Copersucar S.A.

Financial statements
March 31, 2016

(A free translations of the original report in Portuguese as published in Brazil containing financial statements prepared in accordance with accounting practices adopted in Brazil)

KPDS 155775

Contents

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Independent auditors' report on the financial statements

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

We have examined 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, 2016 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 practices and other explanatory notes.

Management's responsibility for the financial statements
The Company's management is responsible for the preparation and adequate presentation of the individual and consolidated financial statements in accordance with the accounting practices adopted in Brazil and in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board - IASB, as well as for the internal controls that it deemed necessary to enable the preparation of these financial statements free of significant distortions, regardless of whether the latter were caused by fraud or error.

Responsibility of the independent auditors
Our responsibility is to express an opinion on these financial statements based on our audit, undertaken in accordance with Brazilian and international auditing standards. These standards require compliance with ethical requirements by the auditors and that the audit be planned and executed with the objective of obtaining reasonable assurance that the financial statements are free from significant distortions.

An audit involves the carrying out of procedures selected to obtain evidence related to the amounts and disclosures presented in the financial statements. The procedures selected depend on the auditor's judgment, including an assessment of the risks of significant distortion in the financial statements, regardless of whether the latter are caused by fraud or error. In this risk assessment, according to auditing standards, the auditor considers relevant internal controls for the preparation and adequate presentation of the financial statements of the Company, to plan the audit procedures that are appropriate in the circumstances, but not for purposes of expressing an opinion on the efficacy of these internal controls of the Company. An audit also includes the evaluation of the adequacy of adopted accounting practices and reasonability of accounting estimates made by Management, as well as an assessment of the presentation of financial statements taken as a whole.

We believe that the audit evidence obtained is sufficient and appropriate to support our opinion.

Opinion on the financial statements
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, 2016, the individual and consolidated performance of its operations and its respective cash flows for the year then ended, in conformity with the accounting practices adopted in Brazil and International Financial Reporting Standards - IFRS issued by the International Accounting Standards Board (IASB).

Other issues

Statements of added value
We have also examined the individual and consolidated statements of added value (DVA) for the year ended March 31, 2016, prepared under responsibility of Company's management, whose presentation is required by Brazilian Corporate Law for publicly-held companies and as supplementary information under IFRS that do not require the presentation of a statement of added value. These statements were submitted to the same audit procedures previously described and, in our opinion, these supplementary statements are adequately presented, in all material respects, in relation to the basic financial statements taken as a whole.

São Paulo, May 18, 2016

KPMG Auditores Independentes
CRC 2SP014428/O-6
Original report signed by
Fernando Rogério Liani
Accountant CRC 1SP229193/O-2

Copersucar S.A.

Balance sheets as of March 31, 2016 and 2015

(In thousands of reais)

		Consolidated		Parent company	
Assets	**Note**	**2016**	**2015**	**2016**	**2015**
Current assets					
Cash and cash equivalents	6	932,854	1,051,254	704,929	493,384
Accounts receivable	7	774,088	821,925	430,420	816,370
Inventories	8	2,319,873	2,557,292	1,087,272	1,242,299
Recoverable taxes and contributions	9	296,439	303,213	264,196	298,960
Advances to suppliers	10	446,562	1,765,089	16,693	15,002
Stock Exchange transactions	11	79,672	26,145	-	8
Unrealized derivative financial instruments	22	309,310	677,265	141,053	257,503
Other accounts receivable		67,935	115,866	25,349	34,928
Total current assets		**5,226,733**	**7,318,049**	**2,669,912**	**3,158,454**
Non-current assets					
Deferred tax assets	12	411,829	331,537	398,493	313,557
Recoverable taxes and contributions	9	-	70,373	-	70,373
Judicial deposits	21	39,422	34,655	25,522	20,985
Unrealized derivative financial instruments	22	13,901	18,396	13,901	18,396
Loan operations	24	-	-	13,669	95,009
Other accounts receivable		6,538	13,191	4,879	10,669
Investments	13	867,136	844,317	1,356,434	1,944,523
Investment property	14	-	-	70,242	70,296
Property, plant and equipment	15	791,296	672,616	105,663	90,406
Intangible assets	16	271,485	253,101	15,958	18,701
Total non-current assets		**2,401,607**	**2,238,186**	**2,004,761**	**2,652,915**
Total assets		**7,628,340**	**9,556,235**	**4,674,673**	**5,811,369**

		Consolidated		Parent company	
Liabilities	**Note**	**2016**	**2015**	**2016**	**2015**
Current liabilities					
Suppliers	17	1,474,297	2,704,998	1,028,317	2,196,913
Loans and financing	18	2,243,662	2,053,863	1,995,014	1,558,225
Labor payroll obligations		17,359	26,383	11,141	18,835
Taxes and contributions payable	19	54,040	71,618	16,841	28,131
Stock Exchange transactions	11	7,653	60,297	38	-
Advance from clients	20	880,191	1,229,971	476	7,239
Unrealized derivative financial instruments	22	656,478	257,486	313,522	196,181
Other accounts payable		59,012	95,790	9,480	5,538
Total current liabilities		**5,392,692**	**6,500,406**	**3,374,829**	**4,011,062**
Non-current liabilities					
Loans and financing	18	1,580,136	2,431,370	862,342	1,422,690
Employee benefits	33	36,484	42,226	5,100	-
Taxes and contributions payable	19	321	448	-	-
Provisions for contingencies	21	37,022	36,574	20,993	20,985
Deferred tax liabilities	12	114,849	35,946	57,353	18,564
Other accounts payable		6,869	14,491	-	-
Unsecured liability of the subsidiary	13	-	-	2,593	1,972
Total non-current liabilities		**1,775,681**	**2,561,055**	**948,381**	**1,464,211**
Shareholders' equity					
Capital		180,301	180,301	180,301	180,301
Treasury shares		(8)	(8)	(8)	(8)
Legal reserve		21,614	19,992	21,614	19,992
Profit reserves		154,444	123,119	154,444	123,119
Equity valuation adjustments		(4,888)	12,692	(4,888)	12,692
Net assets attributable to controlling shareholders	25	**351,463**	**336,096**	**351,463**	**336,096**
Interest of non-controlling shareholders		**108,504**	**158,678**	**-**	**-**
Total shareholders' equity	**25**	**459,967**	**494,774**	**351,463**	**336,096**
Total liabilities and shareholders' equity		**7,628,340**	**9,556,235**	**4,674,673**	**5,811,369**

See the accompanying notes to the financial statements

Copersucar S.A.

Statements of income

Years ended as of March 31, 2016 and 2015

(In thousands of reais)

		Consolidated		Parent company	
		2016	2015	2016	2015
	Note				
Net income	27	26,324,006	20,985,802	7,901,678	5,984,736
Unrealized derivative financial instruments	22	(518,463)	373,666	2,144	-
Cost of sales	29	(24,836,635)	(20,452,761)	(7,230,754)	(5,921,650)
Gross income		**968,908**	**906,707**	**673,068**	**63,086**
Sales expenses	29	(122,860)	(195,713)	(41,660)	(54,417)
Administrative expenses	29	(216,968)	(186,566)	(98,219)	(88,494)
Other income		26,051	88,982	16,484	24,020
Other expenses		(39,117)	(49,301)	(3,809)	(13,328)
Income before net financial		**616,014**	**564,109**	**545,864**	**(69,133)**
Financial income	28	2,145,403	1,570,618	806,072	440,044
Financial expenses	28	(2,562,538)	(2,261,420)	(1,033,358)	(550,072)
Net financial		**(417,135)**	**(690,802)**	**(227,286)**	**(110,028)**
Equity in net income of subsidiaries	13	(67,461)	22,276	(231,246)	71,280
Income (loss) before taxes		**131,418**	**(104,417)**	**87,332**	**(107,881)**
Current income and social contribution taxes	30	(32,746)	(24,636)	(46,154)	(3,014)
Deferred income and social contribution taxes	30	(53,541)	118,142	(8,739)	102,484
Total income and social contribution taxes		**(86,287)**	**93,506**	**(54,893)**	**99,470**
Net income (loss) for the year		**45,131**	**(10,911)**	**32,439**	**(8,411)**
Income (loss) attributed to					
Controlling shareholders		32,439	(8,411)	32,439	(8,411)
Non-controlling shareholders		12,692	(2,500)	-	-
Net income (loss) for the year		**45,131**	**(10,911)**	**32,439**	**(8,411)**

See the accompanying notes to the financial statements

Copersucar S.A.

Statements of comprehensive income

Years ended as of March 31, 2016 and 2015

(In thousands of reais)

	Consolidated		Parent company	
	2016	**2015**	**2016**	**2015**
Income (loss) for the year	45,131	(10,911)	32,439	(8,411)
Comprehensive income				
Accumulated translation adjustment included	(2,916)	(9,781)	(2,916)	(9,781)
Accumulated translation adjustment	92,779	180,367	92,779	180,367
Non Deliverable Forward investment hedge	(161,428)	(260,548)	(161,428)	(260,548)
Non Deliverable Forward - Cash flow hedge	(129)	-	(129)	-
Income and social contribution taxes	54,929	88,586	54,929	88,586
Total comprehensive income	**28,367**	**(12,287)**	**15,675**	**(9,787)**
Comprehensive income attributable to:				
Controlling shareholders	15,675	(9,787)	15,675	(9,787)
Non-controlling shareholders	12,692	(2,500)	-	-
Total comprehensive income	**28,367**	**(12,287)**	**15,675**	**(9,787)**

See the accompanying notes to the financial statements

Copersucar S.A.

Statements of changes in shareholders' equity

Years ended as of March 31, 2016 and 2015

(In thousands of reais)

		Reserves								
	Capital	**Treasury shares**	**Legal reserve**	**Profit reserves**	**Equity valuation adjustment**	**Retained earnings**	**Additional dividend proposed**	**Equity attributable to controlling shareholders**	**Interest of non-controlling shareholders**	**Total**
In 2014	180,301	(8)	19,992	131,508	14,090	-	13,963	359,846	176,109	535,955
										-
Realization of deemed cost	-	-	-	-	(22)	22	-	-	-	-
Distribution of proposed additional dividend	-	-	-	-	-	-	(13,963)	(13,963)	-	(13,963)
Loss for the year	-	-	-	-	-	(8,411)	-	(8,411)	(2,500)	(10,911)
Profit retention	-	-	-	(8,389)	-	8,389	-	-	-	-
Comprehensive income for the year:										
Accumulated translation adjustment included	-	-	-	-	(9,781)	-	-	(9,781)	-	(9,781)
Net investment hedge in foreign transaction	-	-	-	-	8,405	-	-	8,405	-	8,405
Transactions with non-controlling shareholders	-	-	-	-	-	-	-	-	(14,931)	(14,931)
In 2015	180,301	(8)	19,992	123,119	12,692	-	-	336,096	158,678	494,774
Realization of deemed cost	-	-	-	-	(816)	816	-	-	-	-
Comprehensive income for the year:										-
Accumulated translation adjustment included	-	-	-	-	(2,916)	-	-	(2,916)	-	(2,916)
Net investment hedge in foreign transaction	-	-	-	-	(13,763)	-	-	(13,763)	-	(13,763)
Net cash flow hedge	-	-	-	-	(85)	-	-	(85)	-	(85)
Net income for the year	-	-	-	-	-	32,439	-	32,439	12,692	45,131
Distribution of income:										
Legal reserve	-	-	1,622	-	-	(1,622)	-	-	-	-
Compulsory minimum dividends (R$ 0.0002 per share)	-	-	-	-	-	(308)	-	(308)	-	(308)
Profit retention	-	-	-	31,325	-	(31,325)	-	-	-	-
Transactions with non-controlling shareholders	-	-	-	-	-	-	-	-	(62,866)	(62,866)
In 2016	180,301	(8)	21,614	154,444	(4,888)	-	-	351,463	108,504	459,967

See the accompanying notes to the financial statements

Copersucar S.A.

Statements of cash flows

Years ended as of March 31, 2016 and 2015

(In thousands of reais)

	Consolidated		Parent company	
	2016	**2015**	**2016**	**2015**
Cash flow from operating activities				
Income/(Loss) for the year	**45,131**	**(10,911)**	**32,439**	**(8,411)**
Adjusted by:				
Equity income (loss)	67,461	(22,276)	231,246	(71,280)
Subsidiary gains with foreign exchange variation	(151,944)	(208,915)	-	(37,394)
Depreciation and amortization	59,088	33,800	11,959	9,010
Deferred taxes	53,541	(118,142)	8,739	(102,484)
Interest and exchange variation on loans and financings	(325,753)	692,978	331,963	449,598
Net value of write-offs of property, plant and equipment and intangible asset	27,071	4,529	461	435
Increase in provision for contingencies	448	704	8	-
Employee benefits	(5,742)	46,185	5,100	15,303
Change in inventories' fair values	(387,273)	259,213	(194,921)	24,477
Change in fair value of derivative financial instruments	638,103	(652,411)	105,075	(271,897)
Gain on interest in associated companies	(10,882)	(22,030)	(10,882)	(22,030)
Changes in assets and liabilities				
Decrease/(Increase) in accounts receivable	75,498	346,152	385,950	(414,927)
(Increase)/Decrease in operations with related parties	(349,472)	1,199,899	77,458	(5,085)
Decrease/(Increase) in inventories	640,487	(1,089,266)	349,948	(546,551)
Decrease/(Increase) in recoverable taxes	77,147	(140,534)	105,137	(143,432)
Decrease/(Increase) in other accounts receivable	39,352	(32,197)	20,876	(56,302)
Decrease/(Increase) in advance to supplier	1,385,341	(751,153)	(1,691)	6,674
(Increase)/Decrease in stock exchange operations	(101,688)	58,296	46	65
(Increase) in judicial deposits	(4,767)	(126)	(4,537)	-
(Decrease)/ Increase in suppliers	(1,285,570)	529,601	(1,168,596)	976,705
(Decrease) in social and labor obligations and employee benefits	(9,024)	(14,597)	(7,694)	(10,190)
(Decrease)/Increase in taxes and contributions payable	(7,893)	42,634	(11,290)	11,685
Increase in other accounts payable	38,816	75,647	3,636	4,953
Interest paid on loans and financing	(297,395)	(365,236)	(255,257)	(231,797)
Income and social contribution taxes paid	(9,812)	(36,735)	-	-
Dividends receivable	49,246	5,576	496,636	4,881
Net cash flow generated/(used) in operating activities	**249,515**	**(169,315)**	**511,809**	**(417,994)**
Cash flows from investment activities				
Application of funds in investments	(107,835)	(525,837)	(46,900)	(525,837)
Application of funds in property, plant and equipment	(166,607)	(188,474)	(24,874)	(27,339)
Application of funds in intangible assets	(4,775)	(12,117)	(6)	(14)
Net cash used in investment activities	**(279,217)**	**(726,428)**	**(71,780)**	**(553,190)**
Cash flows from financing activities				
Loss with financial instrument – investment hedge	(28,218)	(38,627)	(28,218)	(38,627)
Dividends paid	-	(14,710)	-	(14,710)
Loans and financing obtained	2,504,501	6,515,339	1,498,451	1,716,757
Payments of loans and financing	(2,564,981)	(5,119,351)	(1,698,717)	(497,294)
Net cash (used)/generated in financing activities	**(88,698)**	**1,342,651**	**(228,484)**	**1,166,126**
Net decrease/increase in cash and cash equivalents	**(118,400)**	**446,908**	**211,545**	**194,942**
Statement of changes in cash and cash equivalents				
At the end of the year	932,854	1,051,254	704,929	493,384
At the beginning of the year	1,051,254	604,346	493,384	298,442
Net decrease/increase in cash and cash equivalents	**(118,400)**	**446,908**	**211,545**	**194,942**

See the accompanying notes to the financial statements

Copersucar S.A.

