2Q18 Earnings

Leverage ratio in USD reaches lowest level since 3Q15, at 1.58x

Record adjusted EBITDA of R$2,499 million with record margin of 58% and record FCF at R$1.7 billion

Key Figures	Unit	2Q18	1Q18	2Q17	2Q18 vs 1Q18	2Q18 vs 2Q17	6M18	6M17	Last 12 months (LTM)
Pulp Production	000 t	1,600	1,588	1,330	1%	20%	3,188	2,534	6,296
Pulp Sales	000 t	1,768	1,591	1,534	11%	15%	3,359	2,841	6,730
Net Revenues	R$ million	4,722	3,693	2,775	28%	70%	8,416	4,849	15,306
Adjusted EBITDA[(1)]	R$ million	2,499	1,824	1,071	37%	133%	4,323	1,714	7,561
EBITDA margin pro-forma[(2)]	%	58%	55%	45%	3 p.p.	14 p.p.	54%	41%	56%
Net Financial Result[(3)]	R$ million	(2,239)	(270)	(789)	-	-	(2,509)	(458)	(2,834)
Net Income	R$ million	(210)	615	(259)	-	-19%	405	70	1,429
Free Cash Flow[(4)]	R$ million	1,685	(57)	259	-	551%	1,628	685	2,969
Dividends paid	R$ million	260	-	395	-	-34%	260	395	260
ROE	%	29.3%	21.4%	3.5%	7 p.p.	26 p.p.	29.3%	3.5%	29.3%
ROIC	%	15.3%	12.6%	4.0%	2 p.p.	11 p.p.	15.3%	4.0%	15.3%
Gross Debt (US$)	US$ million	5,452	5,693	5,679	-4%	-4%	5,452	5,679	5,452
Gross Debt (R$)	R$ million	21,023	18,922	18,788	11%	12%	21,023	18,788	21,023
Cash[(5)]	R$ million	7,219	6,148	6,184	17%	17%	7,219	6,184	7,219
Net Debt (R$)	R$ million	13,804	12,774	12,604	8%	10%	13,804	12,604	13,804
Net Debt (US$)	US$ million	3,580	3,843	3,810	-7%	-6%	3,580	3,810	3,580
Net Debt/EBITDA LTM	x	1.83	2.08	3.85	-0.26 x	-2.02 x	1.83	3.85	1.83
Net Debt/EBITDA LTM (US$)[(6)]	x	1.58	2.02	3.75	-0.44 x	-2.17 x	1.58	3.75	1.58

(1) Adjusted by non-recurring and non-cash items. | (2) Calculation excludes pulp sales from agreement with Klabin.
(3) Includes interest expenses, revenues from financial investments, mark-to-market of hedging instruments, monetary and exchange variation and others. | (4) Before dividend payment, expansion and logistics capex, and land acquisition.
(5) Includes the hedge fair value. | (6) For covenants purposes.

2Q18 Highlights

- Pulp production of 1,600 thousand tons, stable compared to 1Q18 and 20% higher than in 2Q17. Pulp production in the last 12 months reached 6,296 thousand tons.
- The learning curve of the new pulp production line Horizonte 2 was concluded in May. Production in 2Q18 amounted to 398 thousand tons.
- Pulp sales, including pulp from Klabin, amounted to 1,768 thousand tons, 11% and 15% higher than in 1Q18 and 2Q17, respectively. Sales in the last 12 months came to 6,730 thousand tons.
- Net revenue amounted to R$4,722 million (1Q18: R$ 3,693 million | 2Q17: R$ 2,775 million) Average net sales price in the export market (EM) stood at US$751/t (R$ 2,705/t). In the last 12 months, net revenue came to R$15,306 million.
- Cash production cost stood at R$668/t, down 6% from 1Q18 and up 1% from 2Q17 (see page 7 for more details). Excluding the effects from the scheduled downtimes and from the truckers' strike, cash cost was R$598/t, down 4% and 9% from the ex-downtimes cost of 1Q18 and 2Q17, respectively.
- Adjusted EBITDA set a new record of R$2,499 million, advancing 37% and 133% from 1Q18 and 2Q17, respectively. Adjusted EBITDA in the last 12 months came to R$7,561 million, with margin of 56%. Record EBITDA margin, excluding pulp sales from the agreement with Klabin, at 58% in 2Q18.
- EBITDA/ton, excluding the volumes from Klabin, was R$1,580/t (US$ 438/t), up 24% and 97% from 1Q18 and 2Q17, respectively.
- Free cash flow before expansion capex, pulp logistics, land acquisition and dividends was R$1,685 million. In the last 12 months, FCF came to R$ 2,969 million. Free cash flow yield stood at 7.4% in BRL and 8.6% in USD.
- Net (loss) income of R$(210) million (1Q18: R$615 million | 2Q17: R$(259) million). Net income in the 1H18 was R$ 405 million.
- Gross debt in USD stood at US$5,452 million, down 4% from 1Q18 and 2Q17. Cash position of R$7,219 million or US$1,872 million, including the fair value of derivative instruments.
- Net debt in USD was US$3,580 million, down 7% and 6% from 1Q18 and 2Q17, respectively.
- The ratio of Net Debt to EBITDA in USD stood at 1.58x (1Q18: 2.02x | 2Q17: 3.75x). In BRL, the ratio stood at 1.83x (1Q18: 2.08x | 2Q17: 3.85x).
- Total debt cost in USD, considering the full swap curve of debt in BRL, was 4.3% p.a. (1Q18: 4.1% p.a. | 2Q17: 3.7% p.a.) and the average debt term was 57 months (1Q18: 59 months | 2Q17: 55 months).
- Distribution of R$260 million as minimum mandatory dividends.

Market Cap on Jun. 29, 2018:

R$40.2 billion | US$18.8 billion[(1)]
FIBR3: R$ 72.57
FBR: US$ 18.82
Total shares (common shares): 553,934,646 shares
(1) Market capitalization in BRL translated at Ptax rate

Conference call: Jul, 25, 2018

English (simultaneous translation into Portuguese): 12:00 p.m. (Brasília)

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The operating and financial information of Fibria Celulose S.A. for the second quarter of 2018 (2Q18) presented in this document is based on consolidated figures expressed in Brazilian real and was prepared in accordance with Brazilian Corporation Law. The results of Veracel Celulose S.A. were included in this document based on 50% proportional consolidation, with the elimination of all intercompany transactions.

Contents

Executive Summary

The second quarter of the year was marked by a continuation of the market's positive fundamentals. Demand remained solid in key markets, supporting the 11% growth in the Company's sales volume compared to the prior quarter. The impact from the truckers' strike, of approximately 250 thousand tons, exacerbated supply constraints, which already had been affected by other unscheduled downtimes and by the technical limitations of the operations. A significant widening of the spread between hardwood and softwood pulp in Europe, which ended the quarter at US$150/ton, also was observed. The combination of higher sales, higher net pulp price and the appreciation in the average exchange rate of the USD against the BRL of 11% supported the 37% growth in EBITDA compared to 1Q18 and the free cash flow in the period of R$1.7 billion. As a result, the leverage ratio continued to fall, to 1.58x, which is the lowest level since 3Q15, when investments in the H2 Project were still in the initial phase.

In 2Q18, pulp production volume came to 1,600 thousand tons, stable compared to 1Q18, mainly due to the effect from the truckers' strike (-67 thousand tons), the higher impact from the scheduled inspection of Line 2 of the Três Lagoas Unit, with these offsets by the lower impact from scheduled downtimes, the higher number of production days, the paring back of the planned reduction in production at the Aracruz Unit and the ramp-up curve of the new line Horizonte 2. Compared to 2Q17, the 20% increase is mainly due to the startup of the new line Horizonte 2, which was partially offset by the impact from scheduled downtimes, the truckers' strike and the planned reduction in production this quarter at the Aracruz Unit, as previously announced to the market. Sales volume amounted to 1,768 thousand tons, growing 11% from 1Q18, which is explained by the higher volumes sold to Asia and North America, with this factor partially offset by the effects from the truckers' strike. Compared to 2Q17, the 15% increase in sales volume reflects the startup of Horizonte 2, supported by the good performance of demand, especially from Asia. In the quarter, sales volume from the agreement with Klabin came to 186 thousand tons (1Q18: 160 thousand tons). Pulp inventories at the end of the quarter stood at 1,260 thousand tons, equivalent to 56 days, (1Q18: 1,234 thousand tons, 55 days | 2Q17: 890 thousand tons, 52 days).

Cash production cost in the quarter came to R$668/ton, down 6% from 1Q18, mainly due to the lower impact from scheduled maintenance downtimes and inspection and the better result from utilities (energy sales), with these factors partially neutralized by the truckers' strike, which had an impact of R$31/ton, and by the effects from the appreciation in the average exchange rate of the USD against the BRL. Compared to 2Q17, cash cost was nearly stable. Excluding the effects from the scheduled downtimes and the truckers' strike, cash production cost was R$598/t in 2Q18, down 4% and 9% from the ex-downtimes cash cost in 1Q18 and 2Q17, respectively (see page 7 for more details).

Record adjusted EBITDA in 2Q18 came to R$2,499 million, advancing 37% on 1Q18, due to the appreciation in the average exchange rate of the USD against the BRL of 11% in the period, the higher average net pulp price in USD and the higher sales volume, with these factors partially neutralized largely by the higher cash COGS. EBITDA margin stood at 58% excluding pulp sales from Klabin and at 53% including this effect. Compared to 2Q17, the 133% increase in Adjusted EBITDA is mainly explained by the 32% increase in the average net price in USD, the higher sales volume and the 12% appreciation in the average exchange rate of the USD against the BRL, with these factors partially offset by the higher cash COGS (see page 6 for details). Free Cash Flow before expansion capex for Horizonte 2, logistics projects, land acquisition and dividends was a record totaling R$1,685 million in the quarter, compared to negative R$57 million in 1Q18 and positive R$259 million in 2Q17, primarily due to the positive variation in working capital and the higher EBITDA (see page 15 for details).

