



COMMENTS ON THE COMPANY'S PERFORMANCE IN THE SECOND QUARTER OF 2019

The following information is presented on a consolidated basis. The amounts are presented in compliance with the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of quarterly information, including CVM Instruction 469.

Irani presents adjusted EBITDA of R\$ 42.4 million in 2Q19 with margin of 17.3% and growth of 5.2% in relation to 2Q18

MAIN INDICATORS - CONSOLIDATED	2Q19	1Q19	2Q18	Var. 2Q19/1Q19	Var. 2Q19/2Q18	6M19	6M18	Var. 6M19/6M18	LTM19	LTM18	Var. LTM19/LTM18
Financial and Economic (Thousands R\$)											
Net Operating Revenue	245,056	231,024	218,835	6.1%	12.0%	476,080	444,192	7.2%	964,705	899,165	7.3%
Domestic Market	191,742	190,329	182,740	0.7%	4.9%	382,071	372,367	2.6%	772,410	766,699	0.7%
Foreign Market	53,314	40,695	36,095	31.0%	47.7%	94,009	71,825	30.9%	192,295	132,466	45.2%
Gross Profit (including *)	59,798	67,798	65,809	-11.8%	-9.1%	127,596	131,266	-2.8%	259,445	242,488	7.0%
(*) Changes in the fair value of biological assets	(1,270)	2,607	3,306	-148.7%	-138.4%	1,337	4,123	-67.6%	(4,154)	(12,040)	-65.5%
Gross Margin	24.4%	29.3%	30.1%	-4.9p.p.	-5.7p.p.	26.8%	29.6%	-2.8p.p.	26.9%	27.0%	-0.1p.p.
Operating Income (loss) before Taxes and Interest	(11,742)	(4,484)	7,326	161.9%	-260.3%	(16,226)	9,571	-269.5%	(10,174)	(70,252)	-85.5%
Operating Margin	-4.8%	-1.9%	3.3%	-2.9p.p.	-8.1p.p.	-3.4%	2.2%	-5.6p.p.	-1.1%	-7.8%	-6.7p.p.
Net income (loss)	(12,771)	(6,363)	5,278	100.7%	-342.0%	(19,134)	22	-87072.7%	(16,145)	(95,219)	-83.0%
Net Margin	-5.2%	-2.8%	2.4%	2.4p.p.	-7.6p.p.	-4.0%	0.0%	-4.0p.p.	-1.7%	-10.6%	-8.9p.p.
Adjusted EBITDA ¹	42,365	49,721	40,281	-14.8%	5.2%	92,086	82,622	11.5%	187,820	174,343	7.7%
Adjusted EBITDA Margin	17.3%	21.5%	18.4%	-4.2p.p.	-1.1p.p.	19.3%	18.6%	0.7p.p.	19.5%	19.4%	0.1p.p.
Net Debt (Millions R\$)	730.3	734.2	745.3	-0.5%	-2.0%	730.3	745.3	-2.0%	730.3	745.3	-2.0%
Net Debt/Adjusted EBITDA(x)	3.89	3.95	4.27	-1.5%	-8.9%	3.89	4.27	-8.9%	3.89	4.27	-8.9%
Net Debt/Adjusted Pro Form EBITDA(x) ²	3.13	3.12	3.30	0.3%	-5.2%	3.13	3.30	-5.2%	3.13	3.30	-5.2%
Operating Data (t)											
Corrugated Cardboard Packaging (PO)											
Production/Sales	40,263	42,803	43,644	-5.9%	-7.7%	83,066	90,401	-8.1%	174,974	191,340	-8.6%
Packaging Paper											
Production	73,840	71,714	66,590	3.0%	10.9%	145,554	136,068	7.0%	288,596	281,861	2.4%
Sales	30,995	25,319	21,273	22.4%	45.7%	56,314	43,486	29.5%	108,786	88,813	22.5%
RS Forests and Resins											
Productions	3,646	3,733	3,268	-2.3%	11.6%	7,379	7,013	5.2%	13,837	12,481	10.9%
Sales	3,956	3,084	2,745	28.3%	44.1%	7,040	6,412	9.8%	13,783	12,224	12.8%

¹ EBITDA (earnings before interest, taxes, depreciation, amortization and depletion) see the chapter in this release.

² Excluding from net debt the Exchange-rate change as *hedge accounting*.

- Net revenue in 2Q19 recorded an increase of 12.0% when compared to 2Q18 and of 6.1% in comparison to 1Q19, mainly reflecting an increase in the volume of sales in the packaging paper and RS forests and resins, specially in relation to the foreign market.
- The volume of sales of the corrugated cardboard and packaging segment reduced 7.7% when compared to 2Q18 and 5.9% when compared to 1Q19 totaling 40.3 thousand tons in 2Q19. The reduction was due to the cleansing of the client portfolio of the SP Vila Maria packaging unit, which targets an improvement in the margins and rentability of the segment. The packaging paper segment totaled 30.9 thousand tons, registering an increase of 45.7% when compared to 2Q18 and 22.4% when compared to 1Q19. The reason for the increase is an improvement in market paper sales, especially foreign market because of the availability generated by the reduction of the corrugated cardboard packaging segment. The RS forests and resins segment experienced an



