-	119	244	-	-	237	244
Total	367	-	2,376	1,974	6,475	-	9,764	2,002

The receivables from/payables to the subsidiaries Irani Trading S.A., Habitasul Florestal S.A. and Iraflor - Comércio de Madeiras Ltda. refer to commercial transactions as well as the acquisition of raw material and the supply of products. The transactions were compatible with respective market conditions and prices. The receivables of the parent company from the subsidiaries Irani Trading S.A. and Habitasul Florestal S.A. are related to the dividends for 2012.

Irani Trading S.A. is currently the owner of an industrial property in Vargem Bonita, SC, which is rented to Celulose Irani S.A. pursuant to a lease agreement entered into between the parties on October 20, 2009 and amended on August 3, 2010. This agreement is valid for 64 months from the beginning of the lease agreement, which occurred on January 1, 2010. The property is leased for a fixed monthly amount of R$ 1,364.

On August 19, 2010, the Company issued simple debentures, which were acquired by the subsidiary Irani Trading S.A. The debentures are subject to the IPCA plus annual interest of 6% and mature as disclosed in Note 16.

In 2011, 2012 and 2013, the Company transferred to Iraflor the amount of R$ 54,096 in planted forests as a capital contribution. On June 16, 2011, the subsidiary Iraflor issued

Rural Producer Notes (CPR) with final maturity in June 2018 and representing the Company's rights to receive wood in this period. Based on the credit rights from the CPRs, the Company issued Agribusiness Credit Right Certificates (CDCA) on June 20, 2011, in favor of Banco Itaú BBA S.A. and Banco Rabobank International Brasil S.A.

Receivables from management refer to loans granted by the Company to its officers, which will be settled up to 2015.

The amount payable to HGE - Geração de Energia Sustentável relates to the amount of capital to be paid up by the end of 2013, relating to the contractual amendment for a capital increase.

The amount payable to Irani Participações relates to services rendered to the Company.

The amount payable to Habitasul Desenvolvimentos Imobiliários refers to the rental of the administrative unit in Porto Alegre, based on an agreement entered into on December 1, 2008 for an unspecified period.

The amount payable to MCFD Administração de Imóveis Ltda. is equivalent to 50% of the monthly rental of the Packaging Unit in Indaiatuba-SP, in accordance with an agreement formalized on December 26, 2006 and effective for 20 years, which can be renewed. The monthly amount payable to this related party is R$ 94. The total contractual monthly rental is R$ 188, adjusted annually based on the variation of the General Market Price Index - IGPM disclosed by Fundação Getúlio Vargas.

The amount payable to Druck, Mallmann, Oliveira & Advogados Associados refers to legal advisory services, based on an agreement entered into on June 1, 2006 for an unspecified period, adjusted annually based on the variation of the National Consumer Price Index - INPC.

The payables to Indústria de Papel e Papelão São Roberto S.A. are represented by the operations established in the Lease Agreement and Other Covenants ("Lease Agreement"), through which São Roberto leased to the Company its paper production industrial plant located in the city of Santa Luzia, State of Minas Gerais, and are as follows: i) a portion of the monthly amount of the lease of R$ 450; ii) the purchase by the Company of the inventories of materials for production at the Agreement's beginning date (the Lease agreement started on March 1, 2013, is effective for a ten-year period, can be renewed and is adjusted annually by the IPCA); and iii) purchase by the Company of raw material and accessories for corrugated cardboard boxes.

The receivables from Indústria de Papel e Papelão São Roberto S.A. relate to: i) the sales of paper for packaging by the Company, and ii) the Operating Restructuring and

Implementation of the New Model of Management ("Restructuring Agreement"), through which the Company will render to São Roberto services of restructuring and strategic, methodological, operational and economic and financial reorganization, aiming at implementing a new model of management and governance of São Roberto. The Restructuring Agreement will have a one-year term, and can be renewed.

The receivables from Companhia Comercial de Imóveis ("CCI") relate to the services of strategic, operations, accounting and financial analysis rendered by the Company, pursuant to the Expense Reimbursement Agreement, inherent to the acquisition process of the shares of Indústria de Papel e Papelão São Roberto S.A. by CCI.

Payables attributable to management compensation relate to directors' fees and variable long-term compensation.

Management remuneration expenses, net of payroll taxes, totaled R$ 3,448 at June 30, 2013 (R$ 2,734 at June 30, 2012). The total management remuneration was approved at the General Meeting of Stockholders held on April 29, 2013, in the maximum amount of R$ 10,000.

20. PROVISION FOR CIVIL, LABOR AND TAX RISKS

The Company and its subsidiaries are parties to tax, civil and labor lawsuits and to administrative tax proceedings. Management, based on the opinion of its attorneys and legal advisors, believes that the provision for contingencies is sufficient to cover probable losses in connection with such contingencies.

The provision for contingencies is comprised as follows:

	Parent company		Consolidated	
	6.30.13	12.31.12	6.30.13	12.31.12
Civil	1,334	977	1,342	985
Labor	543	598	676	892
Tax	33,578	36,160	33,578	36,160
Total	35,455	37,735	35,596	38,037
Judicial deposits	566	574	631	632

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Parent company	12.31.12	Provision	Payments	Reversal	6.30.13
Civil	977	357	-	-	1,334
Labor	598	-	-	(55)	543
Tax	36,160	823	-	(3,405)	33,578
	37,735	1,180	-	(3,460)	35,455

Consolidated	12.31.12	Provision	Payments	Reversal	6.30.13
Civil	985	357	-	-	1,342
Labor	892	-	(17)	(199)	676
Tax	36,160	823	-	(3,405)	33,578
	38,037	1,180	(17)	(3,604)	35,596

The provision for contingencies refers basically to:

a) Civil lawsuits related, among other matters, to indemnity claims in connection with termination of agreements with sales representatives. A provision of R$ 1,342 was recorded at June 30, 2013 to cover losses arising from these contingencies. Judicial deposits relating to these lawsuits amount to R$ 263 and are classified in non-current assets.

b) Labor lawsuits related, among other matters, to claims filed by former employees for payment of overtime, health hazard premiums, hazardous duty premiums, occupational illnesses and accidents. Based on past experience and legal counsel's opinion, the Company provisioned R$ 676 at June 30, 2013, which is considered to be sufficient to cover losses arising from labor contingencies. Judicial deposits relating to these lawsuits amount to R$ 368 and are classified in non-current assets.

c) The provision for tax contingencies refers to offsets of federal taxes with IPI credits on the acquisition of trimmings by the Company. The amount offset from July 2008 to December 2011 was R$ 22,857. The adjusted balance at June 30, 2013 totaled R$ 33,578.

Contingencies

No provisions were recorded for contingencies in respect of which the likelihood of loss has been assessed by the legal counsel as possible, but not probable. The amounts of the related labor, civil, environmental and tax lawsuits at June 30, 2013, were as follows:

	Consolidated	
	6.30.13	12.31.12
Labor	16,449	14,280
Civil	2,641	2,650
Environmental	1,000	1,000
Tax	69,947	73,025
	90,037	90,955

Labor contingencies:
The labor lawsuits assessed by the legal counsel as involving possible losses total R$ 16,449 and primarily include indemnity claims (hazardous duty premiums, health hazard premiums, overtime, salary premiums, damages and losses arising from occupational accidents), which are currently at different stages of legal proceedings and for which the Company expects a favorable outcome.

Civil contingencies:
The civil lawsuits assessed by the legal counsel as involving possible losses total R$ 2,641 and primarily include indemnity claims, which are currently at different stages of proceedings and for which the Company expects a favorable outcome.

Environmental contingencies:
Refers to a Public Civil Action aimed at restoring the degraded area, which was considered partially valid. If it is not possible to make such restoration, it will be converted into an indemnity. Even considering that this matter is difficult to quantify, the Company believes that the amount of compensatory damages will be less than the maximum estimated amount of R$ 1,000.

