Raízen Energia S.A.

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Independent Auditor's Report

To the Board of Directors and Shareholders
Raízen Energia S.A.

We have audited the accompanying consolidated financial statements of Raízen Energia S.A. and its subsidiaries, which comprise the consolidated balance sheets as of March 31, 2015 and March 31, 2014, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for each of the three years in the period ended March 31, 2015.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Raízen Energia S.A.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Raízen Energia S.A. and its subsidiaries at March 31, 2015 and March 31, 2014, and the results of their operations and their cash flows for each of the three years in the period ended March 31, 2015, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Campinas, Brazil

June 22, 2015

PricewaterhouseCoopers
Auditores Independentes

RAÍZEN ENERGIA S.A.

Financial Statements as at March 31, 2015

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RAÍZEN ENERGIA S.A.

Consolidated balance sheet at March 31
(In thousands of Brazilian Reais)

	Note	2015	2014
Assets			
Current assets			
Cash and cash equivalents	3	3,795,287	1,771,015
Restricted cash	4	131,311	251,803
Derivative financial instruments	27	759,306	200,588
Trade accounts receivable, net	5	331,638	356,004
Other financial assets	9	12,931	13,267
Inventories	7	354,862	448,694
Recoverable income tax and social contributions	18.a.1	36,859	359,893
Recoverable taxes	6	157,304	145,903
Advances to suppliers	8	206,004	209,251
Related parties	10	767,894	192,574
Other receivables		52,328	57,529
		6,605,724	4,006,521
Non-current assets			
Derivative financial instruments	27	315,279	1,109
Other financial assets	9	968,420	890,680
Recoverable income tax and social contributions	18 a.1	508,360	-
Recoverable taxes	6	32,184	26,199
Advances to suppliers	8	55,172	21,841
Related parties	10	1,429,358	1,371,257
Deferred income tax and social contributions	18.b	299,314	256,611
Judicial deposits	19	205,797	282,416
Other receivables		46,892	30,884
Investments in associates and joint ventures	11	210,586	162,266
Biological assets	12	1,959,859	2,036,693
Property, plant and equipment	13	7,615,059	7,250,609
Intangibles	14	1,494,333	1,535,137
		15,140,613	13,865,702
Total assets		21,746,337	17,872,223

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated balance sheet at March 31

(In thousands of Brazilian Reais) **(continued)**

	Note	2015	2014
Liabilities and shareholders' equity			
Current liabilities			
Short-term debt and current portion of long-term debt	16	1,377,898	1,122,633
Derivative financial instruments	27	224,078	166,175
Trade accounts payable	15	568,296	637,863
Payroll and related charges		321,116	292,468
Income tax and social contributions payable	18 a.2	8,862	760
Taxes payable	17	99,537	156,572
Dividends payable	21.b	51,066	78,672
Related parties	10	226,854	127,370
Other liabilities		194,867	111,070
		3,072,574	2,693,583
Non-current liabilities			
Long-term debt	16	9,047,745	6,510,886
Derivative financial instruments	27	56,231	12,105
Taxes payable	17	169,116	667,374
Related parties	10	2,194,965	897,025
Provision for tax, civil and labor risks	19	244,480	343,274
Provision for unsecured liabilities of investments in associates	11	2,653	2,642
Deferred income tax and social contributions	18.b	76,914	21,394
Other liabilities		106,450	79,431
		11,898,554	8,534,131
Total liabilities		14,971,128	11,227,714
Shareholders' equity			
Capital	21.a	4,923,054	4,752,078
Capital reserves	21.a	1,092,538	1,253,919
Other comprehensive income	21.c	15,248	(10,669)
Retained earnings	21.d e 21.e	744,369	649,181
Equity attributable to controlling shareholders		6,775,209	6,644,509
Total shareholders' equity		6,775,209	6,644,509
Total liabilities and shareholders' equity		21,746,337	17,872,223

The accompanying notes are an integral part of these consolidated financial statements.

RAÍZEN ENERGIA S.A.

Consolidated statement of income
Year ended March 31
(In thousands of Brazilian Reais, except for earnings per share which is presented in R$)

	Note	2015	2014	2013
Continuing operations				
Net sales	22	9,739,137	9,455,221	8,468,238
Cost of sales	24	(8,064,341)	(7,542,579)	(6,698,108)
Gross profit		1,674,796	1,912,642	1,770,130
Operating income (expenses)				
Selling expenses	24	(564,863)	(637,316)	(605,164)
General and administrative expenses	24	(487,493)	(539,857)	(490,246)
Other operating income, net	25	71,340	60,412	47,843
Share of losses of equity-accounted investees	11	(33,938)	(34,435)	(23,107)
		(1,014,954)	(1,151,196)	(1,070,674)
Operating income		659,842	761,446	699,456
Financial expense	26	(655,939)	(465,547)	(423,998)
Financial income	26	467,777	252,195	185,572
Foreign exchange losses, net	26	(1,042,138)	(292,073)	(27,519)
Derivatives, net	26	518,065	(67,506)	(55,662)
		(712,235)	(572,931)	(321,607)
Income before taxes		(52,393)	188,515	377,849
Current taxes	18.a	(61,184)	(29,070)	(104,404)
Deferred taxes	18.a	224,576	(18,562)	82,299
		163,392	(47,632)	(22,105)
Net income		110,999	140,883	355,744
Attributable to:				
Controlling shareholders		110,999	140,883	354,710
Non-controlling shareholders		-	-	1,034
		110,999	140,883	355,744
Earnings per share – basic and diluted	21.f	0.02	0.02	0.05

The accompanying notes are an integral part of these consolidated financial statements.

RAÍZEN ENERGIA S.A.

Consolidated statement of comprehensive income
Years ended March 31
(In thousands of Brazilian Reais)

	2015	2014	2013
Net income	110,999	140,883	355,744
Other comprehensive income			
Gain (loss) on cash flow hedges (Note 27.e)	51,965	(168,292)	108,169
Currency translation differences	535	1,082	16,086
Deferred taxes (Note 18.c)	(17,681)	57,221	(36,778)
Other comprehensive income, net, which may be reclassified to income in subsequent periods	34,819	(109,989)	87,477
Actuarial losses on pension and post-employment plans	(13,405)	(89)	-
Taxes on unrealized gains losses on pension post-employment plans (Note 18.c)	4,503	30	-
Other comprehensive income, net, which will not impact income in subsequent periods	(8,902)	(59)	-
Total comprehensive income	136,916	30,835	443,221
Attributable to:			
Controlling shareholders	136,916	30,835	442,187
Non-controlling shareholders	-	-	1,034
	136,916	30,835	443,221

The accompanying notes are an integral part of these consolidated financial statements.

RAÍZEN ENERGIA S.A.

Consolidated statement of changes in shareholders' equity
Years ended March 31
(In thousands of Brazilian Reais)

	Attributable to controlling shareholders									
		Capital reserves			Retained earnings					
	Capital stock	Capital reserve	Special reserve for goodwill	Other comprehensive income	Legal Reserve	Profit retention	Accumulated profits (loss)	Total	Attributable to non-controlling shareholders	Total shareholders ' equity
Balance on March 31, 2012	5,331,456	350,389	-	41,136	20,802	197,618	-	5,941,401	16,893	5,958,294
Contributions from (distributions to) the shareholders of the company										
Capital increase on November 29, 2012 (Note 21.a) REPSA	22,119	-	-	-	-	-	-	22,119	-	22,119
Capital increase on November 29, 2012 (Note 21.a) REPSA	181,417	817,418	-	-	-	-	-	998,835	-	998,835
Effect of reverse merger of REPSA by RESA (Notes 1 and 21.a)	(928,509)	(135,824)	-	(29,234)	10,917	322,563	(238,748)	(998,835)	-	(998,835)
Capital Increase on February 28, 2013 (Note 21.a) – RESA	7,927	-	-	-	-	-	-	7,927	-	7,927
Redemption of class B preferred shares (Note 21.a)	66,877	-	-	-	-	-	(66,877)	-	-	-
Constitution of deferred taxes on goodwill (Note 18 and 21.a)	-	-	241,107	-	-	-	-	241,107	-	241,107
Reflected effect from operations of subsidiaries	-	1,929	-	-	-	-	-	1,929	-	1,929
Constitution of the legal reserve (Note 21.a)	-	-	-	-	5,798	-	(5,798)	-	-	-
Mandatory minimum dividends (Note 21.b)	-	-	-	-	-	-	(1,102)	(1,102)	-	(1,102)
Constitution of reserves	-	-	-	-	-	42,185	(42,185)	-	-	-
	(650,169)	683,523	241,107	(29,234)	16,715	364,748	(354,710)	271,980	-	271,980
Comprehensive income:										
Net income	-	-	-	-	-	-	354,710	354,710	1,034	355,744
Gain (loss) on cash flow hedge	-	-	-	71,391	-	-	-	71,391	-	71,391
Accumulated foreign currency translation adjustments	-	-	-	16,086	-	-	-	16,086	-	16,086
	-	-	-	87,477	-	-	354,710	442,187	1,034	443,221
Balance on March 31, 2013	4,681,287	1,033,912	241,107	99,379	37,517	562,366	-	6,655,568	17,927	6,673,495

The accompanying notes are an integral part of these consolidated financial statements.

RAÍZEN ENERGIA S.A.

Consolidated statement of changes in shareholders' equity
Years ended March 31
(in thousands of Reais)

	Attributable to controlling shareholders										
		Capital Reserves			Retained earnings						
	Capital stock	Capital reserve	Special reserve for goodwill	Other comprehensive income	Tax incentive reserve	Legal	Profit retention	Accumulated profits (loss)	Total	Attributable to non-controlling shareholders	Total shareholders ' equity
Balance on March 31, 2013	4,681,287	1,033,912	241,107	99,379	-	37,517	562,366	-	6,655,568	17,927	6,673,495
Contributions from (distributions to) shareholders of the Company											
Capital increase (Note 21.a)	8,427	-	-	-	-	-	-	-	8,427	-	8,427
Supplemental amount paid in the acquisition of subsidiary (Notes 11.e and 21.a)	-	(5,973)	-	-	-	-	-	-	(5,973)	-	(5,973)
Reduction due to acquisition of subsidiary (Notes 11.a and 21.a)	-	-	-	-	-	-	-	-	-	(17,927)	(17,927)
Supplemental dividends payable to holders of preferred shares (Notes 10 and 21.a)	6,916	-	-	-	-	-	(6,916)	-	-	-	-
Accumulated foreign currency translation adjustments	-	(20,168)	-	-	-	-	-	-	(20,168)	-	(20,168)
Redemption of class B preferred shares (Note 21.a and b)	55,448	3,743	-	-	-	-	-	(43,636)	15,555	-	15,555
Allocation to tax incentive reserve (Note 21.e)	-	-	-	-	30,256	-	(16,221)	(14,035)	-	-	-
Cumulative translation adjustment related to subsidiaries	-	1,301	-	-	-	-	-	-	1,301	-	1,301
Interest on capital (Note 21.b)	-	-	-	-	-	-	-	(40,000)	(40,000)	-	(40,000)
Constitution of the legal reserve (Note 21.d)	-	-	-	-	-	7,044	-	(7,044)	-	-	-
Mandatory minimum dividends (Note 21.b)	-	-	-	-	-	-	-	(1,036)	(1,036)	-	(1,036)
Constitution of reserves (Note 21.e)	-	-	-	-	-	-	35,132	(35,132)	-	-	-
	70.791	(21,097)	-	-	30,256	7,044	11,995	(140,883)	(41,894)	(17,927)	(59,821)
Comprehensive income:											
Net profit	-	-	-	-	-	-	-	140,883	140,883	-	140,883
Gain (loss) on cash flow hedge (Note 27)	-	-	-	(111,071)	-	-	-	-	(111,071)	-	(111,071)
Accumulated foreign currency translation adjustments	-	-	-	1,082	-	-	-	-	1,082	-	1,082
Actuarial gains (losses) on post-employment benefit plans	-	-	-	(59)	-	-	-	-	(59)	-	(59)
	-	-	-	(110,048)	-	-	-	140,883	30,835	-	30,835
Reserve transfers	-	(3)	-	-	-	-	3	-	-	-	-
Balance on March 31, 2014	4,752,078	1,012,812	241,107	(10,669)	30,256	44,561	574,364	-	6,644,509	-	6,644,509

The accompanying notes are an integral part of these consolidated financial statements.

RAÍZEN ENERGIA S.A.

Consolidated statement of changes in shareholders' equity
Years ended March 31
(in thousands of Reais)

	Attributable to controlling shareholders									
		Capital Reserves			Retained earnings					
	Capital stock	Capital reserve	Special reserve for goodwill	Other comprehensive income	Tax incentive reserve	Legal	Profit retention	Accumulated profits (loss)	Total	Total shareholders' equity
Balance on March 31, 2014	4,752,078	1,012,812	241,107	(10,669)	30,256	44,561	574,364	-	6,644,509	6,644,509
Contributions from (distributions to) shareholders of the Company										
Redeem of preference shares										
Redemption of class B preferred shares	155,755	(164,377)	-	-	-	-	1,255	-	(7,367)	(7,367)
Effect of the reverse merger of Curupay	-	-	2,004	-	-	-	-	-	2,004	2,004
Effect from affiliates	-	992	-	-	-	-	-	-	992	992
Constitution of the legal reserve (Note 21.a)	-	-	-	-	-	5,550	-	(5,550)	-	-
Dividends to shareholders of class B and D preferred shares	15,221	-	-	-	-	-	-	(16,012)	(791)	(791)
Mandatory minimum dividends (Note 21.b)	-	-	-	-	-	-	-	(1,054)	(1,054)	(1,054)
Constitution of reserves (Note 21.e)	-	-	-	-	-	-	88,383	(88,383)	-	-
	170,976	(163,385)	2,004	-	-	5,550	89,638	(110,999)	(6,216)	(6,216)
Comprehensive income:										
Net profit	-	-	-	-	-	-	-	110,999	110,999	110,999
Gain (loss) on cash flow hedge (Note 27)	-	-	-	34,284	-	-	-	-	34,284	34,284
Accumulated foreign currency translation adjustments	-	-	-	535	-	-	-	-	535	535
Actuarial gains (losses) on post-employment benefit plans	-	-	-	(8,902)	-	-	-	-	(8,902)	(8,902)
	-	-	-	25,917	-	-	-	110,999	136,916	136,916
Balance on March 31, 2015	4,923,054	849,427	243,111	15,248	30,256	50,111	664,002	-	6,775,209	6,775,209

The accompanying notes are an integral part of these consolidated financial statements.

RAÍZEN ENERGIA S.A.

Consolidated statement of cash flows
Years ended March 31
(in thousands of Reais)

	2015	2014	2013
Cash flows from operating activities			
Income before taxes	(52,393)	188,515	377,849
Adjustments to reconcile net income to net cash from operating activities:			
Depreciation and amortization	1,908,125	1,709,935	1,706,819
Change in fair value of biological assets	32,697	64,918	225,021
Change in fair value of sugarcane harvested (agricultural products)	(1,314)	8,443	2,725
Share of loss in equity-accounted investees	33,938	34,435	23,107
Gain on capital dilution of equity interest	(30,333)	-	-
Interest, indexation and exchange variation, net	1,654,689	655,018	341,643
Losses from sale of property, plant and equipment	(10,868)	(33,813)	(3,459)
Impairment of technology contracts	55,060	6,959	-
Grant revenue for investments – ICMS	(59,557)	(32,090)	-
Provision for tax, civil and labor risks, net	16,013	25,197	3,502
Gain on sale of shares	(40,366)	-	-
(Gains) losses from derivatives financial instruments	(317,470)	(40,770)	1,399
Impairment on property, plant and equipment and intangible assets	9,027	(5,792)	-
Others	5,524	340	4,069
Changes in operating assets and liabilities:			
Trade accounts receivable and advances from customers (including related parties)	152,557	(16,691)	95,231
Inventories	128,505	(147,487)	71,201
Restricted cash	121,249	(125,085)	40,316
Derivative financial instruments	(40,768)	(1,399)	(12,247)
Others financial assets	48,910	(1)	-
Judicial deposits	(48,366)	(41,257)	(19,406)
Trade accounts payable and advances to suppliers (including related parties)	(126,723)	174,016	35,196
Taxes and contributions, net	(83,506)	(85,141)	(119,294)
Payroll and related charges	28,647	9,671	73,097
Others, net	(18.930)	(26,195)	37,015
Income tax and social contributions paid	(43,165)	(10,758)	(13,658)
Net cash provided by operating activities	3,321,182	2,310,578	2,870,126
Investing activities:			
Capital contributions to associates	(58,964)	(57,131)	(80,340)
Acquisitions, net of acquired cash	-	(48,903)	(108,434)
Addition to property, plant and equipment, software and other intangible assets	(1,389,802)	(1,505,115)	(1,403,383)
Cash from sale of property, plant and equipment	14,223	53,648	16,251
Sugarcane planting and cultivation costs	(851,411)	(838,647)	(922,029)
Net cash used in investing activities	(2,285,954)	(2,396,148)	(2,497,935)
Financing activities			
Paid in capital contribution from shareholders	8,427	-	-
Proceeds from debt issuance	4,593,149	2,398,715	1,342,906
Proceeds from issue of debentures, net of transaction costs	-	747,710	-
Payment of principal of loans and financing	(3,518,466)	(1,959,671)	(1,542,035)
Interest paid of loans and financing	(481,446)	(314,643)	(294,344)
Financial investments related to financing (restricted cash)	22,046	3,155	(1,451)
Prepaid dividends	(43,417)	(66,022)	(8,873)
Related parties	408,751	(712,160)	689,692
Others	-	-	932
Net cash provided by financing activities	989,044	97,084	186,827
Net increase in cash and cash equivalents	2,024,272	11,514	559,018
At beginning of year	1,771,015	1,759,501	1,200,483
At end of year	3,795,287	1,771,015	1,759,501
Supplementary information:			
Investments and financing transactions which do not involve cash			
Depreciation of costs capitalized to biological assets	75,222	67,339	72,803
Financed purchase of property, plant equipment and other additions	-	-	(11,905)
Amounts capitalized on qualified assets (Notes 13 and 26)	30,951	44,296	41,940
Present value adjustment in property, plant and equipment	3,286	2,010	9,476
Capital increase made by Cosan and Shell through contribution of assets	-	-	998,835
Capital payable (Notes 10 and 21.a)	-	8,427	7,927
Financed acquisition of TEAS shares (Note 11.a)	-	-	(23,900)
Renewal of Term Loan Agreement (Note 16)	-	-	907,017

The accompanying notes are an integral part of these consolidated financial statements.

1. Operations

Raízen Energia S.A. (the "Company", "Raízen Energia" or "RESA") is a private limited liability company with its headquarters in the city and state of São Paulo, Brazil. The Company is controlled indirectly by Royal Dutch Shell ("Shell") and Cosan S.A. Indústria e Comércio ("Cosan") and was incorporated on June 1, 2011. Until November 30, 2012, the Company was a direct subsidiary of Raízen Energia Participações S.A. ("REPSA"). On November 30, 2012, REPSA was subject to a reverse takeover by RESA.

Raízen is a joint venture between Shell and Cosan and operates in the ethanol, sugar and energy segment.

On October 21, 2013, the Company was registered with the Brazilian Securities Commission ("CVM"), as a private limited liability company, Category B, and was authorized to offer its own securities in regulated securities markets, with the exception of shares, share deposit certificates or securities conferring the right to acquire such securities upon conversion or the exercise of their inherent rights (Note 16).

The principal business activity of RESA is the production and domestic and international trading of sugar and ethanol, through its controlled companies Raízen Trading LLP and Raízen International Universal Corporation, and the cogeneration of energy produced from sugarcane bagasse in its 24 plants, which are located in the south centralregion of Brazil.

On January 15, 2015, the Company announced that the industrial activities of the Bom Retiro plant, located in Capivari (SP) would be suspended for two years due to the low availability of sugar cane in the region – there was an acute shortage of sugar cane due to drought. The hibernation of these industrial activities is intended to optimize the production of the other Raízen Energia plants in that area: the raw materials previously allocated to the Bom Retiro unit have been redirected to them. The agricultural operation of Raízen's sugar cane providers in the region will not be impacted, and nor will RESA's planned production. Also, no adjustment for impairment was required due to this temporary hibernation of the plant.

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

During the year ended March 31, 2015, the Company and its subsidiaries have undergone a corporate restructuring, which resulted in the formation of 11 new thermoelectric companies ("UTE's"). The Company and its subsidiaries subsidiaries increased the capital of 10 of these new companies by transferring to them net assets relating to cogeneration activities. The updated consolidation base of the Company and details of corporate restructuring are discussed in Notes 2.2 and 11, respectively.

The consolidated financial statements were approved by the Company's Board of Directors on June 22, 2015.

2. Significant accounting policies

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB")

a) Measurement basis

The consolidated financial statements were prepared using the historical cost basis, except for the determination of assets and liabilities such as financial instruments (including derivatives) and biological assets, which are measured at fair value.

b) Functional currency and presentation currency

The consolidated financial statements are presented in Brazilian Reais. The Brazilian Real is the functional currency of RESA. and its subsidiaries located in Brazil, as it is the currency of the primary economic environment in which they operate, generate and expend cash. The functional currency for the subsidiaries located outside Brazil is the U.S. dollar.

c) Judgments, estimates and significant accounting assumptions

In preparing these consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Changes in estimates are recognized prospectively.

If there is a significant change in the facts or circumstances on which the estimates and assumptions used are based, this may have a material impact on the Company's results and financial condition.

The significant accounting estimates and assumptions are as follow:

Income tax, social contributions and other taxes payable

The Company is subject to income tax in all countries in which it operates. Significant judgment is required in determining the provision for income taxes in these various countries.

For many operations, the final tax determination is uncertain. The Company also recognizes provisions to cover certain situations where it is likely that additional taxes are owed. When the final outcome of these matters differs from the initially estimated and recorded values, these differences affect current and deferred tax assets or liabilities in the period in which the determination is made.

Tax incentive – ICMS

The Company has tax incentive program in specific States, which relates to the financing of part of the ICMS payments. The utilization of this tax incentive by the Company is subject to compliance with all obligations estabilished by the government and the conditions are under control by the Company.

The tax incentive benefits are recorded as other operating income, see Note 25.

Deferred income tax and social contributions

Income tax and deferred social contributions are recognized for all unused tax losses, to the extent that it is probable that taxable income will be available to allow the use of these tax losses. Significant management judgment is required to determine the value of the income tax and deferred social contributions that can be recognized, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

The taxes on income deferred assets and liabilities are presented net in the balance sheet only when there is a legal right and an intention to offset them upon the calculation of current taxes, usually related to the same legal entity and the same taxation authority. For details about deferred taxes see Note 18.

Biological assets

Biological assets are measured at fair value as at the date of each balance sheet, and the effects of changes in fair value from year to year are allocated directly to the cost of products sold. For more details on the premises applied, see Note 12.

The fair value of the agricultural products are measured through the review of the average production cost of the harvested sugarcane in relation to its market value.

Property, plant and equipment and intangible assets, including goodwill

The accounting treatment of the fixed assets and intangible assets includes the use of estimates to determine the useful life period for the purposes of their depreciation and amortization, in addition to their fair value at the acquisition date, in particular for assets acquired in business combinations.

The Company annually reviews the existence of indicators of impairment on property, plant and equipment and intangible assets.

The determination of the recoverable amount of the cash-generating unit to which goodwill has been allocated also includes the use of assumptions and estimates, and requires a significant degree of judgment.

Provision for tax, civil, labor and environmental claims

The Company and its subsidiaries recognized a provision for probable losses for tax, civil, labor and environmental risks. The assessment of probability of loss includes assessing the available evidence, the hierarchy of laws, available case law, recent court decisions and their relevance in the legal system, as well as the evaluation made by outside counsel. These provisions are reviewed and adjusted to take into account changes in circumstances, such as applicable statutes of limitation, conclusions of tax audits or additional exposures identified based on new matters or court decisions.

Fair value of financial instruments

When the fair value of the financial assets and liabilities presented in the balance sheet cannot be obtained in active markets, it is determined using valuation techniques, including the discounted cash flow method. The data for these methods are based on market conditions, when this is possible. However, where this is not feasible, a certain level of judgment is required to determine the fair value. The judgment includes consideration of the data used—for example, liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. For more details about the financial instruments see Note 27.

2.2 Basis of consolidation

The consolidated financial statements include the financial statements of Raízen Energia and its subsidiaries for the years ended March 31, 2015 and 2014. The subsidiaries are listed below:

	Direct and indirect interests	
	03.31.2015	03. 31.2014
Agrícola Ponte Alta Ltda.	100.00%	100.00%
Agropecuária Santa Hermínia Ltda.	100.00%	100.00%
América Trading Investments	100.00%	100.00%
Benálcool Açúcar e Álcool Ltda.	100.00%	100.00%
Bioenergia Araraquara Ltda. (Notes 1 e 11)	100.00%	-
Bioenergia Barra Ltda. (Notes 1 e 11)	100.00%	-
Bioenergia Caarapó Ltda. (Notes 1 e 11)	100.00%	-
Bioenergia Costa Pinto Ltda. (Notes 1 e 11)	100.00%	-
Bioenergia Gasa Ltda. (Notes 1 e 11)	100.00%	-
Bioenergia Jataí Ltda. (Notes 1 e 11)	100.00%	-
Bioenergia Maracaí Ltda. (Notes 1 e 11)	100.00%	-
Bioenergia Rafard Ltda. (Notes 1 e 11)	100.00%	-
Bioenergia Serra Ltda. (Notes 1 e 11)	100.00%	-
Bioenergia Tarumã Ltda. (Notes 1 e 11)	100.00%	-
Bioenergia Univalem Ltda. (Notes 1 e 11)	100.00%	-
Raízen Centroeste Açúcar e Álcool Ltda. (2)	100.00%	100.00%
Curupay Agroenergia Ltda.(1)	-	100.00%
Houghton Venture Capital Ltd.	100.00%	100.00%
Raízen Araraquara Açúcar e Álcool Ltda.	100.00%	100.00%
Raízen Ásia PT Ltd.	100.00%	100.00%
Raízen Biotecnologia S.A.	100.00%	100.00%
Raízen Caarapó Açúcar e Álcool Ltda.	100.00%	100.00%
Raízen Cayman Limited	100.00%	100.00%
Raízen Energy Finance Ltd.	100.00%	100.00%
Raízen International Universal Corp.	100.00%	100.00%
Raízen North América, Inc.	100.00%	100.00%
Raízen Paraguaçú Ltda.	100.00%	100.00%
Raízen Tarumã Ltda.	100.00%	100.00%
Raízen Trading LLP	100.00%	100.00%
TEAS Terminal Exportador de Álcool de Santos Ltda.	100.00%	100.00%

(1) Company incorporated by TEAS, on October 30, 2014.
(2) Previously denominated "Cosan Centroeste Açúcar e Álcool Ltda."