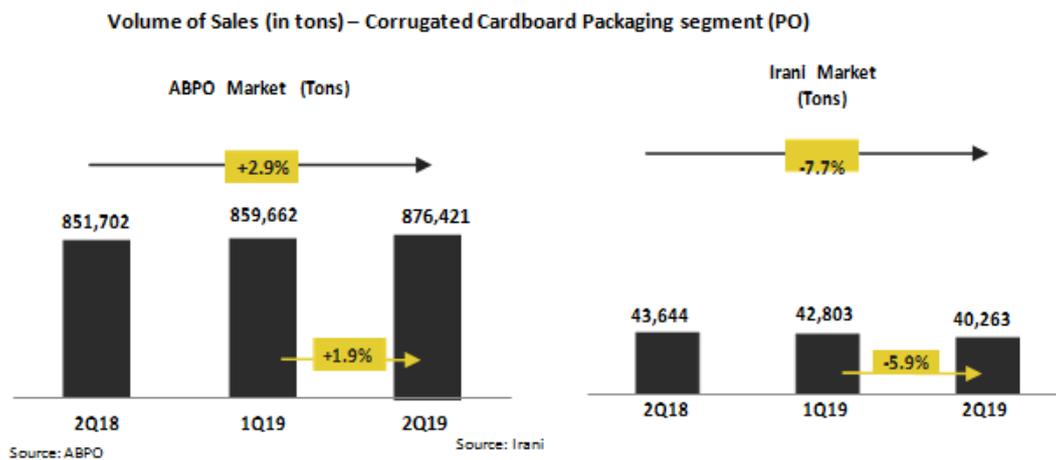
increase of 44.1% compared to 2Q18 and 28.3% when compared to 1Q19, reaching 3.9 thousand tons. The growth is due to the availability product inventories for sale and for the good prices enjoyed by the products in the foreign market.

- Gross profit in 2Q19 presented a reduction of 9.1% when compared to 2Q18 and of 11.8% when compared to 1Q19, mainly reflecting an increase in non-recurrent costs generated by personnel restructuring that happened in the quarter in an amount of R\$ 3.1 million, and the change in the fair value of biological assets that was negative in this quarter and that had been positive in the comparative quarters.
- Selling expenses in 2Q19 totaled R\$ 24.4 million, an increase of 20.5% when compared to the same quarter of last year and an 11.6% increase when compared to 1Q19 (including accounts receivable impairment losses), and represented 10.0% of consolidated net revenues, and 9.3% in 2Q18. Administrative expenses in 2Q19 totaled R\$ 14.7 million, an increase of 5.0% when compared to the same quarter of last year and an increase of 2.2% in relation to 1Q19, and represented 6.0% of consolidated net revenues, inferior to the 6.4% registered in 2Q18.
- Net Income (loss) was R\$ 12.8 million (negative) in 2Q19 in comparison to the R\$ 5.3 million in profit in 2Q18 and R\$ 6.4 million (negative) in 1Q19. The main impact in the net result when compared to 1Q19 was the increase in non-recurrent costs generated by a restructuring of personnel that happened in the quarter in an amount of R\$ 3.1 million, and the change in the fair value of biological assets that was negative in this quarter and was positive in 1Q19.
- Adjusted EBITDA was R\$ 42.4 million in 2Q19, an increase of 5.2% to the amount of R\$ 40.3 million registered in 2Q18, and a decrease of 14.8% when compared to the amount of R\$ 49.7 million registered in 1Q19 mainly due to non-recurrent costs generated by a restructuring of personnel that happened during this quarter in an amount of R\$ 3.1 million.
- The net debt/EBITDA ration was 3.89 in June of 2019. Excluding from net debt, the exchange-rate change registered as *hedge accounting*, the ration net debt/EBITDA would be of 3.13.
- The cash position at the end of June 2019 was of R\$ 30.5 million and 55% of debt is in the long term.
- According to the relevant fact announced in July 31, 2019, the company concluded the issuance of debentures in the total amount of R\$ 505 million with the objective of improving the debt maturity profile, recompose cash and improve capital structure.

Highlights of 2Q19

In Brazil, the economic scenario is attached to fiscal balance and the approval of reforms, mainly the pensions reform that is moving in Congress and is closer to being approved. Monthly indicators of economic activity in 2Q19 indicate to the government that economic activity continues to move slowly, which led it to reduce, once more, the expectation for GDP growth in 2019 from 1.6% to 0.81%. In China, the economic growth in 2Q19 was the lowest recorded in the last 27 years, reaching 6.2%, due, mainly, to the consequences of trade pressure imposed by the United States.

The Brazilian Association of Corrugated Cardboard (ABPO) registered an increase of 2.9% in the expedition of tons of corrugated cardboard in 2Q19, in comparison to 2Q18, while the performance of the sales volume of Irani Market presented a reduction of 7.7% in 2Q19, due to the cleansing of the portfolio that happened in the segment. In comparison to 1Q19, the ABPO market increased 1.9%, while Irani Market reduced 5.9%. In tons, the participation of Irani market in the corrugated cardboard packaging was 4.6% in 2Q19, 5.0% in 1Q19 and 5.1% in 2Q18.

