(*Convenience Translation into English from the Original Previously Issued in Portuguese*)

Celulose Irani S.A.

Quarterly information (ITR) at September 30, 2017 and report on review of quarterly information

(Convenience Translation into English from the Original Previously Issued in Portuguese)

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders, Directors and Management of

Celulose Irani S.A.

Porto Alegre - RS

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Celulose Irani S.A. ("Company"), included in the Interim Financial Information Form (ITR), for the quarter ended September 30, 2017, which comprises the balance sheet as at September 30, 2017 and the related statements of profit and loss, of comprehensive income, of changes in equity and of cash flows for the nine-month period then ended, including the explanatory notes.

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

Scope of review

We conducted our review in accordance with Brazilian and international standards on review of interim financial information (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial 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 standards on auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the Interim Financial Information Form (ITR) referred to above is not prepared, in all material respects, in accordance with technical pronouncement CPC 21 (R1) and international standard IAS 34 applicable to the preparation of Interim Financial Information (ITR) and presented in accordance with the standards issued by the CVM.

Emphasis

On October 30, 2017, we issued an unqualified audit report on the Company's individual and consolidated interim financial information, contained in the Interim Financial Information Form (ITR), for the quarter ended September 30, 2017, which is being restated. As described in note 1, these interim financial information has been amended and is being restated to include the contractual amendment referring to Restrictive Financial Clauses described in the aforementioned note. Our opinion remains unqualified.

Other matters

Statements of value added

We have also reviewed the individual and consolidated statements of value added ("DVA") for the nine-month period ended September 30, 2017, prepared under the responsibility of the Company's Management, the presentation of which is required by the standards issued by the CVM applicable to the preparation of Interim Financial Information (ITR) and is considered as supplemental information for International Financial Reporting Standards - IFRS, which do not require the presentation of a DVA. These statements were subject 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 are not prepared, in all material respects, in relation to the individual and consolidated interim financial information taken as a whole.

Audit and review of prior-year figures

The Interim Financial Information (ITR) mentioned in the first paragraph includes financial information corresponding to the statements of profit and loss, of comprehensive income, of changes in equity, of cash flows and of value added for the quarter ended September 30, 2016, obtained from the Interim Financial Information (ITR) for the quarter then ended, and the balance sheet as at December 31, 2016 obtained from the financial statements for the year ended December 31, 2016, presented for purposes of comparison. The review of the

Interim Financial Information (ITR) for the quarter ended September 30, 2016 and the audit of the financial statements for the year ended December 31, 2016 were conducted under the responsibility of other independent auditor, who issued unqualified review and auditor's reports thereon, dated October 17, 2016 and February 24, 2017, respectively.

The accompanying individual and consolidated interim financial information has been translated into English for the convenience of readers outside Brazil.

Porto Alegre, November 06, 2017

DELOITTE TOUCHE TOHMATSU
Auditores Independentes

Marcelo de Figueiredo Seixas
Engagement Partner

(A free translation of the original in Portuguese)

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(A free translation of the original in Portuguese)

Company information / Capital composition

Number of shares (In thousands)	Current quarter 9/30/2017
Paid-up capital	
Common shares	153,910
Preferred shares	12,810
Total	166,720
Treasury shares	
Common shares	24
Preferred shares	2,352
Total	2,376

Cash proceeds

Event	Date of approval	Description	Initial date of payment	Type of share	Class of share	Amount per share (Reais/share)
Board of Directors' Meeting	3/8/2017	Dividend	3/9/2017	Common		0.02474
Board of Directors' Meeting	3/8/2017	Dividend	3/9/2017	Preferred		0.02474

(A free translation of the original in Portuguese)

Parent company financial statements / balance sheet - assets

(All amounts in thousands of reais)

Code	Description	Current quarter 9/30/2017	Prior year 12/31/2016
1	Total assets	1,556,769	1,696,939
1.01	Current assets	349,085	426,676
1.01.01	Cash and cash equivalents	36,455	82,844
1.01.02	Financial investments	23,416	94,198
1.01.02.02	Financial investments valued at amortized cost	23,416	94,198
1.01.02.02.01	Held-to-maturity securities	23,416	94,198
1.01.03	Accounts receivable	193,155	158,044
1.01.03.01	Trade receivables	175,557	153,644
1.01.03.02	Other receivables	17,598	4,400
1.01.03.02.02	Dividends receivable	17,598	4,400
1.01.04	Inventories	69,681	66,875
1.01.06	Taxes recoverable	8,936	5,233
1.01.08	Other current assets	17,442	19,482
1.01.08.03	Other	17,442	19,482
1.02	Non-current assets	1,207,684	1,270,263
1.02.01	Long-term receivables	104,775	89,157
1.02.01.03	Trade receivables	12,249	15,220
1.02.01.03.02	Other receivables	12,249	15,220
1.02.01.05	Biological assets	88,187	69,696
1.02.01.09	Other non-current assets	4,339	4,241
1.02.01.09.03	Taxes recoverable	2,214	2,392
1.02.01.09.04	Judicial deposits	2,125	1,849
1.02.02	Investments	223,076	290,196
1.02.02.01	Equity investments	188,678	255,357
1.02.02.01.02	Investments in subsidiaries	188,678	255,357
1.02.02.02	Investment properties	34,398	34,839
1.02.03	Property, plant and equipment	767,219	778,543
1.02.03.01	Property, plant and equipment in operation	767,219	778,543
1.02.04	Intangible assets	112,614	112,367
1.02.04.01	Intangible assets	112,614	112,367

Parent company financial statements / balance sheet - liabilities and equity

(All amounts in thousands of reais)

Code	Description	Current quarter 9/30/2017	Prior year 12/31/2016
2	Total liabilities and equity	1,556,769	1,696,939
2.01	Current liabilities	413,851	476,019
2.01.01	Social and labor obligations	32,207	24,235
2.01.01.01	Payroll obligations	32,207	24,235
2.01.01.01.01	Social security obligations	32,207	24,235
2.01.02	Trade payables	83,486	111,849
2.01.03	Tax obligations	19,510	19,828
2.01.03.01	Federal taxes payable	9,465	11,294
2.01.03.01.02	Taxes payable in installments	828	0
2.01.03.01.03	Other federal taxes	8,637	11,294
2.01.03.02	State taxes payable	9,986	8,460
2.01.03.02.01	Taxes payable in installments	791	2,008
2.01.03.02.02	Value-added Tax on Sales and Services (ICMS) payable	9,195	6,452
2.01.03.03	Municipal taxes payable	59	74
2.01.04	Borrowings	265,800	298,040
2.01.04.01	Borrowings	252,405	266,926
2.01.04.02	Debentures	13,395	31,114
2.01.05	Other obligations	12,848	22,067
2.01.05.02	Other	12,848	22,067
2.01.05.02.01	Dividends and interest on capital payable	104	4,234
2.01.05.02.04	Other payables	11,353	16,478
2.01.05.02.05	Advances from customers	1,391	1,355
2.02	Non-current liabilities	694,896	775,729
2.02.01	Borrowings	513,465	619,335
2.02.01.01	Borrowings	513,465	609,983
2.02.01.02	Debentures	0	9,352
2.02.02	Other obligations	11,284	10,742
2.02.02.02	Other	11,284	10,742
2.02.02.02.03	Taxes payable in installments	0	204
2.02.02.02.04	Other taxes payable	10,967	10,538
2.02.02.02.05	Other payables	317	0
2.02.03	Deferred taxes	145,783	139,548
2.02.03.01	Deferred income tax and social contribution	145,783	139,548
2.02.04	Provisions	24,364	6,104
2.02.04.01	Provisions for tax, social security, labor and civil contingencies	24,364	6,104
2.03	Equity	448,022	445,191
2.03.01	Paid-up share capital	161,895	161,895
2.03.02	Capital reserves	960	960
2.03.04	Revenue reserves	151,787	154,829
2.03.06	Carrying value adjustments	133,380	127,507

Parent company financial statements / statement of profit and loss

All amounts in thousands of reais unless otherwise stated

Code	Description	Current quarter 7/1/2017 to 9/30/2017	Accumulated - current year 1/1/2017 to 9/30/2017	Same quarter - prior year 7/1/2016 to 9/30/2016	Accumulated - prior year 1/1/2016 to 9/30/2016
3.01	Revenue from sales of goods, products and/or services	221,721	622,614	194,337	577,378
3.02	Cost of sales	-150,958	-435,763	-149,215	-430,951
3.02.01	Changes in the fair value of biological assets	7,047	14,941	-173	11,244
3.02.02	Cost of goods sold	-158,005	-450,704	-149,042	-442,195
3.03	Gross profit	70,763	186,851	45,122	146,427
3.04	Operating income (expenses)	-43,575	-124,587	-29,507	-82,946
3.04.01	Selling expenses	-21,684	-65,189	-20,926	-61,885
3.04.02	General and administrative expenses	-12,631	-43,420	-12,716	-39,758
3.04.04	Other operating income	711	2,771	1,534	39,616
3.04.05	Other operating expenses	-11,320	-18,523	-452	-35,043
3.04.06	Equity in results of subsidiaries	1,349	-226	3,053	14,124
3.05	Profit before finance result and taxes	27,188	62,264	15,615	63,481
3.06	Finance result	-24,303	-80,367	-28,390	-81,411
3.06.01	Finance income	6,848	20,047	4,120	25,120
3.06.02	Finance costs	-31,151	-100,414	-32,510	-106,531
3.07	Profit (loss) before taxes on income	2,885	-18,103	-12,775	-17,930
3.08	Income tax and social contribution	295	8,351	5,842	12,203
3.08.01	Current	0	0	0	2
3.08.02	Deferred	295	8,351	5,842	12,201
3.09	Profit (loss) from continuing operations	3,180	-9,752	-6,933	-5,727
3.11	Profit (loss) for the period	3,180	-9,752	-6,933	-5,727
3.99	Earnings (loss) per share - (reais / share)				
3.99.01	Basic earnings (loss) per share				
3.99.01.01	Common shares	0.01940	-0.05930	-0.04220	-0.03490
3.99.01.02	Preferred shares	0.01940	-0.05930	-0.04220	-0.03490

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

(All amounts in thousands of reais)

Code	Description	Current quarter 7/1/2017 to 9/30/2017	Accumulated - current year 1/1/2017 to 9/30/2017	Same quarter - prior year 7/1/2016 to 9/30/2016	Accumulated - prior year 1/1/2016 to 9/30/2016
4.01	Profit (loss) for the period	3,180	-9,752	-6,933	-5,727
4.02	Other comprehensive income (loss)	8,907	12,583	1,720	61,382
4.02.01	Cash flow hedges	13,496	19,065	2,607	93,003
4.02.02	Income tax and social contribution - cash flow hedges	-4,589	-6,482	-887	-31,621
4.03	Comprehensive income (loss) for the period	12,087	2,831	-5,213	55,655

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

(All amounts in thousands of reais)

Code	Description	Accumulated - current year 1/1/2017 to 9/30/2017	Accumulated - prior year 1/1/2016 to 9/30/2016
6.01	Net cash provided by (used in) operating activities	39,561	14,204
6.01.01	Cash from operations	115,016	107,949
6.01.01.01	Profit (loss) before income tax and social contribution	-18,103	-17,930
6.04.01.02	Changes in the fair value of biological assets	-14,941	-11,244
6.01.01.03	Depreciation, amortization and depletion	39,572	77,289
6.01.01.05	Proceeds from sales of permanent assets	1,405	-2,011
6.01.01.06	Equity in the results of subsidiaries	226	-14,124
6.01.01.07	Changes in the provision for civil, labor and tax contingencies	18,644	-9,452
6.01.01.08	Provision for impairment of trade receivables	753	871
6.01.01.09	Provision for losses on other assets	2,067	223
6.01.01.12	Monetary variations and charges	85,393	84,327
6.01.02	Changes in assets and liabilities	-75,455	-93,745
6.01.02.01	Trade receivables	-22,666	-21,376
6.01.02.02	Inventories	-2,806	-10,503
6.01.02.03	Taxes recoverable	-3,525	3,378
6.01.02.04	Other assets	2,668	6,483
6.01.02.05	Dividends received	16,778	3,897
6.01.02.06	Trade payables	2,630	19,304
6.01.02.07	Social security obligations	7,972	-8,834
6.01.02.08	Advances from customers	36	187
6.01.02.09	Tax obligations	8,011	-4,458
6.01.02.10	Payment of interest on borrowings	-77,160	-59,746
6.01.02.11	Payment of interest on debentures	-2,201	-4,194
6.01.02.12	Other payables	-5,192	-17,883
6.02	Net cash provided by used in investing activities	42,792	-70,696
6.02.01	Purchases of property, plant and equipment	-24,988	-45,707
6.02.02	Purchases of biological assets	-3,649	-4,254
6.02.03	Purchases of intangible assets	-1,692	-3,284
6.02.05	Capital reduction in subsidiary	4,281	43,797
6.02.06	Proceeds from sales of assets	-957	3,419
6.02.07	Capital decrease in non-controlling interests	0	-90
6.02.08	Advance for future capital increase	-520	0
6.02.12	Banks - restricted account	70,317	-64,577
6.03	Net cash provided by (used in) financing activities	-128,742	85,060
6.03.01	Payment of dividends	-4,130	-312
6.03.03	Debentures paid	-28,499	-4,704
6.03.04	Proceeds from borrowings	111,955	238,096
6.03.05	Repayments of borrowings	-208,068	-148,020
6.05	Increase (decrease) in cash and cash equivalents	-46,389	28,568
6.05.01	Cash and cash equivalents at the beginning of the period	82,844	80,079
6.05.02	Cash and cash equivalents at the end of the period	36,455	108,647

Parent company financial statements / statement of changes in equity - 1/1/2017 to 9/30/2017

(All amounts in thousands of reais)

Code	Description	Paid-up share capital	Capital reserves, share options and treasury shares	Revenue reserves	Retained earnings/ accumulated deficit	Other comprehensive income (loss)	Equity
5.01	Opening balances	161,895	960	154,829	0	127,507	445,191
5.03	Adjusted opening balances	161,895	960	154,829	0	127,507	445,191
5.05	Total comprehensive income (loss)	0	0	0	-3,042	5,873	2,831
5.05.01	Profit (loss) for the period	0	0	0	-9,752	0	-9,752
5.05.02	Other comprehensive income (loss)	0	0	0	6,710	5,873	12,583
5.05.02.06	Realization of deemed cost	0	0	0	6,710	-6,710	0
5.05.02.08	Cash flow hedges	0	0	0	0	12,583	12,583
5.06	Internal changes in equity	0	0	-1,549	1,549	0	0
5.06.04	Realized revenue reserve - biological assets	0	0	-1,154	1,154	0	0
5.06.05	Realized revenue reserve - biological assets (subsidiaries)	0	0	-395	395	0	0
5.07	Closing balances	161,895	960	153,280	-1,493	133,380	448,022

Parent company financial statements / statement of changes in equity - 1/1/2016 to 9/30/2016

(All amounts in thousands of reais)

Code	Description	Paid-up share capital	Capital reserves, share options and treasury shares	Revenue reserves	Retained earnings/ accumulated deficit	Other comprehensive income (loss)	Equity
5.01	Opening balances	161,895	960	160,731	0	73,029	396,615
5.03	Adjusted opening balances	161,895	960	160,731	0	73,029	396,615
5.05	Total comprehensive income	0	0	0	983	54,672	55,655
5.05.01	Profit for the period	0	0	0	-5,727	0	-5,727
5.05.02	Other comprehensive income	0	0	0	6,710	54,672	61,382
5.05.02.06	Realization of deemed cost	0	0	0	6,710	-6,710	0
5.05.02.08	Cash flow hedges	0	0	0	0	61,382	61,382
5.06	Internal changes in equity	0	0	-17,917	17,917	0	0
5.06.04	Realized revenue reserve - biological assets	0	0	-17,630	17,630	0	0
5.06.05	Realized revenue reserve - biological assets (subsidiaries)	0	0	-287	287	0	0
5.07	Closing balances	161,895	960	142,814	18,900	127,701	452,270

Parent company financial statements / statement of value added

(All amounts in thousands of reais)

Code	Description	Accumulated - current year 1/1/2017 to 9/30/2017	Accumulated - prior year 1/1/2016 to 9/30/2016
7.01	Revenue	820,151	816,270
7.01.01	Sales of goods, products and/or services	809,873	752,898
7.01.02	Other income	11,031	64,243
7.01.04	Changes in the provision for impairment of trade receivables	-753	-871
7.02	Inputs purchased from third parties	-466,919	-437,431
7.02.01	Cost of sales	-392,561	-380,409
7.02.02	Materials, electricity, outsourced services and other	-72,291	-56,798
7.02.03	Loss/recovery of assets	-2,067	-224
7.03	Gross value added	353,232	378,839
7.04	Retentions	-24,631	-66,045
7.04.01	Depreciation, amortization and depletion	-39,572	-77,289
7.04.02	Other	14,941	11,244
7.04.02.01	Changes in the fair value of biological assets	14,941	11,244
7.05	Net value added generated	328,601	312,794
7.06	Value added received through transfer	19,821	39,244
7.06.01	Equity in the results of subsidiaries	-226	14,124
7.06.02	Finance income	20,047	25,120
7.07	Total value added to be distributed	348,422	352,038
7.08	Value added distributed	348,422	352,038
7.08.01	Personnel	121,128	114,515
7.08.01.01	Direct remuneration	95,208	90,068
7.08.01.02	Benefits	20,546	19,313
7.08.01.03	Government Severance Indemnity Fund for Employees (FGTS)	5,374	5,134
7.08.02	Taxes, fees and contributions	120,397	103,176
7.08.02.01	Federal	80,722	68,146
7.08.02.02	State	38,614	33,989
7.08.02.03	Municipal	1,061	1,041
7.08.03	Remuneration of third-party capital	108,390	115,447
7.08.03.01	Interest	100,414	106,531
7.08.03.02	Rentals	7,976	8,916
7.08.04	Remuneration of own capital	-1,493	18,900
7.08.04.03	Retained earnings/accumulated deficit	-1,493	18,900

Consolidated financial statements / balance sheet - assets

(All amounts in thousands of reais)

Code	Description	Current quarter 9/30/2017	Prior year 12/31/2016
1	Total assets	1,565,982	1,679,951
1.01	Current assets	333,907	444,287
1.01.01	Cash and cash equivalents	36,947	103,885
1.01.02	Financial investments	23,416	94,198
1.01.02.02	Financial investments valued at amortized cost	23,416	94,198
1.01.02.02.01	Held-to-maturity securities	23,416	94,198
1.01.03	Accounts receivable	177,096	154,227
1.01.03.01	Trade receivables	177,096	154,227
1.01.04	Inventories	69,781	67,051
1.01.06	Taxes recoverable	9,109	5,297
1.01.08	Other current assets	17,558	19,629
1.01.08.03	Other	17,558	19,629
1.02	Non-current assets	1,232,075	1,235,664
1.02.01	Long-term receivables	263,061	254,994
1.02.01.03	Trade receivables	12,276	15,248
1.02.01.03.02	Other receivables	12,276	15,248
1.02.01.05	Biological assets	246,147	235,407
1.02.01.09	Other non-current assets	4,638	4,339
1.02.01.09.03	Taxes recoverable	2,214	2,392
1.02.01.09.04	Judicial deposits	2,424	1,947
1.02.02	Investments	18,264	18,644
1.02.02.02	Investment properties	18,264	18,644
1.02.03	Property, plant and equipment	837,601	849,124
1.02.03.01	Property, plant and equipment in operation	837,601	849,124
1.02.04	Intangible assets	113,149	112,902
1.02.04.01	Intangible assets	113,149	112,902

Consolidated financial statements / balance sheet - liabilities and equity

(All amounts in thousands of reais)

Code	Description	Current quarter 9/30/2017	Prior year 12/31/2016
2	Total liabilities and equity	1,565,982	1,679,951
2.01	Current liabilities	409,570	445,377
2.01.01	Social and labor obligations	33,257	24,719
2.01.01.01	Payroll obligations	33,257	24,719
2.01.01.01.01	Social security obligations	33,257	24,719
2.01.02	Trade payables	77,083	79,849
2.01.03	Tax obligations	20,279	20,461
2.01.03.01	Federal taxes payable	10,173	11,913
2.01.03.01.02	Taxes payable in installments	828	3
2.01.03.01.03	Other federal taxes	9,345	11,910
2.01.03.02	State taxes payable	10,037	8,468
2.01.03.02.01	Taxes payable in installments	791	2,008
2.01.03.02.02	Value-added Tax on Sales and Services (ICMS) payable	9,246	6,460
2.01.03.03	Municipal taxes payable	69	80
2.01.04	Borrowings	265,800	298,040
2.01.04.01	Borrowings	252,405	266,926
2.01.04.02	Debentures	13,395	31,114
2.01.05	Other obligations	13,151	22,308
2.01.05.02	Other	13,151	22,308
2.01.05.02.01	Dividend and interest on capital payable	104	4,234
2.01.05.02.04	Other payables	11,631	16,701
2.01.05.02.05	Advances from customers	1,416	1,373
2.02	Non-current liabilities	708,383	789,373
2.02.01	Borrowings	513,465	619,335
2.02.01.01	Borrowings	513,465	609,983
2.02.01.02	Debentures	0	9,352
2.02.02	Other obligations	11,284	10,742
2.02.02.02	Other	11,284	10,742
2.02.02.02.03	Taxes payable in installments	0	204
2.02.02.02.04	Other taxes payable	10,967	10,538
2.02.02.02.05	Other payables	317	0
2.02.03	Deferred taxes	159,229	153,192
2.02.03.01	Deferred income tax and social contribution	159,229	153,192
2.02.04	Provisions	24,405	6,104
2.02.04.01	Provisions for tax, social security, labor and civil contingencies	24,405	6,104
2.03	Consolidated equity	448,029	445,201
2.03.01	Share capital	161,895	161,895
2.03.02	Capital reserves	960	960
2.03.04	Revenue reserves	151,787	154,829
2.03.06	Carrying value adjustments	133,380	127,507
2.03.09	Non-controlling interests	7	10

Consolidated financial statements / statement of profit and loss

All amounts in thousands of reais unless otherwise stated

Code	Description	Current quarter 7/1/2017 to 9/30/2017	Accumulated - current year 1/1/2017 to 9/30/2017	Same quarter - prior year 7/1/2016 to 9/30/2016	Accumulated - prior year 1/1/2016 to 9/30/2016
3.01	Revenue from sales of goods, products and/or services	224,355	628,551	195,484	583,205
3.02	Cost of sales	-151,864	-441,385	-147,450	-422,459
3.02.01	Changes in the fair value of biological assets	5,849	11,165	2,487	15,316
3.02.02	Cost of goods sold	-157,713	-452,550	-149,937	-437,775
3.03	Gross profit	72,491	187,166	48,034	160,746
3.04	Operating income/ expenses	-45,263	-125,455	-32,782	-98,820
3.04.01	Selling expenses	-21,684	-65,189	-20,926	-61,885
3.04.02	General and administrative expenses	-12,992	-44,544	-12,926	-40,745
3.04.04	Other operating income	724	2,845	1,539	60,430
3.04.05	Other operating expenses	-11,311	-18,567	-469	-56,620
3.05	Profit before finance result and taxes	27,228	61,711	15,252	61,926
3.06	Finance result	-24,324	-79,555	-27,691	-78,691
3.06.01	Finance income	6,849	20,890	4,824	27,851
3.06.02	Finance costs	-31,173	-100,445	-32,515	-106,542
3.07	Profit (loss) before taxes on income	2,904	-17,844	-12,439	-16,765
3.08	Income tax and social contribution	276	8,092	5,506	11,038
3.08.01	Current	-81	-455	-267	-1,092
3.08.02	Deferred	357	8,547	5,773	12,130
3.09	Profit (loss) from continuing operations	3,180	-9,752	-6,933	-5,727
3.11	Consolidated profit (loss) for the period	3,180	-9,752	-6,933	-5,727
3.11.01	Attributable to owners of the Parent	3,180	-9,752	-6,933	-5,727
3.99	Earnings (loss) per share - (reais / share)				
3.99.01	Basic earnings (loss) per share				
3.99.01.01	Common shares	0.01940	-0.05930	-0.04220	-0.03490
3.99.01.02	Preferred shares	0.01940	-0.05930	-0.04220	-0.03490

Consolidated financial statements / statement of comprehensive income

(All amounts in thousands of reais)

