Raízen Energia S.A.

Independent auditors' report on review of consolidated and condensed interim financial information as at September 30, 2015

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Report on review of consolidated and condensed interim financial information

To the Management and Shareholders of
Raízen Energia S.A.
São Paulo - SP

Introduction

We have reviewed the accompanying consolidated and condensed interim financial information of Raízen Energia S.A. ("the Company"), which comprises the consolidated balance sheet as at September 30, 2015, and the related consolidated statements of profit or loss, comprehensive income (loss), changes in equity and cash flow for the six-month period then ended, including the explanatory notes.

Management is responsible for the preparation and fair presentation of these consolidated and condensed interim financial information in accordance with CPC 21(R1) - Interim Financial Reporting. Our responsibility is to express a conclusion on these consolidated and condensed interim financial information based on our review.

Scope of review

We conducted our review in accordance with the Brazilian and International Standards on Review Engagements (NBC TR 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" and ISRE 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", respectively). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for qualified conclusion

Omission of disclosures

As stated in explanatory notes 2.1 to the consolidated and condensed interim final information, the Company does not present certain explanatory notes required by CPC 21(R1).

Qualified conclusion

Based on our review, except for the matter described in the Basis for qualified conclusion paragraph, nothing has come to our attention that causes us to believe that the aforementioned accompanying consolidated and condensed interim financial information has not been prepared, in all material respects, in accordance with CPC 21(R1).

KPMG Auditores Independentes, uma sociedade simples brasileira e firma-membro da rede KPMG de firmas-membro independentes e afiliadas à KPMG International Cooperative ("KPMG International"), uma entidade suíça.

KPMG Auditores Independentes, a Brazilian entity and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Other matters

Corresponding figures
The consolidated balance sheet of the Company as at March 31, 2015 and the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flow for the six-month period ended September 30, 2014, were audited and reviewed, respectively, by another independent auditor who expressed a modified conclusion on those statements on June 22, 2015 and November 5, 2014, related to the same matter described in the Basis for qualified conclusion paragraph.

Restriction on use
Our report is intend only for the use and information of the Company and the Financial Institutions specified in contracts for the covenants compliance analysis and should not be used by other parties.

São Paulo, November 9, 2015

KPMG Auditores Independentes
CRC 2SP014428/O-6



Ulysses M. Duarte Magalhães
Accountant CRC RJ-092095/O-8

Consolidated balance sheet as September 30, 2015 and March 31, 2015

All amounts in thousands of Brazilian Reais

Assets	September 30, 2015	March 31, 2015
Current assets		
Cash and cash equivalents	3,428,097	3,795,287
Restricted cash	157,118	131,311
Derivatives financial instruments	648,695	759,306
Trade accounts receivable, net	466,101	331,638
Other financial assets	12,385	12,931
Inventories	2,249,537	354,862
Recoverable income tax and social contributions	79,028	36,859
Taxes and contributions recoverable	230,384	157,304
Related parties	434,511	767,894
Other receivables	258,194	258,332
	7,964,050	6,605,724
Non-current assets		
Derivatives financial instruments	865,335	315,279
Other financial assets	1,024,507	968,420
Recoverable income tax and social contributions	508,418	508,360
Taxes and contributions recoverable	29,189	32,184
Related parties	1,943,842	1,429,358
Deferred income tax and social contributions	568,173	299,314
Judicial deposits	218,693	205,797
Other receivables	150,147	102.064
Investments in associates and joint ventures	216,019	210,586
Biological assets	1,903,554	1,959,859
Property, plant and equipment	7,089,915	7,615,059
Intangibles	1,482,582	1,494,333
	16,000,374	15,140,613
Total assets	23,964,424	21,746,337