The net financial result was an expense of R$2,239 million in 2Q18, compared to a net financial expense of R$270 million in 1Q18 and a net financial expense of R$789 million in 2Q17. The variations in relation to the previous quarter and prior year are mainly explained by the higher impact from exchange variation on debt and by the hedge result. Gross debt translated into USD stood at US$5,452 million, down 4% from 1Q18. Fibria ended the quarter with a cash position, including the mark-to-market adjustment of derivatives and net debt of R$3,580 million, of US$1,872 million, down 7% and 6% from 1Q18 and 2Q17, respectively. Continuing its deleveraging process, Fibria ended the quarter with a ratio of net debt to EBITDA of 1.58x in USD and 1.83x in BRL.

As a result of the aforementioned, Fibria posted a net loss of R$210 million in 2Q18, compared to net income of R$615 million in 1Q18 and a net loss of R$259 million in 2Q17.

Pulp Market

The second quarter of 2018 was marked by continued firm pulp demand in key markets, with many clients seeking to increase pulp volumes throughout the period. However, supply lagged demand in the period. Inventories, which already were low in the market due to problems with wood availability and technical problems in the first few months of the year, were further stressed by the truckers' strike in Brazil in May, which forced the partial or full downtimes at all pulp mills in the country.

An estimated 250,000 tons of hardwood pulp were suddenly removed from the market as a result of the strike. The period also was marked by downtimes and unexpected extensions of maintenance downtimes, which, combined with the volumes lost during the strike, made 630,000 tons of hardwood pulp no longer available in the market in 2Q18.

PIX/FOEX pulp price in Europe ended June at US$1,050 per ton, an increase of US$20 per ton in the quarter. In China, PIX/FOEX climbed US$10 per ton during the period, reaching US$770 per ton.

Softwood pulp registered an upward trend in PIX/FOEX prices in Europe, with implementation of the series of price increases announced by European and U.S. producers, and a market situation very similar to that of hardwood pulp: firm demand and supply constraints. Accordingly, the difference between the prices of softwood and hardwood pulp in Europe increased by US$88 per ton between April and June, to US$150 per ton. In China, although it was recorded a slight reduction in the gap between the two fibers during the quarter, the difference of US$115 per ton at the end of the period reflected a level above the historical average.

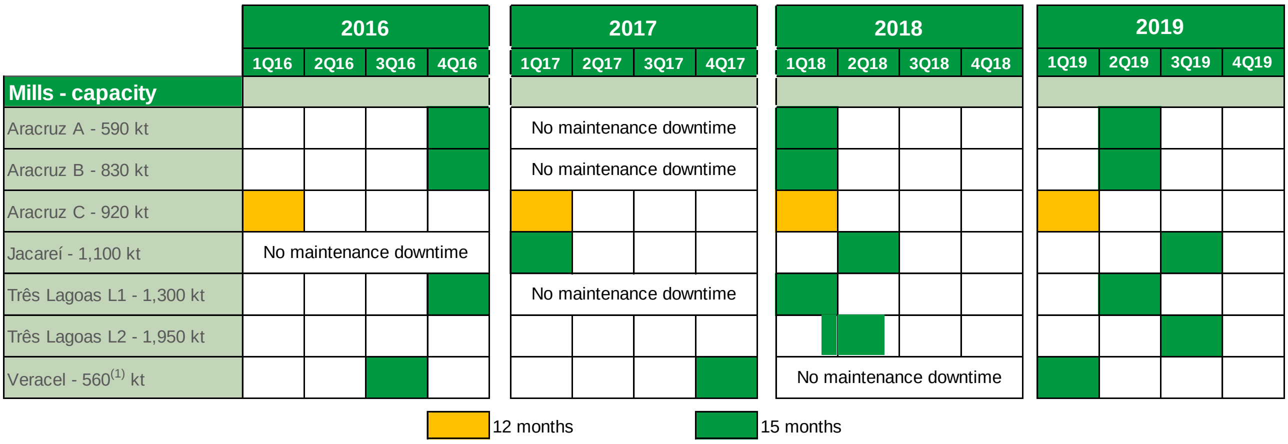
Despite the seasonally weaker demand during summer in the northern hemisphere, the combination of inventories below historical levels for the period at both pulp producers and paper producers, the recovery in economic activity in September and the additional demand created by the startup of new tissue machines in the recent months and in the second half, should support a continuation of the scenario of strong and growing demand.

Production and Sales

Production ('000 t)	2Q18	1Q18	2Q17	*2Q18 vs 1Q18*	*2Q18 vs 2Q17*	6M18	6M17	Last 12 months
Pulp	1,600	1,588	1,330	*1%*	*20%*	3,188	2,534	6,296
Sales Volume ('000 t)								
Domestic Market Pulp	174	174	171	*0%*	*2%*	348	312	698
Export Market Pulp	1,594	1,417	1,363	*12%*	*17%*	3,011	2,529	6,032
Total sales	**1,768**	**1,591**	**1,534**	**11%**	**15%**	**3,359**	**2,841**	**6,730**

In 2Q18, pulp production volume came to 1,600 thousand tons, stable in relation to 1Q18, mainly due to the impact from the truckers' strike (-67 thousand tons) and to the higher impact from the scheduled inspection on Line 2 at the Três Lagoas Unit, with these factors offset by the lower impact from scheduled downtimes (2Q18: Jacareí | 1Q18: Mills A, B and C of the Aracruz Unit and Line 1 of the Três Lagoas Unit), the higher number of production days (2Q18: 91 days | 1Q18: 90 days), the paring back of the planned reduction in production at the Aracruz Unit and the ramp-up curve of the new line Horizonte 2. Compared to 2Q17, the 20% increase is explained primarily by the startup of the new line Horizonte 2, which was partially neutralized by the impacts from scheduled downtimes (none in 2Q17), the truckers' strike and the planned reduction in output at the Aracruz Unit this quarter, as part of the planned reduction of 200 thousand tons for 2018, announced to the market previously. Pulp inventories ended the quarter at 56 days (1Q18: 55 days | 2Q17: 52 days) or 1,260 thousand tons.

The schedule of maintenance downtimes and inspection at Fibria units through 2019 follows:



(1) Veracel is a joint operation between Fibria (50%) and StoraEnso (50%) and the total capacity is 1,120 thousand ton/year

Sales volume amounted to 1,768 thousand tons, up 11% from 1Q18, due to the continued good demand and the higher volumes sold to Asia and North America. Compared to 2Q17, the 15% increase reflects the startup of Horizonte 2, supported by solid demand from all markets, especially Asia. As mentioned previously, sales volume in the quarter was adversely affected by the truckers' strike. In the quarter, sales volume from the agreement with Klabin came to 186 thousand tons (1Q18: 160 thousand tons). In 2Q18, Asia accounted for 45% of net revenue, followed by Europe with 30%, North America with 16% and Latin America with 9%.

Analysis of Results

Net Revenues (R$ million)	2Q18	1Q18	2Q17	*2Q18 vs 1Q18*	*2Q18 vs 2Q17*	6M18	6M17	Last 12 months
Domestic Market Pulp	387	348	246	*11%*	*58%*	735	434	1,328
Export Market Pulp	4,312	3,320	2,505	*30%*	*72%*	7,632	4,369	13,884
Total Pulp	**4,699**	**3,668**	**2,751**	***28%***	***71%***	**8,367**	**4,802**	**15,212**
Portocel	23	25	24	*-7%*	*-2%*	49	47	94
Total	**4,722**	**3,693**	**2,775**	***28%***	***70%***	**8,416**	**4,849**	**15,306**

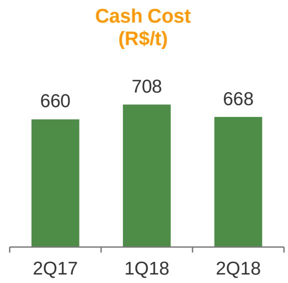
Net revenue amounted to R$4,722 million in 2Q18, advancing 28% on 1Q18, due to the 11% appreciation in the USD against the BRL, the higher sales volume (+11%), as mentioned above, and the 4% increase in the average net pulp price in USD. Compared to 2Q17, net revenue increased 70% as a result of the 32% increase in the average net pulp price in USD, the growth in sales volume (+15%) due to primarily the startup of the new line Horizonte 2 and the 12% appreciation in the USD against the BRL.

Cost of goods sold (COGS) related to production increased 21% from 1Q18, due to: i) the higher sales volume from both Fibria's production and the Klabin volumes sold (2Q18: 186 thousand tons | 1Q18: 160 thousand tons); ii) the effect from higher prices in the market on the Klabin volumes sold; and iii) the effect from inventory turnover, given the higher impact on the result of the cash production cost of R$708/ton for 1Q18; Compared to 2Q17, the 25% increase is due to the higher sales volume (+15%) and higher price in the market of the Klabin volumes sold. Freight costs increased 7% compared to 1Q18, mainly due to the higher sales volume and the 11% appreciation in the average exchange rate of the USD against the BRL, with these factors offset by the improvement in logistics operations which transport the new production line Horizonte 2, including a higher utilization of T-32 warehouse. The improvement supported a 4% reduction in the per-ton freight cost in the quarter. Compared to 2Q17, the 47% increase in freight cost was due to: i) the sales mix, with higher volumes sold to Asia and higher volumes sold from Horizonte 2, the latter due to the fact that the new plant is located farther inland than the other units (longer distance to ports); and ii) the 12% appreciation in the average exchange rate of the USD against the BRL.

