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CeluloseIrani S.A.

Quarterly information (ITR) at September 30, 2012 and report on review of quarterly information

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Report on review of quarterly information

To the Board of Directors and Shareholders
CeluloseIrani S.A.

Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of CeluloseIrani S.A., included in the Quarterly Information Form (ITR) for the quarter ended September 30, 2012, comprising the balance sheet as at that date and the statements of operations and comprehensive loss for the quarter and nine-month period then ended, and the statements of changes in equity and cash flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory information.

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

Scope of review

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

Conclusion on the parent company interim information

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

CeluloseIrani S.A.

Conclusion on the consolidated interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

Other matters

Statements of value added

We have also reviewed the parent company and consolidated statements of value added for the nine-month period ended September 30, 2012, these statements are the responsibility of the Company's management, and are required to be presented in accordance with standards issued by the CVM applicable to the preparation of Quarterly Information (ITR) and are considered supplementary information under IFRS, which do not require the presentation of the statement of value added. These statements have been submitted to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they have not been prepared, in all material respects, in a manner consistent with the parent company and consolidated interim accounting information taken as a whole.

Audit and review of prior-year information

The Quarterly Information (ITR) mentioned in the first paragraph includes the accounting information corresponding to the statements of operations, comprehensive loss, changes in equity, cash flows and value added for the quarter ended September 30, 2011, obtained from the Quarterly Information as at that date, and the balance sheets at December 31, 2011, obtained from the financial statements as at December 31, 2011, presented for comparison purposes. The review of the Quarterly Information (ITR) for the quarter ended September 30, 2011 and the audit of the financial statements for the year ended December 31, 2011 were conducted by other independent auditors, who issued unqualified review and audit reports thereon dated October 25, 2011 and February 29, 2012, respectively.

Porto Alegre, October 30, 2012.

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

Carlos Biedermann
Contador CRC 1RS02931/O-4

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1. General Information

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

Other countries in which the securities can be traded

Country	Date of admission

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

Newspapers in which the issuer discloses its information

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

2. Address

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

3. Securities

Shares

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

Debentures

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

4. Auditor

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

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

5. Share Registrar

Does the Company have a service provider?	YES
Corporate name	Itaú Corretora da Valores S.A.
CNPJ	61.194.353/0001-64
Period of services	5/4/1995
Service address	Av. Eng. Armando Arruda Pereira, 707, 100. andar, Centro, São Paulo, SP, Brasil, CEP 04344-902, Telephone (11) 50291809, Fax (11) 50291917

6. Investor Relations Officer or Equivalent

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

7. Shareholders' Department

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

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Company information / Capital composition

Number of shares (In thousands)	Current quarter 9/30/2012
Paid-up capital	
Common shares	149,280
Preferred shares	12,810
Total	162,090
Treasury shares	
Common shares	1,338
Preferred shares	2,626
Total	3,964

Dividends

Event	Date approved	Description	Initial date of payment	Type of share	Class of share	Amount per share (Reais/share)
Annual and Extraordinary General Meeting of Shareholders	4/19/2012	Dividend	5/9/2012	Common		0,03387
Annual and Extraordinary General Meeting of Shareholders	4/19/2012	Dividend	5/9/2012	Preferred		0,03990
Meeting of the Board of Directors	7/20/2012	Dividend	8/8/2012	Common		0.90223
Meeting of the Board of Directors	7/20/2012	Dividend	8/8/2012	Preferred		0.90223

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Parent company financial statements / balance sheet - assets

(R$ thousand)

Code	Description	Current quarter 9/30/2012	Prior year 12/31/2011
1	Total assets	1,151,963	1,177,330
1.01	Current assets	220,378	232,991
1.01.01	Cash and cash equivalents	41,288	72,496
1.01.02	Financial investments	3,114	5,143
1.01.02.01	Financial investments at fair value	3,114	5,143
1.01.02.01.03	Banks - restricted account	3,114	5,143
1.01.03	Trade receivables	133,107	110,325
1.01.03.01	Customers	92,272	90,179
1.01.03.02	Other receivables	40,835	20,146
1.01.03.02.01	Other receivables	12,555	12,400
1.01.03.02.02	Dividends receivable	28,280	7,746
1.01.04	Inventories	39,775	36,366
1.01.06	Taxes recoverable	3,094	8,661
1.01.06.01	Current taxes recoverable	3,094	8,661
1.02	Non-current assets	931,585	944,339
1.02.01	Long-term receivables	154,862	153,840
1.02.01.01	Financial investments at fair value	0	3,531
1.02.01.01.03	Banks - restricted account	0	3,531
1.02.01.03	Trade receivables	1,328	2,052
1.02.01.03.02	Other receivables	1,328	2,052
1.02.01.05	Biological assets	130,482	128,516
1.02.01.06	Deferred taxes	19,352	16,583
1.02.01.06.01	Deferred income tax and social contribution	19,352	16,583
1.02.01.08	Receivables from related parties	1,530	0
1.02.01.08.04	Receivables from other related parties	1,530	0
1.02.01.09	Other non-current assets	2,170	3,158
1.02.01.09.03	Taxes recoverable	1,613	2,162
1.02.01.09.04	Judicial deposits	557	996
1.02.02	Investments	242,847	253,572
1.02.02.01	Equity interests	242,847	248,575
1.02.02.01.02	Interests in subsidiaries	242,847	248,575
1.02.02.02	Investment property	0	4,997
1.02.03	Property, plant and equipment	532,665	535,839
1.02.03.01	Property, plant and equipment in service	532,665	535,839
1.02.04	Intangible assets	1,211	1,088
1.02.04.01	Intangible assets	1,211	1,088

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Parent company financial statements / balance sheet - liabilities and equity

(R$ thousand)

Code	Description	Current quarter 9/30/2012	Prior year 12/31/2011
2	Total liabilities and equity	1,151,963	1,177,330
2.01	Current liabilities	201,854	203,356
2.01.01	Social and labor obligations	21,677	18,692
2.01.01.01	Social obligations	21,677	18,692
2.01.01.01.01	Social security obligations	21,677	18,692
2.01.02	Trade payables	56,972	42,790
2.01.03	Taxes payable	12,569	11,115
2.01.03.01	Federal taxes	9,528	7,402
2.01.03.01.02	Taxes payable in installments	3,117	2,869
2.01.03.01.03	Other federal taxes	6,411	4,533
2.01.03.02	State taxes	2,963	3,584
2.01.03.02.01	Taxes payable in installments	1,964	1,693
2.01.03.02.02	Value-added Tax on Sales and Services (ICMS) payable	999	1,891
2.01.03.03	Municipal taxes	78	129
2.01.04	Borrowings	101,014	114,488
2.01.04.01	Borrowings	75,966	88,488
2.01.04.02	Debentures	25,048	26,000
2.01.05	Other obligations	9,622	16,271
2.01.05.02	Other	9,622	16,271
2.01.05.02.01	Dividends and interest on capital payable	169	5,607
2.01.05.02.04	Other payables	8,339	9,905
2.01.05.02.05	Advances from customers	1,114	759
2.02	Non-current liabilities	515,299	509,744
2.02.01	Borrowings	292,875	277,521
2.02.01.01	Borrowings	209,716	171,068
2.02.01.02	Debentures	83,159	106,453
2.02.02	Other obligations	24,000	24,056
2.02.02.01	Due to related parties	478	2,109
2.02.02.01.02	Due to subsidiaries	478	2,109
2.02.02.02	Other	23,522	21,947
2.02.02.02.03	Taxes payable in installments	7,555	10,666
2.02.02.02.04	Other taxes payable	15,967	11,062
2.02.02.02.05	Other payables	0	219
2.02.03	Deferred taxes	159,712	166,517
2.02.03.01	Deferred income tax and social contribution	159,712	166,517
2.02.04	Provisions	38,712	41,650
2.02.04.01	Provision for contingencies	38,712	41,650
2.03	Equity	434,810	464,230
2.03.01	Capital	103,976	63,381
2.03.02	Capital reserves	230	0
2.03.02.07	Share-based payment	230	0
2.03.04	Revenue reserves	84,690	142,302
2.03.04.01	Legal reserve	468	3,331
2.03.04.05	Profit retention reserve	21,386	66,266
2.03.04.09	Treasury shares	-8,842	-2,038
2.03.04.10	Reserve of biological assets	71,678	74,743
2.03.06	Carrying value adjustments	245,914	258,547

Parent company financial statements / statement of operations

(R$ thousand unless otherwise stated)

Code	Description	Current quarter 7/1/2012 to 9/30/2012	Accumulated - current year 1/1/2012 to 9/30/2012	Same quarter of prior year 7/1/2011 to 9/30/2011	Accumulated - prior year 1/1/2011 to 9/30/2011
3.01	Revenue from sale of goods and/or services	117,532	341,085	114,020	333,900
3.02	Cost of sales and/or services	-89,525	-254,057	-86,702	-262,291
3.02.01	Changes in the fair value of biological assets	0	3,873	0	-4,947
3.02.02	Cost of products sold	-89,525	-257,930	-86,702	-257,344
3.03	Gross profit	28,007	87,028	27,318	71,609
3.04	Operating expenses	-20,031	-55,897	-14,350	-38,219
3.04.01	Selling expenses	-11,123	-31,539	-10,761	-30,524
3.04.02	General and administrative expenses	-9,632	-28,432	-9,190	-24,527
3.04.04	Other operating income	731	1,527	1,981	3,147
3.04.05	Other operating expenses	-4,255	-5,011	-254	-831
3.04.06	Equity in results of subsidiaries	4,248	7,558	3,874	14,516
3.05	Profit before finance result and taxes	7,976	31,131	12,968	33,390
3.06	Finance result	-11,268	-40,711	-27,467	-42,579
3.06.01	Finance income	2,025	16,860	6,214	18,801
3.06.02	Finance costs	-13,293	-57,571	-33,681	-61,380
3.07	Profit (loss) before taxes on income	-3,292	-9,580	-14,499	-9,189
3.08	Income tax and social contribution	2,605	6,659	6,247	7,975
3.08.01	Current	0	0	-595	-1,985
3.08.02	Deferred	2,605	6,659	6,842	9,960
3.09	Profit (loss) from continuing operations	-687	-2,921	-8,252	-1,214
3.10	Loss from discontinued operations	0	0	-223	-507
3.10.01	Loss for the period from discontinued operations	0	0	-223	-507
3.11	Profit (loss) for the period	-687	-2,921	-8,475	-1,721
3.99	Earnings (loss) per share - (reais / share)				
3.99.01	Basic earnings (loss) per share				
3.99.01.01	Common shares	-0.00430	-0.01830	-0.05100	-0.00750
3.99.01.02	Preferred shares	-0.00430	-0.01830	-0.05610	-0.00820

Parent company financial statements / statement of comprehensive loss

(R$ thousand)

Code	Description	Current quarter 7/1/2012 to 9/30/2012	Accumulated - current year 1/1/2012 to 9/30/2012	Same quarter of prior year 7/1/2011 to 9/30/2011	Accumulated - prior year 1/1/2011 to 9/30/2011
4.01	Loss for the period	-687	-2,921	-8,475	-1,721
4.02	Other comprehensive loss	-327	-5,658	0	0
4.02.01	Cash flow hedge	-496	-8,573	0	0
4.02.02	Income tax and social contribution - cash flow hedge	169	2,915	0	0
4.03	Comprehensive loss for the period	-1,014	-8,579	-8,475	-1,721

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

(R$ thousand)

Code	Description	Accumulated - current year 1/1/2012 to 9/30/2012	Accumulated - prior year 1/1/2011 to 9/30/2011
6.01	Net cash provided by operating activities	39,687	26,614
6.01.01	Cash from operations	52,954	62,340
6.01.01.01	Loss before income tax and social contribution	-9,580	-9,189
6.01.01.02	Changes in the fair value of biological assets	-3,873	4,947
6.01.01.03	Depreciation, amortization and depletion	30,202	31,256
6.01.01.05	Result on sale of permanent assets	-240	-703
6.01.01.06	Equity in results of subsidiaries	-7,558	-14,516
6.01.01.07	Provision for contingencies	-2,615	7,215
6.01.01.08	Provision for impairment of trade receivables	254	101
6.01.01.12	Monetary variations and charges	50,848	43,229
6.01.01.13	Government grants	944	0
6.01.01.14	Unearned hedge result, net of taxes	-5,658	0
6.01.01.15	Share-based payment	230	0
6.01.02	Changes in assets and liabilities	-13,267	-35,726
6.01.02.01	Trade receivables	-308	-11,430
6.01.02.02	Inventories	1,922	-1,407
6.01.02.03	Taxes recoverable	6,131	-847
6.01.02.04	Other receivables	5,205	-6,876
6.01.02.05	Dividends received	2,705	2,684
6.01.02.06	Trade payables	3,409	-4,779
6.01.02.07	Social security obligations	3,564	5,160
6.01.02.08	Advances from customers	355	118
6.01.02.09	Taxes payable	155	3,446
6.01.02.10	Payment of interest on borrowings	-21,947	-11,867
6.01.02.11	Payment of interest on debentures	-11,858	-10,825
6.01.02.12	Other payables	-2,600	897
6.02	Net cash used in investing activities	-27,590	-19,013
6.02.01	Purchase of property, plant and equipment	-24,670	-20,146
6.02.03	Proceeds from disposal of assets	621	1,133
6.02.04	Loans with related parties	-1,530	0
6.02.06	Capital contribution	-2,011	0
6.03	Net cash provided by (used in) financing activities	-43,305	4,945
6.03.01	Payment of dividends	-19,704	-9,694
6.03.04	New borrowings	75,953	113,859
6.03.05	Repayment of borrowings	-92,750	-97,491
6.03.06	Treasury shares	-6,804	-1,729
6.05	Increase (decrease) in cash and cash equivalents	-31,208	12,546
6.05.01	Cash and cash equivalents at the beginning of the period	72,496	39,191
6.05.02	Cash and cash equivalents at the end of the period	41,288	51,737

Parent company financial statements / statement of changes in equity - 1/1/2012 to 9/30/2012

(R$ thousand)

Code	Description	Paid-up capital	Capital reserves, stock options and treasury shares	Revenue reserves	Retained earnings	Other comprehensive income (loss)	Equity
5.01	Opening balances	63,381	0	142,302	0	258,547	464,230
5.03	Adjusted opening balances	63,381	0	142,302	0	258,547	464,230
5.04	Capital transactions with owners	40,595	230	-61,666	0	0	-20,841
5.04.01	Capital increases	40,595	0	-40,595	0	0	0
5.04.04	Treasury shares acquired	0	0	-6,804	0	0	-6,804
5.04.06	Dividends	0	0	-14,267	0	0	-14,267
5.04.08	Share-based payment	0	230	0	0	0	230
5.05	Total comprehensive income (loss)	0	0	0	4,054	-12,633	-8,579
5.05.01	Loss for the period	0	0	0	-2,921	0	-2,921
5.05.02	Other comprehensive income (loss)	0	0	0	6,975	-12,633	-5,658
5.05.02.06	Realization of deemed cost	0	0	0	5,898	-5,898	0
5.05.02.07	Realization of deemed cost (subsidiaries)	0	0	0	1,077	-1,077	0
5.05.02.08	Cash flow hedge	0	0	0	0	-5,658	-5,658
5.06	Internal changes in equity	0	0	-3,065	3,065	0	0
5.06.04	Realized revenue reserve - biological assets	0	0	-656	656	0	0
5.06.05	Realized revenue reserve - biological assets (subsidiaries)	0	0	-2,409	2,409	0	0
5.07	Closing balances	103,976	230	77,571	7,119	245,914	434,810

Parent company financial statements / statement of changes in equity - 1/1/2011 to 9/30/2011

(R$ thousand)

Code	Description	Paid-up capital	Capital reserves, stock options and treasury shares	Revenue reserves	Retained earnings	Other comprehensive income (loss)	Equity
5.01	Opening balances	63,381	0	129,921	0	273,814	467,116
5.03	Adjusted opening balances	63,381	0	129,921	0	273,814	467,116
5.04	Capital transactions with owners	0	0	-1,728	0	0	-1,728
5.04.04	Treasury shares purchased	0	0	-1,761	0	0	-1,761
5.04.05	Treasury shares sold	0	0	33	0	0	33
5.05	Total comprehensive income (loss)	0	0	0	766	-2,487	-1,721
5.05.01	Loss for the period	0	0	0	-1,721	0	-1,721
5.05.02	Other comprehensive income (loss)	0	0	0	2,487	-2,487	0
5.05.02.06	Realization of deemed cost	0	0	0	2,487	-2,487	0
5.06	Internal changes in equity	0	0	-3,835	3,835	0	0
5.06.04	Realized revenue reserve - biological assets	0	0	-2,162	2,162	0	0
5.06.05	Realized revenue reserve - biological assets (subsidiaries)	0	0	-1,673	1,673	0	0
5.07	Closing balances	63,381	0	124,358	4,601	271,327	463,667

Parent company financial statements / statement of value added

(R$ thousand)

Code	Description	Accumulated - current year 1/1/2012 to 9/30/2012	Accumulated - prior year 1/1/2011 to 9/30/2011
7.01	Revenues	442,610	434,353
7.01.01	Sale of goods, products and services	441,337	431,307
7.01.02	Other income	1,527	3,147
7.01.04	Changes in provision for impairment of trade receivables	-254	-101
7.02	Inputs purchased from third parties	-259,684	-254,768
7.02.01	Cost of products and services	-241,355	-242,375
7.02.02	Materials, electric power, outsourced services and other	-18,329	-12,393
7.03	Gross value added	182,926	179,585
7.04	Retentions	-26,329	-36,203
7.04.01	Depreciation, amortization and depletion	-30,202	-31,256
7.04.02	Other	3,873	-4,947
7.04.02.01	Changes in the fair value of biological assets	3,873	-4,947
7.05	Net value added produced	156,597	143,382
7.06	Value added received through transfer	24,418	33,317
7.06.01	Equity in results of subsidiaries	7,558	14,516
7.06.02	Finance income	16,860	18,801
7.07	Total value added to be distributed	181,015	176,699
7.08	Value added distributed	181,015	176,699
7.08.01	Personnel	61,616	53,280
7.08.01.01	Direct remuneration	50,862	43,768
7.08.01.02	Benefits	8,031	7,152
7.08.01.03	Government Severance Indemnity Fund for Employees (FGTS)	2,723	2,360
7.08.02	Taxes payable	45,339	44,967
7.08.02.01	Federal	26,523	27,038
7.08.02.02	State	18,398	17,603
7.08.02.03	Municipal	418	326
7.08.03	Remuneration of third-party capital	76,981	80,173
7.08.03.01	Interest	57,511	61,576
7.08.03.02	Rentals	19,410	18,597
7.08.03.03	Other	60	0
7.08.04	Remuneration of own capital	-2,921	-1,721
7.08.04.03	Profits reinvested/loss for period	-2,921	-1,721

(A free translation of the original in Portuguese)

