

COMMENTS ON THE COMPANY'S PERFORMANCE FOR 3Q15

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

IRANI reports Adjusted EBITDA of R\$ 50.9 million in 3Q15, an increase of 22.3% in relation to 3Q14

PRINCIPAL INDICATORS - CONSOLIDATED	3Q15	2Q15	3Q14	Variation 3Q15/2Q15	Variation 3Q15/3Q14	9M15	9M14	Variation 9M15/9M14	LTM15	LTM14	Variation LTM15/LTM14
Economic and financial (R\$ thousand)											
Net operating revenue	196,781	185,276	193,603	6.2%	1.6%	564,828	548,097	3.1%	755,230	728,685	3.6%
Domestic market	158,844	151,550	167,791	4.8%	-5.3%	462,835	474,106	-2.4%	632,688	637,273	-0.7%
Foreign market	37,937	33,726	25,812	12.5%	47.0%	101,993	73,991	37.8%	122,542	91,412	34.1%
Gross profit (including*)	63,595	61,478	59,202	3.4%	7.4%	180,421	156,633	15.2%	246,479	212,376	16.1%
(* Change in the fair value of biological assets)	783	6,630	6,025	-88.2%	-87.0%	7,923	18,450	-57.1%	18,889	29,467	-35.9%
Gross margin	32.3%	33.2%	30.6%	-0.9p.p.	1.7p.p.	31.9%	28.6%	3.3p.p.	32.6%	29.1%	3.5p.p.
Profit before taxes and profit sharing	2,327	12,903	5,537	-82.0%	-58.0%	16,124	10,535	53.1%	33,966	39,913	-14.9%
Operating margin	1.2%	7.0%	2.9%	-5.8p.p.	-1.7p.p.	2.9%	1.9%	1.0p.p.	4.5%	5.5%	-1.0p.p.
Profit	3,686	10,523	22,402	-65.0%	-83.5%	17,340	28,656	-39.5%	45,263	71,480	-36.7%
Net margin	1.9%	5.7%	11.6%	-3.8p.p.	-9.7p.p.	3.1%	5.2%	-2.1p.p.	6.0%	9.8%	-3.8p.p.
Adjusted EBITDA ¹	50,977	43,276	41,680	17.8%	22.3%	137,929	107,652	28.1%	183,761	139,038	32.2%
Adjusted EBITDA Margin	25.9%	23.4%	21.5%	2.5p.p.	4.4p.p.	24.4%	19.6%	4.8p.p.	24.3%	19.1%	5.2p.p.
Net indebtedness [R\$ million]	812.3	702.6	619.9	15.6%	31.0%	812.3	619.9	31.0%	812.3	619.9	31.0%
Net Debt/Adjusted EBITDA(x)	4.42	4.03	4.42	9.7%	0.0%	4.42	4.42	0.0%	4.42	4.42	0.0%
Net Debt/pro forma EBITDA(x) ²	3.17	3.30	n.a.	-3.9%	n.a.	3.17	n.a.	n.a.	3.17	n.a.	n.a.
Operating data (metric tons)											
Corrugated Cardboard Packaging (PO)											
Production / Sales	49,425	47,582	51,542	3.9%	-4.1%	146,069	147,877	-1.2%	197,938	198,584	-0.3%
Packaging Paper											
Production	72,889	69,772	68,562	4.5%	6.3%	214,383	194,660	10.1%	285,874	261,575	9.3%
Selling expenses	20,337	17,990	20,562	13.0%	-1.1%	56,037	57,551	-2.6%	75,993	81,099	-6.3%
RS Forest and Resins											
Production	2,596	2,800	1,955	-7.3%	32.8%	8,293	6,845	21.2%	9,852	7,786	26.5%
Selling expenses	2,642	2,887	2,388	-8.5%	10.6%	8,330	6,806	22.4%	9,888	7,663	29.0%

¹ EBITDA (earnings before interest, taxes, depreciation, amortization and depletion) - see the related section in this release.

² Excluding from net debt the exchange variation recorded as hedge accounting

- The sales volume for the Corrugated Cardboard segment decreased by 4.1% when compared to 3Q14 and totaled 49.4 thousand metric tons in 3Q15. The Packaging Paper segment volume decreased by 1.1%, totaling 20.3 thousand metric tons. The Resin segment volume increased by 10.6%, totaling 2.6 thousand metric tons.
- Net revenue increased by 1.6% in comparison to 3Q14 and amounted to R\$ 196.8 million, reflecting the U.S. dollar appreciation on revenues from the foreign market and the weaker performance of the domestic market.
- Gross profit increased by 7.4% in comparison with 3Q14 and totaled R\$ 63.6 million, mainly due to the decrease in production costs.
- The Company's profit amounted to R\$ 3.7 million in 3Q15, against R\$ 22.4 million in 3Q14, which corresponds to a decrease of 83.5%. This decrease was mainly caused by the recognition of financial gains obtained with the enrollment in REFIS in 3Q14, and the increase in finance

costs in 3Q15, particularly due to the U.S. dollar variation and the increase in the SELIC (Official Interest Rate).