The subsidiaries are fully consolidated as from the date that control commences, and they continue to be consolidated until the date that control ceases. The financial statements of the subsidiaries are prepared for the same disclosure period as that applied by the Company, using consistent accounting policies. The balances kept among consolidated companies, revenues, expenses and unrealized gains and losses from transactions among consolidated companies are fully eliminated.

A change in the participation in a subsidiary that does not result in a loss of control is booked as a transaction between shareholders in shareholders' equity.

The Company uses the acquisition method to record business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the transferred assets, incurred liabilities and equity instruments issued by the Group. The transferred consideration includes the fair value of assets and liabilities derived from the contingent consideration agreement, when applicable. Costs related to acquisition are recorded in the income statements as incurred. The identifiable assets acquired and the liabilities and contingent liabilities assumed in a combination of businesses are measured initially at their fair values on the date of the acquisition. The Company recognizes a non-controlling interest in the acquired entity by its fair value and the proportionate portion of the participation of the non-controlling interest in the fair value of the net assets of the acquired entity. The measurement of non-controlling interest is assessed for each acquisition.

The excess of the transferred consideration and of the fair value on the date of acquisition of any previous equity participation in the acquired entity, in relation to the fair value of the participation of the Company of identifiable net assets acquired, is recorded as goodwill. When applicable, in an acquisition to which the Group attributes fair value to non-controlled shareholders, the assessment of goodwill also includes the value of non-controlled interest in the acquired entity, and the goodwill is assessed considering the Group's interest and non-controlling interests. When the transferred consideration is less than the fair value of the net assets of the controlled subsidiary acquired, the difference is recognized directly in the statement of income for the fiscal year.

Adjustments are made, when necessary, to bring accounting policies into line with those adopted by the Company.

2.3 Summary of the significant accounting practices

The accounting practices described below have been applied consistently in the years presented in the consolidated financial statements.

a) Revenue recognition

Revenues derived from the sale of products and goods, including resale of products in the external market made by subsidiaries of Raízen Trading LLP and Raízen International Universal Corporation, are recognized when the entity transfers to the buyer significant risks and benefits inherent to the ownership of products and goods, and when it is probable that economic benefits will be generated by the transaction in favor of the Company. The sale prices are fixed based on sales orders or agreements. Goods or services for which revenue is deferred are recorded under other obligations, and are recorded as revenue from delivery of goods or services rendered.

Revenue from the sale of power generation is recorded based on the guaranteed energy and tariffs specified in the terms of supply agreements or the prevailing market price, as applicable. Electric power energy produced and sold through auction is initially recorded as deferred revenue, and is recognized in the statement of income when it available for the use of customers.

The revenue is presented net of taxes (Federal Excise Tax on Manufactured Goods ("IPI"), Tax on the Circulation of Goods and Services ("ICMS"), Employees' Profit Participation Program ("PIS"), Tax for Social Security Financing ("COFINS"), National Social Security Institute ("INSS") and others), and net of returns, abatements and discounts, as well as elimination of sales among companies in the Group.

b) Transactions in foreign currency

Transactions in foreign currency are initially recognized by Company entities at the functional currency rate on the transaction date, or on the valuation dates, when the items are revalued.

Monetary assets and liabilities denominated in foreign currency are converted into Brazilian currency using the exchange rate on the date of the respective balance sheets, and exchange gains or losses resulting from the settlement of these transactions and conversion at the exchange rates at the end of the year are recognized in the statement of income, under financial income, except when classified as *hedge accounting*, when they are deferred in shareholders' equity.

Non-monetary items measured by historic cost in foreign currency are converted at the conversion rate on the initial date of the transaction. Non-monetary items measured at their fair value in foreign currency are translated using the exchange rates in effect on the date on which the fair value is determined.

c) Financial instruments - *initial recognition and subsequent measurement*

(i) Financial assets

Initial recognition and measurement

Financial assets are classified in the following categories: measured at fair value through statement of income, held to maturity, available for sale, loans and receivables. The Company determines the classification of its financial assets at initial recognition.

Financial assets are initially recognized at fair value plus, in the case of investments not designated as being at fair value through income, the transaction costs directly attributable to the acquisition of the financial assets.

Financial assets include cash and cash equivalents, restricted cash, trade accounts receivable, derivative financial instruments, related parties and other financial assets.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification, which may be as follows:

Financial assets at fair value through profit or loss

Financial assets measured at fair value through the statement of income include financial assets maintained for negotiation and assets designated at initial recognition at fair value through income. They are classified as held for trading if they originated for the purpose of sale or repurchase in the short-term. Derivatives are measured at fair value through statement of income, except for those designated as hedge instruments. Interest, inflation adjustments, exchange variations and variations resulting from valuation at fair value are recognized in the statement of income as finance income.

Held-to-maturity financial assets

This includes those non-derivative financial assets with fixed payments or determinable payments with defined maturity which the Company has the firm intention, and the ability, to maintain until the maturity date. Interest, inflation adjustments, exchange variations, less impairment losses, where applicable, are recognized in the statement of income when incurred and presented as finance income.

Available-for-sale financial assets

Available for sale financial assets are non-derivative financial assets that are designated in this category on initial recognition or not classified in any of the above categories. They are presented as non-current assets, unless management intends to settle the investment up to 12 months after the balance date.
Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, these financial assets are recorded at amortized cost using the effective interest method (effective interest rate), less impairment loss. The amortized cost is calculated taking into account any discount or premium in the acquisition and taxes or costs incurred. The amortization of the effective interest is included in financial revenues or the expenses line in the statement of income.

Derecognition (write-off)

A financial asset is written off when:

- the right to receive cash flows from assets expires; and

- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to settlethe cash flows received in full, without significant delay, to a third party under a transfer agreement; and (a) the Group substantially transfers all the risks and benefits of the asset or (b) the Group does not substantially transfer all the risks and benefits relating to the asset, but transfers control over it.

Impairment of financial assets

The Company reviews on the balance sheet dates if there is any objective evidence that determines whether the financial assets or group of financial assets are recoverable. A financial asset or group of financial assets is considered to be impaired if, and only if, there is objective evidence that its value is unrecoverable as the result of one or more events that have taken place since the asset was first recognized (a “loss event”) and this loss event affects the estimated future cash flow of the financial assets, or group of financial assets, to an extent that can be reasonably estimated.

The criteria that the Group uses to determine whether there is objective evidence of impairment loss include:
(i) significant financial difficulty of the issuer or obligor;
(ii) a breach of contract, such as a default or delinquency in interest or principal payments;
(iii) the Company, for economic or legal reasons connected with the financial difficulties of the borrower, extends a concession to the borrower that a creditor would not normally consider;
(iv) it becomes likely that the borrower will declare bankruptcy or file for some other type of financial reorganization;
(v) the disappearance of an active market for a financial asset due to financial problems; or

(vi) observable data indicating that there is a measurable reduction in estimated future cash flows from a portfolio of financial assets, dating from the initial recognition of such assets, even if the reduction cannot yet be identified in respect of individual financial assets in the portfolio, including:
  (a) adverse changes in the payment situation of borrowers of loans contained in the portfolio; and
  (b) country-wide or local economic conditions which are correlated with defaults on assets in the portfolio.

If in a subsequent period the amount of the loss due to impairment reduces, and the reduction can be objectively related to an event that occurred after the impairment was recognized (such as improvement in the credit rating of the debtor), the reversal of such loss recognized previously will be recognized in the statement of income.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified as financial liabilities at fair value through income; amortized cost; or derivatives representing an effective hedging instrument, as the case may be. The Company determines the classification of its financial liabilities at initial recognition.

Financial liabilities are recognized initially at fair value and, in the case of loans and financing, are adjusted upwards by the directly related transaction costs.

The Company's financial liabilities include loans and financing, derivative financial instruments, trade account payables and related parties.

Subsequent measurement

Subsequent measurement of financial liabilities depends on their classification, which may be as follows:

Financial liabilities at fair value through statement of income

These include financial liabilities usually traded before maturity, liabilities designated at initial recognition at fair value through statement of income and derivatives, except for those designated as hedge instruments. Interest, inflation adjustments, exchange variations and variations resulting from valuation at fair value, when applicable, are recognized in the statement of income when incurred.

Amortized costs

After initial recognition, interest-bearing borrowings and financing are subsequently measured at amortized cost, using the effective interest method. Gains and losses are recognized in the income statement when liabilities are written-off, as well as during the amortization process by applying the effective interest method.

Derecognition (write-off)

A financial liability is written off when the obligation is revoked, cancelled or expired.

(iii) Offsetting of financial instruments – net presentation

Financial assets and liabilities are shown net in the balance sheet if, and only if, there is a current and enforceable legal right to set off the amounts recognized, and if there is an intention to offset them, or to realize the asset and settle the liability simultaneously.

(iv) Fair value of financial instruments

The fair value of financial instruments actively traded in organized financial markets is determined on the basis of the purchase price quoted on the market at the close of business on the balance sheet date, without deducting transaction costs.

The fair value of financial instruments for which there is no active market is determined using valuation techniques. These techniques may include the use of recent market transactions (at arm's length); reference to the current fair value of another similar instrument; a discounted cash flow analysis; or other valuation models.

For an analysis of the fair value of financial instruments and more details about how they are calculated see Note 27.

(v) Derivatives and hedge accounting

Initial recognition and subsequent measurement

The Company uses derivatives, such as currency and commodity forward contracts and interest rate swaps, to hedge against the risk of fluctuations in exchange rates, the risk of fluctuations in commodities prices and the risk of fluctuations in interest rates, respectively. Derivatives designated as hedge transactions are initially recognized at fair value on transaction date, and subsequently remeasured also at fair value. Derivatives are stated as financial assets when the fair value of the instrument is positive, and as financial liabilities when the fair value is negative.

Any gains or losses on changes in the fair value of derivatives during the year are passed directly to the statement of income, except for the effective portion of cash flow hedges, which is recognized directly in shareholders' equity under other comprehensive income.

For the purposes of hedge accounting, the following classifications are used:

- a fair value hedge to protect against exposure to changes in the fair value of assets and liabilities recognized, or unrecognized but committed, or in an identifiable part of such asset, liability or firm commitment, which can be attributed to a specific risk and could affect the results;

- a cash flow hedge to protect against changes in cash flows attributable to a specific risk associated with a recognized asset or liability, or with a proposed transaction that is highly likely to take place, and which could affect the results; or

- a net investment hedge in an overseas operating unit.

Upon the initial recognition of a hedge relationship, the Company makes a formal classification and documents the hedge relationship to which it intends to apply the hedge accounting, and the purpose and risk management strategy used by management for hedging purposes.

The documentation includes the identification of the hedge instrument, the item or transaction to which it applies, the nature of the risk hedged, details of the anticipated efficacy of the hedge relationship and the way in which the Company will assess the efficacy of the hedging instrument in order to offset the exposure to changes in the fair value of the hedged item or the cash flows related to it. In the case of cash flow hedges, a demonstration that the proposed transaction to be hedged is highly likely to take place, and the anticipated timing of transfer of gains or losses on the hedging instruments from shareholders' equity to income, are also included in the document describing the hedge.

It is expected that such hedges will be extremely efficient in offsetting changes in fair value or in cash flows, and the hedges are continually assessed to confirm that this is the case throughout all the base periods to which they apply.

Hedges that meet the criteria for hedge accounting are recorded as follows:

Cash flow hedge

The effective portion of the gain or loss on the hedge instrument is recognized directly in shareholders' equity, under other comprehensive income, while the ineffective portion is recognized immediately in financial income.

Amounts booked under other comprehensive income are transferred immediately to the statement of income when the hedged transaction affects the results, e.g. when the financial revenues or expenses to which the hedge applies are recognized, or when an anticipated sale takes place. When the hedged item is the cost of a non-financial asset or liability, the amounts booked in shareholders' equity are transferred to the initial book value of the non-financial asset or liability.

If the transaction forecast, or the firm commitment, is not yet expected, the amounts previously recognized in shareholders' equity are transferred to the statement of income. If the hedging instrument expires or is sold, closed out or exercised without being replaced or rolled over, or if its classification as a hedge is revoked, gains or losses previously recognized in comprehensive income are maintained as deferred items in shareholders' equity, in the reserve for other comprehensive income, until the anticipated transaction or firm commitment affects the results.

The Group uses forward exchange contracts to protect against its exposure to exchange risk related to anticipated and highly probable future transactions and to firm commitments, and forward commodities contracts to protect against its exposure to volatility in commodity prices. See Note 27 for more details.

d) Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank deposits and highly liquid investments, with maturities of 90 days or less from the acquisition date and which are readily convertible into a known amount of cash and subject to insignificant risk of change in fair value.

e) Trade accounts receivable

Trade notes receivable correspond to the amounts receivable due to sale of goods or rendering of services in the regular course of the Company's activities. If the due date for payment is one year or less, the accounts receivable are classified as current assets. Otherwise they are shown as non-current assets.

Trade accounts receivable are recognized initially at fair value and subsequently measured at amortized cost, using the effective interest rate method, less provision for doubtful accounts ("PDD") or impairment.

f) Inventories

Inventories are evaluated at the average cost of acquisition of production, not exceeding the net realizable value, except for RESA's inventories of agricultural products, which are measured at fair value. The cost of finished products and products in progress comprises the costs of projects, raw materials, direct labor, other direct costs and related direct expenses of production (based on the regular operational capacity), excluding loans costs. Net realizable value corresponds to the selling price in the ordinary course of business, less estimated completion costs and estimated costs necessary to make the sale.

Sugarcane at the time of cutting is considered to be an agricultural product and is measured at fair value, less selling expenses, depending on the amounts cut and valued at the accumulated Council of Sugarcane, Sugar and Alcohol Producers of the State of São Paulo ("CONSECANA") value for the corresponding month. The fair value of sugarcane cut becomes the cost of raw materials used in the sugar and ethanol production process.

Provision for storeroom inventories with low turnover or which are obsolete is established when there has been no movement within a determined period of time, and when the storeroom inventories are not considered by management to be strategic.

g) Investments in associates and joint ventures

Investments in a company over which the Company does not exercise control, but over which it exercises significant influence, are booked by the equity accounting method. Based on the equity accounting method, investments are recorded in the balance sheet at the cost, plus the changes after acquisition of the corporate interest.

The statement of income reflects the share of income in the transactions of affiliated companies based on the equity accounting method. When the changes are directly recognized in the shareholders' equity of affiliated or subsidiary, the Company will recognize its share in the variations, and will disclose this fact, in such a case, in the statement of changes in shareholders' equity.

After the application of the equity accounting method, the Company determines if it is necessary to recognize loss of recoverable value added on investment. The Group determines, at each closing date of the balance sheet, if there is objective evidence that the investment in the affiliate suffered impairment loss. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the affiliate and the book value, and recognizes the amount in the statement of income.

When there is a significant loss of influence over an affiliate, the Company immediately values and recognizes the investment at fair value.

Unrealized gains resulting from transactions between the Company and affiliates and joint ventures are eliminated in proportion to the Company's interest in the investee. Unrealized losses are eliminated, but only up to the point where there is no evidence of loss due to impairment. The accounting policies of associates are changed when necessary, to ensure consistency with the policies adopted by the Company.

h) Biological assets

Sugarcane plantations are recorded as biological assets.

The cane crop is measured at fair value, excluding the land on which it is planted, using the discounted cash flow method.

Harvesting generally begins in April of each year, and ends in November or December.

For sugarcane, the Company uses projected future cash flows according to the productivity cycle forecast for each harvest, taking into account the estimated useful life of each plantation, the prices for total recoverable sugar, estimated productivity and the estimated costs of production, harvesting, loading and transport for each hectare planted.

Changes in fair value from year to year are allocated to the cost of products sold.

Any land owned by the Company where the biological assets are produced appears as property, plant and equipment.

i) Property, plant and equipment

Property, plant and equipment items are measured at cost of acquisition or construction, less accumulated depreciation and impairment losses, when applicable.

Cost includes expenditures that are directly attributable to the acquisition of an asset. The costs of assets constructed by the Company includes material and direct labor costs and any other costs incurred to put the asset in the required place and condition in order to operate that asset. Borrowing costs are capitalized as a component of construction in progress, pursuant to IAS 23, using the weighted average interest rate of the Company's debt at the date of capitalization.

The Company performs scheduled maintenance activities at their facilities on a yearly basis, usually, from January through March, for the purpose of inspecting and replacing components. Primary maintenance costs include labor, materials, contractor costs and overhead expenses allocated during the inter-harvest season. Costs are capitalized as parts and components, in property, plant and equipment, being fully amortized in the next harvest season.

The cost of equipment that needs to be replaced every year is recorded as part of the equipment cost and depreciated over the next harvest season. Regular maintenance costs are accounted as expenses when incurred since replaced components do not enhance crushing capacity nor introduce any improvements to equipment.

Depreciation is calculated in order to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognized in profit or loss.

In accordance with IAS 16 / CPC 27, for the year ended March 31, 2015, in conjuction with a company that specializes in such evaluations, the Company carried out an evaluation of the useful lives of its fixed assets, using the direct comparative method and drawing on market data. This process indicated the need for a change in the useful lives and annual depreciation rates of the Company's assets.

Because this represented a change in accounting estimates, the effects of these changes were recorded prospectively from April 2014. These changes, individually, represent both an increase or a decrease, depending on the case, of the useful lives applied to the assets, as compared to the previous useful lives.

The changes generated a total reduction of R$ 9,554 in the depreciation expense for the year ended March 31, 2015.

Property, plant and equipment	Useful lives	Annual rate
Buildings and improvements	25 years	2.38%
Machinery and equipment	22.83 years	4.67%
Furniture and fixtures	10 years	10.22%
IT equipment	5 years	20.27%
Vehicles, vessels and aircraft	13.04 years	7.67%

j) Leasing

At the inception of an arrangement, the Company determines whether the arrangement is, or contains, a lease.

Assets held by the Company under leases that transfer to the Company substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Assets held under other leases are classified as operating leases and are not recognized in the Company's statement of financial position.

Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

k) Intangible

i) Goodwill

Goodwill is represented as the positive difference between the amount paid and/or payable on the acquisition of a business and the net fair value of the assets and liabilities of the acquiree. Goodwill on the acquisition of subsidiaries is accounted for as "intangible assets" in the consolidated financial statements. In the case of the determination of negative goodwill, the amount is accounted for as gain in profit or loss for the year on the acquisition date.

The goodwill is maintained at its value cost, after deduction of related impairment, if there is any. The goodwill is tested on an annual basis to verify impairment. For testing purposes the recoverable amount, the goodwill acquired in a combination of businesses, is, from the acquisition date, allocated to each one of the cash-generating units of the Company that are expected to benefit from the synergies of the combination, irrespective of when other assets or liabilities of the target are assigned to those units.

ii) Intangible assets with defined useful lives

Intangible assets with definite useful lives are measured by the cost after deduction of accumulated amortization and of losses due to impairment loss, when applicable.
As at March 31, 2015 and 2014, the annual amortization rates of intangible assets were as follows:

Intangible asset	Annual rate
Software licenses	20%
Land lease agreements	9%
Sugarcane supply agreements	10%
Right to use public concessions	20%
Others	38%

Useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

l) Impairment of non-financial assets

The Company annually assesses whether there are indicators of impairment of an asset. If these impairment indicators are identified, the Company estimates the recoverable amount of the asset. The recoverable amount of an asset is the higher of: (a) its fair value less costs to sell; and (b) its value in use. The value in use is equivalent to the discounted cash flows (before taxes) arising from the continuing use of the asset until the end of its useful life.

Regardless of the existence of indicators of impairment, the goodwill and intangible assets with indefinite useful lives are tested for impairment at least once a year.
When the carrying amount of an asset exceeds its recoverable value, the impairment loss is recognized as operational expenses in the income statement.

m) Borrowing costs

The borrowing cost related to the acquisition, construction or production of an asset which necessarily requires a significant period of time to be concluded for the purposes of use or sale, are capitalized as part of the cost of the corresponding asset. The borrowing cost includes interest and other costs incurred by an entity in relation to the loans.

n) Provisions

A provision is established when: (i) the Company has a current and not present obligation as a result of the events that have already occurred; (ii) it is probable that an output of resources will be necessary to settle the obligation; and (iii) the value can be precisely estimated.

o) Employee benefits

The Company has a defined contribution plan and defined benefits plan, which provide a supplementary private pension for all of its employees.

The Company recognizes an employee benefit liability on the basis of a actuarial model that considers a number of factors. These factors are determined based on actuarial calculations that use certain assumptions to determine the cost (income) net for the pension plans.

The actuarial gains and losses arising from adjustments and changes in the actuarial assumptions are recorded directly in equity as other comprehensive income when they occur.

The past costs of services are immediately recognized in income.
The Company records a provision when it is contractually required to do so, or when there is a precedent that has created a constructive obligation.

p) Deferred taxes

Revenues (expenses) of income tax and social contributions for the year include current and deferred taxes. Income tax is recognized in the statement of income, except to the extent that it is related to items recognized directly in shareholders' equity or in the comprehensive income. In this case, the tax is also recognized in shareholders' equity or comprehensive income.

The charges of income taxes, which includes income tax and social contributions are calculated based on tax laws issued or substantially issued on the date of the balance sheet in the countries in which the Company's entities act and generate taxable profits. Management periodically evaluates the positions taken by the Company in income tax returns with respect to situations in which applicable tax regulations are subject to interpretation; and it defines a provision, when applicable, based on the estimated payment amounts payable to the tax authorities.

The taxation on net income comprises income tax and social contributions. Income tax is levied at the rate of 15%, plus a 10% surcharge on any income that exceeds R$240 in a period of 12 months, while the social contributions are levied at the rate of 9% on taxable income, recognized on an accrual basis.

Overall, the Company is subject to a theoretical income tax rate of 34%.

Deferred income tax and social contributions relating to tax losses, negative bases for social contributions and temporary differences, are shown net in the balance sheet when there is a legal right to, and the intention to, offset them when current taxes are calculated, and when they are generally related to the same legal entity and the same tax authority. Therefore, deferred tax assets and liabilities relating to different entities, or in different countries, are generally shown separately and not as a net amount. Deferred tax is calculated on the basis of rates forecast for the time when the tax is payable, and this is reviewed annually.

Tax credits are recognized only to the extent it is likely that a taxable basis will exist against which interim differences may be used.

Advances or amounts subject to offsetting are reported in current and non-current assets, in accordance with their estimated realization.

q) Capital and shareholders' compensation

The capital corresponds to the value obtained in the issuing of common and preferred shares. Additional costs directly attributable to the issuing of shares are recognized as a deduction from equity, net of taxes effects.

Class A preferred shares, like common shares, entitle the holder to one vote on resolutions at the Company general meetings, and to a fixed annual dividend of R$0.01 (one cent).

Class B and C preferred comprise shares issued by the Company intended as reimbursement for assets, represented mainly by tax benefits to be used by the Company, contributed by the shareholders Cosan and Shell. The Company redeems the preferred shares as the tax benefits are used.

Class D are not entitled to vote but are entitled to receive an annual fixed dividend, to the shareholder Shell.

Remuneration to shareholders is made in the form of dividends and / or interest on equity based on the limits set out in the Company's bylaws and the applicable laws.

r) Business combinations

Business combinations are accounted for using the acquisition method. The identifiable assets, liabilities and contingent liabilities of the acquired entity or business are measured at fair value for the purposes of calculating and recognizing the goodwill originating in a transaction. Goodwill represents the excess of the cost of the acquisition over the Company's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquired company. If the consideration is less than the fair value of the assets, liabilities and contingent liabilities acquired the difference is recognized in the income statement.

s) Segment information

An operating segment is a component of a company that carries out business activities from which it generates revenues and for which it incurs expenses, including revenues and expenses arising from intercompany transactions. When making decisions a company's management reviews financial information relating to its operating segments.

The Company has a single business segment: Ethanol, Sugar and Bioenergy, as indicated in Note 23.

2.4 Adoption of new IFRS and International Financial Reporting Interpretations Committee (IFRIC) Interpretations applicable to the consolidated financial statements.

New accounting pronouncements of the IASB and interpretations of the IFRIC have been published and/or revised. The most relevant of these for the Company are the following:

- **IFRS 9 – Financial Instruments – Classification and Measurement**

IFRS 9 deals with the classification, measurement and recognition of financial assets and liabilities.

IFRS 9 was issued in November 2009 and October 2010, and substitutes parts of IAS 39 relating to the classification and measurement of financial instruments. IFRS 9 takes effect from January 1, 2018. IFRS 9 requires that financial assets be classified in two categories: measured at fair value and measured at amortized cost. The category is determined at the time of initial recognition. The classification depends on the entity's business model and the contractual characteristics of the cash flow of the financial instruments. The standard maintains most of the requirements of IAS 39 in respect of financial liabilities. The main change is that in cases where the fair value option is adopted for financial liabilities, the portion of change in fair value that is due to the credit risk of the entity itself is registered in other comprehensive income, instead of in the statement of income—except when this results in an accounting mismatch. The Company believes that this standard will not produce significant impacts on the quarterly financial information and the Company's annual financial statements, because no financial liability was not identified at fair value that could be impacted by the Company's credit risk.