Consolidated financial statements / balance sheet - assets

(R$ thousand)

Code	Description	Current quarter 9/30/2012	Prior year 12/31/2011
1	Total assets	1,135,185	1,181,754
1.01	Current assets	201,557	231,684
1.01.01	Cash and cash equivalents	43,629	74,722
1.01.02	Financial investments	3,114	5,143
1.01.02.01	Financial investments at fair value	3,114	5,143
1.01.02.01.03	Banks - restricted account	3,114	5,143
1.01.03	Trade receivables	110,267	104,776
1.01.03.01	Customers	97,351	92,231
1.01.03.02	Other receivables	12,916	12,545
1.01.04	Inventories	41,439	38,356
1.01.06	Taxes recoverable	3,108	8,687
1.01.06.01	Current taxes recoverable	3,108	8,687
1.02	Non-current assets	933,628	950,070
1.02.01	Long-term receivables	254,031	265,659
1.02.01.01	Financial investments at fair value	0	3,531
1.02.01.01.03	Banks - restricted account	0	3,531
1.02.01.03	Trade receivables	1,355	2,079
1.02.01.03.02	Other receivables	1,355	2,079
1.02.01.05	Biological assets	229,391	239,997
1.02.01.06	Deferred taxes	19,525	16,632
1.02.01.06.01	Deferred income tax and social contribution	19,525	16,632
1.02.01.08	Receivables from related parties	1,530	0
1.02.01.08.04	Receivables from other related parties	1,530	0
1.02.01.09	Other non-current assets	2,230	3,420
1.02.01.09.03	Taxes recoverable	1,618	2,162
1.02.01.09.04	Judicial deposits	612	1,258
1.02.02	Investments	0	4,997
1.02.02.02	Investment property	0	4,997
1.02.03	Property, plant and equipment	678,348	678,311
1.02.03.01	Property, plant and equipment in service	678,348	678,311
1.02.04	Intangible assets	1,249	1,103
1.02.04.01	Intangible assets	1,249	1,103

(A free translation of the original in Portuguese)

Consolidated financial statements / balance sheet - liabilities and equity

(R$ thousand)

Code	Description	Current quarter 9/30/2012	Prior year 12/31/2011
2	Total liabilities and equity	1,135,185	1,181,754
2.01	Current liabilities	201,209	213,693
2.01.01	Social and labor obligations	22,289	19,021
2.01.02	Trade payables	41,265	37,713
2.01.03	Taxes payable	13,982	12,582
2.01.03.01	Federal taxes	10,866	8,782
2.01.03.01.02	Taxes payable in installments	3,266	2,988
2.01.03.01.03	Other federal taxes	7,600	5,794
2.01.03.02	State taxes	3,013	3,634
2.01.03.02.01	Taxes payable in installments	1,964	1,694
2.01.03.02.02	ICMS payable	1,049	1,940
2.01.03.03	Municipal taxes	103	166
2.01.04	Borrowings	113,803	128,278
2.01.04.01	Borrowings	88,755	102,278
2.01.04.02	Debentures	25,048	26,000
2.01.05	Other obligations	9,870	16,099
2.01.05.02	Other	9,870	16,099
2.01.05.02.01	Dividends and interest on capital payable	172	5,607
2.01.05.02.04	Other payables	8,414	9,333
2.01.05.02.05	Advances from customers	1,284	1,159
2.02	Non-current liabilities	499,156	503,811
2.02.01	Borrowings	243,284	240,463
2.02.01.01	Borrowings	209,760	179,983
2.02.01.02	Debentures	33,524	60,480
2.02.02	Other obligations	23,689	22,120
2.02.02.02	Other	23,689	22,120
2.02.02.02.03	Taxes payable in installments	7,722	10,839
2.02.02.02.04	Other taxes payable	15,967	11,062
2.02.02.02.05	Other payables	0	219
2.02.03	Deferred taxes	193,422	199,511
2.02.03.01	Deferred income tax and social contribution	193,422	199,511
2.02.04	Provisions	38,761	41,717
2.02.04.01	Provision for contingencies	38,761	41,717
2.03	Consolidated equity	434,820	464,250
2.03.01	Capital	103,976	63,381
2.03.02	Capital reserves	230	0
2.03.02.07	Share-based payment	230	0
2.03.04	Revenue reserves	84,690	142,302
2.03.04.01	Legal reserve	468	3,331
2.03.04.05	Profit retention reserve	21,386	66,266
2.03.04.09	Treasury shares	-8,842	-2,038
2.03.04.10	Reserve of biological assets	71,678	74,743
2.03.06	Carrying value adjustments	245,914	258,547
2.03.09	Non-controlling interests	10	20

Consolidated financial statements / statement of operations

(R$ thousand unless otherwise stated)

Code	Description	Current quarter 7/1/2012 to 9/30/2012	Accumulated - current year 1/1/2012 to 9/30/2012	Same quarter of prior year 7/1/2011 to 9/30/2011	Accumulated - prior year 1/1/2011 to 9/30/2011
3.01	Revenue from sale of goods and/or services	125,688	363,858	122,053	355,974
3.02	Cost of sales and/or services	-91,056	-263,717	-88,476	-263,837
3.02.01	Changes in the fair value of biological assets	0	-2,260	0	-1,224
3.02.02	Cost of products sold	-91,056	-261,457	-88,476	-262,613
3.03	Gross profit	34,632	100,141	33,577	92,137
3.04	Operating expenses	-26,504	-68,968	-20,606	-58,548
3.04.01	Selling expenses	-12,020	-33,212	-11,141	-31,422
3.04.02	General and administrative expenses	-10,967	-32,092	-11,149	-29,447
3.04.04	Other operating income	743	2,033	2,004	3,315
3.04.05	Other operating expenses	-4,260	-5,697	-320	-994
3.05	Profit before finance result and taxes	8,128	31,173	12,971	33,589
3.06	Finance result	-10,835	-39,305	-26,650	-40,712
3.06.01	Finance income	2,080	17,007	6,628	19,312
3.06.02	Finance costs	-12,915	-56,312	-33,278	-60,024
3.07	Loss before taxes on income	-2,707	-8,132	-13,679	-7,123
3.08	Income tax and social contribution	2,020	5,211	5,455	5,957
3.08.01	Current	-263	-856	-1,445	-3,756
3.08.02	Deferred	2,283	6,067	6,900	9,713
3.09	Loss from continuing operations	-687	-2,921	-8,224	-1,166
3.10	Loss from discontinued operations	0	0	-223	-507
3.10.01	Loss for the period from discontinued operations	0	0	-223	-507
3.11	Consolidated loss for the period	-687	-2,921	-8,447	-1,673
3.11.01	Attributable to the owners of the Company	-686	-2,920	-8,475	-1,721
3.11.02	Attributable to non-controlling interests	-1	-1	28	48
3.99	Earnings (loss) per share - (reais / share)				
3.99.01	Basic earnings (loss) per share				
3.99.01.01	Common shares	-0.00430	-0.01830	-0.05100	-0.00750
3.99.01.02	Preferred shares	-0.00430	-0.01830	-0.05610	-0.00820

Consolidated financial statements / statement of comprehensive income or loss

(R$ thousand)

Code	Description	Current quarter 7/1/2012 to 9/30/2012	Accumulated - current year 1/1/2012 to 9/30/2012	Same quarter of prior year 7/1/2011 to 9/30/2011	Accumulated - prior year 1/1/2011 to 9/30/2011
4.01	Consolidated loss for the period	-687	-2,921	-8,447	-1,673
4.02	Other comprehensive loss	-327	-5,658	0	0
4.02.01	Cash flow hedge	-496	-8,573	0	0
4.02.02	Income tax and social contribution - cash flow hedge	169	2,915	0	0
4.03	Consolidated comprehensive loss for the period	-1,014	-8,579	-8,447	-1,673
4.03.01	Attributable to the owners of the Company	-1,013	-8,578	-8,475	-1,721
4.03.02	Attributable to non-controlling interests	-1	-1	28	48

(A free translation of the original in Portuguese)

Consolidated financial statements / statement of cash flows - indirect method

(R$ thousand)

Code	Description	Accumulated - current year 1/1/2012 to 9/30/2012	Accumulated - prior year 1/1/2011 to 9/30/2011
6.01	Net cash provided by operating activities	50,205	43,025
6.01.01	Cash from operations	79,419	82,606
6.01.01.01	Loss before income tax and social contribution	-8,132	-7,123
6.01.01.02	Changes in the fair value of biological assets	2,260	1,224
6.01.01.03	Depreciation, amortization and depletion	42,397	39,781
6.01.01.05	Result on sale of permanent assets	310	-731
6.01.01.07	Provision for contingencies risks	-2,633	7,215
6.01.01.08	Provision for impairment of trade receivables	231	101
6.01.01.12	Monetary variations and charges	49,469	42,187
6.01.01.13	Government grants	944	0
6.01.01.14	Unearned hedge result, net of taxes	-5,658	0
6.01.01.15	Share-based payment	230	0
6.01.01.16	Non-controlling interests	1	-48
6.01.02	Changes in assets and liabilities	-29,214	-39,581
6.01.02.01	Trade receivables	-12,097	-12,915
6.01.02.02	Inventories	2,248	-1,347
6.01.02.03	Taxes recoverable	6,144	-877
6.01.02.04	Other receivables	6,691	-6,836
6.01.02.06	Trade payables	1,496	-5,957
6.01.02.07	Social security obligations	3,780	5,360
6.01.02.08	Advances from customers	125	1,193
6.01.02.09	Taxes payable	-552	776
6.01.02.10	Payment of interest on borrowings	-21,960	-11,859
6.01.02.11	Payment of interest on debentures	-11,858	-10,825
6.01.02.12	Other payables	-3,231	3,706
6.02	Net cash used in investing activities	-25,734	-23,638
6.02.01	Purchase of property, plant and equipment	-26,296	-25,103
6.02.03	Proceeds from disposal of assets	642	1,421
6.02.04	Loans with related parties	-80	44
6.03	Net cash used in financing activities	-55,564	-6,745
6.03.01	Payment of dividends	-19,704	-9,694
6.03.03	Real Estate Credit Note (CRI)	-12,279	-12,279
6.03.04	New borrowings	76,523	114,453
6.03.05	Repayment of borrowings	-93,300	-97,496
6.03.06	Treasury shares	-6,804	-1,729
6.05	Increase (decrease) in cash and cash equivalents	-31,093	12,642
6.05.01	Cash and cash equivalents at the beginning of the period	74,722	40,362
6.05.02	Cash and cash equivalents at the end of the period	43,629	53,004

Consolidated financial statements / statement of changes in equity - 1/1/2012 to 9/30/2012

(R$ thousand)

Code	Description	Paid-up capital	Capital reserves, stock options and treasury shares	Revenue reserves	Retained earnings	Other comprehensive income (loss)	Equity	Non-controlling interests	Consolidated equity
5.01	Opening balances	63,381	0	142,302	0	258,547	464,230	20	464,250
5.03	Adjusted opening balances	63,381	0	142,302	0	258,547	464,230	20	464,250
5.04	Capital transactions with owners	40,595	230	-61,666	0	0	-20,841	0	-20,841
5.04.01	Capital increases	40,595	0	-40,595	0	0	0	0	-14,267
5.04.04	Treasury shares acquired	0	0	-6,804	0	0	-6,804	0	-6,804
5.04.06	Dividends	0	0	-14,267	0	0	-14,267	0	0
5.04.08	Share-based payment	0	230	0	0	0	230	0	230
5.05	Total comprehensive income (loss)	0	0	0	4,054	-12,633	-8,579	-10	-8,589
5.05.01	Loss for the period	0	0	0	-2,921	0	-2,921	-10	-2,931
5.05.02	Other comprehensive income (loss)	0	0	0	6,975	-12,633	-5,658	0	-5,658
5.05.02.06	Realization of deemed cost	0	0	0	5,898	-5,898	0	0	0
5.05.02.07	Realization of deemed cost (subsidiaries)	0	0	0	1,077	-1,077	0	0	0
5.05.02.08	Cash flow hedge	0	0	0	0	-5,658	-5,658	0	-5,658
5.06	Internal changes in equity	0	0	-3,065	3,065	0	0	0	0
5.06.04	Realized revenue reserve - biological assets	0	0	-656	656	0	0	0	0
5.06.05	Realized revenue reserve - biological assets (subsidiaries)	0	0	-2,409	2,409	0	0	0	0
5.07	Closing balances	103,976	230	77,571	7,119	245,914	434,810	10	434,820

Consolidated financial statements / statement of changes in equity - 1/1/2011 to 9/30/2011

(R$ thousand)

Code	Description	Paid-up capital	Capital reserves, stock options and treasury shares	Revenue reserves	Retained earnings	Other comprehensive income (loss)	Equity	Non-controlling interests	Consolidated equity
5.01	Opening balances	63,381	0	129,921	0	273,814	467,116	14	467,130
5.03	Adjusted opening balances	63,381	0	129,921	0	273,814	467,116	14	467,130
5.04	Capital transactions with owners	0	0	-1,728	0	0	-1,728	0	-1,728
5.04.04	Treasury shares purchased	0	0	-1,761	0	0	-1,761	0	-1,761
5.04.05	Treasury shares sold	0	0	33	0	0	33	0	33
5.05	Total comprehensive income (loss)	0	0	0	766	-2,487	-1,721	4	-1,717
5.05.01	Loss for the period	0	0	0	-1,721	0	-1,721	4	-1,717
5.05.02	Other comprehensive income (loss)	0	0	0	2,487	-2,487	0	0	0
5.05.02.06	Realization of deemed cost	0	0	0	2,487	-2,487	0	0	0
5.06	Internal changes in equity	0	0	-3,835	3,835	0	0	0	0
5.06.04	Realized revenue reserve - biological assets	0	0	-2,162	2,162	0	0	0	0
5.06.05	Realized revenue reserve - biological assets (subsidiaries)	0	0	-1,673	1,673	0	0	0	0
5.07	Closing balances	63,381	0	124,358	4,601	271,327	463,667	18	463,685

(A free translation of the original in Portuguese)

Consolidated financial statements / statement of value added

(R$ thousand)

Code	Description	Accumulated - current year 1/1/2012 to 9/30/2012	Accumulated - prior year 1/1/2011 to 9/30/2011
7.01	Revenues	470,170	459,967
7.01.01	Sale of goods, products and services	468,368	456,753
7.01.02	Other income	2,033	3,315
7.01.04	Changes in provision for impairment of trade receivables	-231	-101
7.02	Inputs purchased from third parties	-254,859	-250,940
7.02.01	Cost of products and services	-226,636	-228,443
7.02.02	Materials, electric power, outsourced services and other	-28,223	-22,497
7.03	Gross value added	215,311	209,027
7.04	Retentions	-44,657	-41,005
7.04.01	Depreciation, amortization and depletion	-42,397	-39,781
7.04.02	Other	-2,260	-1,224
7.04.02.01	Changes in the fair value of biological assets	-2,260	-1,224
7.05	Net value added produced	170,654	168,022
7.06	Value added received through transfer	17,007	19,312
7.06.02	Finance income	17,007	19,312
7.07	Total value added to be distributed	187,661	187,334
7.08	Value added distributed	187,661	187,334
7.08.01	Personnel	65,017	56,037
7.08.01.01	Direct remuneration	53,385	45,753
7.08.01.02	Benefits	8,763	7,830
7.08.01.03	Government Severance Indemnity Fund for Employees (FGTS)	2,869	2,454
7.08.02	Taxes payable	48,475	50,178
7.08.02.01	Federal	29,025	30,977
7.08.02.02	State	18,938	18,807
7.08.02.03	Municipal	512	394
7.08.03	Remuneration of third-party capital	77,090	82,792
7.08.03.01	Interest	57,533	64,088
7.08.03.02	Rentals	19,497	18,704
7.08.03.03	Other	60	0
7.08.04	Remuneration of own capital	-2,921	-1,673
7.08.04.03	Loss for the period	-2,920	-1,721
7.08.04.04	Non-controlling interests in profits reinvested	-1	48

Comments on company performance

COMMENTS ON THE COMPANY'S PERFORMANCE FOR THE QUARTER

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

1. ECONOMIC AND FINANCIAL PERFORMANCE

The chief financial indicators are shown below:

CHIEF FINANCIAL INDICATORS
(including discontinued operation)

R$ thousand	3Q12	3Q11	Δ Y-o-Y	2Q12	9M12	9M11	LTM12	LTM11
Net operating revenue	125,688	122,071	3.0%	120,513	363,859	356,126	489,246	471,962
Domestic market	112,417	107,173	4.9%	102,260	316,827	311,125	430,313	418,987
Export market	13,271	14,898	-10.9%	18,253	47,032	45,001	58,933	52,975
Gross profit (including *)	34,632	32,839	5.5%	32,037	100,141	92,568	150,020	119,772
(*) change in fair value of biological assets	-	-	-	*(2,260)*	*(2,260)*	*(1,224)*	*13,291*	*(3,330)*
Gross margin	27.6%	26.9%	0.7p.p.	26.6%	27.5%	26.0%	30.7%	25.4%
Profit (loss) before taxes and profit sharing	(2,707)	(14,024)	-80.7%	(7,497)	(8,132)	(7,898)	10,607	(11,836)
Operating margin	-2.2%	-11.5%	9.3p.p.	-6.2%	-2.2%	-2.2%	2.2%	-2.5%
Profit (loss)	**(687)**	**(8,475)**	-91.9%	**(5,731)**	**(2,921)**	**(1,721)**	**8,154**	**(4,052)**
Net margin	-0.5%	-6.9%	6.4p.p.	-4.8%	-0.8%	-0.5%	1.7%	-0.9%

EBITDA - EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION

R$ thousand	3Q12	3Q11	Δ Y-o-Y	2Q12	9M12	9M11	LTM12	LTM11
Profit (loss) before taxes	**(2,707)**	**(14,024)**	-80.7%	**(7,497)**	**(8,132)**	**(7,898)**	**10,607**	**(11,836)**
Depletion	3,985	4,417	-9.8%	3,699	12,154	12,264	17,291	16,993
Depreciation and amortization	10,127	9,701	4.4%	10,361	30,244	28,287	40,082	37,416
Finance result	10,835	26,762	-59.5%	16,559	39,305	40,964	50,856	47,771
EBITDA	**22,240**	**26,856**	-17.2%	**23,122**	**73,571**	**73,617**	**118,836**	**90,344**
Change in the fair value of biological assets	-	-	-	2,260	2,260	1,224	(13,291)	3,330
Stock option/management participation	(67)	-	-	297	230	-	230	-
Provisions (1)	-	1,488	-100%	-	-	5,393	588	7,801
Non-recurring expenses (2)	4,046	-	-	-	4,046	-	4,046	-
Adjusted EBITDA	**26,219**	**28,344**	**-7.5%**	**25,679**	**80,107**	**80,234**	**110,409**	**101,475**
Adjusted EBITDA Margin	20.9%	23.2%	-2.3p.p.	21.3%	22.0%	22.5%	22.6%	21.5%

(1) The changes in the fair value of biological assets, stock option/management participation and provisions for Excise Tax (IPI) credits not representing cash disbursements for the period were added to the Adjusted EBITDA.
(2) Non-recurring expenses refer to expenses incurred with the request for public offering filed in August 2012.