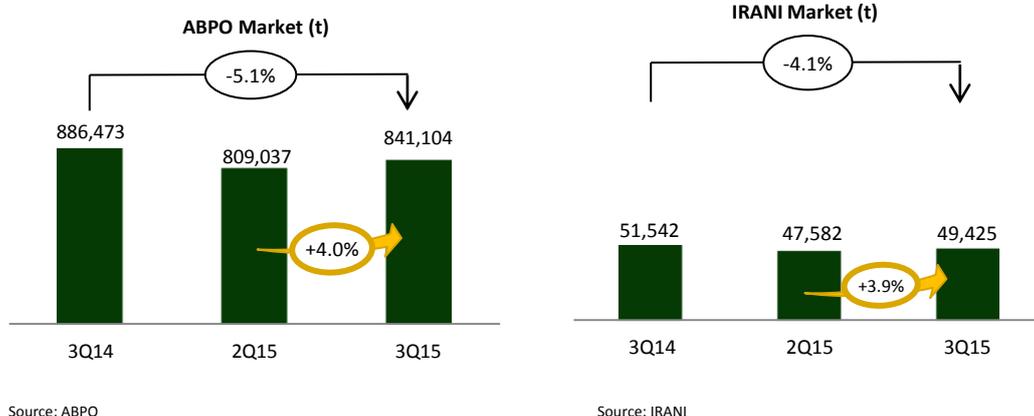
- The adjusted EBITDA totaled R\$ 50.9 million in the quarter, an increase of 22.3% over 3Q14, with a margin of 25.9%, confirming the good operating performance that had been already noted in previous quarters.
- The net debt/EBITDA ratio was 4.42 times in September 2015, negatively impacted by the exchange rate variation and, at the same time, favored by an improved EBITDA. Excluding from the net debt the exchange variation recorded as hedge accounting, the net debt/EBITDA ratio would be 3.17 times.
- The cash position at the end of 3Q15 was R\$ 135.9 million, with 77% of the debts maturing in the long-term.

Highlights of 3Q15

In general, the main economic and financial indicators for Brazil worsened during the third quarter of 2015. The political crisis and the negative GDP growth rate disclosed at the beginning of the year are negatively affecting practically all the sectors of the economy. The political and economic uncertainties put pressure on the exchange rate and led to a sharp appreciation of the U.S. dollar in September. The maintenance of the SELIC rate at 14.25% p.a. is still considered as strategic for converging inflation to the target. The global economy continues to reflect the recovery of the USA and the challenges faced by China and Europe to resume growth.

According to data from the Brazilian Association of Corrugated Cardboard (ABPO), the total sales of boxes, corrugated sheets and accessories in 3Q15 decreased by 5.1% when compared to 3Q14, reflecting the slow rate of economic growth in the period. The sales volume of IRANI Market, in metric tons, decreased by 4.1% in 3Q15. In comparison with 2Q15, the ABPO Market increased by 4.0% and the IRANI Market, by 3.9%. In metric tons, IRANI's market share in the segment of Corrugated Cardboard Packaging was 5.8% in 3Q15, the same achieved in 3Q14 and 2Q15.

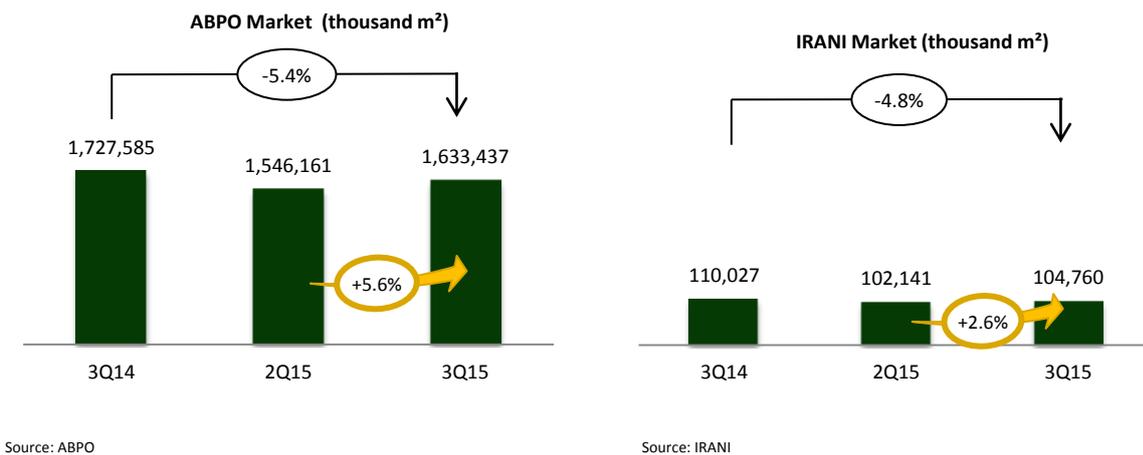
Sales volume (in metric tons) - Corrugated Cardboard Packaging Segment (PO)



The sales volume (in square meters) of corrugated cardboard packaging in the ABPO Market decreased by 5.4% in 3Q15 when compared to 3Q14, while the IRANI Market recorded a decrease of 4.8% in the period. When compared to 2Q15, the ABPO Market increased by 5.6%, while the increase in IRANI Market was 2.6%. IRANI's market share, in square meters, was 6.4% in 3Q15, 6.4% in 3Q14 and 6.6% in 2Q15.

In 3Q15, the Corrugated Cardboard Packaging segment represented 64% of IRANI's net revenue, while the Packaging Paper and the Forest RS and Resins segments represented 28% and 8%, respectively. In turn, the domestic market accounted for 81% of net revenue and the foreign market, for 19%. The growth of 5.9 p.p. in the revenue from the foreign market when compared to 3Q14 was mainly attributable to the appreciation of the U.S. dollar, which affects the revenue in this market.