- **IFRS 15 – Revenue from Contracts with Customers**

On May 28, 2014, IFRS 15 – Revenue from Contracts with Customers was issued. IFRS 15 determines a comprehensive model of revenue accounting for contracts with customers and replaces the current revenue recognition guidance, which currently takes various norms and is subject to varying interpretations within IFRS. The fundamental principle of IFRS 15 is that an entity must recognize revenue from the transfer of goods or services by measuring the value that the entity expects to be entitled to in exchange for those goods or services.

Application of this new standard is mandatory for annual reporting periods starting from January 1, 2017. Earlier application is permitted. Management believes that this standard will not produce significant impacts on consolidated financial statements of the Company.

- **IAS 16 – Property, Plant and Equipment and IAS 41 – Agriculture**

The IASB has issued amendments to IAS 16 and IAS 41. The main amendment is that biological assets for production (bearer biological assets) are outside the scope of IAS 41 and should be accounted for in accordance with IAS 16.

Biological assets that are exclusively utilized to produce and grow agricultural products are still within the scope of IAS 41 and will be measured at fair value.

Entities must apply the changes as a result of these amendments on a full retrospective basis, and the new requirements are effective for annual periods beginning on or after January 1, 2016. Earlier adoption is permitted. The Company is still evaluating the impact of these amendments on its quarterly financial information and annual financial statements. The Company is not planning an earlier adoption.

- **IFRIC 21 – Levies**

In May 2013 the IASB issued IFRIC 21, which provides guidance on when an entity should recognize in its financial statements a liability for a levy, in accordance with applicable laws and/or regulations. IFRIC 21 does not apply to income taxes. The obligation should only be recognized when the event that triggers such an obligation occurs. IFRIC 21 is an interpretation of IAS 37 – Provisions, Contingent Liabilities and Contingent Assets. IAS 37 establishes criteria for the recognition of a liability, one of which is the requirement that a company has a present obligation as a result of a past event, known as the obligating event. IFRIC 21 is effective for fiscal years ending on or after January 1, 2014. The adoption of IFRIC 21 has had no material impact on the Company's consolidated financial statements.

There are no other IFRS standards or IFRIC interpretations that have been issued and not yet adopted that might, in the opinion of management, have a significant impact on the results or the equity disclosed by the Company.

3. Cash and cash equivalents

	2015	2014
Cash and banks	264,539	183,671
Amounts pending of currency exchange closing (1)	2,059	10,350
Financial investments:		
Investment fund (2)	1,132,442	545,988
Certificates of Deposit (3)	2,234,988	1,029,195
Other investments	161,259	1,811
	3,795,287	1,771,015
In Brazil	3,391,488	1,628,719
Abroad	403,799	142,296
	3,795,287	1,771,015

(1) Amounts pending of currency exchange closing are cash available for immediate redemption without material change in value.

(2) Investment fund comprises an investment in a fixed income fund managed by a high rated financial institution, operating on the basis of units with daily earnings. As of March 31, 2015, the average return on this fund was 99.9% (100.9%% in 2014) of the Interbank Deposit Certificate ("CDI").

(3) The Company has financial investments in Bank Deposit Certificate ("CDB-type") fixed income securities and repurchase agreements, with high rated financial institutions. These are remunerated at an average rate of 102% of the CDI (102.1% in 2014), and are available for immediate redemption.

4. Restricted cash

	2015	2014
Financial investments related to financing (1)	45,829	71,088
Financial investments related to transactions with derivatives (2)	54,831	61,826
Margin with transactions with derivatives (3)	30,651	118,889
	131,311	251,803

(1) These are financial investments such as Financial Treasury Bills ("LFTs") issued by Brazilian Government, which are held pursuant to collateral requirements of financing from *Banco Nacional do Desenvolvimento* ("BNDES"), with redemption being conditional on the repayment of specific installments of this financing.

(2) These are financial investments such as CDBs, with high rated financial institutions, used in derivate instruments transactions.

(3) Margin deposits for derivatives transactions refer to margin calls by counterparties in derivative instruments transactions and dollar exchange rate exposure (Note 27.d).

5. Trade accounts receivable

	2015	2014
Domestic customers	227,363	216,827
Foreign customers	129,471	162,557
(-) Allowance for doubtful accounts	(25,196)	(23,380)
	331,638	356,004

The maximum exposure to credit risk as at the balance sheet date is the carrying value of each class of trade account receivables. The Company does not hold securities as guarantees of trade accounts receivable.

The aging of trade accounts receivables is as follows:

	2015	2014
Current	317,914	329,604
Overdue:		
01 to 30 days	12,943	18,788
31 to 90 days	453	7,201
91 to 180 days	543	-
More than 180 days	24,981	23,791
	38,920	49,780
	356,834	379,384

The roll-forward of the allowance for doubtful accounts is presented below:

As of March 31, 2012	(23,249)
Additions	(1,104)
As of March 31, 2013	(24,353)
Additions	(323)
Reversals	1,296
As of March 31, 2014	(23,380)
Additions	(13,069)
Reversals	11,253
As of March 31, 2015	(25,196)

6. Recoverable taxes

	2015	2014
Value-added Tax on Sales and Services ("ICMS") (1)	84,353	103,371
Social Contribution Tax ("COFINS") (2)	38,520	42,139
Employees' Profit Participation Program ("PIS") (2)	9,273	22,156
Special Regime for Reintegration of Tax Values ("Reintegra") (3)	51,300	-
Others	6,042	4,436
	189,488	172,102
Current	157,304	145,903
Non-current	32,184	26,199

(1) The ICMS credits can be offset against future debts of the same nature or againts certain purchases of property, plant and equipement.

(2) The PIS and COFINS credits refer to credits generated in the Company's normal operations.

(3) The Reintegra credit established by Law No. 12546 of December 14, 2011, regulated by Decree No. 8304 of September 12, 2014, aims to return part or all of the remaining tax in the production chain of exported goods, which may vary between 0.1% (one tenth percent) and 3% (three percent).

The credit is calculated by applying the percentage of 3% of the gross revenue from October 2014, due to certain industrial products, in accordance with MF Ordinance No. 428 of September 30, 2014; the credit is calculated by applying the percentage of 1% of the gross revenue from March 2015, due to certain industrial products, in accordance with MF Ordinance No. 8.415/2015.

7. Inventories

	2015	2014
Finished goods:		
Sugar	37,257	49,743
Ethanol	162,615	238,443
Work in process	7,332	6,078
Sugarcane harvested	(7,129)	(8,443)
Spare parts and maintenance materials	167,130	172,642
Provision for obsolescence	(12,343)	(9,769)
	354,862	448,694

The cost of inventories recognized in the consolidated statement of income as cost of sales was R$ 8,064,341 in 2015 (R$7,542,579 in 2014).

The roll-forward of the provision for obsolescence of inventory is presented below:

March 31, 2012	(7,471)
Provision	(1,880)
March 31, 2013	(9,351)
Provision	(673)
Reversal	255
March 31, 2014	(9,769)
Provision	(7,007)
Reversal	4,433
March 31, 2015	(12,343)

8. Advances to suppliers

	2015	2014
Sugarcane	278,118	248,463
Materials and services	2,538	972
Allowance for losses	(19,480)	(18,343)
	261,176	231,092
Current	206,004	209,251
Non-current	55,172	21,841

Advances to sugarcane suppliers represent amounts paid upon signing agreements or amendments. They are amortized when the sugarcane supplies are received. Depending on the amount of sugarcane to be delivered, as estimated by the suppliers, the balances will be settled over a period of nine harvests.

An allowance for losses is recorded for advances to suppliers for which they have not delivered within the year of the crop. Once the accrual is booked, the case will be sent to the court and after the judicial conclusion is reached, the Company will write off the credits.

9. Other financial assets

	2015	2014
Credits from actions for damages (1)	479,556	469,580
National Treasury Certificate ("CTN") (2)	501,794	434,366
Others	1	1
	981,351	903,947
Current	12,931	13,267
Non-current	968,420	890,680

(1) On February 28, 2007, the Company recognized a gain of R$318,358, related to a lawsuit filed by a subsidiary against the federal government claiming indemnification for damages, since prices of its products at the time in the sector were subject to government control. These prices were stipulated without regard for the prevailing reality in the sector (which, in turn, was a result of government control). A final decision in favor of the Company was handed down. The gain was recorded in profit or loss for the year, against non-current assets in "Other financial assets".

The judgment became final in favor of the Company and the aforementioned gain was recognized in income for that year, in contrast to non-current assets under other financial assets. The Company is awaiting the final decision on the form of payment. It is believed that this payment will take the form of a court-ordered bond, to be received within 10 years. On March 31, 2015, the said compensation was restated in the amount of R$ 389,039 (R$ 376,713 on March 31, 2014).

In December 2013, the Company recognized a new award related to a favorable decision obtained in a lawsuit filed against the federal government, of R$ 122,127. On January 15, 2014, and on August 15, 2014, the Company received R$ 32,391 and R$ 13,230 from the federal government, which was reimbursed to Cosan. As at March 31, 2015 the balance receivable from the federal government in relation to this lawsuit was R$ 12,931 and R$ 77,586 (R$ 13,267 e R$ 79,600 on March 31, 2014) classified as current and non-current assets, respectively.

The claim was not recognized within the net assets contributed by Cosan to Raízen at the time of the joint venture formation (Note 11). Therefore, upon recognition of the assets, the Company recognized a related party liability in the amount that must be repaid to Cosan (Note 10).

(2) This corresponds to government securities issued by the Brazilian Treasury under the Special Agricultural Securitization Program ("PESA"), for an original term of 20 years, given in guarantee of the PESA financing program (Note 16). The yield on these securities is 12% per annum, adjusted annually by the price index ("IGPM"), which may be capitalized. The value of these securities at maturity will be equal to the principal amount of the PESA debt owed. If the debt is repaid early, the Company may hold it in treasury until maturity, or apply for redemption.

10. Related parties

a) Summary of balances and transactions with related parties

	2015	2014
Assets		
Cosan Lubrificantes e Especialidades S.A.	1,823	3,900
Cosan S.A. Indústria e Comércio (1)	433,610	964,408
Raízen Combustiveis S.A. (2)	1,644,502	536,667
Grupo Rumo (i)	9,139	6,368
Nova America Agrícola Caarapó Ltda.(4)	69,787	34,480
Agroterenas S.A. (4)	26,450	11,894
Others	11,941	6,114
	2,197,252	1,563,831
Current assets	767,894	192,574
Non-current assets	1,429,358	1,371,257

	2015	2014
Liabilities		
Cosan S.A. Indústria e Comércio (1)	772,945	931,050
Grupo Rumo (i)	11,225	8,775
Raízen Combustíveis S.A.(2)	1,600,380	56,777
Nova América Agrícola Ltda (4)	7,069	6,174
Nova América Agrícola Caarapó Ltda. (4)	8,317	3,466
Agroterenas S.A. (4)	10,368	7,693
Shell Brazil Holding B.V. (3)	3,538	3,538
Others	7,977	6,922
	2,421,819	1,024,395
Current liabilities	226,854	127,370
Non-current liabilities	2,194,965	897,025

	2015	2014	2013
Sale of products			
Docelar Alimentos e Bebidas S.A.	-	-	318,696
Raízen Combustíveis S.A. and its subsidiaries	1,138,591	1,534,355	562,765
Shell Western Supply and Trading	139,470	248,294	347,254
Pilipinas Shell Petroleum	82,396	80,294	-
Shell Trading US Company	154,425	15,443	-
Others	1,591	1,458	2,078
	1,516,473	1,879,844	1,230,793
Purchase of products			
Grupo Rumo (i)	(298,553)	(362,023)	(292,051)
Raízen Combustíveis S.A. and its subsidiaries	(417,109)	(413,646)	(358,531)
Agroterenas S.A.	(170,634)	(166,669)	(163,253)
Nova América Agrícola Caarapó Ltda.	(94,897)	(80,637)	(98,102)
Nova América Agrícola Ltda.	(143,867)	(139,346)	(140,943)
Others	(16,970)	(22,025)	(6,713)
	(1,142,030)	(1,184,346)	(1,059,593)
Recharge of shared expenses			
Cosan Lubrificantes e Especialidades S.A.	4,518	4,929	4,928
Cosan Indústria e Comércio	4,330	4,247	-
Companhia de Gás de São Paulo	23,221	-	-
Docelar Alimentos e Bebidas S.A.	-	-	2,646
Grupo Rumo (i)	5,330	5,723	5,765
Raízen Combustíveis S.A. and its subsidiaries	125,767	116,568	104,195
Others	1,824	1,705	1,364
	164,990	133,172	118,898
Lease of land			
Grupo Aguassanta (ii)	(32,386)	(28,627)	(36,523)
Grupo Radar (iii)	(57,596)	(54,945)	(52,558)
	(89,982)	(83,572)	(89,081)
Finance income (costs)			
Raízen Combustíveis S.A. and its subsidiaries (2)	3,008	33,362	(7,711)
Agroterenas S.A. (4)	2,557	894	-
Nova América Agrícola Caarapó Ltda. (4)	5,299	1,481	-
Shell Brazil Holding B.V. (3)	(3)	12.516	-
Shell Finance B.V.	(5,640)	(4,361)	-
Others	(2,804)	1,945	(89)
	2,417	45,837	(7,800)
	526,868	695,198	193,217

(i) Grupo Rumo refers to rail road and shipment operations made through the following companies: Rumo Logística Operadora Multimodal S.A. and Logispot Armazéns Gerais S.A..

(ii) Grupo Aguassanta represents lands leased for sugarcane harvesting from the following entities: Aguassanta Agrícola Ltda., Aguassanta Participações S.A., Aguapar Agrícola Ltda, Palermo Agrícola S.A. e Vila Santa Empreendimentos Imobiliários Ltda.

(iii) Grupo Radar represents lands leased for sugarcane harvesting from the following entities: Radar Propriedades Agrícolas S.A., Nova Agrícola Ponte Alta S.A., Nova Amaralina S.A., Terras da Ponte Alta, Nova Santa Barbara Agrícola S.A., Radar II Propriedades Agrícolas S.A., Proud Participações S.A. e Bioinvestments Negócios S.A..

(1) Cosan S.A. Indústria e Comércio

On March 31, 2015, the amount recorded in consolidated current assets referred to payments or payables for the formation of the joint venture, which are reimbursable in full, as follows: i) reimbursement of payment in installments of tax refinancings (Refis IV), of R$18,510 (R$65,326 in 2014) (Note 17); ii) reimbursement of legal and administrative expenses of R$17,631 (R$8,804 in 2014); iii) reimbursement of costs of court deposits amounting to R$44,478 (R$31,012 in 2014); iv) reimbursement of expenses of legal claims of R$20,061 (R$13,408 in 2014); and v) reimbursement of expenses of Health, Safety and the Environment ("SSMA") and other costs of R$1,021 (R$ 1,021 in 2014).

In addition, the remaining balance receivable from Cosan represents debit notes for shared expenses of R$5,524 (R$7,124 in 2014).

The amount registered in consolidated non-current assets refers to liabilities of the Company before the joint venture was formed, which are to be fully reimbursed by Cosan, when paid, and which represent: i) provisions for legal claims of R$175,485 (R$196,958 in 2014) (Note 19); ii) installments of tax debts payable, especially Refis IV, of R$ 150,900 (R$632,218 in 2014) (Note 17); and iii) other reimbursable liabilities in the amount of R$ 110, received in the year ended March 31, 2015.

The reduction of R$ 528,134 of the receivables consolidated (current and non-current) related to the division of tax debts payable (Refis IV), which pre-existed the formation of Raízen, was substantially completed within the period, following the accession by Cosan to the debt settlement program of the Receita Federal do Brasil ("RFB"), Law No. 13,043. The details in this regard are described in Note 17.

The amount of R$ 43,340 in consolidated current liabilities refers to a payment received from Destivale of R$ 12,931 (R$ 13,267 in 2014) relating to an action for indemnity which must be reimbursed to Cosan. The residual amount of R$ 30,409 (R$ 23,364 in 2014) (Note 9) corresponds to debit notes and financial transfers arising from the formation of the joint venture.

The amount registered in consolidated non-current liabilities refers to credits from shares for damages and judicial deposits of R$466,625 (R$456,313 in 2014) (Note 9) and R$172,450 (R$177,368 in 2014) (Note 19), respectively, existing before the joint venture was formed, which are to be reimbursed to Cosan when realized, since Cosan did not contribute these credits to the formation of the joint venture.

The remaining balance in the amount of R$ 767 refers to credits from actions recorded in Cosan, but where the responsibility for the claims lies with Raízen.

Preferred shares – Cosan

The balance of preferred shares payable, which are recorded as non-current liabilities, relates to the value of tax benefits to reimburse Cosan, when effectively utilized by the Company, determined by the balance of tax losses and negative basis of social contribution ("NOL ") and tax benefit on goodwill amortization (" GW "). The payment will be made through the distribution of unique dividends to holders of the Class B preferred shares (Note 21.a). Currently, only Cosan holds this class of shares.

On March 31, 2014, the Company proposed to make a dividend distribution to the holders of Class B preferred shares of R$43,636, corresponding to the partial used of tax benefit during the fiscal year.

As at March 31, 2014, the Company reviewed the balance of preferred shares outstanding, and determined to reverse R$ 11,812 of the obligation to Cosan.

At the Annual General Meeting held on July 28, 2014, the Company's shareholders resolved and approved payments in the amount of R$ 42,381, less than the amount of R$ 1,255 declared on March 31, 2014. RESA made a payment in relation to these preferred shares on 29 July 2014.

During the quarter ended December 31, 2014, RESA joined the program for the settlement of the debts in the RFB through the use of NOL (Note 17). Thus, RESA partially used the NOL balances owned by Cosan, arising prior to the formation of the Group, resulting in a decrease in the preferred shares in the amount of R$ 157,010.

The amount of Cosan credits was R$ 171,750, of which R$ 14,740 had not recognized preferred shares. These credits had not been registered before the formation of the joint venture, due to the absence of probability of use at that time.

On March 31, 2015, the Company proposed the destination of the dividends to the holders of Class B preferred shares, in the amount of R$ 15,221, which corresponds to the partial utilization of the amount recorded as fiscal benefits in the year ended.

On March 31, 2015, the remaining balance of Class B preferred shares payable to Cosan on March 31, 2015 was R$ 89,762 (R$ 260,738 in 2014) (Nota 21.a).

Summary of balances to be reimbursed to and collected from shareholder Cosan

When the joint venture was formed it was agreed that Cosan should reimburse some assets and repay some liabilities which were previously in existence, at the time that they were actually realized or settled.

As at March 31, 2015 and 2014, the counterpart of the reimbursable and collectable amounts with Cosan were presented in the Company's balance sheet under the following classifications:

	2015	2014
Current assets		
Other financial assets (Note 9)	12,391	13,267
	12,391	13,267
Non-current assets		
Judicial deposits (Note 19)	172,450	177,368
Other financial assets (Note 9)	466,625	456,313
	639,075	633,681
Total assets	651,466	646,948
Current liabilities		
Taxes payable (Note 17)	18,510	65,326
Others payable	83,191	54,245
	101,701	119,571
Non-current liabilities		
Taxes payable (Note 17)	150,901	632,218
Provision for judicial demands (Note 19)	175,485	196,958
	326,386	829,176
Total liabilities	428,087	948,747

(2) Raízen Combustíveis S.A. and its subsidiaries ("RCSA")

RCSA refers to the financial operations of Raízen Combustíveis S.A. and its subsidiaries, Petróleo Sabba S.A., Raízen Mime Combustíveis S.A., Saturno Investimentos Imboliários Ltda., Blueway Trading Importações e Exportações, and Raízen Fuels Finance Ltda.

On March 31, 2015, the amount recorded in the consolidated current assets of R$ 619,406 referred mainly to funds sent as a form of financial resource management.

The remaining balance receivable of this Company, recorded in consolidated current assets, mainly refers to: i) the issue of debt notes on the costs shared between the companies, in the amount of R$ 21,579 (R$ 16,920 in 2014), ii) sale of ethanol and ESALQ adjustment provision totaling the negative amount of R$ 11,379 (R$ 23,720 in 2014); and; iii) interest on the export prepayment financing contracts with maturities in 2015 and 2019 in the amount of R$ 814 (R$ 430 in 2014).

On March 31, 2015, the amount in consolidated non-current assets was related to a export prepayment financing agreement in the amount of US$ 702,552 (495,597 in 2014), equivalent to US$ 219,000 to be settled on April 27, 2020. The agreement has quarterly payments of the London Interbank Offered Rate ("LIBOR") plus annual interest of 1.50%, which results in a weighted average rate of 1.77% a year (1.73% in 2014).

In addition, during the year ended March 31, 2015, the Company entered into a new export prepayment financing agreement in the amount of R$ 320,800, equivalent to US $ 100,000, to be paid on March 29, 2019. This agreement is subject to quarterly LIBOR plus annual interest of 1.55%, resulting in an average effective interest rate of 1.80% per annum.

The remaining balance recorded in current liabilities refers to interest on the export prepayment financing contracts in the amount of R$ 9,269.

At March 31, 2015, R$ 135,202 (R$ 56,777 in 2014) registered in consolidated current liabilities corresponded mainly to funds received by the Company due to the cash management agreement of R$ 131,739 (R$ 53,160 in 2014),; ethanol commerce of R$ 2,459 (R$ 3,441 in 2014); and debit notes for overhead expenses shared between the companies of R$ 1,004 (R$ 176 in 2014).

The amount recorded in consolidated non-current liabilities refers to an export prepayment financing agreement entered into with Raízen Fuels Finance Ltd. at March 25, 2015 in the amount of R$ 1,122,800, equivalent to US$ 350,000 , to be paid on March 29, 2019. This agreement is subject to quarterly LIBOR rate plus annual interest of 1.55%, resulting in an average effective interest rate of 1.80% per annum.

In addition, during the year ended on March 31, 2015 the Company entered into the following export prepayment financing agreement with export Raízen Fuels Finance Ltd., with the following terms:

i) R$ 227,416, equivalent to EUR$ 66,000, to be paid on October 15, 2021. The contract is subject to annual interest of 3.09%.
ii) R$ 137,828, equivalent to EUR$ 40,000, to be paid on January 20, 2022. The contract is subject to annual interest of 2.21% plus quarterly Euribor rate, resulting in an average effective interest rate of 2.27% per annum.

The remaining balance in current liabilities and non-current in the amount of R$ 2,423 and R$ 25,289, respectively, refers to expenses and income with capture of export prepayment financing contracts ("PPEs"), to be amortized over the contract.

In the year ended March 31, 2015, the Company recognized net loss in its financial results in the amount of R$ 319,723, arising from transactions with RCSA. This amount is composed of R$ 401,275, which relates to the interest of the PPE contract and loss of foreign exchange variation of the contract by the devaluation of the real against the dollar, and R$ 81,552, which relates to the income charged due to the cash management funds position held by RESA.

On March 31, 2015, the Company had a foreign currency exposure liability with RCSA in the amount of R$ 450,282 (liability exposure of R$ 1,399,516 and asset exposure of R$ 496,027 in 2014), (Note 27.d).

(3) Shell Brazil Holding B.V.

Preferred shares payable – Shell

As a result of the merger of Ispagnac Participação Ltda.'s ("IPL's") net assets into REPSA and, subsequently, the merger into Raízen on November 30, 2012, the Company issued preferred Class C shares, which will guarantee exclusive dividends to Shell of R$ 3,538 from tax benefits and cash equivalents that were a part of IPL net assets. The amounts of R$ 932 and R$ 2,606 are recorded as current and non-current liabilities, respectively.

(4) Nova América Agrícola Caarapó Ltda, Nova América Agrícola Ltda. e Agroterenas S.A.

Amounts receivable from these entities mostly comprise advances paid to finance biological asset planting costs. The amounts payable are for purchases of sugarcane. Advances accrue interest income at 100% of the CDI benchmark interest rate. In the year ended March 31, 2015, interest income of R$ 7,856 (R$ 2,375 in 2014) was recognized in respect of these advances. Prices for the purchase of sugarcane are linked to price of Total Recoverable Sugar ("ATR") issued by CONSECANA.

b) Officers and members of the Board of Directors

The total remuneration and benefits paid to key management personnel, including the officers and members of the Board of Directors, are as follows:

	2015	2014	2013
Salary	42,226	37,743	34,858
Bonuses and other variable compensation	31,488	31,803	27,635
Total compensation	73,714	69,546	62,493

The Company shares its corporate, managerial and operating structure and costs with its related party, RCSA. Most management positions are held by employees of the Company. As a result, on March 31, 2015, RCSA reimbursed the Company for all the shared corporate costs, including key personnel and other management employee costs, in the amount of R$ 55,555 (R$ 54,868 and R$ 41,706 in 2014 and 2013, respectively).

11 Investments in associates and joint-ventures

a) Investment analysis

	Country	Business	Number of shares/quotas of investee (2)	Number of shares/quotas of investing company (2)	Percentage interest	Investments (1) 2015	Investments (1) 2014	Equity accounting 2015	Equity accounting 2014	Equity accounting 2013
Carrying value										
Centro de Tecnologia Canavieira S.A.	Brazil	R&D	718,132	150,305	20.93%	68,574	35,977	1,962	(3,645)	-
Codexis Inc. (4)	Brazil	R&D	-	-	-	-	13,734	(6,684)	(14,225)	(4,933)
Logum Logística S.A.	Brazil	Logistics	1,407,803,888	281,560,778	20.00%	64,370	49,496	(29,054)	(16,385)	(12,182)
Uniduto Logística S.A.	Brazil	Logistics	234,847,909	109,172,285	46.48%	30,587	20,285	(161)	(179)	(1,240)
Subtotal						163,531	119,492	(33,937)	(34,434)	(18,355)
Goodwill on investment										
Uniduto Logística S.A.						5,676	5,676	-	-	--
Centro de Tecnologia Canavieira S.A.						41,379	37,098	-	-	-
						47,055	42,774	-	-	-
Total investment						210,586	162,266	(33,937)	(34,434)	(18,355)
Provision for unsecured liabilities of subsidiaries and affiliated companies (3)										
Unimodal Ltda.	Brazil	Logistics	2,697	1,980	73.41%	(2,653)	(2,642)	(1)	(1)	(90)
Others	Brazil					-	-	-	-	(79)
Total provision for unsecured liabilities						(2,653)	(2,642)	(1)	(1)	(169)
								(33,938)	(34,435)	(18,524)

(1) Investments under the equity method; (2) Shares / quotas in units; (3) Ranked in non-current liabilities; and (4) On March 10, 2015 the Company sold the shares of Codexis (Note 25 ii).

