



AGREED-UPON PROCEDURES REPORT

FLORESTECA S.A

PERIOD FROM JANUARY 1, 2015 TO DECEMBER 31, 2015



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Agreed-upon procedures report

To
The Directors
Floresteca S.A
Jangada - MT

Period from January 1, 2015 to December 31, 2015.

We have performed the procedures agreed with you and enumerated below with respect Final Cut Results and the Thinning Results for the year ended December 31, 2015 to Floresteca S.A., set forth in the accompanying schedule, Appendix II - Thinning Results and Appendix III - Final Cut Report. Our engagement was undertaken in accordance with the International Standard on Related Services ISRS 4400, issued by IFAC applicable to agreed-upon procedures engagements. The procedures were performed solely to assist you in evaluating the validity of the Thinning Report and Final cut Report is summarized as follows:

1. We obtained the analytical breakdown of sales for 2015, and compared the full amount of the breakdown with the amount of the Gross Revenue of the Net revenue summary file 2015, submitted by Floresteca S.A, for the year ended.
2. We validated from the analytical breakdown of item 1, the following breakdown date with the sale invoice: date issuing, invoice number, quantity in cubic meters, unit price, total amount of the invoice, freight amount and category of freight, commission amount and payment receipt, and noted few differences when recalculated the amount of the invoice. These differences are regarding the exchange rate calculation, where represents to 34 invoices verified the total amount of R\$ 8,028.00.
3. 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 and compared the total amount under "Vlr Total" with the amount under "Gross Revenue" of Net revenue summary file 2015, and noted no differences;
4. We recalculated based on the BDU file, the FETHAB, FUNRURAL, PIS, COFINS, ICMS and Classification Cost on Cubic meters levied on sales under "Vlr Total", based on the rates below, and noted no differences:

Condition	FETHAB	FUNRURAL	PIS	COFINS	ICMS-C	Classification Cost (R\$/m3)
Internal	R\$ -	2,85%	1,65%	7,60%	0,00%	R\$ -
Interstate	R\$ -	2,85%	1,65%	7,60%	12,00%	R\$ -
Export	R\$ 12,42	0,00%	0,00%	0,00%	0,00%	R\$ 7,86

5. We obtained the total amount of expenses classified, presented in "SG&A" file, during the year 2015 and compared with the BDU file SG&A column and with sheet Breakdown SG&A by the total amount in 2015 and noted no differences;
6. We recalculated, based in the BDU file, the logistic cost, presented under "Logistics" and "Sea freight" in the Cockpit file, We compared the total under "Logistics" of the BDU file with the total amount under "Logistic" of Appendix Net revenue summary file 2015, and noted no differences;
7. Based on Net revenue summary file 2015, we recalculated the net revenue based on the following formula: Gross Revenue (-) Tax on Sales (-) Classification Cost (-) Logistics and compared with the total amount under "Net Revenue - R\$", and noted no differences;
8. We validated, based on file "Exchange", which contains the daily US Dollar rate from January 2, 2015 to December 31, 2015, 100% of the daily rate used in the spreadsheet and the rate for same day available on the website of the Central Bank of Brazil, and noted no differences;

9. We obtained the Final Cut Results file and the Thinning Results file and validated the calculation of Total Roadside revenues and 2015 SG&A column, and noted no differences;
 10. We calculated the Total payable or receivable column of the Thinning Results and noted no differences;
 11. We calculated the 5% Floresteca Incentive column of the Final Cut Results and noted no differences;
 12. We calculated Total Payable column of the Final Cut Results and noted no differences;
 13. We calculated Withholding Tax column of the Final Cut Results and noted no differences;
 14. We calculated Net Payable column of the Final Cut Results and noted no differences;
 15. We asked to local management if the statements disclosed in Appendix II - Thinning Results and Appendix III - Final Cut Results was applied in all above mentioned calculations, and there was no negative opinion.
- (*) All the financial information are presented in thousands of Reais and was rounded out to the nearest thousand when included in this report
- (**) The Company has transferred forest to Floresteca BV and these revenue in not base for thinning.
- (***) Attached to this report there is an appendix regarding Company's operations to information purposes only not reviewed by us and written by Company.
- (****) The "BDU" and "Net Revenue Summary" files are base data to Thinning report summary calculation.

Because the above procedures do not constitute either an audit or a review made in accordance with International and Brazilian Standards on Auditing or International and Brazilian Standards on Review Engagements, we do not express any assurance on the Thinning Results or Final Cut Report as of December 31, 2015.

Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with International and Brazilian Standards on Auditing or International and Brazilian 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.

Indaiatuba, June 03, 2016

Mazars Auditores Independentes
CRC 2SP023701/O-8



Aquiles Bergamini
Contador CRC 1SP - 156763/O-0

Appendix I - Floresteca S.A. Operations

Executive Summary

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 and proprietary forests.

Objectives

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 Dollar for the year ended December 31, 2015.

