Klabin S.A.

Quarterly Information (ITR)
at March 31, 2017
and report on review of
quarterly information

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 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, 2017, which comprise the balance sheets as at March 31, 2017 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 Technical Pronouncement CPC 21 (R1) and international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the presentation of such information in conformity 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 these interim financial information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Review Engagements (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 conformity 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, 2017, prepared under the responsibility of the Company's management, whose presentation in the interim financial information is required according to the rules issued by the Brazilian Securities and Exchange Commission (CVM), applicable to preparation of Quarterly Information (ITR) and considered 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.

Audit and review of prior-year corresponding figures

The corresponding figures for quarter ended March 31, 2016, presented for comparison purposes, were previously reviewed by other auditors who expressed an unmodified conclusion thereon dated April 27, 2016.

The corresponding figures for the year ended December 31, 2016, presented for comparison purposes, were previously audited by other auditors who expressed an unmodified opinion thereon dated January 31, 2017.

São Paulo, April 27, 2017.

ERNST & YOUNG
Auditores Independentes S.S.
CRC-2SP015199/O-6

Antonio Carlos Fioravante
Accountant CRC-1SP184973/O-0

FINANCIAL HIGHLIGHTS

R$ million	1Q17	4Q16	1Q16	Δ 1Q17/4Q16	Δ 1Q17/1Q16
Sales volume (thousand tonnes)	**759**	**777**	**455**	**-2%**	**67%**
% Domestic Market	46%	46%	64%	0 p.p.	-18 p.p.
Net Revenue	**1,867**	**1,964**	**1,463**	**-5%**	**28%**
% Domestic Market	60%	58%	65%	2 p.p.	-5 p.p.
Adjusted EBITDA	**539**	**653**	**512**	**-17%**	**5%**
Adjusted EBITDA Margin	29%	33%	35%	-4 p.p.	-6 p.p.
Net Income	**602**	**109**	**1,074**	**453%**	**-44%**
Net Debt	**11,377**	**12,005**	**12,009**	**-5%**	**-5%**
Net Debt / EBITDA (LTM - BRL)	4.9x	5.2x	5.9x		
Capex	**251**	**511**	**853**	**-51%**	**-71%**

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.
Notes:
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

In the first quarter 2017, confidence increased as to an incipient recovery in the Brazilian economy, the latter characterized by declining inflation and interest rates, greater currency stability and a rising Ibovespa. On the other hand, these first signs of improvement were still not enough to dispel concerns surrounding the political scenario and its possible consequences for the approval of reforms proposed by the federal administration, more especially social security reform.

On the world front, political uncertainty post-Brexit and the outcome of presidential elections in the United States were not enough to have any major effects on the markets and global assets - at least, not for the time being. Good performances by the economies of both the United States and China drove the prices of some commodities, among them pulp.

Greater optimism domestically provided a welcome fillip most notably to food processors and other non-durable consumer goods manufacturers. This had a knock-on effect with corrugated box deliveries, the latter reporting a year-on-year increase of 5% according to Brazilian Corrugated Board Association (ABPO) data.

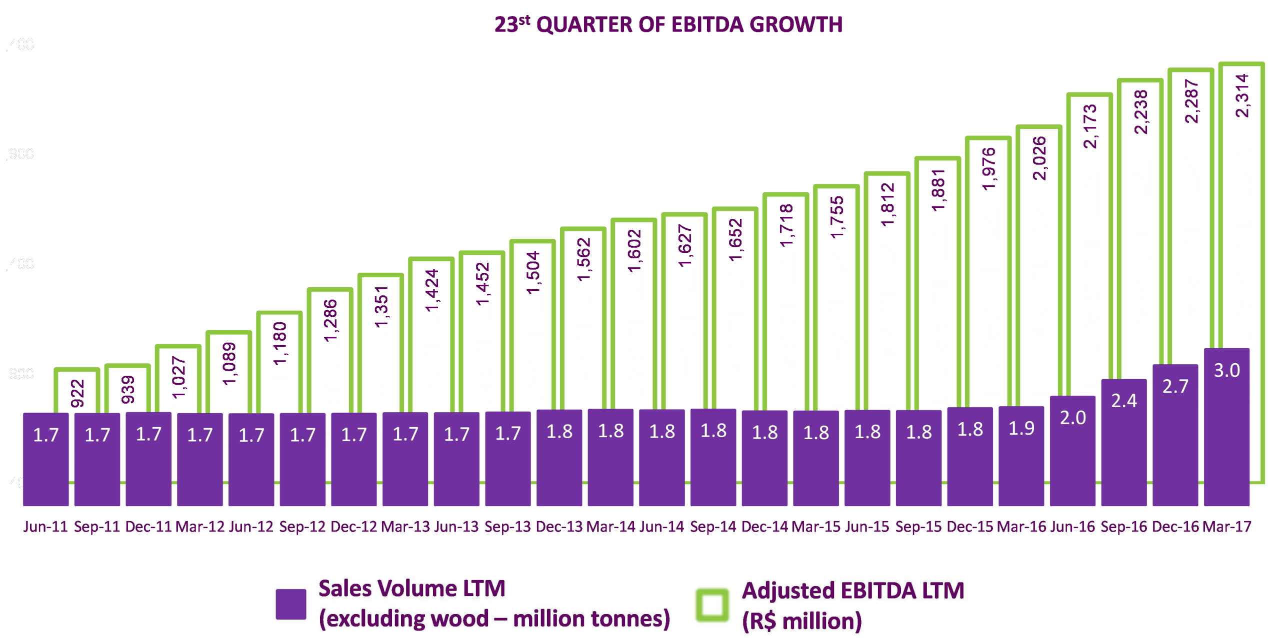
In the international packaging paper markets, kraftliner prices saw significant increases in the first quarter. List prices in Europe published by FOEX Indexes Ltd - and still not fully reflecting recent producer announcements - closed March at US$ 627/t, 9% higher than posted for December 31, 2016. The rise of kraftliner prices in the global market is largely a reflection of strong demand for virgin fiber papers as well as problems of supply due to unscheduled stoppages at plants in the United States, what motivated the announcement of price increasing on April.

Demand for pulp from China was particularly strong and this together with some product supply-related problems pushed prices higher at the end of 2016 - carrying over into the first quarter of 2017. Short fiber pulp prices published by FOEX at the end of March were US$ 722/t in Europe and US$ 603/t in China, increases of 11% and 14%, respectively in relation to prices as at December 31, 2016. European list prices for softwood pulp also climbed from US$ 809/t to US$ 826/t on the same comparative basis.

It is also worth highlighting Klabin's 13% increase in the sales volume of conversion products during the first quarter. This was not only the result of the two recent acquisitions in the corrugated board market but also Klabin's good performance in this segment and the consistent increase in exports of industrial bags. In addition, the Puma Unit conducted its first scheduled maintenance stoppage in the quarter over a 13-day period at a total cost of R$ 40 million. The plant continued to show progress in the ramp up stage, reporting a further reduction in production cash costs if general maintenance stoppage costs are excluded. Following the maintenance shutdown, the outlook is for the plant soon to reach 100% of its productive and commissioned capacity, as well as greater production volumes, thus further driving down pulp manufacturing costs.

The important increase in sales during the period was the result of good performances at the paper and conversion product units as well as the additional output of 301 thousand tons from the Puma Unit. In the quarter, Klabin posted output of 759 thousand tonnes, 67% greater than in 1Q16. The increase in sales volume was instrumental in translating into a considerable benefit from the dilution of fixed and administrative costs. This combined with the Company's efforts to control costs helped offset the impacts of inflation which still persist for some raw material inputs and service agreements.

In 1Q17, the Company's increase in pulp sales, good performances at the paper units and cost discipline generally, all more than compensated for the maintenance stoppage at the Puma Unit and the substantially less favorable currency rates in relation to 1Q16. As a result, Klabin recorded an Ebitda of R$ 539 million, 5% greater year-on-year - and R$ 2,314 million in the last 12 months - the 23rd consecutive quarter of growth.



Exchange Rate

The improved outlook for the Brazilian economy saw greater exchange rate stability in the first quarter and the average rate of R$ 3.15/US$ approximated to the closing rate of R$ 3.17/US$ at the end of March. On the other hand, it should be pointed out that the Real appreciated by 19% in relation to the average rate of R$ 3.90/US$

reported in 1Q16. This had a direct impact on Klabin's earnings from exports and those domestic market products linked to the US Dollar.

R$ / US$	1Q17	4Q16	1Q16	Δ 1Q17/4Q16	Δ 1Q17/1Q16
Average Rate	3.15	3.30	3.90	-5%	-19%
End Rate	3.17	3.26	3.56	-3%	-11%

Source: Bacen

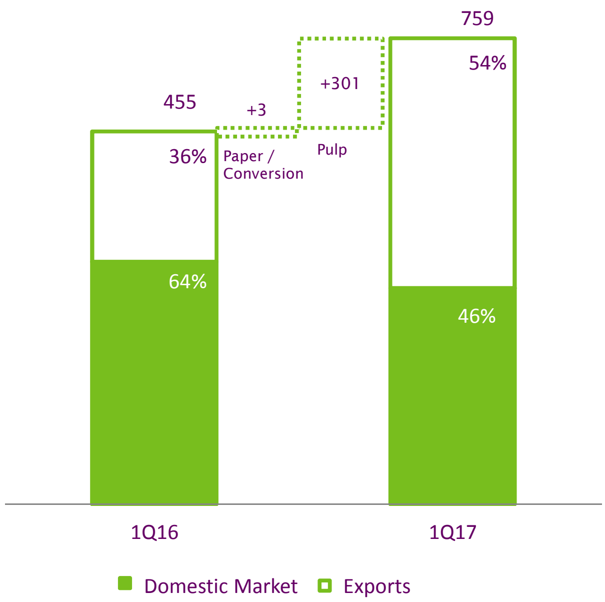
OPERATING AND FINANCIAL PERFORMANCE

Sales volume

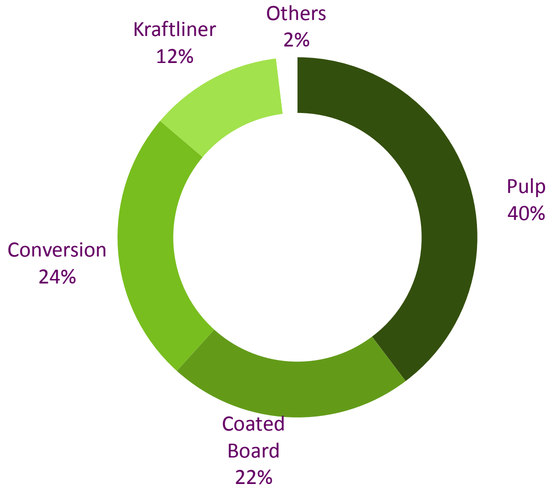
During the first three months of 2017, Klabin reported sales volume of 759 thousand tonnes, excluding wood and a major increase compared with the same period in 2016 - reflecting the startup in production at the Puma Unit in March 2016. During 1Q17, operations at the Unit contributed with pulp sales volume of 301 thousand tonnes, 225 thousand tonnnes of which, short fiber and 76 thousand of softwood and fluff pulps. Worthy of note is that in spite of the first scheduled maintenance shutdown at the Puma Unit in late March, pulp sales volume remained stable compared with 4Q16, due to the evolution in the ramp up process, principally in January and February. During the first two months of 2017, the unit was producing at levels in excess of 90% of nominal capacity.

A further highlight of the quarter was a robust growth in sales volume of conversion products on the back of the two new corrugated board packaging plants acquired in late 2016 as well as improved Brazilian shipments of corrugated boxes as published in ABPO (Brazilian Corrugated Board Association) data compared with 1Q16. Growth was also driven by exports of industrial bags in the light of weak domestic demand due to the negative scenario for the civil construction sector. Consequently, higher conversion product business contributed to minimizing less favorable currency rates for exports while paper and packaging paper sales recorded deliveries of 457 thousand tonnes, 1% higher than 1Q16.

Sales volume (excluding wood – tsd tonnes)



Sales volume by product 1Q17



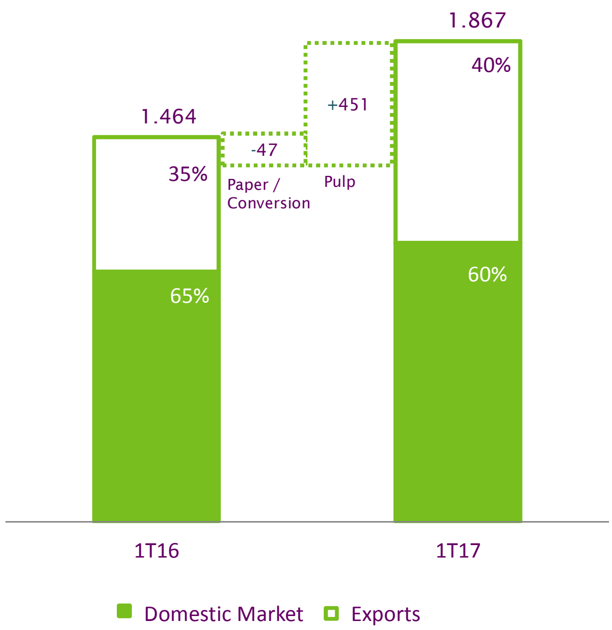
In this quarter, the volume of sales to the foreign market reached 54% of the total, versus 36% in 1Q16 and 54% in 4Q16, mainly due to the increase in sales of pulp, which were mostly destined to exports.

Net revenues

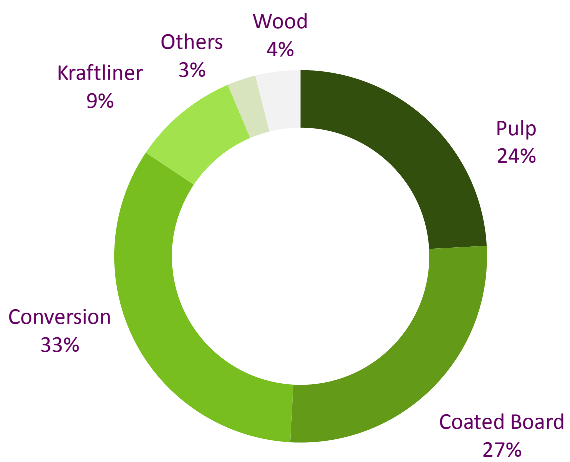
Pulp volume output from the Puma Unit continued to power Klabin's sales revenue relative to the first quarter of 2016 in spite of R$ 0.76 (19%) lower average exchange rates which affected exports during the period. Total sales revenue in the quarter, including wood, was R$ 1,867 million, 28% more than 1Q16 and benefiting from revenue of R$ 451 million from the pulp unit. Revenue from paper and packaging paper sales in the quarter was R$ 1,416 million, 3% lower than 1Q16 due principally to the less favorable currency rate in relation to 1Q16.

Net revenue from the domestic market was R$ 1,112 million, 17% higher than in 1Q16, reflection of higher pulp volume and increased converted product sales. Shipments of pulp to the overseas market more than offset the negative impact of average exchange rates in the period with revenue reaching R$ 755 million, an increase of 46% compared with 1Q16. Consequently, the share of exports in total revenue rose from 35% in 1Q16 to 40% in 1Q17.

Net Revenue (R$ million)



Net Revenue by Product 1Q17



Considering Klabin's stake in the revenue of Florestal Vale do Corisco S.A., pro-forma net revenue totaled R$1,881 million in the quarter.