The roll-forward of investments in associates and joint-venture is as follows:

Balance on March 31, 2013	267,489
Equity accounting	(34,434)
Additions to investment (Nota 11. 2.2)	33,228
Write-offs	(23,900)
Transfers to intangible assets (Nota 14)	(61,629)
Others	(18,488)
Balance on March 31, 2014	162,266
Equity accounting	(33,938)
Additions to investment (Note 11.1)	58,964
Transfer to "Other financial assets" (Note 9.3)	(8,147)
Capital gain on dilution of equity interest (Note 11.1)	30,333
Others	1,108
Balance on March 31, 2015	210,586

The roll-forward for the provision for unsecured liabilities in subsidiaries and affiliates is as follows:

Balance on March 31, 2013	(2,720)
Equity accounting	(1)
Write-offs	79
Balance on March 31, 2014	(2,642)
Equity accounting	(1)
Others	(10)
Balance on March 31, 2015	(2,653)

b) Summarized financial information of associates and joint-ventures

- As of March 31, 2015

	Logum Logística S.A. (1)/(2)	Uniduto Logística Ltda. (1)/(2)	Centro de Tecnologia Canavieira S.A. (2)	Unimodal Ltda. (4)	Iogen Energy Corporation (3)
Assets	2,049,903	65,810	454,036	-	48.652
Liabilities	(1,728,055)	(4)	(126,403)	(3,617)	(283.746)
Shareholders' equity	321,848	65,806	327,633	(3,617)	(235.094)
Net operating revenue	41,479	-	75,093	-	-
Income (Loss) for the year	(145,266)	(346)	499	(15)	(15.377)

(1) Associates with a December 31 fiscal year-end.

(2) The determination of significant influence in these companies was made on the basis that the Company has the right to appoint key personnel to manage them, as well as the right to decide on significant strategic and operational matters.

(3) Raizan has an interest of 50% in Iogen, wich is a joint venture with August 31 fiscal year-end. The Company does not recorded a provision for capital deficiency and loss of equity, since it does not have responsibility for legal or constructive obligations (not formalized) to make payments for that company.

(4) March 31 fiscal year-end.

- As of March 31, 2014

	Logum Logística S.A. (1)/(2)	Uniduto Logística Ltda. (1)/(2)	Codexis, Inc. (1)/(2)	Centro de Tecnologia Canavieira S.A. (2)	Unimodal Ltda.	Iogen Energy Corporation (3)
Assets	1,752,011	43,650	137,839	271,262	1	45.765
Liabilities	(1,504,533)	(9)	(40,661)	(117,387)	(3,603)	(231.162)
Shareholders' equity	247,478	43,641	97,178	153,875	(3,602)	(185.397)
Net operating revenue	3,500	-	68,913	56,875	-	-
Income (loss) for the year	(117,148)	(395)	(89,165)	(910)	-	(1.904)

(1) These associates have a December 31 fiscal year-end.

(2) The determination of significant influence in these companies was made on the basis that the Company has the right to appoint key personnel to manage them, as well as the right to decide on significant strategic and operational matters.

(3) Joint venture with August 31 fiscal year-end. The Company does not recorded a provision for capital deficiency and loss of equity, since it does not have responsibility for legal or constructive obligations (not formalized) to make payments for that company.

c) Transactions occurring in 2015 and 2014

1) Transactions occurring during the year ended on March 31, 2015

Additions to investments

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

On May 23, 2014, a Board Meeting of the subsidiary Logum resolved to approve a capital increase in the company of R$ 81,230, through the issue of 231,830,850 new common shares. RESA subscribed for and paid in a total of R$ 16,246, corresponding to 46,366,170 common shares.

On July 30, 2014, a Board Meeting resolved to approved a capital increase of the Company in the amount of R$52,857 , through the issue of 155,644,876 new common shares. The amount subscribed by RESA and fully paid totaled R$10,572, corresponding to 31,128,975 common shares.

On November 3, 2014, a Board Meeting resolved to approved a capital increase of the Company in the amount of R$ 65,527, through the issue of 234,025,000 new common shares. The amount subscribed by RESA and fully paid totaled R$13,105, corresponding to 46,805,000 common shares.

On March 13, 2015, a Board Meeting resolved toapproved a capital increase in the company in the amount of R$ 20,000, through the issue of 80,000,000 new common shares. The amount subscribed by RESA and fully paid totaled R$ 4,000, corresponding to 16,000,000 common shares.

In these transactions, there were no variations in the percentage of participation in the share capital of the investees, since all shareholders effected contributions in proportion to their shares previously held.

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

On May 20, 2014, in a Board Meeting of the subsidiary Uniduto, it was resolved to approve a capital increase in the company for R$8,573, through the issue of 30,303,995 new common shares. RESA subscribed for and paid in a total of R$3,891, corresponding to 14,085,297 common shares.

On July 31, 2014, in an Board Meeting, a capital increase of the company in the amount of R$ 5,286 was discussed and approved, through the issue of 18,790,260 new ordinary shares. The amount subscribed by RESA and paid in this operation totaled R$ 2,457, corresponding to 8,732,904 common shares.

On November 3, 2014, in a Board Meeting, a capital increase of the company in the amount of R$ 6,553 was discussed and approved, through the issue of 23,327,519 new ordinary shares. The amount subscribed by RESA and paid in this transaction totaled R$ 3,045, corresponding to 10,842,631 common shares.

On March 11, 2015, in an RCA, a capital increase of the company in the amount of R$ 2,300 was discussed and approved, through the issue of 8,193,800 new ordinary shares. The amount subscribed by RESA and paid in this transaction totaled R$ 1,069, corresponding to 3,808,478 common shares

In these transactions, there were no variations in the percentage of participation in the share capital of the investees, since all shareholders effected contributions in proportion to their shares previously held.

Capital increase in Centro de Tecnologia Canavieira S.A. ("CTC")

At the Extraordinary General Meeting held on July 10, 2014, a capital increase amounting to R$ 165,002 was discussed and approved by the shareholders of CTC, through the issue of 83,741 new ordinary shares. The amount subscribed by RESA in this operation totaled R$ 4,579, corresponding to 2,324 shares. 50% of the subscribed amount of R$ 2,291 was paid on September 19, 2014, and the remaining of 50% was paid on March 24, 2015.

As stipulated in CTC's shareholders' agreement, in this operation RESA gave 90.9% of its rights to the preferential allocation of shares of CTC. Therefore, its percentage interest in the capital went from 23.33% to 20.93%, generating a capital gain on the dilution of equity interest amounting to R$ 30,333. This was recorded in "Other operating income, net" (Note 25).

2) Transactions occurring during the year ended on March 31, 2014

2.2) Additions to investments

Capital increase in Logum

On September 12, 2013, pursuant to the approval of Logum's Board of Directors, Logum issued 158,056,914 common shares, for R$ 80,000. The amount subscribed and paid by the Company totaled R$ 16,000, corresponding to 31,611,383 common shares. There was no interest dilution.

Additionally, on November 19, 2013, pursuant to the approval of Logum's Board of Directors, the Company issued 117,689,804 more common shares, for R$ 53,000. The amount subscribed and paid by the Company totaled R$ 10,600, corresponding to 23,537,961 common shares. There was no interest dilution.

Uniduto

On September 9, 2013, under a private agreement relating to the purchase and sale of shares, Raízen Energia purchased 528,406 common shares of Uniduto, for R$354, representing 0.49% of the shareholders' capital of Uniduto, thereby increasing the Company's interest in Uniduto to 46.47%.

On the same date, the Board of Directors approved an increase of the shareholders' capital in the amount of R$ 8,000. The amount subscribed and paid by the Company totaled R$ 3,718, and there was no interest dilution.

Additionally, the Board of Directors approved an increase of the shareholders' capital of R$ 5,300 on November 19, 2013. The amount subscribed and paid by the Company totaled R$ 2,463,and there was no interest dilution.

In February 2014, the Company transferred the amount of R$ 93 to Uniduto as a future capital increase.

Iogen Energy Corporation ("Iogen")

On 15 October 2013, RESA received from the shareholder Shell the shares that it held in Iogen.
This was registered by RESA using the equity method, because it is a joint venture.

Regarding the negative equity of Iogen, which on March 31, 2014, totaled R$ 185,397, the Company does not recognized losses of equity as it does not have responsibility for legal or constructive obligations (constructive) to make payments for that company.

12. Biological assets

The roll-forward of biological assets (sugarcane) is presented below:

Balance on March 31, 2013	1,978,477
Expenditures on plantations (1)	399,889
Sugarcane cultivation costs (1)	506,097
Absorption of costs of sugarcane harvest	(794,238)
Provisional allocation of Cerrado (Note 11.c)	15,240
Change in fair value, net of amortization	(68,772)
Balance on March 31, 2014	2,036,693
Expenditures on plantations (1)	385,102
Sugarcane cultivation costs (1)	541,531
Absorption of costs of sugarcane harvest	(972,128)
Change in fair value, net of amortization	(31,339)
Balance on March 31, 2015	1,959,859

(1) Includes agricultural assets depreciation of R$75.222 (R$67,339 in 2014).

Sugarcane stumps

The cultivated areas represent only the sugarcane plantations, without taking into account the land on which the crops are planted. The fair value of the biological assets is categorized within level 3 and the following assumptions were used to determine fair value using the discounted cash flow method:

	2015	2014
Estimated area of the harvest (hectare)	412.738	425.708
Productivity expected (metric tons of sugarcane, per hectare)	75.30	79.67
Amount of Total Recoverable Sugar (TRS)(Kg)	132.60	134.14
Price of Kg of projected average TRS (R$/Kg)	0.52	0.49

Sugar production depends on the volume and sucrose content of the sugarcane grown or supplied by growers located near the Company's plants. The yield of the crop and the sucrose content in the sugarcane depend mainly on climatic conditions, such as the amount of rain and the temperature, which can vary.

In the past, climatic conditions have led to volatility in the ethanol and sugar sectors of the Company's operating results, as a result of damage to the crops and reductions in yield. Climatic conditions can reduce the amount of sugar and sugarcane that the Company obtains in a specific season, or the sucrose content in the sugarcane. The business is also affected by the growth cycle of sugarcane in the south centralregion of Brazil. The annual sugarcane harvest in the south centralregion of Brazil starts in April or May and ends in November or December. The seasonality increases the inventory levels, which are generally high in November and December to cover the period between harvests (i.e. from December to April). There is also a degree o

f seasonality in gross profit, which is lower in the last quarter of the fiscal year (i.e., October to December).

The Company adopted various estimates to evaluate the sugar cane fields. The discount rate applied on this calculation was 7,73% per year. These estimates were based on the market information, which are subject to the scenario changes that may impact the financial statements. A decrease of 5% in market prices of sugar cane, would result in a reduction of the fair value of biological assets in the approximately amount of R$ 175,672, net of taxes. If the discount rate present an increase of 0.5 p.p. would cause a reduction in the fair value of biological assets in the amount approximately of R$ 18,726, net of taxes.

13. Property, plant and equipment

a) Property, plant and equipment roll-forward

	Land and rural properties	Buildings and improvements	Machinery, equipment and installations	Aircraft and vehicles	Furniture, fixtures and computer equipment	Works in progress	Parts and components to be periodically replaced	Others	Total
Cost									
As at March 31, 2013	36,525	924,988	6,279,087	389,802	107,057	718,324	1,102,438	29,372	9,587,593
Additions	-	576	51,060	-	1,504	936,245	561,761	-	1,551,146
Disposals	(10,148)	(2,404)	(54,789)	(7,653)	(2,373)	-	-	(1,410)	(78,777)
Transfers from cost to depreciation	-	(679)	(5,622)	(420)	(41)	(482)	-	-	(7,244)
Transfers (1)	-	65,124	580,960	87,644	13,738	(762,751)	(616,762)	2,384	(629,663)
Reversal of loss provision (2)	-	-	-	-	-	-	-	5,792	5,792
Others	-	-	-	-	167	-	-	-	167
As at March 31, 2014	26,377	987,605	6,850,696	469,373	120,052	891,336	1,047,437	36,138	10,429,014
Additions	-	-	34,728	22	490	749,924	624,883	-	1,410,047
Disposals	(2)	(170)	(143,332)	(14,792)	(3,214)	(71)	-	-	(161,581)
Transfers (1)	8,836	74,867	534,816	79,163	16,973	(736,966)	(553,340)	4,268	(571,383)
Reversal of loss provision (3)	-	-	(3,189)	-	-	(5,489)	-	-	(8,678)
Others	-	-	-	-	682	-	-	-	682
As at March 31, 2015	35,211	1,062,302	7,273,719	533,766	134,983	898,734	1,118,980	40,406	11,098,101
Depreciation									
As at March 31, 2013	-	(239,418)	(1,847,829)	(184,938)	(62,794)	-	(616,762)	(22,274)	(2,974,015)
Expense with depreciation for the year	-	(36,110)	(255,069)	(29,072)	(13,490)	-	(553,340)	(2,069)	(889,150)
Disposals	-	2,406	48,287	6,263	2,254	-	-	1,378	60,588
Transfers from cost to depreciation	-	679	6,105	107	353	-	-	-	7,244
Transfers (1)	-	(42)	163	37	8	-	616,762	-	616,928
As at March 31, 2014	-	(272,485)	(2,048,343)	(207,603)	(73,669)	-	(553,340)	(22,965)	(3,178,405)
Expense with depreciation for the year	-	(13,096)	(356,379)	(33,364)	(15,911)	-	(596,376)	(4,837)	(1,019,963
Disposals	-	170	141,200	13,627	3,229	-	-	-	158,226
Transfers (1)	-	(767)	407	256	4,368	-	553,340	(504)	557,100
As at March 31, 2015	-	(286,178)	(2,263,115)	(227,084)	(81,983)	-	(596,376)	(28,306)	(3,483,042)
Net carrying value:									
As of March 31, 2015	35,211	776,124	5,010,604	306,682	53,000	898,734	522,604	12,100	7,615,059
As of March 31, 2014	26,377	715,120	4,802,353	261,770	46,383	891,336	494,097	13,173	7,250,609

(1) Includes R$10,290 transferred to current assets in respect of recoverable ICMS credits, and R$24,573 transferred to intangible assets for software.
(2) Includes R$1,373 of provision for inventories losses and reversal of R$ 7,165 of provision for loss on advances, recorded under "Other operating revenues (expenses), net" (Note 25).
(3) Refers to inventories losses, recorded under "Other operating revenues (expenses), net" (Note 25).

Construction in progress

On March 31, 2015, the balance of works in progress, in the amount of R$898,734 (R$891,336 in 2014), refers to: (i) vinasse project concentration; (ii) investments to expand the sugar cane mill; (iii) energy cogeneration project – shredded cane and straw separation; (iv) tank installation for ethanol stock capacity improvement; (v) investments to improve industrial conditions, agricultural automations, and health, safety and environment and administrative investments.

Capitalization of loan costs

During the year ended March 31, 2015, loan costs capitalized in the Company amounted to R$30,951 (R$44,296 and R$41,490 in 2014 and 2013 respectively). The weighted average interest rate utilized to determine the capitalized amount was 6.40% p.a. (4.17% and 4.07% in 2014 and 2013, respectively).

Finance leases

On March 31, 2015, the net amount of aircraft, furniture and fittings subject to financial leasing was R$ 5,694 (R$ 6,662 in 2014).

Property, plant and equipment pledged

On March 31, 2015, the loans and financing were secured by land, buildings and machinery of R$1,957, 387 (R$2,291,344 in 2014).

14. Intangible

a) Intangible assets roll-forward

	Software licenses (3)	Goodwill	Agricultural partnership agreements	Sugarcane supply agreements	Right to use public concessions	Technology (4)	Others (1)	Total
Cost								
As at March 31, 2013	87,396	1,517,602	9,375	157,439	10,811	-	18,692	1,801,315
Additions	275	-	-	-	-	-	-	275
Capital contributions – Iogen (Note 11.d)	-	-	-	-	-	179,876	-	179,876
Costa Rica Allocation (Note 11.c)	-	(1,333)	(3,268)	20,847	-	-	-	16,246
Provisional allocation of Cerrado (Note 11.c)	-	33,663	-	-	-	-	-	33,663
Transfer	20,180	-	-	-	1,732	61,629	-	83,541
Provision for losses (5)	-	-	-	-	-	(6,569)	-	(6,569)
Accumulated translation adjustments	-	-	-	-	-	-	1,553	1,553
As at March 31, 2014	107,851	1,549,932	6,107	178,286	12,543	234,936	20,245	2,109,900
Additions	13,992	-	-	-	-	-	-	13,992
Final allocation of the acquisition of Cerrado (11.c)	-	(9,003)	12,303	3,230	-	-	-	6,530
Retirements	(1)	-	1	-	(2)	-	-	(2)
Transfer	28,333	(2,483)	-	-	-	-	-	25,850
Provision for losses (5)	-	-	-	-	-	(55,060)	-	(55,060)
Accumulated translation adjustments	-	-	-	-	-	-	3,775	3,775
As at March 31, 2015	150,175	1,538,446	18,411	181,516	12,541	179,876	24,020	2,104,985
Amortization								
As at March 31, 2013	(71,544)	(431,380)	(879)	(32,536)	(1,040)	-	(9,664)	(547,043)
Amortization expense in the year	(7,877)	-	(880)	(11,700)	(2,162)	-	(4,983)	(27,602)
Transfers	(11)	-	-	-	(107)	-	-	(118)
As at March 31, 2014	(79,432)	(431,380)	(1,759)	(44,236)	(3,309)	-	(14,647)	(574,763)
Amortization expense in the year	(12,621)	-	(4,044)	(11,718)	(2,466)	-	(1,283)	(32,132)
Retirements	-	-	-	-	3	-	-	3
Transfers (2)	(3,760)	-	-	-	-	-	-	(3,760)
As at March 31, 2015	(95,813)	(431,380)	(5,803)	(55,954)	(5,772)	-	(15,930)	(610,652)
Net carrying value:								
As at March 31, 2015	54,362	1.107.066	12,608	125,562	6,769	179,876	8,090	1,494,333
As at March 31, 2014	28,419	1,118,552	4,348	134,050	9,234	234,936	5,598	1,535,137

(1) Intangible assets registered in Raízen Trading, corresponding to the portfolio of customers, and licenses to operate in Europe and the United States.

(2) Includes the transfer from property, plant and equipment in the amount of R$24,573, and transfer of the reverse merger of Curupay in the amount of (R$ 2,483) (Note 11.d.iv).

(3) As at March 31, 2015, software licenses, net, amounted to R$ 1,421 (R$ 2,842 in 2014). The Company is a lessee in certain financial leasing operation agreements.

(4) As at March 31, 2015, the ethanol second generation("E2G") thecnology is concluded and ready for the use. The Company is building the first ethanol second generation facility in Brazil. The facility will have a production capacity of 40 million liters of ethanol, and will use technology developed by Iogen. This technology was granted to RESA with the exclusive contractual right to use and sell it in the territories in which Raízen operates. Amortization will start when the plant is ready for use, which is expected to be in the first semester of 2015, and will continue over the estimated period of financial returns from the technology.

(5) On March 31, 2015, the Company impaired technology intangible assets related to ethanol second generation of R$ 55,060 (R$ 6,569 in 2014) in the consolidated statement of income as other expenses (Note 25).

Goodwill

Goodwill refers to the expectation of future profitability of the entities acquired by the Company. Goodwill was amortized on a straight-line basis through March 31, 2009, prior to the adoption of IFRS. As at March 31, 2015 and 2014, the balance of goodwill was as follows:

	2015	2014
In the acquisition of Costa Rica Canavieira Ltda. (Note 30.2.i)	57,169	57,169
In the acquisition of Cerrado Açúcar e Álcool S.A. (Note 30.1.ii)	24,660	33,663
In the acquisition of Cosan S.A. Açúcar e Álcool (atual RESA)	558	558
In the acquisition of Univalem S.A. Açúcar e Álcool	5,018	5,018
In the acquisition of Usina Açucareira Bom Retiro S.A.	81,575	81,575
In the acquisition of Usina Benálcool	149,247	149,247
In the acquisition of Usina Santa Luíza	42,348	42,348
In the acquisition of Usina Zanin Açúcar e Álcool	98,380	98,380
In the acquisition of Vertical	4,313	4,313
In the acquisition of shares of TEAS	4,818	7,301
In the acquisition of Grupo Corona	380,003	380,003
In the acquisition of Grupo Destivale	42,494	42,494
In the acquisition of Grupo Mundial	87,435	87,435
In the organization of FBA - Franco Brasileira S.A. Açúcar e Álcool	4,407	4,407
In the merger of Curupay S.A. Participações	109,841	109,841
In capital payment of Mundial	14,800	14,800
	1,107,066	1,118,552

Analysis of impairment of cash-generating units containing goodwill

As described in Note 2.3 l, the Company reviews property, plant and equipment for impairment at least once a year.

The Company tests goodwill for impairment at least annually (Note 2.3 l).

Goodwill is allocated to cash-generating units, identified according to the operating region, as follows:

Operating – Regional	2015	2014
Piracicaba	129,742	138,744
Jaú	558	558
Araraquara	554,394	554,394
Araçatuba	303,400	303,400
Assis	109,840	109,840
Others	9,132	11,616
Total	1,107,066	1,118,552

Long-term non-financial assets which are not subject to amortization are revised whenever there are indications of impairment.

The Company determines recoverable value using the value in use method (Note 13), which is based on a projection of the expected discounted cash flows from the cash-generating units, as determined by management on the basis of budgets, taking into account the assumptions for each cash-generating unit and using information available in the market and referring to past performance.

The value in use is estimated on the basis of the present value of future cash flows, according to the Company's best estimates. Cash flows from the continued use of the related assets are adjusted for specific risks of the assets.

The discounted cash flows were prepared for a period of 20 years, without taking into account a growth rate. The discount rates corresponds to a pre-tax rate estimated at 6,5% per year.

The main assumptions used were: commodity sales price expectations over the long term, productivity of the agricultural areas, performance of TRS, and operating and administrative costs. All future cash flows were discounted at a rate that reflects the specific risks applicable to the relevant assets in each cash-generating unit.

On the basis of the annual tests, no impairment charge against assets or goodwill was recognized in the years ended March 31, 2015 or 2014, except for the provision for losses, disclosed as item 5 above. Determination of the recoverability of assets depends on certain key assumptions, as described above. These assumptions are influenced by market, technological and economic conditions that exist at the time of the test, and so it is not possible to ascertain whether impairment losses will occur in the future or, if they do, whether they will be material.

15. Trade accounts payable

	2015	2014
Materials and services	438,656	511,313
Sugarcane	129,640	126,550
Current	568,296	637,863

Materials and services mainly refers to equipment and machinery acquired that will be settled in the next 12 months.

The sugarcane harvest period, which takes place between April and December each year, on average, has a direct impact on the balances with sugarcane suppliers and the corresponding harvesting, loading and transport services.

16. Loans and financing

	Financial charges				
Purpose	**Floating/fixed rate**	**Effective annual average interest rate (1)**	**2015**	**2014**	**Maturity**
Classification of debts by currency					
Denominated in Brazilian Reais			5,856,201	4,527,519	
Denominated in dollars			4,619,226	3,128,269	
			10,475,427	7,655,788	
Nature of debts (2):					
BNDES	URTJLP	8.0% (7.7% in 2014)	1,306,322	1,415,767	October 2025
BNDES	Fixed rate	4.1% (4.3% in 2014)	1,218,098	657,742	November 2023
BNDES	UMBND	6.6% (6.7% in 2014)	81,657	44,477	January 2024
Debentures	CDI	13.7% (11.6% in 2014)	471,020	467,421	October 2018
Debentures	IPCA	15.1% (17.1% in 2014)	350,187	324,243	October 2020
Advance payments	Dollar (US) + LIBOR	1.7% (2.0% in 2014)	863,123	1,076,882	September 2017
Term Loan Agreement	Dollar (US) + LIBOR	1.5% (1.7% in 2014)	2,248,675	1,019,233	December 2015
Working capital	Fixed rate	(14% in 2014)	-	5,383	March 2015
Senior Notes Due 2017	Dollar (US)	7.0% (7.0% in 2014)	1,297,921	915,585	February 2017
Resolution 2471 (PESA)	IGP-M	10.7% (11.4% in 2014)	832,213	806,703	April 2023
Resolution 2471 (PESA)	Fixed rate	3.0% (3.0% in 2014)	84	91	October 2025
Resolution 2471 (PESA)	CDI	13.0% (10.9% in 2014)	717,478	643,623	October 2020
Resolution 2471 (PESA)	Fixed rate	4.9% (4.8% in 2014)	96,610	111,720	January 2024
Credit notes	URTJLP	(10.6% in 2014)	-	102	May 2014
Finame/*Leasing*	Fixed rate	6.5% (5.5% in 2014)	67,176	50,246	November 2014
Agribusiness Receivables Certificates ("CRA")	CDI	12.6%	605,109	-	December 2019
CRA	IPCA	14.3%	110,247	-	December 2021
	Dollar (US)	Miscellaneous	209,507	116,570	Miscellaneous
			10,475,427	7,655,788	
Transaction costs:					
BNDES			(4,379)	(3,135)	
CRA			(11,619)		
Rural credit			(68)		
Debentures			(4,532)	(5,185)	
Advance payments			(1,717)	(5,854)	
Term Loan Agreement			(20,716)	-	
Senior Notes Due 2017			(6,443)	(7,143)	
Credit notes			(310)	(952)	
			(49,784)	(22,269)	
			10,425,643	7,633,519	
Current			(1,377,898)	(1,122,633)	
Non-current			9,047,745	6,510,886	

(1) The effective annual interest rate corresponds to the contractual interest rate of the agreement plus LIBOR, Reference Unit to adjusted Long-Term Interest Rate ("URTJLP"), General Market Price Index ("IGP-M") or Monetary Unit of Banco Nacional do Desenvolvimento ("UMBND"), as applicable.

