(A free translation of the original in Portuguese)

Porto Alegre, february 27, 2015. 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 2014 (4Q14) and the year 2014. 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$ 153.5 million in 2014, increase of 21.6% in relation to 2013

- Sales volume for the Corrugated Cardboard Packaging Sector increased by 34.5% compared to 2013 and totaled 199.7 thousand metric tons in 2014. The Packaging Paper segment decreased by 25.7%, totaling 77.5 thousand metric tons. The Resins segment increased by 4.3%, totaling 8.4 thousand metric tons. The significant increase in the Corrugated Cardboard Packaging volumes resulted from the integration of the Vila Maria - SP plant (former São Roberto), which in 2013 was consolidated in the Company only as from October. The decrease in the Packaging Paper segment was a result of the consolidation of the Santa Luzia - MG plant operations with the Vila Maria - SP Packaging operations, after which the final product to be sold became the Corrugated Cardboard Packaging.

- The net revenue in 4Q14 was 5.4% superior to the results for 4Q13, and decreased by 1.7% when compared to 3Q14. On an annual basis, net revenue grew 22.2% in relation to 2013, attaining R$ 738.5 million and reflecting the increase in the sales of Corrugated Cardboard Packaging of Vila Maria - SP as from October 2013.

- The gross profit increased by 18.5% and 11.6 % when compared with 4Q13 and 3Q14, respectively. In comparison with 2013, it increased by 19.6% and totaled R$ 222.7 million, mainly as a result of the increase in net revenue.

- The net profit attained R$ 27.9 million in 4Q14 against R$ 42.8 million in 4Q13 and R$ 22.4 million in 3Q14. On an annual basis, the profit amounted to R$ 56.6 million in 2014, a decrease of 16.1% when compared with 2013. Results in 2013 were impacted by the Company's enrollment in the Tax Recovery Program (REFIS) established by Law 11,941/09, which did not occur in 2014. On the other hand, the fair value of biological assets increased by 46.3% in 2014 in relation to 2013, which contributed positively to the Company's net result.

- Adjusted EBITDA in 4Q14 was R$ 45.8 million, with a 24.1% margin. In 2014, it totaled R$ 153.5 million in the year, representing an increase of 21.6% when compared with 2013, with a margin of 20.8%, stable compared to 2013.

- The net debt/EBITDA increased by 3.97 times in December 2014, against 3.61 times at the end of 2013. This change was a result of the investment made in the Paper Machine I and also the appreciation of the U.S. dollar, which increased the Company's portion of debt denominated in U.S. dollars. The Company's cash position at the end of 2014 totaled R$ 168.1 million.

Main financial and economic indicators

MAIN INDICATORS -CONSOLIDATED4Q14	4Q14	3Q14	4Q13	Var. 4Q14/3Q14	Var. 4Q14/4Q13	2014	2013	Var. 2014/2013
Economic and financial (R$ thousand)								
Net operating revenue	190,402	193,603	180,588	-1.7%	5.4%	738,499	604,241	22.2%
Domestic market	169,853	167,791	163,167	1.2%	4.1%	643,959	527,527	22.1%
Foreign market	20,549	25,812	17,421	-20.4%	18.0%	94,540	76,714	23.2%
Gross profit (including *)	66,058	59,202	55,743	11.6%	18.5%	222,691	186,256	19.6%
(*) Change in the fair value of biological assets	*10,966*	*6,025*	*11,017*	82.0%	-0.5%	*29,416*	*20,107*	46.3%
Gross margin	***34.7%***	***30.6%***	**30.9%**	**4,1p.p.**	***3,8p.p.***	***30.2%***	***30.8%***	***-0,6p.p.***
Profit before taxes and profit sharing	17,842	5,537	29,379	222.2%	-39.3%	28,376	56,109	-49.4%
Operating margin	***9.4%***	***2.9%***	**16.3%**	**6,5p.p.**	***-6,9p.p.***	***3.8%***	***9.3%***	***-5,5p.p.***
Profit	27,924	22,402	42,825	24.6%	-34.8%	56,579	67,408	-16.1%
Net margin	***14.7%***	***11.6%***	**23.7%**	**3,1p.p.**	***-9,0p.p.***	***7.7%***	***11.2%***	***-3,5p.p.***
Adjusted EBITDA 1	45,832	41,680	31,387	10.0%	46.0%	153,483	126,210	21.6%
Adjusted EBITDA margin	***24.1%***	***21.5%***	***17.4%***	**2,6p.p.**	***6,7p.p.***	***20.8%***	***20.9%***	***-0,1p.p.***
Net debt (R$ million)	608.8	619.9	495.8	-1.8%	22.8%	608.8	495.8	22.8%
Net debt/Adjusted EBITDA (x)	3.97	4.42	3.61	-10.2%	10.0%	3.97	3.61	10.0%
Operating data (metric tons)								
Corrugated cardboard (PO) packaging								
Production/sales	51,869	51,542	50,707	0.6%	2.3%	199,745	148,486	34.5%
Packaging paper								
Production	71,491	68,562	66,915	4.3%	6.8%	266,151	251,209	5.9%
Sales	19,956	20,562	23,548	-2.9%	-15.3%	77,507	104,281	-25.7%
RS Forest and Resins								
Production	1,559	1,955	941	-20.3%	65.7%	8,403	7,930	6.0%
Sales	1,558	2,388	857	-34.8%	81.8%	8,365	8,019	4.3%

1 EBITDA (Earnings before interest, taxes, depreciation, amortization and depletion). See the related section in this release.

2014 Highlights

The U.S. and European economies presented signs of recovery, with a highlight of improvements in the main economic indicators in the United States of America, which registered a growth of 2.6% in 4Q14. In Brazil, the scenario is one of stagnation or even a slight recession. The inflationary pressure continues to be a worry, with the Amplified Consumer Price Index (IPCA) near to the ceiling of the target established by the Government, causing the Central Bank to repeatedly increase the basic interest rate (SELIC), elevating it to 12.25% p.a. in the Central Bank meeting held in January 2015. The economic activity in Brazil has presented signs of weakness, with the Gross Domestic Product (GDP) for 2014 expected to shrink by 0.15%, that is, below the original expectations.

The indicators of corrugated cardboard consumption levels in the domestic market remained stable, according to the Brazilian Corrugated Cardboard Association (ABPO). Sales of boxes, accessories and corrugated cardboard sheets totaled an accumulated 3.4 million metric tons in 2014, an increase of 0.1% compared to 2013, according to ABPO. The sales in the IRANI market in 2014 presented an increase of 34.5% when compared to 2014, which principally reflects the integral consolidation of São Roberto's operations.

Internally, for IRANI, the 2014 highlights were the consolidation of the operations of Indústria de Papel e Papelão São Roberto S.A., which was merged into Celulose Irani S.A. on December 30 and definitively started to operate in full synchrony with the Company's other operations, and also the modernization of the Paper Machine No. I, an important investment which increased the Packaging Paper production capacity.