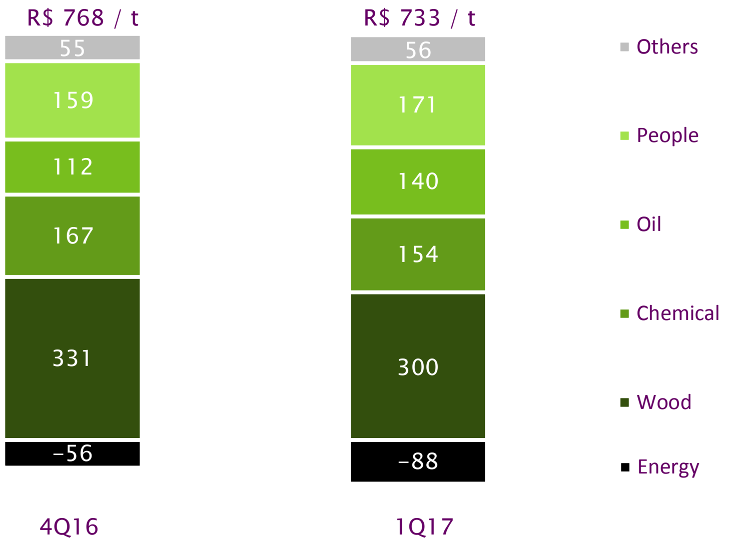
Operating Costs and Expenses

PULP CASH COST

In the light of the start of pulp sales from the Puma Unit in 2Q16, the **unit cash cost of pulp production** is now being disclosed for comparative purposes in future quarters. Unit cash costs include the production costs of short and long fibers and fluff and pulp tonnage produced during the period. The production cash cost does not include selling and general and administrative expenses, consisting exclusively of amounts expended on pulp production.

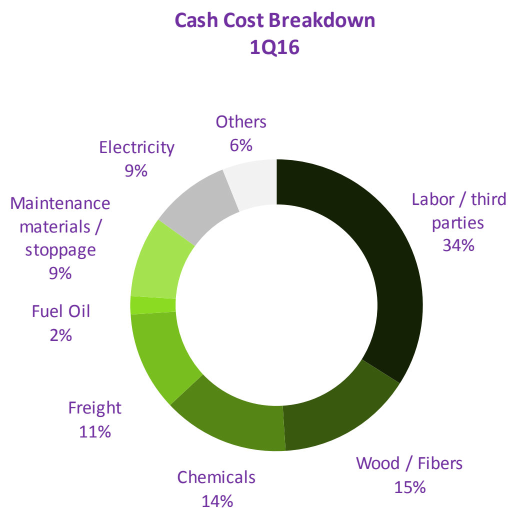
During the quarter, the Puma Unit underwent its first scheduled maintenance stoppage. The shutdown took place at the end of March for a period of 13 days and affected the quarter's total costs. Excluding the effects of the stoppage, the total **unit cost of pulp production** in 1Q17 was R$ 733/t, an improvement of R$ 35/t compared with 4Q16. The learning curve at the unit continued to evolve, more especially in the first two months of the quarter when production reached levels in excess of 90% of installed capacity. During the production period, greater operating stability was reflected in improved technical indicators in the consumption of chemicals, efficiencies in wood costs and greater net energy output. These improvements fed through to reduced unit production costs despite an increase in labor costs following the conclusion of wage bargaining agreements. If the impact of the maintenance stoppage is included, the unit cash cost in the period was R$ 875/t.

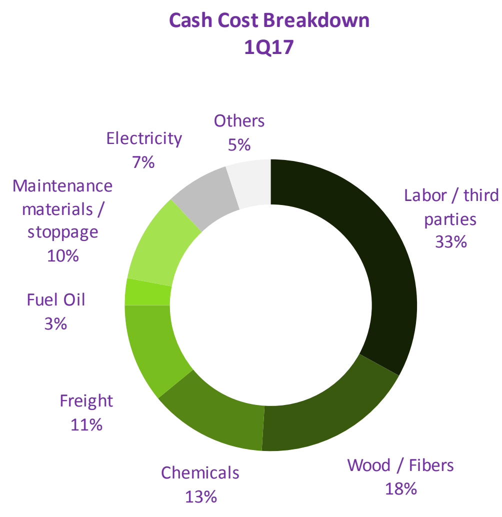
Daily output statistics since the stoppage indicate important evolution in capacity utilization and cost efficiencies. With the operating stability approaching 100% of projected capacity, cost levels can naturally be expected to evolve further.



TOTAL CASH COST

Total unit cash cost, which includes the sale of all products sold by the Company, was R$ 1,798/t in the quarter, a year-on-year decline of 15%. The cost also incorporates other non-recurring amounts of other operating revenues and expenses. Excluding the costs of the maintenance shutdown at the Puma Unit, a cost which did not affect 2016 results, the quarterly unit cash cost was R$ 1,745/t, a fall of 18% in relation to the same period in 2016. Again, this is explained by the increase in sales volume from the new pulp unit. In addition to the dilution effect, cash cost reductions per tonne in the periods reflect the impact of lower cost additions per tonne in the production of pulp in comparison to the production costs of paper and converted products relative to the company's overall costs. It should also be pointed out that in the light of higher pulp output, some of the components making up the cash cost saw a relative increase as a percentage of the total.





Cost of goods sold in the quarter was R$ 1,528 million, 52% higher than in the same period of the previous year, increasing mainly on the back of higher pulp volumes sold. However, costs were also up due to both higher volumes of conversion goods which incur higher production costs and also the annual maintenance shutdown at the Puma Unit. Considering the total volume sold in the quarters, the unit cost of goods sold in 1Q17 was 9% lower than 1Q16.

Selling expenses were R$ 155 million in the quarter versus R$ 105 million in 1Q16 and R$ 167 million in 4T16. The significant increase in volumes sold by the new pulp plant largely explains higher selling expenses in relation to the same period last year. Despite almost stable sales volumes, the reduction of 7% compared with 4Q16 reflects the normalization of the level of commercial expenses following the initial ramp up phase of pulp sales. Thus, 1Q17 selling expenses represented 8.3% of net revenue, a slight decline in relation to the 8.5% reported in 4Q16 and notwithstanding the impact of less favorable currency rates on export revenues.

General and administrative expenses were R$ 125 million in the quarter. In relation to the same quarter in 2016, the increase of R$ 25 million stems largely from the annual wage bargaining agreement together with inflation in employee benefits in the period and also the adjustment in structures for the new pulp operations as well as expansion in the Company's long term incentive program. However, following the significant increase in pulp sales, general and administrative sales per tonne registered a 25% decrease in relation to 1Q16. Compared with 4Q16, there was a reduction of R$ 6 million, a result of lower expenditures with services rendered and principally relating to the stabilization of output at the Puma Unit.

Other operating revenues/expenses resulted in an expense of R$ 7 million in revenues for 1Q17.

Effects of the variation of fair value of biological assets

During 1Q17, **the effects of the variation in fair value of biological assets** was positive at R$ 483 million. In addition to the growth of the forest plantations - and recognized at fair value - it should be pointed out that the variation of fair value for the period represents the use of the new discount rate and reduced due to the improved indicators for the economy which help the weighted average cost of capital. In turn, the depletion effect of fair value of the biological assets on the costs of goods sold was R$ 168 million in 1Q17. Hence, the non-cash effect of the fair value of biological assets on operational results (EBIT) was a positive R$ 315 million in the quarter.

Operating cash generation (EBITDA)

R$ million	1Q17	4Q16	1Q16	Δ 1Q17/4Q16	Δ 1Q17/1Q16
Net Income (loss)	**602**	**109**	**1,074**	**453%**	**-44%**
(+) Income taxes and social contribution	258	(34)	259	n/a	0%
(+) Net Financial Revenues	(318)	235	(1,013)	n/a	-69%
(+) Depreciation, amortization, depletion	450	406	251	11%	80%
Adjustments according to IN CVM 527/12 art. 4º					
(+) Biological assets adjustment	(455)	(56)	(63)	713%	617%
(-) Equity Pickup	(7)	(16)	(7)	-59%	-7%
(+) Vale do Corisco	9	8	12	n/a	-31%
Ajusted EBITDA	**539**	**653**	**512**	-17%	5%
Adjusted EBITDA Margin	29%	33%	35%	-4 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

Klabin's increased cash generation in 1Q17 was largely driven by pulp sales from the new Puma Unit. In addition to the sharp increase in net revenues, growth in total sales volume also diluted the company's costs, thus benefiting results in double.

Additional year-on-year growth was largely a reflection of increased sales combined with the flexibility of operating on different economic fronts and the Company's cost discipline. This achievement should be seen in the context of the costs of the annual maintenance stoppage at the Puma Unit in 1Q17, which did not affect results for 2016, and the strengthening of the exchange rate by 19% in relation to 1Q16. Operating cash generation (adjusted EBITDA) for 1Q17 was R$ 539 million, 5% higher than 1Q16, and the 23rd consecutive quarter of growth.

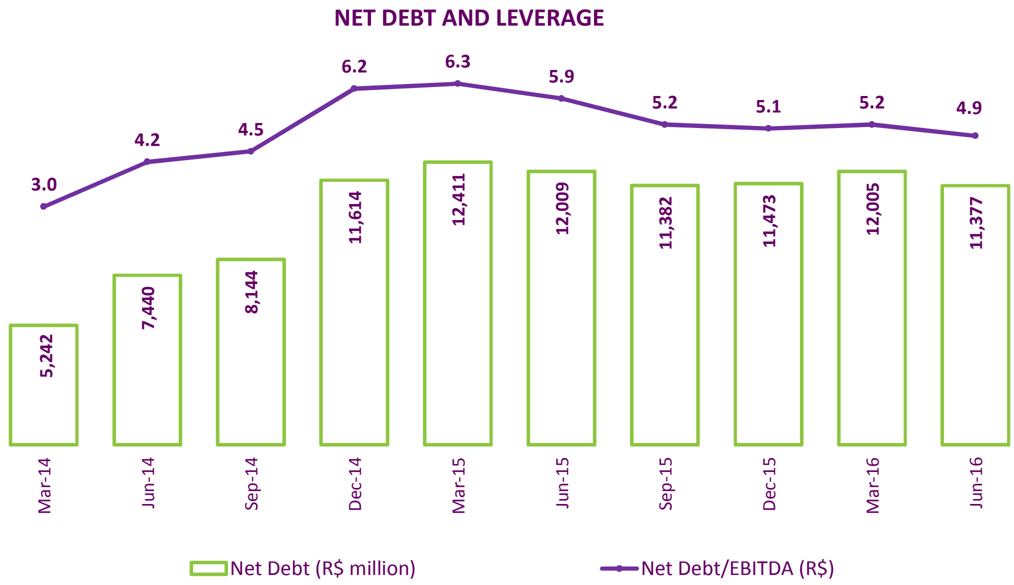
These values include cash generation from Klabin's stake in Florestal Vale do Corisco S.A. of R$ 9 million.

Debt and financial investments

Gross debt as of March 31 was R$ 18,636 million. Out of total debt, R$ 12,901 million or 69% (US$ 4,072 million) is dollar denominated, mostly in the form of pre-export advances. **The average maturity profile of financing** held stable at the end of 1Q17, standing at 44 months while local currency financing had an average maturity of 41 months and foreign currency denominated lines, 46 months. Short-term debt at the end of the quarter represented 15% of the total with an average cost of domestic lines of 9.2% p.a. and currency denominated lines of 4.7% p.a. plus FX variation.

The company's **cash and financial investments** at the end of 1Q17 amounted to R$7,259 million, R$795 million more than at the end of the 4Q16, the effect of cash generation and additional funding. This amount is equivalent to amortizations maturing over the next 39 months.

Consolidated **net debt** on March 31, 2017 amounted to R$ 11,377 million, a decrease of R$ 628 million compared with December 31, 2016, in large part due to cash generation in the quarter and the currency translation effect on dollar debt. The deleveraging process in the evolved in the period and the **net debt/adjusted EBITDA** ratio ended the quarter at 4.9x, 0.3 times lower compared with the end of 2016.



Debt (R$ million)	mar-17		dec-16	
Short term				
Local currency	975	5%	937	5%
Foreign currency	1,758	10%	1,912	10%
Total short term	**2,734**	**15%**	**2,850**	**15%**
Long term				
Local currency	4,760	25%	4,399	24%
Foreign currency	11,142	60%	11,220	61%
Total long term	**15,902**	**85%**	**15,619**	**85%**
Total local currency	5,735	31%	5,337	29%
Total foreign currency	12,901	69%	13,132	71%
Gross debt	**18,636**		**18,469**	
(-) Cash	7,259		6,464	
Net debt	**11,377**		**12,005**	
Net debt / EBITDA (LTM)	**4.9x**		**5.2x**	

Financial Results

Financial expenses totaled R$ 325 million in the quarter, a R$ 29 million decrease in relation to 4Q16. A higher cash position enabled the Company to report financial revenues of R$ 266 million in the quarter, R$ 87 million more than in the final quarter of 2016. Thus, the financial result during the period, excluding the FX translation effect, was a negative R$ 60 million, a gain of R$ 116 million in relation to 4Q16 and the same level as 1Q16.

FX rates ended the quarter 3% lower than at the end of 4Q16. Therefore the impact on the company's currency denominated debt posted a positive **net FX variation** of R$ 378 million in 1Q17. It is worth highlighting that the effect of FX variation on the company's balance sheet is purely an accounting one, with no significant short-term cash effect.

BUSINESS PERFORMANCE

Consolidated information per unit in 1Q17:

R$ million	Forestry	Pulp	Papers	Conversion	Consolidation	Total
Net revenue						
Domestic market	75	95	354	589	(1)	1,112
Exports	-	357	347	51	-	755
Third part revenue	**75**	**452**	**701**	**640**	**(1)**	**1,867**
Segments revenue	323	8	311	5	(648)	(1)
Total net revenue	**398**	**460**	**1,012**	**645**	**(649)**	**1,866**
Change in fair value - biological assets	483	-	-	-	-	483
Cost of goods sold	(485)	(437)	(701)	(545)	640	(1,528)
Gross income	**396**	**23**	**311**	**100**	**(9)**	**821**
Operating expenses	(17)	(85)	(95)	(77)	(7)	(281)
Operating results before financial results	**379**	**(62)**	**216**	**23**	**(16)**	**540**

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 (1.000 tonnes)	1Q17	4Q16	1Q16	Δ 1Q17/4Q16	Δ 1Q17/1Q16
Wood	524	788	490	-33%	7%
R$ million					
Wood	73	74	80	-1%	-8%

In the first quarter 2017, the Company's sales of wood logs by volume was 524 thousand tonnes, 7% above 1Q16. The change in mix of wood logs sold during this period explains the decline in revenue in relation to 1Q16.

PULP BUSINESS UNIT

Production

Volume (1.000 tonnes)	1Q17	4Q16	1Q16	Δ 1Q17/4Q16	Δ 1Q17/1Q16
Short Fiber	211	225	17	-6%	1141%
Long Fiber	74	76	-	-3%	N/A
Total Pulp Volume	**285**	**301**	**17**	-5%	1576%

Sales Volume

Volume (1.000 tonnes)	1Q17	4Q16	1Q16	Δ 1Q17/4Q16	Δ 1Q17/1Q16
Short Fiber DM	22	27	-	-16%	N/A
Short Fiber EM	203	181	-	12%	N/A
Total short fiber volume	**225**	**208**	**-**	8%	**N/A**
Long Fiber DM	29	20	-	46%	N/A
Long Fiber EM	48	74	-	-36%	N/A
Total long fiber volume	**76**	**94**	**-**	-19%	**N/A**
Total pulp volume	**301**	**301**	**-**	0%	**N/A**
R$ million					
Short Fiber	302	294	-	3%	N/A
Long Fiber	148	177	-	-16%	N/A
Total Pulp Revenues	**451**	**471**	**-**	-4%	**N/A**

During the quarter, the outlook for international prices for short fiber pulp improved on the back of continued strong demand from Asian countries and lower than expected supply. Thus, the tendency towards price improvement at the end of 2016 was maintained in the first months of 2017, more especially at the end of the quarter. The price list for short fiber pulp published by FOEX rose 14% compared with the end of December. Prices reached US$ 603/t in China with Europe reporting similar increases on the same comparative basis. Price list increases in the international markets drove prices up during March and are expected to improve US Dollar revenues during the next quarter.

In March, 12 months after startup, the Company conducted its first maintenance shutdown at the Puma Unit. The cost of the 13-day stoppage was R$ 40 million - already built into the Company's budget. With final adjustments made to short and long fiber production lines, the Unit began the month of April at levels above those previously reached. The Puma Unit production volume during the quarter was 285 thousand tonnes - with comparatively fewer production days. On the other hand, pulp volume sales in the period held steady in relation to 4Q16, reaching 301 thousand tonnes of which 225 thousand tonnes was short fiber pulp and the remainder, the long fiber variety.