Code	Description	Current quarter 7/1/2017 to 9/30/2017	Accumulated - current year 1/1/2017 to 9/30/2017	Same quarter - prior year 7/1/2016 to 9/30/2016	Accumulated - prior year 1/1/2016 to 9/30/2016
4.01	Consolidated profit (loss) for the period	3,180	-9,752	-6,933	-5,727
4.02	Other comprehensive income (loss)	8,907	12,583	1,720	61,382
4.02.01	Cash flow hedges	13,496	19,065	2,607	93,003
4.02.02	Income tax and social contribution - cash flow hedges	-4,589	-6,482	-887	-31,621
4.03	Consolidated comprehensive income (loss) for the period	12,087	2,831	-5,213	55,655
4.03.01	Attributable to owners of the Parent	12,087	2,831	-5,213	55,655

Consolidated financial statements / statement of cash flows - indirect method

(All amounts in thousands of reais)

Code	Description	Accumulated - current year 1/1/2017 to 9/30/2017	Accumulated - prior year 1/1/2016 to 9/30/2016
6.01	Net cash provided by (used in) operating activities	25,089	34,579
6.01.01	Cash from operations	125,417	149,145
6.01.01.01	Profit (loss) before income tax and social contribution	-17,844	-16,765
6.01.01.02	Changes in the fair value of biological assets	-11,165	-15,316
6.01.01.03	Depreciation, amortization and depletion	46,123	107,352
6.01.01.05	Proceeds from sales of permanent assets	1,405	-2,011
6.01.01.07	Provision for civil, labor and tax contingencies	18,685	-9,536
6.01.01.08	Provision for impairment of trade receivables	753	871
6.01.01.09	Provision for losses on other assets	2,067	223
6.01.01.12	Monetary variations and charges	85,393	84,327
6.01.02	Changes in assets and liabilities	-100,328	-114,566
6.01.02.01	Trade receivables	-23,622	-21,456
6.01.02.02	Inventories	-2,730	-10,998
6.01.02.03	Taxes recoverable	-3,634	3,315
6.01.02.04	Other assets	2,499	6,457
6.01.02.06	Trade payables	-4,614	4,500
6.01.02.07	Social security obligations	8,538	-8,259
6.01.02.08	Advances from customers	43	180
6.01.02.09	Taxes payable	7,689	-6,469
6.01.02.10	Payment of interest on borrowings	-77,160	-59,746
6.01.02.11	Payment of interest on debentures	-2,201	-4,194
6.01.02.12	Other payables	-5,136	-17,896
6.02	Net cash provided by (used in) investing activities	36,715	-116,275
6.02.01	Purchases of property, plant and equipment	-25,096	-45,757
6.02.02	Purchases of biological assets	-5,984	-6,074
6.02.03	Purchases of intangible assets	-1,692	-3,284
6.02.06	Proceeds from sales of assets	-827	3,420
6.02.07	Capital decrease in non-controlling interests	-3	0
6.02.08	Capital contribution in subsidiary	0	-3
6.02.12	Banks - restricted account	70,317	-64,577
6.03	Net cash provided by (used in) financing activities	-128,742	85,060
6.03.01	Payment of dividends	-4,130	-312
6.03.03	Debentures paid	-28,499	-4,704
6.03.04	Proceeds from borrowings	111,955	238,096
6.03.05	Repayments of borrowings	-208,068	-148,020
6.05	Increase (decrease) in cash and cash equivalents	-66,938	3,364
6.05.01	Cash and cash equivalents at the beginning of the period	103,885	125,732
6.05.02	Cash and cash equivalents at the end of the period	36,947	129,096

Consolidated financial statements / statement of changes in equity - 1/1/2017 to 9/30/2017

(All amounts in thousands of reais)

Code	Description	Paid-up share capital	Capital reserves, share options and treasury shares	Revenue reserves	Retained earnings/ accumulated deficit	Other comprehensive income (loss)	Equity	Non-controlling interests	Consolidated equity
5.01	Opening balances	161,895	960	154,829	0	127,507	445,191	10	445,201
5.03	Adjusted opening balances	161,895	960	154,829	0	127,507	445,191	10	445,201
5.04	Capital transactions with owners	0	0	0	0	0	0	-3	-3
5.04.09	Capital increase/decrease in non-controlling interests	0	0	0	0	0	0	-3	-3
5.05	Total comprehensive income (loss)	0	0	0	-3,042	5,873	2,831	0	2,831
5.05.01	Profit (loss) for the period	0	0	0	-9,752	0	-9,752	0	-9,752
5.05.02	Other comprehensive income (loss)	0	0	0	6,710	5,873	12,583	0	12,583
5.05.02.06	Realization of deemed cost	0	0	0	6,710	-6,710	0	0	0
5.05.02.08	Cash flow hedges	0	0	0	0	12,583	12,583	0	12,583
5.06	Internal changes in equity	0	0	-1,549	1,549	0	0	0	0
5.06.04	Realized revenue reserve - biological assets	0	0	-1,154	1,154	0	0	0	0
5.06.05	Realized revenue reserve - biological assets (subsidiaries)	0	0	-395	395	0	0	0	0
5.07	Closing balances	161,895	960	153,280	-1,493	133,380	448,022	7	448,029

Consolidated financial statements / statement of changes in equity - 1/1/2016 to 9/30/2016

(All amounts in thousands of reais)

Code	Description	Paid-up share capital	Capital reserves, share options and treasury shares	Revenue reserves	Retained earnings/ accumulated deficit	Other comprehensive income (loss)	Equity	Non-controlling interests	Consolidated equity
5.01	Opening balances	161,895	960	160,731	0	73,029	396,615	13	396,628
5.03	Adjusted opening balances	161,895	960	160,731	0	73,029	396,615	13	396,628
5.04	Capital transactions with owners	0	0	0	0	0	0	-3	-3
5.04.09	Capital increase/decrease in non-controlling interests	0	0	0	0	0	0	-3	-3
5.05	Total comprehensive income	0	0	0	983	54,672	55,655	0	55,655
5.05.01	Profit for the period	0	0	0	-5,727	0	-5,727	0	-5,727
5.05.02	Other comprehensive income	0	0	0	6,710	54,672	61,382	0	61,382
5.05.02.06	Realization of deemed cost	0	0	0	6,710	-6,710	0	0	0
5.05.02.08	Cash flow hedges	0	0	0	0	61,382	61,382	0	61,382
5.06	Internal changes in equity	0	0	-17,917	17,917	0	0	0	0
5.06.04	Realized revenue reserve - biological assets	0	0	-17,630	17,630	0	0	0	0
5.06.05	Realized revenue reserve - biological assets (subsidiaries)	0	0	-287	287	0	0	0	0
5.07	Closing balances	161,895	960	142,814	18,900	127,701	452,270	10	452,280

Consolidated financial statements / statement of value added

(All amounts in thousands of reais)

Code	Description	Accumulated - current year 1/1/2017 to 9/30/2017	Accumulated - prior year 1/1/2016 to 9/30/2016
7.01	Revenue	826,766	843,553
7.01.01	Sales of goods, products and/or services	816,416	759,367
7.01.02	Other income	11,103	85,057
7.01.04	Changes in the provision for impairment of trade receivables	-753	-871
7.02	Inputs purchased from third parties	-454,571	-416,393
7.02.01	Cost of sales	-377,001	-357,882
7.02.02	Materials, electricity, outsourced services and other	-75,503	-58,287
7.02.03	Loss/recovery of assets	-2,067	-224
7.03	Gross value added	372,195	427,160
7.04	Retentions	-34,958	-92,036
7.04.01	Depreciation, amortization and depletion	-46,123	-107,352
7.04.02	Other	11,165	15,316
7.04.02.01	Changes in the fair value of biological assets	11,165	15,316
7.05	Net value added generated	337,237	335,124
7.06	Value added received through transfer	20,890	27,851
7.06.02	Finance income	20,890	27,851
7.07	Total value added to be distributed	358,127	362,975
7.08	Value added distributed	358,127	362,975
7.08.01	Personnel	128,031	121,103
7.08.01.01	Direct remuneration	99,988	94,641
7.08.01.02	Benefits	22,341	21,018
7.08.01.03	Government Severance Indemnity Fund for Employees (FGTS)	5,702	5,444
7.08.02	Taxes, fees and contributions	123,107	107,329
7.08.02.01	Federal	83,206	71,913
7.08.02.02	State	38,696	34,264
7.08.02.03	Municipal	1,205	1,152
7.08.03	Remuneration of third-party capital	108,482	115,643
7.08.03.01	Interest	100,445	106,542
7.08.03.02	Rentals	8,037	9,101
7.08.04	Remuneration of own capital	-1,493	18,900
7.08.04.03	Retained earnings/accumulated deficit	-1,493	18,900

Comments on company performance

COMMENTS ON THE COMPANY'S PERFORMANCE FOR 3Q17

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

IRANI reports Adjusted EBITDA of R$ 40.2 million in 3Q17, with a 17.9% margin, an increase of 31.7% in relation to 3Q16

KEY INDICATORS - CONSOLIDATED	3Q17	2Q17	3Q16	Var. 3Q17/2Q17	Var. 3Q17/3Q16	9M17	9M16	Var. 9M15/9M14	LTM 17	LTM 16	Var. LTM17/LTM16
Economic and Financial (R$ thousand)											
Net operating revenue	224,355	208,859	195,484	7.4%	14.8%	628,551	583,205	7.8%	822,141	777,135	5.8%
Domestic market	197,317	178,538	166,935	10.5%	18.2%	536,116	471,528	13.7%	700,021	638,660	9.6%
Foreign market	27,038	30,321	28,549	-10.8%	-5.3%	92,435	111,677	-17.2%	122,120	138,475	-11.8%
Gross profit (including*)	72,491	71,940	48,034	0.8%	50.9%	187,166	160,746	16.4%	237,186	202,197	17.3%
(*) Change in fair value of biological assets	*5,849*	*10,480*	*2,487*	-44.2%	135.2%	*11,165*	*15,316*	-27.1%	*23,243*	*944*	2362.2%
Gross margin	***32.3%***	***34.4%***	***24.6%***	***-2.1p.p.***	***7.7p.p.***	***29.8%***	***27.6%***	***2.2p.p.***	***28.8%***	***26.0%***	***2.8p.p.***
Operating result before taxes and profit sharing	2,904	(2,316)	(12,439)	-	-	(17,844)	(16,765)	6.4%	(36,191)	(31,927)	13.4%
Operating margin	***1.3%***	***-1.1%***	***-6.4%***	***2.4p.p.***	***7.7p.p.***	***-2.8%***	***-2.9%***	***0.1p.p.***	***-4.4%***	***-4.1%***	***-0.3p.p.***
Net result	3,180	1,203	(6,933)	164.3%	-	(9,752)	(5,727)	70.3%	(14,807)	(22,571)	-34.4%
Net Margin	***1.4%***	***0.6%***	***-3.5%***	***0.8p.p.***	***4.9p.p.***	***-1.6%***	***-1.0%***	***-0.6p.p.***	***-1.8%***	***-2.9%***	***1.1p.p.***
Adjusted EBITDA [1]	40,176	33,513	30,512	19.9%	31.7%	102,985	155,950	-34.0%	122,349	199,229	-38.6%
Adjusted EBITDA Margin	***17.9%***	***16.0%***	***15.6%***	***1.9p.p.***	***2.3p.p.***	***16.4%***	***26.7%***	***-10.3p.p.***	***14.9%***	***25.6%***	***-10.7p.p.***
Net debt [R$ million]	779.3	755.2	721.8	3.2%	8.0%	779.3	721.8	8.0%	779.3	721.8	8.0%
Net debt / Adjusted EBITDA (x)	5.88	6.70	3.62	-12.2%	62.4%	5.88	3.62	62.4%	5.88	3.62	62.4%
Net debt / Proforma adjusted EBITDA (x) [2]	5.02	5.65	2.99	-11.2%	67.9%	5.02	2.99	67.9%	5.02	2.99	67.9%
Operating data (metric tons) [3]											
Corrugated Cardboard Packaging (PO)											
Production/Sales	51,711	46,980	46,278	10.1%	11.7%	144,028	134,781	6.9%	187,415	186,572	0.5%
Packaging Paper											
Production	72,690	72,485	72,093	0.3%	0.8%	215,916	213,051	1.3%	278,311	285,916	-2.7%
Sales	23,093	22,310	22,086	3.5%	4.6%	66,838	64,034	4.4%	90,751	85,258	6.4%
RS Forest and Resins											
Production	2,736	2,763	2,811	-1.0%	-2.7%	9,109	9,251	-1.5%	11,784	10,928	7.8%
Sales	1,645	2,728	2,620	-39.7%	-37.2%	7,833	9,747	-19.6%	10,298	10,999	-6.4%

[1] EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) - see the related section in this release.

[2] Excluding from net debt the foreign exchange variation accounted for as hedge accounting.

[3] The assumptions used for measuring the volumes of the Corrugated Cardboard Packaging (PO) and Packaging Paper segments were reviewed in 1Q17 and changed in relation to the previous year.

- In 3Q17, net revenue increased by 14.8% in comparison with 3Q16 and by 7.4% in comparison with 2Q17, reflecting the higher sales volumes, especially in the Corrugated Cardboard Packaging segment.
- The sales volume for the Corrugated Cardboard Packaging segment increased by 11.7% compared to 3Q16, totaling 51.7 thousand metric tons in 3Q17. The Packaging Paper segment totaled 23.1 thousand metric tons, recording an increase of 4.6% in comparison with 3Q16. The RS Forest and Resins segment totaled 1.6 thousand metric tons, recording a decrease of 37.2%.
- Gross profit for 3Q17 increased by 50.9% compared to 3Q16 and remained stable in comparison with 2Q17, mainly due to the growth of net revenue and the decrease in production costs resulting from the lower price of trimmings, in comparison with 3Q16.

Comments on company performance

- The Company reported a profit of R$ 3.2 million for 3Q17, compared to losses of R$ 6.9 million in 3Q16 and a profit of R$ 1.2 million in 2Q17. The main factors that impacted the net result were the growth of net revenue and the reduction of costs, already evidenced by the increase in gross profit.

- Adjusted EBITDA in 3Q17 was computed at R$ 40.2 million, 31.7% above that computed for 3Q16, of R$ 30.5 million, mainly as a result of the better performance in sales and the drop in the price of trimmings in the period. In the comparison with 2Q17, adjusted EBITDA was 19.9% higher, mainly due to the higher volumes of sales, which led to an increase in the net revenue and result for the period.

- The Net debt/EBITDA ratio was 5.88 times in September 2017. Excluding from net debt the foreign exchange variation recorded as hedge accounting, the net debt/EBITDA ratio would be 5.02 times.

- The cash position at the end of September 2017 was R$ 60.4 million, with 66% of the debts maturing in the long term.

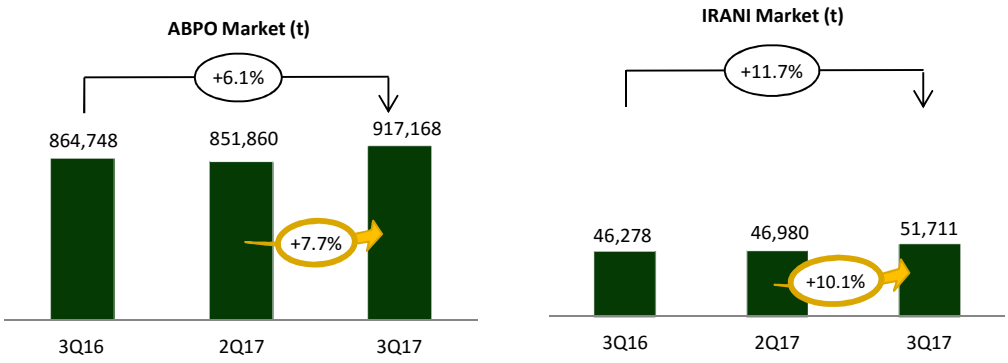
Highlights of 3Q17

In the third quarter of 2017, Brazil's economy continued to grow. Official data of the second quarter showed a GDP increase of 0.2% in comparison with the first quarter, and market prospects anticipate a growth of 0.8% for 2017. In the international scenario, the US, China and Europe continued to present a positive economic environment.

In 3Q17, the Brazilian Corrugated Cardboard Association (ABPO) recorded an increase of 6.1% in the amount of metric tons of corrugated cardboard shipped, in comparison with 3Q16. The sales volume of the IRANI Market, in metric tons, increased by 11.7% in 3Q17. In the comparison with 2Q17, the ABPO Market increased by 7.7%, and the IRANI Market by 10.1%. In metric tons, IRANI's market share in the Corrugated Cardboard Packaging segment corresponded to 5.6% in 3Q17, 5.4% in 3Q16, and 5.5% in 2Q17.

Comments on company performance

Sales Volume (in metric tons) - Corrugated Cardboard Packaging (PO) segment



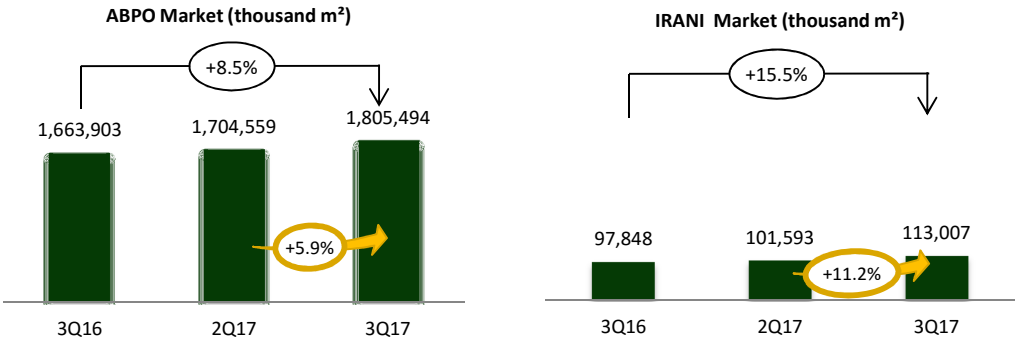
Source: ABPO

Source: IRANI

The sales volume (in square meters) of corrugated cardboard packaging in the ABPO Market increased by 8.5% in 3Q17 when compared to 3Q16, while the IRANI Market recorded an increase of 15.5% in the period. In the comparison with 2Q17, the ABPO Market increased by 5.9%, and the IRANI Market by 11.2%. In square meters, IRANI's market share corresponded to 6.3% in 3Q17, 5.7% in 3Q16, and 6.1% in 2Q17.

In 3Q17, the Corrugated Cardboard Packaging segment represented 68% of IRANI's net revenue, while the Packaging Paper segment represented 28%, and the RS Forest and Resins segment represented 4%. The domestic market accounted for 88% of net revenue, and the foreign market for 12%. The growth of 2.6 p.p. in revenue from the domestic market when compared to 3Q16 arises mainly from the increase in the sales volumes of the Corrugated Cardboard Packaging segment, which is fully allocated to the domestic market.

Sales Volume (in square meters) - Corrugated Cardboard Packaging Segment (PO)



Source: ABPO

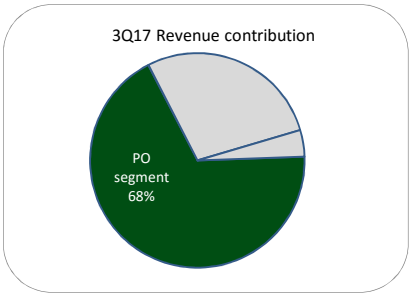
Source: IRANI

ABPO data for 3Q17 (in metric tons and square meters) refer to closing forecast. Official data may present changes.

Comments on company performance

1. OPERATING PERFORMANCE (not reviewed by independent auditor)

1.1 Corrugated Cardboard Packaging Segment (PO)

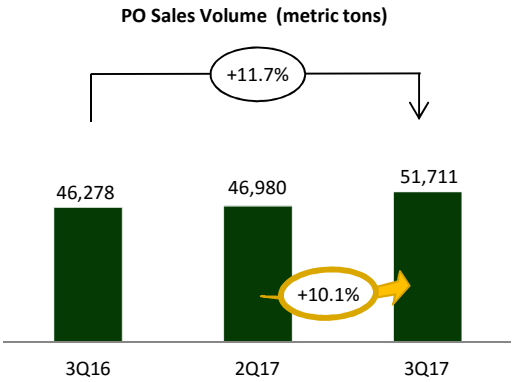


The sales volume of corrugated cardboard boxes and sheets totaled 51,711 metric tons, with an increase of 11.7% in relation to 3Q16 and of 10.1% in relation to 2Q17. In the comparison between the current quarter and 3Q16, the sales of boxes increased by 9.5%, and the sales of sheets by 17.7%. The Indaiatuba (SP), Campina da Alegria (SC) and Vila Maria (SP) Packaging plants accounted for 38%, 31% and 31%, respectively, of total sales in 3Q17, with their entire production allocated to the domestic market.

The sales volume of the SP Indaiatuba Packaging plant totaled 13,934 metric tons of boxes and 5,872 metric tons of sheets in 3Q17 (compared to 12,730 metric tons of boxes and 5,252 metric tons of sheets in 3Q16).

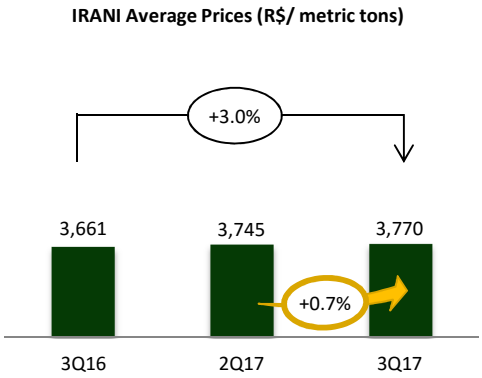
The sales volume of the SC Campina da Alegria Packaging plant totaled 12,860 metric tons of boxes and 3,277 metric tons of sheets in 3Q17 (compared to 11,678 metric tons of boxes and 2,386 metric tons of sheets in 3Q16).

The sales volume of the SP Vila Maria Packaging plant totaled 9,927 metric tons of boxes and 5,841 metric tons of sheets in 3Q17 (compared to 9,134 metric tons of boxes and 5,099 metric tons of sheets in 3Q16).



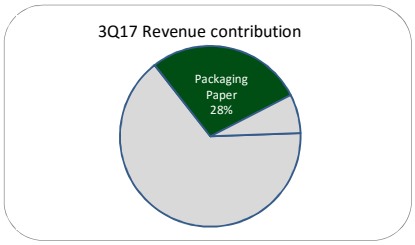
Comments on company performance

The average IRANI (CIF) price per metric ton increased by 3.0% in 3Q17 when compared to 3Q16, and remained stable in relation to 2Q17, as shown below:



Note on methodology: 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 in accordance with the market mix of boxes and sheets.

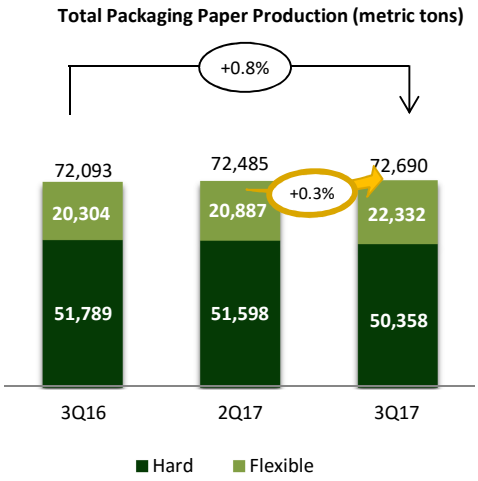
1.2 Packaging Paper Segment

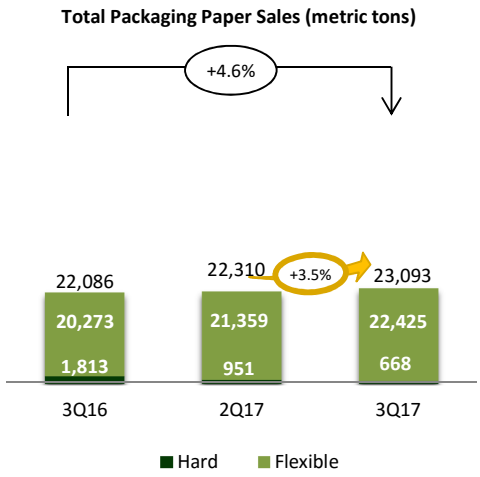


IRANI operates in the Packaging Paper segment, both in the markets of hard packaging (corrugated cardboard) and flexible packaging (sack kraft paper).

