(A free translation of the original in Portuguese)

Porto Alegre, february 29, 2016. Celulose Irani (BM&FBovespa: RANI3 and RANI4), one of the major Brazilian companies in the packaging paper and corrugated cardboard packaging segments, announces today the consolidated results for the fourth quarter of 2015 (4Q15) and the year 2015. The consolidated financial statements were prepared in accordance with CVM standards and CPCs, and comply with International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board (IASB).The financial and operational information are presented based on consolidated figures and in Brazilian real. Non-financial data, such as volumes, quantity, average price and EBITDA, were not examined by our independent auditors.

IRANI reports adjusted EBITDA of R$ 181.2 million in 2015, with margin of 23.9% and increase of 18.1% in relation to 2014

- The sales volume for the Corrugated Cardboard segment remained stable when compared to 2014 and totaled 198.4 thousand metric tons in 2015. The same occurred to the Packaging Paper segment, which totaled 77.5 thousand metric tons. The Resins segment increased by 14.5%, totaling 9.6 thousand metric tons.

- The net revenue for 4Q15 was 1.9% higher than that for 4Q14, but 1.4% lower than that for 3Q15. In the comparison between 2014 and 2015, net revenue grew by 2.7%, reaching R$ 758.8 million, which reflects the good performance of sales in the foreign market.

- The gross profit for 4Q15 decreased by 37.3% compared to 4Q14, and by 34.8% compared to 3Q15. In comparison to 2014, gross profit remained stable, and attained R$ 221.9 million.

- The Company reported a loss of R$ 16.8 million for 4Q15, compared to profits of R$ 27.9 million in 4Q14 and R$ 3.7 million in 3Q15. On an annual basis, the result for 2015 was a profit of R$ 495 thousand, in comparison with a profit of R$ 56,579 thousand for 2014. The result for 2015 was adversely impacted by the change in the fair value of biological assets, as well as by the effects of foreign exchange variations recognized in the statement of income.

- In 4Q15, adjusted EBITDA amounted to R$ 43.3 million, with a 22.3% margin. In the year 2015, adjusted EBITDA totaled R$ 181.2 million, an increase of 18.1% compared to 2014, with a 23.9% margin, i.e., 3.1 percentage points above that for 2014.

- The net debt/EBITDA ratio was 4.29 times in December 2015, compared to 3.97 times at the end of 2014. This variation arose from the appreciation of the U.S. dollar, which increased the Company's portion of debt denominated in U.S. dollars. Excluding from net debt the foreign exchange variations recorded as hedge accounting, the net debt/EBITDA ratio would be 3.08 times.

- The cash position at the end of 2015 was R$ 145.4 million, and 76% of the debts mature in the long term.

Key financial and economic indicators

KEY INDICATORS - CONSOLIDATED	4Q15	3Q15	4Q14	Variation 4Q15/3Q15	Variation 4Q15/4Q14	2015	2014	Variation 2015/2014
Economic and Financial Indicators (R$ thousand)								
Net Operating Revenue	193,930	196,781	190,402	-1.4%	1.9%	758,758	738,499	2.7%
Domestic Market	167,132	158,844	169,853	5.2%	-1.6%	629,967	643,959	-2.2%
Foreign Market	26,798	37,937	20,549	-29.4%	30.4%	128,791	94,540	36.2%
Gross Profit (including*)	41,450	63,595	66,058	-34.8%	-37.3%	221,871	222,691	-0.4%
(*) Change in the Fair Value of Biological Assets	*(14,372)*	*783*	*10,966*	-1935.5%	-231.1%	*(6.450)*	*29.416*	-121.9%
Gross Margin	***21.4%***	***32.3%***	**34.7%**	**-10.9 p.p.**	***-13.3 p.p.***	***29.2%***	***30.2%***	***-1.0 p.p.***
Operating Result Before Taxes and Profit Sharing	(15,162)	2,327	17,842	-751.6%	-185.0%	962	28,376	-96.6%
Operating Margin	***-7.8%***	***1.2%***	**9.4%**	**-9.0 p.p.**	***-17.2 p.p.***	***0.1%***	***3.8%***	***-3.7 p.p.***
Net Result	(16,844)	3,686	27,924	-557.0%	-160.3%	495	56,579	-99.1%
Net Margin	***-8.7%***	***1.9%***	**14.7%**	**-10.6 p.p.**	***-23.4 p.p.***	***0.1%***	***7.7%***	***-7.6 p.p.***
Adjusted EBITDA [1]	43,279	50,977	45,832	-15.1%	-5.6%	181,209	153,483	18.1%
Adjusted EBITDA Margin	***22.3%***	***25.9%***	***24.1%***	**-3.6 p.p.**	***-1.8 p.p.***	***23.9%***	***20.8%***	***3.1 p.p.***
Net Debt [R$ million]	777.0	812.3	608.8	-4.3%	27.6%	777.0	608.8	27.6%
Adjusted Net Debt/EBITDA (x)	4.29	4.42	3.97	-2.9%	8.1%	4.29	3.97	8.1%
Pro-forma Net Debt/ EBITDA (x) [2]	3.08	3.17	n.a.	-2.8%	n.a.	3.08	n.a.	n.a.
Operating Data (in metric tons)								
Corrugated Cardboard Packaging (PO)								
Production/Sales	52,306	49,425	51,869	5.8%	0.8%	198,375	199,745	-0.7%
Packaging Paper								
Production	72,865	72,889	71,491	0.0%	1.9%	287,247	266,151	7.9%
Sales	21,432	20,337	19,956	5.4%	7.4%	77,469	77,507	0.0%
RS Forest and Resins								
Production	1,677	2,596	1,559	-35.4%	7.6%	9,970	8,403	18.6%
Sales	1,252	2,642	1,558	-52.6%	-19.6%	9,582	8,365	14.5%

[1] EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) - see the related section in this release.
[2] Excludes foreign exchange variations accounted for as hedge accounting from net debt.

2015 Highlights

In 2015, the main Brazilian economic and financial indicators deteriorated significantly. The Gross Domestic Product (GDP) is expected to present one of the sharpest declines in recent years, inflation surpassed the target ceiling, and the federal government's primary fiscal result was the worst since the Real Plan. Combined with the economic crisis was the political crisis. The political and economic uncertainties put pressure on the foreign exchange rate, causing the U.S. dollar to appreciate against the real at an unprecedented level, with major impacts on virtually all sectors of the economy. In the international economic scenario, the significant decreases in the prices of certain commodities, especially of oil, as well as the instability in the Chinese and North-American markets, could postpone the recovery of the Brazilian economy. The fiscal adjustment in progress in Brazil, together with the rise in the unemployment rate and the decline in investments, brought pessimism to the market, with impacts on the paper and packaging sector. In 2015, the Brazilian Corrugated Cardboard Association (ABPO) recorded a drop of 3.1% in the number of metric tons of corrugated cardboard shipped, compared to 2014.

However, despite this more challenging scenario, the Company's cash provided by operating activities (Adjusted EBITDA) grew by 18.1% in 2015, compared to 2014.

In 2015, net revenue increased by 2.7% compared to 2014, assisted by increased sales to the foreign market as a result of the more favorable foreign exchange rate. The foreign market share increased by four percentage points compared to 2014, reaching 17% of the Company's sales at the end of 2015, whereas the domestic market accounted for 83% of the sales. In 2015, the Corrugated Cardboard Packaging segment (PO) accounted for 66% of IRANI's net revenue, whereas the Packaging Paper and the Forest RS and Resins segments represented 27% and 7%, respectively.

