Copersucar S.A.

Financial statements

March 31, 2018

(A free translation of the original report in Portuguese containing individual and consolidated interim financial statements prepared in accordance with the accounting practices adopted in Brazil)

KPDS 233048

Contents

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Independent auditors' report on the individual and

To the Management and Board Members of
Copersucar S.A.
São Paulo - SP

Opinion

We have audited the individual and consolidated financial statements of Copersucar S.A. ("Company"), identified as Parent Company and Consolidated, respectively, comprising the balance sheet as of March 31, 2018 and the related statements of income, comprehensive income, changes in shareholders' equity and cash flows for the year then ended, as well as the summary of the significant accounting policies and other explanatory notes.

In our opinion, the aforementioned individual and consolidated financial statements present fairly, in all material respects, the individual and consolidated financial position of Copersucar S.A. as of March 31, 2018, the individual and consolidated performance of its operations and its individual and consolidated cash flows for the year then ended, in conformity with accounting practices adopted in Brazil and International Financial Reporting Standards - IFRS issued by the International Accounting Standards Board (IASB).

Basis for opinion

Our audit was conducted in accordance with Brazilian and international standards on auditing. Our responsibilities, in conformity to such standards, are described in the following section denominated "Auditor's responsibilities for the audit of the individual and consolidated financial statements". We are independent in relation to the Company and its subsidiaries, in accordance with the relevant ethical principles provided for in the Accountant's Code of Professional Ethics and in professional standards issued by the Federal Accounting Council, and we comply with other ethical responsibilities according to these standards. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Main audit issues

The main audit matters are those who, in our professional judgment, were the most significant in our audit of current year. This matter was addressed in the context of our audit of the individual and consolidated financial statements as a whole, and in forming our opinion thereon, and, therefore, we do not express a separate opinion on this matter.

Valuation of financial instruments - Individual and consolidated

As mentioned in individual and consolidated notes 5 and 23, the Company and its subsidiaries engage derivative financial instruments with the aim of hedging the risks of interest rate changes, foreign exchange rates and commodities' price in relation to future income considered as having a high likelihood of occurring. The Company uses hedge accounting for foreign currency differences between the operation currency linked to Dollar and functional currency of the parent company (Brazilian Real). Due to the large number of hedge instruments contracted, the complexity of the fair value measurement estimate, and the potential impact that changes in these estimates could have on P/L and cash flows of the Company and its subsidiaries, we consider this matter significant for our audit.

How our audit conducted this issue

We obtained an understanding of the design of relevant internal controls related to identification, valuation and management process of these financial instruments. With the assistance of our financial instrument specialists, we evaluated the main inputs, such as interest rates, exchange rates, and the price of commodities, and recalculated the fair value measurement of the instruments used to hedge against foreign exchange rate and price risks, in comparison with the calculations prepared by the Company and its subsidiaries. We evaluated the documentation of designation and effectiveness of hedge accounting and the adequacy of disclosure of assumptions, judgments, protection strategies and liquidity risk of the Company and its subsidiaries.

As a result of evidence from the procedures aforementioned, we consider that the valuation of financial instruments, as well as the related disclosures, is acceptable in the context of individual and consolidated financial statements taken as a whole for the year ended March 31, 2018.

Other issues

Statements of added value

Individual and consolidated statement of added value (DVA) for the year ended March 31, 2018, prepared under responsibility of Company's management, whose presentation is not required for privately-held companies, were submitted to audit procedures carried out together with the audit of Company's financial statements. In order to form our opinion, we evaluated whether these statements are reconciled with other financial statements and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in CPC 09 - Technical Pronouncement - Statement of Added Value. In our opinion, these statements of added value were prepared, in all material respects, in accordance with the criteria defined in this Technical Pronouncement and are consistent in relation to the individual and consolidated financial statements taken as a whole.

Other information accompanying individual and consolidated financial statements and the auditors' report

The Company's management is responsible for such other information that comprise the Management Report.

Our opinion on the individual and consolidated financial statements does not include the Management Report and we do not express any form of audit conclusion on such report.

Regarding the audit of individual and consolidated financial statements, our responsibility is to read the Management Report and, in doing so, consider whether this report is, in a material way, inconsistent with the financial statements or with our knowledge gained in the audit or otherwise appears to be materially misstated. If, based on the works performed, we conclude that there is a material misstatement in the Management Report, we are required to disclose this fact. We have nothing to report in this regard.

Responsibilities of management and governance for the individual and consolidated financial statements

Management is responsible for the preparation and fair presentation of the individual and consolidated financial statements in accordance with Accounting Practices Adopted in Brazil and with International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In the preparation of the individual and consolidated financial statements, management is responsible for assessing the Company's ability to continue as: a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and subsidiaries or to cease operations, or has no realistic alternative but to do so or has no realistic alternative to avoid the closure of operations.

Those charged with governance of the Company and its subsidiaries are those with responsability for overseeing the process of preparation of the financial statements.

Auditors' Responsibilities for the Audit of the Individual and Consolidated Financial Statements

Our goals are to obtain reasonable assurance that the individual and consolidated financial statements, taken as a whole, are free from material misstatement, whether due to fraud or error, and issue the audit report with our opinion. Reasonable assurance means a high level of security, but not a guarantee that an audit conducted in accordance with Brazilian and international auditing standards always detects any existing material misstatements. Misstatements may be due to fraud or error and are considered material when, individually or jointly, they may - from a reasonable perspective - influence the economic decisions of the users made based on the respective financial statements.

As part of the audit conducted in accordance with Brazilian and international auditing standards, we exercise professional judgment and maintain our professional skepticism throughout the audit. In addition:

- We identified and assessed the risks of material misstatement in the individual and consolidated financial statements, whether due to fraud or error, we planned and performed audit procedures in response to such risks, and we obtained proper and sufficient audit evidence to support our opinion. The risk of not detecting material misstatement resulting from fraud is higher than that arising from error, once the fraud may involve the act of dodging the internal controls, collusion, falsification, omission or false intentional representations.

- We obtained an understanding of the internal controls relevant to the audit to plan the audit procedures appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal controls of the Company and its subsidiaries.

- We assessed the adequacy of the accounting policies used and the reasonableness of the accounting estimates and respective disclosures made by Management.

- We reached a conclusion as to the suitability of Management's use of the accounting basis for going concern and, based on the audit evidence obtained, as to whether there is a material uncertainty regarding events or conditions that could raise a significant doubt regarding the Company's and its subsidiaries' capacity for going concern. If we conclude that there is a material uncertainty, we must highlight the related disclosures in the individual and consolidated financial statements in our report, or include a modification in our opinion if disclosures are inadequate. Our conclusions are based on audit evidence obtained up to the date of our report. However, future events or conditions may lead the Company and its subsidiaries to no longer remain as a going concern.

- We assessed the overall presentation, structure and content of financial statements, including disclosures, and whether the individual and consolidated financial statements represent the underlying transactions and events in a manner consistent with the objective of fair presentation.

- We obtained appropriate and sufficient audit evidence regarding the financial information of the entities or business activities of the group to express an opinion on the individual and consolidated financial statements. We are responsible for the management, oversight and performance of audit of the group, and, consequently, the audit opinion.

- We communicated with Management and those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identified during our audit.

- Of the issues notified to those responsible for governance, we determined those that were considered as the most significant in the audit of the financial statements for the current year, and which, accordingly, comprise the main audit issues. We describe these issues in our audit report, unless a law or regulation has prohibited the public disclosure of the issue, or when, under extremely rare circumstances, we determine that the issue shall not be reported in our report, because the adverse consequences from such report may, from a reasonable perspective, exceed the benefits from the report for public interest.

São Carlos, May 15, 2018

KPMG Auditores Independentes
CRC SP-027611/F
(Original signed in Portuguese)

André Luiz Monaretti	Fernando Rogério Liani
Accountant CRC 1SP160909/O-3	Accountant CRC 1SP229193/O-2

Copersucar S.A.

Balance sheets at March 31, 2018 and 2017

(In thousands of Reais)

		Consolidated		Parent company	
Assets	**Note**	**2018**	**2017**	**2018**	**2017**
Current assets					
Cash and cash equivalents	7	1,669,443	1,264,785	891,471	476,215
Trade accounts receivable	8	972,500	694,290	432,085	262,134
Inventories	9	2,074,146	2,289,203	1,028,275	1,113,107
Recoverable taxes and contributions	10	195,967	213,522	190,742	206,920
Income tax and social contribution recoverable	10	47,553	63,154	46,303	62,825
Advances to suppliers	11	63,845	323,292	9,447	11,904
Stock Exchange transactions	12	58,212	26,338	12,192	518
Unrealized derivative financial instruments	23	571,731	565,128	265,743	224,702
Other accounts receivable		57,830	72,912	17,408	20,147
Total current assets		5,711,227	5,512,624	2,893,666	2,378,472
Non-current assets					
Deferred tax assets	13	452,492	393,977	392,206	368,714
Deposit in court	22	53,752	53,736	38,999	38,473
Unrealized derivative financial instruments	23	20,107	7,636	8,060	2,262
Intercompany	25	-	-	5,614	4,600
Other accounts receivable		1,182	932	-	-
Investments	14	1,113,725	1,003,133	1,958,169	1,579,845
Investment property	15	-	-	-	70,743
Property, plant and equipment	16	663,027	762,684	3,155	97,521
Intangible assets	17	247,513	247,180	8,105	13,463
Total non-current assets		2,551,798	2,469,278	2,414,308	2,175,621
Total assets		8,263,025	7,981,902	5,307,974	4,554,093

		Consolidated		Parent company	
Liabilities	**Note**	**2018**	**2017**	**2018**	**2017**
Current liabilities					
Suppliers	18	1,050,741	1,214,640	566,533	924,606
Loans and financing	19	1,278,532	1,853,779	651,711	1,633,721
Labor payroll obligations		30,361	39,889	21,544	30,501
Provision for income tax and social contribution		54,685	14,939	32,903	-
Taxes and contributions payable	20	49,342	40,121	9,686	2,123
Stock Exchange transactions	12	1	8,665	-	-
Advances from customers	21	981,283	1,315,636	918	397
Unrealized derivative financial instruments	23	304,845	322,916	224,225	238,055
Other accounts payable		39,198	75,715	15,884	22,155
Total current liabilities		3,788,988	4,886,300	1,523,404	2,851,558
Non-current liabilities					
Loans and financing	19	3,552,530	2,322,665	2,971,960	1,021,158
Employee benefits		16,404	18,716	-	15,302
Taxes and contributions payable	20	63	184	-	-
Provisions for contingencies	22	18,340	17,961	679	169
Unrealized derivative financial instruments		12,024	5,724	3,515	5,277
Deferred tax liabilities	13	117,959	95,859	40,746	27,305
Other accounts payable		2,559	1,169	13,512	-
Total non-current liabilities		3,719,879	2,462,278	3,030,412	1,069,211
Shareholders' equity					
Capital		180,301	180,301	180,301	180,301
Capital reserve		8,153	1,769	8,153	1,769
Treasury shares		(15,140)	(134)	(15,140)	(134)
Legal reserve		36,061	34,336	36,060	34,336
Profit reserves		11,233	11,233	115,257	11,233
Investment reserves		487,060	383,036	383,036	383,036
Equity valuation adjustment		5,944	22,783	5,945	22,783
Additional dividend proposed		40,546	-	40,546	-
Shareholders' equity attributable to controlling shareholders	26	754,158	633,324	754,158	633,324
Total liabilities and shareholders' equity		8,263,025	7,981,902	5,307,974	4,554,093

See the accompanying notes to the financial statements.

Copersucar S.A.

Statements of income

Years ended March 31, 2018 and 2017

(In thousands of Reais)

		Consolidated		Parent company	
	Note	**2018**	**2017**	**2018**	**2017**
Net income	27	28,554,355	28,269,893	7,481,315	8,279,163
Unrealized derivative financial instruments	23	(53,013)	634,895	12,138	53,846
Cost of sales	29	(27,786,896)	(28,048,458)	(7,340,747)	(7,903,864)
Gross income		**714,446**	**856,330**	**152,706**	**429,145**
Sales expenses	29	(129,466)	(124,781)	(42,702)	(49,237)
Administrative expenses	29	(183,583)	(226,397)	(88,395)	(124,502)
Other income		85,358	56,217	89,401	49,137
Other expenses		(68,153)	(42,120)	(8,755)	(8,738)
Income before net financial		**418,602**	**519,249**	**102,255**	**295,805**
Financial income	28	634,161	1,017,307	421,501	734,687
Financial expenses	28	(833,101)	(1,300,555)	(555,687)	(962,648)
Net financial	28	**(198,940)**	**(283,248)**	**(134,186)**	**(227,961)**
Equity in net income of subsidiaries	14	(19,709)	65,430	230,671	192,426
Income (loss) before taxes		**199,953**	**301,431**	**198,740**	**260,270**
Current income tax and social contribution	30	(56,594)	(112,290)	(31,274)	(71,337)
Deferred income tax and social contribution	30	3,807	67,823	(20,300)	65,500
Total income tax and social contribution		**(52,787)**	**(44,467)**	**(51,574)**	**(5,837)**
Net income for the year		**147,166**	**256,964**	**147,166**	**254,433**
Income (loss) attributed to					
Controlling shareholders		147,166	254,433	147,166	254,433
Non-controlling shareholders		-	2,531	-	-
Net income for the year		**147,166**	**256,964**	**147,166**	**254,433**

See the accompanying notes to the financial statements.

Copersucar S.A.

Statements of comprehensive income

Years ended March 31, 2018 and 2017

(In thousands of Reais)

	Consolidated		Parent company	
	2018	**2017**	**2018**	**2017**
Net income for the year	147,166	256,964	147,166	254,433
Comprehensive income				
Reflexive accumulated translation adjustment	4,672	765	4,672	765
Accumulated translation adjustment	42,370	(102,010)	42,370	(102,010)
Non-Deliverable Forward - Investment hedge	(73,984)	191,855	(73,984)	191,855
Non-Deliverable Forward - Cash flow hedge	(6,635)	4,277	(6,635)	4,277
Swap hedge accounting	(15,287)	-	(15,287)	-
Income tax and social contribution	32,609	(66,685)	32,609	(66,685)
Total comprehensive income	**130,911**	**285,166**	**130,911**	**282,635**
Comprehensive income attributable to:				
Controlling shareholders	130,911	282,635	130,911	282,635
Non-controlling shareholders	-	2,531	-	-
Total comprehensive income	**130,911**	**285,166**	**130,911**	**282,635**

See the accompanying notes to the financial statements.

Copersucar S.A.

Statements of changes in shareholders’ equity

Years ended March 31, 2018 and 2017

(In thousands of Reais)

		Reserves										
	Capital	Capital reserve	Treasury shares	Legal reserve	Profit retention	Revaluation investment	Equity valuation adjustment	Retained earning	Additional dividend proposed	Shareholders’ equity attributed to controlling shareholders	Interest of non-controlling shareholders	Total
2016	180,301	-	(8)	21,614	10,702	143,742	(4,888)	-	-	351,463	108,504	459,967
Realization of deemed cost	-	-	-	-	-	-	(531)	531	-	-	-	-
Gains (losses) from disposal of treasury shares	-	1,769	-	-	-	-	-	-	-	1,769	-	1,769
Treasury shares	-	-	(126)	-	-	-	-	-	-	(126)	-	(126)
Comprehensive income for the year:									-	-		-
Reflexive accumulated translation adjustment	-	-	-	-	-	-	765	-	-	765	-	765
Hedge of a net investment in a foreign operation	-	-	-	-	-	-	24,614	-	-	24,614	-	24,614
Net cash flow hedge	-	-	-	-	-	-	2,823	-	-	2,823	-	2,823
Net income for the year	-	-	-	-	-	-	-	254,433	-	254,433	2,531	256,964
Distribution of income:									-	-		-
Legal reserve	-	-	-	12,722	-	-	-	(12,722)	-	-	-	-
Minimum mandatory dividends (R$ 0.00196 per share)	-	-	-	-	-	-	-	(2,417)	-	(2,417)	-	(2,417)
Profit retention - "Ad referendum“ Annual Shareholders’ Meetir	-	-	-	-	531	239,294	-	(239,825)	-	-	-	-
Transactions with non-controlling	-	-	-	-	-	-	-	-	-	-	(111,035)	(111,035)
2017	180,301	1,769	(134)	34,336	11,233	383,036	22,783	-	-	633,324	-	633,324
Realization of deemed cost	-	-	-	-	-	-	(583)	583	-	-	-	-
Gains (losses) from disposal of treasury shares	-	6,384	-	-	-	-	-	-	-	6,384	-	6,384
Treasury shares	-	-	(15,006)	-	-	-	-	-	-	(15,006)	-	(15,006)
Comprehensive income for the year:									-	-	-	-
Reflexive accumulated translation adjustment	-	-	-	-	-	-	4,671	-	-	4,671	-	4,671
Hedge of a net investment in a foreign operation	-	-	-	-	-	-	(6,459)	-	-	(6,459)	-	(6,459)
Net cash flow hedge	-	-	-	-	-	-	(4,379)	-	-	(4,379)	-	(4,379)
Hedge accounting - swap	-	-	-	-	-	-	(10,089)	-	-	(10,089)	-	(10,089)
Net income for the year	-	-	-	-	-	-	-	147,166	-	147,166	-	147,166
Legal reserve	-	-	-	1,725	-	-	-	(1,725)	-	-	-	-
Minimum mandatory dividends (R$ 0.00118 per share)	-	-	-	-	-	-	-	(1,454)	-	(1,454)	-	(1,454)
Additional dividends proposed	-	-	-	-	-	-	-	(40,546)	40,546	-	-	-
Profit retention - "Ad referendum“ Annual Shareholders’ Meetir	-	-	-	-	-	104,024	-	(104,024)	-	-	-	-
In 2018	180,301	8,153	(15,140)	36,061	11,233	487,060	5,944	-	40,546	754,158	-	754,158

See the accompanying notes to the financial statements.