The Company's total production of packaging paper in the quarter remained stable when compared to 3Q16 and 2Q17. The sales volume in this segment increased by 4.6% in comparison with 3Q16, and by 3.5% in comparison with 2Q17.

Comments on company performance

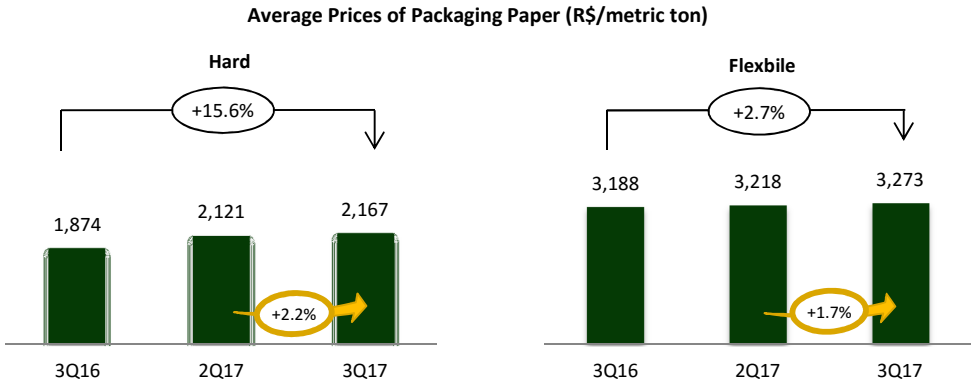




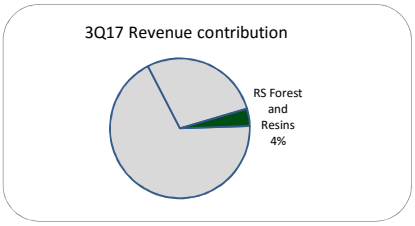
In 3Q17, internal transfers of paper for rigid packages (PO) totaled 50,995 metric tons (49,299 metric tons in 3Q16 and 49,597 metric tons in 2Q17), distributed as follows: 18,289 metric tons (18,639 metric tons in 3Q16 and 18,073 metric tons in 2Q17) to the SP Indaiatuba plant; 16,644 metric tons (14,483 metric tons in 3Q16 and 16,427 metric tons in 2Q17) to the SP Vila Maria plant; and 16,062 metric tons (16,177 metric tons in 3Q16 and 15,096 metric tons in 2Q17) to the SC Campina da Alegria plant. Therefore, of the total internal transfers made in the quarter, 36% were to the SP Indaiatuba plant, 31% to the SC Campina da Alegria plant, and 33% to the SP Vila Maria plant.

The hard packaging paper segment, which records lower sales volume (only 668 metric tons in 3Q17, as shown in the chart above) and prices lower than those of the other papers sold by the Company, recorded an increase of 15.6% in the price when compared to 3Q16 and of 2.2% when compared to 2Q17. The prices of flexible packaging papers increased by 2.7% and 1.7% when compared to 3Q16 and 2Q17, respectively.

Comments on company performance

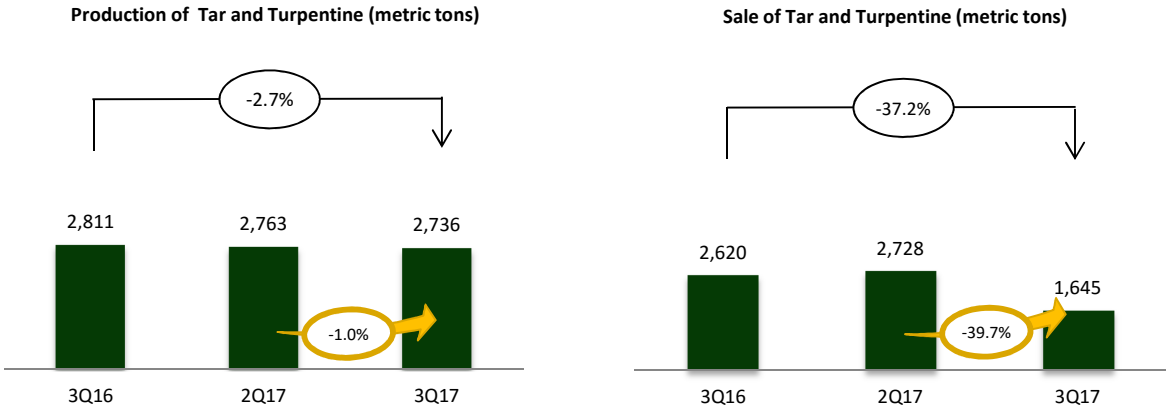


1.3 RS Forest and Resins Segment



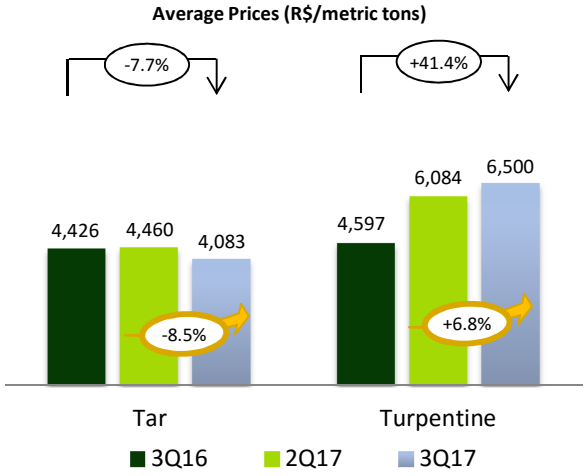
In 3Q17, the Forest segment of Rio Grande do Sul produced and sold 31 thousand cubic meters of pine logs in the domestic market (18 thousand cubic meters in 3Q16) and supplied 643 metric tons of natural resins to be utilized in the industrial production of tar and turpentine.

In 3Q17, the production volume of the unit RS Resin Balneário Pinhal decreased by 2.7% when compared to 3Q16, and by 1.0% when compared to 2Q17. Likewise, the sales volume decreased by 37.2% in relation to 3Q16 and by 39.7% in relation to 2Q17.



Comments on company performance

In 3Q17, the average gross price of tar was 7.7% below that for 3Q16 and 8.5% below that for 2Q17. The price of turpentine also increased by 41.4% in the comparison with 3Q16 and by 6.8% in relation to 2Q17. The prices of these products vary according to the international market and exchange rates.



2. ECONOMIC AND FINANCIAL PERFORMANCE

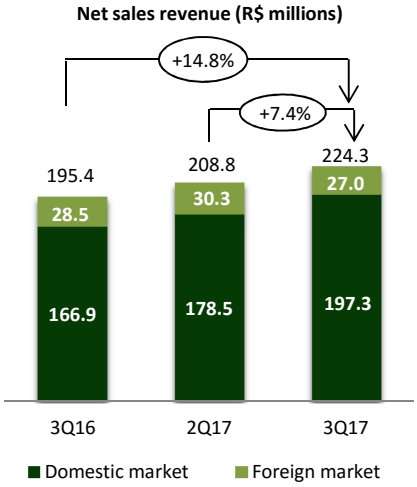
2.1 Net Operating Revenue

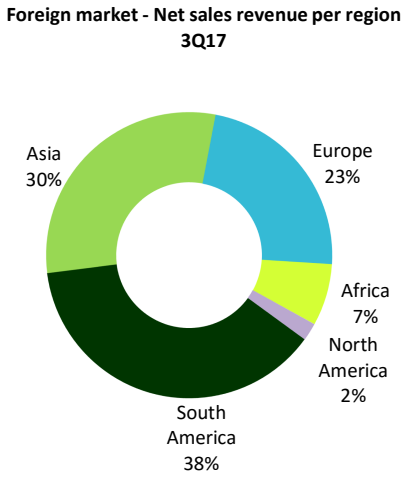
Net operating revenue recorded for 3Q17 totaled R$ 224,355 thousand, representing an increase of 14.8% in relation to 3Q16 and of 7.4% in relation to 2Q17, reflecting mainly the better sales performance, particularly in the Corrugated Cardboard Packaging segment.

In the domestic market, net operating revenue amounted to R$ 197,317 thousand in the quarter, an increase of 18.2% against 3Q16 and of 10.5% against 2Q17, and corresponded to 88% of the Company's total revenue.

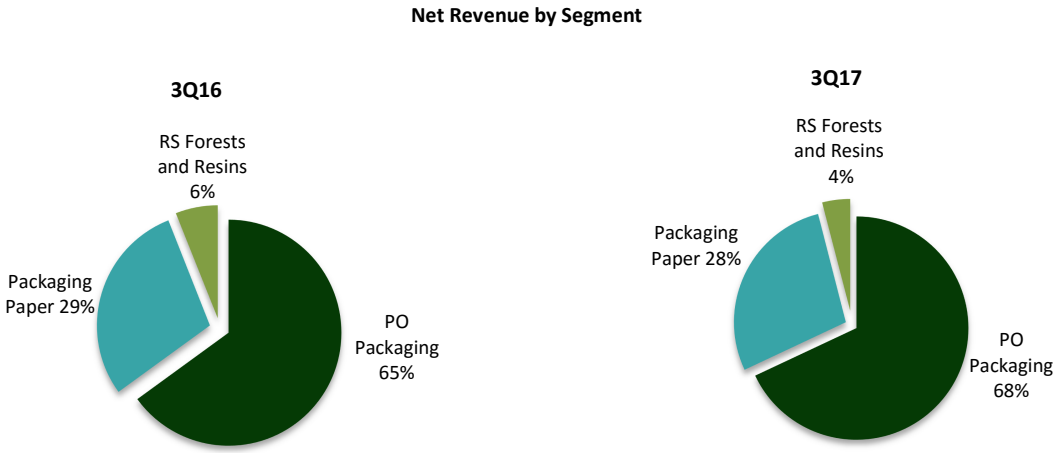
Exports in 3Q17 totaled R$ 27,038 thousand, a decrease of 5.3% when compared to 3Q16 and of 10.8% in relation to 2Q17, and corresponded to 12% of the Company's total net operating revenue. South America was the main destination of the exports, concentrating 38% of the export revenue. Other destinations were: Asia (30%), Europe (23%), Africa (7%) and North America (2%).

Comments on company performance





IRANI's main operating area is the Corrugated Cardboard Packaging (PO) segment, which accounted for 68% of the consolidated net revenue in 3Q17, followed by the Packaging Paper segment with 28%, and the RS Forest and Resins segment, with 4%.

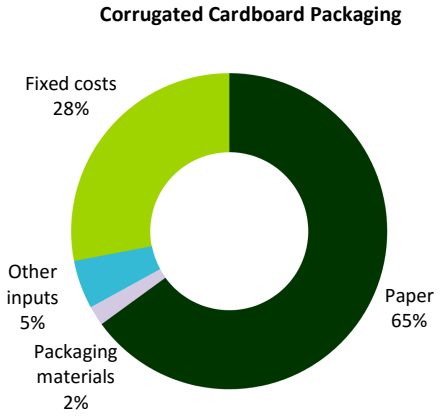


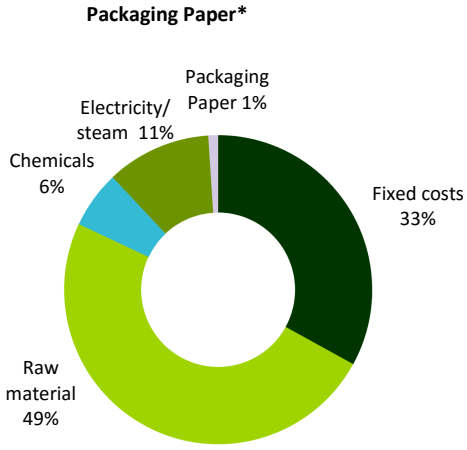
2.2 Cost of Sales

Cost of sales in 3Q17 amounted to R$ 157,713 thousand, an increase of 5.2% compared to 3Q16, in absolute numbers. Changes in the fair value of biological assets were not considered in the cost of products sold.

Comments on company performance

The analysis of cost by business segment in 3Q17 is shown in the charts below:





*changes in the fair value of biological assets are not included in the cost of the Packaging Paper segment.

2.3 Operating Income and Expenses

Selling expenses in 3Q17 totaled R$ 21,684 thousand, representing 9.7% of the consolidated net revenue, compared to 10.7% in 3Q16.

Administrative expenses in 3Q17 remained stable in relation to those recorded for 3Q16, totaling R$ 12,992 thousand (R$ 12,926 thousand in 3Q16) and accounted for 5.8% of the consolidated net revenue, against 6.6% in 3Q16.

Other operating income/expenses corresponded to expenses of R$ 10,587 thousand in 3Q17, against income of R$ 1,070 thousand in 3Q16.

Comments on company performance

3. CASH PROVIDED BY OPERATING ACTIVITIES (ADJUSTED EBITDA)

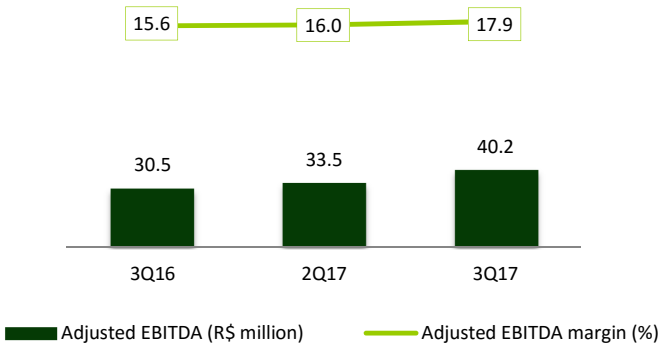
Consolidated (R$ thousand)	3Q17	2Q17	3Q16	Var. 3Q17/2Q17	Var. 3Q17/3Q16	9M17	9M16	Var. 9M17/9M16	LTM17	LTM16	Var. LTM17/LTM16
Operating result before taxes and profit sharing	**2,904**	**(2,316)**	**(12,439)**	-	-	**(17,844)**	**(16,765)**	**6.4%**	**(36,191)**	**(31,927)**	**13.4%**
Depletion	3,685	1,542	1,594	139.0%	131.2%	6,346	60,031	-89.4%	7,231	65,195	-88.9%
Depreciation and amortization	13,796	13,439	16,153	2.7%	-14.6%	39,777	47,321	-15.9%	56,342	62,580	-10.0%
Finance result	24,324	26,328	27,691	-7.6%	-12.2%	79,555	78,691	1.1%	107,910	100,809	7.0%
EBITDA	**44,709**	**38,993**	**32,999**	**14.7%**	**35.5%**	**107,834**	**169,278**	**-36.3%**	**135,292**	**196,657**	**-31.2%**
EBITDA margin	***19.9%***	***18.7%***	***16.9%***	***1.2p.p.***	***3.0p.p.***	***17.2%***	***29.0%***	***-11.8p.p.***	***16.5%***	***25.3%***	***-8.8p.p.***
Adjustments pursuant to CVM Instruction 527/12											
Change in the fair value of biological assets [1]	(5,849)	(10,480)	(2,487)	-44.2%	135.2%	(11,165)	(15,316)	-27.1%	(23,243)	(944)	2362.2%
Management profit sharing	-	-	-	-	-	-	-	-	-	55	-
Non-recurring events [2]	1,316	5,000	-	-73.7%	-	6,316	1,988	217.7%	10,300	3,461	197.6%
Adjusted EBITDA	**40,176**	**33,513**	**30,512**	**19.9%**	**31.7%**	**102,985**	**155,950**	**-34.0%**	**122,349**	**199,229**	**-38.6%**
Adjusted EBITDA Margin	***17.9%***	***16.0%***	***15.6%***	***1.9p.p.***	***2.3p.p.***	***16.4%***	***26.7%***	***-10.3p.p.***	***14.9%***	***25.6%***	***-10.7p.p.***

[1] The change in the fair value of biological assets did not represent a cash reduction in the period.

[2] Non-recurring events relate, in 3Q17, to the enrollment n the Special Tax Regularization Program (PERT), and in 2Q17, to the bonus granted to the Former Chairman of the Board of Directors, which do not characterize as recurring expenses in the period.

Cash provided by operating activities, measured by adjusted EBITDA, totaled R$ 40,176 thousand in 3Q17, an increase of 31.7% in relation to 3Q16, and of 19.9% in relation to 2Q17, reflecting the better performance of sales and the lower costs in these quarters. In 3Q17, the adjusted EBITDA margin reached 17.9%, an increase of 2.3 p.p. in relation to 3Q16. In relation to 2Q17, the margin increased by 1.9 p.p.

Adjusted EBITDA (Million R$) and Adjusted EBITDA Margin (%)



4. FINANCE RESULT AND INDEBTEDNESS

Finance result was negative by R$ 24,324 thousand in 3Q17, decreasing by 12.2% in comparison with 3Q16, and 7.6% in comparison with 2Q17. This result was positively impacted by the foreign exchange variation computed in the period, and negatively impacted by the recognition of a non-recurring finance cost of R$ 1,869, relating to the enrollment of the Company in the Special Tax Regularization Program

Comments on company performance

(PERT). In 3Q17, finance costs totaled R$ 31,173 thousand compared to R$ 32,515 thousand in 3Q16 and R$ 32,013 thousand in 2Q17. Finance income amounted to R$ 6,849 thousand in 3Q17, compared to R$ 4,824 thousand in 3Q16 and R$ 5,685 thousand in 2Q17.

Finance result is broken down as follows:

R$ thousand	3Q17	2Q17	3Q16	9M17	9M16	LTM17[1]	LTM16[1]
Finance income	6,849	5,685	4,824	20,890	27,851	32,971	36,628
Finance costs	(31,173)	(32,013)	(32,515)	(100,445)	(106,542)	(140,881)	(137,437)
Finance result	(24,324)	(26,328)	(27,691)	(79,555)	(78,691)	(107,910)	(100,809)

[1] *Accumulated in the last twelve months.*

Finance income and costs disclosed include foreign exchange gains and losses, as follows:

R$ thousand	3Q17	2Q17	3Q16	9M17	9M16	LTM17[1]	LTM16[1]
Foreign exchange gains	4,972	2,836	2,803	11,466	18,885	17,345	23,150
Foreign exchange losses	(4,978)	(6,004)	(9,307)	(20,199)	(34,349)	(30,075)	(39,734)
Foreign exchange variation, net	(6)	(3,168)	(6,504)	(8,733)	(15,464)	(12,730)	(16,584)

[1] *Accumulated in the last twelve months.*

Finance result net of foreign exchange variation was as follows:

R$ thousand	3Q17	2Q17	3Q16	9M17	9M16	LTM17[1]	LTM16[1]
Finance Result Net of Foreign Exchange Variation	(24,318)	(23,160)	(21,187)	(70,822)	(63,227)	(95,180)	(84,225)

[1] *Accumulated in the last twelve months.*

For the purpose of hedging its exports in the coming years, the Company maintains the maturity flow of its commitments in foreign currency (U.S. dollars) aligned with the estimated receivables in the same currency. Foreign exchange variation on these transactions is accounted for monthly in Equity and recognized in the statement of profit and loss, as finance costs, at the time of their realization (hedge accounting). In 3Q17, the Company recognized hedge accounting gains of R$ 13,496 thousand (R$ 8,907 thousand net of taxes) in Equity, and finance costs of R$ 6 thousand in the statement of profit and loss. In the year-to-date, the Company maintains the amount of R$ 104,523 thousand recorded as exchange rate variation on transactions allocated to hedge accounting, to be recognized in the statement of profit and loss on realization, over the coming years. The amount of R$ 68,986 thousand is recognized in Equity (net of taxes).

Comments on company performance

Foreign exchange rate

The exchange rate computed as R$ 3.25/US$ at September 30, 2016, decreased by 2.5% at the end of September 2017, reaching R$ 3.17/US$. The average exchange rate for the quarter was R$ 3.16/US$, or 1.6% lower than in 2Q17 and 2.8% lower than in 3Q16.

	3Q17	2Q17	3Q16	Δ3Q17/2Q17	Δ3Q17/3Q16
Average U.S. dollar	3.16	3.21	3.25	-1.6%	-2.8%
Final U.S. dollar	3.17	3.31	3.25	-4.2%	-2.5%

Source: Brazilian Central Bank

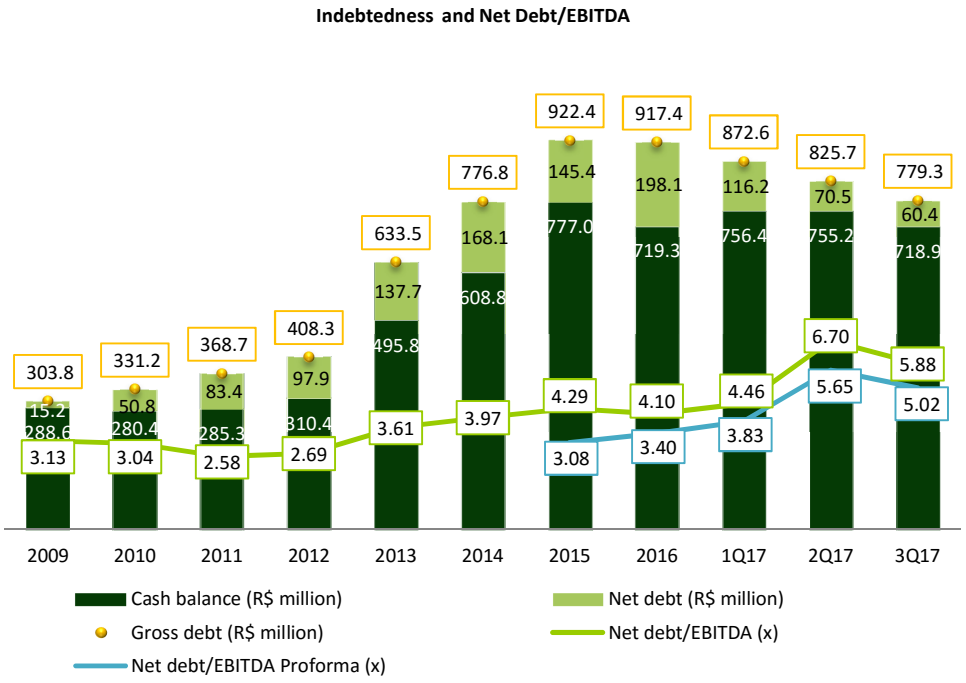
Indebtedness

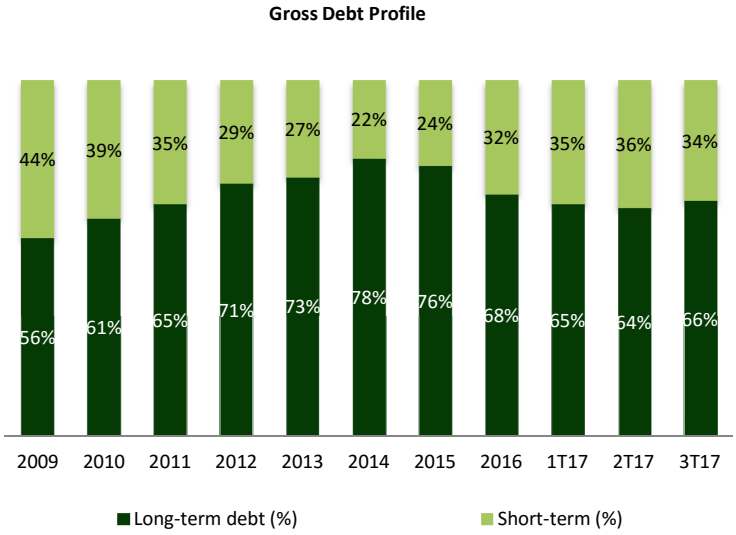
At September 30, 2017, consolidated gross indebtedness totaled R$ 779.3 million, compared to R$ 825.7 million at June 30, 2017. The change in this indicator was positively impacted by the depreciation of the U.S. dollar against the real and the settlements made in the period, which exceeded the proceeds from new borrowings. At September 30, 2017, the Company's gross debt profile presented 34% of debts maturing in the short term and 66% in the long term.

At September 30, 2017, consolidated cash totaled R$ 60.4 million, compared to R$ 70.5 million at June 30, 2017, mainly affected by the difference between cash generation and proceeds from financial transactions and debt settlements during the period.

At September 30, 2017, consolidated net debt totaled R$ 718.9 million, against R$ 755.2 million at June 30, 2017. As a result, the net debt/EBITDA ratio changed from 6.70 times at the end of 2Q17 to 5.88 times at the end of 3Q17. Excluding from net debt the exchange variation recorded as hedge accounting (Note 29 - Cash flow hedge), the pro forma net debt/EBITDA ratio would be 5.02 times at the end of 3Q17.

