



Floresteca S.A.

Agreed-upon procedures report
December 31, 2012



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Agreed-upon procedures report

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

We have performed the procedures agreed with you and enumerated below with respect to the Thinning Report for the year ended December 31, 2012 of Floresteca S.A., set forth in the accompanying schedules, Attachment I – Thinning Report Resume and Attachment II – Result by parcel. Our engagement was undertaken in accordance with the International Standard on Related Services ISRS 4400, issued by IFAC and NBC TSC 4400, issued by the Federal Accounting Council in Brazil, both applicable to agreed-upon procedures engagements. The procedures were performed solely to assist you in evaluating the validity of the Thinning Report and are summarized as follows:

- 1 We obtained the analytical breakdown of sales for 2012, which contained the following information: date of issuing, client name, invoice number, amount in cubic meters, unit price, total amount of the invoice, market, product group, branch and plot, and we compared the full amount of the breakdown with the amount of Gross Revenue stated in the financial statements;
- 2 From the analytical breakdown of item 1, we randomly selected 50 sales invoices, using the IDEA sampling tools, option Sampling routine “Random Record Sampling” and compared the following breakdown data with the sale invoice: date issuing, client name, invoice number, quantity in cubic meters, unit price, total amount of the invoice, market, product group, branch and plot;
- 3 Based on the analytical breakdown of sales of item 1, we recalculated the average selling price per product group and by market (internal and external), by dividing the average price by product group and by market for the quantity sold for these product group and markets;
- 4 We obtained the BDU (Base de Dados Uniformizado) file prepared by Management and compared the average price used for the calculation of the restated sale amount, under "Vlr Total" with the average price calculated in item 3 and compared the total amount under "Vlr Total" with the total amount under "Gross Revenue" of Appendix I - Thinning Report Summary;

- 5 Based on the BDU file, we recalculated the FUNRURAL, PIS and COFINS levied on sales under "Vlr Total", based on the rates below:

Market	FUNRURAL	PIS	COFINS
Within the state	2.85%	1.65%	7.60%
Interstate	2.85%	1.65%	7.60%
Export	0.00%	0.00%	0.00%

- 6 Based on the BDU file, we recalculated the FETHAB (State Transportation and Housing Fund), levied on foreign market sales under "Vlr Total ", based on the rate of R\$ 10.83 per cubic meter. We compared the total amount under FUNRURAL, PIS, COFINS (of item 5 above) and FETHAB with the total amount under "Tax on Sales" of Appendix I - Thinning Report Summary;
- 7 We obtained the total amount of expenses classified, presented in "Classification" file, during the year 2012 and divided by the total amount exported in 2012. We compared the result of this calculation with the average cost of classification used under "Classificação" of the BDU file. We compared the total under "Classificação" of the file BDU with the total amount under "Classification cost" of Appendix I - Thinning Report Summary;
- 8 Based on the BDU file, we recalculated the logistic cost presented under "Logística" in the Cokpit file, multiplying the amount sold by R\$ 352 per cubic meter in exports and R \$ 24.32 per cubic meter for domestic sales. We compared the total under "Logística" of the BDU file with the total amount under "Logistic" of Appendix I - Thinning Report Summary;
- 9 Based on Appendix I - Thinning Report Summary, we recalculated the net revenue based on the following formula: Gross Revenue (-) Tax on Sales (-) Classification cost (-) Logistics and compared with the total under "Net Revenue - R\$";
- 10 Based on file "Exchange", which contains the daily US Dollar rate from January, 2 2012 to December 31 2012, we selected 50 days, using the IDEA sampling tools, option Sampling routine "Random Record Sampling", for validation between the daily rate used in the spreadsheet and the rate for same day available on the website of the Central Bank of Brazil.
- 11 Based on the BDU file, we randomly selected 50 plots, using the IDEA sampling tools, option Sampling routine "Random Record Sampling", and recalculated the weighted average rate of the dollar used in each plot. Based on the weighted average rate verified, we translated the amount in R\$ under "RL" to USD and compared it with the amount stated under "Exchange". We compared the total under "Exchange" with the total under "Net Revenue - USD" of Appendix I - Thinning Report Resume.
- 12 Based on file "BDKrigagem", we checked if the projects that accrue revenue under "Past Net Revenue - USD", are in the same thinning cycle of the previous year, based on the random selection of 50 IDs (obtained under ID in the file), using the IDEA sampling tools, option Sampling routine "Random Record Sampling", and we compared the total of this column with the total under "Past Net Revenue - USD" of Appendix II - Result by parcel.



13 We compared the total net revenue in US Dollars under "Net Revenue - USD" of Appendix I - Thinning Report Summary with the total under "Net Revenue" of Appendix II - Result by parcel.

14 Based on file "BDKrigagem", we compared the total revenue per hectare of each thinning cycle under "Total Revenue - USD" with the amounts per hectare according to the contract. For items where the revenue per hectare of certain cycle exceeds the contract amount of the table below, we calculated the amount payable by subtracting from the total amount of revenue of that contract the contractual amount of the hectare and compared it the "Gross Payment".