BUSINESS OVERVIEW

The businesses of Celulose Irani S.A. comprise three segments and are organized in accordance with the markets in which the Company operates. These segments are independent in their operations, but are integrated in a balanced way, seeking to optimize the use of planted pine forests, through multiple uses, paper recycling and the vertical integration of the businesses.

The **Corrugated Cardboard Packaging (PO) Segment** manufactures boxes and light and heavy corrugated cardboard sheets, and has three packaging plants in the cities of Campina da Alegria (State of Santa Catarina - SC), Indaiatuba (State of São Paulo - SP), and Vila Maria (SP).

The **Packaging Paper Segment** manufactures low- and high-grade Kraft paper and recycled paper for the domestic and foreign markets and most of its production is destined to the Corrugated Cardboard Packaging Segment. It has a plant with four paper machines, located in Vargem Bonita - SC (Campina da Alegria Paper Plant), and another plant with one machine in Santa Luzia - MG (Santa Luzia Paper Plant).

The **RS Forest and Resins Segment** sells wood, tar and turpentine. It manufactures forest-based products in the State of Rio Grande do Sul, from the forest assets owned by the Company and located in the region. The business unit called RS Balneário Pinhal - Resins, with an industrial plant located in Balneário Pinhal, State of Rio Grande do Sul (RS), produces tar and turpentine, from the natural resin of the pine forest, which are used in the preparation of varnishes, paints, soaps, glues and adhesives, among others. The tar and the turpentine produced are destined mainly to the foreign market.

Subsidiaries

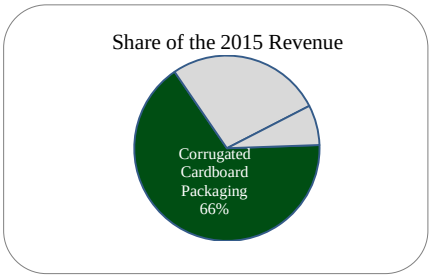
Celulose Irani S.A. has the following wholly-owned subsidiaries:

• Habitasul Florestal S.A., which has a forest base of 16.6 thousand hectares, of which 8.4 thousand hectares are planted with pine trees in the State of Rio Grande do Sul, which supplies resin to Celulose Irani S.A. and timber to customers in the region.

• HGE - Geração de Energia Sustentável Ltda. and Irani Geração de Energia Sustentável Ltda., which operate in the generation, transmission and distribution of power sourced from wind energy, and are currently in the pre-operating phase.

• Iraflor Comércio de Madeiras Ltda., which carries out activities related to the management and sale of timber and forests for the parent company Celulose Irani S.A. and the market.

OPERATING PERFORMANCE



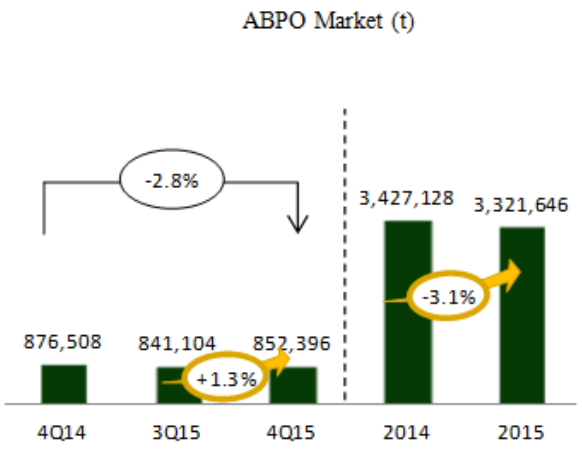
Corrugated Cardboard Packaging Segment (PO)

The volume in metric tons of corrugated cardboard packaging sales in the ABPO Market decreased by 2.8% in 4Q15 compared to 4Q14, whereas the IRANI Market remained stable in the same period, totaling 52,306 metric tons. Compared to 3Q15, the ABPO Market presented an increase of 1.3%, whereas the IRANI Market increased by 5.8%. In 2015, the ABPO market declined by 3.1% compared to 2014, whereas the IRANI market remained stable.

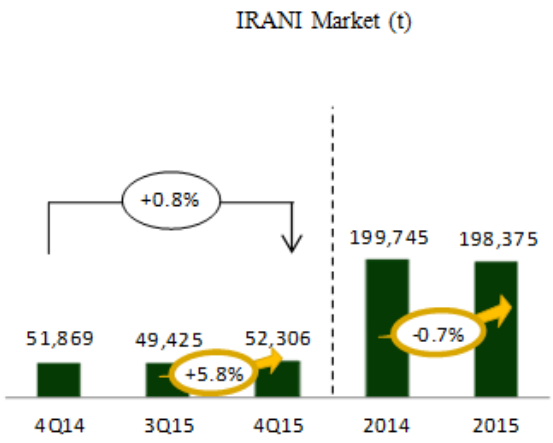
In metric tons, IRANI's market share in the last quarter was 6.1%, remaining stable in relation to the 5.9% recorded for 4Q14 and the 5.8% recorded for 3Q15. In the year 2015, IRANI's market share was 5.9%, compared to 5.8% in 2014.

In 2015, the sales of boxes and sheets remained stable. The Indaiatuba (SP), Campina da Alegria (SC) and Vila Maria (SP) Packaging Plants accounted for 39%, 30% and 31%, respectively, of the total corrugated cardboard sold in 2015, and their entire production was allocated to the domestic market.

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



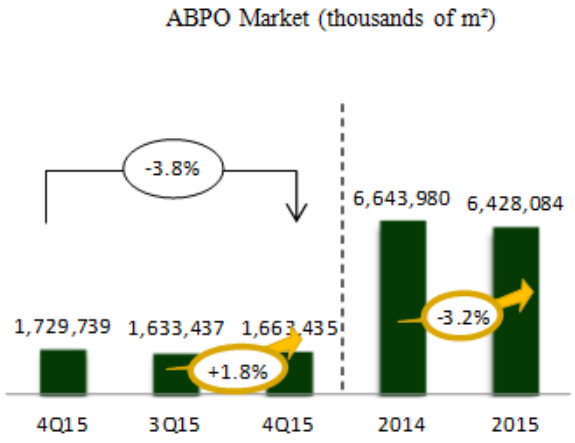
Source: ABPO



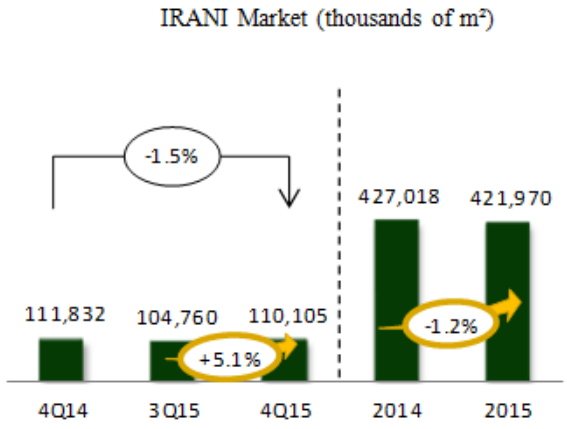
Source: IRANI

The volume of corrugated cardboard packaging sales in square meters (m²) decreased by 3.8% in 4Q15 in the ABPO market compared to 4Q14, and increased by 1.8% compared to 3Q15. In the comparison between the years 2015 and 2014, there was a decrease of 3.2%. In the comparison between 4Q15 and 4Q14, the IRANI Market declined by 1.5%. In relation to 3Q15, the IRANI Market increased by 5.1%. In the year 2015, IRANI recorded a decrease of 1.2% compared to 2014. The IRANI market share in square meters reached 6.6% in 4Q15, remaining stable compared to the 6.5% recorded for 4Q14 and the 6.4% for 3Q15. The volume sold by IRANI in 2015 totaled 421,970 thousand m², attaining a market share of 6.6% in the year.