Copersucar S.A.

Statements of cash flows

Years ended March 31, 2018 and 2017

(In thousands of Reais)

	Consolidated		Parent company	
	2018	**2017**	**2018**	**2017**
Cash flow from operating activities				
Net income for the year	**147,166**	**256,964**	**147,166**	**254,433**
Adjusted by:				
Equity in income of subsidiaries and associated companies	19,709	(65,430)	(230,671)	(192,426)
Subsidiary gains with exchange rate changes	(41,601)	94,466	-	-
Change in fair value of stock exchange	(648)	(2,286)		-
Depreciation and amortization	63,950	62,977	10,011	13,648
Deferred taxes	(3,807)	(67,823)	20,300	(65,500)
Interest and exchange rate on loans and financings	388,226	(156,948)	287,850	1,658
Net value of write-offs of fixed and intangible assets	53,179	999	50,759	853
Increase in provision for contingencies	379	(19,061)	510	(20,824)
Employee benefits	(2,312)	(17,768)	(15,302)	10,202
Change in inventories' fair values	199,119	356,384	53,740	188,788
Change in fair value of derivative financial instruments	(42,453)	(139,738)	(67,405)	291,176
Gain on interest in investments in associated companies	(60)	(10,627)	(60)	(10,627)
	-		-	
Changes in assets and liabilities				
(Increase) / decrease in trade accounts receivable	(273,409)	67,196	(169,951)	168,285
(Increase)/Decrease in operations with related parties	(328,271)	433,028	19,353	29,034
Decrease/(Increase) in inventories	15,938	(326,154)	31,092	(214,623)
Decrease / (increase) in recoverable taxes	33,155	19,763	32,700	(5,549)
Decrease/(Increase) in other accounts receivable	14,815	14,248	(12,900)	1,693
Increase in advance to supplier	259,807	87,218	2,457	4,789
(Decrease)/ increase in stock exchange transactions	(41,113)	57,862	(11,674)	(556)
(Increase) in judicial deposits	(15)	(14,314)	(526)	(12,951)
(Decrease) in suppliers	(163,802)	(226,822)	(358,073)	(103,711)
(Decrease)/Increase in social and labor obligations and employee benefits	(9,528)	22,530	(8,957)	19,360
Increase / (Decrease) in taxes and contributions payable	62,527	9,751	40,466	(14,718)
(Decrease) / Increase in other accounts payable	(11,405)	(30,022)	7,243	12,679
Interest paid on loans and financing	(307,981)	(217,477)	(230,735)	(177,140)
Income tax and social contribution paid	(13,680)	(8,869)	-	-
Dividends received	77,120	-	90,885	10,000
Net cash flow generated (used) in operating activities	**95,005**	**180,047**	**(311,722)**	**187,973**
Cash flows from investment activities				
Application of funds in investments	(133,348)	(252,674)	(133,929)	(145,139)
Application of funds in property, plant and equipment	(74,736)	(59,978)	(1,929)	(4,364)
Application of funds in intangible assets	(969)	-	-	(1)
Net cash used in investment activities	**(209,053)**	**(312,652)**	**(135,858)**	**(149,504)**
Cash flows from financing activities				
Disposal of treasury shares	(8,622)	1,642	(8,622)	1,642
Dividends paid	(2,417)	(308)	(2,417)	(308)
Loss of financial instrument - hedge of investment	(84,297)	(241,521)	(84,297)	(241,521)
Loans and financing obtained	3,235,845	3,647,155	2,715,804	1,920,429
Payments of loans and financing	(2,658,117)	(2,938,343)	(1,757,633)	(1,947,425)
Net cash generated/(used) in financing activities	**482,392**	**468,625**	**862,835**	**(267,183)**
Net increase / (decrease) in cash and cash equivalents	**368,344**	**336,020**	**415,255**	**(228,714)**
Statement of changes in cash and cash equivalents				
At the end of the year	1,669,443	1,264,785	891,470	476,215
Effect in exchange-rate change on cash and cash equivalents	36,314	(4,089)	-	-
At the beginning of the year	1,264,785	932,854	476,215	704,929
Net increase / (decrease) in cash and cash equivalents	**368,344**	**336,020**	**415,255**	**(228,714)**

See the accompanying notes to the financial statements.

Copersucar S.A.

Statements of added value

Years ended March 31, 2018 and 2017

(In thousands of Reais)

	Consolidated		Parent company	
	2018	**2017**	**2018**	**2017**
Income				
Sale of merchandise, products and services	29,431,178	29,208,743	8,409,863	9,182,624
Other income	62,065	(18,108)	(2,513)	6,113
Change in fair value of financial instruments	(53,013)	634,895	12,138	53,846
Estimated allowance for doubtful accounts	(352)	94	-	-
	29,439,878	**29,825,624**	**8,419,488**	**9,242,583**
Inputs acquired from third parties				
Cost of products, goods, and services sold	(27,894,769)	(28,723,674)	(7,649,091)	(8,780,696)
Materials, outsourced services and other	(250,440)	(263,702)	(52,122)	(64,503)
Other	(28,638)	(31,702)	(1,215)	(320)
	(28,173,847)	**(29,019,078)**	**(7,702,428)**	**(8,845,519)**
Gross added value	**1,266,031**	**806,546**	**717,060**	**397,064**
Depreciation and amortization	(63,950)	(62,977)	(10,011)	(13,648)
Added value received as transfer				
Equity in net income of subsidiaries	(19,709)	65,430	230,671	192,426
Financial income	634,161	1,017,307	421,501	734,687
Other	94,381	53,976	88,843	48,320
	708,833	1,136,713	741,015	975,433
Total added value payable	**1,910,914**	**1,880,282**	**1,448,064**	**1,358,849**
Distribution of added value	**(1,910,914)**	**(1,880,282)**	**(1,448,064)**	**(1,358,849)**
Personnel				
Direct remuneration	(132,104)	(130,196)	(33,129)	(34,193)
Benefits	(47,093)	(74,911)	(27,022)	(52,129)
FGTS	(9,178)	(8,750)	(2,951)	(2,968)
	(188,375)	(213,857)	(63,102)	(89,290)
Taxes, rates and contributions				
Federal	(112,727)	(62,798)	(72,106)	(25,818)
State	(598,606)	(22,118)	(603,964)	(20,422)
Municipal	(9,729)	(9,243)	(753)	(634)
	(721,062)	(94,159)	(676,823)	(46,874)
Third parties' capital remuneration				
Interest	(833,101)	(1,300,555)	(555,687)	(962,648)
Rentals	(21,210)	(14,747)	(5,286)	(5,604)
	(854,311)	(1,315,302)	(560,973)	(968,252)
Remuneration of own capital				
(Income) for the year	(147,166)	(254,433)	(147,166)	(254,433)
Non-controlling interest	-	(2,531)	-	-
	(147,166)	(256,964)	(147,166)	(254,433)

See the accompanying notes to the financial statements.

Notes to the financial statements

(In thousands of reais)

1 Operations

The Company, established as a privately-held corporation, domiciled in Brazil, is headquartered in the city of São Paulo (SP) and is mainly engaged in: import, export, manufacture, store, load and unload sugar; for ethanol and by-products in the domestic and international markets; commercial representation of sugar, ethanol and derivatives, land (air, river, sea) logistics, cargo shipments, including hazardous and acting as operator of multimodal transport; provision of technical and consultancy services related to the aforementioned activities and interest in capital of other entities.

The individual and consolidated financial statements of the Company for the year ended March 31, 2018 comprise the parent company and its subsidiaries.

The Company and its subsidiaries' fiscal year ends on March 31 of each year.

New businesses

(i) Joint venture with BP Biocombustíveis

On November 30, 2017, the Company announced to the market the intention of establishing a joint venture with BP Biocombustíveis, to operate the Ethanol Copersucar Terminal (TCE), located in Paulínia (SP). The establishment of the new partnership is in line with the Company's strategy of searching for growth and structural gains in logistics. The nova joint venture will optimize the ethanol logistics, with competitiveness and flexibility gains to serve the market.

The transaction was approved by the Brazilian Antitrust Authority (CADE) on January 03, 2018 and the formation was concluded on March 23, 2018. Each partner company holds a 50% share in the terminal, which will be operated on an independent basis.

The equity in net income of subsidiaries of TCE Participações composes the Company's result as from this date.

On November 29, 2017, the Special Shareholders' Meeting approved a capital increase upon the issue of 101,693,563 common shares, for one hundred and one million, six hundred and ninety-three thousand and five hundred and sixty two reais (R$ 101,693,562) in TCE Participações S.A., of which was capitalized, as detailed below:

Current assets	
Cash	16,001
Non-current assets	
Property, plant and equipment	88,266
Intangible assets	177
Investment property	48,866
Total assets	153,310
Current liabilities	
Loans and financing	15,577
Non-current liabilities	
Loans and financing	36,039
Total liabilities	**51,616**
Net assets	**101,694**

2 Company's entities

Entity	**City/State: - Country**	**2018**	**Main Activities**
Subsidiaries - Direct:			
Companhia Auxiliar de Armazéns Gerais S.A.	São Paulo/SP - Brazil	100.00000%	Sale of food products and goods in general on the wholesale market, rent warehouses, provide storage facilities, export sugar and other products of vegetable origin and undertake port operating activities.
Copersucar Armazéns Gerais S.A.	São Paulo/SP - Brazil	99.99997%	Sale on the wholesale market of food products and goods in general, wholesale and retail sale and distribution of fuels for vehicles or industries and rental of warehouses.
Copersucar Trading A.V.V.	Orangestad - Aruba	100.00000%	Importing and exporting sugar and ethanol, which are purchased from Cooperativa de Produtores de Cana-de-Açúcar, Açúcar e Álcool do Estado de São Paulo (Cooperative).
Copersucar Noth America, LLC	Franklin/TN - USA	100.00000%	To hold capital in other companies.
Copersucar Europe Espanha	Bilbao - Spain	100.00000%	Originates, sell and operates in sugar and ethanol global trading.
Subsidiary - Indirect:			
Eco-Energy Global Biofuels LLC	Franklin/TN - USA	100.00000%	Operates in an integrated manner in the biofuel supply chain, focusing on trade, logistics and marketing services.
Sugar Express Transportes S.A.	Ribeirão Preto/SP - Brazil	100.00000%	Responsible for the road transport of sugar and ethanol.
Terminal de Combustíveis Paulínia Ltda.	Paulínia/SP - Brazil	50.00000%	Ethanol storage.

Entity	**City/State: - Country**	**2018**	**Main activities**
Associated Companies:			
Centro de Tecnologia Canavieira S.A.	São Paulo/SP - Brazil	16.93150%	Research and development of new technologies to be applied in the agricultural activities, logistics and manufacturing processes of the sugarcane and sugar and alcohol sectors; research and development of sugarcane varieties, especially the genetic improvement of sugarcane; control of diseases and pests, particularly for biological control purposes; and transfer of agricultural, industrial and laboratory technologies.
Uniduto Logística S.A.	São Paulo/SP - Brazil	39.07370%	Develops, builds and operates pipelines to move liquids for marketing in domestic and foreign markets, intermodal terminals and port terminals for the export of such liquids; moreover, to participating in other companies whose business purpose is one or more activities listed in the previous items.
Jointly controlled entities:			
Logum Logística S.A.	Rio de Janeiro/RJ - Brazil	20.8174%	Implements the construction and operates intermodal and multimodal transportation networks of ethanol, oil byproducts and other biofuels for the domestic and foreign market; exploits activities directly or indirectly related to the intermodal and multimodal transportation services of ethanol, oil byproducts and other biofuels; takes part in projects which purpose is the promotion and development of intermodal and multimodal transportation of ethanol, oil byproducts and other biofuels; imports, exports, purchase, sells, distributes or lease all machinery and equipment related to the aforementioned activities and exploits an develops business opportunities related to placement of optical fiber cables in its easement strips.
Alvean Sugar Intermediação e Agenciamento Ltda.	São Paulo/SP - Brazil	50.00000%	Agency and intermediation in trading of white and raw sugar.
Alvean Sugar, S.L.	Bilbao - Spain	50.00000%	Originates, sells and acts in the global trading global of raw and white sugar.
TCE Participações S.A.	São Paulo/SP - Brazil	50.00000%	Ethanol storage.

3 Preparation basis

a. Statement of compliance (in relation to IFRS standards and CPC standards)

The individual and consolidated financial statements were prepared in accordance with the International Financial Reporting System (IFRS) issued by the International Accounting Standards Board (IASB) and accounting practices adopted in Brazil (BR GAAP).

The issue of financial statements was approved by the Executive Board on May 15, 2018.

Details on the Group's accounting policies are shown in Note 5.

All relevant information in interim financial information, and only them, are being evidenced and correspond to that used by Management.

b. Functional and presentation currency

These individual and consolidated financial statements are presented in Reais, which is the functional currency of the all the Company's entities, except for Copersucar North America LLC and Eco-Energy Global Biofuels LLC, the functional currency of which is the US dollar. All financial information presented in BRL has been rounded to the thousand nearest value, except otherwise indicated.

c. Use of estimates and judgments

The preparation of Company's individual and consolidated financial statements requires Management to make judgments, use estimates and adopt assumptions that affect the amounts presented for income, expenses, assets and liabilities, including contingent liabilities. However, uncertainty relating to these judgments, assumptions and estimates could lead to results that require a significant adjustment to the book value of certain assets and liabilities in future years.

Estimates and assumptions are reviewed on a continuous basis. Reviews of estimates are recognized on a prospective basis.

The significant accounting estimates, assumptions and judgments are as follows: useful life of fixed assets (note 5.h.iv), useful life of intangible assets (note 5.i.iv), inventories (note 9), deferred tax assets and liabilities and use of tax losses (note 13), investment property (note 15), provision for contingencies (note 22), financial instrument (note 23) and operating leases (note 32).

d. Measurement of fair value

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The Company uses observable market data as much as possible and the fair values are classified on hierarchical basis, according to evaluation techniques as follows:

- **Level 1**: Prices quoted (not adjusted) in active markets for identical assets and liabilities.

- **Level 2**: Inputs, except for quoted prices, included in Level 1 which are observable for assets or liabilities, directly (prices) or indirectly (derived from prices).

For this fiscal year, there are no fair value evaluations made by the Company that fits into Level 3 defined by CPC 40 (item 27A.c.).

The Company recognizes transfers between fair value hierarchic levels at the end of the financial statements year in which changes occurred.

When applicable to fair values, additional information about the assumptions made in the determination is disclosed in the notes specific to that asset or liability.

4 Measuring basis

The individual and consolidated financial statements were prepared based on the historical cost, except for the following material items recognized in the balance sheets:

- Derivative financial instruments measured at fair value;

- Non-derivative financial instruments designated at fair value through profit or loss are measured at fair value;

- Property, plant and equipment - measured at acquisition and deemed cost; and

- Inventories - calculate at fair value less sales expenses, mark-to-market, except for Anhydrous inventory, which is evaluate at average acquisition cost, not exceeding the net realizable value, as mentioned in Note 5 (item g).

5 Significant accounting policies

The accounting practices described below have been consistently applied to all the years presented in these individual and consolidated financial statements in accordance with IFRS and the accounting pronouncements issued by the Accounting Pronouncements Committee (CPC), unless otherwise stated.

The accounting policies have also been consistently applied by the Company's entities.

a. Consolidation basis

(i) Subsidiaries

The financial statements of the subsidiaries are included in the consolidated financial statements as from the date they start to be controlled by the Company until the date such control ceases. The accounting policies of the subsidiaries are aligned with the policies adopted by the Company.

The individual financial statements of the parent company, financial information of subsidiaries are recognized under the equity method.

(ii) Investments in jointly-controlled subsidiaries

A joint venture is a contractual agreement that joins together two or more parties for the purpose of executing a particular business undertaking which is subject to joint control.

The individual financial statements of the Parent company, financial information from joint ventures are recognized under the equity method.

(iii) Investments in associated companies

Associated Companies are the entities in which the Company has, directly or indirectly, significant influence but not control on financial and operating policies. The significant influence is characterized by the Company holding, directly or indirectly, from 20% to 50% of the voting rights of the other entity.

In the Parent company's individual financial statements, investments in associated companies are accounted for at the equity method and are initially recognized at cost. When the participation of the Company in the losses of an investee, whose shareholders' equity has been accounted for, exceeds its ownership interest in the investee recorded at the equity method, the book value of that ownership interest, including long-term investments, is reduced to zero and the recognition of additional losses is closed.

(iv) Transactions eliminated in the consolidation

Intragroup balances and transactions, and any income or expenses derived from intragroup transactions, are eliminated in the preparation of the consolidated financial statements. Unrealized gains arising from transactions with investees are eliminated against the investment. Unrealized losses are also eliminated, unless the transaction shall provide evidence of asset impairment.

