Raízen Energia S.A.

Interim financial information as of June 30, 2017

(A free translation of the original report in Portuguese, as filed in the Brazilian Securities Commission ("CVM"), containing individual and consolidated interim financial information prepared in accordance with the Technical Pronouncement CPC 21(R1) - Interim Financial Reporting and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB)

KPDS 196459

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Report on review of interim financial information

(A free translation of the original report in Portuguese, as filed in the Brazilian Securities Commission ("CVM"), containing individual and consolidated interim financial information prepared in accordance with the Technical Pronouncement CPC 21(R1) - Interim Financial Reporting and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB)

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

Introduction
We have reviewed the accompanying individual and consolidated interim financial information of Raízen Energia S.A. ("Company") contained in the Quarterly Information Form - ITR for the quarter ended June 30, 2017, which comprises the statement of financial position as at June 30, 2017, and the respective statements of income (loss), comprehensive income, changes in equity and cash flows for the three-month period then ended, including selected explanatory notes.

The Company's management is responsible for the preparation of these interim financial information in accordance with Technical Pronouncement CPC 21 (R1) - Interim Financial Reporting and IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB, as well as for the presentation of this information in accordance with standards issued by the Brazilian Securities and Exchange Commission, applicable to the preparation of Quarterly Information - ITR. Our responsibility is to express a conclusion on this interim financial information based on our review.

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

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

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

Conclusion on the interim financial information
Based on our review, nothing has come to our attention that causes us to believe that the accompanying individual and consolidated interim financial information included in the Quarterly Information referred to above has not been prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34, issued by IASB, applicable to the preparation of Quarterly Information - ITR, and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission.

Other matters

Statements of value added
The individual and consolidated interim financial information, related to statements of value added for the quarter ended June 30, 2017, prepared under the responsibility of the Company's management, presented as supplementary information for the purposes of IAS 34, were submitted to the review procedures followed together with the review of the Quarterly Information - ITR of the Company. In order to form our opinion, we evaluated whether these statements are reconciled to the interim financial information and to the accounting records, as applicable, and whether their form and content are in accordance with the criteria set on Technical Pronouncement CPC 09 - Statement of Value Added. Based on our review, nothing has come to our attention that causes us to believe that it has not been prepared, in all material respects, in accordance with the individual and consolidated interim financial information taken as a whole.

São Paulo, August 10, 2017

KPMG Auditores Independentes
CRC 2SP014428/O-6
(Original report in Portuguese signed by)
Ulysses M. Duarte Magalhães
Accountant CRC RJ-092095/O-8

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Statements of financial position at June 30 and March 31, 2017

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

		Parent company		Consolidated	
	Note	**06.30.2017**	**03.31.2017**	**06.30.2017**	**03.31.2017**
Assets					
Current assets					
Cash and cash equivalents	3	813,796	555,852	4,046,721	3,437,612
Restricted cash	4	62,728	151,067	155,956	234,200
Derivative financial instruments	24	371,989	372,926	453,629	422,055
Trade accounts receivable	5	164,037	114,305	459,712	371,930
Inventories	6	908,270	416,641	1,333,306	647,046
Biological assets	7	778,158	1,105,800	891,434	1,276,321
Recoverable income and social contribution taxes	15.a.1	507,001	491,994	574,692	564,271
Recoverable taxes		96,849	66,983	174,692	123,373
Other financial assets	8	64,738	11,048	64,738	11,048
Related parties	9	1,197,524	760,909	1,165,146	758,803
Dividends receivable		44,994	44,994	-	-
Other receivables		275,038	258,412	367,462	332,395
Total current assets		5,285,122	4,350,931	9,687,488	8,179,054
Non-current assets					
Derivative financial instruments	24	188,524	151,717	198,224	160,325
Other financial assets	8	1,159,029	1,207,258	1,174,613	1,222,820
Recoverable income and social contribution taxes	15.a.1	171,368	179,643	183,743	191,878
Recoverable taxes		44,756	43,124	50,311	48,506
Related parties	9	327,250	313,717	2,964,729	3,009,917
Deferred income and social contribution tax	15.b	90,210	45,962	42,788	19,562
Judicial deposits	16	160,487	151,909	287,628	275,766
Other receivables		149,273	129,327	178,272	158,875
Investments	10	5,764,809	5,629,786	234,277	244,429
Property, plant and equipment	11	4,870,777	4,952,965	8,672,518	8,826,627
Intangible assets	12	1,075,555	1,086,176	1,427,976	1,443,041
Total non-current assets		14,002,038	13,891,584	15,415,079	15,601,746
Total assets		19,287,160	18,242,515	25,102,567	23,780,800

See the accompanying notes to the interim financial information.