9M12: January to September 2012.
9M11: January to September 2011.
LTM12: last twelve months 2012 (October 2011 to September 2012).
LTM11: last twelve months 2011 (October 2010 to September 2011).

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

Note: EBITDA is the operating result plus net finance (income) costs and depreciation, depletion, and amortizations. It is not a measure utilized in Brazilian accounting practices, does not represent cash flow for the periods in question, and should not be regarded as an alternative to net profit from the standpoint of an indicator of operating performance, nor as an alternative to cash flow from the standpoint of a liquidity indicator. EBITDA has no standard definition and our definition thereof may not be comparable to that of other companies for EBITDA or Adjusted EBITDA. Although, under Brazilian accounting practices, EBITDA does not represent an operating cash flow measurement, it is utilized by Management to measure operating performance. Furthermore, we understand that certain investors and financial analysts utilize EBITDA as an operating performance indicator for a company and/or its cash flow.

Comments on company performance

IRANI presents net operating revenue of R$ 125.7 million in 3Q12,

3.0% higher than in 3Q11

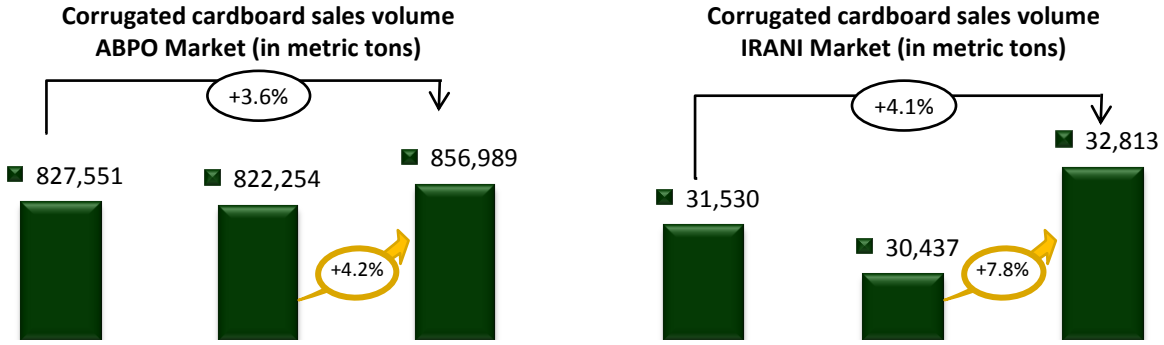
3Q12 Highlights

- Net operating revenue of R$ 125,688 thousand, 3.0% higher than in 3Q11and 4.3% higher than in 2Q12.
- Gross profit of R$ 34,632 thousand, with an increase of 5.5% in comparison with 3Q11 and 8.1% in comparison with 2Q12.
- Net loss of R$ 687 thousand in 3Q12, when compared to the net loss of R$ 8,475 thousand in 3Q11 and R$ 5,731 thousand in 2Q12. The result for this quarter was negatively affected by the recognition of expenses with the request for a public offering in the amount of R$ 4,046 thousand. The public offering was not carried out and the request was withdrawn in August 2012.
- Adjusted EBITDA totaled R$ 26,219 thousand in 3Q12, with a margin of 20.9%, inferior to the R$ 28,344 thousand of 3Q11 and superior to the R$ 25,679 thousand of 2Q12.
- Net Debt/EBITDA: 2.81 times in September 2012.
- The volume of corrugated cardboard packaging sales was 33 thousand metric tons, representing a growth of 4.1% in relation to the same quarter of the prior year.

2. OPERATING PERFORMANCE *(not reviewed by independent auditors)*

2.1 Market growth

Corrugated Cardboard Sector - ABPO[1] vs. Irani comparison



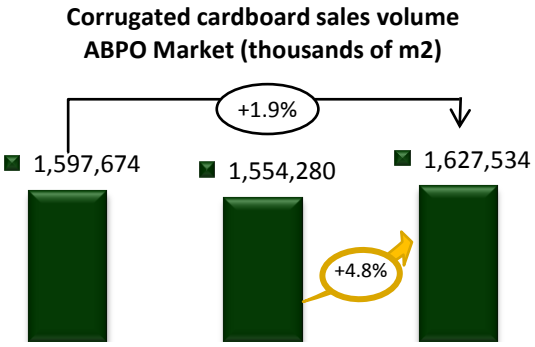
Source: ABPO

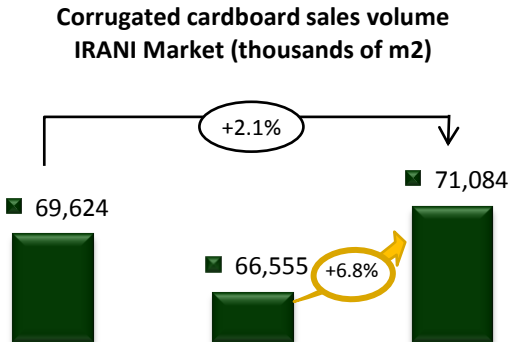
[1]ABPO: Brazilian Corrugated Cardboard Association
3Q12 ABPO (in metric tons and m²) are estimates. The official data could differ.

Comments on company performance

As shown in these charts, the volume of corrugated cardboard packaging sales - **ABPO Market** increased by 3.6% in 3Q12 over 3Q11, while in the **IRANI Market** it presented a slightly superior growth of 4.1% in the same period. Compared with 2Q12, the **ABPO Market** presented an increase of 4.2% and the **IRANI Market** also had a superior performance of 7.8%. IRANI's market share (in metric tons) for this quarter was 3.8%.

Sales, in square meters, were as follows:

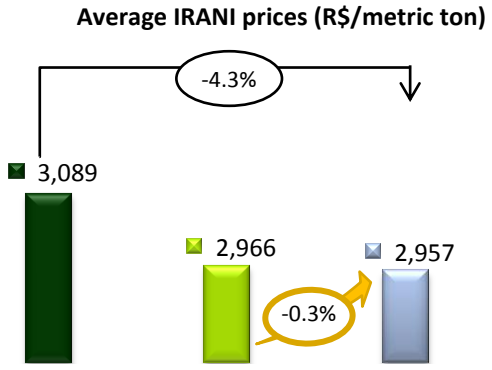




Source: ABPO

The volume of corrugated cardboard packaging sales - **ABPO Market**, in square meters, increased 1.9% in 3Q12 as compared with 3Q11, and the **IRANI Market** increased 2.1%. Compared with 2Q12, the **ABPO Market** increased 4.8%, whereas the **Irani Market** had a better performance and increased 6.8%. Irani's market share (in square meters) was 4.4%.

Average IRANI prices (CIF) per metric ton decreased 4.3% during this quarter as compared with the same quarter of the prior year, and remained stable when compared to 2Q12, as follows:



Methodologies - For comparison adjustments, the prices consider:

1- IRANI prices are net of IPI, with PIS, COFINS, ICMS;

2- IRANI prices are adjusted based on a mix of market boxes and sheets;

Comments on company performance

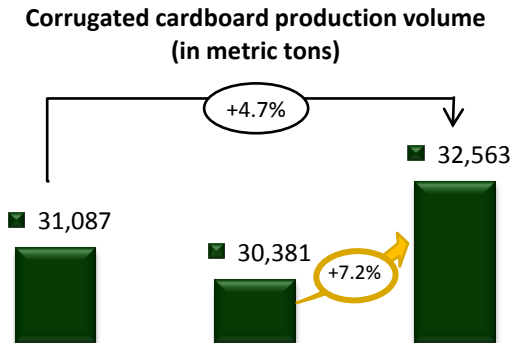
2.2 Production and sales

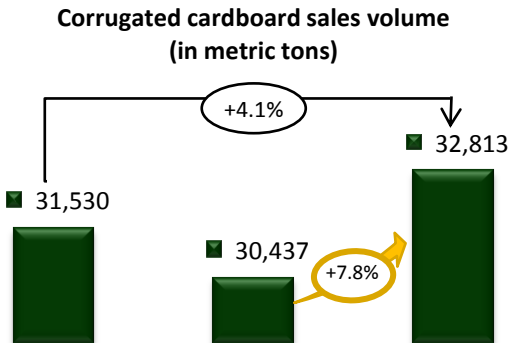
The production and sales volumes of the major products are presented below:

Corrugated Cardboard Packaging sector

The total corrugated cardboard packaging production at the two factories (São Paulo and Santa Catarina) increased 4.7% per metric ton as compared with 3Q11 and 7.2% as compared with 2Q12. Sales per metric ton followed the same trend, and increased by 4.1% over the same quarter of the previous year and by 7.8% in comparison with 2Q12.

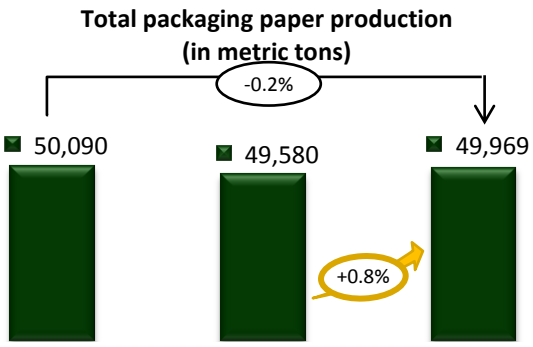
The São Paulo corrugated cardboard packaging factory's sales volume totaled 12,844 metric tons of boxes and 5,996 metric tons of sheets in 3Q12 (11,447 metric tons of boxes and 6,178 metric tons of sheets in 3Q11). The Santa Catarina corrugated cardboard packaging factory's sales volume totaled 11,055 metric tons of boxes and 2,918 metric tons of sheets in 3Q12 (11,347 metric tons of boxes and 2,558 metric tons of sheets in 3Q11).

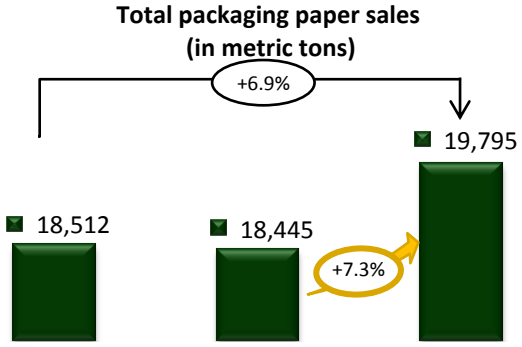




Packaging Paper sector

Packaging paper production remained stable in 3Q12 in relation to 3Q11 and 2Q12. Sales increased by 6.9% over 3Q11 and by 7.3% in comparison with 2Q12.

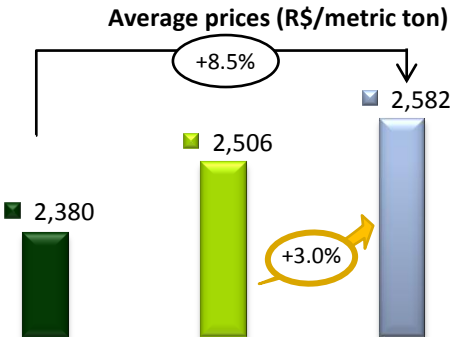




Comments on company performance

Transfers of paper for processing to the São Paulo corrugated cardboard packaging factory totaled 17,133 metric tons (17,255 metric tons in 3Q11 and 16,813 metric tons in 2Q12) and to the Santa Catarina corrugated cardboard packaging factory totaled 13,927 metric tons (14,196 metric tons in 3Q11 and 13,160 metric tons in 2Q12).

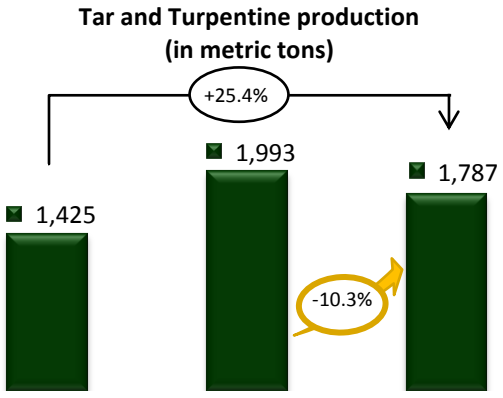
Average paper prices for 3Q12 increased over 3Q11 and 2Q12 by 8.5% and 3.0%, respectively.

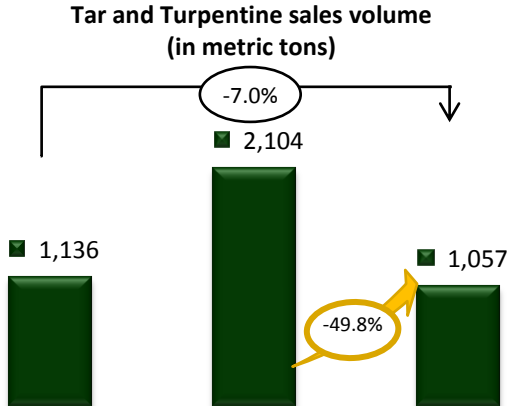


RS Forest and Resins

In 3Q12, the RS Forest products segment produced and traded 83 thousand m³ of pine logs for the domestic market (103 thousand m³ in 3Q11 and 94 thousand m³ in 2Q12) and supplied 822 metric tons of natural resins to the parent company CeluloseIrani S.A. to be utilized in the industrial production of tar and turpentine.

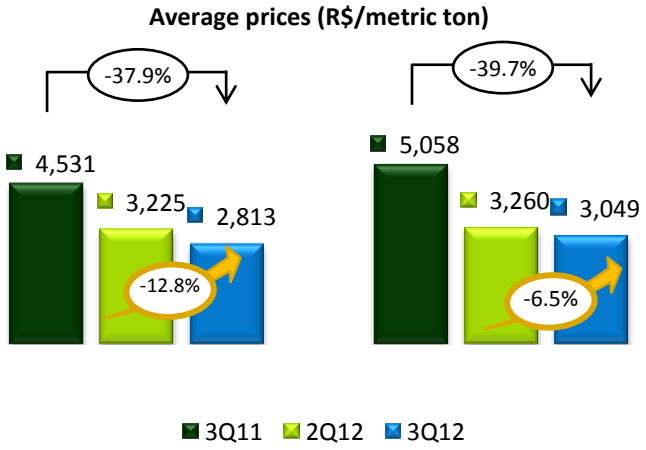
The Resins Unit production volumes increased by 25.4% over 3Q11, and sales decreased by 7.0%. The production and sales volume decreased as compared with 2Q12. The decrease in sales was due to the lower demand abroad, which is the main market for this segment.





Comments on company performance

The average gross tar and turpentine prices decreased in 3Q12 in comparison with prior periods. This decrease was due to the fact that, in the prior year, there was more foreign market demand for these products, which led to higher average prices. The demand returned to its historical levels in the current year, which was reflected in the average prices.

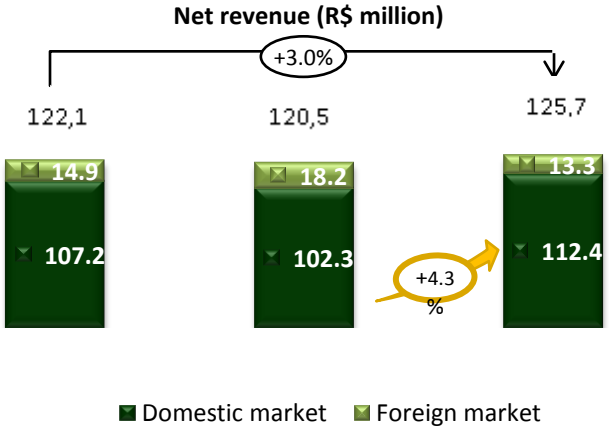


Net operating revenue

The net operating revenue in 3Q12 totaled R$ 125,688 thousand, with a growth of 3.0% in relation to 3Q11, mainly resulting from an increase in the volumes in the segments of corrugated cardboard packaging and packaging paper.

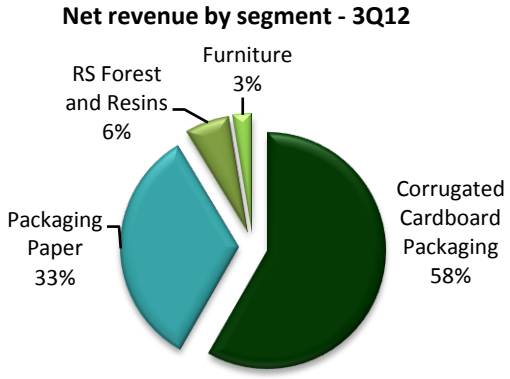
In the domestic market, which is the main operating market of the Company, the net operating revenue was R$ 112,417 thousand, 4.9% and 9.9% superior to 3Q11 and 2Q12, respectively, representing 89.4% of total net operating revenue, in line with the prior quarters.

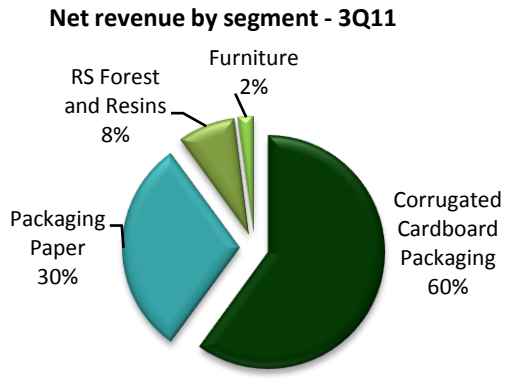
The exports in 3Q12 totaled R$ 13,271 thousand, a decrease of 10.9% and 27.3% in relation to 3Q11 and 2Q12, respectively, representing 10.6% of total net operating revenue, in line with the levels in prior quarters.



Comments on company performance

The main operating segment is the Corrugated Cardboard Packaging segment, responsible for 58% of the consolidated net revenue in the 3Q12, followed by the segments of Packaging Paper segment with 33%, RS Forest and Resins with 6% and Furniture with 3%.

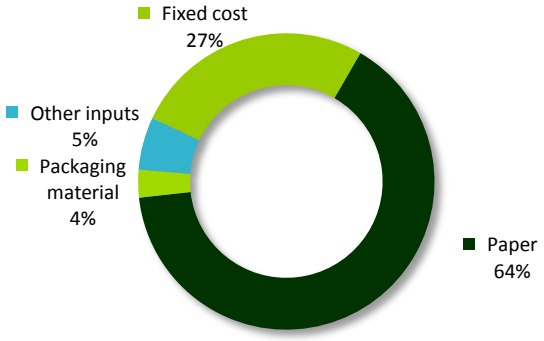




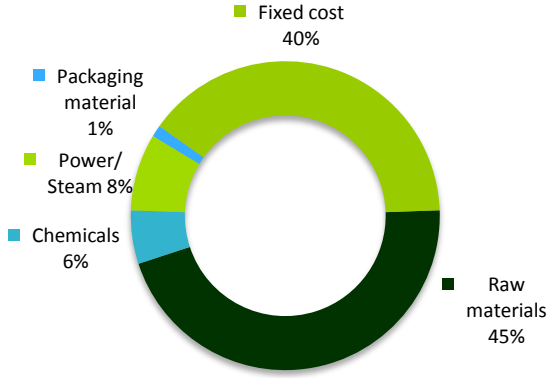
3. OPERATING COSTS AND EXPENSES

The **cost of products sold** in 3Q12 was R$ 91,056 thousand, 2.9% above 3Q11.