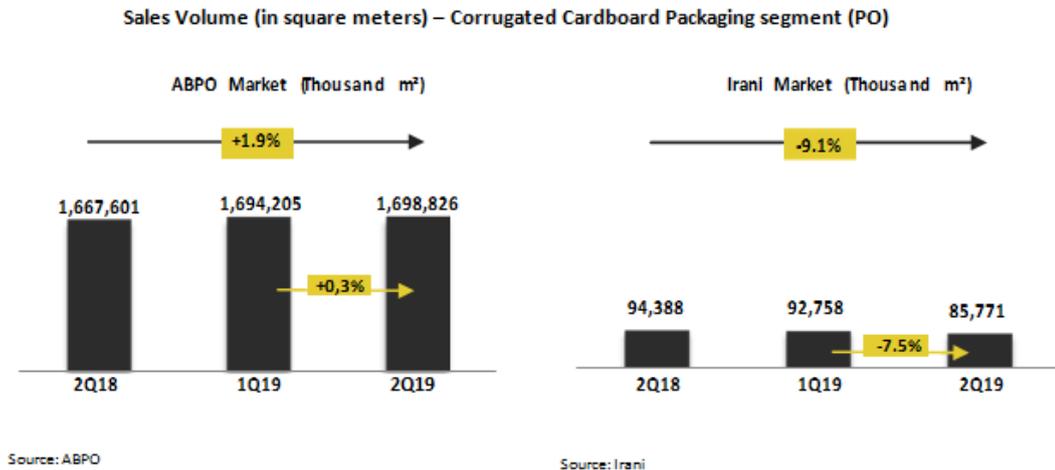


In square meters (m²), the volume of sales of corrugated cardboard packaging of ABPO market presented an increase of 1.9% in 2Q19 when compared to 2Q18, while Irani market decreased by 9.1%. When compared to 1Q19, the ABPO market presented stability, while the Irani market registered a reduction of 7.5%. In square meters, the participation of Irani market was of 5.0% in 2Q19, 5.7% in 2Q18 and 5.5% in 1Q19.

The corrugated cardboard packaging segment (PO) represented in 2Q19 53% of Irani net revenues, the packaging paper segment represented 36% and the RS forests and resins 11%. The domestic market represented 78% of net revenues and the foreign market represented 22%, the 5.3 percentage points growth of foreign market revenues in comparison with 2Q18 comes mainly from the increase in sales volume for the foreign market in the paper packaging segment, and from the



increase in the United States dollar and Euro, which contributes to the increase in the price of exports in Brazilian Reais.

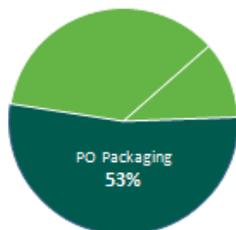


2Q19 ABPO (in Tons e m²) are previews of closing. Alterations may be possible in official data.

1. OPERATIONAL PERFORMANCE (not reviewed by independent auditor)

1.1 Corrugated Cardboard Packaging Segment (PO)

Revenue Contribution 2Q19



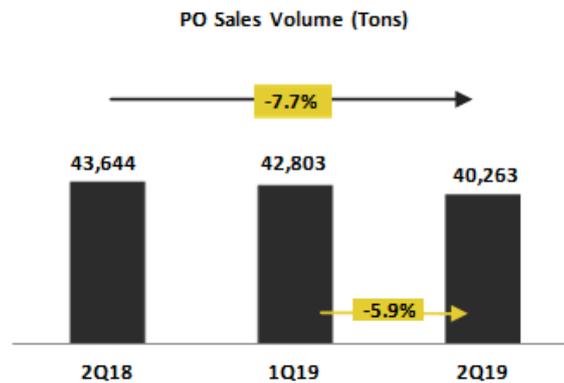
The sales volume of corrugated cardboard plates and boxes totaled 40,263 tons, 7.7% lower than 2Q18 and 5.9% than 1Q19, especially due to the cleansing of the client portfolio in the SP Vila Maria packaging unit. The performance in the sales of boxes presented a reduction of 2.9% when compared to 2Q18 as well as the sales of plates that registered a reduction of 19.9% compared to 2Q18. The packaging units SP Indaiatuba, SC Campina da Alegria and SP Vila Maria respond respectively to 47%, 36% and 17% of the total amount sold in the second quarter of 2019, being that its production was entirely directed to the domestic market.

The volume of the SP Indaiatuba packaging unit reached 14,282 tons of boxes and 4,762 tons of plates in 2Q19 (compared to 12,645 tons of boxes and 5,165 tons of plates in 2Q18).

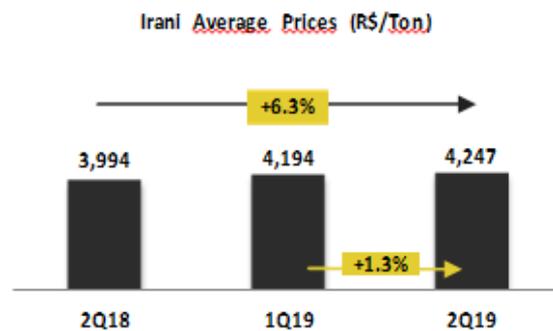
The SC Campina da Alegria packaging unit registered a volume of sales of 12,032 tons of boxes and 2,275 tons of plates in 2Q19 (compared to 11,177 tons of boxes and 2,696 tons of plates in 2Q18).



The SP Vila Maria packaging unit registered a volume of sales in 2Q19 of 3,925 tons of boxes and 2,987 tons of plates (when in 2Q18, it registered 7,306 tons of boxes and 4,655 tons of plates). The reduction in the volume of sales in this unit is due to the client portfolio cleansing strategy.



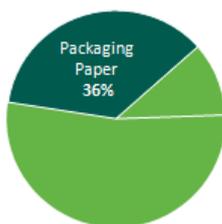
The Irani average price (CIF) per ton registered an increase of 6.3% in 2Q19 when compared to 2Q18 and an increase of 1.3% when compared to the first semester of 2019, as shown below:



Note on methodology: Irani's prices exclude IPI, but include PIS, COFINS and ICMS and are adjusted according to the mix of market boxes and plates.