Sales Volume (in square meters) - Corrugated Cardboard Packaging Sector



Source: ABPO



Source: IRANI

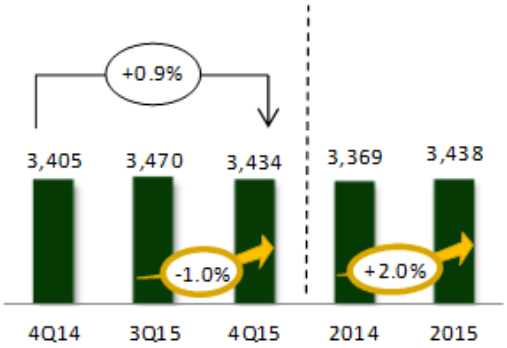
The production in the Indaiatuba SP Packaging Plant totaled 54,676 metric tons of boxes and 22,390 metric tons of sheets in 2015 (compared to 53,438 metric tons of boxes and 21,950 metric tons of sheets in 2014).

The production in the Campina da Alegria SC Packaging Plant totaled 44,974 metric tons of boxes and 14,399 metric tons of sheets in 2015 (compared to 47,946 metric tons of boxes and 13,715 metric tons of sheets in 2014).

The production in the Vila Maria SP Packaging Plant totaled 41,575 metric tons of boxes and 20,362 metric tons of sheets in 2015 (compared to 40,872 metric tons of boxes and 21,824 metric tons of sheets in 2014).

The average IRANI (CIF) price per metric ton remained stable in 4Q15 compared to 4Q14, and there was a decrease of 1.0% in comparison to the prices in 3Q15. In the year, there was a positive variation of 2.0%, as shown below:

Average IRANI Prices (R$/metric ton)

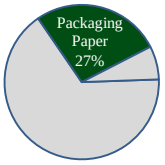


Note on methodology: IRANI prices exclude Excise Tax (IPI) but include Social Integration Program (PIS), Social Contribution on Revenues (COFINS) and Value-added Tax on Sales and Services (ICMS) and are adjusted based on the market mix of boxes and sheets.

Packaging Paper Segment

IRANI operates in the Packaging Paper Segment, with activities both in the hard packaging paper market (paper for corrugated cardboard) and the flexible packaging paper market (paper for sacks).

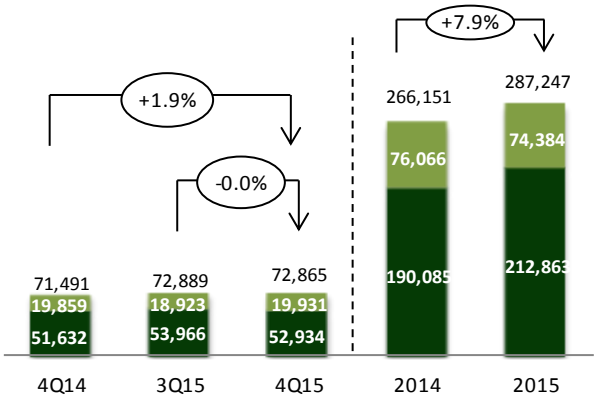
Share of the 2015 Revenue

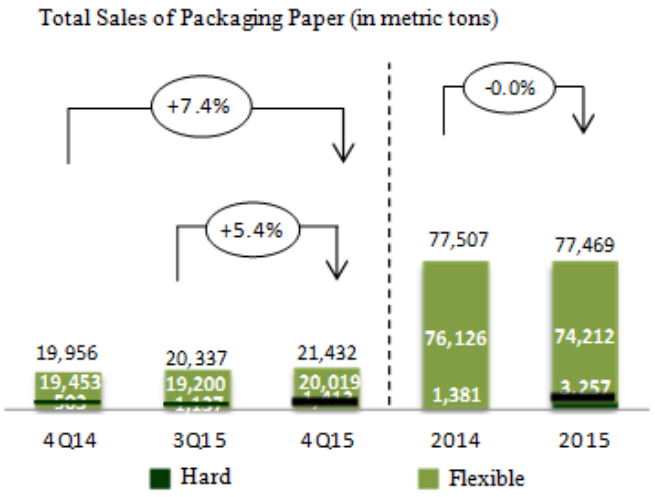


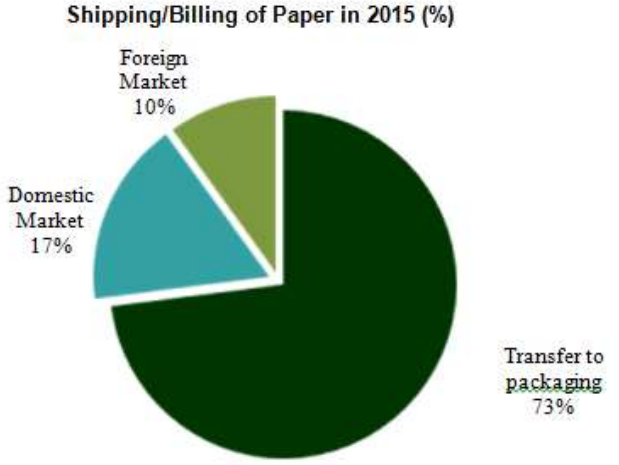
The Company's total packaging paper production in 4Q15 was 1.9% higher than that for the 4Q14, and remained stable in relation to 3Q15. The sales in that quarter grew by 7.4% and 5.4%, respectively, compared to 4Q14 and 3Q15. In the comparison between the years 2015 and 2014, production totaled 287,247 metric tons, an increase of 7.9% over that for 2014, and sales totaled 77,469 metric tons, stable in relation to 2014.

The increase in the volumes of packaging paper produced in 2015 was mainly due to productivity gains achieved through the expansion and modernization of Paper Machine I (MP I), which occurred in May 2014.

Total Production of Packaging Paper (in metric tons)