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



The cost of the Packaging Paper segment is composed as follows:



Comments on company performance

The **selling expenses** were R$ 12,020 thousand, an increase of 7.9% in comparison with 3Q11.

The **administrative expenses** were R$ 10,967 thousand, a decrease of 1.6% in comparison with 3Q11.

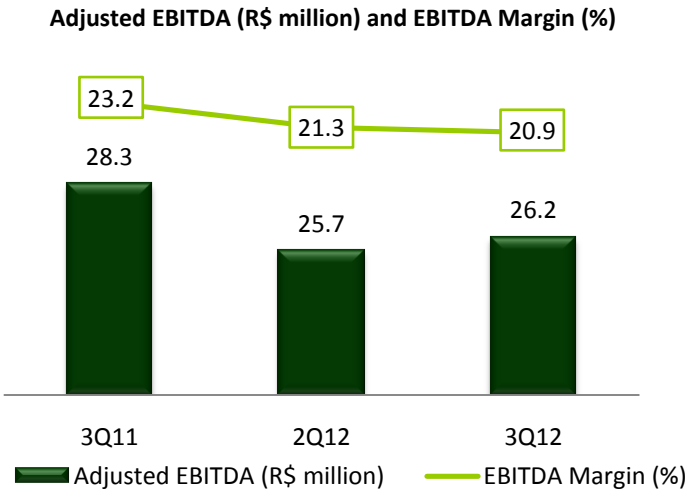
Other operating revenue/expenses resulted in an expense of R$ 3,517 thousand in 3Q12, against a revenue of R$ 1,684 thousand in 3Q11. In this quarter the Company recorded in the statement of operations the expenses with the request for a public offering in the amount of R$ 4,046 thousand, which was withdrawn in August 2012.

4. OPERATING CASH GENERATION (ADJUSTED EBITDA)

The operating cash generation, measured using the Adjusted EBITDA, totaled R$ 26,219 thousand in 3Q12, with a decrease of 7.5% in relation to the same quarter of the prior year and a growth of 2.1% in relation to the past quarter. The EBITDA margin in 3Q12 was 20.9%, 2.3 percentage points below 3Q11 and 0.4 percentage point below 2Q12. The decrease in the Adjusted EBITDA and the EBITDA margin is related to the decrease in the operating margins in the period due to uncertainties in the Brazilian macroeconomic scenario.

During the first nine months of 2012, the Adjusted EBTIDA totaled R$ 80,107 thousand, with a margin of 22.0%, stable in comparison with 9M11, when the margin reached 22.5%.

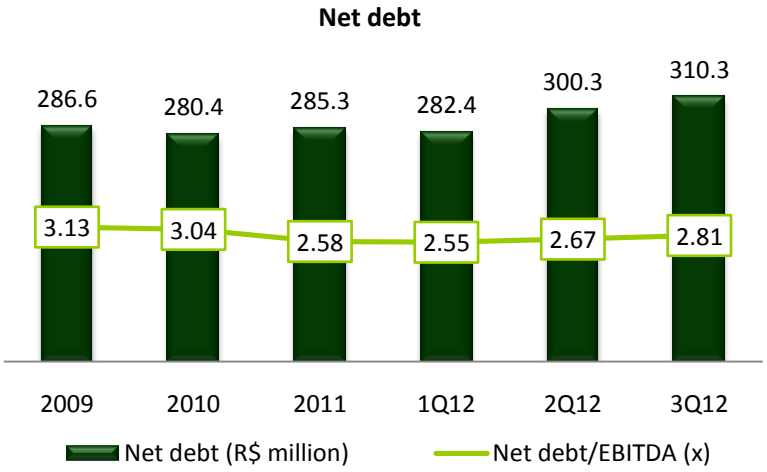
In the last twelve months, the Adjusted EBITDA totaled R$ 110,409 thousand, with a margin of 22.6%.



Comments on company performance

5. INDEBTEDNESS AND FINANCE RESULT

5.1 Net indebtedness



At September 30, 2012, the consolidated net indebtedness totaled R$ 310.3 million, against R$ 300.3 million at June 30, 2012. The Net Debt/EBITDA increased from 2.67 times at the end of 2Q12 to 2.81 times at the end of 3Q12. The main variations that affected this ratio arose primarily from the payment of interim dividends in 3Q12, expenses with the request for a public offering and the foreign exchange variation for the period.

5.2 Finance result

In 3Q12, the finance costs totaled R$ 12,915 thousand versus R$ 35,817 thousand in 3Q11.
The finance income reached R$ 2,080 thousand in the quarter versus R$ 9,055 thousand in the same quarter of the previous year. Consequently, the finance result was a net cost of R$ 10,835 thousand. The decrease in the finance result was mostly influenced by the reduction in the Special System for Settlement and Custody (SELIC) rate and the Amplified Consumer Price Index (IPCA), which resulted in lower interest for borrowings, and the foreign exchange variations.

The distribution of the finance result was as follows:

R$ thousand	3Q12	3Q11	2Q12	9M12	9M11	LTM12	LTM11
Finance income	2,080	9,055	3,450	17,006	23,176	24,418	29,909
Finance costs	(12,915)	(35,817)	(20,009)	(56,311)	(64,140)	(75,274)	(77,680)
Finance result	(10,835)	(26,762)	(16,559)	(39,305)	(40,964)	(50,856)	(47,771)

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

Comments on company performance

R$ thousand	3Q12	3Q11	2Q12	9M12	9M11	LTM12	LTM11
Foreign exchange gains	529	3,365	1,200	11,027	13,716	20,499	18,872
Foreign exchange losses	(860)	(16,255)	(6,805)	(16,012)	(19,915)	(26,292)	(22,448)
Foreign exchange variations net	(331)	(12,890)	(5,605)	(4,985)	(6,199)	(5,793)	(3,576)

The foreign exchange variation negatively impacted the Company's result by R$ 331 thousand in the quarter, due to the devaluation of the Brazilian real against the U.S. dollar and the Euro.

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

R$ thousand	3Q12	3Q11	2Q12	9M12	9M11	LTM12	LTM11
Finance result with no foreign exchange variation	(10,504)	(13,872)	(10,954)	(34,320)	(34,765)	(45,063)	(44,195)

In 2Q12, the Company adapted the maturity flow of its commitments in foreign currency (U.S. dollar) in the amount of US$ 62.6 million, with the purpose of hedging its exports for the next 5 years. The exchange variation of these transactions is accounted for monthly in Equity and recorded in the results as finance costs, when realized (hedge accounting). In 3Q12, the amount recognized in Equity was R$ 327 thousand.

Foreign exchange

The foreign exchange rate was R$ 2.0213/US$ at June 30, 2012 and remained stable during the third quarter totaling R$ 2.0306/US$ at the end of September. The average quarter foreign exchange rate was R$ 2.0281/US$ in the period, 3.3% higher than in 2Q12 and 23.9% higher than in the same period of 2011.

	3Q12	2Q12	3Q11	Δ 3Q12/2Q12	Δ 3Q12/3Q11
Average U.S. dollar	2.0281	1.9633	1.6369	+3.30%	+23.90%
Final U.S. dollar	2.0306	2.0213	1.8544	+0.46%	+9.50%

Source: Brazilian Central Bank (BACEN)

6. NET RESULT

In 3Q12, the net result was a loss of R$ 687 thousand, representing an accumulated loss of R$ 2,921 thousand in the first nine months of the year, against the loss of R$ 8,475 thousand in 3Q11 and R$ 5,731 thousand in 2Q12. The result for this quarter was negatively affected by the recognition of expenses with the request for a public offering in the amount of R$ 4,046 thousand. The public offering was not carried out and the request was withdrawn in August 2012.

Comments on company performance

7. INVESTMENTS

In 2Q12, the Board of Directors approved strategic investments of R$ 78.3 million, for the expansion of production capacity, the technological update of equipment and the improvement in quality of the products. These investments are expected to be applied as from 2013. The current strategic investments approved by the Board of Directors in 2011 of about R$ 40.7 million are in progress.

8. CAPITAL MARKETS

Irani's capital comprises 162,090,000 shares, of which 149,279,740 (92%) are common shares and 12,810,260 (8%) are preferred shares. The Company has 3,964,140 treasury shares, of which 1,338,040 are common shares and 2,626,100 are preferred shares.

9. DIVIDENDS

The Board of Directors' Meeting of July 20, 2012 approved the payment of interim dividends from the retained earnings account balance in the last annual balance sheet at December 31, 2011, which amounted to R$ 14.2 million, corresponding to R$ 0.090223 per common and preferred share.

CELULOSE IRANI S.A.

Notes to the Quarterly Information
at September 30, 2012
(All amounts in thousands of reais, unless otherwise indicated)

CELULOSE IRANI S.A.

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CELULOSE IRANI S.A.

Notes to the Quarterly Information
at September 30, 2012
(All amounts in thousands of reais, unless otherwise indicated)

1. GENERAL INFORMATION

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

The direct subsidiaries are listed in Note 4.

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

The issue of this quarterly information of the Company was authorized by its Board of Directors on October 17, 2012.

2. PRESENTATION OF FINANCIAL STATEMENTS

The consolidated interim accounting information, contained in the Quarterly Information Form (ITR) for the quarter and the nine-month period ended September 30, 2012, has been prepared in accordance with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), and accounting practices adopted in Brazil, based on the technical pronouncements issued by the Brazilian Accounting Pronouncements Committee (CPC) in convergence with the IFRS, as well as the standards established by the Brazilian Securities Commission (CVM).

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES

a) Functional currency and translation of foreign currencies

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

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

b) Cash and cash equivalents

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

c) Trade receivables and provision for impairment of trade receivables

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

expected losses on the collection of receivables.

d) Inventories

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

e) Investments

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

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

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

f) Property, plant and equipment and intangible assets

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

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

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

g) Biological assets

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

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

h) Impairment

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

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

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

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

j) Borrowings, debentures, Real Estate Credit Note (CRI) and Agribusiness Credit Right Certificates (CDCA)

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

k) Derivative financial instruments

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

l) Hedge accounting

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

Changes in the hedging amounts classified in "Carrying value adjustments" within equity are shown in Note 21.

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

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

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

m) Leases

The Company as the lessee

Leases that transfer substantially all the risks and rewards of ownership of the assets to the Company are classified as finance leases. All other leases are classified as operating leases and recorded in the result for the period. A finance lease is recorded as a financed purchase, with a property, plant and equipment item and a financing liability being recognized at the commencement of the lease term. Property, plant and equipment items acquired under finance leases are depreciated at the rates specified in Note 13.

Operating lease payments (net of any incentives received from the lessor) are recognized in the result under the straight-line method over the lease term.

The Company as the lessor

Revenues from operating leases are recognized on the straight-line basis over the lease period. Initial direct costs incurred in the negotiation and preparation of the operating lease are added to the carrying amount of leased assets and also amortized on the straight-line basis over the lease period.

n) Provisions

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

o) Significant accounting judgments, estimates and assumptions

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

Accounting judgments, estimates and assumptions adopted by Management were based on the best information available through the reporting date and the experience of past events, projections about future events, and the assistance of experts, when applicable.

The financial information includes, therefore, various estimates, including, but not limited to, the determination of the useful lives of property, plant and equipment, the realization of deferred tax assets, the provision for impairment of trade receivables, the fair value measurement of biological assets, the provision for tax, social security, civil and labor claims, the fair value measurement of certain financial instruments, and the provision for impairment of assets.

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

p) Revenue and expense recognition

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

q) Revenue recognition

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

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

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

r) Government grants

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

s) Statement of value added ("DVA")

Brazilian corporate law requires the presentation of the statement of value added as an integral part of the set of financial statements presented by the Company. The presentation of the DVA is not required by the IFRS. The purpose of this statement is to show the wealth created by the Company and its distribution during a certain reporting period.

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

4. CONSOLIDATION OF FINANCIAL STATEMENTS

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

Ownership interest - (%)		
Subsidiaries - direct ownership	9/30/2012	12/31/2011
HabitasulFlorestal S.A.	100.00	100.00
Irani Trading S.A.	99.99	99.99
Meu Móvel de Madeira LTDA.	99.93	99.93
HGE - Geração de Energia Sustentável LTDA.	99.98	99.98
Iraflor - Comércio de Madeiras LTDA.	99.99	99.99

The accounting practices of the subsidiaries are consistent with those adopted by the Company. Intercompany balances and investments and the result of equity adjustments, as well as intercompany transactions and unrealized profit (loss), have been eliminated in consolidation, unless the subsidiary has evidence of impairment. The subsidiaries' accounting information used for consolidation was prepared as of the same date as the Company's accounting information.

The operations of the subsidiaries are described in Note 12.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

	Parent		Consolidated	
	9/30/2012	12/31/2011	9/30/2012	12/31/2011
Fixed fund	17	16	22	21
Banks	1,858	1,272	1,980	2,477
Short-term bank deposits	39,413	71,208	41,627	72,224
	41,288	72,496	43,629	74,722

Short-term bank deposits are remunerated at a fixed rate - Bank Deposit Certificate (CDB), at the average rate of 101.85% of the Interbank Deposit Certificate (CDI).

6. TRADE RECEIVABLES

	Parent		Consolidated	
	9/30/2012	12/31/2011	9/30/2012	12/31/2011
Trade receivables:				
Customers - domestic market	90,816	89,957	96,563	94,577
Customers - foreign market	7,533	4,152	7,563	4,198
Subsidiaries	12	1,905	-	-
	98,361	96,014	104,126	98,775
Provision for impairment of trade receivables	(6,089)	(5,835)	(6,775)	(6,544)
	92,272	90,179	97,351	92,231

At September 30, 2012, the amount of R$ 7,545 in consolidated trade receivables was overdue and not provisioned as the balance referred to independent customers with no history of default.

Trade receivables by maturity are as follows:

	Parent		Consolidated	
	9/30/2012	12/31/2011	9/30/2012	12/31/2011
Not yet due	85,435	81,929	89,806	83,628
Overdue for up to 30 days	4,003	6,769	4,680	7,125
Overdue from 31 to 60 days	1,084	386	1,086	386
Overdue from 61 to 90 days	500	115	502	124
Overdue from 91 to 180 days	143	162	146	180
Overdue for more than 180 days	7,196	6,653	7,906	7,332
	98,361	96,014	104,126	98,775

The average credit term on the sale of products is 48 days. The Company recognized a provision for the impairment of trade receivables for balances past due for over 180 days based on an analysis of the financial position of each debtor and on past default experiences. A provision for impairment of trade receivables is also constituted for balances past due less than 180 days, when the amounts are considered uncollectible, taking into consideration the financial position of each debtor.

	Parent		Consolidated	
	9/30/2012	12/31/2011	9/30/2012	12/31/2011
Balance at the beginning of the period	(5,835)	(5,697)	(6,544)	(6,406)
Provision for losses recognized	(254)	(146)	(254)	(146)
Amounts recovered in the period	-	8	23	8
Balance at the end of the period	(6,089)	(5,835)	(6,775)	(6,544)

Part of the receivables, amounting to approximately R$ 41,918, was assigned as collateral for certain financial transactions, among which were the assignment for 25% of the amount of the outstanding balance of the principal of debentures (Note 16) and the assignment equivalent to 3 lease installments of the CCI operation (Note 15).

The credit quality of financial assets that were neither past due nor impaired at September 30, 2012 was assessed by reference to historical information about default rates, as follows:

Quality - trade receivables

		Consolidated
Customer category	History-%	Amount receivable
a) Customers with no history of default	93.72	84,166
b) Customers with history of default of up to 7 days	5.92	5,317
c) Customers with history of default over 7 days	0.36	323
		89,806

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

7. INVENTORIES

	Parent		Consolidated	
	9/30/2012	12/31/2011	9/30/2012	12/31/2011
Finished products	5,817	5,486	7,437	7,442
Production materials	21,150	18,364	21,150	18,364
Consumable materials	12,356	11,890	12,400	11,924
Other	452	626	452	626
	39,775	36,366	41,439	38,356

The cost of inventories recognized as an expense for the quarter ended September 30, 2012 totaled R$ 89,525 (R$ 86,702 in the quarter ended September 30, 2011) in the parent and R$ 91,056 (R$ 88,476 in the quarter ended September 30, 2011) in the consolidated.

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

8. TAXES RECOVERABLE

Taxes recoverable consist of the following:

	Parent		Consolidated	
	9/30/2012	12/31/2011	9/30/2012	12/31/2011
ICMS on the acquisition of property, plant and equipment	2,603	3,457	2,606	3,463
Value-added Tax on Sales and Services (ICMS)	326	321	342	341
Social Contribution on Revenues (COFINS)	398	-	398	-
Excise Tax (IPI)	75	5,547	75	5,547
Income tax	74	908	74	908
Social contribution	29	338	29	338
Income Tax Withheld at Source (IRRF)	1,201	245	1,201	245
Other	1	7	1	7
	4,707	10,823	4,726	10,849
Current	3,094	8,661	3,108	8,687
Non-current	1,613	2,162	1,618	2,162

ICMS credits generated on the acquisition of property, plant and equipment are recoverable in 48

monthly and consecutive installments as determined by specific legislation.

IPI credits are generated on the acquisition of inputs used in the production process and are utilized to offset taxes due on the sales of each production unit.

9. BANKS - RESTRICTED ACCOUNT

	Parent and Consolidated	
	9/30/2012	12/31/2011
Banco do Brasil - New York - a)	3,114	3,840
Banco Credit Suisse - Brazil	-	4,834
	3,114	8,674
Current	3,114	5,143
Non-current	-	3,531

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

10. OTHER RECEIVABLES

	Parent		Consolidated	
	9/30/2012	12/31/2011	9/30/2012	12/31/2011
Carbon credits	6,152	6,378	6,152	6,378
Advances to suppliers	1,986	1,412	2,288	1,425
Employee receivables	1,149	982	1,166	1,004
Renegotiation with customers	3,655	3,309	3,686	3,340
Prepaid expenses	273	1,025	277	1,057
Other receivables	668	1,346	702	1,420
	13,883	14,452	14,271	14,624
Current	12,555	12,400	12,916	12,545
Non-current	1,328	2,052	1,355	2,079

Carbon credits - the Company has projects which generate carbon credits originating from the reduction of greenhouse gas emissions with the installation of the Co-Generation Plant and the Effluent Treatment Station in the Paper unit, in Vargem Bonita - SC. These credits are traded through agreements signed, under the Kyoto Protocol, with companies located in developed countries that are required to reduce emissions. The credits are recognized on the accrual basis as a reduction of the production process costs and are measured according to the methodology approved by the Kyoto Protocol for each project, considering the probable realizable value, estimated based on the agreements signed. As at September 30, 2012, most of the credits, which were the volumes generated through September 2011, were already audited by *DNV - DET NORSKE VERITAS CERTIFICATION AS* and were awaiting the issuance of the respective credits in order to be traded. Management expects these credits to be issued in less than 12 months.