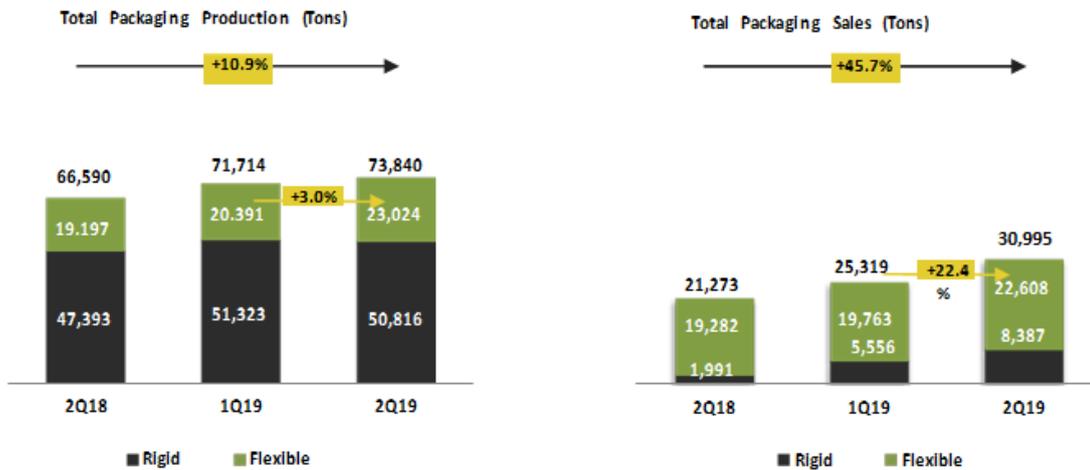
1.2 Packaging Paper Segment

Revenue Contribution 2Q19



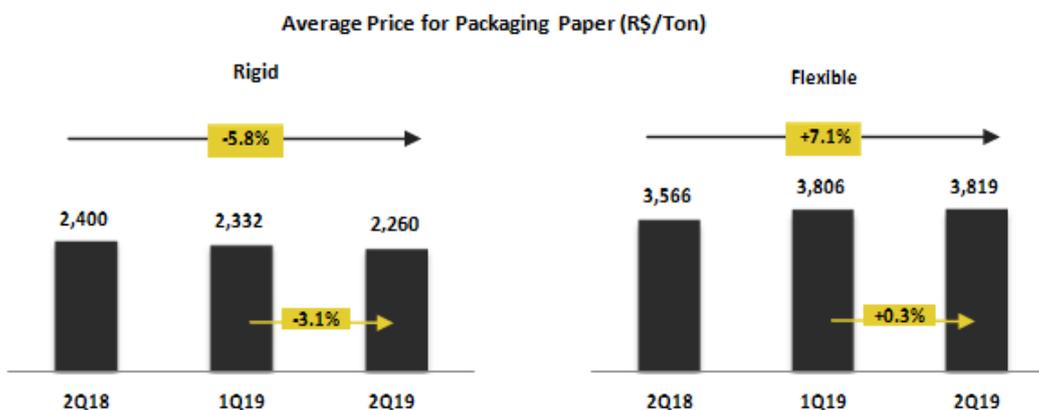
Irani is present in the packaging paper segment, both in the market of paper for rigid packaging (corrugated cardboard) and in the market for flexible packaging (bagging).

The Company's total production of packaging paper in 2Q19 was 10.9% higher when compared to 2Q18, and 3% higher when compared to 1Q19. In relation to sales, there was an increase of 45.7% when compared to 2Q18, and of 22.4% when compared to 1Q19.



In 2Q19, the internal transfers of paper for rigid corrugated packaging (PO) totaled 42,347 tons (43,539 tons in 2Q18 and 46,232 tons in 1Q19), for the SP Indaiatuba packaging unit reached 19,739 tons (16,443 tons in 2Q18 and 17,609 tons in 1Q19), for the SP Vila Maria packaging unit 6,347 tons were transferred (12,674 tons in 2Q18 and 12,496 tons in 1Q19) and for the SC Campina da Alegria packaging unit 12,261 tons were transferred in 2Q19 (14,422 in 2Q18 and 16,127 tons in 1Q19). Of the total of internal transfers, 47% were to the SP Indaiatuba packaging unit, 38% to the SC Campina da Alegria packaging unit and 15% to the SP Vila Maria packaging unit.

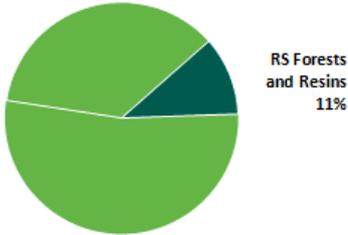
The rigid packaging papers, that do not have significant sales volume (only 8,387 tons in 2Q19 as shown in the chart above) and its price is inferior to other papers commercialized by the company, presented reduction of 5.8% in the price of 2Q19 when compared to the prices of 2Q18, and of 3.1% when compared to those of 1Q19. The papers for flexible packaging have shown an increase of 7.1% when compared to 2Q18 and stability in relation to 1Q19.





1.3 RS Forests and Resins Segment

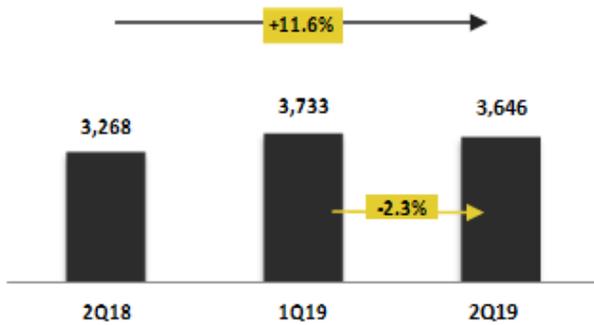
Revenue Contribution 2Q19



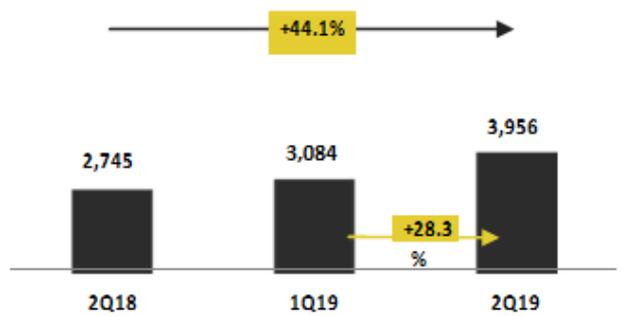
The RS forest segment produced and commercialized in 2Q19, 19 thousand cubic meters of pine logs to the domestic market (33 thousand cubic meters in 2Q18) and supplied 1,300 tons of resins *in natura* to be utilized in the industrial process of rosin and turpentine.