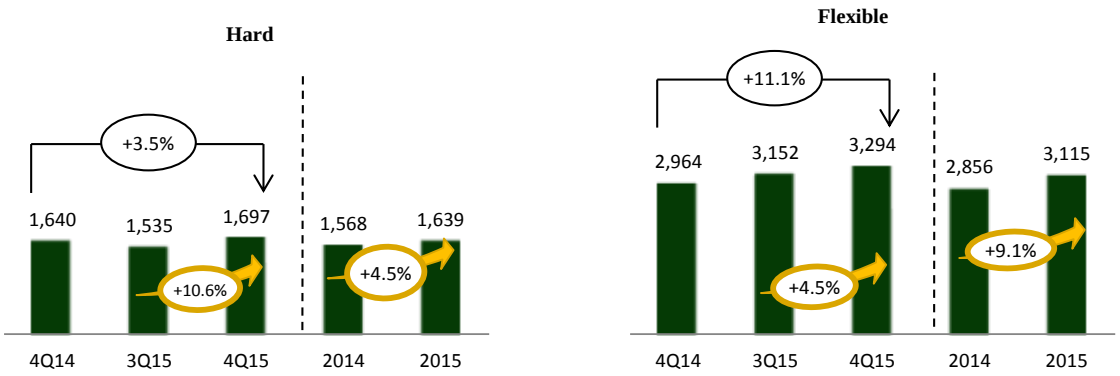


In 4Q15, the internal transfers of paper to hard packaging (Corrugated Cardboard) amounted to 52,819 metric tons (51,917 metric tons in 4Q14 and 54,299 metric tons in 3Q15), as follows: the Indaiatuba - SP Packaging Plant received 20,549 metric tons (18,790 metric tons in 4Q14 and 21,458 metric tons in 3Q15); the Vila Maria SP Packaging Plant received 16,428 metric tons (17,371 metric tons in 4Q14 and 16,629 metric tons in 3Q15); and the Campina da Alegria SC Packaging Plant received 15,842 metric tons in 4Q15 (15,756 tons in 4Q14 and 16,212 metric tons in 3Q15). In the year 2015, the transfers totaled 208,948 metric tons (188.553 metric tons in 2014), of which 80,645 metric tons were transferred to the Indaiatuba SP Packaging Plant (2014 - 63,367 metric tons), 65,452 to the Vila Maria SP Packaging Plant (2014 - 66,599 metric tons) and 62,851 metric tons to the Campina da Alegria SC Packaging Plant (2014- 58,587 metric tons).

Of the total internal transfers in 2015, 39% was allocated to the Indaiatuba SP Packaging Plant, 31% to the Vila Maria SP Packaging Plant, and 30% to the Campina da Alegria SC Packaging Plant (2014 - 34%, 35% and 31%, respectively).

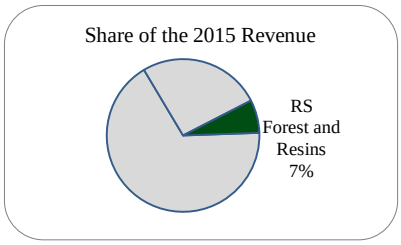
The pieces of hard packaging paper, which represents a small share of the sales volume (only 1,413 metric tons in 4Q15, as shown in the chart above) and whose price is lower than the prices of the other types of paper sold by the Company, increased by 3.5% and 10.6% in comparison with the prices charged in 4Q14 and 3Q15, respectively. In the year 2015, there was an increase of 4.5% compared to 2014. The Company's average prices accompanied the market trend. The prices of flexible packaging paper increased by 11.1% and 4.5% in comparison with 4Q14 and 3Q15, respectively. An increase of 9.1% was recorded in the comparison between 2014 and 2015.

Average prices of Packaging Paper (R$/metric ton)



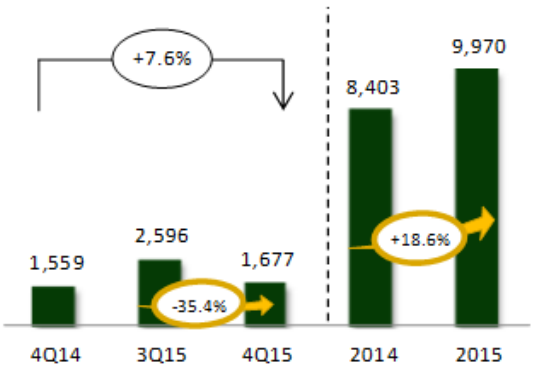
RS Forest and Resins Division

In 2015, the Rio Grande do Sul Forest Segment produced and sold 48 thousand m³ of pine logs to the domestic market (105 thousand m³ in 2014) and supplied 3,375 metric tons of natural resins to the parent company Celulose Irani S.A. (3,409 metric tons in 2014), to be used in the industrial production of tar and turpentine.

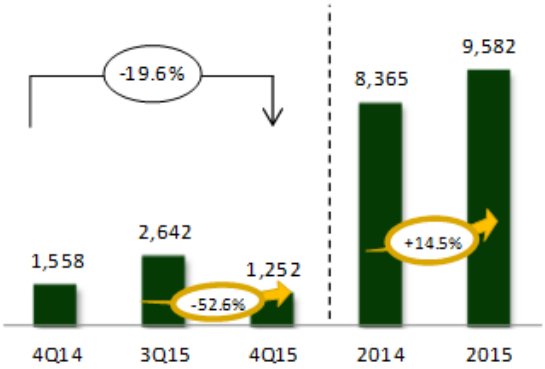


In 4Q15, the production and sales of the Balneário Pinhal RS Resins Plant increased by 7.6% and decreased by 19.6%, respectively, compared to 4Q14. This plant's production and sales decreased by 35.4% and 52.6%, respectively, compared to the volumes recorded in 3Q15. In the annual comparison, production and sales totaled 9,970 and 9,582 metric tons, increases of 18.6% and 14.5%, respectively, in relation to 2014.

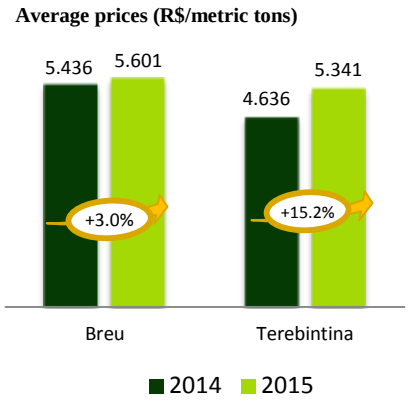
Tar and Turpentine production (metric tons)



Tar and Turpentine sales (metric tons)



In 2015, the gross average price of tar was 3.0% higher than in 2014. The average price of turpentine increased by 15.2% compared to 2014. The changes in the average prices of resins mainly resulted from the effects of foreign exchange variations on the prices of the products.



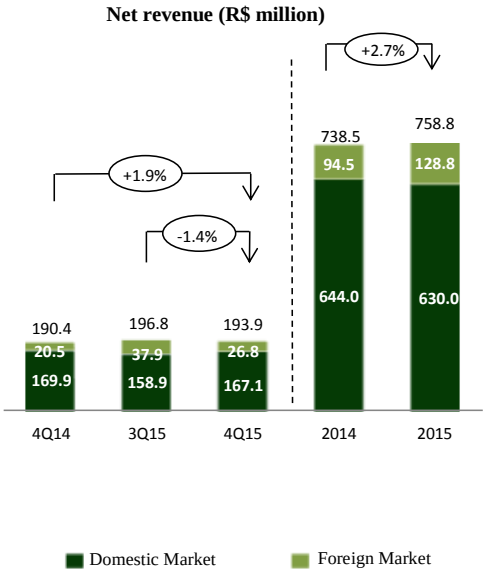
ECONOMIC AND FINANCIAL PERFORMANCE

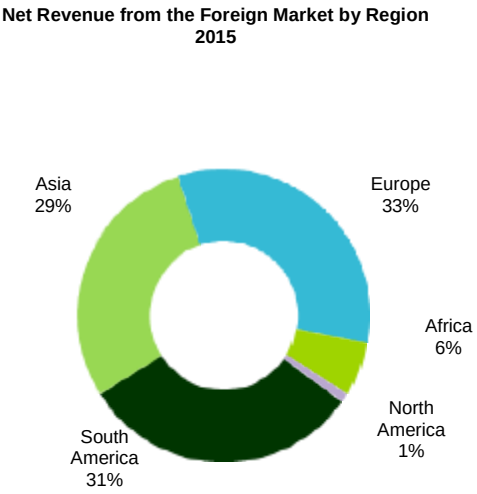
Net operating revenue

Net operating revenue for 4Q15 totaled R$ 193,930 thousand, an increase of 1.9% in relation to 4Q14, and a decrease of 1.4% in relation to 3Q15. Revenue totaled R$ 758,758 thousand in the year, an increase of 2.7% over that in the previous year.