Comments on company performance





5. PROFIT/LOSS

In 3Q17, the Company reported a profit of R$ 3,180 thousand, compared to losses of R$ 6,933 thousand in 3Q16 and a profit of R$ 1,203 thousand in 2Q17. The main factors that impacted the net result for this

Comments on company performance

quarter were the growth of net revenue and reduction in costs, already evidenced by the increase in gross profit. Over the last nine months, net result corresponded to losses of R$ 9,752 thousand, compared to losses of R$ 5,727 thousand recorded for the same period of the previous year.

6. INVESTMENTS

The Company maintains its strategy of investing in the modernization and automation of its production processes.

R$ thousand	3Q17	9M17
Equipment	8,045	26,002
Assets under lease	-	1,006
Intangible assets	543	1,692
Reforesting	2,149	5,921
Total	**10,737**	**34,621**

Investments in the quarter totaled R$ 10,737 thousand and were basically allocated to reforesting, maintenance and improvement of facilities, computer software, machinery and equipment.

7. SHARE CAPITAL

At September 30, 2017, IRANI's capital was represented by 166,720,235 shares, of which 153,909,975 (92%) are common shares, and 12,810,260 (8%) are preferred shares. At September 30, 2017, the Company held in treasury 2,376,100 shares, of which 24,000 were common shares and 2,352,100 are preferred shares. In the same period, common shares were traded at R$ 2.50, and preferred shares at R$ 2.47.

8. EVENTS AFTER THE REPORTING PERIOD

In October 2017, the Company's Board of Directors approved the sale of forests planted on third-party land with a total area of approximately 2,806 hectares, for R$ 27,000. The Board also approved the sale of Fazenda São Pedro, a property located in the municipality of Água Doce, State of Santa Catarina, with a total area of 1,520.85 hectares and usable area of 801 hectares, for R$ 12,166. The sale agreement includes a repurchase option exercisable up to the eighth year, for the same price, adjusted by the Amplified Consumer Price Index (IPCA) variation. The completion of this sale transaction is contingent on the fulfillment of conditions precedent by the parties up to November 30, 2017.

Notes to the Quarterly Information

CELULOSE IRANI S.A.

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Celulose Irani S.A. - National Corporate Taxpayers' Registry (CNPJ) 92.791.243/0001-03

NOTES TO THE INTERIM FINANCIAL STATEMENTS AT SEPTEMBER 30, 2017

(All amounts in thousands of reais unless otherwise stated)

1. OPERATIONS

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

The Company's direct subsidiaries are listed in Note 4.

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

The Company's management identified, subsequently to the disclosure of the interim financial statements filed on October 31, 2017, that the information on Note 16 - Borrowings, related to e) Restrictive Financial Covenants, item vii) Banco Credit Suisse - PPE, sub-item a) - ratio between net debt and EBITDA over the last 12 months, was presented without addressing the contract amendment signed during the quarter. Accordingly, these interim financial statements are being restated to include the financial ratios contracted with Banco Credit Suisse, which had been fully complied with on 30 September 2017.

The issue of these interim financial statements was authorized by the Board of Directors on November 6, 2017.

2. PRESENTATION OF THE INTERIM FINANCIAL STATEMENTS

The parent company and consolidated interim financial statements have been prepared and are being presented in accordance with accounting practices adopted in Brazil, including the pronouncements issued by the Brazilian Accounting Pronouncements Committee (CPC), and the International Financial Reporting Standards (IFRS) issued

by the International Accounting Standards Board (IASB), and disclose all (and only) the applicable significant information related to the financial statements, which is consistent with the information utilized by management in the performance of its duties.

The interim financial statements have been prepared under the historical cost convention, except for the biological assets measured at fair value, and property, plant and equipment items measured at deemed cost on the date of transition to IFRS/CPCs.

3. SIGNIFICANT ACCOUNTING PRACTICES

a) Functional currency and translation of foreign currencies

The parent company and consolidated interim 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 balances in foreign currency and the translation into the functional currency are recognized in the statement of profit and loss, 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 on hand, deposits with banks, and highly liquid investments with a low risk of change in value and maturing in 90 days or less, which are held for the purpose of meeting short-term cash commitments. Cash and cash equivalents are classified under financial instruments as "Loans and receivables."

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, where applicable. The provision for impairment of trade receivables is calculated based on losses estimated through an individual analysis of trade receivables that considers the history of losses, and is recognized at an amount considered sufficient by management to cover expected losses on the collection of these receivables. Trade receivables are classified under financial instruments as "Loans and receivables."

Notes to the Quarterly Information

d) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle them on a net basis or realize the asset and settle the liability simultaneously.

e) Impairment of financial assets

The Company assesses, at each balance sheet date, whether there is objective evidence that a financial asset or group of financial assets is impaired. Impairment losses are recognized only if there is objective evidence that one or more events have an impact on the estimated future cash flows of the financial asset or group of financial assets, which can be estimated reliably.

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) the probability 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 the conditions and/or the economy that indicate a reduction in estimated future cash flows of the portfolios of financial assets.

If there is evidence 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 profit and loss.

f) Inventories

Inventories are stated at the lower of average production or acquisition cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the costs necessary to make the sale.

g) Investments

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

Notes to the Quarterly Information

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

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

h) Investment properties

Depreciation is recognized based on the estimated useful life of each asset on the straight-line basis, to fully write off the cost less residual value of each asset over its expected useful life. The estimated useful life, residual values and depreciation methods are reviewed annually, and the effects of any changes in estimates are accounted for prospectively.

Income from rented investment properties is recognized in the statement of profit and loss on the accrual basis of accounting.

Any gain or loss from the sale or write-off of an item recorded in investment properties is determined as the difference between the proceeds received and the carrying amount of the asset sold, and recognized in the statement of profit and loss.

i) 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. These assets are classified in the appropriate categories of property, plant and equipment when completed and ready for their intended use. Depreciation begins when these assets become ready for the intended use, and is calculated on the same basis as that for other property, plant and equipment items.

The Company calculates depreciation on the straight-line method, taking into consideration the estimated useful lives of the assets, based on expected 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 stage of technological development of each unit.

The Company's intangible assets comprise goodwill, computer software licenses, trademarks and the customer portfolio.

Notes to the Quarterly Information

Goodwill represents the positive difference between the amount paid and/or payable for the acquisition of a business and the net fair value of assets and liabilities of the acquiree. Goodwill on acquisitions of subsidiaries is recorded as "Intangible assets" in the consolidated interim financial statements. If a gain on advantageous purchase is determined, the amount is recorded as a gain in the statement of income for the period, at the acquisition date. Goodwill is tested for impairment annually and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units (CGUs) for the purpose of impairment testing. The allocation is made to the CGUs that are expected to benefit from the synergies of the business combination, which are identified according to the operating segment.

Computer software licenses acquired 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 expensed as incurred.

Separately acquired trademarks and licenses are initially stated at historical cost. Trademarks and licenses acquired in a business combination are recognized at fair value, at the acquisition date. The Company's trademarks do not have a defined useful life and, therefore, are not amortized.

The customer portfolio acquired in a business combination is recognized at fair value at the acquisition date, and is accounted for at fair value less accumulated amortization. Amortization is calculated on the straight-line basis, over the expected life of the relationship with the customer.

j) Biological assets

The Company's biological assets are represented mainly 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. The pine forests are located near the pulp and paper plant in the State of Santa Catarina and also in the State of Rio Grande do Sul, where they are used for the production of gum resin and sale of timber logs.

Biological assets are periodically measured at fair value less selling expenses, and the variation during each period is recognized in the statement of profit and loss as a change in the fair value of biological assets. The measurement of the fair value of biological assets is based on certain assumptions, as disclosed in Note 15.

Notes to the Quarterly Information

k) Assessment of impairment of non-financial assets

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. In 2016 and in the first six-month period of 2017, the Company did not identify indications of impairment in its non-financial assets.

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

A provision is recorded for current income tax and social contribution based on the taxable profit determined according to the prevailing tax legislation, which differs from the profit reported in the statement of profit and loss, 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 individually for each company, based on the statutory rates prevailing at year-end. The Company calculates its taxes by applying the statutory rate of 34% on its taxable profit, while the subsidiaries Habitasul Florestal S.A. and Iraflor - Comércio de Madeiras Ltda. adopt a presumed rate of 3.08%.

The Company recognizes deferred income tax and social contribution on temporary differences for tax purposes, tax losses, deemed cost adjustments and changes in the fair value of biological assets. Deferred tax liabilities are generally recognized on all taxable temporary differences, and deferred tax assets are recognized on all deductible temporary differences only when it is probable that the Company will have sufficient future taxable profit against which such deductible temporary differences can be utilized. Deferred income tax and social contribution are recorded for the subsidiaries taxed under the presumed profit method, in respect of the fair value of biological assets and the deemed cost of property, plant and equipment.

Deferred tax assets and liabilities are presented net in the balance sheet when there is a legally enforceable right and the intention to offset them upon the calculation of current taxes, generally when related to the same legal entity and the same tax authority.

m) Borrowings and debentures

Borrowings and debentures are stated at their original amounts, less the related transaction costs, where applicable, and adjusted based on indices established in the contracts entered into with the creditors. Interest is also calculated using the effective interest rate method, as well as the effects of foreign exchange rate changes, where applicable, through the balance sheet dates, as described in the explanatory notes.

Notes to the Quarterly Information

n) Hedge accounting

The Company documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking hedging transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in the cash flows of hedged items.

The changes in the hedging amounts, classified under "Carrying value adjustments" in equity, are shown in Note 21.

The effective portion of changes in the fair value of hedging 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 profit and loss for the period.

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

When a transaction is no longer expected to occur, the cumulative gain or loss that had been reported in equity is immediately transferred to the statement of profit and loss for the period.

o) Leases

The Company as the lessee

Leases of property, plant and equipment where the Company has substantially all the risks and rewards of ownership are classified as finance leases. All other leases are classified as operating leases, and the related expenses are recorded in the statement of profit and loss for the period. Finance leases are recorded in the same manner as a financed purchase, recognizing a property, plant and equipment item and a financing liability (lease) at the inception of the lease. Property, plant and equipment items acquired under finance leases are depreciated at the rates disclosed in Note 14.

Notes to the Quarterly Information

Operating lease payments (net of any incentives received from the lessor) are recognized in the statement of profit and loss on the straight-line method, over the lease term.

The Company as the lessor

Lease income from operating leases is recognized on a straight-line basis over the lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased assets and recognized on a straight-line basis over the lease term.

p) 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, it is probable that an outflow of resources will be required to settle this obligation, and the amount can be reliably estimated. Provisions are recorded at amounts considered sufficient by management to cover probable losses, and are adjusted through the balance sheet date, based on the nature of each risk, and the opinion of the Company's legal counsel.

q) Employee benefits

Profit sharing

The Company recognizes liabilities and expenses for profit sharing based on a methodology that takes into consideration the profit attributable to each of the operating segments. The provisions are recognized according to the terms of the agreement entered into between the Company and the employees' representatives, which are reviewed on an annual basis.

r) Significant accounting judgments, estimates and assumptions

In the preparation of the interim financial statements, judgments, estimates and assumptions were used to account for certain assets, liabilities, revenues and expenses.

The accounting judgments, estimates and assumptions adopted by management were based on the best information available at the reporting date, experience with past events, projections about future events, and the assistance of experts, where applicable.

Notes to the Quarterly Information

Therefore, the interim financial statements contain a number of estimates, including, but not limited to, the determination of the useful lives of property, plant and equipment (Note 14), the realization of deferred tax assets (Note 11), the provision for impairment of trade receivables (Notes 6 and 10), the measurement of biological assets at fair value (Note 15), 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, may differ from those recognized in the interim financial statements.

The Company has a Value-added Tax on Sales and Services (ICMS) incentive granted by the Governments of the States of Santa Catarina and Minas Gerais. The Federal Supreme Court (STF) issued decisions in Direct Actions, declaring the unconstitutionality of several state laws that granted ICMS tax benefits without any previous agreement between the States.

Although the Company has no tax incentive being judged by the STF, it has been monitoring, 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 (Note 32).

s) Determination of the results of operations

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

t) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of products and services, less any expected returns, trade discounts and/or bonuses granted to the customer and other similar deductions. Revenue between the Company and its subsidiaries is eliminated from 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 products;
- 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;

Notes to the Quarterly Information

- it is probable that 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 measured reliably.

u) Government grants

The financing of taxes, granted directly or indirectly by the Government, at interest rates below market rates, is recognized as a government grant and measured as the difference between the amounts obtained 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 profit and loss, and will be allocated based on the amortized cost and the effective rate over the period.

v) Statement of value added

The Brazilian Corporate Law requires the presentation of the parent company and consolidated statements of value added as an integral part of the set of interim financial statements. Under IFRS, the presentation of this statement is considered supplementary information, and not a required part of the set of financial statements. The purpose of this statement is to show the wealth created by the Company and its distribution during the reporting periods.

The statement of value added has been prepared pursuant to the provisions of CPC 09 - "Statement of Value Added", with information obtained from the same accounting records used in the preparation of the interim financial statements.

Notes to the Quarterly Information

4. CONSOLIDATION OF THE INTERIM FINANCIAL STATEMENTS

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

		Ownership interest - (%)	
Subsidiaries - direct ownership	Business activity	9/30/2017	12/31/2016
Habitasul Florestal S.A.	Forest production	100.00	100.00
HGE - Geração de Energia Sustentável S.A. *	Electric power generation	100.00	100.00
Iraflor - Comércio de Madeiras LTDA.	Timber trading	99.99	99.99
Irani Geração de Energia Sustentável LTDA *	Electric power generation	99.51	99.43

* currently assessing wind power projects for implementation

The accounting practices of the subsidiaries are consistent with those adopted by the Company. Intercompany balances and investments and equity in the results of subsidiaries, as well as intercompany transactions and unrealized profits and/or losses, were eliminated on consolidation. The accounting information of the subsidiaries used for consolidation was prepared at the same date as that of the Company's accounting information.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

	Parent		Consolidated	
	9/30/2017	12/31/2016	9/30/2017	12/31/2016
Fixed-income fund	31	33	33	34
Banks	3,493	3,610	3,983	3,759
Financial investments with immediate liquidity	32,931	79,201	32,931	100,092
	36,455	82,844	36,947	103,885

The financial investments with immediate liquidity in Bank Deposit Certificates (CDBs) earn an average of 65 % of the Interbank Deposit Certificate (CDI) interest rate and have a maturity of 90 days or less. These investments are held for the purpose of meeting short-term commitments.

Notes to the Quarterly Information

6. TRADE RECEIVABLES

	Parent		Consolidated	
	9/30/2017	12/31/2016	9/30/2017	12/31/2016
Receivables from:				
Trade receivables - domestic market	164,374	151,194	165,913	152,434
Trade receivables - foreign market	15,823	20,062	15,823	20,062
	180,197	171,256	181,736	172,496
Provision for impairment of trade receivables	(4,640)	(17,612)	(4,640)	(18,269)
	175,557	153,644	177,096	154,227

At September 30, 2017, consolidated trade receivables included an overdue amount of R$ 18,849, referring to customers that do not have a history of default, for which no provision was recorded.

The ageing analysis of trade receivables is as follows:

	Parent		Consolidated	
	9/30/2017	12/31/2016	9/30/2017	12/31/2016
Not yet due	157,079	129,543	158,247	129,947
Overdue for up to 30 days	9,283	15,679	9,589	15,769
Overdue from 31 to 60 days	1,779	3,961	1,779	3,962
Overdue from 61 to 90 days	2,972	2,164	2,972	2,164
Overdue from 91 to 180 days	2,085	1,377	2,085	1,446
Overdue for more than 180 days	6,999	18,532	7,064	19,208
	180,197	171,256	181,736	172,496

The average credit term on the sale of products is 55 days. The Company recognizes a provision for impairment of trade receivables for balances past due for over 180 days, based on an analysis of the financial position of each debtor and history of default. A provision for impairment of trade receivables is also recorded for balances overdue for less than 180 days when these balances are considered uncollectible, taking into consideration the financial position of each debtor.

Changes in the provisions were as follows:

	Parent		Consolidated	
	9/30/2017	12/31/2016	9/30/2017	12/31/2016
Balance at the beginning of the period	(17,612)	(14,733)	(18,269)	(15,390)
Provision for recognized losses	(753)	(2,879)	(753)	(2,879)
Trade receivables written off as uncollectible during the period	13,725	-	14,382	-
Balance at the end of the period	(4,640)	(17,612)	(4,640)	(18,269)

Notes to the Quarterly Information

A portion of the receivables, amounting to R$ 80,066, has been assigned as collateral for certain financing transactions, as disclosed in Notes 16 and 17.

The credit quality of financial assets that were neither past due nor impaired at September 30, 2017 was assessed with reference to historical information on default rates, as follows:

Quality of trade receivables

		Consolidated
Customer category	History -%	Amount receivable
a) Customers with no history of late payment	93.36	147,739
b) Customers with history of late payment of up to 7 days	5.73	9,068
c) Customers with history of late payment of more than 7 days	0.91	1,440
		158,247

a) Performing customers with no history of late payment
b) Defaulting customers with a history of default of up to 7 days, with no history of delinquency.
c) Defaulting customers with a history of default of more than 7 days, with no history of delinquency.

7. INVENTORIES

	Parent		Consolidated	
	9/30/2017	12/31/2016	9/30/2017	12/31/2016
Finished products	13,249	7,689	13,289	7,792
Production materials	32,889	36,012	32,889	36,012
Consumable materials	23,006	22,695	23,066	22,768
Other inventories	537	479	537	479
	69,681	66,875	69,781	67,051

The cost of inventories recognized in the statement of profit and loss during the third quarter of 2017 totaled R$ 158,005 (R$ 149,042 in the third quarter of 2016) in the parent company and R$ 157,713 (R$ 149,937 in the third quarter of 2016) in the consolidated. For the nine-month period ended September 30, 2017, the amount recorded in the statement of profit and loss was R$ 450,704 (R$ 442,195 in the nine-month period ended September 30, 2016) in the parent company, and R$ 452,550 (R$ 437,775 in the nine-month period ended September 30, 2016) in the consolidated.

The cost of inventories recognized in the statement of profit and loss in the nine-month period ended September 30, 2017 does not include the write-down to net realizable value. Management expects the remaining inventory items to be realized in less than 12 months.

Notes to the Quarterly Information

8. TAXES RECOVERABLE

Taxes recoverable consist of the following:

	Parent		Consolidated	
	9/30/2017	12/31/2016	9/30/2017	12/31/2016
Value-added Tax on Sales and Services (ICMS)	4,791	5,234	4,791	5,234
Social Integration Program (PIS)/ Social Contribution on Revenues (COFINS)	1,197	155	1,197	155
Excise Tax (IPI)	382	187	382	187
Income tax	2,749	137	2,749	137
Social contribution	107	103	107	103
Income Tax Withheld at Source (IRRF) on investments	1,913	1,799	2,086	1,863
Other	11	10	11	10
	11,150	7,625	11,323	7,689
Current portion	8,936	5,233	9,109	5,297
Non-current portion	2,214	2,392	2,214	2,392

ICMS credits basically comprise credits generated on purchases of property, plant and equipment, which are recoverable in 48 consecutive monthly installments, as determined by the applicable tax legislation.

9. BANKS - RESTRICTED ACCOUNT

	Parent		Consolidated	
	9/30/2017	12/31/2016	9/30/2017	12/31/2016
Banco do Brasil - New York - a)	7,874	13,537	7,874	13,537
Banco Itaú - b)	-	18,545	-	18,545
Banco Santander - b)	-	30,995	-	30,995
Banco Rabobank - b)	2,112	18,584	2,112	18,584
Banco Itaú Trustee - b)	13,430	12,537	13,430	12,537
Total current	23,416	94,198	23,416	94,198

a) The balance with Banco do Brasil - New York/ USA is represented by amounts in U.S. dollars retained to guarantee the repayment of quarterly installments of interest on the export prepayment loan obtained from Banco Credit Suisse, and relates to the installment falling due in November 2017.

b) The balances with Banco Itaú, Banco Santander, Banco Rabobank, and Banco Itaú Trustee are represented by financial investments that will be redeemed in 2017 and

Notes to the Quarterly Information

2018, at the maturity dates of transactions to finance working capital contracted with the respective banks.

10. OTHER ASSETS

	Parent		Consolidated	
	9/30/2017	12/31/2016	9/30/2017	12/31/2016
Advances to suppliers	2,509	3,518	2,585	3,613
Receivables from employees	1,624	1,616	1,717	1,640
Renegotiation with customers	20,451	24,325	20,451	24,352
Prepaid expenses	893	1,706	893	1,706
Receivable from XKW Trading	5,103	4,624	5,103	4,624
Other receivables	4,288	4,320	4,262	4,349
	34,868	40,109	35,011	40,284
Provision for impairment of trade receivables under renegotiation	(5,177)	(5,407)	(5,177)	(5,407)
	29,691	34,702	29,834	34,877
Current portion	17,442	19,482	17,558	19,629
Non-current portion	12,249	15,220	12,276	15,248

Renegotiations with customers - relate to overdue trade receivables for which debt acknowledgment agreements have been signed. The final maturity of the monthly installments will be in 2021, and the average interest rate ranges from 1% to 2% per month, recognized in the statement of profit and loss upon receipt. Some agreements contain clauses that require the provision of machinery, equipment and properties as collateral for the renegotiated debt amount.

The Company assesses the customers with balances under renegotiation and, where applicable, records a provision for impairment of the amount of the renegotiated debts, as shown below:

	Parent		Consolidated	
	9/30/2017	12/31/2016	9/30/2017	12/31/2016
Balance at the beginning of the period	(5,407)	(4,049)	(5,407)	(4,049)
Provision for recognized losses	(2,067)	(1,358)	(2,067)	(1,358)
Renegotiations written off during the period as uncollectible	2,297	-	2,297	-
Balance at the end of the period	(5,177)	(5,407)	(5,177)	(5,407)

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

Receivables from XKW Trading Ltda. - relate to the sale of the former subsidiary Meu Móvel de Madeira Ltda. on December 20, 2012, in annual installments with final maturity in 2017.

Notes to the Quarterly Information

11. DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION ON NET INCOME

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

In 2017 and 2016, the Company computed income tax and social contribution on foreign exchange variations on a cash basis, and recorded a deferred tax liability related to unrealized foreign exchange variations.

Deferred tax liabilities were recognized based on the fair value of biological assets and the deemed cost of property, plant and equipment.

The initial tax impacts on the deemed cost of property, plant and equipment were recognized with a corresponding entry to equity.