Tax contingencies:
The tax proceedings assessed by the legal counsel as involving possible losses total R$ 69,947 and mainly include the following:

- Administrative Proceeding 10925.000172/2003-66 related to a tax notification for alleged irregularity in offsetting IPI credits, which amounted to R$ 10,659 at June 30, 2013. The lawsuit is currently in the Taxpayers' Council (CC) awaiting the decision on the Special Appeal filed by the Company.

- Tax collection lawsuit 2004.72.03.001555-8 filed by the National Institute of Social Security (INSS) with respect to a Debt Assessment Notice for the payment of the social contribution on the gross revenue from the sale of the production of agroindustrial companies, which at June 30, 2013, amounted to R$ 5,026. The lawsuit was suspended by a court decision and is awaiting the decision on the Action for Annulment 2005.71.00.002527-8.

- Administrative proceedings 11080.013972/2007-12 and 11080.013973/2007-67, amounting to R$ 4,542 at June 30, 2013, related to tax notifications for PIS and COFINS, which alleged undue tax credits. The Company has challenged these notifications at the administrative level and awaits the judgment of the voluntary appeals.

- Administrative proceedings related to tax assessment notices received from the Santa Catarina State for alleged undue ICMS tax credits on the acquisition of material used in the production of industrial plants in this state which amounted to R$ 31,030 at June 30, 2013. The Company filed defense arguments in respect of these tax assessments.

- Administrative proceedings 11080.009902/2006-89, 11080.009904/2006-88 and 11080.009905/2006-12 related to federal taxes offset against presumed IPI credits on exports, allegedly calculated improperly, in the amount of R$ 8,885 at June 30, 2013. The Company has challenged these proceedings at the administrative levels and is awaiting the decision on the appeals filed with the Taxpayers' Council.

21. EQUITY

a) Capital

The Company's capital at June 30, 2013 was R$ 103,976, represented by 149,279,740 common shares and 12,810,260 preferred shares, totaling 162,090,000 shares, without par value. The holders of preferred shares are entitled to: dividends under the same conditions adopted for common shares; priority in the reimbursement of capital, without a premium, in the event of liquidation of the Company, and 100% Tag Along rights. The Company may issue preferred shares, without par value and without voting rights, up to the limit of 2/3 of the Company's total shares, and increase existing share types or classes without maintaining the proportion among the shares of each type or class.

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b) Treasury shares

		Parent company 6.30.13		Parent company 12.31.12	
		Number	Amount	Number	Amount
i) Acquired from former directors	Common	-	-	92,040	48
	Preferred	-	-	-	-
ii) Share buyback plan	Common	24,000	30	1,246,000	1,610
	Preferred	-	-	274,000	380
iii) Right to withdraw	Common	-	-	-	-
	Preferred	2,352,100	6,804	2,352,100	6,804
		2,376,100	6,834	3,964,140	8,842

i) Purchases from former directors are shares the Company acquired from former directors who left the Company in previous periods, as determined by the stock option plan effective on the date of the acquisition.

ii) The objective of the share buyback plan was to maximize the value of the shares for stockholders. This program was concluded within 365 days, on November 23, 2011.

iii) Right to withdraw: the shares acquired through the right to withdraw result from changes in the advantages attributed to the Company's preferred shares, approved at the General and Extraordinary Meeting of Stockholders held on April 19, 2012. Dissenting stockholders holding preferred shares had the right to withdraw from the Company with the reimbursement of their shares based on the equity value recorded in the balance sheet at December 31, 2011.

The Company's management will later propose the destination of the treasury shares or their cancellation.

c) Revenue reserves

Revenue reserves comprise: legal reserve, reserve of biological assets and profit retention reserve.

5% of annual profit is transferred to the legal reserve, which can be utilized to offset losses or for capital increases.

The reserve of biological assets was constituted because the Company measured its biological assets at fair value in the opening balance sheet upon the first-time adoption of IFRS.
The creation of this statutory reserve was approved at the Extraordinary General Meeting of Stockholders of February 29, 2012, when the amount previously recognized in the unrealized earnings reserve was transferred to this account.

The profit retention reserve comprises the remaining profits after the offset of losses and the transfer to the legal reserve, as well as the distribution of dividends. The respective resources will be allocated to investments in property, plant and equipment previously approved by the Board of Directors or may be distributed in the future, if so decided by the Stockholders' meeting. Certain agreements with creditors contain restrictive clauses relating to the distribution of dividends above the mandatory minimum dividend.

On January 24, 2013, the Company's Board of Directors approved the distribution of interim dividends from the Profit retention reserve amounting to R$ 14,267, corresponding to R$ 0.090223 per common and preferred share. The approval was in accordance with the terms of Article 29, sole paragraph, of the Company's bylaws. The Company obtained the necessary authorizations from the creditors for this distribution. The distribution of the interim dividends was ratified at the Extraordinary General Meeting held on April 29, 2013.

d) Carrying value adjustments

The carrying value adjustments account was constituted when the Company measured its property, plant and equipment (land, machinery and buildings) at deemed cost in the opening balance sheet upon the first-time adoption of IFRS. The realization will occur as the related deemed cost is depreciated, at which time the amounts involved will also be adjusted in the base for calculating dividends. The balance at June 30, 2013, net of tax, represented a gain of R$ 244,706 (R$ 249,370 at December 31, 2012).
The amounts of the financial instruments classified as cash flow hedges, net of tax effects, are also recorded in carrying value adjustments and corresponded to a loss of R$ 12,738 at June 30, 2013 (R$ 6,129 at December 31, 2012).

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22. EARNINGS (LOSS) PER SHARE

Basic and diluted earnings (loss) per share are calculated by dividing earnings or loss from continuing and discontinued operations attributable to the Company's stockholders by the weighted average shares outstanding during the period. The Company is not subject to the effects of potential dilution such as debt convertible into shares. Consequently, diluted earnings per share are the same as the basic earnings per share.

i) Basic and diluted earnings (loss) of continuing operations

	Quarter ended 6.30.13		
	Common shares	Preferred shares	Common and preferred shares Total
Weighted average number of shares	147,941,700	11,752,227	159,693,927
Profit for the period attributable to each type of share	12,945	1,028	13,973
Basic and diluted earnings per share - R$	0.0875	0.0875	

	Quarter ended 6.30.12		
	Common shares	Preferred shares	Common and preferred shares Total
Weighted average number of shares	147,941,700	11,752,227	159,693,927
Loss for the period attributable to each type of share	(5,377)	(427)	(5,804)
Basic and diluted loss per share - R$	(0.0363)	(0.0363)	

	Six-month period ended 6.30.13		
	Common shares	Preferred shares	Common and preferred shares Total
Weighted average number of shares	147,941,700	11,752,227	159,693,927
Profit (loss) for the period attributable to each type of share	16,235	1,290	17,525
Basic and diluted earnings per share - R$	0.1097	0.1097	

	Six-month period ended 6.30.12		
	Common shares	Preferred shares	Common and preferred shares Total
Weighted average number of shares	147,941,700	12,536,260	160,477,960
Loss for the period attributable to each type of share	(2,257)	(191)	(2,448)
Basic and diluted loss per share - R$	(0.0153)	(0.0153)	

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ii) Basic and diluted earnings of discontinued operations

	Quarter ended 6.30.13		
	Common shares	Preferred shares	Common and preferred shares Total
Weighted average number of shares	147,941,700	12,536,260	160,477,960
Profit (loss) for the period attributable to each type of share	-	-	-
Basic and diluted earnings (loss) per share - R$	-	-	

	Quarter ended 6.30.12		
	Common shares	Preferred shares	Common and preferred shares Total
Weighted average number of shares	147,941,700	12,536,260	160,477,960
Profit for the period attributable to each type of share	67	6	73
Basic and diluted earnings per share - R$	0.0005	0.0005	

	Six-month period ended 6.30.13		
	Common shares	Preferred shares	Common and preferred shares Total
Weighted average number of shares	147,941,700	12,536,260	160,477,960
Profit (loss) for the period attributable to each type of share	-	-	-
Basic and diluted earnings (loss) per share - R$	-	-	

	Six-month period ended 6.30.12		
	Common shares	Preferred shares	Common and preferred shares Total
Weighted average number of shares	147,941,700	12,536,260	160,477,960
Profit for the period attributable to each type of share	197	17	214
Basic and diluted earnings per share - R$	0.0013	0.0013	

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23. STOCK OPTION PLAN

Celulose Irani operates a share-based remuneration plan, settled with shares, under which the Company receives services from employees as consideration for equity instruments (options) of the Company. The fair value of the employee services received in exchange for the grant of the options is recognized as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the balance sheet date, the Company revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognizes the impact of the revision to original estimates, if any, in the statement of operations, with a corresponding adjustment to equity.

