Raízen Group

Combined consolidated and condensed interim financial information
June 30, 2018

A free translation of the original report in Portuguese, containing combined consolidated and condensed interim financial information prepared in accordance with the Technical Pronouncement CPC 21(R1) - Interim Financial Reporting and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board – IASB)

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KPMG Auditores Independentes
Rua Arquiteto Olavo Redig de Campos, 105, 6º andar - Torre A
04711-904 - São Paulo/SP - Brasil
Caixa Postal 79518 - CEP 04707-970 - São Paulo/SP - Brasil
Telefone +55 (11) 3940-1500, Fax +55 (11) 3940-1501
www.kpmg.com.br

Report on Review of Interim Financial Information

(A free translation of the original report in Portuguese, containing combined consolidated and condensed interim financial information prepared in accordance with CPC 21 (R1) – Interim Financial Reporting and IAS 34 – Interim Financial Reporting, issued by International Accounting Standards Board - IASB)

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

Introduction
We have reviewed the combined consolidated statement of financial position of Raízen Energia S.A. and Raízen Combustíveis S.A. (the "Raízen Group") as of June 30, 2018 and the respective combined consolidated statements of income, comprehensive income (loss), changes in equity and cash flows for the three-month period then ended, including the explanatory notes.

The Company's management is responsible for the preparation of this combined consolidated and condensed interim financial information in accordance with Technical Pronouncement CPC 21 (R1) – Interim Financial Reporting and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board – IASB. Our responsibility is to express a conclusion on this combined 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 of interim financial information (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 the 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 audit 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.

Conclusion on the combined consolidated and condensed interim financial information
Based on our review, nothing has come to our attention that causes us to believe that the accompanying combined consolidated and condensed interim financial information has not been prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34, issued by IASB.

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.

Emphasis of matter

Basis of preparation and presentation
We draw attention to Note 2.1 to the combined consolidated and condensed interim financial information of the Raízen Group, which describes that this combined consolidated and condensed interim financial information does not necessarily represent an indicative of the financial position and performance and related cash flows that would have been obtained if the Raízen Group had operated as a single legal entity. The combined consolidated and condensed interim financial information were prepared to present the financial position and performance and related cash flows of the entities under indirect joint control of Cosan Limited and Royal Dutch Shell and, therefore may not be useful for others purposes. Our conclusion is unqualified in respect to this matter.

São Paulo, August 9, 2018

KPMG Auditores Independentes
CRC SP014428/O-6
Original report in Portuguese signed by
Ulysses M. Duarte Magalhães
Accountant CRC RJ-092095/O-8

Raízen Group

Combined consolidated statements of financial position on June 30 and March 31, 2018

In thousands of Reais - R$

	Note	06/30/2018	03/31/2018
Assets			
Current assets			
Cash and cash equivalents	3	2,982,972	3,663,168
Securities	4	60,199	1,078,945
Restricted cash	5	228,558	143,606
Derivative financial instruments	25	378,533	228,092
Trade accounts receivable	6	2,875,874	2,756,767
Inventories	7	4,362,393	2,552,513
Biological assets	8	838,770	947,815
Recoverable income and social contribution taxes	17.b	1,051,822	887,416
Recoverable taxes and contributions		858,369	628,397
Other financial assets	9	540,132	408,379
Related parties	10	868,216	709,027
Assets from contracts with clients	11	398,736	-
Other receivables		447,330	346,868
Total current assets		15,891,904	14,350,993
Non-current assets			
Trade accounts receivable	6	451,122	447,856
Derivative financial instruments	25	634,576	273,762
Other financial assets	9	468,999	502,433
Recoverable income and social contribution taxes	17.b	300,930	300,930
Recoverable taxes and contributions		355,485	337,495
Related parties	10	1,359,513	1,329,549
Deferred income and social contribution taxes	17.d	389,674	158,295
Judicial deposits	18	415,114	406,898
Assets from contracts with clients	11	1,871,400	-
Other receivables		193,164	181,554
Investments	12	698,977	346,461
Property, plant and equipment	13	11,083,818	11,304,718
Intangible assets	14	2,457,708	4,689,901
Total non-current assets		20,680,480	20,279,852
Total assets		36,572,384	34,630,845

See the accompanying notes to the interim financial information.

Raízen Group

Combined consolidated statements of financial position on June 30 and March 31, 2018

In thousands of Reais - R$ **(continued)**

	Note	06/30/2018	03/31/2018
Liabilities			
Current liabilities			
Loans and financing	16	1,728,268	1,532,009
Derivative financial instruments	25	507,275	142,343
Suppliers	15	4,279,257	3,743,572
Payroll and related charges payable		634,989	553,491
Income and social contribution taxes payable	17.c	20,189	97,197
Taxes payable		267,835	276,066
Dividends and interest on own capital payable	20.b	23,417	23,417
Related parties	10	1,080,789	781,397
Advances from clients	6	387,094	51,677
Other liabilities		562,642	617,994
Total current liabilities		9,491,755	7,819,163
Non-current liabilities			
Loans and financing	16	12,893,196	11,986,340
Derivative financial instruments	25	32,224	199,602
Taxes payable		187,864	183,434
Related parties	10	408,172	406,052
Provision for legal disputes	18	1,306,049	1,260,168
Deferred income and social contribution taxes	17.d	652,098	452,166
Other liabilities		476,051	490,796
Total non-current liabilities		15,955,654	14,978,558
Total liabilities		25,447,409	22,797,721
Equity	20		
Attributed to controlling shareholders		10,901,622	11,607,394
Non-controlling shareholders		223,353	225,730
Total equity		11,124,975	11,833,124
Total liabilities and equity		36,572,384	34,630,845

See the accompanying notes to the interim financial information.

Raízen Group

Combined consolidated statements of income
Three-month periods ended June 30, 2018 and 2017
In thousands of Reais - R$

	Note	Apr-Jun/18	Apr-Jun/17
Net operating revenue	21	22,159,777	19,537,744
Costs of products sold and services provided	22	(21,041,630)	(18,711,717)
Gross income		1,118,147	826,027
Operating revenue (expenses)			
Selling	22	(539,603)	(496,379)
General and administrative	22	(261,809)	(239,086)
Other operating income, net	23	193,611	237,631
Equity accounting result	12	(1,402)	(10,494)
		(609,203)	(508,328)
Income before financial results and income tax and social contribution		508,944	317,699
Financial results	24		
Financial expenses		(232,359)	(258,083)
Financial income		166,933	191,426
Exchange variation, net		(908,540)	(172,916)
Net effect of the derivatives		600,263	72,339
		(373,703)	(167,234)
Income before income and social contribution taxes		135,241	150,465
Income tax and social contribution	17.a		
Current		114,523	(203,438)
Deferred	17.d	(85,038)	202,595
		29,485	(843)
Net income for the period		164,726	149,622
Attributable to:			
Group's controlling shareholders		159,562	135,037
Group's non-controlling shareholders		5,164	14,585
		164,726	149,622

See the accompanying notes to the interim financial information.

Raízen Group

Combined consolidated statements of comprehensive income
Three-month periods ended June 30, 2018 and 2017
(In thousands of reais - R$)

	Apr-Jun/18	Apr-Jun/17
Net income for the period	164,726	149,622
Comprehensive income		
Items that are or may be reclassified to statements of income or loss		
Results from financial instruments designated as hedge accounting (Note 25.e)	(332,646)	402,029
Effect of foreign currency translation - CTA	(4,947)	(1,049)
Deferred taxes on hedge accounting (Note 17.e)	113,100	(136,691)
	(224,493)	264,289
Other components of the comprehensive income for the period	(224,493)	264,289
Total comprehensive income for the period	(59,767)	413,911
Attributable to:		
Group's controlling shareholders	(64,931)	399,326
Group's non-controlling shareholders	5,164	14,585
	(59,767)	413,911

See the accompanying notes to the interim financial information.

Raízen Group

Combined consolidated statements of changes in equity
Three-month periods ended June 30, 2018
In thousands of reais - R$

	Attributable to Group's shareholders	Non-controlling shareholders	Total equity (*)
Balances at March 31, 2018	11,607,394	225,730	11,833,124
Initial adoption of IFRS 9 (CPC 48) (Note 2.4)	(2,641)	(41)	(2,682)
Balances at April 1, 2018	11,604,753	225,689	11,830,442
Comprehensive income for the period			
Net income for the period	159,562	5,164	164,726
Net loss with financial instruments designated as hedge accounting	(219,546)	-	(219,546)
Effect of foreign currency translation - CTA	(4,947)	-	(4,947)
Total comprehensive income for the period (Note 20.c)	(64,931)	5,164	(59,767)
Distributions to Group's shareholders			
Dividends and interest on own capital ("JCP") (Note 20.b)	(638,200)	(7,500)	(645,700)
Total distributions to Group's shareholders	(638,200)	(7,500)	(645,700)
Balances at June 30, 2018	10,901,622	223,353	11,124,975

(*) As disclosed in Note 1.c, the combined consolidated companies are not operated as a single legal entity.

See the accompanying notes to the interim financial information.

Raízen Group

Combined consolidated statements of changes in equity
Three-month periods ended June 30, 2017
In thousands of reais - R$ **(Continued)**

	Attributable to Group's shareholders	Non-controlling shareholders	Total equity (*)
Balances at March 31, 2017	12,160,702	205,725	12,366,427
Comprehensive income for the period			
Net income for the period	135,037	14,585	149,622
Net gain on financial instruments designated as hedge accounting	265,338	-	265,338
Effect of foreign currency translation - CTA	(1,049)	-	(1,049)
Total comprehensive income for the period	399,326	14,585	413,911
Distributions to Group's shareholders			
Dividends and interest on own capital	(601,000)	-	(601,000)
Other	(174)	16	(158)
Total distributions to Group's shareholders	(601,174)	16	(601,158)
Balances at June 30, 2017	11,958,854	220,326	12,179,180

(*) As disclosed in Note 1.c, the combined consolidated companies are not operated as a single legal entity.

See the accompanying notes to the interim financial information.

Raízen Group

Combined consolidated statements of cash flows – indirect method
Three-month periods ended June 30, 2018 and 2017
In thousands of reais - R$

	Apr-Jun/18	Apr-Jun/17
Cash flow from operating activities		
Income before income and social contribution taxes	135,241	150,465
Adjustments:		
Depreciation and amortization	443,364	511,743
Amortization of assets from contracts with clients (Notes 11 and 21)	101,055	95,537
Change in the fair value and realization of gain or loss of goodwill of biological assets (Note 22)	56,689	331,733
Equity accounting result of associated companies (Note 12)	1,402	10,494
Gain on sales of property, plant and equipment (Note 23)	(32,704)	(19,954)
Interest, monetary and exchange-variations, net	1,008,077	386,897
Change in fair value of liabilities financial instruments (Notes 16 and 24)	(101,351)	28,117
Gain with derivative financial instruments, net	(540,627)	(85,546)
Change in inventories' fair value - fair value hedge (Notes 7 and 25.e)	20,717	-
Recognition of extemporaneous tax credits, net (Note 23)	(37,124)	(161,030)
Credits with claims for damages (Notes 9 and 23)	(75,406)	-
Other	25,357	16,479
Changes in assets and liabilities		
Trade accounts receivable and advances from clients	250,348	(207,536)
Inventories	(1,466,460)	(814,490)
Restricted cash	(51,185)	353,399
Payment of assets from contracts with clients	(173,357)	-
Derivative financial instruments	(82,908)	39,379
Other financial assets	33,520	-
Related parties	106,071	300,590
Suppliers and advances to suppliers	363,084	264,227
Recoverable and payable taxes, net	(207,304)	(214,307)
Payroll and related charges payable	81,497	101,486
Other assets and liabilities, net	(112,381)	(57,098)
Payment of income and social contribution taxes on net income	(126,182)	(22,329)
Net cash generated (used) in operating activities	(380,567)	1,008,256
Cash flow from investment activities		
Additions to investment (Note 12.b)	(17,554)	(312)
Advance for business acquisition (Note 1.b)	(341,010)	-
Redemptions from (investments in) securities, net	1,018,746	(197,533)
Additions to property, plant and equipment and intangible assets (Notes 13, 14 and 27)	(351,078)	(446,021)
Additions to biological assets (Notes 8 and 27)	(157,710)	(124,957)
Cash received upon disposal of fixed assets, net	46,079	47,546
Cash received upon disposal of shares, net	3,662	-
Net cash generated (used) in investment activities	201,135	(721,277)
Cash flow from financing activities		
Funding of loans and financing	536,878	1,118,311
Amortizations of principal of loans and financing	(359,093)	(312,962)
Payment of interest on loans and financing	(193,882)	(205,126)
Redemptions (investments in) financial investments linked to financing, net	(384)	177
Payment of dividends and interest on own capital (Note 20.b)	(645,700)	(610,641)
Related parties and others	(3,791)	(2,900)
Net cash used in financing activities	(665,972)	(13,141)
(Decrease) increase in cash and cash equivalents	(845,404)	273,838
Cash and cash equivalents at the beginning of the period (Note 3)	3,663,168	3,201,598
Effect of exchange variation on cash and cash equivalents	165,208	17,102
Cash and cash equivalents at the end of the period (Note 3)	2,982,972	3,492,538

Supplementary information to the cash flow is shown in Note 27.

See the accompanying notes to the interim financial information.

1. Operations

Raízen Group ("Group") is basically engaged in the following activities and comprises the following companies:

(a) Raízen Energia S.A. and subsidiaries ("Raízen Energia" or "RESA"):

RESA is a publicly-held company enrolled in the Brazilian Securities and Exchange Commission ("CVM") in Category B, headquartered at Brigadeiro Faria Lima Avenue, number 4.100, 11° floor, Part V, Itaim Bibi, in the city of São Paulo - SP, Brazil. RESA was established on June 1, 2011 and is indirectly and jointly controlled by Royal Dutch Shell ("Shell") and Cosan Limited ("Cosan").

RESA engages in producing and marketing sugar and ethanol, and the trading, both domestically and abroad through its subsidiaries Raízen Trading LLP ("Raízen Trading") and Raízen International Universal Corporation, and co-generating energy produced from bagasse at its 26 plants located in Brazil's Center-Southern Region.

Sugarcane farming requires a period ranging from 12 to 18 months for maturing and harvesting and generally starts between the months of April and May every year, and usually ends between November and December, period in which sugar and ethanol are also produced. Production is sold during the whole year and does not fluctuate over the seasons, but is affected by normal market supply and demand. Because of RESA's production cycle, its fiscal year and the fiscal year of Raízen Combustíveis S.A. and therefore of Raízen Group starts on April 1 and ends on March 31.

This may cause fluctuations in inventories, which are usually higher in November and December to cover off-season sales (December and April), and may cause oscillations in income (loss) of the quarters.

(b) Raízen Combustíveis S.A. and its subsidiaries ("Raízen Combustíveis" or "RCSA"):

RCSA is a privately-held corporation headquartered at Victor Civita Sreet, 77, Block 1, Edifice 6, 4º floor, in the city of Rio de Janeiro, Brazil. RCSA is indirectly jointly-controlled by Shell and Cosan.