The production volume in the RS Balneário Pinhal Resin unit presented an increase of 11.6% when compared to 2Q18 and a reduction of 2.3% when compared to 1Q19. The sales volume presented an increase of 44.1% when compared to 2Q18, and an increase of 28.3% in relation to 1Q19.

Production of Rosin and Turpentine (Tons)

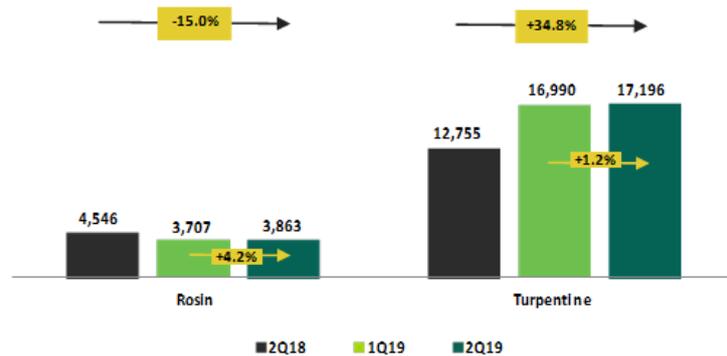


Sales of Rosin and Turpentine (Tons)



In 2Q19, the average gross price of rosin was 15.0% inferior to 2Q18 and 4.2% superior when compared to 1Q19. The turpentine price rose 34.8% when compared to 2Q18 and 1.2% in relation to 1Q19. The price variations of these products are in accordance to the international market and exchange rate.

Average Prices (R\$/Ton)





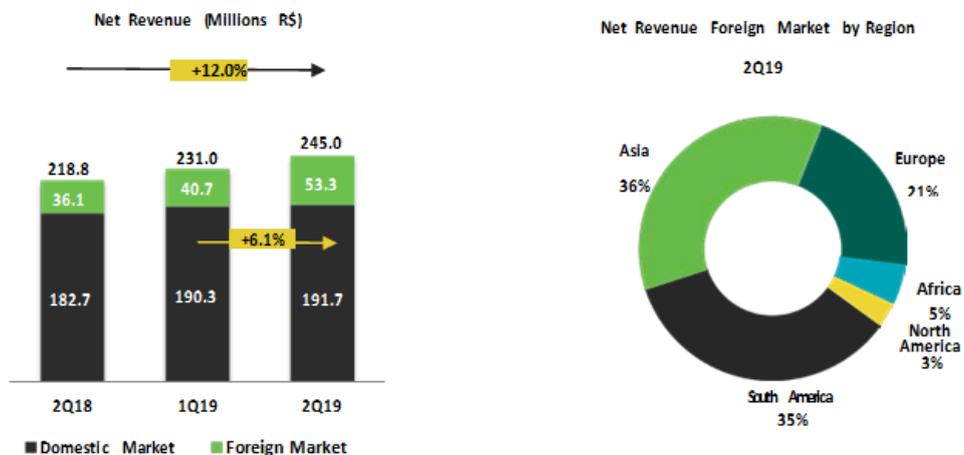
2. ECONOMIC AND FINANCIAL PERFORMANCE

2.1 Net operating revenue

The net operating revenue of 2Q19 was R\$ 245,056 thousand, a growth of 12.0% when compared to 2Q18 and 6.1% when compared to 1Q19, mainly reflecting the growth in sales volume in the Packaging paper and RS Forest and Resins segments, especially in the foreign market.

In the domestic market, net operating revenue was R\$ 191,741 thousand in the quarter, which represented a growth of 4.9% when compared to 2Q18 and stability in relation to 1Q19. Domestic market revenues represented 78% of Irani's total revenues.

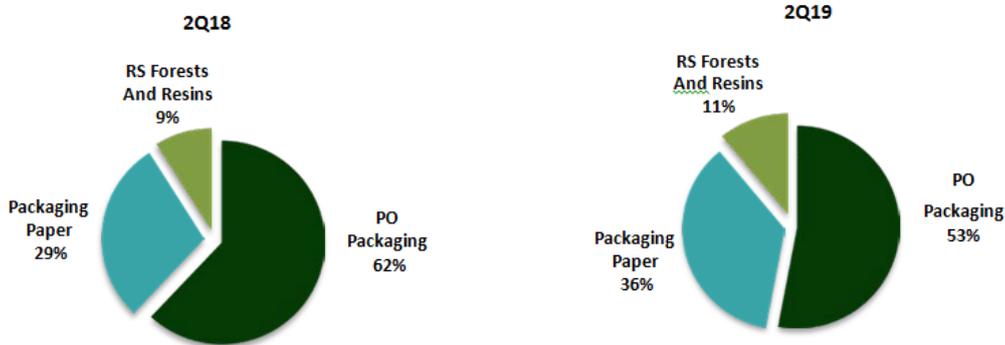
Exports in 2Q19 reached R\$ 53,314 thousand, 47.7% higher than 2Q18 and 31.0% higher when compared to 1Q19, representing 22% of total net operating revenue. Asia was the main destination of exports, concentrating 36% of exports revenue. Other markets include South America (35%), Europe (21%), Africa (5%) and North America (3%).



