



**Floresteca S.A.**

**Agreed-upon procedures report  
December 31, 2011**



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## Agreed-upon procedures report

To  
The Directors and Shareholders  
Floresteca S.A.  
Jangada - MT

We applied the procedures described below, previously agreed upon with you, referring to the Thinning Report for the year ended December 31, 2011 of Floresteca S.A. as presented in the attached statement. Our engagement was carried out in accordance with NBC TSC 4400, issued by the Federal Accounting Council, and with ISRS 4400, issued by IFAC, applicable to agreed upon procedures engagements. The procedures were applied with the sole purpose to re-perform the proper calculation of the "Condensed result by parcel" as presented in the appendix 2. Firstly, procedures were applied to recalculate the average price per product in the "BDU" spreadsheet, recalculation of cost sharing and recalculation of taxes on the standardized value. According to the average price and expenses per projects, you prepared the "Thinning Report Resume" table, as presented in the appendix 1. Subsequently, procedures were applied to recalculate the yield per project, recalculation of the retainer and recalculation of the applicable withholding tax. According to net revenue obtained from the "Thinning Report Resume" and the amounts withheld you prepared the "Condensed result by parcel" table, as presented in the appendix 2<sup>1</sup>. We carried out our review with respect to the arithmetic accuracy presented in the respective files. We made inquiries to Management with respect to the contents disclosed in the notes.

These procedures are summarized as follows:

1. We obtained the analytical breakdown of sales of Floresteca S.A. for 2011 reconciled with the accounting. We excluded sales not related to logs and/or firewood, as recommended by the company's management because is not base to calculate amount to payment to investors;
2. Based on the breakdown mentioned in the previous item, we randomly selected 50 invoices and compared the following fields: date of issue, customer name, invoice number, quantity (m<sup>3</sup>), unit value, total value of the invoice and the type of product;
3. We recalculated the average price per type of product made by management, by dividing the total value of sales of the product according to its category (in R\$) by the total quantity sold of each product (in m<sup>3</sup>);

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<sup>1</sup> To the Directors and Shareholders of Floresteca S.A. a unaggregated overview is provided which is stamped for identification purposes

4. We obtained the BDU file prepared by the company's management, which consists of the analytical breakdown of sales updated with the average selling price (standardized basis) and with the same amount of item 1. We made the recalculation with respect to the updating of the base by the average price, by multiplying the average price calculated in item 3 by the quantity sold (in m<sup>3</sup>) informed in the BDU;
5. We obtained from management the "cockpit" file, i.e., a summary of taxes and other costs levied on sales. We made inquiries to management on the nature of the taxes levied on sales and we confirmed the rates applied with the prevailing legislation. For trade, logistics and classification discounts, management explained the concept for determining the amount to be applied on the sale;
6. Based on the BDU standardized values we recalculated the taxes levied on taxable sales. For the costs, we recalculated the expenses by applying the amounts and percentages calculated by management on the amounts traded, the basis for recalculation. We compared the balances of our recalculation with the balance of expenses calculated by management;
7. We obtained from management the "R1" file, i.e., the summary of invoicing per project. We reviewed the summarization of the basis, comparing the R1 balances with the balances obtained in our recalculations per project and the total taxes and costs incurred;
8. We obtained from management the "Thinning Classification" file. Based on this file we inquired about the criteria applied in the classification of the thinning period per project and compared it with the classification presented in "R1" Thinning Report Resume;
9. We obtained from management the "Results by parcel" file. Based on this file we performed the following testing:
  - a. Area (ha): we confront the total amount presented in "Results by parcel" with total amount in the sheet "BDKrigagem" reconciled with "Thining Report Resume";
  - b. Volume: we confront the total amount presented in "Results by parcel" with the total amount in the sheet "BDKrigagem";
  - c. Yield (m3/ha): we recalculated yield dividing total Volume by Area (ha);
  - d. Net Revenue: we confront the total amount with total amount in the "BDKrigagem" reconciled with "Thining Report Resume";
  - e. FSA Retainer: we recalculated the amount in accordance with conditions of "Max Reatainer" as presented below:
    - i. In the case of a plantation with a cycle of approximately 20 years: Up to the maximum of US\$ 2,000.00 per hectare from years 8 to 12 after the beginning of the planting and US\$ 2,500.00 per hectare from years 12 to 15 after the beginning of the planting;
    - ii. In the case of a plantation with a cycle of approximately 25 years: Up to the maximum of US\$ 2,000.00 per hectare from years 8 to 12 after the beginning of the planting, US\$ 2,500.00 per hectare from years 12 to 15 after the beginning of the planting and US\$ 3,000.00 per hectare from years 15 to 20 after the beginning of the planting.