(v) Non-controlling interest (NCI)

The Group chose to measure a non-controlling interest in the acquiree at their proportion in identifiable net assets on the acquisition date. Changes to the Company’s interest in a subsidiary that do not result in loss of control are accounted for as transactions of shareholders’ equity.

b. Operating income

(i) Sugar and ethanol sales

Operating income from sale of sugar and ethanol in the normal course of business is measured at the fair value of the consideration received or receivable, net of returns, commercial discounts and bonuses. Operating income is recognized when: (i) risks and benefits more significant related to ownership of the goods have been transferred to the purchaser; (ii) it is probable that the financial economic benefits will flow to the Company; (iii) costs and potential return of goods can be reliably estimated; (iv) there is no continuous involvement with the goods sold; and (v) the amount of operating income can be reliably measured. In the event it is probable that discounts will be granted and their amounts can be reliably measured, the discounts are recognized as to deduction from operating income as the related sales are recognized.

(ii) Rendering of services

Income (loss) from the provision of storage, logistics services and loading of sugar and ethanol are recognized when: (i) the amount of the income can be reliably estimated;
(ii) it is likely that the economic benefits related to the transaction will flow to the entity; (iii) the stage of completion of the transaction at the end of the reporting year can be reliably measured; and (iv) the expenses incurred for the transaction and the expenses to complete it can be reliably measured.

c. Financial income and expenses

Financial income substantially comprises interest income from interest earning bank deposits, foreign exchange gain of financial items and positive changes in the fair value of financial instruments used to hedge currency and interest rate risks, as well as gains on the settlement of these instruments. Interest income is recognized in profit or loss using the effective interest method.

Financial expenses substantially comprise interest expenses on loans, foreign exchange losses of financial items and negative changes in the fair value of financial instruments used to hedge currency and interest risks, as well as losses on the settlement of these instruments. Borrowing costs which are not directly attributable to the acquisition, construction, or production of a qualifying asset are accounted for in profit or loss using the effective interest rate method.

d. Foreign currency

(i) Foreign currency transactions

Transactions in foreign currency are translated into Reais (Company’s functional currency) at the exchange rates on the dates of the transactions. The balances of balance sheet accounts in foreign currency are translated at the exchange rates in effect on the date ofclosing of financial statements and gains or losses on exchange-rate change are recognized in the financial income (loss).

(ii) Foreign group companies

Regarding subsidiaries with Dollar as functional currency, assets and liabilities of foreign transactions are translated into Brazilian reais (parent company’s functional currency) at the exchange rate prevailing on presentation date. Income and expenses from foreign transactions are converted into reais at the average exchange rates (sale PTAX) calculated in the year.

Regarding the subsidiaries with functional currency - Reais, foreign currency differences generated in the translation to the currency presentation are recognized in the income (loss) for the year, since the functional currency of the operation abroad is the Real.

Theses exchange-rate changes are recognized in earnings or losses in the individual financial statements of the parent company or subsidiary.

For the translation of transactions in US dollar (Dollar) to the functional currency of the Company (Brazilian real), the following exchange rates were used for the Consolidated and Parent company:

	Average annual interest		**Spot closing rate**	
	2018	**2017**	**2018**	**2017**
R$/USD	3.2172	3.2983	3.3238	3.1684

e. Employee benefits

(i) Defined contribution plans

The Company offers to its employees a Private Defined Contribution Pension Plan, aimed to ensure to the employee the possibility of accumulating funds in order to guarantee a monthly income in the future, for the employee to maintain a dignified life standard after retirement. The Company’s pension plan is accessible to all the employees and administrators, on optional basis.

The employee who elects to join the plan may opt for two types: 1- Free Benefit Plan (PGBL) or 2- Free Benefit Life Insurance (VGBL). According to the approved rules of the plan, the employee may participate through basic or complementary contributions, and the Company contributes in parity with the basic contributions that the employee makes, up to the limit of 6% of the salary of contribution. In addition, the employee may make extraordinary contributions without payment by the Company.

(ii) Profit sharing and bonuses

The employees' participation in the profits and the variable remuneration of the executives are linked to the attainment of operating and financial goals. The Company recognizes a liabilities and expenses allocated to the production cost and to general and administrative expenses, when these goals are attained (Note 31).

f. Income tax and social contribution

The current and deferred income tax and social contribution charge is calculated based on enacted tax acts, at the balance sheet date of countries in which the Group's entities operate and generate taxable income. Management periodically evaluates the positions taken by the Group in the calculations of income tax with respect to situations in which applicable tax regulation is subject to interpretations; and establishes provisions when appropriate, on the basis of amounts expected to be paid to the tax authorities.

Income tax is computed on taxable income at the rate of 15%, plus a 10% surtax for income exceeding R$ 240 in the 12-month year, whereas social contribution is computed at the rate of 9% on taxable income, recognized on the accrual basis. In addition, offset of tax loss carryforwards may be carried out, limited to 30% of annual taxable income.

Expense with income tax and social contribution comprises both current and deferred taxes. Current and deferred taxes are recognized in income (loss), except for items directly recognized in Shareholders' equity or in other comprehensive income.

Current tax assets and liabilities are only offset if certain criteria are met.

(i) Current tax

Current tax is the tax payable or receivable on the taxable income or tax loss for the year and any adjustment to taxes payable of prior years, at abovementioned rates.

(ii) Deferred tax

Deferred tax is calculated on tax losses and negative calculation basis of social contribution, as well as temporary differences between tax calculation basis of on assets and liabilities and book values of financial statement.

A deferred income tax and social contribution asset is recognized to the extent that it is probable that future taxable income will be available against which the unused tax losses and credits can be utilized.

Deferred income tax and social contribution assets are reviewed at each date of preparation of financial statements and are reduced to the extent their realization is no longer probable.

(iii) Tax exposures

When determining deferred and current income tax, the Company takes into consideration the impact of uncertainties related to tax positions taken. The Company believes that the provision for income tax recorded in liabilities is adequate for all outstanding tax years, based on its evaluation of several factors, including interpretations of tax laws and past experience. This evaluation is based on estimates and assumptions and may involve several judgments on future events. New information may be provided, making the Company change its judgment on the adequacy of existing provisions and as a result, impact income tax expenses for the year in which they are made.

g. Inventories

The Company inventory is adjusted to market value (“mark to market”) less selling costs, except for Anhydrous inventory, which is evaluated at average acquisition cost, not exceeding the net realizable value. The net realizable amount is the sales price estimated for the normal course of the businesses, less estimated costs required to carry out the sale. In determining fair value, the Company uses as a reference the indices disclosed by public sources and related to the products and active markets where it operates. Changes in the fair value of these inventories are recognized in the income (loss) for the year.

h. Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment items are stated at historical acquisition or construction cost, net of depreciation and accumulated impairment losses, when applicable. Software acquired as an integral part of equipment functionalities are capitalized as part of the equipment.

The cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of assets built includes: materials and direct labor, any other costs directly attributable to bringing the assets to a working condition, dismantling and restoring the site on which they are located, and loan costs on qualifiable assets.

When parts of a property, plant and equipment item have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of a property, plant and equipment item are determined by comparing the proceeds from disposal with the book value of Property, plant and equipment and are recognized net within "Other operating income/expenses" in the income (loss).

(ii) Reclassification for investment property

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified as an investment property. Any increase resulting from this remeasurement is recognized in income (loss) to the extent the gain reverses earlier impairment loss of this property, which cannot exceed the book value initially recognized (net of depreciation). If there is a remaining increase, the same is recognized in equity evaluation adjustments, as part of other comprehensive income. Any decrease is recognized in income (loss).

(iii) Subsequent costs

The replacement cost of a component of property, plant and equipment is recognized in the book value of the item when it is probable that the future economic benefits embodied in the component will flow to the Company and its cost can be reliably measured. Book value of the component that has been replaced by another component and maintenance cost are accounted for in surplus and losses for the year as incurred.

(iv) Depreciation

Fixed asset items are depreciated from the date they are available for use, or, in the case of assets constructed by the Company, as of the date the construction is concluded and the asset is available for use. Depreciation is recognized in income (loss) under straight-line method in relation to estimated useful lives.

Depreciation is calculated on the depreciable values, which is the cost of an asset, or other amount that substitutes cost, less residual values.

The annual weighted average rates for the current and comparative year are as follow:

Annual weighted average rate:	**2018 and 2017**	
	Consolidated	**Parent company**
Constructions and improvements	1.90%	1.90%
Machinery and equipment	3.77%	2.86%
Data processing equipment	19.52%	19.52%
Furniture and fixtures	6.94%	6.95%
Vehicles	8.59%	8.50%
Leasehold improvements	4.92%	-

The depreciation methods, useful lives and residual values are reviewed at each reporting date, and adjusted if appropriate.

i. Intangible assets and goodwill

(i) Intangible assets with defined useful life

Intangible assets acquired by the Company with finite useful lives are measured at cost, less accumulated amortization and accumulated impairment losses, when applicable.

(ii) Intangible assets with undefined useful life

Goodwill

The goodwill calculated on the acquisition of Eco-Energy Global Biofuels, LLC shares is supported by expected future earnings. Every year and whenever there are indices of impairment loss, the Company assesses annually the likelihood of recovering the goodwill on these investments, to this end employing practices applied in the market regarding the subsidiary's cash flow.

(iii) Subsequent expenses

Subsequent expenses are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures, including expenditures on internally-generated goodwill and trademarks, are recognized in profit or loss as incurred. Book value of the intangible assets that has been replaced by another component is accounted for in surplus and losses for the year in which replacement occurred. Costs of maintenance on PP&E are recognized to the income statement as incurred.

(iv) Amortization

Amortization is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Amortization is recognized in income (loss) under “Administrative expenses” on a straight-line basis over the estimated useful lives of the intangible assets, except goodwill, as of the date they are available for use. Software estimated useful life for current and comparative years is 5 years.

j. Investment property

Investment property is property held to earn rentals or for capital appreciation or both, but not for sale in the ordinary course of business, or use in the production or supply of goods or services or for administrative purposes. Investment property is initially measured at cost and, subsequently, when significant, at fair value, and changes to fair value are recognized in the income (loss).

Cost includes expenses directly attributable to the acquisition of an investment property. The cost of investment property build by the owner includes the material used, direct labor, or any other cost directly attributable to bringing the investment property to a working condition for its intended purpose, and the capitalized interest on borrowings.

k. Financial instruments

(i) Non-derivative financial assets

The Company initially recognizes the loans and receivables at the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are initially recognized on the date of the negotiation under which the Company becomes a party to the contractual provisions of the instrument.

The non-derivative financial assets of the Company are financial assets measured at fair value through profit or loss and loans and receivables.

Financial assets measured at fair value through profit or loss

Financial assets are stated at fair value through profit or loss if the Company manages these investments and makes decisions on investment and redemption based on fair value according to the risk management and strategy of investment documented by the Company. The changes in fair value and the transaction costs, after the initial recognition, are recorded in the result for the year.

Assets measured at fair value through profit or loss comprise: inventories (except anhydrous compounds), derivatives of stock exchanges and unrealized financial instruments.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments, but not quoted on any active market. These assets are initially recognized at fair value and after the initial recognition, loans and receivables are measured at amortized cost through the effective interest method, less any impairment loss.

Loans and receivables comprise trade accounts receivable, other receivables, related parties and advance to supplier.

(ii) Non-derivative financial liabilities

The Company initially recognizes subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the negotiation date on which the Company becomes a party to the contractual provisions of the instrument. The Company fails to recognize a financial liability when its contractual obligations are discharged or canceled or expired.

Such financial liabilities are initially recognized at fair value. After their initial recognition, these financial liabilities are measured at amortized cost using the effective interest rate method.

Other non-derivative financial liabilities comprise loans and financing, suppliers, advance from clients and other accounts payable.

(iii) Capital

Common and preferred shares are classified as shareholders' equity.

The minimum mandatory dividends, as established in the By-laws, are recognized as liabilities. Additional dividends proposed should be approved by the Board of Directors of the Company and recognized in the Shareholders' equity under this caption.

(iv) Derivative financial instruments

The Company has derivative financial instruments: futures, swaps and NDFs (Non-Deliverable Forward) to hedge against interest, exchange and commodity price risks.

The objective of transactions involving derivatives is always related to the operation of the Company and the reduction of its exposure to currency and market risks, duly identified by established policies and guidelines. Income (loss) obtained from such operations are consistent with the policies and strategies defined by Management of the Company and all the gains or losses from these transactions with derivative financial instruments are recognized at its fair value.

Gains/losses related to unrealized derivative financial instruments arising from commodity price hedging and foreign exchange variation are recognized in gross profit. Effects of derivatives related to exchange risks of realized financial items and interest are recognized in the financial income (loss).

Derivatives are initially recognized at their fair value, while the attributable transaction costs are recognized in profit or loss when incurred. After the initial recognition, they are measured at fair value and changes accounted for in profit or loss for the year.

(v) Hedge of foreign investment, net

The Company uses hedge accounting for foreign currency differences between the operation’s functional currency abroad of the investee and functional currency of the parent company (Brazilian Real).

Within the conditions related to hedge effectiveness, exchange differences arising from the conversion of a financial liability designated as hedge, of a net investment in a foreign operation are recognized in other comprehensive income, and accumulated in equity valuation adjustments in the shareholders' equity.

(vi) Cash flow hedge

The Company uses hedge accounting for foreign currency differences and interest rates between the operation currency linked to Dollar and functional currency of the parent company (Brazilian Real).

Within the conditions related to hedge effectiveness, exchange differences arising from the conversion of a financial asset designated as hedge of a net debt in a foreign operation are recognized in other comprehensive income, and accumulated in equity valuation adjustments in the shareholders' equity.

l. Impairment

The Company reviews each reporting date in order to check if there is an indication of impairment loss and when there is objective evidence that a loss event has occurred after the initial recognition of the asset, and that such loss event has a negative effect on the projected future cash flows of that asset that can be reliably estimated. When it is possible to estimate the individual recoverable amount of an asset, the Company calculates the recoverable value of the cash generating unit to which the asset belongs.

When assessing impairment on an aggregate basis the Company makes use of historical trends of probability of default, the recovery term and the amounts of losses incurred, adjusted to reflect the Management's judgment regarding assumptions if the current economic and credit conditions are such that the actual losses will probably be higher or lower than those suggested by historical trends.

Provisions for estimated losses on receivables from the trade receivable portfolio are recognized in the income statement for the year under "Selling expenses" as an Estimated Provision for Doubtful Accounts (PECLD) in each year of recoverable value valuation, in accordance with IAS 39/CPC 38 - “Financial Instruments: Recognition and Measurement.”

The recoverable value of an asset or cash-generating unit is the greater of its value in use and its fair value less selling expenses. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market conditions as to the recoverability year of capital and the risks specific to the asset or CGU (Cash Generating Unit).

The Company's corporate assets do not generate separate cash inflows. If there is indication that a corporate asset is impaired, the recoverable value is determined for the CGU or group of CGUs to which the corporate asset belongs in a reasonable and consistent manner.

An impairment loss is recognized when the book value of an asset or its CGU exceeds its recoverable value. Impairment losses are recorded in the income (loss) for the year. Impairment losses recognized for CGUs are initially allocated to reduce the book value of any goodwill attributed to the CGUs and then, if there was a remaining loss, to reduce the book value of the other assets within the CGU or group of CGUS on a pro-rata basis.

On March 31, 2018 and 2017, the Company did not identify traces that the amount of these assets is lower than the realization value.

m. Provisions

A provision is recognized when the Company has a legal or constructive obligation as a result of a past event, which can be reliably estimated, and it is probable that an outflow of funds will be required to settle the obligation.

n. Leases

(i) Determining whether a contract contains a lease

At the beginning of the contract, the Group determines whether it is or contains a lease. At the start or upon revaluation of whether a contract contains a lease, the Group separates the payments and other consideration required by the lease from of those relating to the other elements of the contract based on the relative fair value of each element. For a financial lease, if the Group concludes that it is impracticable to separate payments reliably, then the asset and liability are recognized for an amount equal to the fair value of the assets, and subsequently the liability is reduced when payments are made and the financial cost associated with the liability is recognized using the Group's incremental funding rate.

(ii) Leased assets

Assets maintained as lease by the Company and that substantially transfer to the Company all ownership risks and benefits are classified as financial lease. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments.

Assets held under other leases are classified as operating leases and are not recognized in the Group's balance sheet.

(iii) Lease payments

The payments made under operating leases are recognized in the income statement on the straight-line basis, in accordance with the effective term of the lease. Lease incentives received, when applicable, are recognized as an integral part of the total lease expenses over the effective term of the lease.

o. Segment information

An operating segment is a component of the Company which engages in business activities from which it may earn income and incur expenses. Operating segments reflect the way the Company’s management reviews financial information for decision-making. Management defined the Group's operating areas based on reports employed to make decisions as follows: Trading of Sugar and Ethanol and Provision of Service.

p. Statements of added value

The Company prepared individual and consolidated statements of added value in accordance with the terms of technical pronouncement CPC 09 - Statement of Added Value, which are presented as an integral part of the financial statements as accounting practices adopted in Brazil applicable to publicly-held companies, whereas under IFRS they represent supplementary financial information.

q. New standards and interpretations not yet adopted

a) Standards, interpretations and amendments of standards not yet in effect and that were not adopted in advance by the Company.