Statements of added value

Years ended as of March 31, 2016 and 2015

(In thousands of reais)

	Consolidated		Parent company	
	2016	**2015**	**2016**	**2015**
Income				
Sale of merchandise, products and services	27,352,009	21,512,009	8,953,034	6,835,665
Other income	35,989	331,725	1,307	(130)
Change in fair value of financial instruments	(518,463)	373,666	2,144	-
Estimated allowance for doubtful accounts	(329)	106	-	-
	26,869,206	**22,217,506**	**8,956,485**	**6,835,535**
Inputs acquired from third parties				
Cost of products, goods, and services sold	(25,682,663)	(21,207,950)	(8,167,366)	(6,796,455)
Materials, outsourced services and other	(214,034)	(273,252)	(55,215)	(58,685)
Others	(33,727)	(27,414)	(78)	(113)
	(25,930,424)	**(21,508,616)**	**(8,222,659)**	**(6,855,253)**
Gross added value	**938,782**	**708,890**	**733,826**	**(19,718)**
Depreciation and amortization	(42,987)	(33,800)	(11,959)	(9,010)
Added value received as transfer				
Equity in net income of subsidiaries	(67,461)	22,276	(231,246)	71,280
Financial income	2,145,403	1,570,618	806,072	440,044
Others	25,304	67,831	15,741	11,009
	2,103,246	1,660,725	590,567	522,333
Total added value payable	**2,999,041**	**2,335,815**	**1,312,434**	**493,605**
Distribution of added value	**(2,999,041)**	**(2,335,815)**	**(1,312,434)**	**(493,605)**
Personnel				
Direct remuneration	(93,920)	(101,733)	(30,009)	(45,176)
Benefits	(62,467)	(66,776)	(33,185)	(19,786)
FGTS	(8,064)	(7,754)	(2,993)	(3,249)
	(164,451)	(176,263)	(66,187)	(68,211)
Taxes, rates and contributions				
Federal	(155,064)	145,303	(117,800)	153,098
State	(57,372)	(31,340)	(56,286)	(29,974)
Municipal	(7,669)	(4,356)	(552)	(535)
	(220,104)	109,607	(174,638)	122,589
Third parties' capital remuneration				
Interest	(2,562,538)	(2,261,419)	(1,033,357)	(550,072)
Rents	(6,817)	(18,651)	(5,813)	(6,322)
	(2,569,355)	(2,280,070)	(1,039,170)	(556,394)
Remuneration of own capital				
(Income) Loss for the year	(32,439)	8,411	(32,439)	8,411
Non-controlling interest	(12,692)	2,500	-	-
	(45,131)	10,911	(32,439)	8,411

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, is domiciled in Brazil, is headquartered in the city of São Paulo (SP) and may set up and shut down branches, offices or agencies, as well as appoint agents or representatives, anywhere in Brazil or abroad. The registered address of the Company’s office is Avenue Paulista, nº 287.

The individual and consolidated financial statements of the Company for the year ended March 31, 2016 comprise the parent company and its subsidiaries.

The Company is engaged in the following main activities:

- To import, export, trade, manufacture, store, load and unload sugar, ethanol and by-products in the domestic and foreign markets;

- To provide sugar, ethanol and by-products sales agency services;

- Logistics by sea, river and land;

- To provide cargo transportation services, including hazardous cargo transportation, and to act as multimodal transportation operator;

- Production and sales of electricity, steam, exhaust steam, and any derivative arising from the co-generation of electricity;

- The provision of technical and consultancy services related to the above-mentioned activities; and

- Equity interests in other companies.

The fiscal year of the Company and its subsidiaries ends on March 31 every year, except for Copersucar North America, LLC, whose year ends as of December 31 of each year.

2 Company's entities

Entity	City/State: - Country	Relationship	Equity interest 2016	2015
Companhia Auxiliar de Armazéns Gerais	São Paulo/SP - Brazil	Subsidiary	99.99995%	99.99995%
Copersucar Armazéns Gerais S.A.	São Paulo/SP - Brazil	Subsidiary	99.99997%	99.99997%
Uniduto Logística S.A.	São Paulo/SP - Brazil	Associate	39.073700%	39.073700%
Logum Logística S.A.	Rio de Janeiro/RJ - Brazil	Jointly-controlled subsidiary	20.00000%	20.00000%
Sugar Express Transportes S.A.	São Paulo/SP - Brazil	Subsidiary	99.99000%	99.99000%
Centro de Tecnologia Canavieira S.A.	São Paulo/SP - Brazil	Associate	17.67510%	18.511600%
Copersucar International N.V.	Caracasbadiweg - Curaçau	Subsidiary	-	100.00000%
Copersucar Trading A.V.V.	Orangestad - Aruba	Subsidiary	100.00000%	100.00000%
Copersucar Europe B.V.	Rotterdam - Netherlands	Indirect subsidiary	-	100.00000%
Copa Shipping Company Limited	Tortola - British Virgin Islands	Indirect jointly-controlled Subsidiary	-	50.00000%
Copersucar North America, LLC	Franklin/TN - USA	Subsidiary	100.00000%	100.00000%
Copersucar Asia Limited	Hong Kong - China	Indirect subsidiary	-	100.00000%
Eco-Energy Global Biofuels LLC	Franklin/TN - USA	Indirect subsidiary	76.66667%	65.00000%
Alvean Sugar Intermediação e Agenciamento Ltda.	São Paulo/SP - Brazil	Jointly-controlled subsidiary	50.00000%	50.00000%
Alvean Sugar, S.L.	Billion - Spain	Jointly-controlled subsidiary	50.00000%	50.00000%

Companhia Auxiliar de Armazéns Gerais
The Subsidiary, based in the capital of the state of São Paulo is to sell 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.
The Subsidiary, which is headquartered in the State of São Paulo, is mainly engaged in the wholesale trade of food products and goods in general, retail and wholesale trade and distribution of fuel for automotive or industrial purposes, and rental of warehouses.

Uniduto Logística S.A.
The Associated company, headquartered state of São Paulo, aims to develop, build and operate 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.

Logum Logística S.A.
Jointly-controlled subsidiary is headquartered in Rio de Janeiro, Rio de Janeiro State (RJ), and is engaged in: construction and operation of intermodal and multimodal networks for the transport of ethanol, oil by-products and other biofuels to the domestic and international markets; activities directly or indirectly related to intermodal and multimodal transport of ethanol, oil by-products and other biofuels; participation in projects whose aim is to promote the development of intermodal and multimodal transport of ethanol, oil by-products and other biofuels; import, export, acquisition, sale, distribution or lease of all the machinery and equipment related to the aforementioned activities, and exploration and development of opportunities in business related to the installation of optic fiber cables in its rights of way.

Sugar Express Transportes S.A.
The subsidiary Sugar Express Transportes S.A. is responsible for the road transport of sugar and ethanol.

Centro de Tecnologia Canavieira S.A. (CTC)

The Associated company, which is headquartered in the State of São Paulo, is engaged in the 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.

Copersucar International N.V.

The subsidiary based in Curaçau has as its corporate purpose equity interests in other companies.

On December 15, 2015, the subsidiary Copersucar International N.V. was settled and all shares held by Copersucar Trading A.V.V. were transferred to Copersucar S.A.

Copersucar Trading A.V.V.

The Subsidiary established in Aruba is engaged in importing and exporting sugar and ethanol, which are mainly purchased from the Cooperativa de Produtores de Cana-de-açúcar, Açúcar e Álcool do Estado de São Paulo.

Copersucar Europe B.V.

The Subsidiary established in Holland is engaged in the trade of sugar and ethanol, especially from related companies.

Copa Shipping Company Limited

Copa Shipping Company Limited, a maritime freight company headquartered in the British Virgin Islands, was set up in partnership with the Jamal Al-Ghurair (JAG) Group, which, among other business activities, owns Al Khaleej Sugar (AKS), the largest sugar refinery in the world and one of its strategic clients. Copa Shipping charters ships to transport the cargo of Copersucar S.A. and AKS, optimizing the cost management and quality control of this service.

Copersucar North America, LLC

Copersucar North America, LLC, a company based in the United States, was established to hold investments in other companies' capital.

Eco-Energy Global Biofuels, LLC

Company headquartered in Franklin, Tennessee, United States, which operates in an integrated manner in the biofuel supply chain, focusing on trade, logistics and marketing services.

Copersucar Asia Limited

The Subsidiary established in Hong Kong is engaged in the trade of sugar and ethanol, especially from related companies.

Alvean Sugar, S.L.
Subsidiary established in Spain is engaged in originating and global trading raw and white sugar.

Alvean Sugar Intermediação e Agenciamento Ltda.
Subsidiary established in Brazil is engaged in providing agency services and intermediating raw and white sugar trading.

3 Preparation basis

a. Statement of conformity

These financial statements include:

- The consolidated financial statements prepared according to the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and also in accordance with accounting practices adopted in Brazil (BR GAAP). The individual financial statements of the parent company were prepared according to the BR GAAP.

The issue of the financial statements was authorized by the Board of Directors on May 18, 2016.

b. 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 - calculated at fair value less sales expenses, through marking to market.

c. Functional currency and presentation currency

The 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 thousands, except otherwise indicated.

d. Use of estimates and judgments

The preparation of the parent company and consolidated financial statements in accordance with the accounting pronouncements issued by the Accounting Pronouncements Committee (CPC) and IFRS requires Management to use judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and assumptions are reviewed in a continuous manner. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future periods affected.

Information regarding critical judgments referring to the accounting policies adopted which significantly impact the amounts recognized in the individual and consolidated financial statements are included in the following notes:

- **Note 8 -** Inventories;
- **Note 12 -** Deferred tax assets and liabilities;
- **Note 14 -** Investment property;
- **Note 22 -** Financial instruments; and
- **Note 32 -** Operating leases.

Information on uncertainties as to assumptions and estimates that pose a high risk of resulting in a material adjustment within the next financial year are included in the following notes:

- **Note 4.e.iv -** Depreciation (useful life of property, plant and equipment);
- **Note 4.f.iv -** Amortization (useful life of intangible assets);
- **Note 12 -** Deferred tax assets and liabilities (use of tax losses); and
- **Note 21 -** Provision for contingencies (provisions and contingencies).

e. 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 data as much as possible. Fair values are classified at different levels according to hierarchy based on information (inputs) used in valuation 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).
- **Level 3**: Inputs, for assets or liabilities, which are not based on observable market data (non-observable inputs).

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

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, additional information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Inventories

Inventories are measured at fair value less selling costs, at market price (“mark-to-market”), according to the Company and its subsidiaries’ commodities and operation markets. In determining fair value, the Company uses as a reference the quotation and 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.

Accounts receivable

The fair value of accounts receivable and other receivables, that is determined for disclosure purposes, is estimated as the present value of future cash flows, discounted at the market interest rate on presentation date.

Property, plant and equipment

Fair value of property, plant and equipment items for deemed cost purposes was based on market approach and cost approach at market prices on the transition date for similar assets, when available, and replacement costs, when applicable.

Intangible assets

The fair value of trademarks and patents acquired in a business combination is based on the present value of estimated royalty payments that have been avoided by the ownership of the trademark or patent. The fair value of costumer relationships acquired in a business combination is calculated under the multi-period excess earnings method, through which an underlying asset is valued after the deduction of a fair return on all other assets that contribute to the creation of the respective cash flows.

The fair value of other intangible assets is based on the discounted cash flows expected to be accrued from the use and possible sale of the assets.

Investment property

The fair value of the investment property, for deemed cost purposes, was determined based on the market approach and on cost approaches through quoted market prices as of the date of transition to similar assets, where available, and replacement cost where appropriate.

Derivative financial instruments

The fair value of forward exchange contracts and interest rate is based on the listed market price, if available. The fair value of derivative instruments to hedge currencies and interest rates consists of determining the terms and conditions contracted and calculating the present value based on market curves extracted from the Bloomberg and BM&F databases.

If a listed market price is not available, fair value is estimated by discounting the difference between the contractual forward price and the current forward price by using a risk-free interest rate (based on government bonds) - see note 22.

Non-derivative financial liabilities

Non-derivative financial liabilities are measured at fair value upon initial recognition and, at each reporting date for purposes of disclosure. The fair value that is calculated based on the present value of principal and future cash flows, discounted at market interest rate on the date of presentation of the financial statements. For convertible debt securities, the market interest rate is determined by reference to similar liabilities that do not have a conversion option. For financial leases, the interest rate is calculated by referring to similar lease agreements.

Loans and financing

The fair value that is determined for disclosure purposes is calculated based on the present value of principal and future cash flows, discounted at market interest rate on the date of presentation of the financial statements.

Other non-derivative financial liabilities

The fair value that is determined for disclosure purposes is calculated based on the present value of principal and future cash flows, discounted at market interest rate on the date of presentation of the financial statements.

4 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 jointly-controlled subsidiaries are recognized under the equity method.

(iii) Investments in associates companies

Associates 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 associates 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 accounting value of that ownership interest, including long-term investments, is reduced to zero and additional losses are no longer recognized, except when the Company has constructive obligations or made payments on behalf of the investee, when a provision for investment losses is recorded.

(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 originating from transactions with investees recorded using the equity method are eliminated against the investment in the proportion of the Company's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only up to the point where there is no evidence of loss due to impairment.

(v) Interest of non-controlling shareholders

The Group chose to measure minority interests in acquiree at their proportion in identifiable net assets on 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. Foreign currency

(i) Foreign currency transactions

Transactions in foreign currency are translated into the respective functional currencies of the Company's entities at the exchange rates on the dates of the transactions, except for monetary assets and liabilities denominated and calculated in foreign currencies on the date of presentation are converted into the functional currency at the exchange rate determined on that date. Exchange gain or loss in monetary items is the difference between the amortized cost of the functional currency at the beginning of the year, adjusted by interest and effective payments during the year, and the amortized cost in foreign currency at the exchange rate at the end of the presentation year. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into the functional currency at the foreign exchange rate on the date the fair value was determined.

Exchange differences arising from the reconversion are charged to income.

(ii) Foreign operations

For the subsidiaries which the functional currency is the Dollar, assets and liabilities of foreign transactions are translated into Brazilian reais (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 (selling rate - PTAX) calculated in the year.

For the subsidiaries with Reais as functional currency, 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.

Such exchange variations 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 (USD) to the functional currency of the Company (Brazilian real - R$), the following exchange rates were used for the Consolidated and Parent company:

	Average annual interest		**Spot closing rate**	
	2016	**2015**	**2016**	**2015**
R$/USD	3.5932	2.4784	3.5589	3.2080

c. Financial instruments

(i) Non-derivative financial assets

The Company initially recognizes the loans, receivables on 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 Company fails to recognize a financial asset when the contractual rights to the cash flows of the asset expire, or when the Company transfers the rights to reception of the contractual cash flows on a financial asset in a transaction in which essentially all the risks and benefits of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount reported in the balance sheet only when there is a legally enforceable right to set off and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

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
A financial asset is classified at fair value through profit or loss if it is held for trading, or stated as such when initially recognized. 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 transaction costs, after initial recognition, are recognized in income (loss) as incurred. Financial assets recorded at fair value through profit or loss are measured at fair value and changes in the fair value of such assets are recognized in the income for the year.