Renegotiation with customers - refers to overdue receivables for which debt acknowledgment agreements were formalized. The final maturity of the monthly installments will be in November 2014 and the average interest rate is 1% to 2% p.m., recognized as income on receipt. Some agreements establish collateral covenants for machinery, equipment and property to guarantee the renegotiated debt amount.
The Company assesses the customers in renegotiation and, when applicable, records a provision for impairment on the amount of the renegotiated credits. In order to face possible losses, R$ 1,579 of credits were provisioned and deducted from the amount presented in the Parent Company (R$ 3,655) and Consolidated (R$ 3,686).

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

11. DEFERRED INCOME TAX AND SOCIAL CONTRIBUTION

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

In 2011 and 2012, the Company computed income tax and social contribution on the effects of foreign exchange variations taxed on the cash basis and recorded a deferred tax liability related to unrealized exchange variations.

Deferred tax liabilities were recognized based on the fair value of biological assets and the deemed cost of property, plant and equipment, as well as adjustments relating to the review of the useful lives of property, plant and equipment. These temporary differences resulted from the application of the Transitional Tax System (RTT), whereby the effects of recent changes in accounting practices are effectively eliminated for tax purposes.

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

ASSETS	Parent		Consolidated	
	9/30/2012	12/31/2011	9/30/2012	12/31/2011
Deferred income tax assets				
On temporary differences	11,529	11,261	11,644	11,293
On tax losses	2,701	932	2,701	932
Deferred social contribution assets				
On temporary differences	4,150	4,054	4,208	4,071
On tax losses	972	336	972	336
	19,352	16,583	19,525	16,632

LIABILITIES	Parent		Consolidated	
	9/30/2012	12/31/2011	9/30/2012	12/31/2011
Deferred income tax liabilities				
Exchange rate variations recognized on the cash basis	1,797	3,945	4,205	5,477
Fair value of biological assets	30,794	30,224	32,252	31,737
Deemed cost of property, plant and equipment and review of useful lives	86,506	87,562	107,248	108,579
Government grants	472	709	472	709
Cash flow hedges	(2,145)	-	(2,145)	-
Deferred social contribution liabilities				
Exchange rate variations recognized on the cash basis	647	1,420	1,514	1,971
Fair value of biological assets	11,095	10,878	14,571	11,695
Deemed cost of property, plant and equipment and review of useful lives	31,145	31,523	35,904	39,087
Government grants	171	256	171	256
Cash flow hedges	(770)	-	(770)	-
	159,712	166,517	193,422	199,511
Deferred tax liabilities (net)	140,360	149,934	173,897	182,879

CELULOSE IRANI S.A.

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(All amounts in thousands of reais, unless otherwise indicated)

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

	Parent		Consolidated	
	9/30/2012	12/31/2011	9/30/2012	12/31/2011
Deferred tax assets				
Deferred tax assets to be recovered within 12 months	4,341	5,060	4,341	5,060
Deferred tax assets to be recovered after 12 months	15,011	11,523	15,184	11,572
	19,352	16,583	19,525	16,632
Deferred tax liabilities				
Deferred tax liabilities to be settled within 12 months	7,780	5,694	6,348	3,867
Deferred tax liabilities to be settled after 12 months	151,932	160,823	187,074	195,644
	159,712	166,517	193,422	199,511

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

Parent	Opening balance - 12/31/2011	Recognized in the results	Closing balance - 9/30/2012
Deferred tax assets related to:			
Provision for bonuses	1,021	1,382	2,403
Provision for sundry risks	14,161	(995)	13,166
Other	134	(24)	110
Total temporary differences	15,316	363	15,679
Tax losses	1,267	2,406	3,673
	16,583	2,769	19,352

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Consolidated	Opening balance - 12/31/2011	Recognized in the results	Closing balance - 9/30/2012
Deferred tax assets related to:			
Provision for bonuses	1,021	1,409	2,430
Provision for sundry risks	14,161	(995)	13,166
Other	183	73	256
Total temporary differences	15,365	487	15,852
Tax losses	1,267	2,406	3,673
	16,632	2,893	19,525

Parent	Opening balance 12/31/2011	Recognized in the results	Recorded in equity	Closing balance 9/30/2012
Deferred tax liabilities related to:				
Exchange rate variations recognized on the cash basis	5,365	(2,921)	-	2,444
Fair value of biological assets	41,102	787	-	41,889
Deemed cost of biological assets and review of useful lives	119,085	(1,434)	-	117,651
Government grants	965	(322)	-	643
Cash flow hedges	-	-	(2,915)	(2,915)
	166,517	(3,890)	(2,915)	159,712

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Notes to the Quarterly Information
at September 30, 2012
(All amounts in thousands of reais, unless otherwise indicated)

Consolidated	Opening balance 12/31/2011	Recognized in the results	Recorded in equity	Closing balance 9/30/2012
Deferred tax liabilities related to:				
Exchange rate variations recognized on the cash basis	7,448	(1,729)	-	5,719
Fair value of biological assets	43,432	10,914	-	54,346
Deemed cost of biological assets and review of useful lives	147,666	(12,037)	-	135,629
Government grants	965	(322)	-	643
Cash flow hedges	-	-	(2,915)	(2,915)
	199,511	(3,174)	(2,915)	193,422

12. INVESTMENTS

	Habitasul Florestal	Irani Trading	MeuMóvel de Madeira	HGE Geração de Energia	IraflorComercio de Madeiras	Total
At December 31, 2011	115,033	90,524	1,359	3,529	38,130	248,575
Equity in the results of subsidiaries	(1,222)	8,812	458	(481)	(9)	7,558
Dividends	(11,915)	(11,315)	-	-	-	(23,230)
Capital contribution	-	4,563	2,011	-	3,370	9,944
At September 30, 2012	101,896	92,584	3,828	3,048	41,491	242,847
Liabilities	27,026	49,167	2,625	5	291	
Equity	101,897	92,585	3,831	3,048	41,495	
Assets	128,923	141,752	6,456	3,053	41,786	
Net revenue	15,125	12,440	9,624	-	5,219	
Profit (loss) for the period	(1,222)	8,813	459	(481)	(9)	
Ownership interest - %	100.00	99.99	99.93	99.98	99.99	

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

The activities of the subsidiary Irani Trading S.A. include intermediation in the export and import of products, the export of products acquired for resale and the management and rental of properties. In May 2012, the subsidiary received a capital contribution from the parent company CeluloseIrani S.A. in the amount of R$ 4,563, paid up through the transfer of property, plant and equipment.

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The subsidiary IraflorComércio de Madeiras Ltda. carries out activities related to the management and sale of planted forests for the parent company CeluloseIrani S.A. and also for the market. On January 26, 2012 the subsidiary received a capital contribution from the parent company CeluloseIrani S.A. in the amount of R$ 3,370, paid up through the transfer of forest assets.

The subsidiary MeuMóvel de Madeira Comércio de Móveis e Decorações Ltda. is engaged in the retail sale of furniture and decoration products and furniture assembly services. In May 2012, the subsidiary received a capital contribution from the parent company CeluloseIrani S.A. in the amount of R$ 2,011, paid up in cash.

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

CELULOSE IRANI SA

Notes to the Quarterly Information
at September 30, 2012
(All amounts in thousands of reais, unless otherwise indicated)

13. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

a) Composition of property, plant and equipment

Parent

	Land	Buildings and constructions	Equipment and facilities	Vehicles and tractors	(*) Other	Construction in progress	Advances to suppliers	Assets under finance leases	Leasehold improvements	Total
At December 31, 2011										
Cost	123,901	36,268	515,845	1,774	7,992	20,614	759	27,780	16,061	750,994
Accumulated depreciation	-	(7,154)	(189,073)	(1,278)	(4,428)	-	-	(11,188)	(2,034)	(215,155)
At September 30, 2012										
Opening balance	123,901	29,114	326,772	496	3,564	20,614	759	16,592	14,027	535,839
Additions	-	71	3,103	27	138	9,326	11,155	1,095	-	24,915
Disposals	-	477	(130)	-	74	(135)	(529)	(42)	-	(285)
Transfers	-	1,616	9,801	-	635	(12,052)	-	-	-	-
Depreciation	-	(1,064)	(23,144)	(139)	(598)	-	-	(2,377)	(482)	(27,804)
Net book value	123,901	30,214	316,402	384	3,813	17,753	11,385	15,268	13,545	532,665

CELULOSE IRANI SA

Notes to the Quarterly Information at September 30, 2012

(All amounts in thousands of reais, unless otherwise indicated)

Consolidated

	Land	Buildings and constructions	Equipment and facilities	Vehicles and tractors	(*) Other	Construction in progress	Advances to suppliers	Assets under finance leases	Leasehold improvements	Total
At December 31, 2011										
Cost	174,487	147,777	515,971	1,877	10,608	21,024	759	27,904	16,061	916,468
Accumulated depreciation	-	(30,405)	(189,103)	(1,293)	(4,127)	-	-	(11,195)	(2,034)	(238,157)
Net book value	174,487	117,372	326,868	584	6,481	21,024	759	16,709	14,027	678,311
At September 30, 2012										
Opening balance	174,487	117,372	326,868	584	6,481	21,024	759	16,709	14,027	678,311
Additions	1,271	4,434	3,150	59	175	9,428	11,155	1,095	-	30,767
Disposals	(61)	(138)	(131)	1	217	(234)	(528)	(43)	-	(917)
Transfers	-	1,616	9,801	-	635	(12,052)	-	-	-	-
Depreciation	-	(2,940)	(23,153)	(157)	(686)	-	-	(2,395)	(482)	(29,813)
Net book value	175,697	120,344	316,535	487	6,822	18,166	11,386	15,366	13,545	678,348

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

b) Composition of intangible assets

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

	Parent	Consolidated
At December 31, 2011		
Cost	5,168	5,243
Accumulated amortization	(4,080)	(4,140)
Net book value	1,088	1,103
At September 30, 2012		
Opening balance	1,088	1,103
Additions	565	588
Disposals	(13)	(13)
Amortization	(429)	(429)
Net book value	1,211	1,249

c) Depreciation method

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

	Rate - %
Buildings and constructions *	2.25
Equipment and facilities **	6.45
Furniture, fittings and IT equipment	5.71
Vehicles and tractors	20.0

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

d) Other information

Construction in progress refers to projects for the improvement and maintenance of the production process of the Packaging Paper and Corrugated Cardboard Packaging Units in Vargem Bonita - SC and the Packaging Unit in Indaiatuba - SP. During the period, finance charges in the amount of R$ 456 were capitalized at an average rate of 9.18% per annum, related to loans utilized to finance specific investment projects.

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

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

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

e) Impairment of property, plant and equipment

The Company did not identify any indicators of impairment of its assets as at September 30, 2012.

f) Assets pledged as collateral

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

	Consolidated
	9/30/2012
Equipment and facilities	40,791
Buildings and constructions	90,722
Land	106,755
Total assets pledged	238,268

14. BIOLOGICAL ASSETS

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

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

	Parent			Consolidated		
	9/30/2012	9/30/2011	12/31/2011	9/30/2012	9/30/2011	12/31/2011
Cost of development of biological assets	39,340	35,139	36,489	70,782	74,857	74,107
Difference in fair value	91,142	81,607	92,027	158,609	153,065	165,890
Biological assets at fair value	130,482	116,746	128,516	229,391	227,922	239,997

The Company considers that R$ 158,688 of the total biological assets relates to forests used as raw material for pulp and paper production, of which R$ 102,993 refers to formed forests with more than six years. The remaining amount refers to growing forests, which still need forestry treatments. These assets are located near the Pulp and Paper plant in Vargem Bonita, SC, where they are consumed.

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

The biological assets utilized for the production of resins and the sale of timber logs totaled R$ 70,703 and are located on the coast of RS. The resin is extracted based on the generation capacity of this product by the forest, and the trees for sale of logs are extracted based on the demand for supply of timber in the region.

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

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

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

The main assumptions considered in the calculation of the fair value of biological assets include: i) the remuneration of own contributing assets (lease), at the rate of 3% per year, and ii) a discount rate of 7.5% per year for SC assets and 8.0% for RS assets.

In this current period, the Company validated the assumptions and criteria used for the measurement of the fair value of its biological assets, and considering that the main factors that could affect the valuations had not changed significantly, it opted not to update the fair value of these assets at the base date of this quarterly information. Also no other events occurred in the current period which could impact the valuation of the biological assets, such as rainstorms, lightning and other risks affecting the forests.

Main changes

The changes in the period were as follows:

	Parent	Consolidated
Balance at December 31, 2011	128,516	239,997
Development expenses	3,432	3,809
Depletion		
Historical cost	(499)	(1,159)
Fair value	(1,470)	(10,996)
Transfers for capitalization of subsidiary	(3,370)	-
Changes in fair value	3,873	(2,260)
Balance at 9/30/2012	130,482	229,391

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

On June 3, 2011, the Company's Board of Directors approved the capital contribution to IraflorComércio de Madeiras Ltda. through the transfer of forest assets owned by the Company. The contribution of new biological assets, amounting to R$ 3,370, was authorized in the current period. The purpose of this transaction was to improve the management of forest assets and raise funds through CDCA, as mentioned in Note 15.

b) Biological assets pledged as collateral

The Company has certain biological assets, in the amount of R$ 100,263, pledged as collateral for financial transactions. The pledged assets represent approximately 44% of total biological assets, equivalent to 20.5 thousand hectares of land used, with approximately 9.7 thousand hectares of planted forests.

c) Production on third-party land

The Company has entered into non-cancelable lease agreements for the production of biological assets on third-party land, called partnerships. These agreements are valid until all the forests planted in these areas are harvested.

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15. BORROWINGS

	Parent		Consolidated		
	9/30/2012	12/31/2011	9/30/2012	12/31/2011	
Current					
Local currency					
Fund for Financing the Acquisition of Industrial Machinery and Equipment (FINAME)	3,763	8,604	3,763	8,604	a)
Working capital	20,538	30,171	21,132	30,666	b)
Working capital - CDCA	15,578	15,505	15,578	15,505	c)
Finance leases	1,419	1,065	1,460	1,102	d)
Real Estate Credit Note (CCI)	-	-	12,154	13,258	e)
Total local currency	41,298	55,345	54,087	69,135	
Foreign currency					
Finance leases	2,794	2,475	2,794	2,475	f)
Advances on exchange contracts	16,593	5,641	16,593	5,641	g)
Toronto Dominion Bank	-	177	-	177	
Banco Credit Suisse	734	20,256	734	20,256	h)
Banco C.I.T.	251	942	251	942	i)
Banco Santander (Brazil)	1,618	1,638	1,618	1,638	j)
Banco Santander	-	2,014	-	2,014	
Banco Itaú BBA	9,760	-	9,760	-	k)
Banco do Brasil	1,312	-	1,312	-	l)
Banco Citibank	1,606	-	1,606	-	m)
Total foreign currency	34,668	33,143	34,668	33,143	
Total current	75,966	88,488	88,755	102,278	
Non-current					
Local currency					
FINAME	8,202	9,240	8,202	9,240	a)
Working capital	21,239	25,643	21,239	25,643	b)
Working capital - CDCA	63,770	78,367	63,770	78,367	c)
Finance leases	1,197	1,416	1,241	1,493	d)
Real Estate Credit Note (CCI)		-	-	8,838	e)
Total local currency	94,408	114,666	94,452	123,581	
Foreign currency					
Finance leases	698	1,164	698	1,164	f)
Banco Credit Suisse	74,330	53,600	74,330	53,600	h)
Banco Santander (Brazil)	-	1,638	-	1,638	j)
Banco Itaú BBA	34,489	-	34,489	-	k)
Banco do Brasil	2,624	-	2,624	-	l)
Banco Citibank	3,167	-	3,167	-	m)
Total foreign currency	115,308	56,402	115,308	56,402	
Total non-current	209,716	171,068	209,760	179,983	
Total	285,682	259,556	298,515	282,261	

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Long-term maturities:	9/30/2012	12/31/2011	9/30/2012	12/31/2011
2013	5,078	43,564	5,085	52,403
2014	45,738	49,400	45,764	49,400
2015	57,886	47,524	57,897	47,524
From 2016 to 2019	101,014	30,580	101,014	30,656
	209,716	171,068	209,760	179,983

Local currency loans:

a) FINAME - subject to an annual average interest rate of 8.24% with final maturity in 2019.

b) Working capital - subject to an annual average interest rate of 8.63% with final maturity in the second half of 2015.

Transaction costs:

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

Year	Principal
2012	43
2013	105
2014	36
2015	19
	203

c) Working capital - CDCA

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

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

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

Transaction costs:

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

Year	Principal
2012	206
2013	763
2014	634
From 2015 to 2017	902
	2,505

d) Finance leases - subject to an annual average interest rate of 15.70%, with final maturity in 2015.

e) Real Estate Credit Note - CCI

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

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

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

Foreign currency loans:

Foreign currency denominated loans at September 30, 2012 were adjusted for US Dollar or Euro exchange rate fluctuations and bear annual average interest of 7.72% and 4.32% for transactions in US Dollars and Euros, respectively.

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

g) Advances on exchange contracts are adjusted for US Dollar exchange rate fluctuations and are repayable in a single installment according to each contract, with maturities in the first half of 2013.

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

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

Transaction costs:

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

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

Year	Principal
2012	210
2013	932
2014	1,142
2015	1,588
2016	2,209
2017	396
	6,477

i) Banco C.I.T. - adjusted for Euro exchange rate fluctuations and repayable in quarterly installments with final maturity in 2012.

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

k) Banco Itaú BBA - adjusted for US Dollar exchange rate fluctuations and repayable in semiannual installments with final maturity in 2017.

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

Year	Principal
2012	49
2013	162
2014	122
From 2015 to 2017	114
	447

l) Banco doBrasil - adjusted for US dollar exchange rate fluctuations and repayable in semiannual installments with final maturity in 2015.

m) Banco Citibank - adjusted for Euro exchange rate fluctuations and repayable in quarterly installments with final maturity in 2015.