In all cases where net revenue exceeds the maximum retainer by cycle, Floresteca S.A will distribute the result to the Investors. We obtained the sheet called “BDKrigagem” and recalculated the amount in accordance maximum retainer determined in the contract between Floresteca S.A. and Investors.

- f.** Gross Payment: we obtained this value based on the “Net Revenue” less “Floresteca Retainer”;
- g.** Withholding taxes: we recalculated withholding taxes applying the 15% rate on the “Gross Payment”;
- h.** Net adjusted payment: we recalculated based on “Gross Payment” less “Withhold tax”;
- i.** Thinning report 2010: we confront this report this information with the Thining report of 2010;
- j.** Remaining payment: we recalculated based on the payment in Thining Report 2010 less Net adjust payment;
- k.** We asked management about the nature of the explanatory notes of operations, purpose of presentation, accounting practices, sales revenues, taxes on sales revenues, direct selling expenses and translation of Brazilian Reais to U.S. dollars.

Our report contains the following aspects that were verified by us:

- a.** With respect to item 1, no exception came to our attention;
- b.** With respect to item 2, no exception came to our attention;
- c.** With respect to item 3, no exception came to our attention;
- d.** With respect to item 4, no exception came to our attention;
- e.** With respect to item 5, no exception came to our attention;
- f.** With respect to item 6, no exception came to our attention;
- g.** With respect to item 7, no exception came to our attention;
- h.** With respect to item 8, no exception came to our attention;
- i.** With respect to item 9, no exception came to our attention;
- j.** With respect to item 10, no exception came to our attention.

Considering that the above procedures do not constitute an audit or a limited review conducted in accordance with audit or review standards applicable in Brazil, we do not express any assurance on the Thinning Report as of December 31, 2011.


If we had applied additional procedures or carried out an audit or review of the financial statements in accordance with audit or review standards applicable in Brazil (NBC TAs or NBC TRs), other issues may have come to our attention, which would have been reported.



Our report is intended exclusively for the purpose described in the first paragraph of this report and to inform you and should not be used for any other purpose or distributed to third parties that have not assumed responsibility for the adequacy, or have not agreed to, the above procedures. This report is related exclusively to the accounts and items specified above and does not extend to the financial statements of Floresteca S.A., taken as a whole.

Campinas, September 24, 2012

KPMG Auditores Independentes  
CRC SP-014428/O-6 S-MT



Cristiano Aurélio Kruk  
Account CRC PR-054366/O-0 S-MT

**Floresteca S.A.**

Thinning Report for year ended  
December 31, 2011

Floresteca S.A.

Thinning Report for  
year ended December 31, 2011

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# Attachment

## Thinning Report Resume

Projeto/ Talhão	Desbaste	Valores			Commercial			Net Revenue -	Net Revenue -
		Volume	Gross Revenue	Tax on Sales	Discount	Logistics	RS	USD	
ARA1	2D	39	1.046	(127)	(52)	-	867	519	
ARA2	2D	555	14.918	(1.805)	(746)	-	12.367	7.413	
BAR1	2D	1.185	543.429	(9.877)	(27.171)	(446.245)	36.851	21.998	
BAR18	2D	1.226	513.806	(9.760)	(25.690)	(427.692)	28.347	16.969	
BAR24	2D	166	75.344	(1.384)	(3.767)	(62.537)	4.393	2.622	
BAR25	2D	202	72.321	(1.428)	(3.616)	(57.184)	7.109	4.246	
BAR6	2D	1.150	529.612	(9.586)	(26.481)	(433.093)	37.854	22.597	
BAR7	2D	705	312.962	(5.874)	(15.648)	(265.387)	12.205	7.286	
BOC1	3D	264	147.254	(2.203)	(7.363)	(99.551)	32.943	19.665	
BOC10	3D	129	71.343	(1.075)	(3.567)	(48.580)	15.586	9.304	
BOC11	3D	218	122.841	(1.814)	(6.142)	(81.935)	28.675	17.117	
BOC12	3D	89	49.703	(742)	(2.485)	(33.523)	11.204	6.688	
BOC13	2D	25	13.561	(205)	(678)	(9.264)	2.930	1.749	
BOC14	3D	75	42.781	(628)	(2.139)	(28.396)	10.136	6.051	
BOC15	3D	54	29.198	(447)	(1.460)	(20.186)	6.053	3.613	
BOC16	3D	95	53.822	(794)	(2.691)	(35.875)	12.590	7.516	
BOC17	3D	84	46.960	(697)	(2.348)	(31.506)	10.764	6.426	
BOC18	3D	140	78.671	(1.170)	(3.934)	(52.869)	17.939	10.709	
BOC2	3D	298	168.990	(2.480)	(8.449)	(112.066)	40.146	23.965	
BOC3	3D	217	72.756	(1.372)	(3.638)	(49.329)	15.844	9.395	
BOC4	3D	195	107.106	(1.622)	(5.355)	(73.293)	23.011	13.736	
BOC5	3D	126	68.334	(1.053)	(3.417)	(47.558)	13.825	8.253	
BOC6	3D	152	84.285	(1.264)	(4.214)	(57.093)	18.735	11.184	
BOC7	3D	90	49.868	(750)	(2.493)	(33.874)	10.984	6.557	
BOC8	3D	102	56.439	(851)	(2.822)	(38.463)	12.296	7.340	
BOC9	3D	92	51.455	(765)	(2.573)	(34.557)	11.757	7.018	
BUR1	3D	595	265.632	(4.957)	(13.282)	(223.947)	11.761	7.021	
BUR10	3D	160	69.858	(1.335)	(3.493)	(60.314)	1.569	936	
BUR11	3D	472	243.115	(3.932)	(12.156)	(177.664)	40.092	23.932	
BUR12	3D	416	200.161	(3.469)	(10.008)	(156.730)	21.776	12.999	
BUR13	3D	353	163.195	(2.940)	(8.160)	(132.819)	12.346	7.370	