RCSA is mainly engaged in: (i) distributing and marketing oil and ethanol by-products, and other fluid hydrocarbons and their by-products under Shell brand; (ii) trading of natural gas; (iii) operate as franchiser and licenser of Select convenience stores; (iv) importing and exporting the products previously mentioned and; (v) holding ownership interest in other companies.

- **Signature of purchase agreement to acquire 100% of shares from fuel and lubricants refining and distribution business in Argentina held by Shell Overseas Investments B.V. and B.V. Dordtsche Petroleum Maatschappij ("Shell Group")**

On September 29, 2017, RCSA submitted, in bidding process, a binding proposal to acquire the fuel and lubricants refining and distribution business in Argentina, held by the Shell Group.

On April 24, 2018, RCSA and its wholly-owned subsidiary Raízen Argentina Holdings S.A.U signed an agreement for the acquisition of Shell's downstream ("DS") business in Argentina, through the acquisition of 100% of the shares issued by Shell Compañía Argentina de Petróleo S.A. and by Energina Compañía Argentina de Petróleo S.A. ("Acquired Companies"), all shares held by the Shell Group. The Acquired Companies operate in Argentina in the following business segments, among others: oil refining, fuel distribution, operation of fuel retail stations, manufacturing and sale of automotive and industrial lubricants, and manufacturing and sale of liquefied petroleum gas ("LPG"). Shell's DS operation in Argentina has a network of 645 gas stations with annual sales of approximately 6 billion liters. The aforementioned acquisition also features a refinery, a lubricant plant, three land-based terminals, two aviation fueling terminals, and five LPG bottling plants.

The acquisition price totals US$ 950,000, equivalent to R$ 3,663,010 (considering the PTAX rate of June 30, 2018) on the date of this combined consolidated and condensed interim financial information, and Shell will continue present in the Argentine DS market as a shareholder of Raízen. This price was determined based on the assumption that the Acquirees Companies are debt free and is subject to adjustment of changes in working capital and the sum of net debt at closing.

During the three-month period ended June 30, 2018, RCSA made a partial advance payment to acquire the DS business of Shell Argentina in the amount of R$ 341,010, equivalent to US$ 100,000, recorded under the heading of Investments (Note 12).

After Raízen takes over the DS business in Argentina, the Acquirees Companies will enter into several agreements with companies of the Shell Group, under market conditions, including a supply agreement to import hydrocarbons and a license to use the Shell brand in Argentina.

The consummation of the transaction is subject to the fulfillment of certain conditions precedent, including the carve-out of assets related to the oil exploration and production operation, as well as others that are common in transactions of this nature.

The aforementioned acquisition represents an important growth opportunity for RCSA, expanding and replicating its successful model implemented in Brazil, and also bolsters the business of the Acquirees Companies and the Shell brand in Argentina, as well as allowing operating, financial and marketing synergies.

- **Operations**

As the notice to market disclosed on August 2nd, 2018, the Civil Police of Paraná State launched, on July 31st, 2018, the Operation "Controlled Margin", to investigate the alleged involvement of RCSA in practices to control the final prices of fuel sold in gas stations located in such region. On that same date, search and seizure warrants were executed and three of RCSA's employees were temporarily arrested and on August 3rd, 2018, the court ordered their release. To this moment, in view of the existing information, no irregular conduct may be attributed to RCSA or its employees. No complaints were filed against any employees of RCSA, and no court order was issued determining the freeze of any assets or funds in its bank accounts.

In parallel, also on July 31, 2018, in connection with the so-called Operation Dubai, the Prosecution Office of the Federal District filed a complaint against, among other parties, RCSA and one employee on the grounds of alleged anticompetitive practice. In said complaint, the Prosecution Office requested freeze of assets and funds of RCSA in approximately R$ 120,000, and such request is under analysis. RCSA is taking the necessary steps to bring the appropriate remedies against that decision. According to Raízen's analysis, based on the information available so far, the above-mentioned allegations have no factual or legal grounds; the prices charged in the gas stations are set exclusively by resellers, with no interference of RCSA.

To the present date, there are no final court decision nor relevant impact on RCSA's business and financial statements and, for now, there are no facts that indicates that a relevant impact would occur on RCSA's financial statements in the future.

(c) Other information

The synergy between RESA and RCSA makes Raízen Group to be currently positioned in a special place in the Brazilian market. The both companies work in a complementary manner, and therefore, reporting their combined consolidated businesses is a key tool to allow the market to evaluate the Raízen Group as a whole.

Although they are not set up as a group pursuant to article 265 of Brazilian Corporation Law ("LSA"), companies of Raízen Group disclose such combined consolidated and condensed interim financial information to provide information that best reflects their gross cash flows from operating activities.

The Raízen Group's combined consolidated and condensed interim financial information has been presented exclusively to provide information about all the Raízen Group's activities in a single financial statement, regardless of the Group's corporate structure.

As a result, this combined consolidated and condensed interim financial information does not represent the individual or consolidated financial statements of an entity and its subsidiaries and should not be used as a basis for the calculation of dividends or taxes, or for any other corporate or statutory purposes and does not necessarily provide indicators of the current or future profit or loss that would have been earned had these combined companies been operating as one single legal entity.

2. Presentation of interim financial information and significant accounting policies

2.1. Preparation basis

The combined consolidated and condensed interim financial information has been prepared in accordance with the Technical Pronouncement CPC 21 (R1) - Interim Statements and Standard IAS 24 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB.

This interim financial information has been prepared following the basis of preparation and accounting policies consistent with the ones adopted in the preparation of annual financial statements on March 31, 2018 and should be read together with these statements, except for the adoption as of April 1, 2018 of certain standards, amendments to standards and interpretations to IFRS issued by IASB (Note 2.4). Information from accompanying notes which did not suffer material changes or showed irrelevant disclosures compared to those March 31, 2018 and were not fully reproduced in this interim financial information. However, select information was included to explain the main events and transactions that took place, in order to provide an understanding of the changes in the Group's financial position and operating performance since the disclosure of the annual financial statements at March 31, 2018.

The preparation of this interim financial information, Management used judgments, estimates and assumptions that affect the application of accounting policies of the Group, and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and assumptions are reviewed continually, and did not suffer any material changes in the preparation of this interim financial information in comparison to the annual financial statements at March 31, 2018, except for the review of biological assets' assumption, specially generated by the low productivity in sugarcane plantation estimated to 2018/2019 crop due to the drought in the Mid-West region in Brazil.

Group's Management confirms that all relevant information characteristic of interim financial information, and only them, is being evidenced and correspond to those used by Management.

The combined consolidated and condensed interim financial information was authorized for issue by Raízen Group Management on August 9, 2018.

2.2. Combination criteria

Such combined consolidated and condensed interim financial information includes the following companies:

- Raízen Energia S.A. and its subsidiaries
- Raízen Combustíveis S.A. and its subsidiaries

In the combination, the balances receivable and payable, revenues, expenses and unrealized profits arising from transactions between these companies, when applicable, were eliminated.

The breakdown of assets and equity in the periods ended June 30, 2018 and year ended March 31, 2018, as well as results and other comprehensive income for the three-month periods ended June 30, 2018 and 2017, comprising the combined consolidated and condensed interim financial information and the related combined consolidated balances, after the elimination of intragroup transactions, are as follows:

	Total assets		Total equity	
	06/30/2018	**03/31/2018**	**06/30/2018**	**03/31/2018**
Raízen Energia S.A. and its subsidiaries	26,962,776	24,530,296	8,154,718	8,824,167
Raízen Combustíveis S.A. and its subsidiaries	14,398,296	13,341,520	2,981,949	3,021,769
	41,361,072	37,871,816	11,136,666	11,845,936
Elimination of commercial transactions, unrealized profits and financial transactions	(4,788,688)	(3,240,971)	(11,692)	(12,812)
Combined consolidated balances	36,572,384	34,630,845	11,124,975	11,833,124

	Net income (loss)		Other comprehensive income	
	Apr-Jun/18	**Apr-Jun/17**	**Apr-Jun/18**	**Apr-Jun/17**
Raízen Energia S.A. and its subsidiaries	4,108	(196,215)	(339,086)	103,257
Raízen Combustíveis S.A. and its subsidiaries	255,524	357,275	278,199	324,967
	259,632	161,060	(60,887)	428,224
Elimination of commercial transactions, unrealized profits and financial transactions	(94,906)	(11,438)	1,120	(14,313)
Combined consolidated income	164,726	149,622	(59,767)	413,911

The combined consolidated and condensed interim financial information is a single set of consolidated combined financial statements of two or more entities that are jointly controlled. RESA and RCSA used the definition of control in conformity with the CPC 36 - Consolidated Statements and IFRS 10 - Consolidated Financial Statements, with respect to both the existence of joint control and also to the consolidation procedures.

2.3. Basis of consolidation

The combined consolidated and condensed interim financial information includes information on RESA and its subsidiaries, and of RCSA and its subsidiaries, exclusive investment funds. The direct and indirect subsidiaries of RCSA and RESA and investment finds are listed below:

Subsidiaries of RESA	Direct and indirect ownership interests	
	06/30/2018	03/31/2018
Agrícola Ponte Alta Ltda.	100%	100%
Benálcool Açúcar e Álcool Ltda.	100%	100%
Bioenergia Araraquara Ltda.	100%	100%
Bioenergia Barra Ltda. (“Bio Barra”)	100%	100%
Bioenergia Caarapó Ltda.	100%	100%
Bioenergia Costa Pinto Ltda.	100%	100%
Bioenergia Gasa Ltda.	100%	100%
Bioenergia Jataí Ltda.	100%	100%
Bioenergia Maracaí Ltda.	100%	100%
Bioenergia Rafard Ltda.	100%	100%
Bioenergia Serra Ltda	100%	100%
Bioenergia Tarumã Ltda.	100%	100%
Bioenergia Univalem Ltda.	100%	100%
Raízen Araraquara Açúcar e Álcool Ltda. (“Raízen Araraquara”)	100%	100%
Raízen Ásia PT Ltd.	100%	100%
Raízen Biogás Ltda.	100%	100%
Raízen Biogás SPE Ltda.	100%	100%
Raízen Biotecnologia S.A.	100%	100%
Raízen Caarapó Açúcar e Álcool Ltda.	100%	100%
Raízen Centroeste Açúcar e Álcool Ltda.	100%	100%
Raízen Energy Finance Ltd.	100%	100%
Raízen Fuels Finance S.A.	100%	100%
Raízen-Geo Biogás S.A.	100%	100%
Raízen International Universal Corp.	100%	100%
Raízen North América, Inc.	100%	100%
Raízen Paraguaçú Ltda.	100%	100%
Raízen Trading LLP.	100%	100%
São Joaquim Arrendamentos Agrícolas Ltda.	100%	100%
TEAS Terminal Exportador de Álcool de Santos Ltda.	100%	100%
Unimodal Ltda.	73%	73%

Subsidiaries of RCSA	Direct and indirect ownership interests	
	06/30/2018	03/31/2018
Blueway Trading Importação e Exportação Ltda.	100%	100%
Petróleo Sabbá S.A. (“Sabbá”)	80%	80%
Raízen Argentina Holdings S.A.U.	100%	100%
Raízen Conveniências Ltda.	100%	100%
Raízen S.A.	100%	100%
Raízen Mime Combustíveis S.A. (“Mime”)	76%	76%
Raízen Mime Conveniências Ltda. (“Mime Conveniências”)	91%	91%
Raízen Sabbá Conveniências Ltda. (“Sabbá Conveniências“)	96%	96%
Sabor Raíz Alimentação S.A.	69%	69%
Saturno Investimentos Imobiliários Ltda.	100%	100%

Exclusive Investment Funds (“FI”)	Total interest	
	06/30/2018	03/31/2018
Fixed income IF for private credit RJ - Banco Santander S.A.	100%	100%
Fixed income IF for private credit RAÍZEN I - Banco BNP PARIBAS BRASIL S.A.	100%	100%

2.4. Change in significant accounting policies due to the new IFRS / CPCs and IFRIC / ICPCs

Except as described below, the accounting policies applied in this interim financial information are the same applied in the combined and consolidated financial statements of the Group in the year ended March 31, 2018.

Changes in accounting policies should also be reflected in the Group's combined financial statements for the year ending March 31, 2019.

On April 1, 2018 the Group adopted the following main standards, amendments to the standards and interpretations of the IFRS issued by the IASB: (a) IFRS 9 - Financial Instruments (CPC 48), (b) IFRS 15 - Revenue from Contracts with Customers (CPC 47) and (c) Interpretation IFRIC 22 - Foreign Currency Transactions and Advance Consideration (ICPC 21).

(a) IFRS 9 (CPC 48)

IFRS 9 (CPC 48) sets out, among others, new requirements for: classification and measurement of financial assets, measurement and recognition of impairment losses on financial assets, hedge accounting and disclosure.

In accordance with the transitional provisions of IFRS 9 (CPC 48), the Group did not resubmit its prior period financial statements and, when applicable, the differences in the carrying values of financial assets and financial liabilities resulting from the adoption of IFRS 9 (CPC 48) on April 1, 2018, were recognized in retained earnings in equity. See item (d) below.

(a.1) Impairment of financial assets

The main impact of the adoption is associated with the replacement of the “incurred loss” model of IAS 39 - Financial Instruments: *Recognition and Measurement* (CPC 38 - Financial Instruments: Recognition and Measurement) with an “expected credit loss” model. Such impairment model applies to financial assets measured at amortized cost, contractual assets and debt instruments measured at fair value through other comprehensive income, but is not applicable to investments in equity instruments.

The expected loss matrix adopts by the Group, considers the grouping of clients with similar default characteristics, by sales channel and rating (client risk rating, measured internally).

On April 1, 2018, the impact of the adoption of the standard was R$ 3,857.

(a.2) Classification and measurement of financial assets

IFRS 9 (CPC 48) retains a large part of the existing requirements of IAS 39 (CPC 38) for the classification and measurement of financial liabilities. However, the above standard eliminates the old categories of IAS 39 (CPC 38) for financial assets: (i) held-to-maturity, (ii) loans and receivables and (iii) available for sale.