In the domestic market, net operating revenue amounted to R$ 167,132 thousand in 4Q15, which represented a decrease of 1.6% compared to 4Q14 and an increase of 5.2% in relation to 3Q15. In 2015, net operating revenue totaled R$ 629,967 thousand, a decrease of 2.2% compared to 2014. The domestic market accounted for 83% of IRANI's total revenue in 2015.

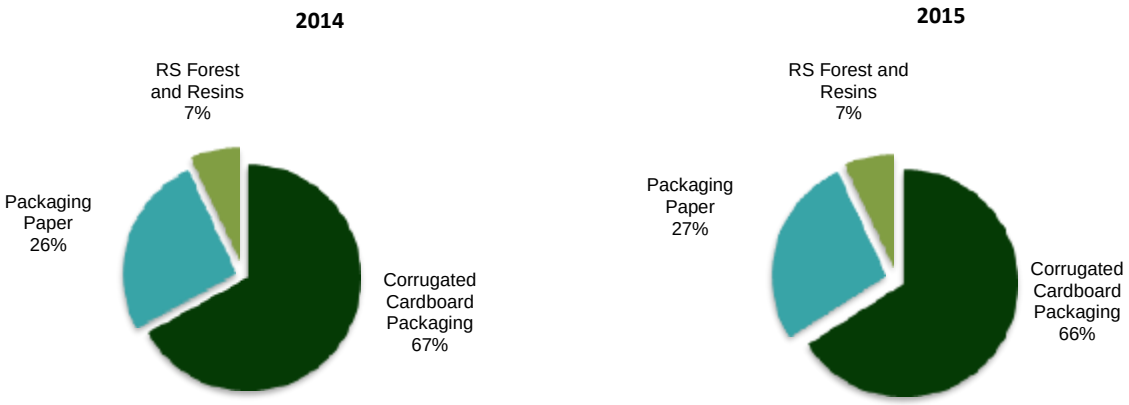
In 4Q15, exports totaled R$ 26,798 thousand, an increase of 30.4% compared to 4Q14, and a decrease of 29.4% in relation to 3Q15. In 2015, exports totaled R$ 128,791 thousand, an amount 36.2% higher than that for 2014, representing 17% of the total net operating revenue, reflecting the impact of a higher foreign exchange rate. Exports were mainly to Europe (33% of the export revenue), followed by South America (31%). The other markets include: Asia (29%), Africa (6%) and North America (1%).





IRANI's main operating segment is the Corrugated Cardboard (PO) Packaging Segment, which was responsible for 66% of consolidated net revenue in 2015, followed by the Packaging Paper (27%) and RS Forest and Resins (7%) segments.

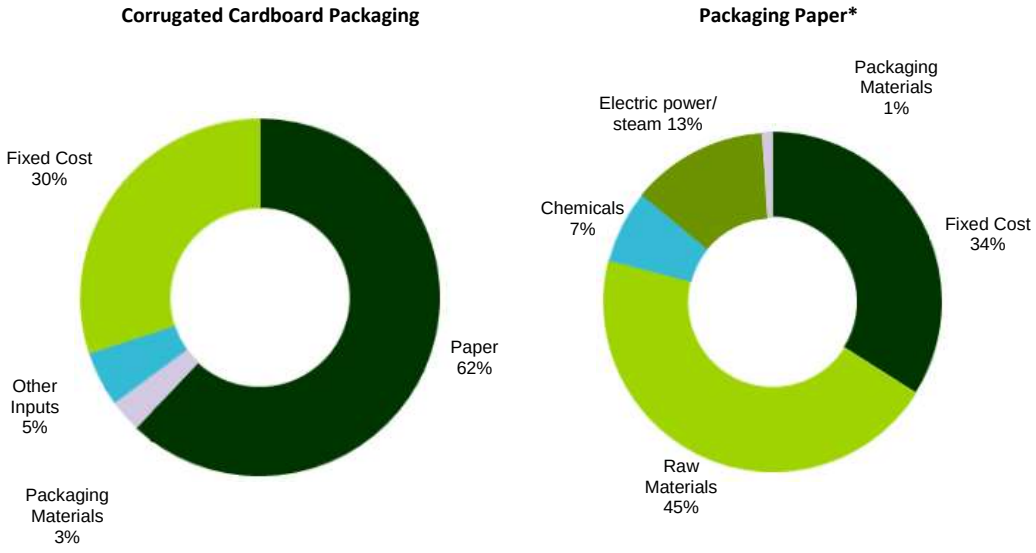
Net revenue by segment



Cost of products sold

The cost of products sold amounted to R$ 530,437 thousand in 2015, a decrease of 2.7% compared to 2014. The change in the fair value of biological assets was not considered in the cost of products sold for both periods.

In 2015, the costs per business segment were as follows.



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

Operating income and expenses

In 2015, selling expenses totaled R$ 81,113 thousand, an increase of 14.7% compared to 2014, and represented 10.7% of consolidated net revenue, slightly above the 9.6% recorded for 2014.

In 2015, administrative expenses decreased by 1.2% compared to 2014 and totaled R$ 46,415 thousand, representing 6.1% of consolidated net revenue, compared to 6.4% in 2014, as a result of efforts made to lower costs during the year.

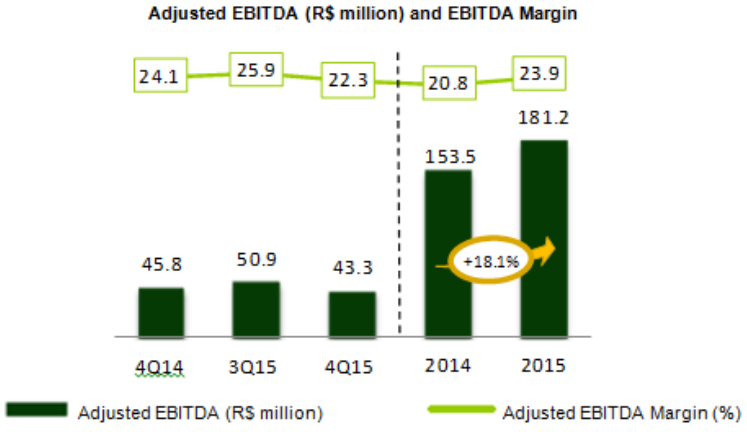
Other operating income/expenses resulted in an expense of R$ 733 thousand in 2015 (2014 - income of R$ 1,019 thousand).

