



1Q18 Earnings Release

APRIL 26, 2018

ADJUSTED EBITDA REACHES R\$ 760 MILLION IN 1Q18, 41% GROWTH IN RELATION TO 1Q17.

ADJUSTED EBITDA	NET REVENUE	KRAFTLINER SALES REVENUE	PULP SALES VOLUME	REDUCTION OF LEVERAGE
R\$ 760 million	R\$ 2,189 million	+29% vs 1Q17	313 tsd tonnes	0.3x

Adjusted EBITDA showed a 41% increase in 1Q18 in relation to the same period in 2017.	Boosted by recent price increases, sales revenue improved 17% in 1Q18 <i>versus</i> 1Q17.	Better international prices and the company's flexibility pushed Kraftliner sales by 29% in 1Q18 in relation to 1Q17 .	In a regular period of maintenance stoppage, Pulp Sales volume in 1Q18 were 4% higher than in 1Q17.	At the end of March the net debt / EBITDA ratio reached 3.8x, a 0.3x reduction in comparison to the ratio in 4Q17.
---	---	--	---	--

Klabin
Market Value
R\$ 22 billion

KLBN11
Closing price
R\$ 20.70
Daily average volume 1Q18
R\$ 46 million

Conference call
Portuguese (with simultaneous translation)
Friday, 04/27/2018, 10:00 (Brasília)
Tel: (+5511) 3193-1133
Password: Klabin
<http://cast.comunique-se.com.br/Klabin/1T18>

IR
<http://ri.klabin.com.br>
invest@klabin.com.br
+55 11 3046-8401



FINANCIAL HIGHLIGHTS

R\$ million	1Q18	4Q17	1Q17	Δ	
				1Q18/4Q17	1Q18/1Q17
Sales volume (thousand tonnes)	761	842	759	-10%	0%
% Domestic Market	51%	50%	46%	1 p.p.	5 p.p.
Net Revenue	2,189	2,298	1,867	-5%	17%
% Domestic Market	59%	59%	60%	0 p.p.	-1 p.p.
Adjusted EBITDA	760	855	539	-11%	41%
Adjusted EBITDA Margin	35%	37%	29%	-2 p.p.	6 p.p.
Net Income	125	(83)	602	n/a	-79%
Net Debt	11,108	11,278	11,377	-2%	-2%
Net Debt / EBITDA (LTM - BRL)	3.8x	4.1x	4.9x		
Capex	230	248	251	-7%	-9%

Klabin presents its consolidated financial statements according to international accounting standards (International Financial Reporting Standards - IFRS) as determined by CVM 457/07 and CVM 485/10 instructions. Information on Vale do Corisco is not consolidated in the Financial Statements and is represented by the Equity Pick up method only. Adjusted EBITDA is in accordance with CVM Instruction 527/12.

Some of the figures on the charts and tables may not express a precise result due to rounding. The EBITDA margin incorporates the effects of Vale do Corisco LTM - last 12 months.

SUMMARY

The first quarter 2018 continued to show an improving Brazilian economy despite upcoming presidential elections and outlook for greater second half volatility. Inflation and interest rates continued to fall and driven by investor optimism, the Ibovespa again touched historic highs in the period.

This scenario continued to benefit food producers and other non-durable consumer goods. As a reflection of this phenomenon, corrugated box shipments increased 3.7% in 1Q18 in relation to the same quarter in the previous year, as shown in data published by the Brazilian Corrugated Board Association (ABPO).

Internationally, despite protectionist measures taken by the United States injecting some uncertainties into the markets, continued demand, mainly from China, in addition to restrictions in the use of recyclable materials due to environmental issues, boosted packaging paper and pulp prices globally.

Kraftliner prices continued to show increases and European list prices, published by FOEX, ended

1Q18 at US\$ 905/tonnes, once again reaching record highs and representing a 9% increase in relation to prices at the end of 2017 and 44% year-on-year.

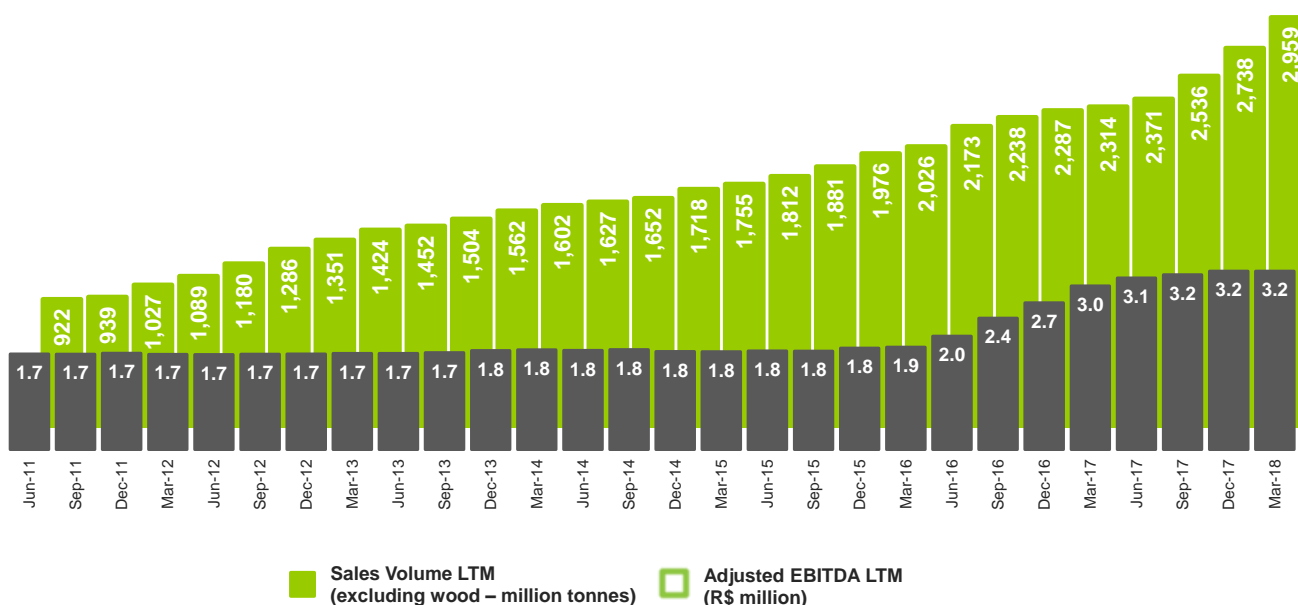
Continued pulp demand from emerging markets, especially from China, secured price improvement throughout the first quarter 2018. In this context, hardwood list prices, published by FOEX, reached US\$ 1,030/tonnes at the end of 1Q18 in Europe, a 5% increase in relation to prices for year-end 2017 and 43% year-on-year. Softwood European list prices ended the quarter at US\$ 1,092/tonnes versus US\$ 1,000/tonnes in December 2017, and US\$ 826/tonnes at the end of 1Q17.

Thanks to production line flexibility, Klabin boosted sales volumes of these products, which showed significant price increases in recent months. In this context, the Company's kraftliner and pulp sales volume grew by 5% and 4%, respectively, in the first quarter in relation to the 1Q17.

Improvement in mix and prices in international markets drove up net sales by 17% under the same comparison. A consequence of revenue increases and cost discipline, especially in the case of general and administrative expenses, EBITDA margin reached 35% in 1Q18 versus 29% during the same period in 2017.

For the same reasons, adjusted EBITDA reached R\$ 760 million in the quarter, a 41% increase in relation to the same period of the previous year. In the last twelve months, adjusted EBITDA amounted to R\$ 2,959 million, the 27th consecutive quarter of growth.