Sales of short fiber pulp are largely anchored to an agreement with Fibria signed in May 2015. Under this agreement, Klabin will supply Fibria with a minimum of 900 thousand tonnes of short fiber pulp annually, to be sold by Fibria on an exclusive basis to countries outside South America. Klabin commercializes all of the remaining output from the Puma Unit, with long fiber pulp sold to Brazilian and South American markets, and long fiber softwood and fluff pulps in the global market. Sales price is equivalent to the average net price practiced by Fibria, FOB (free on board) Paranaguá, excluding South American countries.

Following a period of ratification and in line with plan, fluff pulp sales are already being delivered to regular clients in the domestic market and this trend will accelerate in coming months. The company is now selling long fiber pulp to 20 different countries, indicative of the excellent acceptance of Klabin's pulp in global markets.

PAPER BUSINESS UNIT

Volume (1.000 tonnes)	1Q17	4Q16	1Q16	Δ 1Q17/4Q16	Δ 1Q17/1Q16
Kraftliner DM	20	21	29	-7%	-33%
Kraftliner EM	71	70	81	1%	-12%
Total Kraftliner	**91**	**91**	**110**	**-1%**	**-18%**
Coated boards DM	88	110	93	-20%	-5%
Coated boards EM	79	77	73	2%	8%
Total Coated boards	**167**	**188**	**166**	**-11%**	**1%**
Total Paper	**257**	**279**	**276**	**-8%**	**-7%**
R$ million					
Kraftliner	171	179	244	-5%	-30%
Coated boards	500	578	555	-13%	-10%
Total Paper	**672**	**757**	**799**	**-11%**	**-16%**

Kraftliner

Global prices for kraftliner have reported increases since early 2017 with the listed price for Europe published by FOEX ending the month of March at US$ 627/t, 9% higher than the registered price as at December 31, 2016. However, the average price for 1Q17 was flat in relation to the average in 4Q16. Signs of price growth are expected to be reflected more significantly in Klabin's results from the second quarter on. Price improvement is principally the result of demand for virgin fiber papers and supply difficulties following unscheduled stoppages at the plants of kraftliner producers in 2016.

With renewed domestic demand for corrugated boxes and additional capacity of the acquisitions made by Klabin in late 2016 in this segment, the Company channeled a larger volume of papers to its conversion units. These factors explain the reduction in kraftliner sales volume, which together with a less favorable exchange rate, saw a year-on-year reduction in revenues when compared with 1Q16.

Coated Boards

Signs of recovery in the coated board segment remain absent despite the improving outlook in the economy for 2017. Brazilian Tree Industry data shows sales to the domestic market fell by 5% in 1Q17 compared with the same quarter in 2016.

With the domestic market still lack luster, Klabin allocated larger sales volumes to the overseas market, particularly the food processing segment. Thanks to its flexibility in exporting products to a wide selection of different markets, Klabin's export business in this segment recorded a year-on-year increase of 8%.

CONVERSION BUSINESS UNIT

Volume (1.000 tonnes)	1Q17	4Q16	1Q16	Δ 1Q17/4Q16	Δ 1Q17/1Q16
Total conversion	**186**	**183**	**165**	1%	13%
R$ million					
Total conversion	**626**	**618**	**553**	1%	13%

Data from the corrugated boxes producers association (ABPO) on brazilian corrugated boxes shipments has indicated signs of a strong recovery with 1Q17 reporting a 5% increase on the same quarter last year. In addition to its two recent acquisitions in the segment, Klabin maximized its advantages of capillarity and close relationship with major clients in the food processing sector by ramping up sales volume still further on the same comparative basis.

In the industrial bags market with each passing quarter, Klabin is consolidating its penetration in new markets with growing export volumes to countries such as Mexico and the United States. Here, the Company has been successful in sales of bags not only to the civil construction area but also to the markets of food processing, grains and chemicals. Despite a weak civil construction sector in the domestic market, Klabin has been making inroads into new areas of business such as fertilizers, food and coffee.

Klabin recorded year-on-year growth of 13% in conversion product sales in 1Q17. In spite of the negative impact of currency rates on exports of industrial bags, revenues were also 13% higher than 1Q16, once more demonstrating the Company's capacity to adapt and competitiveness in different markets and under adverse circumstances.

INVESTMENTS

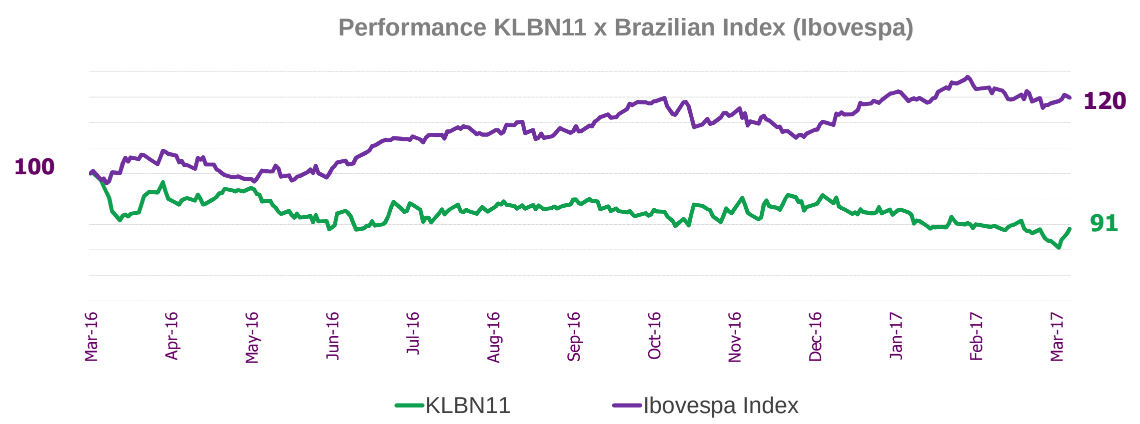
R$ million	1Q17	4Q16	2017
Forestry	43	45	25
Maintenance	90	109	80
Special projects and growth	19	185	14
Puma Project	99	172	734
Total	**251**	**511**	**853**

Klabin invested R$ 251 million in 1Q17, R$ 99 million of which going to the final remaining investments at the Puma Unit. Of the total invested in the quarter, R$ 43 million was allocated to forestry operations, R$ 90 million to investments in plant operational continuity and R$ 19 million to special and expansion projects, more particularly those with a high return for improving performance in all the segments in which the Company operates. Approximately R$ 50 million remains to be disbursed in the Puma Unit in 2017.

CAPITAL MARKETS

Equity Markets

In the first quarter of 2017, Klabin's units (KLBN11) reported depreciation of 15%, in comparison to the IBOVESPA's 8% appreciation. The Units, trading on every day the BM&FBovespa was open for business, registered 386 thousand transactions involving 102 million securities and an average daily trading volume of R$35 million at the end of the period.

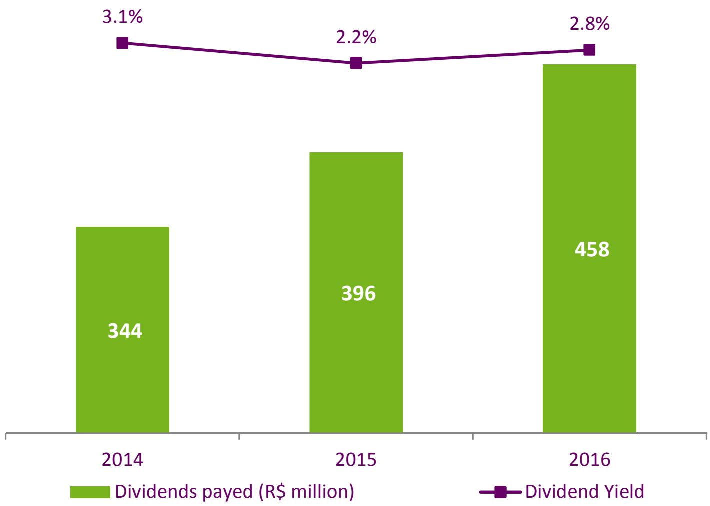


Klabin's capital stock is represented by 4,733 million shares, of which 1,849 million are common shares and 2,884 million, preferred. The Company's shares are also traded in the United States market and listed under a Level I ADRs program on the Over-the-Counter market under the KLBAY ticker symbol.

Klabin is a component of BM&FBovespa's Corporate Sustainability Index (ISE). The index includes shares of companies that are outstanding in terms of degree of commitment to sustainability both in terms of the company and the country as a whole. The participating companies are selected annually, based on Fundação Getúlio Vargas (GVces) Sustainability Study Center criteria**.**

Dividends

A total amount of R$ 458 million was paid out for fiscal year 2016 as dividends being R$ 99.93 per lot of a thousand shares and R$ 499.66 per lot of a thousand Units In addition to this amount, on April 26, a Notice to Shareholders announced the payment of dividends of R$ 108 million, amounting to R$ 23.58 per thousand shares and R$ 117.92 per thousand Units to be paid on May 12

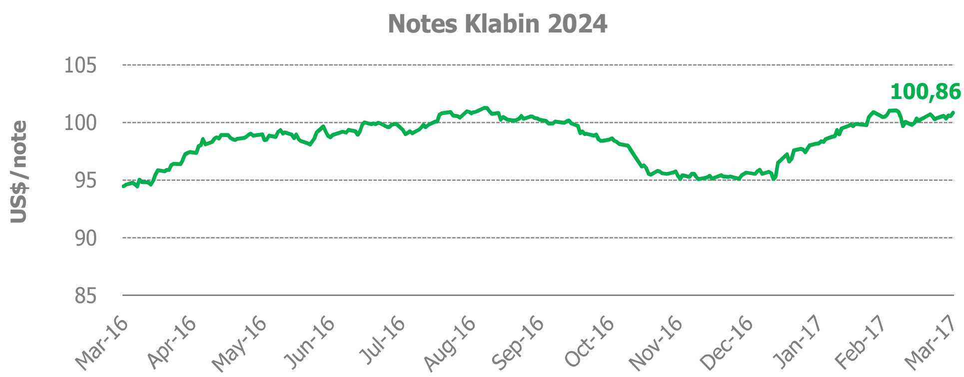


Fixed Income

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

On March 28, the Company successfully completed the issuance of CRA - Agribusiness Receivables Certificate in the amount of R$ 849 million, with maturity of 5 years and remuneration to the investor at the rate of 95% of CDI.

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



Klabin S.A.

Quarterly Information (ITR) at March 31, 2017 and report on review of quarterly information

Ernst & Young Auditores Independentes S.S.

CONTENTS

BALANCE SHEET AT SEPTEMBER 30, 2017 AND DECEMBER 31, 2016
(All amounts in thousands of Reais)

	Note	Parent company		Consolidated	
		03/31/2017	12/31/2016	03/31/2017	12/31/2016
ASSETS					
Current					
Cash and cash equivalents	4	6,158,063	5,243,120	6,652,509	5,872,720
Marketable securities	5	606,068	591,303	606,068	591,303
Accounts receivable:					
. Trade receivables	6	1,090,327	1,421,418	1,354,740	1,666,626
. Provision for doubtful debts	6	(41,841)	(41,168)	(41,885)	(41,246)
. Related parties	7	469,182	534,405	-	-
Inventory	8	843,526	794,715	915,937	876,915
Taxes recoverable	9	782,545	794,628	796,651	803,355
Other assets		204,138	189,009	204,186	190,362
Total current assets		10,112,008	9,527,430	10,488,206	9,960,035
Non-current					
Long term receivables					
Judicial deposits	17	89,704	84,249	89,704	85,704
Taxes recoverable	9	1,626,029	1,554,672	1,626,029	1,554,672
Other assets		406,188	386,559	405,343	385,706
		2,121,921	2,025,480	2,121,076	2,026,082
Investments:					
. Interests in investees	11	2,066,139	2,192,633	550,990	544,401
. Other		1,773	10,944	1,773	10,944
Property, plant and equipment	12	12,540,740	12,737,303	12,788,101	13,030,184
Biological assets	13	2,728,878	2,397,462	3,982,277	3,656,596
Intangible assets		85,116	27,171	85,145	85,487
		17,422,646	17,365,513	17,408,286	17,327,612
Total non-current assets		19,544,567	19,390,993	19,529,362	19,353,694
Total assets		**29,656,575**	**28,918,423**	**30,017,568**	**29,313,729**

(A free translation of the original in Portuguese)

KLABIN S.A.

All amounts in thousands of Reais

BALANCE SHEET AT SEPTEMBER 30, 2017 AND DECEMBER 31, 2016

(All amounts in thousands of Reais)

		Parent company		Consolidated	
	Note	**03/31/2017**	**12/31/2016**	**03/31/2017**	**12/31/2016**
LIABILITIES AND EQUITY					
Current					
Borrowing	14	2,480,376	2,588,259	2,473,948	2,593,029
Debentures	15	260,169	245,080	260,169	245,080
Trade payables	16	556,448	619,902	568,044	634,856
Tax obligations		38,505	47,558	42,416	53,643
Social security and labor obligations		182,500	253,873	184,400	257,712
Dividends payable		50,000	180,000	50,000	180,000
Enrollment in Tax Recovery Program (REFIS)	17	68,073	66,884	68,073	66,884
Other payables and provisions		176,235	120,113	174,140	112,460
Total current liabilities		3,812,306	4,121,669	3,821,190	4,143,664
Non-current					
Borrowing	14	15,173,913	14,721,740	15,217,097	14,765,982
Debentures	15	686,216	864,456	686,216	864,456
Deferred income tax and social contribution	10	1,584,660	1,376,262	1,684,751	1,476,866
Provision for tax, social security, labor and civil contingencies	17	68,618	70,483	68,617	70,483
Payables - Investors in Special Partnership Companies (SPCs)		-	-	209,672	229,315
Enrollment in Tax Recovery Program (REFIS)	17	333,498	340,364	333,498	340,364
Other payables and provisions		315,256	323,113	314,419	322,263
Total non-current liabilities		18,162,161	17,696,418	18,514,270	18,069,729
Total liabilities		21,974,467	21,818,087	22,335,460	22,213,393
Equity					
Share capital		2,384,484	2,384,484	2,384,484	2,384,484
Capital reserves		1,313,689	1,301,907	1,313,689	1,301,907
Revaluation reserve		48,704	48,705	48,704	48,705
Revenue reserves		2,543,084	2,543,084	2,543,084	2,543,084
Carrying value adjustments		1,022,792	1,028,238	1,022,792	1,028,238
Retained earnings		575,395	-	575,395	-
Treasury shares		(206,040)	(206,082)	(206,040)	(206,082)
Total equity	18	7,682,108	7,100,336	7,682,108	7,100,336
Total liabilities and equity		**29,656,575**	**28,918,423**	**30,017,568**	**29,313,729**

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 OPERATIONS FOR THE QUARTER ENDED MARCH 31, 2017 AND 2016

(All amounts in thousands of Reais unless otherwise stated)

		Parent company		Consolidated	
	Note	03/31/2017	03/31/2016	03/31/2017	03/31/2016
Net sales revenue	19	1,860,156	1,453,406	1,866,692	1,463,477
Variation in the fair value of biological assets	13	475,151	1,256	483,306	63,447
Cost of products sold	20	(1,520,276)	(1,011,991)	(1,527,849)	(1,004,160)
Gross profit		815,031	442,671	822,149	522,764
Operating expenses					
Sales	20	(151,749)	(101,371)	(155,369)	(105,264)
General and administrative	20	(122,005)	(98,271)	(125,071)	(100,037)
Other, net	20	(8,015)	(7,462)	(7,047)	(5,050)
		(281,769)	(207,104)	(287,487)	(210,351)
Equity in the results of investees	11	(2,208)	219,146	6,589	7,094
Profit before finance result and taxes		531,054	454,713	541,251	319,507
Finance result	21	326,374	1,021,348	318,393	1,012,630
Profit before taxes on income		857,428	1,476,061	859,644	1,332,137
Income tax and social contribution					
. Current	10	(47,408)	(264,747)	(50,193)	(268,128)
. Deferred	10	(207,995)	(137,802)	(207,426)	9,503
		(255,403)	(402,549)	(257,619)	(258,625)
Profit for the period		**602,025**	**1,073,512**	**602,025**	**1,073,512**
Basic and diluted earnings per common share - R$	23	0.1146	0.2042	0.1146	0.2042
Basic and diluted earnings per diluted share - R$	23	0.1146	0.2042	0.1146	0.2042

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

STATEMENT OF COMPREHENSIVE INCOME (LOSS) FOR THE QUARTER ENDED MARCH 31, 2017 AND 2016

(All amounts in thousands of Reais)

	Parent company and Consolidated	
	03/31/2017	**03/31/2016**
Profit for the period	**602,025**	**1,073,512**
Other comprehensive income:		
. Foreign currency translation adjustments (i)	50	(14,964)
. Actuarial liability restatement (ii)	782	-
Total comprehensive income for the period, net of taxes	**602,857**	**1,058,548**

(i) Effects that might be transferred to profit or loss in the future.