Transaction costs:

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

Year	Principal
2012	12
2013	43
2014	27
2015	10
	93

Collateral:

The collateral for the borrowing transactions includes sureties of the controlling companies and/or statutory liens on land, buildings, machinery and equipment, biological assets (forests), commercial pledges and assignments of receivables amounting to R$ 97,392. Some transactions have specific guarantees, as follows:

i) For working capital - Agribusiness Credit Right Certificates (CDCA) - the Company provided collateral of approximately R$ 90,342, including:

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

ii) For the Real Estate Credit Note (CCI), the Company provided collateral in favor of Securitizer of approximately R$ 42,079, including:

- Mortgage on some properties of CeluloseIrani S.A., registration 2,479, 2,481 and 8,535 of the Real Estate Registry Office of the Judicial District of Ponte Serrada, SC.
- Agricultural pledge of forest assets (pine and eucalyptus trees) planted in the mortgaged areas, mentioned in the previous item.
- Assignment of lease receivables, in the amount equivalent to three monthly installments due by the lessee CeluloseIrani S.A. to the lessor Irani Trading S.A., as determined by the lease agreement.

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

iv) The loan from Banco Santander (Brazil) is collateralized by receivables from the sale of carbon credits generated from the Electricity Co-Generation project, negotiated under contracts in effect until 2012.

Restrictive financial covenants:

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

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

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

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

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

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

The Company complied with the covenants described above at September 30, 2012.

iv) Banco Credit Suisse

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

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

The Company complied with the covenants described above at September 30, 2012.

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

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

Abbreviations:
TJLP - Long-term Interest Rate
CDI - Interbank Deposit Certificate

EBITDA - operating income (loss) plus net finance income (costs) and depreciation, depletion and amortization.
ROL - Net operating revenue

16. DEBENTURES

First issue of simple debentures

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

Transaction costs:

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

Year	Principal
2012	212
2013	852
2014	893
2015	226
	2,183

Collateral:

Debentures have collateral in the amount of R$ 154,135, as follows:

- Assignment in favor of the Land Trustee of CeluloseIrani in conformity with the terms and conditions determined in the Private Instrument of Assignment of Real Estate of Irani and Other Covenants, which will guarantee the debt up to the limit of R$ 26,205.
- Assignment in favor of the Land and Buildings Trustee of Irani Trading ("Trading") in conformity with the terms and conditions of the Private Instrument of Assignment of Real Estate of Trading and Other Covenants, which will guarantee the debt up to the limit of R$ 40,000.

- Agricultural pledge in favor of the Forest Assets Trustee of CeluloseIrani in conformity with the terms and conditions of the Private Instrument of Agricultural Pledge and Other Covenants.
- Assignment of receivables in favor of the Receivables Trustee of CeluloseIrani, equivalent to 25% of the outstanding principal balance of the Debentures.

Restrictive financial covenants:

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

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

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

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

The Company complied with the covenants described above at September 30, 2012.

First private issue of simple debentures

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

Transaction costs:

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

Year	Principal
2013	194
2014	588
2015	1,082
	1,864

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

The payment for the debentures, by year, is due as follows.

	Parent		Consolidated	
Year	9/30/2012	12/31/2011	9/30/2012	12/31/2011
2012	-	25,226	-	25,226
2013	23,790	24,999	23,790	24,999
2014	23,567	24,603	23,567	24,603
2015	60,850	57,625	11,215	11,652
	108,207	132,453	58,572	86,480
Current	25,048	26,000	25,048	26,000
Non-current	83,159	106,453	33,524	60,480

17. TRADE PAYABLES

Payables to suppliers are as follows:

	Parent		Consolidated	
CURRENT	9/30/2012	12/31/2011	9/30/2012	12/31/2011
Domestic				
Materials	30,397	26,377	31,783	27,741
Property, plant and equipment	1,982	1,975	1,982	1,975
Service providers	2,507	2,451	2,661	2,603
Carriers	4,644	5,211	4,668	5,271
Related parties	17,271	6,653	-	-

	Parent		Consolidated	
CURRENT	9/30/2012	12/31/2011	9/30/2012	12/31/2011
Foreign				
Materials	171	123	171	123
	56,972	42,790	41,265	37,713

18. TAXES PAYABLE IN INSTALLMENTS

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

The Company also refinanced the ICMS of the State of São Paulo, which is subject to interest of 2% per month, paid monthly.

The amounts are as follows:

CURRENT

	Parent		Consolidated	
Federal Tax Installments	9/30/2012	12/31/2011	9/30/2012	12/31/2011
REFIS installments - Federal Revenue Service	2,292	2,148	2,292	2,177
Employer's INSS payable in installments	825	721	951	811
FNDE payable in installments	-	-	23	-
	3,117	2,869	3,266	2,988

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	Parent		Consolidated	
State Tax Installments	9/30/2012	12/31/2011	9/30/2012	12/31/2011
ICMS payable in installments	1,964	1,693	1,964	1,694
	1,964	1,693	1,964	1,694
Total installments	5,081	4,562	5,230	4,682

NON-CURRENT

	Parent		Consolidated	
Federal tax installments	9/30/2012	12/31/2011	9/30/2012	12/31/2011
REFIS installments - Federal Revenue Service	4,534	6,200	4,534	6,253
Employer's INSS payable in installments	1,242	1,682	1,331	1,802
FNDE payable in installments	-	-	78	-
	5,776	7,882	5,943	8,055

	Parent		Consolidated	
State tax installments	9/30/2012	12/31/2011	9/30/2012	12/31/2011
ICMS payable in installments	1,779	2,784	1,779	2,784
	1,779	2,784	1,779	2,784
Total installments	7,555	10,666	7,722	10,839

Long-term maturities:	Parent		Consolidated	
	9/30/2012	12/31/2011	9/30/2012	12/31/2011
2013	779	2,912	899	3,031
2014	2,439	2,327	2,486	2,381
2015	717	787	717	787
2016	406	488	406	511
After 2016	3,214	4,152	3,214	4,129
	7,555	10,666	7,722	10,839

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

Federal Revenue Service - Refers to the refinancing of federal taxes established by Law 10,684/03, where the Company opted for Refis in November 2009, and the refinancing of other Excise Tax (IPI) debts in the current amount of R$ 6,826, of which R$ 2,496 refers to principal and R$ 4,330 to fines and arrears interest. This amount is being paid in 180 installments and is subject to the SELIC interest rate.

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

19. RELATED-PARTY TRANSACTIONS

Parent	Receivables		Payables		Debentures payable		Loans payable	
	9/30/2012	12/31/2011	9/30/2012	12/31/2011	9/30/2012	12/31/2011	9/30/2012	12/31/2011
Irani Trading S.A.	15,098	3,774	1,409	1,400	49,635	45,973	478	2,109
HabitasulFlorestal S.A.	13,182	3,972	3,323	375	-	-	-	-
HGE - Geração de Energia	-	-	167	920	-	-	-	-
MeuMóvel de Madeira	12	1,905	-	-	-	-	-	-
Management	1,530	-	-	-	-	-	-	-
Iraflor - Com. de Madeiras Ltda.	-	-	12,610	4,877	-	-	-	-
Management compensation	-	-	748	877	-	-	-	-
Management profit sharing	-	-	5,279	5,279	-	-	-	-
Total	29,822	9,651	23,536	13,728	49,635	45,973	478	2,109
Current	28,292	9,651	23,536	13,728	-	-	-	-
Non-current	1,530	-	-	-	49,635	45,973	478	2,109

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Parent	Revenue Quarter ended		Expenses Quarter ended		Revenue Nine-month period ended		Expenses Nine-month period ended	
	9/30/2012	9/30/2011	9/30/2012	9/30/2011	9/30/2012	9/30/2011	9/30/2012	9/30/2011
Irani Trading S.A.	-	-	4,225	4,304	-	-	12,846	12,859
HabitasulFlorestal S.A.	-	-	822	595	-	-	2,947	2,392
Iraflor - Com. de Madeiras Ltda.	-	-	3,067	-	-	-	8,165	-
Druck, Mallmann, Oliveira & Advogados Associados	-	-	53	41	-	-	185	123
MCFD Administração de Imóveis Ltda	-	-	236	248	-	-	757	743
IraniParticipações S/A	-	-	120	120	-	-	360	360
MeuMóvel de Madeira	12	-	-	-	12	-	-	-
HabitasulDesenvolvimentosImobiliarios	-	-	27	26	-	-	83	78
Management compensation	-	-	1,444	953	-	-	4,178	3,028
Total	12	-	9,994	6,287	12	-	29,521	19,583

Consolidated	Receivables		Payables		Expenses Quarter ended		Expenses Nine-month period ended	
	9/30/2012	12/31/2011	9/30/2012	12/31/2011	9/30/2012	9/30/2011	9/30/2012	9/30/2011
IraniParticipações S/A	-	-	-	-	120	120	360	360
Companhia Com.de Imóveis	-	-	-	-	-	-	-	447
Druck, Mallmann, Oliveira & Advogados Associados	-	-	-	-	53	41	185	82
MCFD Administração de Imóveis Ltda.	-	-	-	-	236	248	756	496
Management compensation	-	-	828	877	1,556	1,040	4,499	2,281
HabitasulDesenvolvimentosImobiliarios	-	-	-	-	27	26	83	78
Management	1,530	-	-	-	-	-	-	-
Management profit sharing	-	-	5,279	5,279	-	-	-	-
Total	1,530	-	6,107	6,156	1,992	1,475	5,883	3,744
Current	-	-	6,107	6,156	1,992	1,475	5,883	3,744
Non-current	1,530	-	-	-	-	-	-	-

The receivables from/payables to the subsidiaries Irani Trading S.A., HabitasulFlorestal S.A. and Iraflor - Comércio de Madeiras Ltda. refer to commercial transactions and the acquisition of raw material and the supply of products. The transactions were compatible with respective market conditions and amounts. However, they bear no charges and have no defined final maturity. The receivables of the parent company from the subsidiaries Irani Trading S.A. and HabitasulFlorestal S.A. are related to the mandatory minimum dividends for 2011.

Irani Trading S.A. is currently the owner of an industrial property in Vargem Bonita, SC, which is rented to CeluloseIrani S.A. pursuant to a lease agreement entered into between the parties on October 20, 2009 and amended on March 24, 2010. This agreement is valid for 64 months from the beginning of the lease agreement, which occurred on January 1, 2010. The property is leased for a fixed monthly amount of R$ 1,364.

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

In 2011 and 2012, the Company transferred to Iraflor the amount of R$ 40,845 in planted forests as a capital contribution. On June 16, 2011, the subsidiary Iraflor issued Rural Producer Notes (CPR) with final maturity in June 2018 and representing the Company's rights to receive wood in this period. Based on the credit rights from the CPRs, the Company issued Agribusiness Credit Right Certificates (CDCA) on June 20, 2011, in favor of Banco Itaú BBA S.A. and Banco Rabobank International Brasil S.A.

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

The amount payable to HGE - Geração de EnergiaSustentável relates to the amount of capital to be paid up by the end of 2012, relating to the contractual amendment for a capital increase.

The amount payable to IraniParticipações relates to services rendered to the Company.

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

The amount payable to MCFD Administração de Imóveis Ltda. is equivalent to 50% of the monthly rental of the Packaging Unit in Indaiatuba-SP, in accordance with an agreement formalized on December 26, 2006 and effective for 20 years, which can be renewed. The monthly amount payable to this related party is R$ 87. The total contractual monthly rental is R$ 174, adjusted annually based on the variation of the General Market Price Index - IGPM disclosed by FundaçãoGetúlio Vargas.

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

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

Management compensation expenses, net of payroll taxes, totaled R$ 1,556 as at September 30, 2012 (R$ 1,040 as at September 30, 2011). The global management compensation was approved at the General Meeting of Shareholders held on May 25, 2012, in the maximum amount of R$ 16,600.

In addition, management profit sharing for 2011 and 2010, in the amount of R$ 5,279, equivalent to 10% of the profit for the year, was recognized separately, in accordance with the Company's bylaws. The distribution to management will be made according to a long-term variable compensation program approved by the Board of Directors.

20. PROVISION FOR CONTINGENCIES

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

The provision for contingencies is comprised as follows:

	Parent		Consolidated	
	9/30/2012	12/31/2011	9/30/2012	12/31/2011
Civil	1,086	1,308	1,086	1,308
Labor	544	499	593	566
Tax	37,082	39,843	37,082	39,843
Total	38,712	41,650	38,761	41,717
Judicial deposits	557	996	612	1,258

Changes in provision balances

Parent	12/31/2011	Provision	Payments	Reversal	9/30/2012
Civil	1,308	43	(265)	-	1,086
Labor	499	103	(58)	-	544
Tax	39,843	1,995	-	(4,756)	37,082
	41,650	2,141	(323)	(4,756)	38,712

Consolidated	12/31/2011	Provision	Payments	Reversal	9/30/2012

Civil	1,308	43	(265)	-	1,086
Labor	566	132	(58)	(47)	593
Tax	39,843	1,995	-	(4,756)	37,082
	41,717	2,170	(323)	(4,803)	38,761

The provision for contingencies refers basically to:

a) Civil lawsuits related, among other matters, to indemnity claims in connection with termination of agreements with sales representatives. A provision of R$ 1,086 was recorded at September 30, 2012 to cover losses arising from these contingencies. Judicial deposits relating to these lawsuits amount to R$ 266 and are classified in non-current assets.

b) Labor lawsuits related, among other matters, to claims filed by former employees for payment of overtime, health hazard premiums, hazardous duty premiums, occupational illnesses and accidents. Based on past experience and legal counsel's opinion, the Company provisioned R$ 593 at September 30, 2012, which is considered to be sufficient to cover losses arising from labor contingencies. Judicial deposits relating to these lawsuits amount to R$ 346 and are classified in non-current assets.

c) The provision for tax contingencies refers to offsets of federal taxes with IPI credits on the acquisition of trimmings by the Company. The amount offset from October 2007 to December 2011 was R$ 25,667. The adjusted balance as at September 30, 2012 totaled R$ 37,082.

Other contingencies

No provisions were recorded for contingencies in respect of which the likelihood of loss has been assessed by the legal counsel as possible, but not probable. The amounts of the related labor, civil, environmental and tax lawsuits at September 30, 2012, were as follows:

	Consolidated	
	9/30/2012	12/31/2011
Labor	10,082	11,752
Civil	2,495	2,064
Environmental	1,000	876
Tax	78,157	61,535
	91,734	76,227

Labor contingencies:
The labor lawsuits assessed by the legal counsel as involving possible losses total R$ 10,082 and primarily include indemnity claims (hazardous duty premiums, health hazard premiums, overtime, salary premiums, damages and losses arising from occupational accidents), which are currently at different stages of legal proceedings and for which the Company expects a favorable outcome.

Civil contingencies:
The civil lawsuits assessed by the legal counsel as involving possible losses total R$ 2,495 and primarily include indemnity claims, which are currently at different stages of proceedings and for which the Company expects a favorable outcome.

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

Tax contingencies:
The tax proceedings assessed by the legal counsel as involving possible losses total R$ 78,157 and mainly include the following:

- Administrative Proceeding 10925.000172/2003-66 related to a tax notification for alleged irregularity in offsetting IPI credits, which amounted to R$ 9,670 at September 30, 2012. The lawsuit is currently in the Taxpayers' Council (CC) awaiting the decision on the Special Appeal filed by the Company.

- Tax collection lawsuit 2004.72.03.001555-8 filed by the National Institute of Social Security (INSS) with respect to a Debt Assessment Notice for the payment of the social contribution on the gross revenue from the sale of the production of agroindustrial companies, which at September 30, 2012, amounted to R$ 4,956. The lawsuit was suspended by a court decision and is awaiting the decision on the Action for Annulment 2005.71.00.002527-8.

- Tax collection lawsuit 99.70.00325-9 filed by the National Institute of Social Security (INSS) for the collection of tax with respect to Debt Assessment Notice (NFLD) 32.511.108-1 related to social security contributions allegedly due by service firms providing outsourced labor, for which the Company is considered jointly liable, and which amounted to R$ 5,059 at

September 30, 2012. The lawsuit was suspended by a court decision and is awaiting the decision on the Common Action 98.70.01692-8.

- Administrative proceedings 11080.013972/2007-12 and 11080.013973/2007-67, amounting to R$ 4,394 at September 30, 2012, related to tax notifications for PIS and COFINS, in respect of alleged improper tax credits. The Company has challenged these notifications at the administrative level and awaits the judgment of the voluntary appeals.

- Administrative proceedings related to tax assessment notices received from the Santa Catarina State for alleged improper ICMS tax credits on the acquisition of material used in the production of industrial plants in this state which amounted to R$ 30,780 at September 30, 2012. The Company filed defense arguments in respect of these tax assessments.

- Administrative proceedings 11080.009902/2006-89, 11080.009904/2006-88 and 11080.009905/2006-12 related to federal taxes offset against presumed IPI credits on exports, allegedly calculated improperly, in the amount of R$ 13,853 at September 30, 2012. The Company has challenged these proceedings at the administrative levels and is awaiting the decision on the appeals filed with the Taxpayers' Council.

21. EQUITY

a. Share capital

The Company's capital at September 30, 2012 was R$ 103,976, represented by 149,279,740 common shares and 12,810,260 preferred shares, totaling 162,090,000 shares, without par value. The holders of preferred shares are entitled to: dividends under the same conditions adopted for common shares; priority in the reimbursement of capital, without a premium, in the event of liquidation of the Company, and 100% Tag Along rights. The Company may issue preferred shares, without par value and without voting rights, up to the limit of 2/3 of the Company's total shares, and increase existing share types or classes without maintaining the proportion among the shares of each type or class.

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b. Treasury shares

		Parent		Parent	
		9/30/2012		12/31/2011	
		Number	Value	Number	Value
Purchases from former directors	Common	92,040	48	92,040	48
	Preferred	-	-	-	-
Share buyback plan	Common	1,246,000	1,610	1,246,000	1,610
	Preferred	274,000	380	274,000	380
Right to withdraw	Common	-	-	-	-
	Preferred	2,352,100	6,804	-	-
		3,964,140	8,842	1,612,040	2,038

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

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

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

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

c. Revenue reserves

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

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

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

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

On July 20, 2012, the Company's Board of Directors approved the distribution of interim dividends from the Retained Earnings account balance in the last annual balance sheet at December 31, 2011, which amounted to R$ 14,267, corresponding to R$ 0.090223 per common and preferred share. The approval was in accordance with the terms of Article 29, sole paragraph, of the Company's bylaws. The Company obtained the necessary authorizations from the creditors for this distribution.

d. Carrying value adjustments

The carrying value adjustments account was constituted when the Company measured its property, plant and equipment (land, machinery and buildings) at deemed cost in the opening balance sheet on the first-time adoption of IFRS. The amortization of this account is based on the depreciation of the related deemed cost, at which time the amounts involved will also be adjusted in the base for calculating dividends. The balance at September 30, 2012, net of tax, represented a gain of R$ 251,572.

The amounts of the financial instruments classified as cash flow hedges, net of tax effects, are also recorded in carrying value adjustments and corresponded to a loss of R$ 5,658 at September 30, 2012.