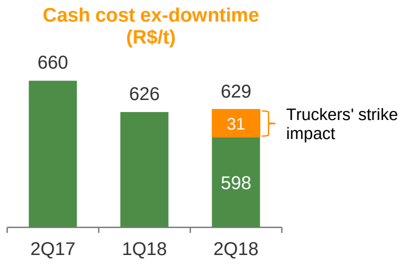
Cash production cost in 2Q18 was R$668/ton, down 6% from 1Q18, mainly reflecting the lower impact from scheduled maintenance downtimes and the better result from energy sales (2Q18: R$37/ton | 1Q18: R$29/ton), with these factors partially offset by the impact from the appreciation in the average USD/BRL exchange rate (+R$13/ton). Compared to 2Q17, cash production cost was practically stable when recording an increase of 1%, due to: i) the higher impact from scheduled maintenance downtimes (2Q18: Jacareí and scheduled inspection of Line 2 at Três Lagoas | 2Q17: lack of scheduled downtimes); ii) the higher cost of chemicals and energy, especially due to higher prices of caustic soda and natural gas; and iii) the appreciation in the average USD/BRL exchange rate. These effects were partially offset by the lower wood cost, lower fixed costs and higher income from utilities (energy sales) due to the startup of the new line Horizonte 2. Inflation in the last 12 months measured by the IPCA index stood at 4.39% in the period. Bear in mind that the company is undergoing a period of non-recurring higher wood costs at the Aracruz Unit, as already informed to the market previously.

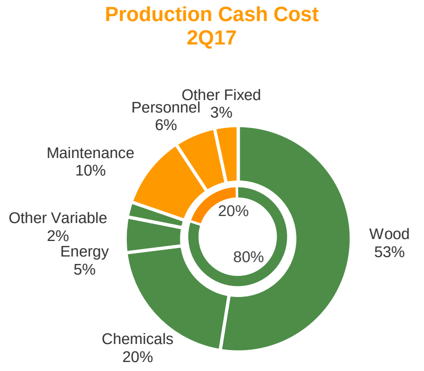
As already announced through the Notice to the Market of May 25, 2018, the Company was operationally impacted by a truckers' strike occurred in Brazil, which generated a non-recurrent effect on the cash production cost in the quarter of R$31/ton. The strike imposed constraints mainly on the supply of inputs to plants, forcing adjustments on the production rates, especially at Jacareí and Três Lagoas Units, resulting on an impact of 67 thousand tons on the production of the period. These constraints triggered lower efficiency on the consumption of chemicals, higher energy consumption and the consumption of wood from Losango at the Aracruz (impact on the average wood supply radius), lower surplus energy generation, higher prices of certain inputs and lower dilution of fixed costs given the lower production volume. Excluding the effects from the scheduled downtimes and the truckers' strike, cash production cost stood at R$598/ton in 2Q18, down 4% and 9% from the ex-downtimes cost in 1Q18 and 2Q17, respectively.

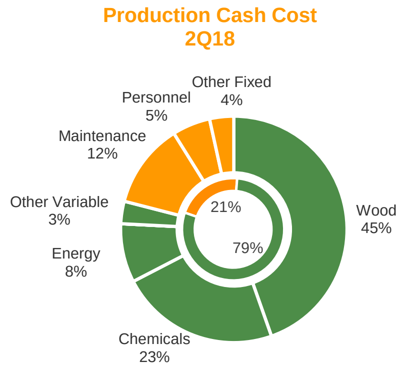
Pulp Cash Cost	R$/t
2Q18	**708**
Exchange rate	13
Higher results with utilities (energy sales 2Q18: R$ 37/t | 1Q18: R$ 29/t)	(11)
Maintenance and inspection downtimes	(43)
Others	1
2Q18	**668**
Maintenance downtimes and inspection	(39)
Trucker's strike	(31)
2Q18 - ex-scheduled downtime and ex-trucker's strike	**598**



Pulp Cash Cost	R$/t
2Q17	**660**
Chemicals and energy	33
Exchange rate	11
Higher results with utilities (energy sales: 2Q18: R$ 37/t | 2Q17: R$ 27/t)	(12)
Fixed cost dilution (Horizonte 2 start up)	(15)
Wood (lower distance from forest to mill; 2Q18: 265 km | 2Q17: 328 km)	(49)
Maintenance and inspection downtimes	39
Others	1
2Q18	**668**
Maintenance downtimes and inspection	(39)
Truckers' strike	(31)
2Q18 - ex-scheduled downtime and ex-trucker's strike	**598**





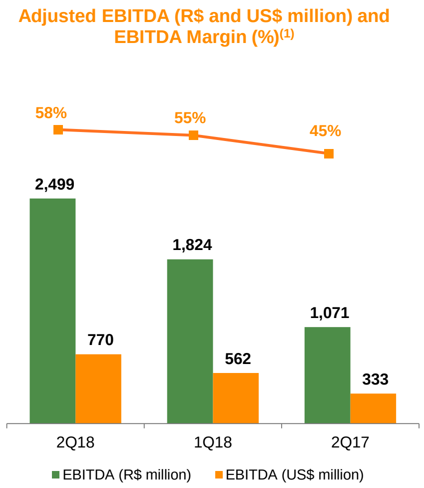


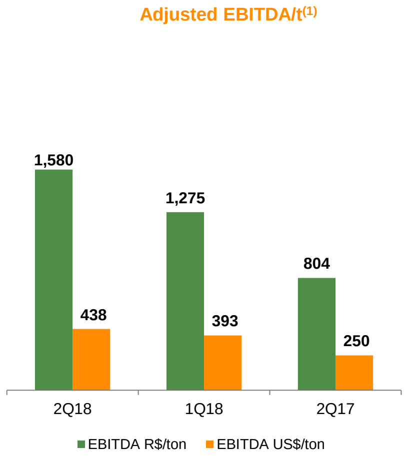
Variable costs   Fixed costs

Selling expenses came to R$222 million in 2Q18, up 20% on 1Q18, reflecting the higher sales volume, higher expenses with terminals for export and the 11% appreciation in the average exchange rate of the USD against the BRL. Compared to 2Q17, selling expenses rose 69%, mainly due to the additional sales volume from the new line Horizonte 2, the higher expenses with terminals for export and the 12% appreciation in the USD against the BRL. These two last factors explained the increase on selling expenses per ton of 47% when compared to 2Q17. Selling expenses as a ratio of net revenue remained stable at 5% in relation to 1Q18 and 2Q17.

General and administrative expenses came to R$94 million, increasing 27% from 1Q18, primarily due to the higher expenses with outsourced services. Compared to 2Q17, in addition to the higher expenses with outsourced services, expenses with payroll and charges also increased. In a per ton basis, the increase was 14% and 20% higher than 1Q18 and 2Q17, respectively. General and administrative expenses as a ratio of net revenue stood at 2%, stable in relation to 1Q18.

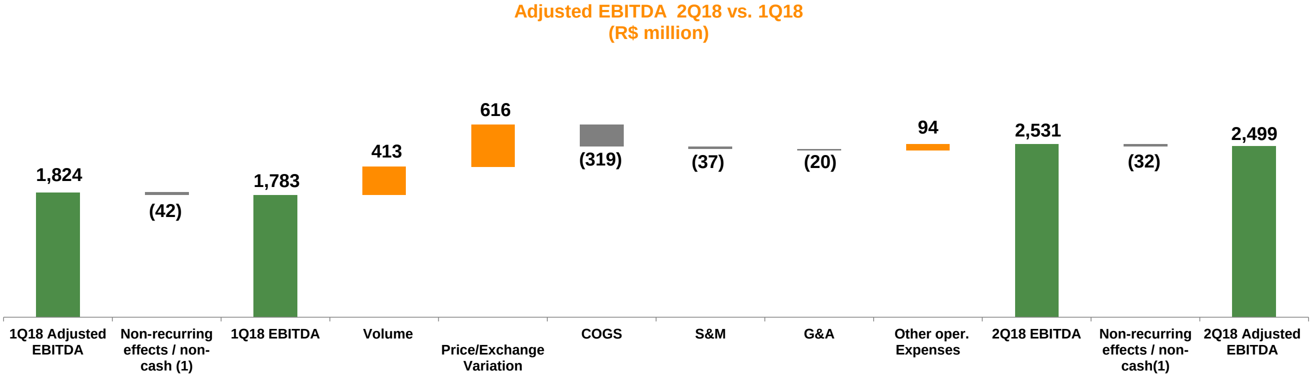
Other operating income amounted to R$28 million in 2Q18, compared to other operating expenses of R$66 million in 1Q18 and of R$242 million in 2Q17. The variation compared to both periods is mainly explained by the positive impact from the revaluation of biological assets in the quarter.





(1) Excludes volume sold due to the agreement with Klabin

Adjusted EBITDA in 2Q18 amounted to R$2,499 million, with adjusted EBITDA margin of 58% (excluding income from the contract with Klabin). The increase of 37% compared to 1Q18 is explained by the 11% appreciation in the average exchange rate of the USD against the BRL, the higher sales volume and the 4% increase in the average net price in USD, with these factors partially offset by the higher cash COGS and the increase in selling expenses, which were also partially affected by the higher sales volume, and general and administrative expenses. Compared to 2Q17, the 133% growth in Adjusted EBITDA is mainly explained by the 32% increase in the average net price in USD, the 15% growth in sales volume due in large part to the startup of Horizonte 2 and the 12% appreciation in the average exchange rate of the USD against the BRL, with these factors partially neutralized by the increase in cash COGS. The following chart presents the main variations in the quarter:



(1) Write-down of property, plant and equipment, provisions for ICMS tax credit losses, equity income, tax credits, reappraisal of biological assets and recovery of contingencies.

Financial Result

(R$ million)	2Q18	1Q18	2Q17	6M18	6M17	*2Q18 vs 1Q18*	*2Q18 vs 2Q17*	*6M18 vs 6M17*
Financial Income (including hedge result)	**(410)**	**111**	**(85)**	**(299)**	**294**	**-**	**-**	**-**
Interest on financial investments	70	54	95	124	187	*30%*	*-26%*	*-34%*
Hedging[1]	(480)	57	(180)	(423)	107	-	-	-
Financial Expenses	**(275)**	**(262)**	**(217)**	**(537)**	**(455)**	***5%***	***27%***	***18%***
Interest - loans and financing (local currency)	(142)	(149)	(162)	(291)	(344)	*-5%*	*-12%*	*-15%*
Interest - loans and financing (foreign currency)	(136)	(116)	(115)	(252)	(217)	*17%*	*18%*	*16%*
Capitalized interest[2]	3	3	60	6	106	-	-	-
Monetary and Exchange Variations	**(1,502)**	**(78)**	**(451)**	**(1,580)**	**(247)**	**-**	**-**	**-**
Foreign Monetary and Exchange Variations - Debt	(1,752)	(58)	(495)	(1,810)	(222)	-	-	-
Foreign Exchange Variations - Other	250	(20)	44	230	(25)	-	-	-
Other Financial Income / Expenses	**(52)**	**(41)**	**(36)**	**(93)**	**(50)**	***27%***	***44%***	**-**
Net Financial Result	**(2,239)**	**(270)**	**(789)**	**(2,509)**	**(458)**	***729%***	***184%***	**-**

(1) Change in the marked to market (2Q18: R$ (472) million | 1Q18: R$ 20 million | 2Q17: R$ (193) million, added to received and paid adjustments.