(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 QUARTER ENDED MARCH 31, 2017 AND 2016

(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	Carrying value adjustments	Treasury shares	Retained earnings (accumulated deficit)	Total
At December 31, 2015	2,383,104	1,293,962	48,705	1,513	31,175	715,474	-	-	1,064,181	(185,774)	-	5,352,340
Profit for the period											1,073,512	1,073,512
Other comprehensive income for the period									(14,964)			(14,964)
Comprehensive income for the period	-	-	-	-	-	-	-	-	(14,964)	-	1,073,512	1,058,548
Conversion of mandatory debentures convertible into shai	1,370	(1,370)										-
Stock option plan:												-
. Treasury shares sold		4,446								1,769		6,215
. Award of treasury shares									(2,185)	2,185		-
. Recognition of the stock option plan remuneration									2,155			2,155
. Maturity of stock option plan		4,878							(4,878)			-
Profit sharing - mandatory debentures convertible into shares						(17,735)						(17,735)
Dividends paid with revenue reserves						(120,015)						(120,015)
At March 31, 2016	2,384,474	1,301,916	48,705	1,513	31,175	577,724	-	-	1,044,309	(181,820)	1,073,512	6,281,508
At December 31, 2016	2,383,104	1,293,962	48,705	1,513	31,175	715,474	-	-	1,064,181	(185,774)	-	5,352,340
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
Conversion of mandatory debentures convertible into shares												-
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

(*) Net effect between the addition, reversal or realization of the balances contained in the equity in the results of investees.

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 FLOW FOR THE QUARTER ENDED MARCH 31, 2017 AND 2016

(All amounts in thousands of Reais)

	Parent company		Consolidated	
	03/31/2017	03/31/2016	03/31/2017	03/31/2016
Net cash provided by operating activities	**688,334**	**20,858**	**606,229**	**171,857**
Cash provided by operations	**363,266**	**(82,466)**	**364,776**	**(94,638)**
Profit (loss) for the period	602,025	1,073,512	602,025	1,073,512
Depreciation and amortization	250,670	86,751	248,970	77,405
Change in fair value of biological assets	(475,151)	(1,256)	(483,306)	(63,447)
Depletion of biological assets	168,379	168,102	201,507	173,374
Deferred income tax and social contribution	207,995	137,802	207,426	(9,503)
Interest and foreign exchange variations on borrowings	(149,438)	(1,070,637)	(156,858)	(1,055,124)
Interest, monetary variation and share of results of debentures	37,945	26,600	37,945	26,600
Amortization - adjustment to present value of debentures	3,846	7,254	3,846	7,254
Payment of interest on borrowings	(292,208)	(279,145)	(297,366)	(302,779)
Accrued interest - REFIS	11,249	12,210	11,249	12,210
Result on disposal of assets	14,027	444	14,027	444
Equity in the results of investees	2,208	(219,146)	(6,589)	(7,094)
Income tax and social contribution paid	-	(10,371)	(2,041)	(11,730)
Other	(18,281)	(14,586)	(16,059)	(15,760)
Changes in assets and liabilities	**325,068**	**103,324**	**241,453**	**266,495**
Trade receivables and related parties	405,912	(6,032)	312,525	182,665
Inventories	(39,573)	(125,840)	(39,022)	(133,550)
Taxes recoverable	(59,274)	119,717	(62,612)	123,721
Marketable securities	(14,765)	(17,927)	(14,765)	(17,927)
Other assets	(5,326)	12,087	(2,574)	12,629
Trade payables	82,599	162,551	79,241	165,294
Tax obligations	(9,053)	(3,739)	(11,227)	(2,886)
Social security and labor obligations	(71,373)	(43,012)	(73,312)	(44,203)
Other liabilities	35,921	5,519	53,199	(19,248)
Net cash used in investing activities	**(225,829)**	**(843,041)**	**(247,850)**	**(849,549)**
Purchase of property, plant and equipment	(204,644)	(827,613)	(207,473)	(827,775)
Planting cost of biological assets	(24,644)	(18,573)	(43,882)	(25,606)
Proceeds from disposal of assets	3,505	3,832	3,505	3,832
Acquisition of investments and payment of capital in subsidiaries	(1,696)	(687)	-	-
Dividends received from subsidiaries	1,650	-	-	-
Net cash provided by financing activities	**452,438**	**1,279,891**	**421,410**	**928,819**
New borrowings	1,527,312	1,932,804	1,527,222	1,581,733
Repayment of borrowings	(741,376)	(408,395)	(740,964)	(408,396)
Payment of interest on debentures and monetary variation	(205,236)	(130,718)	(205,236)	(130,718)
Purchase of treasury shares	(11,468)	-	(11,468)	-
Disposal of treasury shares	13,097	6,215	13,097	6,215
Withdrawal of investors - SPCs	-	-	(31,350)	-
Dividends paid	(129,891)	(120,015)	(129,891)	(120,015)
Increase in cash and cash equivalents	**914,943**	**457,708**	**779,789**	**251,127**
Cash and cash equivalents at the beginning of the period	**5,243,120**	**4,031,184**	**5,872,720**	**5,053,723**
Cash and cash equivalents at the end of the period	**6,158,063**	**4,488,892**	**6,652,509**	**5,304,850**

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

STATEMENT OF VALUE ADDED FOR THE QUARTER ENDED MARCH 31, 2017 AND 2016
(All amounts in thousands of Reais)

	Parent company		Consolidated	
	03/31/2017	03/31/2016	03/31/2017	03/31/2016
Revenue				
. Sales of products	2,197,037	1,750,312	2,214,416	1,769,983
. Change in fair value of biological assets	475,151	1,256	483,306	63,447
. Other income	3,505	3,832	3,505	3,832
. Provision for doubtful debts	(6,108)	9,349	(6,100)	9,374
	2,669,585	**1,764,749**	**2,695,127**	**1,846,636**
Inputs acquired from third parties				
. Cost of products sold	(367,414)	(255,283)	(347,986)	(262,710)
. Materials, electricity, outsourced services and other	(875,166)	(596,852)	(878,218)	(591,715)
	(1,242,580)	**(852,135)**	**(1,226,204)**	**(854,425)**
Gross value added	**1,427,005**	**912,614**	**1,468,923**	**992,211**
Retentions				
. Depreciation, amortization and depletion	(419,049)	(254,853)	(450,477)	(250,779)
Net value added generated by the Company	**1,007,956**	**657,761**	**1,018,446**	**741,432**
Value added received through transfer				
. Equity in the results of investees	(2,208)	219,146	6,589	7,094
. Finance income, including exchange variations	221,051	15,414	225,936	213,385
	218,843	**234,560**	**232,525**	**220,479**
Total value added to distribute	**1,226,799**	**892,321**	**1,250,971**	**961,911**
Distribution of value added:				
Personnel				
. Direct compensation	223,967	204,677	229,545	210,362
. Benefits	65,820	50,944	66,054	51,110
. Government Severance Indemnity Fund for Employees (FGTS)	20,725	15,140	20,762	15,175
	310,512	**270,761**	**316,361**	**276,647**
Taxes and contributions				
. Federal	379,291	533,614	384,748	390,629
. State	37,109	17,333	37,109	17,333
. Municipal	3,185	3,037	3,185	3,037
	419,585	**553,984**	**425,042**	**410,999**
Remuneration of third-party capital				
. Interest	(105,323)	(1,005,934)	(92,457)	(799,245)
	(105,323)	**(1,005,934)**	**(92,457)**	**(799,245)**
Remuneration of own capital				
.Dividends paid and profit sharing - mandatory debentures convertible into shares	26,630	137,750	26,630	137,750
. Profits reinvested/(loss) for the period	575,395	935,760	575,395	935,760
	602,025	**1,073,510**	**602,025**	**1,073,510**
	1,226,799	**892,321**	**1,250,971**	**961,911**

All amounts in thousands of Reais
(presented in thousands of Reais unless otherwise stated)

1 GENERAL INFORMATION

Klabin S.A. (the "Company") and its subsidiaries operate in segments of the paper and pulp industry supplying the domestic and foreign markets, supplying 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 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, as an ostensible partner, has contributed forest assets, mainly forests and land, by means of the granting of the right to use, whereas the other investing stockholders 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 Finance Director on April 27, 2017.

1.1 Final adjustment of the purchase price allocation in business combination

In February 2017 Management concluded, with the use of a Valuation Report prepared by a specialized company, as required by CPC 15 (R1) and IN RFB No. 1,515 / 2014, the purchase price allocation of the fair values of the assets and liabilities acquired and goodwill related to the acquisition of Embalplan Indústria e Comércio de Embalagens S.A. held on December 1, 2016.

In preparing the financial statements for the year ended December 31, 2016, management made a preliminary determination of the allocation of the purchase price, given the short term of the conclusion of the transaction in relation to the period of publication of said financial statements, dated January 31, 2017, taking advantage of the one-year period for this definition, as provided for in CPC 15 (R1) - Business Combination.

Since the final purchase price allocation was different from that presented in the financial statements as of December 31, 2016, based on the terms of CPC 15 (R1), the Company is adjusting the balance sheet balances considering the price allocation with the final amounts retrospectively on December 31, 2016, as shown below:

	Provisional	Final
	12/31/2016	**12/31/2016**
Current assets	22,714	22,714
Non-current assets	12,898	65,648
Goodwill (Intangible assets)	93,063	40,313
Current liabilities	(4,293)	(4,293)
Non-current liabilities	-	-
	124,382	**124,382**

The difference presented here refers substantially to the allocation of assets, and the amount of R $ 34,777 and R $ 17,973, respectively, previously classified as goodwill, is distributed between property, plant and equipment and intangible assets.

1.2 Incorporation of Embalplan Indústria e Comércio de Embalagens S.A.

On March 2, 2017, the Extraordinary Shareholders' Meeting approved the incorporation of the subsidiary Emblaplan Indústria e Comércio de Embalagens S.A. ("Embalplan") at book value without 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 part of the consolidated financial statements, 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 corresponds to R $ 36,396.

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, 2016, and are disclosed in Note 2.2 to those financial statements.

This quarterly information should be read together with those annual financial statements.

2.3 New technical pronouncements, revisions and interpretations not yet effective

As stated in the financial statements at December 31, 2016, certain revised standards and interpretations that become effective in the coming years have been issued. The Company's impact on these standards is being evaluated by Management and will be applied when necessary. Until the date of disclosure of these quarterly information, the Company had not yet completed the work to evaluate these impacts, making it impossible to disclose any effect.

There are no other IFRS or IFRIC interpretations that have not yet come into effect that could have a material impact on the Company's quarterly information.

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 covers Klabin S.A. and its subsidiaries at March 31, 2017, December 31, 2016 and March 31, 2016, as folow:

All amounts in thousands of Reais

				Ownership - %		
	Country	Activity	Participation	03/31/2017	12/31/2016	03/31/2016
Subsidiaries:						
Klabin Argentina S.A.	Argentina	Industrial sacks	Direct	100	100	100
Klabin Ltd.	Cayman Islands	Investments in other companies	Direct	100	100	100
. Klabin Trade	United Kingdom	Sale of products in the foreign market	Indirect	100	100	100
Klabin Forest Products Company	USA	Sale of products in the foreign market	Direct	100	100	100
IKAPÊ Empreendimentos Ltda.	Brazil	Hotels	Direct	100	100	100
Klabin do Paraná Produtos Florestais Ltda.	Brazil	Manufacture of phytotherapic products	Direct	100	100	100
Klabin Florestal Ltda.	Brazil	Forestry	Direct	100	100	100
Monterla Holdings S.A.	Brazil	Investment in companies	Direct	100	100	100
Klabin Finance S.A.	Luxembourg	Finance	Direct	100	100	100
Klabin Áustria GmbH	Austria	Sale of products in the foreign market	Direct	100	100	-
Embalplan Ind. e Com. de Embalagens S.A. (i	Brazil	Packaging paper	Direta	-	100	-
SPCs:						
Correia Pinto	Brazil	Reforestation	Direct	91	91	89
CG Forest	Brazil	Reforestation	Direct	80	83	75
Monte Alegre	Brazil	Reforestation	Direct	85	80	72
Harmonia	Brazil	Reforestation	Direct	75	74	-
Joint ventures (not consolidated)						
Florestal Vale do Corisco S.A.	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 using the equity accounting method.

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. 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	
	03/31/2017	12/31/2016	03/31/2017	12/31/2016
Cash and bank deposits - local currency	11,135	29,578	11,808	33,591
Cash and bank deposits - foreign currency (i)	-	-	6,156	7,985
Financial investments - local currency	5,698,787	4,807,936	5,852,145	4,979,048
Financial investments - foreign currency (i)	448,141	405,606	782,400	852,096
	6,158,063	**5,243,120**	**6,652,509**	**5,872,720**

Financial investments in local currency, relating to Bank Deposit Certificates (CDBs) and repurchase transactions, are indexed to the Interbank Deposit Certificate (CDI) rate with an average annual yield of 12.62% (13.76% at December 31, 2016). Financial investments in foreign currency, relating to time deposits in US Dollars and over night, have an average annual yield of 0.75% (0.53% at December 31, 2016). These investments have daily liquidity, as guaranteed by the financial institutions.

All amounts in thousands of Reais

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 has yields indexed to the Amplified Customer Price Index (IPCA) + 6% p.a. interest rate, and with maturities up to 2020 and 2022.

At March 31, 2017, the balance of these securities was R$ 606,068 (R$ 591,303 at December 31, 2016). Management has classified these securities as available-for-sale financial assets. There is an active trading market for securities with these characteristics, and 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.

6 TRADE RECEIVABLES

	Parent company		Consolidated	
	03/31/2017	**12/31/2016**	**03/31/2017**	**12/31/2016**
Trade receivables				
. Local	826,688	1,101,562	826,755	1,111,455
. Foreign	263,639	319,856	527,985	555,171
Total trade receivables	**1,090,327**	**1,421,418**	**1,354,740**	**1,666,626**
Provision for doubtful debts ("PECLD")	(41,841)	(41,168)	(41,885)	(41,246)
	1,048,486	**1,380,250**	**1,312,855**	**1,625,380**
Overdue	**76,987**	**65,039**	**79,430**	**69,880**
% on total portfolio (without PECLD)	3.22%	1.68%	2.77%	1.72%
1 to 10 days	4,178	6,128	4,178	6,128
11 to 30 days	6,911	9,448	6,911	14,211
31 to 60 days	6,157	7,217	8,109	7,217
61 to 90 days	4,332	168	4,332	168
Over 90 days	55,409	42,078	55,900	42,156
Not yet due	1,013,340	1,356,379	1,275,310	1,596,746
Total portfolio	**1,090,327**	**1,421,418**	**1,354,740**	**1,666,626**

The average collection period for trade receivables is approximately 74 days for domestic market sales and approximately 125 days 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.

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:

KLABIN S.A.

All amounts in thousands of Reais

	Parent company	Consolidated
At December 31, 2015	**(37,907)**	**(37,972)**
Provision for doubtful debts	(20,885)	(20,898)
Reversals	12,003	12,003
Definitive write-off	5,621	5,621
At December 31, 2016	**(41,168)**	**(41,246)**
Provision for doubtful debts	(1,701)	(1,701)
Reversals	931	965
Definitive write-off	97	97
At March 31,2017	**(41,841)**	**(41,885)**

The balance of the provision for doubtful debts relates mainly to trade notes overdue for more than 90 days. The expense incurred on the recognition of the provision for doubtful debts is recorded in the statement of operations, under "Selling expenses".