Thinning cycle	Maximum Retainer
1 st thinning cycle	100.00%
1 st late thinning cycle	100.00%
2 nd thinning cycle	USD 2,000.00 per ha
3 th thinning cycle	USD 2,500.00 per ha
4 th thinning cycle	USD 3,000.00 per ha
Final thinning	5.00%

15 Based on file "BDKrigagem", we found that the projects that have payments made in previous years under "Past Payment -USD", were presented in file "BDKrigagem2011", based on the random selection of 50 IDs (obtained under ID in the file), using the IDEA sampling tools, option Sampling routine "Random Record Sampling", and we compared the total of this column with the total under "Past Payment" in Appendix II - Result by parcel.

16 Based on file "BDKrigagem", we recalculated the selling, general and administrative and sawmill costs stated under "G&A Recovery - USD", allocating the total cost of USD 2,453,066.29 in the proportion of the revenue of each ID with the total revenue under "Net Revenue - USD". We compared the total under "G&A Recovery - USD" of file "BDKrigagem" with the total under "SG&A Recovery" of Appendix II - Result by parcel;

17 Based on Appendix II - Result by parcel, we calculated the amount payable based on the following formula: Gross Payment (-) Past Payment (+) SG&A Recovery (+) Receivables and we compared it with the total under "Payables".

18 Based on Appendix II - Result by parcel, we calculated the net amount payable by discounting from the amount payable under "Payables", 15% related to taxes withheld on the amount payable and we compared it with the total under "Net Payments".

19 We asked to local management if the statements disclosed in Appendix I – Thinning 2012 was applied in all abovementioned calculations.



We report our findings below:

- i. With respect to the procedure 1, we compared the analytical breakdown with the financial statement revenue - gross and found the following difference:

	RS
Analytical breakdown	20,509,891
Financial statements revenue – gross (*)	<u>20,935,700</u>
Difference	<u>(425,809)</u>

According to management the difference is related to:

Return included in analytical breakdown	452,568
Sales of splinter and seeds	36,828
Duplicated invoice # 7306 in analytical breakdown	(59,229)
Other difference not reconciled	<u>(4,358)</u>
Total difference	425,809

- (*) All the financial information from the Audited Financial Statements and included in this agreed-upon procedures report is presented in thousand of Reais and was rounded out to the nearest thousand.
- ii. With respect to the procedure 2, no exception came to our attention.
- iii. With respect to the procedure 3, no exception came to our attention.
- iv. With respect to the procedure 4, no exception came to our attention.
- v. With respect to the procedure 5, no exception came to our attention.
- vi. With respect to the procedure 6, no exception came to our attention.
- vii. With respect to the procedure 7, no exception came to our attention.
- viii. With respect to the procedure 8, no exception came to our attention.
- ix. With respect to the procedure 9, no exception came to our attention.
- x. With respect to the procedure 10, no exception came to our attention.
- xi. With respect to the procedure 11, no exception came to our attention.
- xii. With respect to the procedure 12, no exception came to our attention.
- xiii. With respect to the procedure 13, no exception came to our attention.



- xiv. With respect to the procedure 14, no exception came to our attention.
- xv. With respect to the procedure 15, no exception came to our attention.
- xvi. With respect to the procedure 16, no exception came to our attention.
- xvii. With respect to the procedure 17, no exception came to our attention.
- xviii. With respect to the procedure 18, no exception came to our attention.
- xix. With respect to the procedure 19, we asked to local management about application of the statements disclosed in Appendix I – Thinning 2012 and obtained the following practices:
 - a. 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 corresponds to the projects in the specific thinning cycle period included in year ended December 31, 2012;
 - b. 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. Logistics costs to transport the log and firewood from Floresteca's farms to the customer final destination.
 - d. Classification is direct expense incurred to classify the logs by a specific size, diameter and quality.
 - e. SG&A is Selling, general and administrative expenses incurred in Floresteca's to manage the company and its plantations.
 - f. The translation from BRL to USD for the net sales revenue amounts presented in U.S. dollars in Statements of income were determined by the conversion from real to dolar in a daily basis, in accordance with the official rates from Brazil Central Bank.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the Thinning Report as of December 31, 2012.



Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with International Standards on Auditing or International Standards on Review Engagements, other matters might have come to our attention that would have been reported to you.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose or to be distributed to any other parties, that have not assumed responsibility for the adequacy, or have not agreed to, the above procedures. This report relates only to the accounts and items specified above and does not extend to any financial statements of Floresteca S.A., taken as a whole

Campinas, June 28, 2013

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

A handwritten signature in blue ink, appearing to read 'Thiago Rodrigues de Oliveira', written over a faint, illegible stamp or background.