Scope

We have performed the procedures agreed with you and enumerated below with respect to the Thinning Results and Final Cut Results for the year ended December 31, 2015 of Floresteca S.A., set forth in the accompanying schedules. 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 Results and Final Cut Results are summarized below:

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.

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

Logistics

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

Classification

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

SG&A

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

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 dollar 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.

The Receivable constitutes of the part of SG&A expenses which could not yet be recovered by Floresteca S.A. from the Total Net Revenue.

Further the Receivable consists of the total of the Retainers Floresteca is claiming based on agreements with Investors, minus Total Roadside revenues of all projects and minus the amount Accum Paid to Investors. In the previous Agreed-upon procedures report December 2014 this part of the Receivable has not been of the scope.

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Appendix II - Thinning Results-Retainer

Planting Year	Project	Area (ha)	Thinnings					SGA		Pre-tax Result	
			2015 Volume (m ³)	Accum Previous Roadside Revenues [A]	2015 Roadside Revenues [B]	Total Roadside Revenues [C = A + B]	Agreed Retainer [D]	Accum Paid to Investors [E]	Accum Previous SG&A [F]	2015 SG&A [G]	Total Payable or Receivable [C - D - E - F - G]
1994	BUR	592,29	0	907.936	0	907.936	2.665.305	1.575.371	92.401	0	-3.425.141
1995	K_8	331,91	0	667.145	0	667.145	1.493.595	7.316	292.709	0	-1.126.475
1995	SIL	582,80	0	5.603.656	0	5.603.656	2.622.600	433.923	1.457.199	0	1.089.933
1996	COC	374,88	0	35.555	0	35.555	1.686.960	0	0	0	-1.651.405
1996	PIM	693,42	3.741	4.154.273	572.997	4.727.270	3.120.390	415.416	99.877	197.228	894.359
1996	TEN	191,42	0	85.830	0	85.830	861.390	0	0	0	-775.560
1997	PAI	297,92	0	459.390	0	459.390	1.340.640	0	96.743	0	-977.993
1997	PAR	555,05	0	260.152	0	260.152	2.497.725	0	0	0	-2.237.573
1998	BOC	431,65	6.399	2.305.956	1.131.548	3.437.504	1.942.425	0	701.475	389.484	404.120
1998	CAN	44,62	0	156.609	0	156.609	200.790	0	98.865	0	-143.046
1998	COC	133,84	961	286.060	136.048	422.109	602.280	0	0	46.828	-227.000
1998	PAI	93,95	0	270.188	0	270.188	422.775	0	59.474	0	-212.061
1998	SIL	24,41	0	35.785	0	35.785	109.845	0	0	0	-74.060
1998	SJT	26,76	869	159.877	109.983	269.860	120.420	0	0	37.857	111.584
1998	VDO	351,68	0	1.383.634	0	1.383.634	1.582.560	0	624.422	0	-823.349
1999	ARA	98,88	394	218.621	29.150	247.771	444.960	0	86.794	10.033	-294.017
1999	BAM	549,07	0	6.292	0	6.292	2.470.815	0	5.041	0	-2.469.564
1999	BOC	108,18	1.532	532.298	281.149	813.447	486.810	0	166.662	96.773	63.202
1999	CAS	88,49	417	270.665	55.878	326.543	398.205	0	124.547	19.234	-215.442
1999	CPB	507,87	7.432	2.163.079	1.043.064	3.206.144	2.285.415	0	997.676	359.028	-435.975
1999	SER	105,01	0	64.538	0	64.538	472.545	0	0	0	-408.007
1999	VDO	48,59	0	123.482	0	123.482	218.655	0	30.771	0	-125.943
2000	BAM	513,83	0	100.386	0	100.386	2.312.235	0	80.430	0	-2.292.279
2000	DLG	1527,51	0	1.567.494	0	1.567.494	6.873.795	0	377.069	0	-5.683.370
2001	DLG	2136,42	0	1.618.138	0	1.618.138	9.613.890	0	251.249	0	-8.247.001
2001	SMG	97,52	0	88.126	0	88.126	438.840	0	15.145	0	-365.859
2002	BAR	970,20	0	433.419	0	433.419	4.365.900	0	264.577	0	-4.197.058
2002	CMB	571,08	0	359.774	0	359.774	2.569.860	0	261.960	0	-2.472.046
2002	DLG	48,41	0	157.986	0	157.986	217.845	0	14.964	0	-74.823
2002	SMG	5,71	0	2.179	0	2.179	25.695	0	962	0	-24.478
2002	SMJ	1085,18	15.553	585.164	656.130	1.241.293	4.883.310	0	329.389	225.843	-4.197.248
2003	BAR	12,95	0	9.683	0	9.683	25.900	0	2.246	0	-18.463
2003	CMB	10,19	0	10.330	0	10.330	20.380	0	8.258	0	-18.308
2003	SMJ	207,87	2.442	258.747	111.068	369.815	415.740	0	161.535	38.230	-245.689
2003	STF	2562,71	28.444	1.571.483	229.423	1.800.906	5.125.420	0	573.756	78.968	-3.977.239
2004	BAR	1021,00	0	342.312	0	342.312	2.042.000	0	273.486	0	-1.973.175
2004	TST	1143,17	10.308	612.813	163.385	776.198	2.286.340	0	490.664	56.238	-2.057.044
2005	DLG	207,67	1.590	56.401	12.072	68.474	415.340	0	45.023	4.155	-396.045
2006	DLG	233,88	339	68.976	2.577	71.553	467.760	0	55.054	887	-452.148
2007	MUT	539,18	2.312	50.020	17.558	67.577	1.078.360	0	0	6.043	-1.016.826
2007	SAJ	301,30	0	132.738	0	132.738	602.600	0	0	0	-469.862
2008	SMJII	99,87	0	0	0	0	199.740	0	0	0	-199.740
Total		19.528	82.733	28.177.190	4.552.030	32.729.220	72.028.055	2.432.026	8.140.422	1.566.830	-51.438.114