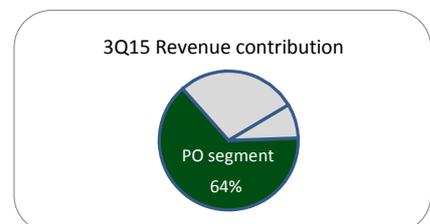
Sales Volume (in m²) - Corrugated Cardboard Packaging Segment (PO)



1. OPERATING PERFORMANCE (not reviewed by the independent auditor)

1.1 Corrugated Cardboard Packaging Segment (PO)

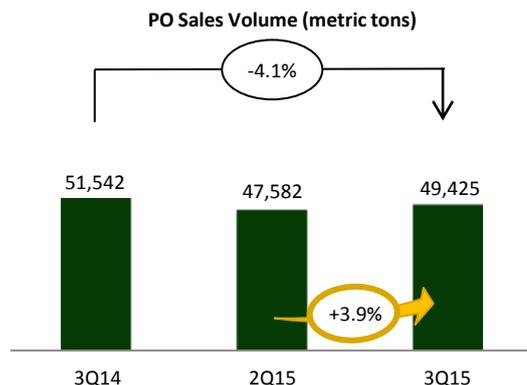
The sales volume of corrugated cardboard boxes and sheets totaled 49,425 metric tons, with a 4.1% decrease in relation to 3Q14 and a 3.9% increase in relation to 2Q15. The sales performance of boxes presented a slight reduction when compared to 3Q14 and the sales of sheets decreased by 2.8% in the comparison between the quarters. The Packaging units of SP Indaiatuba, SC Campina da Alegria and SP Vila Maria represented 40%, 31% and 29%, respectively, of the total sold in 3Q15, with all of their production destined for the domestic market.



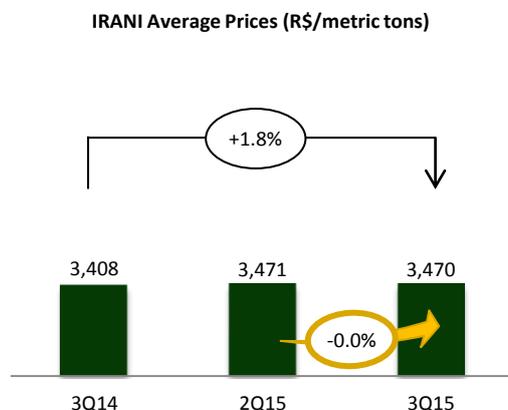
The volume of the SP Indaiatuba Packaging plant totaled 14,089 metric tons of boxes and 5,790 metric tons of sheets in 3Q15 (compared to 13,534 metric tons of boxes and 5,781 metric tons of sheets in 3Q14).

The sales volume of the SC Campina da Alegria Packaging plant totaled 11,248 metric tons of boxes and 3,918 metric tons of sheets in 3Q15 (compared to 12,740 metric tons of boxes and 3,386 metric tons of sheets in 3Q14).

The sales volume of the SP Vila Maria Packaging plant totaled 9,884 metric tons of boxes and 4,496 metric tons of sheets in 3Q15 (compared to 10,661 metric tons of boxes and 5,440 metric tons of sheets in 3Q14).



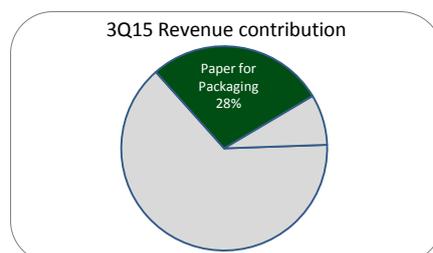
The average IRANI (CIF) price per metric ton presented an increase of 1.8% in 3Q15 when compared to 3Q14 and remained stable in relation to 2Q15, as shown below:



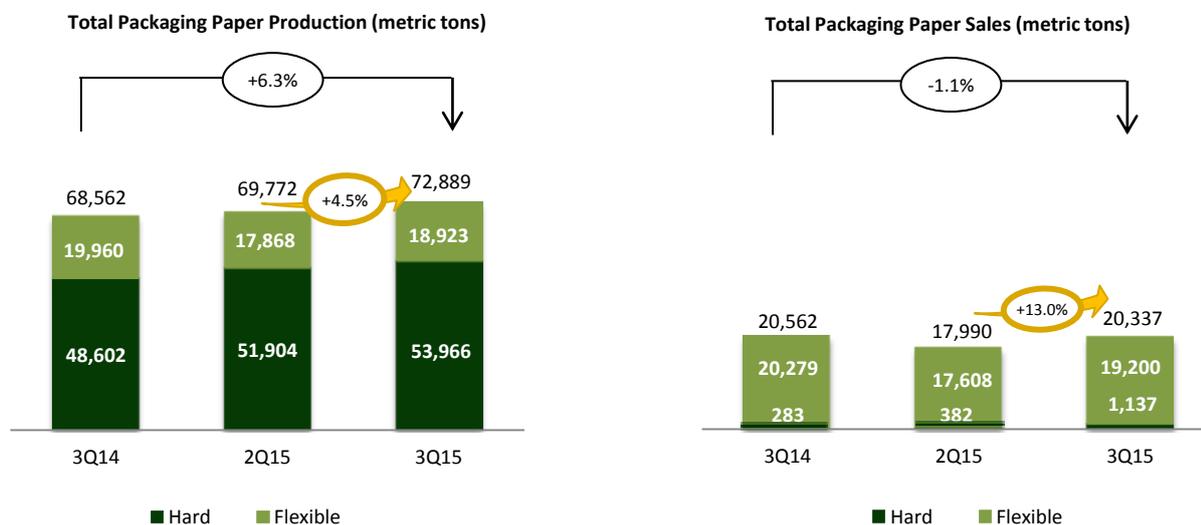
Note on methodology: IRANI prices exclude Excise Tax (IPI) but include Social Integration Program (PIS), Social Contribution on Revenues (COFINS) and Value-added Tax on Sales and Services (ICMS) and are adjusted based on the market mix of boxes and sheets.