Thiago Rodrigues de Oliveira
Account CRC 1SP259468/O-7



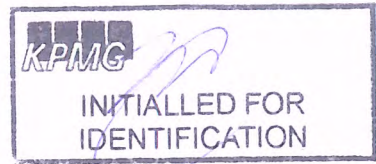
Floresteca S.A.

Thinning Report for year ended
December 31, 2012



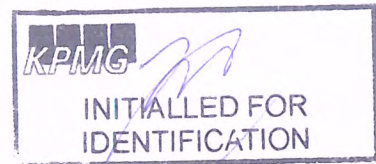
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Attachment 1 - Thinning Report Summary

Project/ Block	Thinning	Volume (m³)	Gross Revenue	Tax on Sales	Classification	Logistics	Net Revenue	Net Revenue (USD)
0006A	2D	232	23,473	(2,840)	-	(5,644)	14,989	7,221
BAR001	2D	-	227	-	-	-	26,829	15,323
BAR003	2D	194	19,579	(2,369)	-	(4,708)	12,502	6,133
BAR004	2D	12	2,733	(572)	-	(1,137)	4,442	2,769
BAR005	2D	-	140	-	-	-	25,923	14,806
BAR006	2D	-	70	-	-	-	11,001	6,283
BAR007	2D	4	3,480	(482)	-	(957)	4,919	3,005
BAR008	2D	753	76,178	(9,218)	-	(18,318)	48,643	23,958
BAR009	2D	154	15,535	(1,880)	-	(3,736)	9,920	4,877
BAR011	2D	184	18,625	(2,254)	-	(4,479)	11,893	5,855
BAR012	2D	366	36,979	(4,474)	-	(8,892)	23,612	11,691
BAR013	2D	676	68,349	(8,270)	-	(16,435)	43,644	21,448
BAR014	2D	895	90,500	(10,951)	-	(21,762)	57,788	28,353
BAR015	2D	106	10,675	(1,292)	-	(2,567)	6,817	3,374
BAR016	2D	758	76,661	(9,276)	-	(18,434)	48,951	24,180
BAR017	2D	245	24,742	(2,994)	-	(5,949)	15,799	7,778
BAR018	2D	744	75,287	(9,110)	-	(18,103)	48,074	23,701
BAR021	2D	265	26,790	(3,242)	-	(6,442)	17,106	8,416
BOC001	3D	294	172,278	(3,230)	(4,440)	(93,620)	70,988	39,038
BOC002	3D	390	230,246	(4,720)	(5,640)	(119,318)	100,568	56,867
BOC003	3D	265	233,106	(2,874)	(4,465)	(93,399)	132,368	63,430
BOC004	3D	492	284,973	(5,409)	(7,263)	(153,395)	118,906	59,394
BOC005	3D	540	435,433	(5,898)	(8,460)	(177,884)	243,190	119,600
BOC006	3D	1,135	718,875	(12,682)	(16,112)	(341,373)	348,708	171,105
BOC007	3D	399	333,158	(4,326)	(6,721)	(140,604)	181,507	89,386
BOC008	3D	206	160,794	(2,628)	(2,966)	(62,766)	92,433	45,190
BOC009	3D	183	104,171	(2,021)	(2,665)	(56,360)	43,125	24,340
BOC010	3D	216	186,734	(2,340)	(3,635)	(76,050)	104,709	51,600
BOC011	3D	361	231,858	(3,908)	(6,072)	(127,016)	94,862	53,977
BOC012	3D	17	14,541	(179)	(279)	(5,826)	8,257	4,074
BOC013	3D	72	63,470	(782)	(1,216)	(25,431)	36,041	17,344
BOC014	3D	193	169,274	(2,087)	(3,242)	(67,823)	96,121	46,190
BOC015	3D	217	190,467	(2,348)	(3,648)	(76,315)	108,156	52,019
BOC016	3D	265	170,593	(2,888)	(4,308)	(90,355)	73,041	37,703
BOC017	3D	276	158,074	(3,041)	(3,969)	(84,007)	67,056	36,824