Statements of financial position at June 30 and March 31, 2017
(In thousands of Reais - R$) **(continued)**

		Parent company		Consolidated	
	Note	**06.30.2017**	**03.31.2017**	**06.30.2017**	**03.31.2017**
Liabilities					
Current liabilities					
Loans and financing	14	677,339	638,228	1,018,306	1,005,578
Derivative financial instruments	24	103,343	260,404	170,082	294,094
Suppliers	13	753,189	545,779	1,170,295	948,360
Payroll and related charges payable		385,338	311,414	450,776	361,806
Income and social contribution taxes payable	15.a.2	-	-	36,228	28,227
Taxes payable		49,645	73,767	130,105	143,274
Dividends payable	18.b	45,167	45,167	45,167	45,167
Related parties	9	545,556	360,739	690,561	325,168
Advances from clients	5	5,300	122,317	10,103	177,816
Other liabilities		282,812	47,057	322,154	92,857
Total current liabilities		2,847,689	2,404,872	4,043,777	3,422,347
Non-current liabilities					
Loans and financing	14	4,791,085	3,967,057	10,294,620	9,313,113
Derivative financial instruments	24	21,836	34,405	47,913	74,134
Taxes payable		159,850	157,383	171,936	169,747
Related parties	9	1,960,435	1,890,419	808,427	801,090
Provision for legal disputes	16	252,763	229,815	318,467	293,913
Deferred income and social contribution tax	15.b	-	-	181,332	185,706
Other liabilities		156,090	173,409	139,646	136,558
Total non-current liabilities		7,342,059	6,452,488	11,962,341	10,974,261
Total liabilities		10,189,748	8,857,360	16,006,118	14,396,608
Equity					
Capital	18.a	6,456,346	6,456,346	6,456,346	6,456,346
Capital reserves	18.a	1,089,121	1,089,121	1,089,121	1,089,121
Asset / liability valuation adjustments	18.c	255,998	(43,474)	255,998	(43,474)
Income reserves	18.d	1,492,162	1,883,162	1,492,162	1,883,162
Accumulated losses		(196,215)	-	(196,215)	-
		9,097,412	9,385,155	9,097,412	9,385,155
Non-controlling shareholders		-	-	(963)	(963)
Total equity		9,097,412	9,385,155	9,096,449	9,384,192
Total liabilities and equity		19,287,160	18,242,515	25,102,567	23,780,800

See the accompanying notes to the interim financial information.

Statements of income (loss)
Three-month periods ended June 30
(In thousands of Reais - R$, except for earnings per share)

		Parent company		Consolidated	
	Note	Apr-Jun/2017	Apr-Jun/2016	Apr-Jun/2017	Apr-Jun/2016
Net operating revenue	19	1,301,924	1,562,583	3,105,914	2,642,898
Costs of products sold and services provided	21	(1,435,516)	(1,305,566)	(3,022,966)	(2,170,689)
Gross (loss) income		(133,592)	257,017	82,948	472,209
Operating expenses					
From sales	21	(134,738)	(152,484)	(186,415)	(180,311)
General and administrative	21	(100,648)	(73,060)	(136,664)	(111,438)
Other operating (expenses) income, net	22	(4,126)	(27,569)	6,850	(26,356)
Equity accounting result	10	154,976	101,948	(10,494)	(12,492)
		(84,536)	(151,165)	(326,723)	(330,597)
(Loss) income before financial results and income tax and social contribution		(218,128)	105,852	(243,775)	141,612
Financial results					
Financial expenses	23	(163,219)	(161,722)	(229,294)	(209,235)
Financial income	23	100,594	87,156	206,246	165,611
Foreign exchange variation, net	23	(16,381)	(45,674)	(13,790)	(45,045)
Net effect of the Derivatives	23	(81,940)	323,388	(59,228)	297,342
		(160,946)	203,148	(96,066)	208,673
(Loss) income before income and social contribution taxes		(379,074)	309,000	(339,841)	350,285
Income and social contribution taxes	15.a				
Current		(16,200)	(20,443)	(40,597)	(48,850)
Deferred		199,059	(36,981)	184,223	(49,859)
		182,859	(57,424)	143,626	(98,709)
(Loss) net income for the period		(196,215)	251,576	(196,215)	251,576
(Loss) net earnings per common share:					
Basic and diluted	18.f			(0.027)	0.032

See the accompanying notes to the interim financial information.