Projeto/ Talhão	Desbaste	Valores		Commercial			Net Revenue -	
		Volume	Gross Revenue	Tax on Sales	Discount	Logistics	RS	Net Revenue - USD
BUR14	3D	330	147.879	(2.747)	(7.394)	(124.132)	7.129	4.255
BUR15	3D	294	136.896	(2.452)	(6.845)	(110.784)	11.034	6.587
BUR2	3D	444	197.255	(3.701)	(9.863)	(167.222)	7.743	4.622
BUR3	3D	1.162	554.915	(9.687)	(27.746)	(437.637)	57.010	34.032
BUR4	3D	238	105.365	(1.982)	(5.268)	(89.556)	3.885	2.319
BUR5	3D	276	121.901	(2.302)	(6.095)	(104.008)	4.069	2.429
BUR6	3D	668	304.414	(5.571)	(15.221)	(251.698)	18.791	11.217
BUR7	3D	494	220.011	(4.114)	(11.001)	(185.862)	9.336	5.573
BUR8	3D	352	154.293	(2.930)	(7.715)	(132.399)	4.340	2.591
BUR9	3D	182	80.417	(1.517)	(4.021)	(68.534)	2.769	1.653
CAN2	3D	534	270.537	(4.447)	(13.527)	(200.920)	41.159	24.569
CAN3	3D	234	114.091	(1.951)	(5.705)	(88.146)	13.690	8.172
CAS1	2D	1.275	34.272	(4.147)	(1.714)	-	28.411	17.132
CAS2	2D	165	4.435	(537)	(222)	-	3.677	2.272
COC10	3D	77	34.902	(644)	(1.745)	(29.084)	1.911	1.141
COC11	3D	30	12.913	(247)	(646)	(11.138)	302	181
COC12	2D	223	100.106	(1.855)	(5.005)	(83.794)	5.080	3.032
COC14	3D	210	93.105	(1.753)	(4.655)	(79.216)	3.348	1.998
COC15	3D	44	19.003	(363)	(950)	(16.401)	433	258
COC16	2D	47	20.600	(391)	(1.030)	(17.681)	575	343
COC18	3D	1.178	620.200	(9.815)	(31.010)	(443.447)	112.789	67.328
COC19	3D	1.666	850.387	(13.890)	(42.519)	(627.539)	133.694	79.807
COC7	3D	3	1.325	(25)	(66)	(1.144)	30	18
COC8	3D	100	44.296	(834)	(2.215)	(37.686)	1.595	952
COC9	3D	147	65.291	(1.222)	(3.265)	(55.209)	2.715	1.621
CPB1	3D	50	27.624	(416)	(1.381)	(18.800)	6.046	3.609
CPB10	3D	87	44.012	(723)	(2.201)	(32.651)	6.733	4.019
CPB11	3D	603	268.140	(5.025)	(13.407)	(227.032)	10.830	6.465
CPB12	3D	1.839	818.628	(15.329)	(40.931)	(692.580)	33.649	20.087
CPB13	3D	165	97.720	(1.378)	(4.886)	(62.252)	25.956	15.494
CPB14	3D	93	40.510	(774)	(2.025)	(34.976)	910	543
CPB15	3D	340	152.100	(2.831)	(7.605)	(127.916)	7.073	4.222
CPB16	3D	1.435	631.851	(11.964)	(31.593)	(540.553)	19.535	11.661
CPB17	3D	52	29.912	(434)	(1.496)	(19.621)	7.338	4.380
CPB18	3D	110	61.367	(916)	(3.068)	(41.388)	13.835	8.259
CPB2	3D	714	369.222	(5.950)	(18.461)	(268.840)	61.943	36.976