The adoption of IFRS 9 (CPC 48) had no impact on accounting policies of the Group in connection with financial liabilities and derivative financial instruments. The impact of IFRS 9 (CPC 48) on classifications of financial assets did not generate any measurement impacts, as shown below based on the balances by class of financial assets on April 1, 2018, whose balance is similar to that disclosed in the annual financial statements of March 31, 2018:

Financial assets	Original classification in accordance with IAS 39 (CPC 38)	New classification in accordance with IFRS 9 (CPC 48)	03/31/2018
Cash and cash equivalents, except for investments	Loans and receivables	Amortized cost	1,451,703
Interest earnings bank deposits	Fair value through profit or loss	Fair value through profit or loss	2,211,465
Securities	Fair value through profit or loss	Fair value through profit or loss	1,078,945
Restricted cash	Loans and receivables	Amortized cost	36,976
Restricted financial investments (Restricted cash)	Fair value through profit or loss	Fair value through profit or loss	106,630
Trade accounts receivable	Loans and receivables	Amortized cost	3,204,623
Derivative financial instruments	Fair value through profit or loss or other comprehensive income (for those designated as hedge accounting)	Fair value through profit or loss or other comprehensive income (for those designated as hedge accounting)	501,854
Related parties	Loans and receivables	Amortized cost	2,038,576
Other financial assets	Loans and receivables	Amortized cost	910,812
Total			**11,541,584**

(a.3) Hedge accounting

The new hedge accounting requirements were applied prospectively. The cash flow hedge relationships of highly probable future exports or imports for the purposes of IAS 39 (CPC 38) were considered continuous hedge relationships for the purposes of IFRS 9 (CPC 48), since they also qualify for hedge accounting in accordance with the new pronouncement.

(b) IFRS 15 (CPC 47)

IFRS 15 (CPC 47) introduces a comprehensive framework for determining whether and when income is recognized. IFRS 15 (CPC 47) replaces current guidelines for recognition of income in IAS 18 - Revenue (CPC 30), IAS 11 - Construction Contracts (CPC 17) and IFRIC 13 - Client Loyalty Programs.

The Group determined when (or to what extent) and in which amounts revenue from contracts with customers should be recognized according to the model consisting of the following five steps: (1) contract identification with client; (2) identification of performance obligations; (3) Determination of transaction price; (4) allocation of the transaction price to performance obligations; (5) recognition when (or while) the performance obligation is satisfied. A performance obligation is considered satisfied when (or to the extent that) the customer obtains control of the promised good or service.

In accordance with the transitional provisions of IFRS 15 (CPC 47), the Group did not restate its financial statements from prior periods and prior years. The differences in the book values resulting from the adoption of IFRS 15 (CPC 47) on April 1, 2018, would be recognized in retained earnings in equity. However, as shown in item (d) below, the impacts were only reclassifications between assets, with no impacts on equity.

The Group did not identify any material impacts on the recognition of its income or its payments to obtain them. However, with the advent of IFRS 15 (CPC 47), there was a change in the scope of IAS 38 - Intangible Assets (CPC 04 - *Ativo Intangível),* no longer allowing contracts with customers to be recognized as Intangible assets. Accordingly, as of April 1, 2018, agreements granting exclusive rights to supply the gas stations were classified in the balance sheet as operating assets under the heading of assets of contracts with customers, separated between current and non-current, based on the projected consumption of fuel by customers over the next twelve months. Consequently, the impact on the Cash flow statements will shift from the investment activity to operating activity. See item (d) below.

(c) IFRIC 22 (ICPC 21)

IFRIC 22 (ICPC 21) defines that the date of transaction for effects of determination of the exchange rate should be the date on which the entity first recognizes the non-monetary asset or liability derived from the early payment or receipt.

The Group opted for the prospective adoption of the aforementioned standard, whose analysis indicated immaterial impacts on the adoption.

(d) Impacts on interim financial information

The table below summarizes the impacts on the adoption of IFRS 9 (CPC 48) and IFRS 15 (CPC 47).

- Statement of financial position at March 31, 2018

		Adjustment due to initial adoption			
Balance sheet items	**Disclosed at 03/31/2018**	**IFRS 9 (CPC 48)**	**IFRS 15 (CPC 47)**	**Note**	**Balance at 04/01/2018**
Current assets					
Trade accounts receivable	2,756,767	(3,857) (*)	-	6	2,752,910
Assets from contracts with clients	-	-	415,697	11	415,697
Non-current assets					
Deferred income and social contribution taxes	158,295	1,175	-	17	159,470
Assets from contracts with clients	-	-	1,790,081	11	1,790,081
Intangible assets	4,689,901	-	(2,205,778)	11	2,484,123
Equity					
Retained earnings	-	(2,682)	-	-	(2,682)

(*) Includes the amount of R$ 351 recorded in the companies controlled directly by RCSA, for which no deferred taxes are calculated because these companies are taxed under the deemed income method.

- Other information

On April 1, 2018, there were no impacts on the statements of income, comprehensive income and changes in equity as a result of the amendments made to the new IFRS / CPCs and IFRIC / ICPCS mentioned above.

2.5. New IFRS / CPC and IFRIC / ICPC Interpretations (IASB Financial Reporting Interpretations Committee) applicable to financial statements

The following new standards and interpretations were issued by the IASB but are not yet effective for the period ended June 30, 2018. The early adoption of standards, although accepted by the IASB, is not allowed in Brazil by the Accounting Pronouncement Committee (CPC).

IFRS 16 - Leases (CPC 06 (R2))

IFRS 16 (CPC 06 (R2)) introduces a single model of accounting of leases in the balance sheet to lessees. A lessee recognizes an asset of right of use that represents its right to use the leased asset, and a lease liability that represents its obligation to make lease payments. Optional exemptions are available for short-term leases and low value items. The lessor's accounting remains similar to the current standard, that is, lessors continue to classify leases as financial or operating leases.

IFRS 16 (CPC 06 (R2)) replaces the current lease standards, including IAS 17 - Commercial Lease Operations and ICPC 03 (IFRIC 4, SIC 15 and SIC 27) - Complementary Aspects of Commercial Lease Operations and it is effective for fiscal years starting or after January 1, 2019 (in case of the Group, as of April 1, 2019). The early adoption in IFRSs is only allowed for entities that adopt IFRS 15 (CPC 47) Revenue from Contracts with Customers on or before the date of early adoption of IFRS 16 (CPC 06 (R2)).

The Group started an initial evaluation of possible impact on its financial statements. Up to now, the most significant impact identified is that the Group will recognize new assets and liabilities for operating leases of fuel distribution bases, land, warehouses, machinery and vehicles. In addition, the nature of these expenses related to these leases will be changed, since IFRS 16 (CPC06 (R2)) replaces the linear operating lease expense for expenses of depreciation of the right of use and interest on lease liabilities.

The Group is still evaluating whether to use the optional exemptions, practical expedients and the transition methodology.

Besides the aforementioned standards, there are no IFRS / CPC or IFRIC / ICPC interpretations that are effective and as Management's current understanding, may result in relevant impacts to the Company.

3. Cash and cash equivalents

		Weighted average remuneration			
	Index	06/30/2018	03/31/2018	06/30/2018	03/31/2018
Funds in banks and in cash				1,447,024	1,388,365
Values awaiting foreign exchange closure	-	-	-	29,112	63,338
Interest earnings bank deposits:					
Bank deposit certificate (CDB) and commitments	CDI	100.1%	100.0%	1,506,836	2,210,857
Other investments	-	-	-	-	608
				1,506,836	2,211,465
				2,982,972	3,663,168
Domestic (domestic currency)				1,763,519	2,375,152
Abroad (foreign currency) (Note 25.d)				1,219,453	1,288,016
				2,982,972	3,663,168

4. Securities

		Weighted average remuneration			
	Index	06/30/2018	06/30/2018	06/30/2018	03/31/2018
Financial Treasury Bills ("LFT") (1)	Selic	100.0%	100.0%	60,199	1,078,945
				60,199	1,078,945

(1) Refers to investments by means of exclusive Investment Funds with original maturity of 90 days. During the three-month period ended June 30, 2018, the Group received interest in the amount of R$ 8,417 (R$ 22,588 as of June 30, 2017) related to Financial Treasury Bills - LFTs.

5. Restricted cash

	Index	Weighted average remuneration 06/30/2018	Weighted average remuneration 03/31/2018	06/30/2018	03/31/2018
Financial investments linked to financing	CDI	100.0%	100.0%	69,288	67,767
Financial investments linked to derivative operations (Note 25.g)	CDI	101.3%	100.9%	74,962	38,863
Margin on derivative operations (Note 25.g)				84,308	36,976
				228,558	143,606
Domestic (domestic currency)				144,250	106,630
Abroad (foreign currency) (Note 25.d)				84,308	36,976
				228,558	143,606

The modalities of restricted cash are the same as those disclosed in the annual financial statements of March 31, 2018 (Note 5), no change has occurred in the recognition procedures, measurement and accounting records, as well as significant changes in credit risk of counterparties involved in these balances.

6. Trade accounts receivable

	06/30/2018	03/31/2018
Domestic (domestic currency)	2,628,230	2,667,210
Abroad (foreign currency) (Note 25.d)	303,586	178,237
Funding to clients (i)	610,904	572,090
Estimated loss from allowance for doubtful accounts	(215,724)	(212,914)
	3,326,996	3,204,623
Current	(2,875,874)	(2,756,767)
Non-current	451,122	447,856

(i) Client financing substantially consists of the payment in installments of outstanding debts and sales of properties, as well as financing agreements backed by security interest, pledges and endorsements whose main purpose is the setup or modernization of gas stations. Finance charges and repayment deadlines are agreed by contract and set according to a business assessment of each negotiation.

The Group did not pledge any trade recognized under Accounts receivable to secure financial transactions.

The maximum exposure to credit risk on the balance sheet date is the book value of each of the types of accounts receivable mentioned above.

The aging schedule of trade and other receivables and funding to clients is as follows:

	06/30/2018	03/31/2018
Falling due	2,969,876	2,900,317
Overdue (in days):		
Up to 30	96,430	54,155
From 31to 90	62,714	99,619
From 91 to 180	58,267	21,920
Above 180	355,433	341,526
	3,542,720	3,417,537

For long overdue trade and with no estimated loss, the Group has real guarantees as mortgage and credit letters.

The loss in allowance for doubtful accounts was estimated based on credit risk analysis, which contemplates loss history, individual situation of clients, situation of the corporate group to which they belong, real guarantees for debts and the assessment of the legal advisors.

Allowance for doubtful accounts is considered sufficient by Management to cover possible losses on amounts receivable; movement is as follows:

March 31, 2018	(212,914)
Initial adoption of IFRS 9 (CPC 48) (Note 2.4)	(3,857)
April 1, 2018	(216,771)
Reversal of estimated, net	1,615
Exchange variation	(568)
June 30, 2018	(215,724)

As of June 30, 2018, the Group had the amount of R$ 387,094 (R$ 51,677 as at March 31, 2018) recorded in current liabilities, under “Advances from clients” caption, which substantially refer to the receipts from foreign clients for acquisition of sugar, as well as prepayments by clients for purchase of fuels. When applicable, accounts receivable and advances from clients are presented net.

7. Inventories

	06/30/2018	03/31/2018
Finished goods:		
Ethanol	1,258,566	681,500
Sugar	601,256	55,215
Diesel (1)	1,024,116	761,781
Gasoline (1)	1,019,180	752,035
Jet fuel (Jet A-1)	130,947	93,364
Other fuels	13,442	10,903
Warehouse and other	336,949	221,256
Estimated loss for net realizable value and obsolescence	(22,063)	(23,541)
	4,362,393	2,552,513

(1) On June 30, 2018, these inventories are reduced by the overall amount of R$ 3,890 (plus the amount of R$ 16,827 on March 31, 2018), as a result of fair value measurement, whose negative impact recorded in the statement of income was R$ 20,717. The Company uses the Tier 2 hierarchy to determine and disclose said fair value. See Note 25.e.

The movement in the estimated loss for net realizable value and obsolescence is as follows and was recognized in the statement of income under the caption Cost of products sold and services rendered:

March 31, 2018	(23,541)
Estimated loss	(2,774)
Reversal	4,252
June 30, 2018	(22,063)

8. Biological assets

The Group's biological assets correspond to uncut sugarcane produced in sugarcane crops that will be used as raw material for production of sugar, ethanol and bioenergy at harvest time. Fair value is evaluated using the cash flow discounted at present value method. Its fair value appraisal method, valuation model and qualitative sensitivity analysis are the same as those disclosed in the annual financial statements as of March 31, 2018.

The following assumptions were used in the determination of the fair value:

	06/30/2018	03/31/2018
Estimated harvest area (hectares)	447,277	447,277
Productivity of cane field (ton/hectare)	9.83	10.27
Average ATR price per Kg projected (R$/Kg)	0.60	0.60

As of June 30 and March 31, 2018, cash flows were discounted at 6.37% which is the WACC (Weighted Average Capital Cost) of the Group.

The Group periodically reviews assumptions used to calculate biological assets, adjusting it in case there are significant changes in relation to those previously projected.

As mentioned in Note 2.1, the Group reviewed the assumptions of biological assets related mainly to the low productivity of the sugar cane planted for the 2018/2019 crop, due to the drought in the Central-Eastern region of Brazil.

Movement in biological assets (sugarcane) is detailed below:

March 31, 2018	947,815
Additions with sugarcane treatments	163,136
Absorption of harvested sugarcane costs	(215,489)
Change in fair value	42,823
Realization of fair value	(99,515)
June 30, 2018	838,770

9. Other financial assets

	06/30/2018	03/31/2018
Credits from indemnity suits - refundable (1)	85,298	83,769
Credits from indemnity suits - own (2)	75,406	-
National Treasury Certificates - CTN (3)	848,426	827,042
Other	1	1
	1,009,131	910,812
Current	(540,132)	(408,379)
Non-current	468,999	502,433

(1) Credits from legal disputes on which a final judgment favorable to RESA was passed in February 2007, December 2013 and 2015, which were not part of the net assets contributed by Cosan to set up the Group. Therefore, RESA recognized a liability in the same amount, classified as current and non-current liabilities in the related parties caption, given that RESA has the obligation to reimburse those receivables to Cosan when they are actually collected. These credits yield IPCA-E (Special Amplified Consumer Price Index) and Selic rate change plus annual interest of 6% as applicable.

As of December 21, 2017, Plant Univalem's credit receivables were sold to Cosan amounting to R$ 426,438. This right is from indemnity suits seeking for the Federal Government's conviction because of the fixing of sugar and ethanol prices below production cost. Such transactions neither did nor will produce impact on the RESA's income (loss).

(2) Receivables from a final and unappealable judgment in favor of Raízen Araraquara, a subsidiary of RESA, relating to the lawsuit of the Instituto do Açúcar e do Álcool ("IAA") against the Federal Government, filed by Copersucar in 1990. The lawsuit involves the awarding of compensation for losses caused to the mills by the Federal Government when setting prices below market prices. The amount of R$ 75,406 was recognized in the three-month period ended June 30, 2018, under the heading of Other operating income, net (Note 23).

(3) Brazilian Treasury Certificates are government bonds issued by the Brazilian Treasury within the Special Agriculture Industry Securitization Program - PESA, with a 20-year original maturity (falling due between 2018 and 2025) and which pledged to secure its related financing transaction called PESA. These bonds bear annual compound interest of 12%, plus the IGP-M (General Market Price Index). Their value on maturity date tends to be equivalent to the principal value of the debt due under PESA and may be used for settlement.