OPERATING CASH GENERATION (ADJUSTED EBITDA)

Consolidated (R$ thousand)	4Q15	3Q15	4Q14	Variation 4Q15/3Q15	Variation 4Q15/4Q14	2015	2014	Variation 2015/2014
Operating Result Before Taxes and Profit Sharing	**(15,162)**	**2,327**	**17,842**	-751.6%	-185.0%	**962**	**28,376**	-96.6%
Depletion	5,164	6,081	5,016	-15.1%	3.0%	20,579	21,618	-4.8%
Depreciation and Amortization	15,259	14,850	14,366	2.8%	6.2%	59,117	50,554	16.9%
Finance Result	22,118	28,502	13,799	-22.4%	60.3%	92,573	71,339	29.8%
EBITDA	**27,379**	**51,760**	**51,023**	-47.1%	-46.3%	**173,231**	**171,887**	**0.8%**
EBITDA Margin	***14.1%***	***26.3%***	***26.8%***	***-12.2 p.p.***	***-12.7 p.p.***	***22.8%***	***23.3%***	***-0.5 p.p.***
Adjustments pursuant to CVM Instruction 527/12								
Change in the Fair Value of Biological Assets [1]	14,372	(783)	(10,966)	-	-	6,450	(29,416)	-
Management Profit Sharing [2]	55	-	6,287	-	-99.1%	55	6,287	-99.1%
Non-recurring Events [3]	1,473	-	(512)	-	-	1,473	4,725	-68.8%
Adjusted EBITDA	**43,279**	**50,977**	**45,832**	**-15.1%**	**-5.6%**	**181,209**	**153,483**	**18.1%**
Adjusted EBITDA Margin	***22.3%***	***25.9%***	***24.1%***	***-3.6 p.p.***	***-1.8 p.p.***	***23.9%***	***20.8%***	***3.1 p.p.***

[1] The change in the fair value of biological assets did not represent a cash reduction in the period.
[2] Management profit sharing: The amount of R$ 55 thousand refers to the distribution of profits of the Company, and did not represent a cash disbursement in the period.
[3] Non-recurring events refer to the write-off of an Intangible Asset (São Roberto Brand) and did not represent a cash reduction.

Cash provided by operating activities, measured by adjusted EBITDA, totaled R$ 43,279 thousand in 4Q15, a decrease of 5.6% in relation to 4Q14 and of 15.1% compared to 3Q15. The adjusted EBITDA margin decreased by 1.8 percentage points in 4Q15, attaining 22.3%. In the year-to-date, adjusted EBITDA attained R$ 181,209 thousand, with a margin 23.9% and 18.1% higher than that for 2014, totaling R$ 153,483 thousand. The growth of 3.1 percentage points in the margin resulted mainly from the operating performance, reduction of variable production costs and administrative expenses, and the appreciation of the U.S. dollar and euro.



FINANCE RESULT AND INDEBTEDNESS

In 4Q15, the Company recorded a negative finance result of R$ 22,118 thousand, which represented an increase of 60.3% in relation to 4Q14. In comparison with 3Q15, the finance result presented a reduction of 22.4%. In 2015, the Company recorded a negative finance result of R$ 92,573, an increase of 29.8% compared to 2014 (negative finance result of R$ 71,339 thousand), mainly due to the higher interest rate (CDI), inflation (Amplified Consumer Price Index - IPCA) and foreign exchange variations.

In 4Q15, finance costs totaled R$ 30,895 thousand, compared to R$ 23,027 thousand in 4Q14, and R$ 38,032 thousand in 3Q15. Finance costs totaled R$ 127,801 thousand, in 2015, compared to R$ 96,498 thousand in 2014. Finance income totaled R$ 8,777 thousand in 4Q15, compared to R$ 9,228 thousand in 4Q14 and R$ 9,530 thousand in 3Q15. Finance income amounted to R$ 35,228 thousand in 2015, compared to R$ 25,159 thousand in 2014.

The finance result was distributed as follows:

R$ thousand	4Q15	3Q15	4Q14	2015	2014
Finance income	8,777	9,530	9,228	35,228	25,159
Finance costs	(30,895)	(38,032)	(23,027)	(127,801)	(96,498)
Finance result	(22,118)	(28,502)	(13,799)	(92,573)	(71,339)

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

R$ thousand	4Q15	3Q15	4Q14	2015	2014
Foreign exchange gains	4,265	6,318	2,675	19,885	8,937
Foreign exchange losses	(5,385)	(15,873)	(3,576)	(36,958)	(12,096)
Foreign exchange variations, net	(1,120)	(9,555)	(901)	(17,073)	(3,159)

The foreign exchange variations negatively impacted the Company's results by R$ 1,120 thousand in 4Q15 and R$ 17,073 thousand in 2015, due to the devaluation of the Brazilian Real against the U.S. dollar during the year.

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

R$ thousand	4Q15	3Q15	4Q14	2015	2014
Finance result net of foreign exchange variations	(20,998)	(18,947)	(12,898)	(75,500)	(68,180)

With the objective of hedging its exports in the coming years, the Company maintains the flow of the maturities of its commitments in foreign currency (U.S. dollars) aligned with the estimated receivables in U.S. dollars. The foreign exchange variations of these transactions are recorded monthly in equity, and recognized in the statement of income as finance costs when realized (hedge accounting). In 4Q15, the Company recognized hedge accounting gains of R$ 10,184 thousand (R$ 6,721 thousand net of taxes in equity), and the amount recognized in the statement of income, as finance cost, was R$ 1,695 thousand. In the accumulated for the year, the Company maintained R$ 219,686 thousand recorded as foreign exchange variations on hedge accounting, to be recognized in the statement of income on realization, over the coming years. The amount of R$ 144,993 thousand is recognized in Equity (net of taxes).

Foreign exchange rate

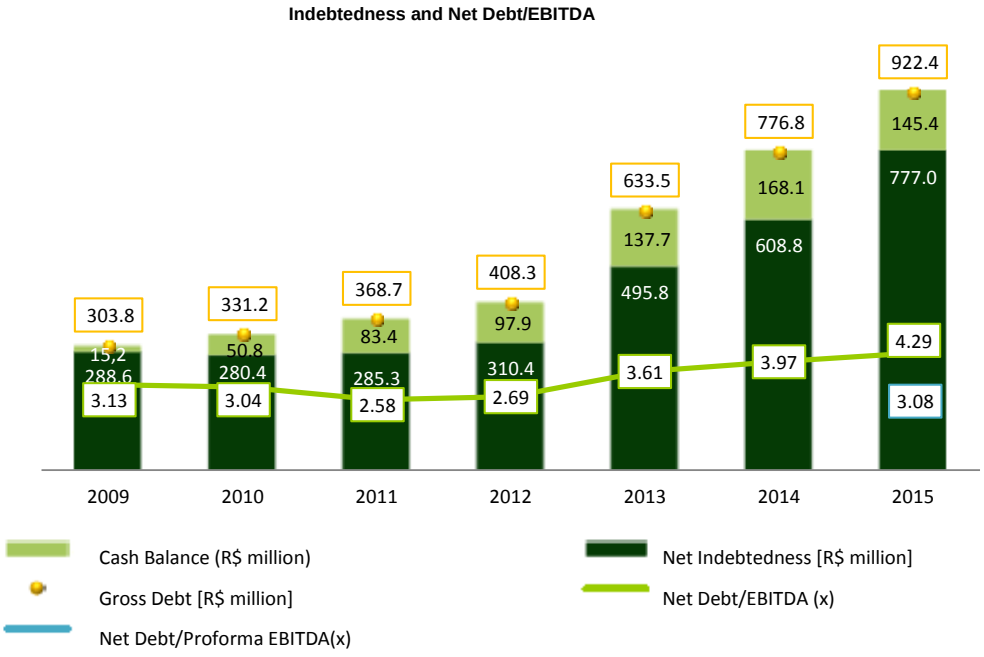
The exchange rate of R$ 2.66/US$ at December 31, 2014 increased by 46.62% to the end of December 2015, reaching R$ 3.90/US$. The average exchange rate for the final quarter of 2015 was R$ 3.84/US$, or 8.47% higher than that for 3Q15 and 51.18% higher than that for the same period of 2014. In the year 2015, the average exchange rate increased by 42.13%, reaching R$ 3.34/US$.