Irani's main segment is corrugated cardboard packaging (PO), responsible for 53% of consolidated net revenues in 2Q19, followed by the packaging paper segment with 36% and RS forests and resins with 11%.



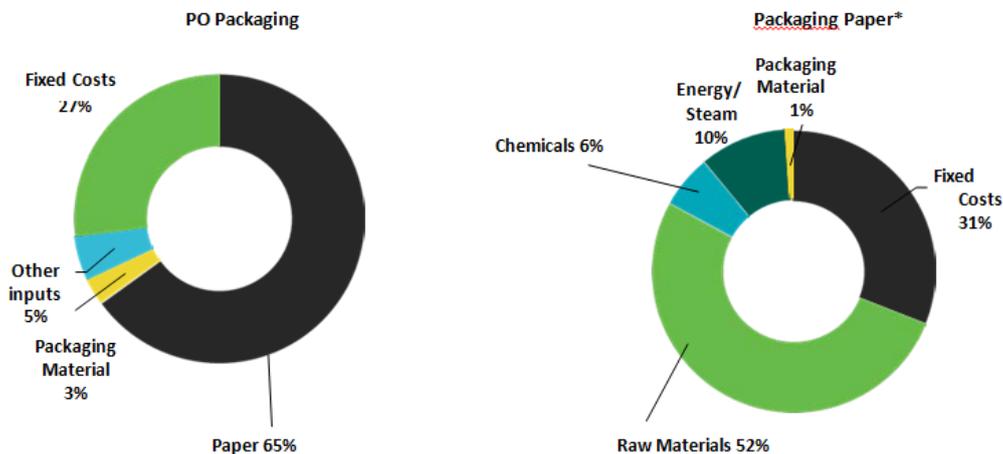
Net Revenue by Segment



2.2 Cost of goods sold

The cost of goods sold in 2Q19 was R\$ 183,988 thousand, 17.7% superior to 2Q18 when compared in absolute numbers. The change in the fair value of biological assets is not being considered in cost of goods sold.

The cost formation per segment in 2Q19 is shown below.



* The cost formation for the packaging paper segment does not consider the change in the fair value of biological assets.

2.3 Operating revenues and expenses

Selling expenses totaled R\$ 24,454 thousand in 2Q19, representing 10.0% of consolidated net revenues, compared to 9.3% in 2Q18 (including trade receivables impairment losses).



Administrative expenses in 2Q19 were 5% superior to those of 2Q18, totaling R\$ 14,739 thousand (R\$ 14,032 thousand in 2Q18) and represented 6% of consolidated net revenues, compared to 6.4% in 2Q18.

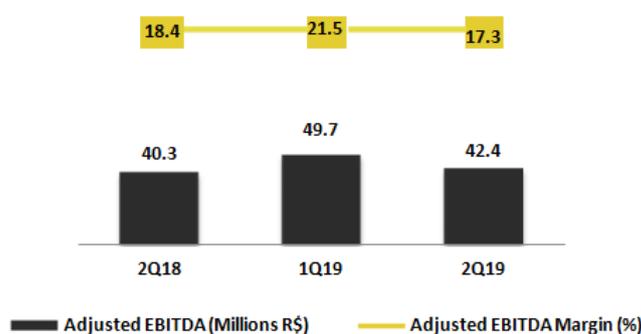
Other operating revenues/expenses resulted in an expense of R\$ 773 thousand in 2Q19, compared to an expense of R\$ 334 thousand in 2Q18.

3. OPERATING CASH (ADJUSTED EBITDA)

Consolidated (Thousands of R\$)	2Q19	1Q19	2Q18	Var. 2Q19/1Q19	Var. 2Q19/2Q18	6M19	6M18	Var. 6M19/6M18	LTM19	LTM18	Var. LTM19/LTM18
Operating Income (loss) before taxes and interest	(11,742)	(4,484)	7,326	161.9%	-260.3%	(16,226)	9,571	-269.5%	(10,174)	(70,252)	-85.5%
Depletion	3,224	3,825	4,189	-15.7%	-23.0%	7,049	9,391	-24.9%	14,245	48,491	-70.6%
Depreciation and Amortization	18,039	16,772	12,293	7.6%	46.7%	34,811	24,922	39.7%	62,135	52,756	17.8%
Interest Expense	31,574	35,801	23,824	-11.8%	32.5%	67,375	45,389	48.4%	124,198	96,464	28.8%
EBITDA	41,095	51,914	47,632	-20.8%	-13.7%	93,009	89,273	4.2%	190,404	127,459	49.4%
EBITDA Margin	16.8%	22.5%	21.8%	-5.7p.p.	-5.0p.p.	19.5%	20.1%	-0.6p.p.	19.7%	14.2%	5.5p.p.
Adjustments according to CVM instruction 527/12											
Changes in the fair value of biological assets ⁽¹⁾	1,270	(2,607)	(3,306)	-	-	(1,337)	(4,123)	-67.6%	4,154	12,040	-65.5%
Non-recurring events	-	414	(4,045)	-	-	414	(2,528)	-	(6,738)	34,844	-119.3%
Adjusted EBITDA	42,365	49,721	40,281	-14.8%	5.2%	92,086	82,622	11.5%	187,820	174,343	7.7%
Adjusted EBITDA Margin	17.3%	21.5%	18.4%	-4.2p.p.	-1.1p.p.	19.3%	18.6%	0.7p.p.	19.5%	19.4%	0.1p.p.