10. Related parties

(a) Summary of related party balances

	06/30/2018	03/31/2018
Assets		
Assets classification per currency:		
Domestic (domestic currency)	1,984,276	1,937,848
Abroad (foreign currency) (Note 25.d)	243,453	100,728
	2,227,729	2,038,576
Framework agreement (1)		
Shell Brazil Holding B.V.	976,005	922,077
Cosan S.A. Indústria e Comércio	565,780	576,945
Shell Brasil Petróleo Ltda.	63,678	67,419
Other	9,467	9,317
	1,614,930	1,575,758
Commercial and administrative operations (2)		
Rumo Group	152,774	139,263
Nova América Agrícola Caarapó Ltda.	117,137	120,383
Shell Aviation Limited	117,068	94,631
Raízen and Wilmar Sugar Pte. Ltd.	115,046	825
Agroterenas S.A.	37,980	40,026
Posto Agricopel Ltda.	20,702	19,409
Cosan S.A. Indústria e Comércio	10,592	10,057
Other	41,500	38,224
	612,799	462,818
	2,227,729	2,038,576
Current assets	(868,216)	(709,027)
Non-current assets	1,359,513	1,329,549

	06/30/2018	03/31/2018
Liabilities		
Classification of liabilities per currency:		
Domestic (domestic currency)	1,135,992	1,054,447
Abroad (foreign currency) (Note 25.d)	352,969	133,002
	1,488,961	1,187,449
Framework agreement (1)		
Cosan S.A. Indústria e Comércio	443,094	436,535
Shell Brasil Petróleo Ltda.	105,936	100,028
Shell Brazil Holding B.V.	34,551	34,438
Other	1,282	1,282
	584,863	572,283
Financial operations		
Shell Finance (Netherlands) B.V.	1,518	3,567
Cosan S.A. Indústria e Comércio	1,290	3,032
Sapore S.A.	-	1
	2,808	6,600
Commercial and administrative operations (2)		
Raízen and Wilmar Sugar Pte. Ltd.	349,357	299
Agroterenas S.A.	53,938	12,934
Rumo Group	43,166	38,808
Nova América Agrícola Ltda.	29,285	9,428
Nova América Agrícola Caarapó Ltda.	21,433	9,731
Agricopel Group	4,714	6,435
Cosan S.A. Indústria e Comércio	2,368	7,104
Shell Aviation Limited	1,725	14,652
Shell Trading US Company	127	114,142
Other	22,028	23,913
	528,141	237,446
Preferred shares (3)		
Shell Brazil Holding B.V.	286,583	284,554
Cosan S.A. Indústria e Comércio	10,828	10,828
	297,411	295,382
Corporate restructuring (4)		
Logum logística S.A.	61,457	61,457
Uniduto Logística S.A.	14,281	14,281
	75,738	75,738
	1,488,961	1,187,449
Current liabilities	(1,080,789)	(781,397)
Non-current liabilities	408,172	406,052

(1) Framework agreement

The sums stated in assets and liabilities refer to refundable values chargeable to shareholders, existing prior to the creation of Raízen, when actually realized or settled.

(2) Commercial and administrative operations

As of June 30, 2018, the sum stated in assets of R$ 612,799 (R$ 462,818 as of March 31, 2018) refers to transactions for the sale of products, such as gasoline, diesel, jet fuel, sugar and ethanol.

As of June 30, 2018, the amount recorded in liabilities of R$ 528,141 (R$ 237,446 as of March 31, 2018), substantially refers to the business operations of purchase of products and rendering of services (freights and warehousing), as well as advances from clients to sugar export.

(3) Preferred shares

Mostly tax benefits to reimburse Shell and Cosan, when effectively utilized by the Group, determined based on NOLs and tax benefits on goodwill amortization ("GW") from prior years before the Raízen Group's formation. Reimbursement shall occur through distribution of disproportionate dividends and/or capital decrease to holders of B and E class preferred shares (liability financial instrument).

During the three-month period ended June 30, 2018, the tax credits arising from overpayments of corporate income tax ("IRPJ") and social contribution ("CSLL") for 2010 and 2011, related to Class E preferred shares due to Shell, adjusted by the Selic rate, totaled R$ 2,029 (R$ 4,622 as of June 30, 2017).

(4) Corporate restructuring

As at June 30 and March 31, 2018, the amounts recorded in liabilities refer to the capital subscription that RESA has to pay to these associated companies.

(b) Summary of related-party transactions (k)

	Apr-Jun/18	Apr-Jun/17
Sale of products		
Raízen and Wilmar Sugar Pte. Ltd.	459,287	354,189
Rumo group (f)	302,959	238,569
Agricopel Group (j)	200,973	163,911
Shell Aviation Limited	83,847	161,035
Shell Brasil Petróleo Ltda.	22,243	2,780
Shell Trading US Company	-	15,516
Shell Trading Rotterdam	-	11,967
Other	30,464	22,164
	1,099,773	970,131
Purchase of goods and services		
Shell Trading US Company (e)	(559,126)	(730,221)
Rumo Group (f)	(116,464)	(123,189)
Agroterenas S.A.	(74,530)	(66,699)
Nova América Agrícola Ltda.	(38,841)	(45,665)
Nova América Agrícola Caarapó Ltda.	(20,668)	(13,223)
Agricopel Group	(16,648)	(16,127)
Cosan Lubrificantes e Especialidades S.A.	(7,470)	(4,703)
Other	(15,562)	(23,572)
	(849,309)	(1,023,399)
Renewed collection of shared expenses (a)		
Comgás - Companhia de Gás de São Paulo	8,681	7,480
Rumo group (f)	6,735	6,694
Cosan Lubrificantes e Especialidades S.A.	1,564	1,947
Other	1,828	1,866
	18,808	17,987
Land leases		
Radar Group (g)	(17,892)	(20,771)
Janus Brasil Participação S.A.	(8,086)	(6,754)
Tellus group (h)	(5,502)	(6,338)
Aguassanta Group (i)	(2,780)	(3,145)
Barrapar Participações S.A.	(15)	(17)
	(34,275)	(37,025)
Financial income (expense) (b)		
Shell Trading US Company	(17,532)	(11,038)
Cosan S.A. Indústria e Comércio	(2,481)	(1,925)
Shell Aviation Limited	16,767	1,377
Shell Finance (Netherlands) B.V.	2,049	(2,263)
Nova América Agrícola Caarapó Ltda.	1,803	2,481
Other	(15,755)	2,096
	(15,149)	(9,272)
Revenue from services (c)		
Shell Holding B.V.	11,377	4
Shell Aviation Limited	608	829
Agricopel group	26	689
Shell Brasil Petróleo Ltda.	-	268
Shell Downstream Services International BV	-	724
Other	5	2
	12,016	2,516
Services expenses (d)		
Shell Brasil Petróleo Ltda.	(4,011)	(4,159)
Shell International Petroleum	(1,444)	(832)
Other	-	(489)
	(5,455)	(5,480)

(a) Reimbursement of shared expenses consists of expenses incurred by shared corporate, managerial and operating costs reimbursed from related parties.
(b) Financial expenses basically consist of expenses incurred with commissions on available credit facilities and restatement of balances of advances granted to finance sugar cane crops as well as the foreign exchange rate of commercial activities from imports and sales of fuel.
(c) They mainly consist of commissions on the sales of lubricants to Shell.
(d) Service expenses consist of expenses incurred with technical support, billing and collection, commissions on the sale of jet fuel and secondees from Shell.
(e) Group's purchase transactions from Shell Trading US Company are substantially represented by those originated from imports of ethanol and its by-products in foreign market.
(f) The term Rumo Group refers to the railway and port operations represented by the companies Rumo S.A., Elevações Portuárias S.A, Logispot Armazéns Gerais S.A., Rumo Malha Sul S.A., Rumo Malha Oeste S.A., Rumo Malha Paulista S.A., Rumo Malha Norte S.A., ALL América Latina Logística Rail Management, Portofer Transporte Ferroviário Ltda. and Brado Logística S.A.
(g) The term Radar Group refers to the purchase, sale and rental of own properties, represented mainly by the companies Radar Propriedades Agrícolas S.A., Nova Agrícola Ponte Alta S.A., Nova Amaralina S.A., Bioinvestiments Negócios e Participações S.A. and Proud Participações S.A..
(h) The term Tellus Group refers to the purchase, sale and rental of own properties, represented mainly by the companies Tellus Brasil Participações S.A., Terrainvest Propriedades Agrícolas S.A. and Agrobio Investimentos e Participações S.A..
(i) The term Aguassanta Group refers to the purchase, sale and rental of own properties, represented mainly by the companies Aguassanta Participações S.A., Santa Bárbara Agrícola S.A., Aguassanta Agrícola Ltda., Aguapar Agrícola Ltda. and Palermo Agrícola S.A..
(j) The term Agricopel Group refers to the trading of fuel presented mainly by the companies Agricopel Comércio de Derivados de Petróleo Ltda. and Posto Agricopel Ltda., whose relationship occurs through FIX Investimentos Ltda., which is the non-controlling shareholder of Mime.
(k) Transactions with related parties are entered into under reasonable and cumulative conditions, in line with those prevailing in the market or that the Group would contract with third parties.

(c) Directors and members of the Board of Directors

Fixed and variable remuneration pay to Group's key personnel, including statutory officers and members of the Board of Directors that is recognized in the statement of profit or loss for the three-month period ended June 30, 2018 and 2017 is as follows:

	Apr-Jun/18	Apr-Jun/17
Regular remuneration	(12,977)	(11,903)
Bonuses and other variable remuneration	(7,470)	(6,402)
Total remuneration	(20,447)	(18,305)

(d) Other significant information involving related parties

Back-up Credit Facility Agreement

RESA is a beneficiary of a US$ 700,000 thousand Revolving Committed Back-up Credit Facility Agreement granted by Shell Finance (Netherlands) B.V. and Cosan S.A. Indústria e Comércio ("Cosan S.A."). Up to the end of the period ended June 30, 2018, such line did not have been used and also, this line was renewed and will become overdue in May 2021.

11. Assets from contracts with clients

This is equal to bonuses granted to RCSA's clients and depends on terms and future performance, in particular of the volumes as provided in supply agreements. Inasmuch as contractual conditions are met, bonuses are amortized and recognized in the income figures, in Taxes, deductions and rebates on sales (Note 21).

Balances at March 31, 2018	-
Initial adoption of IFRS 15 (CPC 47) (Note 2.4)	2,205,778
Balances at April 1, 2018	2,205,778
Additions of contracts	165,413
Amortization	(101,055)
Balances at June 30, 2018	2,270,136
Current	(398,736)
Non-current	1,871,400

12. Investments

				Investments (1)		Equity accounting result	
	Country	Business	Equity interest percentage	06/30/2018	03/31/2018	Apr-Jun/18	Apr-Jun/17
Book value							
Centro de Tecnologia Canavieiras S.A.	Brazil	R&D	19.58%	109,101	110,989	(1,889)	(1,413)
Logum Logística S.A.	Brazil	Logistics	20.78%	133,913	132,986	(7,473)	(8,795)
Uniduto Logística S.A.	Brazil	Logistics	46.48%	31,622	31,416	(1,745)	(2,604)
Raízen and Wilmar Sugar Pte. Ltd.	Singapore	Trading	50.00%	25,709	13,448	9,705	2,318
				300,345	288,839	(1,402)	(10,494)
Advance for business acquisition (Note 1.b) (3)				341,010	-	-	-
Investment goodwill (2)							
Uniduto Logística S.A.				5,676	5,676	-	-
Centro de Tecnologia Canavieira S.A.				51,946	51,946	-	-
				57,622	57,622	-	-
Total investments				698,977	346,461	(1,402)	(10,494)

(1) Investments assessed under the equity method

(2) Goodwill on the purchase and transfer of shares.

(3) DS business of Shell Argentina.

The movement in the investments in associated companies, is as follows:

Balance at March 31, 2018	346,461
Equity accounting results	(1,402)
Additions	10,352
Advance for business acquisition of DS (Note 1.b)	341,010
Other	2,556
Balance at June 30, 2018	698,977

(a) Summarized financial information on investments, considering adjustments to equity value, when applicable.

(i) The main associated companies' accounts, are as follows:

- June 30, 2018

	Logum Logística S.A. (1)/(2)	Uniduto Logística Ltda. (1)/(2)	Centro de Tecnologia Canavieira S.A. (2)/(4)	Iogen Energy Corporation (3)	Raízen and Wilmar Sugar PTE Ltd. (4)
Assets	2,299,730	98,792	782,915	35,366	593,114
Liabilities	(1,021,330)	(30,751)	(225,711)	(303,077)	(541,698)
Equity	1,278,400	68,041	557,204	(267,711)	51,416
Three-month period ended June 30, 2018					
Net operating revenue	31,701	-	39,030	-	605,807
Net income (loss)	(35,886)	(19)	(9,646)	(217)	18,897
Three-month period ended June 30, 2017					
Net operating revenue	33,095	-	20,207	-	390,626
Net income (loss)	(41,326)	(4,421)	(7,214)	(523)	4,525

- March 31, 2018

	Logum Logística S.A. (1)/(2)	Uniduto Logística Ltda. (1)/(2)	Centro de Tecnologia Canavieira S.A. (2)/(4)	Iogen Energy Corporation (3)
Assets	2,603,854	32,818	824,612	29,855
Liabilities	(1,689,053)	(30,791)	(272,381)	(248,287)
Equity	914,801	2,027	552,231	(218,432)

(1) The fiscal year of these investees ends on December 31;
(2) Significant influence over these companies has been defined, mainly, based on the Group's right to elect key management personnel and to decide on their significant operational and some strategic issues.
(3) Jointly controlled entity in which the Group participation is 50% in common shares, whose fiscal year ends on August 31. RESA did not form an estimated loss for shareholders' deficit of loss of equity-accounted investees, given that it has no legal or constructive obligations to make payments on account of that company.
(4) The fiscal year of these investees ends on March 31.

(b) Investment transactions in subsidiaries and associated companies in the three-month period ended June 30, 2018

(i) Additions to the investment

Capital increase in Logum Logística S.A. ("Logum")

As of March 28, 2018, Company's capital increase was resolved and approved totaling R$ 42,000. The amount subscribed by RESA on April 9, 2018 was R$ 8,400, which was paid up by means of a bank deposit on April 11, 2018.

At the end of this operation, RESA started to hold direct and indirect ownership interest of 20.78% and 25.61%, respectively, in Logum (20.81% and 25.65% as at March 31, 2018).

Capital increase in Uniduto Logística S.A. ("Uniduto")

As of March 28, 2018, Company's capital increase was resolved and approved totaling R$ 4,200. The amount subscribed and paid up by RESA on April 9, 2018, according to its equity interest, was R$ 1,952.

In these operations, there were no changes in the percentage of interest in capital of the investee, since all shareholders effected capital contributions in proportion to their existing holding.

Advance payment to Shell Argentina

As mentioned in Note 1.b, on April 23, 2018, RCSA made a partial advance payment to acquire the DS business of Shell Argentina in the amount of R$ 341,010, equivalent to US$ 100,000.

