Klabin S.A.

Quarterly Information (ITR)
at March 31, 2018
and report on review of
quarterly information

A free translation from Portuguese into English of Independent Auditor's Review Report on Individual and Consolidated Interim Financial Information prepared in Brazilian currency in accordance with accounting practices adopted in Brazil and Accounting Pronouncement CPC 21 (R1) and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) and specific CVM rules.

Independent auditor's report on interim financial information

The Shareholders, Board of Directors and Officers
Klabin S.A.
São Paulo - SP

We have reviewed the accompanying individual and consolidated interim financial information of Klabin S.A. ("Company"), contained in the Quarterly Information Form (ITR) referring to the quarter ended March 31, 2018, which comprise the balance sheet as at March 31, 2018 and the related statements of operations, of comprehensive income, of changes in equity and of cash flows for the quarter then ended, including accompanying notes.

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

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Review of interim financial information (NBC TR 2410 - 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 financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with 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 individual and consolidated interim financial information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the Quarterly Information referred to above was not prepared, in all material aspects, in accordance with CPC 21 (R1) and IAS 34 applicable to the preparation of Quarterly Information (ITR), and presented in consistently with standards issued by the Brazilian Securities and Exchange Commission (CVM).

Other matters

Statements of value added

We also reviewed the individual and consolidated statement of value added (SVA), for the quarter ended March 31, 2018, prepared under the responsibility of the Company's management, which presentation in the interim financial information is required according to the rules issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of Quarterly Information (ITR) and considered as supplementary information under IFRS, which do not require SVA presentation. These statements were submitted to the same review procedures previously described and, based on our review, nothing has come to our attention that would make us believe that they were not prepared, in all material respects, in accordance with the overall accompanying individual and consolidated interim financial information.

São Paulo, April 27, 2018.

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP034519/O-6

Rita de C. S. Freitas
Accountant CRC-1SP214160/O-5

FINANCIAL HIGHLIGHTS

R$ million	1Q18	4Q17	1Q17	Δ 1Q18/4Q17	Δ 1Q18/1Q17
Sales volume (thousand tonnes)	**761**	**842**	**759**	**-10%**	**0%**
% Domestic Market	51%	50%	46%	1 p.p.	5 p.p.
Net Revenue	**2,189**	**2,298**	**1,867**	**-5%**	**17%**
% Domestic Market	59%	59%	60%	0 p.p.	-1 p.p.
Adjusted EBITDA	**760**	**855**	**539**	**-11%**	**41%**
Adjusted EBITDA Margin	35%	37%	29%	-2 p.p.	6 p.p.
Net Income	**125**	**(83)**	**602**	**n/a**	**-79%**
Net Debt	**11,108**	**11,278**	**11,377**	**-2%**	**-2%**
Net Debt / EBITDA (LTM - BRL)	3.8x	4.1x	4.9x		
Capex	**230**	**248**	**251**	**-7%**	**-9%**

Klabin presents its consolidated financial statements according to international accounting standards (International Financial Reporting Standards - IFRS) as determined by CVM 457/07 and CVM 485/10 instructions. Information on Vale do Corisco is not consolidated in the Financial Statements and is represented by the Equity Pick up method only. Adjusted EBITDA is in accordance with CVM Instruction 527/12.
Some of the figures on the charts and tables may not express a precise result due to rounding. The EBITDA margin incorporates the effects of Vale do Corisco
LTM – last 12 months.

SUMMARY

The first quarter 2018 continued to show an improving Brazilian economy despite upcoming presidential elections and outlook for greater second half volatility. Inflation and interest rates continued to fall and driven by investor optimism, the Ibovespa again touched historic highs in the period.

This scenario continued to benefit food producers and other non-durable consumer goods. As a reflection of this phenomenon, corrugated box shipments increased 3.7% in 1Q18 in relation to the same quarter in the previous year, as shown in data published by the Brazilian Corrugated Board Association (ABPO).

Internationally, despite protectionist measures taken by the United States injecting some uncertainties into the markets, continued demand, mainly from China, in addition to restrictions in the use of recyclable materials due to environmental issues, boosted packaging paper and pulp prices globally.

Kraftliner prices continued to show increases and European list prices, published by FOEX, ended 1Q18 at US$ 905/tonnes, once again reaching record highs and representing a 9% increase in relation to prices at the end of 2017 and 44% year-on-year.

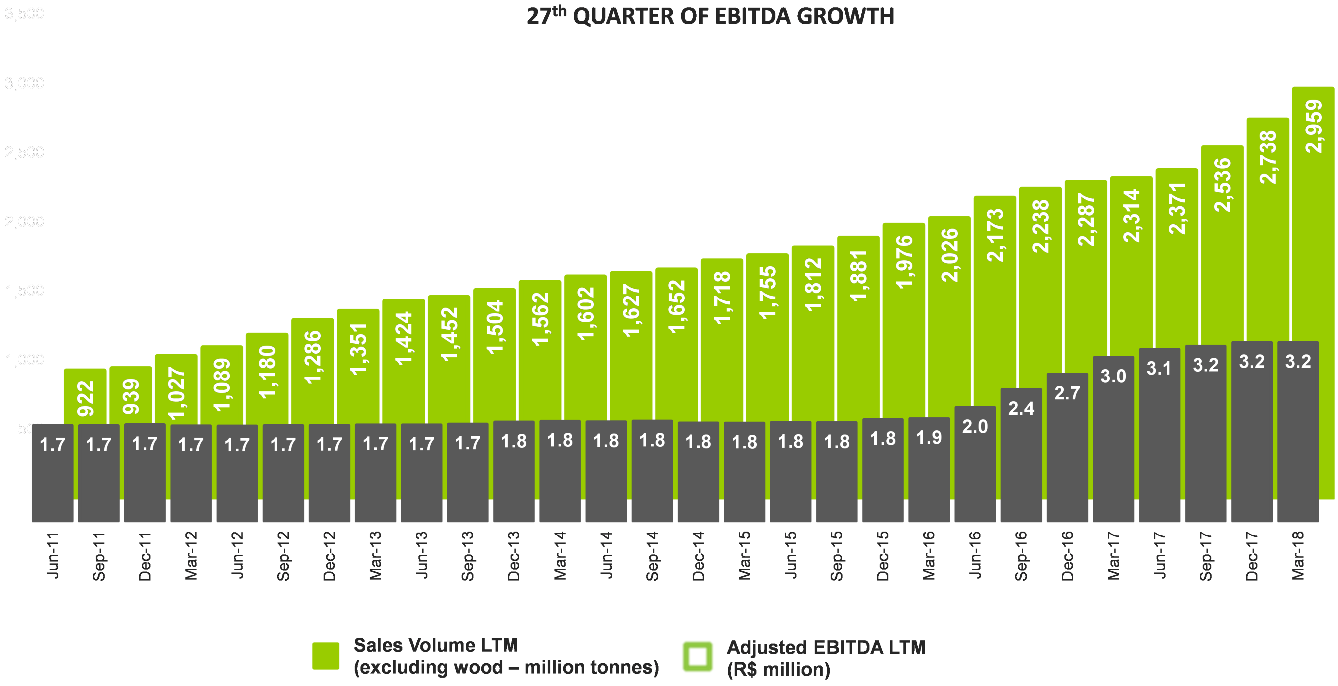
Continued pulp demand from emerging markets, especially from China, secured price improvement throughout the first quarter 2018. In this context, hardwood list prices, published by FOEX, reached US$ 1,030/tonnes at the end of 1Q18 in Europe, a 5% increase in relation to prices for year-end 2017 and 43% year-on-year. Softwood European list prices ended the quarter at US$ 1,092/tonnes versus US$ 1,000/tonnes in December 2017, and US$ 826/tonnes at the end of 1Q17.

Thanks to production line flexibility, Klabin boosted sales volumes of these products, which showed significant price increases in recent months. In this context, the Company's kraftliner and pulp sales volume grew by 5% and 4%, respectively, in the first quarter in relation to the 1Q17.

Improvement in mix and prices in international markets drove up net sales by 17% under the same comparison. A consequence of revenue increases and cost discipline, especially in the case of general and administrative expenses, EBITDA margin reached 35% in 1Q18 versus 29% during the same period in 2017.

For the same reasons, adjusted EBITDA reached R$ 760 million in the quarter, a 41% increase in relation to the same period of the previous year. In the last twelve months, adjusted EBITDA amounted to R$ 2,959 million, the 27th consecutive quarter of growth.

27th QUARTER OF EBITDA GROWTH



LTM – Last twelve months

Exchange Rate

The FX rate maintained the same stability in the 1Q18 as seen in the 4Q17, with both the average and the closing rates practically flat in this comparison. Thus, the average rate for the period was R$ 3.24/US$, and the closing rate used to convert foreign currency debt was R$ 3.32/US$.

R$ / US$	1Q18	4Q17	1Q17	Δ 1Q18/4Q17	Δ 1Q18/1Q17
Average Rate	**3.24**	**3.25**	**3.15**	**0%**	**3%**
End Rate	**3.32**	**3.31**	**3.17**	**0%**	**5%**

Source: Bacen

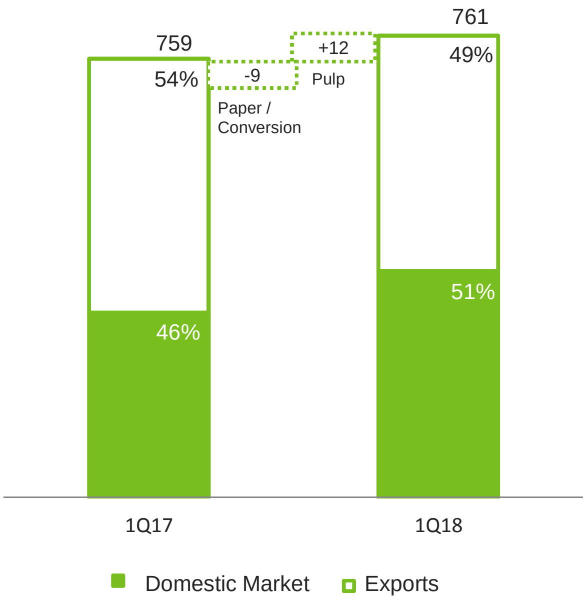
OPERATING AND ECONOMIC FINANCIAL PERFORMANCE

Sales volume

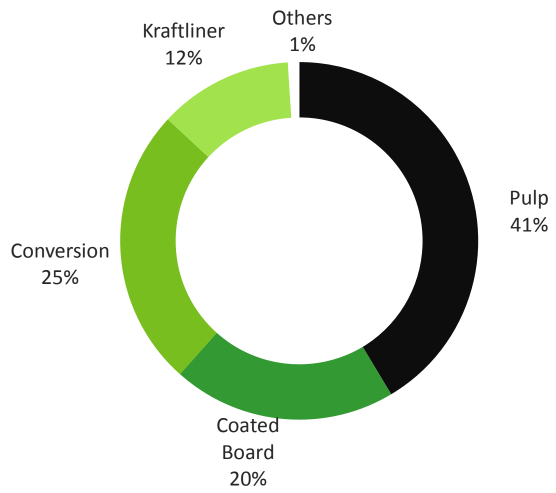
Klabin's sales volume during the first quarter, excluding wood, totaled 761 thousand tonnes, versus 759 thousand tonnes sold in the first three months of 2017. Pulp sales during the period were 4% more than 1Q17, reaching 313 thousand tonnes, of which 230 thousand tonnes of hardwood and 83 thousand tonnes of softwood and fluff. Worthy of mention here is that there were maintenance shutdowns at the Puma Unit both in 1Q17 and 1Q18.

Throughout 1Q18, the sale of paper and packaging amounted to 448 thousand tonnes. The highlight was kraftliner sales that totaled 95 thousand tonnes, 5% more than in the same quarter of the previous year. Showing significant price increases in the last months, the increase in sales volume to this market is a demonstration of the Company's flexibility in its efforts to maximize returns.

Sales volume
(excluding wood – tsd tonnes)



Sales volume by product
1Q18



In 1Q18, sales to the domestic market grew 12% in comparison to 1Q17, reaching 387 thousand tonnes and representing 51% of the total volume sold. It is important to note that in 1Q18, Klabin increased sales of all product lines in Brazil, in comparison to 1Q17 when domestic sales represented 46% of the total.

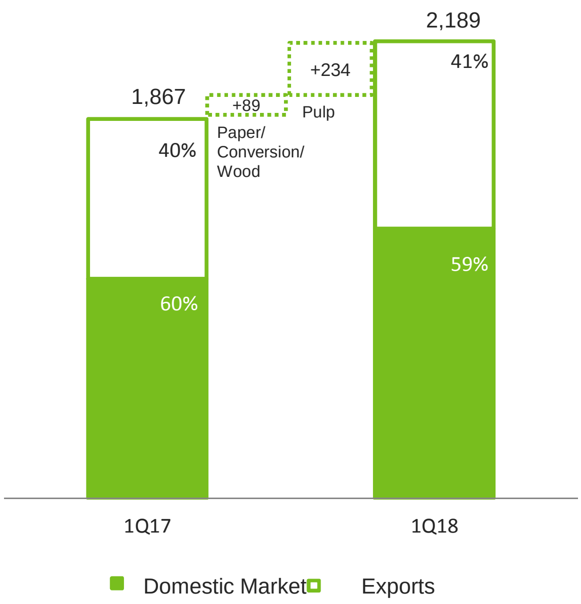
Net Revenues

Net revenues grew by 17% in 1Q18 in comparison with the same period of 2017. The improved price scenario both in domestic and export markets drove revenues for all products, net revenues (including wood), reaching R$ 2,189 million in the first three months of 2018.

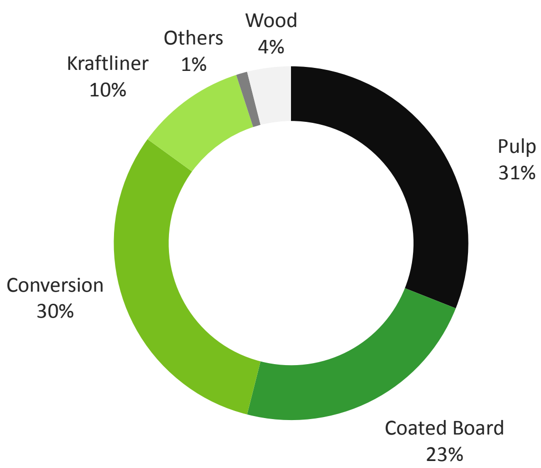
Revenues of hardwood, softwood and fluff pulp totaled R$ 684 million, 52% more than in 1Q17 with larger pulp volume sold in the quarter and better international prices. Paper, packaging and wood revenues reached R$ 1,505 million, 6% more than 1Q17.

Even with a higher volume sold to the domestic market, export revenues increased 19% versus 1Q17, mainly because of improved international pulp and kraftliner prices from one period to the other. Exports represented 41% of total revenues in 1Q18 in comparison to 40% in the same period of 2017.

Net Revenue
(R$ million)



Net Revenue by Product
1Q18



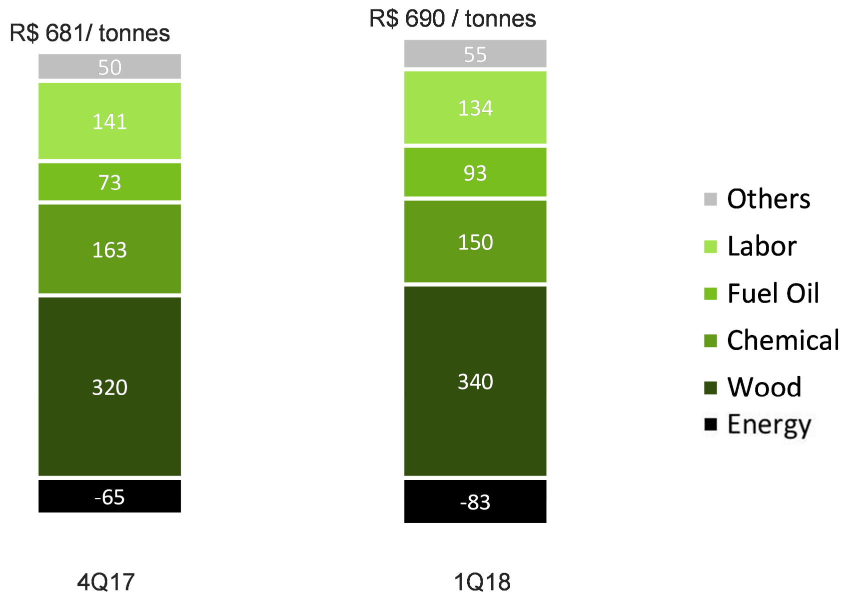
Operating Costs and Expenses

PULP CASH COST

With the unveiling of pulp sales from the Puma Unit in 3Q16, for comparative purposes, **the unit cash cost of pulp production** is now disclosed for each quarter, contemplating production costs for hardwood, softwood and fluff pulp and volumes produced during the period. The production cash cost does not include selling and general and administrative expenses, constituting exclusively amounts expended on pulp production.

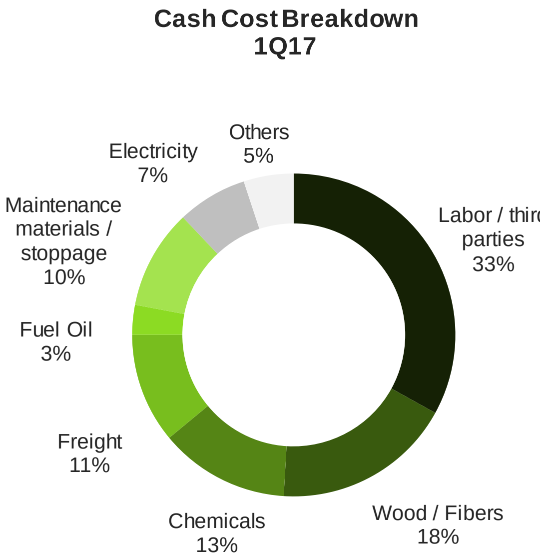
During the quarter, there was a second maintenance shutdown at the Puma Unit, which extended until early April due to an incident during the washing out of the recovery boiler. The incident was controlled and did not result in structural damage to equipment or in any injury.

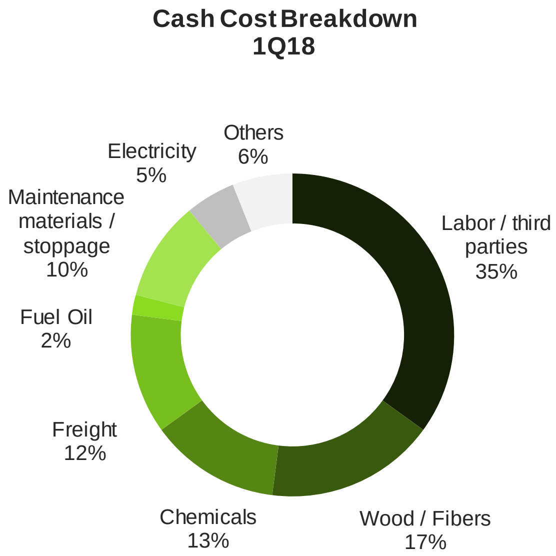
Excluding the maintenance stoppage effects, **unit cash cost of pulp production** during 1Q18 was R$ 690/tonnes, identical to 4Q17, reflecting mainly higher expenses with fuel but compensated by a reduction in chemical product purchases. It is important to note that contrary to the effect in 4Q17, the lower production volume due to the maintenance stoppage, translated into higher energy generation per ton of produced pulp. Considering the effects of the maintenance stoppage, unit cash cost in the quarter was R$ 802/tonnes.



TOTAL CASH COST

Total unit cash cost, which includes the sale of all Company products, reached R$ 1,878/tonnes in the quarter including non-recurrent operational revenues and expenses. Excluding values involving the general maintenance shutdown at the Puma Unit, unit cash cost in the quarter was R$1,824/tonnes, a 4% increase when compared to the same period of the previous year, explained by higher expenses with chemical products, maintenance and sales-related freight costs, compensated, on the other hand, by reductions in the cost of wood and fibers, greater energy efficiency and adjustments to the Company's corporate structure.





Cost of goods sold during the quarter was R$ 1,558 million, 2% above the same period in the preceding year. In line with inflation for the period, the increase is mainly explained by greater efficiency in relation to wood costs and energy expenditures but, on the other hand, negatively impacted by the increase in the price of some chemical products in addition to higher maintenance overheads.

Sales expenses totaled R$ 171 million in the quarter, versus R$ 155 million in 1Q17 and R$ 179 million in 4Q17. In relation to the same period in the previous year, more expensive sales-related freight costs explain the increase in the last twelve months. On the other hand, improvement in prices compensated the increase and on the same comparative basis, sales expenses in 1Q18 represented 7.8% of net revenues, a decrease in relation to the 8.3% in 1Q17.

General and administrative expenses totaled R$ 126 million in the quarter, flat in relation to the same period of the preceding year and a R$ 15 million reduction when compared to 4Q17. It is worthy to mention the Company's continuous efforts to maximize its pulp operations following structural adjustments.

Other operating revenues/expenses totaled R$ 15 million in expenses in the period.

Effects of the variation of the fair value of biological assets

During 1Q18, the effects of the variation in fair value of biological assets was positive at R$ 119 million. In turn, the depletion effect of fair value of the biological assets on the costs of goods sold was R$ 141 million in the period under review. Hence, the non-cash effect of the fair value of biological assets on operational results (EBIT) was a negative R$ 22 million in the quarter.

Operating Cash Generation (EBITDA)

R$ million	1Q18	4Q17	1Q17	Δ 1Q18/4Q17	Δ 1Q18/1Q17
Net Income (loss)	**125**	**(83)**	**602**	**n/a**	**-79%**
(+) Income taxes and social contribution	53	(80)	258	n/a	-79%
(+) Net Financial Revenues	262	693	(318)	-62%	n/a
(+) Depreciation, amortization, depletion	441	376	450	17%	-2%
Adjustments according to IN CVM 527/12 art. 4º					
(+) Biological assets adjustment	(119)	(48)	(455)	149%	-74%
(-) Equity Pickup	(2)	(3)	(7)	-44%	-75%
(+) Vale do Corisco	-	-	9	n/a	n/a
Ajusted EBITDA	**760**	**855**	**539**	**-11%**	**41%**
Adjusted EBITDA Margin	35%	37%	29%	-2 p.p.	6 p.p.

n/a - Not applicable

Note: Adjusted EBITDA margin is calculated considering the pro forma net revenue, which includes Vale do Corisco

The increase of sales volume in some products, mainly of pulp and kraftliner, associated with the increase in international prices boosted net revenue in the quarter. This fact, combined with the Company's efforts to control costs contributed to the increase in **operational cash generation (adjusted EBITDA)** that reached R$ 760 million in 1Q18, 41% higher than in the same period of the previous year. Due to these factors, the Company reported an important increase in EBITDA margin that reached 35% in the period versus 29% in the 1Q17.