(2) The loans and financing are generally secured by promissory notes issued by the Company. In some cases, sureties are also given by its subsidiaries, by Raízen Combustíveis S.A. or by shareholders, in addition to collateral such as: i) credit rights arising from energy sales agreements (BNDES); ii) CTN and mortgage of land (PESA); iii) property, plant and equipment (Note 13); and iv) fiduciary lien on the assets financed (Finame).

The maturities of the non-current amounts of loans and financing, net of amortization of transaction costs, are as follows:

	2015	2014
13 to 24 months	2,194,832	1,735,825
25 to 36 months	1,183,603	1,576,290
37 to 48 months	1,625,948	593,017
49 to 60 months	1,396,340	1,107,656
61 to 72 months	2,170,176	697,353
73 to 84 months	232,881	574,401
85 to 96 months	134,536	100,042
Greater than 97 months	109,429	126,302
	9,047,745	6,510,886

PESA – Resolution 2471

From 1998 to 2000 the Company renegotiated debt related to agricultural funding with several financial institutions, thereby reducing financial costs to annual interest rates below 10.7% and guaranteeing the settlement of the debt with the assignment and transfer of CTNs, restricted Brazilian treasury bills redeemable on the debt maturity dates. In doing so it took advantage of the incentive introduced by Resolution No. 2471, issued by the Central Bank of Brazil on February 26, 1998. This debt is settled through redemption of CTNs and the compliance with the contractual dispositions, as mentioned in Note 9.

Senior Notes Due 2017

On January 26, 2007, the subsidiary Raízen Energy Finance Limited issued in the international capital markets, pursuant to Regulations S and 144A, US$ 400,000 thousands of Senior Notes that bear interest at a rate of 7% per annum, payable semi-annually in February and August of each year.

BNDES

These are funds raised by the Company and its direct and indirect subsidiaries for financing cogeneration and greenfield projects and for renewing cane fields, establishing new cane fields (Prorenova), and to finance the construction of the E2G facility.

As at March 31, 2015, the Company had unused lines of credit available from BNDES amounting to R$ 510,167 (R$ 1,227,872 in 2014). Use of these lines of credit is conditional upon meeting certain contractual conditions.

Advances on foreign exchange contracts and credit notes

Advances on foreign exchange contracts and credit notes were obtained from several banking institutions. The advances on foreign exchange were paid in February 2015, in the amount of US$ 100 million of principal, plus U$ 606,000 of interest, through the Company's subsidiary Raízen Energia S.A.. The total amount was R$ 283,803 million. The credit notes will be settled against export proceeds in 2020. These transactions bear interest at rates of 13% per annum, payable semi-annually and at the maturity date.

FINAME

This refers to financing operations under FINAME – *Financiamento de Máquinas e Equipamentos* (Machinery and Equipment Financing), made available through several financial institutions, to be used for investment in property, plant and equipment. These loans are subject to effective interest of 4.9% per annum, payable monthly. The loans are secured by liens on the financed assets.

Term Loan Agreement (syndicated loan)

On December 5, 2012, the indirect subsidiary Raízen Cayman Limited obtained a syndicated loan from several financial institutions in the amount of US$ 450 million. The principal and the interest, US$ 450million and US$ 2,267, respectively, was paid on March 30, 2015, totaling R$ 1,450,873.

On April 8, 2014, the Company obtained syndicated loans from various financial institutions, amounting to US$ 250million. The loan is subject to exchange rate variations in relation to the US dollar plus interest at the quarterly LIBOR and annual rate fixed of 1.4% p.a., giving an effective average rate of 1.63% p.a. The principal is to be repaid in March 2018 and 2019.

On March 30, 2015, the indirect subsidiary Raízen Cayman Limited, signed a loan from a syndicate composed of several global commercial banks, in the amount of R$ 1,443,600 (US$ 450 million). The loan is subject to the exchange variations of the US dollar plus interest at the quarterly Libor and rate of 1.2% p.a., giving an effective average rate of 1.47% p.a. payable quarterly. The principal repaid on April 27, 2020. Through this syndicate, the Company also obtained a Revolving Credit Facility in the amount of $ 285 million, maturing on April 27, 2020.

Export prepayment financing agreement

Between the years 2009 and 2013, the Group entered into several export prepayment financing agreements. These contracts are subject to the exchange rate variations relating to the US dollar and bear LIBOR interest (quarterly and annually), resulting in an effective average interest rate of 1.7% p.a., with final maturity in September 2017.

Issuing of Agribusiness Receivables Certificates ("CRAs")

In October 2014, RESA and its subsidiaries issued CPR (Rural Product Note) related to the Agribusiness Receivables Certificatesamounting to R$ 675,000 and maturing in December 2021. The funds raised will be used exclusively in the ordinary course of Raízen's activities related to agribusiness, including the operations, investments and financing needs related to the production, marketing, processing or manufacturing of agricultural products, inputs, machinery and implements used in agricultural activities.

Index	Annual interest rate	Effective annual average interest rate	Principal	Date of proceeds	Maturity
CDI	-	12,6%	573.013	21/10/2014	Dez/19
IPCA	5,69%	14,3%	101.987	21/10/2014	Dez/21

Debentures

On October 21, 2013, the CVM approved the registration by RESA of its first public issue of simple debentures, and 750,000 non-convertible unsecured debentures were issued, in three series, with a unit face value of R$ 1 , giving a total of R$ 750,000.

The net proceeds of the issue, amounting to R$ 747,710, were used in full as follows: (i) to reinforce RESA's cash in the case of the first and second series debentures; and, (ii) to fund part of RESA's investments in the 2013/2014 harvest, both in the agricultural and the industrial area, pursuant to Law 12,431 in the case of the third series.

	Index	Annual interest rate	Effective annual average interest rate	Principal	Date of proceeds	Maturity
1ª Series	CDI	0.89%	13.6%	105,975	25/10/2013	October 2018
2ª Series	CDI	0.94%	13.7%	340,000	28/10/2013	October 2018
3ª Series	IPCA (*)	6.38%	15.1%	304,025	29/10/2013	October 2020

(*) National Extended Consumer Price Index.

Covenants

On March 31, 2015 and 2014, the Company had loans and financing agreement contracts with covenants relating to cash generation, debt ratios and other. These covenants are being observed by the Company and do not restrict its capacity in its ordinary course of business.

Fair value

As at March 31, 2015 and 2014, the consolidated carrying values and fair value of loans and financing were as follows:

	Carrying value		Fair value	
	2015	2014	2015	2014
Senior Notes Due 2017	1,291,478	908,442	1,385,577	1,003,938
Other loans and financing	9,134,165	6,725,077	9,134,165	6,725,077
	10,425,643	7,633,519	10,519,742	7,729,015

The fair value of the Senior Notes due in 2017 is based on prices quoted at the balance sheet dates (Note 27.j).

The fair value of other loans and financing is close to their amortized cost.

17. Taxes payable

	2015	2014
Installment payments (Refis IV)	166,822	697,492
ICMS	25,701	56,832
Social Security (INSS)	23,018	24,181
COFINS	24,369	20,235
IRRF (withholding income tax)	10,041	7,506
FGTS (government severance indemnity fund for employees)	5,543	5,587
IOF (tax on financial transactions)	3,639	3,636
PIS	5,297	4,439
IPI (excise tax)	550	547
Others	3,673	3,491
	268,653	823,946
Current	99,537	156,572
Non-current	169,116	667,374

The breakdown of current and non-current liabilities is as follows:

	2015	2014
Current		
Taxes payable	80,127	89,162
Installments taxes – reimbursable (Note 10)	18,510	65,326
Installments taxes – non-reimbursable	900	2,084
	99,537	156,572
Non-current		
Installments taxes – reimbursable (Note 10)	150,901	632,218
Tax incentive – ICMS	18,215	31,393
Installments taxes – non-reimbursable	-	3,763
	169,116	667,374
	268,653	823,946

The amounts payable over one year are scheduled to mature as follows:

	2015	2014
13 to 24 months	18,510	66,422
25 to 36 months	17,791	65,611
37 to 48 months	17,408	64,936
49 to 60 months	17,408	63,702
61 to 72 months	17,408	63,702
73 to 84 months	17,408	63,702
85 to 96 months	17,408	63,702
As from 97 months	45,775	215,597
	169,116	667,374

Tax Amnesty and Refinancing – Law 11.941/09 and Provisional Measure (MP) 470/09 ("Refis IV")

On May 27 and October 13, 2009, Law 11.941 and MP 470 were passed by the Brazilian government, setting up an amnesty and tax refinancing program (Refis IV) that allows taxpayers to settle federal tax obligations though refinancing programs. The obligations covered by Refis IV include other federal taxes challenged in the courts. Discounts on existing penalties and interest are available under the program.

Laws No. 12.865 of October 10, 2013, No. 12.973 of May 14, 2014 and No. 12.996 of June 18, 2014, reopened the deadline for inclusion of debts in Refis IV. This benefit was obtained by the Company. The Company is now awaiting the announcement of the consolidation of the values included in the program.

With the publication of the Law No. 13.043 of November 14, 2014, conversion of MP 651, it became possible to liquidate federal debts in installments, through the use of tax losses and negative basis of social contributions, including subsidiaries and parent companies, direct or indirect, conditional on payment of 30% of the balance in installments (as per article 33 of the Law).

After the evaluation of the financial benefits resulting from the application of this legal provision, Cosan chose to pay off the debt installments pursuant to Law 11,941 / 2009, since the installments were its responsibility (they pre-existed the formation of Raízen).

The amounts after application of this legal provision are as follows:

Payment in installments of tax debits – Refis IV	Total
On March 31, 2014	697,492
Recognition of interest and previous payments to the publication of Law No. 13.043	(9,737)
Adhesion to the installment program	12,782
Use of tax losses and negative basis of social contributions (1)	(372,627)
Cash payment of 30%	(132,647)
Financial discount	(28,441)
On March 31, 2015	166,822

(1) Includes tax losses of Cosan in the amount of R$ 171,750, recorded as preferred shares payable by the Company (Notes 10.a, 18.a and 21.a). The remaining balance used to settle the REFIS IV comprises: (a) assignment of credits of Cosan and subsidiaries of R$ 142,761; (b) Raízen's own credits assigned to payment of R$ 55,870; and (c) Raízen's own credits for payment the Refis IV of Raízen Araraquara in the amount of R$ 2,246.

According to Raízen´s agreement (Note 1), any payment linked to the debt in installments existing before June 1, 2011, shall be fully refunded to the Company by Cosan. Thus, due to the settlement of the debts under Refis IV, under Law No. 13.043, the balance receivable from Cosan was substantially lowered. See Note 10.

Tax incentive – ICMS

On September 11, 2008, the subsidiary Raízen Caarapó Ltda. signed Agreement No. 331/2008 ("TC 331") with the state of Mato Grosso do Sul ("MS"). This agreement guaranteed until September 22, 2018, the tax benefit on the sugar manufacturing operations in this state, equivalent to 67% of the outstanding balance of ICMS. The amount recognized in the income statement on March 31, 2015, totaled R$ 9,340 (R $ 6,830 in 2014) (Note 24.a).

The Company, through its subsidiary Raízen Centroeste, benefits from a state incentive program in the State of Goiás, in the form of financing of part of the ICMS payments, called "Programa de Desenvolvimento Industrial de Goiás - Produzir", with the deferral of tax payments. The Company's right to the benefit is conditional on its complying with all the obligations determined by the program, the terms of which relate to factors under the Company's control.

For the years ended March 31, 2015, 2014 and 2013, the incentives in the consolidated statement of income were R$50,217, R$25,260 and R$22,930, respectively, recorded under "Other operating income, net" (Note 25).

18. Income and social contribution taxes

a) Reconciliation of income tax and social contribution benefit (expense):

	2015	2014	2013
Income before taxes	(52,393)	188,515	377,849
Nominal tax rate (34%)	17,814	(64,095)	(128,469)
Reconciling items:			
Equity interest in income of associates	(11,539)	(11,708)	(7,856)
Non-deductable expenses related to gifts, donations, class associations	(2,373)	(3,379)	(3,752)
Income tax rate difference of presumed profit taxation method (ii)	56,814	-	-
Reversal of deferred tax liability related tocorporate restructuring (i)	43,341	-	-
Tax incentive – ICMS – (Note 17)	20,249	10,911	15,264
Tax benefit - Reintegra (Note 6)	17,442	-	-
Exchange variation on overseas investee	11,254	3,046	2,149
Capital gain on dilution of equity interest (Note 11.c.1)	10,313	-	-
Non-taxable financial results	-	-	82,691
Deferred taxes on provisions contributed upon formation of the JV	-	-	16,924
Interest on own equity	-	13,600	-
Others	77	3,993	944
Income and social contribution taxes benefit (expense)	163,392	(47,632)	(22,105)
Effective rate	(311.86%)	(25.27%)	(5,85%)

(i) Refers to the reversal of deferred tax liabilities on temporary differences that had been generated by changes in the useful lives and fair value step up of property, plant and equipment upon transition to IFRS. Upon the contribution of energy cogeneration's assets (internal reorganization – Note 30.1.i) to a separate entity the deferred tax liabilities were reversed, as the new subsidiary follows the presumed profit regime and under such tax regime depreciation or amortization is not deductible.

(ii) Refers to the effect of the difference between the tax rate applicable to presumed profit regime, which is followed by the Company's cogeneration business, and the tax rate applicable to real profit regime, which is followed by parent company and other company's subsidiaries.

a.1) Recoverable income tax and social contributions

	2015	2014
Income tax	404,499	269,244
Social contributions	140,720	90,649
	545,219	359,893
Current	36,859	359,893
Noncurrent	508,360	-

a.2) Payable income tax and social contributions

	2015	2014
Income tax	6,432	570
Social contributions	2,430	190
Current	8,862	760

Beginning in August 2013, the Company started to antecipate income tax and social contributions based on estimated revuene, which had a positive effect on the recoverable taxes accounted for as current and non-current assets (Note 18.a.1). The prepaid tax was offset against other federal taxes (Pis, Cofins and IOF).

b) Deferred income tax (IRPJ) and social contribution (CSLL) assets and liabilities:

Assets (liabilities)	Base	IRPJ 25%	CSLL 9%	2015 Total	2014 Total
Tax losses:					
Tax loss carryforwards (corporate income tax)	747,943	186,986	-	186,986	280,409
Negative calculation basis (social contributions)	747,994	-	67,319	67,319	102,023
Temporary differences:					
Tax goodwill from downstream merger	402,349	100,587	36,211	136,798	180,830
Provision for tax, civil and labor risks	319,697	79,924	28,773	108,697	90,549
Provision for write-off against goodwill	288,549	72,137	25,969	98,106	98,106
Miscellaneous provisions and other temporary differences	462,334	115,583	41,610	157,193	133,480
Foreign exchange variance – Cash basis	1,645,455	411,364	148,091	559,455	118,464
Total		966.581	347.973	1.314.554	1.003.861
Biological assets	(41,795)	(10,449)	(3,762)	(14,211)	(23,168)
Unrealized derivatives	(861,077)	(215,269)	(77,497)	(292,766)	(38,687)
Capitalized cost of loans	(223,508)	(55,877)	(20,116)	(75,993)	(75,134)
Fair value of property, plant and equipment	(336,074)	(84,018)	(30,247)	(114,265)	(126,541)
Revision of property, plant and equipment useful life	(943,854)	(235,964)	(84,947)	(320,911)	(270,649)
Amortized tax goodwill	(805,913)	(201,477)	(72,531)	(274,008)	(234,465)
Total		(803.054)	(289.100)	(1.092.154)	(768.644)
Total deferred taxes		163,527	58,873	222,400	235,217
Deferred taxes – assets, net				299,314	256,611
Deferred taxes – liabilities, net				(76,914)	(21,394)
Total deferred taxes				222,400	235,217

c) The roll-forward of the deferred taxes is set out below:

	2015	2014	2013
Balance at beginning of the year	235,217	209,031	(72,668)
Recognized in the statement of income	224,576	(18,562)	82,299
Deferred taxes on other comprehensive income	(13,178)	57,251	(36,778)
Merger of subsidiaries	4,486	-	-
Deferred taxes on allocation of the acquisition of Cerrado (Nota 30.1.ii)	(6,530)	-	-
Deferred taxes on goodwill (Notes 1 and 21.a)	-	-	241,107
Deferred taxes on fair value allocation of Costa Rica (Note 30.2.1.i)	-	(17,357)	-
Use of tax losses and negative base of social contribution to settle Refis IV	(222,492)	-	-
Write off of contractual land leasing rights	-	1,111	-
Other adjustments in connection with the formation of the joint venture	321	3,743	(4,929)
Balance at the end of the year	222,400	235,217	209,031

d) Estimated time of realization

In assessing the deferred tax recovery capacity, management takes into consideration future taxable income projections and changes in temporary differences. When it is more likely that part of or all taxes will not be realized a provision is recognized. There is no validity period for using net operating loss (NOL); however, the use of prior-year accumulated losses is limited to 30% of annual taxable income.

As at March 31, 2015, the Company had the following expected realization of deferred tax assets:

Years:	2015	2014
2015	-	309,386
2016	363,308	278,672
2017	530,292	117,973
2018	99,024	67,153
2019	35,696	33,226
2020	147,700	171,310
After 2020	138,534	26,141
Total	1,314,554	1,003,861

As at March 31, 2015, the Company's subsidiaries Curupay Agroenergia Ltda., Agrícola Ponte Alta Ltda., Raízen Biotecnologia S.A. and Unimodal Ltda had accumulated tax losses of R$ 5,608 (R$ 32,422 in 2014) for which no deferred tax assets are recognized, as the use of these losses is not considered probable.

19. Provision for tax, civil and labor risks

During the process of the formation of the joint venture (Notes 1 and 21.a), it was agreed that Cosan should reimburse the Company for the cost of lawsuits in progress before its incorporation, when these are effectively settled by the courts. On March 31, 2015 and 2014, the balances of such claims to be reimbursed and non-reimbursable are as follows:

			2015	2014
	Non-reimbursable claims	Reimbursable claims	Total	Total
Tax	4,972	26,218	31,190	152,178
Civil	4,243	28,838	33,081	33,806
Labor	59,780	120,429	180,209	157,290
	68,995	175,485	244,480	343,274

Also, at the time of the formation of the joint venture, it was agreed that the Company would reimburse Cosan for the amount of judicial deposits made before its incorporation, when these are effectively received. On March 31, 2015 and 2014, the balance of refundable and non-refundable deposits was as follows:

			2015	2014
	Court deposits of the Company	Refundable court deposits	Total	Total
Tax (1 and 2)	19,926	142,924	162,850	250,413
Civil	3,231	5,852	9,083	6,277
Labor	10,190	23,674	33,864	25,726
	33,347	172,450	205,797	282,416

(1) As at March 31, 2015 and 2014, this included R$ 112,153 (R$ 86,169 in 2014) in refundable judicial deposits, which are being constituted under Law 11.941 (Note 17).
(2) On March 31, 2015, this was offset against the balance of lawsuits in the amount of R$ 132,543 and R $ 30,745 of its own and refundable escrow deposits, respectively.

i) Non-reimbursable claims

	Tax	Civil	Labor	Total
As at March 31, 2014	92,249	6,140	47,927	146,316
Provisioned in the year (i)	35,295	2,984	43,042	81,321
Write-offs / reversals (ii)	(132,760)	(4,340)	(36,888)	(173,988)
Interest	10,188	(541)	5,699	15,346
As at March 31, 2015	4,972	4,243	59,780	68,995

(i) Accounted for in the consolidated statement of income of the year as "Other operating income (expenses)" (Note 25), except for the INSS provision on revenues, of R$ 31,546 (R$ 31,301 in 2014), reclassified from "Taxes payable" in current liabilities.

(ii) Includes compensation relating to court deposits in the amount of R$ 132,543. The amount of R$ 132,543, described as write off / reversals refers to the offset of judicial deposits with the tax provision. This offset has no impact on the profit and loss for the year ended.

ii) Refundable claims (i)

	Tax	Civil	Labor	Total
As at March 31, 2014	59,929	27,666	109,363	196,958
Provisioned in the year	6,600	4,245	57,275	68,120
Write-offs / reversals (ii)	(39,212)	(6,232)	(52,945)	(98,389)
Interest	(1,099)	3,159	6,736	8,796
As at March 31, 2015	26,218	28,838	120,429	175,485

(i) The roll-forward of refundable claims does not affect the consolidated statement of income.
(ii) Includes compensation relating to judicial deposits of R$ 30,745.

iii) Total claims

	Tax	Civil	Labor	Total
As at March 31, 2014	152,178	33,806	157,290	343,274
Provisioned in the year	41,895	7,229	100,317	149,441
Write-offs / reversals	(171,972)	(10,572)	(89,833)	(272,377)
Interest	9,089	2,618	12,435	24,142
As at March 31, 2015	31,190	33,081	180,209	244,480

Contingencies for probable losses

a) *Tax*

The main tax claims as at March 31, 2015 and 2014 were as follows:

			2015	2014
	Non-reimbursable claims	Reimbursable claims	Total	Total
INSS (i)	1,000	1,166	2,166	123,096
ICMS credits (ii)	-	21,086	21,086	17,151
IPI	1,358	1,031	2,389	967
PIS and COFINS	-	892	892	2,970
Others	2,614	2,043	4,657	7,994
	4,972	26,218	31,190	152,178

i) The accrued INSS amount corresponds to the amounts relating to social security contributions on billings, in conformity with art. 22-A of Law 8.212/91. The constitutionality of this article is being challenged in the courts. The Company made judicial deposits related to the lawsuit in the amount of R$ 163,288. Therefore, both balances are presented net in these financial statements.

ii) The amount accrued as ICMS credits refers to: (a) tax assessment notices received which, despite being challenged at the administrative or court levels, the Company's legal counsel believes the likelihood of loss is probable; (b) use of credits and financial charges in matters where the interpretation of the Company's management and legal counsel differs from that of the tax authorities.

b) ***Civil and labor***

The Company is a party to various civil lawsuits relating to (i) indemnity for tangible damages and pain and suffering, (ii) contractual disputes, (iii) civil class actions to abstain from burning sugarcane straw, and (iv) environmental claims.

The Company is also a party to various labor claims filed by former employees and employees of outsourced service providers who are claiming the payment of overtime, night shift premium and hazardous work premiums, job re-admittance, deductions from payroll (such as confederation dues, union dues, etc).

Contingencies classified as having a possible risk of loss

a) ***Tax***

The main tax contingences classified as having a possible risk of loss are as follows:

			2015	2014
	Non-reimbursable claims	Reimbursable claims	Total	Total
ICMS (i)	126,789	755,420	882,209	799,019
INSS (ii)	43,506	352,740	396,246	353,723
IPI (iii)	3,171	384,689	387,860	368,929
IRPJ and CSLL (iv)	22,473	301,857	324,330	305,325
PIS and COFINS (v)	-	462,021	462,021	318,923
Offsets against IPI credits - IN 67/98 (vi)	-	119,891	119,891	115,921
Others	18,418	232,293	250,711	222,238
	214,357	2,608,911	2,823,268	2,484,078

(i) ICMS

Refers mainly to (i) fines on tax assessment received from May 2005 through March 2006, and May 2006 and March 2007, alleging the Company had not paid the ICMS originating from agricultural joint operations and scheduled manufacture; and (ii) ICMS on shipments of crystal sugar exportation. The tax inspector argues that such products are classified as semi-finished products which, according to the ICMS regulations, would be subject to taxation; (iii) tax assessments relating to ICMS rate difference arising from sales of ethanol to companies located in other Brazilian states whose state enrollment numbers were subsequently cancelled; (iv) tax assessments relating to credit disallowance in regard to purchase of products from companies that, subsequently, had their registrations revoked and declared ineligible; and (v) payment of ICMS arising from disallowances of credits of diesel fuel used in the agro-industrial production process.

ii) Possible losses on INSS-related claims mainly involve:

(i) In regard to the validity and constitutionality of MPS/SRP Regulatory Instruction 03/2005, which restricted the constitutional exemption of social security contributions in relation to revenues derived from exports made exclusively through direct sales, it is understood that exports made through export or trading companies will start to be taxed; (ii) payment of SENAR contributions in direct and indirect export transactions, where the tax authorities understand that there is no right to constitutional exemption; and, (iii) payment of social security contributions on resale of products in the domestic market and to third parties, which is not included within the social security tax basis and which is levied only on the gross revenue deriving from the effective production of the entity rather than on the products purchased.

iii) IPI – Excise tax on manufactured products

Normative Instruction 67/98 of the Brazilian Federal Revenue Service ("SRF") has validated the procedure adopted by manufacturing plants that made sales without calculating and paying IPI related to several types of sugarcane sugar, including demerara, higher refined, special refined, special extra refined and granulated refined sugars, from July 6, 1995 through November 16, 1997, as well as amorphous refined sugar sales from January 14, 1992 through November 16, 1997. This rule was put into effect in the related proceedings filed by the Brazilian Federal Revenue Service. The risk of loss was classified as possible based on the opinion of the Company's legal advisers.

iv) IRPJ and CSLL

In December 2011, the Company received tax assessment notices issued by the Brazilian Federal Revenue Service, related to IRPJ and CSLL for calendar years 2006 to 2009, challenging: (i) the deductibility of amortization expenses relating to certain specific items of goodwill; (ii) the offset of tax loss carryforwards; and (iii) the tax on differences of revaluations of property, plant and equipment items. The taxes assessments amounted to R$ 496,522 (R$ 551,852 in 2014). The Company submitted its defense in January 2012 and, together with its legal counsel, assessed as having a likelihood of possible loss the amount of R$ (R$ 229,443 in 2014). The remaining balance is R$ 246,672 (R$ 75,882 in 2014).