Operating cash generation, measured by adjusted EBITDA, totaled R\$ 42,365 thousand in 2Q19, an increase of 5.2% in comparison to 2Q18, and a reduction of 14.8% in relation to 1Q19 of the non-recurrent personnel restructuring costs incurred in the semesters in the amount of R\$ 3.1 million. The adjusted EBITDA margin in 2Q19 reached 17.3%, a reduction of 1.1 percentage points in relation to 2Q18 and 4.2 percentage points when compared to 1Q19.

Adjusted EBITDA (Millions R\$) and Adjusted EBITDA Margin (%)





4. FINANCIAL INCOME (LOSS) AND INDEBTEDNESS

The financial loss was of R\$ 31,574 thousand in 2Q19, representing an increase of 32.5% in comparison to 2Q18, negatively influenced by the higher realization of hedge accounting and by the depreciation of the Brazilian Real against the United States Dollar during the quarter. When compared to 1Q19, it registered a reduction of 11.8% positively influenced by the lower realization of hedge accounting and the appreciation of the Brazilian Real against the United States Dollar. In 2Q19, financial expenses totaled R\$ 34,838 thousand compared to R\$ 30,348 thousand in 2Q18 and R\$ 42,858 thousand in 1Q19. Financial revenues reached R\$ 3,264 thousand in 2Q19, compared to R\$ 6,524 thousand in 2Q18 and R\$ 7,057 in 1Q19.

The financial income (loss) is as shown below:

Thousands of R\$	2Q19	1Q19	2Q18	6M19	6M18	LTM19 ¹	LTM18 ¹
Financial Revenues	3,264	7,057	6,524	10,321	11,467	25,099	19,368
Financial Expenses	(34,838)	(42,858)	(30,348)	(77,696)	(56,856)	(149,297)	(115,832)
Financial Income (loss)	(31,574)	(35,801)	(23,824)	(67,375)	(45,389)	(124,198)	(96,464)

¹Aggregated in the last twelve months.

In financial revenues and expenses, exchange-rate change is included as shown below:

Thousands of R\$	2Q19	1Q19	2Q18	6M19	6M18	LTM19 ¹	LTM18 ¹
Positive Exchange rate change	2,207	5,696	4,854	7,903	8,675	19,127	15,843
Negative Exchange rate change	(9,416)	(16,931)	(4,035)	(26,347)	(7,138)	(44,702)	(14,376)
Net Exchange rate change	(7,209)	(11,235)	819	(18,444)	1,537	(25,575)	1,467

¹Aggregated last twelve months.

The financial income (loss) without Exchange rate change is as presented below:

Thousands of R\$	2Q19	1Q19	2Q18	6M19	6M18	LTM19 ¹	LTM18 ¹
Financial income (loss) without exchange rate change	(24,365)	(24,566)	(24,643)	(48,931)	(46,926)	(98,623)	(97,931)

¹Aggregated last twelve months.

With the objective of hedging exports in the next few years, the Company maintains the flux of maturity of commitments denominated in foreign currency (US Dollar) aligned to the receipt forecasts of the same currency. The exchange rate changes of these operations is being recorded in a monthly basis in Shareholder's Equity and is recognized in the income (loss) as a financial expense upon realization (hedge accounting). In 2Q19, the positive amount of R\$ 12,248 thousand (R\$ 8,084 thousand net of taxes in equity) was recorded as hedge accounting, as well as the amount of R\$ 7,415 thousand was recorded as a financial expense in the income (loss) statement. In aggregate,



the Company maintains R\$ 141,994 thousand of Exchange rate change as hedge accounting to be recorded as income (loss) upon realization of each maturity of debt flux, as well as in the cases of early maturity of the referred loans, being that R\$ 93,716 thousand are recorded in shareholder's equity (net of taxes) and R\$ 48,278 thousand in non-current expenses (taxes).

Foreign Exchange

The Exchange rate was R\$ 3.86/USD in June 30, 2018, showed stability at the end of June, 2019 and reached R\$ 3.83/USD. The average Exchange rate in this quarter was R\$ 3.92/USD, 3.98% superior to that of 1Q19 and 8.59% superior to that of 2Q18.

Thousands of R\$	2Q19	1Q19	2Q18	Δ 2Q19/1Q19	Δ 2Q19/2Q18
Average USD	3.92	3.77	3.61	+3.98%	+8.59%
Final USD	3.83	3.90	3.86	-1.79%	-0.78%

Source: Bacen

Indebtedness

Gross consolidated indebtedness totaled R\$ 760.8 million in June 30, 2019 compared to R\$ 776.2 million in March 31, 2019. The variation of these index was influenced by the appreciation of the Brazilian Real against the US Dollar and funding operations in relations to settlements for the period. The gross indebtedness profile in June 30 was 45% with maturity in the short term and 55% with maturities in the long term.