Liabilities and equity	September 30, 2015	March 31, 2015
Current liabilities		
Loans and financing	1,504,836	1,377,898
Derivatives financial instruments	328,587	224,078
Trades payables	990,963	568,296
Payroll and related charges	304,474	321,116
Income tax and social contributions payable	10,346	8,862
Taxes and contributions payable	101,277	99,537
Dividends payable	50,276	51,066
Related parties	252,872	226,854
Advance from customers	341,510	132,138
Other liabilities	45,967	62,729
	3,931,108	3,072,574
Non-current liabilities		
Loans and financing	10,553,271	9,047,745
Derivatives financial instruments	119,379	56,231
Taxes and contributions payable	173,453	169,116
Related parties	740,499	2,194,965
Provision for tax, civil and labor risks	253,833	244,480
Deferred income tax and social contribution	85,740	76,914
Other liabilities	117,069	109,103
	12,043,244	11,898,554
Total liabilities	15,974,352	14,971,128
Equity		
Share capital	6,423,054	4,923,054
Capital reserves	1,092,538	1,092,538
Asset and liability valuation adjustment	(110,464)	15,248
Income reserves	744,369	744,369
Retained earnings	(158,462)	-
	7,991,035	6,775,209
Equity attributable to non-controlling shareholders	(963)	-
Total equity	7,990,072	6,775,209
Total liabilities and equity	23,964,424	21,746,337

The accompanying notes are an integral part of the consolidated and condensed financial information.

Raízen Energia S.A.

Consolidated statements of profit or loss
Six-months periods ended in September 30, 2015 and 2014
(All amounts in thousands of Brazilian Reais, except for earnings (loss) per share)

	September 30, 2015	September 30, 2014
Net operating revenue	4,284,359	4,017,632
Cost of products sold and services provided	(3,596,696)	(3,243,140)
Gross profit	687,663	774,492
Operating income (expenses)		
Selling expenses	(276,437)	(263,731)
General and administrative expenses	(251,402)	(252,569)
Other operating income (expenses), net	(5,928)	33,250
	(533,767)	(483,050)
Profit (loss) before financial results, equity accounting results and income tax and social contribution	153,896	291,442
Finance expenses	(453,315)	(237,765)
Finance income	334,119	186,336
Net exchange variation	(476,966)	(215,614)
Net effect of derivatives	148,293	90,976
	(447,869)	(176,067)
Profit (loss) before the equity accounting result and income tax and social contribution	(293,973)	115,375
Equity accounting result	(26,224)	(18,441)
Profit (loss) before income tax and social contribution	(320,197)	96,934
Income tax and social contribution		
Current	(33,470)	(53,413)
Deferred	195,205	102,384
	161,735	48,971
Net profit (loss) for the period	(158,462)	145,905
Earnings (loss) per common share:		
Basic and diluted	(0.026)	0.019

The accompanying notes are an integral part of the consolidated and condensed financial information.

Raízen Energia S.A.

Consolidated statements of comprehensive income (loss)
Six-months periods ended in September 30, 2015 and 2014
(All amounts in thousands of Brazilian Reais)

	September 30, 2015	September 30, 2014
Net profit (Loss) for the period	(158,462)	145,905
Items that are or may be reclassified subsequently to statements of profit or loss:		
Net loss from derivative financial instruments - Hedge accounting	(190,594)	(18,775)
Foreign currency translation differences - CTA	67	3,065
Deferred income tax and social contribution on adjustments	64,815	6,383
Other components of comprehensive income (loss) for the period	(125,712)	(9,327)
Total comprehensive income (loss) for the period	(284,174)	136,578

The accompanying notes are an integral part of the consolidated and condensed financial information.

Raízen Energia S.A.