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 Correia Pinto	Monteiro Aranha S.A.	Klabin Irmãos & Cia.	BNDES	Other	Parent company 03/31/2017 Total	Parent company 12/31/2016 Total	Parent company 03/31/2016
Type of relationship	(i) and (vi) Subsidiary	(i) Subsidiary	(vi)	(ii) and (v) Subsidiary	(iii) Stockholder	(iii) and (iv) Stockholder	(vi) Stockholder	(i) (ii) (iii) (v) and (vii)			
Balances											
Current assets	425,293	29,503		1,633				25,506	**481,935**	**548,277**	
Non-current assets								2,404	**2,404**	**1,894**	
Current liabilities			22,830	1,225	659	3,216	754,840	18,429	**801,199**	**801,049**	
Non-current liabilities			1,536,674				3,712,929	836	**5,250,439**	**5,491,151**	
Transactions											
Sales revenue	251,903	27,790		2,121				15,375	**297,189**		**322,849**
Purchases				(1,682)				(25,500)	**(27,182)**		**(2,413)**
Interest expenses on financing			(23,348)				(89,528)		**(112,876)**		**(111,727)**
Guarantee commission - expenses						(7,902)			**(7,902)**		**(7,333)**
Royalty expenses					(1,804)	(8,804)		(1,416)	**(12,024)**		**(11,956)**

(i) Balance receivable from product sale transactions carried out under terms and conditions established between the parties;
(ii) Purchases of timber at usual market prices and on normal terms and conditions;
(iii) Licensing for the use of brands;
(iv) Prepaid expenses for guarantee commission, calculated based on the BNDES financing balance of 1% 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

	Monteiro Aranha S.A.	Klabin Irmãos & Cia.	BNDES	Other	Consolidated 03/31/2017 Total	12/31/2016 Total	03/31/2016 Total
	(i)	(i) and (ii)	(iii)	(i)			
Type of relationship	Stockholder	Stockholder	Stockholder				
Balances							
Current assets					-	917	
Current liabilities	659	3,216	754,840	7,988	757,964	751,048	
Non-current liabilities			3,712,929		3,909,635	3,909,635	
Transactions							
Interest expenses on financing			(89,528)		(89,528)		(82,063)
Guarantee commission - expenses		(7,902)			(7,902)		(7,333)
Royalty expenses	(1,804)	(8,804)		(1,416)	(12,024)		(11,956)

(i) Licensing for the use of brands;
(ii) Prepaid expenses for guarantee commission, calculated based on the BNDES financing balance of 1% 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 the 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 08, 2017, 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$ 62,251 for 2016 (R$ 56,100 for 2016).

The table below shows the remuneration of the members of the Board of Directors and Statutory Audit Board:

	Parent company and Consolidated					
	Short term		Long term		Total benefits	
	03/31/2017	03/31/2016	03/31/2017	03/31/2016	03/31/2017	03/31/2016
Board of Directors and Statutory Audit Board	7,550	7,850	4,044	2,207	11,594	10,057

Management remuneration includes the fees paid to the Board members, along with the fees paid to, and variable remuneration of, officers. Long term benefits relate to contributions made by the Company to the pension 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.

All amounts in thousands of Reais

8 INVENTORY

	Parent company		Consolidated	
	03/31/2017	12/31/2016	03/31/2017	12/31/2016
Finished products	155,481	161,499	189,288	212,632
Raw materials	222,057	219,019	242,770	241,930
Timber and logs	233,708	214,153	233,708	214,153
Maintenance supplies	209,814	195,527	215,056	200,485
Estimated losses	(15,354)	(13,481)	(15,507)	(13,481)
Other	37,820	17,998	50,622	21,196
	843,526	**794,715**	**915,937**	**876,915**

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

The expenses incurred for the recognition of estimated losses is recorded in the statement of operations under "Cost of products sold".

The Company does not have any inventory pledged as collateral.

9 TAXES RECOVERABLE

	03/31/2017		12/31/2016	
	Current assets	Non-current assets	Current assets	Non-current assets
Value-added Tax on Sales and Services (ICMS)	179,615	1,221,642	188,865	1,174,309
Social Integration Program (PIS)	11,699	12,358	35,265	14,117
Social Contribution on Revenue (COFINS)	43,467	69,212	153,595	77,314
Income tax/social contribution	425,939	-	366,564	-
Tax on Industrialized Products (IPI)	78,958	195,742	20,968	271,742
Other	42,867	127,075	29,371	17,190
Parent company	**782,545**	**1,626,029**	**794,628**	**1,554,672**
Subsidiaries	14,106	-	8,727	-
Consolidated	**796,651**	**1,626,029**	**803,355**	**1,554,672**

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.

On May, 2016, the Company recognized credits of IPI gain in tax litigation, final and unappealable decision, substantially allocated in finance result. Credits are already available to offset in accordance with tax legislation in force.

PIS/COFINS 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.

Based on analyses and the budget projections approved by management, the Company does not foresee any risk of non-realization of these tax credits.

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	
	03/31/2017	12/31/2016	03/31/2017	12/31/2016
Provision for tax, social security, labor and civil contingencies	23,330	23,964	23,330	23,964
Income tax and social contribution losses	768,604	801,307	768,660	801,363
Actuarial liability	30,680	30,212	30,680	30,212
Other temporary differences	176,962	169,107	176,962	169,107
Non-current assets	**999,576**	**1,024,590**	**999,632**	**1,024,646**
Fair value of biological assets	645,618	532,081	673,088	560,120
Revisions to useful lives of property, plant and equipment (Law 12,973/14)	389,097	370,625	389,097	370,625
Deemed cost of property, plant and equipment (land)	484,721	486,426	557,341	559,047
Adjustment to present value of balances	43,324	43,938	43,324	43,938
Interest capitalized (Law 12,973/14)	162,486	166,269	162,486	166,269
Deferred foreign exchange variations (i)	820,830	749,303	820,830	749,303
Other temporary differences	38,160	52,210	38,217	52,210
Non-current liabilities	**2,584,236**	**2,400,852**	**2,684,383**	**2,501,512**
Net balance in the balance sheet (liabilities)	**1,584,660**	**1,376,262**	**1,684,751**	**1,476,866**

(i) Management opted for the tax recognition of the exchange variations of its foreign currency receivables and payables on the cash basis, while for 2016, thereby generating temporary differences, which will be taxed according to the settlement of the receivables and payables.

Management, based on the budgets approved by the Board of Directors, estimates that tax credits arising from temporary differences and tax losses will be realized as follows:

	03/31/2017	
	Parent company	Consolidated
2018	91,499	91,499
2019	183,562	183,562
2020	200,769	200,769
2021	235,609	235,609
2022 onwards	288,137	288,193
	999,576	**999,632**

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 financial statements differ from those actually performed.

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

b) Analysis of income tax and social contribution in the results

	Parent company		Consolidated	
	From 1/1 to 03/31/2017	From 1/1 to 03/31/2016	From 1/1 to 03/31/2017	From 1/1 to 03/31/2016
Current tax expense	(47,408)	(264,747)	(50,193)	(268,128)
Current	**(47,408)**	**(264,747)**	**(50,193)**	**(268,128)**
Recognition and reversal of temporary differences	(340,004)	(97,295)	(333,150)	29,626
Revisions to useful lives of property, plant and equipment	18,472	10,476	18,472	10,476
Variation in fair value and depletion of biological assets	113,537	(50,983)	107,252	(30,599)
Deferred	**(207,995)**	**(137,802)**	**(207,426)**	**9,503**

All amounts in thousands of Reais

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

	Parent company		Consolidated	
	From 1/1 to 03/31/2017	From 1/1 to 03/31/2016	From 1/1 to 03/31/2017	From 1/1 to 03/31/2016
Income before income tax and social contribution	**857,428**	**1,476,061**	**859,644**	**1,332,137**
Income tax and social contribution at the rate of 34%	(291,526)	(501,861)	(292,279)	(452,927)
Tax effect on permanent differences:				
Difference in taxation - subsidiaries (i)	-	-	2,240	170,623
Equity in the results of investees	(751)	74,510	169	(2,412)
Other effects	36,874	24,802	32,251	26,091
	(255,403)	**(402,549)**	**(257,619)**	**(258,625)**
Income tax and social contribution				
. Current	(47,408)	(264,747)	(50,193)	(268,128)
. Deferred	(207,995)	(137,802)	(207,426)	9,503
Income tax and social contribution expense	**(255,403)**	**(402,549)**	**(257,619)**	**(258,625)**

(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 their 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 CG Forest	Soc. Conta de Participação Mt Alegre	Soc. Conta de Participação Harmonia	Florestal Vale do Corisco S.A. (i)	Other	Total
At December 31, 2015	**54,120**	**457,698**	**83,050**	**153,471**	-	**495,839**	**155,114**	**1,399,292**
Acquisitions and capital contributions					102,354		130,440	232,794
Dividends distributed			(910)			(758)		(1,668)
Equity in the results of investees (ii)	(597)	294,005	49,573	103,496	83,277	49,321	7,870	586,945
Foreign exchange variations on investments abroad (iii)							(24,730)	(24,730)
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							1,696	1,696
Incorporation of subsidiary Embalplan (iv)							(124,382)	(124,382)
Dividends distributed				(1,650)				(1,650)
Equity in the results of investees (ii)	1,242	28,233	(10,348)	(39,974)	14,365	6,588	(2,314)	(2,208)
Foreign exchange variations on investments abroad							50	50
At March 31, 2017	**54,765**	**779,936**	**121,365**	**215,343**	**199,996**	**550,990**	**143,744**	**2,066,139**

Summary of the financial information of subsidiaries at March 31, 2017

	Klabin Finance S.A.	Soc. Conta de Participação Correia Pinto	Soc. Conta de Participação CG Forest	Soc. Conta de Participação Mt Alegre	Soc. Conta de Participação Harmonia	Florestal Vale do Corisco S.A. (i)
Total assets	1,651,068	948,212	154,904	258,119	280,685	1,456,593
Total liabilities	1,596,304	90,456	3,366	6,098	15,689	376,221
Equity	54,764	857,756	151,538	252,021	264,996	1,080,372
Profit for the period	2,627	31,101	(6,356)	(34,925)	14,365	8,760

(i) Because it is a joint venture (Note 3), Vale do Corsico 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) Filial

(iv) As mentioned in Note 1.2

All amounts in thousands of Reais

12 PROPERTY, PLANT AND EQUIPMENT

a) Composition of property, plant and equipment

	03/31/2017			12/31/2016		
Parent company	Cost	Accumulated depreciation	Net	Cost	Accumulated depreciation	Net
Land	1,789,458	-	**1,789,458**	1,832,779	-	**1,832,779**
Buildings and construction	1,996,060	(317,033)	**1,679,027**	1,955,929	(298,540)	**1,657,389**
Machinery, equipment and facilities	10,637,544	(2,999,172)	**7,638,372**	10,559,205	(2,798,607)	**7,760,598**
Construction in progress	920,287	-	**920,287**	972,136	-	**972,136**
Other (i)	946,657	(433,061)	**513,596**	921,453	(407,052)	**514,401**
	16,290,006	**(3,749,266)**	**12,540,740**	**16,241,502**	**(3,504,199)**	**12,737,303**
Consolidated						
Land	2,022,038	-	**2,022,038**	2,067,898	-	**2,067,898**
Buildings and construction	2,000,380	(319,058)	**1,681,322**	1,993,663	(300,534)	**1,693,129**
Machinery, equipment and facilities	10,658,343	(3,009,549)	**7,648,794**	10,601,698	(2,828,346)	**7,773,352**
Construction in progress	921,452	-	**921,452**	973,342	-	**973,342**
Other (i)	948,909	(434,414)	**514,495**	930,795	(408,332)	**522,463**
	16,551,122	**(3,763,021)**	**12,788,101**	**16,567,396**	**(3,537,212)**	**13,030,184**

(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	Buildings and construction	Machinery, equipment and facilities	Construction in progress	Other	Total
At December 31, 2015	**1,776,761**	**438,188**	**2,718,311**	**6,620,794**	**204,877**	**11,758,931**
Purchases (i)	34,290	-	(79)	1,650,269	(1,270)	1,683,210
Disposals	(16,041)	(7,734)	(71,453)	(148)	51,430	(43,946)
Depreciation	-	(61,831)	(635,363)	-	(87,708)	(784,902)
Internal transfers	40,908	1,303,963	5,762,030	(7,505,427)	398,526	-
Interest capitalized (ii)	-	-	-	130,640	-	130,640
Other	(3,139)	(15,197)	(12,848)	76,008	(51,454)	(6,630)
At December 31, 2016	**1,832,779**	**1,657,389**	**7,760,598**	**972,136**	**514,401**	**12,737,303**
Purchases (i)	2,500	-	(8)	56,099	-	58,591
Disposals	(48,361)	-	(6,534)	-	(281)	(55,176)
Depreciation	-	(18,479)	(202,285)	-	(27,520)	(248,284)
Internal transfers	-	6,209	76,408	(107,948)	25,331	-
Incorporation of subsidiary (iii)	2,540	32,744	10,132	-	2,112	47,528
Other	-	1,164	61	-	(447)	778
At March 31, 2017	**1,789,458**	**1,679,027**	**7,638,372**	**920,287**	**513,596**	**12,540,740**

(i) Net of recoverable taxes (Note 9).
(ii) Interest capitalized related to the borrowing obtained for investment projects, such as the Puma Project (Notes 14, 15, and 21).
(iii) See Note 1.2

Consolidated

	Land	Buildings and construction	Machinery, equipment and facilities	Construction in progress	Other	Total
At December 31, 2015	**2,008,613**	**441,580**	**2,726,086**	**6,627,185**	**205,682**	**12,009,146**
Purchases (i)	37,732	33,453	25,484	1,648,987	6,463	1,752,119
Disposals	(16,041)	(7,734)	(71,453)	(148)	51,526	(43,850)
Depreciation	-	(61,955)	(655,942)	-	(87,935)	(805,832)
Internal transfers	40,908	1,303,963	5,780,037	(7,463,811)	338,903	-
Interest capitalized (ii)	-	-	-	130,640	-	130,640
Other	(3,314)	(16,178)	(30,860)	30,489	7,824	(12,039)
At December 31, 2016	**2,067,898**	**1,693,129**	**7,773,352**	**973,342**	**522,463**	**13,030,184**
Purchases (i)	2,500	-	2,549	56,123	248	61,420
Disposals	(48,361)	-	(6,537)	(65)	(349)	(55,312)
Depreciation	-	(18,532)	(202,890)	-	(27,617)	(249,039)
Internal transfers	-	6,209	81,537	(107,948)	20,202	-
Other	1	516	783	-	(452)	848
At March 31, 2017	**2,022,038**	**1,681,322**	**7,648,794**	**921,452**	**514,495**	**12,788,101**

(i) Net of recoverable taxes (Note 9).
(ii) Interest capitalized related to the borrowing obtained for investment projects, such as the Puma Project (Notes 14, 15, and 21).

All amounts in thousands of Reais

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

With the start of operations of Puma Project in April 2016, the capitalization of interest in property, plant and equipment ceased.

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, 2017 and the year ended December 31, 2016, defined based on the economically useful lives of assets:

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

(i) Mainly rate of 8%.

d) Construction in progress

The balance of construction in progress at March 31, 2017 relates to the following main projects: (i) concluding of a new pulp plant ("Puma Project"), (ii) construction of a Research and Development Center in and (iii) current investments in the Company's continuing operations.

e) Impairment of property, plant and equipment

The Company did not identify indicators of impairment of its assets as at March 31, 2017 and December 31, 2016.