Statements of comprehensive income
Three-month periods ended June 30
(In thousands of Reais)

	Parent company		Consolidated	
	Apr-Jun/2017	**Apr-Jun/2016**	**Apr-Jun/2017**	**Apr-Jun/2016**
(Loss) net income for the period	(196,215)	251,576	(196,215)	251,576
Comprehensive income				
Items that may be reclassified to income				
Net income (loss) from financial instruments designated as hedge accounting (Note *24*.e)	455,329	(373,563)	455,329	(373,563)
Effect of foreign currency translation - CTA	(1,046)	2,617	(1,046)	2,617
Deferred taxes on adjustments (Note 15.c)	(154,811)	127,012	(154,811)	127,012
	299,472	(243,934)	299,472	(243,934)
Other components of the comprehensive income for the period	299,472	(243,934)	299,472	(243,934)
Total comprehensive income for the period	103,257	7,642	103,257	7,642

See the accompanying notes to the interim financial information.

RAÍZEN ENERGIA S.A.

Statements of changes in equity
Three-month periods ended June 30
(In thousands of Reais)

	Attributed to the parent company's shareholders										
		Capital reserves			Income reserves						
	Capital	Capital reserve	Goodwill special reserve	Asset / liability valuation adjustments	Tax incentive reserve	Legal	Profit retention	Accumulated losses	Total	Non-controlling shareholders	Total equity
Balances at March 31, 2017	6,456,346	846,010	243,111	(43,474)	235,457	170,982	1,476,723	-	9,385,155	(963)	9,384,192
Comprehensive income for the period											
Net loss for the period	-	-	-	-	-	-	-	(196,215)	(196,215)	-	(196,215)
Asset/ liability valuation adjustment - Hedge accounting (Note 24.e)	-	-	-	300,518	-	-	-	-	300,518	-	300,518
Effect of foreign currency translation - CTA	-	-	-	(1,046)	-	-	-	-	(1,046)	-	(1,046)
	-	-	-	299,472	-	-	-	(196,215)	103,257	-	103,257
Contributions made by (distributions to) Company shareholders											
Allocation of dividends (Note 18.b)	-	-	-	-	-	-	(391,000)	-	(391,000)	-	(391,000)
	-	-	-	-	-	-	(391,000)	-	(391,000)	-	(391,000)
Balances at June 30, 2017	6,456,346	846,010	243,111	255,998	235,457	170,982	1,085,723	(196,215)	9,097,412	(963)	9,096,449

	Attributed to the parent company's shareholders										
		Capital reserves			Income reserves						
	Capital	Capital reserve	Goodwill special reserve	Asset / liability valuation adjustments	Tax incentive reserve	Legal	Profit retention	Retained earnings (losses)	Total	Non-controlling shareholders	Total equity
Balances at March 31, 2016	6,423,054	849,579	243,111	(493,996)	170,141	109,394	1,254,913	(172,809)	8,383,387	(963)	8,382,424
Comprehensive income for the period											
Net income for the period	-	-	-	-	-	-	-	251,576	251,576	-	251,576
Asset/ liability valuation adjustment - Hedge accounting	-	-	-	(246,551)	-	-	-	-	(246,551)	-	(246,551)
Effect of foreign currency translation - CTA	-	-	-	2,617	-	-	-	-	2,617	-	2,617
	-	-	-	(243,934)	-	-	-	251,576	7,642	-	7,642
Balances at June 30, 2016	6,423,054	849,579	243,111	(737,930)	170,141	109,394	1,254,913	78,767	8,391,029	(963)	8,390,066

See the accompanying notes to the interim financial information.

RAÍZEN ENERGIA S.A.

Statements of cash flows
Three-month periods ended June 30
(In thousands of Reais)