1.2 Packaging Paper segment

IRANI operates in the Packaging Paper segment, both in the markets of rigid packaging (corrugated cardboard) and flexible packaging (sack kraft paper).

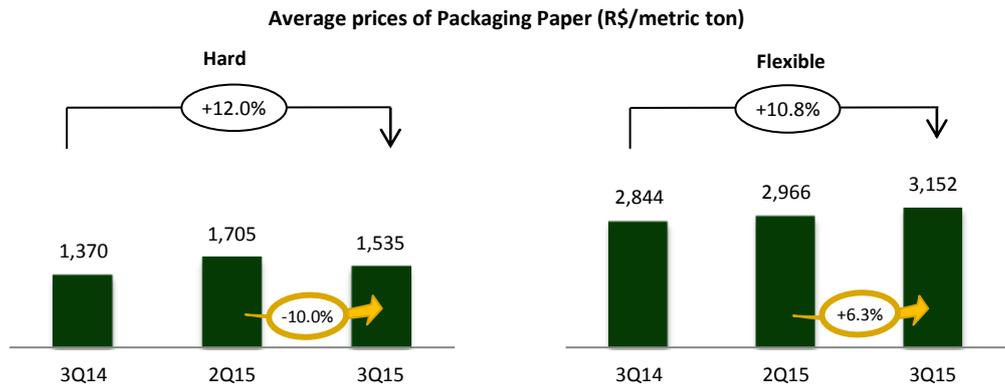


The Company's total packaging paper production in the quarter increased by 6.3% in relation to 3Q14, and 4.5% in relation to 2Q15, as a result of the good performance of the production units. The sales volume decreased by 1.1% in comparison with 3Q14, and increased by 13.0% in relation to 2Q15.



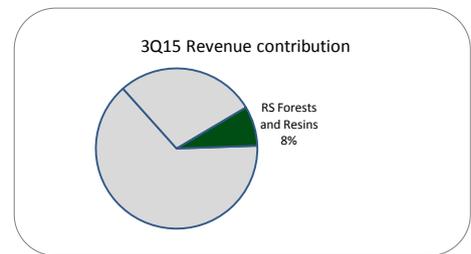
In 3Q15, internal transfers of paper for rigid packages (PO) totaled 54,299 metric tons (48,565 metric tons in 3Q14 and 50,193 metric tons in 2Q15), distributed as follows: 21,458 metric tons (17,381 metric tons in 3Q14 and 19,489 metric tons in 2Q15) to the SP Indaiatuba plant; 16,629 metric tons (16,271 metric tons in 3Q14 and 15,122 metric tons in 2Q15) to the SP Vila Maria plant; and 16,212 metric tons (14,913 metric tons in 3Q14 and 15,582 metric tons in 2Q15) to the SC Campina da Alegria plant. Therefore, of the total internal transfers in the quarter, 39% were made to SP Indaiatuba plant, 30% to SC Campina da Alegria plant and 31% to SP Vila Maria plant.

Hard packaging paper, which presented low sales volume (only 1,137 metric tons in 3Q15, as shown in the chart above) and prices lower than those of the other papers sold by the Company, presented an increase of 12.0% in the prices for 3Q15 when compared to those practiced in 3Q14 and a decrease of 10.0% when compared to 2Q15. On the other hand, the prices of flexible packaging papers increased by 10.8% in relation to 3Q14 and 6.3% in the comparison with 2Q15. The average prices of the Company followed the market trend and were positively impacted by the higher exchange rates practiced on exports.