27th QUARTER OF EBITDA GROWTH



LTM – Last twelve months

Exchange Rate

The FX rate maintained the same stability in the 1Q18 as seen in the 4Q17, with both the average and the closing rates practically flat in this comparison. Thus, the average rate for the period was R\$ 3.24/US\$, and the closing rate used to convert foreign currency debt was R\$ 3.32/US\$.

R\$ / US\$	1Q18	4Q17	1Q17	Δ	Δ
				1Q18/4Q17	1Q18/1Q17
Average Rate	3.24	3.25	3.15	0%	3%
End Rate	3.32	3.31	3.17	0%	5%

Source: Bacen

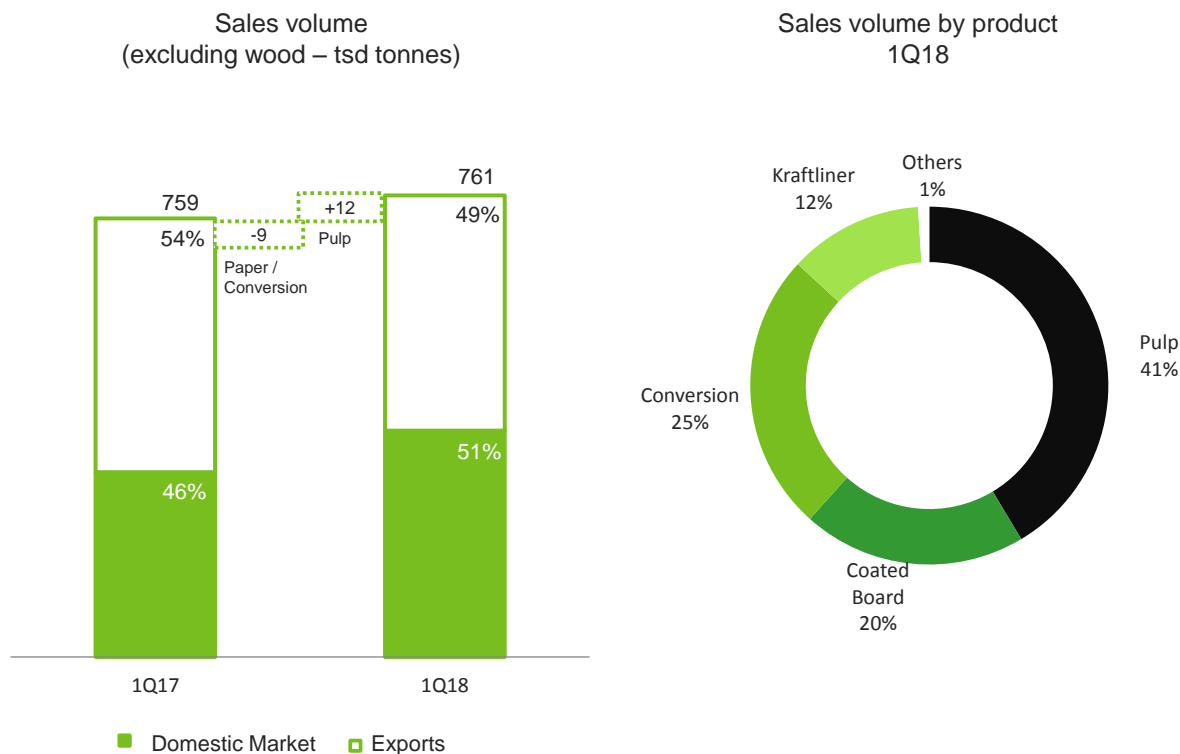
OPERATING AND ECONOMIC FINANCIAL PERFORMANCE

Sales volume

Klabin's sales volume during the first quarter, excluding wood, totaled 761 thousand tonnes, versus 759 thousand tonnes sold in the first three months of 2017. Pulp sales during the period were 4% more than 1Q17, reaching 313 thousand tonnes, of which 230 thousand tonnes of hardwood and 83 thousand tonnes

of softwood and fluff. Worth of mention here is that there were maintenance shutdowns at the Puma Unit both in 1Q17 and 1Q18.

Throughout 1Q18, the sale of paper and packaging amounted to 448 thousand tonnes. The highlight was kraftliner sales that totaled 95 thousand tonnes, 5% more than in the same quarter of the previous year. Showing significant price increases in the last months, the increase in sales volume to this market is a demonstration of the Company’s flexibility in its efforts to maximize returns.



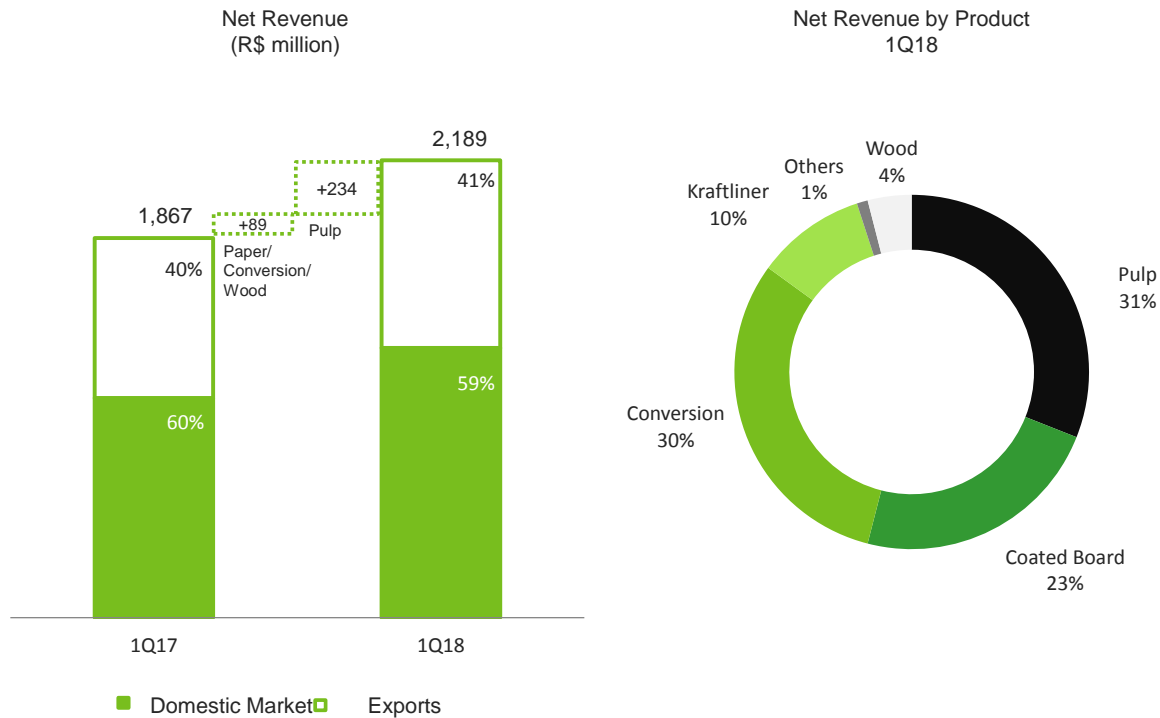
In 1Q18, sales to the domestic market grew 12% in comparison to 1Q17, reaching 387 thousand tonnes and representing 51% of the total volume sold. It is important to note that in 1Q18, Klabin increased sales of all product lines in Brazil, in comparison to 1Q17 when domestic sales represented 46% of the total.

