

Copersucar's revenue increases and the Company reduces its indebtedness for the 2015/2016 Crop Year

Consolidation of investments highlights the Company's positive indicators in a period marked by volatility in global markets

Copersucar S.A., the largest global trader of sugar and ethanol, recorded several positive indicators at the end of the 2015/2016 Crop Year, with growth in sales and reduction in net indebtedness. With consolidated revenue of BRL 26.3 billion – an increase of 25% over the previous year – the Company reduced its net indebtedness by 28% and recorded net earnings of BRL 32.0 million.

“This result indicates that Copersucar resumed its profitability cycle, although below its full potential. The consolidation of our business model sets profitability levers for our entire operating cycle to capture consistent gains in the coming years,” says Chairman of the Board of Directors, Luis Roberto Pogetti.

The period was marked by volatility in global markets and continued instability in the domestic market, affected by economic difficulties that have worsened the situation for the sugar and ethanol industry. On the other hand, there were signs of improvement in the outlook for the industry, with the recovery of international sugar prices and growth in the domestic demand for ethanol.

“The previous year prepared Copersucar to a new strategic cycle. We now have a portfolio that reinforces international leadership in the main markets for our products - sugar and ethanol - which have strategic value for the planet due to their potential to mitigate greenhouse gas emissions,” says CEO, Paulo Roberto de Souza.

The Company's net income totaled BRL 26.3 billion, in comparison with BRL 21 billion in the previous Crop Year. Net earnings totaled BRL 32 million, compared to a loss of BRL 8 million in the 2014/2015 harvest.

Net indebtedness of the Company's inventory was reduced by BRL 435 million and ended the year at BRL 1.1 billion.

Sales

Of total revenues, ethanol traded by Copersucar accounted for 29%, while sugar represented 24%. Subsidiary Eco-Energy Biofuels, ethanol trader and logistics operator in the United States, accounted for the remaining 47%.

In the 2015/2016 Crop Year, Copersucar traded 5 billion liters of ethanol (4.3 billion liters sold in the domestic market), with growth of 16.3%, driven by high demand and recovery of prices.

Total sugar traded was 5.5 million tons, compared to a volume of 7.2 million tons in the previous harvest, which included 1.6 million tons of origination made by the Company prior to the establishment of Alvean, the joint venture created in partnership with Cargill to trade the commodity globally. Using the same basis of comparison, total sugar traded by Copersucar remained stable in both periods.

Partner Mills accounted for the supply of sugar and ethanol equivalent to 89.3 million metric tons of sugarcane.

With total investments of BRL 265.2 million in the year, the Company focused on the completion of projects under implementation at the Copersucar Sugar Terminal (TAC) — which handled a record 6.2 million tons shipped, surpassing the mark recorded three years before — and at the Copersucar Ethanol Terminal (TCE), both completed and fully operational, with consequent expansion of the use of railways and improvement of sugar logistics operations.

Alvean

In the 2015/2016 Crop Year, Alvean completed its first full year of operation. The Company has demonstrated its operating strength in the sugar market and assumed its position as a leader in global handling, not only in origination - with growing share in purchasing sugar in Brazil, as well in other producing markets - but also in destination, expanding the supply of the product to the main refineries worldwide. In the period, Alvean traded 11.5 million tons of sugar, with a 30% market share. In Brazil, Alvean originated 5.0 million tons.

Eco-Energy

Of total investments, a tranche BRL 180.3 million was allocated to the expansion of Eco-Energy's logistics infrastructure in the United States (through the implementation of three new terminals and acquisition of one) and to the acquisition of interest from minority shareholders, increasing Copersucar's share of 65% in the previous year to 77%. In April 2016, a new acquisition increased this share to 89%.

With an increase of 13.3% in volumes handled, Eco-Energy traded 8.5 billion liters of ethanol, maintaining a 14% share in the US market. Together, Copersucar and Eco-Energy accounted for 11.5% of the ethanol traded in the world in 2015, with a volume of 13.5 billion liters.

About Copersucar

Copersucar is a global leader in the trading of sugar and ethanol. Its business model, considered 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. For more information, visit www.copersucar.com.br.

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