Projeto/ Talhão	Desbaste	Valores			Commercial		Net Revenue -	
		Volume	Gross Revenue	Tax on Sales	Discount	Logistics	RS	USD
CPB3	3D	479	251.362	(3.990)	(12.568)	(180.282)	45.114	26.930
CPB4	3D	871	435.104	(7.262)	(21.755)	(328.101)	60.866	36.333
CPB5	3D	98	49.893	(819)	(2.495)	(36.982)	7.668	4.577
CPB7	3D	926	203.996	(4.706)	(10.200)	(125.483)	57.059	33.755
DLG1	3D	729	332.596	(6.074)	(16.630)	(274.411)	21.162	12.633
DLG10	3D	823	378.181	(6.863)	(18.909)	(310.073)	26.156	15.614
DLG11	3D	1.265	567.520	(10.547)	(28.376)	(476.496)	27.238	16.259
DLG12	3D	810	368.035	(6.752)	(18.402)	(305.044)	21.920	13.085
DLG13	3D	995	454.864	(8.291)	(22.743)	(374.569)	29.717	17.739
DLG14	3D	944	416.163	(7.585)	(20.808)	(334.395)	35.926	21.411
DLG15	3D	487	216.555	(4.061)	(10.828)	(183.495)	8.596	5.131
DLG16	2D	526	237.503	(4.381)	(11.875)	(197.932)	12.987	7.752
DLG17	3D	586	262.243	(4.889)	(13.112)	(220.869)	11.848	7.072
DLG18	3D	848	390.484	(7.068)	(19.524)	(319.316)	27.914	16.663
DLG19	3D	1.243	579.604	(10.358)	(28.980)	(467.956)	47.893	28.589
DLG2	3D	1.112	521.775	(9.270)	(26.089)	(418.823)	45.739	27.303
DLG20	3D	1.183	567.179	(9.863)	(28.359)	(445.610)	60.096	35.874
DLG21	3D	634	292.587	(5.288)	(14.629)	(238.897)	21.308	12.720
DLG22	3D	664	303.575	(5.532)	(15.179)	(249.914)	19.910	11.885
DLG23	3D	937	420.902	(7.814)	(21.045)	(353.040)	20.581	12.286
DLG24	2D	1.123	521.022	(9.359)	(26.051)	(422.833)	40.716	24.305
DLG25	3D	885	413.710	(7.377)	(20.686)	(333.284)	34.973	20.877
DLG26	2D	726	325.888	(6.048)	(16.294)	(273.253)	16.034	9.572
DLG27	3D	507	224.161	(4.229)	(11.208)	(191.052)	7.704	4.599
DLG28	3D	371	161.626	(3.089)	(8.081)	(139.545)	3.629	2.167
DLG29	3D	181	78.911	(1.508)	(3.946)	(68.130)	1.772	1.058
DLG3	3D	956	439.429	(7.968)	(21.971)	(359.974)	30.733	18.346
DLG30	2D	398	174.938	(3.319)	(8.747)	(149.944)	5.104	3.047
DLG31	3D	313	136.570	(2.610)	(6.829)	(117.912)	3.067	1.831
DLG32	3D	589	267.625	(4.906)	(13.381)	(221.675)	16.095	9.608
DLG33	2D	498	221.404	(4.155)	(11.070)	(187.711)	8.673	5.177
DLG35	3D	734	339.440	(6.114)	(16.972)	(276.241)	25.698	15.340
DLG36	3D	868	404.837	(7.236)	(20.242)	(326.914)	33.387	19.930
DLG37	3D	1.100	537.118	(9.171)	(26.856)	(414.342)	65.130	38.879
DLG38	3D	1.147	574.246	(9.562)	(28.712)	(432.018)	81.411	48.597
DLG39	3D	1.707	852.771	(14.230)	(42.639)	(642.924)	119.431	71.293