Net Revenues

Net revenues grew by 17% in 1Q18 in comparison with the same period of 2017. The improved price scenario both in domestic and export markets drove revenues for all products, net revenues (including wood), reaching R\$ 2,189 million in the first three months of 2018.

Revenues of hardwood, softwood and fluff pulp totaled R\$ 684 million, 52% more than in 1Q17 with larger pulp volume sold in the quarter and better international prices. Paper, packaging and wood revenues reached R\$ 1,505 million, 6% more than 1Q17.

Even with a higher volume sold to the domestic market, export revenues increased 19% versus 1Q17, mainly because of improved international pulp and kraftliner prices from one period to the other. Exports represented 41% of total revenues in 1Q18 in comparison to 40% in the same period of 2017.



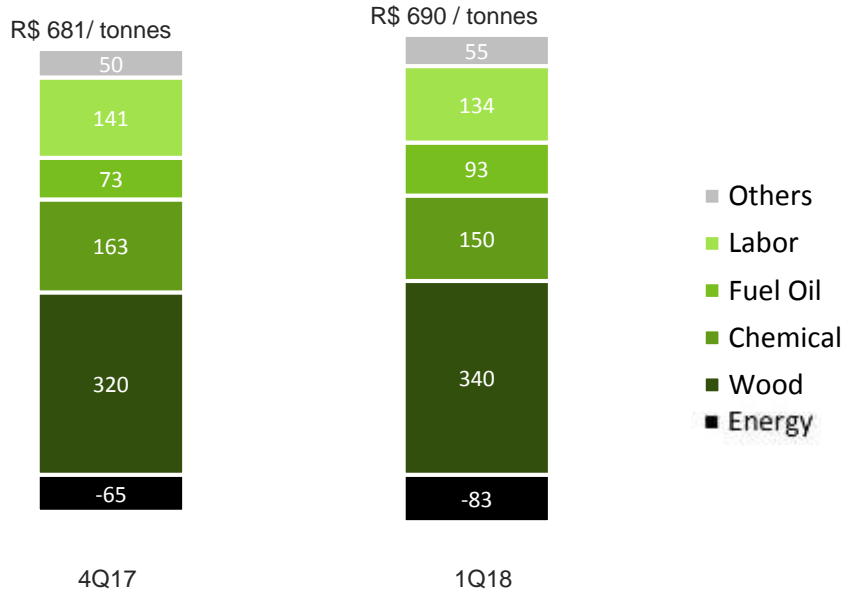
Operating Costs and Expenses

PULP CASH COST

With the unveiling of pulp sales from the Puma Unit in 3Q16, for comparative purposes, **the unit cash cost of pulp production** is now disclosed for each quarter, contemplating production costs for hardwood, softwood and fluff pulp and volumes produced during the period. The production cash cost does not include selling and general and administrative expenses, constituting exclusively amounts expended on pulp production.

During the quarter, there was a second maintenance shutdown at the Puma Unit, which extended until early April due to an incident during the washing out of the recovery boiler. The incident was controlled and did not result in structural damage to equipment or in any injury.

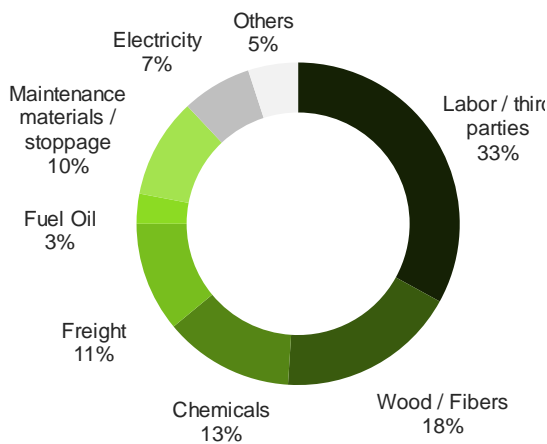
Excluding the maintenance stoppage effects, **unit cash cost of pulp production** during 1Q18 was R\$ 690/tonnes, identical to 4Q17, reflecting mainly higher expenses with fuel but compensated by a reduction in chemical product purchases. It is important to note that contrary to the effect in 4Q17, the lower production volume due to the maintenance stoppage, translated into higher energy generation per ton of produced pulp. Considering the effects of the maintenance stoppage, unit cash cost in the quarter was R\$ 802/tonnes.



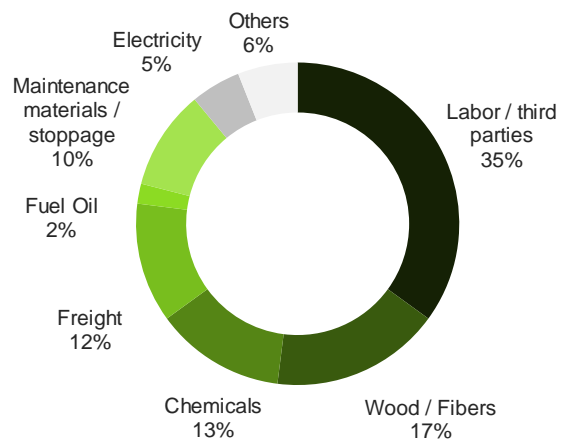
TOTAL CASH COST

Total unit cash cost, which includes the sale of all Company products, reached R\$ 1,878/tonnes in the quarter including non-recurrent operational revenues and expenses. Excluding values involving the general maintenance shutdown at the Puma Unit, unit cash cost in the quarter was R\$1,824/tonnes, a 4% increase when compared to the same period of the previous year, explained by higher expenses with chemical products, maintenance and sales-related freight costs, compensated, on the other hand, by reductions in the cost of wood and fibers, greater energy efficiency and adjustments to the Company’s corporate structure.

Cash Cost Breakdown 1Q17



Cash Cost Breakdown 1Q18



Cost of goods sold during the quarter was R\$ 1,558 million, 2% above the same period in the preceding year. In line with inflation for the period, the increase is mainly explained by greater efficiency in relation to wood costs and energy expenditures but, on the other hand, negatively impacted by the increase in the price of some chemical products in addition to higher maintenance overheads.

Sales expenses totaled R\$ 171 million in the quarter, versus R\$ 155 million in 1Q17 and R\$ 179 million in 4Q17. In relation to the same period in the previous year, more expensive sales-related freight costs explain the increase in the last twelve months. On the other hand, improvement in prices compensated the increase and on the same comparative basis, sales expenses in 1Q18 represented 7.8% of net revenues, a decrease in relation to the 8.3% in 1Q17.

General and administrative expenses totaled R\$ 126 million in the quarter, flat in relation to the same period of the preceding year and a R\$ 15 million reduction when compared to 4Q17. It is worthy to mention the Company's continuous efforts to maximize its pulp operations following structural adjustments.

Other operating revenues/expenses totaled R\$ 15 million in expenses in the period.

Effects of the variation of the fair value of biological assets

During 1Q18, the effects of the variation in fair value of biological assets was positive at R\$ 119 million. In turn, the depletion effect of fair value of the biological assets on the costs of goods sold was R\$ 141 million in the period under review. Hence, the non-cash effect of the fair value of biological assets on operational results (EBIT) was a negative R\$ 22 million in the quarter.