First Stock Option Plan (Program I)

The stock options were granted to managers and certain employees, in accordance with the decision of the Board of Directors on May 9, 2012, approved at the Extraordinary General Meeting held on May 25, 2012. The exercise price of the options granted will be R$ 1.26 per common or preferred share. The options have a vesting period up to December 31, 2013. The options were exercised from April 1, 2013 to April 30, 2013. The employee paid the exercise price and the corresponding shares will be pledged in favor of the Company up to December 31, 2013, after which they will be released. Should the employee leave the Company for any reason after exercising the option, but before December 31, 2013, the shares acquired will be returned to the Company and the beneficiaries will be compensated with the amount paid when the option was exercised, with no additional interest or monetary restatement charges. The Company has no legal or constructive obligation to repurchase or settle the options in cash.

The number of options and the related exercise prices are as follows:

	Average exercise price in R$ per share option	Number of options
Granted in May 2012 and exercised in April 2013	1.26	1,588,040
Granted in May 2012 and not exercised in April 2013	1.26	24,000
At June 30, 2013	1.26	1,612,040

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The weighted average fair value of the options granted during the period, determined using the Black-Scholes valuation model, was R$ 0.60 per option. The significant inputs into the model were estimated as:

Preferred shares - weighted average share price of R$ 1.45 at the grant date, exercise price shown above of R$ 1.26, volatility of 145.80 %, dividend yield of 7.46 %, an expected option life corresponding to 1.5 years, and an annual risk-free interest rate of 8.52 %.
Common shares - weighted average share price of R$ 1.44 at the grant date, exercise price shown above of R$ 1.26, volatility of 73.95 %, dividend yield of 6.59 %, an expected option life corresponding to 1.5 years, and an annual risk-free interest rate of 8.52 %.
The volatility was measured using the adjusted annual standard deviation (exponentially weighted moving average (EWMA)) of the daily variation of Celulose Irani's shares, considering an interval of approximately 1.5 years, the vesting period of the share-based compensation plan.

24. NET SALES REVENUE

The Company's net revenue is comprised as follows:

	Parent company Quarter ended		Parent company Six-month period ended	
	6.30.13	6.30.12	6.30.13	6.30.12
Gross sales revenue	182,030	145,275	338,813	287,783
Taxes on sales	(39,421)	(31,440)	(74,885)	(62,571)
Sales returns	(2,198)	(918)	(3,367)	(1,659)
Net sales revenue	140,411	112,917	260,561	223,553

	Consolidated Quarter ended		Consolidated Six-month period ended	
	6.30.13	6.30.12	6.30.13	6.30.12
Gross sales revenue	186,517	150,187	347,245	297,305
Taxes on sales	(39,739)	(31,788)	(75,464)	(63,242)
Sales returns	(2,198)	(918)	(3,367)	(1,658)
Net sales revenue	144,580	117,481	268,414	232,405

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25. COSTS AND EXPENSES BY NATURE

Costs and expenses by nature are as follows:

	Parent company Quarter ended		Parent company Six-month period ended	
	6.30.13	6.30.12	6.30.13	6.30.12
Fixed and variable costs (raw materials and consumables)	(77,710)	(56,546)	(141,456)	(114,087)
Personnel	(25,758)	(23,672)	(48,302)	(45,126)
Changes in the fair value of biological assets	(468)	3,873	(468)	3,873
Depreciation, amortization and depletion	(7,612)	(10,797)	(15,411)	(20,364)
Freight	(5,651)	(5,075)	(11,694)	(9,515)
Services contracted	(4,303)	(4,296)	(7,859)	(7,778)
Selling expenses	(6,957)	(5,560)	(12,689)	(10,751)
	(128,459)	(102,073)	(237,879)	(203,748)
Other expenses, net				
Cost of /revenue from sales of assets	(60)	(191)	(393)	(331)
Sale of permanent assets	164	132	214	286
Other income (expenses)	(50)	(209)	(4)	86
	54	(268)	(183)	41
Total costs and expenses by nature	(128,405)	(102,341)	(238,062)	(203,707)

	Consolidated Quarter ended		Consolidated Six-month period ended	
	6.30.13	6.30.12	6.30.13	6.30.12
Fixed and variable costs (raw materials and consumables)	(70,016)	(52,567)	(127,914)	(103,932)
Personnel	(26,631)	(24,861)	(50,017)	(47,203)
Changes in the fair value of biological assets	9,090	(2,260)	9,090	(2,260)
Depreciation, amortization and depletion	(13,528)	(14,074)	(25,547)	(28,286)
Freight	(5,651)	(5,464)	(11,694)	(9,903)
Services contracted	(4,438)	(4,436)	(8,232)	(8,056)
Selling expenses	(6,788)	(4,967)	(12,364)	(9,912)
	(117,962)	(108,629)	(226,678)	(209,552)
Other expenses, net				
Cost of sales of assets	(246)	(303)	(579)	(899)
Sale of permanent assets	446	135	496	305
Other income (expenses)	(44)	245	3	435
	156	77	(80)	(159)
Total costs and expenses by nature	(117,806)	(108,552)	(226,758)	(209,711)

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26. OTHER OPERATING INCOME AND EXPENSES

Revenue	Parent company Quarter ended		Parent company Six-month period ended	
	6.30.13	6.30.12	6.30.13	6.30.12
Income from sale of assets	164	166	214	372
Other operating income	666	257	1,074	755
	830	423	1,288	1,127

Revenue	Consolidated Quarter ended		Consolidated Six-month period ended	
	6.30.13	6.30.12	6.30.13	6.30.12
Income from sale of assets	446	170	496	392
Other operating income	674	572	1,085	884
	1,120	742	1,581	1,276

Expenses	Parent company Quarter ended		Parent company Six-month period ended	
	6.30.13	6.30.12	6.30.13	6.30.12
Cost of assets damaged and sold	(60)	(191)	(393)	(417)
Other operating expenses	(571)	(203)	(789)	(372)
Share-based payment	(145)	(297)	(289)	(297)
	(776)	(691)	(1,471)	(1,086)

Expenses	Consolidated Quarter ended		Consolidated Six-month period ended	
	6.30.13	6.30.12	6.30.13	6.30.12
Cost of assets damaged and sold	(245)	(303)	(578)	(987)
Other operating expenses	(574)	(65)	(794)	(151)
Share-based payment	(145)	(297)	(289)	(297)
	(964)	(665)	(1,661)	(1,435)

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27. INCOME TAX AND SOCIAL CONTRIBUTION

Reconciliation of the effective tax rate:

	Parent company Quarter ended		Parent company Six-month period ended	
	6.30.13	6.30.12	6.30.13	6.30.12
Operating profit (loss) before tax effects	12,934	(8,037)	16,338	(6,502)
Statutory rate	34%	34%	34%	34%
Tax credit (expense) at statutory rate	(4,398)	2,733	(5,555)	2,211
Tax effect of permanent (additions) / deductions:				
Equity in the results of subsidiaries	4,845	(512)	6,275	1,125
Other permanent differences	641	(89)	566	617
Share-based payment	(49)	101	(99)	101
	1,039	2,233	1,187	4,054
Current income tax and social contribution	-	-	-	-
Deferred income tax and social contribution	1,039	2,233	1,187	4,054

	Consolidated Quarter ended		Consolidated Six-month period ended	
	6.30.13	6.30.12	6.30.13	6.30.12
Operating profit (loss) before tax effects	13,787	(7,597)	17,688	(5,714)
Statutory rate	34%	34%	34%	34%
Tax credit (expense) at statutory rate	(4,688)	2,583	(6,014)	1,943
Tax effect of permanent (additions) / deductions:				
Difference in rates for taxation of subsidiaries	3,867	1,088	4,955	2,266
Other permanent differences	1,056	(1,979)	996	(1,044)
Share-based payment	(49)	101	(99)	101
	186	1,793	(162)	3,266
Current income tax and social contribution	(265)	(313)	(427)	(510)
Deferred income tax and social contribution	451	2,106	265	3,776

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28. FINANCE RESULT

	Parent company Quarter ended		Parent company Six-month period ended	
	6.30.13	6.30.12	6.30.13	6.30.12
Finance income				
Income from financial investments	1,345	1,794	2,792	3,652
Interest	555	307	1,058	561
Discounts obtained	123	92	221	124
	2,023	2,193	4,071	4,337
Foreign exchange variations				
Foreign exchange gains	1,547	1,144	3,260	10,299
Foreign exchange gains - derivatives at fair value	-	56	-	199
Foreign exchange losses	(2,275)	(6,585)	(3,542)	(14,666)
Foreign exchange losses - derivatives at fair value	-	(220)	-	(486)
Foreign exchange variations, net	(728)	(5,605)	(282)	(4,654)
Finance costs				
Interest	(14,379)	(13,182)	(27,910)	(28,268)
Discounts granted	(5)	(1)	(56)	(39)
Discounts/bank expenses	(24)	(275)	(51)	(542)
Other	(210)	(163)	(389)	(277)
	(14,618)	(13,621)	(28,406)	(29,126)
Finance result, net	(13,323)	(17,033)	(24,617)	(29,443)

	Consolidated Quarter ended		Consolidated Six-month period ended	
	6.30.13	6.30.12	6.30.13	6.30.12
Finance income				
Income from financial investments	1,378	1,847	2,848	3,736
Interest	556	306	1,059	559
Discounts obtained	124	92	224	125
	2,058	2,245	4,131	4,420
Foreign exchange variations				
Foreign exchange gains	1,547	1,144	3,260	10,299
Foreign exchange gains - derivatives at fair value	-	56	-	199
Foreign exchange losses	(2,275)	(6,585)	(3,541)	(14,676)
Foreign exchange losses - derivatives at fair value	-	(220)	-	(486)
Foreign exchange variations, net	(728)	(5,605)	(281)	(4,664)
Finance costs				
Interest	(13,298)	(12,726)	(26,539)	(27,304)
Discounts granted	(5)	(1)	(56)	(42)
Discounts/bank expenses	(802)	(267)	(829)	(533)
Other	(212)	(172)	(394)	(285)
	(14,317)	(13,166)	(27,818)	(28,164)
Finance result, net	(12,987)	(16,526)	(23,968)	(28,408)

29. INSURANCE

The insurance coverage is determined according to the nature of the asset risks, and is considered sufficient to cover possible losses arising from damages. At June 30, 2013, the Company had corporate insurance against fire, lightning, explosion, electric damages and windstorm for plants, residential locations and offices, as well as general civil liability coverage and coverage of liabilities of officers and directors (D&O), in the total amount of R$ 369,940. The Company also contracted group life insurance for employees with a minimum coverage of R$ 10 and a maximum coverage of R$ 500, in addition to insurance for the fleet of vehicles at market value.
The risk assumptions adopted, in view of their nature, are not part of the scope of the audit or review of the financial statements and, therefore, were not examined by our independent auditors.

With respect to the forests, the Company assessed the existing risks and elected not to contract insurance coverage because the preventive measures against fire and other forest risks have proved efficient. Management understands that the risk management structure related to the forests is appropriate to ensure the continuity of the Company's activities.

30. FINANCIAL INSTRUMENTS

Capital management

The Company's capital structure consists of its net debt (borrowings detailed in Notes 15 and 16, less cash and banks and held-to-maturity investments) and equity (which includes issued capital, reserves and retained earnings, as stated in Note 21).

The Company is not subject to any external capital requirement.

The Company's management periodically reviews its capital structure. As part of this review, management considers the cost of capital and the risks associated with each class of capital. The Company intends to maintain a capital structure between 50% and 70% of own capital and between 50% and 30% of third-party capital. At June 30, 2013, the capital structure was 56% of own capital and 44% of third-party capital, which is in line with target levels.

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Debt to equity ratio

The net debt to equity ratio at June 30, 2013 and December 31, 2012 was as follows:

	Parent company		Consolidated	
	6.30.13	12.31.12	6.30.13	12.31.12
Debt (a)	484,237	450,100	433,568	408,230
Cash and banks	79,339	95,051	81,654	96,922
Held-to-maturity investments	872	931	872	931
Net debt	404,026	354,118	351,042	310,377
Equity (b)	452,945	453,999	452,954	454,005
Net indebtedness ratio	0.89	0.78	0.78	0.68

(a) Debt is defined as short and long-term borrowings, including debentures, as detailed in Notes 15 and 16.

(b) Equity includes all the parent company's capital and reserves.

Categories of financial instruments

	Parent company		Consolidated	
Financial assets	6.30.13	12.31.12	6.30.13	12.31.12
Held-to-maturity investments	872	931	872	931
Loans and receivables				
Cash and banks	79,339	95,051	81,654	96,922
Trade receivables	104,571	93,785	107,671	96,781
Other receivables	6,896	9,200	6,962	9,245
Financial liabilities				
Amortized cost				
Borrowings	320,651	279,362	320,668	279,387
Debentures	163,586	170,738	110,690	120,004
Real Estate Credit Note	-	-	2,210	8,839
Trade payables	83,087	60,155	56,145	43,747

The instruments carried at fair value are classified as Level 2 based on quoted prices (unadjusted) in active markets for identical assets, in addition to information adopted by the market.

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Financial risk factors

The Company is exposed to a variety of financial risks: market risk (including exchange rate risk and interest rate risk), credit risk and liquidity risk.
In order to provide a framework for the Company's financial management, the Company has in place, since 2010, a Financial Management Policy that provides rules and defines guidelines for the utilization of financial instruments.

The Company does not enter into derivative transactions or transactions with other financial assets for speculative purposes. The objective of the Company's derivatives policy is to minimize financial risks arising from its operations, as well as to ensure efficient management of its financial assets and liabilities. The derivative instruments currently in effect were contracted to hedge the obligations arising from the Company's borrowings in foreign currency or exports and were approved by the Board of Directors.

Exchange rate risk

The Company has transactions exposed to fluctuations in the exchange rates of foreign currencies. At June 30, 2013 and December 31, 2012, these transactions resulted in a net exposure as shown below.

The total net foreign exchange exposure was equivalent to 23 months of exports based on the average of exports in 2012, and 21 months of exports based on the average of exports in the six-month period ended June 30, 2013. As most of the borrowings in foreign currency is repayable in the long-term, the Company believes that it will generate sufficient cash flow in foreign currency to settle its long-term liabilities in foreign currency.