ASSETS	Parent		Consolidated	
	9/30/2017	12/31/2016	9/30/2017	12/31/2016
Deferred income tax asset				
On temporary provisions	8,795	4,335	8,795	4,335
On tax losses	36,626	32,090	36,626	32,090
Cash flow hedges	26,131	30,897	26,131	30,897
Deferred social contribution assets				
On temporary provisions	3,166	1,561	3,166	1,561
On tax losses	13,186	11,552	13,186	11,552
Cash flow hedges	9,407	11,123	9,407	11,123
	97,311	91,558	97,311	91,558

LIABILITIES	Parent		Consolidated	
	9/30/2017	12/31/2016	9/30/2017	12/31/2016
Deferred income tax liabilities				
Exchange rate variation to be recognized on a cash basis	4,381	3,989	4,381	3,989
Fair value of biological assets	34,134	30,695	36,153	32,844
Deemed cost of property, plant and equipment	124,953	122,206	132,553	129,805
Government grants	670	981	670	981
Customer portfolio	831	979	831	979
Amortization of goodwill for tax purposes	13,777	11,081	13,777	11,081
Deferred social contribution liabilities				
Exchange rate variation to be recognized on a cash basis	1,577	1,436	1,577	1,436
Fair value of biological assets	12,288	11,050	13,379	12,211
Deemed cost of property, plant and equipment	44,983	43,994	47,719	46,729
Government grants	241	353	241	353
Customer portfolio	299	353	299	353
Amortization of goodwill for tax purposes	4,960	3,989	4,960	3,989
	243,094	231,106	256,540	244,750
Deferred tax liabilities (net)	145,783	139,548	159,229	153,192

Notes to the Quarterly Information

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

Deferred tax assets	Consolidated
Year	9/30/2017
2017	6,217
2018	10,227
2019	10,011
2020	9,367
2021 onward	61,489
	97,311

Changes in deferred income tax and social contribution were as follows:

Parent	Assets	Opening balance - 12/31/2016	Recognized in profit or loss	Recognized in equity	Offset against liabilities	Closing balance - 9/30/2017
Deferred tax assets related to:						
Provision for profit sharing		(3,673)	13	-	-	(3,660)
Provision for sundry risks		(2,223)	(6,078)	-	-	(8,301)
Cash flow hedges		(42,020)	-	6,482	-	(35,538)
Total temporary differences		(47,916)	(6,065)	6,482	-	(47,499)
Tax losses		(43,642)	(14,273)	-	8,103	(49,812)
		(91,558)	(20,338)	6,482	8,103	(97,311)

Consolidated	Assets	Opening balance - 12/31/2016	Recognized in profit or loss	Recognized in equity	Offset against liabilities	Closing balance - 9/30/2017
Deferred tax assets related to:						
Provision for profit sharing		(3,673)	13	-	-	(3,660)
Provision for sundry risks		(2,223)	(6,078)	-	-	(8,301)
Cash flow hedges		(42,020)	-	6,482	-	(35,538)
Total temporary differences		(47,916)	(6,065)	6,482	-	(47,499)
Tax losses		(43,642)	(14,273)	-	8,103	(49,812)
		(91,558)	(20,338)	6,482	8,103	(97,311)

Notes to the Quarterly Information

Parent	Liabilities	Opening balance	Recognized in profit or loss	Closing balance
		12/31/2016		9/30/2017
Deferred tax liabilities related to:				
Exchange rate variations recognized on a cash basis		5,425	533	5,958
Fair value of biological assets		41,745	4,677	46,422
Deemed cost and review of useful lives		166,200	3,736	169,936
Government grants		1,334	(423)	911
Customer portfolio		1,332	(202)	1,130
Amortization of goodwill for tax purposes		15,070	3,667	18,737
		231,106	11,988	243,094

Consolidated	Liabilities	Opening balance	Recognized in profit or loss	Closing balance
		12/31/2016		9/30/2017
Deferred tax liabilities related to:				
Exchange rate variations recognized on a cash basis		5,425	533	5,958
Fair value of biological assets		45,055	4,477	49,532
Deemed cost and review of useful lives		176,534	3,738	180,272
Government grants		1,334	(423)	911
Customer portfolio		1,332	(202)	1,130
Amortization of goodwill for tax purposes		15,070	3,667	18,737
		244,750	11,790	256,540

12. INVESTMENTS

	Habitasul Florestal	Iraflor Comércio de Madeiras	HGE Geração de Energia	Irani Geração de Energia	Total
At December 31, 2015	130,582	140,828	563	258	272,231
Equity in the results of subsidiaries	18,473	16,778	(5)	(116)	35,130
Proposed dividends	(4,400)	(3,897)	-	-	(8,297)
Capital contribution	31,721	-	94	90	31,905
Capital decrease	-	(43,797)	-	-	(43,797)
Advance for future capital increase	(31,721)	-	(94)	-	(31,815)
At December 31, 2016	144,655	109,912	558	232	255,357
Equity in the results of subsidiaries	(13,068)	12,896	(2)	(52)	(226)
Proposed dividends	(13,199)	(16,777)	-	-	(29,976)
Capital decrease	-	(36,997)	-	-	(36,997)
Advance for future capital increase	520	-	-	-	520
At September 30, 2017	118,908	69,034	556	180	188,678

Notes to the Quarterly Information

	Habitasul Florestal	Iraflor Comércio de Madeiras	HGE Geração de Energia	Irani Geração de Energia
Current				
Assets	1,295	7,911	22	1
Liabilities	(19,504)	(568)	-	(57)
Current assets/liabilities, net	(18,209)	7,343	22	(56)
Non-current				
Assets	150,107	62,193	534	237
Liabilities	(12,989)	(498)	-	-
Non-current assets/liabilities, net	137,118	61,695	534	237
Equity	118,909	69,038	556	181
Net revenue	11,433	9,093	-	-
Profit (loss) before taxation	(13,134)	13,700	(2)	(53)
Income tax and social contribution expense	66	(803)	-	-
`Profit (loss) for the period	(13,068)	12,897	(2)	(53)
Ownership interest - %	100.00	99.99	100.00	99.51

At the Annual General Meeting held on April 26, 2017, the stockholders of the subsidiary Habitasul Florestal S.A. approved the distribution of additional dividends amounting to R$ 13,199, to be paid up to December 31, 2017. At December 31, 2016, minimum mandatory dividends of 25%, amounting to R$ 4,400, were distributed.

In 2016, advances for future capital increase made in 2014 (R$ 10,743) and 2015 (R$ 20,978) were capitalized, in the total amount of R$31,721.

On April 26, 2017, the subsidiary Iraflor Comércio de Madeiras Ltda. approved the distribution of dividends relating to 2016, amounting to R$ 16,777 and paid in cash (dividends relating to 2015 and approved in 2016 amounted to R$ 3,897 and were also paid in cash).

On June 30, 2017, the partners decided to reduce the capital of the subsidiary Iraflor Comércio de Madeiras Ltda., which was excessive in relation to the company's business purpose. The amount of R$ 36,997 was refunded to the parent company Celulose Irani S.A., through the payment of R$ 4,281 in hard cash, and the remaining balance, of R$ 32.716 through the assignment of existing credits in the subsidiary. The partners' ownership interests remained unchanged.

On March 10, 2016, the partners decided to reduce the capital of the subsidiary Iraflor Comércio de Madeiras Ltda., which was excessive in relation to the company's business purpose. The amount of R$ 43,797 was refunded to the parent company Celulose Irani S.A., in hard cash, with no changes to the partners' ownership interests.

Notes to the Quarterly Information

13. INVESTMENT PROPERTIES

Parent

	Land	Buildings	Total
At December 31, 2016			
Opening balance	23,281	12,051	35,332
Depreciation	-	(493)	(493)
Net book value	23,281	11,558	34,839
Cost	23,281	12,702	35,983
Accumulated depreciation	-	(1,144)	(1,144)
Net book value	23,281	11,558	34,839
At September 30, 2017			
Opening balance	23,281	11,558	34,839
Disposals	(61)	-	(61)
Depreciation	-	(380)	(380)
Net book value	23,220	11,178	34,398
Cost	23,220	12,702	35,922
Accumulated depreciation	-	(1,524)	(1,524)
Net book value	23,220	11,178	34,398

Consolidated

	Land	Buildings	Total
At December 31, 2016			
Opening balance	7,086	12,051	19,137
Depreciation	-	(493)	(493)
Net book value	7,086	11,558	18,644
Cost	7,086	12,702	19,788
Accumulated depreciation	-	(1,144)	(1,144)
Net book value	7,086	11,558	18,644
At September 30, 2017			
Opening balance	7,086	11,558	18,644
Depreciation	-	(380)	(380)
Net book value	7,086	11,178	18,264
Cost	7,086	12,702	19,788
Accumulated depreciation	-	(1,524)	(1,524)
Net book value	7,086	11,178	18,264

Notes to the Quarterly Information

Land

Refers mainly to land held by the parent company for the future construction of wind farms in the State of Rio Grande do Sul, recognized at cost of acquisition. The project for the implementation of wind farms is currently in the evaluation phase, through the subsidiary Irani Geração de Energia Sustentável Ltda.

At the meeting held on December 18, 2015, the Board of Directors approved the purchase of land where the headquarters of Koch Metalúrgica S.A. are located, for R$ 6,926. The land, located in the municipality of Cachoeirinha, State of Rio Grande do Sul, has a total area of 67,957 m² and will be possibly used for the implementation of a packaging plant in the future.

Buildings

These refer to buildings located in the municipality of Rio Negrinho (State of Santa Catarina) with a constructed area of 25,271 m², which are rented to companies in the region.

Investment properties now include the buildings purchased together with the land where the headquarters of Koch Metalúrgica S.A. are located, with a constructed area of 16,339 m², and valued at R$ 8,229.

Rental income and expenses related to investment properties that are rented are recognized in the statement of profit and loss, as shown below:

	9/30/2017	9/30/2016
Rental income	940	1,843
Direct operating expenditures that generated rental income	(551)	(578)

Investment properties are recognized at historical cost and, for disclosure purposes, at December 31, 2016, the Company assessed the fair value less cost to sell of these properties at R$ 54,132 (parent company) and R$ 35,980 (consolidated). The appraisals were conducted by independent experts, who applied market evidences related to prices for transactions carried out with similar properties.

Notes to the Quarterly Information

14. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

a) Breakdown of property, plant and equipment

Parent

	Land	Buildings and constructions	Equipment and facilities	Vehicles and tractors	Other PP&E (*)	Construction in progress	Assets under finance lease	Leasehold improvements	Total
At December 31, 2016									
Opening balance	183,027	156,265	393,972	2,907	6,281	29,399	6,217	11,459	789,527
Purchases	-	-	6,353	1,177	693	43,145	609	-	51,977
Disposals	-	-	(1,074)	(13)	(52)	(25)	(162)	-	(1,326)
Transfers	-	3,986	22,610	-	263	(26,859)	-	-	-
Depreciation	-	(2,733)	(53,177)	(847)	(2,031)	-	(2,222)	(625)	(61,635)
Net book value	183,027	157,518	368,684	3,224	5,154	45,660	4,442	10,834	778,543
Cost	183,027	210,545	802,756	6,647	15,393	45,660	26,747	16,061	1,306,836
Accumulated depreciation	-	(53,027)	(434,072)	(3,423)	(10,239)	-	(22,305)	(5,227)	(528,293)
Net book value	183,027	157,518	368,684	3,224	5,154	45,660	4,442	10,834	778,543
At September 30, 2017									
Opening balance	183,027	157,518	368,684	3,224	5,154	45,660	4,442	10,834	778,543
Purchases	-	-	5,591	37	26	20,175	1,006	-	26,835
Disposals	-	-	(348)	-	-	(2)	(98)	-	(448)
Transfers	-	2,716	18,382	1,637	2,551	(25,286)	-	-	-
Depreciation	-	(3,695)	(29,661)	(810)	(1,406)	-	(1,656)	(483)	(37,711)
Net book value	183,027	156,539	362,648	4,088	6,325	40,547	3,694	10,351	767,219
Cost	183,027	213,261	826,188	8,321	17,825	40,547	27,640	16,061	1,332,870
Accumulated depreciation	-	(56,722)	(463,540)	(4,233)	(11,500)	-	(23,946)	(5,710)	(565,651)
Net book value	183,027	156,539	362,648	4,088	6,325	40,547	3,694	10,351	767,219

Notes to the Quarterly Information

Consolidated

	Land	Buildings and constructions	Equipment and facilities	Vehicles and tractors	Other PP&E (*)	Construction in progress	Assets under finance lease	Leasehold improvements	Total
At December 31, 2016									
Opening balance	251,329	157,942	394,036	3,337	6,685	29,399	6,223	11,459	860,410
Purchases	-	-	6,370	1,177	700	43,145	609	-	52,001
Disposals	-	-	(1,074)	(13)	(52)	(25)	(163)	-	(1,327)
Transfers	-	3,986	22,610	-	263	(26,859)	-	-	-
Depreciation	-	(2,929)	(53,192)	(949)	(2,038)	-	(2,227)	(625)	(61,960)
Net book value	251,329	158,999	368,750	3,552	5,558	45,660	4,442	10,834	849,124
Cost	251,329	215,067	802,850	7,205	16,028	45,660	26,787	16,061	1,380,987
Accumulated depreciation	-	(56,068)	(434,100)	(3,653)	(10,470)	-	(22,345)	(5,227)	(531,863)
Net book value	251,329	158,999	368,750	3,552	5,558	45,660	4,442	10,834	849,124
At September 30, 2017									
Opening balance	251,329	158,999	368,750	3,552	5,558	45,660	4,442	10,834	849,124
Purchases	-	-	5,712	81	34	20,175	1,006	-	27,008
Disposals	(4)	-	(396)	-	(78)	(2)	(98)	-	(578)
Transfers	-	2,716	18,382	1,637	2,551	(25,286)	-	-	-
Depreciation	-	(3,832)	(29,674)	(884)	(1,422)	-	(1,656)	(484)	(37,952)
Net book value	251,325	157,883	362,774	4,386	6,643	40,547	3,694	10,350	837,601
Cost	251,325	217,783	826,357	8,923	18,392	40,547	27,680	16,061	1,407,068
Accumulated depreciation	-	(59,900)	(463,583)	(4,537)	(11,749)	-	(23,986)	(5,711)	(569,467)
Net book value	251,325	157,883	362,774	4,386	6,643	40,547	3,694	10,350	837,601

(*) Balance related to assets such as furniture and fittings, and IT equipment.

Notes to the Quarterly Information

b) Breakdown of intangible assets

Parent	Goodwill	Customer portfolio	Software	Total
At December 31, 2016				
Opening balance	104,380	4,710	1,396	110,486
Purchases	-	-	3,314	3,314
Amortization	-	(792)	(641)	(1,433)
Net book value	104,380	3,918	4,069	112,367
Cost	104,380	5,502	11,861	121,743
Accumulated amortization	-	(1,584)	(7,792)	(9,376)
Net book value	104,380	3,918	4,069	112,367
At September 30, 2017				
Opening balance	104,380	3,918	4,069	112,367
Purchases	-	-	1,692	1,692
Amortization	-	(594)	(851)	(1,445)
Net book value	104,380	3,324	4,910	112,614
Cost	104,380	5,502	13,553	123,435
Accumulated amortization	-	(2,178)	(8,643)	(10,821)
Net book value	104,380	3,324	4,910	112,614

Consolidated	Goodwill	Customer portfolio	Software	Total
At December 31, 2016				
Opening balance	104,380	4,710	1,931	111,021
Purchases	-	-	3,314	3,314
Amortization	-	(792)	(641)	(1,433)
Net book value	104,380	3,918	4,604	112,902
Cost	104,380	7,081	10,821	122,282
Accumulated amortization	-	(3,163)	(6,217)	(9,380)
Net book value	104,380	3,918	4,604	112,902
At September 30, 2017				
Opening balance	104,380	3,918	4,604	112,902
Purchases	-	-	1,692	1,692
Amortization	-	(594)	(851)	(1,445)
Net book value	104,380	3,324	5,445	113,149
Cost	104,380	7,081	12,513	123,974
Accumulated amortization	-	(3,757)	(7,068)	(10,825)
Net book value	104,380	3,324	5,445	113,149

Notes to the Quarterly Information

c) Depreciation/amortization method

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

	Rate - %	
	9/30/2017	12/31/2016
Buildings and constructions *	2.50	2.19
Equipment and facilities **	6.78	5.86
Furniture, fittings and IT equipment	5.71	5.71
Vehicles and tractors	20.00	20.00
Software	20.00	20.00
Customer portfolio	11.11	11.11

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

d) Other information

Construction in progress refers to works for improvement and maintenance of the Company's production process.

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

Leasehold improvements refer to the renovation of the Corrugated Cardboard plant in Indaiatuba, State of São Paulo, and are depreciated on the straight-line method, at the rate of 4% (four percent) per year. The property is owned by the companies MCFD - Administração de Imóveis Ltda. and PFC - Administração de Imóveis Ltda. and the renovation costs were fully absorbed by Celulose Irani S.A.

The depreciation of property, plant and equipment in the nine-month periods ended September 30, 2017 and 2016 is broken down as follows:

	Parent		Consolidated	
	9/30/2017	9/30/2016	9/30/2017	9/30/2016
Assets used in administrative activities	619	706	861	871
Assets used in production activities	37,092	29,429	37,091	29,429
	37,711	30,135	37,952	30,300

Notes to the Quarterly Information

The amortization of intangible assets in the nine-month periods ended September 30, 2017 and 2016 is broken down as follows:

	Parent		Consolidated	
	9/30/2017	9/30/2016	9/30/2017	9/30/2016
Assets used in administrative activities	1,228	530	1,228	530
Assets used in production activities	217	93	217	93
	1,445	623	1,445	623

e) Impairment of property, plant and equipment

No indicators of impairment were identified in the nine-month period ended September 30, 2017 that could affect the realizable values of the assets of the Company and its subsidiaries.

f) Assets pledged as collateral

The Company pledged certain property, plant and equipment assets as collateral for financing transactions. The amounts presented are based on valuation reports prepared specifically on the date the transactions were contracted, or on subsequent valuations, as contractually determined, as described below:

	9/30/2017
Equipment and facilities	109,877
Buildings and constructions	80,011
Land	415,634
Total assets pledged as collateral	605,522

g) Customer portfolio

The customer portfolio acquired in the business combination is recognized at the fair value of R$ 6,617, and the amortization recorded in the nine-month period ended September 30, 2017 amounted to R$ 594 (R$ 594 in the same period of 2016), resulting in a net book balance of R$ 3,324. Amortization is calculated on the straight-line basis, over the expected life of the relationship with the customer.

h) Goodwill

Goodwill arising from the business combination with São Roberto S.A., totaling R$ 104,380, is attributable to the expectation of future profitability.

Notes to the Quarterly Information

Impairment tests for intangible assets:

At December 31, 2016, the Company assessed the impairment of the goodwill based on its value in use, using the discounted cash flow method for the Cash-generating Unit (CGU). The recoverable value of the CGU was based on the expected future profitability. These calculations use cash flow projections based on financial budgets approved by management, covering a five-year period and extrapolating to perpetuity in other periods, based on the estimated growth rates. The test was not performed at September 30, 2017, since it is performed annually.

The cash flows were discounted to present value through the application of a rate determined by the Weighted Average Cost of Capital (WACC), which was calculated through the Capital Asset Pricing Model method, considering a number of components of borrowings, debt and own capital utilized by the Company to finance its activities.

The main data used to calculate the discounted cash flow is presented below:

	Assumptions
Average selling prices of Packaging Paper and Corrugated Cardboard Packaging (annual percentage growth rate)	5.5%
Gross margin (percentage on gross revenue)	27.7%
Estimated growth rate	5.0%
Discount rate (Wacc)	9.66%

The impairment test applied to the cash generating units did not identify the need for recognizing any loss in the period.

Management believes that future changes in the sale price net of taxes may alter the recoverable value of the CGU. For the purposes of calculating sensitivity, management understands that, even if the net selling price of the products falls by 5% of the discounted cash flow projections over the next six years, the recoverable value will remain higher than the value in use.

15. BIOLOGICAL ASSETS

The Company's biological assets mainly comprise the planting and cultivation of pine trees to supply pulp used in the production of packaging paper and resins, and sales of timber logs to third parties. All of the Company's biological assets form a single group named "forests", which is measured together at fair value on a quarterly basis. Because the harvesting of the forests planted is carried out based on the consumption of raw materials and sales of timber, and also considering that all areas are replanted, the fair values 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 forest development and the fair value difference in relation to this cost. Consequently, the balance of biological assets as a whole is recorded at fair value as follows:

Notes to the Quarterly Information

	Parent		Consolidated	
	9/30/2017	12/31/2016	9/30/2017	12/31/2016
Development cost of biological assets	34,942	31,372	53,375	48,398
Difference in the fair value of biological assets	53,245	38,324	192,772	187,009
	88,187	69,696	246,147	235,407

Of the total consolidated biological assets, R$ 150,379 (R$ 127,722 at December 31, 2016) relates to forests used as raw material for pulp and paper production. These forests are located close to the pulp and paper mill in Vargem Bonita, State of Santa Catarina, where they are consumed. Of this amount, R$ 117,979 (R$ 95,363 at December 31, 2016) relates to mature forests, which are more than six years old. The remaining amount refers to growing forests, which still require forestry treatments.

The forests are harvested mainly based on the consumption of raw materials for pulp and paper production, and are replanted as soon as harvested, creating a renovation cycle that meets the unit's production demand.

The biological assets utilized for production of resins and sale of timber logs totaled R$ 95,768 (R$ 107,685 at December 31, 2016), and are located on the coast of the State of Rio Grande do Sul. The resin is extracted based on the capacity of the existing forest to generate this product, and the trees for sale of logs are extracted based on the demand for timber in the region.

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

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

(i) The methodology used to measure the fair value of biological assets corresponds to the projection of future cash flows, in accordance with the projected productivity of the forests in the cutting cycles, which are determined based on the optimization of production, considering the price changes and the growth of biological assets;

(ii) The discount rate used for cash flows was the Cost of Own Capital (Capital Asset Pricing Model - CAPM). The cost of capital is estimated through an analysis of the return targeted by investors for forest assets;

(iii) The projected productivity volumes of the forests are defined based on stratification, according to the type of each species, inputs for production planning, as well as the age, productive potential and production cycle of the forests. This projected volume corresponds to the Average Annual Increase (IMA). Forest stewardship alternatives are created to establish the optimum long-term production flow which is ideal to maximize the yield of the forests;

(iv) The prices adopted for biological assets are those practiced in the last three years, based on market research in the regions where the assets are located. Prices are calculated in R$/cubic meter, taking into consideration the costs incurred to bring the assets to a condition that enables their sale or consumption;

Notes to the Quarterly Information

(v) Planting expenses relate to the costs incurred by the Company in the development of biological assets;

(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 on a quarterly basis, an interval considered sufficient to prevent any disparity in the fair value balance of the biological assets recorded in the interim financial statements.

	Consolidated		
	9/30/2017	12/31/2016	Impact on fair value of biological assets
Planted area (hectare)	20,370	19,837	Assumption increases, fair value increases
Remuneration of own assets that contribute - %	3.00%	3.00%	Assumption increases, fair value decreases
Discount rate - Own Forests SC - %	9.00%	9.00%	Assumption increases, fair value decreases
Discount rate - Own Forests RS - %	10.00%	10.00%	Assumption increases, fair value decreases
Discount rate - Partnerships - %	10.00%	10.00%	Assumption increases, fair value decreases
Average net sales price (m^3)	49.00	48.00	Assumption increases, fair value increases
Average Annual Increase (IMA) - SC Forests (*)	39.7	39.7	Assumption increases, fair value increases
Average Annual Increase (IMA) RS Forests (*)	21.9	21.9	Assumption increases, fair value increases

* The Average Annual Increase (IMA) of Pine Forests in the States of Rio Grande do Sul and Santa Catarina is different because of the specific forest stewardship, species and soil and climatic conditions of each state. The forests in Santa Catarina are handled aiming at their use for pulp production, while the forests of Rio Grande do Sul are handled for extraction of gum resin and subsequent sale of timber logs. The IMA is measured in cubic meters per hectare/year.

During the period, the Company validated the assumptions and criteria used to determine the fair value of its biological assets, and performed the valuation of all its biological assets.

In the nine-month period of 2017, the forests of the subsidiary Habitasul Florestal S.A., located in the State of Rio Grande do Sul, were hit by forest fire. The fire hit 1,255 hectares of pine forest, of which 77 hectares of standing forest did not suffered major damage and may be resin-coated and have its timber sold, and 1,178 hectares of young forests, aged between one and eight years, will require restoration.

The effects of this event on the fair value of the biological assets, estimated at approximately R$ 5,400, were recognized in the financial statements for the first nine-month period of 2017, together with the other effects of changes in the fair value.

In accordance with the fair value measurement hierarchy, the calculation of biological assets is classified as Level 3 due to its complexity and structure.

Notes to the Quarterly Information

The main changes in the year were as follows:

	Parent	Consolidated
At December 31, 2015	92,870	261,559
Development expenses	5,115	7,370
Depletion		
Historical cost	(12,049)	(17,418)
Fair value	(18,178)	(43,498)
Changes in the fair value	1,938	27,394
At December 31, 2016	69,696	235,407
Development expenses	3,586	5,921
Depletion		
Historical cost	(15)	(657)
Fair value	(21)	(5,689)
Changes in the fair value	14,941	11,165
At September 30, 2017	88,187	246,147

Notes to the Quarterly Information

The depletion of biological assets for the nine-month periods ended September 30, 2017 and 2016 was mainly charged to the cost of production, after an initial allocation to inventories when the forests were harvested, and subsequently used in the production process or sold to third parties.

On April 11, 2016, the Company and its subsidiary Iraflor Comércio de Madeiras Ltda. entered into a Contract for Purchase and Sale of Standing Timber with Global Fund Reflorestamento e Exploração de Madeira Ltda. ("Global"), through which the Company sold approximately 4,644 hectares of forests to Global, for R$ 55,500. Pursuant to the Contract, Global acquired the right to explore the Forests for 11 years. The forests sold do not compromise the Company's forest supply, since they exceed the volume necessary according to the strategy to supply the plant of pulp.