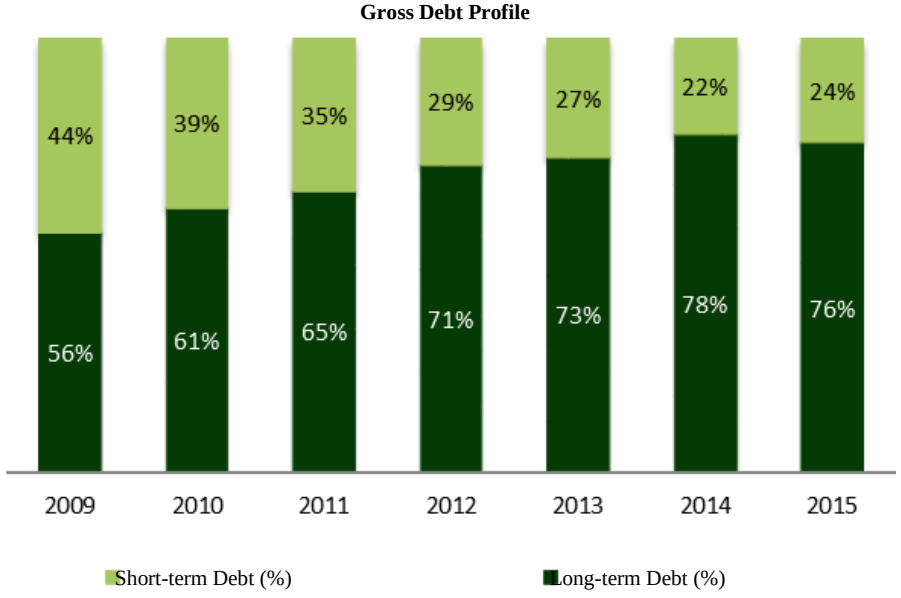
	4Q15	3Q15	4Q14	Δ4Q15/3Q15	4Q15/4Q14	2015	2014	Δ2015/2014
Average U.S. dollar	3.84	3.54	2.54	+8.47%	+51.18%	3.34	2.35	+42.13%
Final U.S. dollar	3.90	3.97	2.66	-1.76%	+46.62%	3.90	2.66	+46.62%
Source: Brazilian Central Bank								

Net indebtedness

At December 31, 2015, consolidated gross indebtedness totaled R$ 922.4 million, compared to R$ 776.8 million at December 31, 2014. The variation in this indicator was influenced by the exchange rate variation during the year, arising from the portion of the Company's debt exposed to the U.S. dollar, and also by the increase in the interest rate. At December 31, 2015, the Company's gross debt profile presented 24% of debts maturing in the short term and 76% in the long term.

At December 31, 2015, consolidated cash and cash equivalents totaled R$ 145.4 million, compared to R$ 168.1 million at December 31, 2014. The impact on cash was mainly due to repayments of the principal of the debt. The consolidated net indebtedness at December 31, 2015 was R$ 777.0 million, compared to R$ 608.8 million at December 31, 2014. The net debt/EBITDA ratio changed from 3.97 times at the end of 2014 to 4.29 times at the end of 2015. Excluding from net debt the exchange variation recorded as hedge accounting (Note 30 - Cash flow hedge), the pro forma net debt/EBITDA ratio would have been 3.08 at the end of 2015. The variation in this indicator was influenced by the appreciation of the U.S. dollar during the year, which affected the portion of debt denominated in this currency.





VALUATION OF THE FAIR VALUE OF BIOLOGICAL ASSETS (FORESTS)

As from 2010, the Company started to measure the fair value of its biological assets (forests) periodically, as determined by CPC 29. The change in fair value of the biological assets produced the following effects in the Company's results for 2015:

Effects of the changes in the fair value of biological assets

R$ thousand	2015	2014
Change in the fair value of biological assets	(6,450)	29,416
Depletion of the fair value of biological assets	(16,944)	(17,926)

The fair value of biological assets decreased in 2015, mainly due to variations in certain assumptions utilized in their valuation, such as an increase in the forest discount rate, change in production planning and variation in production costs.

The change in the fair value of biological assets, as well as their depletion, is recognized in "Cost of Goods Sold". This new accounting determination improves the evaluation of the market value of the Company's forests, increasing the accuracy of the financial statements.

OPERATING RESULT BEFORE TAXES AND PROFIT SHARING

In 4Q15, the operating result before taxes and profit sharing presented a loss of R$ 15,162 thousand, compared to a profit of R$ 17,842 thousand in 4Q14 and of R$ 2,327 thousand in 3Q15. In the year 2015, the operating result before taxes and profit sharing presented a profit of R$ 962 thousand, but was lower than that for 2014 (R$ 28,376 thousand).

PROFIT (LOSS)

The Company reported a loss of R$ 16,844 thousand for 4Q15, compared to profits of R$ 27,924 thousand in 4Q14 and R$ 3,686 thousand in 3Q15. In the year 2015, there was a profit of R$ 495 thousand, compared to a profit of R$ 56,579 thousand for 2014. The result for 2015 was adversely impacted by the change in the fair value of biological assets, as well as by the effects of foreign exchange variations recognized in the statement of income.

INVESTMENTS

The Company has maintained its strategy of investing in the modernization and automation of its production processes.

In 2015, these investments totaled R$ 66,487 thousand and were basically aimed at the maintenance and improvement of machinery, equipment and in the improvement of the Company's physical structures.

R$ thousand	4Q15	2015
Land	6,963	6,983
Buildings	8,299	8,879
Equipment	7,570	42,688
Intangible assets	368	970
Reforestation	2,367	6,967
Total	**25,567**	**66,487**

The main investment made in 2015 related to the completion of the technological update of equipment in the output of the Corrugator Machine of the Vila Maria SP Packaging Plant, aimed at increasing production and improving quality.

SHARE CAPITAL

At December 31, 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. At December 31, 2015, the Company held in treasury 2,376,100 shares, of which 24,000 were common shares and 2,352,100, preferred shares. At the same date, the Company's market value was R$ 505,447 thousand, 7% lower than the amount in 2014 (R$ 543,636 thousand).

Dividends

In 2015, the minimum mandatory dividend was R$ 3,343 thousand, corresponding to R$ 0.0203422 per share. It should be noted that the interim dividends approved by the Company's Board of Directors on August 20, 2015 and November 18, 2015, totaling R$ 4,950 thousand,

corresponding to R$ 0.030120 per share, were higher than the minimum mandatory dividend calculated at the end of the year. However, management understands that this fact has no negative impact on the Company, since the amounts distributed are not significant, and, consequently, do not affect liquidity. In addition, on the date of their approval, these dividends were in compliance with the minimum mandatory limit.

PROSPECTS

In 2016, we expect the challenging economic environment to continue, with the possibility of increased complexity in the Brazilian economy due to adjustments in the world economy. In this context, we believe that business competitiveness and strict financial management will be essential as we go through this more difficult period. In addition, we believe that times of adversity, such as the one we are currently facing, are inherent to economic cycles, especially in emerging economies such as that of Brazil, and that they also provide business opportunities.