Loans and receivables
Loans and receivables are financial assets with fixed or determinable payments, but not quoted on any active market. These assets are recognized initially at fair value plus any attributable transaction costs. 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 cash and cash equivalents, accounts receivable, other receivables, related parties and advance to supplier.

(ii) Non-derivative financial liabilities
The Company recognizes debt securities issued and 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.

Financial assets and liabilities are offset and the net amount reported in the balance sheet only when there is a legally enforceable right to set off and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Such financial liabilities are initially recognized at fair value plus any transaction costs directly assignable. 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, and other accounts payable.

(iii) Derivative financial instruments
The Company holds derivative financial instruments: futures, swaps (interest and currency risk protection) and NDFs - Non Deliverable Forward - as its hedging transactions (hedge) for exchange fluctuations (currency) and commodity price.

The purpose of the transactions involving derivatives is always related to the Company's operations and the reduction of its exposure to currency and market risks, duly identified by the policies and guidelines established. The results obtained from such operations are consistent with the policies and strategies defined by Company's management. All gains and losses arising from derivative financial instruments are stated at their market value.

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

Gains/losses related to unrealized derivative financial instruments arising from commodity price hedging are recognized in gross profit, whereas effects of derivatives related to exchange and interest risks are recognized in financial income.

(iv) Net investment hedge abroad

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 for hedge effectiveness, exchange differences arising from the reconversion of financial liability designated as hedge, of a net investment in a foreign operation are recognized in other comprehensive income and accumulated as equity evaluation adjustments in shareholders' equity. When net investment subject to hedging is disposed of, corresponding portion held in account valuation adjustments to equity under shareholders' equity is reclassified into income as part of gains or losses on disposal.

d. Inventories

The Company's inventories comprise commodities and are mark-to-market less costs to sell. 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.

e. 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. Purchased software that is integral to the functionality of a piece of equipment is capitalized as part of that equipment.

The cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of assets built by the Company includes materials and direct labor; as well as any other costs attributable to bringing the assets to the location and condition requires for them to operate in the manner intended by Management; costs for dismantling and restoration of the site where they are located; and borrowing 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 PP&E.

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

(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 is accounted for in the statement of income for the year in which replacement occurred. Daily costs of normal maintenance on property, plant and equipment are charged to the income statement as incurred.

(iv) Depreciation

Items of property, plant and equipment are depreciated from the date they are installed and 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 calculated on the depreciable values, which is the cost of an asset, or other amount that substitutes cost, less residual values.

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, as this method is that more closely reflects the pattern of consumption of future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term or the estimated useful life of the asset, unless it is reasonably certain that the Company will obtain ownership at the end of the lease term. Land is not depreciated.

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

	Annual weighted average rate	
	2016	
	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.

f. 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. 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. The goodwill's recoverability is assessed based on an analysis and the detection of facts or circumstances likely to give rise to the need to advance the tests performed each year. Should a new fact or circumstance suggest a difficulty in recovering the goodwill, the test is advanced.

(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 the statement of income for the year in which replacement occurred. Daily costs of maintenance are recognized in income (loss) 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 profit or loss, under the caption "Administrative expenses", on a straight-line basis over the estimated useful lives of the intangible assets, except goodwill from the date they are available for use, since this is the method that best reflects the consumption pattern of the future economic benefits embodied in the asset. Software estimated useful life for current and comparative years is 5 years.

g. 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.

h. Leased assets

The Company’s leases are operating leases. Leased assets are not recognized on the Company’s balance sheet (lessee). An investment property under an operational lease is recognized in the Company's balance sheet (lessor) at its historical cost.

i. Impairment

(i) Non-derivative financial assets (including receivables)

A financial asset not measured at fair value through profit or loss, including interest in an investee accounted by the equity method, is assessed at each reporting for objective evidence of impairment loss. An asset is impaired when there is objective evidence that a loss event has occurred after the initial recognition of the asset, and that such loss event had a negative effect on the projected future cash flows of that asset that can be reliably estimated.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of the amount due to the Company and its subsidiary on terms that the Company would not consider otherwise, indication that the debtor or issuer will file for bankruptcy, or disappearance of an active market for a security. In addition, for an investment in equity instrument, a significant or prolonged decrease in the fair value of the asset, below its cost, is objective evidence of impairment.

Financial assets measured at the amortized cost
For its receivables, the Company considers as evidence of impairment both individually and on an aggregate basis. All and individually significant receivables are assessed for impairment. All the receivables are material on an individual basis, identified as non-impaired on an individual basis are collectively assessed for any impairment loss not yet identified. Assets that are not individually significant are assessed on an aggregate basis in relation to impairment by grouping the notes with similar risk characteristics.

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.

An impairment of a financial asset measured at amortized cost is calculated as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The losses are recognized in an allowance in the income statement against loans and receivables or assets held to maturity. Interest on the impaired asset continues to be recognized. When a subsequent event causes the amount of the impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.
Provisions for estimated losses on receivables from the receivable portfolio are recognized in the income statement for the year under “Sales expenses" as an Estimated Provision for Doubtful Accounts (PECLD) in each year of recoverable amount valuation, in accordance with IAS 39/CPC 38 - “Financial Instruments: Recognition and Measurement.”

(ii) Non-financial assets
The book values of the non-financial assets of the Company, except for inventories, investment properties and deferred income tax and social contribution assets, are reviewed at each reporting date for indication of impairment. If such indication exists, the asset's recoverable amount is estimated. For goodwill and intangible assets with an undefined useful life, the recoverable value is estimated on an annual basis.

The recoverable value of an asset or cash-generating unit is the greater of its value in use and its fair value less sales 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 period of capital and the risks specific to the asset or CGU (Cash Generating Unit). For the purpose of impairment testing, the assets that cannot be individually tested are grouped together into the smallest group of assets that generates cash inflows that are largely independent of the cash flows of other assets or cash generating units.

The Company's corporate assets do not generate separate cash inflows. If there is indication that a corporate asset is impaired, the recoverable amount 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 carrying amount 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 carrying amount of any goodwill attributed to the CGUs and then, if there was a remaining loss, to reduce the carrying amount of the other assets within the CGU or group of CGUS on a pro-rata basis.

Except for goodwill, for financial statements date we evaluate impaired assets that have been recognized in prior years to seek indications that impairment has increased, decreased or no longer exists. A loss of value is reversed if there has been a change in estimates used to determine the recoverable value. An impairment loss is reversed only with the condition that the book value of the asset does not exceed the book value that would have been calculated, net of depreciation or amortization, if the value loss had not been recognized.

j. Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity (pension fund) and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as employee benefit expenses in income (loss) for the year in periods the services are rendered by the employees. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available. The contributions to a defined contribution plan whose expected maturity is 12 months from the end of the year in which the employee renders the service are discounted to their present values.

(ii) Short-term employee benefits

Obligations for short-term employee benefits are measured on a non-discounted basis and incurred as expenses as the related service is rendered.

The liability is recognized at the amount expected to be paid under the short term cash bonus or profit sharing plans if the Company has a legal or constructive obligation to pay this amount as a result of prior service rendered by the employee, and the obligation can be reliably estimated.

(iii) Post-employment benefits

Post-employment benefits granted and to be granted to employees, retirees and pensioners are assessed each year through an actuarial calculation performed by an independent actuary. The results are analyzed and provisions are recorded in the event the results are material. The assumptions used in the actuarial calculation and other information on these benefits are presented in note 31.

(iv) Other long-term benefits to employees

The Company grants a long-term bonus to its executives. This benefit is granted every three years and its payment is linked to the achievement of an EBITDA continuity target (net income without the effects of income tax and social contribution, financial expenses and depreciation and amortization charges). A provision is recorded for this amount on the accrual basis, as presented in note 24.

k. Provisions

A provision is set up 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.

l. Leases

(i) 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. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

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

(ii) 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.

(iii) Determining whether an agreement contains a lease

At the inception of an agreement, the Company defines whether the agreement is for or contains a lease. A specified asset is a leased item if meeting the agreement depends on the use of said specified asset. The agreement transfers the asset use right if the agreement transfers to the Company the right to control the use of the underlying asset.

At the inception of an agreement or at the time of a possible revaluation thereof, the Company separates payments and other considerations required by said agreement between those for leasing and those for other components, taking as a basis their relative fair values. Should the Company conclude that, for a given financial lease, a reliable separation of the payments is impracticable, one asset and one liability are recognized for an amount equal to the fair value of the underlying asset. Subsequently, the minimum lease payments made under financial leases are apportioned between financial expense (based on the Company's incremental interest rate) and reduction of the outstanding liability.

m. 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.

n. Determination of net income

a. Operating income

(i) Sugar and ethanol sales

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 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 and loading of sugar and ethanol are recognized when: (i) the amount of the income can be reliably estimated;
(b) it is likely that the economic benefits related to the transaction will accrue to the entity; (c) the stage of completion of the transaction at the end of the reporting year can be reliably measured, and (d) the expenses incurred for the transaction and the expenses to complete it can be reliably measured.

b. Financial income and expenses

Financial income substantially comprise income from interest-earning investments, exchange rate gains 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 borrowings 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.

c. Income and social contribution taxes

The income and social contribution taxes, both current and deferred, are calculated based on the rates of 15% plus a surcharge of 10% on taxable income in excess of R$ 240 for income tax and 9% on taxable income for social contribution on net income, and consider the offsetting of tax loss carryforward and negative basis of social contribution, limited to 30% of the annual taxable income.

The income and social contribution tax expense comprises current and deferred taxes on income. Current taxes and deferred taxes are recognized in profit or loss unless they are related to the business combination, or items directly recognized in shareholders' equity or other comprehensive income.

(i) Current tax

Current taxes are the taxes payable or receivable on the taxable income or loss for the period, at tax rates enacted or substantively enacted on the reporting date, and any adjustments to taxes payable in relation to prior years. Current taxes also include any tax payable arising from the declaration of dividends.

(ii) Deferred tax

Deferred taxes are recognized in relation to the temporary differences between the carrying amounts of assets and liabilities for accounting purposes and the related amounts used for taxation purposes. Deferred taxes are measured at tax rates expected to be applied to temporary differences when they are reversed, based on laws enacted or substantively decreed up to the reporting date of the financial statements.

Deferred income and social contribution tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, whether they are related to taxes levied by the same tax authority and on the same taxable entity, or on different taxable entities, but there is an intention to settle current tax assets and liabilities on a net basis or tax assets and liabilities will be realized simultaneously.

A deferred income and social contribution tax asset is recognized in relation to unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable income will be available and against they will be used.

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

(iii) Tax exposures

When determining current and deferred income tax, the Company takes into consideration the impact of uncertainties related to tax positions taken and whether additional taxes and interest may be due. 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 existing provision adequacy; such changes of provision will impact income tax expenses for the year in which they are made.

o. Segment information

IFRS 8 and CPC 22 - Segment Reporting require that segments be reported in a manner which is consistent with the managerial reports provided and reviewed by the chief operating decision-maker, the CEO, for purposes of assessing the performance of each segment and the allocation of resources.

Although the Company operates in different areas within the sugar and alcohol sector, Management considers it to have two operating segments: Sugar/Ethanol and Services. See Note 5.

p. Net earnings per share

The basic earnings per share are calculated based on the income for the year attributable to the Company's controlling and non-controlling shareholders and the weighted average of outstanding common shares in the respective year. The diluted earnings per share are calculated based on the mentioned average of outstanding shares, adjusted by instruments that can potentially be converted into shares, with a dilution effect, in the years presented, pursuant to CPC 41 and IAS 33.

q. Statements of added value

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

r. New standards and interpretations not yet adopted

Several new standards, amendments to standards and interpretations are effective for the years started after April 1, 2016, and have not been adopted to the preparation of these consolidated financial statements. Those that may be relevant to the Group are listed below. The Group does not plan to adopt this standard in advance.

IFRS 9 Financial Instruments (2010), IFRS 9 Financial Instruments (2009)

IFRS 9, published in July 2014, replaces guidelines of IAS 39 Financial Instruments: Recognition and Measurement (Financial Instruments: Recognition and Measurement). IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the hedge accounting requirements. The regulation maintains the IAS 39 guidelines about acknowledging and disacknowledging financial instruments.

IFRS 9 is effective for periods beginning on or after January 1, 2018, with early adoption allowed.

IFRS 15 Income from Contracts with Clients

The IFRS 15 requires an entity to recognize the amount of income reflecting the consideration that it expects to receive in exchange for control of these goods or services. The new standard will replace most of the detailed guidance on income recognition that currently exists in IFRS and US GAAP when the new standard is adopted. The new standard is applicable beginning on or after January 1, 2017, with early adoption permitted by the IFRS. The standard may be adopted retrospectively, adopting a cumulative effects approach. The Company is evaluating the effects IFRS 15 will have on its financial statements and disclosures. The Company has not yet chosen the transition method to the new standard or determined the effects of the new standard in today's financial reports.

5 Operating segments

The results reported to the CEO, chief operating decision maker of the Company are presented by segments: Sugar/Ethanol and Services.

Below we describe the Company's operating segments:

- **Sugar/Ethanol -** purchase and sale of raw sugar and white sugar in the domestic and international markets; purchase and sale of hydrated ethanol in the domestic and international markets; and purchase and sale of biofuels in North America.

- **Services -** Comprises the results from the provision of storage, logistics services and loading of 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:

	2016			2015		
	Sugar/Ethanol	**Services**	**Total**	**Sugar/Ethanol**	**Services**	**Total**
Net income (a)	25,453,910	351,633	25,805,543	21,248,043	111,425	21,359,468
Cost of sales	(24,657,601)	(179,034)	(24,836,635)	(20,451,930)	(831)	(20,452,761)
Gross margin	796,309	172,599	968,908	796,113	110,594	906,707

(a) The amounts shown as net income as of March 31, 2016 ad 2015 include the Income from unrealized derivative financial instruments, separately disclosed in the statements of income.

The other income statement items, as well as the information on assets and liabilities, are not included in the information by segment, since it is possible to use the gross profit margin to assess the segments' performance.

Net operating income by geographic area is as follows:

Region/Country	**2016**	**2015**
South Africa	-	6,222
Germany	-	3,687
Saudi Arabia	-	271,638
Bangladesh	-	51,511
Brazil	7,911,580	5,722,251
Canada	981,488	853,982
China	19,973	66,648
Singapore	-	157,874
Colombia	433	10,108
South Korea	76,762	53,641
Egypt	-	51,628
United Arab Emirates	1,087,352	870,392
United States	12,123,857	9,742,202
Philippines	19,989	15,906
Great Britain	72,994	634,813
Seychelles Islands	618,020	587,207
British Virgin Islands.	-	4,120
Japan	23,090	-
Malasya	-	228,984
Nigeria	9,332	-
Netherlands	13,105	21,398
Sweden	9	1,776
Switzerland	3,366,022	1,486,456
Uruguay	-	143,358
Total	**26,324,006**	**20,985,802**

6 Cash and cash equivalents

	Consolidated		Parent company	
	2016	**2015**	**2016**	**2015**
Cash	32	59	16	26
Demand deposits	228,199	558,025	6,746	12,584
Interest earnings bank deposits	704,623	493,170	698,167	480,774
Total	**932,854**	**1,051,254**	**704,929**	**493,384**

Demand deposits correspond to the balances in current bank accounts.