	Parent company		Consolidated	
	Apr-Jun/2017	**Apr-Jun/2016**	**Apr-Jun/2017**	**Apr-Jun/2016**
Cash flow from operating activities				
(Loss) income before income and social contribution taxes	(379,074)	309,000	(339,841)	350,285
Adjustments:				
Depreciation and amortization	342,171	364,817	460,650	491,100
Net loss arising from change in the fair value and realization of the capital gain or loss of biological assets	283,323	94,054	331,733	110,306
Equity accounting result of subsidiaries and associated companies	(154,976)	(101,948)	10,494	12,492
Interest, monetary and exchange variations, net	167,505	3,093	197,547	7,273
Income (loss) determined in the write-off of biological assets and fixed assets.	2,289	(1,887)	2,523	(572)
Adjustment at fair value of liability financial instruments	-	-	9,221	-
(Loss) gain with commercial operations	(38)	27,189	(38)	27,189
Formation of estimated loss from allowance for doubtful accounts, net	666	38	1,583	139
Formation of provision for legal disputes and contingencies, net	14,252	10,548	17,114	14,385
Unrealized loss (gain) on derivative operations	61,049	(202,419)	43,880	(170,485)
Recognition of extemporaneous tax credits	(2,797)	-	(4,044)	-
Formation of estimated loss on non-realization and obsolescence of inventories, net	3,679	2,705	3,997	2,858
Reversal of estimated loss with fixed and intangible assets, net	(3,465)	-	(3,701)	-
Income from investment grants - ICMS	-	-	(997)	(2,454)
Other	3	1	(15,477)	(8,212)
Changes in assets and liabilities				
Trade accounts receivable and advances from clients	(164,791)	(99,576)	(253,876)	235,887
Inventories	(356,186)	(326,539)	(513,694)	(502,077)
Restricted cash, net	334,003	(263,864)	324,950	(274,854)
Derivative financial instruments	130,144	186,172	133,285	175,619
Judicial deposits	(5,714)	(14,728)	(7,885)	(14,651)
Suppliers and advances to suppliers	178,916	22,171	188,409	5,244
Recoverable and payable taxes	(60,615)	(42,784)	(72,466)	(76,571)
Related parties	95,237	218,366	150,182	(14,346)
Payroll and related charges payable	73,923	37,953	88,971	52,271
Provision for legal disputes	(3,286)	(2,792)	(4,903)	(6,464)
Other assets and liabilities, net	(10,926)	(17,894)	(14,004)	(4,639)
Income and social contribution taxes on net income - paid	-	-	(4,689)	(31,188)
Net cash generated in operating activities	545,292	201,676	728,924	378,535
Cash flow from investment activities				
Additions to the investments	(312)	(72,164)	(312)	(20,571)
Additions to fixed and intangible assets	(233,991)	(139,273)	(285,544)	(184,766)
Cash received upon disposal of fixed assets	3,410	3,266	7,354	4,095
Additions to biological assets	(107,403)	(122,732)	(124,957)	(142,819)
Interest received on PPE's granted - intragroup	-	-	7,088	6,260
Net cash used in investment activities	(338,296)	(330,903)	(396,371)	(337,801)
Cash flow from financing activities				
Loans and financing - third parties	961,071	48,259	1,118,310	816,173
Amortizations of principal of loans and financing - third-parties	(55,933)	(111,852)	(308,970)	(330,044)
Payment of interest on loans and financing - third-parties	(134,231)	(141,267)	(195,599)	(184,561)
Financial investments linked to financing (Restricted cash)	-	-	179	6,787
Dividends paid	(391,000)	(125,000)	(391,000)	(125,000)
Amortizations of interest of PPEs obtained - intragroup	(5,498)	(7,505)	-	-
Asset management, net - intragroup	(325,365)	491,219	36,757	9,080
Net cash generated in financing activities	49,044	153,854	259,677	192,435
Increase in cash and cash equivalents, net	256,040	24,627	592,230	233,169
Cash and cash equivalents at the beginning of the period	555,852	506,602	3,437,612	2,987,675
Effect of exchange variation on cash and cash equivalents	1,904	(2,995)	16,879	(50,185)
Cash and cash equivalents at the end of the period	813,796	528,234	4,046,721	3,170,659

Supplementary information to the statements of cash flows is shown in Note 27.

See the accompanying notes to the interim financial information.

RAÍZEN ENERGIA S.A.

Statements of added value
Three-month period ended June 30
(In thousands of Reais)