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 of short fiber bleached pulp, long fiber bleached pulp, and fluff pulp, used in the manufacture of paper and for sales of logs to third parties. Including its interest in the forestry area of its joint venture Florestal Vale do Corisco, the Company owned 229 thousand hectares of planted areas at March 31, 2017 (232 thousand hectares at December 31, 2016), 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	
	03/31/2017	12/31/2016	03/31/2017	12/31/2016
Cost of development of biological assets	830,003	832,519	1,191,507	1,181,274
Fair value adjustment of biological assets	1,898,875	1,564,943	2,790,770	2,475,322
	2,728,878	**2,397,462**	**3,982,277**	**3,656,596**

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 and fluctuations, which could have an impact on the Company's future results.

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.

(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 and 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.

b) Reconciliation and movement in fair value

All amounts in thousands of Reais

	Parent company	Consolidated
At December 31, 2015	**2,857,142**	**3,606,389**
Planting	112,467	144,868
Depletion:		
. Historical cost	(100,575)	(114,509)
. Fair value adjustment	(516,842)	(560,382)
Change in fair value due to:		
. Price	2,376	(3,355)
. Growth	117,987	536,266
Sale of assets	81,263	81,263
Sale of assets	(33,944)	(33,944)
Creation of subsidiaries (i)	(122,412)	-
At December 31, 2016	**2,397,462**	**3,656,596**
Planting	24,644	43,882
Depletion:		
. Historical cost	(27,159)	(33,649)
. Fair value adjustment	(141,220)	(167,858)
Change in fair value due to:		
. Price	204,986	293,308
. Growth	270,165	189,998
At March 31, 2017	**2,728,878**	**3,982,277**

(i) Creation of SPC Harmonia on August 5, 2016.

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.

Of note in the change in fair value for the three-month period ended March 31, 2017 is 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, 2017 was equivalent to R$ 64/m^3 (R$ 59/m^3 at December 31, 2016).

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, 2017 was 5.1% in constant currency (6.4% at December 31, 2016).

All amounts in thousands of Reais

14 BORROWING

a) Composition of borrowing

	Annual interest rate - %			03/31/2017
		Current	Non-current	Total
In local currency				
. BNDES - Project Puma	6.0 to TJLP + 2.48	278,821	1,798,941	2,077,762
. BNDES – Other	JLP + 4.82 and basket(i) + 2.06	181,016	499,328	680,344
. BNDES - FINAME	2.5 to 10.28	102,361	185,155	287,516
. Export credit notes (in R$)	CDI	102,452	745,000	847,452
. CRA	95% to CDI	1,461	845,916	847,377
. Other	1.0 to 6.8	55,661	54,328	109,989
. Commission		(4,649)	(19,182)	(23,831)
		717,123	4,109,486	4,826,609
In foreign currency (ii)				
. BNDES - Project Puma	USD + 6.6	148,403	988,525	1,136,928
. BNDES - Other	USD + 1.71 to 6.7	44,239	240,980	285,219
. Export prepayments	USD + Libor 6M + 1.7 to 6.4	1,050,639	5,942,157	6,992,796
. Export credit notes	USD + 2.0 to 8.0	312,917	755,136	1,068,053
. Export prepayments in subsidiaries	USD + 3.1 to 5.7	22,830	1,536,674	1,559,504
. BID	USD + Libor 6M + 1.4 to 1.78	75,953	751,858	827,811
. Finnvera	USD + Libor 6M + 1 to 3.4	130,124	973,545	1,103,669
. Commission		(21,852)	(124,448)	(146,300)
		1,763,253	11,064,427	12,827,680
Total parent company		**2,480,376**	**15,173,913**	**17,654,289**
Subsidiaries:				
In foreign currency (ii)				
. Bonds (Notes)	USD + 5.2	17,096	1,584,200	1,601,296
. Commission		(694)	(4,342)	(5,036)
. Elimination of prepayments in subsidiaries		(22,830)	(1,536,674)	(1,559,504)
		(6,428)	43,184	36,756
Total Consolidated		**2,473,948**	**15,217,097**	**17,691,045**

(i) Currency basket mainly comprising US Dollars

(ii) In US Dollars

KLABIN S.A.

All amounts in thousands of Reais

	Annual interest rate - %			12/31/2016
		Current	Non-current	Total
In local currency				
. BNDES - Project Puma	6.0 to TJLP + 2.48	275,339	1,840,803	2,116,142
. BNDES – Other	'JLP + 4.82 and basket(i) + 2.06	171,488	526,220	697,708
. BNDES - FINAME	2.5 to 10.28	102,389	210,599	312,988
. Export credit notes (in R$)	CDI	79,415	942,500	1,021,915
. Other	1.0 to 6.8	55,020	57,224	112,244
. Commission		(1,588)	(7,589)	(9,177)
		682,063	3,569,757	4,251,820
In foreign currency (ii)				
. BNDES - Project Puma	USD + 6.6	154,950	1,068,765	1,223,715
. BNDES - Other	USD + 1.71 to 6.7	41,935	263,248	305,183
. Export prepayments	USD + Libor 6M + 1.7 to 6.4	1,105,909	5,554,579	6,660,488
. Export credit notes	USD + 2.0 to 8.0	441,995	896,253	1,338,248
. Export prepayments in subsidiaries	USD + 3.1 to 5.7	33,495	1,580,664	1,614,159
. BID	USD + Libor 6M + 1,4 to 1,78	7,057	847,366	854,423
. Finnvera	USD + Libor 6M + 1 to 3.4	133,506	1,031,148	1,164,654
. Other	USD + 1.9	8,158	32,591	40,749
. Commission		(20,809)	(122,631)	(143,440)
		1,906,196	11,151,983	13,058,179
Total parent company		**2,588,259**	**14,721,740**	**17,309,999**
Subsidiaries:				
In foreign currency (ii)				
. Bonds (Notes)	USD + 5.2	38,980	1,629,550	1,668,530
. Commission		(715)	(4,644)	(5,359)
. Elimination of prepayments in subsidiaries		(33,495)	(1,580,664)	(1,614,159)
		4,770	44,242	49,012
Total Consolidated		**2,593,029**	**14,765,982**	**17,359,011**

(i) Currency basket mainly comprising US Dollars

(ii) In US 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 paper segment expansion project, referred to as MA 1100, in addition to the construction of the Project Puma 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). The Notes, of the Senior Notes 144A/Reg S type, amount to US$ 500 million and mature within ten years, with a coupon of 5.25% paid semi-annually. The raising of funds, which was concluded on July 16, 2014, had 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

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 amounts to US$ 460 millions, divided into two tranches: the first of US$ 414 millions with interest of 3.4% p.a. and the second tranche of US$ 46 millions, with interest of LIBOR 6M + 1% p.a., which two disembursments occurred in 2015 totaling US$ 325.7 milions and the remaining disembursments occurred in the fourth quarter of 2016, totaling US$ 364.3 millions. 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 millions, divided into two tranches: the first of US$ 150 millions with interest of LIBOR 6M +1.8% p.a. and the second tranche of US$ 150 millions, with interest of LIBOR 6M + 1.4% p.a.. In 2016 three disembursments occurred totaling US$ 260 milions. The remaining will be released in the fourth quarter of 2017.

CRA - Agribusiness Receivables Certificate

On March, 2017, the Company concluded its issue of simple debentures of CRA - Agribusiness Receivables Certificate by Eco Securitizadora de Direitos Creditórios do Agronegócio S.A. “CRA”.

The CRA offered, issued via the capital market, with maturity of 5 years and remuneration to the investor at the rate of 95% of CDI. In effect, the amount of R$ 845,9 millions was raised with the inflow of funds made on March 28, 2017.

b) Schedule of non-current maturities

The maturity dates of the Company's borrowing at March 31, 2017, classified in non-current liabilities in the consolidated balance sheet, are as follows:

Year	2018	2019	2020	2021	2022	2023	2024 onwards	Total
Amount	1,447,564	2,348,600	2,276,600	2,391,900	3,106,100	1,354,200	2,292,133	15,217,097

c) Summary of changes in borrowing

	Parent company	Consolidated
At December 31, 2015	**16,151,370**	**16,551,241**
Borrowing	4,855,343	4,505,275
Accrued interest	989,976	980,258
Foreign exchange and monetary variations	(2,345,511)	(2,335,755)
Repayments and payment of interest	(2,341,179)	(2,342,008)
At December 31, 2016	**17,309,999**	**17,359,011**
Borrowing	1,527,312	1,527,222
Accrued interest	256,575	250,752
Foreign exchange and monetary variations	(406,013)	(407,610)
Repayments and payment of interest	(1,033,584)	(1,038,330)
At March 31, 2017	**17,654,289**	**17,691,045**

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 stockholders 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.

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.

As reported to the debenture holders published on August 02, 2016, the Company reported that it reached the operational level of the pulp plant in accordance with item 4.6.3 of the Deed of Issue, with the production and sale of 300 thousand tons of pulp.

Accordingly, on January 31, 2018, the Company will convert all outstanding debentures into Units.

In addition, debentureholders are included in any profit distribution to the Company's stockholders, 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, the debentures started to be traded on the São Paulo Commodities, Futures and Stock Exchange (BM&FBOVESPA), under the ticker symbol KLBN-DCA61.

All amounts in thousands of Reais

In accordance with 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.

b) Seventh issue of debentures

The Company concluded its seventh issue of debentures on June 23, 2014, issuing 55,555,000 simple debentures, with personal sureties, 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.

	Number	Unit value	Total value (R$ thousand)	Interest rate	Maturity	Amortization	Interest	Nature	Subscription bonus
First series	27,777,500	14.40	399.996	IPCA + 7.25%	6/15/2020	Without amortization	Semi-annual	Convertible debt	Yes
Second series	27,777,500	14.40	399.996	IPCA + 2.50%	6/15/2022	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.

(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 acquired 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 stockholders in the market.

c) Composition of the balance of debentures

All amounts in thousands of Reais

	Parent company and Consolidated			Parent company and Consolidated		
			03/31/2017			12/31/2016
	6th Issue	7th Issue	Total	6th Issue	7th Issue	Total
Current liabilities						
. Principal	-	61,538	61,538	-	61,538	61,538
. Interest	136,000	16,580	152,580	136,000	69	136,069
. Monetary restatement/profit sharing	58,581	-	58,581	47,473	-	47,473
. Adjustment to present value of interest	(12,530)	-	(12,530)	-	-	-
	182,051	78,118	260,169	183,473	61,607	245,080
Non-current liabilities						
. Principal	-	676,881	676,881	-	676,881	676,881
. Interest	-	-	-	136,000	-	136,000
. Adjustment to present value of interest	-	-	-	(15,093)	-	(15,093)
. Monetary restatement/profit sharing	-	37,838	37,838	62,799	32,372	95,171
. Subscription bonus	-	(28,503)	(28,503)	-	(28,503)	(28,503)
	-	686,216	686,216	183,706	680,750	864,456
Equity - capital reserve						
. Debentures issued	1,691,552	-	1,691,552	1,691,552	-	1,691,552
. Interest up to maturity at present value	(410,119)	-	(410,119)	(410,119)	-	(410,119)
. Subscription bonus	-	28,503	28,503	-	28,503	28,503
. Cost of the issue of debentures	(29,841)	-	(29,841)	(29,841)	-	(29,841)
	1,251,592	28,503	1,280,095	1,251,592	28,503	1,280,095
Total	1,433,643	792,837	2,226,480	1,618,771	770,860	2,389,631

In 2017 were paid R$ 186,003 of interest of the 6th issue of the debentures

Due to the exercise of the right of conversion requested by the debentures holders of the 6th emission, 135,172 debentures were converted into shares since the end of the lock-up period on July 6, 2015. From this total, 22,082 debentures were converted in 2016 and in 2017 there has still been no conversion.

16 TRADE PAYABLES

	Parent company		Consolidated	
	03/31/2017	12/31/2016	03/31/2017	12/31/2016
Local currency	530,722	590,754	530,836	591,234
Foreign currency	25,726	29,148	37,208	43,622
	556,448	**619,902**	**568,044**	**634,856**

The Company's average payment term to operational suppliers is approximately 37 days. 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

Because of construction of a new pulp plant ("Puma Project"), contracts were negotiated with suppliers related to main machines, equipment and services totaling approximately R$ 166 millions committed in March 31, 2017 and should be disbursed during 2017.

The Company has several land lease agreements for the development of forestry activities in pine and eucalyptus signed with third parties in the states of São Paulo, Parana and Santa Catarina with maturity until 2041. Is calculated based on the real / hectare agreed between the parties for the defined periods.

The projection of the amounts that will be disbursed over the years can be presented as follows.

All amounts in thousands of Reais

	03/31/2017
	Consolidated
2017	16,887
2018	21,231
2019	19,841
2020	17,902
2021	14,403
2022 - 2026	42,411
2027 - 2031	22,207
2032 - 2036	9,643
2037 - 2041	1,401
	165,926

The Company and its subsidiaries did not have other material future commitments at the end of the reporting period not disclosed in these quarterly information, which are no longer disclosed.

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 losses considered as probable, as follows:

				03/31/2017
In the parent company:	**Provisioned amount**	**Restricted judicial deposits**	**Net liability**	**Unrestricted judicial deposits**
Tax:				
. PIS/COFINS	-	-	-	28,786
. ICMS/IPI	-	-	-	22,319
. Income tax/social contribution	(3,573)	3,573	-	139
. Other	(1,546)	1,547	-	2,812
	(5,119)	5,120	-	54,056
Labor	(52,971)	24,627	(28,344)	-
Civil	(10,528)	5,901	(4,627)	-
	(68,618)	**35,648**	**(32,971)**	**54,056**
Subsidiaries:				
Other	1	-		-
Consolidated	**(68,617)**	**35,648**	**(32,971)**	**54,056**

All amounts in thousands of Reais

				12/31/2016
In the parent company:	**Provisioned amount**	**Restricted judicial deposits**	**Net liability**	**Unrestricted judicial deposits**
Tax:				
. PIS/COFINS	-	-	-	28,366
. ICMS/IPI	-	-	-	22,320
. Income tax/social contribution	(3,573)	3,573	-	139
. Other	(1,546)	1,546	-	2,499
	(5,119)	5,119	-	53,324
Labor	(54,386)	21,475	(32,911)	-
Civil	(10,978)	4,331	(6,647)	-
	(70,483)	**30,925**	**(39,558)**	**53,324**
Subsidiaries:				
Other	-	-	-	1,455
Consolidated	**(70,483)**	**30,925**	**(39,558)**	**54,779**

The risks for which provisions were made by the Company at March 31, 2017 relate to tax lawsuits, comprising mainly challenges regarding income tax and social contribution on monetary restatements under Law 8,200/91; labor lawsuits filed by former employees of the Company's plants claiming labor rights (severance pay, overtime, hazardous duty and health hazard premiums), indemnities and joint liability; civil lawsuits relating mainly to compensation claims for tangible damage and/or pain and suffering resulting from accidents.

b) Summary of changes in the provisioned amounts

				Consolidated
	Tax	**Labor**	**Civil**	**Net exposure**
At December 31, 2015	**-**	**(34,488)**	**(7,941)**	**(42,429)**
New lawsuits/increases	-	(5,707)	(1,439)	**(7,146)**
(Provision)/reversals	-	5,148	1,568	**6,716**
Monetary variations	(5,119)	(19,339)	(3,165)	**(27,623)**
Judicial deposits variations	5,119	21,475	4,330	**30,924**
At December 31, 2016	**-**	**(32,911)**	**(6,647)**	**(39,558)**
New lawsuits/increases	-	(2,694)	-	**(2,694)**
(Provision)/reversals	-	7,261	2,020	**9,281**
Monetary variations	-	-	-	-
Judicial deposits variations	-	-	-	-
At March 31, 2017	**-**	**(28,344)**	**(4,627)**	**(32,971)**

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

At March, 2017, the Company and its subsidiaries were parties to other tax, labor and civil litigation involving risks of loss evaluated as "possible", totaling approximately: R$1,599,834, R$242,072 and R$112,967 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 provided for, since the likelihood of loss is assessed as only possible.

d) Lawsuits filed by the Company

All amounts in thousands of Reais

At March 31, 2017, the Company was a plaintiff in lawsuits of which there was no accounting recognition in its quarterly information: the related assets will only be recognized after a final and unappealable decision is rendered and the gain is virtually certain.