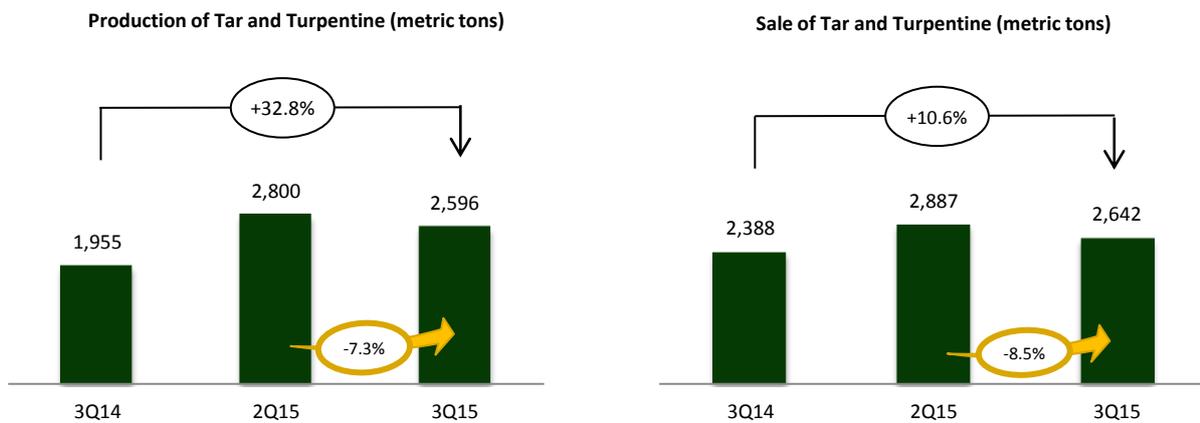


1.3 RS Forest and Resins Segments

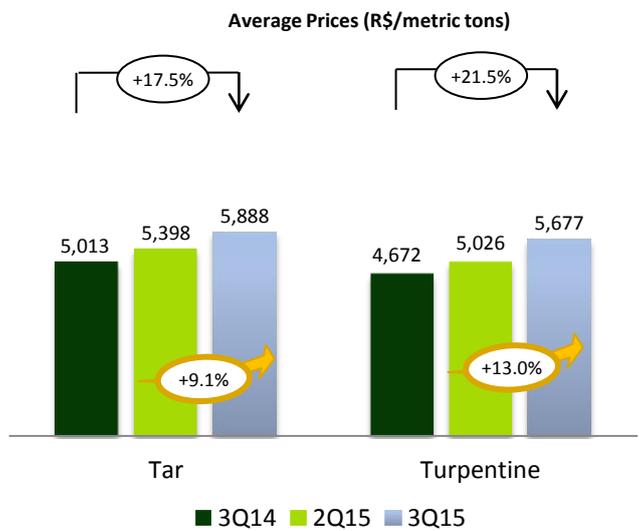
In 3Q15, the Forest segment of Rio Grande do Sul produced and sold 13 thousand cubic meters of pine logs in the domestic market (22 thousand cubic meters in 3Q14) and supplied 430 thousand metric tons of natural resins to the parent company Celulose Irani S.A., to be utilized in the industrial production of tar and turpentine.



The production volume of the RS Resin Balneário Pinhal unit in the quarter presented an increase of 32.8% when compared to 3Q14, and a reduction of 7.3% when compared to 2Q15. Likewise, the sales volume increased by 10.6% in relation to 3Q14 and decreased by 8.5% in comparison with 2Q15. When compared to 3Q14, production and sales in 3Q15 presented variations of 32.8% and 10.6%, respectively. This increase was due to the greater availability of raw material. In relation to 2Q15, production and sales decreased by 7.3% and 8.5%, respectively, because of the beginning of the mid-crop season.



The average price of tar in 3Q15 was 17.5% and 9.1% higher than in 3Q14 and 2Q15, respectively. The average price of turpentine was 21.5% and 13.0% higher than in 3Q14 and 2Q15, respectively.



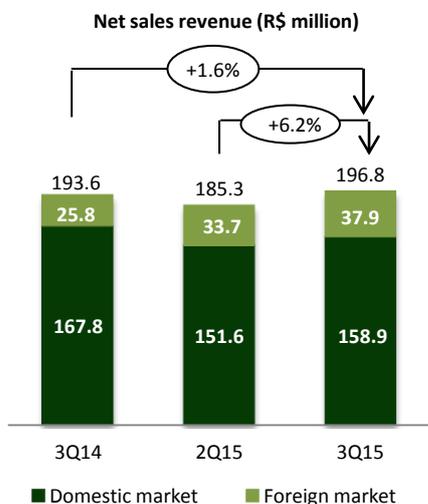
2. ECONOMIC AND FINANCIAL PERFORMANCE

2.1 Net operating revenue

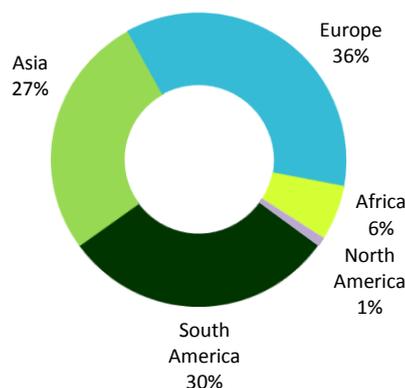
Net operating revenue for 3Q15 totaled R\$ 196,781 thousand, or 1.6% above that of 3Q14 and 6.2% higher than in 2Q15. The positive variation reflects the appreciation of the US dollar on transactions in the foreign market and the weaker performance of the domestic market.

In the domestic market, net operating revenue amounted to R\$ 158,844 thousand in the quarter, a decrease of 5.3% over 3Q14 and an increase of 4.8% when compared to 2Q15, and represented 81% of the Company's total revenue.

Exports in 3Q15 totaled R\$ 37,937 thousand, a growth of 47.0% when compared to 3Q14 and of 12.5% in relation to 2Q15, and represented 19% of the Company's total net operating revenue. Europe was the main destination of the exports, concentrating 36% of the export revenue. Other markets include South America (30%), Asia (27%), Africa (6%) and North America (1%).

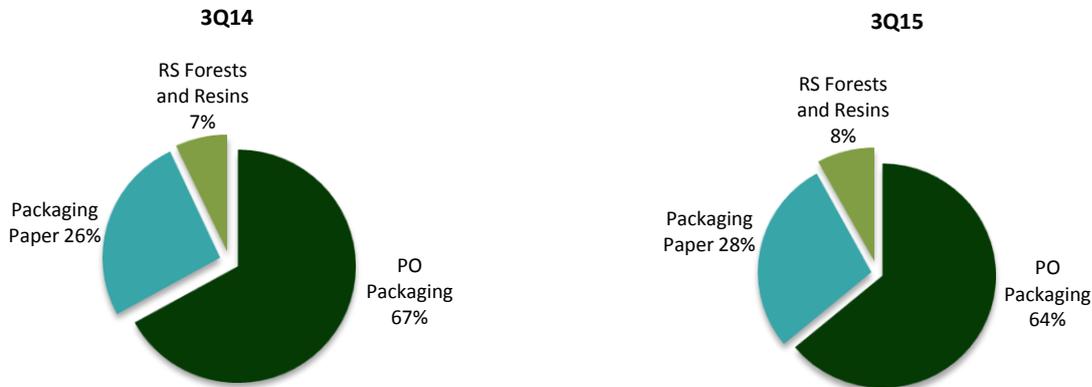


Foreign market - Net sales revenue per region 3Q15



The main operating segment of IRANI is the Corrugated Cardboard Packaging (PO), responsible for 64% of the consolidated net revenue in 3Q15, followed by the segments of Packaging Paper with 28%, and RS Forest and Resins with 8%.