(2) Capitalized interest due to property, plant and equipment in progress.

Interest income came to R$70 million in 2Q18, 30% higher than in 1Q18, reflecting the higher balance of cash and financial investments due to the new borrowings made in the period. Although the cash position grew 23% compared to 2Q17 (excluding the mark-to-market adjustment of hedge instruments), the 26% reduction in interest income is explained by the higher concentration of cash in Brazil, which was affected by the country's declining interest rates.

Interest expenses from borrowings amounted to R$278 million in 2Q18, increasing R$13 million compared to 1Q18, due to the increase in LIBOR, higher gross debt effect (higher basis for interest calculation) and weaker local currency, which consequently affected the recognition of interest owed on foreign-denominated debt. The effect was partially offset by the lower basic interest rate in Brazil. Compared to 2Q17, interest expenses, excluding capitalized interest, remained stable.

The effects from exchange variation on the debt balance adversely reduced the Company's financial result by R$1,752 million in the quarter, due to the 16% depreciation in the price of the BRL against the USD (2Q18: R$3.8558 | 1Q18: R$3.3238).

The mark-to-market adjustment of derivative instruments on June 30, 2018 was an expense of R$318 million (with a R$219 million expense from operating hedge, a R$242 million expense from debt hedge and R$143 million in income from embedded derivatives), compared to the R$154 million income from the mark-to-market adjustment at March 31, 2018, representing a negative variation between periods of R$472 million. This variation was mainly due to the depreciation in the BRL against the USD compared to 1Q18 (2Q18: R$3.8558 | 1Q18: R$3.3238). The net effect on cash, which refers to the settlement of operations coming due in the period, was positive in R$8 million (R$14 million expense from debt hedge and R$6 million in income from operating hedge). The following table reflects the position of derivative hedging instruments at the end of June:

Swaps	Maturity	Notional (MM)		Fair Value	
		jun/18	mar/18	jun/18	mar/18
Receive					
Brazilian Real CDI (1)	aug/20	R$ 335	R$ 338	R$ 582	R$ 579
Brazilian Fixed (2)	jul/19	R$ 73	R$ 90	R$ 70	R$ 86
Brazilian Real IPCA (3)	sep/23	R$ 1,072	R$ 1,065	R$ 1,112	R$ 1,177
Receive Total (a)				**R$ 1,764**	**R$ 1,842**
Pay					
US Dollar Fixed (1)	aug/20	$ 171	$ 172	R$ (837)	R$ (716)
US Dollar Fixed (2)	jul/19	$ 32	$ 39	R$ (117)	R$ (122)
Brazilian Real CDI (3)	sep/23	R$ 1,028	$ 1,028	R$ (1,052)	R$ (1,072)
Pay Total (b)				**R$ (2,006)**	**R$ (1,910)**
Net (a+b)				**R$ (242)**	**R$ (68)**
Option					
US Dollar Options	até 16M	$ 2,255	$ 1,964	R$ (219)	R$ 60
Options Total (c)				**R$ (219)**	**R$ 60**
Embedded Derivatives - Forestry Partnership and Standing Timber Supply Agreements					
Receive					
US Dollar Fixed	jan/35	$ 757	$ 757	R$ 143	R$ 162
Pay					
US Dollar CPI	jan/35	$ 757	$ 757	R$ -	R$ -
Embedded Derivatives Total (d)				**R$ 143**	**R$ 162**
Net (a+b+c+d)				**R$ (318)**	**R$ 154**

Zero-cost collar operations remained adequate given the current scenario for the local currency, especially given the volatility in the USD, since they allow for currency hedging at rates favorable to the Company while minimizing any adverse effects in the event of sharp appreciation in the BRL. The instruments allow for currency hedging at rate bands favorable to cash flow, within which Fibria neither pays nor receives the adjustment. In addition to protecting the Company in such scenarios, this characteristic also allows it to capture larger benefits in export revenues if the USD were to strengthen. Currently, these operations, which have a maximum term of 16 months, cover 44% of the net foreign exchange exposure, and their sole purpose is to protect against cash flow exposure. The following table shows the instrument's exposure through the contract expiration date and the respective average strikes per quarter:

	Settled in 1Q18	Settled in 2Q18	To be Settled in 3Q18	To be Settled in 4Q18	To be Settled in 1Q19	To be Settled in 2Q19	To be Settled in 3Q19	To be Settled in 4Q19	Total Maturity
Notional (USD MM)	502	544	705	735	495	225	80	15	2,255
Strike put avg.	3.22	3.15	3.18	3.18	3.16	3.19	3.30	3.47	3.18
Strike call avg.	4.52	4.48	4.23	4.28	4.07	4.05	4.06	4.07	4.19
Cash impact on settlement (R$ million)	43	6	-	-	-	-	-	-	-

Meanwhile, the derivative instruments used to hedge debt (swaps) are designed to transform BRL-denominated debt into USD-denominated debt or to protect existing liabilities against adverse fluctuations in interest rates. Accordingly, all of the long legs of the swap correspond to the flows from the liabilities hedged. The fair value of these operations corresponds to the net present value of the expected flows until maturity (average of 54 months in 2Q18) and therefore has a limited cash impact.

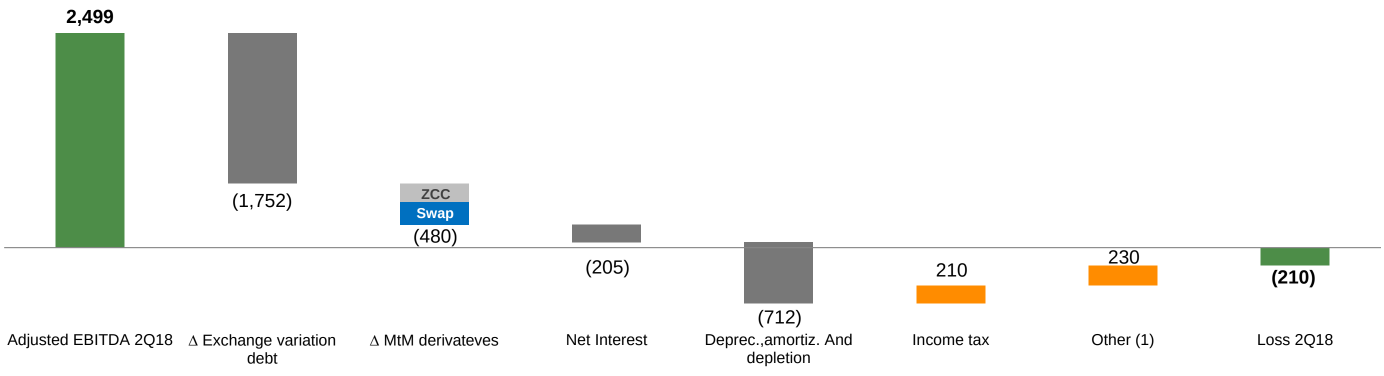
Forestry partnership agreements and standing-timber supply agreements entered into on December 30, 2013 are denominated in USD per cubic meter of standing timber, adjusted by U.S. inflation measured by the Consumer Price Index (CPI), which is not related to inflation in the economic environments where the forests are located, which therefore constitutes an embedded derivative. Such instrument, which is presented in the above table, consists of a swap contract with the short leg consisting of the variations in the U.S. CPI during the period of the aforementioned agreements. See note 5 of the 2Q18 Financial Statements for more details and for a sensitivity analysis of the fair value in the event of a substantial variation in the U.S. CPI.

All financial instruments were entered into in accordance with the guidelines established by the Market Risk Management Policy, and are conventional instruments without leverage or margin calls, duly registered with the São Paulo Stock Exchange (B3 - Brasil, Bolsa, Balcão), and only have a cash impact upon their respective maturities and amortizations. The Company's Governance, Risk and Compliance Department is responsible for complying with and controlling positions involving market risk and functionally reports directly and independently to the Chairman of the Board, ensuring the applicability of the policy. Fibria's Treasury Department is responsible for executing and managing the financial operations.

Net (Loss) Income

In 2Q18, the Company posted a net loss of R$210 million, compared to net income of R$615 million in 1Q18 and of R$259 million in 2Q17. The variation in relation to 1Q18 is mainly explained by the larger financial loss, due to exchange variation on the debt and on the derivatives mark-to-market, in turn due to the real depreciation against the dollar of 16%, which was partially offset by the higher operating income. Compared to 2Q17, the positive variation is mainly associated with the higher operating income, which offset the financial loss, due to the real depreciation against the dollar.