Free Cash Flow

R$ million	1Q18	4Q17	1Q17	LTM
Adjusted EBITDA	**760**	**855**	**539**	**2,959**
(-) Capex	(230)	(248)	(251)	(904)
(-) Interest paid/received	(396)	(135)	(264)	(841)
(-) Income tax	(1)	-	(2)	(4)
(+/-) Working Capital	12	316	47	373
(-) Dividends	(171)	(150)	(130)	(548)
(+/-) Others	(3)	(1)	(31)	(13)
Free Cash Flow	**(30)**	**636**	**(93)**	**1,022**
Dividends	171	150	130	548
Special projects and growth	74	55	118	250
Adjusted Free Cash Flow*	**215**	**841**	**155**	**1,820**
Adjusted FCF Yield				**9.9%**

* excluding dividends and expansion projects
- LTM - last twelve months.
- Yield - Adjusted FCF per share (excluding treasury stock) divided by the average price of the Units in the LTM.

Adjusted free cash flow before dividends and expansion projects was positive in R$ 215 million during the period, influenced mainly by cash generation. For the same reasons, during the last twelve months, free cash flow reached R$ 1,820 million, and FCF yield at 9.9%.

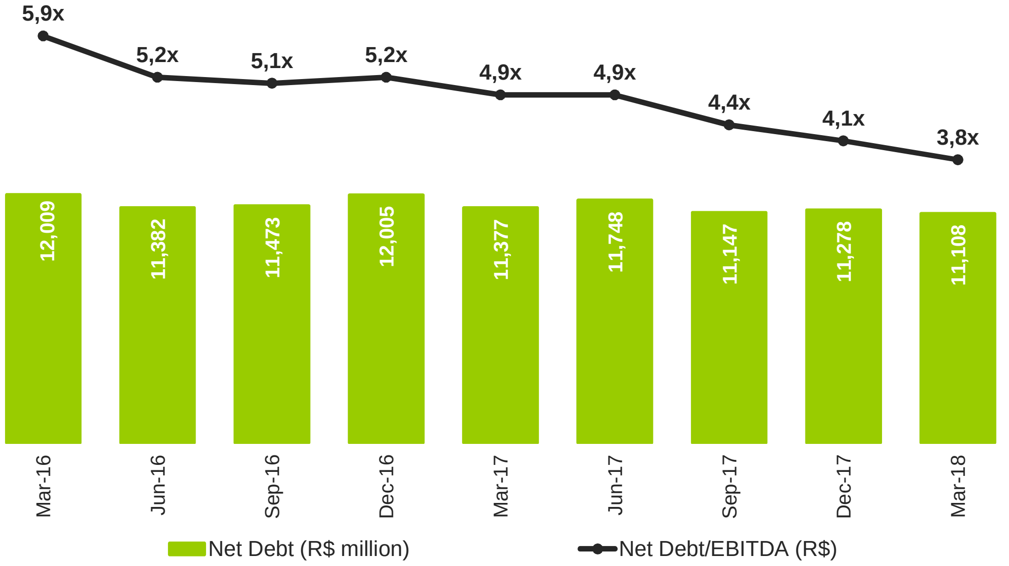
Debt and financial investments

Gross debt on March 31, 2018 was R$ 17,698 million, a R$ 1,852 million decrease in relation to the end of 4Q17, explained by anticipation of trade finance maturities improving the Company's debt profile. Out of total debt, R$ 12,547 million, or 71% (US$ 3,775 million) are dollar denominated. **Average debt maturity** is now 47 months, of which 38 months for loans in Reais and 52 months for foreign currency loans. Short term debt at the end of the quarter was 10% of the total with the average cost of local funding and currency-denominated lines being 7.2% p.a. and 4.9% p.a. respectively.

The company's position in **cash and financial investments** at the end of 1Q18 amounted to R$ 6,590 million, R$ 1,682 million less than at the end of the 4Q17, also explained by the anticipation of debt maturities. This amount in cash and financial investments is equivalent to debt payments maturing over the next 37 months.

Consolidated **net debt** on March 31, 2018 amounted to R$ 11,108 million, a R$ 170 million reduction against December 31, 2017, largely due to the Company's higher cash generation. In addition, the increase seen in EBITDA during the last twelve months reinforces Klabin's deleveraging process, the Company ending the quarter with a **net debt /adjusted EBITDA** ratio of 3.8x, a 0.3x reduction in comparison to the end of 4Q17.

NET DEBT AND LEVERAGE



Debt (R$ million)	Mar-18		Dec-17	
Short term				
Local currency	643	4%	873	5%
Foreign currency	1,144	6%	1,596	8%
Total short term	**1,786**	**10%**	**2,470**	**13%**
Long term				
Local currency	4,509	25%	4,616	23%
Foreign currency	11,403	65%	12,464	64%
Total long term	**15,912**	**90%**	**17,080**	**87%**
Total local currency	5,152	29%	5,489	28%
Total foreign currency	12,547	71%	14,061	72%
Gross debt	**17,698**		**19,550**	
(-) Cash	6,590		8,272	
Net debt	**11,108**		**11,278**	
Net debt / EBITDA (LTM)	**3.8x**		**4.1x**	

Financial Result

(R$ mil)	1Q18	4Q17	1Q17	Δ 1Q18/4Q17	Δ 1Q18/1Q17
Financial Expenses	(346)	(308)	(325)	12%	6%
Financial Revenues	136	105	266	29%	-49%
Financial result	**(210)**	**(202)**	**(60)**	**4%**	**251%**
Net Foreign Exchange Losses	(52)	(491)	378	-89%	n/a
Net Financial Revenues	**(262)**	**(693)**	**318**	-62%	n/a

Financial expenses were R$ 346 million in the quarter, a R$ 38 million increase in relation to 4Q17. On the other hand, **financial revenues** reached R$ 136 million in the quarter, R$ 30 million above the preceding quarter. Consequently, the **financial result** in the period, excluding the currency translation effect, was a negative R$ 210 million, flat on the same comparable basis.

FX rates ended the quarter at the same level as in 4Q17. Thus, due to the lower impact on currency denominated debt, **net FX variation** amounted to a negative R$ 52 million in 1Q18. Note that the effect of FX variation on the company's balance sheet is purely an accounting one with no short-term cash effect.

BUSINESS PERFORMANCE

Consolidated information per unit in 1Q18:

R$ million	Forestry	Pulp	Papers	Conversion	Consolidation	Total
Net revenue						
Domestic market	78	178	419	617	(3)	1,289
Exports	-	508	332	60	-	900
Third part revenue	**78**	**686**	**751**	**677**	**(3)**	**2,189**
Segments revenue	334	15	350	5	(704)	-
Total net revenue	**412**	**701**	**1,101**	**682**	**(707)**	**2,189**
Change in fair value - biological assets	119	-	-	-	-	119
Cost of goods sold	(487)	(462)	(723)	(590)	705	(1,557)
Gross income	**44**	**239**	**378**	**92**	**(2)**	**751**
Operating expenses	(26)	(94)	(101)	(85)	(5)	(311)
Operating results before financial results	**18**	**145**	**277**	**7**	**(7)**	**440**

Note: In this table, total net revenue includes sales of other products.

* Forestry COGS includes the exaustion of the fair value of biological assets in the period.

FORESTRY BUSINESS UNIT

Volume (tsd tonnes)	1Q18	4Q17	1Q17	Δ 1Q18/4Q17	Δ 1Q18/1Q17
Wood	556	871	524	-36%	6%
R$ million					
Wood	84	103	82	-18%	3%

In the first quarter 2018, sales volume of wood logs to third parties was 556 thousand tonnes, 6% more than posted in 1Q17. The change in mix, on the other hand, led to a 3% increase in revenues on the same comparable basis.

PULP BUSINESS UNIT

Production

Volume (tsd tonnes)	1Q18	4Q17	1Q17	Δ 1Q18/4Q17	Δ 1Q18/1Q17
Short Fiber	205	289	211	-29%	-3%
Long Fiber	76	105	74	-28%	3%
Total Pulp Volume	**281**	**394**	**285**	-29%	-2%

Sales Volume

Volume (tsd tonnes)	1Q18	4Q17	1Q17	Δ 1Q18/4Q17	Δ 1Q18/1Q17
Short Fiber DM	25	36	22	-29%	14%
Short Fiber EM	204	230	203	-11%	1%
Total short fiber volume	**230**	**265**	**225**	-13%	2%
Long Fiber DM	47	53	29	-10%	65%
Long Fiber EM	36	46	48	-21%	-24%
Total long fiber volume	**83**	**98**	**76**	-15%	9%
Total pulp volume	**313**	**364**	**301**	**-14%**	**4%**
R$ million					
Short Fiber	470	499	302	-6%	55%
Long Fiber	215	229	148	-6%	45%
Total Pulp Revenues	**684**	**728**	**451**	**-6%**	**52%**

Maintenance of strong Asian demand continued to influence international prices for hardwood pulp, thus preserving the scenario prevailing throughout 2017. List prices for hardwood pulp in Europe published by FOEX reached US$ 1,030/tonnes, increasing 5% and 43% in relation to the end of 4Q17 and 1Q17 respectively. Strong demand also reflected in softwood prices while list prices in Europe reached US$1,092/tonnes, a 9% increase in the quarter and 32% in the last twelve months.

Due to the maintenance stoppage at the Puma Unit during the quarter, volume sold reached 313 thousand tonnes, below the amount seen in 4Q17, but 4% higher in relation to the same period of the previous year. It is worth noting the penetration that Klabin now has in the Brazilian fluff pulp market as well as the exceptional acceptance of the product by overseas customers.

Sales of hardwood are mainly anchored to an agreement with Fibria signed in May 2015. Under this agreement, Klabin supplies Fibria with 900 thousand tonnes of hardwood pulp annually, to be sold by Fibria on an exclusive basis to countries outside South America. Klabin commercializes directly all the remaining pulp output, hardwood pulp being sold in Brazil and South America, and softwood and fluff pulps in both domestic and global markets.

PAPER BUSINESS UNIT

Volume (1.000 tonnes)	1Q18	4Q17	1Q17	Δ 1Q18/4Q17	Δ 1Q18/1Q17
Kraftliner DM	34	31	20	9%	72%
Kraftliner EM	61	55	71	10%	-14%
Total Kraftliner	**95**	**87**	**91**	**9%**	**5%**
Coated boards DM	94	111	88	-15%	7%
Coated boards EM	61	79	79	-23%	-23%
Total Coated boards	**155**	**190**	**167**	**-18%**	**-7%**
Total Paper	**250**	**276**	**257**	**-9%**	**-3%**
R$ million					
Kraftliner	222	190	171	17%	29%
Coated boards	506	576	500	-12%	1%
Total Paper	**727**	**765**	**672**	**-5%**	**8%**

Kraftliner

Kraftliner prices continued to report increases during the first quarter of the year. FOEX published list prices in Europe reporting US$ 905/tonnes at the end of the period. This value repeats historic highs and represents a 9% increase in relation to values reported at the end of 2017, indicating continued strong global demand for virgin fiber papers.

Klabin used its flexibility to maximize the benefits of good market momentum, posting a 5% increase in kraftliner sales volume in relation to the same period in the previous year with a 72% increase in sales to the domestic market where returns are higher. Improvement in volumes, prices and higher FX benefiting amounts sold abroad generated net revenues of R$ 222 million, 29% higher than in 1Q17.

Coated boards

Data published by the Brazilian Tree Industry at the beginning of the year indicates the recovery of the coated board market with a 3.8% increase in domestic sales during the first two months of the year in relation to the same period in 2017.

Klabin focused coated board sales to the domestic market in the period aimed at improving returns and using its product line flexibility to the full, obtaining a 7% increase in volumes sold in relation to 1Q17.

Focusing on the domestic market and better margins, total coated board volumes sold in the first quarter reached 155 thousand tonnes and revenues of R$506 million. It is worth noting that coated board sales volume is seasonally lower at the beginning of the year on the back of inventory stock-up that precedes scheduled maintenance stoppages at the paper plants during the second quarter.

CONVERSION BUSINESS UNIT

Volume (tsd tonnes)	1Q18	4Q17	1Q17	Δ 1Q18/4Q17	Δ 1Q18/1Q17
Total conversion	**189**	**190**	**186**	**-1%**	**2%**
R$ million					
Total conversion	**665**	**666**	**626**	**0%**	**6%**

Brazilian Corrugated Board Association (ABPO) data for corrugated box shipments again showed signs of recovery in 1Q18, reporting growth of 3.7% in relation to 1Q17.

In the industrial bags segment, despite the 3% drop in cement sales in 1Q18 in relation to the same period of the previous year, National Cement Industry Union (SNIC) estimates growth between 1% and 2% in 2018. Klabin has been diminishing its dependence on this industry, strengthening sales to new markets, such as chemicals and food products, principally exports. In the light of this success, the Company began production with its new industrial bag machine in April 2018, permitting greater potential sales to these new markets.

In this context, Klabin's packaging sales volume increased 2% and net revenues 6% in 1Q18 in relation to 1Q17, a consequence of its strategy that maximizes the opportunities through the flexibility in its paper and packaging product markets.

INVESTMENTS

R$ million	1Q18	4Q17
Forestry	62	66
Maintenance	95	124
Special projects and growth	73	58
Total	**230**	**248**

Klabin invested R$ 230 million in the first months of 2018. Of the total invested in the quarter, R$ 62 million was allocated to forestry operations, R$ 95 million to investments in the operational continuity of the plants, and R$ 73 million to special and expansion projects, more particularly those in the high return projects for improving performance in the many the segments in which the Company operates.

It is worthy to highlight that in April 2018, the Company began operations with its new industrial bag machine in Lages (SC), which will increase the total capacity of production of industrial bags in 10%. The total capex was approximately R$60 million.

CAPITAL MARKETS

Equity Markets

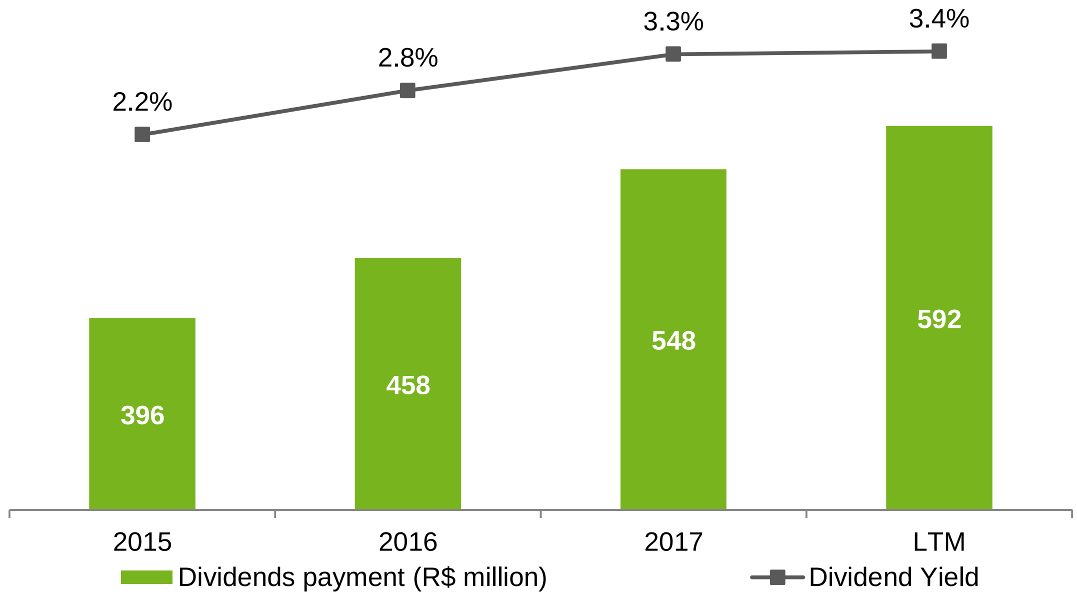
In the first quarter of 2018, Klabin's units (KLBN11) reported an 18% appreciation vs 12% in the case of the IBOVESPA. Trading on every day B3 was open for business, the Units registered 506 thousand transactions involving 153 million securities and an average daily trading volume of R$ 46 million at the end of the period.

Klabin's capital stock comprises 5,410 million shares, of which 1,985 million are common and 3,425 million, preferred shares. The Company's shares are also traded in the United States market and listed under a Level I ADR program on the Over-the-Counter market under the KLBAY ticker symbol.

Klabin is a component of B3's Corporate Sustainability Index (ISE). The index represents shares of companies that are outstanding in their commitment to the sustainability of the businesses and the country as a whole. The participating companies are selected annually, based on the criteria of the Getúlio Vargas Foundation's Centre for Sustainability Studies (GVces)

Dividends

In the first quarter of 2018, the Company paid out R$ 171 million in dividends on February 19, 2018. The Board Meeting of April 25 approved dividend payments of R$ 152 million, reflecting a payout of R$ 28.88 per lot of a thousand shares and R$ 144.40 per lot of a thousand Units.

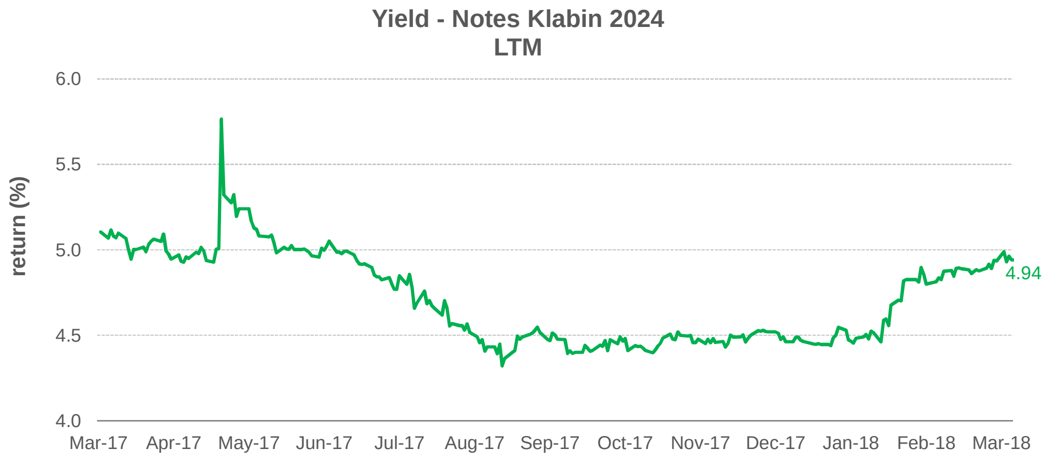


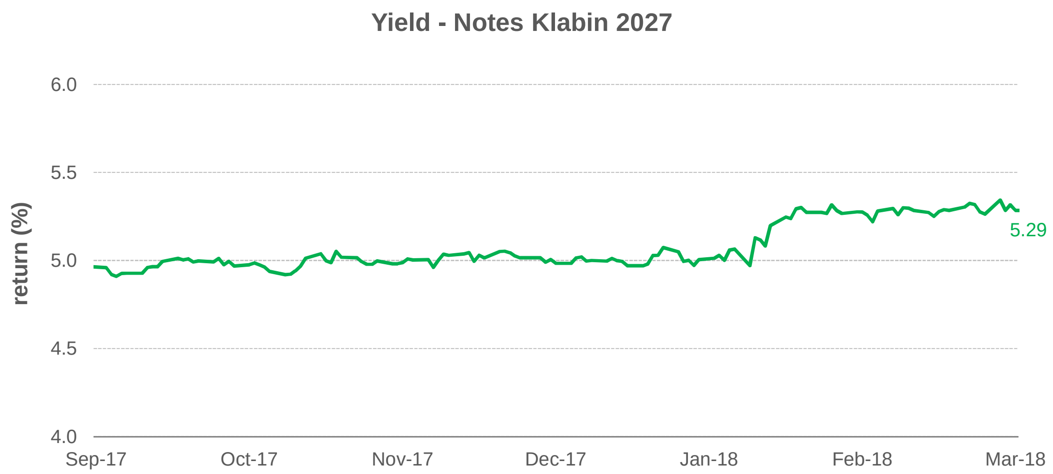
LTM – Last twelve months

Fixed Income

Klabin's securities, representing debt (notes) maturing in October 2024 and September 2027, both with an issue value of US$ 500 million, are listed in the secondary market of the Luxembourg Stock Exchange. The Notes were issued at a coupon rate of 5.25% p.a. and 4.875% p.a. with interest disbursed semi-annually.

Klabin has an investment grade rating of BB+ from Fitch Ratings and Standard & Poors.





Klabin S.A.