Operating Cash Generation (EBITDA)

R\$ million	1Q18	4Q17	1Q17	Δ	
				1Q18/4Q17	1Q18/1Q17
Net Income (loss)	125	(83)	602	n/a	-79%
(+) Income taxes and social contribution	53	(80)	258	n/a	-79%
(+) Net Financial Revenues	262	693	(318)	-62%	n/a
(+) Depreciation, amortization, depletion	441	376	450	17%	-2%
Adjustments according to IN CVM 527/12 art. 4º					
(+) Biological assets adjustment	(119)	(48)	(455)	149%	-74%
(-) Equity Pickup	(2)	(3)	(7)	-44%	-75%
(+) Vale do Corisco	-	-	9	n/a	n/a
Adjusted EBITDA	760	855	539	-11%	41%
Adjusted EBITDA Margin	35%	37%	29%	-2 p.p.	6 p.p.

n/a - Not applicable

Note: Adjusted EBITDA margin is calculated considering the pro forma net revenue, which includes Vale do Corisco

The increase of sales volume in some products, mainly of pulp and kraftliner, associated with the increase in international prices boosted net revenue in the quarter. This fact, combined with the Company's efforts to control costs contributed to the increase in **operational cash generation (adjusted EBITDA)** that reached R\$ 760 million in 1Q18, 41% higher than in the same period of the previous year. Due to these factors, the Company reported an important increase in EBITDA margin that reached 35% in the period versus 29% in the 1Q17.

Free Cash Flow

R\$ million	1Q18	4Q17	1Q17	LTM
Adjusted EBITDA	760	855	539	2,959
(-) Capex	(230)	(248)	(251)	(904)
(-) Interest paid/received	(396)	(135)	(264)	(841)
(-) Income tax	(1)	-	(2)	(4)
(+/-) Working Capital	12	316	47	373
(-) Dividends	(171)	(150)	(130)	(548)
(+/-) Others	(3)	(1)	(31)	(13)
Free Cash Flow	(30)	636	(93)	1,022
Dividends	171	150	130	548
Special projects and growth	74	55	118	250
Adjusted Free Cash Flow*	215	841	155	1,820
Adjusted FCF Yield				9.9%

* excluding dividends and expansion projects

- LTM - last twelve months.

- Yield - Adjusted FCF per share (excluding treasury stock) divided by the average price of the Units in the LTM.

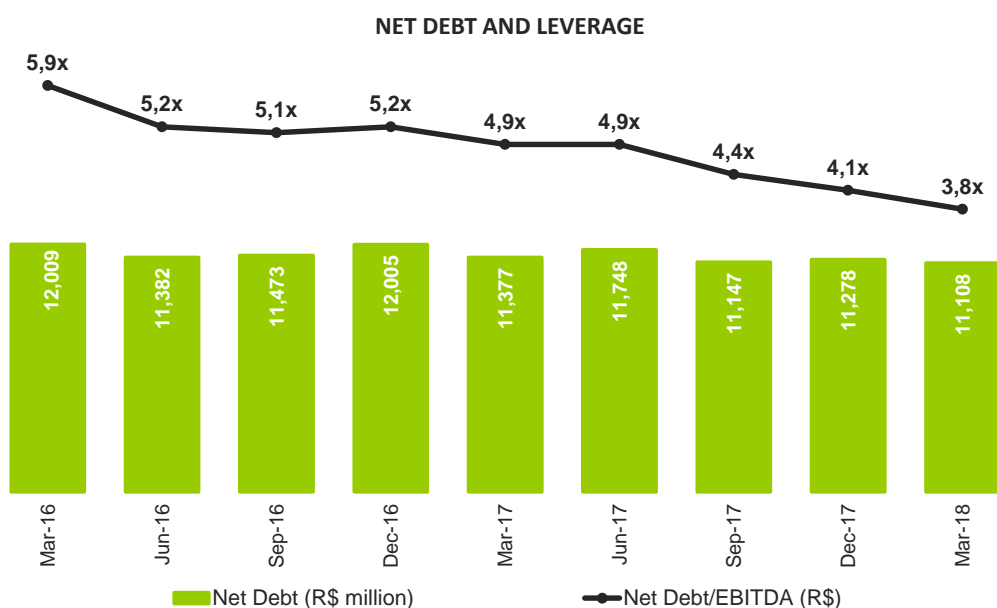
Adjusted free cash flow before dividends and expansion projects was positive in R\$ 215 million during the period, influenced mainly by cash generation. For the same reasons, during the last twelve months, free cash flow reached R\$ 1,820 million, and FCF yield at 9.9%.

Debt and financial investments

Gross debt on March 31, 2018 was R\$ 17,698 million, a R\$ 1,852 million decrease in relation to the end of 4Q17, explained by anticipation of trade finance maturities improving the Company's debt profile. Out of total debt, R\$ 12,547 million, or 71% (US\$ 3,775 million) are dollar denominated. **Average debt maturity** is now 47 months, of which 38 months for loans in Reais and 52 months for foreign currency loans. Short term debt at the end of the quarter was 10% of the total with the average cost of local funding and currency-denominated lines being 7.2% p.a. and 4.9% p.a. respectively.

The company's position in **cash and financial investments** at the end of 1Q18 amounted to R\$ 6,590 million, R\$ 1,682 million less than at the end of the 4Q17, also explained by the anticipation of debt maturities. This amount in cash and financial investments is equivalent to debt payments maturing over the next 37 months.

Consolidated **net debt** on March 31, 2018 amounted to R\$ 11,108 million, a R\$ 170 million reduction against December 31, 2017, largely due to the Company's higher cash generation. In addition, the increase seen in EBITDA during the last twelve months reinforces Klabin's deleveraging process, the Company ending the quarter with a **net debt /adjusted EBITDA** ratio of 3.8x, a 0.3x reduction in comparison to the end of 4Q17.



Debt (R\$ million)	Mar-18		Dec-17	
Short term				
Local currency	643	4%	873	5%
Foreign currency	1,144	6%	1,596	8%
Total short term	1,786	10%	2,470	13%
Long term				
Local currency	4,509	25%	4,616	23%
Foreign currency	11,403	65%	12,464	64%
Total long term	15,912	90%	17,080	87%
Total local currency	5,152	29%	5,489	28%
Total foreign currency	12,547	71%	14,061	72%
Gross debt	17,698		19,550	
(-) Cash	6,590		8,272	
Net debt	11,108		11,278	
Net debt / EBITDA (LTM)	3.8x		4.1x	

Financial Result

(R\$ mil)	1Q18	4Q17	1Q17	Δ	
				1Q18/4Q17	1Q18/1Q17
Financial Expenses	(346)	(308)	(325)	12%	6%
Financial Revenues	136	105	266	29%	-49%
Financial result	(210)	(202)	(60)	4%	251%
Net Foreign Exchange Losses	(52)	(491)	378	-89%	n/a
Net Financial Revenues	(262)	(693)	318	-62%	n/a

Financial expenses were R\$ 346 million in the quarter, a R\$ 38 million increase in relation to 4Q17. On the other hand, **financial revenues** reached R\$ 136 million in the quarter, R\$ 30 million above the preceding quarter. Consequently, the **financial result** in the period, excluding the currency translation effect, was a negative R\$ 210 million, flat on the same comparable basis.

FX rates ended the quarter at the same level as in 4Q17. Thus, due to the lower impact on currency denominated debt, **net FX variation** amounted to a negative R\$ 52 million in 1Q18. Note that the effect of FX variation on the company's balance sheet is purely an accounting one with no short-term cash effect.