The Company's legal counsel assessed the likelihood of a favorable outcome in some of the lawsuits as "probable", including claims for deemed Excise Tax (IPI) credits on purchases of electrical power, 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 in the parent company and consolidated totaled R$ 401,571 at March 31, 2017 which R$ 68,073 is accounted on current liabilities and R$ 333,498 on non-current liabilities(R$ 407,248 at December 31, 2016, R$ 66,884 on current and R$ 340,364 on non-current), restated at the effective interest rate, which considers the future values and the SELIC variation. The balance is being paid in monthly installments, with settlement projected for 2029.

18 EQUITY

a) Share capital

The Company's subscribed and paid-up capital was R$ 2,384,484 at March 31, 2017 (R$ 2,384,484 at December 31, 2016), comprising 4,733,181,140 shares at March 31, 2017 (4,733,181,140 at December 31, 2016), without par value, held as follows:

	03/31/2017		12/31/2016	
Stockholders	Common shares	Preferred shares	Common shares	Preferred shares
BNDESPAR	42,573,128	170,292,512	42,573,128	170,292,512
The Bank of New York Departament	55,754,024	223,016,096	57,901,224	231,604,896
Capital World Investors	63,895,500	255,582,000	58,026,600	232,106,400
Monteiro Aranha S/A	51,856,632	207,426,528	49,290,692	197,194,218
BlackRock, Inc	36,199,613	144,798,454	-	-
Klabin Irmãos & Cia	941,837,040	-	941,837,080	-
Niblak Participações S/A	142,023,010	-	142,023,010	-
Other	484,401,876	1,759,876,267	525,670,981	1,924,921,399
Treasury shares	30,729,692	122,918,768	31,947,800	127,791,200
	1,849,270,515	**2,883,910,625**	**1,849,270,515**	**2,883,910,625**

Besides common and preferred registered shares, the Company negotiates certificates of deposit of shares, refered 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.

b) Treasury shares

The Company maintained 153,648,460 shares of its own issue in treasury at March 31, 2017, corresponding to 30,729,692 Units. The price on the São Paulo Stock Exchange was R$ 15.15 per Unit at March 31, 2017 (code KLBN11 - BM&FBovespa).

The Company bought back 550,000 Units in January, 2017, at an average price of R$16.58 per Unit, totaling R$ 11,468.

All amounts in thousands of Reais

In accordance with the stock option plan described in Note 22, granted as long-term remuneration to the Company's officers, 4,420,270 treasury shares were sold in February 2017, corresponding to 884,054 Units. The right to use 4,420,270 shares, corresponding to 884,054 “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, that are not computed in the results for the year, up to their effective realization.

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.

	Parent company and Consolidated	
	03/31/2017	**12/31/2016**
Deemed cost of property, plant and equipment (land)	1,085,208	1,085,208
Foreign exchange variations - subsidiaries abroad	(56,458)	(56,505)
Stock option plan	(2,160)	4,115
Actuarial liability	(3,798)	(4,580)
	1,022,792	**1,028,238**

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 stockholders as remuneration of invested capital in the fiscal year. All stockholders 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 stockholders 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.

According to the stockholders' approval at the Extraordinary and Ordinary General Meeting held on March 08, 2017, the Company distributed supplementary dividends for 2016 of R$ 180,000.
In the fist quarter, R$ 129,891 was paid and remaining portion of R$50,000 will be effectively paid on May 12, 2017.

e) Share of profits of mandatory convertible debentures

All amounts in thousands of Reais

As mentioned in Note 15, the holders of debentures mandatorily convertible into shares of the sixth issue are entitled to a share of the profits upon the distribution of dividends to the Company's stockholders.

The amount is calculated considering the number of shares that will be converted in the future, corresponding to 135,324,140 common shares and 541,296,560 preferred shares, after the conversions in advance occurred up to until March 31, 2017. In 2016 it was paid R$19,233 of share of profits to the debentures holder of the 6th emission.

19 NET SALES REVENUE

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

	Parent company		Consolidated	
	From 1/1 to 03/31/2017	From 1/1 to 03/31/2016	From 1/1 to 03/31/2017	From 1/1 to 03/31/2016
Gross sales revenue	2,146,563	1,690,353	2,165,141	1,715,342
Discounts and rebates	(23,476)	(7,095)	(25,776)	(12,488)
Taxes on sales	(262,931)	(229,852)	(272,673)	(239,377)
	1,860,156	**1,453,406**	**1,866,692**	**1,463,477**
. Domestic market	1,100,306	953,380	1,112,056	946,433
. Foreign market	759,850	500,026	754,636	517,044
Net sales revenue	**1,860,156**	**1,453,406**	**1,866,692**	**1,463,477**

20 COSTS, EXPENSES AND OTHER INCOME, BY NATURE

	Parent company		Consolidated	
	From 1/1 to 03/31/2017	From 1/1 to 03/31/2016	From 1/1 to 03/31/2017	From 1/1 to 03/31/2016
Variable costs (raw materials and consumables)	(756,052)	(506,381)	(728,870)	(503,968)
Personnel	(338,354)	(261,018)	(341,772)	(263,655)
Depreciation, amortization and depletion	(419,049)	(254,853)	(450,477)	(250,779)
Freight	(91,350)	(64,723)	(93,601)	(66,104)
Commission	(5,057)	(2,616)	(5,819)	(3,437)
Services contracted	(99,032)	(68,784)	(100,032)	(69,479)
Revenue from sales of property, plant and equipment	35,830	111	35,830	111
Cost of sales and write-offs of property, plant and equipment	(21,654)	(555)	(21,654)	(555)
Deemed cost of property, plant and equipment (land)	(28,203)	-	(28,203)	-
Other	(79,124)	(60,276)	(80,738)	(56,645)
	(1,802,045)	**(1,219,095)**	**(1,815,336)**	**(1,214,511)**

All amounts in thousands of Reais

21 FINANCE RESULT

	Parent company		Consolidated	
	From 1/1 to 03/31/2017	From 1/1 to 03/31/2016	From 1/1 to 03/31/2017	From 1/1 to 03/31/2016
Finance income				
. Income from financial investments	173,801	137,384	179,647	148,611
. Social Integration Program (PIS)/Social Contribution on Revenue (COFINS) on interest income	(12,648)	-	(12,648)	-
. Other (i)	98,230	8,612	98,543	8,611
	259,383	145,996	265,542	157,222
Finance costs				
. Interest on borrowing and debentures	(280,614)	(290,670)	(278,430)	(291,380)
. Interest on REFIS (ii)	(11,249)	(12,210)	(11,249)	(12,210)
. Capitalized interest in property, plant and equipment (iii)	-	130,640	-	130,640
. Amortization of present value adjustments to debentures	(3,846)	(7,254)	(3,846)	(7,254)
. Loan guarantees from related parties	(7,902)	(7,333)	(7,902)	(7,333)
. Investor remuneration - SPCs	-	-	(11,908)	(9,743)
. Other	(11,839)	(19,001)	(12,087)	(26,848)
	(315,450)	(205,828)	(325,422)	(224,128)
Exchange variations				
. Foreign exchange variations on assets	(38,333)	(130,583)	(39,606)	(129,552)
. Foreign exchange variations on liabilities	420,774	1,211,763	417,879	1,209,088
	382,441	1,081,180	378,273	1,079,536
Finance result	326,374	1,021,348	318,393	1,012,630

(i) See Note 9 relative to IPI credits gain in tax litigation.
(ii) See Note 17.
(iii) See Note 12.

22 STOCK OPTION PLAN

The Extraordinary General Meeting of Stockholders 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 the private transactions included in the incentive plan for its directors and employees, except for the controlling stockholders, 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% 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 to them the ownership of the shares after three years, provided that the clauses established in the plan are complied with.

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

The value of the acquisition of treasury shares by the beneficiaries of the plan will be 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 BOVESPA on the transaction date.

The clauses that grant the transfer of shares establish the participation of the beneficiary in the Company and stipulate that the shares acquired on enrollment in the plan may not be sold. 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.

All amounts in thousands of Reais

The shares granted and the expense proportional to the grant term, recorded in the results, 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.

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

a) Statutory and non-statutory Board members

	Plan 2012	Plan 2013	Plan 2014	Plan 2015	Plan 2016	Total
Start of the plan	01/03/2013	01/03/2014	01/03/2015	01/03/2016	24/02/2017	
Final grant date	01/03/2016	01/03/2017	01/03/2018	01/03/2019	24/02/2020	
Treasury shares acquired by the beneficiaries (i)	1,904,500	2,302,500	1,855,000	1,475,000	2,774,345	12,686,345
Purchase value per share (R$) (i)	2.57	2.34	2.84	4.23	6.68	
Treasury shares granted with right to use (i)	1,904,500	2,302,500	1,855,000	1,475,000	2,774,345	12,686,345
Value of the right to use per share (R$) (i)	2.67	2.29	3.26	4.30	6.68	
Accumulated plan expenses - from the beginning	5,089	5,263	4,505	2,645	954	22,622
Expenses of the plan - 1/1 to 03/31/2016	283	586	789	176	-	1,834
Expenses of the plan - 1/1 to 03/31/2017	-	292	809	744	954	2,799

(i) Considers the stock split mentioned in Note 1, Financial statements at December 31,2015 .

a) Key personnel

	Plan 2012	Plan 2013	Plan 2014	Plan 2016	Plan 2016	Total
Start of the plan (ii)	01/03/2013	30/04/2014	30/04/2015	30/03/2016	24/02/2017	
Final grant date	01/03/2016	30/04/2017	30/04/2018	30/03/2019	24/02/2020	
Treasury shares acquired by the beneficiaries (i)	-	-	-	-	1,531,400	1,531,400
Purchase value per share (R$) (i)	-	-	-	-	6.68	
Treasury shares granted with right to use (i)	682,500	542,500	372,500	351,000	1,531,400	3,479,900
Value of the right to use per share (R$) (i)	2.67	2.30	3.36	4.34	6.68	
Accumulated plan expenses - from the beginning	1,824	1,269	914	507	152	4,666
Expenses of the plan - 1/1 to 03/31/2016	101	105	114	-	-	320
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) The 2012 plan was granted in June 2013, on a retrospective basis.

23 EARNINGS (LOSS) PER SHARE

Basic earnings (loss) 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 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 does not have dilutive effect.

The diluted earnings (loss) per share are equal to the basic earnings (loss) per share.

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 quarter ended March 31, 2017. The weighted average used in the calculation of earnings (loss) per share was determined as follows:

All amounts in thousands of Reais

Weighted average number of treasury shares - March 31, 2017 (i)				
Jan		Feb and Mar		3M17
162.489.000 x 1/3	+	153.648.460 x 2/3	+ =	156,595,307

(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.

The table below, presented in R$, reconciles the profit or loss for the quarter and three-month period ended March 31, 2017 and 2016 with the amounts used in the calculation of basic and diluted earnings (loss) per share:

	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			
Loss attributable to each class of shares (R$)	**223,848,183**	**378,176,817**	**602,025,000**
Weighted average number of outstanding shares	**1,953,275,594**	**3,299,930,940**	**5,253,206,533**
Basic and diluted loss per share (R$)	**0.1146**	**0.1146**	

	Parent company and Consolidated		
	From 1/1 to 03/31/2016		
	Common (ON)	Preferred (PN)	Total
Denominator			
Total weighted average number of shares	1,849,269,750	2,883,907,565	4,733,177,315
Number of shares to be converted from debentures	135,324,905	541,299,620	676,624,525
Weighted average number of treasury shares	(30,518,767)	(122,075,067)	(152,593,833)
Weighted average number of outstanding shares	**1,954,075,888**	**3,303,132,118**	**5,257,208,007**
% of shares in relation to the total	**37.17%**	**62.83%**	**100%**
Numerator			
Loss attributable to each class of shares (R$)	**399,018,626**	**674,493,374**	**1,073,512,000**
Weighted average number of outstanding shares	**1,954,075,888**	**3,303,132,118**	**5,257,208,007**
Basic and diluted loss per share (R$)	**0.2042**	**0.2042**	

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.

All amounts in thousands of Reais

(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 03/31/2017					
	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**

	From 1/1 to 03/31/2016					
	Forestry	Paper	Conversion	Pulp	Corporate/ eliminations	Total Consolidated
Net revenue:						
.Domestic market	78,936	370,619	497,386	-	(508)	**946,433**
.Foreign market	-	451,794	65,250	-	-	**517,044**
Revenue from sales to third parties	**78,936**	**822,413**	**562,636**	**-**	**(508)**	**1,463,477**
Revenue between segments	222,378	286,090	2,909	-	(511,377)	-
Total net sales	**301,314**	**1,108,503**	**565,545**	**-**	**(511,885)**	**1,463,477**
Changes in the fair value of biological assets	63,447	-	-	-	-	**63,447**
Cost of products sold	(370,899)	(665,791)	(469,053)	-	501,583	**(1,004,160)**
Gross profit	**(6,138)**	**442,712**	**96,492**	**-**	**(10,302)**	**522,764**
Operating income (expenses)	(13,982)	(104,391)	(67,902)	(449)	(16,533)	**(203,257)**
Operating result before finance result	**(20,120)**	**338,321**	**28,590**	**(449)**	**(26,835)**	**319,507**
Sales of products (in metric tons)						
.Domestic market	-	135,539	155,148		-	**290,687**
.Foreign market	-	154,156	9,747		-	**163,903**
.Inter-segmental	-	181,113	555		(181,668)	-
	-	**470,808**	**165,450**	**-**	**(181,668)**	**454,590**
Sales of timber (in metric tons)						
.Domestic market	489,995	-	-	-	-	**489,995**
.Inter-segmental	2,437,383	-	-	-	(2,437,383)	-
	2,927,378	**-**	**-**	**-**	**(2,437,383)**	**489,995**
Investments during the period	44,987	47,559	24,459	734,935	1,441	**853,381**
Depreciation, depletion and amortization	(177,104)	(57,979)	(13,944)	-	(1,752)	**(250,779)**

All amounts in thousands of Reais

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, 2017 and 2016:

	Consolidated			Consolidated	
	From 1/1 to 03/31/2017			From 1/1 to 03/31/2016	
Country	Total revenue (R$/million)	% of total net revenue	Country	Total revenue (R$/million)	% of total net revenue
Austria	377	20.2%	Argentina	143	9.8%
China	115	6.2%	China	72	4.9%
Argentina	68	3.6%	Singapore	58	4.0%
Turkey	19	1.0%	Italy	52	3.6%
Suiça	18	1.0%	Ecuador	21	1.4%
South Africa	16	0.9%	Turkey	20	1.4%
Ecuador	15	0.8%	France	13	0.9%
Singapore	11	0.6%	Mexico	13	0.9%
Colombia	9	0.5%	Chile	13	0.9%
Italy	9	0.5%	Nigeria	11	0.8%
Other	98	5.2%	Other	101	6.9%
	755	**40%**		**517**	**35%**

In the paper segment, in the quarter ended March 31, 2017, in pulp and paper segments, two clients were responsible for approximately 40% of the Company's net revenue, corresponding to approximately R$ 746,677 (R$ 336,000 for the quarter ended March 31, 2016 or 23%). 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.

c) Pro forma net sales revenue

As mentioned in Note 3, the Company is party to a joint venture that operates in the forestry segment, named Florestal Vale do Corisco, which is not consolidated, and which is accounted for using the equity accounting method, considering its share of the investment.

If the jointly-controlled investee were consolidated in the Company's financial statements, pro forma net sales revenue for the quarter ended March 31, 2017 would be R$ 1,882,000 (R$ 1,483,377 in the quarter ended March 31, 2016).

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.

All amounts in thousands of Reais

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 instrument 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, available-for-sale instruments, and derivative financial instruments.

(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	
	03/31/2017	12/31/2016
Bank deposits and financial investments	788,556	860,081
Trade receivables (net of provision for doubtful debts)	527,941	555,093
Other assets and liabilities	(22,100)	(29,100)
Borrowing	(12,864,436)	(13,107,191)
Net exposure	**(11,570,039)**	**(11,721,117)**

The balance of this net exposure at March 31, 2017 was as follows:

Year	2017	2018	2019	2020	2021	2022	2023 onwards	Total
Amount	(1,218,400)	(1,492,400)	(1,776,700)	(1,693,900)	(1,879,000)	(1,836,300)	(1,673,339)	**(11,570,039)**

The Company did not have derivative contracts to hedge against long term foreign exchange exposure at March 31, 2017. 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$ 800 million 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 financial investments 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.