	Parent company		Consolidated	
	Apr-Jun/2017	**Apr-Jun/2016**	**Apr-Jun/2017**	**Apr-Jun/2016**
Income				
Gross sales of products and services	1,371,734	1,611,250	3,299,259	2,768,282
Sales returns, discounts and rebates	(4,444)	(1,889)	(5,430)	(2,912)
Reversal of estimated loss from allowance for doubtful accounts, net	(666)	(38)	(1,583)	(139)
Other operating (expenses) income, net	(4,126)	(27,569)	6,850	(26,356)
	1,362,498	1,581,754	3,299,096	2,738,875
Inputs acquired from third parties				
Costs of products sold and services provided	(612,870)	(625,883)	(1,982,472)	(1,302,563)
Materials, energy, outsourced services and other	(166,138)	(173,315)	(218,716)	(202,902)
Net loss arising from change in the fair value and realization of the capital gain or loss of biological assets	(283,323)	(94,054)	(331,733)	(110,306)
Formation of estimated loss with obsolescence of inventories	(3,679)	(2,705)	(3,997)	(2,858)
	(1,066,010)	(895,957)	(2,536,918)	(1,618,629)
Gross added value	296,488	685,797	762,178	1,120,246
Depreciation and amortization	(342,171)	(364,817)	(460,650)	(491,100)
Net added value produced	(45,683)	320,980	301,528	629,146
Added value received as transfers				
Equity accounting result	154,976	101,948	(10,494)	(12,492)
Financial income	100,594	87,156	206,246	165,611
Gain on derivative operations	-	323,388	-	297,342
	255,570	512,492	195,752	450,461
Added value payable	209,887	833,472	497,280	1,079,607
Distribution of added value				
Personnel				
Direct remuneration	138,698	136,919	202,782	202,390
Benefits	33,053	33,672	42,409	40,930
FGTS	14,161	19,645	17,264	22,494
	185,912	190,236	262,455	265,814
Taxes, rates and contributions				
Federal	43,982	36,654	127,863	88,298
Deferred federal taxes	(199,059)	36,981	(184,223)	49,859
State	37,778	31,279	100,866	83,778
Municipal	1,245	870	1,572	1,128
	(116,054)	105,784	46,078	223,063
Third-party capital remuneration				
Financial expenses	163,219	161,722	229,294	209,235
Losses from foreign exchange changes	16,381	45,674	13,790	45,045
Losses on derivative operations	81,940	-	59,228	-
Rental and leases	74,704	78,480	82,650	84,874
	336,244	285,876	384,962	339,154
Remuneration of own capital				
(Accumulated losses) Retained earnings	(196,215)	251,576	(196,215)	251,576
	(196,215)	251,576	(196,215)	251,576
Distributed added value	209,887	833,472	497,280	1,079,607

See the accompanying notes to the interim financial information.

1. Operations

Raízen Energia S.A. ("Company", "Group", "Raízen Energia" or "RESA") is a publicly-held company enrolled in the Brazilian Securities and Exchange Commission ("CVM") in Category B, headquartered at Av. Brigadeiro Faria Lima, 4.100, 11th floor, Parte V, Itaim Bibi, São Paulo - SP. The Company is indirectly jointly controlled by Royal Dutch Shell ("Shell") and Cosan Limited ("Cosan") and was established on June 1, 2011.

The term Raízen, when mentioned, corresponds to the formation of the joint venture between Shell and Cosan, of the ethanol, sugar and energy segment.

The Company and its subsidiaries engage in producing and marketing of sugar and ethanol, and the trading, both domestically and abroad through its subsidiaries Raízen Trading LLP and Raízen International Universal Corporation, as the co-generating energy produced from bagasse at its 24 plants located in Brazil's Center-Southern Region.

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

During the year ended March 31, 2017, RESA and Wilmar International Limited created a joint venture named Raízen and Wilmar Sugar Pte. Ltd., "RaW", to attend the growing global demand of VHP sugar from Brazil. RaW is a joint venture between Raízen and Wilmar (50% interest each), and will combine the strengths of the greatest Brazilian producer of VHP sugar with the greatest global trader of such commodity. RaW operations had begun on April 1, 2017. The results of this transaction are reflected in Notes 9 and 10.

On June 13, 2017, RESA presented a binding proposal in a total amount of R$ 823 million with certain preceding conditions for the acquisition of the Santa Cândida and Paraíso mills, in connection with the Court-supervised Reorganizations of Tonon Bioenergia S.A., Tonon Holding S.A. and Tonon Luxembourg S.A. - all under Court-supervised Reorganization.

On June 16, 2017, the proposal presented by RESA for the acquisition of Santa Cândida and Paraíso mills in the scope of the aforementioned court-supervised reorganizations, in the form of an Isolated Productive Unit - UPI ("UPI Tonon"), was considered the winner by the creditors of the recovered companies in a meeting of creditors held on that date.

On July 7, 2017, the conditions of the creditors were accepted by RESA regarding the UPI Tonon acquisition proposal. The legal procedures for the conclusion of the business are still pending, including the approval by the Administrative Council for Economic Defense ("CADE"). So far, RESA has not made any cash disbursement for the payment of said acquisition, nor the same materialized as a business combination under IFRS 3 (CPC 15).