13. Property, plant and equipment

	Lands and rural properties	Buildings and improvements	Machinery, equipment and facilities	Aircrafts, vessels and vehicles	Furniture, fixtures and IT equipment	Constructions in progress	Frequently replaced parts and accessories	Sugarcane planting	Other	Total
Cost:										
March 31, 2018	595,759	1,914,301	9,998,537	700,874	233,300	754,997	1,245,902	4,976,918	41,306	20,461,894
Additions	-	34	9,175	1,230	986	126,323	74,901	163,572	-	376,221
Write-offs	(8,089)	(2,941)	(19,746)	(5,476)	(849)	-	-	-	-	(37,101)
Net formation of estimated loss and others (2)	-	-	(162)	(78)	(1,314)	-	-	-	-	(1,554)
Transfers (1)	(4,271)	21,625	34,629	14,662	7,201	(73,828)	-	-	(39)	(21)
June 30, 2018	583,399	1,933,019	10,022,433	711,212	239,324	807,492	1,320,803	5,140,490	41,267	20,799,439
Accumulated depreciation:										
March 31, 2018	-	(478,320)	(3,845,493)	(337,917)	(153,189)	-	(665,300)	(3,644,899)	(32,058)	(9,157,176)
Depreciation in the period	-	(15,170)	(159,272)	(18,167)	(6,905)	-	(228,717)	(153,794)	(146)	(582,171)
Write-offs	-	1,396	17,705	4,230	395	-	-	-	-	23,726
Transfers (1)	-	(150)	401	(127)	(124)	-	-	-	-	-
June 30, 2018	-	(492,244)	(3,986,659)	(351,981)	(159,823)	-	(894,017)	(3,798,693)	(32,204)	(9,715,621)
Net residual value:										
June 30, 2018	583,399	1,440,775	6,035,774	359,231	79,501	807,492	426,786	1,341,797	9,063	11,083,818
March 31, 2018	595,759	1,435,981	6,153,044	362,957	80,111	754,997	580,602	1,332,019	9,248	11,304,718

(1) On June 30, 2018, net transfer in the amount of R$ 21 includes: (a) transfer to intangible assets (software), in the amount of R$ 318, and (b) amounts transferred from Trade accounts receivable and Other receivables, totaling R$ 297;
(2) Refers substantially to the net formation of estimated loss in inventory, recognized in income (loss) for the period under “Other operating income, net” caption (Note 23).

Constructions in progress

The balances of construction in progress consist basically of: (i) stillage concentration project; (ii) project for receiving the chopped sugar cane and separate the straw for the co-generation of energy; (iii) installation of tanks to increase ethanol storage capacity; (iv) investments for industrial maintenance and improvement, agricultural automation, in addition to safety, health and environment and administrative investments; (v) construction projects for new fuel distribution terminals and the expansion, modernization and improvement of existing terminals; (vi) investments in Shell gas stations to replace fuel pumps, make environmental adaptations, polish the image, renovate and refurbish gas station convenience stores, purchase and install furniture and equipment for the gas station convenience stores; (vii) investments in major clients (B2B) such as the acquisition and installation of equipment, installation of gas stations in these major consumer clients; (viii) expansion, modernization and improvement in airports, such as the acquisition of supply vehicles, expansion of the networks of hydrants and points of supply.

During the three-month period ended June 30, 2018, several projects were concluded, namely: industrial maintenance and improvement and agricultural automation, SSMA, investments in administrative structures, improvement and expansion of terminals and airports, investments in gas stations with Shell flag (B2B), totaling R$ 73,828.

Borrowing cost capitalization

In the three-month period ended June 30, 2018, loan costs capitalized by the Group reached R$ 10,534 (R$ 11,331 as of June 30, 2017). The annual weighted average rates of debt financial charges were 7.86% as of June 30, 2018 (7.42% as of June 30, 2017).

Financial lease

As of June 30, 2018, the machinery and equipment, vehicle aircraft classes include net residual values of R$ 25,973 (R$ 24,344 as of March 31, 2018), in which RESA is the lessee under a finance lease, guaranteed by promissory note in the original amount of R$ 13,076.

Property, plant and equipment pledged

As of June 30, 2018, loans and financing are secured by land, building and machinery in the amounts of R$ 1,021,471 (R$ 1,093,646 as of March 31, 2018).

14. Intangible assets

	Software license	Goodwill	Brands	Agricultural Partnership Agreements	Sugarcane supply agreements	Contractual relationships with clients	Exclusive supply rights	Public concession rights of use	Technology	Other	Total
Cost:											
March 31, 2018	470,754	2,383,350	532,348	18,411	181,516	362,834	3,727,500	12,541	183,730	24,760	7,897,744
Initial adoption of IFRS 15 (CPC 47) (Note 2.4)	-	-	-	-	-	(362,834)	(3,727,500)	-	-	-	(4,090,334)
April 1, 2018	470,754	2,383,350	532,348	18,411	181,516	-	-	12,541	183,730	24,760	3,807,410
Additions	4,350	-	-	-	-	-	-	-	-	-	4,350
Transfers (1)	318	-	-	-	-	-	-	-	-	-	318
Other	-	-	-	-	-	-	-	-	-	1,259	1,259
June 30, 2018	475,422	2,383,350	532,348	18,411	181,516	-	-	12,541	183,730	26,019	3,813,337
Amortization:											
March 31, 2018	(327,419)	(431,380)	(370,451)	(15,475)	(91,198)	(113,632)	(1,770,924)	(12,195)	(53,964)	(21,205)	(3,207,843)
Initial adoption of IFRS 15 (CPC 47) (Note 2.4b)	-	-	-	-	-	113,632	1,770,924	-	-	-	1,884,556
April 1, 2018	(327,419)	(431,380)	(370,451)	(15,475)	(91,198)	-	-	(12,195)	(53,964)	(21,205)	(1,323,287)
Amortization in the period	(10,724)	-	(13,126)	(1,075)	(3,425)	-	-	(317)	(3,675)	-	(32,342)
June 30, 2018	(338,143)	(431,380)	(383,577)	(16,550)	(94,623)	-	-	(12,512)	(57,639)	(21,205)	(1,355,629)
Net residual value:											
June 30, 2018	137,279	1,951,970	148,771	1,861	86,893	-	-	29	126,091	4,814	2,457,708
March 31, 2018	143,335	1,951,970	161,897	2,936	90,318	249,202	1,956,576	346	129,766	3,555	4,689,901

(1) On June 30, 2018, it includes a net transfer from Property, plant and equipment in the amount of R$ 318.

15. Suppliers

	06/30/2018	03/31/2018
Suppliers of materials and services	1,305,289	1,103,382
Suppliers of ethanol	348,196	274,430
Oil by-product suppliers	629,714	702,836
Sugarcane suppliers	651,684	196,393
Suppliers - Agreements	1,344,374	1,466,531
	4,279,257	3,743,572
Domestic (domestic currency)	2,555,464	1,986,185
Abroad (foreign currency) (Note 25.d)	1,723,793	1,757,387
	4,279,257	3,743,572

The suppliers' characteristics are the same as those disclosed in the annual financial statements of March 31, 2018 (Note 14), no change has occurred in the recognition procedures, measurement and accounting records, as well as significant changes in credit risk of counterparties involved in balances.

16. Loans and financing

Purpose	Final maturity	Index	Annual effective average interest rate (1)		Total	
			06/30/2018	03/31/2018	06/30/2018	03/31/2018
Classification of debts per currency:						
Denominated in Reais					7,517,589	7,555,610
Denominated in North-American Dollars (US$) and Euro (€) (Note 25.d)					7,129,214	6,044,756
					14,646,803	13,600,366
Type of debts (2):						
National Bank for Social and Economic Development ("BNDES")	Oct 2025	URTJLP	8.92%	9.25%	509,451	779,096
BNDES	Jul 2024	Pre-fixed	3.96%	3.94%	710,786	742,614
BNDES	Apr 2024	UMBND	6.67%	6.78%	43,251	47,664
PPE	Nov 2023	US$ + Libor	3.80%	3.41%	1,738,775	1,505,428
PPE	Sep 2022	Pre-fixed	3.74%	3.74%	762,440	660,231
Term Loan Agreement	Apr 2020	US$ + Libor	3.54%	3.49%	1,734,357	1,500,431
Debentures	Oct 2018	CDI	7.38%	7.38%	398,806	406,691
Debentures	Oct 2020	IPCA + interest	10.73%	10.17%	425,339	413,677
Senior notes due 2027	Jan 2027	US$	5.30%	5.30%	1,917,017	1,651,752
Resolution 2471 (PESA)	Apr 2023	IGP-M	12.10%	8.67%	984,031	975,224
Resolution 2471 (PESA)	Oct 2025	Pre-fixed	3.00%	3.00%	61	61
Credit Notes	Oct 2020	CDI	6.85%	6.85%	252,777	257,355
Finame/Leasing	Jan 2025	Pre-fixed	6.64%	6.73%	93,803	102,392
Finame/Leasing	Mar 2021	URTJLP	9.86%	10.02%	122	133
Certificate of Agribusiness Receivables (CRA)	Dec 2023	CDI	6.27%	6.27%	2,970,652	3,018,209
CRA	Dec 2024	IPCA	9.60%	9.04%	774,316	812,494
Schuldschein	Oct 2021	Fixed - €	2.88%	2.88%	303,263	273,159
Schuldschein	Sep 2022	*Euribor*	1.85%	1.85%	480,062	453,755
Rural credit	Apr 2020	US$	6.05%	-	354,194	-
Advance on exchange contract ("ACC")	Nov 2018	Pre-fixed	3.07%	-	193,300	-
					14,646,803	13,600,366
Expenses incurred with the placement of the securities:						
CRA					(18,241)	(51,115)
BNDES					(3,323)	(3,476)
Senior notes due 2027					(1,784)	(2,035)
Debentures					(996)	(1,266)
Term Loan Agreement					(759)	(7,155)
PPE					(236)	(5,887)
Schuldschein					-	(11,083)
					(25,339)	(82,017)
					14,621,464	13,518,349
Current					(1,728,268)	(1,532,009)
Non-current					12,893,196	11,986,340

(1) The annual effective interest rate is the contract rate plus, Libor *(*London InterBank Offered Rate*)*, Euribor (European Interbank Offered Rate), URTJLP, IGP-M, UMBND, IPCA and CDI, where applicable.

(2) Loans and financing are usually secured by Group's promissory notes. In some cases they even have real guarantees such as: (i) credit receivables from energy sale agreements (BNDES); (ii) CTN (Note 9) and mortgage of land (PESA); (iii) fixed assets and, (iv) conditional sale of assets purchased under a FINAME/PESA financing agreement.

Installments falling due in the long term, less the amortizations of expenses incurred with the placement of securities, have the following schedule:

Periods (months):	06/30/2018
13 to 24	3,395,803
25 to 36	2,664,543
37 to 48	1,391,113
49 to 60	2,506,023
61 to 72	846,874
73 to 84	212,547
85 to 96	4,697
Above 97	1,871,596
	12,893,196

ACC

On May 30, 2018, RESA signed an advance on forward exchange contract with Banco BNP Paribas Brasil S.A. to export goods in the amount of R$ 186,310, equivalent to US$ 50,000. US dollar exchange rate variation and annual interest of 3.07% are levied on the aforesaid contract, with final maturity in November 2018.

Rural credit

On April 18, 2018, RESA signed several agricultural credit agreements in the amount of R$ 350,000 with Banco Bradesco S.A. for use in soil preparation, planting and crop treatments. Annual interest of 6.05% is levied on the contracts, with final maturity in April 2020.

Covenants

The Group is not subject to comply with financial ratios, being subject only to certain covenants in loans and financing contracts, such as “cross-default” and “negative pledge”, which are being fully complied with by the Group.

Fair value

As of June 30 and March 31, 2018, the fair value of the Senior Notes Due 2027 is based on the price quotations in the secondary market at the balance sheet date (Note 25.i). Said loans’ book values and fair values, less amortization of expenses with placement of securities, are as follows:

	Book value		Fair value	
	06/30/2018	03/31/2018	06/30/2018	03/31/2018
Senior notes due 2027	1,915,233	1,649,717	1,906,922	1,697,652
Face value			96.72%	101.23%

Accordingly, as of June 30, 2018, Term Loan Agreement, Schuldschein, PPEs, Senior Notes Due 2027 and CRA debts are decreased by R$ 80,533 (plus R$ 20,818 as of March 31, 2018), from fair value appraisal, with a positive impact in the income (loss) for the three-month period then ended was R$ 101,351 (negative impact of R$ 28,117 as of June 30, 2017), recognized in financial income (loss). The amount of such debts valued at fair value totaled R$ 7,613,664 (R$ 3,798,830 on March 31, 2018) (Notes 24 and 25.i).

Other loans and financing do not have a value quoted and their fair value is close to its book value due to their exposure to variable interest rates and insignificant changes in the Group's credit risk which may be accrued by comparing securities quoted and aforementioned.

Other significant information

Committed Back-up Credit Facility Agreement

As disclosed in Note 15 to the annual financial statements of March 31, 2018, on March 20, 2018, RCSA took out a credit facility with a syndicate composed of several global commercial banks, in the total amount of US$ 850,000. Up to the end of three-month period ended June 30, 2018, such line did not have been used.

Revolving Credit Facility

Through of the syndicated Term Loan Agreement, the company has obtained a revolving credit facility of US$ 285,000, also due in April 27, 2020. Until the end of the quarter ended in June 30, 2018, said facility has not been used.