Consolidated statements of changes in equity
Six-months periods ended in September 30, 2015 and 2014
(All amounts in thousands of Brazilian Reais)

	Attributable to controlling shareholders										
		Capital reserves			Profit reserves						
	Share capital	Capital reserve	Share premiun	Asset and liability valuation adjustment	Tax incentive	Legal reserve	Profit retention	Retained earnings (accumulateed loss)	Total	Attributable to non-controlling shareholders	Total equity
At April 1, 2015	4,923,054	849,427	243,111	15,248	30,256	50,111	664,002	-	6,775,209	-	6,775,209
Contributions (distributions) to the shareholders of the Company											
Initial recognition of non-controlling interest	-	-	-	-	-	-	-	-	-	(963)	(963)
Capital increase	1,500,000	-	-	-	-	-	-	-	1,500,000	-	1,500,000
	1,500,000	-	-	-	-	-	-	-	1,500,000	(963)	1,499,037
Comprehensive income for the period:											
Loss for the period	-	-	-	-	-	-	-	(158.462)	(158,462)	-	(158,462)
Net loss from derivative financial instruments - Hedge accounting	-	-	-	(125,779)	-	-	-	-	(125,779)	-	(125,779)
Effect of currency translation adjustment - CTA	-	-	-	67	-	-	-	-	67	-	67
	-	-	-	(125,712)	-	-	-	(158,462)	(284,174)	-	(284,174)
At September 30, 2015	6,423,054	849,427	243,111	(110,464)	30,256	50,111	664,002	(158,462)	7,991,035	(963)	7,990,072

The accompanying notes are an integral part of the consolidated and condensed financial information.

	Attributable to controlling shareholders								
	Capital reserves			Profit reserves					
	Share capital	Capital reserve	Share premiun	Asset and liability valuation adjustment	Tax incentive	Legal reserve	Profit retention	Retained earnings (accumulated loss)	Total equity
At April 1, 2014	4,752,078	1,012,812	241,107	(10,669)	30,256	44,561	574,364	-	6,644,509
Contributions (distributions) to the shareholders of the Company									
Redemption of class B preferred shares	(1,255)	-	-	-	-	-	-	1,255	-
Effect on operations in associates	-	763	-	-	-	-	-	-	763
	(1,255)	763	-	-	-	-	-	1,255	763
Comprehensive income:									
Net profit for the period	-	-	-	-	-	-	-	145,905	145,905
Net loss from derivative financial instruments - Hedge accounting	-	-	-	(12,392)	-	-	-	-	(12,392)
Effect of currency translation adjustment - CTA	-	-	-	3,065	-	-	-	-	3,065
	-	-	-	(9,327)	-	-	-	145,905	136,578
At September 30, 2014	4,750,823	1,013,575	241,107	(19,996)	30,256	44,561	574,364	147,160	6,781,850

The accompanying notes are an integral part of the consolidated and condensed financial information.

Consolidated statements of cash flows
Six-months periods ended in September 30, 2015 and 2014
(All amounts in thousands of Brazilian Reais unless otherwise stated)