Projeto/ Talhão	Desbaste	Valores		Commercial			Net Revenue -	Net Revenue -
		Volume	Gross Revenue	Tax on Sales	Discount	Logistics	RS	USD
DLG4	3D	1.231	584.635	(10.260)	(29.232)	(463.554)	57.402	34.265
DLG40	3D	1.204	609.763	(10.034)	(30.488)	(453.332)	92.254	55.070
DLG41	3D	274	136.463	(2.282)	(6.823)	(103.080)	18.900	11.282
DLG42	3D	829	405.368	(6.908)	(20.268)	(312.100)	49.807	29.732
DLG43	3D	1.106	532.885	(9.219)	(26.644)	(416.526)	58.762	35.077
DLG44	3D	1.182	563.929	(9.851)	(28.196)	(445.061)	57.597	34.382
DLG48	3D	480	217.993	(3.998)	(10.900)	(180.626)	13.044	7.787
DLG49	3D	958	450.499	(7.983)	(22.525)	(360.666)	40.506	24.180
DLG5	3D	927	429.394	(7.728)	(21.470)	(349.172)	32.805	19.583
DLG50	3D	2.492	1.247.345	(20.776)	(62.367)	(938.650)	176.574	105.404
DLG54	2D	461	202.071	(3.843)	(10.104)	(173.627)	5.438	3.246
DLG58	2D	1.079	29.002	(3.509)	(1.450)	-	24.042	14.528
DLG6	3D	1.059	508.654	(8.828)	(25.433)	(398.866)	54.714	32.661
DLG7	3D	448	219.503	(3.735)	(10.975)	(168.726)	27.263	16.274
DLG8	3D	427	200.533	(3.558)	(10.027)	(160.765)	17.794	10.622
DLG9	3D	1.024	470.411	(8.534)	(23.521)	(385.546)	32.693	19.516
ICR1	2D	121	52.824	(1.009)	(2.641)	(45.608)	1.186	708
ICR3	2D	1.724	784.941	(14.372)	(39.247)	(649.329)	48.112	28.720
ICR8	2D	806	358.918	(6.716)	(17.946)	(303.435)	14.988	8.947
k 81	2D	219	112.038	(1.824)	(5.602)	(82.430)	17.880	10.673
k 810	3D	542	288.479	(4.520)	(14.424)	(204.227)	54.652	32.624
k 811	3D	252	135.167	(2.102)	(6.758)	(94.957)	26.395	15.756
k 812	3D	329	180.557	(2.745)	(9.028)	(123.999)	38.315	22.872
k 82	3D	206	108.323	(1.718)	(5.416)	(77.601)	19.540	11.664
k 83	3D	565	294.527	(4.707)	(14.726)	(212.660)	51.338	30.645
k 84	3D	729	411.037	(6.076)	(20.552)	(274.508)	95.578	57.054
k 85	3D	1.850	1.004.359	(15.424)	(50.218)	(696.869)	205.485	122.662
k 86	3D	945	472.802	(7.877)	(23.640)	(355.886)	66.830	39.893
k 87	3D	624	295.447	(5.200)	(14.772)	(234.929)	28.287	16.886
k 88	3D	126	58.552	(1.047)	(2.928)	(47.316)	4.791	2.860
k 89	3D	686	351.098	(5.719)	(17.555)	(258.372)	55.971	33.411
PAI1	3D	313	41.105	(1.389)	(2.055)	(27.496)	8.730	5.303
PAI12	3D	178	11.934	(666)	(597)	(6.591)	3.737	2.349
PAI13	3D	480	56.590	(2.018)	(2.830)	(33.856)	16.120	9.931
PAI14	3D	970	134.652	(4.453)	(6.733)	(96.157)	22.291	13.624
PAI15	2D	164	39.803	(961)	(1.990)	(31.649)	3.551	2.158