22. EARNINGS (LOSS) PER SHARE

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

	Quarter ended September 30, 2012		
	Common shares	Preferred shares	Total common and preferred shares
Weighted average number of shares	147,941,700	11,752,227	159,693,927
Loss for the period attributable to each type of share	(636)	(50)	(686)
Basic and diluted loss per share - R$	(0.0043)	(0.0043)	

	Quarter ended September 30, 2011		
	Common shares	Preferred shares	Total common and preferred shares
Weighted average number of shares	147,921,700	12,559,600	160,481,300
Loss for the period attributable to each type of share	(7,547)	(705)	(8,252)
Basic and diluted loss per share - R$	(0.0510)	(0.0561)	

	Nine-month period ended September 30, 2012		
	Common shares	Preferred shares	Total common and preferred shares
Weighted average number of shares	147,941,700	11,490,882	159,432,582
Loss for the period attributable to each type of share	(2,710)	(210)	(2,920)
Basic and diluted loss per share - R$	(0.0183)	(0.0183)	

	Nine-month period ended September 30, 2011		
	Common shares	Preferred shares	Total common and preferred shares
Weighted average number of shares	148,347,240	12,645,380	160,992,620
Loss for the period attributable to each type of share	(1,110)	(104)	(1,214)
Basic and diluted loss per share - R$	(0.0075)	(0.0082)	

23. STOCK OPTION PLAN

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

First Stock Option Plan (Program I)

The stock options were granted to managers and certain employees, in accordance with the decision of the Board of Directors on May 9, 2012, approved at the Extraordinary General Meeting held on May 25, 2012. The exercise price of the options granted will be R$ 1.26 per common or preferred share. The options have a vesting period up to December 31, 2013. The options can be exercised from January 1, 2013 to January 31, 2013, and the employee must pay the exercise price. The corresponding shares will

be pledged in favor of the Company up to December 31, 2013, after which they will be released. Should the employee leave the Company for any reason after exercising the option, but before December 31, 2013, the shares acquired will be returned to the Company and the beneficiaries will be compensated with the amount paid when the option was exercised, with no additional interest or monetary restatement charges. The Company has no legal or constructive obligation to repurchase or settle the options in cash.

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

	Average exercise price in R$ per share	Number of options
Granted on May 9, 2012	1.26	1,612,040
At September 30, 2012	1.26	1,612,040

There were no options available for exercise at September 30, 2012.

The share options outstanding at September 30, 2012 have the following expiry date and exercise prices:

Expiry date	Exercise price in R$ per share	September 30, 2012
January 31, 2013	1.26	1,612,040
	1.26	1,612,040

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

Preferred shares - weighted average share price of R$ 1.45 at the grant date, exercise price as shown above R$ 1.26, volatility of 145.80 %, dividend yield of 7.46 %, an expected option life corresponding to 1.5 years, and an annual risk-free interest rate of 8.52 %.

Common shares - weighted average share price of R$ 1.44 at the grant date, exercise price as shown above R$ 1.26, volatility of 73.95 %, dividend yield of 6.59 %, an expected option life corresponding to 1.5 years, and an annual risk-free interest rate of 8.52 %.

The volatility was measured using the adjusted annual standard deviation (exponentially weighted moving average (EWMA)) of the daily variation of CeluloseIrani's shares, considering an interval of approximately 1.5 years, the vesting period of the share-based compensation plan.

Second Stock Option Plan (Program II)

The stock options were granted to managers, in accordance with the decision of the Board of Directors on May 9, 2012, approved at the Extraordinary General Meeting held on May 25, 2012.

On September 28, 2012, the Board of Directors decided to cancel the aforementioned Program II, due to the withdrawal of the request for public offering.

The amounts recognized as expenses up to the cancellation were reversed in September 2012 to other operating expenses.

24. NET SALES REVENUE

The Company's net revenue is comprised as follows:

	Parent		Parent	
	Quarter ended		Nine-month period ended	
	9/30/2012	9/30/2011	9/30/2012	9/30/2011
Gross sales revenue	153,554	147,809	441,337	431,021
Taxes on sales	(35,188)	(32,667)	(97,759)	(94,341)
Sales returns	(834)	(1,122)	(2,493)	(2,780)
Net sales revenue	117,532	114,020	341,085	333,900

	Consolidated		Consolidated	
	Quarter ended		Nine-month period ended	
	9/30/2012	9/30/2011	9/30/2012	9/30/2011
Gross sales revenue	163,247	157,066	468,368	459,032
Taxes on sales	(36,622)	(33,808)	(101,764)	(99,855)
Sales returns	(937)	(1,205)	(2,746)	(3,203)
Net sales revenue	125,688	122,053	363,858	355,974

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25. COSTS AND EXPENSES BY NATURE

Expenses by nature are as follows:

	Parent Quarter ended		Parent Nine-month period ended	
	9/30/2012	9/30/2011	9/30/2012	9/30/2011
Fixed and variable costs (raw materials and consumables)	(62,122)	(61,170)	(176,208)	(183,308)
Personnel expenses	(22,823)	(19,526)	(67,949)	(57,408)
Changes in the fair value of biological assets	-	-	3,873	(4,947)
Depreciation, amortization and depletion	(9,753)	(10,560)	(29,968)	(29,561)
Freight	(5,354)	(4,482)	(14,869)	(12,634)
Services contracted	(4,459)	(4,636)	(12,237)	(11,594)
Selling expenses	(5,769)	(6,279)	(16,670)	(17,890)
	(110,280)	(106,653)	(314,028)	(317,342)
Other expenses, net				
Cost of /revenue from sales of assets	328	31	283	299
Other income (expenses)	(3,852)	1,696	(3,767)	2,017
	(3,524)	1,727	(3,484)	2,316
Total costs and expenses by nature	(113,804)	(104,926)	(317,512)	(315,026)

	Consolidated Quarter ended		Consolidated Nine-month period ended	
	9/30/2012	9/30/2011	9/30/2012	9/30/2011
Fixed and variable costs (raw materials and consumables)	(59,162)	(60,226)	(167,038)	(181,862)
Personnel expenses	(24,188)	(20,545)	(71,655)	(60,130)
Changes in the fair value of biological assets	-	-	(2,260)	(1,224)
Depreciation, amortization and depletion	(14,046)	(14,102)	(42,146)	(38,080)
Freight	(5,861)	(4,848)	(16,147)	(13,499)
Services contracted	(4,626)	(4,752)	(12,710)	(11,988)
Selling expenses	(6,160)	(6,293)	(17,065)	(17,923)
	(114,043)	(110,766)	(329,021)	(324,706)
Other expenses, net				
Cost of /revenue from sales of assets	328	(28)	(267)	271
Other income (expenses)	(3,845)	1,712	(3,397)	2,050
	(3,517)	1,684	(3,664)	2,321
Total costs and expenses by nature	(117,560)	(109,082)	(332,685)	(322,385)

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26. OTHER OPERATING INCOME AND EXPENSES

Income	Parent		Parent	
	Quarter ended		Nine-month period ended	
	9/30/2012	9/30/2011	9/30/2012	9/30/2011
Income from sale of assets	379	36	751	533
Other operating income	352	1,945	776	2,614
	731	1,981	1,527	3,147

Expenses	Parent		Parent	
	Quarter ended		Nine-month period ended	
	9/30/2012	9/30/2011	9/30/2012	9/30/2011
Cost of assets damaged and sold	(51)	(5)	(468)	(234)
Other operating expenses	(4,271)	(249)	(4,313)	(597)
Share-based payment	67	-	(230)	-
	(4,255)	(254)	(5,011)	(831)

Income	Consolidated		Consolidated	
	Quarter ended		Nine-month period ended	
	9/30/2012	9/30/2011	9/30/2012	9/30/2011
Income from sale of assets	379	37	771	652
Reversal of contingency	-	-	-	1,305
Other operating income	364	1,967	1,262	1,358
	743	2,004	2,033	3,315

Expenses	Consolidated		Consolidated	
	Quarter ended		Nine-month period ended	
	9/30/2012	9/30/2011	9/30/2012	9/30/2011
Cost of assets damaged and sold	(51)	(65)	(1,038)	(381)
Other operating expenses	(4,276)	(255)	(4,429)	(613)
Share-based payment	67	-	(230)	-
	(4,260)	(320)	(5,697)	(994)

Other operating expenses for the period primarily representtransaction costs relating to the planned public share offering, which was canceled through the Request for Discontinuation of the Request for Public Offering of Primarily and Secondary Distribution of the Share Deposit Certificates ("Units") issued by CeluloseIrani S.A., filed with the Brazilian Securities Commission (CVM) on August 27, 2012.

27. INCOME TAX AND SOCIAL CONTRIBUTION

Reconciliation of the effective tax rate:

	Parent		Parent	
	Quarter ended		Nine-month period ended	
	9/30/2012	9/30/2011	9/30/2012	9/30/2011
Profit (loss) before taxes	(3,292)	(14,499)	(9,580)	(9,189)
Statutory rate	34%	34%	34%	34%
Tax credit (expense) at statutory rate	1,119	4,930	3,257	3,124
Tax effect of permanent (additions) / deductions:				
Equity in the results of subsidiaries	1,444	1,317	2,570	4,935
Other permanent differences	65	-	754	(84)
Share-based payment	(23)	-	78	-
	2,605	6,247	6,659	7,975
Current income tax and social contribution	-	(595)	-	(1,985)
Deferred income tax and social contribution	2,605	6,842	6,659	9,960

	Consolidated		Consolidated	
	Quarter ended		Nine-month period ended	
	9/30/2012	9/30/2011	9/30/2012	9/30/2011
Profit (loss) before taxes	(2,706)	(13,679)	(8,131)	(7,123)
Statutory rate	34%	34%	34%	34%
Tax credit (expense) at statutory rate	920	4,651	2,765	2,422
Tax effect of permanent (additions) / deductions:				
Difference in rates for taxation of subsidiaries	1,041	1,494	3,522	4,540
Other permanent differences	82	(690)	(1,154)	(1,005)
Share-based payment	(23)	-	78	-
	2,020	5,455	5,211	5,957
Current income tax and social contribution	(263)	(1,445)	(856)	(3,756)
Deferred income tax and social contribution	2,283	6,900	6,067	9,713

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28. FINANCE RESULT

	Parent		Parent	
	Quarter ended		Nine-month period ended	
	9/30/2012	9/30/2011	9/30/2012	9/30/2011
Finance income				
Income from financial investments	1,137	2,462	4,789	4,198
Interest	287	297	848	723
Discounts obtained	72	39	196	118
	1,496	2,798	5,833	5,039
Foreign exchange variation				
Foreign exchange gains	529	1,759	10,828	8,931
Foreign exchange gains - derivatives at fair value	-	1,657	199	4,831
Foreign exchange losses	(860)	(15,563)	(15,526)	(17,873)
Foreign exchange losses - derivatives at fair value	-	(689)	(486)	(2,039)
Foreign exchange variations, net	(331)	(12,836)	(4,985)	(6,150)
Finance costs				
Interest	(12,083)	(17,084)	(40,351)	(40,310)
Discounts granted	(17)	(18)	(56)	(125)
Discounts/bank expenses	(122)	(280)	(664)	(620)
Other	(211)	(47)	(488)	(413)
	(12,433)	(17,429)	(41,559)	(41,468)
Finance result, net	(11,268)	(27,467)	(40,711)	(42,579)

	Consolidated		Consolidated	
	Quarter ended		Nine-month period ended	
	9/30/2012	9/30/2011	9/30/2012	9/30/2011
Finance income				
Income from financial investments	1,187	2,462	4,927	4,198
Interest	287	302	850	1,230
Discounts obtained	77	444	203	118
	1,551	3,208	5,980	5,546
Foreign exchange variation				
Foreign exchange gains	529	1,763	10,828	8,935
Foreign exchange gains - derivatives at fair value	-	1,657	199	4,831
Foreign exchange losses	(860)	(15,566)	(15,536)	(17,876)
Foreign exchange losses - derivatives at fair value	-	(689)	(486)	(2,039)
Foreign exchange variations, net	(331)	(12,835)	(4,995)	(6,149)

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	Consolidated Quarter ended		Consolidated Nine-month period ended	
	9/30/2012	9/30/2011	9/30/2012	9/30/2011
Finance costs				
Interest	(10,919)	(15,893)	(38,266)	(38,904)
Discounts granted	(17)	(18)	(59)	(127)
Discounts/bank expenses	(902)	(1,065)	(1,462)	(660)
Other	(217)	(47)	(503)	(418)
	(12,055)	(17,023)	(40,290)	(40,109)
Finance result, net	(10,835)	(26,650)	(39,305)	(40,712)

29. INSURANCE

The insurance coverage is determined according to the nature of the asset risks, and is considered sufficient to cover possible losses arising from damages. As at September 30, 2012, the Company had corporate insurance against fire, lightning, explosion, electric damages and windstorm for plants, residential locations and offices, including general civil liability coverage and coverage of liabilities of officers and directors (D&O), in the total amount of R$ 319,485. The Company also contracted group life insurance for employees with a minimum coverage of R$ 10 and a maximum coverage of R$ 500, in addition to insurance for the fleet of vehicles at market value.

The risk assumptions adopted, in view of their nature, are not part of the scope of the audit or review of the financial statements and, therefore, were not audited/reviewed by our independent auditors.

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

30. FINANCIAL INSTRUMENTS

Capital management

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

The Company is not subject to any external capital requirement.

The Company's management periodically reviews its capital structure. As part of this review, management considers the cost of capital and the risks associated with each class of capital. The Company intends to maintain a capital structure between 50% and 70% of own capital and between 50% and 30% of third-party capital. As at September 30, 2012, the capital structure was 58% of own capital and 42% of third-party capital, which is in line with target levels.

Debt to equity ratio

The net debt to equity ratio at September 30, 2012 and 2011 was as follows:

	Parent		Consolidated	
	9/30/2012	12/31/2011	9/30/2012	12/31/2011
Debt (a)	393,889	392,009	357,087	368,741
Cash and banks	41,288	72,496	43,629	74,722
Held-to-maturity investments	3,114	8,674	3,114	8,674
Net debt	349,487	310,839	310,344	285,345
Equity (b)	434,810	464,230	434,820	464,250
Net indebtedness ratio	0.80	0.67	0.71	0.61

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

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

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Categories of financial instruments

	Parent		Consolidated	
Financial assets	9/30/2012	12/31/2011	9/30/2012	12/31/2011
Measured at fair value through profit or loss	-	286	-	286
Held-to-maturity investments	3,114	8,388	3,114	8,388
Loans and receivables				
Cash and banks	41,288	72,496	43,629	74,722
Trade receivables	92,272	90,179	97,351	92,231
Other receivables	10,956	10,669	11,004	10,722
Financial liabilities				
Amortized cost				
Borrowings	285,682	259,556	286,361	260,164
Debentures	108,207	132,453	58,572	86,480
Real Estate Credit Note	-	-	12,154	22,097
Trade payables	56,972	42,790	41,265	37,713

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

Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk.

In order to provide a framework for the Company's financial management, the Company has in place since 2010, a Financial Management Policy that standardizes and defines guidelines for the utilization of financial instruments.

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

Currency risk

The Company has transactions exposed to fluctuations in the exchange rates of foreign currencies. As at September 30, 2012 and December 31, 2011, these transactions resulted in a net exposure as shown below.

The total net foreign exchange exposure was equivalent to 28 months of exports based on the average of exports in 2011, and 30 months of exports based on the average of exports in the quarter ended September 30, 2012. As most of the borrowings in foreign currency are repayable in the long-term, the Company considers that it will generate sufficient cash flow in foreign currency to settle its long-term liabilities in foreign currency.

	Parent		Consolidated	
	9/30/2012	12/31/2011	9/30/2012	12/31/2011
Trade receivables	7,533	4,152	7,563	4,198
Carbon credits receivable	6,152	6,378	6,152	6,378
Banks - restricted accounts	3,114	8,674	3,114	8,674
Advances from customers	149	(298)	149	(661)
Trade payables	(171)	(123)	(171)	(123)
Borrowings	(149,976)	(89,545)	(149,976)	(89,545)
Net exposure	(133,199)	(70,762)	(133,169)	(71,079)

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

1 - Base scenario: maintenance of the exchange rate at levels approximating those effective in the period this quarterly financial information was prepared.

2- Adverse scenario: 25% deterioration in the exchange rate compared to that reported at September 30, 2012.

3 - Remote scenario: 50% deterioration in the exchange rate compared to that reported at September 30, 2012.

Operation	At September 30, 2012	Base scenario Gain (loss)		Adverse scenario Gain (loss)		Remote scenario Gain (loss)	
	U$$	Rate	R$	Rate	R$	Rate	R$
Assets							
Trade receivables	8,288	2.04	86	2.55	4,315	3.06	8,544
Liabilities							
Trade payables	(11)	2.04	-	2.55	(6)	3.06	(11)
Borrowings	(73,858)	2.04	(768)	2.55	(38,454)	3.06	(76,140)
Net effect			(682)		(34,145)		(67,608)

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 as at September 30, 2012 were utilized as a basis for the projection of the future balance. The actual behavior of debt balances and derivative instruments will depend on the respective contracts, whereas balances receivable and payable could fluctuate due to the normal activities of the Company and its subsidiaries. The settlement of transactions involving these estimates could result in amounts different from those estimated due to the subjectivity of the process utilized in the preparation of these analyses. The Company tries to maintain its borrowings and derivatives transactions exposed to exchange rate changes with annual net payments equivalent to receipts from exports. Consequently, the Company seeks to hedge its cash flow against foreign currency risks, and the effects of the scenarios above, if they materialize, are expected to only generate an economic impact on its results.

Interest rate risk

The Company could be affected by adverse changes in interest rates. This interest rate risk exposure refers mainly to changes in market interest rates affecting the Company's assets and liabilities indexed to the TJLP, CDI, SELIC, EURIBOR (Euro Interbank Offered Rate), LIBOR (London Interbank Offered Rate) or IPCA (National Consumer Price Index).

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

1 - Base scenario: maintenance of the interest rate at levels approximating those effective in the period this quarterly financial information was prepared.

2- Adverse scenario: adjustment of 25% of interest rates based on the level at September 30, 2012.

3 - Remote scenario: adjustment of 50% of interest rates based on the level at September 30, 2012.

Operation			Base scenario Gain (loss)		Adverse scenario Gain (loss)		Remote scenario Gain (loss)	
	Index	At September 30, 2012	Rate - %	R$	Rate - %	R$	Rate - %	R$
Financial investments								
CDBs	CDI	41,604	7.04%	(126)	8.80%	614	10.56%	1,354
Borrowings								
Working capital	CDI	27,013	7.04%	98	8.80%	(477)	10.56%	(1,052)
Debentures	CDI	62,619	7.04%	188	8.80%	(914)	10.56%	(2,016)
BNDES	TJLP	8,655	5.50%	-	6.88%	(119)	8.25%	(238)
Working capital	IPCA	81,854	5.28%	(33)	6.60%	(1,114)	7.92%	(2,195)
Financing - foreign currency	Libor	3,492	0.50%	28	0.63%	13	0.75%	(2)
Financing - foreign currency	Euribor	1,869	1.28%	3	1.60%	(3)	1.91%	(9)
Net effect				158		(2,000)		(4,158)

Credit risk

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

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

In addition, the Company is exposed to credit risk in relation to the financial guarantees provided to banks. The maximum exposure corresponds to the maximum amount that the Company will have to pay if the guarantee is enforced (see Notes 15 and 16).