Additionally, in February 2014, Raízen Tarumã received tax assessments, in the amount of 45,421, issued by the RFB, charging income tax and social contributions for the calendar years 2009 to 2012, and questioning: (i) the amortization of goodwill; and (ii) the offsetting of tax losses and negative basis of social contributions calculation. The Company presented its defense in January 2012 and, together with its legal counsel, classified this case as being a possible loss.

The remaining balance of the contingency IRPL and CSLL and social contributions, in the amount of R $ 9,764, relates to various factors. Management, together with its legal counsel, classified this balance being a possible loss.

In non-refundable lawsuits in November 2014, the Company received assessment notices from the RFB dealing with the disallowance of non-cumulative PIS / COFINS arising from goods and services purchased in the domestic merchant and offset against withholding tax and social contributions / income tax. Because disallowed credits are linked to goods and services used in the Company's supply chain, the disallowance is improper and illegal under existing legislation (Law 10,637 / 02 and Law 10,833 / 03), which is why the loss of classification is classified as possible.

v) PIS and COFINS

Refers mainly to the disallowances of PIS and COFINS credits under the non-cumulative system, set forth in Laws 10,637/2002 and 10,833/2003, respectively. Such disallowances mainly came from the restrictive interpretation by the Brazilian Federal Revenue Service of the concept of "inputs", as well as differences with respect to the interpretation of these laws. The disputes are at the administrative phase.

vi) Offsets against IPI credits – IN 67/98

Normative Instruction SRF 67/98 made it possible to obtain a refund of IPI tax payments for sales of refined amorphous sugar from January 14, 1992, through November 16, 1997. In view of this rule, RESA offset the amounts paid during the relevant periods against other tax liabilities. However, the Brazilian Federal Revenue Service denied its application for both reimbursement and offsetting of such amounts. RESA challenged this ruling in an administrative proceeding.

Upon being notified to pay tax debts resulting from offsets in light of certain changes introduced by IN SRF 210/02, RESA filed a writ of mandamus and applied for a preliminary injunction seeking to stay enforcement in relation to the offset taxes, in an attempt to prevent the tax authorities from demanding the relevant tax debts in court. The preliminary injunction was granted by the court. The legal counsel of the Company in charge of this suit has deemed it a possible loss.

b) Civil and labor

As at March 31, 2015 and 2014, the nature of civil and labor claims, whose likelihood of loss is assessed as possible, is similar to the previous litigation mentioned above. The civil and labor claims assessed as having a possibility of loss are as follows:

			2015	2014
	Non-reimbursable claims	Reimbursable claims	Total	Total
Civil	125,549	312,448	437,997	314,220
Labor	156,318	333,645	489,963	496,821
	281,867	646,093	927,960	811,041

20. Commitments

Sales

The Company is the parent company of entities that operate in the sugar, ethanol and energy cogeneration market. Sales agreements are managed on a consolidated basis. Therefore, the Company, together with its group entities, are responsible for total sales commitments.

Sales of commodities are essentially made at spot prices. However, the Company enters into several sugar and ethanol agreements to sell future crops of those products.

The amounts of sugar sales agreements, in metric tons, on the date of the financial statements are set out below:

Years	2015	2014
2014/2015	-	2,242,000
2015/2016	3,564,000	514,000
2016/2017	514,000	514,000
2017/2018	514,000	-
2018/2019	514,000	-
Total	5,106,000	3,270,000

Data presented in the table above were not examined by Company's independent auditors.

The amounts of ethanol sales agreements, in cubic meters, on the date of the financial statements are out forth below:

Years	2015	2014
2014/2015	-	1,375,479
2015/2016	1,630,429	175,000
2016/2017	146,016	-
Total	1,776,445	1,550,479

Data presented in the table above were not examined by Company's independent auditors.

The amounts of power and steam sales agreements, in MWh and metric tons, on the date of the financial statements are set out below:

	Electric power (in MWh)		Steam (in metric tons)	
Years	2015	2014	2015	2014
2014/2015	-	1.894.665	-	-
2015/2016	1.876.707	1.824.147	140,000	-
2016/2017	1.825.395	1.825.395	-	-
2017/2018	1.824.147	1.824.147	-	-
2018/2019	1.958.175	1.958.175	-	-
After 2019/2020	13.683.222	13.817.250	-	-
Total	21,167,646	23,143,779	140,000	-

Data presented in the table above were not examined by Company's independent auditors.

Purchases

In the normal course of its business, the Company enters into sugarcane purchase agreements with third parties, which are mainly related to securing a portion of its production for the following harvest season. The quantity of sugarcane to be purchased is calculated based on the estimate of the quantity to be crushed per location. Amounts payable by the Company are determined at the end of each harvest, in accordance with prices published by CONSECANA.

The amounts of the crop purchase agreements, in metric tons, on the date of the financial statements are set out below:

Years	2015	2014
2014/2015	-	28,070,662
2015/2016	28,252,062	25,002,452
2016/2017	25,173,669	21,732,360
2017/2018	21,214,536	18,049,020
2018/2019	17,194,669	14,433,131
After 2019/2020	83,895,574	80,792,716
Total	175,730,510	188,080,341

The Company has entered into several agreements to purchase equipment utilized for plant maintenance and expansion, as well as to support energy cogeneration projects, in the total amount of R$129,787 (R$264,995 in 2014).

Lease Agreements

Operating leases

The Company has entered into several operating lease agreements to secure land for sugarcane plantations. These agreements will mature in 20 years.

The minimum payments and variables are calculated based on the ATR issued by CONSECANA and the volume of sugarcane per hectare, as defined in the agreements. The expense commitments of the agreements, on the date of the financial statements, are set out below:

	2015	2014
Within one year	506,971	544,665
Between one and five years	1,463,769	1,719,548
More than five years	889,938	1,141,130
Total	2,860,678	3,405,343

Non-financial information is not part of the scope of financial statement auditing. Consequently, ATR issued by CONSECANA and the volume of sugarcane per hectarewere not examined by the Company's independent auditors.

21. Shareholders' equity

a) Capital transactions and capital reserves

On November 30, 2012, the Extraordinary General Meeting discussed and approved a stock split of 2,066,237,649 common shares issued by the Company, based on a ratio of 1: 2.43036163648, with no change in the value of capital stock, resulting in a total of 5,021,704,714 common shares, all held by the Company's sole shareholder.

Additionally, the shareholders approved, without increasing the Company's capital stock, the conversion of 119,109,080 common shares into preferred shares, as follows:

	Conversion
Class A preferred shares	1
Class B preferred shares	118,345,603
Class C preferred shares	763,476
Total	119,109,080

As a result of the conversion of shares, the Company's capital stock was as follows:

	Shares		
	Common	Preferred	Total
Common	4,902,595,634	-	4,902,595,634
Class A	-	1	1
Class B	-	118,345,603	118,345,603
Class C	-	763,476	763,476
Total	4,902,595,634	119,109,080	5,021,704,714

Subsequently, on the same date, the merger of REPSA was approved, consisting of the residual portion of its shareholders' equity, in the amount of R$998,835, and subsequent cancellation of shares corresponding to its capital stock.

Immediately thereafter, new shares were issued to replace the cancelled shares, which were held as follows by the shareholders Shell and Cosan:

	Shareholders		
	Shell	Cosan	Total
Common	2,451,297,817	2,451,297,817	4,902,595,634
Class A	-	1	1
Class B	-	118,345,603	118,345,603
Class C	763,476	-	763,476
Total	2,452,061,293	2,569,643,421	5,021,704,714

The amount of R$998,835 was allocated by the issuing of 1,000,000,000 new common shares, of which R$181,417 and R$817,417 were allocated to "Shareholders' capital " and "Capital reserve", respectively. The shareholders' capital increased from R$4,818,583 to R$5,000,000, and comprised of 6,021,704,714 shares, as follows:

	Shareholders		
	Shell	Cosan	Total
Common	2,951,297,817	2,951,297,817	5,902,595,634
Class A	-	1	1
Class B	-	118,345,603	118,345,603
Class C	763,476	-	763,476
Total	2,952,061,293	3,069,643,421	6,021,704,714

At the Extraordinary General Meeting held on February 7, 2014, the Company's shareholders discussed and approved the capital increase of R$8,427, through the issuing of 7,818,300 new Class B preferred shares, fully subscribed by Cosan, paid on May 2, 2014.

On June 23, 2014, the shareholder Cosan transferred to Cosan Investimentos e Participações S.A. ("CIP") all 2.951.297.817 ordinary shares held, with usufruct reserve, to Cosan until October 1, 2021, together with all political rights, right to receive interest on own capital and the right to receive dividends linked to such shares.

The Extraordinary General Meeting held on January 21, 2015, discussed and approved the conversion of 100,000 Class C preferred shares into an equal number of preferred Class D shares, all held by the shareholder Shell Brazil Holdings BV.

On March 31, 2015, the shareholders' social capital was R$ 5,016,354 (R$ 5,016,354 in 2014). This balance is presented deducted from the balance of redeemable preferred shares in the amount of R$ 93,300 (R$ 264,276 in 2014), totaling R$ 4,923,054(R$ 4,752,078 in 2014).

As at the year ended March 31, 2015, the shareholders' capital was as follows:

				Shareholders
	Shell	**CIP**	**Cosan**	**Total**
Common	2,951,297,817	2,951,297,817	-	5,902,595,634
Class A	-	-	1	1
Class B	-	-	133,242,457	133,242,457
Class C	663,476	-	-	663,476
Class D	100,000	-	-	100,000
As at March 31, 2015	2.952.061.293	2,951,297,817	133,242,458	6.036.601.568
As at March 31, 2014	2,952,061,293	-	3,084,540,275	6,036,601,568

Redeemable preferred shares

The tax benefits arising from the use of tax loss carryforwards and goodwill tax amortization, recognized before the formation of the joint venture, will be reimbursed to Cosan to the extent that the Company uses them to reduce taxes payable. Such reimbursements will be made by means of payment of exclusive dividends to Cosan, the holder of Class B preferred shares, in the amount of the tax benefit used by the Company in the period from January to December.

On July 19, 2013, the Company's shareholders approved the payment of supplemental dividends of R$ 6,916, in addition to those accrued in the annual financial statements, without interest.

On March 31, 2014, the Company proposed the allocation of dividends to the holders of Class B preferred shares in the amount of R$ 43,636, corresponding to partial use of the tax benefit for the year balance (Note 10.a).

As at March 31, 2014, the Company reviewed the balance of preferred shares, and determined the reversal of R$ 11,812 of the obligation to Cosan, based on the fact that the tax benefit will not be used by the company.

Due to the merger of IPL into REPSA, and subsequently into the Company, Class C preferred shares were issued to guarantee exclusive dividends to Shell of R$3,538, through the use by the Company of tax credits and the funds in the current account, comprising the merged net assets (Note 10.a.).

As mentioned in Notes 10 and 17, during the year ended March 31, 2015, the Company joined the program for settlement of the debt installments on RFB by the use of NOL, resulting in decrease of Class B preferred shares, totaling R$ 157,010.

On March 31, 2015, the balance of preferred shares (Class B and C) was R$ 93,300 (R$ 264,276 in 2014). The counterparts to shareholders' equity are recorded under the related parties (Note 10.a), of which R$ 89,762 (R$ 260,738 in 2014) belonging to Cosan, is classified as non-current liabilities, and R$ 932 and R$ 2,606 (R$ 932 and R$ 2,606 in 2014) belonging to Shell, are classified in current liabilities and non-current, respectively.

Capital reserve

The capital reserve corresponds to the share premium arising from the difference between the subscription price paid in consideration for the shares and their par value. Such a reserve can only be used to increase capital, absorb losses, redeem, reimburse or purchase shares or pay accumulated dividends to preferred shares.

In addition, the balance includes surplus paid by the Company in the acquisition of additional interest in the subsidiary TEAS, amounting to R$ 5,973 (Note 11.d.2).

As mentioned in Notes 10, 17 and 18, Cosan settled the debts in the Brazilian Tax Authority ("RFB) through the use of NOL. Therefore, the capital reserve was reduced by R$ 164,377, comprising: i) R$ 157,010 arising from ownership of Cosan, with obligation to NOL of preferred shares payable (Note 10.a); and ii) R $ 7,367 corresponding to the NOL from the subsidiary Benálcool Açúcar e Álcool Ltda., and for which the related tax credits were not included in the balance of Class B preferred shares in the formation of Raízen.

Special goodwill reserve

(i) Merged assets of IPL

Following the merger of IPL into REPSA (Note 1), whose main assets comprised investments held by it in the capital stock of REPSA and the goodwill recorded based on tax records, recognized upon the formation of the ethanol, sugar and bioenergy joint venture, such goodwill started to be deductible for income tax and social contributions purposes. Therefore, a special goodwill reserve was recognized in the equity of Raízen Energia against deferred tax assets, of R$241,107—equivalent to the tax benefit of 34% arising from the amortization of the goodwill.

(ii) Merger of Curupay

Due to the reverse merger of Curupay into TEAS, whose main assets correspond to the investment held by the capital of Curupay and whose goodwill is determined based on the tax books, that goodwill will be deductible for tax purposes in relation to income tax and social contributions on net income. Therefore, the Company recorded a special goodwill reserve in shareholders' equity, reflecting the effect of reverse merger of Curupay into TEAS in return for their investment, in the same amount of R$ 2,004.

b) Dividends and interest on own capital

i) Dividends

Pursuant to the Company's bylaws, the shareholders are entitled to a minimum mandatory dividend of 1% of the net income reported at year end, as adjusted in accordance with article 202 of the Brazilian Corporate Law. The amounts of the legal reserves and dividends of the years ended March 31, 2015 ,2014 and 2013, were as follows:

	2015	2014	2013
Net income	110,999	140,883	355,744
(-) Consolidated results of operations of REPSA (Note 1)	-	-	(239,782)
Net income	110,999	140,883	115,962
Legal reserve at 5%	(5,550)	(7,044)	(5,798)
Tax incentives	-	(30,256)	-
Calculation basis for dividend distribution	105,449	103,583	110,164
Mandatory minimum dividends	(1,054)	(1,036)	(1,102)
Dividends to holders of Class B preferred shares	(15,221)	(43,636)	(66,877)
Dividends to holders of Class D preferred shares	(791)	-	-
(-) Prepaid dividends	-	-	8,873
Remaining dividends payable	(17,066)	(43,636)	(58,004)
Interest on own capital	-	(34,000)	-
Dividends payable	(17,066)	(78,672)	(59,106)

On March 31, 2015, the dividends accrued in the previous fiscal year were paid in full.

ii) Interest on own capital

On December 31, 2013, at the Extraordinary General Meeting, the shareholders of RESA discussed and approved the distribution of interest on own capital to each shareholder of R$ 40,000 for the period of January 1, 2013, through December 31, 2013, to be individually credited in the proportion of 50% to each shareholder. Therefore, the net amount to be paid in the year ended March 31, 2014 was R$ 34,000. Interest on own capital paid or provisioned is recorded as a financial expense for tax purposes. However, for purposes of these consolidated financial statements, the amount is disclosed as distribution of net income for the year, and the gross amount is reclassified to shareholders' equity, as the tax benefits arising from the distribution are included in the net income for the year.

c) Other comprehensive income

i) Foreign currency translation adjustments – CTA

Represents the exchange differences from the translation of the financial statements of investees with functional currencies different than that of the parent company into Brazilian Real.

On March 31, 2015, due to the loss of significant influence in Codexis, the Company wrote off the balance of CTA in the amount of R $ 1,387.

ii) Net derivative gain – hedge accounting

This refers to changes in the fair value arising from cash flow hedging of revenue from the export of raw sugar (called "VHP"), and exchange variations on foreign exchange agreement advances ("ACCs") and PPEs.

iii) Actuarial liabilities

These relate to gains and losses from adjustment for changes in actuarial assumptions relating to the defined benefit plan. This component is recognized in other comprehensive income. It will not be reclassified to income in subsequent periods.

The following movement of valuation adjustments, ended March 31:

	2012	Comprehensive Income	2013	Comprehensive Income	2014	Comprehensive Income	2015
Currency translation differences - CTA	-	(240)	(240)	1.082	842	535	1.377
Actuarial losses on pension and post-employment plans	-	-	-	(59)	(59)	(8.902)	(8.961)
Gain (loss) on cash flow hedges	28.228	71.391	99.619	(111.071)	(11.452)	34.284	22.832
Total	**28.228**	**71.151**	**99.379**	**(110.048)**	**(10.669)**	**25.917**	**15.248**

d) Legal reserve

This refers to the appropriation of 5% of the net income to a legal reserve, pursuant to the Company's bylaws and in compliance with the Brazilian Corporate Law.

e) Profit retention reserve

The remaining balance of net income on March 31, 2014, after the allocations to the legal reserve and provisioning of dividends, approved at the Annual General Meeting, on July 28, 2014,was allocated to the profit retention reserve.

The remaining balance of net income on March 31, 2015, after the allocations to the legal reserve and provisioning of minimum dividends payable calculation, was appropriated to the profit retention reserve until its final destination is approved at the Annual General Meeting. Based on the Article 28 (vi) of the Company's shareholder agreement, up to 80% of net income may be allocated to this statutory reserve for operations and new investments and projects, and shall not exceed the percentage of 80 % of the share capital.

Incentive tax reserve

This corresponds to the effect of the tax incentive recognized by the subsidiary Raízen Caarapó Açúcar e Álcool Ltda. ("Caarapó") on the consolidated shareholders' equity. Caarapó entered into an agreement with the governemnt of the State of Mato Grosso do Sul, which grants a tax benefit of 67% on the ICMS payable generated from the manufacturing process of sugar in the state.

f) Earnings per share

Basic earnings per share are calculated by dividing the net income attributable to the shareholders by the weighted average of common shares outstanding during the year.

The table below sets out the data on net income and shares used to calculate basic and diluted earnings per share for the years ended March 31, 2015, 2014 and 2013 (in thousands, except in the case of amounts per share):

Basic and Diluted:

	2015	2014	2013
Numerator			
Net income for the year	110,999	140,883	354,710
Profit available to preferred shareholders	(16,012)	(43,636)	(66,877)
Profit available to common shareholders	94,987	97,247	287,833
Denominator:			
Weighted average of number of outstanding common shares (in thousands)	5,902,596	5,902,596	5,305,629
Basic and diluted earnings per common share (reais per share)	0.02	0.02	0.05

The Company does not have outstanding common shares that may give rise to a dilution or debt convertible into common shares. Therefore, basic and diluted earnings per share are equal.

22. Net sales

	2015	2014	2013
Gross sales of products and services	10,330,454	10,055,383	9,063,189
Sales taxes and deductions	(591,317)	(600,162)	(594,951)
Net sales	9,739,137	9,455,221	8,468,238

The sales are also segregated in the following items:

	2015	2014	2013
Products and services revenue	9,703,302	9,182,269	8,192,289
Hedge accounting loss	(190,693)	-	7,368
Hedge accounting gain	231,740	261,929	268,581
Commodities derivatives gain	(5,212)	11,023	-
	9,739,137	9,455,221	8,468,238

23. Information by segment

The management of Raízen Energia have defined the ethanol, sugar and bioenergy ("EAB") segment as the only operating segment, based on reports used by the Chief Executive Officer ("CEO") and the Board of Directors, in regard to making key decisions about strategic and operational matters. The performance goals for evaluation purposes are defined and monitored for the EAB segment as a whole.

The EAB segment comprises the production and sale of ethanol and sugar originating from sugarcane processing, as well as energy cogeneration from the burning of the sugarcane bagasse.

Since the assets are equally used to produce sugar, ethanol and bioenergy, there is no disclosure of these assets by business segment.

The Company monitors the net operating revenue deriving from the sale of its products in the domestic and foreign markets, as follows:

	2015	2014	2013
Net sales			
Foreign market (1)	5,626,797	5,582,123	5,473,976
Domestic market	4,112,340	3,873,098	2,994,262
Total	9,739,137	9,455,221	8,468,238

(1) Includes sales made to customers in Brazil under the export-related category.

The net sales are segregated by product as follows:

	2015	2014	2013
Net sales			
Sugar	4,242,437	4,353,084	4,353,994
Ethanol	4,682,031	4,464,527	3,299,938
Power	604,003	403,845	569,709
Other products and services	210,666	233,765	244,597
Total	9,739,137	9,455,221	8,468,238

The percentage of net sales by geographic area is as follows:

Geographic area	2015	2014	2013
Brazil	46.80%	45.81%	40.27%
Europe	23.35%	30.52%	29.59%
Asia	21.11%	13.26%	15.75%
Central America	2.07%	3.25%	7.57%
North America	5.57%	2.39%	5.81%
Africa and Oceania	1.10%	4.77%	1.01%
Total	100.00%	100.00%	100.00%

The main EAB customers in the years ended March 31, 2015 and 2014, which individually account for 5% or more of the Company's total revenue, were as follows:

Customer	2015	2014	2013
Raízen Combustíveis S.A.	10.89%	15.30%	6.23%
Wilmar Sugar Pte Ltd	13.51%	7.75%	10.16%
Sucden	6.88%	7.86%	9.84%
Camil Alimentos S.A.	5.60%	5,12%	-
Cosan S.A. Indústria e Comércio	-	-	3.55%
Petrobrás	-	-	0.24%

24. Statement of income by nature

a) Reconciliation of expenses by nature

The Company has chosen to disclose its statement of income by function, and therefore below it presents the details by nature:

	2015	2014	2013
Raw materials	4,058,475	4,064,982	3,327,136
Depreciation and amortization	1,908,125	1,709,935	1,706,819
Personnel expenses	1,011,098	936,800	866,522
Cutting, loading and transport ("CCT")	685,931	737,132	571,271
Maintenance materials	359,254	300,624	383,237
Contracted labor	167,579	191,171	233,042
Biological assets and agricultural products	31,383	73,361	227,746
Rents and leasing	201,741	217,991	209,892
Other expenses	693,111	487,756	267,853
	9,116,697	8,719,752	7,793,518

b) Classified as:

	2015	2014	2013
Costs of sales	8,064,341	7,542,579	6,698,108
Selling expenses	564,863	637,316	605,164
General and administrative expenses	487,493	539,857	490,246
	9,116,697	8,719,752	7,793,518

25. Other operating income, net

	2015	2014	2013
Other operating income			
Capital gain on dilution of equity interest (Nota 11.c 1.iii)	30,333	-	-
Reversal of provision for onerous contracts	-	1,079	14,951
Gain in fair value of shares (i)	40,366	-	-
Revenue – tax incentive – ICMS (Note 17)	50,217	25,260	22,930
Income from sale of property, plant and equipment	10,868	33,813	3,689
Revenue from sale of scrap and waste	8,670	10,211	8,562
Gain on sale of ratoon	3,444	-	-
Gain from port operations	3,294	8,779	1,396
Other income	4,248	7,244	-
	151,440	86,386	51,528
Other operating expenses			
Impairment of intangible assets (Note 14)	(55,060)	(6,569)	-
Provision for claims and paid indemnities (Note 19)	(8,333)	(25,197)	(3,502)
Provision for property, plant and equipment and intangible losses (Note 13 e 14)	(9,027)	5,792	-
Provision for hybrid contingencies	(7,680)	-	-
Other expenses	-	-	(185)
	(80,100)	(25,974)	(3,687)
	71,340	60,412	47,841

(i) On March 10, 2015, the Company signed a Stock Purchase Agreement relating to the sale of 5,573,319 shares of Codexis, Vivo and Vivo Fund Affiliates, together "Vivo". The traded value was US$ 15,500, equivalent to approximately R$ 48,513. The sales of the share, at a fair value, resulted in a gain of R$ 40,366, recorded as “other operation income”.

26. Finance income (expenses), net

	2015	2014	2013
Finance expenses			
Interest	(600,514)	(443,560)	(399,615)
	-	-	(5,710)
Indexation credits	(71,644)	(58,754)	(60,067)
Bank expenses	(14,732)	(7,529)	(546)
	(686,890)	(509,843)	(465,938)
Less: capitalized amounts on qualified assets (Note 13)	30,951	44,296	41,940
	(655,939)	(465,547)	(423,998)
Finance income			
Income from financial investments	230,097	114,898	91,804
Interest	222,002	96,207	68,800
Indexation charges	14,983	28,316	24,903
Financial instrument measured at fair value through profit or loss	-	12,516	-
Discounts earned	695	258	65
	467,777	252,195	185,572
Foreign exchange variance [1]	(1,042,138)	(292,073)	(27,519)
Effect of derivatives, net [2]	518,065	(67,506)	(55,662)
	(712,235)	(572,931)	(321,607)

(1) Includes currency losses, net, on foreign currency-denominated assets and liabilities
(2) Includes realized and unrealized option, swap and non deliverable forward ("NDFs") transactions.

27. Financial instruments

Management of financial risk

a) Overview

The Company has exposure to the following risks deriving from the use of financial instruments:

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

This note provides information about the exposure to each risk, as well as the objectives, practices and processes used to measure and manage the risks. Additionally, this note provides information regarding the Company's management of capital.

b) Risk management framework

The Company has specific treasury and trading policies that define the way in which risk management shall be effected. To monitor the activities and ensure compliance with the Group's policies it has two committees: (i) the Risk Committee, which meets on a weekly basis to analyze the performance of *commodities* (mainly sugar) and exchange markets and decide on the hedge positions and pricing strategies of sugar exports, in order to reduce the adverse effects of changes in price and exchange rates, and to monitor liquidity and counterparty (credit) risks; and (ii) the Ethanol Committee, which meets on a monthly basis in order to analyze the risks related to the sale of ethanol and the adequacy of the limits set in risk policies.