In terms of earnings per share, i.e. excluding depreciation, depletion, inflation adjustment and exchange variation (see the reconciliation on page 23), net income was 36% higher than in 1Q18, which is explained by the 11% appreciation in the average exchange rate of the USD against the BRL, the 4% increase in the average net price and the higher sales volume. Compared to 2Q17, the 131% increase is mainly explained by the 32% increase in the average net price in USD, the 15% growth in sales volume and the 12% appreciation in the average exchange rate of the USD against the BRL. The following chart shows the main factors influencing net income (loss) in 2Q18, beginning with Adjusted EBITDA in the same period:



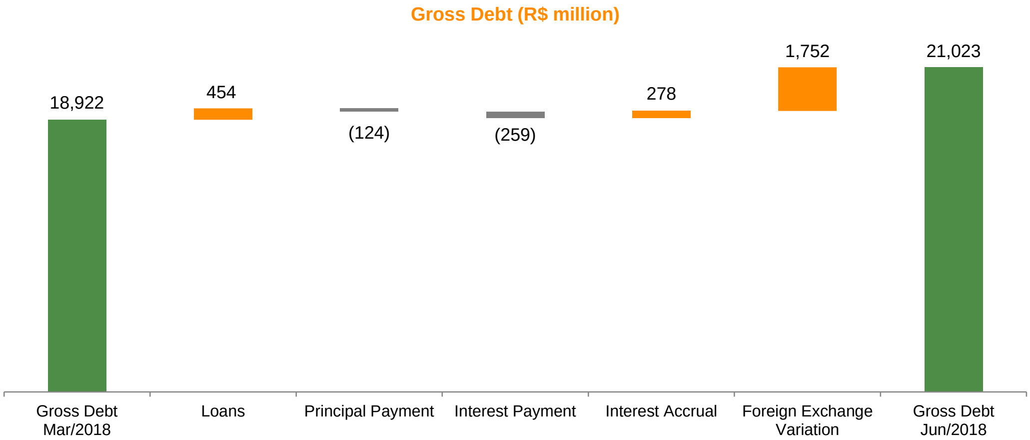
(1) Includes other exchange variations and inflation adjustments, other financial income/expenses and other operating income/expenses.

Debt

	Unit	Jun/18	Mar/18	Jun/17	*Jun/18 vs Mar/18*	*Jun/18 vs Jun/17*
Gross Debt	**R$ million**	**21,023**	**18,922**	**18,788**	*11%*	*12%*
Gross Debt in R$	R$ million	7,887	7,467	6,428	*6%*	*23%*
Gross Debt in US$[1]	R$ million	13,136	11,455	12,360	*15%*	*6%*
Average maturity	**months**	**57**	**59**	**55**	*-2*	*2*
Cost of debt (foreign currency) [2]	**% p.a.**	**4.6%**	**4.5%**	**4.2%**	*0.1 p.p.*	*0.4 p.p.*
Cost of debt (local currency) [2]	**% p.a.**	**9.3%**	**8.4%**	**9.1%**	*0.9 p.p.*	*0.2 p.p.*
Short-term debt	**%**	**8%**	**6%**	**8%**	*2 p.p.*	*0 p.p.*
Cash and market securities in R$	R$ million	4,495	3,374	3,521	*33%*	*28%*
Cash and market securities in US$	R$ million	3,042	2,620	2,613	*16%*	*16%*
Fair value of derivative instruments	R$ million	(318)	154	50	-	-
Cash and cash Equivalents [3]	**R$ million**	**7,219**	**6,148**	**6,184**	*17%*	*17%*
Net Debt	**R$ million**	**13,804**	**12,774**	**12,604**	*8%*	*10%*
Net Debt/EBITDA (in R$)	**x**	**1.83**	**2.08**	**3.85**	*-0.3*	*-2.0*
Net Debt/EBITDA (in US$)[4]	**x**	**1.58**	**2.02**	**3.75**	*-0.4*	*-2.2*

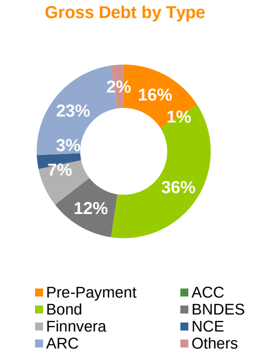
(1) Includes BRL to USD swap contracts. The original debt in dollars was R$ 12,568 million (60% of the total debt) and debt in reais was R$ 8,455 million (40% of the debt).
(2 The costs are calculated considering the debt swap.
(3) Includes the fair value of derivative instruments.
(4) For covenant purposes.

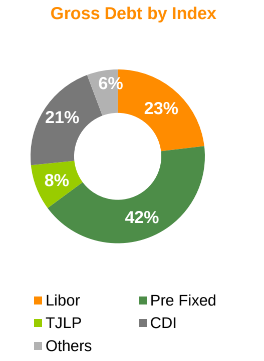
On June 30, 2018, gross debt stood at R$21,023 million, increasing by R$2,101 million or 11% from the close of 1Q18, mainly due to the 16% depreciation in the BRL against the USD, generating an exchange variation loss of R$1,752 million, and to disbursements by the BNDES in the quarter. The following chart shows the changes in gross debt during the quarter:

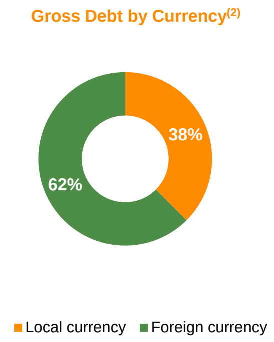


The leverage ratio, measured by the ratio net debt/LTM EBITDA, fell to 1.58x in USD and to 1.83x in BRL on June 30, 2018 (vs. 2.02x in USD and 2.08x in BRL in 1Q18).

The total¹ average cost of debt measured in USD was 4.3% p.a. (Mar/18: 4.1% p.a. | Jun/17: 3.7% p.a.), composed of the average cost of bank debt in local currency of 9.3% p.a. (Mar/18: 8.4% p.a. | Jun/17: 9.1% p.a.) and of the cost in foreign currency of 4.6% p.a. (Mar/18: 4.5% p.a. | Jun/17: 4.2% p.a.). The following charts show Fibria's debt by instrument, index and currency (including debt swaps):

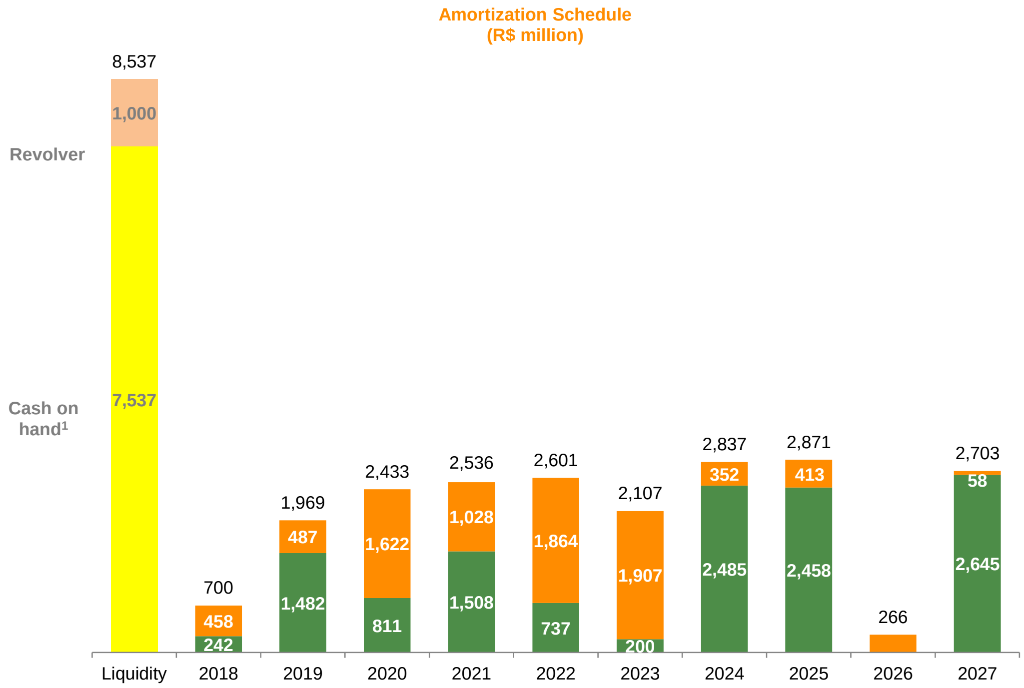






(1) Total average cost, considering debt in reais adjusted by the market swap curve.
(2) Considers the debt with swap in foreign currency.

The average maturity of total debt was 57 months in Jun/18, compared to 59 months in Mar/18 and 55 months in Jun/17. The following chart shows the debt amortization schedule of Fibria's total debt:

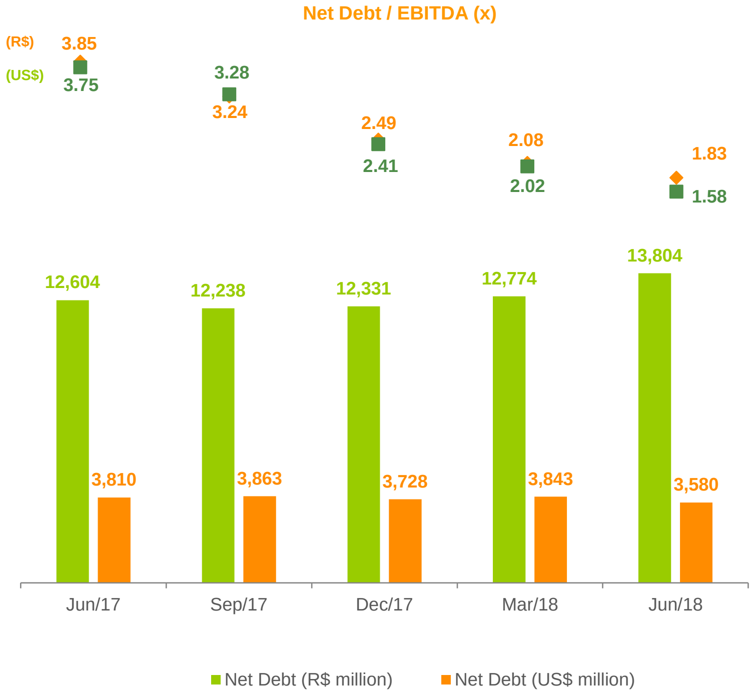


(1) Not including the mark-to-market of hedging instruments.

The balance of cash and cash equivalents on June 30, 2018 was R$7,219 million, including the R$318 million loss from the mark-to-market adjustment of hedge instruments. Excluding the effect from the mark-to-market adjustment of cash, 60% was invested in local currency, government bonds and fixed-income instruments, while the remainder was invested in short-term investments abroad.