	September 30, 2015	September 30, 2014
Cash flows from operating activities		
Profit (loss) before income tax and social contribution taxes	(320,197)	96,934
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization	762,421	847,250
Change in fair value of biological assets	(155,930)	(70,140)
Equity accounting result	26,224	18,441
Capital gain on dilution of equity interest	-	(30,333)
Interest, monetary and exchange variation, net	1,070,809	564,359
Losses on sale of property, plant and equipment	(489)	(3,378)
Provision for doubtful accounts, net	970	4,971
Provision for lawsuits, net	9,781	9,575
Losses (Gain) on derivatives transactions	(362,073)	183,078
Provision for net realizable value and inventory obsolescence	4,416	3,000
Impairment on property, plant, equipment and intangible assets	(2,696)	-
Others	(7,470)	1
Changes in assets and liabilities:		
Trade accounts receivable and advances from customers	25,856	(190,053)
Inventories	(1,335,396)	(1,412,028)
Restricted cash	(18,230)	26,894
Derivatives financial instruments	82,977	(40,768)
Judicial deposits	(18,187)	(41,367)
Trades payable and advances to suppliers	397,265	150,318
Taxes and contributions, net	(83,295)	(132,375)
Related parties	(80,565)	-
Payroll and related charges	(16,642)	30,583
Others, net	(22,108)	(14,588)
Income tax and social contribution paid	(9,112)	(6,114)
Net cash used in operating activities	(51,671)	(5,740)
Cash flows from investing activities		
Additions to investments	(23,415)	(35,455)
Additions to property, plant and equipment and intangible assets	(179,332)	(432,965)
Cash from sale of property, plant and equipment	6,345	4,775
Expenditures on sugar cane farming and land	(397,436)	(470,494)
Net cash used in investing activities	(593,838)	(934,139)
Cash flow from financing activities		
Proceeds from loans and financing	1,068,240	1,952,510
Payment of the principal of loans and financing	(631,840)	(361,253)
Interest paid on loans and financing	(248,632)	(165,263)
Financial investments related to financing (restricted cash)	(449)	(3,291)
Prepaid dividends	(790)	(42,381)
Release from new loans and financing -Intragroup	(462,802)	(220,010)
Payment of the principal of loans and financing granted - Intragroup	219,407	-
Interest paid on loans and financing granted - Intragroup	8,163	5,581
Proceeds from loans and financing - Intragroup	581	758,050
Payment of principal of loans and financing raised - Intragroup	(211,772)	-
Interest paid on loans and financing raised - Intragroup	(22,827)	(1,489)
Resource management, net - Intragroup	502,188	(1,193,843)
Net cash from financing activities	219,467	728,611
Decrease in cash and cash equivalents, net	(426,042)	(211,268)
Cash and cash equivalents at the beginning of period	3,795,287	1,771,015
Effect of exchange rate changes on cash and cash equivalents	58,852	-
Cash and cash equivalents at the end of period	3,428,097	1,559,747

The accompanying notes are an integral part of the consolidated and condensed financial information.

1 Operations

1.1 General Information

Raízen Energia S.A ("Company", "Group", "Raízen Energia" or "RESA") is a Brazilian Public Corporation with its headquarters in the city of São Paulo, Brazil. The Company was formed on June 1, 2011 as a joint venture controlled indirectly by Royal Dutch Shell and Cosan S,A, Indústria e Comércio. The Company was a direct subsidiary of Raízen Energia Participações S.A. ("REPSA") until November 30, 2012, at which time REPSA was merged into the Company.

The main business activities of the Company are the production and trading of sugar and ethanol in Brazil and overseas (where it operates through Raízen Trading LLP and Raízen International Universal Corporation), and the cogeneration of energy produced from sugarcane bagasse on its 24 plants, which are located in the central southern region of Brazil.

The planting of sugarcane requires a period of from 12 to 18 months for the crop to develop. The harvest starts in the months of April or May each year and ends in November or December, at which time sugar and ethanol is produced. The production is sold throughout the year with no seasonal variations, subject to normal market variations in supply and demand. Due to its production cycle, the Company's fiscal year begins on April 1 and ends on March 31 of each year.

On August 31, 2015 at the Extraordinary General Meeting it was discussed and approved by the shareholders Shell Brazil Holding BV and Cosan Investimentos e Participações S.A. a capital increase in the amount of R$ 1,500,000, through the issuance of 1,340,687,564 new common shares normative . The amount was subscribed through the recovery of part of the shares that the shareholder holds in the associate company Raizen Combustiveis S.A ("RCSA "). These transactions described resulted from the transfer of debt instruments and the Company's funds in the amount of R$ 1,711,772 for the RCSA.

2 Significant accounting policies

2.1 Presentation of the consolidated and condensed interim financial

The consolidated and condensed interim financial information have been prepared in accordance with the accounting pronouncement CPC 21(R1) - Interim Financial Reporting.

The consolidated and condensed interim financial information has been prepared solely for the use of the Management of Raízen Energia and Financial Institutions in its covenant compliance analysis. This financial information does not include all the information required to be disclosed by CPC 21 - "Interim Financial Reporting".

2.2 Basis of preparation and accounting policies

The consolidated and condensed interim financial information has been prepared according to the basis of preparation and accounting policies adopted in the statutory financial statements as of and for March 31, 2015, prepared in accordance with the accounting practices adopted in Brazil and the International Financial Reporting Standards, as issued by the International Accounting Standards Board (IASB), authorized and issued by the Board on June 22, 2015 and should be read together with these information.