Consolidated net revenue increased by 22.2% in 2014 in relation to 2013, as a result of the increase in revenue from sales of Corrugated Cardboard Packaging manufactured in the Vila Maria - SP (former São Roberto) plant, which was consolidated in the Company only as from October 2013. On the other hand, the sales of paper from the leased plant in Santa Luzia - MG which formed part of the Company's revenue in 2013, were no longer included in the Company's net revenue, because the paper was transferred internally to the Packaging operation in Vila Maria – SP.

In 2014, the Corrugated Cardboard (PO) Packaging Sector represented 67% of IRANI's net revenue, whereas the Packaging Paper and the Forest RS and Resins segments represented 26% and 7%, respectively. The main market is the Brazilian domestic market, which accounted for 87% of the Company's sales.

BUSINESS PANORAMA

The businesses of Celulose Irani S.A. comprise three segments and are organized in accordance with the markets in which they operate. The segments are independent in their operations, but are integrated on a harmonious basis, seeking to optimize the use of pine planted forests, through multiple uses, as well as paper recycling and the vertical integration of the business.

The **Corrugated Cardboard Packaging (PO) Division** produces boxes and light and heavy corrugated cardboard sheets, and has three industrial units in the cities of Campina da Alegria, in the State of Santa Catarina (SC), and Indaiatuba and Vila Maria (former São Roberto), both in the State of São Paulo (SP).

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

The **RS Forest and Resins Division** 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, adhesives, among other products. The tar and the turpentine are destined mainly to the foreign market.

Subsidiaries

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

• Habitasul Florestal S.A., with a forest base of 16.3 thousand hectares, has 8.0 hectares of planted pine in Rio Grande do Sul, and is a supplier of resin to the Resinas da Celulose Irani S.A. unit and also the supplier of wood for customers in the region.

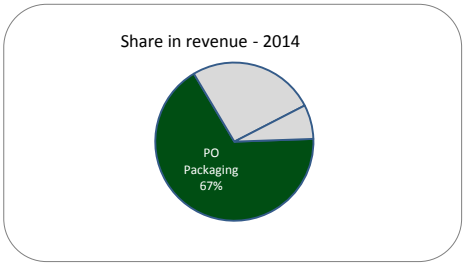
• HGE - Geração de Energia Sustentável Ltda. and Irani Geração de Energia Sustentável Ltda., which operate in the generation, transmission and distribution of electric power sourced from wind energy, and are in the pre-operating phase.

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

OPERATING PERFORMANCE

Corrugated Cardboard Packaging Segment

As shown in the following charts, the volume in metric tons of corrugated cardboard packaging sales of the ABPO Market decreased in 4Q14 by 1.2% in relation to 4Q13, and the IRANI Market presented an increase of 2.3% in the same period, totaling 51,869 metric tons. Compared with 3Q14, the ABPO Market presented a decrease of 1.1% and the IRANI Market remained stable. In 2014, the ABPO Market remained stable in relation to 2013, whereas the IRANI Market increased by 34.5%.



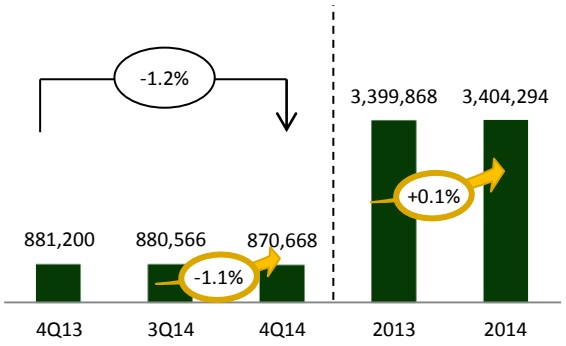
The significant variation in the sales volume was a result of the consolidation of the Vila Maria -SP Packaging operations, which occurred as from October 2013 and began to be 100% consolidated in the Company in 2014.

In metric tons, IRANI's market share in this quarter was 5.9%, stable in relation to the 5.7% registered 4Q13 and 5.8% in 3Q14. IRANI's market share in 2014 was 5.8%, whereas in 2013 it was 4.4%.

In 2014, sales of boxes increased by 33.7% and sales of sheets increased by 36.5%. The Indaiatuba (SP), Campina da Alegria (SC) and Vila Maria (SP) Packaging plants represented 38%, 31% and 31%, respectively, of the total corrugated cardboard sold in 2014, with all of their production allocated to the domestic market.

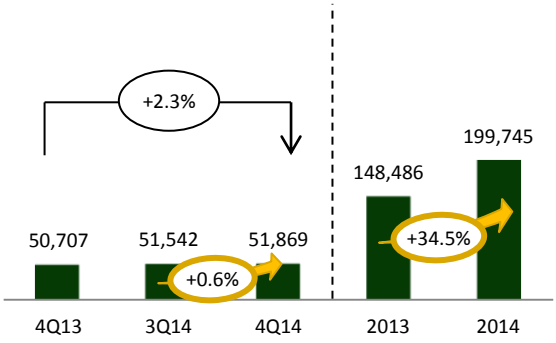
Sales volume (in metric tons) - Corrugated Cardboard Packaging Segment (PO)

ABPO market (metric tons)



Source: ABPO

IRANI market (metric tons)

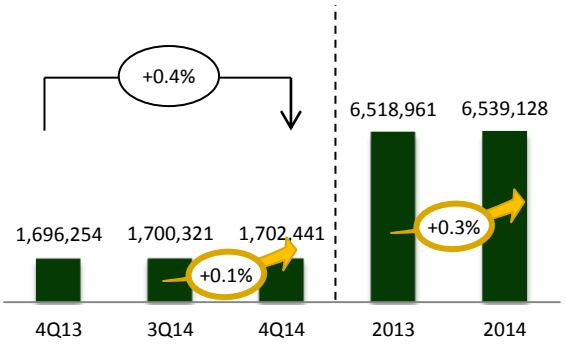


Source: IRANI

The volume of corrugated cardboard packaging sales in square meters (m²) remained stable in 4Q14 in the ABPO market when compared to 4Q13 and 3Q14 and also when comparing 2014 with 2013. The IRANI market, on the other hand, increased by 3.7% in 4Q14 compared to 4Q13 and by 1.6% compared to 3Q14. In the year 2014, IRANI recorded an increase of 35.3% over 2013. IRANI's market share in square meters attained 6.6% in 4Q14, stable when compared with the 6.4% recorded in 4Q13 and the 6.5% in 3Q14. Sales made by IRANI in 2014 totaled 427,002 thousand m², with a market share of 6.5% in the year.