Quarterly Information (ITR) at March 31, 2018

(A free translation of the original in Portuguese)

KLABIN S.A.
All amounts in thousands of Reais

CONTENTS **Page**

BALANCE SHEET AT MARCH 31, 2018 AND DECEMBER 31, 2017
(All amounts in thousands of Reais)

		Parent Company		Consolidated	
	Note	03/31/2018	12/31/2017	03/31/2018	12/31/2017
ASSETS					
Current					
Cash and cash equivalents	4	4,977,952	6,650,697	5,329,454	7,028,422
Marketable securities	5	1,254,009	1,236,386	1,260,828	1,243,173
Accounts receivable:					
. Trade receivables	6	1,561,070	1,633,696	1,713,772	1,794,196
. Allowance for doubtful debts	6	(40,336)	(40,096)	(40,394)	(40,133)
Related parties	7	280,318	307,544	-	-
Inventory	8	922,445	873,341	984,105	933,161
Taxes recoverable	9	475,988	555,596	488,148	567,079
Other assets		244,296	274,338	248,034	277,691
Total current assets		**9,675,742**	**11,491,502**	**9,983,947**	**11,803,589**
Non-current					
long-term receivables					
Judicial deposits	17	82,327	82,380	83,759	83,381
Taxes recoverable	9	1,253,563	1,286,722	1,253,563	1,287,669
Other assets		363,022	348,001	360,134	344,233
		1,698,912	**1,717,103**	**1,697,456**	**1,715,283**
Investments:					
. Interests in subsidiaries and joint venture	11	1,131,687	1,106,103	165,652	171,673
. Other		4,853	1,773	4,853	1,773
Property, plant and equipment	12	12,401,479	12,599,191	12,420,961	12,619,495
Biological assets	13	3,243,779	3,272,496	4,152,320	4,147,779
Intangible assets		88,776	89,919	88,806	89,949
		16,870,574	17,069,482	16,832,592	17,030,669
Total non-current assets		**18,569,486**	**18,786,585**	**18,530,048**	**18,745,952**
Total assets		**28,245,228**	**30,278,087**	**28,513,995**	**30,549,541**

(A free translation of the original in Portuguese)

BALANCE SHEET AT MARCH 31, 2018 AND DECEMBER 31, 2017
(All amounts in thousands of Reais)

		Parent Company		Consolidated	
	Note	03/31/2018	12/31/2017	03/31/2018	12/31/2017
LIABILITIES AND EQUITY					
Current					
Borrowings	14	1,718,141	2,230,123	1,708,080	2,230,624
Debentures	15	77,553	239,276	77,553	239,276
Trade payables	16	605,178	702,040	617,465	713,612
Tax payables		46,351	55,445	46,495	55,673
Social security and labor obligations		189,089	276,981	192,642	281,466
Enrollment in Tax Recovery Program (REFIS)	17	72,007	71,467	72,007	71,467
Other payables and provisions		191,293	146,205	201,772	155,215
Total current liabilities		**2,899,612**	**3,721,537**	**2,916,014**	**3,747,333**
Non-current					
Borrowings	14	15,314,909	16,486,426	15,273,193	16,444,917
Debentures	15	639,112	634,594	639,112	634,594
Deferred income tax and social contribution	10	1,521,636	1,528,670	1,538,043	1,544,578
Provision for tax, social security, labor and civil contingencies	17	64,143	65,377	64,143	65,377
Payables - Investors in Special Partnership Companies (SPCs)		-	-	277,218	272,938
Enrollment in Tax Recovery Program (REFIS)	17	299,834	307,476	299,834	307,476
Other payables and provisions		304,851	299,856	305,307	298,177
Total non-current liabilities		**18,144,485**	**19,322,399**	**18,396,850**	**19,568,057**
Total liabilities		**21,044,097**	**23,043,936**	**21,312,864**	**23,315,390**
Equity					
Share capital		4,076,035	2,516,753	4,076,035	2,516,753
Capital reserves		(361,268)	1,187,329	(361,268)	1,187,329
Revaluation reserve		48,705	48,705	48,705	48,705
Profit reserves		2,528,577	2,699,577	2,528,577	2,699,577
Other compreenseve income		981,008	987,916	981,008	987,916
Retained earnings		124,655	-	124,655	-
Treasury shares		(196,581)	(206,129)	(196,581)	(206,129)
Total equity	18	**7,201,131**	**7,234,151**	**7,201,131**	**7,234,151**
Total liabilities and equity		**28,245,228**	**30,278,087**	**28,513,995**	**30,549,541**

The accompanying notes are an integral part of this quarterly information.

STATEMENT OF OPERATIONS FOR THE QUARTERS ENDED MARCH 31, 2018 AND 2017

(All amounts in thousands of Reais unless otherwise stated)

		Parent Company		Consolidated	
	Note	From 1/1 to 03/31/2018	From 1/1 to 03/31/2017	From 1/1 to 03/31/2018	From 1/1 to 03/31/2017
Net sales revenue	19	2,179,711	1,860,156	2,189,154	1,866,692
Variation in the fair value of biological assets	13	88,758	475,151	119,153	483,306
Cost of products sold	20	(1,560,386)	(1,520,276)	(1,557,653)	(1,527,849)
Gross profit		708,083	815,031	750,654	822,149
Operating expenses					
Sales	20	(166,880)	(151,749)	(170,913)	(155,369)
General and administrative	20	(123,086)	(122,005)	(126,340)	(125,071)
Other, net	20	(15,711)	(8,015)	(15,266)	(7,047)
		(305,677)	(281,769)	(312,519)	(287,487)
Equity in the results of joint venture	11	35,346	(2,208)	1,629	6,589
Profit before finance result and taxes		437,752	531,054	439,764	541,251
Finance result	21	(262,822)	326,374	(262,176)	318,393
Finance income	21	125,562	221,051	129,695	225,936
Finance costs	21	(388,384)	105,323	(391,871)	92,457
Profit before taxes on income		**174,930**	**857,428**	**177,588**	**859,644**
Income tax and social contribution					
. Current	10	(57,799)	(47,408)	(59,961)	(50,193)
. Deferred	10	7,524	(207,995)	7,028	(207,426)
		(50,275)	(255,403)	(52,933)	(257,619)
Profit for the period		**124,655**	**602,025**	**124,655**	**602,025**
Basic and diluted earnings per common share - R$	23	0.0237	0.1146	0.0237	0.1146
Basic and diluted earnings per diluted share - R$	23	0.0237	0.1146	0.0237	0.1146

(A free translation of the original in Portuguese)

KLABIN S.A.

All amounts in thousands of Reais

STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTERS ENDED MARCH 31, 2018 AND 2017
(All amounts in thousands of Reais)

	Parent company and consolidated	
	From 1/1 to 03/31/2018	From 1/1 to 03/31/2017
Profit for the period	**124,655**	**602,025**
Other comprehensive income:		
. Foreign currency translation adjustments (i)	(1,962)	50
. Actuarial liability remeasurement (ii)	948	782
Total comprehensive income for the period, net of taxes	**123,641**	**602,857**

(i) Effects that may in the future impact the result only in case of sale or loss of the investee.

(ii) Effects that will never be transferred to profit or loss.

The accompanying notes are an integral part of this quarterly information.

(A free translation of the original in Portuguese)

KLABIN S.A.

All amounts in thousands of Reais

STATEMENT OF CHANGES IN EQUITY FOR THE QUARTERS ENDED MARCH 31, 2018 AND 2017

(All amounts in thousands of Reais)

Parent company and consolidated

			Revaluation reserve	Revenue reserves								
	Share capital	Capital reserves	Own assets	Legal	Tax incentives	Biological assets	Proposed dividends	Investments and working capital	Other compreenseve income value adjustments	Treasury shares	Retained earnings (accumulated deficit)	Total
At December 31, 2016	2,384,484	1,301,907	48,705	125,610	75,776	869,858	-	1,471,840	1,028,238	(206,082)	-	7,100,336
Profit for the period											602,025	602,025
Other comprehensive income for the period									832			832
Comprehensive income for the period	-	-	-	-	-	-	-	-	832	-	602,025	602,857
Realization of Revaluation reserve			(1)								1	-
Purchase of treasury shares										(11,468)		(11,468)
Stock option plan:												-
. Treasury shares sold		7,341								5,756		13,097
. Award of treasury shares									(5,754)	5,754		-
. Recognition of the stock option plan remuneration									3,917			3,917
. Maturity of stock option plan		4,441							(4,441)			-
Profit sharing - mandatory debentures convertible into shares											(26,631)	(26,631)
At March 31, 2017	2,384,484	1,313,689	48,704	125,610	75,776	869,858	-	1,471,840	1,022,792	(206,040)	575,395	7,682,108
At December 31, 2017	2,516,753	1,187,329	48,705	149,480	130,551	739,793	171,000	1,508,753	987,916	(206,129)	-	7,234,151
Profit for the period											124,655	124,655
Other comprehensive income for the period									(1,014)			(1,014)
Comprehensive income for the period	-	-	-	-	-	-	-	-	(1,014)	-	124,655	123,641
Prepaid dividends for the year 2018							(171,000)					(171,000)
Conversion of mandatory debentures convertible into	1,559,282	(1,559,282)										-
Stock option plan:												-
. Treasury shares sold		8,023								4,903		12,926
. Award of treasury shares									(4,903)	4,903		-
. Recognition of the stock option plan remuneration									1,671			1,671
. Maturity of stock option plan		2,662							(2,662)			-
. Grant plan outflow										(258)		(258)
At March 31, 2018	4,076,035	(361,268)	48,705	149,480	130,551	739,793	-	1,508,753	981,008	(196,581)	124,655	7,201,131

The accompanying notes are an integral part of this quarterly information.

(A free translation of the original in Portuguese)

KLABIN S.A.

All amounts in thousands of Reais

STATEMENT OF CASH FLOWS FOR THE QUARTERS ENDED MARCH 31, 2018 AND 2017

(All amounts in thousands of Reais)

	Parent Company		Consolidated	
	From 1/1 to 03/31/2018	From 1/1 to 03/31/2017	From 1/1 to 03/31/2018	From 1/1 to 03/31/2017
Net cash provided by operating activities	**513,433**	**688,334**	**510,723**	**606,229**
Cash provided by operations	**417,006**	**363,266**	**425,448**	**364,776**
Net profit for the period	124,655	602,025	124,655	602,025
Depreciation and amortization	264,199	250,670	264,536	248,970
Change in fair value of biological assets	(88,758)	(475,151)	(119,153)	(483,306)
Depletion of biological assets	158,910	168,379	176,043	201,507
Deferred income tax and social contribution	(7,524)	207,995	(7,028)	207,426
Interest and foreign exchange variations on borrowings	290,664	(149,438)	285,258	(156,858)
Interest and monetary variations on debentures	22,336	37,945	22,336	37,945
Amortization - adjustment to present value of debentures	-	3,846	-	3,846
Payment of interest on borrowings	(323,151)	(292,208)	(328,403)	(297,366)
Accrued interest - REFIS	11,248	11,249	11,248	11,249
Result on disposal of assets	425	14,027	425	14,027
Equity in the result of investees	(35,346)	2,208	(1,629)	(6,589)
Income tax and social contribution paid	-	-	(955)	(2,041)
Other	(652)	(18,281)	(1,885)	(16,059)
Changes in assets and liabilities	**96,427**	**325,068**	**85,275**	**241,453**
Trade receivables and related parties	100,092	405,912	80,685	312,525
Inventories	(49,104)	(39,573)	(50,944)	(12,083)
Taxes recoverable	112,767	(59,274)	113,992	(62,612)
Marketable securities	(17,623)	(14,765)	(17,655)	(14,765)
Other assets	8,930	(5,326)	7,234	(29,513)
Suppliers	5,454	82,599	6,169	79,241
Tax obligations	(9,094)	(9,053)	(9,178)	(11,227)
Social security and labor obligations	(87,892)	(71,373)	(88,824)	(73,312)
Other liabilities	32,897	35,921	43,796	53,199
Net cash used in investing activities	**(197,551)**	**(225,829)**	**(217,938)**	**(247,850)**
Purchase of property, plant and equipment	(168,693)	(204,644)	(168,934)	(207,473)
Planting cost of biological assets	(41,435)	(24,644)	(61,431)	(43,882)
Proceeds from disposal of assets	4,777	3,505	4,777	3,505
Acquisition of investments and payment of capital in subsidiaries (cash)	-	(1,696)	-	-
Dividends received from subsidiaries	7,800	1,650	7,650	-
Net cash provided used in financing activities	**(1,988,627)**	**452,438**	**(1,991,753)**	**421,410**
New borrowings	-	1,527,312	-	1,527,222
Repayment of borrowings	(1,651,012)	(741,376)	(1,651,123)	(740,964)
Payment of interest and participation in debenture results	(179,541)	(205,236)	(179,541)	(205,236)
Purchase of treasury shares	-	(11,468)	-	(11,468)
Disposal of treasury shares	12,926	13,097	12,926	13,097
Dividends paid SPCs	-	-	(3,015)	(31,350)
Dividends paid	(171,000)	(129,891)	(171,000)	(129,891)
Increase (decrease) in cash and cash equivalents	**(1,672,745)**	**914,943**	**(1,698,968)**	**779,789**
Cash and cash equivalent at the beginning of the period	**6,650,697**	**5,243,120**	**7,028,422**	**5,872,720**
Cash and cash equivalent at the end of the period	**4,977,952**	**6,158,063**	**5,329,454**	**6,652,509**

The accompanying notes are an integral part of this quarterly information.

(A free translation of the original in Portuguese)

KLABIN S.A.

All amounts in thousands of Reais

STATEMENT OF VALUE ADDED FOR THE QUARTERS ENDED MARCH 31, 2018 AND 2017

(All amounts in thousands of Reais)

	Parent Company		Consolidated	
	From 1/1 to 03/31/2018	From 1/1 to 03/31/2017	From 1/1 to 03/31/2018	From 1/1 to 03/31/2017
Revenues				
. Sales of products	2,569,092	2,197,037	2,586,254	2,214,416
. Change in fair value of biological assets	88,758	475,151	119,153	483,306
. Other income	4,777	3,505	4,777	3,505
. Allowance for doubtful debts	1,505	(6,108)	1,491	(6,100)
	2,664,132	**2,669,585**	**2,711,675**	**2,695,127**
Inputs acquired from third parties				
. Cost of products sold	(446,907)	(367,414)	(437,620)	(347,986)
. Materials, electricity, outsourced services and other	(900,093)	(875,166)	(900,594)	(878,218)
	(1,347,000)	**(1,242,580)**	**(1,338,214)**	**(1,226,204)**
Gross value added	**1,317,132**	**1,427,005**	**1,373,461**	**1,468,923**
Retentions				
. Depreciation, amortization and depletion	(428,949)	(419,049)	(440,579)	(450,477)
Net value added generated	**888,183**	**1,007,956**	**932,882**	**1,018,446**
Value added received through transfer				
. Equity in the results of investees	35,346	(2,208)	1,629	6,589
. Finance income, including exchange variations	125,562	221,051	129,695	225,936
	160,908	**218,843**	**131,324**	**232,525**
Total value added to distribute	**1,049,091**	**1,226,799**	**1,064,206**	**1,250,971**
Distribution of value added:				
Personnel				
. Direct compensation	252,876	223,967	259,516	229,545
. Benefits	70,929	65,820	71,141	66,054
. Government Severance Indemnity Fund for Employees (FGTS)	6,677	20,725	6,719	20,762
	330,482	**310,512**	**337,376**	**316,361**
Taxes and contributions				
. Federal	164,989	379,291	169,723	384,748
. State	36,847	37,109	36,847	37,109
. Municipal	3,734	3,185	3,734	3,185
	205,570	**419,585**	**210,304**	**425,042**
Remuneration of third-party capital				
. Interest	388,384	(105,323)	391,871	(92,457)
	388,384	**(105,323)**	**391,871**	**(92,457)**
Remuneration of own capital				
. Dividends and participation in 6th debenture issue results	171,000	26,630	171,000	26,630
. Profits reinvested for the period	(46,345)	575,395	(46,345)	575,395
	124,655	**602,025**	**124,655**	**602,025**
	1,049,091	**1,226,799**	**1,064,206**	**1,250,971**

The accompanying notes are an integral part of this quarterly information.

1 GENERAL INFORMATION

Klabin S.A. (the "Company") and its subsidiaries operate in segments of the paper and pulp industry supplying domestic and foreign markets, with wood, packaging paper, paper sacks, corrugated cardboard boxes and pulp. Their operations are fully integrated, from forestry activities to the production of the final products. Klabin S.A. is a publicly held corporation whose shares and certificates of deposit of shares (Units) are traded under the code KLBN11, on the São Paulo Commodities, Futures and Stock Exchange (BM&FBOVESPA). The Company is domiciled in Brazil and headquartered in São Paulo.

The Company also has investments in Special Partnership Companies (“SPCs”) for the specific purpose of raising funds from third parties for reforestation projects. The Company has contributed forest assets, mainly forests and land, by granting rights to use, whereas other investing shareholders have contributed cash to these SPCs. The SPCs give Klabin S.A. a preemptive right to acquire forestry products at market prices and conditions.

The Company also has ownership interests in other companies (Notes 3 and 11) whose operational activities relate to the Company's business objectives.

The issue of this interim accounting information of the Company and its subsidiaries was authorized by the Directory on April 26, 2018.

1.1 Merger with Embalplan Indústria e Comércio de Embalagens S.A.

On March 2, 2017, a resolution of the Extraordinary Shareholders' Meeting approved the merger of the Company’s subsidiary Embalplan Indústria e Comércio de Embalagens S.A. ("Embalplan") into Klabin S.A. at book value without a subscribed capital increase. The Management's justification for proceeding with the merger is in line with its strategic objective of expanding its activities in the conversion segment.

Being a wholly-owned subsidiary, the balances of Embalplan were already included in the quartery financial information, therefore there was no impact to the Company’s consolidated interim financial information with the said transaction incorporating the balances of the individual information open in all balance sheet rows, as it was in the consolidated.

The shareholders' equity of Embalplan on the merger date was R$ 36,396.

1.2 Distribution of certain assets of Florestal Vale do Corisco S.A. to shareholders

A resolution of the Extraordinary Meeting of the Board of Directors held on April 28, 2017 approved the distrbuition of certain assets of Florestal Vale do Corisco S.A. (“Vale do Corisco”), to Klabin and its joint venture partner Arauco. The objective of this transaction is part of the Company's strategy to use certain forest assets in a more autonomous and efficient manner, with a view to supplying wood to plants located in the regions in which they are located. This transaction was duly approved without restrictions by the Brazilian antitrust authorities, CADE - Conselho Administrativo de Defesa Econômica.

Vale do Corisco's net assets were valued by outsourced appraisal specialists and were presented to the Company’s shareholders prior to a the General Meeting. The net assets of Vale do Corisco, incorporated by the Company, corresponds to R$ 379,143, equivalent to a 51% interest in the spun-off portion of Vale do Corisco total capital, which is substantially comprised of forests that will be absorbed in the operation, and the related deferred tax balances.

All amounts in thousands of Reais

The share of assets in the joint venture acquired by the Company correspond to:

	Assets		Liabilities
Current	26,580		
Non-current	36,545		
Biological assets	410,888	Non-current liabilities	102,448
Property, plant and equipment	9,027	Equity	380,592
	483,040		**483,040**

Vale do Corisco continues to operate managing forested land, as a jointly-controlled entity, with 51% of the shares held by the Company and 49% by Arauco.

1.3 Dissolution of Special Partnership Companies ("SPC")

On August 31, 2017, SCP Correia Pinto, located in the state of Santa Catarina, was dissolved by determination of its partners. In the liquidation of assets, non-controlling shareholders received R$ 79,907 in cash and the Company incorporated other assets and liabilities totaling R$740,723, mainly biological assets and forestry land.

1.4 Establishment of Special Partnership Companies ("SPC")

SPC Serrana

On July 3, 2017, the Company established a new SPC, located in the state of Santa Catarina, named Serrana, with the specific purpose of raising funds from third parties for reforestation projects.

For the establishment of the new SPC, the Company contributed R$ 20 million in forestry assets at book values, R$ 29 million in forestry assets at fair value and right to use land, while investing partners contributed R$ 48 million in cash to the Company. The SPC ensures that the Company has preemptive rights on the purchase of forestry products at market prices and conditions.

SPC Araucária

On September 22, 2017, the Company established a new SPC, located in the state of Paraná, named Araucária, with the specific purpose of raising funds from third parties for reforestation projects.

For the establishment of the new SPC, the Company, as an ostensive partner, contributed R$ 68 million in forestry assets at book value, R$ 63 million in forestry assets at fair value and right to the use of land, while investing partners contributed R$ 84 million in cash to the Company. The SPC ensures that the Company has preemptive rights on the purchase of forestry products at market prices and conditions.

1.5 Conversion of the totality of the sixth debenture issue

On January 31, 2018, it was converted all outstanding debentures into "Units". This procedure happened in accordance with the terms of clause four, items 4.6.3 and 4.6.3.1 of the Deed of Issue, requested the conversion of all the outstanding Debentures into Units, by means of Notification of Conversion by the Issuer.

As a result, the Company's subscribed and paid-in capital stock increased from R$ 2,617,605 to R$ 4,076,035, divided into 5,409,801,840 shares, all of which are nominative and without par value, of which 1,984,594,655 common shares and 3,425,207,185 preferred shares.

2 BASIS OF PRESENTATION OF THE QUARTERLY INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of presentation of the quarterly information

The Company presents its parent company and consolidated quarterly information in accordance with the accounting standard CPC 21 (R1)- "Interim Financial Reporting" issued by the Brazilian Accounting Pronouncements Committee (CPC), and IAS 34 - "Interim Financial Reporting" issued by the International Accounting Standards Board (IASB), applicable to the preparation of Interim Quarterly Financial Information (ITR), and in accordance with the standards issued by the Brazilian Securities Commission (CVM).

2.2 Summary of significant accounting practices adopted

The accounting practices adopted by the Company and its subsidiaries for the preparation of the quarterly information are consistent with those used for the preparation of the last annual financial statements at December 31, 2017, and are disclosed in Note 2.2, except for the adoption of the new standards issued by the IASB and CPC, as described in note 2.3. This quarterly information should be read together with those annual financial statements.

2.3 New technical pronouncements, revisions and interpretations

The following new standards were approved and issued by the IASB and the CPC, which entered into force on January 1, 2018. The Management made its adoption as mentioned below:

(i) IFRS 15 – Revenue from contracts with customers (CPC 47)

This standard addresses the classification, measurement and recognition of financial assets and liabilities. The main changes resulting from IFRS 9 are the new criteria for the classification of financial assets in five categories (1) identification of contracts with clients; (2) identification of performance obligations under contracts; (3) determining the price of the transaction; (4) allocation of the transaction price to the performance obligation provided for in the contracts and (5) recognition of revenue when the performance obligation is met. The new standard replaces IAS 11 - Construction Contracts, IAS 18 - Revenues and corresponding interpretations.

The changes establish the criteria for the measurement and recording of sales, in a form that was effectively carried out with due presentation, as well as the registration for the amounts that the Company is entitled to in the operation, considering any estimates of loss of value.

Management has evaluated this new standard and did not identify a material effect on its quarterly information, considering the nature of its sales transactions, where performance obligations are clear (delivery of paper, converted products, pulp or wood) and the transfer of control of goods and services is not complex, being made to the extent that the responsibility is transferred to the purchaser.

Additionally, the Company already adopted the practice of recognizing sales, net of bonuses, with revenues representing the effective value generated in the transaction, based on the conditions established with clients. Loss estimates have no significant impact on revenue recognition, since the Company's products does not offer guarantees on it's products, as well as the loss of value with doubtful debts not presenting a relevant impact due to credit policies maintained by the Company (see Note 25).

(ii) IFRS 9 - Financial instruments (CPC 48)

The standard addresses the classification, measurement and recognition of financial assets and liabilities. The main changes to IFRS 9 are the new criteria for classifying financial assets into three categories (measured at fair value through comprehensive income, measured at amortised cost and measured at fair value through profit or loss) depending on the characteristics of each instrument and purpose for which they were acquired, and may be classified as financial result or comprehensive income. Additionally, the standard introduces a new model of impairment for financial assets, being a prospective model of "expected credit losses" based on the history of losses incurred, replacing the current model of losses incurred, and more flexible requirements for adopting hedge accounting.

The financial liability classifications remain the same as those foreseen in IAS 39 (CPC 39) - Financial Instruments: Presentation, only being included the rules related to financial liabilities measured at fair value, not applicable to operations maintained by the Company.