BUSINESS PERFORMANCE

Consolidated information per unit in 1Q18:

R\$ million	Forestry	Pulp	Papers	Conversion	Consolidation	Total
Net revenue						
Domestic market	78	178	419	617	(3)	1,289
Exports	-	508	332	60	-	900
Third part revenue	78	686	751	677	(3)	2,189
Segments revenue	334	15	350	5	(704)	-
Total net revenue	412	701	1,101	682	(707)	2,189
Change in fair value - biological assets	119	-	-	-	-	119
Cost of goods sold	(487)	(462)	(723)	(590)	705	(1,557)
Gross income	44	239	378	92	(2)	751
Operating expenses	(26)	(94)	(101)	(85)	(5)	(311)
Operating results before financial results	18	145	277	7	(7)	440

Note: In this table, total net revenue includes sales of other products.

* Forestry COGS includes the exhaustion of the fair value of biological assets in the period.

FORESTRY BUSINESS UNIT

Volume (tsd tonnes)	1Q18	4Q17	1Q17	Δ	
				1Q18/4Q17	1Q18/1Q17
Wood	556	871	524	-36%	6%
R\$ million					
Wood	84	103	82	-18%	3%

In the first quarter 2018, sales volume of wood logs to third parties was 556 thousand tonnes, 6% more than posted in 1Q17. The change in mix, on the other hand, led to a 3% increase in revenues on the same comparable basis.

PULP BUSINESS UNIT

Production

Volume (tsd tonnes)	1Q18	4Q17	1Q17	Δ	
				1Q18/4Q17	1Q18/1Q17
Short Fiber	205	289	211	-29%	-3%
Long Fiber	76	105	74	-28%	3%
Total Pulp Volume	281	394	285	-29%	-2%

Sales Volume

Volume (tsd tonnes)	1Q18	4Q17	1Q17	Δ	
				1Q18/4Q17	1Q18/1Q17
Short Fiber DM	25	36	22	-29%	14%
Short Fiber EM	204	230	203	-11%	1%
Total short fiber volume	230	265	225	-13%	2%
Long Fiber DM	47	53	29	-10%	65%
Long Fiber EM	36	46	48	-21%	-24%
Total long fiber volume	83	98	76	-15%	9%
Total pulp volume	313	364	301	-14%	4%
R\$ million					
Short Fiber	470	499	302	-6%	55%
Long Fiber	215	229	148	-6%	45%
Total Pulp Revenues	684	728	451	-6%	52%

Maintenance of strong Asian demand continued to influence international prices for hardwood pulp, thus preserving the scenario prevailing throughout 2017. List prices for hardwood pulp in Europe published by FOEX reached US\$ 1,030/tonnes, increasing 5% and 43% in relation to the end of 4Q17 and 1Q17 respectively. Strong demand also reflected in softwood prices while list prices in Europe reached US\$1,092/tonnes, a 9% increase in the quarter and 32% in the last twelve months.

Due to the maintenance stoppage at the Puma Unit during the quarter, volume sold reached 313 thousand tonnes, below the amount seen in 4Q17, but 4% higher in relation to the same period of the previous year. It is worth noting the penetration that Klabin now has in the Brazilian fluff pulp market as well as the exceptional acceptance of the product by overseas customers.

Sales of hardwood are mainly anchored to an agreement with Fibria signed in May 2015. Under this agreement, Klabin supplies Fibria with 900 thousand tonnes of hardwood pulp annually, to be sold by Fibria on an exclusive basis to countries outside South America. Klabin commercializes directly all the remaining pulp output, hardwood pulp being sold in Brazil and South America, and softwood and fluff pulps in both domestic and global markets.

PAPER BUSINESS UNIT

Volume (1.000 tonnes)	1Q18	4Q17	1Q17	Δ	
				1Q18/4Q17	1Q18/1Q17
Kraftliner DM	34	31	20	9%	72%
Kraftliner EM	61	55	71	10%	-14%
Total Kraftliner	95	87	91	9%	5%
Coated boards DM	94	111	88	-15%	7%
Coated boards EM	61	79	79	-23%	-23%
Total Coated boards	155	190	167	-18%	-7%
Total Paper	250	276	257	-9%	-3%
R\$ million					
Kraftliner	222	190	171	17%	29%
Coated boards	506	576	500	-12%	1%
Total Paper	727	765	672	-5%	8%

Kraftliner

Kraftliner prices continued to report increases during the first quarter of the year. FOEX published list prices in Europe reporting US\$ 905/tonnes at the end of the period. This value repeats historic highs and represents a 9% increase in relation to values reported at the end of 2017, indicating continued strong global demand for virgin fiber papers.

Klabin used its flexibility to maximize the benefits of good market momentum, posting a 5% increase in kraftliner sales volume in relation to the same period in the previous year with a 72% increase in sales to the domestic market where returns are higher. Improvement in volumes, prices and higher FX benefiting amounts sold abroad generated net revenues of R\$ 222 million, 29% higher than in 1Q17.

Coated boards

Data published by the Brazilian Tree Industry at the beginning of the year indicates the recovery of the coated board market with a 3.8% increase in domestic sales during the first two months of the year in relation to the same period in 2017.

Klabin focused coated board sales to the domestic market in the period aimed at improving returns and using its product line flexibility to the full, obtaining a 7% increase in volumes sold in relation to 1Q17.

Focusing on the domestic market and better margins, total coated board volumes sold in the first quarter reached 155 thousand tonnes and revenues of R\$506 million. It is worth noting that coated board sales volume is seasonally lower at the beginning of the year on the back of inventory stock-up that precedes scheduled maintenance stoppages at the paper plants during the second quarter.

CONVERSION BUSINESS UNIT

Volume (tsd tonnes)	1Q18	4Q17	1Q17	Δ	
				1Q18/4Q17	1Q18/1Q17
Total conversion	189	190	186	-1%	2%
R\$ million					
Total conversion	665	666	626	0%	6%

Brazilian Corrugated Board Association (ABPO) data for corrugated box shipments again showed signs of recovery in 1Q18, reporting growth of 3.7% in relation to 1Q17.

In the industrial bags segment, despite the 3% drop in cement sales in 1Q18 in relation to the same period of the previous year, National Cement Industry Union (SNIC) estimates growth between 1% and 2% in 2018. Klabin has been diminishing its dependence on this industry, strengthening sales to new markets, such as chemicals and food products, principally exports. In the light of this success, the Company began production with its new industrial bag machine in April 2018, permitting greater potential sales to these new markets.

In this context, Klabin's packaging sales volume increased 2% and net revenues 6% in 1Q18 in relation to 1Q17, a consequence of its strategy that maximizes the opportunities through the flexibility in its paper and packaging product markets.

INVESTMENTS

R\$ million	1Q18	4Q17	
Forestry	62	66	Klabin invested R\$ 230 million in the first months of 2018. Of the total invested in the quarter, R\$ 62 million was allocated to forestry operations, R\$ 95 million to investments in the operational continuity of the plants, and R\$ 73 million to special and expansion projects, more particularly those in the high return projects for improving
Maintenance	95	124	
Special projects and growth	73	58	
Total	230	248	

performance in the many the segments in which the Company operates.

It is worthy to highlight that in April 2018, the Company began operations with its new industrial bag machine in Lages (SC), which will increase the total capacity of production of industrial bags in 10%. The total capex was approximately R\$60 million.

