

COPERSUCAR REINFORCES ITS LEADERSHIP POSITION WITH GAINS IN SCALE IN THE 2017-2018 HARVEST

The largest global sugar and ethanol trader, Copersucar S.A. recorded net income BRL 147.2 million in the 2017-2018 crop year, with an important contribution from gains from direct operations, notably logistics services, and marketing of ethanol and sugar in the domestic market. Net sales totaled BRL 28.6 billion.

"In the 2017-2018 crop we continued our efforts to consolidate Copersucar's relevant position in the global sugar and ethanol markets, in line with the strategic ambition of obtaining gains in scale and increasing the structural margins of our businesses," said Luis Roberto Pogetti, Chairman of the Board of Directors.

"In a highly volatile scenario, Copersucar demonstrated the necessary preparedness to serve its clients and ensure positive results. In addition to a relevant and consolidated global presence, we increased structural gains by optimizing logistics assets," added Paulo Roberto de Souza, the Company's CEO.

With net inventory indebtedness of BRL 1.539 billion, Copersucar shows improvement of its debt profile and quick ratio. Short-term liabilities dropped from 44% at the end of the 2016-2017 crop year to 26% in the last period, and the current quick ratio went from 1.13 to 1.51. Investments totaled BRL 209 million (BRL 313.1 million in the previous year), mainly allocated to capital contributions in Logum, a company of which Copersucar is a partner and that operates the ethanol pipeline system, and to the strengthening of the logistics structure of Eco-Energy, a subsidiary that markets ethanol in the United States.

Trading

In the 2017-2018 crop year, Copersucar's partner mills crushed 85 million tons of sugarcane (2.3% less than in the previous harvest). This variation was offset by the better quality of the raw material resulting from favorable climate conditions. The share of sugar in the production mix of partner mills was 42.4% (compared with 46% in the 2016-2017 period).

A total of 14.1 billion liters of ethanol were sold in the global market (up 5.2% over the previous period), of which 9.8 billion were handled by the Eco-Energy subsidiary and 4.3 billion liters by the Brazilian parent company. Of this total, 3.6 billion liters were sold in the domestic market and 0.7 billion liters were exported.

The volume of sugar marketed remained at 4.5 million tons as recorded in the previous crop year, of which 1.6 million tons were sold in the domestic market and 2.9 million tons were exported.

In the last two crop year, Copersucar consolidated its position as an important logistics operator for the sugar and ethanol sector, achieving its goal of structuring its logistics area as a business unit of the Company and thus maximize the use of its assets by providing services to Alvean

and other clients. Of the total 5.5 million tons of sugar transported, 48% originated from non-partner mills. Another important competitive factor was the volume transported by railways, which accounted for 56% of the total volume for exports.

New joint venture

Also in the 2017-2018 harvest, Copersucar and BP Biocombustíveis formalized the creation of a joint venture to operate the fuel terminal in Paulínia (SP). The new company, with equal ownership interest, will also have a railway interconnection, in addition to the road and pipeline transport modes, and will expand the supply of services to the fuels market.

Alvean

Alvean, a joint venture between Copersucar and Cargill, handled 12.2 million tons of sugar in the global market (12.1 million tons in the previous period). Of this total, 7.9 million tons were originated in Brazil including the volume supplied by Copersucar.

Eco-Energy

The subsidiary Eco-Energy increased its sales volume by 6.5%, reaching 9.8 billion liters of ethanol in the period ended March 2018 (9.2 billion liters in the previous period). With this, Eco-Energy obtained 16% market share in the United States. Revenues increased by 7.3% to USD 4.4 billion (USD 4.1 billion in the previous period).

About Copersucar

Copersucar is a global leader in the trading of sugar and ethanol. Its unique business model combines large-scale supply of high-quality products with integrated logistics, transportation, warehousing and marketing systems in Brazil and in the international market. For more information, visit <http://www.copersucar.com.br>

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