All amounts in thousands of Reais

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:

	Consolidated	
	03/31/2017	**12/31/2016**
Financial investments - CDI	5,852,145	4,979,048
Financial investments - Selic	193,292	187,594
Financial investments - IPCA	412,776	403,709
Asset exposure	**6,458,213**	**5,570,351**
Financing - CDI	(1,694,829)	(1,021,915)
Financing - TJLP	(2,758,106)	(2,813,850)
Financing - LIBOR	(8,924,276)	(8,679,565)
Debentures - IPCA	(764,334)	(742,357)
Liability exposure	**(14,141,545)**	**(13,257,687)**

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, financial investments and other financial instruments that are contracted. The exposure relates mainly to financial investments 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:

	Consolidated	
	03/31/2017	**12/31/2016**
National rating AAA(bra) (i)	6,973,277	6,161,557
National rating AA+(bra)	285,300	302,466
	7,258,577	**6,464,023**

(i)The Financial Treasury Bills (LFTs) are included in this group due to the low risk of the operation.

Credit risk

Credit risk is the risk that a counterparty to a transaction will not fulfill an obligation established in a financial instrument 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 trade receivables).

At March 31, 2017, the maximum exposure to credit risk was the carrying amount of the trade receivables shown in Note 6.

All amounts in thousands of Reais

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.

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 contracted by the Company and reported in the consolidated balance sheet: the amounts include principal and future interest on transactions, calculated using the rates and indexes prevailing at March 31, 2017:

	2017	2018	2019	2020	2021	20122	2023 onwards	Total
Trade payables	(568,044)	-	-	-	-	-	-	**(568,044)**
Financing/debentures	(2,083,104)	(3,547,996)	(3,217,444)	(3,095,699)	(3,160,855)	(4,002,947)	(3,879,315)	**(22,987,360)**
Total	**(2,651,148)**	**(3,547,996)**	**(3,217,444)**	**(3,095,699)**	**(3,160,855)**	**(4,002,947)**	**(3,879,315)**	**(23,555,404)**

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

Capital management

The Company's capital structure comprises net debt, consisting of borrowing (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:

	Consolidated	
	03/31/2017	**12/31/2016**
Cash and cash equivalents and marketable securities	7,258,577	6,464,023
Borrowing and debentures	(18,637,430)	(18,468,547)
Net indebtedness	**(11,378,853)**	**(12,004,524)**
Equity	7,682,108	7,100,336
Net indebtedness ratio	**(1.48)**	**(1.69)**

b) Financial instruments, by category

The Company has the following categories of financial instruments:

All amounts in thousands of Reais

	Consolidated	
	03/31/2017	**12/31/2016**
Assets - fair value by result		
. Cash and cash equivalents	6,652,509	5,872,720
	6,652,509	**5,872,720**
Assets - loans and receivables		
. Trade receivables (net of provision for impairment of trade receivables)	1,312,855	1,625,380
. Other assets	699,233	661,772
	2,012,088	**2,287,152**
Assets - available for sale		
. Marketable securities	606,068	591,303
	606,068	**591,303**
Liabilities - at amortized cost		
. Borrowing and debentures	18,637,430	18,468,547
. Trade payables	568,044	634,856
. Other payables	1,115,449	1,087,383
	20,320,923	**20,190,786**

Loans and receivables and other financial liabilities at amortized cost

The financial instruments included in this group refer to balances arising from usual transactions, such as trade receivables, trade payables, borrowing, financial investments and cash and cash equivalents. 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.

Available-for-sale financial assets

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 impact the future results, based on the exposure at March 31, 2017. The effects on equity are basically the same as those on the results.

(i) Foreign exchange exposure

The Company had assets and liabilities indexed to a foreign currency in the balance sheet at March 31, 2017, 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 2017, according to the maturity schedule shown in Note 14, and, therefore, foreign exchange variations in this analysis will not have an 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, borrowing, trade 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.

All amounts in thousands of Reais

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, 2017:

	At 03/31/2017	Scenario I		Scenario II		Scenario III	
	US$	Rate	R$ gain (loss)	Rate	R$ gain (loss)	Rate	R$ gain (loss)
Assets							
Cash and cash equivalents	248,881	3.10	(16,128)	3.88	177,104	4.66	371,232
Trade receivables, net of provision for doubtful debts	166,627	3.10	(10,797)	3.88	118,572	4.66	248,541
Other assets and liabilities	(6,975)	3.10	452	3.88	(4,964)	4.66	(10,404)
Financing	(4,060,231)	3.10	263,103	3.88	(2,889,260)	4.66	(6,056,241)
Net effect on finance results			**236,630**		**(2,598,548)**		**(5,446,872)**

(ii) Exposure to interest rate fluctuations

Financial investments and financing, except those subject to TJLP, IPCA, SELIC and LIBOR, are indexed to the CDI floating interest rate. For sensitivity analysis purposes, the Company adopted the rates prevailing at dates close to the presentation dates of financial statements 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, considering the balances at March 31, 2017:

		At 03/31/2017	Scenario I		Scenario II		Scenario III	
		US$	Rate	R$ gain (loss)	Rate	R$ gain (loss)	Rate	R$ gain (loss)
Financial investments								
CDBs	CDI	5,852,145	13.75%	585	17.20%	201,899	20.64%	403,213
LFTs	Selic	193,292	12.25%	(1,933)	14.06%	3,503	16.88%	8,940
NTN - B	IPCA	412,776	4.57%	83	5.74%	4,819	6.89%	9,556
Financing								
Export credit notes (R$)	CDI	(1,694,829)	13.75%	(169)	17.20%	(58,472)	20.64%	(116,774)
BNDES	TJLP	(2,758,106)	7.50%	13,791	8.75%	(34,476)	10.50%	(82,743)
Debentures	IPCA	(764,334)	4.57%	(153)	5.74%	(8,924)	6.89%	(17,694)
Export prepayments	Libor	(8,924,276)	1.79%	2,875	2.20%	(36,419)	2.64%	(75,713)
Net effect on finance results				**15,079**		**71,930**		**128,785**

26 EVENTS AFTER THE REPORTING PERIOD

2017 interim dividend distribution

The Extraordinary Meeting of the Board of Directors held on April 26, 2017 approved the distribution of interim dividends for 2018 of R$ 159,000 with Revenue reserves, corresponding to R$ 34.71 per thousand common and preferred shares and R$ 173.59 per thousand Units, R$58 millions will be payed on May 12, 2017 the ammout of R$58 millions and R $ 101 millions on August 08, 2017.

Spin-off Vale do Corisco

On April 12, 2017, Management published the Call Notice for the Extraordinary Shareholders' Meeting to be held on April 28, 2017 to resolve on a partial control of joint ventures Florestal Vale do Corisco, with a merger of balances and an accounting value by the Company and Arauco.

The objective of this operation is the Company's strategy to use certain forest assets in a more autonomous and efficient manner, with a view to supplying wood to the plants located in the regions where the assets are located.

The assets of Vale do Corisco were evaluated by outsourced specialists and made available to the shareholders in the delivery of the Proposal of the Meeting. Vale do Corisco's shareholders' equity to be merged into Klabin de Monte Alegre and Ortigueira corresponds to the amount of R $ 379,143, equivalent to a 51% interest in the Vale do Corisco’s total capital, substantially composed of the fair value of the forests that will be absorbed in the operation.

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 commences operations in the first quarter of 2016.

Some variables considered in the projections depend on internal factors of the Company, such as: implementation schedule of the Puma Project, preventive and corrective maintenance of assets, performance of the production process, compliance with financial planning, 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) Net Indebtedness Ratio (net indebtedness/ EBITDA) of 4.2x at the end of 2016 and 3.2x at the end of 2017;
ii) 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.

On March 31, 2017, the Company's financial leverage ratio closed at 4.9x the ratio (Net Debt / Adjusted EBITDA), which is higher than the 4.2x expectations due to changes in market conditions that impacted operations. Of the Company, in particular the price of pulp and the exchange. Adjusted EBITDA of R $ 653 million, which includes sales of pulp in volumes slightly below capacity as being closer to the Company's normal level of measurement for an ideal 12-month period, the leverage ratio would have a ratio of 4, 6x.

For the quarter ended in March 31, 2017 estimates of Cash Cost of Production remain unchanged.

Other information considered relevant by the Company

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, 2017 and 2016.

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 los, nor as an indication of liquidity.

		Consolidated	
		From 1/1 to 03/31/2017	From 1/1 to 03/31/2016
(=)	Profit (loss) for the period	602,025	1,073,512
(+)	Income tax and social contribution	257,619	258,625
(+/-)	Finance results, net	(318,393)	(1,012,630)
(+)	Amortization, depreciation and depletion in the results	450,477	250,779
EBITDA		**991,728**	**570,286**
Adjustments pursuant to CVM Instruction 527/12			
(-)	Changes in the fair value of biological assets (i)	(483,306)	(63,447)
(-)	Equity in the results of investees (ii)	(6,589)	(7,094)
(+)	Realization od deemed cost of property, plant and equipment-land (iii)	28,203	-
(+)	EBITDA of a joint venture (ii)	8,586	12,404
Adjusted EBITDA		**538,622**	**512,149**

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 requeride 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. In the consolidated statement of operations, the equity in the results of investees recorded relates to joint ventures.

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, equivalent to the Company's investment.

(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

In the presentation of the number of shares described below, for the whole period, the Company considered the stock split approved at the Meeting held on March 08, 2017, establishing the division of each unit share into five shares of the same class and type.

a) Company's ownership interest

	SHARES					
STOCKHOLDER	**ON**	**%**	**PN**	**%**	**TOTAL**	**%**
Klabin Irmãos & Cia.	941,837,040	50.93		-	941,837,040	19.90
Niblak Participações S.A.	142,023,010	7.68		-	142,023,010	3.00
Capital World Investors	63,895,500	3.46	255,582,000	8.86	319,477,500	6.75
The Bank Of New York ADR Department **(*)**	55,754,024	3.01	223,016,096	7.73	278,770,120	5.89
Monteiro Aranha S.A.	51,856,632	2.80	207,426,528	7.19	259,283,160	5.48
BNDES Participações S.A. BNDESPAR	42,573,128	2.30	170,292,512	5.90	212,865,640	4.50
BlackRock	36,199,613	1.96	144,798,454	5.02	180,998,067	3.82
Treasury shares	30,729,692	1.66	122,918,768	4.26	153,648,460	3.25
Other **(**)**	484,401,876	26.19	1,759,876,267	61.02	2,244,278,143	47.42
TOTAL	**1,849,270,515**	**100.00**	**2,883,910,625**	**99.99**	**4,733,181,140**	**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.

	QUOTAS	
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.

Other information considered relevant by the Company

CONTROLLING STOCKHOLDER/ INVESTOR:

Jacob Klabin Lafer Adm. Partic. S.A.

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

CONTROLLING STOCKHOLDER/ INVESTOR:

Miguel Lafer Participações S.A.

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

CONTROLLING STOCKHOLDER/ INVESTOR:

VFV Participações S.A.

	SHARES	
STOCKHOLDERS	**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.

	SHARES					
STOCKHOLDERS	**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.

	SHARES					
STOCKHOLDERS	**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**

Other information considered relevant by the Company

CONTROLLING STOCKHOLDER/ INVESTOR:
GLIMDAS Participações S.A.

	SHARES					
STOCKHOLDERS	**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	0.001
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.

	SHARES	
STOCKHOLDERS	**ON**	**% Total**
Daniel Miguel Klabin	1,627,732	53.065
Rose Klabin (*)	479,900	15.645
Amanda Klabin (*)	479,900	15.645
David Klabin (*)	479,900	15.645
TOTAL	**3,067,432**	**100.000**

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

CONTROLLING STOCKHOLDER/ INVESTOR:
DAWOJOBE Participações S.A.

	SHARES	
STOCKHOLDERS	**ON**	**%**
Armando Klabin	4	0.20
Wolff Klabin (*)	516	24.95
Daniela Klabin (*)	516	24.95
Bernardo Klabin (*)	516	24.95
José Klabin (*)	516	24.95
TOTAL	**2,068**	**100.00**

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

Other information considered relevant by the Company

CONTROLLING STOCKHOLDER/ INVESTOR:

ESLI Participações S.A. (*)

	SHARES	
STOCKHOLDERS	**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.(*)

	SHARES	
STOCKHOLDERS	**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.

	SHARES	
STOCKHOLDERS	**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

In the presentation of the number of shares described below, for the whole period, the Company considered the stock split approved at the Meeting held on March 08, 2017, establishing the division of each unit share into five of the same class and type.

Other information considered relevant by the Company

STOCKHOLDER	Type	March 31, 2016 Number of shares	March 31, 2016 %	Changes Purchase/ Subscription	Changes Sale	Changes New Investors	Changes Whitdrawals	Changes Corporate changes*	March 31, 2017 Number of shares	March 31, 2017 %	Change %
Stockholders	ON	1,257,720,498	68.03	60,900	-1,262,300	0	0	0	1,256,519,098	67.95	-0.10
	PN	423,671,017	14.70	243,600	-5,049,200	0	0	0	418,865,417	14.52	-1.13
Members of the Board of	ON	42,694,496	2.31	0	-5,010,000	5,007,050	0	0	42,691,546	2.31	-0.01
	PN	166,060,544	5.76	0	-20,040,000	20,008,200	0	0	166,028,744	5.76	-0.02
Members of the Executive Board	ON	3,083,490	0.17	1,107,844	-288,600	0	0	0	3,902,734	0.21	-
	PN	12,333,960	0.43	4,431,376	-1,154,400	0	0	0	15,610,936	0.54	26.57
Members of the Statutory Audit Board	ON	0	0.00	0	0	0	0	0	0	0.00	0.00
	PN	17,100	0.00	0	0	0	0	0	17,100	0.00	0.00
Treasury shares	ON	30,323,300	1.64	406,392	0	0	0	0	30,729,692	1.66	-
	PN	121,293,200	4.21	1,625,568	0	0	0	0	122,918,768	4.26	1.34
Other stockholders	ON	514,918,331	27.85	-1,575,136	6,560,900	-5,007,050	0	530,400	515,427,445	27.87	0.10
	PN	2,158,413,204	74.90	-6,300,544	26,243,600	-20,008,200	0	2,121,600	2,160,469,660	74.91	0.10
Total	**ON**	**1,848,740,115**	**100.00**	**0**	**0**	**0**	**0**	**530,400**	**1,849,270,515**	**100.00**	**0.00**
	PN	**2,881,789,025**	**100.00**	**0**	**0**	**0**	**0**	**2,121,600**	**2,883,910,625**	**100.00**	**0.00**

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

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

In the presentation of the number of shares described below, for the whole period, the Company considered the stock split approved at the Meeting held on March 08, 2017, establishing the division of each unit share into five shares of the same class and type.

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**

At 3/31/2016

	SHARES					
STOCKHOLDER	**COMMON**	**%**	**PREFERRED**	**%**	**TOTAL**	**%**
Stockholders	1,257,875,710	68.02	424,291,865	14.71	1,682,167,575	35.54
Members of the Board of Directors	42,694,496	2.31	166,060,544	5.76	208,755,040	4.41
Members of the Executive Board	3,083,490	0.17	12,333,960	0.43	15,417,450	0.33
Members of the Statutory Audit Board	7,050	0.00	25,300	0.00	32,350	0.00
Treasury shares	30,323,300	1.64	121,293,200	4.21	151,616,500	3.20
Other stockholders	515,285,704	27.86	2,159,902,696	74.90	2,675,188,400	56.52
Total	**1,849,269,750**	**100.00**	**2,883,907,565**	**100.00**	**4,733,177,315**	**100.00**
Number of shares outstanding in the market	**515,285,704**	**27.86**	**2,159,902,696**	**74.90**	**2,675,188,400**	**56.52**

Other information considered relevant by the Company

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.