	Key requirements	Date of entry into force	Appraisal
IFRS 15 / CPC47	“Income Recognition”, IFRS 15 requires the recognition of income to be done in such a way as to depict the transfer of goods or services to the client for an amount that reflects the company's expectation of having the rights of those goods or services in exchange.	Applicable to years starting on or after January 1, 2018 (in the case of the Company, as from April 1, 2018).	The Company does not expect a significant impact on its financial statements. The Company intends to take advantage of the exemption that allows it not to re-report comparative information from prior periods resulting from changes in the classification and measurement of financial instruments (including expected credit losses). The differences in the book balances of financial assets and liabilities resulting from the adoption of CPC 47/IFRS 15 will be recognized in retained earnings and reserves as of April 1, 2018.
IFRS 9 / CPC 48	“Financial Instruments”, IFRS 9 retains, but simplifies, the combined model measurement and establishes two main categories for measuring financial assets: amortized cost and fair	Applicable to years starting on or after January 1, 2018 (in the case of the Company, as from April 1, 2018).	The Company does not expect a significant impact on its individual and consolidated financial statements in the application of IFRS 9 requirements for classification and measurement, because it will continue measuring at fair

	Key requirements	Date of entry into force	Appraisal
	value. The basis for classification depends on the entity's business model and the contractual cash flow features of the financial asset. The standard establishes only one model for impairment and redrafted the hedge accounting model.		value all financial assets currently measured under this criterion, which are the most financially significant. Financial assets previously classified as loans and receivables will be classified as amortized cost. The Company intends to take advantage of the exemption that allows it not to re-report comparative information from prior periods resulting from changes in the classification and measurement of financial instruments (including expected credit losses). The differences in the book balances of financial assets and liabilities resulting from the adoption of CPC 48/IFRS 09 will be recognized in retained earnings and reserves as of April 1, 2018.
IFRIC 22 / ICPC 21	"Transaction in Foreign Currency and Advance" establishes the principles for recognition, measurement, presentation and disclosure of non-monetary assets and liabilities resulting from advanced payment or receipt.	Applicable to years starting on or after January 1, 2018 (in the case of the Company, as from April 1, 2018).	In the next year, the Company plans to assess the potential effect of the adoption of said technical interpretation on its individual and consolidated financial statements.
IRFS 16 / CPC 06 (R2)	"Leases". IFRS 16 will replace IAS 17 and related interpretations, establishes the principles for recognition,	Applicable to years starting on or after January 1, 2019 (in the case of the Company, as from April 1, 2019).	In the next year, the Company plans to evaluate the potential effect of the adoption of IFRS 16 on its individual and consolidated financial

	Key requirements	Date of entry into force	Appraisal
	measurement, presentation and disclosure of leases.		statements.

b) Other amendments

The following changed standards and interpretations should not have a significant impact on Company's individual and consolidated financial statements.

- Cycle of annual improvements for IFRS 2014-2016 - Amendments to IFRS 1 and IAS 28;
- Amendments to CPC 10 (IFRS 2) - Share-based payment in relation to classification and
measurement of certain transactions with share-based payment;
- Amendments to CPC 36 Consolidated Statements (IFRS 10) and CPC 18 Investments in Associated Company (IAS 28) in relation to sales or contributions of assets between an investor and its associated company or joint venture.
- IFRIC 23 Uncertainty related to Income Tax Treatments.

The Accounting Pronouncements Committee has not yet issued any accounting pronouncement or amendments in current pronouncements corresponding to all IFRS new standards. Therefore, the early adoption of these IFRS is not permitted for entities that disclose their financial statements according to accounting practices adopted in Brazil.

6 Operating segments

Management defined the Group's operating areas based on reports employed to make decisions as follows: Trading of Sugar and Ethanol and Provision of Service.

- **Trading of Sugar and Ethanol -** Purchase and sale in the domestic and international market of raw sugar, white sugar, anhydrous ethanol and hydrous ethanol.

- **Provision of services -** comprises the results from the provision of storage, logistics and loading services for sugar and ethanol.

The selected information on results by segment, measured based on the same accounting policies used in the preparation of the consolidated financial statements, are as follows:

	2018			**2017**		
	Sugar/Ethanol	**Services**	**Total**	**Sugar/Ethanol**	**Services**	**Total**
Net income (a)	28,028,116	473,226	28,501,342	28,465,713	439,075	28,904,788
Cost of sales	(27,551,251)	(235,645)	(27,786,896)	(27,846,288)	(202,170)	(28,048,458)
Gross margin	476,865	237,581	714,446	619,425	236,905	856,330

(a) The amounts shown as net income include the Income from unrealized derivative financial instruments, separately disclosed in the statements of income.

Breakdown of consolidated net operating income per geographic area is as follows:

Region/Country	**2018**	**2017**
United States	14,037,403	12,920,756
Brazil	7,446,100	8,363,968
Switzerland	4,174,436	3,581,783
United Arab Emirates	1,176,493	1,436,172
Canada	840,527	969,562
Seychelles Islands	749,484	834,262
South Korea	99,342	8,725
Holland	30,570	-
Japan	-	79,941
China	-	50,740
Spain	-	13,744
Uruguay	-	9,113
Great Britain	-	1,127
Total	**28,554,355**	**28,269,893**

7 Cash and cash equivalents

	Consolidated		**Parent company**	
	2018	**2017**	**2018**	**2017**
Cash	25	27	25	26
Bank - Checking account	741,105	768,808	5,867	6,042
Investment fund	483,868	390,579	483,868	390,579
Interest earning bank deposits	444,445	105,371	401,711	79,568
Total	**1,669,443**	**1,264,785**	**891,471**	**476,215**

The balances of investment funds are remunerated by quotas, equivalent to 99% of CDI (average 12 months) on March 31, 2018 (101% on March 31, 2017).

The balances of interest earning bank deposits are represented by fixed-income securities, substantially remunerated at 89% (Debentures) of CDI-CETIP Certificate of Interbank Deposit changes (99% as of March 31, 2017), have daily liquidity and can be redeemed immediately, without a fine or loss of yield.

For more information on the Company's exposure to interest, foreign currency and liquidity risks, see Note 23.

8 Trade accounts receivable

	Note	Consolidated		Parent company	
		2018	2017	2018	2017
Domestic market clients		296,059	212,249	341,073	244,497
Foreign market clients		658,385	450,910	-	-
Related parties	25	18,056	31,131	91,012	17,637
Total		**972,500**	**694,290**	**432,085**	**262,134**

The Company's exposure to credit risks, as well as balances average age, currency risk and impairment losses related to trade accounts receivable are disclosed in note 23.

Trade accounts receivable are classified as receivables stated at amortized cost. The Company assessed the adjustment to present value, with the CDI - Interbank Deposit Certificate market rate, of its balances of accounts receivable as of March 31, 2018 and 2017, and concluded that the amounts substantially match the book values presented on the balance sheet.

9 Inventories

	Consolidated		Parent company	
	2018	2017	2018	2017
Sugar	1,174,213	1,341,107	508,607	599,421
Ethanol	848,124	895,598	511,124	505,580
Gasoline	1,521	578	-	-
RIN / LCFS	21,297	26,762	-	-
Natural gas	13,161	12,216	-	-
Stocks, packaging, and others	15,830	12,942	8,544	8,106
Total	**2,074,146**	**2,289,203**	**1,028,275**	**1,113,107**

For sugar inventories designated for the foreign market there is an advance for clients in liabilities (prepayment) in the amount of R$978,912 on March 31, 2018 and R$ 1,310,656 on March 31, 2017, pursuant to note 21, of the jointly-controlled subsidiary Alvean Sugar S.L.

The inventory volumes of Anhydrous Ethanol of the Company as of March 31, 2018 are in compliance with the requirements of ANP Resolution 67 of December 2011 (art.10), and are evaluated at average acquisition cost, not exceeding the net realizable value.

The inventories of tradable products - sugar, ethanol (except for anhydrous compounds), gasoline (and gasoline by-products), RINs and LCFS (Renewable Identification Numbers and Low Carbon Fuel Standard) are valued at fair value based on quoted market prices (mark to market) less costs to sell. On a monthly basis, the acquisition cost, without including freight and storage expenses and recoverable taxes, is compared with the equivalent quoted market price as of the reporting date. Reference prices are available to the public and obtained from active markets, as follows:

- Prices of raw sugar contracts negotiated on the Intercontinental Exchange (ICE) (sugar contract *#11*) / NYBOT;
- Prices of domestic sugar contracts disclosed by the Center for Advanced Studies on Applied Economics (CEPEA) of the Luiz de Queiroz School of Agriculture from the University of São Paulo (USP);
- Prices of anhydrous and hydrated ethanol disclosed by the Center for Advanced Studies on Applied Economics (CEPEA) of the Luiz de Queiroz School of Agriculture from the University of São Paulo (USP);
- Prices of anhydrous ethanol over-the-counter contracts, based on *Ethanol (Platts) T2 FOB Rotterdam*, disclosed by CME Group;
- Prices of anhydrous ethanol over-the-counter contracts, based on *Chicago Ethanol (Platts) Swap Futures*, disclosed by CME Group.
- Prices of Renewable Identification Numbers (RINs)/ Low Carbon Fuel Standards (LCFs), with different expiry dates, as published by the Oil Price Information Service (OPIS)/ Heating Oil Bio Reference;
- Prices of gasoline and its by-products (C5, CBOB, Agreement 93 and NC4), as published by the Oil Price Information Service (OPIS) (C5 and NC4) and by Platts - CME Group (CBOB and Agreement 93).
- Price of natural gas - Nymex henry hub gas futures, disclosed by the CME Group.

The adjustment amount is accounted for under "Selling costs" on the income statement for the year.

The reference prices used to determine the fair value of inventories each year are as follows - in Reais:

Commodity	**Market index**	**Unit**	**2018**	**2017**
Raw sugar	Sugar #11 (ICE/NYBOT)	¢lb	12.25	16.76
White sugar	Crystal Sugar (CEPEA/ESALQ)	R$/ton	1,068.00	1,480.00
Anhydrous ethanol	Anhydrous ethanol (CEPEA/ESALQ)	R$/m3	2,076.1	1,697.60
Hydrous ethanol	Hydrous ethanol (CEPEA/ESALQ)	R$/m3	1,852.2	1,526.40
Anhydrous ethanol (Europe)	Ethanol (Platts) T2 FOB Rotterdam (CME Group)	EUR/m3	443.07	525.00
Anhydrous ethanol (USA)	Ethanol (Platts) Chicago Platts (CME Group)	USD/GL	1.55	1.69
Gasoline	OPIS/ Platts	USD/GL	1.70	1.42
RIN	OPIS / Heating Oil Reference	US$/unit	0.44	0.53
Natural gas	Nymex henry hub gas futures	USD/mmbtu	2.51	3.01

10 Recoverable taxes and contributions

	Consolidated		Parent company	
	2018	**2017**	**2018**	**2017**
ICMS	108,341	127,316	106,344	126,934
IPI	9,265	9,265	9,265	9,265
PIS	16,709	22,173	13,851	16,155
COFINS	61,651	54,767	61,281	54,564
IRPJ	42,564	48,343	41,401	48,102
CSLL	4,990	14,812	4,903	14,725
Total	**243,520**	**276,676**	**237,045**	**269,745**

11 Advances to suppliers

	Note	Consolidated		Parent company	
		2018	**2017**	**2018**	**2017**
Related parties	25	-	271,196	-	-
Other suppliers		63,845	52,096	9,447	11,904
Total		**63,845**	**323,292**	**9,447**	**11,904**

They mainly correspond to advances for future delivery of sugar regarding the 2018/2019 crop.

12 Stock Exchange transactions

Refers to the balances receivable and payable of deposited amounts related to the premiums and adjustments paid or received in transactions with derivative instruments not settled on the Stock Exchange.

13 Deferred tax assets and liabilities

Deferred tax assets and liabilities were allocated as follows:

Consolidated	Assets		Liabilities		Net	
	2018	**2017**	**2018**	**2017**	**2018**	**2017**
Intangible assets	14,974	14,974	-	-	14,974	14,974
Deferred exchange-rate change	42,436	10,921	-	-	42,436	10,921
Provisions	15,608	33,056	-	-	15,608	33,056
Adjustment to fair value	-	-	(27,483)	(21,516)	(27,483)	(21,516)
Depreciation	-	-	(65,699)	(47,207)	(65,699)	(47,207)
Tax loss carryforwards	201,054	195,746	-	-	201,054	195,746
Fair value of inventories	12,451	-	-	(6,155)	12,451	(6,155)
Derivatives	-	21,562	(14,234)	-	(14,234)	21,562
Deemed cost	-	-	(10,543)	(6,554)	(10,543)	(6,554)
			-		109,438	
	109,438					
Hedge from foreign investment		78,241		(1,410)		76,831
Other	56,531	39,477	-	(13,017)	56,531	26,460
			(117,959)			
Total	452,492	393,977		(95,859)	334,533	298,118

Parent company	**Assets**		**Liabilities**		**Net**	
	2018	**2017**	**2018**	**2017**	**2018**	**2017**
Intangible assets	14,974	14,974	-	-	14,974	14,974
Deferred exchange-rate change	41,390	12,193	-	-	41,390	12,193
Provisions	11,074	11,747	-	-	11,074	11,747
Adjustment to fair value	-	-	(26,580)	(21,484)	(26,580)	(21,484)
Tax loss carryforwards	164,005	192,494	-	-	164,005	192,494
Fair value of inventories	12,451	-	-	(5,821)	12,451	(5,821)
Derivatives	-	19,587	(14,166)	-	(14,166)	19,587
Hedge from foreign investment	108,593	78,241	-	-	108,593	78,241
Other	39,719	39,478	-	-	39,719	39,478
Total	392,206	368,714	(40,746)	(27,305)	351,460	341,409

Changes in temporary differences during the year:

Consolidated	**2016**	**Recognized in income**	**Recognized in other comprehensive income**	**2017**	**Recognized in the income**	**Recognized in other comprehensive income**	**2018**
Intangible assets	14,974	-	-	14,974	-	-	14,974
Deferred exchange-rate change	42,307	(31,386)	-	10,921	31,515	-	42,436
Provisions	30,069	2,987	-	33,056	(17,448)	-	15,608
Adjustment to fair value	-	(21,516)	-	(21,516)	(5,968)	-	(27,483)
Depreciation	(52,650)	5,443	-	(47,207)	(18,492)	-	(65,699)
Tax loss carryforwards	249,498	(53,752)	-	195,746	5,308	-	201,054
Fair value of inventories	(70,383)	64,228	-	(6,155)	18,606	-	12,451
Derivatives	(40,012)	61,574	-	21,562	(35,796)	-	(14,234)
Deemed cost	(6,827)	273	-	(6,554)	(3,990)	-	(10,544)
Hedge from foreign investment	143,516	-	(66,685)	76,831	-	32,608	109,439
Other	(13,512)	39,972	-	26,460	30,071	-	56,531
Total	**296,980**	**67,823**	**(66,685)**	**298,118**	**3,806**	32,608	**334,533**

Parent company	**2016**	**Recognized in income**	**Recognized in other comprehensive income**	**2017**	**Recognized in the income**	**Recognized in other comprehensive income**	**2018**
Intangible assets	14,974	-	-	14,974	-	-	14,974
Deferred exchange-rate change	42,160	(29,967)	-	12,193	29,197	-	41,390
Provisions	8,657	3,090	-	11,747	(673)	-	11,074
Adjustment to fair value	-	(21,484)	-	(21,484)	(5,096)	-	(26,580)
Tax loss carryforwards	241,894	(49,399)	-	192,495	(28,489)	-	164,006
Fair value of inventories	(70,008)	64,187	-	(5,821)	18,272	-	12,451
Derivatives	(40,012)	59,599	-	19,587	(33,753)	-	(14,166)
Hedge from foreign investment	143,472	-	(65,231)	78,241	-	30,351	108,592
Other	3	39,473	-	39,476	242	-	39,719
Total	**341,140**	**65,500**	**(65,231)**	**341,409**	**(20,300)**	30,351	**351,460**

Deferred tax assets were recognized, since Management analyzed its estimates of future earnings and considered it probable that future taxable earnings against which these expenses can be charged will be available.

14 Investments

The Company recorded a gain of R$ 230,671 in parent company and loss of R$ 19,709 in consolidated as of March 31, 2018 (gain of R$ 192,426 in parent company and R$ 65,430 in consolidated as of March 31, 2017) arising from equity in the earnings of its associated companies, subsidiaries and joint ventures in individual financial statements.

The chart above presents a summary of the equity income of subsidiaries, associated companies and joint ventures.