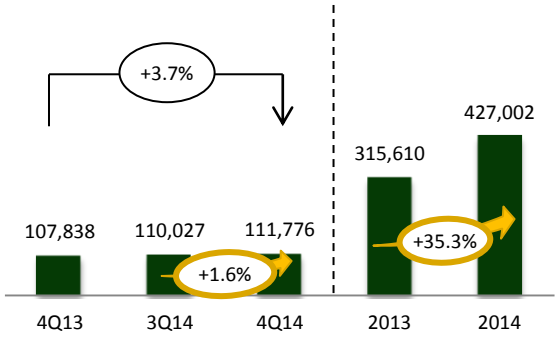
Sales volume (in square meters) - Corrugated Cardboard Packaging Sector

ABPO market (thousand m²)



Source: ABPO

IRANI market (thousand m²)



Source: IRANI

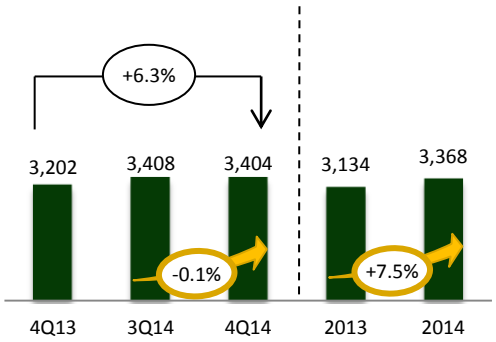
The volume of the Indaiatuba - SP Packaging plant gained relevance in the volume mainly because of the operational gains in productivity and attained 53,438 metric tons of boxes and 21,950 metric tons of sheets in 2014 (versus 51,477 metric tons of boxes and 22,582 metric tons of sheets in 2013).

The Campina da Alegria - SC Packaging plant recorded sales volume of 47,946 metric tons of boxes and 13,715 metric tons of sheets in 2014 (versus 46,025 metric tons of boxes and 13,154 metric tons of sheets in 2013).

The Vila Maria - SP Packaging plant recorded volume of 40,872 metric tons of boxes and 21,824 metric tons of sheets in 2014 (versus 8,874 metric tons of boxes and 6,374 metric tons of sheets in 2013, computed only as from October, when this plant was merged into the Company).

Average IRANI prices (CIF) per metric ton increased by 6.3% in 4Q14 in comparison with 4Q13, and remained stable in relation to 3Q14. In the year, the variation was positive by 7.5%, as shown below:

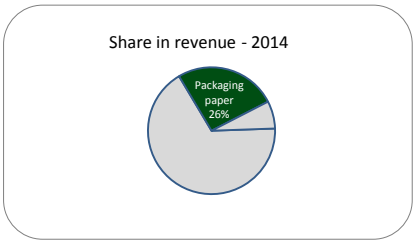
Average prices IRANI (R$/metric ton)



Methodologies: 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 in accordance with the mix of market boxes and sheets.

Packaging Paper Division

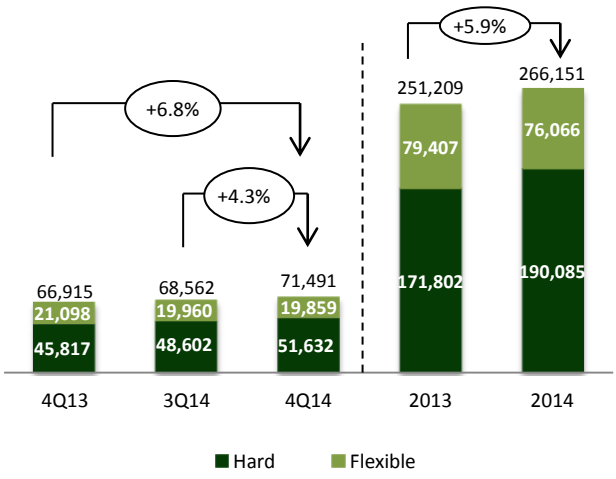
IRANI operates in the Packaging Paper Segment, with activities in the hard packaging paper market (paper for corrugated cardboard) as well as the flexible packaging paper market (paper for sacks).



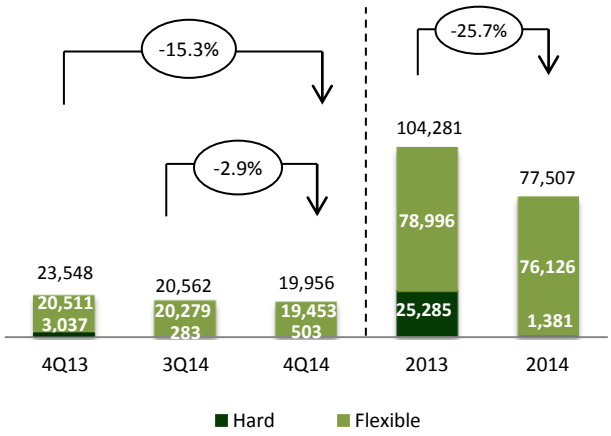
The Company's total packaging paper production grew by 6.8% in 4Q14 compared to 4Q13 and by 4.3% in relation to 3Q14. Sales decreased by 15.3% and 2.9% compared to 4Q13 and 3Q14, respectively. In the accumulated for the year, production totaled 266,151 metric tons, presenting an increase of 5.9% compared to 2013, and sales totaled 77,507 metric tons, a decrease of 25.7% compared to the prior year.

The increase in the volumes of paper for packaging produced in 2014 was mainly due to the productivity gains achieved with the expansion and modernization of the Paper Machine I, which occurred in May. The decrease in sales resulted from the integration of the Vila Maria - SP Packaging Plant, in October 2013, when the paper produced in the Santa Luzia - MG Paper Plant started to be transferred among the units.

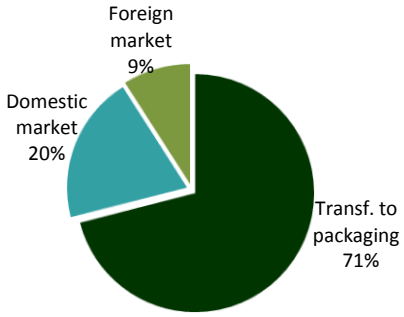
Total production of packaging paper (in metric tons)



Total sales of packaging paper (in metric tons)



Shipping/billing of paper in 2014 (metric tons)



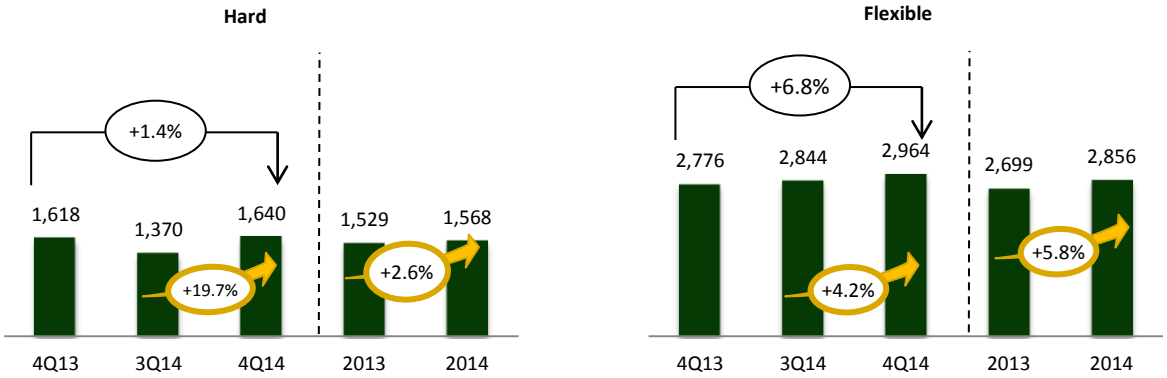
In 4Q14, internal transfers of paper for hard packaging (PO) totaled 51,917 metric tons (47,527 metric tons in 4Q13 and 48,565 metric tons in 3Q14), comprised as follows: the Indaiatuba - SP Packaging Plant attained 18,790 metric tons (16,963 metric tons in 4Q13 and 17,381 metric tons in 3Q14); 17,371 metric tons were transferred to the Vila Maria - SP Packaging Plant (17,375 metric tons in 4Q13 and 16,271 metric tons in 3Q14); and 15,716 metric tons were transferred to the Campina da Alegria - SC Packaging Plant (13,189 metric tons in 4Q13 and 14,913 metric tons in 3Q14). In 2014, the transfers totaled 188,553 metric tons (145,872 metric tons in 2013), of which 63,367 metric tons were transferred to the Indaiatuba - SP Packaging Plant (2013 - 68,105 metric tons), 66,599 to the SP - Vila Maria Packaging Plant (2013 - 22,989 metric tons) and 58,587 metric tons to the Campina da Alegria - SC Packaging Plant (2013 - 54,778 metric tons).