The Company is exposed to market risks. The main market risks to which it is exposed are: (i) volatility of sugar and ethanol prices, (ii) volatility of the exchange rate and, (iii) volatility of the interest rate. The contracting of financial instruments for hedging purposes is made based on a periodic analysis of the exposure to risk that management intends to cover.

As at March 31, 2015 and 2014, the fair values relating to derivative financial instruments transactions for hedging or other purposes were measured at fair value using observable inputs, such as prices quoted in active markets or discounted cash flows based on market curves, and were as follows:

	Notional		**Fair value**	
	2015	**2014**	**2015**	**2014**
Price risk				
Derivatives				
Futures contracts	1,660,432	1,336,437	409,316	(12,053)
	1,660,432	1,336,437	409,316	(12,053)
Exchange rate risk				
Exchange rate derivative				
Futures contracts	(616,923)	(326,525)	(2,558)	705
Forward contracts	(650,675)	1,810	134,478	42,310
Exchange rate lock-in	(5,974)	227,698	1,191	21,106
Exchange rate swap	(2,685,844)	813,891	256,170	(23,595)
	(3,959,416)	716,874	389,281	40,526
Interest rate risk				
Interest derivatives	(561,400)	1,088,503	(4,321)	(5,056)
	(561,400)	1,088,503	(4,321)	(5,056)
Total			794,276	23,417
Total current assets			759,306	200,588
Total non-current assets			315,279	1,109
Total assets			1,074,585	201,697
Total current liabilities			(224,078)	(166,175)
Total non-current liabilities			(56,231)	(12,105)
Total liabilities			(280,309)	(178,280)

c) Price risk

This risk derives from the possibility of oscillations in the market prices of goods sold by the Company – mainly VHP sugar (sugar #11), refined sugar (#5 or white sugar) and ethanol – mainly through the subsidiary Raízen Trading LLP. These price fluctuations can cause substantial changes in the revenue from the Company's sales. To minimize this risk, the Company always monitors the market, so as to be prepared for price fluctuations. In the table below the positions of derivative financial instruments to cover risks of commodities price are shown:

Price risk: Outstanding derivatives of products in 2015

Derivatives	Purchased/ Sold	Market	Contract	Maturity	Notional (units)	Notional (R$ thousands)	Fair value (R$ thousands)
Future	Sold	NYSE LIFFE	*Sugar#5*	Apr/15	5,050 t	6,429	671
Future	Sold	NYSE LIFFE	*Sugar#5*	Jul/15	5,850 t	7,710	1,125
Future	Sold	NYSE LIFFE	*Sugar#5*	Sep/15	7,800 t	10,474	1,676
Future	Sold	NYSE LIFFE	*Sugar#5*	Nov/15	2,850 t	3,907	628
Future	Sold	ICE	*Sugar#11*	Apr/15	386,047 t	418,630	92,907
Future	Sold	ICE	*Sugar#11*	Jun/15	474,545 t	544,920	140,164
Future	Sold	ICE	*Sugar#11*	Sep/15	611,508 t	729,414	181,025
Future	Sold	ICE	*Sugar#11*	Feb/16	145,701 t	179,934	36,597
Future	Sold	ICE	*Sugar#11*	Jun/16	44,858 t	48,177	3,919
Future	Sold	ICE	*Sugar#11*	Sep/16	43,537 t	46,876	3,398
Future	Sold	OTC	*Sugar#11*	Sep/15	-	-	687
Sub-total of future sugar sold					1,727,746 t	1,996,471	462,797
Future	Purchased	NYSE LIFFE	*Sugar#5*	Apr/15	(1,300) t	(1,591)	(109)
Future	Purchased	ICE	*Sugar#11*	Apr/15	(231,913) t	(253,183)	(57,508)
Future	Purchased	ICE	*Sugar#11*	Jun/15	(50,294) t	(56,392)	(13,494)
Future	Purchased	ICE	*Sugar#11*	Sep/15	(28,500) t	(31,756)	(6,197)
Future	Purchased	ICE	*Sugar#11*	Feb/16	(9,500) t	(11,511)	(2,165)
Future	Purchased	ICE	*Sugar#11*	Apr/16	(1,016) t	(1,064)	(60)
Future	Purchased	ICE	*Sugar#11*	Jun/16	(1,016) t	(1,062)	(60)
Sub-total of future sugar purchased					(323,539) t	(356,559)	(79,593)
Sub-total of future sugar					1,404,207 t	1,639,912	383,204
Future	Sold	BMFBovespa	Ethanol	Mar/15	17,700 m³	31,729	71
Future	Sold	BMFBovespa	Ethanol	May/15	7,860 m³	9,550	-
Future	Sold	BMFBovespa	Ethanol	Jul/15	600 m³	720	6
Future	Sold	BMFBovespa	Ethanol	Aug/15	3,150 m³	3,797	43
Future	Sold	BMFBovespa	Ethanol	Sep/15	2,400 m³	2,940	-
Future	Sold	BMFBovespa	Ethanol	Oct/15	2,400 m³	2,988	-
Future	Sold	BMFBovespa	Ethanol	Nov/15	900 m³	1,146	-
Future	Sold	BMFBovespa	Ethanol	Dec/15	900 m³	1,165	(7)
Future	Sold	NYMEX	Ethanol	Apr/15	17,488 m³	7,360	1,640
Future	Sold	NYMEX	Ethanol	May/15	12,719 m³	5,515	1,663
Future	Sold	NYMEX	Ethanol	Jun/15	12,719 m³	5,515	1,711
Future	Sold	NYMEX	Ethanol	Jul/15	1,590 m³	615	(17)
Future	Sold	NYMEX	Ethanol	Aug/15	1,590 m³	615	2
Future	Sold	NYMEX	Ethanol	Sep/15	1,590 m³	615	22
Future	Sold	CHGOETHNL	Ethanol	Apr/15	152,800 m³	198,677	10,160
Future	Sold	CHGOETHNL	Ethanol	May/15	56,800 m³	80,502	9,382
Future	Sold	CHGOETHNL	Ethanol	Jun/15	53,600 m³	76,490	9,575
Future	Sold	CHGOETHNL	Ethanol	Jul/15	40,800 m³	49,443	(1,320)
Future	Sold	CHGOETHNL	Ethanol	Aug/15	14,400 m³	17,343	(405)
Future	Sold	CHGOETHNL	Ethanol	Sep/15	14,400 m³	17,343	(225)
Future	Sold	CHGOETHNL	Ethanol	Oct/15	4,000 m³	4,808	(23)
Future	Sold	CHGOETHNL	Ethanol	Nov/15	21,600 m³	26,021	192
Future	Sold	CHGOETHNL	Ethanol	Dec/15	44,000 m³	52,739	250

Future	Sold	NYMEX	Ethanol	Jul/15	1,500 m³	2,344	(142)
Sub-total of future ethanol sold					487,506 m³	599,980	32,578
Future	Purchased	BMFBovespa	Ethanol	Mar/15	(26,310) m³	(31,729)	(105)
Future	Purchased	BMFBovespa	Ethanol	Apr/15	(6,750) m³	(8,066)	-
Future	Purchased	BMFBovespa	Ethanol	May/15	(750) m³	(284)	-
Future	Purchased	BMFBovespa	Ethanol	Jun/15	(600) m³	(718)	(8)
Future	Purchased	BMFBovespa	Ethanol	Jul/15	(600) m³	(720)	(6)
Future	Purchased	BMFBovespa	Ethanol	Oct/15	(150) m³	(187)	-
Future	Purchased	NYMEX	Ethanol	Apr/15	(15,899) m³	(6,406)	(576)
Future	Purchased	NYMEX	Ethanol	May/15	(11,129) m³	(4,629)	(828)
Future	Purchased	NYMEX	Ethanol	Jun/15	(11,129) m³	(4,629)	(869)
Future	Purchased	NYMEX	Ethanol	Jul/15	(4,770) m³	(1,860)	7
Future	Purchased	NYMEX	Ethanol	Aug/15	(1,590) m³	(616)	(5)
Future	Purchased	NYMEX	Ethanol	Sep/15	(1,590) m³	(616)	(25)
Future	Purchased	CHGOETHNL	Ethanol	Apr/15	(74,400) m³	(97,452)	(4,666)
Future	Purchased	CHGOETHNL	Ethanol	May/15	(88,160) m³	(113,782)	(3,737)
Future	Purchased	CHGOETHNL	Ethanol	Jun/15	(57,280) m³	(75,715)	(4,206)
Future	Purchased	CHGOETHNL	Ethanol	Jul/15	(29,600) m³	(36,416)	413
Future	Purchased	CHGOETHNL	Ethanol	Aug/15	(56,000) m³	(68,421)	(372)
Future	Purchased	CHGOETHNL	Ethanol	Sep/15	(57,600) m³	(70,496)	(441)
Future	Purchased	CHGOETHNL	Ethanol	Oct/15	(51,200) m³	(61,182)	567
Future	Purchased	CHGOETHNL	Ethanol	Nov/15	(33,600) m³	(39,969)	209
Future	Purchased	CHGOETHNL	Ethanol	Dec/15	(11,200) m³	(13,251)	8
Future	Purchased	CHGOETHNL	Ethanol	Jul/15	(1,500) m³	(2,453)	33
Subtotal of future ethanol purchased					(541,807) m³	(639,597)	(14,607)
Physical fixed	Sold	CHGOETHNL	Etanol	Apr-Oct/15	176,304 m³	288,193	17,945
Physical fixed	Purchased	CHGOETHNL	Etanol	Apr-Oct/15	(146,184) m³	(228,056)	(9,804)
Subtotal of physical fixed ethanol					30,120 m³	60,137	8,141
Subtotal of future ethanol						20,520	26,112
Total of products						1,660,432	409,316

Price risk: Outstanding derivatives of products in 2014

Derivatives	Purchased/ Sold	Market	Contract	Maturity	Notional (units)	Notional (R$ thousands)	Fair value (R$ thousands)
Future	Sold	ICE	*Sugar*#11	Apr/14	248,017 t	221,316	1,435
Future	Sold	ICE	*Sugar*#11	Jun/14	631,219 t	565,834	(5,114)
Future	Sold	ICE	*Sugar*#11	Sep/14	673,081 t	608,587	(14,326)
Future	Sold	ICE	*Sugar*#11	Feb/15	148,241 t	141,318	(460)
Future	Sold	ICE	*Sugar*#11	Sep/15	24,994 t	23,071	(360)
Future	Sold	ICE	*Sugar*#11	Jun/16	7,264 t	6,698	(156)
Future	Sold	ICE	*Sugar*#11	Sep/16	5,943 t	5,541	(102)
Future	Sold	NYSE LIFFE	*Sugar*#5	Apr/14	1,650 t	1,803	32
Future	Sold	NYSE LIFFE	*Sugar*#5	Jul/14	3,500 t	3,849	(9)
Sub-total of future sugar sold					1,743,909 t	1,578,017	(19,060)
Future	Purchased	ICE	*Sugar*#11	Apr/14	(58,016 t)	(47,362)	4,072
Future	Purchased	ICE	*Sugar*#11	Jun/14	(10,058 t)	(8,553)	546
Future	Purchased	ICE	*Sugar*#11	Sep/14	(3,200 t)	(2,659)	303
Future	Purchased	ICE	*Sugar*#11	Feb/15	(3,302 t)	(2,884)	274
Future	Purchased	NYSE LIFFE	*Sugar#5*	Apr/14	(100 t)	(99)	8
Sub-total of future sugar purchased					(74,676 t)	(61,557)	5,203
Sub-total of future sugar					1,669,233 t	1,516,460	(13,857)
Future	Sold	BMFBovespa	Ethanol	Jun/14	900 m³	1,039	(2)
Future	Sold	BMFBovespa	Ethanol	Jul/14	2,100 m³	2,352	16
Future	Sold	BMFBovespa	Ethanol	Aug/14	1,800 m³	2,007	50
Future	Sold	BMFBovespa	Ethanol	Sep/13	1,500 m³	1,695	30
Future	Sold	CHGOETHNL	Ethanol	Apr/14	131 m³	169,886	(60,734)
Future	Sold	CHGOETHNL	Ethanol	May/14	44 m³	52,036	(15,987)
Future	Sold	CHGOETHNL	Ethanol	Jun/14	43 m³	52,521	(9,165)
Future	Sold	CHGOETHNL	Ethanol	Jul/14	21 m³	24,076	(4,568)
Future	Sold	CHGOETHNL	Ethanol	Aug/14	12 m³	14,389	(18)
Future	Sold	CHGOETHNL	Ethanol	Sep/14	8 m³	11,233	(642)
Future	Sold	CHGOETHNL	Ethanol	Jan/15	25 m³	25,860	(1,223)
Sub-total of future ethanol sold					6,584 m³	357,094	(92,243)
Future	Purchased	CHGOETHNL	Ethanol	Apr/14	(92 m³)	(114,552)	56,598
Future	Purchased	CHGOETHNL	Ethanol	May/14	(41 m³)	(48,389)	15,348
Future	Purchased	CHGOETHNL	Ethanol	Jun/14	(38 m³)	(45,366)	8,352
Future	Purchased	CHGOETHNL	Ethanol	Jul/14	(13 m³)	(13,456)	3,930
Future	Purchased	CHGOETHNL	Ethanol	Aug/14	(5 m³)	(4,833)	1,165
Future	Purchased	CHGOETHNL	Ethanol	Sep/14	(3 m³)	(3,155)	681
Future	Purchased	CHGOETHNL	Ethanol	Dec/14	(25 m³)	(25,676)	(3)
Future	Purchased	CHGOETHNL	Ethanol	Jan/15	(50 m³)	(51,809)	656
					(267 m³)	(307,236)	86,727
Physical fixed	Sold	CHGOETHNL	Ethanol	Apr-Dec/14	272 m³	154,832	(53,835)
Physical fixed	Purchased	CHGOETHNL	Ethanol	Apr-Dec/14	(274 m³)	(384,713)	61,155
					(2 m³)	(229,881)	7,320
Subtotal of future ethanol					6,315 m³	(180,023)	1,804
Total of products						1,336,437	(12,053)

d) Foreign exchange risk

This risk arises from the possibility of fluctuations in the exchange rates used by the Raízen Group to calculate export and import revenue, debt flows and other foreign currency denominated assets and liabilities. The Group uses derivatives transactions to manage cash flow risks arising from US dollar denominated export revenue, net of other foreign currency denominated cash flow. The table below shows the outstanding derivative positions as at December 31, 2015 and 2014, used to hedge against exchange rate risk:

Foreign exchange risk: Outstanding exchange rate derivatives in 2015

Derivatives	Purchased/ Sold	Market	Contract	Maturity	Notional (US$ thousands)	Notional (R$ thousands)	Fair value (R$ thousands)
Future	Sold	BM&FBovespa	Commercial dollar	Apr/15	304,250	976,034	4,335
Future	Sold	BM&FBovespa	Commercial dollar	May/15	79,257	254,255	1,520
Future	Sold	BM&FBovespa	DDI	Jan/16	355,000	1,138,840	(5,575)
Subtotal future sold					738,507	2.369.129	280
Future	Purchased	BM&FBovespa	Commercial dollar	Apr/15	(409,250)	(1,312,874)	(5,832)
Future	Purchased	BM&FBovespa	Commercial dollar	May/15	(166,564)	(534,338)	(2,581)
Future	Purchased	BM&FBovespa	DDI	Jan/16	(355,000)	(1,138,840)	5575
Subtotal future purchased					(930,814)	(2.986.052)	(2,838)
Forward	Purchased	OTC/Cetip	NDF	Apr/15	(150,000)	(435,840)	45,521
Forward	Purchased	OTC/Cetip	NDF	May/15	(150,000)	(485,032)	(550)
Forward	Purchased	OTC/Cetip	NDF	Jan/16	(250,000)	(659,595)	186,618
Forward	Sold	OTC/Cetip	NDF	Apr/15	320,000	929,792	(97,111)
Subtotal forward purchased/sold					(230,000)	(650.675)	134,478
Exchange rate lock	Sold	OTC	Exchange rate lock	Apr/15	947	3039	628
Exchange rate lock	Purchased	OTC	Exchange rate lock	Apr/15	(3,100)	(9,013)	563
Subtotal exchange rate lock-in					(2,153)	(5.974)	1,191
Exchange rate swap (1)	Fixed Dollar/CDI	BMF	Exchange rate swap	Feb/17	(100,000)	(320,800)	28,245
Exchange rate swap (1)	Fixed Dollar/CDI	BMF	Exchange rate swap	Mar/19	(600,000)	(1,924,800)	263,235
Exchange rate swap (1)	Fixed Dollar/CDI	BMF	Exchange rate swap	Oct/21	(70,890)	(227,416)	(51,791)
Exchange rate swap (1)	Fixed Dollar/CDI	BMF	Exchange rate swap	Jan/22	(42,964)	(137,828)	15,362
Exchange rate swap (1)	Fixed Dollar/CDI	BMF	Exchange rate swap	Feb/17	(23,379)	(75,000)	1,119
Subtotal exchange rate swap					(837,233)	(2,685,844)	256,170
Total of exchange rate					(1,261,693)	(3,959,416)	389,281

(1) In June 2012, the Company entered into an intercompany interest and foreign currency swap, between Raízen Energia and Raízen Combustíveis, in which Raízen Energia receives a fixed exchange rate and pays an interest rate of 100% of CDI. The fair value of this swap on March 31, 2014 is R$ 23,595.

Foreign exchange risk: Outstanding exchange rate derivatives in 2014

Derivatives	Purchased/ Sold	Market	Contract	Maturity	Notional (US$ thousands)	Notional (R$ thousands)	Fair value (R$ thousands)
Future	Sold	BM&FBovespa	Commercial dollar	May/14	126,250	288,479	(355)
Future	Sold	BM&FBovespa	DDI	May/14	150,000	339,450	(398)
Subtotal future sold					276,250	627,929	(753)
Future	Purchased	BM&FBovespa	Commercial dollar	Jul/14	(265,000)	(615,004)	766
Future	Purchased	BM&FBovespa	DDI	Jan/16	(150,000)	(339,450)	692
Subtotal future purchased					(415,000)	(954,454)	1,458
Forward	Sold	OTC/Cetip	NDF	Jan/14	210,000	497,063	21,824
Forward	Purchased	OTC/Cetip	NDF	Apr/14	(1,132)	(2,562)	(29)
Forward	Purchased	OTC/Cetip	NDF	Apr /14	(337)	(762)	16
Forward	Purchased	OTC/Cetip	NDF	May/14	(855)	(1,934)	(103)
Forward	Purchased	OTC/Cetip	NDF	Jun/14	(1,046)	(2,366)	(122)
Forward	Purchased	OTC/Cetip	NDF	Jul/14	(160,000)	(343,912)	26,727
Forward	Purchased	OTC/Cetip	NDF	Oct/14	(394)	(891)	(3)
Forward	Purchased	OTC/Cetip	NDF	Oct/14	(323)	(731)	9
Forward	Purchased	OTC/Cetip	NDF	Jan/16	(50,000)	(142,095)	(6,009)
Subtotal forward purchased/sold					(4,087)	1,810	42,310
Exchange rate lock	Sold	OTC	Exchange rate lock	Aug/14	100,000	258,240	21,797
Exchange rate lock	Purchased	OTC	Exchange rate lock	Apr/14	(5,895)	(13,341)	(306)
Exchange rate lock	Purchased	OTC	Exchange rate lock	May/14	(5,250)	(11,880)	(111)
Exchange rate lock	Purchased	OTC	Exchange rate lock	Jun/14	(1,120)	(2,536)	(98)
Exchange rate lock	Purchased	OTC	Exchange rate lock	Oct/14	(4,191)	(9,485)	(94)
Exchange rate lock	Purchased	OTC	Exchange rate lock	Nov/14	(4,342)	(9,825)	(87)
Exchange rate lock	Purchased	OTC	Exchange rate lock	Dec/14	(5,454)	(12,341)	(114)
Exchange rate lock	Purchased	OTC	Exchange rate lock	Jan/15	(6,817)	(15,427)	(141)
Exchange rate lock	Sold	OTC	Exchange rate lock	Apr/14	4,396	9,947	101
Exchange rate lock	Sold	OTC	Exchange rate lock	May/14	4,612	10,437	100
Exchange rate lock	Sold	OTC	Exchange rate lock	Jun/14	921	2,084	83
Exchange rate lock	Sold	OTC	Exchange rate lock	Oct/14	4,132	9,352	(7)
Exchange rate lock	Sold	OTC	Exchange rate lock	Dec/14	5,512	12,473	(17)
Subtotal exchange rate lock-in					86,504	227,698	21,106
Exchange rate swap (1)	Fixed Dollar/CDI	BMF	Exchange rate swap	Apr/14	92,949	210,344	(5,131)
Exchange rate swap (1)	Fixed Dollar/CDI	BMF	Exchange rate swap	May/14	89,578	202,715	(5,798)
Exchange rate swap (1)	Fixed Dollar/CDI	BMF	Exchange rate swap	Jun/14	88,932	201,252	(6,174)
Exchange rate swap (1)	Fixed Dollar/CDI	BMF	Exchange rate swap	Jul/14	88,193	199,580	(6,492)
Subtotal exchange rate swap					359,652	813,891	(23,595)
Total of exchange rate					303,319	716,874	40,526

On March 31, 2015 and 2014, the Company presented the following net balance sheet exposure to the US dollar variance in assets and liabilities denominated in US dollars:

	2015		2014	
	R$	US (in thousands)	R$	US$ (in thousands)
Cash and cash equivalents (Note 3)	403,799	125,873	142,296	62,879
Restricted cash (Note 4)	30,651	9,555	118,889	52,536
Trade notes receivable abroad (Note 5)	129,471	40,359	162,557	71,833
Related parties (Note 10)	(450,282)	(140,362)	496,027	219,190
Loans and financing (Note 16)	(4,619,226)	(1,439,908)	(3,128,269)	(1,382,355)
Derivatives (Note 27)	794,276	247,592	23,417	10,348
Foreign exchange exposure, net	(3,711,311)	(1,156,891)	(2,185,083)	(965,569)

e) Effects of hedge accounting

On April 1, 2011, the Company formally designated its transactions subject to hedge accounting for derivatives used to hedge cash flows from VHP sugar export revenues, by documenting: (i) the hedge relationship, (ii) the Group's risk management goal and strategy in contracting the hedge, (iii) the identification of the financial instrument, (iv) the hedged item or transaction, (v) the nature of the risk to be hedged, (vi) the description of the hedge relationship, (vii) the correlation between the hedge and the hedged item, and (viii) the retrospective and prospective statement of hedge effectiveness. The Group designated the Sugar#11 (NYBOT or OTC) derivatives to hedge the price risk and NDFs to hedge the currency risk, as shown in items (c) and (d) of this note.

The Company accounted for gains and losses considered as effective for hedge accounting purposes in a specific account in shareholders' equity, until the hedged item affects income, when such gain or loss of each designated instrument should affect profit or loss in the same line item as the hedged item (in this case, sales revenue). On March 31, 2015 and 2014, the impacts accounted for in the Company's shareholders' equity and the estimated realization in the income statement were as follows:

			As at March 31, 2015		
			Realization period		
Derivative	Market	Risk	2015/16	2016/15	Total
Future	OTC / NYBOT	*Sugar#11*	388,130	7,318	395,448
Future	BM&FBovespa	Ethanol	(178)	-	(178)
Advance on export Contracts and PPE		Debt Exchange rate	(360,652)	-	(360.652)
			27,300	7,318	34,618
(-) Deferred taxes			(9,295)	(2,491)	(11,786)
Effect in equity in 2015			18,005	4,827	22,832

			As at March 31, 2014		
			Realization period		
Derivative	**Market**	**Risk**	**2014/15**	**2015/16**	**Total**
Future	OTC / NYBOT	*Sugar#11*	(16.,377)	(915)	(17,292)
Future	BM&FBovespa	Ethanol	(61)	-	(61)
			(16,438)	(915)	(17,353)
(-) Deferred taxes			5,590	311	5,901
Effect in equity in 2014			(10,848)	(604)	(11,452)

Below are the changes in the balances of other comprehensive income during the year:

Cash flow hedge

Balance on March 31, 2013	99,619
Gains/(losses) in the year:	
Futures contracts and commodities swap contracts	94,173
Recycled to statement of income	
Sales / finance result	(262,465)
Financial income	91,929
Total effect in adjustment for equity valuation from cash flow hedge (before deferred taxes)	(168,292)
Effect of deferred taxes in equity valuation adjustment	57,221
	(111,071)
Balance on March 31, 2014	(11,452)
Gains/(losses) in the year:	
Futures contracts for commodities	649,186
Exchange rate lock	(1,780)
Advance on export contracts and PPE	(549,564)
Recycled to statement of income	
Sales revenue – commodities	(231,740)
Sales revenue – foreign exchange	190,693
Financial income	(4,830)
Total effect in adjustment for equity valuation from cash flow hedge (before deferred taxes)	51,965
Effect of deferred taxes in equity valuation adjustment	(17,681)
	34,284
Balance on March 31, 2015	22,832

There are no gains or losses recognized in the statement of income that is related to the infectiveness of the Company's hedge's relationships.

f) Interest rate risk

The Company monitors fluctuations in floating interest rates pegged to some debts (mainly those pegged to the LIBOT risk) and it makes use of derivatives to minimize these risks. The table below shows the outstanding derivative positions as at March 31, 2015 and 2014, used to hedge against the interest rate risk:

Interest rate risk: Outstanding interest rate derivatives in 2015

Derivatives	Assets/ Liabilities	Market	Maturity	Notional (US$ thousands)	Notional (R$ thousands)	Fair value (R$ thousands)
Interest swap rate	Interest swap	OTC	Sep/17	(75,000)	(240.600)	(1.281)
Interest swap rate	Interest swap	OTC	Mar/19	(100,000)	(320.800)	(3.040)
Subtotal interest swap				(175,000)	(561.400)	(4.321)
Future	BM&FBovespa	DI	Jan/16	366,272	1.175.000	675
Future	BM&FBovespa	DI	Jan/16	(366,272)	(1.175.000)	(675)
Subtotal of futures sold				-	-	-
Total interest on March 31, 2015				(175,000)	(561,400)	(4,321)

Interest rate risk: Outstanding interest rate derivatives in 2014

Derivatives	Assets/ Liabilities	Market	Maturity	Notional (US$ thousands)	Notional (R$ thousands)	Fair value (R$ thousands)
Interest swap rate	Interest swap	OTC	Dec/15	231,000	522,753	(821)
	Interest swap					
Interest swap rate		OTC	Jan/16	175,000	396,025	(4,657)
Interest swap rate	Interest swap	OTC	Sep/17	75,000	169,725	306
Subtotal interest swap				481,000	1,088,503	(5,172)
Future	BM&FBovespa	DI	Jan/16	-	(521,000)	110
Future	BM&FBovespa	DI	May/14	-	521,000	6
				-		
					-	116
Total Interest				481,000	1,088,503	(5,056)

g) Credit risk

A significant portion of the sales made by the Company is to a selected group of best-in-class counterparties, i.e. trading companies, fuel distribution companies and large supermarket chains.