	% interest	Number of shares/quotas	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Shareholders' equity	Income	Other income (losses)	Income or loss for the year	Equity in net income of subsidiaries	
2018													**Parent company**	**Consolidated**
Companhia Auxiliar de Armazéns Gerais **(a)**	100.00000	2,019,843	84,449	332,987	417,436	52,065	116,645	168,710	248,726	190,075	(140,007)	50,068	50,068	-
Copersucar Armazéns Gerais **(a)**	99.99997	3,512,925	15,678	2,190	17,868	4,369	-	4,369	13,499	20,328	(16,722)	3,606	3,606	-
TCE Participações **(a)**	50.00000	50,847,531	10,349	135,738	146,087	15,717	29,668	45,385	100,702	1,770	(2,664)	(894)	(894)	(99)
Copersucar Europe Spain **(a)**	100.00000	3,000	675	-	675	-	-	-	675	104	(10)	94	94	-
Copersucar Trading A.V.V. **(a)**	100.00000	24,253,702	2,121,563	83,700	2,205,263	1,777,046	-	1,777,046	428,217	7,913,493	(7,725,176)	188,317	188,317	-
Copersucar North America LLC **(a)**	100.00000	100	1,057,478	600,709	1,658,187	931,218	551,452	1,482,670	175,517	14,263,680	(14,253,408)	10,272	10,273	-
CTC-Centro de Tecnologia Canavieira S.A. **(c)**	16.93155	135,769	196,915	591,200	788,115	85,474	146,821	232,295	555,820	219,333	(205,026)	14,307	2,422	2,422
Uniduto Logística S.A.)	39.07370	279,785,119	1,069	189,526	190,595	15	-	15	190,580	6	(206)	(200)	(78)	(78)
Logum Logística S.A. **(b)**	20.8174	2,798,713,392	63,844	1,994,133	2,057,977	1,031,575	327	1,031,902	1,026,075	218,220	(351,830)	(133,610)	(28,060)	(28,060)
Alvean Sugar Intermediação e Agenciamento Ltda**. (b)**	50.00000	100,000	10,168	586	10,754	2,426	21	2,447	8,307	22,513	(18,226)	4,287	2,143	2,143
Alvean Sugar, S.L. **(b)**	50.00000	764,020	3,314,169	25,174	3,339,343	1,954,010	40,483	1,994,493	1,344,850	15,195,852	(15,190,292)	5,560	2,780	2,780
Terminal de Richmond, VA **(b)**	50.00000	-	3,593	8,944	12,537	312	-	312	12,225	2,366	-	2,366	-	1,183
													230,671	(19,709)
2017														
Companhia Auxiliar de Armazéns Gerais **(a)**	100.00000	2,019,843	77,932	310,082	388,014	87,655	128,187	215,842	172,172	201,684	(146,412)	55,272	55,272	-
Copersucar Armazéns Gerais **(a)**	99.99997	3,512,925	9,277	8,533	17,810	1,748	70	1,818	15,992	19,862	(16,045)	3,817	3,817	-
Sugar Express Transportes S.A. **(a)**	99.99000	49,995	-	-	-	-	-	-	-	8,260	(8,102)	158	158	-
Copersucar Trading A.V.V. **(a)**	100.00000	24,253,702	2,314,500	34,337	2,348,837	1,592,488	516,449	2,108,937	239,900	8,071,764	(8,008,354)	63,410	63,410	-
Copersucar North America LLC **(a)**	100.00000	100	1,027,431	539,417	1,566,848	648,388	760,972	1,409,360	157,488	13,391,299	(13,386,373)	4,926	4,926	-
CTC-Centro de Tecnologia Canavieira S.A. **(c)**	16.93155	135,769	326,970	485,988	812,958	84,859	186,589	271,448	541,510	173,472	(160,941)	12,531	1,966	1,966
Uniduto Logística S.A.)	39.07370	207,819,638	1,298	139,744	141,042	62	-	62	140,980	58	(314)	(256)	(110)	(110)
Logum Logística S.A. **(b)**	21.28315	1,822,713,392	384,024	2,003,888	2,387,912	1,721,434	-	1,721,434	666,478	232,653	(409,406)	(176,753)	(38,597)	(38,597)
Alvean Sugar Intermediação e Agenciamento Ltda**. (b)**	50.00000	100,000	7,558	633	8,191	4,158	12	4,170	4,021	16,829	(14,841)	1,988	994	994
Alvean Sugar, S.L. **(b)**	50.00000	764,020	4,171,905	37,479	4,209,384	2,735,186	59,240	2,794,426	1,414,958	16,060,298	(15,859,117)	201,181	100,590	100,590
Terminal de Richmond, VA **(b)**	50.00000	-	1,952	9,290	11,242	200	-	200	11,042	1,174	-	1,174	-	587
													192,426	65,430

(a) Subsidiary

(b) Joint control

(c) Associated Company

The table below presents the breakdown of investments:

	Consolidated		Parent company	
	2018	**2017**	**2018**	**2017**
Copersucar Armazéns Gerais S.A.	-	-	13,498	15,991
Companhia Auxiliar de Armazéns Gerais	-	-	236,837	172,172
Logum Logistica S.A.	201,650	131,761	201,650	131,761
Uniduto Logistica S.A.	78,995	59,614	78,995	59,614
CTC - Centro de Tecnologia Canavieira S.A.	95,720	93,298	95,720	93,298
Copersucar North América LLC	-	-	175,515	157,486
Copersucar Trading A.V.V.	-	-	428,217	239,900
TCE Participações S.A.	50,351	-	50,351	-
Copersucar Europe Espanha	-	-	675	-
Alvean Sugar Intermediação e Agenciamento Ltda.	4,153	2,010	4,153	2,010
Alvean Sugar, S.L.	672,425	707,480	672,425	707,480
	1,103,294	**994,163**	**1,958,036**	**1,579,712**
Other unconsolidated investments - valued at fair value:				
Other investments	10,431	8,970	133	133
	10,431	**8,970**	**133**	133
Total investments	**1,113,725**	**1,003,133**	**1,958,169**	**1,579,845**

Capital increases at Logum in 17/18 crop:

During the year ended March 2018, Company’s capital increase was resolved, approved and subscribed totaling R$ 498,000. The Company recorded in this operation, in accordance with its participation, the amount of R$ 493,207, paid up through credit to current account and R$ 4,793 on settlement of advance for future capital increase.

At the end of these transactions, the Company started to hold ownership interest of 20.8174%, respectively, in Logum (21.2831% as of March 31, 2017).

15 Investment property

Parent company	**Land**	**Construction and improvements**	**Assets under construction**	**Total**
Cost				
Balance in 2017	**15,527**	**60,877**	**26**	**76,430**
Transfers		646	(26)	620
Write-offs (a)	(10,094)	(41,186)	-	(51,280)
Corporate changes (b)	(5,433)	(20,337)	-	(25,770)
Balance in 2018	**-**	**-**	**-**	**-**
Depreciation				
Balance in 2017	**-**	**(5,687)**	**-**	**(5,687)**
Depreciation for the year	-	(1,188)	-	(1,188)
Write-offs (a)	-	2,414	-	2,414
Corporate changes (b)	-	4,461	-	4,461
Balance in 2018	**-**	**-**	**-**	**-**
Net book value				
2017	**15,527**	**55,190**	**26**	**70,743**
In 2018	**-**	**-**	**-**	**-**

Until March 31, 2017, the parent company Copersucar S.A had an Ethanol tanking and storage park, previously maintained as investment property through lease to the related party - Copersucar Armazéns Gerais, located at Av. Paris, nº 4077, Paulínia - SP, as well as a multimodal terminal for storage of sugar located at Rua Peru, 2400, Ribeirão Preto - SP.

(a) *Significant write-offs in the year:*
During the fiscal year, there was the write-off of the Ethanol tanking and storage terminal, due to the transfer of this terminal to the company TCE Participações S.A, to make feasible the establishment of a Joint Venture between BP Biocombustível and Copersucar S.A.

(b) *Corporate changes:*
The changes occurred during the year is the result of the transfer of assets from Copersucar S/A to the subsidiary Companhia Auxiliar de Armazéns Gerais, by means of capital contribution.

16 Property, plant and equipment

Consolidated	**Land**	**Construction and improvements**	**Machinery and equipment**	**Data processing equipment**	**Furniture and fixtures**	**Vehicles**	**Backing of products**	**Leasehold improvements**	**Fixed assets under construction**	**Total**
Cost										
Balance in 2017	25,096	97,332	453,557	2,984	10,611	24,486	1,459	299,775	47,580	962,880
Exchange-rate change	469	1,882	9,416	-	374	1,660	-	2,156	3,131	19,088
Additions	-	-	552	165	412	11,844	-	8	61,755	74,736
Write-offs (a)	(10,094)	(41,186)	(100,783)	(220)	(206)	(866)	-	-	(1,207)	(154,562)
Corporate changes (b)	-	(4,426)	(3,647)	(37)	8	(40)	-	-	-	(8,142)
Transfers	-	13,578	21,589	64	4	4,725	-	16,380	(57,371)	(1,031)
Balance in 2018	**15,471**	**67,180**	**380,684**	**2,956**	**11,203**	**41,809**	**1,459**	**318,319**	**53,888**	**892,967**
Depreciation										
Balance in 2017	**-**	**(11,852)**	**(116,444)**	**(1,977)**	**(5,597)**	**(8,287)**	**-**	**(56,039)**	**-**	**(200,196)**
Exchange-rate change	-	(393)	(2,352)	-	(233)	(472)	-	(341)	-	(3,791)
Depreciation for the year	-	(4,476)	(25,998)	(229)	(1,449)	(3,404)	-	(14,037)	-	(49,593)
Write-offs (a)	-	2,414	12,510	122	42	408	-	-	-	15,496
Corporate changes (b)	-	4,461	3,592	44	5	40	-	-	-	8,142
Balance in 2018	**-**	**(9,846)**	**(128,692)**	**(2,040)**	**(7,232)**	**(11,715)**	**-**	**(70,417)**	**-**	**(229,942)**
Net book value										
2017	**25,096**	**85,480**	**337,113**	**1,007**	**5,014**	**16,199**	**1,459**	**243,736**	**47,580**	**762,684**
In 2018	**15,471**	**57,334**	**251,992**	**916**	**3,971**	**30,094**	**1,459**	**247,902**	**53,888**	**663,027**

Parent company	**Machinery and equipment**	**Data processing equipment**	**Furniture and fixtures**	**Vehicles**	**Fixed assets under construction**	**Total**
Cost						
Balance in 2017	**103,968**	**2,480**	**2,725**	**1,554**	**2,381**	**113,108**
Additions	9	125	136	426	1,233	1,929
Write-offs (a)	(98,962)	(220)	(206)	(471)	(159)	(100,018)
Corporate changes (b)	(6,046)	(67)	(15)	(205)	(789)	(7,122)
Transfers	1,543	64	-	-	(2,399)	(792)
Balance in 2018	**512**	**2,382**	**2,640**	**1,304**	**267**	**7,105**
Depreciation						
Balance in 2017	**(12,128)**	**(1,717)**	**(1,468)**	**(274)**	**-**	**(15,587)**
Depreciation for the year	(3,028)	(129)	(186)	(146)	-	(3,489)
Write-offs (a)	11,136	122	42	143	-	11,443
Corporate changes (b)	3,593	44	5	41	-	3,683
Balance in 2018	**(427)**	**(1,680)**	**(1,607)**	**(236)**	**-**	**(3,950)**
Net book value						
2017	**91,840**	**763**	**1,257**	**1,280**	**2,381**	**97,521**
2018	**85**	**702**	**1,033**	**1,068**	**267**	**3,155**

(a) *Significant write-offs in the year:*
A substantial portion of write-offs occurred in the fiscal year are described in note 15 (a).

(b) *Corporate changes:*
A substantial portion of changes occurred in the year are described in note 15 (b).

17 Intangible assets

Consolidated	**Software**	**Brands**	**Goodwill**	**Client relationship and other**	**Total**
Cost					
Balance in 2017	**56,104**	**6,665**	**196,125**	**50,040**	**308,934**
Exchange-rate change	870	341	9,619	2,635	13,465
Additions	970	-	-	-	970
Write-offs (b)	(414)	-	-	-	(414)
Corporate changes (a)	(27)	-	-	-	(27)
Transfers	1,029	-	-	-	1,029
Balance in 2018	**58,532**	**7,006**	**205,744**	**52,675**	**323,957**
Amortizations					
Balance in 2017	**(38,821)**	**(2,566)**	-	**(20,367)**	**(61,754)**
Exchange-rate change	(715)	(167)	-	(1,331)	(2,213)
Write-offs (b)	237		-		237
Amortization for the year	(6,757)	(712)	-	(5,272)	(12,741)
Corporate changes (a)	27	-	-		27
Balance in 2018	**(46,029)**	**(3,445)**	-	**(26,970)**	**(76,444)**
Book value					
2017	**17,283**	**4,099**	**196,125**	**29,673**	**247,180**
In 2018	**12,503**	**3,561**	**205,744**	**25,705**	**247,513**

Parent company	**Software**	**Brands**	**Total**
Cost			
Balance in 2017	**39,160**	**137**	**39,297**
Write-offs (a)	(414)	-	(414)
Corporate changes (b)	(45)	-	(45)
Transfers	172	-	172
Balance in 2018	**38,873**	**137**	**39,010**
Amortizations			
Balance in 2017	**(25,834)**	**-**	**(25,834)**
Write-offs (a)	237	-	237
Amortization for the year	(5,334)	-	(5,334)
Corporate changes (b)	26	-	26
Balance in 2018	**(30,905)**	**-**	**(30,905)**
Net book value			
2017	**13,326**	**137**	**13,463**
In 2018	**7,968**	**137**	**8,105**

(a) Significant write-offs in the year:
A substantial portion of write-offs occurred in the fiscal year are described in note 15 (a).

(b) Corporate changes:
A substantial portion of changes occurred in the year are described in note 15 (b).

18 Suppliers

	Note	Consolidated		Parent company	
		2018	**2017**	**2018**	**2017**
Suppliers		537,373	582,486	33,659	240,373
Related parties	25	513,368	632,154	532,874	684,233
Total		**1,050,741**	**1,214,640**	**566,533**	**924,606**

The balances of suppliers and related parties mainly correspond to the item “Accounts payable for ethanol and sugar purchases".

The exposure of the Company to liquidity risks related to accounts payable to suppliers and other accounts payable, is disclosed in Note 23.

19 Loans and financing

This note provides information on contract terms of loans bearing interest, which are measured at the amortized cost. For more information on the Company's exposure to interest, foreign currency and liquidity risks, see Note 23.

					Consolidated		Parent company	
Description	**Currency**	**Index**	**Average annual interest rate**	**Year of maturity**	**2018**	**2017**	**2018**	**2017**
Export credit note	US$	Prefixed rate	3.60%	2017	-	127,662	-	127,662
Export pre-payment	US$	Prefixed rate	1.90%	2017	-	127,589	-	-
FINIMP - Import financing	US$	Prefixed rate	2.28%	2017	-	52,466	-	52,466
Direct External Borrowing	US$	Prefixed rate	4.23%	2018-2020	900,439	935,820	422,405	456,154
Direct External Borrowing	US$	Fixed rate/Libor	2.78%	2018-2019	797,963	759,613	797,963	695,457
Working capital	US$	Prefixed rate	4.53%	2019-2023	356,115	492,964	-	-
Working capital	US$	Fixed rate/Libor	3.75%	2018-2020	301,635	272,482	-	-
Export Credit Note	R$	CDI-CETIP	13.61%*	2018-2022	404,882	452,133	404,882	452,133
NCE - Export Credit Note	R$	fixed rate / CDI-CETIP	10.05%*	2018-2019	607,261	-	607,261	-
Certificates of Agribusiness receivables	R$	CDI-CETIP	7.52%*	2018-2020	348,371	299,712	348,371	299,712
CDCA - Agribusiness credit receivables certificate	R$	CDI-CETIP	7.81%*	2018-2019	753,839	510,780	753,839	510,780
CCB - Bank Credit Bill	R$	CDI-CETIP	7.96%*	2018-2019	249,590	-	249,590	-
NPR - Rural Product Bill	R$	Prefixed rate	5.15%*	2018	39,360	-	39,360	-
BNDES-FINEN	R$	TJLP	8.66%	2018-2024	55,933	101,742	-	-
BNDES-FINEN	R$	Prefixed rate	2.50%	2018-2022	15,674	17,033	-	17,033
BNDES-FINAME	R$	Prefixed rate	11.78%	2018-2021	-	26,448	-	43,482
Total loans and financing					**4,831,062**	**4,176,444**	**3,623,671**	**2,654,879**
Current liabilities					**1,278,532**	**1,853,779**	**651,711**	**1,633,721**
Non-current liabilities					**3,552,530**	**2,322,665**	**2,971,960**	**1,021,158**

(*) Including operating costs.

Terms and schedule of debt amortization

Terms and conditions of outstanding loans are as follows:

Consolidated	**2018**		**2017**	
	Book value	**Fair value**	**Book value**	**Fair value**
Export Credit Note	1,012,143	1,036,029	579,795	578,004
Export pre-payment	-	-	127,589	126,480
Direct External Borrowing	1,698,402	1,860,470	1,695,433	1,673,520
Working capital	657,750	662,822	765,446	765,446
FINIMP - Import financing	-	-	52,466	51,653
Certificates of Agribusiness receivables	348,371	353,254	299,712	299,712
BNDES-FINAME	-	-	26,448	26,448
BNDES-FINEN	71,607	71,607	118,775	101,742
CCB - Bank Credit Bill	249,590	261,550	-	-
CDCA	753,839	768,228	510,780	510,780
NPR - Rural Product Bill	39,360	39,988	-	-
Total	**4,831,062**	**5,053,948**	**4,176,444**	**4,133,785**

Parent company	**2018**		**2017**	
	Book value	**Fair value**	**Book value**	**Fair value**
Export credit note	1,012,143	1,036,029	579,795	578,004
Direct External Borrowing	1,220,368	1,383,357	1,151,611	1,147,807
FINIMP - Import financing	-	-	52,466	51,653
Certificates of Agribusiness receivables	348,371	353,254	299,712	299,712
BNDES-FINAME	-	-	43,482	43,482
BNDES-FINEN	-	-	17,033	17,033
CCB - Bank Credit Bill	249,590	261,550	-	-
CDCA	753,839	768,228	510,780	510,780
NPR - Rural Product Bill	39,360	39,988	-	-
Total	**3,623,671**	**3,842,406**	**2,654,879**	**2,648,471**

Maturities of the principal and interest of loans and financing as of March 31, 2018

	Consolidated	**Parent company**
Up to 6 months	1,094,742	609,401
6-12 months	183,790	42,310
1-2 years	1,643,986	1,630,419
2-5 years	1,903,235	1,341,541
>5 years	5,309	-
Total	**4,831,062**	**3,623,671**

The Company and its subsidiaries have non-financial covenants in loan and financing agreements in effect which were complied with. There are no agreements in force with restrictive clauses (covenants) related to financial indicators.