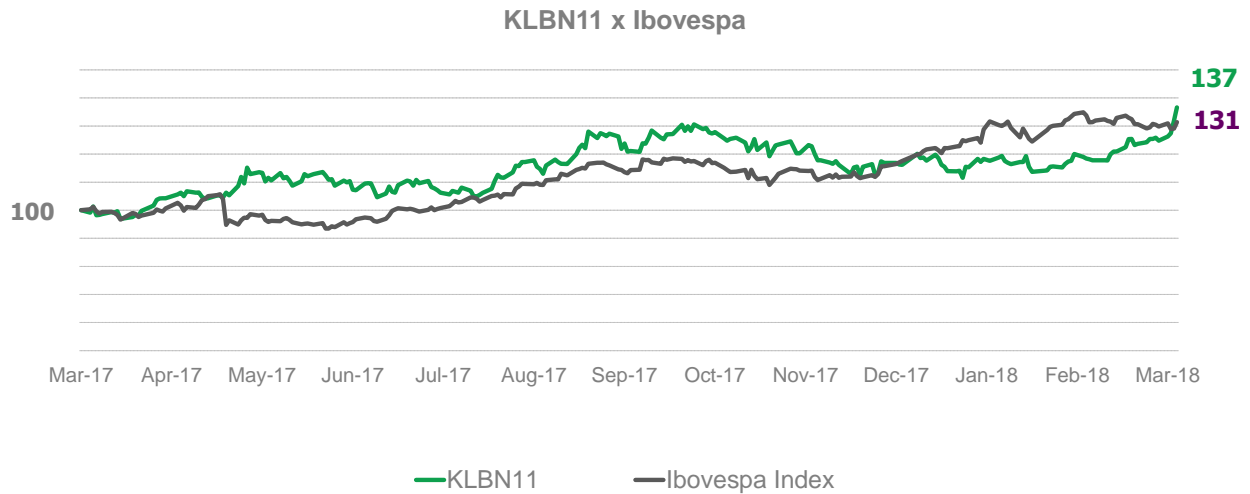
CAPITAL MARKETS

Equity Markets

In the first quarter of 2018, Klabin's units (KLBN11) reported an 18% appreciation vs 12% in the case of the IBOVESPA. Trading on every day B3 was open for business, the Units registered 506 thousand transactions involving 153 million securities and an average daily trading volume of R\$ 46 million at the end of the period.

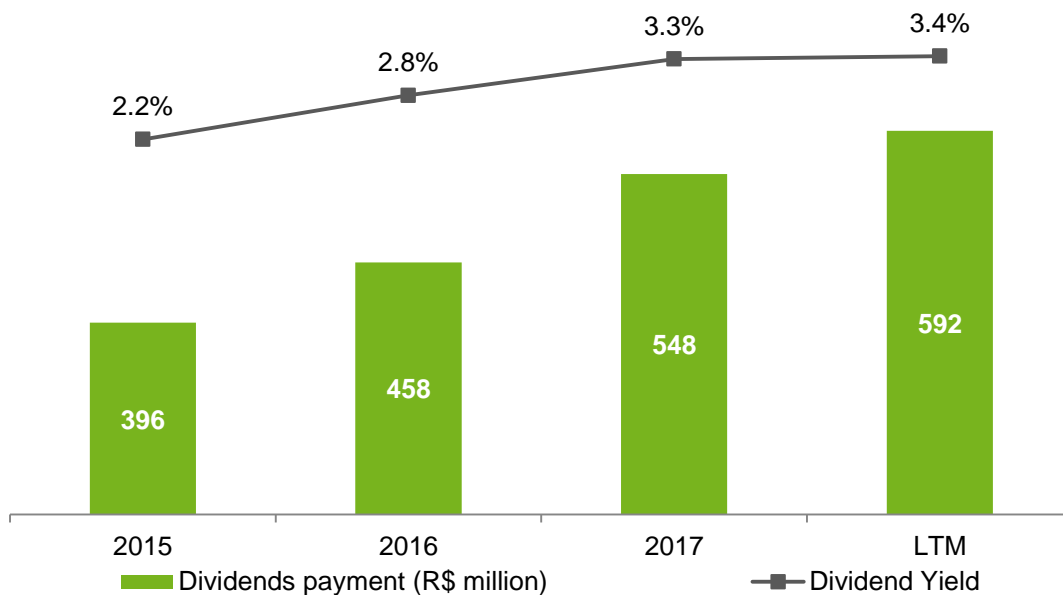
Klabin’s capital stock comprises 5,410 million shares, of which 1,985 million are common and 3,425 million, preferred shares. The Company’s shares are also traded in the United States market and listed under a Level I ADR program on the Over-the-Counter market under the KLBAY ticker symbol.

Klabin is a component of B3’s Corporate Sustainability Index (ISE). The index represents shares of companies that are outstanding in their commitment to the sustainability of the businesses and the country as a whole. The participating companies are selected annually, based on the criteria of the Getúlio Vargas Foundation’s Centre for Sustainability Studies (GVces)



Dividends

In the first quarter of 2018, the Company paid out R\$ 171 million in dividends on February 19, 2018. The Board Meeting of April 25 approved dividend payments of R\$ 152 million, reflecting a payout of R\$ 28.88 per lot of a thousand shares and R\$ 144.40 per lot of a thousand Units.

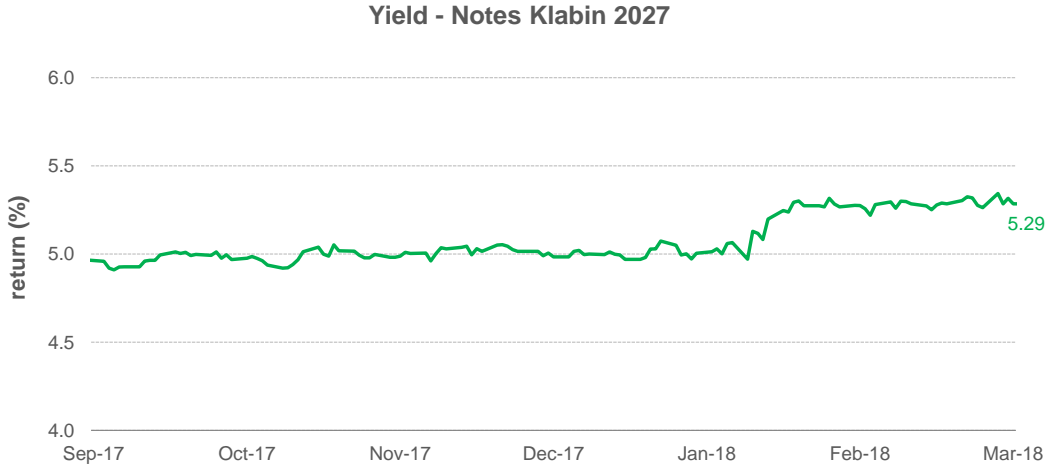
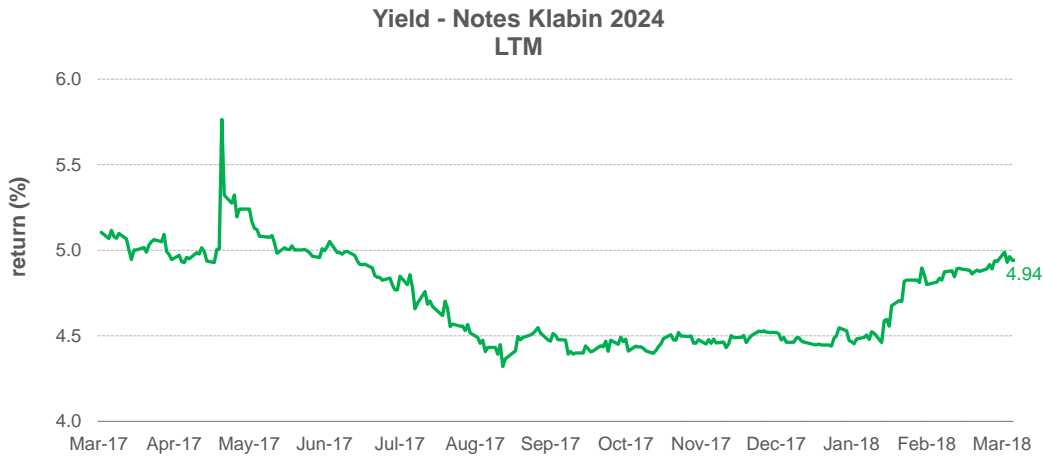


LTM – Last twelve months

Fixed Income

Klabin’s securities, representing debt (notes) maturing in October 2024 and September 2027, both with an issue value of US\$ 500 million, are listed in the secondary market of the Luxembourg Stock Exchange. The Notes were issued at a coupon rate of 5.25% p.a. and 4.875% p.a. with interest disbursed semi-annually.