Management adopted the new pronouncement and, considering its current transactions, did not identify changes that had a material impact on the Company's quartely information, since the financial instruments it maintains are not complex and do not present a risk of impact on its remeasurement, as well as presenting no risk of impairment or significant reduction in value due to the expectation of future credit losses, and being only applied the classification of financial assets in the expected categories.

Purchases and sales of financial assets are recognized at the date the transaction is negotiated and written off when the cash flows of the investment have expired or are received, provided that all risks and rewards of ownership are transferred to it.

The financial assets held by the Company at March 31, 2018 are classified as follows:

Amortised cost

Financial assets held by the Company aim to realize gains and losses in the operation. These items include the balances of cash and cash equivalents, trade accounts receivable and other assets, with the variations recognized in the financial result.

Fair value through profit or loss

Financial assets held by the Company to receive contractual cash flow or for sale in order to realize gains or losses in the operation. The balances of securities are classified in this category, with variations recognized in the financial result, at the Company's option.

2.4 New technical pronouncements, revisions and interpretations not yet effective

The International Accounting Standards Board (IASB) approved and issued the following new standard, which have not yet become effective or been adopted early by the Company. Management has been studying the possible future impacts of the adoption as mentioned below:

(i) IFRS 16 – CPC (R2) Leases

This new standard, which replaces IAS 17 - "Leases" and related interpretations, requires lessees to recognize the liability for the future payments and the right of use of the leased asset for virtually all lease contracts, including operating leases. Certain short term and low-value contracts may be out of the scope of this new standard. The criteria for the recognition and measurement of leases in the individual and consolidated quartery information of the leasers are substantially maintained. This new standard becomes effective as from January 1, 2019.

Management is in the process of evaluating the impacts, mainly related to the lease of third-party lands, corresponding to 83 thousand hectares of forest land and future commitments of R$ 537 million (see note 16). For the time being, the understanding is that the potential effect is the recognition of a value close to this as an asset and as a liability, with a higher expense distribution at the beginning and lower at the end, when compared to the current accounting of lease expenses.

All amounts in thousands of Reais

Given the complexity of the topic, it may be that, until the initial adoption of this standard, the conclusion is revised.

3 CONSOLIDATED QUARTERLY INFORMATION

Subsidiaries are fully consolidated from the date of acquisition of control and continue to be consolidated until the date on which such control ceases to exist, except for jointly-controlled entities (joint ventures), which are accounted for using the equity accounting method both in the parent company quarterly information and in the consolidated quarterly information.

The subsidiaries' quarterly information is prepared for the same reporting period as that of the parent company, using accounting policies that are consistent with the policies adopted by the parent company. The following criteria are adopted for consolidation purposes: (i) investments in subsidiaries and equity in the results of investees are eliminated, and (ii) profits from intercompany transactions and the related assets and liabilities are also eliminated.

The consolidated quarterly information comprise Klabin S.A. and its subsidiaries at March 31, 2018, December 31, 2017 and March 31, 2017, as follows:

				Ownership - %		
	Country	Activity	Participation	03/31/2018	12/31/2017	03/31/2017
Subsidiaries:						
Celucat	Brazil	Investment in companies	Direct	100	100	100
Embalplan Ind. e Com. de Embalagens S.A. (i)	Brazil	Packaging paper	Direct	-	-	100
Klabin Argentina S.A.	Argentina	Industrial sacks	Direct	100	100	100
Klabin Áustria GmbH	Austria	Sale of products in the foreign market	Direct	100	100	100
Klabin do Paraná Produtos Florestais Ltda.	Brazil	Manufacture of phytotherapic products	Direct	100	100	100
Klabin Finance S.A.	Luxembourg	Finance	Direct	100	100	100
Klabin Fitoprodutos Ltda.	Brazil	Manufacture of phytotherapic products	Direct	100	100	100
Klabin Florestal Ltda.	Brazil	Forestry	Direct	100	100	100
Klabin Forest Products Company	USA	Sale of products in the foreign market	Direct	100	100	100
Klabin Limited	Cayman Islands	Investment in companies	Direct	100	100	100
Klabin Overseas	United Kingdom	Investment in companies	Direct	100	100	100
Klabin Trade	United Kingdom	Sale of products in the foreign market	Indirect	100	100	100
IKAPÊ Empreendimentos Ltda.	Brazil	Hotels	Direct	100	100	100
Monterla Holdings S.A.	Brazil	Investment in companies	Direct	100	100	100
Riohold Holdings	Brazil	Investment in companies	Direct	100	100	100
Santa Catarina Florestal	Brazil	Investment in companies	Direct	100	100	100
SPCs:						
Correia Pinto (i)	Brazil	Reforestation	Direct	-	-	91
CG Forest	Brazil	Reforestation	Direct	79	80	80
Monte Alegre	Brazil	Reforestation	Direct	84	83	85
Harmonia	Brazil	Reforestation	Direct	74	73	75
Serrana (i)	Brazil	Reforestation	Direct	66	64	-
Araucária (i)	Brazil	Reforestation	Direct	64	64	-
Joint ventures (not consolidated)						
Florestal Vale do Corisco S.A. (i)	Brazil	Reforestation	Direct	51	51	51

(i) See Note 1.

Investment in joint ventures

Considering its characteristics, the investment in Florestal Vale do Corisco S.A. is classified as a joint venture, and is recorded based on the equity accounting method in the parent company and consolidated quarterly information .

All amounts in thousands of Reais

4 CASH AND CASH EQUIVALENTS

In accordance with its policy, the Company has made low-risk investments with no significant risk of changes in value with financial institutions considered by management as prime banks both in Brazil and abroad, based on the ratings assigned to them by risk ratings agencies as described in Note 25. Management records these financial assets as cash and cash equivalents due to their immediate liquidity with financial institutions, and their insignificant risk of changes in value.

	Parent Company		Consolidated	
	03/31/2018	12/31/2017	03/31/2018	12/31/2017
Cash and bank deposits - local currency	13,976	25,371	14,724	26,143
Cash and bank deposits - foreign currency (i)	-	-	83,152	32,241
Marketble securities- local currency	4,472,938	4,923,068	4,642,003	5,108,744
Marketble securities - foreign currency (i)	491,038	1,702,258	589,575	1,861,294
	4,977,952	**6,650,697**	**5,329,454**	**7,028,422**

(i) In U.S. dollars

Financial investments in local currency, relating to Bank Deposit Certificates (CDBs) and other repurchase transactions, are indexed to the Interbank Deposit Certificate (CDI) rate with an average annual yield of 6.41% (6.95% at December 31, 2017). Financial investments in foreign currency, relating to overnight, has an average annual yield of 1.13% (1.29% at December 31, 2017).

5 MARKETABLE SECURITIES

Marketable securities comprise National Treasury Bills (LFTs) and National Treasury Notes (NTN-B). LFT has yields indexed to the Special System for Settlement and Custody (SELIC) interest rate, and with maturities up to 2020 and NTN-B Notes have yields indexed to the Amplified Customer Price Index (IPCA) + 6% p.a. interest rate, and with maturities up to 2020 and 2022, with a balance of R$ 1,254,009 at March 31, 2018 (R$ 1,236,386 at December 31, 2017).

Additionally, in December 2017, through its wholly-owned subsidiary Klabin Finance, the Company acquired a dollar denominated Bond with an indexed yield of 3.52% to 4.02% and maturing in 2027 and 2037 and corresponding R$ 6,819 at March 31, 2018 (R$ 6,787 at December 31, 2017).

At March 31, 2018, the balance of these securities was R$ 1,254,009 at the parent company and of R$ 1,260,828 in the consolidated quarterly information (R$ 1,236,386 and R$ 1,243,173 respectively at December 31, 2017). Management has classified these securities fair value through profit or loss, in accordance with CPC 48 (IFRS 9) - Financial Instruments, due to the possibility of sale to generate gain or loss in that operation. There is an active trading market for these securities. Considering their characteristics, their fair value substantially represents the principal plus originally established interest.

Marketable securities are included in Level 1 of the fair value measurement hierarchy, according to the hierarchy defined in CPC 46 (equivalent to IFRS 13), "Fair value measurement", since they are assets with prices quoted in the market.

All amounts in thousands of Reais

6 TRADE RECEIVABLES

	Parent Company		Consolidated	
	03/31/2018	**12/31/2017**	**03/31/2018**	**12/31/2017**
Trade receivables				
. Local	1,211,977	1,260,514	1,212,063	1,260,589
. Foreign	349,093	373,182	501,709	533,607
Total trade receivables	**1,561,070**	**1,633,696**	**1,713,772**	**1,794,196**
Allowance for doubtful debts ("AFDD")	(40,336)	(40,096)	(40,394)	(40,133)
	1,520,734	**1,593,600**	**1,673,378**	**1,754,063**
Overdue	**73,918**	**63,408**	**81,728**	**67,743**
% on total portfolio (without AFDD)	2.15%	1.43%	2.41%	1.53%
1 to 10 days	3,177	6,667	3,177	6,667
11 to 30 days	15,729	13,516	19,741	16,010
31 to 60 days	3,214	1,215	4,909	2,833
61 to 90 days	158	54	2,092	203
Over 90 days	51,640	41,956	51,809	42,030
Not yet due	1,487,151	1,570,288	1,632,044	1,726,453
Total portfolio	**1,561,070**	**1,633,696**	**1,713,772**	**1,794,196**

The average collection period for trade receivables was approximately 83 days at March 31, 2018 (82 days at December 31, 2017), for domestic market sales and approximately 131 days (137 days at December 31,2017) for foreign market sales, and interest is charged after the contractual maturity date. As mentioned in Note 25, the Company has rules for monitoring receivables and overdue notes as well as for the risk of not receiving the amounts arising from credit sale transactions.

In management's understanding, the provision for doubtful debts is considered sufficient to cover any losses on the outstanding receivables. The changes in the provision for doubtful debts were as follows:

	Parent Company	Consolidated
At December 31, 2016	**(41,168)**	**(41,246)**
Allowance for doubtful debts	(4,393)	(4,393)
Reversals	1,119	1,160
Definitive write-off	4,346	4,346
At December 31, 2017	**(40,096)**	**(40,133)**
Allowance for doubtful debts	(411)	(434)
Reversals	171	173
At March 31, 2018	**(40,336)**	**(40,394)**

The balance of the provision for doubtful debts relates mainly to trade notes overdue for more than 90 days and/or with high risk of not being paid. Items overdue for more than 90 days without loss of loss refer to ongoing negotiations and/or guarantees received. The expense incurred on the recognition of the provision for doubtful debts is recorded in the statement of operations, under "Selling expenses".

Begging on April 2017 the Company maintains an insurance policy against default for receivables in the domestic and foreign markets for all business units, except for the wood customers of the Forest unit, and certain customers that do not meet the insurance company's requirements to be covered by the policy, such as continuity and liquidity, analyzed by the insurance companies to be incorporated in the insurance policy. The current insurance policy expires in July 2018.

(A free translation of the original in Portuguese)

KLABIN S.A.

All amounts in thousands of Reais

7 RELATED PARTIES

a) Balances and transactions with related parties

	Klabin Trade	Klabin Argentina	Klabin Finance	Soc. Conta de Participação	Klabin Austria	Klabin Irmãos & Cia.	BNDES	Other	Parent company 03/31/2018 Total	Parent company 12/31/2017 Total	Parent company 03/31/2017 Total
	(i) and (vi)	(i)	(vi)	(ii) and (v)	(i)	(iii) and (iv)	(vi)	(i) (ii) (iii) (v) and (vii)			
Type of relationship	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Subsidiary	Shareholder	Shareholder				
Balances											
Current assets	54,845	45,837		11,922	151,716			15,998	**280,318**	**307,544**	
Non-current assets	(37)		36					3,169	**3,168**	**2,575**	
Current liabilities	4,980		29,742	9,184		3,426	639,715	3,828	**690,875**	**715,336**	
Non-current liabilities	9	24	3,340,523		(539)		2,672,682	(54)	**6,012,645**	**6,146,635**	
Transactions											
Sales revenue	102,270	11,888		19,123	82,287			5,286	**220,854**		**297,189**
Purchases				(14,083)					**(14,083)**		**(27,182)**
Interest expenses on financing			(45,245)				(64,051)		**(109,296)**		**(112,876)**
Guarantee commission - expenses						(7,231)			**(7,231)**		**(7,902)**
Royalty expenses						(9,015)		(3,297)	**(12,312)**		**(12,024)**

(i) Balance receivable from product sale transactions carried out under terms and conditions established between the parties (180 days);
(ii) Purchase of timber at usual market prices and on normal terms and conditions (45 days);
(iii) Licensing for the use of brands;
(iv) Guarantee commission, calculated based on the BNDES financing balance of 0.8% semiannually;
(v) Supply of seedlings, seeds and services at usual market prices and under normal terms and conditions;
(vi) Loans raised based on normal market conditions;
(vii) Advances on future capital subscriptions.

All amounts in thousands of Reais

						Consolidated
				03/31/2018	12/31/2017	03/31/2017
	Klabin Irmãos & Cia.	BNDES	Other	Total	Total	Total
	(i) and (ii)	(iii)	(i)			
Type of relationship	Shareholder	Shareholder				
Balances						
Current liabilities	3,426	639,715	1,253	**644,394**	**643,279**	
Non-current liabilities		2,672,682		**2,672,682**	**2,821,364**	
Transactions						
Interest expenses on borrowings		(64,051)		**(64,051)**		**(89,528)**
Guarantee commission - expenses	(7,231)			**(7,231)**		**(7,902)**
Royalty expenses	(9,015)		(3,297)	**(12,312)**		**(12,024)**

(i) Licensing for the use of brands;
(ii) Guarantee commission, calculated based on the BNDES financing balance of 0.8% semiannually;
(iii) Loans obtained based on usual market conditions;

b) Management and Fiscal Board remuneration and benefits

Management and Fiscal Board remuneration is determined by stockholders at the Annual General Meeting, in accordance with the Brazilian corporate legislation and the Company's bylaws. Accordingly, at the Annual General Meeting held on March 8, 2018, the stockholders established the overall amount of the annual remuneration of the members of the Board of Directors and Statutory Audit Board as up to R$ 45,412 for 2018 (R$ 58,068 for 2017).

The table below shows the remuneration of the members of the Board of Directors, Fiscal Board and statutory directors:

								Parent company and Consolidated
	Short term		Long term					
	Board of directors remuneration		Pension plan		Remuneration based on shares		Total benefits	
	01/01 to 03/31/2018	01/01 to 03/31/2017	01/01 to 03/31/2018	01/01 to 03/31/2017	01/01 to 03/31/2018	01/01 to 03/31/2017	01/01 to 03/31/2018	01/01 to 03/31/2017
Fiscal Board and statutory director's	6,485	7,550	160	194	308	3,850	6,953	11,594

Management remuneration includes the fees paid to the Board, along with the fees paid to, and variable remuneration of statutory directors. Long term benefits relate to contributions made by the Company to the pension plan and calculation of stock option plan. These amounts are mainly recorded under "Operating expenses - administrative".

In addition, the Company grants a stock option plan to the statutory directors and other executives, as described in Note 22.

8 INVENTORY

	Parent Company		Consolidated	
	03/31/2018	12/31/2017	03/31/2018	12/31/2017
Finished products	179,526	175,641	216,398	209,537
Raw materials	235,157	194,327	249,883	205,805
Timber and logs	285,113	276,823	285,113	276,823
Maintenance supplies	225,886	217,652	230,157	222,303
Estimated losses	(25,572)	(10,627)	(26,092)	(10,757)
Other	22,335	19,525	28,646	29,450
	922,445	**873,341**	**984,105**	**933,161**

All amounts in thousands of Reais

Raw materials inventory includes paper rolls transferred from paper units to conversion units .

Expenses incurred with the recognition of estimated losses are recorded in the statement of operations under "Cost of products sold".

The Company does not have any inventory pledged as collateral.

9 TAXES RECOVERABLE

	03/31/2018		12/31/2017	
	Current assets	Non-current assets	Current assets	Non-current assets
Value-added Tax on Sales and Services (ICMS)	139,217	1,065,378	143,095	1,076,958
Social Integration Program (PIS)	4,232	10,735	6,649	10,878
Social Contribution on Revenue (COFINS)	18,739	60,047	26,866	62,298
Income tax/social contribution	170,157	-	253,615	-
Tax on Industrialized Products (IPI)	84,978	117,403	84,045	136,588
Special regime for the reintegration of tax amounts for exporting companies (Reintegra)	54,006	-	36,896	-
Other	4,659	-	4,430	-
Parent company	**475,988**	**1,253,563**	**555,596**	**1,286,722**
Subsidiaries	12,160	-	11,483	947
Consolidated	**488,148**	**1,253,563**	**567,079**	**1,287,669**

The Company recognizes credits of taxes and contributions levied on purchases of property, plant and equipment, as permitted by the prevailing legislation, in addition to the ICMS government grant obtained from the Government of the State of Paraná in relation to the new pulp plant (the "Puma Project"). The credits are being offset against taxes payable of the same nature or against other taxes, when applicable. ICMS credits form the Puma Project is indexed to the FCA – Paraná State conversion and monetary correction factor, with compensation period up to 2036 in the decision whereby the government grant is provided.

On May, 2016, the Company recognized credits of IPI gain in tax litigation, final and a decision without right of appeal, substantially allocated in finance result, as only the original value was accounted for an IPI expense. Credits are already available to offset in accordance with tax legislation in force.

PIS/COFINS, IPI and ICMS on current assets are expected to be offset against the same taxes payable in the next 12 months, according to management's estimate.

The Company, based on budget analyses and estimates approved by Management does not foresee risks of non realization of these taxes, as long as the budget estimates are realized.

10 INCOME TAX AND SOCIAL CONTRIBUTION

a) Nature and expected realization of deferred taxes

The balances of deferred tax assets and liabilities were as follows:

KLABIN S.A.
All amounts in thousands of Reais

	Parent Company		Consolidated	
	03/31/2018	**12/31/2017**	**03/31/2018**	**12/31/2017**
Provision for tax, social security, labor and civil contingencies	19,669	21,668	19,669	21,668
Income tax and social contribution losses	637,406	664,775	637,451	664,823
Actuarial liability	37,136	36,740	37,136	36,740
Provision for labor	44,541	44,617	44,541	44,617
Other temporary differences	169,657	183,857	169,657	183,858
Non-current assets	**908,409**	**951,657**	**908,454**	**951,706**
Fair value of biological assets	733,909	746,679	750,361	762,635
Revision of useful life of property, plant and equipment (Law 12,973/14)	443,918	434,269	443,918	434,269
Deemed cost of property, plant and equipment (land)	545,514	545,514	545,514	545,514
Adjustment to present value of balances	40,149	41,299	40,149	41,299
Interest capitalized (Law 12,973/14)	147,353	151,137	147,353	151,137
Revaluation reserve	25,091	25,091	25,091	25,091
Deferred foreign exchange variations (i)	388,522	518,674	388,522	518,674
Other temporary differences	105,589	17,664	105,589	17,665
Non-current liabilities	**2,430,045**	**2,480,327**	**2,446,497**	**2,496,284**
Net balance (liability)	**1,521,636**	**1,528,670**	**1,538,043**	**1,544,578**

(i) Management maintened the option for tax recognition of the exchange variations of its foreign currency of its receivables and payables on the cash basis for the year 2017, thereby generating temporary differences, which will be taxed according to the settlement of the receivables and payables denominated in foreign currency.

Management, based on the approved budget, estimates that tax credits arising from temporary differences, tax losses and negative social contribution base will be realized as follows:

		03/31/2018
	Parent Company	**Consolidated**
2018	473,159	473,159
2019	263,064	263,064
2020	70,708	70,708
2021	89,224	89,224
2022	6,808	6,808
2023 onwards	5,446	5,491
	908,409	**908,454**

The projected realization of the balance, considers, especially regarding tax losses and negative bases, the compensation limitation of 30% of the actual profit for the year. In addition, the projection may not materialize if the estimates used in the preparation of these quarterly information differ from those actually performed.

Information regarding the Company's taxes that are subject to litigation is disclosed in Note 17.

All amounts in thousands of Reais

b) Analysis of income tax and social contribution expense

	Parent Company		Consolidated	
	From 1/1 to 03/31/2018	From 1/1 to 03/31/2017	From 1/1 to 03/31/2018	From 1/1 to 03/31/2017
Current tax expense	(57,799)	(47,408)	(59,961)	(50,193)
Current	**(57,799)**	**(47,408)**	**(59,961)**	**(50,193)**
Recognition and reversal of temporary differences	10,644	(340,004)	4,682	(333,150)
Revisions to useful lives of property, plant and equipment	9,649	18,472	9,649	18,472
Variation in fair value and depletion of biological assets	(12,769)	113,537	(7,303)	107,252
Deferred	**7,524**	**(207,995)**	**7,028**	**(207,426)**

c) Reconciliation of income tax and social contribution with the result of applying the statutory tax rate

	Parent Company		Consolidated	
	From 1/1 to 03/31/2018	From 1/1 to 03/31/2017	From 1/1 to 03/31/2018	From 1/1 to 03/31/2017
Income before income tax and social contribution	**174,930**	**857,428**	**177,588**	**859,644**
Income tax and social contribution at the rate of 34%	(59,476)	(291,526)	(60,380)	(292,279)
Tax effect on permanent differences:				
Difference in taxation - subsidiaries (i)	-	-	8,191	169
Equity in the results of investees	12,018	(751)	554	2,240
Other effects	(2,817)	36,874	(1,298)	32,251
	(50,275)	**(255,403)**	**(52,933)**	**(257,619)**
Income tax and social contribution				
. Current	(57,799)	(47,408)	(59,961)	(50,193)
. Deferred	7,524	(207,995)	7,028	(207,426)
Income tax and social contribution expense	**(50,275)**	**(255,403)**	**(52,933)**	**(257,619)**

(i) The tax effect of the difference in subsidiaries taxation is caused, substantially, by differences between Company's real profit system and deemed profit system adopted by some of the subsidiaries.