For additional information, access our website – www.irani.com.br/ri, or contact our Investors Relations area:

Odivan Carlos Cargnin – odivancargnin@irani.com.br

Tel.: (51) 3220 3542 Fax.: (51) 3220 3757

Evandro Zabott – evandrozabott@irani.com.br

Tel.: (49) 3527 5192 Fax.: (49) 3527 5185

Adriana Wagner – adrianawagner@irani.com.br

Tel.: (49) 3527 5194 Fax.: (49) 3527 5185

Address: Rua Francisco Lindner, 477 Joaçaba/SC 89.600-000

E-mail: ri@irani.com.br

The statements contained in this notice regarding the perspectives of businesses and the potential for the Company's growth are mere forecasts, based on the expectations of management regarding the future of the Company. These expectations are highly dependent on market changes, in Brazil's general economic performance and in the international markets, and therefore are subject to changes.

Annex I – Consolidated Statements of Income (R$ thousand)

	4Q15	3Q15	4Q14	Variation 4Q15/3Q15	Variation 4Q15/4Q14	2015	2014	Variation 2015/2014
Continuing operations								
Net Revenue from sales	**193,930**	**196,781**	**190,402**	**-1.4%**	**1.9%**	**758,758**	**738,499**	**2.7%**
Fair value variation biological assets	(14,372)	783	10,966	-1,935.5%	-231.1%	(6,450)	29,416	-121.9%
Cost of products sold	(138,108)	(133,969)	(135,310)	3.1%	2.1%	(530,437)	(545,224)	-2.7%
Gross Profit	**41,450**	**63,595**	**66,058**	**-34.8%**	**-37.3%**	**221,871**	**222,691**	**-0.4%**
Operating Income (Expenses)	**(34,494)**	**(32,766)**	**(34,417)**	**5.3%**	**0.2%**	**(128,336)**	**(122,976)**	**4.4%**
Selling Expenses	(21,914)	(21,421)	(18,737)	2.3%	17.0%	(81,133)	(70,738)	14.7%
General and administrative	(11,630)	(11,451)	(13,453)	1.6%	-13.6%	(46,415)	(46,970)	-1.2%
Other operating income	1,680	1,829	6,406	-8.1%	-73.8%	5,180	11,158	-53.6%
Other operating expenses	(2,575)	(1,723)	(2,346)	49.4%	9.8%	(5,913)	(10,139)	-41.7%
Management participation	(55)	-	(6,287)	-	-99.1%	(55)	(6,287)	-99.1%
Profit before financial result and taxes	**6,956**	**30,829**	**31,641**	**-77.4%**	**-78.0%**	**93,535**	**99,715**	**-6.2%**
Net financial income (expenses)	**(22,118)**	**(28,502)**	**(13,799)**	**-22.4%**	**60.3%**	**(92,573)**	**(71,339)**	**29.8%**
Financial income	8,777	9,530	9,228	-7.9%	-4.9%	35,228	25,159	40.0%
Financial expenses	(30,895)	(38,032)	(23,027)	-18.8%	34.2%	(127,801)	(96,498)	32.4%
Income (loss) before taxes	**(15,162)**	**2,327**	**17,842**	**-751.6%**	**-185.0%**	**962**	**28,376**	**-96.6%**
Income tax and social contribution current	(479)	(423)	(132)	13.2%	262.9%	(1,360)	(400)	240.0%
Income tax and social contribution deferred	(1,203)	1,782	10,214	-167.5%	-111.8%	893	28,603	-96.9%
Consolidated profit (loss) for the period	**(16,844)**	**3,686**	**27,924**	**-557.0%**	**-160.3%**	**495**	**56,579**	**-99.1%**

Annex II – Consolidated Balance Sheet (R$ thousand)

ASSETS	12/31/15	12/31/14	LIABILITIES AND SHAREHOLDERS' EQUITY	12/31/15	12/31/14
CURRENT ITEM	**377,185**	**396,486**	**CURRENT ITEM**	**380,413**	**329,720**
Cash and cash equivalents	125,732	165,985	Funding	195,620	125,235
Trade accounts receivable	135,854	129,922	Debentures	21,248	44,382
Inventories	67,219	62,649	Trade accounts payable	70,135	65,239
Recoverable taxes	9,245	7,094	Payroll and related charges	41,152	40,440
Banks restricted account	19,722	2,073	Taxes payable	19,256	19,880
Other assets	19,413	28,763	IR and CSLL payable	805	787
			Tax in installments	2,222	2,309
			Advances from customers	1,218	2,538
NONCURRENT ITEM	**1,281,406**	**1,282,351**	Dividends payable	479	12,964
Recoverable taxes	3,066	3,625	Other payables	28,278	15,946
Escrow deposits	1,475	1,185			
Other assets	23,584	2,457	**NONCURRENT ITEM**	**881,550**	**851,492**
Related parties	1,154	1,093	Funding	665,761	537,490
Biological assets	261,559	281,621	Debentures	39,791	69,738
Property for investment	19,137	4,087	Taxes payable	10,298	11,293
Property, plant and equipment	860,410	875,472	Income tax and social contribution deferred	146,197	196,824
Intangible	111,021	112,811	Reserve for civil, labor and tax risks	17,583	32,482
			Tax in installments	1,920	3,665
			SHAREHOLDERS' EQUITY	**396,628**	**497,625**
			Capital	161,895	151,895
			Capital reserves	960	960
			Revenue reserves	160,731	166,139
			Carrying value adjustments	73,029	178,617
			Shareholders equity assigned to the participation of controlling shareholders	396,615	497,611
			Non-controlling shareholders	13	14
TOTAL ASSETS	**1,658,591**	**1,678,837**	**TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY**	**1,658,591**	**1,678,837**

Annex III – Consolidated Statement of Cash Flows (R$ thousand)

	2015	2014
Net cash provided by operating activities		
Cash from operations	**195,653**	**153,575**
Profit (loss) before income tax and social contribution	962	28,376
Changes in the fair value of biological assets	6,450	(29,416)
Depreciation, amortization and depletion	79,696	72,172
Dilution of participation of non-controlling	(1)	-
Result on sale of permanent assets	2.524	(158)
Provision for civil, labor and tax risks	(14,401)	(11,206)
Provision/reversal for impairment of trade receivables	897	705
Provision for losses on other assets	2,006	203
Monetary variations and charges	117,715	81,350
Participation of administrators	55	6,287
Reduction/reversal to net realizable value	(250)	537
Refis adoption (Subsidiary)	-	4,725
Changes in assets and liabilities	**79,924**	**45,129**
Accounts receivable	(6,518)	(657)
Inventories	(4,320)	(2,348)
Taxes recoverable	(1,592)	627
Other assets	(32,094)	(11,703)
Trade payables	4,494	(1,377)
Social security obligations	657	1,366
Advances from customers	(1,320)	920
Taxes payable	(4,793)	(29,877)
Payment of interest on borrowings	(65,800)	(45,657)
Payment of interest on debentures	(16,277)	(18,687)
Other payables	11,834	(1,053)
Net cash used in investing activities	**(66,404)**	**(70,253)**
Purchase of property, plant and equipment	(43,381)	(64,305)
Acquisition of property for investment	(15,225)	-
Acquisition of biological assets	(6,509)	(5,713)
Acquisition of intangible assets	(970)	(811)
Capital contribution	-	4
Receipt on alienation of assets	(319)	572
Net cash used in financing activities	**(53,773)**	**56,104**
Payment of dividends	(17,435)	(22,477)
Debentures paid	-	(48,923)
Loans raised	163,853	252,519
Loans paid	(200,191)	(125,015)
Increase (decrease) in cash and cash equivalents	**(40,253)**	**30,980**
Cash and cash equivalents at the beginning of the period	**165,985**	**135,005**
Cash and cash equivalents at the end of the period	**125,732**	**165,985**