As a result of the transaction, Global and the Company also entered into a Service Agreement, through which the Company, in view of its extensive experience in this field, undertakes to provide to Global forest stewardship services related to the Forests.

Global granted to the Company's parent, Irani Participações S.A., purchase options for the acquisition of plots of the Forests. These options may be exercised annually, directly by Irani Participações S.A. or through an associate, including the Company, over the next 11 (eleven) years. The options for the purchase of forests may or may not be exercised by Irani Participações or the Company, depending on the evolution of the forest market and the Company's strategy of wood supply.

b) Biological assets pledged as collateral

Part of the biological assets of the Company and its subsidiaries, totaling R$ 79,380, is pledged as collateral for financing transactions. The pledged assets represent approximately 32% of the total biological assets, equivalent to 15.8 thousand hectares of land in use, and approximately 6.7 thousand hectares of planted forests.

c) Production on third-party land

The Company has entered into non-cancellable lease agreements for production of biological assets on third-party land, called partnerships. These agreements are effective until all planted forests in these areas are harvested, over a cycle of approximately 15 years. The amount of biological assets on third-party land accounts for approximately 10% of the total area with the Company's biological assets.

Notes to the Quarterly Information

16. BORROWINGS

a) Breakdown of accounting balances

		Parent and Consolidated	
		9/30/2017	12/31/2016
Current	**Annual charges - %**		
Local currency			
FINAME	Fixed at 3.24%, TJLP + 3.73%, SELIC + 5.62% and ECM + 3.65%	5,615	7,580
Working Capital	Fixed at 12.75% and CDI + 3.78%	104,807	112,328
Working capital - CDCA	IPCA + 10.22%	-	22,629
Working capital - Syndicated Loan	CDI + 5.00%	39,427	7,172
Finance lease	Fixed at 17.03%	578	263
BNDES	TJLP + 3.60%	7,996	7,509
Total local currency		158,423	157,481
Foreign currency			
Advances on foreign exchange contract	Fixed between 4.72% and 6.80%	25,354	28,807
Banco Credit Suisse - PPE	Libor + 8.00%	40	24,360
Banco Itaú BBA - CCE	Fixed at 5.80%	-	8,087
Banco Santander PPE	Libor + 5.50%	3,934	3,657
Banco Rabobank e Santander PPE	Libor + 5.95%	63,066	43,108
Banco LBBW - FINIMP	Euribor + 1.55%	1,281	1,110
Banco De Lage Landen	8.20% p.a.	307	316
Total foreign currency		93,982	109,445
Total current		252,405	266,926
Non-current			
Local currency			
FINAME	Fixed at 3.24%, TJLP + 3.73%, SELIC + 5.62% and ECM + 3.65%	7,129	8,495
Working Capital	Fixed at 12.75% and CDI + 3.78%	87,690	119,492
Working capital - Syndicated Loan	CDI + 5.00%	142,284	177,451
Finance lease	Fixed at 17.03%	798	471
BNDES	TJLP + 3.60%	35,444	41,088
Total local currency		273,345	346,997
Foreign currency			
Banco Credit Suisse - PPE	Libor + 8.00%	117,555	104,000
Banco Santander - PPE	Libor + 5.50%	3,505	3,606
Banco Rabobank and Santander - PPE	Libor + 5.95%	115,636	151,327
Banco LBBW - FINIMP	Euribor + 1.55%	2,581	2,950
Banco De Lage Landen	8.20% p.a.	843	1,103
Total foreign currency		240,120	262,986
Total non-current		513,465	609,983
Total		765,870	876,909

	Parent and Consolidated	
Long-term maturities:	9/30/2017	12/31/2016
2018	55,269	221,707
2019	186,356	187,603
2020	169,621	129,824
2021 to 2024	102,219	70,849
	513,465	609,983

Notes to the Quarterly Information

b) Schedule for amortization of funding costs

	Parent and Consolidated					
	2017	2018	2019	2020	2021	Total
In local currency						
Working capital	(388)	(863)	(272)	(94)	(4)	(1,621)
Working capital - Syndicated Loan CCE	(312)	(1,122)	(842)	(504)	(111)	(2,891)
Total local currency	(700)	(1,985)	(1,114)	(598)	(115)	(4,512)
In foreign currency						
Banco Credit Suisse - PPE	(257)	(832)	(396)	(21)	-	(1,506)
Banco Rabobank and Santander - PPE	(89)	(311)	(233)	(150)	(71)	(854)
Banco LBBW - FINIMP	(15)	(15)	-	-	-	(30)
Total foreign currency	(361)	(1,158)	(629)	(171)	(71)	(2,390)
	(1,061)	(3,143)	(1,743)	(769)	(186)	(6,902)

c) Significant operations contracted in the period

i) Advance on Foreign Exchange Contracts (ACC) amounting to US$ 7,708 (equivalent to R$ 24,273 on the contract date), maturing up to August 2018, and subject to fixed interest rate ranging from 4.72% to 6.80% p.a.

ii) Working Capital - Banco BTG Pactual - Export Credit Note (CCE): facility contract of R$ 38.3 million, entered into with Banco BTG Pactual, maturing in November 2018, and subject to interest rate equivalent to the CDI variation plus 4.30% p.a. The borrowing will be repaid in quarterly installments beginning February 2018.

iii) Banco Credit Suisse – Prepayment Export Contract (PPE): the contract, with initial maturity in February 2020 and cost of 3-month LIBOR rate + 7.50% p.a. was renegotiated and extended. The borrowing will be settled on a quarterly basis, up to August 2021, at the cost of 3-month LIBOR rate + 8% p.a.

iv) Banco Safra CCE: the contracts, with initial maturity in November 2019 and average cost of 128% of CDI variation, were extended and consolidated. The borrowing will be settled on a monthly basis, up to June 2020, at the cost of 137 % of the CDI variation.

d) Collateral

Collateral for the borrowings include sureties of the controlling companies and/or mortgages or statutory liens on land, buildings, machinery and equipment, biological assets (forests), commercial pledges and assignments of receivables, amounting to approximately R$ 248,049. Other transactions have specific guarantees, as follows:

i) For the export prepayment financing contracted with Banco Credit Suisse, the Company pledged as collateral the shares it holds in the subsidiary Habitasul Florestal S.A.

ii) For the export prepayment financing contracted with Banco Rabobank and Santander, land and forests amounting to R$ 164,878 were pledged as collateral.

iii) For the Working Capital - Syndicated Loan, contracted with Banco Itaú, Santander and Rabobank, the Company provided as collateral land and forests amounting to R$ 156,709, and assignment of receivables amounting to R$ 15,000.

Notes to the Quarterly Information

iv) For the financing contracted with the National Bank for Economic and Social Development (BNDES), an industrial property comprising the land, facilities and equipment, two commercial buildings and one residential building, in the total amount of R$ 121,436, were pledged as collateral.

v) For the working capital loan (CCE) contracted with Banco BTG Pactual, secured and fiduciary guarantees consisting of the following Company's assets and rights amounting to R$ 61,004 were pledged to the Trustee:

- Statutory lien on real estate in favor of the Trustee;
- Statutory lien on industrial equipment of the Paper plant located in Santa Luzia, State of Minas Gerais;
- Assignment of 25% of the outstanding principal balance of receivables over the term of the loan.

e) 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 interim financial statements, as mentioned below:

i) Banco Itaú BBA - CCE
ii) Banco Santander Brasil - PPE
iii) Banco Rabobank and Santander - PPE
iv) Banco Rabobank – CCE
v) Banco Santander – CCE

Restrictive financial covenants were determined requiring compliance with certain financial ratios, on annual bases. Non-compliance may trigger the accelerated maturity of the debt.

a) The ratio between net debt and EBITDA over the last 12 months must not exceed: 3.65 times for the year ended December 31, 2013; 3.25 times for the year ended December 31, 2014; and 3.00 times from the year ended December 31, 2015.

b) The ratio between EBITDA and net finance costs over the last 12 months must not be lower than 2.00 times for the years ended from December 31, 2013.

c) The ratio between EBITDA and net revenue over the last 12 months must not be lower than 17% for the years ended from December 31, 2013.

At September 30, 2017, there was no need to measure these financial ratios, as they are measured annually.

vi) Banco BTG - CCE

a) The net debt/EBITDA ratio over the last 12 months must not exceed: 4.00 times.

b) The ratio between EBITDA and net finance costs over the last 12 months must not be lower than 2.00 times.

At September 30, 2017, there was no need to measure these financial ratios, as they are measured annually.

vii) Banco Credit Suisse - PPE

a) The net debt/EBITDA ratio over the last 12 months must not exceed: (i) 3.00 times for the quarters ended between June 30, 2012 and September 30, 2013; (ii) 3.65 times for the quarter ended December 31, 2013; (iii) 3.75 times for the quarters ended between March 31, 2014 and June 30, 2014; (iv) 4.50 times for the quarter ended September 30, 2014; (v) 3.25 times for the quarter ended December 31, 2014; (vi) 4.25 times for the quarters ended between March 31, 2015 and September 30, 2015; (vii) 3.00 times for the quarter ended December 31, 2015; (viii) 4.50 times for the quarters ended between March 31, 2016 and December 31, 2016; (ix) 4.25 times for the quarters ended between March 31, 2017 and June 30, 2017; (x) 6.00 times for the quarter ended September 30, 2017; (xi) 5.00 times for the quarters ending between December 31, 2017 and September 30, 2018; (xii) 4.50 times for the quarters ending between December 31, 2018 and September 30, 2019; (xiii) 4.00 times for the quarters ending between December 31, 2019 and September 30, 2020; and (xiv) 3.50 times for the quarters ending between December 31, 2020 and June 30, 2021.

b) The ratio between EBITDA and net finance costs over the last 12 months must not be lower than: (i) 2.00 times for the quarters ended between June 30, 2012 and June 30, 2017; (ii) 1.25 time for the quarter ended September 30, 2017; (iii) 1.50 time for the quarters ending December 31,, 2017 and March 31, 2018; (iv) 1.75 time for the quarters ending June 30, 2018 and September 30, 2018; and (v) 2.00 times for the quarters ending between December 31, 2018 and June 30, 2021.

At September 30, 2017, the Company complied with all the financial ratios agreed upon with Banco Credit Suisse.

viii) Working Capital - Syndicated Loan

a) The net debt/EBITDA ratio over the last 12 months must not exceed: 3.80 times for the year ended December 31, 2016; 4.00 times for the year ended December 31, 2017; and 3.00 times from the year ending December 31, 2018.

b) The ratio between EBITDA and net finance costs over the last 12 months must not be lower than 2.00 times for the years ended from December 31, 2016.

At September 30, 2017, there was no need to measure these financial ratios, as they are measured annually.

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

Notes to the Quarterly Information

17. DEBENTURES

a) Breakdown of accounting balances

			Parent and Consolidated	
Current	**Issue**	**Annual charges - %**	9/30/2017	12/31/2016
In local currency				
Single debentures	11/30/2012	CDI + 2.75%	13,395	12,077
Single debentures	5/20/2013	CDI + 4.30%	-	19,037
Total current			13,395	31,114
Non-current				
In local currency				
Single debentures	5/20/2013	CDI + 4,30%	-	9,352
Total non-current			-	9,352
Total			13,395	40,466

	Parent and Consolidated	
Long-term maturities:	9/30/2017	12/31/2016
2018	-	9,352
	-	9,352

The debentures issued by the Company are not convertible into shares.

b) Schedule for amortization of funding costs

	Issue	2017
In local currency		
Single debentures	11/30/2012	(16)
Total local currency		(16)

c) Collateral

i) The Debentures issued on November 30, 2012 have secured guarantees totaling R$ 13,335, invested with Banco Itaú.

Notes to the Quarterly Information

d) Restrictive Financial Covenants:

Simple debentures issued on November 30, 2012 have restrictive covenants that are verified on an annual basis, as presented below:

a) The net debt/EBITDA ratio over the last 12 months must not exceed: 3.50 times for the year ended December 31, 2012; 3.65 times for the year ended December 31, 2013; 3.25 times for the year ended December 31, 2014; and 3.00 times from the year ended December 31, 2015.

b) The ratio between EBITDA and net finance costs over the last 12 months must not be lower than 2.00 times for the years ended from December 31, 2012.

At September 30, 2017, there was no need to measure these financial ratios, as they are measured annually.

Simple debentures issued on May 20, 2013 have restrictive covenants that are verified on an annual basis, as presented below:

a) The net debt/EBITDA ratio over the last 12 months must not exceed: 3.65 times for the year ended December 31, 2013; 3.25 times for the year ended December 31, 2014; and 3.00 times from the year ended December 31, 2015, except for the year ended December 31, 2016, when the ratio must not exceed 4.5 times.

b) The ratio between EBITDA and net finance costs over the last 12 months must not be lower than 2.00 times for the years ended from December 31, 2013.

At September 30, 2017, there was no need to measure these financial ratios, as they are measured annually.

The Simple Debentures issued on May 20, 2013 were settled in the third quarter of 2017.

Notes to the Quarterly Information

18. TRADE PAYABLES

Payables to suppliers are as follows:

	Parent		Consolidated	
CURRENT LIABILITIES	9/30/2017	12/31/2016	9/30/2017	12/31/2016
Internal				
Materials	54,884	57,539	55,106	57,578
Service providers	7,283	6,118	7,428	6,254
Carriers	13,576	14,852	13,583	14,858
Related parties	6,777	32,181	-	-
Other	639	824	639	824
Market				
Materials	327	335	327	335
	83,486	111,849	77,083	79,849

19. RELATED PARTIES

Parent	Receivables		Payables	
	9/30/2017	12/31/2016	9/30/2017	12/31/2016
Habitasul Florestal S.A.	17,599	4,400	-	983
Iraflor - Com. de Madeiras Ltda	-	-	6,755	31,349
Management remuneration	-	-	837	828
Management profit sharing	-	-	692	692
Habitasul Desenvolvimentos Imobiliarios	17	17	-	-
Irani Geração de Energia Sustentável Ltda	56	-	-	-
Koch Metalúrgica S.A.	19,667	18,960	-	-
Total	37,339	23,377	8,284	33,852
Current portion	19,596	4,417	8,284	33,852
Non-current portion	17,743	18,960	-	-

Parent	Income		Expenses		Income		Expenses	
	Quarter ended		Quarter ended		Nine-month period ended		Nine-month period ended	
	9/30/2017	9/30/2016	9/30/2017	9/30/2016	9/30/2017	9/30/2016	9/30/2017	9/30/2016
Habitasul Florestal S.A.	-	-	1,367	1,183	-	-	6,760	7,783
Bonuses to Directors	-	-	-	-	-	-	5,000	-
Iraflor - Com. de Madeiras Ltda	-	-	5,735	1,825	-	-	7,345	12,769
Druck, Mallmann, Oliveira & Advogados Associados	-	-	72	73	-	-	217	207
MCFD Administração de Imóveis Ltda	-	-	324	309	-	-	983	927
Irani Participações S/A	-	-	120	120	-	-	360	360
Habitasul Desenvolvimentos Imobiliarios	-	-	44	45	-	-	132	149
Koch Metalúrgica S.A.	150	457	-	-	450	1,371	-	-
Management remuneration	-	-	1,815	2,000	-	-	5,998	5,824
Total	150	457	9,477	5,555	450	1,371	26,795	28,019

Notes to the Quarterly Information

Consolidated	Receivables		Payables	
	9/30/2017	12/31/2016	9/30/2017	12/31/2016
Habitasul Desenvolvimentos Imobiliários	17	17	-	-
Koch Metalúrgica S.A.	19,667	18,960	-	-
Remuneração dos administradores	-	-	837	828
Bonuses to Directors	-	-	-	-
Participação dos administradores	-	-	692	692
Total	19,684	18,977	1,529	1,520
Parcela circulante	1,941	17	1,529	1,520
Non-current portion	17,743	18,960	-	-

Consolidated	Income		Expenses		Income		Expenses	
	Quarter ended		Quarter ended		Nine-month period ended		Nine-month period ended	
	9/30/2017	9/30/2016	9/30/2017	9/30/2016	9/30/2017	9/30/2016	9/30/2017	9/30/2016
Irani Participações S/A	-	-	120	120	-	-	360	360
Bonuses to Directors	-	-	-	-	-	-	5,000	-
Druck, Mallmann, Oliveira & Advogados Associados	-	-	72	73	-	-	217	207
MCFD Administração de Imóveis Ltda	-	-	324	309	-	-	983	927
Management remuneration	-	-	1,829	2,013	-	-	6,051	5,867
Habitasul Desenvolvimentos Imobiliarios	-	-	44	45	-	-	132	149
Koch Metalúrgica S.A.	150	457	-	-	450	1,371	-	-
Total	150	457	2,389	2,560	450	1,371	12,743	7,510

The payables to the subsidiaries Habitasul Florestal S.A. and Iraflor - Comércio de Madeiras Ltda. relate to commercial transactions and acquisition of raw materials. The transactions were carried out in accordance with the respective market conditions and prices. The amounts receivable by the parent company from the subsidiary Habitasul Florestal S.A. relate to dividends for 2016.

The amount payable to MCFD Administração de Imóveis Ltda. is equivalent to 50% of the monthly rental of the Packaging Plant in Indaiatuba (SP), in accordance with agreement signed on December 26, 2006, which is effective for 20 years, with the possibility of renewal. The monthly amount being paid to the related party is R$ 119. The total contractual monthly rental is R$ 238, adjusted annually based on the variation of the General Market Price Index (IGPM) disclosed by the Getúlio Vargas Foundation.

The receivables from Koch Metalúrgica S.A. relate to advance payments for acquisition of equipment.

Management remuneration expenses, excluding payroll charges, totaled R$ 6,051 in the nine-month period ended September 30, 2017 (R$ 5,867 in the nine-month period ended September 30, 2016). The total annual management remuneration was approved by the Annual General Meeting held on April 19, 2017, at the maximum amount of R$ 12,000. On June 30, 2017, the Board of Directors approved a bonus of R$ 5,000 to be granted to the former Chairman of the Board, Dr. Pericles de Freitas Druck, as a gesture of appreciation for his invaluable contribution to the Company's development. Dr. Druck resigned from his position, aiming at giving continuity to the succession process in the management of the Group's companies.

Notes to the Quarterly Information

20. PROVISION FOR CIVIL, LABOR AND TAX CONTINGENCIES

The Company and its subsidiaries are parties to tax, civil, and labor lawsuits, and administrative proceedings of a tax nature. Management, supported by the opinion of its attorneys and legal counsel, believes that the provisions recorded for civil, labor and tax contingencies are sufficient to cover probable losses.

Breakdown of the balance of the provisions:

	Parent		Consolidated	
	9/30/2017	12/31/2016	9/30/2017	12/31/2016
Civil contingencies	1,637	1,400	1,637	1,400
Labor contingencies	3,401	3,677	3,442	3,677
Tax contingencies	19,326	1,027	19,326	1,027
Total	24,364	6,104	24,405	6,104

Parent	12/31/2016	Provision	Payments	Reversal	9/30/2017
Civil	1,400	303	-	(66)	1,637
Labor	3,677	712	(384)	(604)	3,401
Tax	1,027	18,299	-	-	19,326
	6,104	19,314	(384)	(670)	24,364

Consolidated	12/31/2016	Provision	Payments	Reversal	9/30/2017
Civil	1,400	303	-	(66)	1,637
Labor	3,677	753	(384)	(604)	3,442
Tax	1,027	18,299	-	-	19,326
	6,104	19,355	(384)	(670)	24,405

The provisions recorded relate mainly to:

a) Civil lawsuits relate, among other matters, to indemnity claims in respect of termination of agreements with sales representatives. A provision of R$ 1,637 was recorded at September 30, 2017 to cover losses arising from these contingencies.

b) Labor lawsuits are mainly related to claims filed by former employees for payment of overtime, health hazard premiums, hazardous duty premiums, occupational illnesses and occupational accidents. Based on past experience and on the opinion of its legal counsel, management maintained a provision of R$ 3,442 at September 30, 2017, which is considered sufficient to cover potential losses arising from labor contingencies.

Notes to the Quarterly Information

c) The provisions for tax contingencies total R$ 19,326 and relate mainly to:

i) Administrative and judicial proceedings relating to the disallowance of ICMS credits by the Finance Department of the State of São Paulo, totaling R$ 736, which await judgment.

(ii) Offset of federal taxes levied on the Company's operations, based on the exclusion of the ICMS from the calculation basis of PIS and COFINS. On March 14, 2017, the matter was examined by the Federal Supreme Court (STF), which defined that "the ICMS does not make up the PIS and COFINS calculation basis". The decision taken by the STF, to begin with, should take effect for all the lawsuits in progress, due to its repercussion. In the nine-month period ended September 30, 2017, the amount of R$ 15,801 was offset, for which a provision for tax risks was recorded, at the adjusted amount of R$ 18,220.

Contingencies

No provisions were recorded for contingencies in respect of which the likelihood of loss has been assessed as possible by management and the legal counsel. At September 30, 2017, the amounts of these possible contingencies of a labor, civil, environmental and tax nature were as follows:

	Consolidated	
	9/30/2017	12/31/2016
Labor contingencies	11,836	11,924
Civil contingencies	7,090	6,944
Tax contingencies	89,955	84,802
	108,881	103,670

Labor contingencies:

The labor lawsuits assessed by management and the legal counsel as involving possible risk of loss amounted to R$ 11,836 and relate mainly to indemnity claims (hazardous duty premiums, health hazard premiums, overtime, salary premiums, damages and losses arising from occupational accidents). Management expects a favorable outcome on these lawsuits, which are currently at different court levels.

Civil contingencies:

The civil lawsuits classified by management and its legal counsel as possible losses total R$ 7,090 and primarily include indemnity claims that are currently at different court levels, and for which management expects a favorable outcome.

Notes to the Quarterly Information

Tax contingencies:

The tax lawsuits assessed by management and its legal counsel as involving possible losses total R$ 89,955 and mainly include the following:

- Administrative proceeding 10925.000172/2003-66 related to a tax notification for alleged irregularity in the offsetting of IPI credits, amounting to R$ 12,601 at September 30, 2017. This proceeding has been closed at the administrative level and the tax collection lawsuit 5003956-50.2016.404.7203 has been filed. Currently awaits judgment of the Motion to Stay Execution 5001969-42.2017.4.04.7203.

- Tax Collection Lawsuit 2004.72.03.001555-8 filed by the National Institute of Social Security (INSS), with respect to a Debt Assessment Notice referring to the payment of social security contribution on the gross revenue from sale of the production of agro-industrial companies, amounting to R$ 5,195 at September 30, 2017. The lawsuit has been suspended by court decision and awaits judgment of the Action for Annulment 2005.71.00.002527-8.

- Administrative proceeding 11080-729.991/2016-55, amounting to R$ 871 at September 30, 2017, relates to the assessment notice issued by the National Institute of Social Security (INSS), which challenges the offsetting of debts against credits arising from the application of a higher Environmental Occupational Risk (RAT) rate at the Company's Administrative Units. The proceeding awaits judgment.

- Administrative Proceedings 11080.013972/2007-12 and 11080.013973/2007-67, amounting to R$ 5,799 at September 30, 2017, related to tax assessments for PIS and COFINS, originating from an alleged undue tax credit. The Company has challenged these assessments at the administrative level and awaits judgment of the respective Voluntary Appeals.

- Administrative Proceedings 11080.014747/2008-84, amounting to R$ 2,440 at September 30, 2017, relating to tax assessments for Income Tax Withheld at Source (IRPJ). The Company awaits judgement of its Special Appeal at the administrative level.

- Administrative Proceeding 11080.014746/2008-30, amounting to R$ 636 at September 30, 2017, relating to tax assessments for Social Contribution on Net Income (CSLL). This proceeding has been closed at the administrative level and the tax collection lawsuit 5042523-71.2016.4.04.7100 has been filed. Currently awaits judgment of the Motion to Stay Execution 5080232-43.2016.4.04.7100.

- Administrative proceeding 11080.009902/2006-89, with a restated amount of R$ 1,264 at September 30, 2017, relates to federal taxes offset against deemed IPI credits on exports. This proceeding has been closed at the administrative level and the Company currently awaits judgment of the respective Tax Collection Lawsuit to start the dispute at court level.

- Administrative proceeding 11080.009905/2006-12 with a restated amount of R$ 5,767 at September 30, 2017, relates to federal taxes offset against deemed IPI credits on exports. This proceeding has been closed at the administrative level and the tax collection lawsuit 5001467-40.2016.4.04.7203 has been filed. Currently awaits judgment of the Motion to Stay Execution 5000889-43.2017.4.04.7203.