Projeto/ Talhão	Desbaste	Valores			Commercial		Net Revenue -	Net Revenue -
		Volume	Gross Revenue	Tax on Sales	Discount	Logistics	RS	USD
PAI6	3D	565	91.608	(2.654)	(4.580)	(60.388)	20.835	12.757
PAI7	3D	160	42.630	(924)	(2.132)	(29.827)	8.192	4.954
PAI2	3D	145	32.167	(792)	(1.608)	(23.726)	4.803	2.927
PAI4	3D	151	41.856	(850)	(2.093)	(26.626)	10.899	6.572
PAI5	3D	160	4.388	(522)	(219)	(75)	3.567	2.264
PAI6	2D	161	4.533	(525)	(227)	(188)	3.584	2.263
PAI7	2D	291	24.425	(1.151)	(1.221)	(15.286)	5.968	3.684
PAI8	2D	49	21.683	(406)	(1.084)	(18.340)	896	535
PAI9	2D	0	218	(3)	(11)	(151)	45	27
PAR5	2D	22	9.603	(183)	(480)	(8.285)	222	133
PIMI	3D	349	181.115	(2.912)	(9.056)	(131.572)	30.709	18.331
PIMI0	3D	237	108.332	(1.973)	(5.417)	(89.155)	7.135	4.259
PIMI1	3D	131	65.581	(1.089)	(3.279)	(49.203)	9.443	5.637
PIMI2	3D	223	104.141	(1.862)	(5.207)	(84.111)	8.573	5.117
PIMI3	3D	283	143.673	(2.358)	(7.184)	(106.519)	22.054	13.165
PIMI4	3D	223	109.557	(1.862)	(5.478)	(84.126)	13.702	8.179
PIMI5	3D	197	95.758	(1.644)	(4.788)	(74.255)	11.197	6.684
PIMI6	3D	41	18.539	(342)	(927)	(15.436)	1.029	614
PIMI7	3D	91	40.832	(760)	(2.042)	(34.334)	1.905	1.137
PIMI8	3D	175	89.633	(1.460)	(4.482)	(65.966)	14.283	8.526
PIMI9	2D	118	52.135	(985)	(2.607)	(44.489)	1.733	1.035
PIM2	3D	482	265.412	(4.022)	(13.271)	(181.698)	56.941	33.990
PIM20	3D	28	12.253	(234)	(613)	(10.579)	275	164
PIM21	3D	42	18.662	(349)	(933)	(15.758)	800	478
PIM22	3D	20	8.729	(167)	(436)	(7.536)	196	117
PIM23	3D	150	70.476	(1.252)	(3.524)	(56.564)	6.185	3.692
PIM24	2D	19	8.895	(162)	(445)	(7.325)	581	347
PIM25	3D	345	170.199	(2.876)	(8.510)	(129.949)	22.083	13.182
PIM26	3D	-	-	-	-	-	-	-
PIM27	3D	11	4.634	(89)	(232)	(4.001)	104	62
PIM28	3D	6	2.728	(52)	(136)	(2.355)	61	37
PIM29	3D	70	31.369	(587)	(1.568)	(26.525)	1.305	779
PIM3	3D	428	212.494	(3.569)	(10.625)	(161.269)	28.615	17.082
PIM4	3D	336	170.203	(2.800)	(8.510)	(126.524)	25.767	15.381
PIM5	3D	311	159.666	(2.595)	(7.983)	(117.246)	25.724	15.356
PIM6	3D	346	179.434	(2.881)	(8.972)	(130.171)	30.618	18.277

Projeto/ Talhão	Desbaste	Valores			Commercial		Net Revenue -	Net Revenue -
		Volume	Gross Revenue	Tax on Sales	Discount	Logistics	RS	USD
PIM7	3D	311	160.448	(2.594)	(8.022)	(117.195)	26.522	15.832
PIM8	3D	302	149.652	(2.517)	(7.483)	(113.696)	20.024	11.953
PIM9	3D	129	61.961	(1.077)	(3.098)	(48.657)	6.591	3.934
SER1	2D	510	13.709	(1.659)	(685)	-	11.365	6.419
SER2	2D	1.031	27.713	(3.353)	(1.386)	-	22.974	14.129
SIL1	2D	138	63.827	(1.149)	(3.191)	(51.918)	4.860	2.901
SIL10	3D	947	537.072	(7.897)	(26.854)	(356.778)	126.927	75.768
SIL11	3D	1.292	736.853	(10.770)	(36.843)	(486.594)	177.256	105.811
SIL12	2D	78	34.921	(650)	(1.746)	(29.358)	1.635	976
SIL13	3D	74	32.438	(620)	(1.622)	(28.006)	728	435
SIL14	3D	665	365.631	(5.541)	(18.282)	(250.338)	78.409	46.805
SIL15	3D	1.389	789.823	(11.576)	(39.491)	(523.014)	188.451	112.494
SIL16	3D	477	231.756	(3.974)	(11.588)	(179.526)	27.302	16.298
SIL17	3D	8	3.280	(63)	(164)	(2.832)	74	44
SIL18	3D	610	359.826	(5.083)	(17.991)	(229.672)	95.095	56.766
SIL19	3D	416	210.699	(3.464)	(10.535)	(156.490)	32.044	19.128
SIL2	3D	127	66.108	(1.059)	(3.305)	(47.862)	11.383	6.795
SIL3	3D	249	124.049	(2.072)	(6.202)	(93.600)	17.291	10.322
SIL4	3D	676	392.285	(5.637)	(19.614)	(254.661)	99.085	59.148
SIL5	3D	366	203.030	(3.050)	(10.152)	(137.786)	44.853	26.775
SIL6	3D	905	527.906	(7.546)	(26.395)	(340.951)	135.222	80.720
SIL7	3D	480	253.888	(4.004)	(12.694)	(180.912)	46.837	27.959
SIL8	3D	1.547	880.029	(12.898)	(44.001)	(582.728)	209.995	125.355
SIL9	3D	1.508	888.225	(12.572)	(44.411)	(567.992)	233.613	139.453
SMG2	2D	1.492	40.101	(4.852)	(2.005)	-	33.244	20.868
SMG3	2D	930	25.002	(3.025)	(1.250)	-	20.727	13.007
TEN1	3D	305	136.522	(2.545)	(6.826)	(114.984)	6.167	3.681
TEN2	3D	182	81.906	(1.521)	(4.095)	(68.708)	3.996	2.386
TEN3	3D	112	50.101	(936)	(2.505)	(42.302)	2.150	1.284
TEN4	3D	309	144.782	(2.579)	(7.239)	(116.498)	12.388	7.395
TEN5	3D	169	74.598	(1.409)	(3.730)	(63.679)	2.457	1.467
TEN6	3D	255	78.802	(1.693)	(3.940)	(63.992)	5.838	3.479
VDO1	3D	46	25.107	(379)	(1.255)	(17.139)	5.439	3.247
VDO10	3D	41	20.671	(343)	(1.034)	(15.490)	2.996	1.788
VDO11	3D	77	40.661	(642)	(2.033)	(28.998)	7.474	4.462
VDO12	3D	53	27.525	(443)	(1.376)	(19.994)	4.669	2.787