Klabin has an investment grade rating of BB+ from Fitch Ratings and Standard & Poors.



CONFERENCE CALL

Português

Sexta-feira, 27 de abril de 2018 – 10h00 (Brasília).

Senha: Klabin

Telefone: (11) 3193-1133 ou (11) 2820-4133

Replay: (11) 3193-1012 ou (11) 2820-4012

Senha: 2334562#

O áudio da Teleconferência também será transmitido pela internet.

Acesso: <http://cast.comunique-se.com.br/Klabin/1T18>

English (simultaneous translation)

Friday, April 27, 2018 – 09:00 a.m. (NY).

Password: Klabin

Phone: U.S. participants: 1-888-700-0802

International participants: 1-786-924-6977

Brazilian participants: (55 11) 3193-1133 or (55 11) 2820-4133

Replay: (55 11) 3193-1012 or (55 11) 2820-4012

Password: 0587185#

The conference call will also be broadcast by internet.

Access: <http://cast.comunique-se.com.br/Klabin/1Q18>

Klabin is the largest integrated producer, exporter and packaging paper recycler in Brazil with gross revenues of R\$ 9.7 billion in 2017. The Company has nominal capacity production of 3.5 million tonnes of products annually. It has defined the strategic focus of its operation on the following businesses: paper and coated boards for packaging, hardwood and softwood pulp, corrugated boxes, industrial bags and wood logs. The Company is a leader in all markets in which it operates.

Statements in this release relative to the Company's business perspectives, estimates for operational and financial and the Company's potential growth are merely forecasts and based on Management's expectations in relation to the future of the Company. These expectations are highly dependent on market changes, on Brazilian general economic performance, on the industry and on international markets, therefore being subject to change.

Appendix 1 – Consolidated Income Statement (R\$ thousand)

(R\$ thousands)	1Q18	4Q17	1Q17	Δ	
				1Q18/4Q17	1Q18/1Q17
Gross Revenue	2,523,182	2,670,167	2,240,192	-6%	13%
Net Revenue	2,189,154	2,297,896	1,866,692	-5%	17%
Change in fair value - biological assets	119,153	59,406	483,306	101%	-75%
Cost of Products Sold	(1,557,653)	(1,508,919)	(1,527,849)	3%	2%
Gross Profit	750,654	848,383	822,149	-12%	-9%
Selling Expenses	(170,913)	(178,720)	(155,369)	-4%	10%
General & Administrative Expenses	(126,340)	(141,102)	(125,071)	-10%	1%
Other Revenues (Expenses)	(15,266)	(1,621)	(7,047)	842%	117%
Total Operating Expenses	(312,519)	(321,443)	(287,487)	-3%	9%
Operating Income (before Fin. Results)	438,135	526,940	534,662	-17%	-18%
Equity pickup	1,629	2,917	6,589	-44%	-75%
Financial Expenses	(345,628)	(307,603)	(325,421)	12%	6%
Financial Revenues	135,712	105,456	265,542	29%	-49%
Net Foreign Exchange Losses	(52,260)	(490,538)	378,272	-89%	n/a
Net Financial Revenues	(262,176)	(692,685)	318,393	-62%	-182%
Net Income before Taxes	177,588	(162,828)	859,644	n/a	-79%
Income Tax and Soc. Contrib.	(52,933)	79,935	(257,619)	n/a	-79%
Net income	124,655	(82,893)	602,025	n/a	-79%
Depreciation and amortization	440,579	375,824	450,477	17%	-2%
Change in fair value of biological assets	(119,153)	(59,406)	(483,306)	101%	-75%
Vale do Corisco	-	-	8,586	n/a	-100%
Adjusted EBITDA	759,561	854,956	538,622	-11%	41%

Appendix 2 – Consolidated Balance Sheet (R\$ thousand)

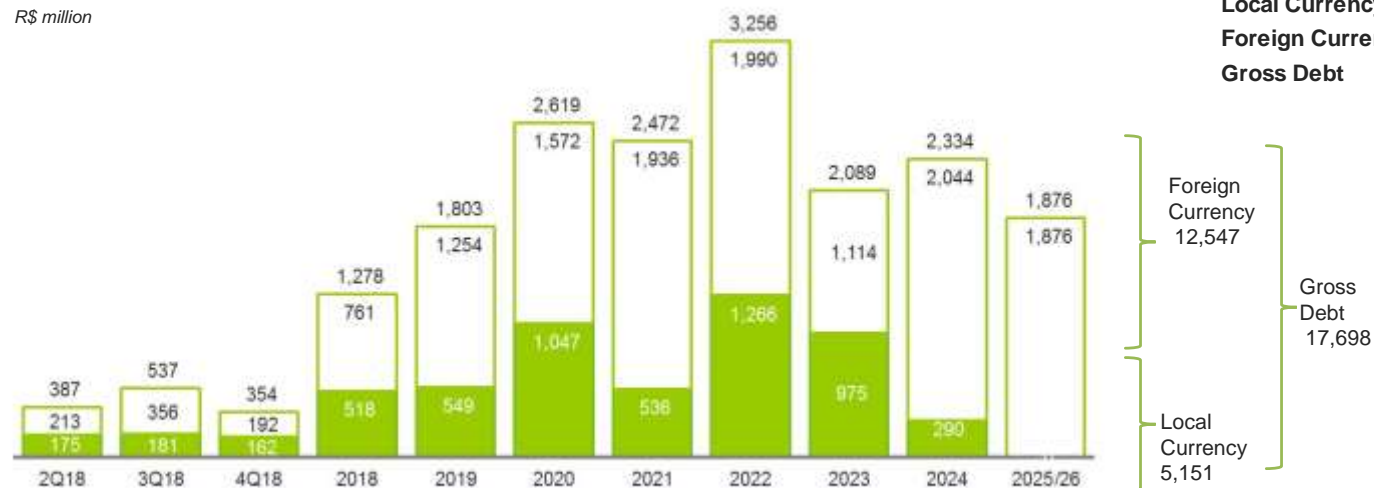
Assets	Dec-17	Mar-18	Liabilities and Stockholders' Equity	Dec-17	Mar-18
Current Assets	11,803,589	9,983,947	Current Liabilities	3,747,333	2,916,014
Cash and banks	58,384	97,876	Loans and financing	2,230,624	1,708,080
Short-term investments	6,970,038	5,231,578	Debentures	239,276	77,553
Securities	1,243,173	1,260,828	Suppliers	713,612	617,465
Receivables	1,754,063	1,673,378	Taxes payable	55,673	46,495
Inventories	933,161	984,105	Salaries and payroll charges	281,466	192,642
Recoverable taxes and contributions	567,079	488,148	Dividends to pay	0	0
Other receivables	277,691	248,034	REFIS Adherence	71,467	72,007
			Other accounts payable	155,215	201,772
Noncurrent Assets	18,745,952	18,530,048	Noncurrent Liabilities	19,568,055	18,396,849
Long term			Loans and financing	16,444,917	15,273,193
Taxes to compensate	1,287,669	1,253,563	Debentures	634,594	639,112
Judicial Deposits	83,381	83,759	Deferred income tax and social contribution	1,544,578	1,538,043
Other receivables	344,233	360,134	Other accounts payable - Investors SCPs	272,938	277,218
Other investments	173,446	170,505	REFIS Adherence	307,476	299,834
Property, plant & equipment, net	12,619,495	12,420,961	Other accounts payable	363,552	369,449
Biological assets	4,147,779	4,152,320			
Intangible assets	89,949	88,806	Stockholders' Equity	7,234,153	7,201,132
			Capital	2,516,753	4,076,035
			Capital reserve	1,187,329	(361,268)
			Revaluation reserve	48,704	48,704
			Profit reserve	2,699,580	2,653,234
			Valuation adjustments to shareholders' equity	987,916	981,008
			Treasury stock	(206,129)	(196,581)
Total	30,549,541	28,513,995	Total	30,549,541	28,513,995