The balances of interest earning bank deposits are represented by fixed-income securities, which substantially yield of 100.5% of the variation of CDI-CETIP - Certificate of Interbank Deposit, 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 22.

7 Accounts receivable

	Note	Consolidated		Parent company	
		2016	**2015**	**2016**	**2015**
Domestic market clients		370,134	414,444	371,547	418,206
Foreign market clients		376,479	380,443	13,848	1,009
Related parties	24	27,475	27,038	45,025	397,155
Total		**774,088**	**821,925**	**430,420**	**816,370**

The Company's exposure to credit risks, as well as balances average age, currency risk and impairment losses related to accounts receivable are disclosed in note 22.

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, 2016 and 2015, and concluded that the amounts substantially match the carrying amounts presented on the balance sheet, considering that most of the account receivables are issued with maturities of 20 days on average.

8 Inventories

	Consolidated		Parent company	
	2016	**2015**	**2016**	**2015**
Sugar	1,270,309	1,431,904	569,963	508,797
Ethanol	1,007,047	1,106,719	511,116	731,537
Gasoline	-	12,953	-	-
RIN / LCFS	38,071	2,358	-	-
Natural gas	4,298	-	-	-
Stocks, packaging, and others	148	3,358	6,193	1,965
Total	**2,319,873**	**2,557,292**	**1,087,272**	**1,242,299**

An advance is given to clients for sugar inventories meant for the foreign market under liabilities (prepayment) amounting to R$ 873,163 in 2016 and R$ 1,220,788 in 2015, as described in Note 20, of the associated company Alvean Sugar S.L.

The Company's inventories are in line with the mandatory minimum percentage required by ANP Resolution No. 67 of December 2011 (article 10).

The inventories of tradable products - sugar, ethanol, gasoline (and gasoline by-products), RINs and LCFS (Renewable Identification Numbers) 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/ESALQ) 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/ESALQ) 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, disclose 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:

Commodity	**Market index**	**Unit**	**2016**	**2015**
Raw sugar	Sugar #11 (ICE/NYBOT)	¢lb	15.35	17.76
White sugar	Crystal Sugar (CEPEA/ESALQ)	R$/ton	1,532.80	1,026.40
Anhydrous ethanol	Anhydrous ethanol (CEPEA/ESALQ)	R$/m3	2,113.70	1,420.40
Hydrous ethanol	Hydrous ethanol (CEPEA/ESALQ)	R$/m3	1,906.60	1,261.30
Anhydrous ethanol (Europe)	Ethanol (Platts) T2 FOB Rotterdam (CME Group)	EUR/m3	454.00	499.00
Anhydrous ethanol (USA)	Ethanol (Platts) Chicago Platts (CME Group)	USD/GL	1.55	1.63
Gasoline	OPIS/ Platts	USD/GL	-	1.60
RIN	OPIS / Heating Oil Reference	US$/unit	0.82	0.68
Natural gas	Nymex henry hub gas futures	USD/mmbtu	1.80	-

9 Recoverable taxes and contributions

	Consolidated		**Parent company**	
	2016	**2015**	**2016**	**2015**
ICMS	92,742	159,149	92,473	159,059
IPI	9,265	9,265	9,265	9,265
PIS	16,285	21,899	10,899	18,992
COFINS	49,540	87,437	49,540	87,359
IRPJ	121,683	82,247	94,893	81,269
CSLL	6,924	13,589	7,126	13,389
Total	**296,439**	**373,586**	**264,196**	**369,333**
Total current	296,439	303,213	264,196	298,960
Total non-current	-	70,373	-	70,373

10 Advances to suppliers

	Note	**Consolidated**		**Parent company**	
		2016	**2015**	**2016**	**2015**
Related parties	24	213,758	1,485,073	2	2
Other suppliers		232,804	280,016	16,691	15,000
Total		**446,562**	**1,765,089**	**16,693**	**15,002**

Corresponds to advances for the future delivery of sugar regarding the 2016/2017 crops.

11 Stock Exchange transactions

It refers to the balances receivable and payable of deposited amounts related to the margin and premiums and adjustments paid or received in transactions with derivatives not settled on the Stock Exchange.

12 Deferred tax assets and liabilities

Deferred tax assets and liabilities were allocated as follows:

- **Consolidated**

	Assets		Liabilities		Net	
	2016	**2015**	**2016**	**2015**	**2016**	**2015**
Intangible assets	14,974	14,974	-	-	14,974	14,974
Deferred foreign exchange rate	42,307	8,379	-	-	42,307	8,379
Provisions	14,242	16,369	15,827	2,378	30,069	18,747
Depreciation	-	-	(52,650)	(8,798)	(52,650)	(8,798)
Tax loss carryforwards	254,194	206,959	(4,696)	(8,170)	249,498	198,789
Fair value of inventories	(70,008)	(3,735)	(375)	-	(70,383)	(3,735)
Derivatives	12,645	-	(52,657)	(10,394)	(40,012)	(10,394)
Deemed cost	-	-	(6,827)	(7,247)	(6,827)	(7,247)
Investment hedge abroad	143,472	88,586	44	-	143,516	88,586
Other	3	5	(13,515)	(3,715)	(13,512)	(3,710)
Total	**411,829**	**331,537**	**(114,849)**	**(35,946)**	**296,980**	**295,591**

- **Parent company**

	Assets		Liabilities		Net	
	2016	**2015**	**2016**	**2015**	**2016**	**2015**
Intangible assets	14,974	14,974	-	-	14,974	14,974
Deferred foreign exchange rate	42,160	8,655	-	-	42,160	8,655
Provisions	8,657	11,068	-	-	8,657	11,068
Tax loss carryforwards	246,590	194,009	(4,696)	(8,170)	241,894	185,839
Fair value of inventories	(70,008)	(3,735)	-	-	(70,008)	(3,735)
Derivatives	12,645	-	(52,657)	(10,394)	(40,012)	(10,394)
Investment hedge abroad	143,472	88,586	-	-	143,472	88,586
Others	3	-	-	-	3	-
Total	**398,493**	**313,557**	**(57,353)**	**(18,564)**	**341,140**	**294,993**

Changes in temporary differences during the year:

- **Consolidated**

	Balance at 2014	**Recognized in income**	**Recognized in other comprehensive income**	**Balance at 2015**	**Recognized in income (loss)**	**Recognized in other comprehensive income**	**Balance at 2016**
Intangible assets	14,974	-	-	14,974	-	-	14,974
Deferred foreign exchange rate	(1,724)	10,103	-	8,379	33,928	-	42,307
Provisions	22,446	(3,699)	-	18,747	11,322	-	30,069
Depreciation	(13,910)	5,112	-	(8,798)	(43,852)	-	(52,650)
Tax loss carryforwards	101,337	97,452	-	198,789	50,709	-	249,498
Fair value of inventories	(26,494)	22,759	-	(3,735)	(66,648)	-	(70,383)
Derivatives	-	(10,394)	-	(10,394)	(29,618)	-	(40,012)
Deemed cost	(7,258)	11	-	(7,247)	420	-	(6,827)
Investment hedge abroad	-	-	88,586	88,586	-	54,930	143,516
Others	(508)	(3,202)	-	(3,710)	(9,802)	-	(13,512)
Total	**88,863**	**118,142**	**88,586**	**295,591**	**(53,541)**	**54,930**	**296,980**

- **Parent company**

	Balance at 2014	Recognized in income	Recognized in other comprehensive income	Balance at 2015	Recognized in income (loss)	Recognized in other comprehensive income	Balance at 2016
Intangible assets	14,974	-	-	14,974	-	-	14,974
Deferred foreign exchange rate	(1,724)	10,379	-	8,655	33,505	-	42,160
Provisions	14,422	(3,354)	-	11,068	(2,411)	-	8,657
Tax loss carryforwards	88,716	97,123	-	185,839	56,055	-	241,894
Fair value of inventories	(12,058)	8,323	-	(3,735)	(66,273)	-	(70,008)
Derivatives	-	(10,394)	-	(10,394)	(29,618)	-	(40,012)
Deemed cost	(407)	407	-	-	-	-	-
Investment hedge abroad	-	-	88,586	88,586	-	54,886	143,472
Other	-	-	-	-	3	-	3
Total	**103,923**	**102,484**	**88,586**	**294,993**	**(8,739)**	**54,886**	**341,140**

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.

13 Investments

As of March 31, 2016, Company recorded a loss of R$ 231,246 in the parent company and R$ 67,461 in the consolidated as of March 31, 2016 (gain of R$ 71,280 in the parent company and R$ 22,276 in the consolidated as of March 31, 2015) arising from equity in the earnings of its associated companies, subsidiaries and joint ventures in the individual financial statements.

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

	Interest %	Number of shares	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Shareholders' equity	Income	Other income (losses)	Income or loss	Equity in net income of subsidiaries	
													Parent company	**Consolidated**
2016														
Companhia Auxiliar de Armazéns Gerais **(a)**	99.99995	2,019,842	26,273	327,972	354,245	114,899	94,182	209,081	145,164	182,392	(148,842)	33,550	33,550	-
Copersucar Armazéns Gerais **(a)**	99.99997	3,512,925	4,811	9,257	14,068	1,624	270	1,894	12,174	12,084	(12,910)	(826)	(826)	-
Sugar Express Transportes S.A. **(a)**	99.99000	49,995	9,960	2,418	12,378	1,742	13,229	14,971	(2,593)	13,744	(14,365)	(621)	(621)	-
Copersucar International N.V. **(a)**	100.00000	24,253,702	-	-	-	-	-	-	-	-	(228,675)	(228,675)	(228,675)	-
Copersucar Trading A.V.V. **(a)**	100.00000	24,253,702	1,719,958	655	1,720,613	1,544,123	-	1,544,123	176,490	7,161,002	(7,144,502)	16,500	16,500	-
Copersucar North America LLC **(a)**	100.00000	100	1,055,590	566,545	1,622,135	625,746	717,128	1,342,874	279,261	12,371,482	(12,354,108)	17,374	17,374	-
CTC-Centro de Tecnologia Canavieira S.A**. (c)**	17.6751	134,331	347,339	348,622	695,961	63,682	201,438	265,120	430,841	144,342	(141,319)	3,023	566	566
Uniduto Logística S.A. **(c)**	39.0737	91,784,883	2,615	82,465	85,080	3,068	-	3,068	82,012	9	(305)	(296)	(116)	(116)
Logum Logística S.A. **(b)**	20.00000	281,560,777	533,903	1,971,148	2,505,051	2,236,615	-	2,236,615	268,436	246,782	(480,930)	(234,148)	(46,830)	(46,830)
Alvean Sugar Intermediação e Agenciamento Ltda**. (b)**	50.00000	100,000	3,502	707	4,209	2,171	6	2,177	2,032	16,089	(14,511)	1,578	789	789
Alvean Sugar, S.L. **(b)**	50.00000	764,020	4,184,505	87,456	4,271,961	2,812,560	79,847	2,892,407	1,379,554	13,881,390	(13,927,304)	(45,914)	(22,957)	(22,957)
Copa Shipping **(b)**	50.00000	25,000	-	-	-	-	-	-	-	1,200	-	1,200	-	600
Richmond Terminal, VA **(b)**	50.00000	-	1,605	11,225	12,830	733	-	733	12,097	974	-	974	-	487
													(231,246)	(67,461)
2015														
Companhia Auxiliar de Armazéns Gerais **(a)**	99.99995	2,019,842	64,936	324,646	389,582	104,194	173,689	277,883	111,699	99,148	(87,389)	11,759	11,759	-
Copersucar Armazéns Gerais S.A. **(a)**	99.99997	3,512,925	7,226	7,721	14,947	1,696	250	1,946	13,001	12,310	(13,466)	(1,156)	(1,156)	-
Sugar Express Transportes S.A. **(a)**	99.99000	49,995	6,951	2,278	9,229	993	10,208	11,201	(1,972)	10,514	(9,044)	1,470	1,470	-
Copersucar International N.V. **(a)**	100.00000	24,253,702	-	838,665	838,665	-	-	-	838,665	42,285	-	42,285	42,285	-
Copersucar North América LLC **(a)**	100.00000	100	889,577	445,675	1,335,252	505,698	531,191	1,036,889	298,363	9,872,672	(9,874,347)	(1,675)	(1,675)	-
CTC-Centro de Tecnologia Canavieira S.A**. (c)**	18.51160	132,938	173,865	284,857	458,722	36,652	89,750	126,402	332,320	132,723	(121,054)	11,669	2,670	2,670
Uniduto Logística S.A. **(c)**	39.07370	91,784,883	1,104	62,473	63,577	9	-	9	63,568	30	(368)	(338)	(132)	(132)
Logum Logística S.A. **(b)**	20.00000	281,560,777	164,266	1,885,614	2,049,880	1,728,055	-	1,728,055	321,825	135,981	(281,247)	(145,266)	(29,053)	(29,053)
Alvean Sugar Intermediação e Agenciamento Ltda**. (b)**	50.00000	100,000	1,297	500	1,797	1,345	-	1,345	452	5,775	(5,423)	352	176	176
Alvean Sugar, S.L. **(b)**	50.00000	764,020	2,990,555	42,532	3,033,087	1,632,080	34,248	1,666,328	1,366,759	2,986,002	(2,896,124)	89,878	44,936	44,939
Copa Shipping **(b)**	50.00000	25,000	14,259	71	14,330	9,552	565	10,117	4,213	275,619	(268,263)	7,356	-	3,676
													71,280	22,276

(a) Subsidiary

(b) Joint control

(c) Associated company

The table below presents the breakdown of investments:

	Consolidated		Parent company	
	2016	**2015**	**2016**	**2015**
Copersucar Armazéns Gerais S.A.	-	-	12,175	13,001
Companhia Auxiliar de Armazéns Gerais	-	-	136,776	111,699
Logum Logistica S.A.	53,535	64,365	53,535	64,365
Uniduto Logistica S.A.	37,851	30,242	37,851	30,242
CTC - Centro de Tecnologia Canavieira S.A.	77,763	63,141	77,763	63,141
Copa Shipping Company Limited	-	2,107	-	-
Copersucar North América LLC	-	-	170,915	139,671
Copersucar International N.V.	-	-	-	838,665
Copersucar Trading A.V.V.	-	-	176,490	-
Alvean Sugar Intermediação e Agenciamento Ltda.	1,016	226	1,016	226
Alvean Sugar, S.L.	689,780	683,380	689,780	683,380
	859,945	**843,461**	**1,356,301**	**1,944,390**
Other unconsolidated investments - valued at fair value:				
Other investments	7,191	856	133	133
	7,191	**856**	**133**	**133**
Total investments	**867,136**	**844,317**	**1,356,434**	**1,944,523**
Subsidiary's unsecured liability				
Sugar Express Transporte S.A.	**-**	**-**	**(2,593)**	**(1,972)**

The investee Centro de Tecnologia Canavieira S.A., in a Board of Directors' Meeting held on February 24, 2016, decided and approved capital increase of R$ 94,589 through issuance of 41,869 new common shares. The share of Copersucar S.A. went from 18.5116% to 17.6751% as of March 31, 2016, generating gains of R$ 10,882 recorded under caption "other income".