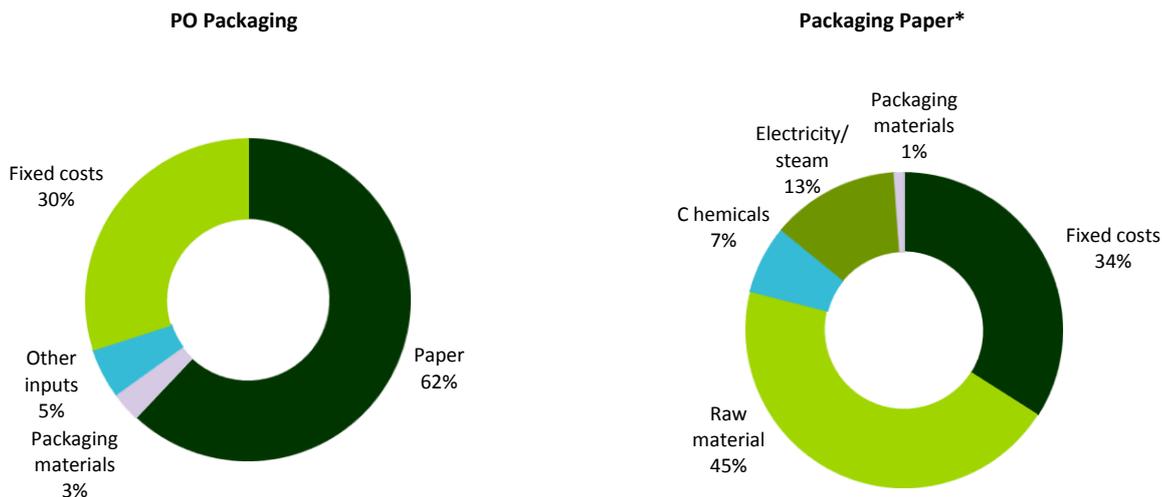
Net revenue by segment



2.2 Cost of Products Sold

The cost of products sold in 3Q15 totaled R\$ 133,969 thousand, 4.6% below that of 3Q14, when compared in absolute numbers. The positive variation in the fair value of biological assets was not considered in the cost of products sold.

The analysis of costs by business segments of IRANI in 3Q15 is shown in the charts below.



* the cost of the Packaging Paper Segment does not include the positive change in the fair value of biological assets.

2.3 Operating income and expenses

Selling expenses in 3Q15 totaled R\$ 21,421 thousand representing 10.9% of the consolidated net revenue, as compared to 9.6% in 3Q14.

In 3Q15, administrative expenses were 0.9% lower than in 3Q14, totaling R\$ 11,451 thousand, and represented 5.8% and 6.0% of the consolidated net revenues in 3Q15 and 3Q14, respectively.

Other operating income/expenses resulted in an income of R\$ 106 thousand in 3Q15, against an expense of R\$ 4,656 thousand in 3Q14.

3. OPERATING CASH GENERATION (ADJUSTED EBITDA)

Consolidated (R\$ thousand)	3Q15	2Q15	3Q14	Variation 3Q15/2Q15	Variation 3Q15/3Q14	9M15	9M14	Var. 9M15/9M14	LTM15	LTM14	Variation LTM15/LTM14
Profit before taxes and profit sharing	2,327	12,903	5,537	-82.0%	-58.0%	16,124	10,535	53.1%	33,966	39,913	-14.9%
Depletion	6,081	4,912	5,414	23.8%	12.3%	15,415	16,602	-7.1%	20,431	22,344	-8.6%
Depreciation and amortization	14,850	14,573	12,597	1.9%	17.9%	43,858	36,188	21.2%	58,224	46,426	25.4%
Finance result	28,502	17,518	18,920	62.7%	50.6%	70,455	57,540	22.4%	84,254	73,543	14.6%
EBITDA	51,760	49,906	42,468	3.7%	21.9%	145,852	120,865	20.7%	196,875	182,226	8.0%
EBITDA margin	26.3%	26.9%	21.9%	-0.6p.p.	4.4p.p.	25.8%	22.1%	3.7p.p.	26.1%	25.0%	1.1p.p.
Adjustments pursuant to CVM Instruction 527/12											
Change in the fair value of biological assets ⁽¹⁾	(783)	(6,630)	(6,025)	-88.2%	-87.0%	(7,923)	(18,450)	-57.1%	(18,889)	(29,467)	-35.9%
Stock Option/Management Profit Sharing ⁽²⁾	-	-	-	-	-	-	-	-	6,287	7,636	-17.7%
Non-recurring events ⁽³⁾	-	-	5,237	-	-	-	5,237	-	(512)	(21,357)	-97.6%
Adjusted EBITDA	50,977	43,276	41,680	17.8%	22.3%	137,929	107,652	28.1%	183,761	139,038	32.2%
Adjusted EBITDA Margin	25.9%	23.4%	21.5%	2.5p.p.	4.4p.p.	24.4%	19.6%	4.8p.p.	24.3%	19.1%	5.2p.p.