Appendix – Loan Maturity Schedule – 03/31/18

R\$ million	2Q18	3Q18	4Q18	2018	2019	2020	2021	2022	2023	2024	2025/26/27	Total
BNDES	112	111	111	333	406	327	284	284	284	247	-	2,164
Others	16	71	20	107	81	206	191	951	692	42	0	2,270
Debentures Interests	47	-	31	78	62	514	62	31	-	-	-	717
Local Currency	175	181	162	518	549	1047	536	1266	975	290	0	5,151
Trade Finance	135	170	140	445	784	1,122	1,497	1,608	780	61	-	6,298
Fixed Assets	49	46	46	141	177	163	154	154	154	154	13	1,109
Bonds	20	-	-	20	-	-	-	-	-	1,649	1,649	3,318
ECA's	9	141	6	156	293	287	285	228	180	180	213	1,822
Foreign Currency	213	356	192	761	1,254	1,572	1,936	1,990	1,114	2,044	1,876	12,547
Gross Debt	387	537	354	1,278	1,803	2,619	2,472	3,256	2,089	2,334	1,876	17,698

	Average Cost	Average Tenor
Local Currency	7.2% p.y.	38 months
Foreign Currency	4.9% p.y.	52 months
Gross Debt		47 months

R\$ million



Local currency : R\$ 5.2 billion
Average tenor: 38 months

Foreign currency: R\$ 12.6 billion
Average tenor : 52 months

Annex 4 – Consolidated Cash Flow (R\$ thousand)

R\$ million	1Q18	1Q17
Cash flow from operating activities	510,723	606,229
Operating activities	425,448	364,776
. Net income	124,655	602,025
. Depreciation and amortization	264,536	248,970
. Depletion in biological assets	176,043	201,507
. Change in fair value - biological assets	(119,153)	(483,306)
. Equity results	425	14,027
. Results on Equity Pickup	(1,629)	(6,589)
. Deferred income taxes and social contribution	(7,028)	207,426
. Income taxes and social contribution	(955)	(2,041)
. Interest and exchange variation on loans and financing	285,258	(156,858)
. Interest, exchange variation and profit sharing of debentures	22,336	37,945
. Variation of the present value of debentures	-	3,846
. Payment of interest on loans	(328,403)	(297,366)
. REFIS Reserve	11,248	11,249
. Others	(1,885)	(16,059)
Variations in Assets and Liabilities	85,275	241,453
. Receivables	80,685	312,525
. Inventories	(50,944)	(12,083)
. Recoverable taxes	113,992	(62,612)
. Marketable Securities	(17,655)	(14,765)
. Other receivables	7,234	(29,513)
. Suppliers	6,169	79,241
. Taxes and payable	(9,178)	(11,227)
. Salaries, vacation and payroll charges	(88,824)	(73,312)
. Other payables	43,796	53,199
Net Cash Investing Activities	(217,938)	(247,850)
. Purchase of property, plant and equipment	(168,934)	(207,473)
. Cust biological assets planting (ex taxes)	(61,431)	(43,882)
Acquisition of investments and payment of capital in subsidiaries	-	-
. Sale of property, plant and equipment	7,650	-
. Income of assets sale	4,777	3,505
Net Cash Financing Activities	(1,991,753)	421,410
. New loans and financing	-	1,527,222
. Debentures capitalization	-	-
. Debentures interest payment	(179,541)	(205,236)
. Loan amortization	(1,651,123)	(740,964)
. Minority shareholders entry	-	-
. Minority shareholders exit	(3,015)	(31,350)
. Dividends payment	(171,000)	(129,891)
. Stocks repurchase	-	(11,468)
. Stocks disposal	12,926	13,097
Increase (Decrease) in cash and cash equivalents	(1,698,968)	779,789
Cash and cash equivalents at beginning of period	7,028,422	5,872,720
Cash and cash equivalents at end of period	5,329,454	6,652,509

Annex 4 – Business unit evolution

1Q18

R\$ million	Forestry	Pulp	Papers	Conversion	Consolidation	Total
Net revenue						
Domestic market	78	178	419	617	(3)	1,289
Exports	-	508	332	60	-	900
Third part revenue	78	686	751	677	(3)	2,189
Segments revenue	334	15	350	5	(704)	-
Total net revenue	412	701	1,101	682	(707)	2,189
Change in fair value - biological assets	119	-	-	-	-	119
Cost of goods sold	(487)	(462)	(723)	(590)	705	(1,557)
Gross income	44	239	378	92	(2)	751
Operating expenses	(26)	(94)	(101)	(85)	(5)	(311)
Operating results before financial results	18	145	277	7	(7)	440

Note: In this table, total net revenue includes sales of other products.

* Forestry COGS includes the exhaustion of the fair value of biological assets in the period.

4Q17

R\$ million	Forestry	Pulp	Papers	Conversion	Consolidation	Total
Net revenue						
Domestic market	94	189	457	627	(2)	1,365
Exports	-	540	340	53	-	933
Third part revenue	94	729	797	680	(2)	2,298
Segments revenue	352	24	345	7	(728)	-
Total net revenue	446	753	1,142	687	(730)	2,298
Change in fair value - biological assets	60	-	-	-	-	60
Cost of goods sold	(461)	(422)	(761)	(586)	722	(1,508)
Gross income	45	331	381	101	(8)	850
Operating expenses	(27)	(92)	(99)	(88)	(14)	(320)
Operating results before financial results	18	239	282	13	(22)	530

Note: In this table, total net revenue includes sales of other products.

* Forestry COGS includes the exhaustion of the fair value of biological assets in the period.

1Q17

R\$ million	Forestry	Pulp	Papers	Conversion	Consolidation	Total
Net revenue						
Domestic market	75	95	354	589	(1)	1,112
Exports	-	357	347	51	-	755
Third part revenue	75	452	701	640	(1)	1,867
Segments revenue	323	8	311	5	(648)	(1)
Total net revenue	398	460	1,012	645	(649)	1,866
Change in fair value - biological assets	483	-	-	-	-	483
Cost of goods sold	(485)	(437)	(701)	(545)	640	(1,528)
Gross income	396	23	311	100	(9)	821
Operating expenses	(17)	(85)	(95)	(77)	(7)	(281)
Operating results before financial results	379	(62)	216	23	(16)	540

Note: In this table, total net revenue includes sales of other products.

* Forestry COGS includes the exhaustion of the fair value of biological assets in the period.