Guarantees

Guarantees are provided on contracting of bank credit facilities needed to maintain parent company and subsidiaries' cash balance, however, there are guarantees received and granted to the related party. Of the amount presented above, R$ 3,581,061 is guaranteed by the related party - Cooperativa (refer to Note 25).

(i) Reconciliation of equity changes with cash flows from financing activities:

Consolidated	Bank loans	Financial instruments (Assets and liabilities)	Shareholders' equity	Total
Loans and financing obtained	3,235,845	-	-	3,235,845
Payments of loans and financing	(2,658,117)	-	-	(2,658,117)
Financial instrument loss	-	(84,297)	-	(84,297)
Disposals of shares	-	-	(8,622)	(8,622)
Dividends paid	-	-	(2,417)	(2,417)
Total	**577,728**	**(84,297)**	**(11,039)**	**482,393**

20 Taxes and contributions payable

	Consolidated		Parent company	
	2018	**2017**	**2018**	**2017**
ICMS	46,159	34,367	9,661	1,441
ISS	791	793	25	72
Other	2,392	4,961	-	610
Total current	**49,342**	**40,121**	**9,686**	**2,123**
Taxes in installments	63	184	-	-
Total non-current	**63**	**184**	**-**	**-**
Total	**49,405**	**40,305**	**9,686**	**2,123**

21 Advances from costumers

	Note	Consolidated		Parent company	
		2018	**2017**	**2018**	**2017**
Clients - Domestic market		1,021	596	918	397
Foreign market clients		1,350	4,384	-	-
Related parties	25	978,912	1,310,656	-	-
Total		**981,283**	**1,315,636**	**918**	**397**

The aforementioned advances of the related party Alvean Sugar S.L., in the amount of R$ 978,912 on March 31, 2018, are prepayments of products not yet shipped by the Company (R$ 1,310,656 as of March 31, 2017).

22 Provision for contingencies

Management, based on information from its legal advisors, analyzed the outstanding legal proceedings, and in respect of tax and labor claims previous experience with regards to amounts claimed, recorded provisions for amounts considered sufficient to cover estimated losses from current lawsuits, as follows:

	Consolidated			Parent company		
	Tax	**Labor**	**Total**	**Tax**	**Labor**	**Total**
2016	**36,014**	**1,008**	**37,022**	**20,985**	**8**	**20,993**
Provisions formed and restatements during the year	461	2,180	2,641	-	161	161
Provisions used during the year	(20,985)	(717)	(21,702)	(20,985)	-	(20,985)
2017	**15,490**	**2,471**	**17,961**	**-**	**169**	**169**
Provisions formed and restatements during the year	415	2,224	2,639	-	510	510
Provisions used during the year	-	(2,260)	(2,260)	-	-	-
In 2018	**15,905**	**2,435**	**18,340**	**-**	**679**	**679**

In relation to the contingencies presented above, there are deposit in court its for the Consolidated and Parent Company totaling R$ 53,752 and R$ 38,999, respectively on March 31, 2018 (R$ 53,736 and R$ 38,473 - March 31, 2017).

Regarding the thesis of excluding ICMS from the PIS and COFINS calculation bases, the Company has a lawsuit with deposit and after the decision of the Federal Supreme Court (STF), that judged constitutional said exclusion with general repercussion, the Company, accordingly, wrote-off the provision as of March 31, 2017, in the amount of R$ 20,985. The Company is awaiting the judgment of request for amendment of judgment filed by the National Treasury Attorney-General's Office about the STF decision and its possible modulation.

23 Financial instruments

a. Classification of financial instruments and fair value

During the years ended March 31, 2018 and 2017, no reclassification of financial instruments was performed.

Fair value vs. book value

The fair values of the financial assets and liabilities, together with the book values presented in the balance sheet, are as follows:

Consolidated	**Fair value hierarchy**	**Book value**		**Fair value**	
		2018	**2017**	**2018**	**2017**
Financial instruments measured at fair value through profit or loss					
Assets					
Cash and cash equivalents	Level 1/Level 2	1,669,443	1,264,785	1,669,443	1,264,785
Inventories	Level 2	2,074,146	2,010,006	2,074,146	2,010,006
Stock exchange derivatives	Level 2	58,212	26,338	58,212	26,338
Unrealized derivative financial instruments	Level 2	591,838	572,764	591,838	572,764
Liabilities					
Stock exchange derivatives	Level 2	1	8,665	1	8,665
Unrealized derivative financial instruments	Level 2	316,869	328,640	316,869	328,640
Loans and receivables					
Trade accounts receivable	Level 2	972,500	694,290	972,500	694,290
Advances to suppliers	Level 2	63,845	323,292	63,845	323,292
Other accounts receivable	Level 2	59,012	73,844	59,012	73,844
Liabilities held at amortized cost					
Suppliers	Level 2	1,050,741	1,214,640	1,050,741	1,214,640
Loans and financing	Level 2	4,831,062	4,176,444	5,053,948	4,133,785
Advances from clients	Level 2	981,283	1,315,636	981,283	1,315,636
Other accounts payable	Level 2	41,757	76,884	41,757	76,884

Parent company	Fair value hierarchy	Book value		Fair value	
		2018	2017	2018	2017
Financial instruments measured at fair value through profit or loss					
Assets					
Cash and cash equivalents	Level 1/Level 2	891,471	476,215	891,470	476,215
Inventories	Level 2	1,028,275	859,633	1,028,275	859,633
Stock exchange derivatives	Level 2	12,192	518	12,192	518
Unrealized derivative financial instruments	Level 2	273,803	226,964	273,803	226,964
Liabilities					
Stock Exchange transactions	Level 2	-	-	-	-
Unrealized derivative financial instruments	Level 2	227,740	243,332	227,740	243,332
Loans and receivables					
Trade accounts receivable	Level 2	432,085	262,134	432,085	262,134
Advances to suppliers	Level 2	9,447	11,904	9,447	11,904
Other accounts receivable	Level 2	17,408	20,147	17,408	20,147
Granted loans - related parties	Level 2	5,614	4,600	5,614	4,600
Liabilities held at amortized cost					
Suppliers	Level 2	566,533	924,606	566,533	924,606
Loans and financing	Level 2	3,623,670	2,654,879	3,842,406	2,648,471
Advances from clients	Level 2	918	397	918	397
Other accounts payable	Level 2	29,396	22,155	29,396	22,155

Fair values are substantially equivalent to book values presented in the balance sheet.

b. Fair value hierarchy

The table above provides an analysis of financial instruments that are measured at fair value after first-time recognition, grouped in Levels 1 to 2 based on the observable level of fair value. The descriptions of the hierarchies are shown in note 3 d.

c. Risk management

The Company is exposed to market risk, which include changes in interest and foreign exchange rates, commodities prices, credit/counterparty risk operating and liquidity risk. Currently, the risk management policy identifies and reclassifies the priority ones, analyzing and monitoring them on a structured basis. Capital expenditure limits are approved by the Board of Directors; and all the exposures are reported and measured with proper frequency.

Risk management policy

The risk management area calculates, monitors and reports the main risks incurred by Copersucar to the business areas, Executive Board and Audit Committee, Risk and Finance Management (Committee); provides the information required to establish risk limits to the Committee and Management Board; and operates on a proactive basis with the business areas, conducting risk simulations, recommending actions, and supporting the development of business strategies. The Risk Management area reports directly to the CEO, as part of the Company’s corporate government structure. The Committee reports regularly to the Board of Directors about its activities, which is responsible for establishing and supervising the Company’s risk management structure.

The risk management policy is established from the identification and analysis of risks that the Company faces, to define capital limits, exposures and controls, and to monitor risks and adherence to the preestablished limits. The risk management policy and process are revised on an annual basis, or timely whenever necessary, aiming at reflecting changes in the market conditions and in the Company's activities that, by means of its training and management policies and procedures, aims at developing a disciplined and constructive control environment, through a risk culture.

Audit, Risk Management and Finance Committee

The Audit, Risk and Finance Management Committee is composed of at least three (3) and at most six (6) members, all members of the Board of Directors and/or Advisory Board and/or appointed by them, elected by the Board of Directors for a term of office of two (2) years, and successive terms of office are permitted.

The members meet with the frequency established by the Board of Directors, and there may be extraordinary calls whenever they are justifiable to monitor and discuss the strategies that are being implemented. Any change in the Risk Global Policy or in the Financial Policies (Financial Policy of S.A. and Indebtedness Policy of S.A. should be recommended by the Committee and approved by the Board of Directors.

The Committee aids Board of Directors playing an important role in Corporate Governance model adopted by the Company. Activities attributions are as follows:

- Accompany the mapping of all risks existing in the Company's business;
- Guarantee the adherence of risks incurred with the Risk Global Policy;
- Recommend actions to internally disseminate the risk sensitiveness culture;
- Report to the Chairman of the Board of Directors non-compliance with standards and regulations assessed as of high risk;
- Discuss, together with the risk management area, the initial assumptions for establishing risk limits, considering the definition of risk appetite and business strategies established by the Board of Directors;
- Define the risk limits and send, through the CEO, for resolution and approval of the Board of Directors;
- Follow up and discuss internal controls, reports, pending items and issues referring to internal and external audit work; and
- Define and follow-up with the internal audit the Company's internal audit plan.
- Assess the proposal for the annual budgetary plan, recommending possible adjustments in view of the directives issued by the Board of Directors:

  (a) Assess the proposal for the annual budgetary plan, recommending possible adjustments in view of the directives issued by the Board of Directors;

(b) Monitor the Company’s investment evaluations, particularly regarding return terms;
(c) Evaluate the Company’s capital structure regarding safety, optimization of costs and needs for financing of operations and investments;
(d) Monitor the Company’s indebtedness regarding risks involved and the directives established by the Board of Directors; and
(e) Monitor technical procedures that guide the Company’s financial investments regarding depository institutions, profitability, liquidity and risks involved.

- Monitor technical procedures that guide the Company’s financial investments regarding depository institutions, profitability, liquidity and risks involved.

The Internal Audit is responsible for evaluating deviations and potential threats to business based on the Company’s risk assessment matrix, which is prepared together with the Internal Controls area. It is responsible for conducting analyses of the Company’s financial, operating, strategic, reputation, IT, and compliance risks, in addition to presenting suggesting for improvements and following-up the respective action plans.

Credit risk

It is the risk of the Company if a client or a counterpart of a financial instrument fails to fulfill its contractual obligations arising mainly from Company’s trade accounts receivable and investments.
In order to reduce this risk, Copersucar adopts the practice of performing a detailed analysis of the equity and financial position of its clients, establishing a credit limit for term purchases, permanently following up their debt balance. The Company has a Credit Committee composed of the Commercial, Financial and Risk Management Executive Board, that approve or reject such credit requests.

The analyses are valid for up to one year and are basically composed of three parameters: (i) quantitative analysis, including a judicious evaluation of economic and financial indexes related to indebtedness, liquidity, profitability and operating cycles, among others, related to balance sheets for the three last fiscal years; (ii) quantitative analysis that should include a corporate structure, consultation to tax bodies, Sintegra, Federal Revenue Service and the contracted company that provides solutions for Credit Checking, technical visit report, client’s relevance in the sector it operates, time in the market, trade references, list of main suppliers, list of assets of the company and/or partners; and (iii) analysis of guarantees, examined by the Financial and Legal areas, at the management’s discretion.

The Risk Management Area monitors the relation between the credit granted to clients, against is volume of accounts receivable and respective mark-to-market of outstanding agreements. This monitoring aims at guaranteeing the monitoring of credit limits made available and suggest, when feasible, revaluations of these limits.

(i) *Trade accounts receivable*

The Company and its subsidiaries are subject to credit risk. Management seeks to mitigate credit risk using a strict credit policy, client selection, monitoring of sales financing terms per business segment, and individual credit limits; these procedures are adopted to minimize possible default risks in trade accounts receivable.

For domestic market clients, receipt period is 62 days for sugar; while for ethanol sales, 70% of clients pay within 13 days and remaining 30% pay at sight. As regards accounts receivable from foreign market, including Latin America, approximately 80% of export processes pay them using *Cash Against Documents*.

Maximum credit risk exposure is substantially focused on financial instruments below:

	Consolidated		**Parent company**	
	2018	**2017**	**2018**	**2017**
Demand deposits	741,105	768,808	5,867	6,042
Investment fund	483,868	390,579	483,868	390,579
Interest earning bank deposits	444,445	105,371	401,711	79,568
Trade accounts receivable	972,500	694,290	432,085	262,134
Advances to suppliers	63,845	323,292	9,447	11,904
Stock Exchange transactions	58,212	26,338	12,192	518
Unrealized derivative financial instruments	591,838	572,764	273,803	226,964
Other accounts receivable	59,012	73,844	17,408	20,147

Financial investment transactions are scattered into several financial institutions that are considered as prime institutions by the market.

The three most important clients of the Company are responsible for R$ 160 thousand of receivables on March 31, 2018 (R$ 86 thousand on March 31, 2017), and during these periods relevant exchanges occurred between clients.

Impairment losses

Trade accounts rec mature as follows:

Consolidated	**2018**		**2017**	
	Gross	**PECLD**	**Gross**	**PECLD**
Not overdue (in days)	910,577	-	643,531	-
0-30	64,663	(11,066)	40,827	-
31-120	2,610	-	318	-
>120	6,320	(604)	10,218	(604)
Total	**984,170**	**(11,670)**	**694,894**	**(604)**

Parent company	**2018**		**2017**	
	Gross	**PECLD**	**Gross**	**PECLD**
Not overdue (in days)	383,097	-	256,749	-
0-30	46,782	-	1,889	-
31-120	1,168	-	318	-
>120	1,642	(604)	3,782	(604)
Total	**432,689**	**(604)**	**262,738**	**(604)**

The expense on the recognition of the allowance estimated for doubtful accounts (PECLD) was recorded in 'Selling expenses' in the statement of operations. Whenever provisioned amounts is not expected to be recovered, the amount in this caption is realized against the definite write-off of the receivable, and this provision becomes tax deductible.

Liquidity risk

Liquidity risk is the risk of the Company encountering difficulties in performing the obligations associated with its financial liabilities that are settled with cash payments or with another financial asset. The Company's approach in liquidity management is to guarantee that it always has sufficient liquidity to perform its obligations upon maturity, under normal and stress conditions, without causing unacceptable losses or with a risk of sullying the Company's reputation.

We present below the contractual maturities of financial liabilities including payment of estimated interest and excluding, the impact of the negotiation agreements of currencies by the net position.

Consolidated	**Contractual cash flow**	**6 / < months**	**6-12 months**	**1-2 years**	**2-5 years**	**>5 years**
2018						
Suppliers	1,050,741	1,050,741	-	-	-	-
Loans and financing	4,831,062	1,094,742	183,790	1,643,986	1,903,235	5,309
Advances from clients	981,283	981,283	-	-	-	-
Unrealized derivative financial instruments:						
- NDF	206,590	206,590	-	-	-	-
- Swap	8,428	4,915	-	1,642	1,871	-
- Commodity future	101,851	93,341	-	8,510	-	-
Other accounts payable	41,757	39,198	-	2,559	-	-
2017						
Suppliers	1,214,640	1,214,640	-	-	-	-
Loans and financing	4,176,444	584,485	1,269,294	1,730,253	531,196	61,216
Advances from clients	1,315,636	1,315,636	-	-	-	-
Unrealized derivative financial instruments:						
- NDF	174,264	-	174,264	-	-	-
- *Swap*	75,385	3,039	67,069	5,277	-	-
- Commodity future	78,991	-	78,544	447	-	-
Other accounts payable	76,884	75,715	-	1,169	-	-

Parent company	Contractual cash flow	6 / < months	6-12 months	1-2 years	2-5 years	>5 years
2018						
Suppliers	566,533	566,533	-	-	-	-
Loans and financing	3,623,671	609,401	42,310	1,630,419	1,341,541	-
Advances from clients	918	918	-	-	-	-
Unrealized derivative financial instruments:						
- NDF	206,052	206,052	-	-	-	-
- Swap	8,428	4,915	-	1,642	1,871	-
- Commodity future	13,259	13,259	-	-	-	-
Other accounts payable	29,396	15,884	-	13,512	-	-
2017						
Suppliers	924,606	924,606	-	-	-	-
Loans and financing	2,654,879	576,250	1,057,471	678,496	297,933	44,729
Advances from clients	397	397	-	-	-	-
Unrealized derivative financial instruments:						
- NDF	173,742	-	173,742	-	-	-
- *Swap*	69,577	3,039	61,260	5,277	-	-
- Commodity future	14	-	14	-	-	-
Other accounts payable	22,155	-	22,155	-	-	-

Market risk

Market risk represents the likelihood of financial losses to which the Company is exposed, resulting from changes in prices and/or market rate, whether they are, volatility on commodities price, foreign exchange or interest rates (domestic or foreign). The purpose of market risk management is to control and monitor all exposures to these risks so that they remain within acceptable parameters defined by the Board of Directors.