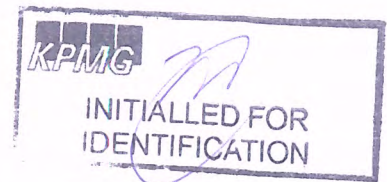
Attachment 1 - Thinning Report Summary

Project/ Block	Thinning	Volume (m³)	Gross Revenue	Tax on Sales	Classification	Logistics	Net Revenue	Net Revenue (USD)
BOC018	3D	386	240,078	(4,213)	(6,048)	(127,165)	102,652	58,885
CMB003A	2D	88	8,925	(1,080)	-	(2,146)	5,699	2,745
CMB004B	2D	28	2,824	(342)	-	(679)	1,803	869
CMB005	2D	162	16,356	(1,979)	-	(3,933)	10,444	5,031
CMB006A	2D	137	13,827	(1,673)	-	(3,325)	8,829	4,253
CMB009	2D	142	14,377	(1,740)	-	(3,457)	9,180	4,422
CMB010	2D	494	49,990	(6,049)	-	(12,021)	31,921	15,378
CMB011	2D	92	9,288	(1,124)	-	(2,233)	5,931	2,857
CMB012	2D	135	13,653	(1,652)	-	(3,283)	8,718	4,200
CMB014	2D	94	9,516	(1,151)	-	(2,288)	6,076	2,927
CMB015	2D	137	13,876	(1,679)	-	(3,337)	8,861	4,268
CMB016	2D	229	23,125	(2,798)	-	(5,561)	14,767	7,114
CMB017	2D	79	7,989	(967)	-	(1,921)	5,102	2,458
CMB018	2D	263	26,614	(3,220)	-	(6,400)	16,994	8,187
CPB001	3D	102	67,804	(1,108)	(1,684)	(35,273)	29,739	16,726
CPB002	3D	35	22,790	(382)	(578)	(12,107)	9,723	5,343
CPB003	3D	83	54,161	(906)	(1,359)	(28,489)	23,406	12,256
CPB004	3D	31	18,916	(341)	(471)	(9,924)	8,180	4,498
DLG001	2D	113	12,320	(1,491)	-	(2,754)	8,075	4,377
DLG002	2D	80	49,030	(1,057)	(1,384)	(29,274)	17,315	9,773
DLG003	2D	241	87,431	(3,004)	(2,288)	(50,909)	31,229	17,855
DLG004	2D	76	4,980	(1,227)	-	(2,438)	1,315	563
DLG005	2D	- 14 -	2,984	-	-	-	2,984 -	1,705
DLG006	2D	- 98 -	20,891	-	-	-	20,891 -	11,932
DLG007	2D	- 28 -	5,969	-	-	-	5,969 -	3,409
DLG008A	2D	7	703	(85)	-	(169)	449	243
DLG009A	2D	53	6,926	(838)	-	(1,299)	4,789	2,596
DLG009B	2D	121	63,659	(1,432)	(1,833)	(38,849)	21,544	12,650
DLG010A	2D	46	7,240	(876)	-	(1,125)	5,239	2,929
DLG010B	2D	- 8 -	2,367	(75)	-	(148) -	2,590 -	1,491
DLG011A	2D	35	3,581	(433)	-	(861)	2,287	1,240
DLG011B	2D	49	8,458	(1,023)	-	(1,197)	6,238	3,522
DLG012B	2D	10	999	(121)	-	(240)	638	346
DLG018	2D	636	64,351	(7,786)	-	(15,474)	41,091	22,623
DLG019	2D	98	18,213	(2,204)	-	(2,380)	13,629	7,630



Attachment 1 - Thinning Report Summary

Project/ Block	Thinning	Volume (m³)	Gross Revenue	Tax on Sales	Classification	Logistics	Net Revenue	Net Revenue (USD)
DLG020	2D	465	118,884	(7,494)	(1,840)	(47,131)	62,420	34,725
DLG021	2D	577	91,401	(9,432)	(460)	(22,979)	58,529	32,925
DLG022	2D	503	54,509	(6,596)	-	(12,245)	35,668	19,890
DLG023	2D	751	82,967	(10,039)	-	(18,269)	54,659	30,312
DLG024	2D	1,137	146,278	(16,067)	(461)	(36,631)	93,118	52,444
DLG025	2D	631	69,846	(8,451)	-	(15,341)	46,053	25,955
DLG026	2D	598	67,494	(8,167)	-	(14,539)	44,788	25,832
DLG027	2D	108	10,956	(1,326)	-	(2,635)	6,996	3,613
DLG028	2D	72	7,249	(877)	-	(1,743)	4,629	2,390
DLG031	2D	60	6,024	(729)	-	(1,449)	3,847	2,085
DLG032	2D	520	52,617	(6,367)	-	(12,652)	33,598	19,429
DLG033	2D	592	59,885	(7,246)	-	(14,400)	38,239	21,904
DLG034	2D	302	30,527	(3,694)	-	(7,341)	19,493	10,826
DLG036	2D	39	3,902	(472)	-	(938)	2,491	1,350
DLG043	2D	25	14,762	(275)	(427)	(8,936)	5,124	2,903
DLG045	2D	194	19,640	(2,376)	-	(4,723)	12,541	6,965
DLG047	2D	260	26,288	(3,181)	-	(6,321)	16,786	9,322
DLG052	2D	26	2,650	(321)	-	(637)	1,692	940
DLG055	2D	316	31,984	(3,870)	-	(7,691)	20,423	11,342
DLG056	2D	408	41,280	(4,995)	-	(9,926)	26,359	15,036
DLG057	2D	761	76,948	(9,311)	-	(18,503)	49,134	28,028
DLG058	2D	765	77,410	(9,367)	-	(18,614)	49,429	28,529
DLG059	2D	529	53,518	(6,476)	-	(12,869)	34,174	19,494
DLG060	2D	378	38,267	(4,630)	-	(9,202)	24,435	13,938
DLG061	2D	876	88,585	(10,719)	-	(21,301)	56,565	32,266
DLG062	2D	154	15,552	(1,882)	-	(3,740)	9,930	5,515
DLG071	2D	528	53,426	(6,465)	-	(12,847)	34,115	19,460
DLG072B	2D	66	6,641	(804)	-	(1,597)	4,241	2,355
DLG073A	2D	113	11,411	(1,381)	-	(2,744)	7,287	4,047
DLG074A	2D	207	20,955	(2,536)	-	(5,039)	13,381	7,431
DLG075A	2D	186	18,815	(2,277)	-	(4,524)	12,014	6,672
DLG077	2D	59	5,982	(724)	-	(1,438)	3,820	2,121
DLG078	2D	327	33,090	(4,004)	-	(7,957)	21,129	11,735
DLG079	2D	231	23,406	(2,832)	-	(5,628)	14,946	8,300
DLG080	2D	276	27,941	(3,381)	-	(6,719)	17,841	9,908