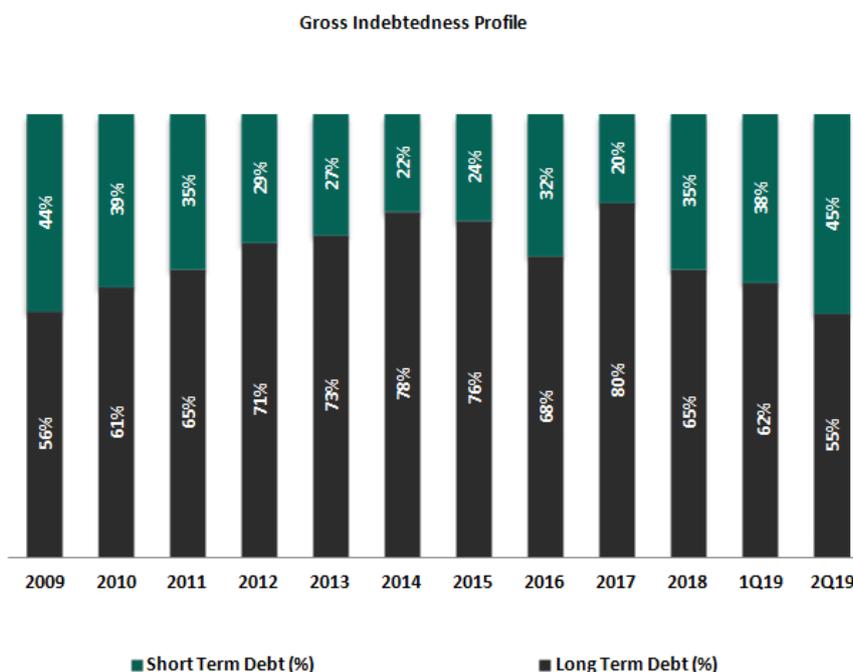
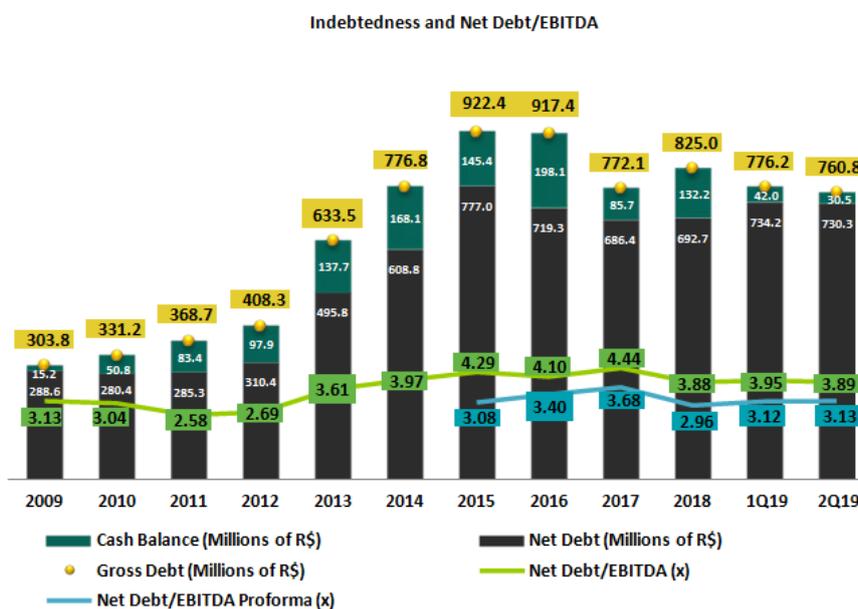
According to the relevant fact announced in July 31, 2019 the company concluded the issuance of debentures totaling R\$ 505 million with the objective of improving the debt maturity profile, recomposing cash and improving capital structure.

The consolidated cash in June 30, 2019 totaled R\$ 30.5 million, compared to R\$ 42.0 million in March 31, 2019. This variation is mainly due to the financial operations liquidations in greater volume than funding in relation to operating cash generation.

Consolidated net indebtedness in June 30, 2019 totaled R\$ 730.3 million, compared to R\$ 734.2 million in March 31, 2019. The net debt/EBITDA index went from 3.95 in the end of 1Q19 to 3.89 in the closing of 2Q19. Excluding from net debt, the Exchange rate change registered as hedge



accounting (Note 28 – Cash Flow Hedge), the index net debt/EBITDA Proforma would be 3.13 in the end of 2Q19.



5. NET INCOME (LOSS)

In 2Q19, net loss was R\$ 12,771 thousand in comparison to a net income of R\$ 5,278 thousand in 2Q18 and a net loss of R\$ 6,363 thousand in 1Q19. In the last 12 months, net loss was R\$ 16,145 thousand compared to a net loss of R\$ 95,219 in the same period last year. The main impact on net income (loss) compared to 1Q19 was the increase in non-recurrent costs generated by personnel



restructuring recorded in the amount of R\$ 3.1 million, and the change in the fair value of biological assets was negative in this quarter and it had been positive in 1Q19.

6. INVESTMENTS

The company maintains its strategy of investing in the modernization and automation of its productive processes in a meticulous manner. The investments in this quarter totaled R\$ 23,827 thousand and were basically directed to reforestation, maintenance and infrastructure improvements, software (sequence of implementation of SAP S/4HANA system), Company's machines and equipment.

Thousands of R\$	2Q19	6M19
Land	2,432	2,457
Equipment	13,787	20,256
Intangible	4,011	10,932
Reforestation	3,597	5,662
Total	23,827	39,307

7. CAPITAL MARKET

Irani's capital, in June 30, 2019, was represented by 166,720,235 shares, of which 153,909,975 (92%) are ordinary shares, and 12,810,260 (8%) are preferential shares. In June 30, 2019, the Company maintained 2,376,100 treasury shares, being that 24,000 ordinary shares and 2,352,100 preferential shares. At this same period, ordinary shares were negotiated at R\$ 2.68 when preferential shares were negotiated at R\$ 2.62.

8. SUBSEQUENT EVENTS

On June 24, 2019, the Company's board approved the realization of the third public issuance of simple debentures, and, according to Relevant Fact announced on July 31, 2019, it was realized the partial distribution of debentures and, therefore, the Issuance will be composed by 505,000 debentures, with an unit nominal value of R\$ 1,000.00, totaling, on the date of issuance, the amount of R\$ 505,000,000.00. The funds obtained with the Issuance will be used to liquidate



certain current debts of the Company, recompose its cash and execute investments to achieve its social objective in the normal course of business, reinforcing its capital structure.