The Company purchases and sells derivatives to hedge its exposures, and meets is financial obligations to properly manage its market risks. All these actions are conducted according to guidelines established in Company's Global Risk Policy which is established by Audit and Risk Committee and approved by the Board of Directors.

(i) Foreign exchange risk

The Company is subject to foreign exchange risk deriving from differences in currency in which sales, purchases and loans and investments are denominated and the Company's respective functional currency is Reais.

The Company uses Over-the-counter Contracts to hedge its currency risk. When necessary, these contracts are renewed on maturity.

Monetary assets and liabilities denominated in foreign currency are managed by their net exposure, through purchase and sale of foreign currency at demand or future rates (forwards), when necessary, substantially for short-term exposures.

Amounts of the Company's main bank loans in USD are hedged using swap contracts, over-the-counter contracts or are offset against assets indexed at the same currency.

Interest on loans is denominated in the loan's currency. In general, loans are denominated in currencies equal to the cash flows generated by the Company's basic operations, mainly in Brazilian reais, but also in USD.

Exposure to this type of risk is continuously adjusted along with the Company's normal course of business. Therefore, management of this exposure is a dynamic process conducted through derivative contracts, aiming at carrying out hedge adjustments according to the new need. The use of these derivative contracts is defined every year, at the risk limit pre-established by the Board of Directors and monitored by Executives of the Company and Audit and Risk Committee.

a. Hedge accounting of foreign investment

The Company uses financial instruments (NDF - Non-Deliverable Forward) to hedge the exchange-rate change in investments in its Subsidiary in Spain - Alvean and Copersucar North America, which functional currency is dollar.

b. Cash flow hedge

The subsidiary Companhia Auxiliar de Armazéns Gerais has cash flow hedge to cover exposure to changes in the exchange rate of the agreement entered into with Alvean Sugar S.L.

Copersucar S.A. has swap hedge accounting to hedge against its exposure of exchange-rate change in debts in dollar pegged to the Libor interest rate, pre-fixed (or not) plus exchange-rate change due to debts in CDI.

Foreign exchange exposure

The Company's exposure to foreign currency is substantially linked to changes in the Dollar rate on the following base dates:

Consolidated	**2018**	**2017**
Assets		
Cash and cash equivalents	733,336	762,533
Trade accounts receivable	872,420	282,079
Inventories	1,269,422	1,586,549
Advances to suppliers	7,704	7,344
Stock Exchange transactions	46,020	25,824
Unrealized derivative financial instruments	305,279	340,426
Other accounts receivable	105,780	129,740
Investments	854,293	870,677
Property, plant and equipment	342,540	294,178
Intangible assets	237,951	232,612
Liabilities		
Suppliers	(822,202)	(396,634)
Loans and financing	(2,436,405)	(2,768,596)
Advances from clients	(912,566)	(1,375,459)

Consolidated	2018	2017
Social charges and labor legislation obligations	(2,529)	(2,148)
Taxes and contributions payable	(36,680)	(36,795)
Stock Exchange transactions	(1)	(8,665)
Unrealized derivative financial instruments	(80,082)	(78,530)
Deferred tax liabilities	(14,519)	(40,558)
Other accounts payable	(22,075)	(51,316)
Gross exposure of the shareholders' equity	**447,686**	**(226,739)**
Notional derivatives contracted to hedge against the foreign exchange risk	**(425,143)**	**19,847**
Net exposure	**22,543**	**(206,892)**

Parent company	2018	2017
Assets		
Trade accounts receivable	101,658	12,896
Inventories	230,768	289,045
Investments	847,940	864,966
Liabilities		
Suppliers	(229,490)	(192,794)
Loans and financing	(1,220,368)	(1,331,739)
Gross exposure of the shareholders' equity	**(269,492)**	**(357,626)**
Notional derivatives contracted to hedge against the foreign exchange risk	**(381,103)**	**26,740**
Net exposure	**(650,595)**	**(330,886)**

Amounts below comprise the Notional balance presented above:

		Consolidated		Parent company	
Description	**Maturity**	**2018**	**2017**	**2018**	**2017**
Foreign Exchange NDF (Investment and Goods)	2018	(1,635,006)	(1,173,056)	(1,590,966)	(1,142,400)
Swap Foreign exchange	2018-2020	1,209,863	1,192,903	1,209,863	1,169,140
Total		(425,143)	19,847	(381,103)	26,740

Foreign exchange sensitivity analysis

The Company adopted three scenarios for the sensitivity analysis, being one of them the probable scenario presented below, and two other scenarios that may present the impairment of the Company's financial instruments' fair values.

Probable scenario was internally defined by Market Intelligence area and represents the Company's expectations on this indicator change over the following 12 months. Possible and Remote scenarios are those proposed by CPC.

Methodology used was the fair value recalculation with each scenario focused on market rate on March 31, 2018 less amounts already recognized, and calculation of income value by which the Company would be affected according to each scenario. The analysis considers that all the remaining variables, especially interest rates, are kept constant.

	Scenarios		
Foreign exchange risk	**Probable**	**Possible**	**Remote**
Scenarios and price levels	**-0.4209% (3.3098 BRL/USD)**	**25% (4.1548 BRL/USD)**	**50% (4.9857 BRL/USD)**
Assets	(20,095)	1,193,758	2,387,373
Liabilities	18,211	(1,081,830)	(2,163,530)
Derivatives	1,789	(106,292)	(212,572)
Total effects	(95)	5,636	11,271

Brazilian Real appreciation against currencies above, on March 31, 2018, would have the same effect in the module, but with the opposite result on currencies presented above, considering that all other variables would remain constant.

(i) Commodity price risk

The Company maintains commodity derivatives to minimize income fluctuation caused by recognition of assets and liabilities, and rights and obligations at fair value, evaluated according to commodities' quotation disclosed by ICE, NYBOT, OPIS, PLATTS and LIFFE intercontinental exchange and CEPEA, ESALQ indices.

Exposure to this type of risk is continuously adjusted along with the Company's normal course of business. Therefore, management of this exposure is a dynamic process conducted through derivative contracts, aiming at carrying out hedge adjustments according to the new need.

Sugar and ethanol are traded in domestic and foreign markets and sugar sale price is formed by *Sugar #11/ICE* sugar price of the New York Stock Exchange and ethanol price is formed by the CEPEA/ESALQ index. This turns them into the main portfolio risk factors. Net exposure of sugar purchases and sales is managed and hedged by means of *Sugar #11/ICE* derivative financial instruments (future or over-the-counter) referred to the same stock exchange. Regarding ethanol, due to the lack of net derivative financial instruments for hedge, its exposure is managed/monitored so as to limit is exposure to the price change risk. Monitoring of exposure and risks is carried out through limits pre-established by the Board of Directors.

Gains or losses originated from these hedging instruments are recorded in income for the year.

To minimize the risk and volatility effects of the changes in commodity prices, particularly related to ethanol, natural gas and other commodities, the subsidiary Eco-Energy uses several derivative financial instruments, including futures traded in stock exchanges or over-the-counter, swaps and option contracts. Eco-Energy monitors and manages this exposure following its risk management global policy. As such, the Company seeks to reduce the potentially negative effects that the volatility of these markets may have on its operating income (loss). Eco-Energy may take directional positions in these products, as a way of reducing possible operating losses.

Commodities risk

Consolidated	**Volume**		**Notional**	
	2018	**2017**	**2018**	**2017**
Forward contracts				
Long position				
Goods				
Sugar (tons)	166,219	125,137	118,175	(132,698)
Ethanol (m3)	3,580,184	3,222,831	4,536,255	4,212,075
Gasoline (m3)	4,293	-	6,128	-
Corn (m3)	280,645	322,580	303,810	287,438
RIN/LCFS (credit unit)	2,338	31,722	43,808	76,587
Natural gas (mmbtu)	95,116	80,958	769,861	540,636
Derivatives - swap (m3)	62,035	300	94,911	61
Total			**5,872,948**	**4,984,099**
Future contracts (Forward)				
Short position				
Goods				
Sugar (ton)	(160,382)	(33,316)	(192,754)	26,580
Ethanol (m3)	(4,213,222)	(3,884,968)	(5,485,516)	(5,302,321)
Gasoline (m3)	(32,407)	(15,740)	(14,044)	(21,358)
Corn (m3)	(10,546)	(189,201)	(363,087)	(199,767)
RIN/LCFS (credit unit)	(3,771)	(56,765)	(109,870)	(193,380)
Natural gas (mmbtu)	(113,780)	(63,543)	(966,165)	(616,895)
Derivatives - swap (m3)	(74,005)	(12,160)	(108,343)	(5,197)
Total			**(7,239,779)**	**(6,312,338)**

The Company uses basically two categories of price instruments to control commodities’ exposure:

a. Futures derivative contracts negotiated directly by the Company in Stock Exchange (ICE/NYBOT) or over-the-counter with prime financial institutions, including NDF (*Non-Deliverable Forward*). Although the policy permits to operate with other financial instruments, considering certain restrictions, currently the Company does not holder them in its portfolio.

b. Forward contracts traded directly with clients and suppliers.

Fair value of futures and options derivative contracts in stock exchange is equivalent to market value for reversal of such positions. Transactions conducted in stock exchange environment need to have initial margins available and adjustments are made on a daily basis.

For over-the-counter contracts, measurement at fair value is given by the difference between prices fixed on contracting and their respective market values, through public information. This measurement follows usual market models and is monthly calculated both by the Company and by banks that intermediate transactions. For these contracts, margin calls are not needed. The impact on the Company's cash flow only occurs on the settlement date of the contracts.

Measurement at fair value of forward contracts with clients and suppliers is carried out based on the difference between fixed purchase or sale price and market price on base date. To determine market prices, the same setting indicators are used, that is Sugar #11/ICE quotations for sugar contracts. For each future contract of AA (*Against Actuals*), SEO (*Seller Execution Order*) and BEO (*Buyer Execution Order*) types, there is a physical contract with the same price and volume variables.

The methodology of the calculation of fair value adopts quotations of contract no. 11 of ICE FUTURES Intercontinental Exchange of New York as pricing basis to define indicators, according to weighing based on percentage pre-attributed to reference screen.

Forward contracts include balances related to the Supply Agreement with the Cooperative (see note 25) as well as balances related to sales to the foreign and domestic market. These volumes represent contract portion whose price is already defined according to CEPEA methodology. The calculation also considers the assumptions of pure change in FOB prices and freight costs and increases, which are adjusted to the CEPEA/ESALQ Raw Sugar price index.

Sensitivity analysis for commodities risk

The Company adopted three scenarios for the sensitivity analysis, being one of them the probable scenario presented below, and two other scenarios that may present the impairment of the Company's financial instruments' fair values.

Probable scenario was internally defined by Market Intelligence area and represents the Company’s expectations on this indicator change over the following 12 months. The scenarios: Possible and Remote scenarios are those proposed by CVM Instruction 475/08.

Used methodology was to recalculate fair value with the change of each scenario on market rate as of March 31, 2018.

	Scenarios		
Commodities price risk	**Probable**	**Possible**	**Remote**
Scenarios and price levels	***4.6%***	***-25%***	***-50%***
Non-derivative	13,448	(72,812)	(299,159)
Derivatives	6,410	(71,913)	(138,025)
Total effects	19,858	(144,725)	(437,184)

Due to this commodity (sugar) quotation behavior seasonality, this scenario is subject to changes during the year/crop.

(i) *Interest rate risk*

The Company's debt is linked to fixed and floating rates, therefore, it is exposed to interest rate fluctuations. CDI exposure risk is partially offset by financial investments.

The purpose of managing the Company’s total financial cost is to make its financial costs be in line with those practiced in the market, considering entities of similar size.

Fixed rate instruments

The Company does not record any fixed interest rate financial assets or liabilities at fair value through profit or loss. Therefore, a change in the interest rates on the reporting date would not change income (loss).

Variable rate instruments

	Consolidated		Parent company	
	2018	**2017**	**2018**	**2017**
Financial assets	917,129	494,374	483,868	472,058
Financial liabilities	3,519,474	(2,396,462)	3,161,906	(1,958,082)

The Company does not perform sensitivity analysis for financial instruments linked to interest variable rates, as it considers that they are partially mitigated by financial assets.

Gains (losses) with unrealized derivative financial instruments

Summary of gains (losses) recorded on March 31, 2018 and 2017 that affected balance sheet, and amounts that affected the Company's accumulated income on those dates:

Consolidated	**2018**			**2017**		
	Effects on the balance sheet		**Effects on income (loss)**	**Effects on the balance sheet**		**Effects on income (loss)**
	Assets	**Liabilities**		**Assets**	**Liabilities**	
Commodities	159,055	101,851	(53,013)	396,568	78,991	634,895
	159,055	101,851	(53,013)	396,568	78,991	634,895
Non-deliverable forwards	400,298	206,590	5,414	161,175	174,264	(10,887)
SWAP	32,485	8,428	(65,738)	15,021	75,385	77,415
	432,783	215,018	(60,324)	176,196	249,649	66,528
Total	**591,838**	**316,869**		**572,764**	**328,640**	
Current	**571,731**	**304,845**		565,128	322,916	
Non-current	**20,107**	**12,024**		**7,636**	**5,724**	

Parent company	**2018**			**2017**		
	Effects on the balance sheet		**Effects on income (loss)**	**Effects on the balance sheet**		**Effects on income (loss)**
	Assets	**Liabilities**		**Assets**	**Liabilities**	
Commodities	81,526	13,259	12,138	56,142	14	53,846
	81,526	13,259	12,138	56,142	14	53,846
Non-deliverable forwards	159,792	206,052	2,851	161,175	173,742	(110,404)
SWAP	32,485	8,428	(59,930)	9,647	69,577	77,415
	192,277	214,480	(57,079)	170,822	243,319	(32,989)
Total	**273,803**	**227,739**		**226,964**	**243,332**	
Current	**265,743**	**224,225**		**224,702**	**238,055**	
Non-current	**8,060**	**3,514**		**2,262**	**5,277**	

Operating risk

Operating risk is the risk of direct or indirect losses arising from different causes related to the Company's business processes, personnel, technology and infrastructure and external factors, as those arising from legal and regulatory requirements and from generally accepted corporate behavior standards.

The purpose of the Company is to monitor possible operating risks and mitigate financial losses and damages to reputation and business continuity, thus seeking cost effectiveness and avoiding non-effective control procedures.

Capital management

Management’s policy is to maintain capital basis sufficient to maintain investor, creditor and market trust. The main objective is future development of business.

The Company operates with sundry financial instruments: interest earning bank deposits, trade accounts receivable, trade accounts payable and loans and financing. Transactions with derivative financial instruments contracted to hedge against market volatility, as well as forward merchandise purchase and sale transactions with Cooperative, are also part of financial instruments’ portfolio. The following hedging instruments are used for this purpose: Exchange swap, transactions with NDF - *Non-Deliverable Forwards*, futures and options of commodities and currency.

24 Contractual commitments

Sales

Considering that the Company operates mainly in the commodities market, sales are substantially made at the sales date price. However, most contracts are short-term contracts. As of March 31, 2018, sugar contracted volume is 3,880 thousand tons (4,045 thousand tons on March 31, 2017) and ethanol contracted volume is 2,797 thousand m³ as of March 31, 2018 (2,969 thousand m³ on March 31, 2017).

Purchasing
In accordance with the contract entered into by the Company and its related party - Cooperative, committed volumes on March 31, 2018 were 4,705 thousand tons of sugar (4,513 thousand tons as of March 31, 2017) and 3,886 thousand m³ of ethanol (3,830 thousand m³ as of March 31, 2017).

Logistics
The Company has strategic partnerships for the provision of railroad transportation services with the following suppliers:

América Latina Logística - ALL

- Provision of sugar transportation services in wagons of ALL railroad to Santos Port terminal (São Paulo State - SP), maturing in 2028;

- Ethanol transportation through ALL railroads with destination indicated by Copersucar. This contract effectiveness follows ALL railroad concessions.
Ferrovia Centro Atlântica - FCA

- Transportation from Ribeirão Preto (SP) terminal to Santos Port (SP) terminal, effective until 2026;

25 Related parties

Parent company and part of the final parent company
The Company's final controlling parties are the following groups:

Shareholders - Group	Number of common shares	Quantity of preferred shares	Total shares	% interest
Zilor	151,017,581	3	151,017,584	12.2298
Pedra	142,961,470	1	142,961,471	11.5774
Cocal	111,481,189	1	111,481,190	9.0280
Ipiranga	88,518,269	2	88,518,271	7.1684
Santa Adélia	87,781,086	2	87,781,088	7.1087
Balbo	77,125,226	3	77,125,229	6.2458
Viralcool	70,948,322	2	70,948,324	5.7456
São Manoel	55,900,455	1	55,900,456	4.5270
São J. da Estiva	46,119,353	1	46,119,354	3.7349
Ferrari	44,500,198	1	44,500,199	3.6037
Cerradão	38,726,057	1	38,726,058	3.1361
Improvements	36,967,440	2	36,967,442	2.9937
São Luiz	33,004,229	1	33,004,230	2.6728
Pitangueiras	32,753,726	1	32,753,727	2.6525
Umoe Bioenergy	30,933,464	1	30,933,465	2.5051
Furlan	30,894,483	1	30,894,484	2.5019
Jacarezinho	30,202,994	1	30,202,995	2.4459
Caçu	26,298,496	1	26,298,497	2.1297
Santa Maria	21,068,650	1	21,068,651	1.7062
Santa Lucia	18,350,995	1	18,350,996	1.4861
Decal - Rio Verde	5,980,744	1	5,980,745	0.4843
Other	53,300,056	8	53,300,064	4.3164
	1,234,834,483	37	1,234,834,520	100.0000

Remuneration of key management personnel

The Company's key personnel are the president of the Board of Directors, the Executive president and officers of the following areas: Operations, Financial, Controllership and Relations with Plants, Legal and Governance, Human Resources and Strategic Management and Ownership Interests.