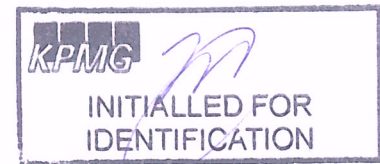
Attachment 1 - Thinning Report Summary

Project/ Block	Thinning	Volume (m³)	Gross Revenue	Tax on Sales	Classification	Logistics	Net Revenue	Net Revenue (USD)
DLG081	2D	84	8,523	(1,031)	-	(2,049)	5,442	3,022
ICR001	2D	44	4,405	(533)	-	(1,059)	2,812	1,524
ICR002	2D	528	77,880	(9,424)	-	(12,851)	55,606	30,141
ICR003	2D	228	35,968	(4,352)	-	(5,552)	26,064	14,128
ICR004	2D	988	99,961	(12,095)	-	(24,036)	63,829	32,604
ICR005	2D	791	80,028	(9,683)	-	(19,243)	51,101	26,103
ICR006	2D	817	82,619	(9,997)	-	(19,866)	52,756	26,948
ICR007	2D	773	78,206	(9,463)	-	(18,805)	49,938	24,993
ICR008	2D	355	35,914	(4,346)	-	(8,636)	22,932	12,004
ICR009	2D	672	67,952	(8,222)	-	(16,340)	43,390	24,098
ICR010	2D	843	85,300	(10,321)	-	(20,511)	54,467	28,985
ICR011	2D	342	34,542	(4,180)	-	(8,306)	22,056	11,267
ICR012	2D	16	1,642	(199)	-	(395)	1,049	536
ICR013	2D	428	43,242	(5,232)	-	(10,398)	27,612	13,546
ICR014	2D	736	74,487	(9,013)	-	(17,911)	47,563	25,947
ICR015	2D	1,037	107,046	(12,953)	-	(25,230)	68,864	37,810
ICR016	2D	421	42,569	(5,151)	-	(10,236)	27,182	13,604
ICR020	2D	432	43,674	(5,285)	-	(10,502)	27,887	14,245
ICR021	2D	440	44,508	(5,385)	-	(10,702)	28,420	14,517
ICR022	2D	894	90,395	(10,938)	-	(21,736)	57,721	28,889
ICR023	2D	492	49,807	(6,027)	-	(11,977)	31,804	15,602
K_8001	4D	19	14,378	(202)	(314)	(6,572)	7,290	4,111
K_8002	4D	28	18,352	(308)	(479)	(10,021)	7,544	3,873
K_8003	4D	35	23,120	(375)	(582)	(12,175)	9,988	5,395
K_8004	4D	46	31,449	(501)	(778)	(16,282)	13,888	7,844
K_8005	4D	25	16,902	(274)	(426)	(8,917)	7,284	4,071
K_8006	4D	29	19,676	(314)	(488)	(10,209)	8,664	4,813
K_8007	4D	18	10,990	(191)	(296)	(6,194)	4,309	2,357
K_8008	4D	18	12,400	(196)	(304)	(6,357)	5,543	3,010
K_8009	4D	9	6,499	(101)	(157)	(3,284)	2,957	1,567
K_8010	4D	27	18,735	(290)	(451)	(9,432)	8,562	4,749
K_8011	4D	16	10,756	(168)	(262)	(5,476)	4,850	2,694
K_8012	4D	36	26,672	(389)	(604)	(12,635)	13,044	7,498
PIM001	4D	24	15,002	(258)	(401)	(8,386)	5,957	3,322
PIM002	4D	21	15,067	(223)	(347)	(7,260)	7,236	4,127



