

COPERSUCAR S.A.  
Av. Paulista 287 1st 2nd and 3rd floors Bela Vista  
01311 000 São Paulo SP Brazil  
Phone (55 11) 2618 8166 Fax (55 11) 2618 8355  
www.copersucar.com.br

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## **Copersucar undergoes a transition to a new profitability cycle**

*Start of Alvean's operations and completion of terminals' construction work mark  
2014/2015 Crop*

Copersucar S.A., largest global sugar and ethanol trader, recorded adjusted net profit of R\$60 million at the end of 2014/2015 crop, in view of adjusted profit of R\$208 million in prior year. The financial result considers a premium of 2% paid to the Cooperative upon purchase of products, in the amount of R\$68 million (R\$129 million in 2013/2014 crop). Without the adjustment, profit attributed to shareholders becomes losses of R\$8.4 million, compared to income of R\$78.6 million in prior year.

"Copersucar's financial statements reflect current Brazilian market and economic problems and represents profitability below the Company's potential", says Chairman Luís Roberto Pogetti. "We consider that 2014/2015 crop was in a year of transition, which consolidated important foundations for our growth strategy. Consolidation of our business model already defines new profitability levers", he adds.

In the period, establishment of Alvean Sugar SL - joint venture with Cargill -, was the most impacting initiative. The Company, formed by equal parts of both controlling parties, started to operate as a global sugar trader in October 2014, exactly in the beginning of the second half of the year. As a result, Copersucar business processes have undergone substantial transformations, as sugar origination and service to customers in the international market began to be performed by Alvean, backed by a new global structure comprised of operating bases in 10 countries, among which, Brazil.

Therefore, Copersucar's balance sheet portrays two distinct realities in its corporate structure and market configuration: the first half of the year had similar conditions to those of prior years and, in the second half of the year, Alvean starts its operations as the new and most important global player for integrating global sugar supply and demand. "This transition will be completed in 2015/2016 and will be fully reflected in future financial statements", says Copersucar's CEO, Paulo Roberto de Souza.

The Company's net revenue was R\$21 billion in comparison with R\$23.1 billion in prior year – a reduction that is explained by the transfer of origination transactions to associated company Alvean. Of this total, sugar trading by Copersucar responded for 27% of revenue, while ethanol trading represented 26%. Subsidiary Eco-Energy Biofuels, ethanol trader and logistics operator in the United States, contributed with remaining 47%.

From November this year to March 2014, Copersucar will ship 3,2 million tons of bulk sugar, about 700,000 tons of which from its own terminal. By the next crop, the forecast for shipments is about 4,0 million tons from TAC. The remaining volumes will be loaded from other terminals in the ports of Santos and Paranaguá.

The shipments of white sugar were not affected (250,000 tons/year). Copersucar also operates with bagged sugar in the Stuffing Containers Terminal (Terminal de Estufagem de Contêineres -TEC), in Guarujá (350,000 tons/year).

### **Logistics structure**

In addition to the start of Alvean's operations, other facts were highlighted as relevant by the Company. Resumption of operations in Terminal Açucareiro Copersucar (TAC) in Santos Port is one of them. Reconstruction work was completed in March this year and TAC started current crop with full movement capacity.

Another initiative of the Company towards logistics structure was the start of operations in Copersucar Ethanol Terminal (TCE), built in Paulínia, State of São Paulo, with tank capacity of 180 million liters of ethanol.

Subsidiary Eco-Energy Global Biofuels expanded its logistics capacity in the United States by starting the operation of two new unit train terminals intended to large railroad compositions for ethanol transportation, which are added to the two already existing terminals. On the whole, the Company has 32 logistics facilities in North America.

Eco-Energy advanced both in traded ethanol volumes (7.8 billion liters, with growth of 14.7%) and in revenue (R\$9.9 billion, a rise of 4.2%). Summed to ethanol traded directly by Copersucar, joint operations represent a share of 11% in global biofuel market.

In 2014/2015 crop, Copersucar traded 4.3 billion liters of ethanol, of which 3.8 billion liters were sold in the domestic market.

In the period, sugar trading totaled 7.2 million metric tonnes, of which 5.5 million metric tonnes were destined to export and 1.7 million was traded in the domestic market.

In the period, Copersucar's Partner Mills responded for the supply of sugar and ethanol equivalent to 95 million metric tonnes of sugarcane.

In 2014/2015 Crop Year, Copersucar intensified the rhythm of investments, totaling R\$713.5 million, more than triple of amount invested in prior crop, of R\$237.3 million. These funds were used to establish Alvean, expand Eco-Energy logistics facilities, and to logistic assets intended to sugar and ethanol markets in Brazil.

“These are the reasons why we maintain our optimism as large scale suppliers of clean energy and food for the planet, products that are essential to life and environment sustainability”, says Paulo Roberto de Souza, Copersucar’s CEO.

### **About Copersucar**

Copersucar is a global leader in the marketing of sugar and ethanol. Its business model, considered as unique, combines large scale supply of high-quality products with an integrated logistics, transportation, storage and trading system, in Brazil and in the international market. Read more on the Company’s sustainable initiatives: <http://www.copersucar.com.br/relatorio2014/>

### **Media relations:**

**Maria Fernanda Ribeiro**

**+55 (11) 3874-2040**

**maria.fernanda@comunicacaomais.com.br**

**Milton Pazzi Jr.**

**+55 (11) 3874-2028**

**milton.pazzi@comunicacaomais.com.br**