	Parent company		Consolidated	
	6.30.13	12.31.12	6.30.13	12.31.12
Trade receivables	11,587	8,417	11,616	8,447
Carbon credits receivable	-	4,378	-	4,378
Banks - restricted account	872	931	872	931
Advances from customers	(212)	(199)	(212)	(199)
Trade payables	(345)	(81)	(345)	(81)
Borrowings	(149,367)	(131,309)	(149,367)	(131,309)
Net exposure	(137,465)	(117,863)	(137,436)	(117,833)

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The Company has identified the main risk factors that could generate losses in connection with its financial instruments. Consequently, it has developed a sensitivity analysis, as determined by CVM Instruction 475, which requires the presentation of two scenarios with deteriorations of 25% and 50% in the risk variable considered, in addition to a base scenario. These scenarios may impact the Company's results and equity, as disclosed below:

1 - Base scenario: maintenance of the exchange rate at levels approximating those effective in the period these financial statements were prepared.

2 - Adverse scenario: 25% deterioration in the exchange rate compared to that at June 30, 2013.

3 - Remote scenario: 50% deterioration in the exchange rate compared to that at June 30, 2013.

Account	At 6.30.13	Base scenario Gain (loss)		Adverse scenario Gain (loss)		Remote scenario Gain (loss)	
	USD	Rate	R$	Rate	R$	Rate	R$
Assets							
Accounts receivable	4,222	2.26	(2,949)	2.82	(565)	3.39	1,820
Liabilities							
Trade payables	(188)	2.26	131	2.82	25	3.39	(81)
Borrowings	(50,504)	2.26	35,277	2.82	6,755	3.39	(21,767)
Net effect			32,459		6,215		(20,028)

This sensitivity analysis is intended to measure the impact of changes in foreign exchange market variables on each financial instrument of the Company. The balances at June 30, 2013 were utilized as a basis for the projection of the future balance. The actual behavior of debt balances and derivative instruments will depend on the respective contracts, whereas balances receivable and payable could fluctuate due to the normal activities of the Company and its subsidiaries. The settlement of transactions involving these estimates could result in amounts different from those estimated due to the subjectivity of the process utilized in the preparation of these analyses. The Company tries to maintain its fundings and derivatives transactions exposed to exchange rate changes with annual net payments equivalent to receipts from exports. Consequently, the Company seeks to hedge its cash flow against foreign currency risks, and the effects of the scenarios above, if they materialize, are not expected to generate an economic impact on its results.

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Interest rate risk

The Company could be affected by adverse changes in interest rates. This interest rate risk exposure refers mainly to changes in market interest rates affecting the Company's assets and liabilities indexed to the Long-term Interest Rate (TJLP), Interbank Deposit Certificate (CDI), Special System for Settlement and Custody (SELIC), Euro Interbank Offered Rate (EURIBOR), London Interbank Offered Rate (LIBOR) or Amplified Consumer Price Index (IPCA).

The sensitivity analysis calculated for the base scenario, adverse scenario and remote scenario on the loan agreements subject to indexed interest is as follows:

1 - Base scenario: maintenance of the interest rates at levels approximating those effective in the period these financial statements were prepared.

2 - Adverse scenario: adjustment of 25% of interest rates based on the level at June 30, 2013.

3 - Remote scenario: adjustment of 50% of interest rates based on the level at June 30, 2013.

Account	Index	At 6.30.13	Base scenario Gain (loss)		Adverse scenario Gain (loss)		Remote scenario Gain (loss)	
			Rate % p.a.	R$	Rate % p.a.	R$	Rate % p.a.	R$
Cash and cash equivalents								
CDBs	CDI	74,869	8.22%	363	10.28%	1,853	12.33%	3,343
Borrowings								
Working capital	CDI	40,898	8.22%	(229)	10.28%	(1,172)	12.33%	(2,114)
Debentures	CDI	114,946	8.22%	(258)	10.28%	(1,318)	12.33%	(2,378)
National Bank for Economic and Social Development (BNDES)	TJLP	6,398	5.00%	-	6.25%	(80)	7.50%	(160)
Working capital	IPCA	67,302	6.70%	-	8.37%	(1,127)	10.04%	(2,253)
Financing - foreign currency	Libor	13,447	0.40%	1	0.50%	(12)	0.60%	(26)
Net effect				(123)		(1,856)		(3,588)

Fair value against carrying amount

The fair value of financial assets and liabilities represents the amount for which the instrument could be exchanged between willing parties in an arm's length transaction, rather than in a forced sale. The following methods and assumptions were used in the fair value estimate:

- Cash and cash equivalents, trade receivables, and short-term trade payables in the Company's balance sheet are consistent with their fair values due to their short terms of settlement.

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- Borrowings are presented at their fair values due to the fact that these financial instruments are subject to floating interest rates.

	Parent company		Parent company	
	6.30.13		12.31.12	
	Carrying amount	Fair value	Carrying amount	Fair value
Assets measured at fair value	-	-	-	-
	-	-	-	-
Assets measured at amortized cost				
Held-to-maturity investments	872	872	931	931
Cash and banks	79,339	79,339	95,051	95,051
Trade receivables	104,571	104,571	93,785	93,785
Other receivables	6,896	6,896	9,200	9,200
	191,678	191,678	198,967	198,967
Liabilities measured at fair value	-	-	-	-
	-	-	-	-
Liabilities measured at amortized cost				
Trade payables	83,087	83,087	60,155	60,155
Borrowings	320,651	320,651	279,362	279,362
Debentures	163,586	163,586	170,738	170,738
	567,324	567,324	510,255	510,255

	Consolidated		Consolidated	
	6.30.13		12.31.12	
	Carrying amount	Fair value	Carrying amount	Fair value
Assets measured at fair value	-	-	-	-
	-	-	-	-
Assets measured at amortized cost				
Held-to-maturity investments	872	872	931	931
Cash and banks	81,654	81,654	96,922	96,922
Trade receivables	107,671	107,671	96,781	96,781
Other receivables	6,962	6,962	9,245	9,245
	197,159	197,159	203,879	203,879
Liabilities measured at fair value	-	-	-	-
	-	-	-	-
Liabilities measured at amortized cost				
Trade payables	56,145	56,145	43,747	43,747
Borrowings	322,878	322,878	288,226	288,226
Debentures	110,690	110,690	120,004	120,004
	489,713	489,713	451,977	451,977

Credit risk

The Company's credit sales are managed through a strict credit rating and granting procedure. Doubtful receivables are properly covered by an allowance for losses on their collection.

Trade receivables comprise a large number of customers, of different sectors and geographical areas. A continuous credit assessment is conducted on the financial position of receivables and, when appropriate, a credit guarantee coverage is requested.

Additionally, the Company is exposed to credit risk in relation to the financial investments that comprise the group Cash and cash equivalents. These are maintained to meet the cash flow needs of the Company, and Management ensures that the investments are made in financial institutions with which it has a stable relationship, by means of the application of the financial policy that determines the allocation of cash, without limitations, to:
i) Government securities issued by and/or with coobligation of the National Treasury;
ii) CDBs in banks with a stable relationship with the Company;
iii) Debentures issued by banks with a stable relationship with the Company;
iv) Fixed-income investment funds with a conservative profile.
It is forbidden to invest funds in the variable-income market (i.e. stocks and shares).

Liquidity risk

Management monitors the liquidity level based on the expected cash flow, which comprises cash, short-term financial investments, flow of receivables and payables, and the repayment of borrowings. The liquidity management policy involves the projection of cash flows in the applicable currencies and the consideration of the level of net assets necessary to achieve these projections, the monitoring of the liquidity ratios of the balance sheet in relation to internal and external regulatory requirements, and the debt financing plans.