17. Income and social contribution taxes

(a) Reconciliation of income (expense) on income and social contribution taxes:

	Apr-Jun/18	Apr-Jun/17
Income before income and social contribution taxes	135,241	150,465
Income tax and social contribution at nominal rate (34%)	(45,982)	(51,158)
Adjustments for calculation of effective rate:		
Interest on own capital	16,320	17,000
Equity account result of subsidiaries	(477)	(3,568)
Gifts, donations, class association	(3,310)	(1,231)
Special regime for the reintegration of tax amounts for exporting companies - ("Reintegra")	3,585	9,107
Investment grants - ICMS	1,590	339
Difference between deemed income and taxable income rates	24,031	17,931
Credits from indemnity suits	25,638	-
Exchange variation on investees abroad	14,861	3,750
Taxation at universal basis related to foreign investments	(12)	2,379
Other	(6,445)	1,316
	(314)	3,292
Income (expense) from income tax and social contribution	29,485	(843)
Income before income and social contribution taxes	-21.8%	0.6%

(b) Recoverable income and social contribution taxes

	06/30/2018	03/31/2018
IRPJ	978,589	901,661
CSLL	374,163	286,685
	1,352,752	1,188,346
Current assets	(1,051,822)	(887,416)
Non-current assets	300,930	300,930

(c) (Current) income and social contribution taxes payable

	06/30/2018	03/31/2018
IRPJ	14,814	71,666
CSLL	5,375	25,531
	20,189	97,197

(d) Deferred income and social contribution taxes in assets and liabilities:

				06/30/2018	03/31/2018
Assets (liabilities)	Base	IRPJ 25%	CSLL 9%	Total	Total
Tax losses	1,481,732	370,433	-	370,433	276,257
Negative basis for social contribution	1,486,222	-	133,760	133,760	99,452
Temporary differences:					
Exchange variation on the cash basis	965,129	241,282	86,862	328,144	11,829
Provision for right to exclusive supply	-	-	-	-	297,914
Fair value of inventories	3,890	973	350	1,323	-
Fair value of financial liabilities	-	-	-	-	7,078
Estimated loss for goodwill write-off	166,656	41,664	14,999	56,663	56,663
Remuneration and employee benefits	369,027	92,257	33,212	125,469	114,990
Provision for legal disputes	632,859	158,215	56,957	215,172	203,555
Provisions and other temporary differences	1,172,410	293,104	106,253	399,357	394,018
Total deferred tax assets		1,197,928	432,393	1,630,321	1,461,756
Amortized tax goodwill	(1,769,038)	(442,260)	(159,213)	(601,473)	(597,576)
Refund of ICMS	(200,079)	(50,020)	(18,007)	(68,027)	(69,348)
Result unrealized with derivatives	(534,194)	(133,549)	(48,077)	(181,626)	(83,594)
Fixed assets' useful life review	(1,645,465)	(411,366)	(148,092)	(559,458)	(528,700)
Fair value of inventories	-	-	-	-	(5,721)
Fair value of fixed assets	(475,509)	(118,877)	(42,796)	(161,673)	(163,273)
Fair value of assets from contracts with clients	(244,515)	(61,129)	(22,006)	(83,135)	(84,774)
Fair value of financial liabilities	(100,888)	(25,222)	(9,080)	(34,302)	-
Cost of capitalized loans	(291,844)	(72,961)	(26,266)	(99,227)	(99,543)
Biological assets	(305,365)	(76,341)	(27,483)	(103,824)	(123,098)
Total deferred tax liabilities		(1,391,725)	(501,020)	(1,892,745)	(1,755,627)
Total deferred taxes		(193,797)	(68,627)	(262,424)	(293,871)
Deferred taxes - Assets, net				389,674	158,295
Deferred taxes - Liabilities, net				(652,098)	(452,166)
Total deferred taxes				(262,424)	(293,871)

(e) Net movement in deferred tax assets (liabilities):

March 31, 2018	(293,871)
Initial adoption of IFRS 9 (CPC 48) (Note 2.4)	1,175
April 1, 2018	(292,696)
Debit in income (loss)	(85,038)
Deferred taxes on other comprehensive income	113,100
Other	2,210
June 30, 2018	(262,424)

18. Provision for legal disputes and judicial deposits

Breakdown of legal disputes considered as probable loss

As of June 30 and March 31, 2018, balances of claims to be reimbursed and claims that are not reimbursable to shareholders in the scope of Group's formation (Note 10.a) are as follows:

	06/30/2018	03/31/2018
Tax	793,162	754,435
Civil	160,242	162,264
Labor	295,474	284,916
Environmental	57,171	58,553
	1,306,049	1,260,168
Non-reimbursable legal disputes	224,109	204,345
Reimbursable legal disputes	1,081,940	1,055,823
	1,306,049	1,260,168

When the Group was setup it was agreed that Cosan and Shell would reimburse the Group for legal disputes that were ongoing before its formation, thus, the Group should reimburse Cosan and Shell regarding the judicial deposits made on the date before its formation.

As of June 30 and March 31, 2018, balances of refundable deposits and deposits that are not refundable to shareholders, in the scope of Group's formation process (Note 10.a) are as follow:

	06/30/2018	03/31/2018
Tax	296,868	291,850
Civil	28,960	29,431
Labor	89,286	85,617
	415,114	406,898
Own judicial deposits	156,061	148,058
Reimbursable judicial deposits	259,053	258,840
	415,114	406,898

(i) Non-reimbursable legal disputes

	Tax	Civil	Labor	Environmental	Total
March 31, 2018	36,828	5,969	157,619	3,929	204,345
Provisioned in the period (a)	1,764	605	30,803	5	33,177
Write-offs/reversals (a) / (b)	(51)	(301)	(14,146)	(13)	(14,511)
Payments	(1,104)	(107)	(7,733)	(65)	(9,009)
Inflation adjustment (b)	74	139	9,893	1	10,107
June 30, 2018	37,511	6,305	176,436	3,857	224,109

(a) Recognized in income (loss) for the period under Sales taxes and General and administrative expenses captions and Other operating expenses, except for reversals of inflation adjustment, recognized in financial income (loss).

(b) Recognized in the statement of income as financial income.

(ii) Reimbursable legal disputes

	Tax	Civil	Labor	Environmental	Total
March 31, 2018	717,607	156,295	127,297	54,624	1,055,823
Provisioned in the period	17,130	1,260	9,229	197	27,816
Write-offs/reversals	(2,100)	(8,690)	(16,526)	-	(27,316)
Payments	(68)	(3,668)	(6,711)	(1,729)	(12,176)
Inflation adjustment	23,082	8,740	5,749	222	37,793
June 30, 2018	755,651	153,937	119,038	53,314	1,081,940

(iii) Total legal disputes

	Tax	Civil	Labor	Environmental	Total
March 31, 2018	754,435	162,264	284,916	58,553	1,260,168
Provisioned in the period	18,894	1,865	40,032	202	60,993
Write-offs/reversals	(2,151)	(8,991)	(30,672)	(13)	(41,827)
Payments	(1,172)	(3,775)	(14,444)	(1,794)	(21,185)
Inflation adjustment	23,156	8,879	15,642	223	47,900
June 30, 2018	793,162	160,242	295,474	57,171	1,306,049

(a) Tax

	06/30/2018	03/31/2018
Social security charges (“INSS”)	1,662	1,638
Value-added tax on sales and services (“ICMS”)	494,523	495,112
Excise tax ("IPI")	83,157	82,514
Social Integration Program ("PIS") and Contribution for the Financing of Social Security ("COFINS")	56,578	19,338
Lawyers' fees	69,485	68,649
Income tax and Social Contribution taxes (IRPJ and CSLL)	75,242	74,838
CIDE and others	12,515	12,346
	793,162	754,435
Non-reimbursable legal disputes	37,511	36,828
Reimbursable legal disputes	755,651	717,607
	793,162	754,435

(b) Civil, labor and environmental

The Group is party to various civil actions consisting of (i) damages for material losses and pain and suffering; (ii) disputes on contracts; (iii) class action to stop the burning of sugar cane straw; (iv) enforcements of environmental decisions; (v) reparation of environmental damages causes by fuel leakages and, (vi) contractual, real estate and credit recovery, including discussions about contract breaches, possession of the Group's properties and recovery of amount not paid by clients.

The Group is also party to several labor complaints filed my former employees and employees of service providers who demand, among other things, payment for overtime work, night shift premium and hazardous duty premium, readmission into the job, return of payroll discounts, such as trade union optional and mandatory contributions, among others.

The main environmental actions are related to environmental remediation to be carried out at gas stations, distribution hubs, airports and client distribution centers and they include the removal of contaminated material, treatment of the land, laboratory tests and post-remediation monitoring.

Legal disputes considered as probable loss and, thus, no provision for lawsuits demands has been recognized in the combined consolidated and condensed interim financial information

(a) Tax

	06/30/2018	03/31/2018
ICMS	4,260,113	4,238,197
INSS	500,079	491,903
IPI	461,537	459,744
IRPJ and CSLL (i)	2,648,836	2,826,265
PIS, COFINS and taxes on financial operations ("IOF")	3,212,253	3,186,926
Offsets with IPI credit - IN 67/98	133,462	132,869
MP 470 Debt in installments	182,776	181,541
Other	885,133	848,810
	12,284,189	12,366,255
Non-reimbursable legal disputes	3,516,531	3,614,353
Reimbursable legal disputes	8,767,658	8,751,902
	12,284,189	12,366,255

(i) In the quarter ended June 30, 2018, the RESA reviewed the tax assessment notice relating to the amortization of goodwill deducted from the IRPJ and CSLL tax base for the calendar years 2013 to 2016 and concluded that there is provision in the tax legislation for the incidence of default interest on said fine, and therefore such a requirement is illegal. In this way, the amount of R$ 191,943 had its classification changed from possible to remote.

(b) Civil, labor and environmental

	06/30/2018	03/31/2018
Civil	1,203,080	1,176,767
Labor	446,220	496,119
Environmental	54,310	52,871
	1,703,610	1,725,757
Non-reimbursable legal disputes	540,281	545,852
Reimbursable legal disputes	1,163,329	1,179,905
	1,703,610	1,725,757

19. Commitments

As mentioned in note 18 to the annual financial statements as of March 31, 2018 the Group has entered into commitments to sell, purchase sugarcane, fuels and industrial equipment, electric power and steam, lease agreements and agricultural partnerships, storage and transportation and sugar lifting services. During the three-month period ended June 30, 2018 no significant changes related to these commitments.

20. Equity

(a) Capital

a.1) RESA

As of June 30 and March 31, 2018, RESA capital totals R$ 6,516,354 and that caption does not include the balance of redeemable preferred shares in the amount of R$ 10,828, totaling R$ 6,505,525.

Capital is fully subscribed for and paid in and is divided as follows:

	Shareholders (shares in units)			
	Shell	CIP Cosan Investimentos e Participações S.A ("CIP")	Cosan S.A.	Total
Common	3,621,641,599	3,621,641,599	-	7,243,283,198
Class-A preferred shares	-	-	1	1
Class-B preferred shares	-	-	133,242,457	133,242,457
Class-D preferred shares	100,000	-	-	100,000
Total as of June 30 and March 31, 2018	3,621,741,599	3,621,641,599	133,242,458	7,376,625,656

a.2) RCSA

As of June 30 and March 31, 2018, RCSA's capital totals R$ 1,921,843.

Capital is fully subscribed for and paid in and is divided as follows:

	Shareholders (shares in units)		
	Shell	CIP	Total
Common	830,709,236	830,709,236	1,661,418,472
Class-A preferred shares	1	-	1
Class-D preferred shares	100,000	-	100,000
Class-E preferred shares	163,329,417	-	163,329,417
Total as of June 30 and March 31, 2018	994,138,654	830,709,236	1,824,847,890

(b) Dividends and interest on own capital

							June 30, 2018	
Company	**Dividend**	**Year**	**Approval**	**Nature and type of share**	**Impact in equity**	**No impact in equity**	**Amount paid or payable**	**Payment date**
RCSA	Profit	2018	06/20/2018	Common	153,000	-	153,000	06/28/2018
RCSA	Interim	2018	06/20/2018	Common	107,000	-	107,000	06/28/2018
RCSA	JCP	2018	06/20/2018	Common	48,000	-	48,000	06/28/2018
RESA	Profit	2018	06/20/2018	Common	330,200		330,200	06/28/2018
Sabbá	Interim	2018	06/18/2018	Common	7,500	-	7,500	06/26/2018
Total Paid							**645,700**	
Mime	Minimum	2018	-	Common	-	-	4,827	Pending
Mime Conveniências	Minimum compulsory	2018	-	Common	-	-	16	Pending
Sabbá Conveniências	Minimum compulsory	2018	-	Common	-	-	6	Pending
RESA and	Exclusive	2018	-	Preferred D	-	-	2,972	Pending
RESA	Exclusive	2018	-	Preferred B	-	10,355	10,355	Pending
RESA	Minimum	2018	-	Common	-	-	5,241	Pending
Total payable							**23,417**	
Impact in combined and consolidated equity					**645,700**			

(c) Equity valuation adjustments

	03/31/2018	**Comprehensive income**	**06/30/2018**
Effect of foreign currency translation - CTA	273	(4,947)	(4,674)
Actuarial loss from defined benefit plan	(11,526)	-	(11,526)
Income (loss) from financial instruments designated as hedge accounting	7,851	(219,546)	(211,695)
	(3,402)	(224,493)	(227,895)
Attributable to:			
Group's controlling shareholders	(3,397)	(224,493)	(227,890)
Group's non-controlling shareholders	(5)	-	(5)

	03/31/2017	**Comprehensive income**	**06/30/2017**
Effect of foreign currency translation - CTA	4,038	(1,049)	2,989
Actuarial loss from defined benefit plan	(11,175)	-	(11,175)
Income (loss) from financial instruments designated as hedge accounting	(32,251)	265,338	233,087
	(39,388)	264,289	224,901
Attributable to:			
Group's controlling shareholders	(39,383)	264,289	224,906
Group's non-controlling shareholders	(5)	-	(5)

(d) Interest of non-controlling shareholders

Corresponds to the Interest of non-controlling shareholders on net assets of the following subsidiaries:

	06/30/2018	**03/31/2018**
Unimodal Ltda.	27%	27%
Petróleo Sabbá S.A.	20%	20%
Raízen Mime Combustíveis S.A.	24%	24%
Sabor Raíz Alimentação S.A.	40%	40%
Raízen Mime Conveniências Ltda.	9%	9%
Raízen Sabbá Conveniências Ltda.	4%	4%

21. Net operating revenue

The breakdown of the Group's gross income is as follows:

	Apr-Jun/18	Apr-Jun/17
Domestic market	21,763,933	19,198,480
Foreign market	1,522,442	1,223,381
Gross revenue from sale of products and services	23,286,375	20,421,861
Income (loss) from financial instruments designated as hedge accounting	(33,136)	(80,050)
Results from commodity financial instruments not designated as hedge accounting	1,651	9,221
Returns and cancellations	(126,698)	(108,019)
Sales taxes	(749,209)	(535,773)
Commercial discounts and rebates	(96,398)	(61,452)
Amortization of exclusive supply rights (Note 11)	(101,055)	(95,537)
Other	(21,753)	(12,507)
Net operating revenue	22,159,777	19,537,744

Detailing of net operating revenue per product is as follows:

	Apr-Jun/18	Apr-Jun/17
Diesel	9,196,558	7,275,205
Gasoline	7,912,174	7,801,767
Ethanol	2,628,461	1,998,318
Jet A-1	1,226,824	852,204
Sugar	729,443	1,221,516
Bioenergy	303,939	198,677
Other	162,378	190,057
	22,159,777	19,537,744

22. Costs and expenses per type

Reconciliation of costs and expenses by nature

Costs and expenses are shown in the income (loss) by function. The reconciliation of Group's results by nature for the three-month periods ended June 30, 2018 and 2017 is detailed as follows:

Costs and expenses per type

	Apr-Jun/18	Apr-Jun/17
Fuels for resales, raw material, collection and transfer costs	(20,150,972)	(17,459,222)
Depreciation and amortization	(443,364)	(511,743)
Personnel expenses	(355,571)	(372,999)
Cutting, loading and transportation	(171,584)	(169,334)
Realization of fair value of biological assets	(99,512)	(204,789)
Change in fair value of biological assets	42,823	(126,944)
Rental and leases	(75,087)	(89,694)
Maintenance materials	(43,481)	(96,364)
Commercial expenses	(97,972)	(81,807)
Resale of energy	(122,932)	(48,978)
Freight	(95,742)	(87,727)
Outsourced labor	(77,534)	(61,660)
Logistics expenses	(74,381)	(57,457)
Other (1) / (2)	(77,733)	(78,464)
	(21,843,042)	(19,447,182)

(1) This includes the Investment grants - ICMS of R$ 4,676 (R$ 997 as of June 30, 2017).
(2) Includes estimated loss on realization of taxes and fees, in the amount of R$ 4,060 (zero on June 30, 2017).