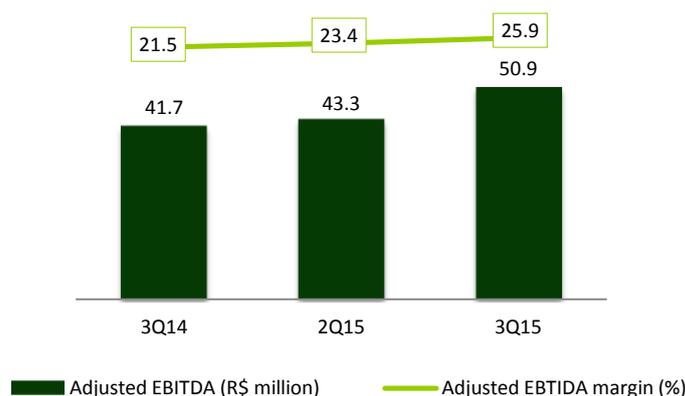
¹ Change in fair value of biological assets because it does not represent cash generation in the period.

² Stock Option/Management Profit Sharing: The amount of R\$ 6,287 thousand refers to management profit sharing related to the distribution of the Company's results and does not represent cash disbursement in the period.

³ Non-recurring events (LTM15) refer to gains of R\$ 512 thousand arising from the enrollment in the Tax Recovery Program (REFIS) introduced by Law 12,996 of June 18, 2014.

The generation of operating cash, measured using the adjusted EBITDA, totaled R\$ 50,977 thousand in 3Q15, which represents an increase of 22.3% and 17.8% in relation to 3Q14 and 2Q15, respectively. The adjusted EBITDA margin in 3Q15 attained 25.9%, an increase of 4.4 p.p. in relation to 3Q14, which was mainly due to reductions in production, operating and fixed costs, in addition to the improved operating performance.

Adjusted EBITDA - (Million R\$) and Adjusted EBITDA Margin (%)



4. FINANCE RESULT AND INDEBTEDNESS

The finance result was negative by R\$ 28,502 thousand in 3Q15, representing an increase of 50.6% in comparison to 3Q14 and of 62.7% when compared to 2Q15, mainly affected by the appreciation of the

U.S. dollar against the real. In 3Q15, finance costs totaled R\$ 38,032 thousand compared to R\$ 25,680 thousand in 3Q14 and R\$ 26,222 thousand in 2Q15. Finance income amounted to R\$ 9,530 thousand in 3Q15, compared to R\$ 6,760 thousand in 3Q14 and R\$ 8,704 thousand in 2Q15.

The financial result was distributed as follows:

R\$ thousand	3Q15	2Q15	3Q14	9M15	9M14	LTM15 ¹	LTM14 ¹
Finance income	9,530	8,704	6,760	26,451	15,931	35,679	23,442
Finance costs	(38,032)	(26,222)	(25,680)	(96,906)	(73,471)	(119,933)	(96,985)
Finance result	(28,502)	(17,518)	(18,920)	(70,455)	(57,540)	(84,254)	(73,543)

¹Accumulated in the last twelve months.

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

R\$ thousand	3Q15	2Q15	3Q14	9M15	9M14	LTM15 ¹	LTM14 ¹
Foreign exchange gains	6,318	5,435	2,322	15,620	6,262	18,295	7,710
Foreign exchange losses	(15,873)	(4,638)	(4,058)	(31,573)	(8,520)	(35,149)	(10,629)
Foreign exchange variations, net	(9,555)	797	(1,736)	(15,953)	(2,258)	(16,854)	(2,919)

¹Accumulated in the last twelve months.

The finance result net of foreign exchange variations was as follows:

R\$ thousand	3Q15	2Q15	3Q14	9M15	9M14	LTM15 ¹	LTM14 ¹
Finance result net of foreign exchange variation	(18,947)	(18,315)	(17,184)	(54,502)	(55,282)	(67,400)	(70,624)

¹Accumulated in the last twelve months.

For the purpose of hedging its exports in the coming years, the Company maintains the maturity flow of its commitments in foreign currency (U.S. dollars) aligned with the estimated receivables in U.S. dollars. The foreign exchange variations on these transactions are accounted for monthly in equity and recognized in the results as finance expenses when realized (hedge accounting). In 3Q15, the negative amount of R\$ 102,997 thousand (R\$ 67,978 thousand net of taxes) was recognized as hedge accounting in equity. The amount of R\$ 6,119 thousand was recognized as finance cost in the results. In the accumulated, the Company maintains the amount of R\$ 229,870 thousand recorded as exchange rate variation on transactions allocated to hedge accounting, to be recognized in the results on realization, over the coming years, of which R\$ 151,714 thousand was recognized in equity (net of taxes).

Foreign exchange rate

The foreign exchange rate, which was R\$ 3.10/US\$ at June 30, 2015, increased by 28.06%, reaching R\$ 3.97/US\$ at the end of September. The average exchange rate for the quarter was R\$ 3.54/US\$, or 15.31% higher than in 2Q15 and 55.95% higher than in 3Q14.

