



CELULOSE IRANI S.A.

CNPJ Nº 92.791.243/0001-03 NIRE Nº 43300002799

PUBLIC COMPANY

MARKET ANNOUNCEMENT

We announce to the shareholders that, on this date, was released via AE Broadcast - a real time news service from Agência Estado, with the following content:

"Celulose Irani: the improvement in the 3Q will be followed by a gain in the 4Q with the incorporation of an asset

São Paulo, 11/04/2013 - After registering an improvement in the balance sheet indicators in the third quarter, Celulose Irani prepares to disclose equally impressive results in the last three months of 2013. That's because the next balance sheet will show the first quarter after the merger of Indústria de Papel e Papelão São Roberto, which was carried out last month. With this operation, the net revenue from IRANI, on an annualized basis, will jump by approximately R\$ 520 million to R\$ 660 million, an increase of almost 27%.

Even before the merger, IRANI had robust results in the third quarter, driven by the leasing of a São Roberto packaging paper factory. This operation and the improvement of the business environment in the domestic market contributed to the IRANI adjusted EBITDA growing by 38.9% over the same period last year, to R\$ 36.4 million. Net revenue was up 27.4% to R\$ 155.2 million, while the bottom line of the balance sheet showed a reversal of the loss of R\$ 687,000 in the third quarter of 2012 to a profit of R\$ 7.1 million between July and September of this year.

For the IRANI director of administration, finance and investor relations, Odivan Carginin, the balance is benefited by the lease of the São Roberto factory located in Santa Luzia (MG), but the influence of the unit is less relevant than the numbers suggest. "The company's performance came from, in a large part, from the current business. The EBITDA and net income were not impacted in a very relevant way because of this unit", Carginin said in an interview with the AE Broadcast Service.

From the fourth quarter, the result will also incorporate the São Roberto packaging plant located in São Paulo. Today, this unit is just an IRANI client, being supplied precisely by the leased unit in Santa Luzia.

The acquisition of São Roberto by the Companhia Comercial de Imóveis (Commercial Real Estate Company) (CCI), IRANI's parent company, was announced in November 2012. In the following months, the operations followed along independently, this situation changed in March, with the lease of the unit in Santa Luzia. Now, in October, the union of the two companies has been completed, but IRANI also decided not to disclose yet the expected synergies.

With the merger, IRANI earns muscles and starts to respond for over 7% of the Brazilian market of corrugated cardboard, a local diffused segment that is headed by Klabin. MWV Rigesa and Orsa International Paper and Packaging, a joint venture between Grupo Orsa and International Paper, vying for the deputy leadership of the sector. With the actual union of São Roberto, besides gaining a slice of the market, IRANI will add to its results the revenue and margin obtained from the packaging factory incorporated in São Paulo.

Market

The inclusion of this unit increases by over 40% the installed capacity of IRANI in the corrugated packaging segment, a market that has grown steadily over the past three years - in 2009, a year that was affected by the crisis in the global economy, the sales in the sector also rose, but the variation was slight, only 0.3%. Because of this, IRANI has operated almost at the limit of its capacity, according Cargnin.

"We believe that the industry will grow between 3% and 3.5% in 2014, up slightly higher than this year due to the expectation of a stronger Gross Domestic Product (GDP) and a series of events that could improve consumption", he said, referring to the World Cup and the presidential elections. The forecast from the Associação Brasileira do Papelão Ondulado (Brazilian Association of Corrugated Cardboard) (ABPO) is that the sector will grow between 2.5% and 3% this year.

Another factor that stimulates the sale of corrugated cardboard is when the value of the dollar increases. So, to keep up with demand, IRANI plans to complete, in July 2014, an operation to increase the production capacity in of one of its paper machines for packaging materials. The project, estimated at R\$ 55 million, will add 36,000 tons, annually, to the installed capacity of the company, or 13% of the current combined capacity of IRANI and São Roberto.

Other projects are also under review, revealed Cargnin. The executive, however, remained mysterious about the Company's expansion plans, as part of the undertakings under analysis depends on fund raising (read more below). "I refer to other projects with an investment profile similar to the paper machine, but with higher values," he said.

At the same time as it will increase the supply of paper and corrugated packaging, IRANI will prioritize, in 2014, the profitability of its operations. The sector was pressurized this year by an expansion of 29% in the cost of the wooden chips between January and September. "We faced a big challenge in relation to costs. Now, in 2014, the challenge will be to seek profitability", he

said. The price of the wooden chips, according Cargnin, should remain stable or show a slight decrease over the next year, a scenario that will result in new adjustments in the prices of corrugated cardboard over the year. (André Magnabosco - andre.magnabosco@estadao.com)
"Source: Agência Estado.

"Celulose Irani analyzes market conditions to resume the supply of the units announced in 2012

São Paulo, 11/04/2013 - Although the Company formally backed down last year, the public offering of primary and secondary certificates of deposit of shares (units), Celulose Irani remains attentive to market conditions. The objective of the packaging material and packaging paper manufacturer is to resume the fund raising operation to enable the growth as soon as the scenario proves favorable.

"We are still aiming for this (issue), but we are looking for the best time to take the necessary steps. Therefore, we do not have a prediction. This definition is related to market conditions", said the Director of Administration, Finance and Investor Relations at IRANI, Odivan Cargnin, in an interview with AE Broadcast.

Cargnin also said that the company has never stopped looking at the market, even after it had officially given up the offer; the decision was announced last August. Three months before, IRANI filed a document with the Brazilian Securities Commission (CVM) for the application for a registration of a public offering of units, consisting of one common share and four preferential shares. The financial and the depositary institution of these units was Banco Itaú Unibanco.

The offer, which is seen as a kind of reopening of the capital, as Santander and Tupy did, will increase IRANI's liquidity and bring essential resources for the company's growth. "We have an expansion plan that has not yet been approved by the board. Part of these investments (planned), we can do with the Company's own capital structure. But another part, no", Cargnin said, justifying the need for making the offer.

IRANI, a company that until last year was considered one of the small Company's in the corrugated packaging sector, gained strength in late 2012, when its parent Companhia Comercial de Imóveis (Commercial Real Estate Company) (CCI) acquired Indústria de Papel e Papelão São Roberto. After a gradual process of integration, the final union of the two companies took place only last month. As a result, the IRANI market share will increase from approximately 4% to over 7%.

Whilst the Company waits for the most suitable time to resume the offer, IRANI provides ongoing investments in smaller proportions. This is the case of increasing the production capacity of one of its paper machines for packaging materials, a project estimated at R\$ 55 million, in addition to improvements in the line of pulp production, automation, increasing the capacity paper and cardboard lines, among others. In 2013, the investments should total R\$ 65.6 million.

To address the need for new investments, IRANI has prioritized the analyzed offer since last year, but does not rule out a plan B. "We have been working with a conventional operation. But if we cannot go

to the market as we imagine, we must seek alternatives. It could be that private capitalization makes sense", said Cargnin, after being asked if the attraction of pension funds and private equity would be an option. The executive did not reveal which of these alternatives could be used, neither the maximum time period where IRANI is willing to wait for better market conditions. (André Magnabosco - andre.magnabosco@estadao.com) "Source: Agência Estado.

Porto Alegre, November 4, 2013.

Odivan Carlos Cargnin
Director of Investor Relations