The table below shows the maturity ranges of the financial liabilities contracted by the Company, where the reported amounts include the principal and fixed interest on transactions, calculated using rates and indices in effect at June 30, 2013, and the details on the expected maturity dates for non-derivative, undiscounted financial assets, including interest that will be earned on these assets. The inclusion of information on non-derivative financial assets is necessary to understand the Company's liquidity risk management, since it is managed based on net assets and liabilities:

CELULOSE IRANI SA

Notes to the Quarterly Information at June 30, 2013

(All amounts in thousands of reais unless otherwise stated)

Parent company

	2013	2014	2015	As from 2016
Liabilities				
Trade payables	83,087	-	-	-
Borrowings	21,913	85,983	82,573	174,858
Debentures	28,745	39,858	83,481	24,985
Other liabilities	5,286	906	510	2,199
	139,031	126,747	166,564	202,042
Assets				
Cash and cash equivalents	79,339	-	-	-
Bank - restricted account	872	-	-	-
Trade receivables - not yet due	95,692	-	-	-
Other assets	3,181	2,822	893	-
	179,084	2,822	893	-
	40,053	(123,925)	(165,671)	(202,042)

Consolidated

	2013	2014	2015	As from 2016
Liabilities				
Trade payables	56,145	-	-	-
Borrowings	24,642	85,983	82,573	174,858
Debentures	28,745	39,858	25,788	24,985
Other liabilities	5,425	930	536	2,227
	114,957	126,771	108,897	202,070
Assets				
Cash and cash equivalents	81,654	-	-	-
Bank - restricted account	872	-	-	-
Trade receivables - not yet due	98,542	-	-	-
Other assets	3,247	2,822	893	-
	184,315	2,822	893	-
	69,358	(123,949)	(108,004)	(202,070)

The amounts included above for non-derivative financial assets and liabilities at floating rates are subject to changes in the event that variations in floating interest rates differ from the estimates at the end of the reporting period.

The Company has access to credit facilities with a total amount not utilized at the end of the reporting period of R$ 92,170, which increases as borrowings are settled. The Company expects to meet its other obligations using the cash flows from operating activities and income earned on financial assets.

Derivative financial instruments

Derivative transactions are classified by strategy according to their objective. The transactions are contracted to hedge the Company's net indebtedness, its financial investments or its exports and imports against foreign exchange rate changes, or to swap interest rates. The derivative financial instruments are measured at fair value and those linked to loan transactions are recognized directly in the results.

The Company maintains internal controls that management considers to be sufficient to manage risks. Management analyzes reports on a monthly basis, relating to the financial cost of debt and the information on cash flows in foreign currency, which includes the Company's receipts and payments in foreign currency, and assesses the need to contract any type of hedge. The results achieved by this type of monitoring have hedged cash flows against foreign exchange rate changes.

a) Derivative financial instruments carried at fair value

On June 30, 2013, the Company did not have derivative financial instruments measured at fair value.

b) Derivative financial instruments linked to loan transactions (recognized directly in the results)

i) On March 23, 2012, the Company contracted a Cash Flow Swap Transaction with Banco Itaú BBA, in order to modify the remuneration and risks associated with the interest rate of the transaction contracted on the same date between the parties under an Export Credit Note (CCE) contract. The notional value attributed at the contracting date was R$ 40,000 (equivalent to US$ 21,990 thousand at that date), decreasing according to the payments of the semiannual installments under the contract until the final maturity in March 2017.

The purpose of this swap transaction was to align the transaction price and the related maturity dates to the original transaction. The swap contract cannot be settled separately. The Export Credit Note (CCE) contract began to be remunerated at a fixed interest rate plus the dollar variation. Consequently, the CCE contract is no longer exposed to the CDI variation. Considering the characteristics of this contract together with the CCE contract, the Company understood the two instruments to be in substance a single instrument. This contract is included in the sensitivity analysis of currency exposure disclosed in this same note.

This transaction was approved by the Company's Board of Directors on March 23, 2012.

Cash flow hedges

The Company adopted hedge accounting on May 1, 2012 for operations contracted to cover the exchange variation risk of the export flow, classified as a cash flow hedge, pursuant to the parameters described in the Brazilian accounting standards CPC 38 and 40, technical guidance OCPC 03 and IAS 39.

The Company hedges the exchange variation risk of its future cash flows through the cash flow hedge, in which the hedged instruments are the financial liabilities contracted by the Company. The currently effective hedged financial instruments contracted by the Company include an export prepayment contract with Banco Credit Suisse and a CCE contract with Banco Itaú BBA.
The hedged cash flows are the estimated exports up to 2017, and the amount recorded in equity from hedge accounting amounted to R$ 12,738 at June 30, 2013.

	Parent company and Consolidated
	6.30.13
Opening balance	9,286
Change in cash flow hedge	10,223
Reclassification to the statement of operations	(209)
	19,300
Opening balance	(3,157)
Taxes on change in cash flow hedge	(3,476)
Taxes on reclassification to the statement of operations	71
	(6,562)
Closing balance	12,738

The Company assesses the effectiveness based on the Dollar Offset methodology, according to which the variations in the fair value of the hedge instrument are compared with the variations in the fair value of the hedged item, which should be within 80% to 125%.

The balances of variations of transactions treated as cash flow hedges are reclassified from equity to the statement of operations for the period when the foreign exchange variation of the hedge is effectively realized. The cash flow hedge results effective in the offsetting of the variations in the hedged expenses are recorded as a reduction of these expenses, decreasing or increasing the operating result, whereas the non-effective results are recorded as finance income or costs for the period.
The Company did not identify ineffectiveness in the period.

The sensitivity analysis of the hedge instruments of the cash flow hedge transactions is considered in this same Note, within "foreign exchange exposure risk", together with the other financial instruments.

31. OPERATING SEGMENTS

a) Criteria for identification of operating segments

The Company segmented its operating structure following the manner in which Management conducts the business and according to the segmentation criteria established by CPC 22 (IFRS 8) - Segment Reporting.

Management defined as operating segments: corrugated cardboard packaging; packaging paper; RS Forest and resins, as mentioned below:

Corrugated Cardboard Packaging segment: this division manufactures light and heavy corrugated cardboard boxes and sheets, and has two production units, one next to the paper plant in Vargem Bonita, SC, and another in Indaiatuba, SP.

Packaging Paper Division: this division produces low and high weight Kraft paper and recycled paper for the domestic and foreign markets and part of its production is sent to the Corrugated Cardboard Packaging Division, with a production unit located in Vargem Bonita, State of Santa Catarina, and another one located in Santa Luzia, State of Minas Gerais.

RS Forest and Resins Division: through this division, the Company plants pine trees for its own use, sells wood and extracts resin from pines trees, which is used as raw material for the production of tar and turpentine.