	3Q15	2Q15	3Q14	Δ3Q15/2Q15	Δ3Q15/3Q14
Average U.S. dollar	3.54	3.07	2.27	+15.31%	+55.95%
Final U.S. dollar	3.97	3.10	2.45	+28.06%	+62.04%

Source: Brazilian Central Bank

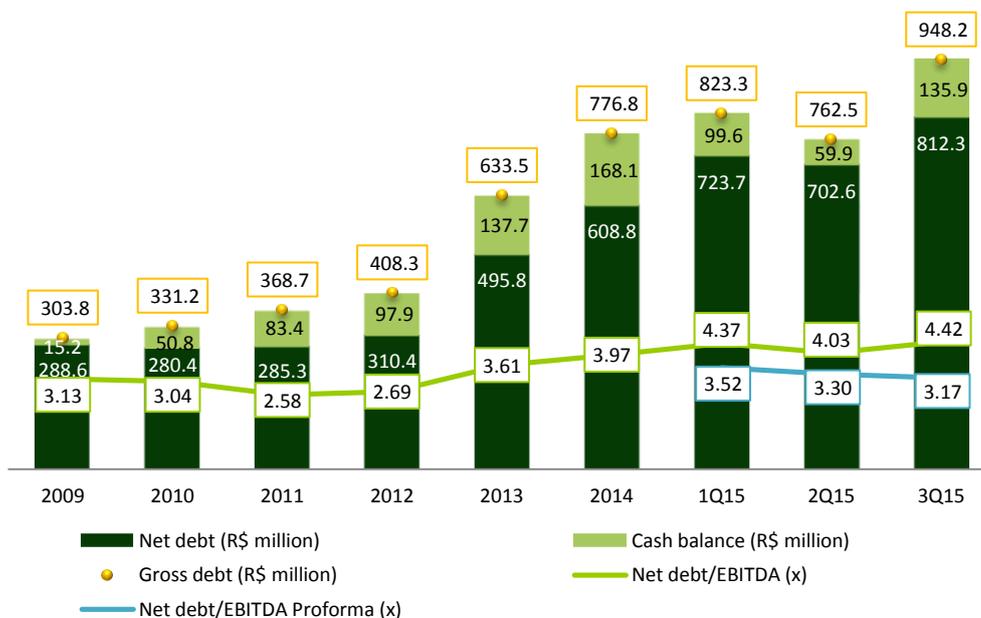
Indebtedness

At September 30, 2015, consolidated gross indebtedness totaled R\$ 948.2 million, compared to R\$ 762.5 million at June 30, 2015. This indicator was influenced by the exchange rate variation in the quarter due to the exposure of a portion of the Company's debt in this currency, and also by the increase in the interest rate. At September 30, 2015, the Company's gross debt profile presented 23% of debts maturing in the short term and 77% in the long term.

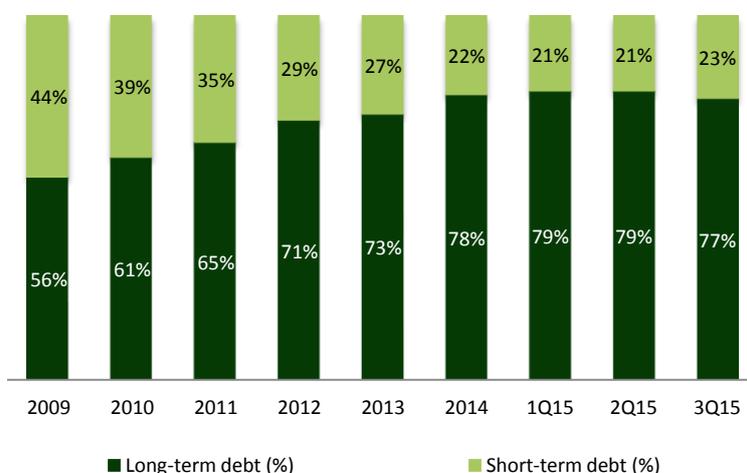
At September 30, 2015, consolidated cash totaled R\$ 135.9 million, compared to R\$ 59.9 million at June 30, 2015. The increase in cash balance resulted from new borrowings.

Consequently, the consolidated net indebtedness at September 30, 2015 was R\$ 812.3 million, compared to R\$ 702.6 million at June 30, 2015. The net debt/EBITDA indicator changed from 4.03 times at the end of June 2015 to 4.42 times at the end of 3Q15. Excluding from the net debt the exchange variation recorded as hedge accounting (Note 30 - Cash flow hedge), the pro forma net debt/EBITDA ratio would be 3.30 at the end of June 2015 and 3.17 times at the end of 3Q15.

Indebtedness and Net Debt/EBITDA



Gross Indebtedness Profile



5. PROFIT

The profit for the period ended September 30, 2015 amounted to R\$ 3,686 thousand, compared to R\$ 22,402 thousand in 3Q14 and R\$ 10,523 thousand in 2Q15. Over the last 12 months, profit totaled R\$ 45,263 thousand, compared to R\$ 71,480 thousand for the same period of the previous year. The results for 3Q14 and 4Q14 were mainly impacted by the recognition of gains from REFIS, while 1Q15, 2Q15 and 3Q15 were impacted by increased finance costs, particularly due the appreciation of the U.S. dollar and the rise in interest rates.

6. INVESTMENTS

Investments made in 3Q15 amounted to R\$ 12,785 thousand and referred to projects for improvement and maintenance of the Company's production process. Among these projects, we can highlight the technological update of equipment for the output of the corrugator machine at the SP Vila Maria Packaging unit in São Paulo, which is intended to increase production and improve quality.

R\$ thousand	3Q15	9M15
Land	-	20
Buildings	580	580
Equipment	10,355	35,118
Intangible assets	134	602
Reforestation	1,716	4,600
Total	12,785	40,920

7. SHARE CAPITAL

At September 30, 2015, IRANI's share capital was represented by 166,720,235 shares, of which 153,909,975 (92%) were common shares and 12,810,260 (8%), preferred shares and the Company held in treasury 2,376,100 shares, of which 24,000 were common shares and 2,352,100, preferred shares. On the same date, the Company's market value was R\$ 568.516 thousand, 2.9% higher than in 2Q15, when the amount recorded was R\$ 552.353 thousand.