The Company has one untapped revolving credit facility in local currency in the amount of R$1 billion, which is available through 2021, at a cost of CDI plus 2.5% p.a. when used (0.40% p.a. while on stand-by). These funds, although untapped, help to improve the company's liquidity conditions. As a result, the current cash position of R$7,219 million plus this line of R$1 billion amounts to a readily available cash position of R$8,219 million. Accordingly, the ratio of cash (including the stand-by credit facilities) to short-term debt stood at 4.8x at June 30, 2018.

The following chart shows the evolution in Fibria's net debt and leverage ratio since June 2017:



Capital Expenditure

(R$ million)	2Q18	1Q18	2Q17	*2Q18 vs 1Q18*	*2Q18 vs 2Q17*	6M18	6M17	*6M18 vs 6M17*	*Last 12 months*
Industrial Expansion - H2 Project	109	113	490	*-4%*	*-78%*	222	1,303	*-83%*	1,219
Forest Expansion - H2 Project	-	-	52	-	-	-	116	-	122
Subtotal Expansion	**109**	**113**	**542**	***-4%***	***-80%***	**222**	**1,418**	***-84%***	**1,341**
Safety/Environment	11	11	14	*2%*	*-20%*	22	20	*7%*	49
Forestry Renewal	480	395	366	*22%*	*31%*	875	682	*28%*	1,722
Maintenance, IT, Modernization	**154**	**110**	**122**	***40%***	***27%***	**263**	**261**	***1%***	**486**
Maintenance	137	94	88	*45%*	*55%*	231	185	*25%*	416
IT	4	2	2	*82%*	-	6	3	*126%*	19
Modernization	13	13	32	*-4%*	*-59%*	26	73	*-64%*	52
Subtotal Maintenance	**645**	**515**	**502**	***25%***	***29%***	**1,160**	**963**	***20%***	**2,258**
Land purchase	**429**	**-**	**-**	**-**	**-**	**429**	**2**	**-**	**445**
Pulp logistics	**4**	**158**	**7**	**-**	**-**	**162**	**17**	**-**	**193**
Others	**0**	**0**	**1**	***-93%***	***-97%***	**1**	**2**	***-66%***	**4**
Total Capex	**1,187**	**787**	**1,052**	***51%***	***13%***	**1,974**	**2,402**	***-18%***	**4,241**

Capital expenditure (capex) in the quarter came to R$1,187 million, up 51% from 1Q18, due to the acquisition of an agrarian base for the purpose of minimizing risks and capturing gains for current operations or having options for growing the business. Furthermore, forest maintenance expenditures increased 22%, due to higher purchases of standing timber, which were partially offset by the lower investments in pulp logistics. Compared to 2Q17, the same factors explain the increase of 13%, which was partially offset by the lower investments related to the Horizonte 2 Project.

As disclosed by the Company, due to que acquisition of the previously mentioned agrarian base, the estimated capex for 2018 was updated to R$4,080 million.

Horizonte 2

The learning curve of the new pulp production line Horizonte 2 was concluded in May, complying the 9 months estimated by the Company. The production in the quarter came to 398 thousand tons in 2Q18, which was affected by the extension of the scheduled downtime for inspection, which resulted in 6 fewer production days (approximately 36 thousand tons), and by the slowdown caused by the truckers' strike. Despite these effects, surplus energy from the new production line amounted to 87 MWh in 2Q18. The expansion capex of the Horizonte 2 Project still to be disbursed amounts to US$63 million (R$215 million) and US$94 million (R$361 million) in funds to be withdrawn from the financing facilities of the BNDES and FDCO.

Free Cash Flow

(R$ million)	2Q18	1Q18	2Q17	2Q18 vs 1Q18	2Q18 vs 2Q17	6M18	6M17	6M18 vs 6M17	Last 12 months
Adjusted EBITDA	**2,499**	**1,824**	**1,071**	***37%***	***133%***	**4,323**	**1,714**	***152%***	**7,561**
(-) Total Capex	(1,187)	(787)	(1,053)	*51%*	*13%*	(1,974)	(2,402)	*-18%*	(4,245)
(-) Dividends	(260)	(0)	(395)	-	*-34%*	(260)	(395)	*-34%*	(260)
(-) Interest (paid)/received	(233)	(147)	(273)	*59%*	*-15%*	(380)	(307)	*24%*	(845)
(-) Income tax	(10)	(9)	(9)	*11%*	*8%*	(19)	(18)	*4%*	(37)
(+/-) Working Capital	105	(1,199)	(26)	-	-	(1,094)	256	-	(1,400)
(+/-) Others	(25)	(10)	(2)	*159%*	-	(35)	4	-	(28)
Free Cash Flow	**888**	**(328)**	**(688)**	-	-	**560**	**(1,149)**	-	**747**
Project H2 Capex	109	113	543	*-4%*	*-80%*	222	1,418	*-84%*	1,341
Land acquisition Capex	424	-	-	-	-	424	-	-	424
Dividends	260	0	395	-	*-34%*	260	395	*-34%*	260
Pulp logistics	4	158	9	-	*-57%*	162	20	*708%*	196
Ajusted Free Cash Flow	**1,685**	**(57)**	**259**	-	***551%***	**1,628**	**685**	***138%***	**2,968**

Record free cash flow reached R$1,685 million in 2Q18 (excluding effects from Horizonte 2 CAPEX, land acquisition, pulp logistics and dividends), compared to negative free cash flow of R$57 million in 1Q18 and of R$259 million in 2Q17. The positive result in the quarter is mainly explained by the positive variation in working capital and by the increases of 37% and 133% in EBITDA compared to 1Q18 and 2Q17, respectively. Considering free cash flow before capex for the Horizonte 2 Project, land acquisition, pulp logistics and dividends, LTM free cash flow yield stood at 7.4% in BRL and 8.6% in USD.

ROE and ROIC

In terms of return indicators, certain accounting adjustments should be observed, considering the differences in accounting treatment under IFRS standards (CPC 29 | IAS 41).

Return on Equity	Unit	2Q18	1Q18	2Q17	2Q18 vs 1Q18	2Q18 vs 2Q17
Shareholders' Equity[(1)]	R$ million	14,905	14,604	14,041	*2%*	*6%*
IAS 41 adjustments[(1)]	R$ million	155	120	(101)	*29%*	-
Shareholders' Equity (adjusted)	R$ million	15,059	14,724	13,940	*2%*	*8%*
Adjusted EBITDA LTM	R$ million	7,561	6,133	3,277	*23%*	*131%*
Capex ex-H2 Project LTM[(2)]	R$ million	(2,266)	(2,064)	(2,137)	*10%*	*6%*
Net interest LTM	R$ million	(845)	(884)	(557)	*-5%*	*52%*
Income Tax LTM	R$ million	(37)	(36)	(101)	*2%*	*-64%*
Adjusted Income LTM (ex-payed interest)	R$ million	4,413	3,148	483	*40%*	*813%*
ROE	**%**	**29.3%**	**21.4%**	**3.5%**	***7.9 p.p.***	***25.8 p.p.***

(1) Average of the last four quarters.

(2) Calculation excludes non-recurrent Horizonte 2 Project, modernization projects, pulp logistics project and non-recurrent land acquisition.

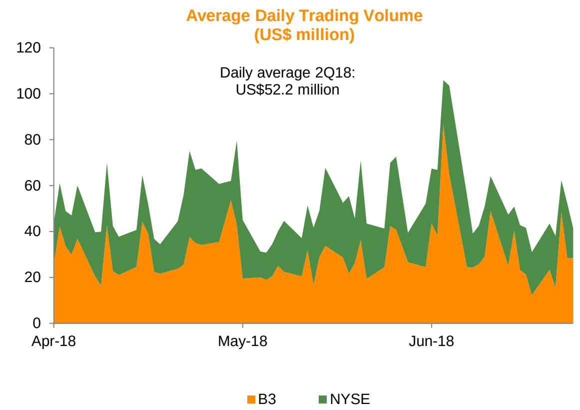
Return on Invested Capital	Unit	2Q18	1Q18	2Q17	2Q18 vs 1Q18	2Q18 vs 2Q17
Total Assets	R$ million	38,974	37,966	35,041	*3%*	*11%*
Liabilities (ex-debt)[(1)]	R$ million	(4,496)	(4,348)	(4,134)	*3%*	*9%*
Property, plant and equipment in progress[(1)]	R$ million	(451)	(1,859)	(4,861)	*-76%*	*-91%*
Invested Capital	R$ million	34,027	31,759	26,045	-	*31%*
Adjustment CPC 29[(1)]	R$ million	234	182	(153)	*29%*	-
Adjusted Invested Capital	R$ million	34,262	31,941	25,892	*7%*	*32%*
Adjusted EBITDA LTM	R$ million	7,561	6,133	3,277	*23%*	*131%*
Capex ex-H2 Project LTM[(2)]	R$ million	(2,266)	(2,064)	(2,137)	*10%*	*6%*
Income Tax LTM	R$ million	(37)	(36)	(101)	-	*-64%*
Adjusted Income LTM	R$ million	5,258	4,033	1,041	*30%*	*405%*
ROIC	**%**	**15.3%**	**12.6%**	**4.0%**	***2.7 p.p.***	***11.3 p.p.***

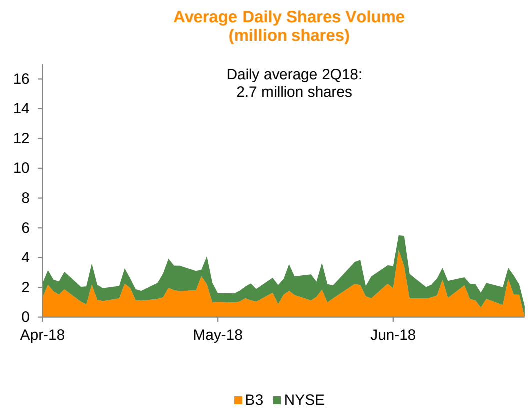
(1) Average of the last four quarters.

(2) Calculation excludes non-recurrent Horizonte 2 Project, modernization projects, pulp logistics project and non-recurrent land acquisition.