14 Investment property

Parent company	**Land**	**Constructions and improvements**	**Assets under construction**	**Total**
Cost				
Balance at 2015	15,527	57,427	26	72,980
Transfers	-	1,390	-	1,390
Balance at 2016	**15,527**	**58,817**	**26**	**74,370**
Depreciation				
Balance at 2015	-	(2,684)	-	(2,684)
Depreciation for the year	-	(1,444)	-	(1,444)
Balance at 2016	**-**	**(4,128)**	**-**	**(4,128)**
Net book value				
In 2015	**15,527**	**54,743**	**26**	**70,296**
In 2016	**15,527**	**54,689**	**26**	**70,242**

The parent company Copersucar S.A. has a warehouse and a tanking park which are held as investment properties through a lease to the related party Copersucar Armazéns Gerais. These leases' periods are two and five years, respectively. Subsequent refurbishments may occur if agreed upon between the parties. No contingent rent is charged.

The fair value estimate of this asset does not differ from the cost of acquisition.

15 Property, plant and equipment

Consolidated	**Land**	**Constructions and improvements**	**Machinery and equipment**	**Data processing equipment**	**Furniture and fixtures**	**Vehicles**	**Products Guarantee**	**Leasehold improvements**	**Fixed assets under construction**	**Total**
Cost										
Balance at 2015	27,354	78,909	306,384	2,540	5,936	16,619	-	179,674	176,968	794,384
Additions	170	-	2,249	91	4,485	7,166	1,459	1,668	149,319	166,607
Foreign exchange variation	1,610	2,744	14,894	-	891	1,062	-	1,681	5,081	27,963
Disposals	(3,084)	(5,554)	(22,695)	(35)	(51)	(991)	-	(5,042)	-	(37,452)
Transfers	225	(16)	89,644	-	92	199	-	84,792	(178,549)	(3,613)
Balance at 2016	**26,275**	**76,083**	**390,476**	**2,596**	**11,353**	**24,055**	**1,459**	**262,773**	**152,819**	**947,889**
Depreciation										
Balance at 2015	**-**	**(5,262)**	**(75,214)**	**(1,668)**	**(2,400)**	**(3,872)**	**-**	**(33,352)**	**-**	**(121,768)**
Depreciation for the year	-	(3,663)	(23,487)	(156)	(3,148)	(2,599)	-	(10,656)	-	(43,709)
Foreign exchange variation	-	(43)	(750)	-	25	(298)	-	(233)	-	(1,299)
Disposals	-	1,386	6,562	26	1,063	469	-	876	-	10,382
Transfers	-	-	-	-	2	(201)	-	-	-	(199)
Balance at 2016	**-**	**(7,582)**	**(92,889)**	**(1,798)**	**(4,458)**	**(6,501)**	**-**	**(43,365)**	**-**	**(156,593)**
Net book value										
In 2015	**27,354**	**73,647**	**231,170**	**872**	**3,536**	**12,747**	**-**	**146,322**	**176,968**	**672,616**
In 2016	**26,275**	**68,501**	**297,587**	**798**	**6,895**	**17,554**	**1,459**	**219,408**	**152,819**	**791,296**

Parent company	Machinery and equipment	Data processing equipment	Furniture and fixtures	Vehicles	Fixed assets under construction	Total
Cost						
Balance at 2015	72,557	2,237	2,730	2,086	17,386	96,996
Additions	-	69	19	239	24,547	24,874
Disposals	-	(13)	(1)	(634)	-	(648)
Transfers	30,444	-	21	-	(35,423)	(4,958)
Balance at 2016	**103,001**	**2,293**	**2,769**	**1,691**	**6,510**	**116,264**
Depreciation						
Balance at 2015	**(3,626)**	**(1,501)**	**(1,110)**	**(353)**	**-**	**(6,590)**
Depreciation for the year	(3,724)	(115)	(188)	(171)	-	(4,198)
Disposals	-	10	-	177	-	187
Balance at 2016	**(7,350)**	**(1,606)**	**(1,298)**	**(347)**	**-**	**(10,601)**
Net book value						
In 2015	**68,931**	**736**	**1,620**	**1,733**	**17,386**	**90,406**
In 2016	**95,651**	**687**	**1,471**	**1,344**	**6,510**	**105,663**

Property, plant and equipment under construction

The Company has a property in the city of Paulínia (State of São Paulo), where construction works were carried out for of ethanol storage and logistics facilities. The construction works were completed and transferred to Property, plant and equipment and Investment Property as of September 30, 2014.

By means of its subsidiary, Companhia Auxiliar de Armazéns Gerais, the Company has carried out a refurbishment project at the Copersucar Sugar Terminal (TAC) located at the Port of Santos, State of São Paulo, affected by a fire in October 2013.

The Company assessed the capitalizable costs of loans and did not make any adjustments, since the balances calculated were reviewed and deemed immaterial.

16 Intangible assets

Consolidated	Software	Brands	Goodwill	Relationship with clients and other parties	Total
Cost					
Balance at 2015	41,748	6,773	184,310	50,712	283,543
Foreign exchange variation	769	772	19,764	5,950	27,255
Additions	1,025	-	3,750	-	4,775
Transfers from property, plant and equipment	8,160	-	-	-	8,160
Balance at 2016	**51,702**	**7,545**	**207,824**	**56,662**	**323,733**
Amortizations					
Balance at 2015	(19,027)	(1,192)	-	(10,223)	(30,442)
Foreign exchange variation	(501)	(162)	-	(1,416)	(2,079)
Amortization for the year	(8,670)	(797)	-	(5,912)	(15,379)
Transfers from property, plant and equipment	(4,348)	-	-	-	(4,348)
Balance at 2016	**(32,546)**	**(2,151)**	**-**	**(17,551)**	**(52,248)**
Net book value					
In 2015	**22,721**	**5,581**	**184,310**	**40,489**	**253,101**
In 2016	**19,156**	**5,394**	**207,824**	**39,111**	**271,485**

Parent company	**Software**	**Brands**	**Total**
Cost			
Balance at 2015	31,218	137	31,355
Additions	6	-	6
Transfers	3,569	-	3,569
Balance at 2016	**34,793**	**137**	**34,930**
Balance at 2015	(12,654)	-	(12,654)
Amortization for the year	(6,318)	-	(6,318)
Balance at 2016	**(18,972)**	**-**	**(18,972)**
Net book value			
In 2015	**18,564**	**137**	**18,701**
In 2016	**15,821**	**137**	**15,958**

17 Suppliers

	Note	**Consolidated**		**Parent company**	
		2016	**2015**	**2016**	**2015**
Suppliers		506,555	623,828	64,141	65,685
Related parties	24	967,742	2,081,170	964,176	2,131,228
Total		**1,474,297**	**2,704,998**	**1,028,317**	**2,196,913**

The balances of accounts payables and related parties correspond to the item “Accounts payable from ethanol and sugar purchases".

The exposure of the Company to liquidity risks related to accounts payable and other accounts payable, is disclosed in Note 22.

18 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 22.

Description	**Currency**	**Index**	**Average annual interest rate**	**Year of maturity**	**Consolidated 2016**	**Consolidated 2015**	**Parent company 2016**	**Parent company 2015**
Export credit note	US$	Prefixed rate	3.54%	2015	-	63,882	-	63,882
Export prepayment	US$	Pre-fixed Rate/Libor	4.60%	2017	178,491	486,322	-	-
Direct External Borrowing	US$	Pre-fixed Rate/Libor	2.10%	From 2016 to 2017	1,928,151	1,047,561	1,928,151	1,047,561
Working capital	US$	Prefixed rate	3.41%	From 2016 to 2020	689,953	952,777	-	-
Export credit note	R$	CDI-CETIP	15.98%	From 2016 to 2022	560,992	907,861	560,992	907,861
Brazilian Real Note	R$	CDI-CETIP	10.04%	2016	-	217,175	-	217,175
Certificate of Receivables from Agribusiness	R$	CDI-CETIP	14.86% *	2018	301,153	300,888	301,153	300,888
BNDES-FINAME	R$	Prefixed rate	2.50%	From 2020 to 2021	46,538	54,271	46,538	54,271
BNDES-FINAME	R$	TJLP	9.17%	2016	820	27,546	-	-
BNDES-FINEM	R$	Prefixed rate	2.50%	2020	20,522	389,278	20,522	389,277
BNDES-FINEM	R$	TJLP	9.05%	From 2022 to 2024	97,178	37,672	-	-
Total loans and financing					**3,823,798**	**4,485,233**	**2,857,356**	**2,980,915**
Current liabilities					**2,243,662**	**2,053,863**	**1,995,014**	**1,558,225**
Non-current liabilities					**1,580,136**	**2,431,370**	**862,342**	**1,422,690**

* Including operating costs at the average rate of 15.68%.

Terms and schedule of debt amortization

Terms and conditions of outstanding loans are as follows:

Consolidated

	2016		2015	
	Book value	**Fair value**	**Book value**	**Fair value**
Export credit note	560,992	717,306	971,743	1,060,819
Export prepayment	178,491	190,502	486,322	692,059
Direct External Borrowing	1,928,151	1,824,843	1,047,561	1,141,870
Working capital	689,953	644,315	952,777	987,963
Brazilian Real Note	-	-	217,175	183,839
Certificate of Receivables from Agribusiness	301,153	331,195	300,888	300,708
BNDES - FINEM	117,700	117,700	426,950	426,950
BNDES - FINAME	47,358	47,358	81,817	81,817
Total	**3,823,798**	**3,873,219**	**4,485,233**	**4,876,025**

Parent company

	2016		2015	
	Book value	**Fair value**	**Book value**	**Fair value**
Export credit note	560,992	717,306	971,743	1,060,819
Direct External Borrowing	1,928,151	1,824,843	1,047,561	1,141,870
Brazilian Real Note	-	-	217,175	183,839
Certificate of Receivables from Agribusiness	301,153	331,195	300,888	300,708
BNDES - FINEM	20,522	20,522	389,277	389,277
BNDES - FINAME	46,538	46,538	54,271	54,271
Total	**2,857,356**	**2,940,404**	**2,980,915**	**3,130,784**

Maturities of the principal and interest of loans and financing as of March 31, 2016

	Consolidated	**Parent company**
In months:		
Up to 6	356,680	294,028
6-12	1,886,982	1,700,986
12-24	431,614	418,244
24-60	1,028,635	354,098
>60	119,887	90,000
Total	**3,823,798**	**2,857,356**

The Company and its subsidiaries do not have covenants (financial covenants) in the loan and financing agreements in effect.

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$ 3,659,560 is guaranteed by the related party **-** Cooperative (refer to Note 24).

The loans and financing below are secured by mortgaged property:

Borrowing company	Type of financing	Maturity	2016
Copersucar S.A.	BNDES - FINAME (in BRL)	2016	7,907
Copersucar S.A.	BNDES - FINAME (in BRL)	2017	9,459
Copersucar S.A.	BNDES - FINAME (in BRL)	2018	9,459
Copersucar S.A.	BNDES - FINAME (in BRL)	2019	9,459
Copersucar S.A.	BNDES - FINAME (in BRL)	2020	9,459
Copersucar S.A.	BNDES - FINAME (in BRL)	2021	795
Copersucar S.A.	BNDES - FINEM (in BRL)	2016	2,644
Copersucar S.A.	BNDES - FINEM (in BRL)	2017	4,469
Copersucar S.A.	BNDES - FINEM (in BRL)	2018	4,469
Copersucar S.A.	BNDES - FINEM (in BRL)	2019	4,469
Copersucar S.A.	BNDES - FINEM (in BRL)	2020	4,469
			67,058

19 Taxes and contributions payable

	Consolidated		Parent company	
	2016	**2015**	**2016**	**2015**
ICMS	49,681	60,259	16,185	27,243
PIS	20	36	7	9
COFINS	95	164	32	38
ISS	625	643	17	96
Other	3,619	10,516	600	745
Total current	**54,040**	**71,618**	**16,841**	**28,131**
Taxes in installments	321	448	-	-
Total non-current	**321**	**448**	**-**	**-**
Total	**54,361**	**72,066**	**16,841**	**28,131**

20 Advance from clients

	Note	Consolidated		Parent company	
		2016	**2015**	**2016**	**2015**
Domestic market clients		685	7,451	476	7,239
Foreign market clients		6,343	1,732	-	-
Related parties	24	873,163	1,220,788	-	-
Total		**880,191**	**1,229,971**	**476**	**7,239**

The aforementioned advances of the related party Alvean Sugar SL, amounting to R$ 873,163 in 2016, will be offset with the balance of sugar to be delivered by the Company.

21 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**
Balance at 2014	35,113	757	35,870	20,985	-	20,985
Provisions made and restatements during the year	427	603	1,030	-	-	-
Provisions used during the year	-	(326)	(326)	-	-	-
Balance at 2015	**35,540**	**1,034**	**36,574**	**20,985**	**-**	**20,985**
Provisions made and restatements during the year	474	144	618	-	8	8
Provisions used during the year	-	(170)	(170)	-	-	-
Balance at 2016	**36,014**	**1,008**	**37,022**	**20,985**	**8**	**20,993**

In relation to the contingencies presented above, as of March 31, 2016, there are judicial deposits for the Consolidated and Parent Company totaling R$ 39,422 and R$ 25,522, respectively (R$34,655 and R$ 20,985 as of March 31, 2015).

The Company has filed a lawsuit to exclude ICMS tax from the calculation base for PIS and COFINS, as it considers that this sum (ICMS) is not earnings or invoicing, but rather a state tax, and the Company is merely a paying agent. As a result of a court order, the Company has been paying PIS and COFINS after excluding ICMS tax from the calculation base, and has made court deposits of the difference.

The Company is not a party to other contingencies for which an unfavorable outcome is regarded as possible.

22 Financial instruments

Overview

The Company is exposed to various types of risks, i.e. financial (market, liquidity, credit risks/counterparty), legal, operational and other risks. Based on an in-depth analysis, the Company selects the risks which are most likely to occur and their financial impact, and monitors them on a periodic basis. The risks treated as priorities are as follows:

- Market risk: commodity prices and exchange rate;
- Credit risk/counterparty;
- Liquidity risk;
- Operating risk.

Currently, the risk management policy adopts the following assumptions:

- All the risks classified as “priorities” are identified, reviewed and monitored;

- Capital expenditure limits are approved by the Board of Directors;

- All exposures are reported and measured with the appropriate frequency; and

The risk management area calculates, monitors and reports on the financial risks incurred by Copersucar to the business areas, the Executive Board and the Audit and Risk Management Committee; it provides the information required to define risk limits to the Audit and Risk Management Committee and the Board of Directors; and acts proactively with the business areas, carrying out risk simulations, recommending the adoption of risk reduction actions and/or requesting additional, in order to assist in structuring the business strategy of the areas. In this process, the Risk Management Area reports directly to the CEO, as part of the structure of the Company's corporate governance.

Risk management structure
The Board of Directors has responsibility for the establishment and supervision of the Company's risk management structure. The Board of Directors set up the Audit and Risk Committee, which is responsible, together with the risk management area, for developing and monitoring the Company’s risk policies. This Committee regularly reports to the Board of Directors on its activities, whereas the risk management area reports to the CEO.

The risk management policy of the Company is established to identify and analyze the risks the Company faces, to define capital limits, exposures and controls of risks, and to monitor risks and adherence to the pre-established limits. The risk management process and policy are reviewed annually or from time to time as appropriate, in order to reflect changes in market conditions and the Company's activities. The Company, through its training and management rules and procedures, aims at developing a disciplined and constructive control environment, i.e., a risk culture where all the employees are aware of their roles and duties regarding risk management and mitigation.