CELULOSE IRANI SA

Notes to the Quarterly Information at June 30, 2013

(All amounts in thousands of reais unless otherwise stated)

b) Consolidated information on operating segments

	Consolidated Quarter ended 6.30.13				
	Corrugated Cardboard Packaging	Packaging Paper	RS Forest and Resins	Corporate/ eliminations	Total
Net sales:					
Domestic market	77,247	43,192	3,722	140	124,301
Foreign market	-	12,996	7,283	-	20,279
Revenue from sales to third parties	77,247	56,188	11,005	140	144,580
Revenues between segments	-	2,883	-	(2,883)	-
Total net sales	77,247	59,071	11,005	(2,743)	144,580
Changes in the fair value of biological assets	-	3,150	5,940	-	9,090
Cost of products sold	(61,641)	(36,467)	(7,134)	1,655	(103,587)
Gross profit	15,606	25,754	9,811	(1,088)	50,083
Operating expenses	(9,123)	(3,707)	(1,091)	(9,388)	(23,309)
Operating result before finance result	6,483	22,047	8,720	(10,476)	26,774
Finance result	(6,899)	(6,485)	87	310	(12,987)
Net operating income (loss)	(416)	15,562	8,807	(10,166)	13,787
Total assets	168,920	716,055	138,053	198,870	1,221,898
Total liabilities	93,948	253,914	7,055	414,027	768,944
Equity	-	377,404	124,204	(48,654)	452,954

	Consolidated Six-month period ended 6.30.13				
	Corrugated Cardboard Packaging	Packaging Paper	RS Forest and Resins	Corporate/ eliminations	Total
Net sales:					
Domestic market	145,294	76,609	7,275	306	229,484
Foreign market	-	25,121	13,809	-	38,930
Revenue from sales to third parties	145,294	101,730	21,084	306	268,414
Revenues between segments	-	5,869	-	(5,869)	-
Total net sales	145,294	107,599	21,084	(5,563)	268,414
Changes in the fair value of biological assets	-	3,150	5,940	-	9,090
Cost of products sold	(117,297)	(63,458)	(14,189)	3,451	(191,493)
Gross profit	27,997	47,291	12,835	(2,112)	86,011
Operating expenses	(17,654)	(7,225)	(2,040)	(17,436)	(44,355)
Operating result before finance result	10,343	40,066	10,795	(19,548)	41,656
Finance result	(12,045)	(12,405)	(131)	613	(23,968)
Net operating income (loss)	(1,702)	27,661	10,664	(18,935)	17,688
Total assets	168,920	716,055	138,053	198,870	1,221,898
Total liabilities	93,948	253,914	7,055	414,027	768,944
Equity	-	377,404	124,204	(48,654)	452,954

CELULOSE IRANI SA

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(All amounts in thousands of reais unless otherwise stated)

	Consolidated Quarter ended 6.30.12				
	Corrugated Cardboard Packaging	Packaging Paper	RS Forest and Resins	Corporate/ eliminations	Total
Net sales:					
Domestic market	68,054	26,202	4,931	41	99,228
Foreign market	-	11,709	6,544	-	18,253
Revenue from sales to third parties	68,054	37,911	11,475	41	117,481
Revenues between segments	-	993	-	(993)	-
Total net sales	68,054	38,904	11,475	(952)	117,481
Changes in the fair value of biological assets	-	727	(2,987)	-	(2,260)
Cost of products sold	(53,272)	(23,836)	(7,372)	(251)	(84,731)
Gross profit	14,782	15,795	1,116	(1,203)	30,490
Operating expenses	(7,986)	(2,974)	(495)	(10,106)	(21,561)
Operating result before finance result	6,796	12,821	621	(11,309)	8,929
Finance result	(8,695)	(8,393)	104	458	(16,526)
Net operating income (loss)	(1,899)	4,428	725	(10,851)	(7,597)
Total assets	147,132	690,230	138,706	232,022	1,208,090
Total liabilities	54,218	261,724	15,589	422,554	754,085
Equity	-	396,030	113,347	(55,372)	454,005

	Consolidated Six-month period ended 6.30.12				
	Corrugated Cardboard Packaging	Packaging Paper	RS Forest and Resins	Corporate/ eliminations	Total
Net sales:					
Domestic market	135,593	53,999	9,010	42	198,644
Foreign market	-	21,918	11,843	-	33,761
Revenue from sales to third parties	135,593	75,917	20,853	42	232,405
Revenues between segments	-	3,317	-	(3,317)	-
Total net sales	135,593	79,234	20,853	(3,275)	232,405
Changes in the fair value of biological assets	-	727	(2,987)	-	(2,260)
Cost of products sold	(107,062)	(49,260)	(14,666)	3,347	(167,641)
Gross profit	28,531	30,701	3,200	72	62,504
Operating expenses	(15,212)	(5,683)	(868)	(18,047)	(39,810)
Operating result before finance result	13,319	25,018	2,332	(17,975)	22,694
Finance result	(14,602)	(14,795)	92	897	(28,408)
Net operating income (loss)	(1,283)	10,223	2,424	(17,078)	(5,714)
Total assets	147,132	690,230	138,706	232,022	1,208,090
Total liabilities	54,218	261,724	15,589	422,554	754,085
Equity	-	396,030	113,347	(55,372)	454,005

CELULOSE IRANI SA

Notes to the Quarterly Information
at June 30, 2013
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The balance in the column "Corporate and eliminations" refers basically to the corporate support area's expenses not apportioned among the segments, and the adjustments of transactions between segments, which are carried out under usual market prices and conditions.

Finance income (costs) were allocated to operating segments taking into consideration the specific allocation of each finance income and costs to its segment, and the allocation of common income and costs based on the working capital requirement of each segment.

The information relating to income tax and social contribution has not been disclosed because the Company's management does not utilize such information by segment.

c) Net sales revenue

Net sales revenue for the quarter ended June 30, 2013 totaled R$ 144,580 (R$ 117,481 at June 30, 2012), and R$ 268,414 for the six-month period then ended (R$ 232,405 at June 30, 2012).

The net sales revenue from export sales for the quarter ended June 30, 2013 totaled R$ 20,279 (R$ 18,253 at June 30, 2012), and R$ 38,930 for the six-month period ended June 30, 2013 (R$ 33,761 at June 30, 2012), which relates to various countries as follows:

	Consolidated Quarter ended 6.30.13			Consolidated Quarter ended 6.30.12	
Country	Export revenue, net	% of total revenue, net	Country	Export revenue, net	% of total revenue, net
Argentina	4,429	3.10%	Netherlands	4,624	3.90%
Netherlands	4,353	3.00%	Argentina	3,384	2.90%
Saudi Arabia	2,636	1.80%	Saudi Arabia	2,302	2.00%
France	1,884	1.30%	France	1,346	1.10%
Paraguay	1,007	0.70%	South Africa	1,199	1.00%
Chile	986	0.70%	Paraguay	967	0.80%
South Africa	880	0.60%	Germany	779	0.70%
Bolivia	727	0.50%	Peru	696	0.60%
India	426	0.30%	Chile	596	0.50%
Peru	422	0.30%	Spain	487	0.40%
Norway	310	0.20%	Norway	382	0.30%
Japan	299	0.20%	Bolivia	256	0.20%
Turkey	261	0.20%	Venezuela	231	0.20%
Venezuela	235	0.20%	Turkey	176	0.10%
Pakistan	225	0.20%	United Arab Emirates	172	0.10%
Portugal	221	0.20%	Colombia	172	0.10%
Singapore	194	0.10%	Other countries	484	0.40%
Uruguay	155	0.10%			
Germany	127	0.10%			
Canada	119	0.10%			
Other countries	383	0.30%			
	20,279	14.20%		18,253	15.30%

CELULOSE IRANI SA

Notes to the Quarterly Information at June 30, 2013

(All amounts in thousands of reais unless otherwise stated)

Consolidated Six-month period ended 6.30.13			Consolidated Six-month period ended 6.30.12		
Country	Export revenue, net	% of total revenue, net	Country	Export revenue, net	% of total revenue, net
Netherlands	8,036	3.00%	Netherlands	7,202	3.10%
Argentina	7,741	2.90%	Argentina	6,548	2.80%
Saudi Arabia	5,053	1.90%	Saudi Arabia	4,556	2.00%
France	3,178	1.20%	France	2,556	1.10%
South Africa	2,635	1.00%	Paraguay	1,737	0.70%
Chile	1,830	0.70%	South Africa	1,646	0.70%
Paraguay	1,767	0.70%	Chile	1,635	0.70%
Portugal	1,103	0.40%	Peru	1,496	0.60%
Bolivia	1,101	0.40%	Venezuela	1,070	0.50%
Peru	1,071	0.40%	Germany	959	0.40%
Norway	963	0.40%	Spain	913	0.40%
India	834	0.30%	Norway	772	0.30%
Turkey	698	0.30%	Bolivia	559	0.20%
Venezuela	458	0.20%	Turkey	419	0.20%
Germany	301	0.10%	Canada	401	0.20%
Japan	299	0.10%	Colombia	357	0.20%
Pakistan	225	0.10%	Uruguay	253	0.10%
Singapore	194	0.10%	Other countries	681	0.30%
United Arab Emirates	164	0.10%			
Colombia	159	0.10%			
Uruguay	155	0.10%			
Other countries	965	0.40%			
	38,930	14.90%		33,761	14.50%

The Company's net sales revenue for the domestic market in the quarter ended June 30, 2013 totaled R$ 124,301 (R$ 99,228 at June 30, 2012), and R$ 229,484 for the six-month period then ended (R$ 198,644 at June 30, 2012).