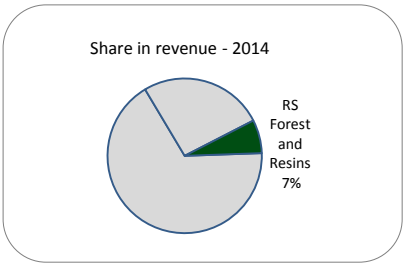
Internal transfers in 2014 were effected as follows: 34% to the Indaiatuba - SP Packaging Plant, 35% to the Vila Maria - SP Packaging plant, and 31% to the Campina da Alegria - SC Packaging Plant (2013 - 47%, 16% and 37%, respectively).

Hard packaging papers, with a small sales volume (only 503 metric tons in 4Q14, as shown in the chart above) and whose price is inferior to the prices of other types of paper sold by the Company, increased by 1.4% in 4Q14 and by 19.7% when compared with the prices practiced in 4Q13 and 3Q14, respectively. In 2014, the price increased by 2.6% in relation to 2013. The average prices of the Company accompanied the market trends.

The prices of flexible packaging papers increased by 6.8% and 4.2% in comparison with 4Q13 and 3Q14, respectively. In an annual comparison, the increase recorded was 5.8% between 2014 and 2013.

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



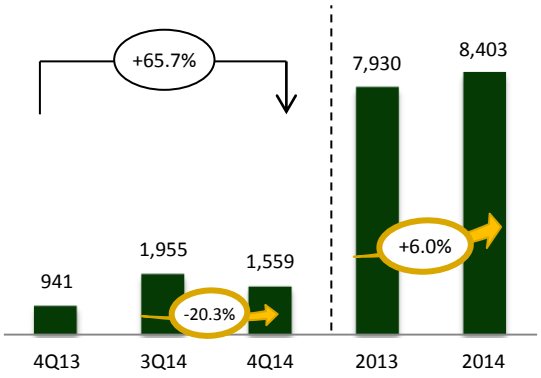


RS Forest and Resins Division

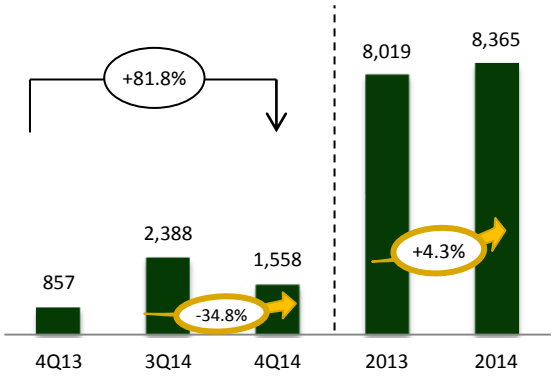
In 2014, the Forest Products Segment of the State of Rio Grande do Sul produced and sold 105 thousand m³ of pine logs to the domestic market (261 thousand m³ in 2013) and supplied 3,409 metric tons of natural resins to the parent company Celulose Irani S.A. (2,972 metric tons in 2013), to be utilized in the industrial production of tar and turpentine.

The production and sales volumes for the Balneário Pinhal - RS Resins unit increased by 65.7% and 81.8%, respectively, in 4Q14 when compared to 4Q13. The volume of production and sales when compared to 3Q14 decreased by 20.3% and 34.8%, respectively, because of the decrease in the offer of Resins during the period as a result of the between-crops period. For the year, the production and sales volumes attained 8,403 and 8,365 metric tons, respectively, a growth of 6.0% and 4.3% compared to 2013.

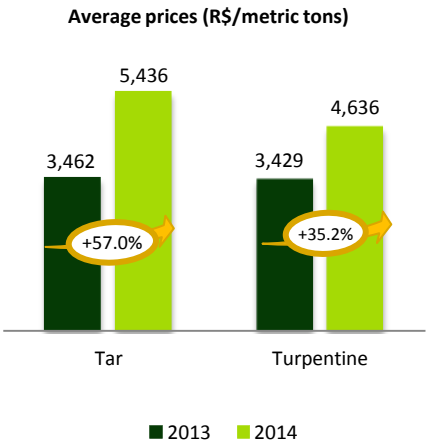
Production of tar and turpentine (metric tons)



Sale of tar and turpentine (metric tons)



In 2014, the gross average price of tar was 57% higher than in 2013. The average price of turpentine increased by 35.2% compared to 2013. The variations in the average prices of resins mainly resulted from the increase of prices in foreign currency and from the devaluation of the Brazilian real in relation to the U.S. dollar.



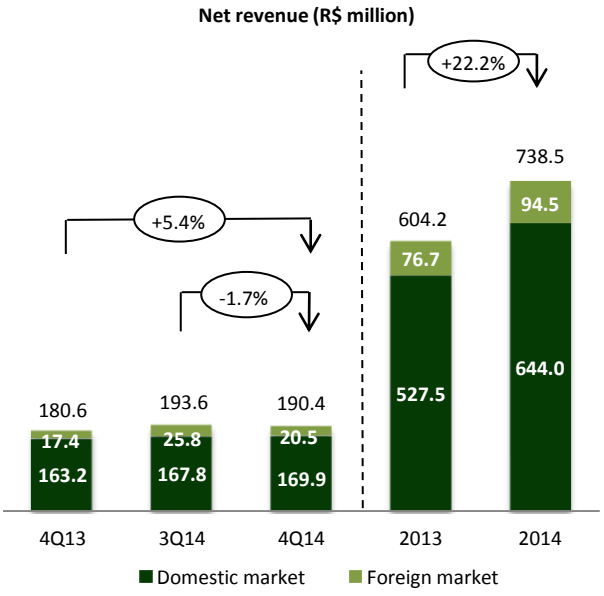
ECONOMIC AND FINANCIAL PERFORMANCE

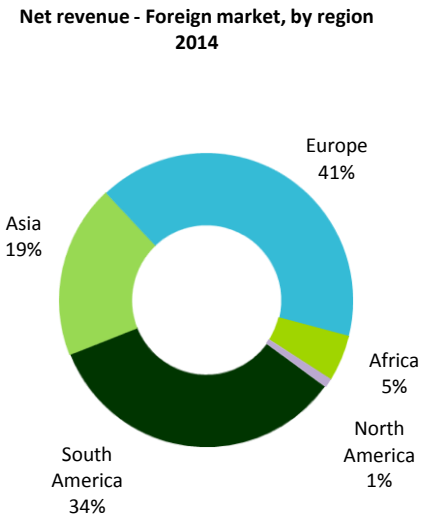
Net operating revenue

Net operating revenue for 4Q14 totaled R$ 190,402 thousand, 5.4% superior to that of 4Q13 and 1.7% lower in relation to 3Q14. In the accumulated for the year, revenue totaled R$ 738,499 thousand, an increase of 22.2% over the previous year.