Projeto/ Talhão	Desbaste	Valores			Commercial		Net Revenue -	Net Revenue -
		Volume	Gross Revenue	Tax on Sales	Discount	Logistics	RS	USD
VDO13	3D	183	104.737	(1.525)	(5.237)	(68.894)	25.487	15.214
VDO14	3D	115	67.703	(959)	(3.385)	(43.336)	17.761	10.603
VDO15	3D	106	62.480	(887)	(3.124)	(40.094)	16.282	9.720
VDO16	3D	76	45.083	(635)	(2.254)	(28.701)	11.995	7.160
VDO17	3D	56	32.969	(469)	(1.648)	(21.170)	8.578	5.120
VDO18	2D	148	82.791	(1.237)	(4.140)	(55.908)	18.589	11.097
VDO19	3D	85	44.773	(706)	(2.239)	(31.896)	8.268	4.936
VDO2	3D	53	26.847	(444)	(1.342)	(20.048)	3.967	2.368
VDO3	2D	50	27.033	(413)	(1.352)	(18.650)	5.646	3.370
VDO4	3D	56	32.284	(465)	(1.614)	(21.011)	8.097	4.834
VDO5	3D	31	15.516	(262)	(776)	(11.824)	2.038	1.216
VDO6	3D	50	27.559	(413)	(1.378)	(18.658)	6.137	3.663
VDO7	3D	42	22.396	(347)	(1.120)	(15.700)	4.409	2.632
<b>Total Geral</b>		<b>106.423</b>	<b>47.146.716</b>	<b>(831.996)</b>	<b>(2.357.336)</b>	<b>(35.996.781)</b>	<b>6.082.316</b>	<b>3.634.346</b>