In the quarter ended June 30, 2013, a single customer accounted for 15.6% of net sales in the domestic market of the Corrugated Cardboard Packaging Division, equivalent to R$ 12,051. The Company's other sales in the domestic and foreign markets were diluted among various customers and no customer accounted for more than 10% of net sales.

CELULOSE IRANI SA

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32. DISCONTINUED OPERATION

The Company's Board of Directors, in the meeting held on December 20, 2012, approved the divestiture of the subsidiary Meu Móvel de Madeira - Comércio de Móveis e Decorações Ltda., which occurred on the same date. The sales price will be received in annual installments up to 2016, monetarily restated by the IPCA plus 2.5% p.a. The balance receivable is recorded in Other Assets, as mentioned in Note 10. The net sale result of the discontinued operation amounted to R$ 3,940.

The results and cash flows from the discontinued operation are presented as follows:

RESULT FROM DISCONTINUED OPERATION	Quarter ended 6.30.12	Six-month period ended 6.30.12
Net revenue	3,032	5,766
Cost of products sold	(1,485)	(2,761)
Gross profit	1,547	3,005
Selling, general and administrative expenses	(1,420)	(2,668)
Finance income	5	8
Finance costs	(38)	(70)
Other operating income (expenses), net	5	12
Operating profit before tax effects	99	287
Income tax and social contribution	(26)	(73)
Profit from discontinued operations	73	214

CASH FLOWS FROM OPERATING ACTIVITIES	6.30.12
Profit before income tax and social contribution	287
Reconciliation of profit with net cash provided by operating activities:	
Depreciation, amortization and depletion	36
Inflation adjustments and financial charges	43
	366

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33. OPERATING LEASE AGREEMENTS

Rental of production units

The Company had three rental agreements of production units at June 30, 2013, in addition to other rental agreements for small commercial and administrative units, all classified as operating leases and allocated to expenses on the accrual basis over the lease period.

The rental agreements of the production units are as follows:

a) Rental agreement entered into on October 20, 2009 and amended on August 3, 2010 with the subsidiary Irani Trading S.A., the owner of the industrial property located in Vargem Bonita, SC. The agreement is effective for 64 months from January 1, 2010, and the monthly fixed rental is R$ 1,364.

b) Rental agreement entered into on December 26, 2006 related to the rental of the Packaging Unit in Indaiatuba, SP, effective for 20 years and with a contracted monthly rental of R$ 187, adjusted annually based on the IGPM variation.

c) Rental agreement entered into on March 1, 2013 related to the rental of the Paper Unit in Santa Luzia, MG, effective for 10 years and with a contracted monthly rental of R$ 450, adjusted annually based on the IPCA variation.

The rental amounts recognized as expenses for the quarter ended June 30, 2013 by the parent company, net of taxes, when applicable, were as follows:

- Rentals of production units = R$ 6,005 (R$ 4,614 at June 30, 2012)
- Rentals of commercial and administrative units = R$ 101 (R$ 93 at June 30, 2012)

The future commitments at June 30, 2013 arising from these agreements totaled a minimum amount of R$ 136,388. The rentals were calculated at present value, using the IGPM accumulated in the last twelve months of 6.31% p.a.

	No later than 1 year	1-5 years	After 5 years	Total
Future operating leases	24,931	40,297	71,160	136,388
Operating leases at present value	23,451	32,560	42,247	98,258

Lease of planting area

The Company entered into non-cancelable lease agreements for the production of biological assets in third-party land, called partnerships, in a total area of 3,200 hectares, of which 2,255 hectares comprise the planted area. For certain areas there is a lease commitment to be disbursed monthly as shown below.

These agreements are valid until all the forests in these areas are harvested.

Non-cancelable operating lease commitments

	No later than 1 year	1-5 years	After 5 years	Total
Future operating leases	155	1,452	1,721	3,328
Operating leases at present value	146	1,169	1,088	2,403

34. GOVERNMENT GRANTS

The Company has ICMS tax incentives in the State of Santa Catarina, where 60% of the ICMS increase, calculated on an average base (September 2006 to August 2007) prior to investments made, are deferred for payment after 48 months. This benefit is calculated monthly and is subject to realizing the planned investments and maintaining jobs, besides the maintenance of a regular status with the State, conditions that are being fully met.

These incentives are subject to charges at an annual contractual rate of 4.0%. In order to calculate the present value of this benefit, the Company utilized the average rate of the cost of funding at the base date for credit lines with characteristics similar to those applicable to the respective disbursements, in the event it did not have the benefit, resulting in R$ 2,182.

The benefit is effective for 14 years, from January 2009 to December 2022, or up to the limit of R$ 55,199 of deferred ICMS. The Company had deferred ICMS amounting to R$ 20,550 recorded in liabilities at June 30, 2013 (net of government subsidies, R$ 18,368).

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(All amounts in thousands of reais unless otherwise stated)

35. TRANSACTIONS NOT AFFECTING CASH

The Company carried out transactions not affecting cash relating to its investing activities, which were, therefore, not reflected in the statements of cash flows.

For the six-month period ended June 30, 2013, the Company purchased property, plant and equipment in the amount of R$ 1,341, financed directly by suppliers, and also made a capital contribution with planted forests to the subsidiary Iraflor Comércio de Madeiras Ltda. in the amount of R$ 13,251.

In the six-month period ended June 30, 2012, the Company purchased property, plant and equipment in the amount of R$ 674, financed directly by suppliers, and also made a capital contribution with buildings and facilities to the subsidiary Irani Trading S.A. in the amount of R$ 4,563, and with planted forests to the subsidiary Iraflor Comércio de Madeiras Ltda. in the amount of R$ 3,370.

* * *

Opinions and representations/Report on review of quarterly information - without exceptions

Report on review of quarterly information

To the Board of Directors and Stockholders
Celulose Irani S.A.

Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of Celulose Irani S.A., included in the Quarterly Information (ITR) Form for the quarter ended June 30, 2013, comprising the balance sheet as at June 30, 2013 and the statements of operations and comprehensive income (loss) for the quarter and six-month period then ended, and the changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of the parent company interim accounting information in accordance with the accounting standard CPC 21, Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC), and of the consolidated interim accounting information in accordance with CPC 21 and International Accounting Standard (IAS) 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB), as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the 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 Reviews 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.

Opinions and representations/Report on review of quarterly information - without exceptions

Conclusion on the parent company interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

Conclusion on the consolidated interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying 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 and IAS 34 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

Other matters

Statement of value added

We have also reviewed the parent company and consolidated statements of value added for the six-month period ended June 30, 2013. These statements are the responsibility of the Company's management, and are required to be presented in accordance with standards issued by the CVM applicable to the preparation of Quarterly Information (ITR) and are considered supplementary information under IFRS, which do not require the presentation of the statement of value added. These statements have been submitted to the same review procedures described above 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 a manner consistent with the parent company and consolidated interim accounting information taken as a whole.

Porto Alegre, July 31, 2013

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5 "F" RS

Carlos Biedermann
Contador CRC 1RS02931/O-4