In the domestic market, the net operating revenue amounted to R$ 169,853 thousand in 4Q14, representing an increase of 4.1% over 4Q13 and of 1.2% over 3Q14. In 2014, net operating revenue totaled R$ 643,959 thousand, representing an increase of 22.1% compared to 2013. The revenue of IRANI represented 87% of total revenue earned in the domestic market in 2014.

Exports in 4Q14 totaled R$ 20,549 thousand, a growth of 18.0% compared to 4Q13 and reduction of 20.4% compared to 3Q14. In 2014, they totaled R$ 94,540 thousand, an amount 23.2% higher than in 2013, representing 13% of the total net operating revenue, reflecting the impact of a higher foreign exchange rate. Exports were made mainly to Europe (41% of the export revenue), followed by South America (34%). The other markets being: Asia (19%), Africa (5%) and North America (1%).

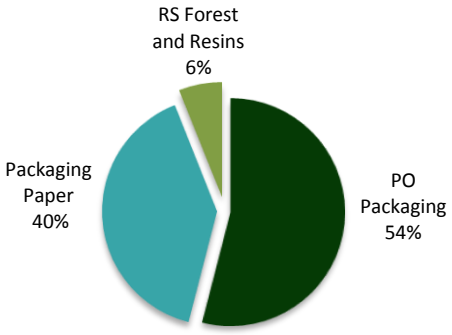




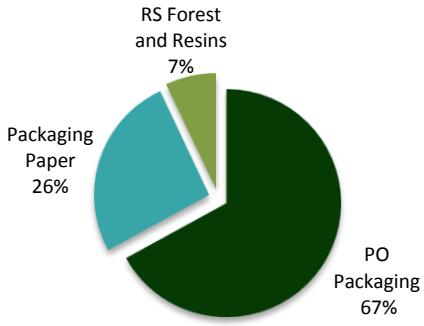
IRANI's main operating segment is the Corrugated Cardboard (PO) Packaging Segment, responsible for 67% of the consolidated net revenue in 2014, followed by the segments of Packaging Paper (26%) and RS Forest and Resins (7%). The increase of 13% in the participation of the Corrugated Cardboard Packaging Segment in the Company's revenue in 2014 was attributable to the consolidation of the Vila Maria - SP Packaging operations, which occurred at the end of 2013, and the consolidation of 100% of its revenue as from 2014 in the PO Packaging Segment. On the other hand, the sales of Packaging Paper decreased in the year because the sales from the Santa Luzia - MG Paper plant, which in 2013 were included in this group, started to be considered at the end of the production chain as Corrugated Cardboard Packaging on the consolidation with IRANI.

Net revenue by segment

2013



2014

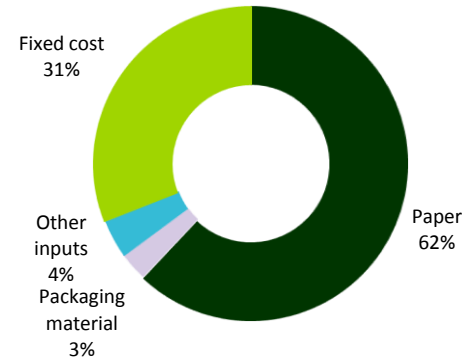


Cost of products sold

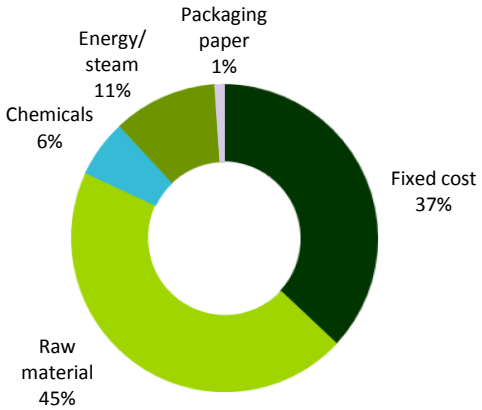
The cost of products sold in 2014 amounted to R$ 545,224 thousand, 24.5% above 2013. The positive variation of the fair value of biological assets is not being considered in the cost of products sold in both periods.

The composition of costs per business segment of IRANI in 2014 is shown in the charts below.

Corrugated Cardboard Packaging



Packaging Paper*



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

Operating income and expenses

Selling expenses in 2014 totaled R$ 70,738 thousand, an increase of 33.2% when compared to 2013, and represented 9.6% of the consolidated net revenue, slightly above the 8.8% in 2013.

Administrative expenses in 2014 were 4.4% higher compared to 2013 and totaled R$ 46,970 thousand, representing 6.4% of the consolidated net revenue, compared to 7.4% in 2013. The expenses were mainly impacted by the normal increases in salaries due to the collective bargaining agreements which occur at the end of the year.

Other operating income/expenses resulted in an income of R$ 1,019 thousand in 2014 (2013 - income of R$ 28,339). This variation resulted from the effects of the Company's enrollment in the REFIS Program established by Law 11,941/09, which totaled R$ 33,432 thousand in 2013. Similar levels were not achieved in 2014.

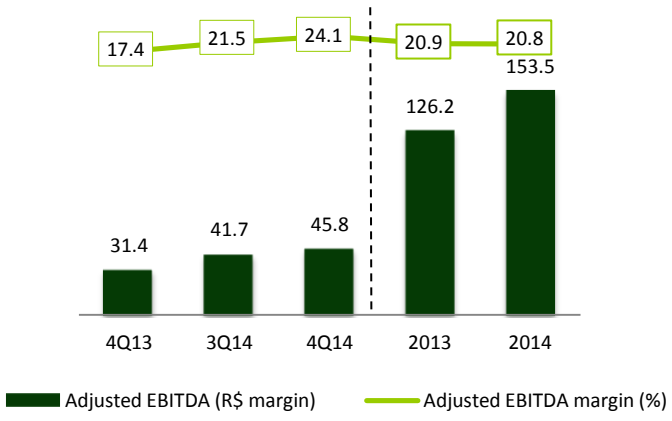
OPERATING CASH GENERATION (ADJUSTED EBITDA)