Audit and Risk Committee
The Audit and Risk Management Committee is composed of six (6) members, members of the Board of Directors and/or Advisory Board or appointed by the Board of Directors for a 2-year term of office.

The Audit and Risk Management Committee shall hold meetings in periodicities defined by the Board of Directors and extraordinary meetings may be convened whenever justifiable to check and discuss the strategies that are being implemented. Any change in the Global Risk policy should be recommended by the Committee.

The Committee aids Management and plays an important role in Corporate Governance model adopted by the Company. Activities attributions are as follows:

- Monitor the mapping of all existing risks in the Company's business;

- Ensure compliance of the risks incurred with the Global Risk Policy;
- Recommend the adoption of actions to internally disseminate the risk sensitivity culture;

- Report to the Chairman of the Board of Directors on the non-compliance with rules and regulations assessed as high risk;

- Discuss together with the risk management area the initial premises for the risk limits to be defined, considering the definition of risk appetite and business strategy established by the Board of Directors. The following are among the premises: estimated volume for the subsequent crop (existing members and newcomers), expectations about prices and volatilities and any other factor that could result in financial risks;

- Set risk limits and submit them, through the CEO, for analysis and approval by the Board of Directors;

- Follow up and discuss internal controls, reports, pending items and issues referring to internal and external audit work; and

- Establish the Company's internal audit plan and monitor it with the Internal Audit.

The Internal Audit is responsible for assessing the Company's activities, identifying deviations and potential threats to the business and making suggestions for improvement in operational and information technology processes. In addition, the Internal Audit verifies compliance with rules on regulatory issues that may pose risks to the Company.

Credit risk

The policy for granting credit to Copersucar clients establishes that an analysis should be carried out concerning the commercial, economic and financial situation of clients to whom a payment term could be possibly granted, and determines the requirements for approval of these credit limits. Clients who do not have credit limit available with the Company must make their purchases only on prepayment conditions before the withdrawal of the product.

Analyses are valid for up to one year and subject mainly to three considerations: (i) quantitative analysis containing detailed assessment of the economic and financial ratios relating to indebtedness, liquidity, profitability and operational cycles shown on the balance sheets of the last three fiscal years; (ii) qualitative analysis containing the corporate structure, consultations with tax and credit rating agencies, Sintegra, Federal Revenue Service and Serasa, technical inspection report, client representation in the sector in which it operates, period of operation in the market, trade references, list of the main suppliers, list of the assets of the company and/or partners; and (iii) analysis of guarantees, examined by the Financial and Legal areas and requested at the discretion of its management.

The Risk Management Area monitors the ratio between the credit given to clients against their volume of accounts receivable and the respective MTM value of futures contracts. This monitoring is meant to assess the credit limits available and suggest, where feasible, possible revaluations of those limits.

(i) 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 accounts receivable.

The Company operates in sugar and ethanol segments and provides sugar lifting services in its port terminal. For domestic market clients, average receipt period is 40 days for sugar; while for ethanol sales, 70% of clients pay within 12 days and remaining 30% pay at sight. As regards accounts receivable from foreign market, including Latin America, approximately 80% of exports proceedings pay using *Cash Against Documents*, that is, only after obligations are paid, documents are released to the client for unloading of goods.

To monitor credit risk, clients are analyzed according to credit risk rating and business sector.

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.

Market risk

Market risk represents the likelihood of financial losses to which the Company is exposed, resulting from variations on commodities prices, foreign exchange rates and interest rates. 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 buys and sells derivatives and also complies with financial obligations to manage market risks. All these operations are conducted according to guidelines established by the Supervisory and Risk Board and decided by the Board of Directors.

(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. The use of these derivative contracts is monitored and based on risk limits pre-established by the Board of Directors.

The Company does not have sugar and ethanol production plants. As for sugar, the raw material sold is purchased from the partners' production units, while for Ethanol, only 5% comes from non-partners' production units. In accordance with supply contract entered into by Copersucar S.A. and Cooperativa de Produtores de Cana-de-Açúcar, Açúcar e Álcool do Estado de São Paulo, which are partner parties, negotiation price is formed based on CEPEA/ESALQ index over the period for delivery of goods.

Sugar is traded in domestic and foreign markets and sale price is formed by *Sugar #11/ICE* sugar price of the New York Stock Exchange. This turns such risk into the main portfolio risk factor. Net exposure of purchases and sales is managed with the use of *Sugar #11/ICE* derivative financial instruments (future or over-the-counter) referred to the same stock exchange, and is monitored through risk limits pre-established by the Board of Directors.

Ethanol is also traded in domestic and foreign markets and its sales price is formed by CEPEA/ESALQ index. This turns such risk into the main portfolio risk factor. Accordingly, net position between purchase and sales at fixed price is exposed to the risk of ethanol price variation. Monitoring of risk exposure 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 the effects of volatility of commodity price changes, mainly related to ethanol, corn, natural gas and other commodities, the subsidiary Eco-Energy uses various derivative financial instruments, including exchange-traded futures, traded over the counter, swaps and options contracts. Eco-Energy monitors and manages this exposure as part of its global risk management policy. As such, the Company seeks to reduce potentially adverse effects that the volatility of these markets may have on its operating results. Eco-Energy can take hedging positions in relation to these products as a way to mitigate risk.

(ii) Currency risk

The Company is subject to currency risk in the sales, purchases and loans and investments denominated in a currency other than its functional currency of the Company, the real (R$).

The Company uses Over-the-counter Contracts to hedge against currency risk, effective for less than one year counted as of financial statements date. 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 Company's executives and Audit and Risk Committee.

a. Hedge accounting for overseas investment

The Company uses financial instruments (NDF - Non Deliverable Forward) to hedge against foreign exchange variation on investments in its Subsidiary in Spain - Alvean and Copersucar North America, whose functional currency is the Dollar.
b. Cash flow hedge

The subsidiary *Companhia Auxiliar de Armazéns Gerais* has cash flow hedges to protect against currency variation exposure of the contract signed with Alvean Sugar S.L.

(iii) 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.

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, except credit, market and liquidity risks, 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 several financial instruments, as follows: interest earning bank deposits, accounts receivable, 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.

Classification of financial instruments and fair value

During the years ended March 31, 2016 and 2015, 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**	
		2016	**2015**	**2016**	**2015**
Financial instruments measured at fair value through profit or loss					
Assets					
Cash and cash equivalents	Level 1/Level 2	932,854	1,051,254	932,854	1,051,254
Inventories	Level 2	2,319,873	2,557,292	2,319,873	2,557,292
Stock Exchange transactions	Level 2	79,672	26,145	79,672	26,145
Unrealized derivative financial instruments	Level 2	323,211	695,661	323,211	695,661
Liabilities					
Stock Exchange transactions	Level 2	7,653	60,297	7,653	60,297
Unrealized derivative financial instruments	Level 2	656,478	257,486	656,478	257,486
Loans and receivables					
Accounts receivable	Level 2	774,088	821,925	774,088	821,925
Advances to suppliers	Level 2	446,562	1,765,089	446,562	1,765,089
Other accounts receivable	Level 2	74,473	129,057	74,473	129,057
Liabilities held at amortized cost					
Suppliers	Level 2	1,474,297	2,704,998	1,474,297	2,704,998
Loans and financing	Level 2	3,823,798	4,485,233	3,873,219	4,876,025
Advances from clients	Level 2	880,191	1,229,971	880,191	1,229,971
Other accounts payable	Level 2	65,881	110,281	65,881	110,281

Parent company	**Fair value hierarchy**	**Book value**		**Fair value**	
		2016	**2015**	**2016**	**2015**
Financial instruments measured at fair value through profit or loss					
Assets					
Cash and cash equivalents	Level 1/Level 2	704,929	493,384	704,929	493,384
Inventories	Level 2	1,087,272	1,242,299	1,087,272	1,242,299
Stock Exchange transactions	Level 2	-	8	-	8
Unrealized derivative financial instruments	Level 2	154,954	275,899	154,954	275,899
Liabilities					
Stock Exchange transactions	Level 2	38	-	38	-
Unrealized derivative financial instruments	Level 2	313,522	196,181	313,522	196,181
Loans and receivables					
Accounts receivable	Level 2	430,420	816,370	430,420	816,370
Advances to suppliers	Level 2	16,693	15,002	16,693	15,002
Other accounts receivable	Level 2	30,228	45,597	30,228	45,597
Granted loans - related parties	Level 2	13,669	95,009	13,669	95,009
Liabilities held at amortized cost					
Suppliers	Level 2	1,028,317	2,196,913	1,028,317	2,196,913
Loans and financing	Level 2	2,857,356	2,980,915	2,940,404	3,130,784
Advance from clients	Level 2	476	7,239	476	7,239
Other accounts payable	Level 2	9,480	5,538	9,480	5,538

The fair values are substantially equivalent to the accounting values shown on the balance sheet. Calculation of the fair value of loans and financing is shown in note 3.d.

Fair value hierarchy

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

Credit risks

Credit risk exposure

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

	Consolidated		**Parent company**	
	2016	**2015**	**2016**	**2015**
Demand deposits	228,199	558,025	6,746	12,584
Interest earnings bank deposits	704,623	493,170	698,167	480,774
Accounts receivable	774,088	821,925	430,420	816,370
Advances to suppliers	446,562	1,765,089	16,693	15,002
Stock Exchange transactions	79,672	26,145	-	8
Unrealized derivative financial instruments	323,211	695,661	154,954	275,899
Other accounts receivable	74,473	129,057	30,228	45,597

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$ 158 thousand of receivables as of March 31, 2016 (R$ 281 thousand of March 31, 2015), and during these periods relevant exchanges occurred between clients.

Impairment losses

Accounts receivable mature as follows:

Consolidated

	2016		2015	
	Gross	**PECLD**	**Gross**	**PECLD**
Not overdue	718,821	-	766,588	-
Overdue - in days				
0-30	44,213	-	39,356	-
31-120	-	-	12,879	-
>120	12,377	(1,323)	4,121	(1,019)
Total	**775,411**	**(1,323)**	**822,944**	**(1,019)**

Parent company

	2016		2015	
	Gross	**PECLD**	**Gross**	**PECLD**
Not overdue	415,436	-	788,787	-
Overdue - in days				
0-30	11,044	-	22,302	-
31-120	-	-	4,030	-
>120	4,806	(866)	2,117	(866)
Total	**431,286**	**(866)**	**817,236**	**(866)**

The expense on the recognition of the allowance estimated for doubtful accounts (PECLD) was recorded in ‘Sales expenses' in the statement of income. 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.

Commodity risk

Consolidated

	Volume		Notional	
	2016	**2015**	**2016**	**2015**
Forward contracts				
Long position				
Goods				
Sugar (tons)	125,929	356,066	17,151	60,098
Ethanol (m3)	3,353,266	3,994,795	4,499,475	5,026,419
Corn (m^3)	404,418	495,320	477,068	107,377
RIN/LCFS (credit unit)	35,409	7,523	87,590	18,154
Natural gas (mmbtu)	55,450	1,138	346,418	1,383
Derivatives - swap (m3)	5,247	-	7,567	-
Total			**5,435,269**	**5,213,431**
Future contracts (Forward)				
Short position				
Goods				
Sugar (ton)	(100,995)	(130,765)	(104,069)	(185,774)
Ethanol (m3)	(4,003,474)	(4,828,219)	(5,474,961)	(6,323,135)
Gasoline (m3)	(59,620)	(33,228)	(5,078)	(53,960)
Corn (m^3)	(404,418)	(457,330)	(479,419)	(99,270)
RIN/LCFS (credit unit)	(35,981)	(7,568)	(129,452)	(17,804)
Natural gas (mmbtu)	(40,015)	(183)	(254,236)	(1,619)
Total			**(6,447,215)**	**(6,681,562)**

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

a. Future 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 allows operations with options with some limitations, the Company is not operating.

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 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 for a certain month and also months in which daily quotations will be used as the basis (average) to calculate reference screen value.

Balances for the Supply Agreement with the Cooperative are included in forward contracts (see note 23). These volumes represent contract portion whose price is already defined according to CEPEA methodology, as contract negotiation price follows CEPEA/ESALQ Raw Sugar index. Fair value calculation model on base date is determined by the difference between: (i) estimated CEPEA/ESALQ Raw Sugar index based on average quotations of disclosed Sugar #11/ICE contract prices and (ii) average of Sugar #11/ICE prices on weighed base date according to delivery volumes corresponding to each screen maturity at ICE. Polarization effects (4.05%) and freight and lifting costs are adjusted at price CEPEA/ESALQ Raw Sugar 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 variation over the following 12 months. The scenarios: Possible and Remote scenarios are those proposed by CVM (Brazilian Securities Commission) Instruction no. 475/08.

Used methodology was *delta MTM*, i.e. to recalculate fair value with the stress of each scenario on market rate as of March 31, 2016.

	Scenarios		
Commodities price risk	**Probable**	**Possible**	**Remote**
Scenarios and price levels	***4.6%***	***-25%***	***-50%***
Non-derivative	56,417	(304,931)	(609,863)
Derivatives	(5,529)	29,882	59,766
Total effects	50,888	(275,049)	(550,097)

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

Liquidity risk

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.

				In months		
Consolidated	**Contractual cash flow**	**6 / <**	**6-12**	**12-24**	**12-60**	**>60**
2016						
Suppliers	1,474,297	1,474,297	-	-	-	-
Loans and financing	3,823,798	356,680	1,886,982	431,614	1,028,635	119,887
Advance from clients	880,191	880,191	-	-	-	-
Unrealized derivative financial instruments:						
- NDF	252,263	252,263	-	-	-	-
- *Swap*	108,797	79,439	29,358	-	-	-
- Commodity future	295,418	295,418	-	-	-	-
Other accounts payable	65,881	59,012	-	6,869	-	-
2015						
Suppliers	2,704,998	2,704,998	-	-	-	-
Loans and financing	4,485,233	950,823	1,103,040	1,453,810	406,933	570,627
Advance from clients	1,229,971	1,229,971	-	-	-	-
Unrealized derivative financial instruments:						
- NDF	206,819	-	206,819	-	-	-
- *Swap*	4,829	4,829	-	-	-	-
- Commodity future	45,838	45,838	-	-	-	-
Other accounts payable	110,281	95,790	-	14,491	-	-

				In months		
Parent company	**Contractual cash flow**	**6 / <**	**6-12**	**12-24**	**12-60**	**>60**
2016						
Suppliers	1,028,317	1,028,317	-	-	-	-
Loans and financing	2,857,356	294,028	1,700,986	418,244	354,098	90,000
Advance from clients	476	476	-	-	-	-
Unrealized derivative financial instruments:						
- NDF	196,374	196,374	-	-	-	-
- *Swap*	108,797	79,439	29,358	-	-	-
- Commodity future	8,351	8,351	-	-	-	-
Other accounts payable	9,480	9,480	-	-	-	-
2015						
Suppliers	2,196,913	2,196,913	-	-	-	-
Loans and financing	2,980,915	616,723	941,502	501,000	406,933	514,757
Advance from clients	7,239	7,239	-	-	-	-
Unrealized derivative financial instruments:						
- NDF	191,351	-	191,351	-	-	-
- *Swap*	4,830	4,830	-	-	-	-
Other accounts payable	5,538	5,538	-	-	-	-

Foreign exchange risk

Foreign currency exposure

The Company’s exposure is substantially linked to US dollar (USD) variation on the following base dates:

Consolidated	**2016**	**2015**
Assets		
Cash and cash equivalents	221,363	449,047
Accounts receivable	309,705	323,136
Inventories	1,641,898	1,475,860
Advances to suppliers	180,293	421,150
Stock Exchange transactions	79,673	52,949
Unrealized derivative financial instruments	168,256	389,961
Recoverable taxes	26,723	77
Other accounts receivable	46,439	62,893
Investments	696,035	683,380
Property, plant and equipment	303,851	209,803
Intangible assets	254,657	233,518
Liabilities		
Suppliers	(511,486)	(401,274)
Loans and financing	(2,796,595)	(2,550,542)
Advance from clients	(880,244)	(1,224,774)
Social charges and labor legislation obligations	(2,039)	(3,972)
Taxes and contributions payable	(36,034)	(42,476)
Stock Exchange transactions	(7,615)	(60,296)
Unrealized derivative financial instruments	(342,828)	(61,291)
Deferred tax liabilities	(44,449)	(2,743)
Other accounts payable	(46,798)	(89,488)
Gross exposure of the balance sheet	**(739,195)**	**(135,082)**
Notional derivatives contracted to hedge against the foreign exchange risk	**676,886**	**427,838**
Net exposure	**(62,309)**	**292,756**

Parent company	**2016**	**2015**
Assets		
Accounts receivable	16,151	375,925
Inventories	284,596	162,260
Investments	689,778	683,380
Liabilities		
Suppliers	(22)	(56,577)
Loans and financing	(1,928,151)	(1,111,443)
Gross exposure of the balance sheet	**(937,648)**	**53,545**
Notional derivatives contracted to hedge against the foreign exchange risk	**594,604**	**85,321**
Net exposure	**(343,044)**	**138,866**

The Company’s foreign exchange exposure refers basically to book balances referring to subsidiary Copersucar Trading operation.