Notes to the Quarterly Information

- Administrative and judicial proceedings referring to assessments received from the State of Santa Catarina for allegedly undue ICMS tax credits recorded on the purchase of materials used in the manufacturing units located in that State, which amounted to R$ 40,796 at September 30, 2017. The Company is challenging these tax assessments at the administrative and judicial levels.

21. EQUITY

a) Share capital

The Company's share capital at September 30, 2017 was R$ 161,895 (R$ 161,895 at December 31, 2016), represented by 153,909,975 common shares and 12,810,260 preferred shares, totaling 166,720,235 shares, without par value. The holders of preferred shares are entitled to dividends under the same conditions as those granted to holders of common shares; priority in the reimbursement of capital at the equity value, without premium, in the event of liquidation of the Company; and 100% Tag Along rights. The Company may issue preferred shares, without par value and with no voting rights, up to the limit of two thirds of its total shares, and may increase the existing types or classes of shares without the requirement of maintaining a fixed proportion between them.

b) Treasury shares

		Parent		Parent	
		9/30/2017		12/31/2016	
		Number of shares	Value	Number of shares	Value
ii) Share buyback plan	Common shares	24,000	30	24,000	30
iii) Right to withdraw	Preferred shares	2,352,100	6,804	2,352,100	6,804
		2,376,100	6,834	2,376,100	6,834

i) Share buyback plan: the plan, which had the objective of maximizing the value of the shares for stockholders, was in effect for 365 days, up to November 23, 2011.

iii) Right of withdrawal: the shares acquired suffered changes in relation to the advantages attributed to the Company's preferred shares, as approved at the Annual and Extraordinary General Meeting held on April 19, 2012. Dissenting holders of preferred shares had the right to withdraw from the Company and receive a reimbursement for their shares, based on the equity value recorded in the balance sheet at December 31, 2011.

c) Share-based payment

In 2013, the Company introduced a share-based remuneration plan, called the First Stock Option Plan (Program I), settled with its own shares, under which the Company received services from employees as consideration for equity instruments (stock options) of the Company.

Notes to the Quarterly Information

The stock options were granted to management and certain employees, in accordance with the decision of the Board of Directors on May 9, 2012 and approval at the Extraordinary General Meeting held on May 25, 2012. The options were exercised from April 1, 2013 to April 30, 2013. The Company has no legal or constructive obligation to repurchase or settle the options in cash.

The options exercised by the participants totaled 1,612,040 shares, at the average exercise price of R$ 1.26 per share.

d) Revenue reserves

The revenue reserves comprise: i) legal reserve, ii) biological assets reserve, iii) profit retention reserve, and iv) tax incentives reserve.

i) In conformity with the Company's bylaws, 5% of the annual profit is transferred to the legal reserve, which can be used to offset losses or increase capital.

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

(iii) The profit retention reserve comprises the remaining profits after the offsetting of losses and transfer to the legal reserve, as well as after 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, as approved at the Annual General Meeting. Certain agreements with creditors contain restrictive clauses relating to the distribution of dividends that exceed the minimum mandatory dividend.

iv) The tax incentives reserve was constituted with a portion of prior years' profit arising from government grants for investments, as disclosed in items (ii) and (iii) of Note 32, and was not included in the mandatory dividend calculation basis.

e) Carrying value adjustments

The carrying value adjustments account was established when the Company measured its property, plant and equipment (land, machinery and buildings) at deemed cost in the opening balance sheet, at the first-time adoption of IFRS. Its realization will take place as the related deemed cost is depreciated, at which time the related amounts will also be adjusted in the basis for calculating dividends. The balance at September 30, 2017, net of tax effects, represented a gain of R$ 202,366 (R$ 209,075 at December 31, 2016).

Notes to the Quarterly Information

The effects of the financial instruments designated as cash flow hedges, net of tax, were also recorded in carrying value adjustments, and corresponded to a loss of R$ 68,986 at September 30, 2017 (R$ 81,568 at December 31, 2016).

Changes in the carrying value adjustments account were as follows:

	Consolidated
At December 31, 2015	73,029
Cash flow hedges	63,425
Realization - deemed cost	(8,947)
At December 31, 2016	127,507
Cash flow hedges	12,583
Realization - deemed cost	(6,710)
At September 30, 2017	133,380

22. EARNINGS (LOSS) PER SHARE

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

Basic and diluted earnings (loss) from continuing operations:

	Quarter ended 9/30/2017		
	Common shares (ON)	Preferred shares (PN)	Total shares (ON) and (PN)
Weighted average number of shares	153,885,975	10,458,160	164,344,135
Loss for the year attributable to each category of shares	2,978	202	3,180
Basic and diluted loss per share - R$	0.0194	0.0194	

	Quarter ended 9/30/2016		
	Common shares (ON)	Preferred shares (PN)	Total shares (ON) and (PN)
Weighted average number of shares	153,885,975	10,458,160	164,344,135
Profit for the period attributable to each category of shares	(6,492)	(441)	(6,933)
Basic and diluted earnings (loss) per share - R$	(0.0422)	(0.0422)	

Notes to the Quarterly Information

	Nine-month period ended 9/30/2017		
	Common shares (ON)	Preferred shares (PN)	Total shares (ON) and (PN)
Weighted average number of shares	153,885,975	10,458,160	164,344,135
Profit (loss) for the period attributable to each category of shares	(9,131)	(621)	(9,752)
Basic and diluted earnings (loss) per share - R$	(0.0593)	(0.0593)	

	Nine-month period ended 9/30/2016		
	Common shares (ON)	Preferred shares (PN)	Total shares (ON) and (PN)
Weighted average number of shares	153,885,975	10,458,160	164,344,135
Profit (loss) for the period attributable to each category of shares	(5,363)	(364)	(5,727)
Basic and diluted earnings (loss) per share - R$	(0.0349)	(0.0349)	

23. NET SALES REVENUE

The Company's net sales revenue comprises the following:

	Parent		Parent	
	Quarter ended		Nine-month period ended	
	9/30/2017	9/30/2016	9/30/2017	9/30/2016
Gross sales revenue	285,190	256,778	809,873	752,898
Taxes on sales	(60,641)	(59,490)	(178,980)	(165,676)
Sales returns	(2,828)	(2,951)	(8,279)	(9,844)
Net sales revenue	221,721	194,337	622,614	577,378

	Consolidated		Consolidated	
	Quarter ended		Nine-month period ended	
	9/30/2017	9/30/2016	9/30/2017	9/30/2016
Gross sales revenue	288,125	258,024	816,416	759,367
Taxes on sales	(60,886)	(59,589)	(179,459)	(166,319)
Sales returns	(2,884)	(2,951)	(8,406)	(9,843)
Net sales revenue	224,355	195,484	628,551	583,205

Notes to the Quarterly Information

24. COSTS AND EXPENSES BY NATURE

Costs and expenses by nature are as follows:

	Parent		Parent	
	Quarter ended		Nine-month period ended	
	9/30/2017	9/30/2016	9/30/2017	9/30/2016
Fixed and variable costs (raw materials and consumables)	(114,476)	(109,136)	(331,318)	(289,898)
Personnel expenses	(37,378)	(33,363)	(107,333)	(100,719)
Change in the fair value of biological assets	7,047	(173)	14,941	11,244
Depreciation, amortization and depletion	(13,750)	(16,111)	(39,572)	(77,289)
Freight	(11,760)	(11,333)	(34,015)	(34,539)
Services contracted	(5,366)	(3,472)	(16,899)	(14,371)
Other selling expenses	(9,590)	(9,269)	(30,176)	(27,022)
Total costs and expenses by nature	(185,273)	(182,857)	(544,372)	(532,594)
Cost	(158,005)	(149,042)	(450,704)	(442,195)
Expense	(34,315)	(33,642)	(108,609)	(101,643)
Changes in the fair value of biological assets	7,047	(173)	14,941	11,244

	Consolidated		Consolidated	
	Quarter ended		Nine-month period ended	
	9/30/2017	9/30/2016	9/30/2017	9/30/2016
Fixed and variable costs (raw materials and consumables)	(108,245)	(108,605)	(319,494)	(251,476)
Personnel expenses	(39,638)	(33,363)	(114,640)	(105,510)
Change in the fair value of biological assets	5,849	2,487	11,165	15,316
Depreciation, amortization and depletion	(17,481)	(17,747)	(46,123)	(107,352)
Freight	(11,760)	(11,333)	(34,015)	(34,539)
Services contracted	(5,675)	(3,472)	(17,835)	(14,506)
Other selling expenses	(9,590)	(9,269)	(30,176)	(27,022)
Total costs and expenses by nature	(186,540)	(181,302)	(551,118)	(525,089)
Cost	(157,713)	(149,937)	(452,550)	(437,775)
Expense	(34,676)	(33,852)	(109,733)	(102,630)
Changes in the fair value of biological assets	5,849	2,487	11,165	15,316

Notes to the Quarterly Information

25. OTHER OPERATING INCOME AND EXPENSES

Income	Parent		Parent	
	Quarter ended		Nine-month period ended	
	9/30/2017	9/30/2016	9/30/2017	9/30/2016
Cost of assets damaged and sold	97	461	595	1,981
Income from sale of forests	-	-	-	34,700
Other operating income	614	1,073	2,176	2,935
	711	1,534	2,771	39,616

Expenses	Parent		Parent	
	Quarter ended		Nine-month period ended	
	9/30/2017	9/30/2016	9/30/2017	9/30/2016
Cost of assets damaged and sold	(212)	(419)	(373)	(1,724)
Cost of forests sold	-	(20)	-	(30,289)
Social security contribution on accrued vacation pay for prior years	-	-	-	(1,988)
Effect on enrollment in the Special Tax Regularization Program (PERT)	(1,316)	-	(1,316)	-
Exclusion of ICMS from the PIS and Cofins contribution base	(9,656)	-	(15,801)	-
Other operating expenses	(136)	(13)	(1,033)	(1,042)
	(11,320)	(452)	(18,523)	(35,043)
Total	(10,609)	1,082	(15,752)	4,573

Income	Consolidated		Consolidated	
	Quarter ended		Nine-month period ended	
	9/30/2017	9/30/2016	9/30/2017	9/30/2016
Cost of assets damaged and sold	97	461	645	1,981
Income from sale of forests	-	-	-	55,500
Other operating income	627	1,078	2,200	2,949
	724	1,539	2,845	60,430

Expenses	Consolidated		Consolidated	
	Quarter ended		Nine-month period ended	
	9/30/2017	9/30/2016	9/30/2017	9/30/2016
Cost of assets damaged and sold	(212)	(419)	(422)	(1,724)
Cost of forests sold	-	(20)	-	(51,845)
Social security contribution on accrued vacation pay for prior years	-	-	-	(1,988)
Effect on enrollment in the Special Tax Regularization Program (PERT)	(1,316)	-	(1,316)	-
Exclusion of ICMS from the PIS and Cofins contribution base	(9,656)	-	(15,801)	-
Other operating expenses	(127)	(30)	(1,028)	(1,063)
	(11,311)	(469)	(18,567)	(56,620)
Total	(10,587)	1,070	(15,722)	3,810

Notes to the Quarterly Information

During the nine-month period, the Company enrolled in the Special Tax Regularization Program (PERT), and recognized in other operating expenses the amount of R$ 1,316, mainly relating to presumed Excise Tax (IPI) due on exports, totaling R$ 1,170.

The expense, recorded as exclusion of the State Value-Added Tax (ICMS) from PIS/COFINS tax basis, relates to the provision for tax risks, described in Note 20 c.

Notes to the Quarterly Information

26. FINANCE INCOME AND COSTS

	Parent		Parent	
	Quarter ended		Nine-month period ended	
	9/30/2017	9/30/2016	9/30/2017	9/30/2016
Finance income				
Income from financial investments	859	732	6,501	4,159
Interest	989	563	1,994	1,947
Discounts obtained	28	22	87	130
	1,876	1,317	8,582	6,236
Foreign exchange variation				
Foreign exchange gains	4,972	2,803	11,465	18,884
Foreign exchange losses	(4,978)	(9,307)	(20,199)	(34,349)
Foreign exchange variations, net	(6)	(6,504)	(8,734)	(15,465)
Finance costs				
Interest	(25,677)	(22,539)	(78,686)	(70,501)
Discounts granted	(122)	(356)	(252)	(564)
Discounts/bank expenses	(3)	(16)	(26)	(65)
Other	(371)	(292)	(1,251)	(1,052)
	(26,173)	(23,203)	(80,215)	(72,182)
Finance results, net	(24,303)	(28,390)	(80,367)	(81,411)

	Consolidated		Consolidated	
	Quarter ended		Nine-month period ended	
	9/30/2017	9/30/2016	9/30/2017	9/30/2016
Finance income				
Income from financial investments	860	1,412	7,339	6,855
Interest	989	587	1,997	1,980
Discounts obtained	28	22	89	132
	1,877	2,021	9,425	8,967
Foreign exchange variation				
Foreign exchange gains	4,972	2,803	11,465	18,884
Foreign exchange losses	(4,978)	(9,307)	(20,199)	(34,349)
Foreign exchange variations, net	(6)	(6,504)	(8,734)	(15,465)
Finance costs				
Interest	(25,677)	(22,540)	(78,686)	(70,505)
Discounts granted	(143)	(356)	(273)	(564)
Discounts/bank expenses	(3)	(16)	(35)	(68)
Other	(372)	(296)	(1,252)	(1,056)
	(26,195)	(23,208)	(80,246)	(72,193)
Finance results, net	(24,324)	(27,691)	(79,555)	(78,691)

Notes to the Quarterly Information

27. INCOME TAX AND SOCIAL CONTRIBUTION

The reconciliation of the effective tax rate is as follows:

	Parent		Parent	
	Quarter ended		Nine-month period ended	
	9/30/2017	9/30/2016	9/30/2017	9/30/2016
Operating profit (loss) before taxation	2,885	(12,775)	(18,103)	(17,930)
Standard tax rate	34%	34%	34%	34%
Tax credit (expense) at standard rate	(981)	4,344	6,155	6,096
Tax effect of permanent (additions) exclusions:				
Equity in the results of subsidiaries	459	1,038	(77)	4,802
Other permanent differences	817	460	2,273	1,305
	295	5,842	8,351	12,203
Current income tax and social contribution	-	-	-	2
Deferred income tax and social contribution	295	5,842	8,351	12,201
Effective tax rate - %	(10.2)	45.7	46.1	68.1

	Consolidated		Consolidated	
	Quarter ended		Nine-month period ended	
	9/30/2017	9/30/2016	9/30/2017	9/30/2016
Operating profit (loss) before taxation	2,904	(12,439)	(17,844)	(16,765)
Standard tax rate	34%	34%	34%	34%
Tax credit (expense) at standard rate	(987)	4,229	6,067	5,700
Tax effect of permanent (additions) exclusions:				
Subsidiaries taxed under the deemed profit method	(462)	750	(192)	3,341
Other permanent differences	1,725	527	2,217	1,997
	276	5,506	8,092	11,038
Current income tax and social contribution	(81)	(267)	(455)	(1,092)
Deferred income tax and social contribution	357	5,773	8,547	12,130
			-	
Effective tax rate - %	(9.5)	44.3	45.3	65.8

28. INSURANCE

Insurance coverage is determined according to the nature of the risks to the assets, and is considered sufficient to cover possible losses arising from damages. At September 30, 2017, the Company had corporate insurance against fire, lightning, explosions, electrical damage and wind storm damage to plants, residential locations and offices, as well as general civil liability coverage and Directors and Officers liability insurance (D&O), at the total amount of R$ 576,240. The Company also contracted group life insurance for employees with a minimum coverage of 24 times the employee's salary, or a maximum coverage of R$ 500, in addition to insurance for the fleet of vehicles with coverage at market value.

Notes to the Quarterly Information

With respect to forests, the Company assessed the existing risks and opted not to contract insurance coverage because the preventive measures against fire and other risks have proven to be efficient. Management believes that the risk management structure related to the forestry activities is appropriate to ensure the continuity of the Company's operations.

The risk assumptions adopted, because of their nature, are not part of the scope of an audit of financial statements. Consequently, these assumptions were not examined by the independent auditors.

29. FINANCIAL INSTRUMENTS

Capital risk management

The Company's capital structure consists of its net indebtedness (borrowings and debentures detailed in Notes 16 and 17, less cash and banks and bank's restricted accounts, as disclosed in Notes 5 and 9), and equity (which includes issued share capital, reserves and retained earnings, as disclosed in Note 21).

The Company is not subject to any external capital requirements.

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 consisting of between 50% and 70% of own capital and between 50% and 30% of third-party capital. At September 30, 2017, the capital structure comprised 38% of own capital and 62% of third-party capital, mainly due to the effects of the exchange rate variation on debt in foreign currency, which accounts for 42.87% of the Company's total debt, and the exchange rate variation on hedge accounting, which reduces equity by R$ 68,986.

Debt to equity ratio

The debt to equity ratio at September 30, 2017 and December 31, 2016 was as follows:

	Parent		Consolidated	
	9/30/2017	12/31/2016	9/30/2017	12/31/2016
Debt (a)	779,265	917,375	779,265	917,375
Cash and banks	(36,455)	(82,844)	(36,947)	(103,885)
Banks - restricted account	(23,416)	(94,198)	(23,416)	(94,198)
Net debt	719,394	740,333	718,902	719,292
Equity (b)	448,022	445,191	448,029	445,201
Debt to net assets ratio	1.61	1.66	1.60	1.62

(a) Debt is defined as short and long-term borrowings, including debentures, as detailed in Notes 16 and 17.

(b) Equity includes the Company's entire capital and reserves managed as capital.

Notes to the Quarterly Information

Categories of financial instruments

	Parent		Consolidated	
	9/30/2017	12/31/2016	9/30/2017	12/31/2016
Financial assets				
Loans and receivables				
Cash and banks	36,455	82,844	36,947	103,885
Trade receivables	175,557	153,644	177,096	154,227
Other receivables	16,898	20,534	16,991	20,585
Banks - restricted account	23,416	94,198	23,416	94,198
Financial liabilities				
Amortized cost				
Borrowings	765,870	876,909	765,870	876,909
Debentures	13,395	40,466	13,395	40,466
Trade payables	83,486	111,849	77,083	79,849

Financial risk factors

The Company is exposed to various financial risks, such as market risk (including currency risk and interest rate risk), credit risk, and liquidity risk.

In order to provide a framework for its financial management, the Company has maintained in effect since 2010, a Financial Management Policy that determines rules and defines guidelines for the use of financial instruments.

The Company does not enter into derivative transactions or transactions involving other financial assets for speculative purposes. The derivative instruments currently in effect were contracted to hedge the obligations arising from the Company's borrowings in foreign currencies or the Company's exports, and were approved by the Board of Directors.

Foreign exchange rate risk

The Company has transactions in the foreign market that are exposed to fluctuations in the exchange rates of foreign currencies. At September 30, 2017 and December 31, 2016, these transactions resulted in a net liability exposure, as shown below.

As most of the borrowings in foreign currency is repayable in the long-term, the Company hedges the net foreign exchange exposure with the equivalent to 30 months of exports, based on the average of exports carried out in the nine-month period ended September 30, 2017, and to 26 months of exports based on the average exports carried out in 2016.

Notes to the Quarterly Information

	Parent		Consolidated	
	9/30/2017	12/31/2016	9/30/2017	12/31/2016
Receivables	15,823	20,062	15,823	20,062
Banks - restricted account	7,874	13,537	7,874	13,537
Customer advances	(165)	(139)	(165)	(139)
Trade payables	(327)	(335)	(327)	(335)
Borrowings	(334,102)	(372,431)	(334,102)	(372,431)
Net exposure	(310,897)	(339,306)	(310,897)	(339,306)

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

1 – Base scenario: for the definition of the base scenario, the U.S. dollar quotation used by the Company accompanies the future market projections of BMF&BOVESPA for the next reporting date (December 31, 2017).

2 – Adverse scenario: 25% deterioration in the foreign exchange rate compared to that at December 31, 2017.

3 – Remote scenario: 50% deterioration in the foreign exchange rate compared to that at December 31, 2017.

Account	Balance at 9/30/2017	Base scenario Gain (loss)		Adverse scenario Gain (loss)		Remote scenario Gain (loss)	
	U$$	Rate	R$	Rate	R$	Rate	R$
Assets							
Trade receivables and Banks - restricted account	7,480	3.20	242	4.00	6,227	4.80	12,215
Liabilities							
Trade payables and advances from customers	(155)	3.20	(5)	4.00	(129)	4.80	(253)
Borrowings	(105,461)	3.20	(3,411)	4.00	(87,789)	4.80	(172,218)
Cash flow hedges on exports	95,876	3.20	3,101	4.00	79,810	4.80	156,566
Net effect			(73)		(1,881)		(3,690)

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 September 30, 2017 were used 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, while balances receivable and payable may fluctuate due to the normal course of the activities of the Company and its subsidiaries. The settlement of transactions involving these projections may result in amounts that differ from those estimated due to the subjectivity of the process used in the preparation of these analyses. The Company maintains its borrowings and derivative transactions exposed to foreign exchange variations by making annual net payments that are equivalent to or below the receipts from its exports. Accordingly, 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 material impacts on its cash flow.

Interest rate risk

The Company may be affected by adverse changes in interest rates. This exposure to interest rate risk relates primarily to changes in market interest rates that affect the Company's assets and liabilities indexed to the TJLP (Long-term interest rate from BNDES), CDI (Interbank Deposit Certificate), SELIC (Official Interest Rate), LIBOR (London Interbank Offered Rate), EURIBOR (The Euro Interbank Offered Rate), and ECM (Currency Basket Charges).

The sensitivity analysis calculated for the base, adverse and remote scenarios on the borrowings subject to floating interest rates is as follows:

1 – Base scenario: for the definition of the base scenario, the CDI and SELIC rates used by the Company accompany the future market projections of BMF&BOVESPA for the next reporting date (December 31, 2017). The TJLP is extracted from the BNDES. For LIBOR, EURIBOR and EMC, the rates used are those prevailing on the date of the analysis.

2 – Adverse scenario: 25% adjustment of interest rates compared to the level at December 31, 2017.

3 – Remote scenario: 50% adjustment of interest rates compared to the level at December 31, 2017.

Account	Index	Balance at 9/30/2017	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								
CDB	CDI	48,849	7.34%	(295)	9.18%	382	11.01%	1,058
Proceeds from borrowings								
Working capital	CDI	(362,534)	7.34%	3,158	9.18%	(4,086)	11.01%	(11,330)
Debentures	CDI	(13,411)	7.34%	110	9.18%	(143)	11.01%	(395)
BNDES	TJLP	(43,439)	7.00%	-	8.75%	(760)	10.50%	(1,520)
FINAME	TJLP	(5,585)	7.00%	-	8.75%	(98)	10.50%	(195)
FINAME	SELIC	(495)	7.35%	5	9.19%	(5)	11.03%	(14)
FINAME	ECM	(151)	4.40%	-	5.49%	(2)	6.59%	(3)
Financing - foreign currency	Libor 3M	(298,657)	1.36%	(86)	1.70%	(1,103)	2.04%	(2,121)
Financing - foreign currency	Libor 12M	(7,439)	1.83%	(4)	2.29%	(38)	2.75%	(72)
Financing - foreign currency	Euribor 6M	(3,891)	0.00%	-	0.00%	-	0.00%	-
Net effect				2,889		(5,853)		(14,592)

Fair value vs. book value

Fair value is the price for which an asset would be sold or a liability transferred in a transaction between parties willing to negotiate, determined on the measurement date. The following methods and assumptions were used to estimate the fair value:

- Cash and cash equivalents, accounts receivable, short-term accounts payable are presented in the Company's balance sheet at amounts at their fair values due to the short terms of settlement.

Notes to the Quarterly Information

- Borrowings are considered at the present value using the current market rate and the Company's credit risk. There is no significant difference between the fair value and the book value.

Credit risks

The Company's credit sales are managed through a credit rating and credit granting policy. Doubtful receivables are properly covered by the provision for impairment.

Trade receivables comprise a large number of customers from different sectors and geographical areas. A continuous credit assessment is carried out on the financial positions of receivables and, where appropriate, credit guarantee coverage is requested.

Most of the renegotiations with customers are backed by debt acknowledgment agreements, machinery, equipment, and properties pledged as collateral, in addition to individual sureties to guarantee the amount of debt.