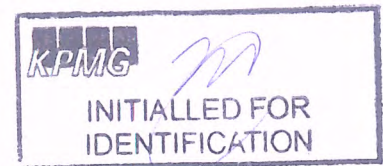
Attachment 1 - Thinning Report Summary

Project/ Block	Thinning	Volume (m³)	Gross Revenue	Tax on Sales	Classification	Logistics	Net Revenue	Net Revenue (USD)
PIM003	4D	31	21,948	(331)	(514)	(10,755)	10,348	5,805
PIM004	4D	32	21,761	(348)	(541)	(11,314)	9,558	5,366
PIM005	4D	39	28,418	(418)	(650)	(13,600)	13,750	7,859
PIM006	4D	15	12,456	(165)	(256)	(5,361)	6,674	3,870
PIM007	4D	17	12,444	(186)	(289)	(6,040)	5,929	3,370
PIM008	4D	30	21,114	(327)	(507)	(10,615)	9,665	5,306
PIM009	4D	60	25,901	(688)	(581)	(12,782)	11,850	6,520
PIM010	4D	36	25,536	(386)	(600)	(12,552)	11,998	6,604
PIM011	4D	20	14,023	(218)	(338)	(7,079)	6,388	3,421
PIM012	4D	27	17,466	(295)	(458)	(9,588)	7,125	3,663
PIM013	4D	12	8,410	(131)	(203)	(4,249)	3,826	1,918
SIL002	4D	72	62,116	(785)	(1,219)	(25,507)	34,606	16,862
SIL003	4D	120	104,284	(1,305)	(2,027)	(42,405)	58,547	28,268
SIL004	4D	409	359,753	(4,435)	(6,890)	(144,143)	204,284	97,542
SIL005	4D	361	317,560	(3,915)	(6,082)	(127,238)	180,325	86,375
SIL006	4D	583	487,021	(6,318)	(9,817)	(205,363)	265,522	130,462
SIL007	4D	121	105,876	(1,305)	(2,028)	(42,422)	60,121	28,894
SIL008	4D	1,016	875,298	(11,000)	(17,091)	(357,538)	489,669	237,034
SIL009	4D	1,599	1,290,653	(18,933)	(25,075)	(527,196)	719,449	354,263
SIL010	4D	1,032	881,632	(11,174)	(17,360)	(363,166)	489,932	241,699
SIL011	4D	1,324	1,130,562	(14,337)	(22,275)	(465,978)	627,973	308,996
SIL014	4D	217	190,380	(2,347)	(3,646)	(76,280)	108,107	51,955
SIL015	4D	780	681,934	(8,445)	(13,120)	(274,474)	385,894	184,744
SIL016	4D	211	175,748	(2,281)	(3,544)	(74,144)	95,779	46,874
SIL018	4D	184	162,080	(1,998)	(3,104)	(64,941)	92,037	44,002
SMG001A	2D	272	27,538	(3,332)	-	(6,622)	17,584	9,766
SMG001B	2D	61	6,146	(744)	-	(1,478)	3,924	2,179
SMG002	2D	578	58,485	(7,077)	-	(14,063)	37,345	20,740
SMG003	2D	106	10,691	(1,294)	-	(2,571)	6,827	3,791
SMJ001	2D	481	48,633	(5,885)	-	(11,694)	31,054	15,269
SMJ002	2D	124	12,533	(1,517)	-	(3,014)	8,003	3,926
SMJ003A	2D	809	81,816	(9,900)	-	(19,673)	52,243	25,701
SMJ003B	2D	119	12,077	(1,461)	-	(2,904)	7,712	3,775
SMJ004	2D	501	50,624	(6,125)	-	(12,173)	32,325	15,914
SMJ005	2D	379	38,340	(4,639)	-	(9,219)	24,482	12,052