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Appendix III - Final cut results

Planting Year	Project	Area (ha)	Final Cut							Pre-tax Result		Post-tax Result
			2015 Volume (m³)	Accum Previous Roadside Revenues [A]	2015 Roadside Revenues [B]	Total Roadside Revenues [C = A + B]	Accum Direct Costs [D]	5% Floresteca Incentive [E = 5% * (C-D)]	2015 SG&A [F]	Total Payable [G = C - D - E - F]	Withholding Tax [H = 15% * G]	Net Payable [F - G]
1994	BUR	592,29	0	0	0	0	0	0	0	0	0	0
1995	K_8	331,91	601	0	98.958	98.958	15.167	4.190	34.062	45.539	6.831	38.708
1995	SIL	582,80	19.272	0	3.929.600	3.929.600	539.391	169.510	1.352.587	1.868.112	280.217	1.587.895
1996	COC	374,88	0	0	0	0	0	0	0	0	0	0
1996	PIM	693,42	0	0	0	0	0	0	0	0	0	0
1996	TEN	191,42	0	0	0	0	0	0	0	0	0	0
1997	PAI	297,92	0	0	0	0	0	0	0	0	0	0
1997	PAR	555,05	0	0	0	0	0	0	0	0	0	0
1998	BOC	431,65	0	0	0	0	0	0	0	0	0	0
1998	CAN	44,62	0	0	0	0	0	0	0	0	0	0
1998	COC	133,84	0	0	0	0	0	0	0	0	0	0
1998	PAI	93,95	0	0	0	0	0	0	0	0	0	0
1998	SIL	24,41	0	0	0	0	0	0	0	0	0	0
1998	SJT	26,76	0	0	0	0	0	0	0	0	0	0
1998	VDO	351,68	0	0	0	0	0	0	0	0	0	0
1999	ARA	98,88	0	0	0	0	0	0	0	0	0	0
1999	BAM	549,07	0	0	0	0	0	0	0	0	0	0
1999	BOC	108,18	0	0	0	0	0	0	0	0	0	0
1999	CAS	88,49	0	0	0	0	0	0	0	0	0	0
1999	CPB	507,87	0	0	0	0	0	0	0	0	0	0
1999	SER	105,01	0	0	0	0	0	0	0	0	0	0
1999	VDO	48,59	0	0	0	0	0	0	0	0	0	0
2000	BAM	513,83	0	0	0	0	0	0	0	0	0	0
2000	DLG	1527,51	0	0	0	0	0	0	0	0	0	0
2001	DLG	2136,42	0	0	0	0	0	0	0	0	0	0
2001	SMG	97,52	0	0	0	0	0	0	0	0	0	0
2002	BAR	970,20	0	0	0	0	0	0	0	0	0	0
2002	CMB	571,08	0	0	0	0	0	0	0	0	0	0
2002	DLG	48,41	0	0	0	0	0	0	0	0	0	0
2002	SMG	5,71	0	0	0	0	0	0	0	0	0	0
2002	SMJ	1085,18	0	0	0	0	0	0	0	0	0	0
2003	BAR	12,95	0	0	0	0	0	0	0	0	0	0
2003	CMB	10,19	0	0	0	0	0	0	0	0	0	0
2003	SMJ	207,87	0	0	0	0	0	0	0	0	0	0
2003	STF	2562,71	0	0	0	0	0	0	0	0	0	0
2004	BAR	1021,00	0	0	0	0	0	0	0	0	0	0
2004	TST	1143,17	0	0	0	0	0	0	0	0	0	0
2005	DLG	207,67	0	0	0	0	0	0	0	0	0	0
2006	DLG	233,88	0	0	0	0	0	0	0	0	0	0
2007	MUT	539,18	0	0	0	0	0	0	0	0	0	0
2007	SAJ	301,30	0	0	0	0	0	0	0	0	0	0
2008	SMJII	99,87	0	0	0	0	0	0	0	0	0	0
Total		19.528	19.873	0	4.028.558	4.028.558	554.558	173.700	1.386.649	1.913.651	287.048	1.626.603

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