Consolidated (R$ thousand)	4Q14	3Q14	4Q13	Var. 4Q14/3Q14	Var. 4T14/4T13	2014	2013	Var. 2014/2013
Profit before taxes and profit sharing	**17,842**	**5,537**	**29,379**	222.2%	-39.3%	**28,376**	**56,109**	-49.4%
Depletion	5,016	5,414	5,742	-7.4%	-12.6%	21,618	21,386	1.1%
Depreciation and amortization	14,366	12,597	10,238	14.0%	40.3%	50,554	34,415	46.9%
Finance result	13,799	18,920	16,003	-27.1%	-13.8%	71,339	52,928	34.8%
EBITDA	**51,023**	**42,468**	**61,362**	20.1%	-16.8%	**171,887**	**164,838**	**4.3%**
EBITDA margin	***26.8%***	***21.9%***	***34.0%***	***4,9p.p.***	***-7,2p.p.***	***23.3%***	***27.3%***	***-4,0p.p.***
Adjustments pursuant to CVM Instruction 527/12								
Variation in the fair value of biological assets [1]	(10,966)	(6,025)	(11,017)	82.0%	-0.5%	(29,416)	(20,107)	46.3%
Stock Option/management participation [2]	6,287	-	7,636	-	-17.7%	6,287	8,073	-22.1%
Non-recurring events [3]	(512)	5,237	(26,594)	-109.8%	-98.1%	4,725	(26,594)	-
Adjusted EBITDA	**45,832**	**41,680**	**31,387**	**10.0%**	**46.0%**	**153,483**	**126,210**	**21.6%**
Adjusted EBITDA margin	***24.1%***	***21.5%***	***17.4%***	***2,6p.p.***	***6,7p.p.***	***20.8%***	***20.9%***	***-0,1p.p.***

[1] The variation in the fair value of biological assets does not represent a cash generation in the year.
[2] Stock option / management participation: stock options in 2013 correspond to the fair value of the instruments, and the offsetting entry was to the Capital reserve, in equity, and the management participation was related to the distribution of the Company's profit. Neither of these two amounts represent a cash disbursement in the year.
[3] Non-recurring events (2014) refer to the negative result of R$ 4,725 thousand on the enrollment in the Tax Recovery Program (REFIS) established by Law 12,996, of June 18, 2014.

The operating cash generation, measured by the adjusted EBITDA, totaled R$ 45,832 thousand in 4Q14, representing an increase of 46.0% in relation to 4Q13 and of 10% in relation to 3Q14. The adjusted EBITDA margin increased by 6.7% in 4Q14, attaining 24.1%. In the accumulated for the year, the adjusted EBITDA amounted to R$ 153,483 thousand, with a margin of 20.8% and 21.6% above 2013 (R$ 126,210 thousand), as a result of the full incorporation of the operations of the Vila Maria - SP Corrugated Cardboard Packing Plant in 2014 and also of the better operating performance in the year.

Adjusted EBITDA (R$ million) and adjusted EBITDA margin (%)



FINANCE RESULT AND INDEBTEDNESS

The finance result amounted to R$ 13,799 thousand negative in 4Q14, a decrease of 13.8% when compared to 4Q13, influenced by the higher volume of financial investments and funding with lower costs. In comparison with 3Q14, the finance result presented a decrease of 27.1%. In the year 2014, the finance result amounted to R$ 71,339 thousand negative, an increase of 34.8% compared to 2013 (R$ 52,928), mainly impacted by the consolidation of the São Roberto S.A. operations in October 2013.

In 4Q14, the finance expenses totaled R$ 23,027 thousand, compared to R$ 23,514 thousand in 4Q13 and R$ 25,680 thousand in 3Q14. In the year 2014, the finance expenses totaled R$ 96,498 thousand, compared to R$ 72,619 thousand in 2013. The finance income amounted to R$ 9,228 thousand in 4Q14 versus R$ 7,511 thousand in the same period of the previous year and R$ 6,760 thousand in 3Q14. In the year 2014, the finance income totaled R$ 25,159 thousand versus R$ 19,691 thousand in 2013.
The composition of the finance result is as follows:

R$ thousand	4Q14	3Q14	4Q13	2014	2013
Finance income	9,228	6,760	7,511	25,159	19,691
Finance expenses	(23,027)	(25,680)	(23,514)	(96,498)	(72,619)
Finance result	(13,799)	(18,920)	(16,003)	(71,339)	(52,928)

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

R$ thousand	4Q14	3Q14	4Q13	2014	2013
Foreign exchange gains	2,675	2,322	1,448	8,937	7,858
Foreign exchange losses	(3,576)	(4,058)	(2,109)	(12,096)	(9,495)
Foreign exchange variations, net	(901)	(1,736)	(661)	(3,159)	(1,637)

The foreign exchange variations negatively impacted the Company's result by R$ 901 thousand in 4Q14 and R$ 3,159 thousand in 2014, due to the devaluation of the Brazilian Real against the US Dollar .

The following table shows the finance result without the foreign exchange variations:

R$ thousand	4Q14	3Q14	4Q13	2014	2013
Finance result, net of for.exch. variation	(12,898)	(17,184)	(15,342)	(68,180)	(51,291)

For the purpose of hedging its exports in the following years, the Company maintains 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 accounted for monthly in equity and recognized in the results as finance expenses when realized (hedge accounting). In 4Q14, the negative amount recognized in equity was R$ 17,034 thousand, totaling R$ 31,530 thousand in 2014. In the accumulated, the Company's equity includes R$ 48,452 thousand to be recognized in the results on realization.

Foreign exchange rate

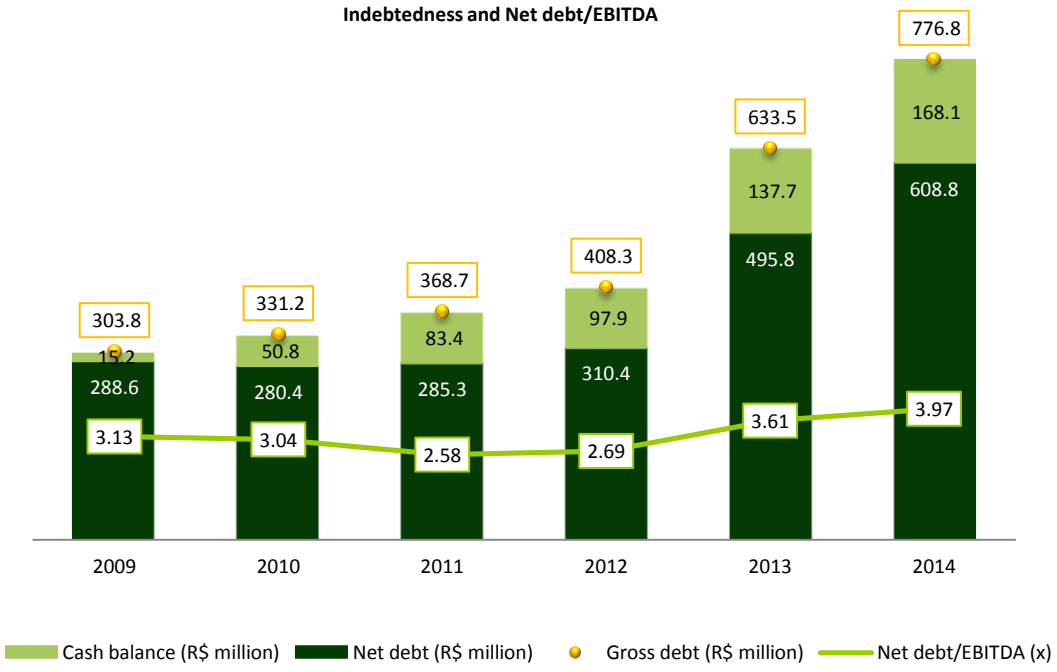
The foreign exchange rate was R$ 2.66/USD at December 31, 2014, an increase of 13.68% when compared to December 31, 2013, when it was R$ 2.34/USD. The average foreign exchange rate for the quarter was R$ 2.54/USD, 11.89% superior to the rate for 3Q14 and for the same period of 2013. In 2014, the average foreign exchange rate increased by 8.80%, reaching R$ 2.35/USD.