Attachment 1 - Thinning Report Summary

Project/ Block	Thinning	Volume (m³)	Gross Revenue	Tax on Sales	Classification	Logistics	Net Revenue	Net Revenue (USD)
SMJ006	2D	151	15,317	(1,853)	-	(3,683)	9,781	4,815
SMJ007	2D	298	30,119	(3,644)	-	(7,242)	19,232	9,313
SMJ008	2D	413	41,724	(5,049)	-	(10,033)	26,642	13,128
SMJ009	2D	127	12,820	(1,551)	-	(3,083)	8,186	4,034
SMJ010	2D	157	15,922	(1,927)	-	(3,829)	10,167	5,010
SMJ011	2D	208	21,071	(2,550)	-	(5,067)	13,455	6,630
SMJ012	2D	611	61,762	(7,473)	-	(14,851)	39,437	19,391
SMJ013	2D	640	64,772	(7,837)	-	(15,575)	41,360	20,382
SMJ014	2D	826	83,525	(10,106)	-	(20,084)	53,334	26,256
SMJ015	2D	89	8,969	(1,085)	-	(2,157)	5,727	2,819
SMJ016	2D	30	3,000	(363)	-	(721)	1,916	943
SMJ017	2D	366	36,982	(4,475)	-	(8,893)	23,614	11,636
SMJ018	2D	414	41,922	(5,073)	-	(10,081)	26,769	13,197
SMJ019	2D	528	53,404	(6,462)	-	(12,841)	34,101	16,245
SMJ020	2D	789	79,810	(9,657)	-	(19,191)	50,962	24,404
SMJ021	2D	588	59,449	(7,193)	-	(14,295)	37,960	18,185
SMJ022	2D	662	66,906	(8,096)	-	(16,088)	42,722	20,606
SMJ023	2D	95	9,571	(1,158)	-	(2,302)	6,112	2,985
SMJ024	2D	461	46,674	(5,648)	-	(11,223)	29,803	14,614
SMJ025	2D	344	34,780	(4,208)	-	(8,363)	22,209	10,846
SMJ026	2D	766	77,460	(9,373)	-	(18,626)	49,462	24,156
SMJ027	2D	851	86,057	(10,413)	-	(20,693)	54,951	26,178
SMJ028	2D	448	45,267	(5,477)	-	(10,885)	28,905	13,770
SMJ029	2D	295	29,852	(3,612)	-	(7,178)	19,062	9,115
SMJ030	2D	774	78,304	(9,475)	-	(18,829)	50,000	23,997
SMJ031	2D	652	65,958	(7,981)	-	(15,860)	42,117	20,679
SMJ032	2D	481	48,626	(5,884)	-	(11,693)	31,050	15,164
SMJ033	2D	1,155	173,032	(14,033)	(1,217)	(51,785)	105,997	51,691
SMJ034	2D	184	18,641	(2,256)	-	(4,482)	11,903	5,840
STFO03A	2D	99	9,972	(1,207)	-	(2,398)	6,367	3,110
STFO03B	2D	43	4,340	(525)	-	(1,044)	2,772	1,356
STFO04A	2D	152	15,373	(1,860)	-	(3,697)	9,816	4,804
STFO04B	2D	226	22,837	(2,763)	-	(5,491)	14,582	7,137
STFO05	2D	490	49,525	(5,993)	-	(11,909)	31,624	15,501
STFO07	2D	501	50,652	(6,129)	-	(12,180)	32,343	15,938



Attachment 1 - Thinning Report Summary

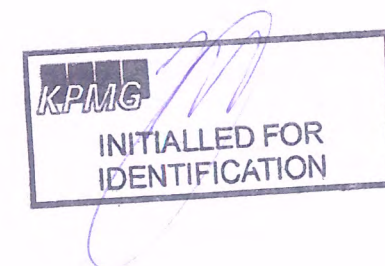
Project/ Block	Thinning	Volume (m³)	Gross Revenue	Tax on Sales	Classification	Logistics	Net Revenue	Net Revenue (USD)
STF010	2D	452	45,762	(5,537)	-	(11,004)	29,221	14,399
STF012A	2D	152	15,366	(1,859)	-	(3,695)	9,812	4,835
STF012B	2D	190	19,246	(2,329)	-	(4,628)	12,289	6,056
STF018	2D	1,059	107,142	(12,964)	-	(25,763)	68,415	33,563
STF019A	2D	723	73,159	(8,852)	-	(17,592)	46,715	22,917
STF019B	2D	70	7,080	(857)	-	(1,702)	4,521	2,218
STF020	2D	543	65,560	(7,933)	-	(13,216)	44,411	21,665
STF021	2D	246	24,884	(3,011)	-	(5,984)	15,890	7,795
STF022	2D	1,076	108,860	(13,172)	-	(26,176)	69,512	34,101
STF023	2D	216	21,879	(2,647)	-	(5,261)	13,971	6,825
STF024	2D	1,579	159,709	(19,325)	-	(38,403)	101,981	49,613
STF027	2D	686	69,412	(8,399)	-	(16,691)	44,323	21,563
STF028	2D	760	76,845	(9,298)	-	(18,478)	49,069	23,872
STF029	2D	814	82,324	(9,961)	-	(19,796)	52,567	25,574
STF031	2D	237	23,929	(2,895)	-	(5,754)	15,280	7,530
STF035	2D	33	3,361	(407)	-	(808)	2,146	1,058
STF036	2D	509	51,447	(6,225)	-	(12,371)	32,851	16,188
STF038	2D	654	66,156	(8,005)	-	(15,908)	42,243	20,847
STF039	2D	653	65,998	(7,986)	-	(15,870)	42,142	20,799
STF043	2D	712	72,052	(8,718)	-	(17,326)	46,008	22,383
STF044	2D	551	55,752	(6,746)	-	(13,406)	35,600	17,419
STF045	2D	591	59,737	(7,228)	-	(14,364)	38,145	18,557
STF046	2D	696	70,373	(8,515)	-	(16,922)	44,936	21,861
STF047	2D	508	51,421	(6,222)	-	(12,365)	32,835	15,974
STF048	2D	804	81,322	(9,840)	-	(19,555)	51,927	25,297
STF049	2D	848	85,725	(10,373)	-	(20,613)	54,739	26,667
STF050	2D	773	78,189	(9,461)	-	(18,801)	49,927	24,356
STF051	2D	775	78,412	(9,488)	-	(18,855)	50,069	24,425
STF052	2D	940	95,039	(11,500)	-	(22,853)	60,687	29,957
STF053	2D	878	88,802	(10,745)	-	(21,353)	56,704	27,858
STF054	2D	541	54,723	(6,622)	-	(13,159)	34,943	17,046
STF055	2D	85	8,548	(1,034)	-	(2,055)	5,458	2,694
STF058	2D	802	81,144	(9,818)	-	(19,512)	51,814	25,276
STF059	2D	363	36,734	(4,445)	-	(8,833)	23,456	11,524
STF060	2D	540	54,603	(6,607)	-	(13,130)	34,866	17,009