Amounts below comprise the Notional balance presented above:

		Consolidated		Parent company	
Description	**Maturity**	**2016**	**2015**	**2016**	**2015**
Foreign exchange NDF (Investment and Merchandise)	From 2016 to 2017	(1,238,988)	(677,627)	(1,321,271)	(1,020,144)
Swap Foreign exchange	From 2016 to 2017	1,915,874	1,105,465	1,915,875	1,105,465
Total		676,886	427,838	594,604	85,321

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 variation over the following 12 months. Possible and Remote scenarios are those proposed by CPC.

Methodology used was *delta MTM*, that is, fair value recalculation with each scenario focused on market rate on March 31, 2016 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		
Exchange risk	**Probable**	**Possible**	**Remote**
Scenarios and price levels	**10.9019% (3.9469 BRL/USD)**	**25% (4.4486 BRL/USD)**	**50% (5.3384 BRL/USD)**
Assets	425,414	975,519	1,951,148
Liabilities	(506,001)	(1,160,313)	(2,320,756)
Derivatives	73,794	169,217	338,453
Total effects	(6,793)	(15,577)	(31,155)

Brazilian Real appreciation against currencies above, on March 31, 2016, would have the same effect, but with the opposite result on currencies presented above, considering that all other variables would remain constant.

Interest rate risk

Profile

On the dates of the financial statements, the profile of financial instruments remunerated through variable-rates was:

Fixed rate instruments

The Company does not record any fixed 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	
	2016	**2015**	**2016**	**2015**
Financial assets	718,412	485,395	698,067	462,457
Financial liabilities	(743,625)	(971,427)	(841,624)	(1,036,646)

The Cooperative does not carry out sensitivity analysis for financial instruments linked to variable interest rates because 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, 2016 and 2015 that affected balance sheet, and amounts that affected the Company's accumulated income on those dates:

Consolidated

	2016			**2015**		
	Effects on the balance sheet		**Effects on income (loss)**	**Effects on the balance sheet**		**Effects on income (loss)**
	Assets	**Liabilities**		**Assets**	**Liabilities**	
Commodities	135,213	295,418	(518,463)	390,272	45,837	373,666
	135,213	295,418	(518,463)	390,272	45,837	373,666
Non deliverable forwards	61,715	252,263	141,794	29,491	206,819	13,848
SWAP	126,283	108,797	43,571	275,898	4,830	241,327
	187,998	305,060	185,365	305,389	211,649	255,175
Total	**323,211**	**656,478**		**695,661**	**257,486**	
Current	309,310	656,478		677,265	257,486	
Non-current	13,901	-		18,396	-	

Parent company

	2016			2015		
	Effects on the balance sheet		Effects on income (loss)	Effects on the balance sheet		Effects on income (loss)
	Assets	Liabilities		Assets	Liabilities	
Commodities	10,714	8,351	2,144	-	-	-
	10,714	8,351	2,144	-	-	-
Non deliverable forwards	17,958	196,374	87,111	-	191,351	7,562
SWAP	126,282	108,797	43,571	275,899	4,830	241,326
Total	144,240	305,171	130,682	275,899	196,181	248,888
Current	141,053	313,522		257,503	196,181	
Non-current	13,901	-		18,396	-	

23 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, 2016, sugar contracted volume is 4,282 thousand tons (4,194 thousand tons on March 31, 2015) and ethanol contracted volume is 2,852 thousand m³ as of March 31, 2016 (2,189 thousand m³ on March 31, 2015).

Purchasing

In accordance with the contract entered into by the Company and its related party - Cooperative, committed volumes on March 31, 2016 and 2015 were (sugar in thousand tons and ethanol in thousand m³):

Purchase	**2016**	**2015**
White sugar	1,439	1,672
Raw sugar	2,817	3,462
Total	**4,256**	**5,134**
Anhydrous ethanol	2,769	2,250
Hydrous ethanol	1,642	2,211
Total	**4,411**	**4,461**

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;

24 Related parties

Parent company and part of the final parent company

The Company's final parent companies are the following groups:

Shareholders - Group	Number of common shares	Quantity of preferred shares	Total shares	% Interest
Virgolino Oliveira	136,537,290	2	136,537,292	11.0572
Zilor	136,470,950	3	136,470,953	11.0517
Pedra	123,481,862	1	123,481,863	9.9999
Santa Adélia	83,767,543	2	83,767,545	6.7837
Cocal	77,153,075	1	77,153,076	6.2480
Batatais	74,642,239	1	74,642,240	6.0447
Aralco	72,023,093	4	72,023,097	5.8326
Viralcool	70,948,322	2	70,948,324	5.7456
Balbo	67,984,431	3	67,984,434	5.5055
Ipiranga	62,957,606	2	62,957,608	5.0985
São J. da Estiva	42,337,360	1	42,337,361	3.4286
São Manoel	40,320,740	1	40,320,741	3.2653
Ferrari	31,586,248	1	31,586,249	2.5579
Pitangueiras	31,144,060	1	31,144,061	2.5221
Furlan	30,894,483	1	30,894,484	2.5019
São Luiz	28,837,064	1	28,837,065	2.3353
Umoe Bioenergy	26,375,699	1	26,375,700	2.1360
Jacarezinho	19,993,486	1	19,993,487	1.6191
Improvements	16,897,505	2	16,897,507	1.3684
Cerradão	16,393,879	1	16,393,880	1.3276
Santa Lucia	15,484,721	1	15,484,722	1.2540
Santa Maria	13,826,284	1	13,826,285	1.1197
Caçu	8,744,649	1	8,744,650	0.7082
Decal - Rio Verde	5,980,744	1	5,980,745	0.4843
Other	51,150	1	51,151	0.0042
	1,234,834,483	37	1,234,834,520	100.0000

Remuneration of key management staff

The Company's key personnel are the president of the Board of Directors, the Executive president and officers of the following areas: Commercial, Logistics, Administrative-Financial and Planning.

For the year ended March 31, 2016, remuneration of key management personnel totaled R$ 8,994 (R$ 10,142 for the year ended March 31, 2015) and includes salaries, short and long-term remuneration, short- and long-term and post-employment benefits.

Remuneration of key management personnel includes:

	Consolidated		Parent company	
	2016	**2015**	**2016**	**2015**
Short-term employee benefits	7,780	8,103	7,780	8,103
Post-employment benefits	1,214	957	1,214	957
Variable remuneration - long-term (a)	-	1,082	-	1,082
Total	**8,994**	**10,142**	**8,994**	**10,142**

(a) The sum described as long-term benefit refers to the payment of bonus to eligible employees for the achievement of strategic goals for each three-year period validated with the Board of Directors. Provision for these amounts has been made and will be paid according to the achievement of goals in the year.

Other related party balances

	Note	Consolidated		Parent company	
	Note	**2016**	**2015**	**2016**	**2015**
Current assets					
Accounts receivable					
Cooperativa de Produtores de Cana-de-açúcar, Açúcar e Ácool do Estado de São Paulo		18,528	1,482	17,979	1,482
Companhia Auxiliar de Armazéns Gerais		-	-	11,600	20,610
Copersucar Trading A.V.V.		-	-	15,204	374,916
Alvean Sugar Intermediação e Agenciamento Ltda.		163	147	163	147
Alvean Sugar S.L.		8,784	25,409	79	-
Total	**7**	**27,475**	**27,038**	**45,025**	**397,155**
Dividends receivable					
Companhia Auxiliar de Armazéns Gerais		-	-	8,387	2,881
Total		**-**	**-**	**8,387**	**2,881**
Advances to suppliers					
Companhia Auxiliar de Armazéns Gerais		-	-	2	2
Cooperativa de Produtores de Cana-de-açúcar, Açúcar e Ácool do Estado de São Paulo		213,758	1,485,073	-	-
Total	**10**	**213,758**	**1,485,073**	**2**	**2**
Non-current assets					
Granted loans and others					
Companhia Auxiliar de Armazéns Gerais		-	-	162	84,544
Copersucar Armazéns Gerais S.A.		-	-	270	250
Sugar Express Transportes S.A.		-	-	13,237	10,215
Total		**-**	**-**	**13,669**	**95,009**
Current liabilities					
Suppliers					
Cooperativa de Produtores de Cana-de-açúcar, Açúcar e Ácool do Estado de São Paulo		964,176	2,081,170	964,176	2,081,173
Copersucar Trading A.V.V.		-	-	-	50,055
Alvean Sugar S.L.		3,566	-	-	-
Total	**17**	**967,742**	**2,081,170**	**964,176**	**2,131,228**
Advance from clients					
Alvean Sugar S.L.	**20**	873,163	1,220,788	-	-

Other related party transactions

	Consolidated		Parent company	
	2016	**2015**	**2016**	**2015**
Value of the transaction for the year				
Sale of goods				
Copersucar Trading A.V.V.	-	-	51,509	279,369
Alvean Sugar S.L.	3,155,226	1,337,802	23,343	-
Total	**3,155,226**	**1,337,802**	**74,852**	**279,369**
Sale of services				
Cooperativa de Produtores de Cana-de-açúcar, Açúcar e Ácool do Estado de São Paulo	6,830	11,183	-	-
Alvean Sugar Intermediação e Agenciamento Ltda.	1,871	970	1,871	970
Alvean Sugar S.L.	143,028	57,582	8,166	-
Total	**151,729**	**69,735**	**10,037**	**970**
Product acquisition				
Copersucar Trading A.V.V.	-	-	(41,659)	-
Cooperativa de Produtores de Cana-de-açúcar, Açúcar e Ácool do Estado de São Paulo	(10,817,949)	(10,104,025)	(7,602,321)	(7,177,352)
Alvean Sugar S.L.	(1,787,793)	(605,889)	-	-
Total	**(12,605,742)**	(10,709,914)	**(7,643,980)**	**(7,177,352)**
Acquisition of Services				
Copersucar Armazéns Gerais S.A.	-	-	(4,220)	(2,776)
Total	-	-	**(4,220)**	**(2,776)**
Financial - Interest				
Copersucar Armazéns Gerais S.A.	-	-	-	(283)
Companhia Auxiliar de Armazéns Gerais	-	-	(5,997)	(13,761)
Sugar Express Transportes S.A.	-	-	(1,615)	(4,300)
Total	-	-	**(7,612)**	**(18,344)**

Related-party transactions are transactions carried out between the Parent company and its direct and indirect subsidiaries or other related parties (Cooperativa de Produtores de Cana-de-açúcar, Açúcar e Álcool do Estado de São Paulo) 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 -** (a) Advances made for the acquisition of products and services, (b) Loan contracts with subsidiaries or direct or indirect shareholders at interest rates similar to those of this fund raising and (c) Rent of properties.

- **Liability values -** (a) Advances received for the supply of products and services and (b) Loan contracts with subsidiaries or direct or indirect shareholders at interest rate similar to those of this fund raising.

Supply contract with Cooperativa

The Company has an exclusivity agreement directly or indirectly ensuring benefits and financial and market advantages for the acquisition of sugar and ethanol from Cooperativa de Produtores de Cana-de-açúcar, Açúcar e Álcool do Estado de São Paulo, over a period of three years, renewed at each year/crop. Quantities to be delivered are defined on a monthly basis at a volume that contemplates scenario of six subsequent months, so that, beginning as of that time, Cooperativa becomes responsible for delivery or even for possible undelivered amounts, if contracted break limit is exceeded.

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.

Billings and payments related to acquired products occur through index based on CEPEA/ESALQ estimated on year/crop closing, financial settlement of differences calculated between these billings ad effective CEPEA/ESALQ index. Adjustment amounts calculated for the year/crop were recorded in cost of sold merchandises.

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

Sugar supply contract for Alvean Sugar SL

The Company has a sugar supply contract through its subsidiary Copersucar Trading AVV with Alvean Sugar SL that is effective beginning as of October 2014, with no defined end date.

The purpose of this contract is to guarantee supply of sugar by Copersucar Trading AVV to Alvean Sugar SL; according to this contract, the parties agreed that Copersucar Trading AVV is committed to selling exclusively to Alvean, and it will purchase 100% of production in each crop year. Prices practiced in this contract are related to CEPEA/ESALQ index (in USD) plus premiums according to the contract.

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	2016	
Copersucar S.A.	Resolution (4131 (in USD)	2016	1,063,723	(a)
Copersucar S.A.	Resolution (4131 (in USD)	2017	864,428	(a)
Copersucar Trading AVV	Export prepayments (in USD)	2017	178,491	(a)
Copersucar North América	Working capital (in USD)	2016	55,526	(a)
Copersucar North América	Working capital (in USD)	2020	634,427	(a)
Copersucar S.A.	Certificate of Receivables from Agribusiness	2016	1,153	(a)
Copersucar S.A.	Certificate of Receivables from Agribusiness	2018	300,000	(a)
Copersucar S.A.	Export credit notes (BRL)	2016	110,992	(a)
Copersucar S.A.	Export credit notes (BRL)	2018	90,000	(a)
Copersucar S.A.	Export credit notes (BRL)	2019	90,000	(a)
Copersucar S.A.	Export credit notes (BRL)	2020	90,000	(a)
Copersucar S.A.	Export credit notes (BRL)	2021	90,000	(a)
Copersucar S.A.	Export credit notes (BRL)	2022	90,000	(a)
Companhia Auxiliar de Armazéns Gerais	BNDES - FINAME (in BRL)	2016	820	(a)
			3,659,560	

(a) Loans and financing guaranteed.