2. Presentation of interim financial information and significant accounting policies

2.1. Preparation basis

Interim financial information has been prepared in conformity with technical pronouncement CPC 21 (R1) and IAS 34 - Interim Financial Reporting, issued by International Accounting Standards Board (IASB) and presented in a manner consistent with standards issued by the Brazilian Securities Commission ("CVM"), applicable to the preparation of the Interim financial information (ITR).

This interim financial information have been prepared in accordance with the preparation basis and accounting policies consistent with those applied to the preparation of financial statements as of March 31, 2017 and should be read with such statements. The information in the notes that has not significantly changed or was irrelevant, when compared with that included in the financial statements as of March 31, 2017, was not fully repeated in this interim financial information. However, selected information was included to explain the main events and transactions that took place, in order to provide an understanding of the changes in the Company's financial position and operating performance since the disclosure of the financial statements at March 31, 2017.

In the preparation of this interim financial information requires Management to make judgments, estimates and assumptions that affect the Group's application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and assumptions are reviewed on an ongoing basis, and have not suffer any material changes in the preparation of this interim financial information in comparison to the financial statements at March 31, 2017, except for the restatement of fair value of biological assets, on which we had a significant impact in Consecana's price assumption, due to a decrease in sugar value in future market. For further details, see Note 7.

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

The presentation of the Statements of Added Value ("DVA") is required by Brazilian Corporate Law and accounting practices adopted in Brazil applicable to public companies. IFRS does not require the presentation of such statement, which is considered supplementary information, without prejudice to the set of interim financial information.

The issuance of the Company's interim financial information was authorized by the Management on August 10, 2017.

2.2. Basis of consolidation

The consolidated interim financial information includes the interim financial information of RESA and its subsidiaries. The direct and indirect subsidiaries are listed below:

	06.30.2017		03.31.2017	
	Direct	**Indirect**	**Direct**	**Indirect**
Agrícola Ponte Alta Ltda.	91.21%	8.79%	91.21%	8.79%
Agropecuária Santa Hermínia Ltda. (i)	-	-	-	100.00%
Benálcool Açúcar e Álcool Ltda.	99.99%	0.01%	99.99%	0.01%
Bioenergia Araraquara Ltda.	-	100.00%	-	100.00%
Bioenergia Barra Ltda.	99.99%	0.01%	99.99%	0.01%
Bioenergia Caarapó Ltda.	-	100.00%	-	100.00%
Bioenergia Costa Pinto Ltda.	-	100.00%	-	100.00%
Bioenergia Gasa Ltda.	-	100.00%	-	100.00%
Bioenergia Jataí Ltda.	-	100.00%	-	100.00%
Bioenergia Maracaí Ltda.	-	100.00%	-	100.00%
Bioenergia Rafard Ltda.	-	100.00%	-	100.00%
Bioenergia Serra Ltda.	-	100.00%	-	100.00%
Bioenergia Tarumã Ltda.	-	100.00%	-	100.00%
Bioenergia Univalem Ltda.	-	100.00%	-	100.00%
Raízen Centroeste Açúcar e Álcool Ltda.	47.37%	52.63%	47.37%	52.63%
Raízen Araraquara Açúcar e Álcool Ltda. ("Raízen Araraquara")	99.99%	0.01%	99.99%	0.01%
Raízen Ásia PT Ltd.	-	100.00%	-	100.00%
Raízen Biotecnologia S.A.	100.00%	-	100.00%	-
Raízen Caarapó Açúcar e Álcool Ltda.	31.48%	68.52%	31.48%	68.52%
Raízen Energy Finance Ltd.	100.00%	-	100.00%	-
Raízen Fuels Finance S.A.	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 Trading LLP	-	100.00%	-	100.00%
São Joaquim Arrendamentos Agrícolas Ltda. (i)	-	100.00%	-	-
TEAS Terminal Exp. de Álcool de Santos Ltda.	99.99%	0.01%	99.99%	0.01%
Unimodal Ltda.	53.17%	20.24%	53.17%	20.24%
Raízen e Wilmar Açúcar Ltda. (ii)	-	-	99.00%	1.00%
Raízen Biogás Ltda.	99.90%	0.10%	99.90%	0.10%
Raízen Biogás SPE Ltda.	99.90%	0.10%	99.90%	0.10%

(i) On June 21, 2017, the subsidiary Raízen Araraquara, through a process of exchange of quotas, transferred its interest in the company Agropecuária Santa Hermínia Ltda. and, in return, started holding interest in the company São Joaquim Arrendamentos Agrícolas Ltda.