Credit risk is managed through specific parameters for client acceptance, analysis of credit and setting of limits for customer exposure, including the requirement of a letter of credit from prime banks and the obtaining of real guarantees, when applicable. Management believes that the credit risk is substantially covered by the allowance for doubtful accounts.

The limits for individual risks are determined based on internal or external classifications according to the limits determined by the Company's management. The use of the credit limits is regularly monitored. No credit limits were exceeded during the period, and nanagement does not expect any losses from default by these counterparties in excess of the amount already provided.

The Company operates goods derivatives in futures and options markets in the New York Board of Trade ("NYBOT") and in the London International Financial Futures and Options Exchange ("LIFFE"), as well as in the over-the-counter market, with selected counterparties. The Group operates derivatives from exchange fees and commodities in BM&FBovespa and in over-the-counter contracts registered in CETIP, mainly with the major national and international banks that considered to have the international risk classification of investment grade.

Guarantee margins – Derivative operations on commodity exchanges (NYBOT, LIFFE and BM&FBovespa) require an initial guarantee margin. On March 31, 2015, the total margin deposited was R$85,482, of which R$ 54,831 was in restricted investments and R$ 30,651 was in the margin of derivative transactions. The total margin deposited on March 31, 2014, was R$ 180,715, of which R$ 61,826 was in restricted investments and R$ 118,889 was in the margin of derivative transactions. The derivatives transactions of the Group in the market do not require a margin in guarantee.

The credit risk on cash and cash equivalents, comprised mainly of investment funds and CDBs (Note 3), is distributed among the main national and international banks rated by international risk rating agencies as investment grade.

h) Liquidity risk

Liquidity risk is the risk of the Group facing difficulties to perform obligations associated with its financial liabilities that are settled with spot cash payments or with another financial asset. The approach of the Group to the management of liquidity is to ensure, to the maximum extent, that it always has sufficient liquidity to perform its obligations as they mature, under normal and stressful conditions, without causing losses that are unacceptable or have the risk of being detrimental to the Group's reputation.

The table below shows the financial liabilities by maturity:

					2015	2014
	Up to 1 year	Up to 2 years	3 to 5 years	Over 5 years	Total	Total
Loans and financing	1,470,647	2,500,252	5,482,971	4,002,780	13,456,650	9,790,566
Related parties	243,454	-	1,185,565	1,154,650	2,583,669	1,031,093
	1,714,101	2,500,252	6,668,536	5,157,430	16,040,319	10,821,659

i) Debt acceleration risk

As at March 31, 2015 and 2014, the Company was subject to certain covenants under its loans and financing, related to cash generation, a debt to equity ratio and others. These covenants are being fully complied with by the Company and do not place any restrictions on its operations.

j) Fair value

The fair value of financial assets and liabilities is represented by the amount for which an instrument could be exchanged in a current transaction between willing parties, and not by way of forced sale or settlement. The following methods and assumptions were used to estimate fair value.

The fair value of cash and cash equivalents, trade receivables, other financial assets, trade payables to suppliers, dues to/from related parties, and other short-term payables approximates their book values, mainly due to the short-term maturity of these instruments. The fair value of other long-term assets and liabilities do not significantly differ from their book values.

The fair value of loans and financing mainly approximates their book values since these financial instruments are subject to floating interest rates (Note 16). The fair value of tradable Senior Notes is based on price quotations at the financial statements date. As at March 31, 2015, the fair value of Senior Notes maturing in 2017 (Note 16) corresponded to 107.25% of its face value (110.43% in 2014).

The Company contracts derivative financial instruments with different counterparties, including financial institutions with the credit ranking of investment grade or higher. The derivatives evaluated using evaluation techniques with observable market data, mainly refer to swaps of interest rates, forward exchange and commodities contracts. The assessment techniques often applied include pricing models for forward contracts and swaps, for which calculations are made upon the current amount. The models incorporate different data, including those referring to the credit quality of the counterparties, the exchange rates at sight and long-term, the interest rates and the long-term rates for the commodity.

The financial instruments categories are presented as follows:

		Carrying value		Fair value	
	Measurement basis	**2015**	**2014**	**2015**	**2014**
Financial assets					
Cash and cash equivalents, except financial investments (Note 3)	Loans and financing	266,598	194,021	266,598	194,021
Financial investments (Note 3)	Fair value through statement of income	3,528,689	1,576,994	3,528,689	1,576,994
Restricted cash (Note 4)	Loans and financing	131,311	251,803	131,311	251,803
Trade accounts receivable (Note 5)	Loans and financing	331,638	356,004	331,638	356,004
Derivative financial instruments (2)	Fair value through statement of income	1,074,585	201.697	1,074,585	201,697
Related parties (Note 10)	Loans and financing	2,197,252	1,563,831	2,197,252	1,563,831
Other financial assets (Note 9)	Loans and financing	981,351	903,947	981,351	903,947
		8,511,424	5,048,297	8,511,424	5,048,297
Financial liabilities					
Loans and financing (1) (Note 16)	Amortized cost	(10,425,643)	(7,633,519)	(10,519,742)	(7,729,015)
Derivative financial instruments	Fair value through statement of income	(280,309)	(178,280)	(280,309)	(178,280)
Trade accounts payable (Note 15)	Amortized cost	(568,296)	(637,863)	(568,296)	(637,863)
Related parties (Note 10)	Amortized cost	(2,421,819)	(1,024,395)	(2,421,819)	(1,024,395)
		(13,696,067)	(9,474,057)	(13,790,166)	(9,569,553)

(1) Stated net of securities placement expenses.
(2) On March 31, 2015, included derivatives designated as *hedge* instruments in the amount of R$ 34,618 (R$ 17,353 in 2014).

Fair value hierarchy

The Company uses the following hierarchy to determine and disclose the fair value of financial instruments using the valuation technique:

- Level 1 – quoted prices (not adjusted) in active markets for identical assets and liabilities;
- Level 2 – other techniques for which all inputs with significant effects on the fair value are observable, either directly or indirectly; and
- Level 3 – techniques that use inputs with significant effects on fair value not based on observable market input.

Assets and (liabilities) at fair value	Level 1	Level 2	Total
March 31, 2014			
Cash and cash equivalents, except financial investments (Note 3)	-	194,021	194,021
Financial investments	-	1,576,994	1,576,994
Restricted cash (Note 4)	-	251,803	251,803
Trade accounts receivable (Note 5)	-	356,004	356,004
Derivative financial assets	130,730	70,967	201,697
Related parties (Note 10)	-	1,563,831	1,563,831
Other financial assets (Note 9)	-	903,947	903,947
Loans and financing (1) (Note 16)	-	(7,729,015)	(7,729,015)
Derivative financial liabilities	(141,962)	(36,318)	(178,280)
Trade accounts payable (Note 15)	-	(637,863)	(637,863)
Related parties (Note 10)	-	(1,024,395)	(1,024,395)
Total	(11,232)	(4,510,024)	(4,521,256)

	Level 1	Level 2	Level 3	Total
March 31, 2015				
Cash and cash equivalents, except financial investments (Note 3)	-	266,598	-	266,598
Financial investments	-	3,528,689	-	3,528,689
Restricted cash (Note 4)	-	131,311	-	131,311
Trade accounts receivable (Note 5)	-	331,638	-	331,638
Derivative financial assets	533,293	540,605	687	1,074,585
Related parties (Note 10)	-	2,197,252	-	2,197,252
Other financial assets (Note 9)	-	981,351	-	981,351
Loans and financing (1) (Note 16)	-	(10,519,742)	-	(10,519,742)
Derivative financial liabilities	(127,221)	(153,088)	-	(280,309)
Trade accounts payable (Note 15)	-	(568,296)	-	(568,296)
Related parties (Note 10)	-	(2,421,819)	-	(2,421,819)
Total	406,072	(5,685,501)	687	(5,278,742)

On March 31, 2015 and 2014, there were no transfers between the aforementioned levels to determine the fair value of financial instruments.

k) Sensitivity analysis

The following analysis is a sensitivity analysis of the fair value of financial instruments in accordance with the risk types considered relevant by the Company.

Assumptions for sensitivity analysis

For the analysis, the Company adopted three scenarios, one being probable and two that include the effects of impairment in the fair value of the Group's derivative financial instruments. The probable scenario was defined based on the future markets of sugar and the dollar as at March 31, 2015 and 2014, being the same markets that determine the fair value of the derivatives at that date. The possible adverse and remote scenarios were established in view of adverse impacts of 25% and 50% on the curves in the prices of the U.S. dollar and sugar, which were considered as the basis for the probable scenario.

Sensitivity table

The Company and its subsidiaries made two simulations involving appreciations and depreciations of exchange rates (R$/US$) by +/- 25% (possible) and +/- 50% (remote):

		Sugar prices simulation (US$/Ton) March 31, 2015			
					Scenario
Maturity	Balance sheet date	25%	50%	-25%	-50%
April 30, 2015	11.93	14.91	17.9	8.95	5.97
June 30, 2015	12.06	15.08	18.09	9.05	6.03
September 30, 2015	12.68	15.85	19.02	9.51	6.34
February 29, 2016	13.91	17.39	20.87	10.43	6.96
April 29, 2016	13.98	17.48	20.97	10.49	6.99
June 30,2016	13.95	17.44	20.93	10.46	6.98
September 30, 2016	14.12	17.65	21.18	10.59	7.06
February 28, 2017	14.54	18.18	21.81	10.91	7.27
April 28, 2017	14.44	18.05	21.66	10.83	7.22
June 30, 2017	14.36	17.95	21.54	10.77	7.18
September 29, 2017	14.43	18.04	21.65	10.82	7.22

		Sugar prices simulation (US$/Ton) March 31, 2014			
					Scenario
Maturity	Balance sheet date	25%	50%	-25%	-50%
April 30, 2014	17,77	22,21	26,66	13,33	8,89
June 30, 2014	18,13	22,66	27,20	13,60	9,07
September 30, 2014	18,55	23,19	27,83	13,91	9,28
February 28, 2015	19,17	23,96	28,76	14,38	9,59
April 30, 2015	19.00	23.75	28.50	14.25	9.50
June 30, 2015	18.74	23.43	28.11	14.06	9.37
September 30, 2015	18.79	23.49	28.19	14.09	9.40
February 28, 2016	19.04	23.80	28.56	14.28	9.52
April 30, 2016	18.96	23.70	28.44	14.22	9.48
June 30, 2016	18.91	23.64	28.37	14.18	9.46
September 30, 2016	19.03	23.79	28.55	14.27	9.52

The following is the sensitivity exhibited on the change in the fair value of the Company's financial derivatives and its subsidiaries in the probable, possible and remote scenarios:

			Impacts in results(*)			
			As at March 31, 2015			
Price risk	Risk factor	Probable scenario	Scenario + (25%)	Fair value balance	Scenario + (50%)	Fair value balance
Derivatives of products						
Futures contracts:						
Purchase and sales commitments	Increase of sugar price	383,204	(314,349)	68,855	(628,698)	(245,494)
Purchase and sales commitments	Increase of hydrated ethanol price	26,110	(54,391)	(28,279)	(108,782)	(82,670)
		409,314	(368,740)	40,576	(737,480)	(328,164)
Exchange rate risk						
Derivatives of exchange rate						
Futures contracts:						
Purchase and sales commitment	R$/USD exchange rate decrease	(2,558)	(166,360)	(168,918)	(332,720)	(335,278)
Forward contracts:						
Purchase and sales commitment	R$/USD exchange rate decrease	134,478	(311,555)	(177,077)	(623,110)	(488,632)
Exchange rate lock-in:						
Purchase and sales commitment	R$/USD exchange rate decrease	1,191	(4,341)	(3,150)	(8,682)	(7,491)
Exchange rate swap						
Purchase and sales commitments	R$/USD exchange rate decrease	256,170	(531,127)	(274,957)	(1,062,254)	(806,084)
Interest rate risk		389,281	(1,013,383)	(624,102)	(2,026,766)	(1,637,485)
Swap contracts, exchange rate lock-in and NDF	Decrease of interest curve	(4,321)	(46,454)	(50,775)	(92,908)	(97,229)

(*) Projected results to occur up to 12 months from March 31, 2015.

			Impacts in results(*)			
			As at March 31, 2014			
Price risk	**Risk factor**	**Probable scenario**	**Scenario + (25%)**	**Fair value balance**	**Scenario + (50%)**	**Fair value balance**
Derivatives of products						
Futures contracts:						
Purchase and sales commitments	Increase of sugar price	(13,857)	(382,580)	(396,437)	(765,160)	(779,017)
Purchase and sales commitments	Decrease of hydrated ethanol price	1,804	(35,737)	(37,541)	(71,474)	(73,278)
		(12,053)	(418,317)	(433,978)	(836,634)	(852,295)
Exchange rate risk						
Derivatives of exchange rate						
Futures contracts:						
Purchase and sales commitment	R$/USD exchange rate increase	705	75,911	76,616	151,822	152,527
Forward Contracts:						
Purchase and sales commitment	R$/USD exchange rate increase	42,310	(11,770)	30,540	(23,540)	18,770
Exchange rate lock-in:						
Purchase and sales commitment	R$/USD exchange rate increase	21,106	(65,000)	(43,893)	(130,000)	(108,893)
Exchange rate swap						
Purchase and sales commitments	R$/USD exchange rate increase	(23,595)	(213,697)	(237,292)	(427,394)	(450,988)
		40,526	(214,556)	(174,029)	(429,112)	(388,584)
Interest rate risk						
Swap contracts, Exchange rate lock-in and NDF	Decrease of LIBOR curve	(5,056)	(10,108)	(15,164)	(20,216)	(25,272)

(*) Projected results to occur in up to 12 months as from March 31, 2014.

Additionally, the Company and its subsidiaries made two simulations involving appreciations and depreciations of exchange rates (R$/US$) by +/- 25% (possible) and +/- 50% (remote) and the impacts on its assets and liabilities pegged to the US dollar.

		Exchange rate simulation (R$/US$)			
		Scenarios			
	Balance sheet date	+25%	+50%	-25%	-50%
March 31, 2015	3.2080	4.0100	4.8120	2.4060	1.6040
March 31, 2014	2.2630	2.8288	3.3945	1.6973	1.1315

The probable scenario takes into consideration the position as at March 31, 2015. The effects of possible and remote scenarios would be recorded in consolidated income as exchange variation gain (loss) and foreign exchange are as follow:

		Exchange variation effect			
		Scenarios			
Foreign exchange exposure, net March 31, 2015		+25%	+50%	-25%	-50%
Cash and cash equivalents (Note 3)	403,799	100,950	201,900	(100,950)	(201,900)
Restricted cash	30,651	7,663	15,326	(7,663)	(15,326)
Trade notes receivable abroad (Note 5)	129,471	32,368	64,736	(32,368)	(64,736)
Related parties (Note 10)	(450,282)	(112,571)	(225,141)	112,571	225,141
Loans and financing (Note 16)	(4,619,226)	(1,154,807)	(2,309,613)	1,154,807	2,309,613
	(4,505,587)	(1,126,397)	(2,252,792)	1,126,397	2,252,792

		Exchange variation effect			
		Scenarios			
Foreign exchange exposure, net March 31, 2014		+25%	+50%	-25%	-50%
Cash and cash equivalents (Note 3)	142,296	35.575	71,146	(35.575)	(71,146)
Restricted cash	118,889	29,725	59,445	(29,725)	(59,445)
Trade notes receivable abroad (Note 5)	162,557	40,643	81,279	(40,643)	(81,279)
Related parties (Note 10)	496,027	124,018	248,014	(124,018)	(248,014)
Loans and financing (Note 16)	(3,128,269)	(782,136)	(1,564,135)	782,136	1,564,135
	(2.208.500)	(552.173)	(1.104.249)	552.173	1.104.249

The Company simulated floating interest rates on borrowings and financing and income from investments linked to the CDI rate involving an appreciation and depreciation by 25% and 50%. as follows:

		March 31, 2015		
		Interest rate sensitivity		
		Probable scenario	Scenario (+/-25%)	Scenario (+/-50%)
Financial investments	Decrease	402,767	302,075	201,384
	Increase	402,767	503,459	604,151
Loans and financing	Decrease	(506,722)	(380,042)	(253,361)
	Increase	(506,722)	(633,403)	(760,084)

		March 31, 2014		
		Interest rate sensitivity		
		Probable scenario	Scenario (+/-25%)	Scenario (+/-50%)
Financial investments	Decrease	138,784	104,088	69,392
	Increase	138,784	173,480	208,176
Loans and financing	Decrease	(425,590)	(319,193)	(212,795)
	Increase	(425,590)	(531,988)	(638,385)

l) Capital management

The Company'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.

The Company has relationships with the main national and international financial institutions. As off March 31, 2015, Fitch Ratings, Moody's and Standard and Poor's assigned the Company the credit ratings "AAA (bra)", "Aaa.br" and "brAAA", respectively, in their local rating tables.

The financial leverage ratios as at March 31, 2015 and 2014, were as follows:

	2015	2014
Third-party capital		
Loans and financing (Note 16)	10,425,643	7,633,519
(-) Cash and cash equivalents (Note 3)	(3,795,287)	(1,771,015)
(-) Financial investments related to financing (Note 4.1)	(45,829)	(71,088)
(-) CTNs (Note 9.2)	(501,794)	(434,366)
	6,082,733	5,357,050
Equity		
Shareholder's equity:		
Attributable to parent company's shareholders	6,775,209	6,644,509
	6,775,209	6,644,509
Total capital	12,857,942	12,001,559
Financial leverage ratios	47%	45%

The increase in the Company's leverage ratios was influenced by new loans and borrowings raised during the year ended March 31, 2015, mainly the syndicated loan arrangements, CRA, ACCs and BNDES (Note 16). This increase is in line with the Company's strategy of investing in industrial equipment and in biological assets, as well as maintaining adequate cash balances.

28. Retirement supplementation plan

a) Pension fund

Defined contribution

Beginning on June 1, 2011, the Company started to sponsor the Raiz Benefits Plan, managed by Raízprev - Entidade de Previdência Privada, which is a not-for-profit private supplementary pension entity.

The entity has administrative and financial autonomy and is engaged in managing and implementing social security benefit plans, as set out in the Benefit Plan Rules , whose sponsors are the following companies:

- Raízen Tarumã Ltda.
- Raízen Caarapó Açúcar e Álcool Ltda.
- Raízen Centroeste Açúcar e Álcool Ltda.
- Raízen Paraguaçú Ltda.
- Raízen Araraquara Açúcar e Álcool Ltda.
- Raízen Energia S.A.
- Bioenergia Jatai Ltda
- Bioenergia Costa Pinto Ltda
- Bioenergia Serra Ltda
- Bioenergia Maracai Ltda
- Bioenergia Univalem Ltda
- Bioenergia Tarumã Ltda
- Bioenergia Gasa Ltda
- Bioenergia Rafard Ltda
- Bioenergia Araraquara Ltda
- Bioenergia Caarapó Ltda
- Bioenergia Barra Ltda
- Fundação Raízen
- Raízen Combustíveis S.A. and its subsidiaries

In the year ended March 31, 2015, the amount of contributions recognized as expense was R$11,631 (R$ 8,584 in 2014).

b) Profit sharing

The Company recognizes a profit sharing liability and expense based on a methodology that takes into account goals already defined to the employees. The Company recognizes a provision when there is a contractual obligation or when there was a previous practice which created a constructive obligation.

29. Insurance

The Company and its subsidiaries have an insurance and risk management program that provides coverage and protection compatible with its assets and operations.

The insurance coverage taken is based on a strict risk and loss study conducted by local insurance advisors, and the insurance taken is considered by Management as sufficient to cover probable losses that may arise, based on the nature of the Company's activities. The details are as follows:

		March 31,2015	
Asset covered	**Coverage**	**Insured Amount**	**Amount of coverage**
Inventories and property, plant and equipment	Fire, lightning, explosion, windstorm, breakdown of machinery, loss of profit and other.	12,341,163	6,575,749
National transport	Maritime risk shipper loads	24,000	24,000
General civil liability for directors and officers	Third party complaints	Not aplicable	240,000
Total		12,365,163	6,839,749

The risk provisions adopted are not part of the scope of financial statement auditing. Consequently, they were not examined by the Company's independent auditors.

30. Internal reorganization and business combinations

1) Transactions occurring during the year ended on March 31, 2015

i) Restructuring of cogeneration business activities

As mentioned in Note 1, during the year ended March 31, 2015, the Company and its subsidiaries underwent a corporate restructuring in which 11 new companies were created in June 2nd 2014. These companies are holders of permits for exploration of thermoelectric companies ("TPSs"). The Company and its subsidiaries also carried out a capital increase in its net assets at book value on the energy cogeneration activities in 10 of these new companies. This corporate restructuring has no impact on the consolidated financial statement.

ii) Purchase of Cerrado Açúcar e Álcool S.A. ("Cerrado")

On December 17, 2013, Raízen Energia acquired all the shares of Cerrado for R$ 48,903, paid in cash resulting in a preliminary goodwill of R$ 33,663 recorded in the Company's consolidated financial statements as of March 31, 2014. This acquisition was made to increase the supply of sugar cane and expected synergies arising from the Company's existing operations.

During the year ended March 31, 2015, the allocation of the purchase price was concluded by the Company's management, based on the fair value of assets acquired and liabilities assumed, as follows:

Description	**Total**
Biological assets	15,240
(-) Consideration transferred, net of cash received	48,903
Preliminary goodwill	33,663
Leases (Note 14)	4.184
Partnership contracts (Note 14)	8.119
Supply contracts (Note 14)	3.230
Deferred taxes on appreciation of assets (Note 18.c)	(6.530)
	9.003
Goodwill	24.660

The fair value of the assets acquired and liabilities assumed is categorized within level 3.

2) Transactions occurring during the year ended on March 31, 2014

2.1) Business combination

i) Costa Rica Canavieira Ltda. ("Costa Rica")

On June 28, 2012, Raízen Energia acquired all the shares of Costa Rica, for R$115,000, as follows: i) R$100,000 paid in cash, and ii) conditional payment of up to R$15,000, dependent on the fulfillment of specified terms of the agreement. This acquisition was made to increase the supply of sugarcane and to achieve synergies in existing Company operations.

On July 6, 2012, the Company paid R$8,435 to settle the conditional payment. Thus, upon completion of the transaction, the amount paid for the acquisition of Costa Rica totaled R$108,435.

During the year ended March 31, 2014, the purchase price allocation was concluded, based on the fair value of assets acquired and liabilities assumed, as follows:

	Total
Biological assets	20,827
Lease agreements for land	9,375
Supply contracts for cane	20,847
Deferred taxes on appreciation of assets	(17,357)
	33,692
Consideration transferred, net of cash received	108,434
Preliminary goodwill	74,742
Net effect of the sale of contractual rights of leases of land (i)	(17,573)
Final goodwill	57,169

(i) On September 26, 2012, Raízen Energia sold to São Martinho S.A. the rights of certain agricultural contracts acquired through the business combination with Costa Rica, for R$ 19,730.

The main differences between the preliminary and final goodwill are presented below:

Description	Total
Biological assets	20,827
Land leasing agreements	9,375
Partnership agricultural agreements (i)	19,730
	49,932
Consideration transferred, net of cash acquired	108,434
Preliminary goodwill	58,502
Sugarcane supply agreements	(1,117)
Deferred taxes on appreciation of assets	17.357
Net effect of the sale of contractual rights of leases of land	(17,573)
Final goodwill	57,169

The fair value of the assets acquired and liabilities assumed is categorized within level 3.

31. Subsequent events

Fire in the Santos Liquids Terminal

On April 2, 2015, a fire broke out at the Terminal Intermodal de Santos ("TIS"), facility operated by Ultracargo - Operações Logísticas e Participações Ltda. ("Ultracargo"), which reached partially assets belonging to Terminal de Exportação de Álcool de Santos Ltda. ("TEAS"). The TEAS is a company controlled by Raizen Energia SA. On March 31, 2015, TEAS had assets in the amount of R$ 59 million. The contractual relationship between the TEAS and Ultracargo covers risks to which the TEAS is exposed. The causes and accident damage are under investigation.

Issuance of Agricultural Receivable Certificates (CRAs)

According to the notice about the Closing of Public Offering of 1st Series of the 14th Issue of Gaia Agro Securitizadora, published on June 18, 2015, RESA concluded the issue of CRAs for funding the amount of R$ 675 million maturing in June 2021, considering the full exercise of Greenshoe (20%), pursuant to Article 14, paragraph 2 of CVM Instruction 400 and full exercise of Hot Issue (15%), in accordance with Article 24 of CVM Instruction No. 400. The financial settlement occurred on June 16, 2015.

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