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

Borrowing company	Type of financing	Maturity	2016	
Companhia Auxiliar de Armazéns Gerais	BNDES - FINEM (in BRL)	2016	10,468	(a)
Companhia Auxiliar de Armazéns Gerais	BNDES - FINEM (in BRL)	2017	13,370	(a)
Companhia Auxiliar de Armazéns Gerais	BNDES - FINEM (in BRL)	2018	13,370	(a)
Companhia Auxiliar de Armazéns Gerais	BNDES - FINEM (in BRL)	2019	13,370	(a)
Companhia Auxiliar de Armazéns Gerais	BNDES - FINEM (in BRL)	2020	13,370	(a)
Companhia Auxiliar de Armazéns Gerais	BNDES - FINEM (in BRL)	2021	13,370	(a)
Companhia Auxiliar de Armazéns Gerais	BNDES - FINEM (in BRL)	2022	13,370	(a)
Companhia Auxiliar de Armazéns Gerais	BNDES - FINEM (in BRL)	2023	5,192	(a)
Companhia Auxiliar de Armazéns Gerais	BNDES - FINEM (in BRL)	2024	1,298	(a)
			97,178	

(a) Loans and financing endorsed and chattel mortgage.

25 Shareholders' equity

The Company's paid-in capital is R$180,300,590 on March 31, 2016 and 2015, represented by 1,234,834,520 shares, being 1,234,834,483 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.

Legal reserve

In compliance with article 193 of Law 6404/76, the reserve is recorded at the rate of 5% of the adjusted net income for the year, 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;
- accumulated translation adjustment included all foreign currency differences deriving from the translation of financial statements of foreign operations;

- Hedge accounting adjustment of overseas investment abroad as described in Note 22 (item ii a); and
- Cash flow hedge adjustment as described in Note (item ii 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 2016

Net income for the year attributed to controlling shareholders	**32,439**
- Legal reserve (5%)	(1,622)
- Minimum mandatory dividends (1%)	(308)
- Profit reserve	(31,325)
Summary of allocations	
- Dividends	308
- Reserves	32,131
Total	**32,439**

26 Net earnings per share

In accordance with IAS 33/CPC 31 - "Earnings per share", reconciliation of net income for the year of Consolidated and Parent Company with amounts used to calculate basic and diluted net earnings per share, is as follows:

	Consolidated		**Parent company**	
	2016	**2015**	**2016**	**2015**
Income /(loss) for the year attributable to the Company's shareholders (a)	45,131	(10,911)	32,439	(8,411)
Weighted average of outstanding shares (b)	1,234,835	1,234,835	1,234,835	1,234,835
Diluted earnings/losses per common share (a) / (b)	0.04	(0.01)	0.03	(0.01)

27 Operating income

	Consolidated		Parent company	
	2016	**2015**	**2016**	**2015**
Sales of goods				
Sugar	7,155,973	5,838,870	1,800,156	1,582,310
Ethanol	18,487,147	14,543,773	5,949,793	4,362,822
Gasoline	42,181	74,502	-	-
Corn	(7,060)	(3,573)	-	-
RIN_LCFS (registration of renewable fuel)	273,477	83,854	-	-
Realized derivative financial instrument	20,655	336,951	1,307	(130)
Rendering of services	351,633	111,425	150,422	39,734
Total	**26,324,006**	**20,985,802**	**7,901,678**	**5,984,736**

We present below the reconciliation between gross income and income presented in the statement of income for the year:

	Consolidated		Parent company	
	2016	**2015**	**2016**	**2015**
Gross tax income	27,381,037	21,511,844	8,966,727	6,840,727
Less:				
Sales tax	(1,039,100)	(846,712)	(1,039,072)	(846,699)
Services taxes	(24,891)	(11,220)	(13,590)	(4,101)
Returns/rebates	(13,695)	(5,061)	(13,694)	(5,061)
	26,303,351	**20,648,851**	**7,900,371**	**5,984,866**
Realized derivative financial instrument	20,655	336,951	1,307	(130)
Total	**26,324,006**	**20,985,802**	**7,901,678**	**5,984,736**

28 Net financial income (loss)

	Consolidated		Parent company	
	2016	**2015**	**2016**	**2015**
Financial income				
Asset interest	50,323	46,321	54,946	52,857
Asset foreign exchange fluctuation	1,459,179	844,353	427,311	43,626
Transactions with derivative asset	635,292	638,566	323,741	302,154
Gain on investment foreign exchange variation	-	41,357	-	41,407
Other financial income	609	21	74	-
	2,145,403	1,570,618	806,072	440,044
Financial expenses				
Liability interest	(249,077)	(208,258)	(199,202)	(151,315)
Liability foreign exchange fluctuations	(1,711,836)	(1,769,052)	(580,858)	(341,215)
Transactions with derivative liabilities	(583,269)	(264,407)	(240,067)	(41,689)
Loss on investment foreign exchange variation	-	(4,013)	-	(4,013)
Other financial expenses	(18,356)	(15,690)	(13,231)	(11,840)
	(2,562,538)	(2,261,420)	(1,033,358)	(550,072)
Total net financial income	**(417,135)**	**(690,802)**	**(227,286)**	**(110,028)**

A substantial portion of amounts presented in captions Foreign exchange variation gains and losses is related to the Company's hedging policies; their respective hedged contra-entries are presented in Net income from sales and Selling Costs, following prevailing accounting policies.

29 Expenses per type

	Consolidated		Parent company	
	2016	**2015**	**2016**	**2015**
Cost of products, except freights, transshipment and storage	(25,133,327)	(20,073,931)	(7,425,678)	(5,897,173)
Change in inventories' fair values	387,273	(259,213)	194,921	(24,477)
Depreciation and amortization	(42,937)	(32,695)	(11,959)	(9,010)
Personnel expenses	(164,451)	(176,263)	(66,187)	(68,210)
Freights, transshipment, warehousing and shipping expenses	(92,241)	(157,480)	(16,040)	(23,350)
Other expenses	(130,780)	(135,458)	(45,690)	(42,341)
Total	**(25,176,463)**	**(20,835,040)**	**(7,370,633)**	**(6,064,561)**
Classified as:				
Cost of sales	(24,836,635)	(20,452,761)	(7,230,754)	(5,921,650)
- Administrative	(216,968)	(186,566)	(98,219)	(88,494)
- Sales	(122,860)	(195,713)	(41,660)	(54,417)
Total	**(25,176,463)**	**(20,835,040)**	**(7,370,633)**	**(6,064,561)**

30 Income tax and social contribution expense

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

	Consolidated		Parent company	
	2016	**2015**	**2016**	**2015**
Income/(Loss) before income and social contribution taxes	131,418	(104,417)	87,332	(107,881)
Income attributable to non-controlling shareholders	(12,692)	2,500	-	-
Adjusted income/(loss)	**118,726**	**(101,917)**	**87,332**	**(107,881)**
Equity in net income of subsidiaries	67,461	(22,276)	13,487	14,269
Foreign exchange variation of company abroad	-	(37,344)	-	(37,394)
Income (loss) of company headquartered abroad	213,262	(38,606)	217,759	(85,550)
Income/(Loss) before income and social contribution taxes	**399,449**	**(200,143)**	**318,578**	**(216,556)**
Combined statutory rate	34%	34%	34%	34%
Income and social contribution taxes:				
Calculated at combined statutory rate	(135,812)	68,049	(108,317)	73,629
Permanent additions / exclusions:				
Transfer price adjustment	-	(19)	-	(19)
Fines	(53)	(169)	(51)	(164)
Donations/Sponsorship	(296)	(4,356)	(296)	(4,355)
Variation in interest	3,700	7,490	3,700	7,490
Others	(2,135)	(458)	(56)	(13)
Rate differential Copersucar North America	(1,947)	123	-	-
Profit abroad	(15,902)	(47,163)	(15,902)	(47,163)
Deferred of prior year	221	(18,974)	212	(18,974)
Deferred assets of Copersucar Trading and Copersucar North America	75,613	95,953	75,613	95,953
Long-term compensation	(10,187)	(7,133)	(10,060)	(7,001)
IRPJ - PAT deductions and Sponsorship	511	163	264	87
Income tax and social contribution in income for the year	(145,998)	44,716	(114,604)	50,680
Income tax and social contribution on income abroad	59,711	48,790	59,711	48,790
Effective rate	**22%**	**47%**	**17%**	**46%**

	Consolidated		Parent company	
	2016	**2015**	**2016**	**2015**
Current taxes	(32,746)	(24,636)	(46,154)	(3,014)
Deferred taxes	(53,541)	118,142	(8,739)	102,484
Total	**(86,287)**	**93,506**	**(54,893)**	**99,470**

Law No. 12.973, enacted on May 13, 2014, introduced significant changes to federal tax rules. Provisions of said law have become mandatorily effective beginning as of 2015, with the option of early applying of the provisions beginning as of calendar year 2014. The Company did not early adopt the Law. Therefore, in January 2015, adjustments to conform to new accounting rules and Income tax and Social contribution calculation rules were made. Among these adjustments, write-off of difference between tax depreciation rate and economic useful life in LALUR of Copersucar S.A and Copersucar Armazéns Gerais S.A. is a highlight.

31 Employee benefits

The Company grants some benefits to its employees. Among these benefits, those listed below were evaluated through actuarial calculation.

Medical care

The Company grants the benefit of a medical care plan for which, since July 1, 2011, employees do not pay monthly contribution. In accordance with Law no. 9,656/98, in case of retirement, termination without cause or dismissal, medical care plan is maintained at conditions equal to those for active employees, provided that the employee is classified in one of the three conditions mentioned below and assumes full payment of his/her monthly fees.

Accordingly, the following plan maintenance periods are guaranteed:

Dismissed without cause

Guaranteed stay time will be 1/3 of time of contribution to Health Plan, being assured a minimum period of 6 months and a maximum period of 24 months.

Retirees

- **For employees with employment relationship time equal to or higher than 10 years and age equal to or higher than 45 years on July 1, 2011**: the right to remain as beneficiaries of the Plan under the same coverage conditions enjoyed during work contract, without counting a new grace period and over the time they wish, is assured.

- **For employees with employment relationship time of less than 10 years:** the right to remain as beneficiaries of the Plan under the same coverage conditions enjoyed during work contract, without counting a new grace period, is assured at the rate of one year for each contribution year.

Considering that plan costs are determined considering active and retired employees, the Company conducted an actuarial evaluation to verify existence of liabilities. Calculations were made by an outsourced specialized company and material impacts were not found.

Assumptions used for calculation

Financial and economic assumptions

	2016	**2015**
Benefits capacity factor	100%	100%
Expected long-term inflation rate	6.1%	6.1%
Actuarial discount nominal rate	13.1%	13.1%
Expected nominal return rate of long-term assets	0.00%	0.00%
Medical costs growth nominal rate - Medical inflation	8.2% (1)	8.2% (1)
Medical costs growth rate per age - *Aging factor*	2.00% (1)	2.00% (1)
Biometrical assumptions		
General mortality table	AT-2000 (2)	AT-2000 (2)
Turnover table - (end of employment relationship)	See note (3)	See note (3)
Entry into retirement	100% eligibility	100% eligibility

(1) Estimated increase in subsidized contributions of current Plan's active members;

(2) General mortality table per sex; and

(3) Turnover table inversely proportional to length of work provided to the Company: 15 / TS + 1.

No effects on variation of Health Plan costs' growth rate during the year.

Summary of members' reference file:

	2016	**2015**
Assets		
Inversion	195	194
Average age (years)	41	41
Plan time (years)	4.8	3.8
Future period of service (years)	12.0	12.0

Statistics on frequency, age, length of work, future length of work, and expected survival period refer to the Company's employees. Statistics on costs consider hypothetical family group formed by the member and spouse; female spouse is considered as 2 years younger.

Life insurance

For employees included in this benefit until 2005, the Company used to guarantee the payment of a lifetime insurance premium upon retirement, thus generating a post-employment benefit. For employees included after this period, benefit is funded by the Company over the period in which employees remain active, and are considered as expenses, not incurring actuarial risks.

The Company also submitted this benefit to actuarial evaluation and did not perform any adjustment, as values were not considered relevant.

Assumptions used for calculation

Financial and economic assumptions

	2016	**2015**
Benefits capacity factor	100%	100%
Expected long-term inflation rate	6.1%	6.1%
Actuarial discount nominal rate	13.1%	13.1%
Expected nominal return rate of long-term assets	0.00%	0.00%
Biometrical assumptions		
General mortality table	AT-2000 [(1)]	AT-2000 [(1)]

(1) Estimated increase in subsidized contributions of current Plan's active members.

Summary of members' reference file:

	2016	**2015**
Assisted and enjoying the benefit		
Inversion	1	2
Average age	55	54
Expected survival period	15.0	16.0
Average monthly benefit	69.10	96.77

(1) Refers to the benefit of life insurance premium payment, according to contract entered into with the insurance company, currently at the rate of 0.00863 on monthly remuneration of assisted member.

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:

	2016	**2015**
Key personnel	12,242	20,804
Other executives	3,060	5,201
	15,302	26,005

32 Operational leases

Leases as lessee

Operational leases that cannot be cancelled are paid as follows:

	Consolidated		**Parent company**	
	2016	**2015**	**2016**	**2015**
In years:				
Up to 1	80,182	75,409	4,343	5,243
>5 - Up to 5	169,393	160,521	18,241	10,509
>5	156,720	140,030	-	-
Total	**406,295**	**375,960**	**22,584**	**15,752**

The Company recognized the following expenses amounts with operational leasing transactions:

	2016	**2015**
Expense with operating lease	70,220	44,322

The Company is the lessee of an area located in Santos Port of approximately 50,392 square meters, where its facilities are built. Contract is effective for 20 years, beginning as of March 7, 1996; on June 27, 2011, it was renewed for another 20 years beginning as of March 7, 2016.

The main provisos of the lease are:

- Deviation from contract object by the lessee;
- Wind up of lessee;
- Sublease;
- Lease transfer without previous authorization by Codesp;
- Lessee fails to pay more than 3 monthly payments;
- Interruption of the execution of the Lease without justified cause;
- Port operations carried out with violation of the applicable rules of law and regulations; and
- Non-compliance with court decisions.

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 rents its investment properties under operating leases (see Note 14) 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	
	2016	**2015**	**2016**	**2015**
In years:				
Up to 1	50,110	42,839	3,641	3,518
>5 - Up to 5	84,971	67,382	10,191	8,793
>5	13,601	29,834	-	-
Total	**148,682**	**140,055**	**13,832**	**12,311**

During the year ended March 31, 2016, the amount of R$ 68,920 was recognized as income from rent in the Company's income (loss).

	2016	**2015**
Income from operating lease	68,920	37,790

33 Insurance coverage

The Company adopts the policy of contracting insurance coverage for assets subject to risks for amounts considered to be sufficient to cover eventual claims, considering the nature of its activity.

On March 31, 2016, the Company's insurance coverage against operating risks was comprised of R$ 827,440 for property insurance and R$ 50,000 for parent company's liability (R$ 744,155 for property insurance and R$ 50,000 for parent company's liability as of March 31, 2015).

34 Statement of added value - DVA

In accordance with BRGAAP requirement applicable to listed companies and as additional information for IFRS purposes, the Company prepared consolidated and individual 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 non-controlling 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.

35 Subsequent events

On April 4, 2016, the Company signed a purchase agreement of all the shares of Copersucar S.A. held by Usina Batatais S.A. - Açúcar e Álcool.

According to the contract signed in 2012, Copersucar North America exercised the stock options of shares held by minority shareholders of Eco - Energy, resulting in the change of ownership interest which increased from 76.67% to 88.83% in April 2016.

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