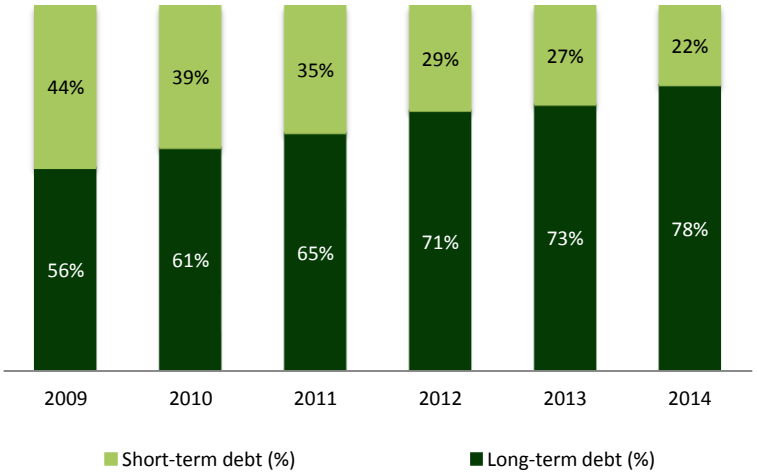
	4Q14	3Q14	4Q13	Δ4Q14/3Q14	Δ4Q14/4Q13	2014	2013	Δ2014/2013
Average USD	2.54	2.27	2.27	+11.89%	+11.89%	2.35	2.16	+8.80%
Final USD	2.66	2.45	2.34	+8.57%	+13.68%	2.66	2.34	+13.68%

Source: Brazilian Central Bank (BACEN)

Net indebtedness

At December 31, 2014, the consolidated gross indebtedness totaled R$ 776.8 million, compared to R$ 633.5 million at December 31, 2013. The gross indebtedness profile on December 31 corresponded to 22% with maturities in the short term and 78% in the long term.
At December 31, 2014, the consolidated cash totaled R$ 168.1 million, compared to R$ 137.7 million at December 31, 2013.
At December 31, 2014, the consolidated net indebtedness totaled R$ 608.8 million, against R$ 495.8 million at December 31, 2013.
The Net Debt/EBITDA increased from 3.61 times at the end of 2013 to 3.97 times at the end of 2014. This variation was influenced by the increase in the U.S. dollar quotation in the quarter due to the exposure of a portion of the debt in U.S. dollars, the partial amortization of the REFIS by São Roberto S.A. Paper and Cardboard Industry, and the expenditure of R$ 70,829 thousand for the conclusion of the strategic investments which occurred in 2014.





EVALUATION OF THE FAIR VALUE OF BIOLOGICAL ASSETS (FORESTS)

In 2010, the Company started to measure the fair value of its biological assets (forests) periodically, as determined by CPC 29. The variation in the fair value of the biological assets produced the following effects in the Company's results for 2014:

Effects of the variation in the fair value of biological assets

R$ thousand	2014	2013
Variation in fair value of biological assets	29,416	20,107
Depletion of the fair value of biological assets	(17,926)	(17,887)

The variation in the fair value of biological assets was higher than that in 2013 mainly as a result of the increase in wood prices and in the volume of forests in 2014.

The variation in fair value of biological assets, as well as their depletion, is recognized in the Cost of Products Sold. This new accounting determination permits a more precise evaluation of the market value of the Company's forests, thereby improving the financial statements.

PROFIT BEFORE TAXES AND PROFIT SHARING

The profit before taxes and profit sharing in 4Q14 amounted to R$ 17,842 thousand, compared to R$ 29,379 thousand in 4Q13 and R$ 5,537 thousand in 3Q14. In 2014, the profit before taxes and profit sharing amounted to R$ 28,376 thousand, a decrease in comparison with R$ 56,109 thousand in 2013.

NET PROFIT

In 4Q13 the net profit was R$ 27,924 thousand, compared to R$ 42,825 thousand in 4Q13 and R$ 22,402 thousand in 3Q14. In the accumulated for the year, the net profit amounted to R$ 56,579 thousand, compared to R$ 67,408 thousand in 2013.

INVESTMENTS

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

In 2014, investments totaled R$ 49,082 thousand and were basically directed to the expansion of the production capacity of the plants, maintenance and improvements to machinery and equipment and to the physical structure of the Company, principally in respect of the units incorporated at the end of 2013, and also to the conclusion of some projects that started in 2013.

R$ thousand	4Q14	2014
Land	6	6
Buildings	47	47
Equipment	7,642	43,116
Leased assets	4	4
Intangible assets	560	811
Reforestation	2,052	5,098
Total	**10,311**	**49,082**

The major investment realized in 2014 was the conclusion of the expansion and modernization of the Paper Machine I (MP I), located in the Campina da Alegria - SC Paper Plant, which expanded the paper production capacity by 3,000 metric tons/month.

CAPITAL MARKETS

At December 31, 2014, IRANI's capital comprised 166,720,235 shares, of which 153,909,975 (92%) were common shares and 12,810,260 (8%) preferred shares. At December 31, 2014, the Company had 2,376,100 treasury 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$ 543,636 thousand.

Dividends

The Company's management is proposing for the approval of the Ordinary General Meeting of Stockholders the distribution of dividends for 2014, in the amount of R$ 15,667 thousand, corresponding to R$ 0.095331 per common and preferred share. Considering the interim

dividend approved by the Board of Directors on September 9, 2014 and distributed to stockholders at September 30, 2014, amounting to R$ 3,000,000.00 (three million reais), corresponding to R$ 0.018254 per common and preferred share, there is still R$ 12,667 thousand to be distributed (R$ 0.077077 per share). These amounts are not subject to income tax.

PERSPECTIVES

The year 2015 began as a challenging period for business in Brazil. Regarding the foreign scenario, the United States of America is normalizing its economic activities after the crisis in 2008, whereas Europe is still striving to resume growth and China is in the process of a gradually slowing down.

The expectations in Brazil are for more significant impacts arising from the increase in interest rates in the USA and from a less intense Chinese activity. There is a trend regarding the strengthening of the U.S. dollar against the Brazilian real, which could stimulate exports. On the other hand, there are important challenges yet to be overcome, in relation to the persistent high inflation rate, the risk of energy and water rationing and the quality of the government accounts. We believe that the country becoming more mature, since the currency stabilization, will lead it to overcome the difficulties expected for 2015, and that a more moderate economic activity in 2015 will serve as a foundation for resuming a vigorous growth as from 2016.