All amounts in thousands of Reais

11 INVESTMENTS IN SUBSIDIARIES AND JOINTLY-CONTROLLED ENTITIES

	Klabin Finance S.A.	Soc. Conta de Participação Correia Pinto	Soc. Conta de Participação Serrana	Soc. Conta de Participação CG Forest	Soc. Conta de Participação Mt Alegre	Soc. Conta de Participação Harmonia	Soc. Conta de Participação Araucária	Florestal Vale do Corisco S.A. (i)	Other	**Total**
At December 31, 2016	**53,523**	**751,703**	**-**	**131,713**	**256,967**	**185,631**	**-**	**544,402**	**268,694**	**2,192,633**
Acquisitions and capital contributions			49,059				130,647		1,548	181,254
Dividends distributed				(122)	(2,014)			(5,100)		(7,236)
Equity in the results of investees (ii)	16,709	73,097	40,639	(17,660)	(57,710)	6,797	34,283	13,624	(33,383)	76,396
Foreign exchange variations on investments abroad (iii)									(6,509)	(6,509)
Merge of subsidiary Embalplan (iv)									(124,382)	(124,382)
Partial spin-off and incorporation of asset of Vale do Corisco (v)								(381,253)		(381,253)
Dissolution of subsidiary (vi)		(824,800)								(824,800)
At December 31, 2017	**70,232**	**-**	**89,698**	**113,931**	**197,243**	**192,428**	**164,930**	**171,673**	**105,968**	**1,106,103**
Dividends distributed					(150)			(7,650)		(7,800)
Equity in the results of investees (ii)	5,341		5,097	7,218	6,987	(894)	1,946	1,629	8,022	35,346
Foreign exchange variations on investments abroad (iii)									(1,962)	(1,962)
At March 31, 2018	**75,573**	**-**	**94,795**	**121,149**	**204,080**	**191,534**	**166,876**	**165,652**	**112,028**	**1,131,687**

Summary of the financial information of subsidiaries at March 31, 2018

	Klabin Finance S.A.	Soc. Conta de Participação Correia Pinto	Soc. Conta de Participação Serrana	Soc. Conta de Participação CG Forest	Soc. Conta de Participação Mt Alegre	Soc. Conta de Participação Harmonia	Soc. Conta de Participação Araucária	Florestal Vale do Corisco S.A. (i)
Total assets	3,393,993	-	147,011	155,507	248,360	262,070	263,691	427,587
Total liabilities	3,318,420	-	2,623	2,782	4,853	4,094	3,898	102,779
Equity	75,573	-	144,388	152,725	243,507	257,976	259,793	324,808
Profit for the period	3,800	-	5,097	8,823	12,678	(894)	1,946	3,195

(i) Because it is a joint venture (Note 3), Vale do Corisco is not consolidated and is the only investment in the consolidated balance sheet that is accounted for on an equity basis.

(ii) Includes the effects of variations in, and the realization of, fair value of biological assets (Note 13).

(iii) Subsidiary and associated companies whit affiliate characteristics with exchange variation allocated to other comprehensive income

(iv), (v) and (vi) Refer to information in Note 1.

All amounts in thousands of Reais

12 PROPERTY, PLANT AND EQUIPMENT

a) Composition of property, plant and equipment

	03/31/2018			12/31/2017		
Parent company	Cost	Accumulated depreciation	Net	Cost	Accumulated depreciation	Net
Land	1,998,046	-	**1,998,046**	1,998,046	-	**1,998,046**
Buildings and construction	2,426,181	(458,690)	**1,967,491**	2,411,906	(436,779)	**1,975,127**
Machinery, equipment and facilities	11,787,547	(4,001,094)	**7,786,453**	11,654,537	(3,775,786)	**7,878,751**
Construction in progress	420,581	-	**420,581**	460,614	-	**460,614**
Other (i)	515,319	(286,411)	**228,908**	557,765	(271,112)	**286,653**
	17,147,674	**(4,746,195)**	**12,401,479**	**17,082,867**	**(4,483,676)**	**12,599,191**
Consolidated						
Land	2,004,150	-	**2,004,150**	2,004,150	-	**2,004,150**
Buildings and construction	2,430,009	(460,607)	**1,969,402**	2,415,734	(438,697)	**1,977,037**
Machinery, equipment and facilities	11,807,442	(4,010,718)	**7,796,724**	11,674,435	(3,785,410)	**7,889,025**
Construction in progress	471,602	-	**471,602**	461,876	-	**461,876**
Other (i)	466,878	(287,795)	**179,083**	559,899	(272,492)	**287,407**
	17,180,081	**(4,759,120)**	**12,420,961**	**17,116,094**	**(4,496,599)**	**12,619,495**

(i) Refers to leasehold improvements, vehicles, furniture and fittings and IT equipment.

Information about property, plant and equipment pledged as collateral in transactions carried out by the Company is disclosed in Note 14.

b) Summary of changes in property, plant and equipment

Parent company	Land	Building and construction	Machinery, equipment and facilities	Construction in progress	Other	Total
At December 31, 2016	**1,832,779**	**1,772,178**	**8,443,347**	**458,199**	**230,800**	**12,737,303**
Purchases (i)	3,374	-	4	660,882	-	664,260
Disposals	(77,696)	(2,152)	(5,030)	-	(632)	(85,510)
Depreciation	-	(74,976)	(820,925)	-	(121,981)	(1,017,882)
Internal transfers	-	34,082	404,981	(658,467)	219,404	-
Incorporation of subsidiaries (ii)	228,961	32,744	19,159	-	2,112	282,976
Other	10,628	213,251	(162,785)	-	(43,050)	18,044
At December 31, 2017	**1,998,046**	**1,975,127**	**7,878,751**	**460,614**	**286,653**	**12,599,191**
Purchases (i)	-	-	-	66,377	-	66,377
Disposals	-	-	(249)	-	(8)	(257)
Depreciation	-	(21,914)	(228,537)	-	(15,749)	(266,200)
Internal transfers	-	13,380	134,290	(161,046)	13,376	-
Other	-	898	2,198	54,636	(55,364)	2,368
At March 31, 2018	**1,998,046**	**1,967,491**	**7,786,453**	**420,581**	**228,908**	**12,401,479**

(i) Net of recoverable taxes (Note 9).

(ii) See Note 1

Consolidated	Land	Building and construction	Machinery, equipment and facilities	Construction in progress	Other	Total
At December 31, 2016	**2,067,898**	**1,807,918**	**8,456,101**	**459,405**	**238,862**	**13,030,184**
Purchases (i)	3,374	-	4,870	660,901	451	669,596
Disposals	(77,696)	(2,152)	(5,248)	(65)	(756)	(85,917)
Depreciation	-	(75,112)	(822,236)	-	(122,273)	(1,019,621)
Internal transfers	-	43,283	410,110	(563,025)	109,632	-
Incorporation of subsidiaries (ii)	-	-	9,027	-	-	9,027
Other	10,574	203,100	(163,599)	(95,340)	61,491	16,226
At December 31, 2017	**2,004,150**	**1,977,037**	**7,889,025**	**461,876**	**287,407**	**12,619,495**
Purchases (i)	-	-	123	66,380	115	66,618
Disposals	-	-	(249)	-	(2)	(251)
Depreciation	-	(21,937)	(228,787)	-	(15,813)	(266,537)
Internal transfers	18	13,506	134,992	(111,289)	(37,227)	-
Other	(18)	796	1,620	54,635	(55,397)	1,636
At March 31, 2018	**2,004,150**	**1,969,402**	**7,796,724**	**471,602**	**179,083**	**12,420,961**

(i) Net of recoverable taxes (Note 9).

(ii) See Note 1

Depreciation was mainly allocated to the production cost for the period.

All amounts in thousands of Reais

c) Useful lives and depreciation method

The table below shows the annual depreciation rates calculated based on the straight-line method, which were applicable in in the quarter ended March 31, 2018 and the year ended December 31, 2017, defined based on the economically useful live of assets:

	Rate - %
Buildings and construction	2.86 to 3.33
Machinery, equipment and facilities (i)	2.86 to 10
Other	4 to 20

(i) Predominant rate 8%.

d) Construction in progress

The balance of construction in progress at March 31, 2018 relates to the following main projects:(i) concluding of the Product Research and Development Technology Center in Paraná, (ii) acquisition of new printer for the Conversion segment (iii) renewal of the cutting and forestry machinery, (iv) (iv) paving works in Paraná and (v) other current investments in the Company's continuing operations.

e) Impairment of property, plant and equipment

The Company, applying the requirements of CPC 01(R1) – Reduction of recoverable value of assets (IAS36), performed the applicable analyses and did not identify indicators that the accounting value exceeds the recoverable value of its assets at March 31, 2018 and December 31, 2017.

13 BIOLOGICAL ASSETS

The Company's biological assets comprise the planting of pine and eucalyptus trees for the supply of raw materials for the production of short fiber, long fiber and fluff pulp, used in the manufacture of paper and for sales of logs to third parties.

At March 31, 2018 the Company owned 227 thousand hectares of planted areas (229 thousand hectares at December 31, 2017), not considering the permanent preservation areas and legal reserve that it maintains in compliance with Brazilian environmental legislation.

The balance of the Company's biological assets recorded at fair value, as follows:

	Parent company		Consolidated	
	03/31/2018	12/31/2017	03/31/2018	12/31/2017
Cost of development of biological assets	1,085,223	1,076,381	1,459,631	1,433,608
Fair value adjustment of biological assets	2,158,556	2,196,115	2,692,689	2,714,171
	3,243,779	**3,272,496**	**4,152,320**	**4,147,779**

The fair value measurement of biological assets considers certain estimates, such as estimates of the price of wood, the discount rate, the harvesting plan for the forests and the productivity level, all of which are subject to uncertainties, which could have an impact on the Company's future results coming from the variations.

a) Assumptions regarding the recognition of the fair value of biological assets

The Company recognizes its biological assets at fair value. In its calculation of this fair value, the Company adopts the following assumptions:

(i) Eucalyptus forests are maintained at historical cost through the third year of planting and pine forests through the fifth year of planting, based on management's understanding that during this period the historical cost of biological assets approximates their fair value, in addition to the fact that an evaluation of growth and expectation of forestry production is only possible after this period;

(ii) After the third and fifth years of the planting of eucalyptus and pine forests, respectively, the forests are measured at fair value, which reflects the sales price of the asset less the costs necessary to prepare the assets for their intended use or sale;

(iii) The methodology utilized in the fair value measurement of biological assets corresponds to the discounted future cash flow estimated according to the projected productivity cycle of the forests, taking into consideration price variations and the growth of biological assets;

(iv) The discount rate utilized for cash flow is the Company's weighted average cost of capital, which is reviewed annually by management;

(v) The projected productivity volumes of forests are determined based on a categorization which considers the forest type, genetic material, handling system, productive potential, rotation which for that age. Together, these characteristics form an index called the Average Annual Growth (AAG) index, which is expressed in cubic meters per hectare/year, and which is utilized as the basis in the projection of productivity. The Company's harvesting plan varies mainly from six to seven years for eucalyptus trees and 14 to 15 years for pine trees;

(vi) The prices of biological assets, denominated in R$/cubic meter, are obtained through market price surveys carried out by specialized firms. The prices obtained are adjusted by deducting the cost of capital relating to land, since this asset contributes to the planting of forests, and other costs necessary to prepare the assets for sale or consumption;

(vii) Planting expenses relate to the costs of the development of the biological assets ;

(viii) The depletion of biological assets is calculated based on the fair value of the biological assets harvested in the period;

(ix) The Company has decided to review the fair value of its biological assets on a quarterly basis, since it understands that this period is sufficiently short to prevent any significant misstatement in the fair value of the biological assets recorded in its financial information;

All amounts in thousands of Reais

b) Reconciliation and movement in fair value

	Parent company	Consolidated
At December 31, 2016	**2,397,462**	**3,656,596**
Planting	150,799	237,371
Depletion:	(800,860)	(946,737)
. Historical cost	(130,795)	(145,263)
. Fair value adjustment	(670,065)	(801,474)
Change in fair value due to:	649,322	789,661
. Price	173,719	251,767
. Growth	475,603	537,894
Incorporation of assets (i)	410,888	410,888
Subsidiary constitution (i)	(227,355)	-
Dissolution of subsidiary (i)	692,240	-
At December 31, 2017	**3,272,496**	**4,147,779**
Planting	41,435	61,431
Depletion:	(158,910)	(176,043)
. Historical cost	(32,592)	(35,408)
. Fair value adjustment	(126,318)	(140,635)
Change in fair value due to:	88,758	119,153
. Price	(947)	(3,935)
. Growth	89,705	123,088
At March 31, 2018	**3,243,779**	**4,152,320**

(i) See note 1.

The depletion of biological assets in the periods presented was mainly included in production cost, after allocation to inventory through the harvesting of forests and their use in the production process or their sales to third parties.

Highlights in the change in fair value for the three-month period ended March 31, 2018 the use of the new discount rate, reduced by the improvement in the economic indicators that help in the composition of the weighted average cost of capital.

c) Sensitivity analysis

In accordance with the hierarchy set out in CPC 46 (equivalent to IFRS 13), "Measurements at fair value", the calculation of biological assets is classified as Level 3 due to its complexity and calculation structure.

The assumptions applied include sensitivity to the prices used in the evaluation and the discount rate used in the discounted cash flow. Prices refer to the prices obtained in the regions in which the Company is located. The discount rate corresponds to the average cost of capital, taking into consideration the basic interest rate (SELIC) and inflation levels.

Significant increases (decreases) in the prices used in the appraisal would result in an increase (decrease) in the measurement at fair value of the biological assets. The weighted average price used in the appraisal of the biological assets for the quarter ended March 31, 2018 was equivalent to R\$ 63/m^3 (R\$ 63/m^3 at December 31, 2017).

The effects of a significant increase (decrease) in the discount rate used in the measurement of the fair value of biological assets would result in a decrease (increase) in the values measured. The Company's WACC is updated on an annual basis. The new rate is applied from the date of the first quarterly evaluation for each year, and this rate remains unchanged for the year. The discount rate used in the appraisal of the biological assets for the quarter ended March 31, 2018 was 4.74% in constant currency (5.1% at December 31, 2017).

All amounts in thousands of Reais

14 BORROWINGS

a) Composition of borrowings

	Annual interest rate - %			03/31/2018
		Current	Non-current	Total
In local currency				
. BNDES - Project Puma	6.0 or TJLP + 1.98 to 2.48	290,062	1,594,493	1,884,555
. BNDES – Other (i)	TJLP + 2.06 to 3.28	61,937	64,634	126,571
. BNDES - FINAME	2.50 to 10 or TJLP + 2.06 to 3.28	97,772	85,928	183,700
. Export credit notes (in R$)	104.50 to 105.50 CDI	86,833	670,000	756,833
. CRA	95 to 97.5 of CDI	9,655	1,445,916	1,455,571
. Other	1 to 8.75	24,964	32,493	57,457
. Cost with funding		(6,475)	(24,001)	(30,476)
		564,748	3,869,463	4,434,211
In foreign currency (ii)				
. BNDES - Project Puma	USD + 6.97	157,138	897,632	1,054,770
. BNDES - Other	USD + 6.33 to 6.97	32,806	29,995	62,801
. Export prepayments	USD + Libor 1.70 to 4.75 or USD + 4.68 to 5.70	658,573	5,262,032	5,920,605
. Export credit notes	USD + Libor 2.50	3,457	498,570	502,027
. Export prepayments in subsidiaries	USD + 5.20 to 6.15	29,742	3,340,419	3,370,161
. BID	USD + Libor + 1.40 to 1.78 or USD + 1	156,462	635,168	791,630
. Finnvera	USD + Libor + 0.82 to 1.05 or USD + 1.88 to 3.88	135,982	885,310	1,021,292
. Cost with funding		(20,767)	(103,680)	(124,447)
		1,153,393	11,445,446	12,598,839
Total parent company		**1,718,141**	**15,314,909**	**17,033,050**
Subsidiaries:				
In foreign currency (ii)				
. Bonds (Notes)	USD + 4.88 to 5.25	20,410	3,323,800	3,344,210
. Cost with funding		(729)	(25,097)	(25,826)
		19,681	3,298,703	3,318,384
. Elimination of prepayments in subsidiaries		**(29,742)**	**(3,340,419)**	**(3,370,161)**
Total Consolidated		**1,708,080**	**15,273,193**	**16,981,273**

(i) Currency basket mainly comprising US Dollars
(ii) In U.S. dollars

All amounts in thousands of Reais

	Annual interest rate - %			12/31/2017
		Current	Non-current	Total
In local currency				
. BNDES - Project Puma	6.0 or TJLP + 1.98 a 2.48	289,836	1,662,671	1,952,507
. BNDES – Other (i)	TJLP + 2.06 to 3.28	61,860	79,779	141,639
. BNDES - FINAME	2.50 to 10 or TJLP + 2.06 to 3.28	98,107	110,186	208,293
. Export credit notes (in R$)	104.50 to 105.50 CDI	148,478	670,000	818,478
. CRA	95 a 97.5 of CDI	14,571	1,445,916	1,460,487
. Other	1 to 8.75	26,093	35,115	61,208
. Cost with funding		(4,649)	(23,273)	(27,922)
		634,296	3,980,394	4,614,690
In foreign currency (ii)				
. BNDES - Project Puma	USD + 6.75	156,508	931,652	1,088,160
. BNDES - Other	USD + 6.33 to 6.89	32,602	37,076	69,678
. Export prepayments	USD + Libor 1.70 to 4.75 or USD + 4.68 a 6.40	937,183	5,813,860	6,751,043
. Export credit notes	USD + Libor 2.50 or USD + 5.70 to 7.92	123,540	854,567	978,107
. Export prepayments in subsidiaries	USD + 5.20 to 6.15	60,954	3,324,540	3,385,494
. BID	USD + Libor + 1.40 a 1.78 or USD + 1	162,491	708,567	871,058
. Finnvera	USD + Libor + 0.82 to 1.05 or	143,493	944,604	1,088,097
. Outros	USD + 1.88 a 3.88			-
. Cost with funding		(20,944)	(108,834)	(129,778)
		1,595,827	12,506,032	14,101,859
Total parent company		**2,230,123**	**16,486,426**	**18,716,549**
Subsidiaries:				
In foreign currency (ii)				
. Bonds (Notes)	USD + 4.88 to 5.25	62,180	3,308,000	3,370,180
. Cost with funding		(725)	(24,969)	(25,694)
		61,455	3,283,031	3,344,486
. Elimination of prepayments in subsidiaries		**(60,954)**	**(3,324,540)**	**(3,385,494)**
Total Consolidated		**2,230,624**	**16,444,917**	**18,675,541**

(i) Currency basket mainly comprising US Dollars

(ii) In U.S. dollars

National Bank for Economic and Social Development (BNDES)

The Company has contracts with BNDES for the financing of industrial development projects, such as the construction of the new paper machine in Correia Pinto (SC), the construction of a new recycled paper machine in Goiana (PE), and the construction of the Project Puma denominated pulp plant, the settlement of which is projected to take place in 2025. This financing is paid monthly, along with the related interest.

Export prepayments and export credit notes

Export prepayment and credit note transactions were carried out for the purposes of working capital management and the development of the Company's operations. These agreements will be settled up to February 2024.

Bonds (*Notes*)

The Company, through its wholly-owned subsidiary Klabin Finance S.A., has issued securities representing debt (Notes) in the international market, which are listed on the Luxembourg Securities Exchange (Euro MTF) under Senior Notes 144A/Reg S type.

Concluded on July 16, 2014, the note issued amounts to US$ 500 million and matures within ten years, with a coupon of 5.25% paid semi-annually, and has the objective of financing the activities of the Company and its subsidiaries in the normal course of business, in accordance with their business objectives.

All amounts in thousands of Reais

In September 2017 the Company issued Green Bonds in the amount of USD 500 million, maturing in 10 years and a half-yearly coupon of 4.88%. The resource will be used for reforestation, restoration of native forests, investments in renewable energy, efficient logistics using rail transport, solid waste recycling and the development of eco-efficient products, among other sustainability practices.

Finnvera (Finnish Export Credit Agency)

As part of the funds necessary for the execution of the Puma Project, the Company entered into a loan agreement, for the financing of the assets acquired. The commitment amounted to US$ 460 million maturing in 2026, divided into two tranches: the first of US$ 414 million accruing interest at 3.4% p.a. and the second tranche of US$ 46 million, accruing interest of LIBOR 6M + 1% p.a., of which two disbursements in 2015 totaling US$ 325.7 million and the remaining disbursements of R$38.6 million in the fourth quarter of 2016, totaling US$ 364.3 million. The value obtained in USD was lower than originally forecast due to the impact of imports being in Euro and the appreciation of the dollar against the Euro in the period.

IDB (Inter-American Development Bank)

The commitment amounts to US$ 300 million, divided into two tranches: the first of US$ 150 million with interest of LIBOR 6M + 1.8% p.a. and the second tranche of US$ 150 million, with interest of LIBOR 6M + 1.4% p.a., maturing in 2025. In 2016 three disbursements occurred totaling US$ 260 million. The remaining amount of US$ 40 million was canceled during the fourth quarter of 2017, because there is no need for Management.

CRA - Agribusiness Receivables Certificates

On March 28, 2017 and December 28, 2017, the Company concluded its issue of simple debentures of CRAs - Agribusiness Receivables Certificates, through Eco Securitizadora de Direitos Creditórios do Agronegócio S.A. "CRA".

The CRA I was issued in a capital market transaction, totalizing R$ 845.9 million, maturing in 5 years and accruing interest at 95% of the CDI interest rate.

The CRA II was issued in a capital market transaction, totalizing R$ 600 million, maturing in 6 years and accruing semiannual interest at 97.5% of the CDI interest rate.

b) Schedule of non-current maturities

The maturity dates of the Company's borrowings at March 31, 2018, classified in non-current liabilities in the consolidated balance sheet, are as follows:

Year	2019	2020	2021	2022	2023	2024	2025 onwards	Total
Amount	1,106,193	2,105,000	2,410,000	3,329,000	2,089,000	2,346,000	1,888,000	**15,273,193**

All amounts in thousands of Reais

c) Summary of changes in borrowing

	Parent company	Consolidated
At December 31, 2016	**17,309,999**	**17,359,011**
Borrowings	4,180,258	4,093,903
Accrued interest	1,052,265	1,028,785
Foreign exchange and monetary variations	240,722	236,459
Repayments and payment of interest	(4,066,695)	(4,042,617)
At December 31, 2017	**18,716,549**	**18,675,541**
Accrued interest	248,857	242,867
Foreign exchange and monetary variations	41,807	42,391
Repayments and payment of interest	(1,974,163)	(1,979,526)
At March 31, 2018	**17,033,050**	**16,981,273**

d) Guarantees

The financing agreements with BNDES are guaranteed by the land, buildings, improvements, machinery, equipment and facilities of the plants in Otacílio Costa (SC), Telêmaco Borba (PR) and Ortigueira (PR), which are the object of the related borrowings and escrow deposits, as well as sureties from the controlling shareholder Klabin Irmãos & Cia.

The financing from Finnvera is guaranteed by the industrial plants in Angatuba (SP), Lages (SC), Piracicaba (SP), Betim (MG), and Goiana (PE).

The financing from IDB is guaranteed by the industrial plants in Correia Pinto (SC), Jundiaí/Distrito Industrial (SP) and Jundiaí/Tijuco Preto (SP).