Classified as:

	Apr-Jun/18	Apr-Jun/17
Cost of products sold and services rendered	(21,041,630)	(18,711,717)
Selling expenses	(539,603)	(496,379)
General and administrative expenses	(261,809)	(239,086)
	(21,843,042)	(19,447,182)

23. Other operating income, net

	Apr-Jun/18	Apr-Jun/17
Credits from indemnity suits (Note 9)	75,406	-
Net recognition of extemporaneous deferred tax assets, net (1)	37,124	161,030
Gain in the sale of property, plant and equipment	32,704	19,954
Income from rental and leases	24,533	24,316
Income from royalties	15,363	13,554
Merchandising	13,340	10,302
Commissions on sales of lubricants, cards and payment means	7,849	7,286
Store rental revenue	1,860	2,539
Net reversal (formation) of estimated loss in investments and fixed and intangible assets (Notes 13 and 14)	(1,618)	4,210
Formation of provision for legal disputes and contingencies, net	(14,125)	(10,114)
Other revenues, net	1,175	4,554
	193,611	237,631

(1) Refers mainly to the recovery of tax credits arising from the Group's activities, recognized in income (loss) for the periods as of June 30, 2018 and 2017.

24. Financial income

	Apr-Jun/18	Apr-Jun/17
Financial expenses		
Interest	(214,908)	(194,863)
Monetary variation - liabilities	(58,127)	(29,524)
PIS and COFINS on financial income	(10,873)	(9,764)
Other	(60,336)	(7,146)
	(344,244)	(241,297)
Fair value of financial instruments (Note 16)	101,351	(28,117)
Amounts capitalized on qualifying assets (Note 13)	10,534	11,331
	(232,359)	(258,083)
Financial income		
Yields from financial investments	35,566	96,731
Interest	101,499	69,078
Monetary variation - assets and others	29,868	25,617
	166,933	191,426
Foreign exchange variation, net	(908,540)	(172,916)
Net effect of the derivatives	600,263	72,339
	(373,703)	(167,234)

25. Financial instruments

(a) Overview

The Group presents exposure to the following main risks deriving from its operations, which are equalized and managed with the use of certain financial instruments:

- Price risk
- Foreign exchange rate risk
- Interest rate risk
- Credit risk
- Liquidity risk

(b) Risk management structure

The Group has specific treasury and trading policies that set risk management guidelines.

In order to monitor activities and ensure compliance with policies, the Group has the following main committees: (i) A risk committee whose members gather weekly to analyze the behavior of commodity (sugar and oil by-products) and foreign exchange markets and decide on coverage positions and the strategy to fix the prices of imports and exports to reduce the negative effects of changes in commodities' prices and foreign exchange rate; and, (ii) an ethanol and by-product committee whose members gather monthly to assess the risks posed by the sale of ethanol and to comply with the limits set on risk policies.

The Group is exposes to market risks, as follows: (i) fluctuations in sugar, ethanol and oil by-product prices; (ii) fluctuations in exchange rates; and, (iii) fluctuations in interest rates. The purchases of financial instruments for hedging purposes are made according to an analysis of the risk exposure that Management intends to cover.

As of June 30 and March 31, 2018, the fair values of transactions with derivative financial instruments for hedging and other purposes were determined according to observable data, such as prices quoted in active markets or discounted cash flows according to market curves and are presented below:

	Notional		Fair value	
	06/30/2018	**03/31/2018**	**06/30/2018**	**03/31/2018**
Price risk				
Commodity derivatives				
Futures contracts	1,847,997	2,066,104	30,740	85,735
	1,847,997	2,066,104	30,740	85,735
Exchange rate risk				
Foreign exchange rate derivatives				
Futures contracts	(700,790)	(59,829)	1,348	(1,521)
Forward contracts	1,918,266	(332,376)	(67,552)	(3,453)
FX lock	771,160	498,570	(79,071)	5,825
FX swap	(5,777,434)	(3,815,277)	518,651	(24,218)
	(3,788,798)	(3,708,912)	373,376	(23,367)
Interest rate risk				
Interest rate swap	(1,558,897)	(757,043)	69,494	97,541
	(1,558,897)	(757,043)	69,494	97,541
Total			473,610	159,909
Current assets			378,533	228,092
Non-current assets			634,576	273,762
Total assets			1,013,109	501,854
Current liabilities			(507,275)	(142,343)
Non-current liabilities			(32,224)	(199,602)
Total liabilities			(539,499)	(341,945)
Total			473,610	159,909

(c) Price risk

Results from the possibility of fluctuations in the market prices of the products sold by the Group, mainly raw sugar (sugar #11), refined sugar (sugar #5 or *white sugar*), heating oil, gasoline and ethanol. These price fluctuations may cause substantial alterations in the sales income and costs. To mitigate these risks, the Group permanently monitors markets, seeking to anticipate price changes.

Price risk: commodity derivatives, outstanding as of June 30, 2018

Derivatives	Purchased / Sold	Market	Contract	Maturity	Notional (units)		Notional (R$ thousand)	Fair value (R$ thousand)
Future	Sold	NYSE LIFFE	Sugar#5	Jul/18-Nov/19	15,698	t	442,097	(1,050)
Future	Sold	ICE	*Sugar#11*	Jul/18-Feb/20	2,767,615	t	3,059,864	153,369
Options	Sold	ICE	*Sugar#11*	Jul/18-Apr/19	600	t	25	(205)
Future	Sold	OTC	*Sugar#11*	Sep/18	-	t	-	24
Sub-total sugar bought					2,783,913	t	3,501,986	152,138
Future	Purchased	NYSE LIFFE	Sugar#5	Jul/18-Nov/19	(12,295)	t	(355,894)	384
Future	Purchased	ICE	*Sugar#11*	Jul/18-Sep/19	(2,488,455)	t	(2,655,405)	(63,392)
Options	Purchased	ICE	*Sugar#11*	Sep/18	(300)	t	(24)	57,133
Sub-total sugar bought					(2,501,050)	t	(3,011,323)	(5,875)
Sub-total sugar					282,863	t	490,663	146,263
Future	Sold	CHGOETHNL	Ethanol	Jul/18-Dec/18	446,913	m³	824,847	(20,703)
Future	Sold	NYMEX	Ethanol	Jul/18-Dec/18	176,500	m³	317,964	(2,213)
Options	Sold	CHGOETHNL	Ethanol	Sep/18-Dec/18	10,334	m³	18,218	(461)
Sub-total ethanol bought					633,747	m³	1,161,029	(23,377)
Future	Purchased	B3	Ethanol	Jul 2018	(6)	m³	(9)	(238)
Future	Purchased	NYMEX	Ethanol	Jul/18-Dec/18	(179,000)	m³	(323,903)	677
Future	Purchased	CHGOETHNL	Ethanol	Jul/18-Dec/18	(780,149)	m³	(1,323,347)	8,287
Options	Purchased	CHGOETHNL	Ethanol	Jul/18-Dec/18	(33,388)	m³	(12,275)	1,746
Sub-total ethanol bought					(992,543)	m³	(1,659,534)	10,472
Physical fixed	Sold	CHGOETHNL	Ethanol	Jul/18-Mar/19	814,431	m³	1,604,428	24,136
Sub-total physical fixed ethanol sold					814,431	m³	1,604,428	24,136
Physical fixed	Purchased	CHGOETHNL	Ethanol	Jul/18-Mar/19	(868,943)	m³	(1,539,932)	927
Sub-total physical fixed ethanol bought					(868,943)	m³	(1,539,932)	927
Sub-total future physical fixed ethanol					(413,308)	m³	(434,009)	12,158
Future	Purchased	OTC	Gasoline	Jul 2018	(43,000)	m³	(106,898)	10,338
Subtotal future gasoline bought					(43,000)	m³	(106,898)	10,338
Future	Sold	NYMEX	Gasoline	Jal/18-Oct/18	354,153	m³	699,456	(44,827)
Future	Sold	OTC	Gasoline	Jul/18-Jun/19	320,405	m³	841,139	(76,220)
Subtotal future gasoline sold					674,558	m³	1,540,595	(121,047)
Future	Purchased	NYMEX	Heating Oil / gasoline	Jul/18	(14,045)	m³	(31,292)	198
Sub-total future heating oil/gasoline bought					(14,045)	m³	(31,292)	198
Future	Sold	NYMEX	Heating Oil / gasoline	Jul/18	182,582	m³	388,938	(17,170)
Subtotal heating oil / gasoline sold					182,582	m³	388,938	(17,170)
Subtotal heating oil / gasoline					800,095	m³	1,791,343	(127,681)
Net exposure of commodity derivatives in June 2018							1,847,997	30,740
Net exposure of commodity derivatives in March 2018							2,066,104	85,735

(d) Foreign exchange rate risk

Foreign exchange rate risks arise from the possibility of fluctuations in the exchange rates used by Raízen Group for export revenues, imports, financing cash flows and other foreign currency assets and liabilities. The Group uses derivative transactions to manage cash flow risks resulting from export income denominated in US dollars, net of other cash flows also denominated in foreign currency. The table below shows the positions for derivatives used to cover foreign exchange rate risks:

Foreign exchange rate risk: outstanding foreign exchange derivatives as of June 30, 2018

Derivatives	Purchased / Sold	Market	Contract	Maturity	Notional (US$ thousand)	Notional (R$ thousand)	Fair value (R$ thousand)
Future	Sold	B3	Trade dollar	Jul/18-Aug/18	756,250	2,915,950	(1,117)
Subtotal future sold					756,250	2,915,950	(1,117)
Future	Purchased	B3	Trade dollar	Jul/18-Aug/18	(938,000)	(3,616,740)	2,465
Subtotal future bought					(938,000)	(3,616,740)	2,465
Subtotal future bought/sold					(181,750)	(700,790)	1,348
Term	Purchased	OTC/Cetip	Non-deliverable forward - NDF	Jul/18-Feb/19	(1,570,204)	(6,054,393)	140,879
Term	Sold	OTC/Cetip	NDF	Jul/18-Feb/19	2,067,704	7,972,659	(208,431)
Subtotal term bought/sold					497,500	1,918,266	(67,552)
FX swap	Purchased	OTC	FX swap	Aug/18-Jan/27	(1,972,172)	(7,604,302)	695,567
FX swap	Sold	OTC	FX swap	Jan/22-Jan/27	473,797	1,826,868	(176,916)
Subtotal exchange swap					(1,498,375)	(5,777,434)	518,651
FX lock	Sold	OTC	FX lock	Jul/18-Nov/18	200,000	771,160	(79,071)
Subtotal foreign exchange lock, sold					200,000	771,160	(79,071)
Net exposure of foreign exchange derivatives in June 2018					(982,625)	(3,788,798)	373,376
Net exposure of foreign exchange derivatives in March 2018					(1,115,866)	(3,708,912)	(23,367)

As of June 30, 2018, the summary of the quantitative data on Group's net exposure, considering the foreign exchange rate of all currencies to US$, is presented below:

	06/30/2018	
	R$	US$ (in thousands)
Cash and cash equivalents (Note 3)	1,219,453	316,265
Restricted cash (Note 5)	84,308	21,865
Accounts receivables - Abroad (Note 6)	303,586	78,735
Related parties (Note 10.a)	(109,516)	(28,403)
Suppliers (note 15)	(1,723,793)	(447,065)
Loans and financing (Note 16)	(7,129,214)	(1,848,956)
Derivative financial instruments (Note 25.d) (1)		982,625
Net foreign exchange exposure in June 2018 (2)		(924,934)
Net foreign exchange exposure in March 2018 (2)		(788,938)

(1) Refers to the notional foreign exchange derivative transactions.
(2) The net foreign exchange exposure, this will be substantially offset by probable future income of export products and/or import products.

(e) Hedge accounting effect

The Group formally designates its transactions subject to hedge accounting aiming at hedging cash flows. Hedges are assigned to sugar and ethanol income, as applicable, the cost of import of derivatives and foreign currency debt, documenting: (i) the hedging relationship, (ii) the Group's risk management purpose and strategy when entering into the hedging instrument, (iii) the identification of the financial instrument, (iv) the covered object or transaction, (v) the nature of the risk to be covered, (vi) the description of the hedging relationship and (vii) correlation between hedging and coverage object.

As of June 30, 2018, the impacts recognized in the Group's equity and the estimated realization in profit or loss are shown below:

			Realization years			
Instruments	Market	Risk	2018/19	>2020	06/30/2018	03/31/2018
Future	OTC / ICE	Sugar#11	93,169	-	93,169	50,104
Future	B3 / NYMEX / OTC	Ethanol	(123,181)	-	(123,181)	(19,111)
NDF	OTC	FX	(112,702)	-	(112,702)	2,751
Swap	Debt	FX	-	(138,760)	(138,760)	(5,702)
PPE	Debt	FX	-	(39,277)	(39,277)	(16,147)
			(142,714)	(178,037)	(320,751)	11,895
(-) Deferred taxes			48,523	60,533	109,056	(4,044)
Effect in equity			(94,191)	(117,504)	(211,695)	7,851

We show below the movement in the balances of other comprehensive income during the three-month period ended June 30, 2018:

Cash flow hedge

Balance at March 31, 2018	7,851
Movement occurred in the period:	
Fair value on commodity futures designated as hedge accounting	(73,207)
Fair value loss on forward exchange contracts designated as hedge accounting	(269,444)
Exchange variation on debt contracts designated as hedge accounting	(23,131)
Income (loss) from debt contracts in net operating revenue (Note 21)	20,930
Income (loss) from commodities reclassified to net operating revenue (Note 21)	12,206
Total changes occurred during the period (before deferred taxes)	(332,646)
Effect of deferred taxes on equity valuation adjustments	113,100
	(219,546)
Balance at June 30, 2018	(211,695)

Fair value hedge

RCSA assigned to the fair value, the imported inventory derivatives with linked derivatives (forward sold) at fair value. The primary goal of risk management is to recognize inventory at a floating price, as it will be the case of RCSA's sales revenue upon selling products to its customers. Hedge accounting aims to minimize any kind of mismatching in income (loss) for the period, causing both the derivatives and the inventory to be recorded at fair value, with the change being recognized under Cost of products sold and services rendered caption, whose negative impact in three-month period ended June 30, 2018 is R$ 20,717.