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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)

	4Q14	3Q14	4Q13	Variation 4Q14/3Q14	Variation 4Q14/4Q13	2014	2013	Variation 2014/2013
Continuing operations								
Net Revenue from sales	**190,402**	**193,603**	**180,588**	**-1.7%**	**5.4%**	**738,499**	**604,241**	**22.2%**
Fair value variation biological assets	10,966	6,025	11,017	82.0%	-0.5%	29,416	20,107	46.3%
Cost of products sold	(135,310)	(140,426)	(135,863)	-3.6%	-0.4%	(545,224)	(438,092)	24.5%
Gross Profit	**66,058**	**59,202**	**55,743**	**11.6%**	**18.5%**	**222,691**	**186,256**	**19.6%**
Operating Income (Expenses)	**(34,417)**	**(34,745)**	**(10,361)**	**-0.9%**	**232.2%**	**(122,976)**	**(77,219)**	**59.3%**
Selling Expenses	(18,737)	(18,532)	(16,143)	1.1%	16.1%	(70,738)	(53,097)	33.2%
General and administrative	(13,453)	(11,557)	(14,189)	16.4%	-5.2%	(46,970)	(44,971)	4.4%
Other operating income	6,406	1,362	35,178	370.3%	-81.8%	11,158	38,006	-70.6%
Other operating expenses	(2,346)	(6,018)	(7,716)	-61.0%	-69.6%	(10,139)	(9,667)	4.9%
Management participation	(6,287)	-	(7,490)	-	-16.1%	(6,287)	(7,490)	-16.1%
Profit before financial result and taxes	**31,641**	**24,457**	**45,382**	**29.4%**	**-30.3%**	**99,715**	**109,037**	**-8.5%**
Net financial income (expenses)	**(13,799)**	**(18,920)**	**(16,003)**	**-27.1%**	**-13.8%**	**(71,339)**	**(52,928)**	**34.8%**
Financial income	9,228	6,760	7,511	36.5%	22.9%	25,159	19,691	27.8%
Financial expenses	(23,027)	(25,680)	(23,514)	-10.3%	-2.1%	(96,498)	(72,619)	32.9%
Income (loss) before taxes	**17,842**	**5,537**	**29,379**	**222.2%**	**-39.3%**	**28,376**	**56,109**	**-49.4%**
Income tax and social contribution current	(132)	(73)	(596)	80.8%	-77.9%	(400)	(1,284)	-68.8%
Income tax and social contribution deferred	10,214	16,938	14,044	-39.7%	-27.3%	28,603	12,585	127.3%
Net profit (loss) from continuing operations	**27,924**	**22,402**	**42,825**	**24.6%**	**-34.8%**	**56,579**	**67,410**	**-16.1%**
Discontinued operation								
Net profit (loss) from discontinued operation	-	-	-	-	-	-	-	-
Consolidated profit (loss) for the period	**27,924**	**22,402**	**42,825**	**24.6%**	**-34.8%**	**56,579**	**67,410**	**-16.1%**

Annex II – Consolidated Balance Sheet (R$ thousand)

ASSETS	12/31/14	12/31/13	LIABILITIES AND SHAREHOLDERS' EQUITY	12/31/14	12/31/13
CURRENT ITEM	**396,486**	**347,936**	**CURRENT ITEM**	**329,720**	**357,375**
Cash and cash equivalents	165,985	135,005	Funding	125,235	119,705
Trade accounts receivable	129,922	129,970	Debentures	44,382	53,041
Inventories	62,649	60,838	Trade accounts payable	65,239	90,575
Recoverable taxes	7,094	7,721	Payroll and related charges	40,440	32,534
Banks restricted account	2,073	2,730	Taxes payable	19,880	13,591
Other assets	28,763	11,672	IR and CSLL payable	787	761
			Tax in installments	2,309	10,260
			Advances from customers	2,538	1,618
NONCURRENT ITEM	**1,282,351**	**1,283,585**	Dividends payable	12,964	19,772
Recoverable taxes	3,625	3,625	Other payables	15,946	15,518
Escrow deposits	1,185	1,122			
Other assets	2,457	7,542	**NONCURRENT ITEM**	**851,492**	**785,905**
Related parties	1,093	1,005	Funding	537,490	350,855
Biological assets	281,621	268,725	Debentures	69,738	109,885
Property for investment	4,087	-	Taxes payable	11,293	16,911
Property, plant and equipment	875,472	888,403	Income tax and social contribution deferred	196,824	222,673
Intangible	112,811	113,163	Reserve for civil, labor and tax risks	32,482	44,078
			Tax in installments	3,665	40,159
			Other payables	-	1,344
			SHAREHOLDERS' EQUITY	**497,625**	**488,241**
			Capital	151,895	116,895
			Capital reserves	960	960
			Revenue reserves	166,139	151,280
			Carrying value adjustments	178,617	219,094
			Shareholders equity assigned to the participation of controlling shareholders	497,611	488,229
			Non-controlling shareholders	14	12
TOTAL ASSETS	**1,678,837**	**1,631,521**	**TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY**	**1,678,837**	**1,631,521**

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

	2014	2013
Net cash provided by operating activities		
Cash from operations	**153,575**	**131,686**
Profit (loss) before income tax and social contribution	28,376	56,109
Changes in the fair value of biological assets	(29,416)	(20,107)
Depreciation, amortization and depletion	72,172	55,801
Impairment of property, plant and equipment	-	4,590
Result on sale of permanent assets	(158)	(282)
Provision for civil, labor and tax risks	(11,206)	(4,193)
Provision for impairment of trade receivables	705	761
Provision for losses on other assets	203	176
Monetary variations and charges	81,350	68,188
Non-controlling shareholders	-	2
Share-based payments	-	583
Participation of administrators	6,287	7,490
Reduction to net realizable value	537	-
Refis adoption (Subsidiary)	4,725	(33,432)
Changes in assets and liabilities	**45,129**	**51,838**
Accounts receivable	(657)	2,905
Inventories	(2,348)	(14,415)
Taxes recoverable	627	(843)
Other assets	(11,703)	4,180
Trade payables	(1,377)	(12,975)
Social security obligations	1,366	(1,031)
Advances from customers	920	643
Taxes payable	(29,877)	(9,804)
Payment of interest on borrowings	(45,657)	(32,484)
Payment of interest on debentures	(18,687)	(15,463)
Other payables	(1,053)	(561)
Net cash used in investing activities	**(70,253)**	**(35,610)**
Purchase of property, plant and equipment	(64,305)	(48,058)
Purchase of biological assets	(5,713)	(6,721)
Acquisition of intangible assets	(811)	(427)
Controlled contribution	-	10,599
Capital contribution	4	-
Receipt on alienation of assets	572	8,977
Net cash used in financing activities	**56,104**	**21,855**
Payment of dividends	(22,477)	(23,967)
Debentures paid	(48,923)	(37,000)
Real Estate Credit Note (CRI) - paid	-	(10,914)
Loans raised	252,519	185,011
Loans paid	(125,015)	(93,283)
Treasury shares	-	2,008
Increase (decrease) in cash and cash equivalents	**30,980**	**38,083**
Cash and cash equivalents at the beginning of the period	**135,005**	**96,922**
Cash and cash equivalents at the end of the period	**165,985**	**135,005**