In the preparation of the consolidated and condensed interim financial information, Management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and assumptions are reviewed constantly and remain unchanged in the preparation of this financial information regarding the statutory financial statements as of and for March 31, 2015.

The management notes, in Portuguese, necessary for understanding these consolidated and condensed interim financial information can be verified in the Company`s individual and consolidated interim financial information as of September 30, 2015 and for the six-months period then ended, available on the following website: **http://ri.raizen.com.br**.

The consolidated and condensed interim financial information was approved by the Company's Management on November 9, 2015.

3 Consolidation basis

The consolidated financial information includes Raízen Energia and its subsidiaries, where Raízen Energia has direct or indirect control. The subsidiaries are listed below:

	09,30.2015		03.31.2015	
	Direct	**Indirect**	**Direct**	**Indirect**
Agrícola Ponte Alta Ltda.	99.99%	0.01%	99.99%	0.01%
Agropecuária Santa Hermínia Ltda.	-	100.00%	-	100.00%
América Trading Investments	-	100.00%	-	100.00%
Benálcool Açúcar e Álcool Ltda.	99.99%	0.01%	99.99%	0.01%
Bioenergia Araraquara Ltda.	-	100.00%	-	100.00%
Bioenergia Barra Ltda.	99.99%	0.01%	99.99%	0.01%
Bioenergia Caarapó Ltda.	-	100.00%	-	100.00%
Bioenergia Costa Pinto Ltda.	-	100.00%	-	100.00%
Bioenergia Gasa Ltda.	-	100.00%	-	100.00%
Bioenergia Jataí Ltda.	-	100.00%	-	100.00%
Bioenergia Maracaí Ltda.	-	100.00%	-	100.00%
Bioenergia Rafard Ltda.	-	100.00%	-	100.00%
Bioenergia Serra Ltda.	-	100.00%	-	100.00%
Bioenergia Tarumã Ltda.	-	100.00%	-	100.00%
Bioenergia Univalem Ltda.	-	100.00%	-	100.00%
Raízen Centroeste Açúcar e Álcool Ltda.	47.37%	52.63%	47.37%	52.63%
Raízen Araraquara Açúcar e Álcool Ltda.	99.99%	0.01%	99.99%	0.01%
Raízen Ásia PT Ltd.	-	100.00%	-	100.00%
Raízen Biotecnologia S.A.	100.00%	-	100.00%	-
Raízen Caarapó Açúcar e Álcool Ltda.	-	100.00%	-	100.00%
Raízen Luxembourg S.A. (i)	100.00%	-	100.00%	-
Raízen Energy Finance Ltd.	100.00%	-	100.00%	-
Raízen International Universal Corp.	100.00%	-	100.00%	-
Raízen North América, Inc.	-	100.00%	-	100.00%
Raízen Paraguaçú Ltda.	-	100.00%	-	100.00%
Raízen Tarumã Ltda.	99.99%	0.01%	99.99%	0.01%
Raízen Trading LLP	-	100.00%	-	100.00%
TEAS Terminal Exp. de Álcool de Santos Ltda.	99.99%	0.01%	99.99%	0.01%
Unimodal Ltda	53.17%	20.24%	53.17%	20.24%

(i) Formerly Raízen Cayman Limited

4 Subsequent events

Capital increase in Raízen Caarapó

On October 30, 2015, a Board meeting ("RCA") of the company resolved to approve a capital increase in Raízen Caarapó in the amount of R$ 155,000, through the issuance of 155,000,000 new common shares. Upon conclusion of the restructuring, RESA had increased its direct interest in Raízen Caarapó to 31.48%; its subsidiary Raízen Tarumã had decreased its direct interest in Raízen Caarapó to 68.52%; and, Raízen Araraquara no longer belongs to the shareholders of Raízen Caarapó.

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