(ii) On April 18, 2017, by means of a Private Instrument for the 1st Amendment to the Articles of Association, the Company and its subsidiary Raízen Araraquara transferred portions and the totality, respectively, of their quotas issued by Raízen and Wilmar Açúcar Ltda. to the company RAW. Thus, the Company now holds a minority interest and Raízen Araraquara ceased to be a partner.

2.3. New IFRS and IFRIC Interpretations (IASB Financial Reporting Interpretations Committee) applicable to interim financial information

The following new standards and interpretations were issued by the IASB but are not yet effective for the period ended June 30, 2017. Early adoption of standards, although accepted by the IASB, is not permitted in Brazil by the Brazilian Accounting Pronouncement Committee (CPC).

IFRS 9 - Financial Instruments (CPC 48)

IFRS 9 (CPC 48) includes new models for the classification and measurement of financial instruments and measurement of expected credit losses for financial and contractual assets, and new requirements on hedge accounting.

IFRS 9 (CPC 48) becomes effective for annual periods starting on or after January 1, 2018 (in the case of the Group, as from April 1, 2018) and replaces guidelines of IAS 39 - Financial Instruments: Recognition and measurement (CPC 38). Early adoption of the standard is permitted only for financial statements in accordance with IFRS.

There was no change in the management's assessment of the impact of IFRS 9 (CPC 48) adoption in relation to that disclosed in the annual financial statements as of March 31, 2017.

IFRS 15 (CPC 47) - Revenues from Contracts with Customers (CPC 47)

IFRS 15 (CPC 47) introduces a comprehensive framework for determining whether and when income is recognized. IFRS 15 (CPC 47) will become effective for annual periods starting on or after January 1, 2018 (in case of Raízen, beginning as of April 1, 2018) and will replace current guidelines for recognition of revenue in IAS 18 / CPC 30 - Revenues, IAS 11 / CPC 17 - Construction Contracts and IFRIC 13 - Customers Loyalty Programs. Early adoption of the standard is permitted only for financial statements in accordance with IFRS.

The Group will adopt IFRS 15 (CPC 47) in its financial statements for year ending March 31, 2019 and is evaluating if it will use prospective or retrospective approach, as well as if some practical device will be applicable to its operations and if they will be used upon adoption.

There was no change in the management's assessment of the impact of IFRS 15 (CPC 47) adoption in relation to that disclosed in the annual financial statements as of March 31, 2017.

IFRS 16 - Leases

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

IFRS 16 replaces the existing lease standards, including the CPC 06 (IAS 17) Leases and ICPC 03 (IFRIC 4, SIC 15 and SIC 27) - Supplementary aspects of lease transactions.

The standard will become effective for annual periods starting on or after January 1, 2019 (in the case of the Raízen, as from April 1, 2019). The early adoption is only permitted for financial statements in accordance with IFRSs and only to entities that adopt IFRS 15 (CPC 47) Revenues from Contracts with Customers on or before the date of first adoption of IFRS 16.

There was no change in the management's assessment of the impact of IFRS 16 adoption in relation to that disclosed in the annual financial statements as of March 31, 2017.

Besides the aforementioned standards, there are no other IFRS or IFRIC interpretations that are not yet effective and as Management's current understanding, may result in relevant impacts to the Company.

3. Cash and cash equivalents

	Parent company		Consolidated	
	06.30.2017	**03.31.2017**	**06.30.2017**	**03.31.2017**
Funds in banks and in cash	14,632	15,055	461,519	309,961
Values awaiting foreign exchange closure	31,163	171,674	31,163	171,674
Financial investments:				
Investment funds (1)	12,709	-	857,212	838,512
Bank deposit certificate (CDB) and commitments (2)	754,706	368,544	2,696,241	2,116,886
Other investments	586	579	586	579
	813,796	555,852	4,046,721	3,437,612
Domestic (domestic currency)	805,996	455,688	3,631,089	3,057,125
Abroad (foreign currency) (Note 24.d)	7,800	100,164	415,632	380,487
	813,796	555,852	4,046,721	3,437,612

(1) As of June 30, 2017, the average yield on investment funds was 100.4% of the Interbank Deposit Certificate (99.4% as of March 31, 2017).
(2) As of June 30, 2017, the average yield on fixed income investments was 100.6% of the Interbank Deposit Certificate (101.1% as of March 31, 2017).