Attachment 1 - Thinning Report Summary


Project/ Block	Thinning	Volume (m³)	Gross Revenue	Tax on Sales	Classification	Logistics	Net Revenue	Net Revenue (USD)
STF062	2D	332	33,530	(4,057)	-	(8,063)	21,410	10,445
STF063	2D	359	36,294	(4,392)	-	(8,727)	23,175	11,305
STF064	2D	1,234	124,846	(15,106)	-	(30,020)	79,719	38,889
STF065	2D	625	63,184	(7,645)	-	(15,193)	40,346	19,822
STF066	2D	787	79,562	(9,627)	-	(19,131)	50,803	24,783
Total		90,647	19,604,756	(1,117,301)	(249,257)	(7,076,383)	11,161,815	5,606,663

Note

(*) All amount is presented in BRL, except indicated otherwise



Project	Year	Values		Sum of Past Net Revenue (USD)	Sum of Net Revenue (USD)	Total revenue (USD)	Retainer (USD)	Past Payment (USD)	2012 Payment (USD)	Gross Payment (USD)	SG&A Recovery (USD)	Payables (USD)	Withhold Tax (USD)	Net Payment (USD)	Receivables (USD)
		Area (ha)	Volume (m³)												
BAR		967	4,918	68,894	127,577	196,471	196,471	-	-	-	(74,966)	-	-	-	74,966
BOC		540	5,906	1,270,069	1,026,966	2,297,035	1,314,256	67,588	915,191	982,779	(453,499)	479,070	71,860	407,209	17,378
CMB		388	2,312	-	71,930	71,930	71,930	-	-	-	(31,764)	-	-	-	31,764
CPB		123	252	146,254	38,822	185,076	160,762	6,443	17,871	24,314	(17,144)	10,485	1,573	8,912	9,758
DLG		2,155	14,544	164,864	600,821	765,685	765,685	-	-	-	(273,503)	-	-	-	273,503
ICR		712	11,278	38,375	397,490	435,865	435,865	-	-	-	(175,528)	-	-	-	175,528
K_8		345	306	-	51,983	51,983	51,983	-	-	-	(22,955)	-	-	-	22,955
PIM		428	364	-	61,150	61,150	61,150	-	-	-	(27,003)	-	-	-	27,003
SIL		492	8,029	-	1,857,970	1,857,970	1,162,269	-	695,701	695,701	(820,464)	96,366	14,455	81,911	221,128
SMG		103	1,017	53,829	36,477	90,305	89,482	-	823	823	(16,108)	155	23	132	15,440
SMJ		1,293	15,815	-	512,663	512,663	512,663	-	-	-	(226,387)	-	-	-	226,387
STF		1,606	25,907	-	822,814	822,814	822,814	-	-	-	(363,348)	-	-	-	363,348
Grand Total		9,152	90,647	1,742,284	5,606,663	7,348,948	5,645,331	74,031	1,629,586	1,703,617	(2,502,669)	586,076	87,911	498,164	1,459,159



 INITIALLED FOR IDENTIFICATION

Notes to the thinning report summary and results by parcel

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, 2012.

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 corresponds to the projects in the specific thinning cycle period included in year ended December 31, 2012.

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:

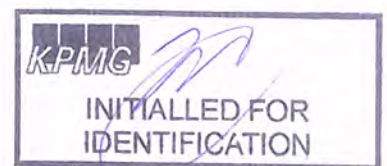
- Rural Workers' Assistant Fund - FUNRURAL
- State Transportation and Housing Fund - FETHAB
- Social Integration Program - PIS
- Social Contribution on Revenues - COFINS
- State Value-Added Tax on Sales and Services - ICMS

c. Logistics

Logistics costs to transport the log and firewood from Floresteca's farms to the customer final destination.

d. Classification

Direct expense incurred to classify the logs by a specific size, diameter and quality.



e. SG&A

Selling, general and administrative expenses incurred in Floresteca's to manage the company and its plantations.

f. Translation of Brazilian Reais to US dollars

The net sales revenue amounts presented in U.S. dollars in Statements of income were determined by the conversion from real to dolar in a daily basis, in accordance with the official rates from Brazil Central Bank. These translations are being presented for the convenience of the reader only.

* * *

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 Hissashi Takizawa
Director

Accountant

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