Liquidity risk

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

The table below shows the maturity dates of the financial liabilities contracted by the Company, as recorded in the consolidated balance sheet, where the reported amounts include the principal and fixed interest on transactions, calculated using rates and indices in effect at September 30, 2012, and the details on the expected maturity dates for non-derivative, undiscounted financial assets, including interest that will be earned on these assets. The inclusion of information on non-derivative financial assets is necessary to understand the Company's liquidity risk management, since it is managed based on net assets and liabilities:

	2012	2013	2014	2015	after 2016
Liabilities					
Trade payables	41,265	-	-	-	-
Borrowings	13,934	81,772	46,057	59,385	105,335
Debentures	-	27,758	26,538	12,806	-
Other liabilities	1,328	5,241	3,427	717	3,620
	56,527	114,771	76,022	72,908	108,955
Assets					
Cash and cash equivalents	43,629	-	-	-	-
Banks - restricted accounts	3,114	-	-	-	-
Trade receivables - not yet due	81,864	7,942	-	-	-
Other assets	673	2,091	1,488	555	46
	129,280	10,033	1,488	555	46
	72,753	(104,738)	(74,534)	(72,353)	(108,909)

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

The Company has access to credit facilities with a total amount not utilized at the end of the reporting period of R$ 45,000, which increases as borrowings are settled. The Company expects to meet its other obligations using the cash flows from operating activities and income earned on financial assets.

Derivative financial instruments

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

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

a) Derivative financial instruments carried at fair value

On September 30, 2012, the Company did not have derivative financial instruments measured at fair value.

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

i) On May 30, 2011, the Company entered into a cash flow swap transaction with Banco Credit Suisse in order to change the remuneration and risks associated with the interest rate agreed by the parties under the Export Prepayment Contract (PPE), of February 16, 2007. The notional value attributed at the contracting date was R$ 70,374 (equivalent to US$ 44,544 thousand at that date), and decreased in accordance with the payments established in the contract.

The purpose of this swap transaction was to align the transaction price and the related maturity dates to the original transaction. The swap contract could not be negotiated separately. The Export Prepayment Contract (PPE) began to be subject to an interest rate plus CDI variation, and the interest payable was no longer subject to exchange rate changes. Considering the characteristics of this contract together with the PPE contract, the Company understood the two instruments to be a single instrument, and the result was included in the interest rate sensitivity analysis disclosed in "Interest rate risks" in this same Note. The amount of the principal of PPE in dollars was included in the sensitivity analysis of the foreign exchange exposure risk, also disclosed in the same Note.

This transaction was approved by the Company's Board of Directors on May 30, 2011.

On April 20, 2012, the Company and the parties jointly agreed on the irrevocable termination of this swap agreement and for the renegotiation of the PPE agreement. Consequently, the interest rate swap transaction was terminated and the PPE was renegotiated, with no swap agreements attached.

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

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

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

Cash flow hedges

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

The Company hedges the exchange variation risk of its future cash flows through the cash flow hedge, in which the hedge instruments are the financial liabilities contracted by the Company. The currently effective hedge financial instruments contracted by the Company include a PPE contract with Banco Credit Suisse and a CCE contract with Banco Itaú BBA.

The hedged cash flows are the estimated exports up to 2017, and the amount recorded in equity from hedge accounting amounted to R$ 5,658 at September 30, 2012.

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

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

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

31. OPERATING SEGMENTS

a) Criteria for identification of operating segments

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

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

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

Packaging Paper Division:this division produces low and high weight Kraft paper and recycled paper for the domestic and foreign markets and part of its production is sent to the Corrugated Cardboard Packaging Division.

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

Furniture Division: this division sells furniture to the domestic market, exclusively on the Internet, through the subsidiary MeuMóvel de Madeira. The division produces bedroom, living room and other furniture.

c) Consolidated information on operating segments .

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	Consolidated Quarter ended September 30, 2012					
	Corrugated Cardboard Packaging	Packaging Paper	RS Forest and Resins	Furniture	Corporate/ eliminations	Total
Net sales						
Domestic market	73,122	30,889	4,401	3,887	118	112,417
Foreign market	-	10,620	2,651	-	-	13,271
Revenue from sales to third parties	73,122	41,509	7,052	3,887	118	125,688
Revenues between segments	-	2,022	-	-	(2,022)	-
Total net sales	73,122	43,531	7,052	3,887	(1,904)	125,688
Changes in the fair value of biological assets	-	-	-	-	-	-
Cost of sales	(58,453)	(26,258)	(5,397)	(1,763)	815	(91,056)
Gross profit	14,669	17,273	1,655	2,124	(1,089)	34,632
Operating expenses	(8,523)	(2,645)	(595)	(1,888)	(12,853)	(26,504)
Operating result before finance result	6,146	14,628	1,060	236	(13,942)	8,128
Finance result	(5,509)	(5,732)	(32)	(17)	455	(10,835)
Net operating income (loss)	637	8,896	1,028	219	(13,487)	(2,707)
Total assets	152,964	685,376	135,101	5,945	155,799	1,135,185
Total liabilities	69,793	260,003	7,073	1,512	361,984	700,365
Equity	-	396,030	113,404	3,831	(78,445)	434,820

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	Nine-month period ended September 30, 2012					
	Corrugated Cardboard Packaging	Packaging Paper	RS Forest and Resins	Furniture	Corporate/ eliminations	Total
Net sales						
Domestic market	208,715	84,888	13,411	9,654	158	316,826
Foreign market	-	32,538	14,494	-	-	47,032
Revenue from sales to third parties	208,715	117,426	27,905	9,654	158	363,858
Revenues between segments	-	5,339	-	-	(5,339)	-
Total net sales	208,715	122,765	27,905	9,654	(5,181)	363,858
Changes in the fair value of biological assets	-	727	(2,987)	-	-	(2,260)
Cost of sales	(165,515)	(75,518)	(20,063)	(4,607)	4,246	(261,457)
Gross profit	43,200	47,974	4,855	5,047	(935)	100,141
Operating expenses	(23,735)	(8,328)	(1,463)	(5,428)	(30,014)	(68,968)
Operating result before finance result	19,465	39,646	3,392	(381)	(30,949)	31,173
Finance result	(20,111)	(20,527)	60	(188)	1,461	(39,305)
Net operating income (loss)	(646)	19,119	3,452	(569)	(29,488)	(8,132)
Total assets	152,964	685,376	135,101	5,945	155,799	1,135,185
Total liabilities	69,793	260,003	7,073	1,512	361,984	700,365
Equity	-	396,030	113,404	3,831	(78,445)	434,820

	Consolidated Quarter ended September 30, 2011					
	Corrugated Cardboard Packaging	Packaging Paper	RS Forest and Resins	Furniture	Corporate/ eliminations	Total
Net sales						
Domestic market	72,502	27,124	4,927	2,602	-	107,155
Foreign market	-	9,706	5,192	-	-	14,898
Revenue from sales to third parties	72,502	36,830	10,119	2,602	-	122,053
Revenues between segments	112	6,350	-	-	(6,462)	-
Total net sales	72,614	43,180	10,119	2,602	(6,462)	122,053
Changes in the fair value of biological assets	-	-	-	-	-	-

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Cost of sales	(50,595)	(38,295)	(4,305)	(1,304)	6,023	(88,476)
Gross profit	22,019	4,885	5,814	1,298	(439)	33,577
Operating expenses	(8,182)	(2,234)	(712)	(1,304)	(8,174)	(20,606)
Operating result before finance result	13,837	2,651	5,102	(6)	(8,613)	12,971
Finance result	(12,612)	(13,564)	276	(22)	(728)	(26,650)
Net operating income (loss)	1,225	(10,913)	5,378	(28)	(9,341)	(13,679)
Total assets	152,369	684,896	134,505	4,869	176,659	1,153,298
Total liabilities	60,320	273,810	13,041	2,605	339,837	689,613
Equity	-	292,264	96,912	1,430	73,079	463,685

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	Consolidated					
	Nine-month period ended September 30, 2011					
	Corrugated Cardboard Packaging	Packaging Paper	RS Forest and Resins	Furniture	Corporate/ eliminations	Total
Net sales						
Domestic market	211,670	77,470	14,800	7,033	-	310,973
Foreign market	-	27,419	17,582	-	-	45,001
Revenue from sales to third parties	211,670	104,889	32,382	7,033	-	355,974
Revenues between segments	246	16,183	-	-	(16,429)	-
Total net sales	211,916	121,072	32,382	7,033	(16,429)	355,974
Changes in the fair value of biological assets	-	(4,947)	3,723	-	-	(1,224)
Cost of sales	(161,099)	(93,189)	(20,404)	(3,604)	15,683	(262,613)
Gross profit	50,817	22,936	15,701	3,429	(746)	92,137
Operating expenses	(22,815)	(7,321)	(2,254)	(3,445)	(22,713)	(58,548)
Operating result before finance result	28,002	15,615	13,447	(16)	(23,459)	33,589
Finance result	(18,675)	(22,473)	578	(27)	(115)	(40,712)
Net operating income (loss)	9,327	(6,858)	14,025	(43)	(23,574)	(7,123)
Total assets	152,369	684,896	134,505	4,869	176,659	1,153,298
Total liabilities	60,320	273,810	13,041	2,605	339,837	689,613
Equity	-	292,264	96,912	1,430	73,079	463,685

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

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

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

c) Net sales revenue

Net sales revenue for the quarter ended September 30, 2012 totaled R$ 125,688 (R$ 122,053 at September 30, 2011), and R$ 363,858 for the nine-month period ended September 30, 2012 (R$ 355,974 at September 30, 2011).

The net sales revenue from exports for the quarter ended September 30, 2012 totaled R$ 13,271 (R$ 14,898 at September 30, 2011), and R$ 47,032 for the nine-month period ended September 30, 2012 (R$ 45,001 at September 30, 2011), distributed among several countries, as shown below:

Consolidated Quarter ended September 30, 2012			Consolidated Quarter ended September 30, 2011		
Country	Export revenue, net	% of total revenue, net	Country	Export revenue, net	% of total revenue, net
Argentina	2,793	2.20%	Holland	3,471	2.90%
Saudi Arabia	2,765	2.20%	Argentina	2,408	2.00%
South Africa	1,528	1.20%	Saudi Arabia	2,406	2.00%
Holland	1,237	1.00%	France	1,387	1.20%
France	940	0.70%	Paraguay	856	0.70%
Paraguay	716	0.60%	Bolivia	679	0.60%
Peru	674	0.50%	Peru	645	0.50%
Chile	668	0.50%	South Africa	617	0.50%
Bolivia	323	0.30%	Chile	584	0.50%
India	269	0.20%	Germany	348	0.30%
Venezuela	226	0.20%	Spain	310	0.30%
Germany	212	0.20%	Norway	219	0.20%
Turkey	206	0.20%	Austria	218	0.20%
Spain	172	0.10%	Colombia	175	0.10%
Uruguay	150	0.10%	South Korea	174	0.10%
Norway	86	0.10%	Venezuela	170	0.10%
Other countries	306	0.20%	Other countries	231	0.20%
	13,271	10.50%		14,898	12.40%

CELULOSE IRANI SA

Notes to the Quarterly Information
at September 30, 2012
(All amounts in thousands of reais, unless otherwise indicated)

Consolidated Nine-month period ended September 30, 2012			Consolidated Nine-month period ended September 30, 2011		
Country	Export revenue, net	% of total revenue, net	Country	Export revenue, net	% of total revenue, net
Argentina	9,341	2.60%	Holland	12,500	3.50%
Holland	8,439	2.30%	Argentina	7,246	2.00%
Saudi Arabia	7,321	2.00%	Saudi Arabia	6,699	1.90%
France	3,496	1.00%	France	3,971	1.10%
South Africa	3,174	0.90%	Paraguay	2,592	0.70%
Paraguay	2,453	0.70%	Chile	1,826	0.50%
Chile	2,303	0.60%	Peru	1,536	0.40%
Peru	2,170	0.60%	South Africa	1,479	0.40%
Venezuela	1,296	0.40%	Germany	1,388	0.40%
Germany	1,171	0.30%	Bolivia	1,240	0.30%
Spain	1,085	0.30%	Spain	741	0.20%
Bolivia	882	0.20%	South Korea	705	0.20%
Norway	858	0.20%	Norway	579	0.20%
Other countries	682	0.20%	Venezuela	509	0.10%
Turkey	625	0.20%	Colombia	418	0.10%
Uruguay	403	0.10%	United States	366	0.10%
Canada	401	0.10%	Austria	218	0.10%
Other countries	932	0.30%	Other countries	988	0.30%
	47,032	13.00%		45,001	12.50%

The net sales revenue for the domestic market in the quarter ended September 30, 2012 totaled R$ 112,417 (R$ 107,155 at September 30, 2011), and R$ 316,826 for the nine-month period ended September 30, 2012 (R$ 310,973 at September 30, 2011).

In the third quarter of 2012, a single customer accounted for 17.2% of net sales in the domestic market of the Corrugated Cardboard Packaging Division, equivalent to R$ 12,577. The Company's other sales in the domestic and foreign markets were diluted among various customers and no customer accounted for more than 10% of net sales.

32. OPERATING LEASE AGREEMENTS

Rental of production units

The Company had two rental agreements of production units at September 30, 2012, in addition to other small rental agreements of commercial and administrative units, all classified as operating leases and allocated to expenses on the accrual basis over the lease period.

The rental agreements of the production units are as follows:

a) Rental agreement entered into on October 20, 2009 and amended on March 24, 2010 with the subsidiary Irani Trading S.A, the owner of the industrial property located in Vargem Bonita, SC. The agreement is effective for 64 months from January 1, 2010, and the monthly fixed rental is R$1,364.

b) Rental agreement entered into on December 26, 2006 related to the rental of the Packaging Unit in Indaiatuba, SP, effective for 20 years and with a contracted monthly rental of R$ 174, adjusted annually based on the IGPM variation.

The rental amounts recognized as expenses in the third quarter of 2012 and 2011 by the parent company, net of taxes, when applicable, were as follows:

- Rentals of production units = R$ 4,614 (R$ 4,543 as at September 30, 2011)
- Rentals of commercial and administrative units = R$ 99 (R$ 93 as at September 30, 2011)

The future commitments at September 30, 2012 arising from these agreements totaled a minimum amount of R$ 105,316. The rentals were calculated at present value, using the IGPM accumulated in the last twelve months of 8.07% p.a.

	Up to one year	1-5 years	After 5 years	Total
Future operating leases	19,512	41,230	44,574	105,316
Operating leases at present value	18,055	33,207	20,104	71,366

Lease of planting area

The Company entered into non-cancelable lease agreements for the production of biological assets in third-party land, called partnerships, in a total area of 3,201 hectares, of which 2,232 hectares comprise the planted area. For certain areas there is a lease commitment to be disbursed monthly as shown below.

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

Non-cancelable operating lease commitments

	Up to one year	1-5 years	After 5 years	Total
Future operating leases	293	1,451	1,898	3,642
Operating leases at present value	287	1,102	937	2,326

Lease agreements with the Company as the lessor

Operating leases refer to the Company's investment properties and have lease terms of up to 24 months, with an option to renew for the same period. All operating leases contain market value revision clauses should the lessee exercise the option to renew the agreement. The lessee does not have the option to purchase the property at the end of the lease period.

The rental income obtained by the Company on its investment properties and the direct operating expenses of investment properties in the quarter amounted to R$ 134 and R$ 118, respectively.

The Company recorded no unrealized finance income amounts on leases, contingent payments recognized as revenue, or provision for losses on lease receivables.

33. GOVERNMENT GRANTS

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

These incentives are subject to charges at annual contractual rates of 4.0%. In order to calculate the present value of this benefit, the Company utilized the average rate of the cost of funding at the base date for credit lines with characteristics similar to those applicable to the respective disbursements, in the event it did not have the benefit, resulting in R$ 1,895.

The benefit is effective for 14 years, from January 2009 to December 2022, or up to the limit of R$ 55,199 of deferred ICMS. The Company had deferred ICMS amounting to R$ 17,862 recorded in non-current liabilities at September 30, 2012 (net of government subsidies, R$ 15,967).

34. TRANSACTIONS NOT AFFECTING CASH

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

In the nine-month period ended September 30, 2012, the Company purchased property, plant and equipment in the amount of R$ 5,059, financed directly by the vendors, and also made a capital contribution with buildings and facilities to the subsidiary Irani Trading S.A. in the amount of R$ 4,563, and with planted forests to the subsidiary IraflorComércio de Madeiras Ltda. in the amount of R$ 3,370.

In the nine-month period ended September 30, 2011, the Company purchased property, plant and equipment in the amount of R$ 5,223, financed directly by the vendors, received dividends amounting to R$ 16,570, through intercompany loans and the reduction of other payables, and also made a capital contribution with planted forests to the subsidiary IraflorComércio de Madeiras Ltda. in the amount of R$ 37,536.

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Report on review of quarterly information

To the Board of Directors and Shareholders
CeluloseIrani S.A.

Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of CeluloseIrani S.A., included in the Quarterly Information Form (ITR) for the quarter ended September 30, 2012, comprising the balance sheet as at that date and the statements of operations and comprehensive loss for the quarter and nine-month period then ended, and the statements of changes in equity and cash flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory information.

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

Scope of review

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

Conclusion on the parent company interim information

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

Conclusion on the consolidated interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

Other matters

Statements of value added

We have also reviewed the parent company and consolidated statements of value added for the nine-month period ended September 30, 2012,these statements are the responsibility of the Company's management, and are required to be presented in accordance with standards issued by the CVM applicable to the preparation of Quarterly Information (ITR) and are considered supplementary information under IFRS, which do not require the presentation of the statement of value added. These statements have been submitted to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they have not been prepared, in all material respects, in a manner consistent with the parent company and consolidated interim accounting information taken as a whole.

Audit and review of prior-year information

The Quarterly Information (ITR) mentioned in the first paragraph includes the accounting information corresponding to the statements of operations, comprehensive loss, changes in equity, cash flows and value added for the quarter ended September 30, 2011, obtained from the Quarterly Information as at that date, and the balance sheets at December 31, 2011, obtained from the financial statements as at December 31, 2011, presented for comparison purposes. The review of the Quarterly Information (ITR) for the quarter ended September 30, 2011 and the audit of the financial statements for the year ended December 31, 2011 were conducted by other independent auditors, who issued unqualified review and audit reports thereon dated October 25, 2011 and February 29, 2012, respectively.

Porto Alegre, October 30, 2012.

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

Carlos Biedermann
Contador CRC 1RS02931/O-4