Remuneration of key management personnel includes:

	Consolidated		Parent company	
	2018	**2017**	**2018**	**2017**
Short-term employee benefits (a)	7,327	9,409	7,327	9,409
Post-employment benefits	1,701	2,083	1,701	2,083
Total	**9,028**	**11,492**	**9,028**	**11,492**

(a) Includes salaries, compensation, short- and long-term benefits and post-employment benefits.

Other related party balances

	Note	Consolidated		Parent company	
	Note	**2018**	**2017**	**2018**	**2017**
Current assets					
Accounts receivable					
Cooperativa de Produtores de Cana-de-Açúcar, Açúcar E Álcool do Estado de São Paulo		15,508	4,374	14,610	3,708
Companhia Auxiliar de Armazéns Gerais		-	-	1,023	579
Copersucar Trading A.V.V.		-	-	74,981	12,896
Alvean Sugar Intermediação e Agenciamento Ltda.		209	182	209	182
Alvean Sugar S.L.		2,339	26,575	-	-
Copersucar Armazéns Gerais S.A.		-	-	189	272
Total	**8**	**18,056**	**31,131**	**91,012**	**17,637**
Dividends receivable					
Companhia Auxiliar de Armazéns Gerais		-	-	11,891	13,765
Total		**-**	**-**	**11,891**	**13,765**
Advances to suppliers					
Cooperativa de Produtores de Cana-de-Açúcar, Açúcar E Álcool do Estado de São Paulo		-	271,196	-	-
Total	**11**	**-**	**271,196**	**-**	**-**
Non-current assets					
Granted loans and others					
Companhia Auxiliar de Armazéns Gerais		-	-	499	-
Copersucar Armazéns Gerais		-	-	161	-
Sugar Express Transportes S.A.		-	-	4,954	4,600
Total		**-**	**-**	**5,614**	**4,600**
Current liabilities					
Suppliers					
Cooperativa de Produtores de Cana-de-Açúcar, Açúcar E Álcool do Estado de São Paulo		509,553	630,708	311,719	630,708
Copersucar Trading A.V.V.		-	-	221,155	52,972
Copersucar Armazéns Gerais S.A.			-	-	553
Alvean Sugar S.L.		3,815	1,446	-	-
Total	**18**	**513,368**	**632,154**	**532,874**	**684,233**
Advances from clients					
Alvean Sugar S.L.	**21**	978,912	1,310,656	-	-

Other related party transactions

	Consolidated		Parent company	
	2018	**2017**	**2018**	**2017**
Value of the transaction for the year				
Sale of goods				
Copersucar Trading A.V.V.	-	-	174,654	106,469
Alvean Sugar S.L.	4,012,852	3,360,550	28,210	30,267
Total	**4,012,852**	**3,360,550**	**202,864**	**136,736**
Sale of services				
Cooperativa de Produtores de Cana-de-Açúcar, Açúcar E Álcool do Estado de São Paulo	6,413	8,227	-	-
Alvean Sugar Intermediação e Agenciamento Ltda.	2,368	2,153	2,368	2,153
Alvean Sugar S.L.	76,904	91,815	34,418	40,645
Total	**85,685**	**102,195**	**36,786**	**42,798**
Product acquisition				
Copersucar Trading A.V.V.	-	-	(279,786)	(298,760)
Cooperativa de Produtores de Cana-de-Açúcar, Açúcar E Álcool do Estado de São Paulo	(11,748,540)	(12,378,998)	(7,318,545)	(8,003,523)
Alvean Sugar S.L.	(1,938,378)	(2,282,985)		-
Total	**(13,686,918)**	**(14,661,983)**	**(7,598,331)**	**(8,302,283)**
Acquisition of Services				
Copersucar Armazéns Gerais S.A.	-	-	(6,623)	(7,982)
Total	**-**	**-**	**(6,623)**	**(7,982)**
Financial - Interest receivable				
Companhia Auxiliar de Armazéns Gerais	-	-	46	-
Sugar Express Transportes S.A.	-	-	392	1,252
Total	**-**	**-**	**438**	**1,252**

Related-party transactions are transactions carried out between the Parent company and its direct and indirect subsidiaries or other related parties (Cooperativa) and refer basically to:

- **Sale/Acquisition of assets and services -** Products (sugar and ethanol) purchase and sale transactions and port services traded in accordance with contract entered into by the parties, at conditions similar to those agreed on with third parties, considering volumes, involved risks and corporate policies.

- **Asset values -** Sale of products and services; property rental; and transfer of shared expenses.

- **Liability values -** Purchase of products and services.

Supply contract with Cooperativa

The Company has exclusivity agreements, a three-year term, being renewed each crop year.

Guarantee of products supply is linked to continuity of contract with Cooperativa. The contract also guarantees access to certain facilities that are essential to carry out the Company's business, such as those intended for storage of ethanol and sugar deriving from Cooperativa and associated plants. Prices practiced in this contract are related to CEPEA/ESALQ index.

Pursuant to the contract, guarantors of sugar and ethanol sale transactions are plants associated to Cooperativa.

Sugar supply agreement for Alvean Sugar S.L.

The Company has a sugar supply agreement through its subsidiary Copersucar Trading A.V.V. with Alvean Sugar S.L., effective as from October 2014, with no established termination term.

The agreement aims at guaranteeing the supply of sugar from Copersucar Trading A.V.V. to Alvean Sugar S.L., where the parties agreed that Copersucar Trading A.V.V. undertakes to sell exclusively to Alvean, and it undertakes to purchase 100% of the production quota in each crop year. Prices practiced in this contract are related to CEPEA/ESALQ index (equivalents in USD).

Guarantees or collateral signatures received from related parties

Loans and financing listed below are collateralized by related party Cooperativa:

Borrowing company	Type of financing	Maturity	2018	
Copersucar S.A.	Foreign direct loan (in US$)	2018-2020	1,054,104	(1)
Copersucar S.A.	NCE - Export Credit Note (In BRL)	2018-2022	812,802	(2)
Copersucar North América	Working capital (in US$)	2018-2020	301,635	(3)
Copersucar S.A.	NCE - Export Credit Note (In BRL)	2018-2019	199,341	(4)
Copersucar S.A.	Rural Product Bill (NPR) - in R$	2018	39,360	(2)
Copersucar S.A.	Certificates of receivables - Agribusiness - in R$	2018-2020	348,371	(5)
Copersucar S.A.	CDCA - Agribusiness credit receivables certificate (In BRL)	2018-2020	753,839	(5)
Companhia Auxiliar de Armazéns Gerais	BNDES - FINEM (in BRL)	2018-2024	71,608	(6)
			3,581,060	

(1) Aval of Cooperative with promissory note issued by Copersucar S.A.
(2) Aval of Cooperative
(3) Aval of Cooperative with promissory note issued by Copersucar S.A.
(4) Aval of Cooperative / Guarantee Sugar Pledge
(5) CPR (Rural Product Bill) issued by Cooperative as a guarantee
(6) Promissory Note (120%) and Cooperative as Guarantor

Loans and financing listed below are collateralized by related party Copersucar S.A.:

Borrowing company	Type of financing	Maturity	2018	
Copersucar Trading A.V.V.	Foreign direct loan (in US$)	2018	478,035	(1)
Copersucar North América	Working capital (in US$)	2018	301,635	(2)
			779,670	

(1) Aval of Copersucar S.A. with promissory note
(2) Aval of Cooperative with promissory note issued by Copersucar S.A..

26 Shareholders' equity

The Company's paid-in capital is R$180,300,590 on March 31, 2018 and 2017, represented by 1,234,834,520 shares, and 1,234,834,483 are common shares and 37 preferred shares, all of them nominative, registered and with no par value.

The Company is authorized to increase its capital according to decision of the Board of Directors, regardless of statutory reform, up to the limit of R$2,500,000,000.000.

Legal reserve

It is set up at the rate of 5% of the net income determined in each financial year, pursuant to article 193 of Law No. 6.404/76 up to the limit of 20% of the capital.

Equity valuation adjustment

The reserve for equity valuation adjustments includes:

- adjustments for the adoption of deemed cost of fixed assets on the transition date;
- reflexive accumulated translation adjustment includes foreign currency differences deriving from the translation of financial statements of foreign operations;
- Adjustment of hedge accounting of investment abroad, as described in Note 23 (item i a); and
- adjustment of the cash flow hedge as described in note 23 (item i b).

The amounts recorded in adjustments to asset valuation are reclassified to the result for the year wholly or partially, through asset impairment to which they refer.

Proposal for allocation of income for the year 2018

Net income for the year attributed to controlling parties	**147,166**
- Legal reserve (5%)	1,725
- Minimum mandatory dividends (1%)	1,454
- Additional dividend proposed	40,546
- Reserves	103,441
Summary of allocations	
- Dividends	42,000
- Reserves	105,166
Total	**147,166**

27 Operating income

	Consolidated		**Parent company**	
	2018	**2017**	**2018**	**2017**
Sales of goods				
Sugar	10,169,154	8,765,312	1,579,571	2,172,458
Ethanol	17,229,001	18,526,868	5,633,671	5,867,093
Gasoline	19,787	(5,737)	-	-
Corn	(3,552)	(10,168)	-	-
RIN_LCFS (registration of renewable fuel)	606,973	565,899	-	-
Realized derivative financial instrument	59,767	(11,356)	(2,513)	6,113
Rendering of services	473,225	439,075	270,586	233,499
Total	**28,554,355**	**28,269,893**	**7,481,315**	**8,279,163**

We present below the reconciliation between gross income and income presented in surplus and losses for the year:

	Consolidated		Parent company	
	2018	**2017**	**2018**	**2017**
Gross tax income	29,437,902	29,214,412	8,414,287	9,195,043
Less:				
Sales tax	(901,339)	(888,776)	(901,327)	(888,764)
Sales taxes	(37,549)	(31,968)	(24,709)	(20,810)
Returns/rebates	(4,425)	(12,419)	(4,425)	(12,419)
	28,494,589	**28,281,249**	**7,483,826**	**8,273,050**
Realized derivative financial instrument	59,766	(11,356)	(2,511)	6,113
Total	**28,554,355**	**28,269,893**	**7,481,315**	**8,279,163**

28 Net financial income (loss)

	Consolidated		Parent company	
	2018	**2017**	**2018**	**2017**
Financial income				
Asset interest	65,439	82,660	61,560	76,181
Foreign-exchange income	338,925	824,369	26,963	213,864
Transactions with derivative asset	229,797	110,255	332,978	444,619
Other financial income	-	23	-	23
	634,161	**1,017,307**	**421,501**	**734,687**
Financial expenses				
Liability interest	(286,263)	(264,143)	(219,917)	(210,968)
Foreign exchange costs	(446,436)	(457,586)	(107,119)	-
Transactions with derivative liabilities	(79,460)	(559,340)	(211,487)	(735,140)
Other financial expenses	(20,942)	(19,486)	(17,164)	(16,540)
	(833,101)	**(1,300,555)**	**(555,687)**	**(962,648)**
Total net financial income	**(198,940)**	**(283,248)**	**(134,186)**	**(227,961)**

A substantial portion of the amounts presented in the captions foreign exchange gains and losses is related to the Company’s hedge policies and respective hedged counterparties are presented in Net Sales and Cost of Sales following the accounting policies in force.

29 Expenses per type

	Consolidated		Parent company	
	2018	**2017**	**2018**	**2017**
Cost of products, except freights, transshipment and storage	(27,378,380)	(27,489,847)	(7,287,007)	(7,714,986)
Change in inventories' fair values	(199,119)	(356,384)	(53,740)	(188,788)
Depreciation and amortization	(58,355)	(58,124)	(9,787)	(13,648)
Personnel expenses	(188,376)	(213,857)	(63,100)	(89,290)
Freights, transshipment, warehousing and shipping expenses	(91,129)	(92,205)	(16,912)	(23,050)
Other expenses	(184,586)	(189,219)	(41,298)	(47,841)
Total	**(28,099,945)**	**(28,399,636)**	**(7,471,844)**	**(8,077,603)**
Classified as:				
Cost of sales	(27,786,896)	(28,048,458)	(7,340,747)	(7,903,864)
- Administrative	(183,583)	(226,397)	(88,395)	(124,502)
- Sales	(129,466)	(124,781)	(42,702)	(49,237)
Total	**(28,099,945)**	**(28,399,636)**	**(7,471,844)**	**(8,077,603)**

30 Expense with income tax and social contribution

The reconciliation between the tax expense as calculated by the combined statutory rates and the income tax and social contribution expense charged to net income is presented below:

	Consolidated		Parent company	
	2018	**2017**	**2018**	**2017**
Accounting profit before income tax and social contribution	199,953	301,431	198,740	260,271
Income attributable to non-controlling shareholders	-	(2,531)	-	-
Adjusted profit	**199,953**	**298,900**	**198,740**	**260,271**
Combined statutory rate	34%	34%	34%	34%
Income tax and social contribution:				
Calculated at combined statutory rate	(67,984)	(101,626)	(67,571)	(88,492)
Permanent additions/exclusions:				
Transfer pricing adjustment	-	(6,879)	-	(6,879)
Equity in net income of subsidiaries	(6,703)	22,246	78,428	65,425
Fines	(72)	(56)	(55)	(54)
Donations/Sponsorship	(606)	(19)	(463)	(18)
Change in interest	20	3,613	20	3,613
Other	7,015	(4,259)	319	(668)
Differential of tax rate Copersucar North America	606	(781)	-	-
Adjustment resulting from change in USA legislation	13,349	-	-	
Deferred in prior year	(784)	75	(784)	87
Overseas earnings	2,262	45,969	(61,766)	24,409
Long-term compensation	(665)	(3,469)	-	(3,469)
			-	
IRPJ - PAT deductions and Sponsorship	775	719	298	209

	Consolidated		Parent company	
	2018	**2017**	**2018**	**2017**
Income tax and social contribution in income for the year	8,979	(68,874)	10,192	(30,244)
Income tax and social contribution on income abroad	(61,766)	24,407	(61,766)	24,407
Effective rate	**26%**	**15%**	**26%**	**2%**
Current taxes	(56,594)	(112,290)	(31,274)	(71,337)
Deferred taxes	3,807	67,823	(20,300)	65,500
Total	**(52,787)**	**(44,467)**	**(51,574)**	**(5,837)**

This year, a reversal of deferred tax liability in Copersucar North America was carried out, due to the tax reform in the United States.

31 Employee benefits

Other short and long-term benefits

Based on its benefit program, the Company recorded a provision for bonus that is effective for one year, for the following professionals:

	2018	**2017**
Key personnel	22,234	30,522
Other executives	5,558	7,630
	27,792	**38,152**

32 Operating leases

Leases as lessee

Operating leases that cannot be cancelled are paid as follows:

	Consolidated		Parent company	
	2018	**2017**	**2018**	**2017**
Years:				
Up to 1	68,040	68,841	4,283	4,363
>1 and up to 5	171,159	148,397	7,155	12,381
>5	147,760	163,647	-	-
Total	**386,959**	**380,885**	**11,438**	**16,744**

The Company recognized the following expenses amounts with Operating lease transactions:

	2018	2017
Expense with operating lease	54,537	57,558

The Company is the lessee of an area located in Santos Port of approximately 50,392 square meters, where its facilities are built by means of a concession contract up to 2036.

All covenants of the operating lease contract are being fully complied with by the Company.

Through its indirect subsidiary Eco-Energy, the Company is the lessee of equipment for ethanol and gasoline storage and moving (tank-cars, trucks, railroad wagons, tanks and transshipment equipment), and office equipment; it also rents a property in the city of Franklin, TN, USA, for administrative purposes.

Leases as lessor

Parent company rented its investment property under operating lease (see Note 15) to a related party, Copersucar Armazéns Gerais.

Through its indirect subsidiary Eco-Energy, the Company sub-rents tank-cars.

Minimum future payments under non-cancelable leases are as follows:

	Consolidated		Parent company	
	2018	**2017**	**2018**	**2017**
Up to one year	34,934	38,231	616	3,761
Over 1 year - up to 5 years	99,393	86,051	1,199	6,503
Over 5 years	26,333	35,147	-	-
Total	**160,660**	**159,429**	**1,815**	**10,264**

During the year ended March 31, 2018, the amount of R$ 42,982 was recognized as rent income in the Company's income (loss).

	2018	2017
Income from operating lease	42,982	53,698

33 Statement of added value - SAV

According to the requirement of accounting practices adopted in Brazil, applicable to publicly-held companies, and as additional information for IFRS purposes, the Company prepared an individual and consolidated statement of added value.

This statement, supported by macro-economic concepts, is intended to present the Company’s portion in Gross Domestic Product formation by determining values added by the Company and those received from other entities; distribution of these amounts to employees, government spheres, asset leases, loan, financing and debt security creditors, controlling and minority shareholders, and other remuneration that represents wealth transfer to third parties; said added value represents wealth created by the Company, in general, measured at income from sale of assets and from services provided less respective inputs acquired from third parties, including value added produced by third parties and transferred to the entity.