Capital Markets

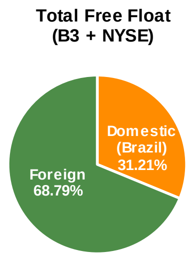
Stocks





Average daily trading volume in Fibria stock in 2Q18 was approximately 2.7 million shares, down 44% from 1Q18. Meanwhile, average daily financial trading volume in the stock was US$52.2 million, down 41% from 1Q18, of which US$30.7 million was on the São Paulo Stock Exchange (B3) and US$21.5 million on the New York Stock Exchange (NYSE).

Shareholders Structure	Common Shares	%
Votorantim S.A.	162,974,335	29.42
BNDESPar	161,082,681	29.08
Treasury	631,633	0.11
Board of Directors, Fiscal Council and Executive Officers	72,107	0.01
Free Float	229,173,890	41.37
TOTAL	**553,934,646**	**100.00**



On June 30, 2018, the Company's share capital was represented by 553,934,646 common shares. The number of shares comprising the free-float was 229,173,890 (41.37%), which is traded on the B3 and on the NYSE, 69% of which was held by foreign investors and 31% by local investors. The Company has 631,633 shares held in treasury. Fibria's market capitalization was R$40.2 billion on June 29, 2018.

Fixed Income

	Unit	Jun/18	Mar/18	Jun/17	*Jun/18 vs Mar/18*	*Jun/18 vs Jun/17*
Fibria 2024 - Yield	%	5.1	4.6	4.5	*0.5 p.p.*	*0.6 p.p.*
Fibria 2024 - Price	USD/k	100.9	103.4	104.6	*-2%*	*-3%*
Fibria 2025 - Yield	%	5.4	4.6	-	*0.8 p.p.*	-
Fibria 2025 - Price	USD/k	92.6	96.8	-	*-4%*	-
Fibria 2027 - Yield	%	5.6	5.0	5.2	*0.6 p.p.*	*0.4 p.p.*
Fibria 2027 - Price	USD/k	99.4	103.9	102.4	*-4%*	*-3%*
Treasury 10 y	%	2.9	2.7	2.3	*0.2 p.p.*	*0.6 p.p.*

Appendix I – Revenues vs. Volume vs. Price*

2Q18 vs 1Q18	Sales (Tons)		Net Revenue (R$ 000)		Avge Price (R$/Ton)		2Q18 vs 1Q18 (%)			Avge Price (US$/Ton)		2Q18 vs 1Q18 (%)
	2Q18	1Q18	2Q18	1Q18	2Q18	1Q18	Tons	Revenue	Avge Price	2Q18	1Q18	Avge Price
Pulp												
Domestic Sales	173,962	173,982	387,210	347,598	2,226	1,998	(0.0)	11.4	11.4	618	615	0.3
Foreign Sales	1,593,810	1,416,921	4,311,786	3,320,435	2,705	2,343	12.5	29.9	15.4	751	722	4.0
Total	**1,767,772**	**1,590,903**	**4,698,996**	**3,668,033**	**2,658**	**2,306**	**11.1**	**28.1**	**15.3**	**737**	**710**	**3.8**

2Q18 vs 2Q17	Sales (Tons)		Net Revenue (R$ 000)		Avge Price (R$/Ton)		2Q18 vs 2Q17 (%)			Avge Price (US$/Ton)		2Q18 vs 2Q17 (%)
	2Q18	2Q17	2Q18	2Q17	2Q18	2Q17	Tons	Revenue	Avge Price	2Q18	2Q17	Avge Price
Pulp												
Domestic Sales	173,962	171,052	387,210	245,577	2,226	1,436	1.7	57.7	55.0	618	447	38.3
Foreign Sales	1,593,810	1,363,011	4,311,786	2,505,213	2,705	1,838	16.9	72.1	47.2	751	572	31.3
Total	**1,767,772**	**1,534,063**	**4,698,996**	**2,750,790**	**2,658**	**1,793**	**15.2**	**70.8**	**48.2**	**737**	**558**	**32.2**

6M18 vs 6M17	Sales (Tons)		Net Revenue (R$ 000)		Avge Price (R$/Ton)		6M18 vs 6M17 (%)			Avge Price (US$/Ton)		6M18 vs 6M17 (%)
	6M18	6M17	6M18	6M17	6M18	6M17	Tons	Revenue	Avge Price	6M18	6M17	Avge Price
Pulp												
Domestic Sales	347,944	311,861	734,808	433,535	2,112	1,390	11.6	69.5	51.9	586	442	32.6
Foreign sales	3,010,732	2,529,026	7,632,221	4,368,756	2,535	1,727	19.0	74.7	46.7	703	549	28.0
Total	**3,358,676**	**2,840,887**	**8,367,029**	**4,802,291**	**2,491**	**1,690**	**18.2**	**74.2**	**47.4**	**691**	**537**	**28.6**

*Excludes Portocel

Appendix II – Income Statement

INCOME STATEMENT - CONSOLIDATED (R$ million)	2Q18		1Q18		2Q17		2Q18 vs 1Q18 (%)	2Q18 vs 2Q17 (%)
	R$	AV%	R$	AV%	R$	AV%		
Net Revenue	4,722	100%	3,693	100%	2,775	100%	*28%*	*70%*
Domestic Sales	411	9%	373	10%	270	10%	*10%*	*52%*
Foreign Sales	4,312	91%	3,320	90%	2,505	90%	*30%*	*72%*
Cost of sales	(2,616)	-55%	(2,205)	-60%	(2,047)	-74%	*19%*	*28%*
Cost related to production	(2,234)	-47%	(1,849)	-50%	(1,788)	-64%	*21%*	*25%*
Freight	(382)	-8%	(356)	-11%	(259)	-9%	*7%*	*47%*
Operating Profit	**2,107**	**45%**	**1,488**	**40%**	**728**	**26%**	***42%***	***190%***
Selling and marketing	(222)	-5%	(185)	-5%	(131)	-5%	*20%*	*69%*
General and administrative	(94)	-2%	(74)	-2%	(68)	-2%	*27%*	*38%*
Financial Result	(2,239)	-47%	(270)	-7%	(789)	-28%	*729%*	*184%*
Equity	1	0%	0	0%	0	0%	-	-
Other operating (expenses) income	28	1%	(66)	-2%	(242)	-9%	*-142%*	*-112%*
Operating Income	**(420)**	**-9%**	**893**	**24%**	**(503)**	**-18%**	***-147%***	***-16%***
Current Income taxes expenses	(26)	-1%	(18)	0%	(28)	-1%	*41%*	*-7%*
Deffered Income taxes expenses	236	5%	(259)	-7%	272	10%	*-191%*	*-13%*
Net Income (Loss)	**(210)**	**-4%**	**615**	**17%**	**(259)**	**-9%**	***-134%***	***-19%***
Net Income (Loss) attributable to controlling equity interest	(212)	-4%	613	17%	(262)	-9%	*-135%*	*-19%*
Net Income (Loss) attributable to non-controlling equity interest	2	0%	2	0%	3	0%	*18%*	*-23%*
Depreciation, amortization and depletion	712	15%	620	17%	544	20%	*15%*	*31%*
EBITDA	**2,531**	**54%**	**1,783**	**48%**	**830**	**30%**	***42%***	***205%***
Equity	(1)	0%	(0)	0%	(0)	0%	-	-
Fair Value of Biological Assets	(90)	-2%	-	0%	211	8%	*0%*	-
Fixed Assets disposals	17	0%	8	0%	10	0%	*107%*	*69%*
Accruals for losses on ICMS credits	41	1%	34	1%	22	1%	*21%*	*89%*
Tax Credits/Reversal of provision for contingencies	(0)	0%	(0)	0%	(2)	0%	*-2%*	-
EBITDA adjusted (*)	**2,499**	**53%**	**1,824**	**49%**	**1,071**	**39%**	***37%***	***133%***
EBITDA margin pro-forma	**2,499**	**58%**	**1,824**	**55%**	**1,071**	**45%**	***37%***	***133%***

(*) Calculation excludes pulp sales from agreement hith Klabin

Income Statement - Consolidated (R$ million)	6M18		6M17		6M18 vs 6M17 (%)
	R$	AV%	R$	AV%	
Net Revenue	8,416	100%	4,849	100%	*74%*
Domestic Sales	783	9%	480	10%	*63%*
Foreign Sales	7,632	91%	4,369	90%	*75%*
Cost of sales	(4,821)	-57%	(3,781)	-78%	*28%*
Cost related to production	(4,083)	-49%	(3,312)	-68%	*23%*
Freight	(738)	-9%	(468)	-10%	*58%*
Operating Profit	**3,595**	**43%**	**1,068**	**22%**	***237%***
Selling and marketing	(407)	-5%	(237)	-5%	*72%*
General and administrative	(168)	-2%	(127)	-3%	*33%*
Financial Result	(2,509)	-30%	(458)	-9%	*448%*
Equity	1	0%	0	0%	*0%*
Other operating (expenses) income	(38)	0%	(189)	-4%	*-80%*
LAIR	**473**	**6%**	**58**	**1%**	***713%***
Current Income taxes expenses	(44)	-1%	(48)	-1%	*-7%*
Deffered Income taxes expenses	(24)	0%	59	1%	*-140%*
Net Income (Loss)	**405**	**5%**	**70**	**1%**	***479%***
Net Income (Loss) attributable to controlling equity interest	401	5%	65	1%	*520%*
Net Income (Loss) attributable to non-controlling equity interest	4	0%	5	0%	*-22%*
Depreciation, amortization and depletion	1,331	16%	980	20%	*36%*
EBITDA	**4,314**	**51%**	**1,496**	**31%**	***188%***
Equity	(1)	0%	(0)	0%	*0%*
Fair Value of Biological Assets	(90)	-1%	223	5%	*-140%*
Property, Plant and Equipment disposal	25	0%	(48)	-1%	*-153%*
Accruals for losses on ICMS credits	75	1%	45	1%	*66%*
Tax Incentive	(1)	0%	(2)	0%	*0%*
EBITDA adjusted	**4,323**	**51%**	**1,714**	**35%**	***152%***
EBITDA margin pro-forma	**4,323**	**54%**	**1,714**	**41%**	***152%***