Export credits, export prepayments, and working capital loans are not collateralized.

e) Restrictive covenants

At the end of the reporting period, the Company and its subsidiaries did not have any financing agreements containing restrictive covenants requiring compliance with financial ratios for the contracted transactions, where non-compliance would automatically accelerate the maturity of the debt.

15 DEBENTURES

a) Sixth issue of debentures

On January 7, 2014, the Company concluded the process of subscription and payment of 27,200,000 debentures issued through private placement, with a unit value of R$62.50, totaling R$1.7 billion. The debentures issued are subordinated, issued in a single series and in local currency, without guarantees, and are mandatorily convertible into shares. The conversion of the debentures will be in the proportion of one debenture for five units, where the certificate of deposit of shares comprises one common registered share (ON) and four preferred registered shares (PN).

The debenture holders have the possibility of converting debentures into units in advance at any time, after the lock up period, which corresponds to 18 months after the issue. It is up to the Company the anticipated conversion only after the conclusion of the works of the Puma Project reaching operational levels.

All amounts in thousands of Reais

The funds obtained from the issue of the debentures were allocated to the construction of a pulp plant related to the Puma Project.

The debentures have an effective term of five years, with maturity on January 8, 2019, and are remunerated at 8% p.a., plus the variation in the Brazilian currency in relation to the US Dollar.

In addition, debenture holders are included in any profit distribution to the Company's shareholders, which is calculated as if the shares that will be converted in the future already existed, with the respective amount deducted from the equity due to the debentures' nature as equity instruments.

As of July 7 2015, the debentures started to be traded on the São Paulo Commodities, Futures and Stock Exchange (BM&FBOVESPA), under the ticker symbol KLBN-DCA61.

In accordance with IAS 32/CPC 39, "Financial instruments: Presentation", the Company recorded these debentures as a compound instrument (hybrid), and the present value of the interest up to the conversion was determined and recognized as a financial liability, whereas the carrying amount of the equity instrument was recorded at the net amount - that is, the total amount of the debentures less the present value of the interest payable and less the issuance costs of the security - in the "Capital Reserve" account in equity.

As reported to the debenture holders published on August 02, 2016, the Company reported that it reached the operational level of the pulp plant. Accordingly, on January 31, 2018, the Company converted all outstanding debentures into Units. This procedure is in accordance with item 4.6.3 and 4.6.3.1 of the Deed of Issue, which authorizes the conversion of all outstanding Debentures into Units, by means of Notification of Conversion by the Issuer.

The table below shows the number of shares of the Company as of December 31, 2017 and January 31, 2018, after the conversion of the totality of the debentures.

Quantity of shares on 12/31/2017	
Common shares	1,859,852,065
Preferred shares	2,926,236,825
Total	**4,786,088,890**

Quantity of shares on 01/31/2018	
Common shares	1,984,594,655
Preferred shares	3,425,207,185
Total	**5,409,801,840**

b) Seventh issue of debentures

The Company concluded its seventh issue of debentures on June 23, 2014, issuing 55,555,000 simple debentures, with guarantee, combined with a subscription bonus, at the nominal unit value of R$ 14.40, totaling R$ 800 million, divided simultaneously into two series of 27,777,500 debentures each.

	Quantity	Unit Value	Total Value (R$ thousand)	Interest rates	Maturity	Amortization	Interest	Nature	Subscription bonus
1st series	27,777,500	14.40	399,996	IPCA + 7.25%	06/15/2020	Without amortization	Semi-annual	Convertible debt	Yes
2nd series	27,777,500	14.40	399,996	IPCA + 2.50%	06/15/2022	Semi-annual	Semi-annual	debt	No
	55,555,000		**799,992**						

(i) First series - The first series debentures mature on June 15, 2020, and have a yield at the Amplified Consumer Price Index (IPCA) + 7.25% per annum, with payment of interest on a semi-annual basis, and a grace period of two years, without amortization of the principal. They represent a convertible debt, since they can be utilized at any time until their maturity, at the discretion of the holder, to subscribe and pay-up shares issued by the Company, in the form of Units (comprising one common share and four preferred shares), in the proportion of one Unit for each debenture, through the exercise of the subscription bonus, which will be attributed as an additional benefit to the debenture holders.

All amounts in thousands of Reais

(ii) Second series - The second series debentures mature on June 15, 2022, and have a yield of IPCA + 2.50% per annum, paid semi-annually, together with the amortization of the principal, and a grace period of two years. This series of debentures is not convertible. They are, therefore, not linked to the subscription bonus.

Those who acquire the first series are obliged to acquire debentures of the second series. The amount of R$ 28,503 arising from the subscription bonus on the debentures issued was allocated to equity. The debenture holders have the possibility of converting debentures into units in advance.

A total of 98.86% of the debentures was subscribed by BNDES and the remaining debentures by other shareholders in the market .

c) Composition of the balance of debentures

		Parent company and consolidated		
	03/31/2018			12/31/2017
	7th issue	6th issue	7th issue	Total
Current liabilities				
. Principal	61,538	-	61,538	61,538
. Interest	16,015	130,801	141	130,942
. Monetary restatement/profit sharing	-	46,796	-	46,796
	77,553	**177,597**	**61,679**	**239,276**
Non-current liabilities				
. Principal	615,343	-	615,343	615,343
. Monetary restatement/profit sharing	52,272	-	47,754	47,754
. Subscription bonus	(28,503)	-	(28,503)	(28,503)
	639,112	**-**	**634,594**	**634,594**
Total debenture liability	**716,665**	**177,597**	**696,273**	**873,870**
Equity - capital reserve				
. Debentures issued	-	1,559,282	-	1,559,282
. Interest up to maturity at present value	-	(410,119)	-	(410,119)
. Subscription bonus	28,503	-	28,503	28,503
. Cost of the issue of debentures	-	(29,841)	-	(29,841)
	28,503	**1,119,322**	**28,503**	**1,147,825**
Total	**745,168**	**1,296,919**	**724,776**	**2,021,695**

Interest on debentures paid in 2018 was R$ 179,541 for the sixth issue of debentures.

All amounts in thousands of Reais

d) Change to debenture liabilities

	Parent company and Consolidated
At December 31, 2016	**1,109,536**
Interest and monetary variations on debentures	98,984
Accrued interest	(274,801)
Payment of interest and participation in debenture results	(74,945)
Adjustment to present value of interest	15,096
At December 31, 2017	**873,870**
Interest and monetary variations on debentures	22,336
Accrued interest	(179,541)
At March 31, 2018	**716,665**

16 TRADE PAYABLES

	Parent company		Consolidated	
	03/31/2018	**12/31/2017**	**03/31/2018**	**12/31/2017**
Local currency	568,564	630,444	569,031	631,182
Foreign currency	36,614	71,596	48,434	82,430
	605,178	**702,040**	**617,465**	**713,612**

The Company's average payment term to operational suppliers is approximately 46 days (38 days in December 31, 2017). In the case of suppliers of property, plant and equipment, the terms follow the commercial negotiations of each operation; there is no specific average term.

a) Commitments

The Company has several land lease agreements for the development of forestry activities in pine and eucalyptus entered in to with third parties in the states of São Paulo, Parana and Santa Catarina with maturity up to 2056. The lease is calculated based on the real / hectare agreed between the parties for the defined periods.

The table below shows the projection on March 31, 2018 of the amounts that will be disbursed over the years.

	03/31/2018
	Consolidated
2018	28,582
2019	36,966
2020	34,899
2021	31,361
2022	28,426
2023 - 2027	122,520
2028 - 2032	101,982
2033 - 2037	86,632
2038 - 2056	66,067
	537,435

The Company and its subsidiaries did not have other material future commitments at the end of the reporting period that had not been published.

All amounts in thousands of Reais

17 PROVISION FOR TAX, SOCIAL SECURITY, LABOR AND CIVIL CONTINGENCIES

a) Provisioned risks

Based on the individual analysis of lawsuits filed against the Company and its subsidiaries and the opinion of legal counsel, provisions have been constituted and classified in non-current liabilities for expected losses on legal and administrative proceedings considered as probable, as follows:

				03/31/2018
In the parent company:	**Provisioned amount**	**Restricted judicial deposits**	**Net liability**	**Unrestricted judicial deposits**
Tax:				
. PIS/COFINS	-	-	-	29,960
. ICMS/IPI	-	-	-	21,838
. Income tax/social contribution	(3,573)	3,573	-	139
. OTHER	(1,655)	1,655	-	2,525
	(5,228)	5,228	-	54,462
Labor	(44,541)	18,991	(25,550)	-
Civil	(14,374)	3,646	(10,728)	-
	(64,143)	**27,865**	**(36,278)**	**54,462**
Subsidiaries:				
Other	-	1,432	1,432	-
Consolidated	**(64,143)**	**29,297**	**(34,846)**	**54,462**

				12/31/2017
In the parent company:	**Provisioned amount**	**Restricted judicial deposits**	**Net liability**	**Unrestricted judicial deposits**
Tax:				
. PIS/COFINS	-	-	-	29,744
. ICMS/IPI	-	-	-	22,319
. Income tax/social contribution	(3,573)	3,573	-	139
. OTHER	(1,655)	1,655	-	2,523
	(5,228)	5,228	-	54,725
Labor	(45,775)	18,768	(27,008)	-
Civil	(14,374)	3,659	(10,716)	-
	(65,377)	**27,655**	**(37,724)**	**54,725**
Subsidiaries:				
Other	-	1,001	1,001	-
Consolidated	**(65,377)**	**28,656**	**(36,723)**	**54,725**

All amounts in thousands of Reais

b) Summary of changes to the provisioned amounts

	Labor	Civil	Consolidated Net Exposure
At December 31, 2016	**(32,911)**	**(6,647)**	**(39,558)**
New lawsuits/increases	(7,721)	(6,105)	**(13,826)**
(Provision)/reversals	10,494	2,708	**13,202**
Monetary variations	2,696	(672)	**2,024**
Deposit transactions	1,435	-	**1,435**
At December 31, 2017	**(26,007)**	**(10,716)**	**(36,723)**
New lawsuits/increases	(1,000)	-	**(1,000)**
(Provision)/reversals	1,234	-	**1,234**
Deposit transactions	223	1,420	**1,643**
At March 31, 2018	**(25,550)**	**(9,296)**	**(34,846)**

c) Provisions for tax, social security, labor and civil contingencies not recognized

At March 31, 2018, the Company and its subsidiaries were parties to other tax, labor and civil litigation involving expected losses evaluated as "possible" (i.e. not probable), totaling approximately: R$2,980,576, R$251,702 and R$104,080, respectively. Based on individual analyses of the disputes and the opinion of the Company's legal counsel, management understands that they do not need to be accounted for, since the likelihood of loss is assessed as only possible.

At March 31, 2018 the Company appeared in the passive pole in several processes, such as:

Tax Lawsuits

(i) Lawsuit arising from violation notices, through which the auditor intended to require the IRPJ (Corporate Income Tax) and the CSL (Social Contribution), questioning the lack of deductibility, for corporate income tax purposes, of royalty expenses, undue amortization of goodwill and undue compensation of tax losses and negative bases for calculating the social contribution, due to insufficient balance, arising from glosses – possible risk of loss;

(ii) Tax and administrative processes, proposed by the municipality of Lages-SC and Rio de Janeiro-RJ, under the grounds that the Company stopped collecting ISS (tax on services) on the production and printing of custom packaging classified by the tax authority as “rendering print shop services” – possible risk of loss;

(iii) Court injunction seeking to ensure and safeguard the right of the Company not to submit to taxation established by law n° 10,256/2001, which includes article 22-A in the text of the law n° 8,212/91, creating the social security contribution due from the Agribusiness, whose calculation basis is the gross income from the sale of production, at a 2.6% rate in substitution of tax collection on payroll, at a rate of 20% - risk of possible loss;

(iv) Notice of Infraction resulting from supervision claiming that the company had taxable capital gain in the in a transaction involving a subsidiary - possible risk of loss;

(v) Termination action filed by the Federal Government with the purpose of not correcting by the SELIC rate, and the rates provided for in resolution CIEX No. 2/79 – possible risk of loss.

Civil Lawsuits

(i) Public civil action proposed by the Association of Environmental Fishermen of Paraná, with the purpose of requesting the removal of the plant's open drain pipes on the Tibagi River riverbed, as well as the removal from the Tibagi River riverbed of burnt mineral coal used by the Company up to 1998, in the county of Telêmaco Borba – PR – the estimated loss will be only determined after decision probable loss risk;

(ii) Compensation for damages due to its substitution by another supplier of Pallets which, as according to the Author, caused material damages, loss of profits and moral damages - possible loss risk.

Labor Lawsuits

The main requests are related to overtime, night additional, moral damage, material damage, life insurance, additional for insalubrities and unhealthy and dangerousness, as well as indemnities and subsidiary liability of third parties. Although the number of labor lawsuits is high, no lawsuit considered individually is relevant enough to be able to adversely impact and in a relevant form the results of the Company and that deserve to be highlighted.

d) Lawsuits filed by the Company

At March 31, 2018, the Company was involved in lawsuits involving ongoing causes, for which there are no amounts recognized in its quarterly information, and the assets are recognized only after the lawsuits have been settled and the gain is virtually certain.

According to the opinion of the Company's legal advisors some lawsuits are assessed as "probable" of winning. Among the aforementioned lawsuits, the most notable is the claim to presumed IPI credit on the purchases of electricity, fuel oil and natural gas used in the production process.

e) Enrollment in the Tax Recovery Program (REFIS)

The Tax Recovery Program (REFIS) (Law 11,941/09 and Law 12,865/13) balance payable recorded for the parent company and consolidated totaled R$ 371,841 at March 31, 2018, of which R$ 72,007 is accounted as current liabilities and R$ 299,834 on non-current liabilities (R$ 378,943 at December 31, 2017, R$ 71,467 as current and R$ 307,476 as non-current), These values are updated by the effective interest rate, which considers future values and the SELIC change. The balance is being paid in monthly installments, with settlement foreseen for 2029.

18 EQUITY

a) Share capital

The Company's subscribed and paid-up capital at March 31, 2018 comprises 5,409,801,836 shares (4,786,088,890 at December 31, 2017), without par value, corresponding to R$4,076,035 (R$2,516,753 at December 31, 2017), held as follows:

All amounts in thousands of Reais

	03/31/2018		12/31/2017	
Stockholders	**Common shares**	**Preferred shares**	**Common shares**	**Preferred shares**
Klabin Irmãos & Cia	941,837,080	-	941,837,080	-
Niblak Participações S/A	142,023,010	-	142,023,010	-
Capital World Investors	58,540,862	234,163,448	60,208,500	240,834,000
The Bank of New York Departament	54,024,092	216,096,368	54,419,292	217,677,168
Monteiro Aranha S/A	71,321,589	285,317,806	55,333,872	221,366,938
BNDESPAR	56,259,848	225,039,392	42,554,908	170,219,632
BlackRock, Inc	45,822,076	183,288,304	41,730,587	166,922,348
Treasury shares	29,313,630	117,254,520	30,736,688	122,946,752
Other	585,452,468	2,164,047,343	491,008,128	1,786,269,987
	1,984,594,655	**3,425,207,181**	**1,859,852,065**	**2,926,236,825**

Besides common and preferred registered shares, the Company negotiates certificates of deposit of shares, referred to as Units, each corresponding to one common share (ON) and four preferred shares (PN).

The Company's authorized capital comprises 5,600,000,000 common shares (ON) and/or preferred shares (PN) approved at the Extraordinary General Meeting held on March 20, 2014.

<u>Capital increase for the conversion right of debenture holders</u>

In January 2018, due to the exercise of the conversion right required by the debenture holders of the 6th Issue and due to the final conversion of all debentures from 6th issue, the Board of Directors of the Company approved the increase in subscribed and paid-up capital , within the authorized capital limit, in the amount of R$ 1,559,282, with issuance of 124,742,590 common shares and 498,970,360 preferred shares, corresponding to the conversion of 24,948,518 debentures.

After the conversion of all the 6th Issue debentures, the Company's subscribed and paid-in capital amounts to R$ 4,076,035, divided into 5,409,801,840 nominative shares with no par value, of which 1,984,594,655 are common shares and 3,425,207,185 preferred shares .

b) Treasury shares

The Company maintained 146,568,150 shares of its own issue in treasury at March 31, 2018, corresponding to 29,313,630 Units. The price on the São Paulo Stock Exchange was R$ 20.70 per Unit at March 31, 2018 (code KLBN11 - BM&FBovespa).

In accordance with the stock option plan described in Note 22, granted as long-term remuneration to the Company's executives, 3,655,770 treasury shares were sold in February 2018, corresponding to 731,154 Units. The right to use 3,655,770 shares, corresponding to 731,154 "Units" was also granted. The amount was derecognized from the treasury share account.

c) Carrying value adjustments

Created by Law 11,638/07, the group "Carrying value adjustments" in the Company's equity comprises adjustments for increases and decreases in assets and liabilities, when applicable.

The balance maintained by the Company corresponds to: the adoption of the deemed cost of property, plant and equipment for forestry land; an option exercised on the initial adoption of the new accounting pronouncements for convergence with IFRS, at January 1, 2009; the foreign exchange variations of the subsidiaries abroad with functional currencies different to the parent company; balances relating to the stock option plan granted to executives (Note 22); and actuarial liability restatements.

All amounts in thousands of Reais

	Parent company and consolidated	
	03/31/2018	**12/31/2017**
Deemed cost of property, plant and equipment (land)	1,058,939	1,058,939
Foreign exchange variations - subsidiaries abroad	(64,980)	(63,018)
Stock option plan	(3,408)	2,486
Actuarial liability	(9,543)	(10,491)
	981,008	**987,916**

Foreign exchange variations - subsidiaries abroad will be transferred to profit or loss only in case of alienation or perishing of the investee. The other items, due to its nature and force of accounting standard, will never be transferred to profit or loss, even in case of their financial realization.

d) Dividends

Dividends represent a portion of the profits earned by the Company which are distributed to the shareholders as remuneration of invested capital in the fiscal year. All shareholders are entitled to receive dividends proportionately to their ownership interest, as guaranteed by the Brazilian corporate legislation and the Company's bylaws. The bylaws also determine that management has the option to prepay interim dividends during the year, "ad referendum" of the Ordinary General Meeting held to consider the accounts for the year.

The basis of the calculation of the mandatory dividends, defined in the Company's bylaws, is adjusted in accordance with the constitution, realization and reversal, during the year, of the biological assets reserve, and entitles the Company's shareholders to receive, every year, a mandatory minimum dividend of 25% of the annual adjusted profit. Additionally, the Company is entitled to distribute dividends with balances of "Profit Reserves" held in Shareholders' Equity.

The Extraordinary Meeting of the Board of Directors held on January 31, 2018 approved the distribution of additional dividends for 2017 of R$ 171,000, corresponding to R$ 32.53 per thousand common and preferred shares and R$ 162.67 per thousand Units, the amount was paid on February 19, 2018.

19 NET SALES REVENUE

The Company's net sales revenue is composed as follows:

	Parent company		Consolidated	
	From 1/1 to 03/31/2018	**From 1/1 to 03/31/2017**	**From 1/1 to 03/31/2018**	**From 1/1 to 03/31/2017**
Gross sales revenue	2,504,652	2,146,563	2,523,182	2,165,141
Discounts and rebates	(16,261)	(23,476)	(17,631)	(25,776)
Taxes on sales	(308,680)	(262,931)	(316,397)	(272,673)
	2,179,711	**1,860,156**	**2,189,154**	**1,866,692**
. Domestic market	1,281,921	1,100,306	1,289,613	1,112,056
. Foreign market	897,790	759,850	899,541	754,636
Net sales revenue	**2,179,711**	**1,860,156**	**2,189,154**	**1,866,692**

All amounts in thousands of Reais

20 COSTS, EXPENSES AND OTHER INCOME, BY NATURE

	Parent company		Consolidated	
	From 1/1 to 03/31/2018	From 1/1 to 03/31/2017	From 1/1 to 03/31/2018	From 1/1 to 03/31/2017
Cost of products sold				
Variable costs (raw materials and consumables)	(648,839)	(667,270)	(634,756)	(640,088)
Personnel	(291,623)	(265,202)	(294,569)	(267,881)
Depreciation and amortization	(255,228)	(245,257)	(255,382)	(243,446)
Depletion	(158,910)	(168,379)	(176,043)	(201,507)
Other	(205,786)	(174,168)	(196,903)	(174,927)
	(1,560,386)	**(1,520,276)**	**(1,557,653)**	**(1,527,849)**
Sales expenses				
Freight	(106,035)	(91,350)	(108,545)	(93,601)
Royalties	(12,311)	(12,024)	(12,311)	(12,024)
Comissões	(3,493)	(5,057)	(4,397)	(5,819)
Personnel	(23,085)	(19,851)	(23,318)	(20,052)
Depreciation and amortization	(313)	(479)	(319)	(489)
Other	(21,643)	(22,988)	(22,023)	(23,384)
	(166,880)	**(151,749)**	**(170,913)**	**(155,369)**
General and administrative expenses				
Personnel	(68,552)	(78,542)	(69,244)	(79,335)
Services contracted	(31,887)	(22,935)	(32,209)	(23,167)
Depreciation, amortization and depletion	(8,658)	(4,934)	(8,835)	(5,035)
Other	(13,989)	(15,594)	(16,052)	(17,534)
	(123,086)	**(122,005)**	**(126,340)**	**(125,071)**
Other net				
Revenue from sales of prop, plant and equipment	239	35,830	239	35,830
Cost of sales and write-offs of prop, plant and equip.	(664)	(21,655)	(664)	(21,655)
Deemed cost of property, plant and equip. (land)	-	(28,203)	-	(28,203)
Other	(15,286)	6,013	(14,841)	6,981
	(15,711)	**(8,015)**	**(15,266)**	**(7,047)**
Total	**(1,866,063)**	**(1,802,045)**	**(1,870,172)**	**(1,815,336)**

All amounts in thousands of Reais

21 FINANCE RESULT

	Parent company		Consolidated	
	From 1/1 to 03/31/2018	From 1/1 to 03/31/2017	From 1/1 to 03/31/2018	From 1/1 to 03/31/2017
Finance income				
. Income from financial investments	105,532	173,801	108,702	179,647
. Social Integration Program (PIS)/Social Contribution on Revenue (COFINS) on interest income	(6,371)	(12,648)	(6,371)	(12,648)
. Other (i)	33,381	98,230	33,381	98,543
	132,542	**259,383**	**135,712**	**265,542**
Finance costs				
. Interest on borrowing and debentures	(267,298)	(280,614)	(262,774)	(278,430)
. Interest on REFIS (ii)	(11,248)	(11,249)	(11,248)	(11,249)
. Amortization of present value adjustments to debentures	-	(3,846)	-	(3,846)
. Loan guarantees from related parties	(7,231)	(7,902)	(7,231)	(7,902)
. Investor remuneration - SPCs	-	-	(7,295)	(11,908)
. Other	(56,666)	(11,839)	(57,080)	(12,087)
	(342,443)	**(315,450)**	**(345,628)**	**(325,422)**
Exchange variations				
. Foreign exchange variations on assets	(6,980)	(38,333)	(6,017)	(39,606)
. Foreign exchange variations on liabilities	(45,941)	420,774	(46,243)	417,879
	(52,921)	**382,441**	**(52,260)**	**378,273**
Finance result	**(262,822)**	**326,374**	**(262,176)**	**318,393**

(i) See Note 9 relative to IPI credits gain in tax litigation.
(ii) See Note 17.