(f) Interest rate risk

The Group monitors fluctuations in interest rates applied to certain debts, particularly those exposed to the Libor, and uses derivative instruments to manage those risks. The table below shows the positions for derivative financial instruments used to cover interest rate risk:

					Interest rate risk: Interest derivatives, outstanding as of June 30, 2018		
Derivatives	**Purchased / Sold**	**Market**	**Contract**	**Maturity**	**Notional (US$ thou.)**	**Notional (R$ thousand)**	**Fair value (R$ thousand)**
Interest rate swap	Purchased	OTC	Interest rate swap	Oct/20-Dec/24	(404,300)	(1,558,897)	69,494
Sub-total interest rate swap					(404,300)	(1,558,897)	69,494
Net exposure of interest derivatives in June 2018					(404,300)	(1,558,897)	69,494
Net exposure of interest rate derivatives in March 2018					(228,560)	(757,043)	97,541

(g) Credit risk

A substantial part of the Group's sales is made to a select group if highly qualified counterparties, such as trading companies, fuel distribution companies and major supermarket chains.

The Group manages credit risk by following specific client acceptance standards, analyzing client credit standing and setting exposure limits per client, requiring, when applicable, letters of credit of top tier banks and taking security interest in assets as security for payment of the credit facilities granted to clients. Management considers that the credit risk is substantially covered by the estimated loss in allowance for doubtful accounts.

Individual risk limits are determined according to internal and external classifications and the limits set by Group's Management. The use of credit limits is regularly monitored. No credit limit was exceeded during the period, and Management does not expect any loss from default by these counterparties in amounts higher than those already provided for.

The Group enters into commodity derivative agreements in futures markets and options at the New York Board of Trade - NYBOT and NYMEX, Chicago - *CBOT,* Chicago - *CME* and the London International Financial Futures and Options Exchange - LIFFE, as well as in over-the-counter markets with selected counterparties. The Group enters into foreign exchange rate and commodity derivative agreements at B3 and over-the-counter agreements, mainly with the leading local and foreign banks considered by global credit risk rating agencies to have investment level ratings.
Guarantee margins - Derivative transactions in commodity exchanges (NYBOT, NYMEX, LIFFE and B3) require guarantee margins. The total margin of the combined and consolidated deposited as of June 30, 2018 is R$ 159,270 (R$ 75,839 as of March 31, 2018), of which R$ 74,962 (R$ 38,863 as of March 31, 2018) in restricted financial investments and R$ 84,308 (R$ 36,976 as of March 31, 2018) in derivative transaction margins.

The Group's over-the-counter (“OTC”) derivative transactions do not require a guarantee margin.

The credit risk on cash and cash equivalents is mitigated by the conservative distribution of investment funds and CDBs, which make up the caption. The distribution follows strict criteria for allocation and exposure to counterparties that are major national and international banks, mainly considered investment grade by international *rating* agencies.

(h) Liquidity risk

It is the risk of the Group may encounter difficulties in performing the obligations associated with its financial liabilities that are settled with payments or with another financial asset. The Group’s approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group’s reputation.

As part of the liquidity management process, management prepares business plans and monitors their implementation, discussing positive and negative cash flow risks and assessing the availability of funds to support its operations, investments and refinancing needs.

The table below shows the main financial liabilities according to their aging schedules:

	Up to 1 year	Up to 2 years	Up 3 to5 years	Above 5 years	Total
Loans and financing (1)	1,835,249	3,825,392	8,119,460	4,795,803	18,575,904
Suppliers (note 15)	4,279,257	-	-	-	4,279,257
Derivative financial instruments (Note 25.b)	507,275	1,089	27,909	3,226	539,499
Related parties (Note 10.a)	1,080,789	-	-	408,172	1,488,961
	7,702,570	3,826,481	8,147,369	5,207,201	24,883,621

(1) Undiscounted contractual cash flows.

(i) Fair value

Procedures over the definition, measurement and recognition of the fair value of financial assets and liabilities are the same disclosed on annual financial statements of March 31, 2018 (Note 24.i), except for the categories of certain financial assets were reclassified as loans and receivables at amortized cost, according to IFRS 9 (CPC 48) (Note 2.4).

Fair value hierarchy

The Group uses the following hierarchy to determine and disclose the fair values of financial instruments according to the valuation technique used:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: other techniques for which all data that have a significant effect on fair value are observable, whether directly or indirectly; and,
- Level 3: techniques that use data that have a significant effect on fair value that are not based on observable market data.

Financial instruments measured at fair value as of June 30, 2018	Level 1	Level 2	Level 3	Total
Interest earnings bank deposits (Note 3)	-	1,506,836	-	1,506,836
Securities (Note 4)	-	60,199	-	60,199
Restricted financial investments (Restricted cash) (Note 5)	-	144,250	-	144,250
Derivative financial assets (Note 25.b)	359,143	652,492	1,474	1,013,109
Loans and financing (Note 16)	-	(7,613,664)	-	(7,613,664)
Derivative financial liabilities (Note 25.b)	(263,836)	(275,663)	-	(539,499)
Total at June 30, 2018	95,307	(5,525,550)	1,474	(5,428,769)
Total at March 31, 2018	86,252	(326,096)	(2,037)	(241,881)

(j) Sensitivity analysis

We present below the sensitivity analysis of the fair value of financial instruments according to the types of risk considered relevant by the Group.

Assumptions for the sensitivity analysis

The Group has adopted three scenarios for the sensitivity analysis, one probable and two (possible and remote) that may show the sundry effects in the fair value of the Group's financial instruments. The probable scenario was set according to the futures market curves of sugar, heating oil, ethanol and the US dollar as of June 30, 2018, and the amounts presented correspond to the fair value of derivatives on those dates. Possible and remote adverse scenarios were set considering impacts of 25% and 50% on sugar and US dollar price curves, which were calculated as a basis for the probable scenario.

Sensitivity table

(1) Change in fair value of derivative financial instruments

			Impacts on income (loss) (*)			
	Risk factor	Probable scenario	Possible scenario +25%	Balance of fair value	Remote scenario +50%	Balance of the fair value
Price risk						
Commodity derivatives						
Futures and options contracts:						
Purchase and sale commitments	Sugar price increase	146,263	(151,000)	(4,737)	(302,000)	(155,737)
Purchase and sale commitments	Decrease in ethanol price	12,159	16,258	28,417	32,517	44,676
Purchase and sale commitments	Increase in diesel and gasoline prices	(127,682)	(440,709)	(568,391)	(881,419)	(1,009,101)
		30,740	(575,451)	(544,711)	(1,150,902)	(1,120,162)
Exchange rate risk						
Foreign exchange rate derivatives						
Futures contracts:						
Purchase and sale commitments	Decrease in foreign exchange rate. R$/US$	1,348	130,718	132,066	261,436	262,784
Fixed-term and Lock Contracts:						
Purchase and sale commitments	Decrease in foreign exchange rate. R$/US$	(146,623)	(929,269)	(1,075,892)	(1,858,538)	(2,005,161)
FX swaps:						
Purchase and sale commitments	Decrease in foreign exchange rate R$/US$	518,651	(1,236,927)	(718,276)	(2,473,853)	(1,955,202)
		373,376	(2,035,478)	(1,662,102)	(4,070,955)	(3,697,579)
Interest rate risk						
Interest derivatives						
Swap contracts, lock, DI, and NDF	Decrease in interest rate	69,494	(57,146)	12,348	(114,292)	(44,798)
		69,494	(57,146)	12,348	(114,292)	(44,798)
Total		473,610	(2,668,075)	(2,194,465)	(5,336,149)	(4,862,539)

(*) Result projected to occur within 12 months from June 30, 2018.

(2) Net foreign exchange exposure

The probable scenario considers the position as of June 30, 2018. The effects of the possible and remote scenarios that would be recognized in the consolidated combined statement of profit or loss as revenue or expenses on exchange-rate change are as follows:

		Effect of exchange-rate changes			
Net foreign exchange exposure as of June 30, 2018		**Possible scenario +25%**	**Remote scenario +50%**	**Possible scenario -25%**	**Remote scenario -50%**
Cash and cash equivalents (Note 3)	1,219,453	304,863	609,727	(304,863)	(609,727)
Restricted cash (Note 5)	84,308	21,077	42,154	(21,077)	(42,154)
Accounts receivable from abroad (Note 6)	303,586	75,897	151,793	(75,897)	(151,793)
Related parties (Note 10.a)	(109,516)	(27,379)	(54,758)	27,379	54,758
Suppliers (note 15)	(1,723,793)	(430,948)	(861,897)	430,948	861,897
Loans and financing (Note 16)	(7,129,214)	(1,782,304)	(3,564,608)	1,782,304	3,564,608
Impact on income (loss) in the period		(1,838,794)	(3,677,589)	1,838,794	3,677,589

(3) Interest rate sensibility

As of June 30, 2018, the probable scenario considers the annual weighted average rate of floating interests of loans and financing of 6.32% and for financial investments and as restricted cash and basically, CDI accumulated in the last 12 months of 7.36%. In both cases, simulations were run considering the increase and reduction by 25% and 50%. The combined consolidated results of this sensitivity are as follows:

		June 30, 2018			
		Interest rate sensibility			
	Probable scenario	**Possible scenario +25%**	**Remote scenario +50%**	**Possible scenario -25%**	**Remote scenario -50%**
Interest earnings bank deposits	110,840	27,710	55,420	(27,710)	(55,420)
Securities	4,325	1,081	2,163	(1,081)	(2,163)
Interest earning bank deposits (restricted cash)	10,689	2,672	5,345	(2,672)	(5,345)
Loans and financing	(662,181)	(165,545)	(331,091)	165,545	331,091
Additional impact in income (loss) for the period	(536,327)	(134,082)	(268,163)	134,082	268,163

(k) Capital management

The Group's goal, when managing its capital structure, is to ensure that it will continue as a going concern and be able to finance investment opportunities, by keeping a healthy credit profile and offering an appropriate return to its shareholders.

Group has relationships with large local and international rating agencies as show below:

Branch	Scale	*Rating*	Outlook	Date
Fitch	National	AAA (bra)	Stable	06/16/2017
	Project	BBB	Stable	06/16/2017
Moody's	National	Aaa.Br	Stable	04/10/2018
	Project	Ba1	Stable	04/10/2018
Standard & Poor's	National	brAAA	Stable	01/12/2018
	Project	BBB-	Stable	01/12/2018

The financial leverage ratios on June 30 and March 31, 2018 were calculated as follows:

	06/30/2018	03/31/2018
Third party capital		
Loans and financing (Note 16)	14,621,464	13,518,349
(-) Cash and cash equivalents (Note 3)	(2,982,972)	(3,663,168)
(-) Derivative financial instruments (Note 4)	(60,199)	(1,078,945)
(-) Financial investments linked to financing (note 5)	(69,288)	(67,767)
(-) National Treasury Certificates - CTN (Note 9)	(848,426)	(827,042)
(-) Foreign exchange and interest rate derivatives (Note 25.b)	(442,870)	(74,174)
	10,217,709	7,807,253
Own capital		
Equity		
Attributable to Group's shareholders	10,901,622	11,607,394
Interest of non-controlling shareholders	223,353	225,730
	11,124,975	11,833,124
Total own capital and third-parties	21,342,684	19,640,377
Leverage ratio	48%	40%

26. Retirement supplementation plan and other employee benefits

(a) Pension fund

Defined contribution

During the three-month period ended June 30, 2018, the contribution recognized as expenses amounted to R$ 5,058 (R$ 4,242 as of June 30, 2017).

(b) Profit sharing

The Group recognizes a liability and a profit sharing expense based on a methodology that considers pre-defined targets to employees. The Group recognizes a provision when it is contractually compelled or when there is a past practice that created non-formalized obligation.

27. Cash flow supplementary information

(a) Reconciliation of equity movement with cash flows from financing activities (FCF)

(Assets) / Liabilities	Financial investments linked to financing (note 5)	Other receivables	Loans and financing (Note 16)	Related parties (1)	Dividends and interest on own capital payable	Total
Balance at March 31, 2018	(67,767)	(528,422)	13,518,349	301,982	23,417	13,247,559
Transactions with impact in FCF				-		
Funding, net of expenditures	-	(387)	537,265	-	-	536,878
Amortization of principal	-	-	(359,093)	-	-	(359,093)
Interest paid	-	-	(193,882)	-	-	(193,882)
Payment of dividends and interest on own capital, including remuneration of preferred shares (Note 20.b)	-	-	-	-	(645,700)	(645,700)
Investments	(384)	-	-	-	-	(384)
Other	-	-	-	(3,791)	-	(3,791)
	(384)	(387)	(15,710)	(3,791)	(645,700)	(665,972)
Other movements that do not affect the FCF						
Net interest, inflation adjustments, and exchange-rate changes	(1,137)	-	1,220,176	-	-	1,219,039
Change in fair value of financial instruments (Notes 16 and 24)	-	-	(101,351)	-	-	(101,351)
Allocation of dividends and interest on own capital (Note 20.b)	-	-	-	-	645,700	645,700
Other	-	(111,685)	-	2,028	-	(109,657)
	(1,137)	(111,685)	1,118,825	2,028	645,700	1,653,731
Balance at June 30, 2018	(69,288)	(640,494)	14,621,464	300,219	23,417	14,235,318

(1) Comprised of financial transactions and preferred shares (Note 10.a).

(b) Transactions not involving cash

	Apr-Jun/18	Apr-Jun/17
Investment transactions not involving cash		
Depreciation and amortization of agricultural assets capitalized as property, plant and equipment	(18,551)	(21,859)
Interest capitalized in fixed assets (Notes 13 and 24)	(10,534)	(11,331)
Depreciation of agricultural assets capitalized as biological assets	(5,422)	(4,717)
Exclusive rights to supply fuel payable, net	-	(40,647)
Other	(408)	(31)
	(34,915)	(78,585)

28. Subsequent events

Joint venture - WX Energy

On July 5, 2018, RESA, through its subsidiary Bio Barra, signed a shareholders agreement with the company WX Energy Participações Ltda., whereby it formalized the commitment previously made in the Investment Agreement entered into by the parties on April 27, 2018, to invest the approximate amount of R$ 95 million in RWXE Participações S.A. ("RWXE"), a company set up as a result of this business combination and a subsidiary of the company WX Energy Comercializadora de Energia Ltda. As a result of this transaction, the Group now holds 70% of RWXE, expanding its presence in the electricity trading market, and diversifying its product portfolio.

Purchase of Sugarcane Plantations of Usina Açucareira Furlan S.A ("Usina Furlan")

In the quarter ended June 30, 2018, RESA entered into agreements with São Martinho S.A. ("São Martinho") for the acquisition of the biological assets of Usina Açucareira Furlan S.A., relating to the Santa Bárbara D'Oeste plant (state of SP), as well as the leasing of land owned by Usina Açucareira Furlan S.A. and Agro Pecuária Furlan S.A. ("Transaction"). Upon the completion of the Transaction, RESA and São Martinho will independently take on, respectively, 2/3 and 1/3 of the agricultural and supply agreements which total approximately 1 million tons of sugarcane in the region. Moreover, these agreements establish that RESA and São Martinho shall pay the approximate amount of R$ 118 million as per the above proportions. The conclusion of the Transaction is aligned with the strategy of increasing the availability of cane for processing at the mills of Raízen, and is subject to certain conditions as well as the approval of Administrative Council for Economic Defense ("CADE").

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