(*) Calculation excludes pulp sales from agreement with Klabin

Appendix III – Balance Sheet

BALANCE SHEET (R$ million)							
ASSETS	**Jun/18**	**Mar/18**	**Dec/17**	**LIABILITIES**	**Jun/18**	**Mar/18**	**Dec/17**
CURRENT	**13,511**	**10,346**	**10,530**	**CURRENT**	**5,661**	**4,420**	**5,790**
Cash and cash equivalents	3,283	2,852	4,052	Short-term debt	1,701	1,118	1,693
Securities	4,087	2,977	2,619	Derivative Instruments	440	132	152
Derivative instruments	20	82	124	Trade Accounts Payable	3,013	2,464	3,110
Trade accounts receivable, net	1,513	1,281	1,193	Payroll and related charges	154	113	202
Inventories	2,802	2,589	2,080	Tax Liability	161	124	246
Recoverable taxes	1,632	399	273	Dividends and Interest attributable to capital payable	6	262	262
Others	176	166	188	Others	186	207	125
NON CURRENT	**2,711**	**3,664**	**4,063**	**NON CURRENT**	**20,131**	**18,438**	**18,254**
Marketable securities	168	165	162	Long-term debt	19,322	17,804	17,606
Derivative instruments	305	333	324	Accrued liabilities for legal proceedings	195	182	166
Deferred income taxes	679	451	753	Derivative instruments	203	129	163
Recoverable taxes	582	1,735	1,868	Others	411	323	319
Fostered advance	659	664	645				
Others	318	316	311				
Investments	**181**	**157**	**153**	**Equity attributable to shareholders of the Company**	**15,005**	**15,200**	**14,577**
Property, plant & equipment , net	15,565	15,176	15,102	Issued Share Capital	9,729	9,729	9,729
Biological assets	4,330	4,204	4,253	Capital Reserve	20	20	13
Intangible assets	4,572	4,586	4,592	Statutory Reserve	3,249	3,249	2,476
				Equity valuation adjustment	2,027	2,225	2,382
				Treasury stock	(19)	(23)	(23)
				Equity attributable to non-controlling interests	72	75	73
				TOTAL SHAREHOLDERS' EQUITY	**15,078**	**15,275**	**14,650**
TOTAL ASSETS	**40,869**	**38,133**	**38,693**	**TOTAL LIABILITIES**	**40,869**	**38,133**	**38,693**

Appendix IV – Cash Flow

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOW (R$ million)	2Q18	1Q18	2Q17	6M18	6M17
INCOME (LOSS) BEFORE TAXES ON INCOME	**(420)**	**893**	**(503)**	**473**	**58**
Adjusted by					
(+) Depreciation, depletion and amortization	712	620	544	1,331	980
(+) Foreign exchange losses, net	1,502	79	451	1,580	247
(+) Change in fair value of derivative financial instruments	481	(57)	180	423	(107)
(+) Equity in losses of jointly-venture	(1)	(0)	(0)	(1)	(0)
(+) Fair value of biological assets	(90)	-	211	(90)	223
(+) (Gain)/loss on disposal of property, plant and equipment	17	8	10	25	(48)
(+) Interest and gain and losses in marketable securities	(55)	(34)	(72)	(89)	(154)
(+) Interest expense	274	262	217	536	455
(+) Impairment of recoverable ICMS	41	34	22	75	45
(+) Provisions and other	12	10	7	22	16
(+) Program Stock Options	0	0	1	1	2
Decrease (increase) in assets					
Trade accounts receivable	(20)	(83)	(41)	(103)	44
Inventories	(141)	(380)	63	(520)	(49)
Recoverable taxes	(115)	(19)	(112)	(135)	(247)
Other assets/advances to suppliers	(0)	28	(12)	28	(7)
Increase (decrease) in liabilities					
Trade payable	345	(653)	75	(309)	556
Taxes payable	12	(92)	(20)	(81)	(21)
Payroll, profit sharing and related charges	41	(89)	29	(48)	(26)
Other payable	(16)	90	(8)	74	5
Cash provided by operating activities					
Interest received	26	53	63	79	135
Interest paid	(259)	(200)	(336)	(459)	(442)
Income taxes paid	(10)	(9)	(9)	(19)	(18)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**2,335**	**459**	**760**	**2,795**	**1,648**
Cash flows from investing activities					
Acquisition of property, plant and equipment and intangible assets and forests	(1,172)	(761)	(1,042)	(1,932)	(2,388)
Advances for acquisition of timber from forestry partnership program	(16)	(26)	(11)	(42)	(15)
Marketable securities, net	(1,083)	(379)	(365)	(1,462)	(980)
Proceeds from sale of property, plant and equipment	4	1	6	5	15
Derivative transactions settled	(9)	38	12	29	75
	-	(3)	-		-
Proceeds from sale of investment - Losango Project	-	-	-	-	202
Others	-	-	-	-	-
NET CASH USED IN INVESTING ACTIVITIES	**(2,275)**	**(1,130)**	**(1,400)**	**(3,405)**	**(3,090)**
Cash flows from financing activities					
Borrowings	438	557	245	995	2,640
Repayments - principal amount	(124)	(1,071)	(234)	(1,195)	(366)
Dividendos pagos	(260)	(0)	(395)	(260)	(395)
Repurchase of shares	-	-	(16)	-	(17)
	2	0	-		
Other	4	1	2	4	3
NET CASH USED IN FINANCING ACTIVITIES	**59**	**(514)**	**(397)**	**(454)**	**1,865**
Effect of exchange rate changes on cash and cash equivalents	311	(14)	77	296	13
Net increase (decrease) in cash and cash equivalents	430	(1,199)	(960)	(769)	436
Cash and cash equivalents at beginning of year	2,852	4,052	4,056	4,052	2,660
Cash and cash equivalents at end of year	3,283	2,852	3,096	3,283	3,096

Appendix V – Breakdown of EBITDA and Adjusted EBITDA (CVM Instruction 527/2012)

Adjusted EBITDA (R$ million)	2Q18	1Q18	2Q17
Income (loss) of the period	(210)	615	(259)
(+/-) Financial results, net	2,239	270	789
(+) Taxes on income	(210)	278	(244)
(+) Depreciation, amortization and depletion	712	620	544
EBITDA	**2,531**	**1,783**	**830**
(+) Equity	(1)	(0)	(0)
(-) Fair Value of Biological Assets	(90)	-	211
(+/-) Loss (gain) on disposal of property, plant and equipment	17	8	10
(+) Accrual for losses on ICMS credits	41	34	22
(-) Tax credits/reversal of provision for contingencies	(0)	(0)	(2)
EBITDA Adjusted	**2,499**	**1,824**	**1,071**

EBITDA is not a standard measure established by Brazilian or international accounting rules and represents earnings (losses) in the period before interest, income tax and social contribution, depreciation, amortization and depletion. The Company presents adjusted EBITDA in accordance with CVM Instruction 527, of October 4, 2012, adding or subtracting from this amount equity income, provisions for losses on recoverable ICMS, gains (losses) from write-offs of fixed assets, the fair value of biological assets and tax credits/reversal of provision for contingencies, in order to provide better information on its ability to generate cash, pay its debt and sustain its investments. Neither measurement should be considered as an alternative to the Company's operating income and cash flows or as an indicator of liquidity for the periods presented.

Appendix VI – Financial and Operating Data

Exchange Rate (R$/US$)	2Q18	1Q18	4Q17	2Q17	*2Q18 vs 1Q18*	*2Q18 vs 2Q17*
Closing	3.8558	3.3238	3.3080	3.3082	*16%*	*17%*
Average	3.6046	3.2460	3.2493	3.2147	*11%*	*12%*

Pulp net revenues distribution, by region	2Q18	1Q18	2Q17	*2Q18 vs 1Q18*	*2Q18 vs 2Q17*	Last 12 months
Europe	30%	33%	34%	*-3 p.p.*	*-4 p.p.*	31%
North America	16%	13%	20%	*2 p.p.*	*-4 p.p.*	18%
Asia	45%	44%	36%	*1 p.p.*	*9 p.p.*	42%
Brazil / Others	9%	10%	10%	*-1 p.p.*	*-1 p.p.*	9%

Pulp price - FOEX BHKP (US$/t)	2Q18	1Q18	2Q17	*2Q18 vs 1Q18*	*2Q18 vs 2Q17*	Last 12 months
PIX Europe	1,044	1,008	779	*4%*	*34%*	965
PIX China	769	760	617	*1%*	*25%*	723

Financial Indicators	Jun/18	Mar/17	Jun/17
Net Debt / Adjusted EBITDA LTM* (R$)	1.83	2.08	3.85
Net Debt / Adjusted EBITDA LTM* (US$)	1.58	2.02	3.75
Total Debt / Total Capital (gross debt + net equity)	0.58	0.55	0.57
Cash + Adjusted EBITDA LTM* / Short-term Debt	8.69	10.99	6.38

*LTM: Last twelve months

Reconciliation - net income to cash earnings (R$ million)	2Q18	1Q18	2Q17
Net Income (Loss) before income taxes	(420)	893	(503)
(+) Depreciation, depletion and amortization	712	620	544
(+) Unrealized foreign exchange (gains) losses, net	1,502	79	451
(+) Change in fair value of derivative financial instruments	481	(57)	180
(+) Equity	(1)	(0)	(0)
(+) Change in fair value of biological assets	(90)	-	211
(+) Loss (gain) on disposal of Property, Plant and Equipment	17	8	10
(+) Interest on Securities, net	(55)	(34)	(72)
(+) Interest on loan accrual	274	262	217
(+) Accruals for losses on ICMS credits	41	34	22
(+) Provisions and other	12	10	7
(+) Stock Options program	0	0	1
Cash earnings (R$ million)	**2,473**	**1,814**	**1,069**
Outstanding shares (million)	**554**	**554**	**554**
Cash earnings per share (R$)	**4.5**	**3.3**	**1.9**