22 STOCK OPTION PLAN

The Extraordinary General Meeting of Shareholders held on July 10, 2012 approved the stock option plan as a benefit for the members of the Executive Board and the Company's key personnel.

CVM authorized the Company, through Circular Letter/CVM/SEP/GEA-2/221/2012, to realize private transactions included in the incentive plan for its directors and employees, except for the controlling shareholders, through the private transfer of treasury shares.

Pursuant to this plan, the Company established that its statutory and non-statutory directors could utilize 25% to 70% and managers could utilize 15% to 25% of their variable remuneration for the acquisition of treasury shares, and the Company would grant the right of use of the same amount of shares to the acquirers for three years, transferring ownership of the shares at the end of the three years, provided that the clauses established in the plan are complied with.

The right of use grants the participants the right to dividends distributed in the period during which the benefit is valid.

The acquisition price of treasury shares by the participants of the plan is calculated based on the lower of the average of the market value quotations in the last 60 trading sessions of the Company's shares and their quotation on the acquisition date. The value of shares granted with right of use corresponds to the quotation of shares traded on BM&FBOVESPA on the transaction date.

The clauses that grant the transfer of shares after three years require the participants of the stock option plan to remain in employment in the Company and stipulate that the shares acquired on enrollment in the plan may not be sold during this period. The shares granted can be immediately assigned in the case of the termination of employment by the Company, or the retirement or death of the beneficiary, in which case the right to the shares becomes part of the estate of the deceased.

The shares granted and the expense proportional to the grant term, recorded in profit and loss, is accumulated in equity in the "Carrying value adjustments" group, up to the end of the grant, which may occur due to the three-year maturity or any other clause of the plan that may terminate the grant.

All amounts in thousands of Reais

The table below presents information about the agreed-upon plans:

a) Statutory and non-statutory Board members

Statutory and non-statutory Board members

	Plan 2013 (ii)	Plan 2014 (ii)	Plan 2015	Plan 2016	Plan 2017	Total
Start of the plan	03/01/2014	03/01/2015	03/01/2016	02/24/2017	02/28/2018	
Final grant date	03/01/2017	03/01/2018	03/01/2019	02/24/2020	02/28/2021	
Treasury shares acquired by the beneficiaries (i)	2,302,500	1,855,000	1,475,000	2,774,345	2,039,185	12,350,530
Purchase value per share (R$) (i)	2.34	2.84	4.23	3.04	3.58	
Treasury shares granted with right to use (i)	2,302,500	1,855,000	1,475,000	2,774,345	2,039,185	12,350,530
Value of the right to use per share (R$) (i)	2.29	3.26	4.30	3.04	3.58	
Accumulated plan expenses - from the beginning	5,263	6,031	5,309	5,501	193	27,386
Expenses of the plan - 1/1 to 03/31/2018	-	138	197	364	193	892
Expenses of the plan - 1/1 to 03/31/2017	292	809	744	954	-	2,799

b) Managers

Key personal

	Plan 2013 (ii)	Plan 2014 (ii)	Plan 2015	Plan 2016	Plan 2017	Total
Start of the plan (i)	04/30/2014	04/30/2015	03/30/2016	02/24/2017	02/28/2018	
Final grant date	04/30/2017	04/30/2018	03/30/2019	02/24/2020	02/28/2021	
Treasury shares acquired by the beneficiaries (i)	-	-	-	1,531,400	1,616,585	3,147,985
Purchase value per share (R$) (i)	-	-	-	3.04	3.58	
Treasury shares granted with right to use (i)	542,500	372,500	351,000	1,531,400	1,616,585	5,096,485
Value of the right to use per share (R$) (i)	2.30	3.36	4.34	3.04	3.58	
Accumulated plan expenses - from the beginning	1,269	1,183	1,058	1,299	178	6,811
Expenses of the plan - 1/1 to 03/31/2018	-	113	104	384	178	779
Expenses of the plan - 1/1 to 03/31/2017	-	114	127	152	-	393

(i) Considers the stock split mentioned in Note 1, financial statements at December 31,2015.
(ii) Plan terminated.

23 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit or loss for the period attributable to holders of the Company's common and preferred shares by the weighted average number of common and preferred shares available during the period. The Company has debentures mandatorily convertible into shares (see Note 15) recorded in equity - therefore, the future conversion of the debentures into the total amount of shares is already reflected in the weighted average number of shares used for calculation purposes.

The shares from the future conversion of the seventh issue of debentures (Note 15) were not considered in the calculation because such conversion does not have a dilutive effect.

Therefore, the diluted earnings per share are equal to the basic earnings per share. The Company does not have any other instrument that may have a dilutive effect.

As mentioned in Note 18, the changes in the balance of treasury shares affect the weighted average number of preferred shares held in treasury in the calculation for the period ended March 31, 2018, being the weighted average used in the calculation of earnings per share was determined as follows:

Weighted average number of treasury shares - March 31, 2018 (i)

Jan		Feb	Mar		3 Months 2018
153,683,440 x 1/3	+	146,371,900 x 1/3	146,568,150 x 1/3	=	148,874,497

(i) Because the Company only has Units held in treasury, the distribution between common and preferred shares is made according to the composition of the Units.

All amounts in thousands of Reais

The table below, presented in R$ or number of shares, as applicable, reconciles the profit or loss for the quarters ending March 31, 2018 and 2017 with the amounts used in the calculation of basic and diluted earnings per share:

	Parent company and Consolidated		
	From 1/1 to 03/31/2018		
	Common (ON)	Preferred (PN)	Total
Denominator			
Total weighted average number of shares	1,984,594,655	3,425,207,181	5,409,801,836
Weighted average number of treasury shares	(29,774,899)	(119,099,597)	(148,874,497)
Weighted average number of outstanding shares	**1,954,819,756**	**3,306,107,584**	**5,260,927,339**
% of shares in relation to the total	**37.16%**	**62.84%**	**100%**
Numerator			
Earnings attributable to each class of shares (R$)	**46,318,461**	**78,336,539**	**124,655,000**
Weighted average number of outstanding shares	**1,954,819,756**	**3,306,107,584**	**5,260,927,339**
Basic and diluted earnings per share (R$)	**0.0237**	**0.0237**	

	Parent company and Consolidated		
	From 1/1 to 03/31/2017		
	Common (ON)	Preferred (PN)	Total
Denominator			
Total weighted average number of shares	1,849,270,515	2,883,910,625	4,733,181,140
Number of shares to be converted from debentures	135,324,140	541,296,560	676,620,700
Weighted average number of treasury shares	(31,319,061)	(125,276,245)	(156,595,307)
Weighted average number of outstanding shares	**1,953,275,594**	**3,299,930,940**	**5,253,206,533**
% of shares in relation to the total	**37.18%**	**62.82%**	**100%**
Numerator			
Earnings attributable to each class of shares (R$)	**223,848,183**	**378,176,817**	**602,025,000**
Weighted average number of outstanding shares	**1,953,275,594**	**3,299,930,940**	**5,253,206,533**
Basic and diluted earnings per share (R$)	**0.1146**	**0.1146**	

All amounts in thousands of Reais

24 OPERATING SEGMENTS

a) Criteria for identification of operating segments

The Company's operating structure is divided into segments according to the manner in which management manages the business. The operating segments defined by management are as follows:

(i) Forestry segment: involves operations relating to planting and growing pine and eucalyptus trees to supply the Company's plants. Also involves selling timber (logs) to third parties in the domestic market.

(ii) Paper segment: mainly involves the production and sale of cardboard, kraftliner and recycled paper rolls in the domestic and foreign markets

(iii) Conversion segment: involves the production and sale of corrugated cardboard boxes, corrugated cardboard and industrial sacks in the domestic and foreign markets.

(iv) Pulp segment: include the production and sale of short fiber bleached pulp, long fiber bleached pulp, and fluff pulp in the domestic and foreign markets.

b) Consolidated information about operating segments

	From 1/1 to 03/31/2018					
	Forestry	Paper	Conversion	Pulp	Corporate/ eliminations	Total Consolidated
Net revenue:						
.Domestic market	78,116	418,530	616,465	177,808	(1,306)	**1,289,613**
.Foreign market	-	331,888	59,925	507,728		**899,541**
Revenue from sales to third parties	**78,116**	**750,418**	**676,390**	**685,536**	**(1,306)**	**2,189,154**
Revenue between segments	333,433	350,909	5,471	15,369	(705,182)	-
Total net sales	**411,549**	**1,101,327**	**681,861**	**700,905**	**(706,488)**	**2,189,154**
Changes in the fair value of biological assets	119,153	-	-	-	-	**119,153**
Cost of products sold	(486,841)	(722,685)	(590,151)	(462,396)	704,420	**(1,557,653)**
Gross profit	**43,861**	**378,642**	**91,710**	**238,509**	**(2,068)**	**750,654**
Operating income (expenses)	(26,014)	(101,318)	(84,526)	(93,725)	(5,307)	**(310,890)**
Operating result before finance result	**17,847**	**277,324**	**7,184**	**144,784**	**(7,375)**	**439,764**
Sales of products (in metric tons)						
.Domestic market	-	137,541	176,699	72,451	-	**386,691**
.Foreign market	-	121,750	12,370	240,380	-	**374,500**
.Inter-segmental	-	198,283	820	6,044	(205,147)	-
	-	**457,574**	**189,889**	**318,875**	**(205,147)**	**761,191**
Sales of timber (in metric tons)						
.Domestic market	555,645	-	-	-	-	**555,645**
.Inter-segmental	3,183,931	-	-	-	(3,183,931)	-
	3,739,576	**-**	**-**	**-**	**(3,183,931)**	**555,645**
Investments during the period	90,042	45,596	59,555	26,371	8,801	**230,365**
Depreciation, depletion and amortization	(195,696)	(72,292)	(17,042)	(151,475)	(4,393)	**(440,898)**
Total assets - 03/31/2018	7,445,912	5,045,324	1,728,028	7,856,227	6,438,504	**28,513,995**
Total liabilities - 03/31/2018	1,807,923	295,887	303,191	273,006	18,632,857	**21,312,864**
Equity - 03/31/2018	5,637,989	4,749,437	1,424,837	7,583,221	(12,194,353)	**7,201,131**

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All amounts in thousands of Reais

	From 1/1 to 03/31/2017					
	Forestry	Paper	Conversion	Pulp	Corporate/ eliminations	Total Consolidated
Net revenue:						
.Domestic market	74,802	354,449	588,759	94,930	(884)	**1,112,056**
.Foreign market	-	346,659	51,072	356,905	-	**754,636**
Revenue from sales to third parties	**74,802**	**701,108**	**639,831**	**451,835**	**(884)**	**1,866,692**
Revenue between segments	323,057	311,280	5,388	8,460	(648,185)	-
Total net sales	**397,859**	**1,012,388**	**645,219**	**460,295**	**(649,069)**	**1,866,692**
Changes in the fair value of biological assets	483,306	-	-	-	-	**483,306**
Cost of products sold	(484,753)	(601,458)	(545,361)	(437,021)	540,744	**(1,527,849)**
Gross profit	**396,412**	**410,930**	**99,858**	**23,274**	**(108,325)**	**822,149**
Operating income (expenses)	(17,286)	(94,925)	(77,334)	(84,686)	(6,667)	**(280,898)**
Operating result before finance result	**379,126**	**316,005**	**22,524**	**(61,412)**	**(114,992)**	**541,251**
Sales of products (in metric tons)						
.Domestic market	-	122,007	173,955	50,773	-	**346,735**
.Foreign market	-	149,755	11,668	250,516	-	**411,939**
.Inter-segmental	-	186,386	726	6,061	(193,173)	-
	-	**458,148**	**186,349**	**307,350**	**(193,173)**	**758,674**
Sales of timber (in metric tons)						
.Domestic market	524,353	-	-	-	-	**524,353**
.Inter-segmental	3,212,960	-	-	-	(3,212,960)	-
	3,737,313	**-**	**-**	**-**	**(3,212,960)**	**524,353**
Investments during the period	54,417	74,271	15,818	102,927	3,922	**251,355**
Depreciation, depletion and amortization	(218,117)	(70,562)	(14,599)	(145,710)	(1,489)	**(450,477)**
Total assets - 03/31/2017	7,594,669	5,228,334	1,566,896	8,336,699	7,290,970	**30,017,568**
Total liabilities - 03/31/2017	1,638,086	475,878	246,362	334,023	19,641,111	**22,335,460**
Equity - 03/31/2017	5,956,583	4,752,456	1,320,534	8,002,676	(12,350,141)	**7,682,108**

The balance in the Corporate/eliminations column refers to the corporate unit's expenses not apportioned among the segments, and eliminations refer to adjustments of operations between the segments.

Information about the finance result and income tax was not disclosed in the segment reporting because management does not utilize such data on a segmental basis, and the data is instead managed and analyzed on a consolidated basis.

c) Information on net sales revenue

The table below shows the distribution of net revenue by country results for the quarter ended March 31, 2018 and 2017:

	Consolidated	
	From 1/1 to 03/31/2018	
Country	Total revenue (R$/million)	% of total net revenue
Austria	478	21.8%
Argentina	126	5.8%
China	51	2.3%
Singapore	40	1.8%
Ecuador	19	0.9%
Colombia	16	0.7%
Italy	15	0.7%
Mexico	14	0.6%
Saudi Arabia	12	0.5%
Other	129	5.9%
	900	**41%**

	Consolidated	
	From 1/1 to 03/31/2017	
Country	Total revenue (R$/million)	% of total net revenue
Austria	377	20.2%
China	115	6.2%
Argentina	68	3.6%
Turkey	19	1.0%
Switzerland	18	1.0%
South Africa	16	0.9%
Ecuador	15	0.8%
Singapore	11	0.6%
Colombia	9	0.5%
Other	98	5.2%
	755	**40%**

All amounts in thousands of Reais

For the quarter ended March 31, 2018, in the pulp and paper segments, two clients were responsible for approximately 30% of the Company's net revenue, 13% (R$ 281,348) in the paper segment and 17% (R$ 381,172) in the pulp segment, corresponding to approximately R$ 662,521 (R$ 746,677 on March 31, 2017 or 40%, 22% (R$ 410,672) on paper segment and 18% (R$ 336,005) on Pulp Segment). The remaining customer base is diluted as none of the other customers individually accounts for a material share (above 10%) of the Company's net sales revenue.

25 RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

a) Risk management

The Company and its subsidiaries enter into transactions involving financial instruments, all recorded in balance sheet accounts, in order to meet their operational needs and reduce their exposure to financial risks, mainly related to credit risks and investments of funds, market risks (foreign exchange and interest rates) and liquidity risks, to which the Company understands that it is exposed based on the nature of its business and operating structure.

These risks are managed through the definition of strategies prepared and approved by the Company's management, linked to the establishment of control systems and determination of limits. The Company does not enter into transactions involving financial instruments for speculative purposes

Management also carries out regular assessments of the Company's consolidated position, monitors the financial results obtained, analyzes future projections to ensure compliance with the business plan defined, and monitors the risks to which it is exposed.

The main risks to which the Company is exposed are described below:

Market risk

Market risk is the risk that the fair value of the future cash flow of a financial instruments will fluctuate due to changes in market prices. In the case of the Company, market prices are affected by two types of risk: interest rate and foreign exchange. The financial instruments affected by market risk are financial investments, trade receivables, trade payables, loans payable, fair value through profit or loss.

(i) Foreign Exchange rate risk

The Company has transactions denominated in foreign currencies (mainly in US Dollars) that are exposed to market risks arising from fluctuations in foreign exchange rates. Any fluctuation in a foreign exchange rate could increase or reduce a balance expressed in Reais. The composition of this exposure was as follows:

	Consolidated	
	03/31/2018	**12/31/2017**
Bank deposits and financial investments	672,727	1,893,535
Trade receivables (net of provision for doubtful debts)	501,674	533,570
Other assets and liabilities	(31,000)	(50,000)
Borrowing	(12,598,839)	(14,101,859)
Net exposure	**(11,455,438)**	**(11,724,754)**

The balance of this net exposure at March 31, 2018 was as follows:

All amounts in thousands of Reais

Year	2018	2019	2020	2021	2022	2023	2024 onwards	Total
Amount	459,562	(1,254,000)	(1,572,000)	(1,936,000)	(2,094,000)	(1,114,000)	(3,945,000)	**(11,455,438)**

The Company did not have derivative contracts to hedge against long-term foreign exchange exposure at March 31, 2018. However, in order to hedge against this net liability exposure, the Company has a sales plan under which the projected flow of export revenue is approximately US$ 1 billion annually and the related receipts, if realized, would exceed, or approximate, the flow of payments of the related liabilities, offsetting the cash effect of this foreign exchange exposure in the future.

(ii) Interest rate risk

The Company has loans indexed to the variations in the TJLP, LIBOR, IPCA and the CDI and Marketable securities indexed to the variations in the CDI, SELIC and IPCA, which expose these assets and liabilities to fluctuations in interest rates, as shown in the interest sensitivity analysis below. The Company does not have derivative contracts to swap/hedge against the exposure to these market risks.

The practice adopted by the Company in relation to interest rate risk is to continuously monitor market interest rates in order to assess the possible need to contract derivatives to hedge against the risk of volatility in these rates. The Company considers that the high cost associated with entering into transactions at fixed interest rates in the Brazilian macroeconomic scenario justifies its choice of floating rates.

The composition of the Company's interest rate risk is as follows:

	03/31/2018	12/31/2017
Financial investments - CDI	4,642,003	5,108,744
Financial investments - Selic	814,099	801,481
Financial investments - IPCA	439,910	434,905
Asset exposure	**5,896,012**	**6,345,130**
Financing - CDI	(2,212,404)	(2,278,965)
Financing - TJLP	(2,194,826)	(2,302,439)
Financing - LIBOR	(8,235,554)	(9,688,305)
Debentures - IPCA	(716,665)	(696,273)
Liability exposure	**(13,359,449)**	**(14,965,982)**

Risk relating to application of funds

The Company is exposed to risk relating to the application of funds, including deposits in banks and other financial institutions, foreign exchange transactions, marketable securities and other financial instruments that are contracted. The exposure relates mainly to marketable securities and transactions involving securities, which are described in Notes 4 and 5.

In relation to the quality of the financial assets of the Company invested in financial institutions, an internal policy is applied to the approval of the type of operation being entered into and to the analysis of the rating, applied by the rating agencies, to assess the feasibility of the investment of the funds in a given institution, provided that it meets the acceptance criteria of the policy.

The table below presents the cash, cash equivalents and marketable securities invested by the Company, classifying the amounts according to the national classification of the financial institutions by the rating agency Fitch/Moody's:

All amounts in thousands of Reais

	Consolidated	
	03/31/2018	12/31/2017
National rating AAA(bra)	4,720,754	5,319,250
National rating AA+(bra)	1,869,528	2,952,345
	6,590,282	**8,271,595**

Credit risk

Credit risk is the risk that counterparty to a transaction will not fulfill an obligation established in a financial instruments or contract with a customer, leading to a financial loss. In addition to the investments referred to above, the Company is exposed to credit risk in its operating activities (mainly in connection with accounts receivables).

At March 31, 2018, the maximum exposure to credit risk was the carrying amount of the accounts receivables shown in Note 6. Information on customer concentration is described in note 24.

Credit risk in the Company's operating activities is managed based on specific rules regarding the acceptance of customers, credit analysis and the establishment of exposure limits in respect of customers, which are periodically reviewed. Overdue receivables are monitored on a regular basis to ensure their realization, registering estimated losses with doubtful credit liquidation for items that have a risk of not being received.

Beginning in April 2017, the Company started to hold an insurance policy guaranteeing the effective receipt of its sales made after the policy was contracted, except for sales of timber and customers that may not be accepted in the policy under the insurer's rules, such as continuity and liquidity, analyzed by the insurance company to be incorporated in the policy. The current policy is valid until July 2018.

Liquidity risk

The Company monitors the risk of shortages of funds by managing its resources through a recurring liquidity-planning tool, so that it has funds available for the fulfillment of its obligations, mainly concentrated on financing from financial institutions.

The table below shows the maturity of the financial liabilities hired by the Company and reported in the consolidated balance sheet, where the amounts include principal and future interest on transactions, calculated using the rates and indexes prevailing on March 31, 2018:

	2018	2019	2020	2021	2022	2023	2024 onwards	Total
Trade payables	(617,465)	-	-	-	-	-	-	**(617,465)**
Financing/debentures	(2,023,713)	(2,421,004)	(2,762,874)	(3,059,990)	(4,355,455)	(2,444,971)	(4,663,756)	**(21,731,763)**
Total	**(2,641,178)**	**(2,421,004)**	**(2,762,874)**	**(3,059,990)**	**(4,355,455)**	**(2,444,971)**	**(4,663,756)**	**(22,349,228)**

The budget projection for the coming years approved by the Board of Directors indicates that the Company has the ability to meet these obligations.

Capital management

The Company's capital structure comprises net debt, consisting of borrowings (Note 14) and debentures (Note 15) less cash and cash equivalents and marketable securities (Notes 4 and 5), and equity (Note 18), including the balance of issued capital and all of the constituted reserves.

The Company's net indebtedness ratio is comprised as follows:

All amounts in thousands of Reais

	03/31/2018	12/31/2017
Cash and cash equivalents and marketable securities	6,590,282	8,271,595
Borrowing and debentures	(17,697,938)	(19,549,411)
Net indebtedness	**(11,107,656)**	**(11,277,816)**
Equity	7,201,131	7,234,151
Net indebtedness ratio	**(1.54)**	**(1.56)**

b) Financial instruments, by category

The Company has the following categories of financial instruments:

	Consolidated	
	03/31/2018	12/31/2017
Assets - fair value by result		
. Cash and cash equivalents	5,329,454	7,028,422
. Trade receivables (net of provision for impairment of trade receivables)	1,673,378	1,754,063
. Other assets	691,927	705,305
	7,694,759	**9,487,790**
Assets - available for sale		
. Marketable securities	1,260,828	1,243,173
	1,260,828	**1,243,173**
Liabilities - at amortized cost		
. Borrowing and debentures	17,697,938	19,549,411
. Trade payables	617,465	713,612
. Other payables	1,175,740	1,124,875
	19,491,143	**21,387,898**

(i) Amortised cost

The financial instruments included in this group refer to balances arising from usual transactions, such as accounts receivables, trade payables, borrowings and debentures, marketable securities and cash and cash equivalents maintained by the Company. All these instruments are recorded at their notional amounts plus, when applicable, contractual charges and interest, in respect of which the related income and expenses are recognized in the results for the period.