Project Year	Values in USD										
	Area (ha.)	Volume	Yield (m3/ha)	Net Revenue (A)	FSA Retainer (B)	Gross Payment (C = A - B)	Withhold Tax (D)	Net adjusted payment (E = C - D)	Thinning Report 2010 (F)	Remaining payment (G = E - F)	
	A	B	C=B/A	D	E	F=D-E	G = F* 15%	H= F-G	I	J= H-I	
ARA - 1999	82	5,315	65	109,877	109,435	442	66	376	38	338	
BAR - 2002	216	4,467	21	73,096	73,096	-	-	-	-	-	
BAR - 2003	8	166	21	2,622	2,622	-	-	-	-	-	
BOC - 1998	449	13,102	29	1,033,705	968,316	65,388	9,808	55,580	11,579	44,001	
BOC - 1999	108	3,683	34	263,890	249,763	14,127	2,119	12,008	4,315	7,693	
BUR - 1994	608	11,173	18	285,220	285,220	-	-	-	-	-	
CAN - 1998	60	768	13	32,742	32,742	-	-	-	-	-	
CAS - 1999	83	4,488	54	114,621	108,246	6,375	956	5,419	4,506	913	
COC - 1996	236	1,068	5	18,639	18,639	-	-	-	-	-	
COC - 1998	136	2,844	21	147,136	147,136	-	-	-	-	-	
CPB - 1999	510	14,575	29	504,223	496,643	7,580	1,137	6,443	3,397	3,046	
DLG - 2000	1,562	28,605	18	560,161	560,161	-	-	-	-	-	
DLG - 2001	673	15,738	23	487,941	487,941	-	-	-	-	-	
DLG - 2002	48	2,492	51	105,404	105,404	-	-	-	-	-	
ICR - 2004	91	2,651	29	38,375	38,375	-	-	-	-	-	
K 8 - 1995	343	14,479	42	762,810	654,813	107,997	16,200	91,798	-	91,798	
PAI - 1997	278	6,652	24	144,068	144,068	-	-	-	-	-	
PAI - 1998	105	5,016	48	108,575	108,575	-	-	-	-	-	
PAR - 1997	573	7,917	14	260,152	260,152	-	-	-	-	-	
PIM - 1996	1,360	23,123	17	1,443,128	1,227,849	215,279	32,292	182,987	76,801	106,186	
SER - 1999	87	2,427	28	64,538	64,538	-	-	-	-	-	
SIL - 1995	620	13,402	22	1,006,879	904,044	102,835	15,425	87,410	52	87,358	
SIL - 1998	26	416	16	19,128	19,128	-	-	-	-	-	
SJT - 1998	46	730	16	41,468	41,468	-	-	-	-	-	
SMG - 2001	83	2,932	35	53,829	53,829	-	-	-	-	-	
TEN - 1996	198	3,372	17	85,830	85,830	-	-	-	-	-	
VDO - 1998	432	10,432	24	649,885	634,056	15,829	2,374	13,454	2,297	11,158	
VDO - 1999	31	818	26	38,992	38,992	-	-	-	-	-	
<b>Total General</b>	<b>9,054</b>	<b>202,852</b>	<b>22</b>	<b>8,456,930</b>	<b>7,921,079</b>	<b>535,851</b>	<b>80,378</b>	<b>455,474</b>	<b>102,985</b>	<b>352,489</b>	

# Floresteca S.A.

## Notes to the statements of income and stock of rough-thinning

**Year ended December 31, 2011**

### **1 Operations**

Floresteca S.A. was incorporated on January 12, 1994 and is headquartered in the Municipality of Jangada, State of Mato Grosso - MT, Brazil. The main operations of Floresteca S.A. are carried out in various municipalities of the State of Mato Grosso - MT and its main activities comprise the forestation, planting, felling and clearing of *Tectona Grandis* (Teak) forests owned by third parties.

### **2 Purpose of presentation**

Statements of income were prepared for the purpose of demonstrating to the investors who hold an interest in the volumes, gross sales revenues, taxes on sales revenues, direct selling expenses and net revenue in Real and Dolar for the year ended December 31, 2011.

### **3 Accounting practices**

The schedule presented in Statements of income and Stock of rough-thinning has been prepared in accordance with the accounting practices described below.

#### ***a. Sales Revenues***

Revenues from the sale of the rough-thinning are recorded on the accrual basis of accounting, as of the date on which the rough-thinning is delivered to customers and the Company is entitled to invoice them. The amounts presented for the specified blocks of land presented in Statements of income correspond all projects year ended December 31, 2011

#### ***b. Taxes on sales revenues***

Taxes on sales revenues, presented as a deduction from gross sales revenues, were recognized considering the prevailing tax rates for each of the following taxes and contributions:



- Rural Workers' Assistant Fund - FUNRURAL
- State Transportation and Housing Fund - FETHAB
- Social Integration Program - PIS
- Social Contribution on Revenues - COFINS
- State Value-Added Tax on Sales and Services - ICMS

*c. Direct selling expenses*

Direct selling expenses, presented as a deduction from gross sales revenues, correspond to amounts paid to freight, classification cost and 5% commercial discount in respect of exports of certain rough-thinning of the gross revenue related to general selling expenses.

*d. Translation of Brazilian Reais to US dollars*

The net sales revenue amounts presented in U.S. dollars in Statements of income were determined by conversion daily of real to dolar in accordance rate disclosure by central bank of Brazil. These translations are being presented for the convenience of the reader only.

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**Board of Directors**

Sylvio de Andrade Coutinho Neto  
 Laurentis Petrus Antonius Brouns  
 Hendrik Cornelis Van Druten

**Executive Board**

Sylvio de Andrade Coutinho Neto  
 Chief Executive Officer

Fausto Hissabi Takizawa  
 Director

**Accountant**

Paulo Henrique Silveira da Silva  
 CRC MT - 008951/O-8