Risks of financial investments

Additionally, the Company is exposed to risk in relation to the financial investments that comprise its cash and cash equivalents, and are planned to meet its cash flow needs. Management ensures that investments are made in financial institutions with which the Company has a stable relationship, through the application of the financial policy that determines the allocation of cash, without limitations, to:

i) Government securities issued by and/or with co-obligation of the National Treasury;
ii) CDBs from 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 of conservative profile.

The table below shows the amounts of cash and cash equivalents invested by the Company in financial institutions, classified according to the S&P's rating scale for national financial institutions:

	Consolidated
	9/30/2017
National rating AA- (bra)	32,931
	32,931

Investments in variable-income market are not allowed.

Liquidity risk

Management monitors the liquidity level based on the expected cash flow, which comprises cash, short-term financial investments, flows of receivables and payables, and repayment of borrowings. The liquidity management policy involves the projection of cash flows on the currencies used, and considers the level of net assets necessary to achieve these projections, the monitoring of balance sheet liquidity

Notes to the Quarterly Information

ratios in relation to internal and external regulatory requirements, and the maintenance of 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 September 30, 2017, and the details on the expected maturity dates for non-derivative, undiscounted financial assets, including accrued interest 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 based on net assets and liabilities.

Parent

	2017	2018	2019	2020	As from 2021
Liabilities					
Trade payables	83,486	-	-	-	-
Borrowings	81,050	269,556	206,859	180,188	105,118
Debentures	13,441	-	-	-	-
Other liabilities	1,330	335	-	-	-
	179,307	269,891	206,859	180,188	105,118
Assets					
Cash and cash equivalents	36,455	-	-	-	-
Banks - restricted account	23,416	-	-	-	-
Trade receivables - not yet due	175,557	-	-	-	-
Renegotiation with customers	170	8,393	4,873	1,765	73
Other assets	14,417	-	-	-	-
	250,015	8,393	4,873	1,765	73
	70,708	(261,498)	(201,986)	(178,423)	(105,045)

Consolidated

	2017	2018	2019	2020	acima 2021
Liabilities					
Trade payables	77,083	-	-	-	-
Borrowings	81,050	269,556	206,859	180,188	105,118
Debentures	13,441	-	-	-	-
Other liabilities	1,330	335	-	-	-
	172,904	269,891	206,859	180,188	105,118
Assets					
Cash and cash equivalents	36,947	-	-	-	-
Banks - restricted account	23,416	-	-	-	-
Trade receivables - not yet due	177,096	-	-	-	-
Renegotiation with customers	170	8,393	4,873	1,765	73
Other assets	14,560	-	-	-	-
	252,189	8,393	4,873	1,765	73
	79,285	(261,498)	(201,986)	(178,423)	(105,045)

Notes to the Quarterly Information

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

At the end of the reporting period, the Company had unused credit facilities totaling R$ 60,000, which increase as borrowings are repaid. The Company expects to meet its other obligations using the cash flow from operating activities and income earned on financial assets.

Derivative financial instruments measured at fair value

At September 30, 2017, the Company did not have any derivative financial instruments measured at fair value.

Derivative financial instruments linked to borrowings (recognized directly in the statement of profit and loss)

Given their nature, the derivative instruments described below were considered, together with the debt, to be a single instrument at amortized cost.

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 those of 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 U.S. dollar variation, and, consequently, it is no longer exposed to the CDI variations. In view of the characteristics of this swap contract together with the CCE contract, the Company considers the two instruments to be a single instrument. The 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.

ii) On July 25, 2014, the Company contracted an interest rate swap with Banco Santander, in order to change the remuneration associated with the interest rate of the transactions entered into between the parties in January 2013, under Export Credit Bill (CCE) and Export Credit Note (NCE) contracts. The maturity of these contracts, which would be January 2016, was extended to June 2017. The current fixed rates of the contracts were replaced by rates indexed to the TJLP.

The purpose of this swap transaction was to align the transaction price and the related maturity dates to those of the original transaction. The swap contract cannot be settled separately.

The notional value attributed at the contracting date was R$ 30,000, settled in June 2017.

Notes to the Quarterly Information

Cash flow hedges

The Company adopted hedge accounting on May 1, 2012 for transactions contracted to cover the foreign exchange variation risk of exports, classified as a cash flow hedge.

The Company hedges the foreign exchange rate variation risk of its future cash flows through the cash flow hedge, in which the hedging instruments are non-derivative financial liabilities contracted by the Company. The currently effective hedging financial instruments contracted by the Company include an Export Prepayment (PPE) contract with Banco Credit Suisse, an Export Credit Bill (CCE) contract with Banco Itaú BBA, an Export Prepayment (PPE) contract with Banco Rabobank and Santander, and another PPE contract with Banco Santander.

The hedged cash flows are the estimated exports up to 2021, and the amount recorded in equity based on hedge accounting amounted to R$ 68,986 at September 30, 2017 (R$ 81,568 in December 2016).

	Parent and Consolidated 9/30/2017	Parent and Consolidated 12/31/2016
Opening balance	123,587	219,686
Change in cash flow hedge	(9,591)	(77,543)
Reclassification to the statement of operations	(9,473)	(18,556)
	104,523	123,587
Opening balance	(42,019)	(74,693)
Taxes on change in cash flow hedge	3,261	26,365
Taxes on reclassification to the statement of operations	3,221	6,309
	(35,537)	(42,019)
Closing balance	68,986	81,568

The Company estimates the hedge effectiveness based on the U.S. 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 range between 80% and 125%.

The balances of effective variations on transactions designated 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 that are effective in offsetting the variations of hedged expenses are recorded as a reduction of these expenses, decreasing or increasing the operating profit or loss, while the non-effective portion is recorded as finance income or costs for the period.

Notes to the Quarterly Information

The Company did not identify any ineffectiveness in the period. In the event of ineffectiveness in the period, the amount to be recognized in the statement of profit and loss would be R$ 68,986.

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

30. OPERATING SEGMENTS

a) Criteria for identification of operating segments

The Company's operating structure is segmented based on the manner in which management runs the business.

Management has defined the operating segments as follows: corrugated cardboard (PO) packaging; packaging paper; and RS forest and resins, described below:

Corrugated Cardboard (PO) Packaging: this segment manufactures light and heavy corrugated cardboard boxes and sheets, in three production units: Campina da Alegria (SC), Indaiatuba (SP), and Vila Maria (SP).

Packaging Paper: this segment produces low and high-weight Kraft paper and recycled paper for the domestic and foreign markets. In addition, part of its production is sent to the Corrugated Cardboard Packaging segment. It has two production units: Campina da Alegria (SC) and Santa Luzia (MG).

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

Notes to the Quarterly Information

b) Consolidated information on operating segments

	Consolidated				
	Quarter ended 9/30/2017				
	Packaging P.O.	Packaging Paper	RS Forest and Resins	Corporate/ eliminations	Total
Net sales:					
Domestic market	151,600	43,701	2,016	-	197,317
Foreign market	-	19,648	7,390	-	27,038
Revenue from sales to third parties	151,600	63,349	9,406	-	224,355
Intersegment revenue	-	10,826	-	(10,826)	-
Total net sales	151,600	74,175	9,406	(10,826)	224,355
Changes in the fair value of biological assets	-	11,040	(5,191)	-	5,849
Cost of sales	(130,102)	(29,789)	(8,406)	10,584	(157,713)
Gross profit	21,498	55,426	(4,191)	(242)	72,491
Operating expenses	(25,061)	(7,139)	(1,032)	(12,031)	(45,263)
Operating result before finance income (costs)	(3,563)	48,287	(5,223)	(12,273)	27,228
Finance income (costs)	(10,633)	(12,175)	(1,516)	-	(24,324)
Net operating profit (loss)	(14,196)	36,112	(6,739)	(12,273)	2,904

	Consolidated				
	Nine-month period ended 9/30/2017				
	Packaging P.O.	Packaging Paper	RS Forest and Resins	Corporate/ eliminations	Total
Net sales:					
Domestic market	412,934	117,623	5,559	-	536,116
Foreign market	-	57,871	34,564	-	92,435
Revenue from sales to third parties	412,934	175,494	40,123	-	628,551
Intersegment revenue	-	30,929	-	(30,929)	-
Total net sales	412,934	206,423	40,123	(30,929)	628,551
Changes in the fair value of	-	22,510	(11,345)	-	11,165
Cost of sales	(367,794)	(82,894)	(32,311)	30,449	(452,550)
Gross profit	45,140	146,039	(3,533)	(480)	187,166
Operating expenses	(64,047)	(18,926)	(4,045)	(38,437)	(125,455)
Operating result before finance income (costs)	(18,907)	127,113	(7,578)	(38,917)	61,711
Finance income (costs)	(34,669)	(39,912)	(4,974)	-	(79,555)
Net operating profit (loss)	(53,576)	87,201	(12,552)	(38,917)	(17,844)

Notes to the Quarterly Information

	Consolidated				
	Quarter ended 9/30/2016				
	Packaging P.O.	Packaging Paper	RS Forest and Resins	Corporate/ eliminations	Total
Net sales:					
Domestic market	126,115	39,366	1,454	-	166,935
Foreign market	-	17,540	11,009	-	28,549
Revenue from sales to third parties	126,115	56,906	12,463	-	195,484
Intersegment revenue	-	4,030	-	(4,030)	-
Total net sales	126,115	60,936	12,463	(4,030)	195,484
Changes in the fair value of biological assets	-	1,615	872	-	2,487
Cost of sales	(111,482)	(30,753)	(11,630)	3,928	(149,937)
Gross profit	14,633	31,798	1,705	(102)	48,034
Operating expenses	(16,698)	(5,327)	(1,099)	(9,658)	(32,782)
Operating result before finance income (costs)	(2,065)	26,471	606	(9,760)	15,252
Finance income (costs)	(11,877)	(14,614)	(1,200)	-	(27,691)
Net operating profit (loss)	(13,942)	11,857	(594)	(9,760)	(12,439)

	Consolidated				
	Nine-month period ended 9/30/2016				
	Packaging P.O.	Packaging Paper	RS Forest and Resins	Corporate/ eliminations	Total
Net sales:					
Domestic market	363,463	103,316	4,749	-	471,528
Foreign market	-	66,841	44,836	-	111,677
Revenue from sales to third parties	363,463	170,157	49,585	-	583,205
Intersegment revenue	-	11,096	-	(11,096)	-
Total net sales	363,463	181,253	49,585	(11,096)	583,205
Changes in the fair value of biological assets	-	12,137	3,179	-	15,316
Cost of sales	(320,256)	(88,532)	(39,383)	10,396	(437,775)
Gross profit	43,207	104,858	13,381	(700)	160,746
Operating expenses	(50,220)	(12,893)	(3,867)	(31,840)	(98,820)
Operating result before finance income (costs)	(7,013)	91,965	9,514	(32,540)	61,926
Finance income (costs)	(33,974)	(39,727)	(4,990)	-	(78,691)
Net operating profit (loss)	(40,987)	52,238	4,524	(32,540)	(16,765)

The amounts in the column "Corporate/eliminations" refer basically to the expenses of the corporate support area, which are not apportioned between the segments, and the eliminations refer to the adjustments of transactions between other segments, which are carried out under usual market prices and conditions.

Notes to the Quarterly Information

Finance income (costs) were allocated by operating segment, taking into consideration the specific allocation of each item of finance income and costs to the respective segment, and the allocation of common income and costs based on each segment's need for working capital.

The information relating to income tax and social contribution is not disclosed because management does not use this information by segment.

c) Net sales revenue

In the third quarter of 2017, net sales revenue totaled R$ 224,355 (R$ 195,484 in the third quarter of 2016). In the nine-month period ended September 30, 2017, net sales revenue totaled R$ 628,551 (R$ 583,205 in the same period of 2016).

Net sales from exports in the third quarter of 2017 amounted to R$ 27,038 (R$ 28,549 in the third quarter of 2016). In the nine-month period ended September 30, 2017, net sales from exports totaled R$ 92,435 (R$ 111,677 in the same period of 2016), distributed across various countries, as follows:

Consolidated		
Quarter ended 9/30/2017		
Country	Net export revenue	% of total net revenue
Argentina	3,987	1.78%
Saudi Arabia	3,696	1.65%
France	2,507	1.12%
Germany	2,175	0.97%
Chile	2,157	0.96%
South Africa	1,936	0.86%
Paraguay	1,505	0.67%
Peru	1,371	0.61%
Japan	1,206	0.54%
China	1,140	0.51%
Netherlands	843	0.38%
Bolivia	768	0.34%
Kuwait	477	0.21%
Pakistan	453	0.20%
Turkey	417	0.19%
Uruguay	415	0.18%
Mexico	405	0.18%
Austria	319	0.14%
Israel	238	0.11%
Colombia	201	0.09%
Singapore	144	0.06%
India	143	0.06%
United Kingdom	129	0.06%
Hong Kong	81	0.04%
Spain	75	0.03%
Other countries	250	0.11%
	27,038	12.05%

Consolidated		
Quarter ended 9/30/2016		
Country	Net export revenue	% of total net revenue
Germany	5,275	2.70%
China	4,355	2.20%
Argentina	3,092	1.60%
Saudi Arabia	2,789	1.40%
South Africa	1,854	0.90%
Paraguay	1,745	0.90%
Netherlands	1,487	0.80%
Japan	1,109	0.60%
Chile	1,000	0.50%
Portugal	868	0.40%
Peru	673	0.30%
Bolivia	552	0.30%
Uruguay	492	0.30%
Dubai	460	0.20%
Singapore	417	0.20%
Austria	379	0.20%
Turkey	301	0.20%
Serbia	234	0.10%
United Kingdom	205	0.10%
United Arab Emirates	200	0.10%
Spain	169	0.10%
Kuwait	157	0.10%
Pakistan	149	0.10%
Malaysia	146	0.10%
Colombia	135	0.10%
Other countries	306	0.20%
	28,549	14.70%

Notes to the Quarterly Information

Consolidated			Consolidated		
Nine-month period ended 9/30/2017			Nine-month period ended 9/30/2016		
Country	Net export revenue	% of total net revenue	Country	Net export revenue	% of total net revenue
Saudi Arabia	11,341	1.80%	Germany	17,568	3.00%
Germany	10,889	1.73%	China	16,041	2.80%
China	10,129	1.61%	Argentina	13,543	2.30%
Argentina	9,142	1.45%	Saudi Arabia	10,883	1.90%
South Africa	6,350	1.01%	South Africa	6,169	1.10%
France	5,462	0.87%	France	5,764	1.00%
Chile	5,452	0.87%	Paraguay	5,244	0.90%
Paraguay	3,714	0.59%	Chile	4,997	0.90%
Netherlands	3,412	0.54%	Netherlands	3,197	0.50%
Japan	3,270	0.52%	Peru	2,957	0.50%
Peru	2,666	0.42%	Japan	2,952	0.50%
Kuwait	1,970	0.31%	Spain	2,689	0.50%
Singapore	1,831	0.29%	Portugal	2,434	0.40%
Bolivia	1,801	0.29%	Turkey	1,981	0.30%
Turkey	1,644	0.26%	Singapore	1,970	0.30%
Uruguay	1,442	0.23%	Bolivia	1,786	0.30%
Austria	1,303	0.21%	Uruguay	1,779	0.30%
India	1,238	0.20%	Austria	1,510	0.30%
Portugal	1,237	0.20%	Dubai	1,199	0.20%
Spain	979	0.16%	United Arab Emirates	1,118	0.20%
Malaysia	939	0.15%	Pakistan	778	0.10%
Hong Kong	922	0.15%	Malaysia	648	0.10%
Mexico	882	0.14%	Serbia	560	0.10%
Pakistan	869	0.14%	Israel	537	0.10%
Israel	637	0.10%	Norway	527	0.10%
Colombia	607	0.10%	Kuwait	508	0.10%
United Kingdom	389	0.06%	Canada	447	0.10%
Norway	380	0.06%	United Kingdom	429	0.10%
Canada	341	0.05%	Colombia	428	0.10%
Serbia	219	0.03%	United States of America	284	0.00%
Other countries	978	0.16%	Other countries	750	0.10%
	92,435	14.71%		111,677	19.20%

In the domestic market, net sales revenue totaled R$ 197,317 in the third quarter of 2017 (R$ 166,935 in the third quarter of 2016). In the nine-month period ended September 30, 2017 net sales in the domestic market totaled R$ 536,116 (R$ 471,528 in the same period of 2016).

In the third quarter of 2017, a single customer accounted for 4.3% of net sales in the domestic market of the Corrugated Cardboard Packaging segment, equivalent to R$ 6,519. The other sales in the domestic and foreign markets were spread over a number of customers, none of which accounting for more than 10% of net sales.

31. OPERATING LEASE AGREEMENTS (PARENT COMPANY)

Rental of production plant properties

At September 30, 2017, the Company had one rental agreement for a production unit, in addition to other minor rental agreements for commercial and administrative units, all of which were classified as operating leases and allocated to expenses on the accrual basis over the lease period.

The rental agreement entered into on December 26, 2006, for the Packaging Plant, in Indaiatuba, SP, is effective for 20 years, with a contracted monthly rental of R$ 238, annually adjusted based on the General Market Price Index (IGPM) variation.

The rental expenses recognized in the third quarter of 2017 by the parent company, net of taxes when applicable, were as follows:

- Rentals of production units = R$ 715 (R$ 618 in the third quarter of 2016);
- Rentals of commercial and administrative units = R$ 80 (R$ 70 in the third quarter of 2016).

Future commitments arising from these contracts totaled a minimum amount of R$ 42,498 at September 30, 2017. The rentals were calculated at present value, using the accumulated IGPM index in the last 12 months, i.e., 1.46% negative per year.

	Up to 1 year	From 1 to 5 years	After 5 years	Total
Future operating leases	3,134	12,085	27,279	42,498
Operating leases at present value	3,180	12,722	31,804	47,706

Lease of planting area

The Company entered into non-cancellable lease agreements for the production of biological assets on third-party land, referred to as partnerships, which cover a total area of 3,0 thousand hectares, of which 2,2 thousand hectares comprise the planted area. For certain areas, there is a lease commitment, subject to monthly payments, as shown below.

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

Non-cancellable operating lease commitments

The rentals were calculated at present value, using the accumulated IGPM index in the last 12 months, i.e., 1.46% negative per year.

	Up to 1 year	From 1 to 5 years	After 5 years	Total
Future operating leases	121	1,621	322	2,064
Operating leases at present value	123	1,701	363	2,187

32. GOVERNMENT GRANTS

The Company has ICMS incentives from the States of Santa Catarina and Minas Gerais:

i. ICMS/SC - Development Program for Companies of the State of Santa Catarina (PRODEC): Allows 60% of the ICMS increase in the State of Santa Catarina, calculated on an average basis (September 2006 to August 2007) prior to the investments made, to be deferred for payment after 48 months. This benefit is calculated monthly and subject to the completion of the investments planned and maintenance of jobs, in addition to the maintenance of regular status with the State obligations. The Company has complied with all the requirements.

These incentives are subject to charges at an annual contractual rate of 4.0%. In order to calculate the present value of these benefits, the Company used the average rate of 12.72% as the cost of funding on the base date for credit lines with characteristics similar to those applicable to the respective disbursements, which would have been required in the absence of said benefits.

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. At September 30, 2017, the Company had deferred ICMS liabilities of R$ 19,934 (net of government grants of R$ 17,254).

ii. ICMS/SC - Presumed Credit: For the purpose of enabling the expansion of the industrial unit located in Vargem Bonita, the State of Santa Catarina grants as a principal benefit the recording of presumed credits in an ICMS memorandum account, on taxed shipments carried out in the State, of products manufactured with recyclable material corresponding to, at least, 40% of the raw material cost, so that the final tax burden on the own operation is equivalent to 2.25%. The expected investment is of approximately R$ 600,000, which will be incurred over the next five years, and will be used to expand the production capacity of the Packaging Paper plant by 135,000 metric tons/year, and of the Corrugated Cardboard Packaging plant by 24,000 metric tons/year.

iii. ICMS/MG - Presumed Credit: For the purpose of enabling the expansion of the industrial unit in Santa Luzia, the State of Minas Gerais grants as a principal benefit, the recording of ICMS presumed credit, resulting in the effective payment of 2% on shipments of products manufactured by the Company. The total investment is estimated at approximately R$ 220,000 million, starting in 2014 and expected to be concluded in 2017. This amount will be invested in the modernization and expansion of the production capacity of Paper Machine No. 7 (PM 7), and also in the construction of a new corrugated cardboard packaging plant.

Notes to the Quarterly Information

33. TRANSACTIONS NOT AFFECTING CASH

The Company carried out non-cash transactions relating to investment activities, which were not reflected in the statement of cash flows.

In the nine-month period ended September 30, 2017, the Company purchased property, plant and equipment, intangible assets and biological assets amounting to R$ 1,849, which were financed directly by the suppliers.

In the nine-month period ended September 30, 2016, the Company purchased property, plant and equipment, intangible assets and biological assets amounting to R$ 4,579, which were financed directly by the suppliers.

34. EVENTS AFTER THE REPORTING PERIOD

In October 2017, the Company's Board of Directors approved the sale of forests planted on third-party land with a total area of approximately 2,806 hectares, for the total amount of R$ 27,000. The Board also approved the sale of Fazenda São Pedro, a property located in the municipality of Água Doce, State of Santa Catarina, with a total area of 1,520.85 hectares and usable area of 801 hectares, for the total amount of R$ 12,166. The sale agreement includes a repurchase option, exercisable up to the eighth year for the same amount, adjusted by the Amplified Consumer Price Index (IPCA) variation. The completion of the sale transaction is contingent on the fulfillment of conditions precedent by the parties, up to November 30, 2017.

* * *

Report on review of quarterly information - without exception

(Convenience Translation into English from the Original Previously Issued in Portuguese)

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders, Directors and Management of

Celulose Irani S.A.

Porto Alegre - RS

Introduction

We have reviewed the accompanying individual and consolidated interim financial information of Celulose Irani S.A. ("Company"), included in the Interim Financial Information Form (ITR), for the quarter ended September 30, 2017, which comprises the balance sheet as at September 30, 2017 and the related statements of profit and loss, of comprehensive income, of changes in equity and of cash flows for the nine-month period then ended, including the explanatory notes.

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

Scope of review

We conducted our review in accordance with Brazilian and international standards on review of interim financial information (NBC TR 2410 and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim financial 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 standards on auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion on the interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the Interim Financial Information Form (ITR) referred to above is not prepared, in all material respects, in accordance with technical pronouncement CPC 21 (R1) and international standard IAS 34 applicable to the preparation of Interim Financial Information (ITR) and presented in accordance with the standards issued by the CVM.

Report on review of quarterly information - without exception

Emphasis

On October 30, 2017, we issued an unqualified audit report on the Company's individual and consolidated interim financial information, contained in the Interim Financial Information Form (ITR), for the quarter ended September 30, 2017, which is being restated. As described in note 1, these interim financial information has been amended and is being restated to include the contractual amendment referring to Restrictive Financial Clauses described in the aforementioned note. Our opinion remains unqualified.

Other matters

Statements of value added

We have also reviewed the individual and consolidated statements of value added ("DVA") for the nine-month period ended September 30, 2017, prepared under the responsibility of the Company's Management, the presentation of which is required by the standards issued by the CVM applicable to the preparation of Interim Financial Information (ITR) and is considered as supplemental information for International Financial Reporting Standards - IFRS, which do not require the presentation of a DVA. These statements were subject 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 are not prepared, in all material respects, in relation to the individual and consolidated interim financial information taken as a whole.

Audit and review of prior-year figures

The Interim Financial Information (ITR) mentioned in the first paragraph includes financial information corresponding to the statements of profit and loss, of comprehensive income, of changes in equity, of cash flows and of value added for the quarter ended September 30, 2016, obtained from the Interim Financial Information (ITR) for the quarter then ended, and the balance sheet as at December 31, 2016 obtained from the financial statements for the year ended December 31, 2016, presented for purposes of comparison. The review of the Interim Financial Information (ITR) for the quarter ended September 30, 2016 and the audit of the financial statements for the year ended December 31, 2016 were conducted under the responsibility of other independent auditor, who issued unqualified review and auditor's reports thereon, dated October 17, 2016 and February 24, 2017, respectively.

The accompanying individual and consolidated interim financial information has been translated into English for the convenience of readers outside Brazil.

Porto Alegre, November 06, 2017

DELOITTE TOUCHE TOHMATSU
Auditores Independentes

Marcelo de Figueiredo Seixas
Engagement Partner

Reason for restatement

Version	Description
2	Change in Note 16 (e), item vii