(ii) Fair value through profit or loss

The Company classifies its investments in LFTs and NTN-B (Note 5) as available-for-sale financial assets, since they can be traded in the future. These are recorded at fair value, which, in practice, corresponds to the invested amount plus interest on the transaction.

c) Sensitivity analysis

The Company presents below the sensitivity analysis of foreign exchange and interest rate risks to which it is exposed, considering that any effects would affect the future results, based on the exposure at March 31, 2018. The effects on equity are the same as those on the results.

All amounts in thousands of Reais

(i) Foreign Exchange exposure

The Company had assets and liabilities indexed to a foreign currency in the balance sheet at March 31, 2018, and, for sensitivity analysis purposes, it adopted as scenario I the future market rate in effect at the end of the reporting period. For scenarios II and III this rate was adjusted by 25% and 50%, respectively

It is important to point out that most of the financing maturities will not occur in 2018, according to the maturity schedule shown in Note 14, and, therefore, foreign exchange variations in this analysis will not have an immediate effect on cash. On the other hand, the Company's exports should substantially be subject to the cash impact of the foreign exchange variation as they occur.

The sensitivity analysis of the foreign exchange variation is calculated in respect of the net foreign exchange exposure (basically, borrowings, accounts receivables and trade payables in foreign currency), not considering the effect on the scenarios of projected export sales that, as previously mentioned, will offset any future foreign exchange losses.

Accordingly, the table below shows a simulation of the effect of the foreign exchange variation on the future results for the next 12 months, if all other variables remain constant, considering the consolidated balances at March 31, 2018:

	At 03/31/2018	Scenario I		Scenario II		Scenario III	
	US$	Rate	R$ gain (loss)	Rate	R$ gain (loss)	Rate	R$ gain (loss)
Assets							
Cash and cash equivalents	202,397	3.41	17,548	4.26	189,484	5.12	363,545
Trade receivables, net of allowance for doubtful debts	150,934	3.41	13,086	4.26	141,304	5.12	271,107
Other assets and liabilities	(9,327)	3.41	(809)	4.26	(8,732)	5.12	(16,753)
Financing	(3,790,493)	3.41	(328,636)	4.26	(3,548,659)	5.12	(6,808,483)
Net effect on finance results			**(298,811)**		**(3,226,603)**		**(6,190,584)**

(ii) Exposure to interest rate fluctuations

Marketable securities and borrowings and debentures, are indexed to TJLP, IPCA, SELIC, LIBOR, and CDI floating interest rate. For sensitivity analysis purposes, the Company adopted the rates prevailing at dates close to the presentation dates of quarterly information, extracted on the website of the Central Bank of Brazil, using these same rates for SELIC, LIBOR, IPCA and CDI, due to their proximity, in the scenario I projection. For scenarios II and III, these rates were adjusted by 25% and 50%, respectively.

Accordingly, with all other variables held constant, the table below shows a simulation of the effect of the interest rate variation on the future results for the next 12 months consolidated, considering the balances at March 31, 2018:

All amounts in thousands of Reais

		At 03/31/2018	Scenario I		Scenario II		Scenario III	
		R$	Rate	R$ gain (loss)	Rate	R$ gain (loss)	Rate	R$ gain (loss)
Financial investments								
CDBs	CDI	4,642,003	8.40%	(93,304)	7.99%	(19,148)	9.59%	55,008
LFTs	Selic	814,099	6.75%	(2,035)	8.13%	11,194	9.75%	24,423
NTN - B	IPCA	439,910	3.95%	308	5.03%	4,729	6.03%	9,150
Financing								
Export Credit Notes - NCE (R$) and Agribuisiness Receivables Certificate - CRA	CDI	(2,212,404)	8.40%	44,469	7.99%	9,126	9.59%	(26,217)
BNDES	TJLP	(2,194,826)	6.75%	3,292	8.25%	(32,922)	9.90%	(69,137)
Debentures	IPCA	(716,665)	3.95%	(502)	5.03%	(7,704)	6.03%	(14,907)
Export prepayment, BID and Finnvera	Libor	(7,733,527)	2.66%	(5,283)	3.41%	(58,082)	4.10%	(110,882)
Net effect on finance results				**(53,055)**		**(92,807)**		**(132,562)**

26 INSURANCE COVERAGE

To protect its operational, assets and liabilities risks, the Company had insurance against many types of events that could impact on equity and operations.

Within the best market practices, the Company maintains operational risk insurance against fire, lightning, explosions, electrical damage and windstorms for its industrial and administrative facilities and inventory.

The Company also has other insurance coverage, such as for general civil liability, responsibility of directors and officers, National and International Transportation and forest insurance.

27 EVENTS AFTER THE REPORTING PERIOD

2018 interim dividend distribution

The Extraordinary Meeting of the Board of Directors held on April 25, 2018 approved the distribution of additional dividends for 2018 of R$ 152,000, corresponding to R$ 28.88 per thousand common and preferred shares and R$ 144.40 per thousand Units, the amount will be paid on May 14, 2018.

1 DISCLOSURE OF EBITDA

Pursuant to CVM Instruction 527/12, the Company has opted for the voluntary disclosure of non-financial information, as additional information included in its quarterly information, and presents EBITDA for the quarters ended March 31, 2018 and 2017.

In general terms, EBITDA represents the Company's operational generation of cash, corresponding to the funds generated by the Company through its operating activities only, without financial effects or taxes. It is important to note that this does not represent the cash flows for the periods presented, and it must not be considered as a basis for the distribution of dividends, as an alternative to profit or loss, nor as an indication of liquidity.

		Consolidated	
		From 1/1 to 03/31/2018	From 1/1 to 03/31/2017
(=)	Profit for the period	124,655	602,025
(+)	Income tax and social contribution	52,933	257,619
(+/-)	Finance results, net	262,176	(318,393)
(+)	Amortization, depreciation and depletion in the results	440,579	450,477
EBITDA		**880,343**	**991,728**
Adjustments pursuant to CVM Instruction 527/12			
(+/-)	Changes in the fair value of biological assets (i)	(119,153)	(483,306)
(+/-)	Equity in the results of investees (ii)	(1,629)	(6,589)
(+)	Realization od deemed cost of property, plant and equipment-land (iii)	-	28,203
(+/-)	EBITDA of a joint venture (ii)	-	8,586
Adjusted EBITDA		**759,561**	**538,622**

Adjustments for definition of EBITDA - adjusted:

(i) Variation in the fair value of biological assets

The variation in the fair value of biological assets corresponds to the gains or losses obtained on the biological transformation of the forestry products, up to placing them in the conditions required for use/sale, during the formation cycle.

Since expectations relating to the value of assets are reflected in the Company's results and fair value is calculated based on the assumptions included in the discounted cash flows, without cash effects from its recognition, the variation in fair value is excluded from the calculation of EBITDA.

(ii) Equity in the results and EBITDA of investees

Equity in the results of investees in the statement of operations reflects the profit (loss) of subsidiaries in the parent company's quarterly information, calculated in accordance with its percentage of participation in the subsidiary.

The profit (loss) of the joint venture is influenced by items that are excluded from the EBITDA calculation, such as net finance results, income tax and social contribution, amortization, depreciation and depletion, and the variations in the fair value of biological assets. For this reason, the result of the equity in the results of investees is excluded from the calculation, but the EBITDA generated by the joint venture is included, being calculated in the same manner.

(iii) Realization of cost of property, plant and equipment (land)

The effects of the deemed cost of land allocated to property, plant and equipment upon initial adoption of the IFRS are adjusted in the EBITDA, when realized, through the disposal of the assets, since they do not involve cash.

2 COMPANY'S OWNERSHIP INTEREST, INCLUDING STOCKHOLDERS WITH MORE THAN 5% OF THE SHARES. DETAILED TO THE INDIVIDUAL LEVEL

a) Company's ownership interest

	SHARES					
STOCKHOLDER	ON	%	PN	%	TOTAL	%
Klabin Irmãos & Cia.	941,837,080	47.46		-	941,837,080	17.41
Niblak Participações S.A.	142,023,010	7.16		-	142,023,010	2.63
Monteiro Aranha S.A.	71,321,589	3.59	285,317,806	8.33	356,639,395	6.59
Capital World Investors	58,540,862	2.95	234,163,448	6.84	292,704,310	5.41
BNDES Participações S.A. BNDESPAR	56,259,848	2.83	225,039,392	6.57	281,299,240	5.20
The Bank Of New York ADR Department **(*)**	54,024,092	2.72	216,096,368	6.31	270,120,460	4.99
BlackRock	45,822,076	2.31	183,288,304	5.35	229,110,380	4.24
Treasury shares	29,313,630	1.48	117,254,520	3.42	146,568,150	2.71
Other **(**)**	585,452,468	29.50	2,164,047,343	63.18	2,749,499,811	50.82
TOTAL	**1,984,594,655**	**100.00**	**3,425,207,181**	**100.00**	**5,409,801,836**	**100.00**

(*) Foreign stockholders.

(**) Stockholders with less than 5% of the shares.

b) Distribution of the controlling stockholders' share capital to the individual level

CONTROLLING STOCKHOLDER/ INVESTOR:
KLABIN IRMÃOS & CIA.

	SHARES	
QUOTAHOLDERS	**Number**	**% of capital**
Jacob Klabin Lafer Adm. Partic. S.A.	1	12.52
Miguel Lafer Participações S.A.	1	6.26
VFV Participações S.A.	1	6.26
PRESH S.A.	1	12.52
GL Holdings S.A	1	12.52
GLIMDAS Participações S.A.	1	11.07
DARO Participações S.A.	1	11.07
DAWOJOBE Participações S.A.	1	11.07
ESLI Participações S.A.	1	8.36
LKL Participações S.A.	1	8.35
TOTAL	**10**	**100.00**

General partnership. with capital of R$ 1,000.000.00, comprising quotas of different values.

CONTROLLING STOCKHOLDER/ INVESTOR:
Jacob Klabin Lafer Adm. Partic. S.A.

STOCKHOLDERS	SHARES ON	% Total
Miguel Lafer (*)	215,059,063	50.00
Vera Lafer	215,059,063	50.00
TOTAL	430,118,126	100.00

(*)Miguel Lafer Estate

CONTROLLING STOCKHOLDER/ INVESTOR:
Miguel Lafer Participações S.A.

STOCKHOLDERS	SHARES ON	% Total
Miguel Lafer (*)	223,510,726	99.9999
Vera Lafer	344	0.0001
TOTAL	223,511,070	100.0000

(*)Miguel Lafer Estate

CONTROLLING STOCKHOLDER/ INVESTOR:
VFV Participações S.A.

STOCKHOLDERS	SHARES ON	% Total
Vera Lafer	981,094,312	99.9999
Other	688	0.0001
TOTAL	981,095,000	100.0000

CONTROLLING STOCKHOLDER/ INVESTOR:
PRESH S.A.

STOCKHOLDERS	SHARES ON	%	PN	%	TOTAL	%
Sylvia Lafer Piva			17,658,895	99.99993	17,658,895	66.66662
Pedro Franco Piva			12	0.00007	12	0.00005
Horácio Lafer Piva	2,943,151	33.33	-	-	2,943,151	11.11111
Eduardo Lafer Piva	2,943,151	33.33	-	-	2,943,151	11.11111
Regina Piva Coelho Magalhães	2,943,151	33.34	-	-	2,943,151	11.11111
TOTAL	**8,829,453**	**100.00**	**17,658,907**	**100.00000**	**26.488.360**	**100.00000**

CONTROLLING STOCKHOLDER/ INVESTOR:
GL Holdings S.A.

STOCKHOLDERS	SHARES S ON	%	PN	%	TOTAL	%
Graziela Lafer Galvão	4,233,864	99.99991	8,467,726	99.99993	12,701,590	99.99992
Other	4	0.00009	6	0.00007	10	0.00008
TOTAL	**4,233,868**	**100.00000**	**8,467,732**	**100.00000**	**12,701,600**	**100.00000**

CONTROLLING STOCKHOLDER/ INVESTOR:

GLIMDAS Participações S.A.

STOCKHOLDERS	SHARES					
	ON	%	PN	%	TOTAL	%
Israel Klabin			1,287,625	90.0520	1,287,625	38.198
Alberto Klabin (*)	323,502	16.6664	23,707	1.6580	347,209	10.300
Leonardo Klabin (*)	323,502	16.6664	23,707	1.6580	347,209	10.300
Stela Klabin (*)	323,502	16.6664	23,707	1.6580	347,209	10.300
Maria Klabin (*)	323,502	16.6664	23,707	1.6580	347,209	10.300
Dan Klabin (*)	323,502	16.6664	23,707	1.6580	347,209	10.300
Gabriel Klabin (*)	323,502	16.6664	23,707	1.6580	347,209	10.300
Espólio Maurício Klabin (*)	32	0.0016	-	-	32	0.002
TOTAL	**1,941,044**	**100.0000**	**1,429,867**	**100.0000**	**3,370,911**	**100.0000**

(*) Shares subject to rights to use, with the beneficiary Israel Klabin having voting rights.

CONTROLLING STOCKHOLDER/ INVESTOR:

DARO Participações S.A.

STOCKHOLDERS	SHARES	
	ON	% Total
Daniel Miguel Klabin	69,003	6.910
Rose Klabin (*)	310,000	31.030
Amanda Klabin (*)	310,000	31.030
David Klabin (*)	310,000	31.010
TOTAL	**999,003**	**100.000**

(*) Shares subject to rights to use, with the beneficiary Daniel Miguel Klabin having voting rights.

CONTROLLING STOCKHOLDER/ INVESTOR:

DAWOJOBE Participações S.A.

STOCKHOLDERS	SHARES	
	ON	%
Armando Klabin	4	0.16
Wolff Klabin (*)	516	24.96
Daniela Klabin (*)	516	24.96
Bernardo Klabin (*)	516	24.96
José Klabin (*)	516	24.96
TOTAL	**2,068**	**100.00**

(*) Shares subject to rights to use, with the beneficiary Armando Klabin having voting rights.

CONTROLLING STOCKHOLDER/ INVESTOR:

ESLI Participações S.A. (*)

STOCKHOLDERS	SHARES	
	ON	% Total
Cristina Levine Martins Xavier	5,891,253	33.3333
Regina Klabin Xavier	5,891,253	33.3333
Roberto Klabin Martins Xavier	5,891,254	33.3334
TOTAL	**17,673,760**	**100.0000**

(*) Special Contract for the Donation of Shares with Reserved Right to Use to Lilia K.Levine, on December 22, 2010.

CONTROLLING STOCKHOLDER/ INVESTOR:

LKL Participações S.A.(*)

STOCKHOLDERS	SHARES	
	ON	% Total
Cristina Levine Martins Xavier	5,977,833	33.3333
Regina Klabin Xavier	5,977,833	33.3333
Roberto Klabin Martins Xavier	5,977,834	33.3334
TOTAL	**17,933,500**	**100.0000**

(*) Special Contract for the Donation of Shares with Reserved Right to Use to Lilia K.Levine, on December 22, 2010.

CONTROLLING STOCKHOLDER/ INVESTOR:

NIBLAK PARTICIPAÇÕES S.A.

STOCKHOLDERS	SHARES	
	ON	% Total
Miguel Lafer Part. S/A	3,038,036	12.521
VFV Participações S/A	3,038,035	12.521
GL Holdings S/A	3,038,061	12.521
Glimdas Participações S/A.	2,686,869	11.074
Daro Participações S/A	2,686,869	11.074
Dawojobe Partic. S.A.	2,562,686	10.562
Armando Klabin	124,183	0.512
Esli Participações S/A	4,050,722	16.695
Pedro Franco Piva	3,038,061	12.520
TOTAL	**24,263,522**	**100.000**

3 CHANGES IN THE OWNERSHIP STRUCTURE

		March 31, 2017		Changes					March 31, 2018		
STOCKHOLDER	Type	Number of shares	%	Purchase/ Subscription	Sale	New Investors	Whitdrawals	Corporate changes*	Number of shares	%	Change %
Stockholders	ON	1,256,635,698	67.95	131,100	0	0	-28,359,932	0	1,228,406,866	61.90	-2.25
	PN	419,331,817	14.54	524,400	0	0	-113,439,728	0	306,416,489	8.95	-26.93
Members of the Board of Directors	ON	42,691,546	2.31	0	-300,000	0	0	0	42,391,546	2.14	-0.70
	PN	166,028,744	5.76	0	0	0	0	0	166,028,744	4.85	0.00
Members of the Executive Board	ON	3,996,254	0.22	801,264	-31,500	0	-2,756,426	0	2,009,592	0.10	0.00
	PN	15,983,816	0.55	3,205,056	-126,400	0	-11,025,704	0	8,036,768	0.23	-49.72
Members of the Statutory Audit Board	ON	7,050	0.00	0	0	0	0	0	7,050	0.00	0.00
	PN	25,300	0.00	0	0	0	0	0	25,300	0.00	0.00
Treasury shares	ON	30,729,692	1.66	-1,416,062	0	0	0	0	29,313,630	1.48	0.00
	PN	122,918,768	4.26	-5,664,248	0	0	0	0	117,254,520	3.42	-4.61
Other stockholders	ON	515,210,275	27.86	483,698	331,500	0	31,116,358	135,324,140	682,465,971	34.39	32.46
	PN	2,159,622,180	74.89	1,934,792	126,400	0	124,465,432	541,296,556	2,827,445,360	82.55	30.92
Total	**ON**	**1,849,270,515**	**100.00**	**0**	**0**	**0**	**0**	**135,324,140**	**1,984,594,655**	**100.00**	7.32
	PN	**2,883,910,625**	**100.00**	**0**	**0**	**0**	**0**	**541,296,556**	**3,425,207,181**	**100.00**	18.77

*They comprise the control and conversion premium for the formation of Units as approved and approved at the Extraordinary General Meeting held on November 28, 2013

4 NUMBER OF THE COMPANY'S SHARES DIRECTLY OR INDIRECTLY HELD BY CONTROLLING STOCKHOLDERS AND MEMBERS OF THE BOARD OF DIRECTORS, EXECUTIVE BOARD AND STATUTORY AUDIT BOARD AND NUMBER OF SHARES OUTSTANDING IN THE MARKET

At 3/31/2018

	SHARES					
STOCKHOLDER	**COMMON**	**%**	**PREFERRED**	**%**	**TOTAL**	**%**
Stockholders	1,228,406,866	61.90	306,416,489	8.95	1,534,823,355	28.37
Members of the Board of Directors	42,391,546	2.14	166,028,744	4.85	208,420,290	3.85
Members of the Executive Board	2,009,592	0.10	8,036,768	0.23	10,046,360	0.19
Members of the Statutory Audit Board	7,050	0.00	25,300	0.00	32,350	0.00
Treasury shares	29,313,630	1.48	117,254,520	3.42	146,568,150	2.71
Other stockholders	682,465,971	34.39	2,827,445,360	82.55	3,509,911,331	64.88
Total	**1,984,594,655**	**100.00**	**3,425,207,181**	**100.00**	**5,409,801,836**	**100.00**

Number of shares outstanding in the market	**682,465,971**	**34.39**	**2,827,445,360**	**82.55**	**3,509,911,331**	**64.88**

At 3/31/2017

	SHARES					
STOCKHOLDER	**COMMON**	**%**	**PREFERRED**	**%**	**TOTAL**	**%**
Stockholders	1,256,519,098	67.95	418,865,417	14.52	1,675,384,515	35.40
Members of the Board of Directors	42,691,546	2.31	166,028,744	5.76	208,720,290	4.41
Members of the Executive Board	3,902,734	0.21	15,610,936	0.54	19,513,670	0.41
Members of the Statutory Audit Board			17,100	0.00	17,100	0.00
Treasury shares	30,729,692	1.66	122,918,768	4.26	153,648,460	3.25
Other stockholders	515,427,445	27.87	2,160,469,660	74.91	2,675,897,105	56.53
Total	**1,849,270,515**	**100.00**	**2,883,910,625**	**100.00**	**4,733,181,140**	**100.00**

Number of shares outstanding in the market	**515,427,445**	**27.87**	**2,160,469,660**	**74.91**	**2,675,897,105**	**56.53**

5 OTHER INFORMATION

Relationship with independent auditors

In conformity with CVM Instruction 381/03, the auditing firm Ernst & Young Auditores Independentes S.S. did not provide services unrelated to the external audit with a value exceeding 5% of its total fees.

The Company's policy for the contracting of services from its independent auditors not relating to an external audit is based on principles that preserve the independence of these professionals. These principles, which follow internationally accepted guidelines, consist of the following: (a) the auditor must not audit his/her own work; (b) the auditor must not perform managerial functions for his/her client; and (c) the auditor must not promote the interests of his/her clients.

COMMENTS ON THE BEHAVIOR OF BUSINESS PROJECTS

The Company discloses in its Reference Form in item 11 - Projections, certain estimates to the market about its operations, such as sales volume, financial leverage and cash cost of production, in a manner that they must incur after the start of production of their new pulp's unit, given its relevance. The estimates shown are hypothetical data extracted from budget projections approved by Management Board and do not constitute a promise of performance, and there may be distortions when they are actually realized. The assumptions used refer substantially to the operational and financial performance of the new pulp plant ("Puma Project"), which commenced operations in the first quarter of 2016.

Some variables considered in the projections depended on internal factors of the Company, such as: schedule implementation of the Puma Project, preventive and corrective maintenance of assets, performance of the production process, compliance with financial planning, and maintenance of debt profile, among others. On the other hand, there are certain variables that affect the projections presented and are not controlled by the Company, such as: market conditions, foreign exchange, inflation and other macroeconomic variables, as well negotiations involving customers and suppliers.

The Company's Management presents the following projections based on its best judgment in June 30, 2016:

i) Cash cost of pulp production 25% lower by the end of 2018 in relation to the cost of R$ 890 per ton registered in the second quarter of 2016.

In accordance with paragraph 2 of article 20 of Brazilian Securities Commission Instruction No. 480/09, the projections must be reviewed periodically at least once a year, as well as the results obtained in the projections should be confronted when realized or attained the expected period.

Pulp production cash cost

During the first quarter of 2018, production cash cost at Project Puma reached R$655 per ton, reaching the level that had been projected by the Company.