4. Restricted cash

	Parent company		Consolidated	
	06.30.2017	**03.31.2017**	**06.30.2017**	**03.31.2017**
Financial investments linked to debts (1)	-	-	48,249	47,206
Short-term investments related to derivative operations (Note 24.g) (2)	62,728	28,246	62,728	28,246
Margin on derivative operations (Note 24.g) (3)	-	122,821	44,979	158,748
	62,728	151,067	155,956	234,200
Domestic (domestic currency)	62,728	28,246	110,977	75,452
Abroad (foreign currency) (Note 24.d)	-	122,821	44,979	158,748
	62,728	151,067	155,956	234,200

(1) As of June 30, 2017, the average yield on fixed income investments related to financing was 101.3% of the Interbank Deposit Certificate (100.1% as of March 31, 2017).
(2) As of June 30 and March 31, 2017, the average yield from investments related to derivative operations, that correspond to CDB (Bank Deposit Certificates) investments was 101.2% of the CDI - Interbank Deposit Certificate.
(3) Margin deposits in derivative operations refer to margin requirements by counterparts in transactions with derivative instruments, and are exposed to US dollar exchange fluctuations (Note 24.g).

The modalities of restricted cash are those disclosed in the annual financial statements of March 31, 2017 (Note 2.1), no change has occurred in the recognition procedures, measurement and accounting records, as well as changes in credit risk of counterparties involved in balances.

5. Trade accounts receivable

	Parent company		Consolidated	
	06.30.2017	**03.31.2017**	**06.30.2017**	**03.31.2017**
Domestic	146,033	95,116	384,174	257,901
Abroad (Note 24.d)	22,448	22,967	103,743	140,499
Allowance for doubtful accounts	(4,444)	(3,778)	(28,205)	(26,470)
	164,037	114,305	459,712	371,930

The Company did not assign any notes as collateral. The maximum exposure to credit risk on the balance sheet date is the book value of each of the types of accounts receivable.

The aging schedule of trade accounts receivable is as follows:

	Parent company		Consolidated	
	06.30.2017	**03.31.2017**	**06.30.2017**	**03.31.2017**
Falling due	151,308	105,723	426,964	271,216
Overdue - in days:				
Up to 30 days	10,976	5,592	29,432	94,895
From 31-90 days	1,691	2,928	3,541	4,214
From 91-180 days	666	63	3,960	212
Above 180 days	3,840	3,777	24,020	27,863
	17,173	12,360	60,953	127,184
	168,481	118,083	487,917	398,400

The allowance for doubtful accounts was estimated based on those disclosed in annual financial statements as of March 31, 2017, in Note 5.

Changes in estimated loss from allowance for doubtful accounts are as follow:

	Parent company	Consolidated
March 31, 2017	(3,778)	(26,470)
Estimated loss	(666)	(1,970)
Write-off	-	387
Foreign exchange variation	-	(152)
June 30, 2017	(4,444)	(28,205)

As of June 30, 2017, the Company has the amounts of R$ 5,300 and R$ 10,103 (R$ 122,317 and R$ 177,816 as of March 31, 2017) Parent company and Consolidated, respectively, recorded in current liabilities, under the caption Advances from customers, which substantially refer to the receipts from foreign customers for acquisition of sugar.

6. Inventories

	Parent company		Consolidated	
	06.30.2017	**03.31.2017**	**06.30.2017**	**03.31.2017**
Finished products:				
Sugar	399,792	143,549	484,108	204,923
Ethanol	404,698	189,109	710,946	327,489
Work in process	25,188	2,965	34,385	4,695
Storeroom and others	144,839	143,586	185,071	187,146
Estimated loss with obsolescence and realization of inventories	(66,247)	(62,568)	(81,204)	(77,207)
	908,270	416,641	1,333,306	647,046

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

	Parent company	Consolidated
March 31, 2017	(62,568)	(77,207)
Estimated loss	(3,679)	(3,997)
June 30, 2017	(66,247)	(81,204)

7. Biological assets

The Company's biological assets correspond to agricultural products under development (standing-sugarcane) produced in sugarcane plantations, which will be used as a raw material for the production of sugar, ethanol and bioenergy at the time of harvest. The fair value evaluation method, valuation model and qualitative sensitivity analysis are the same as those disclosed in the annual financial statements as of March 31, 2017.

In the period ended June 30, 2017, Management reviewed the assumption of ATR average price (from R$ 0.70 as of March 31, 2017 to R$ 0.59 as of June 30, 2017 - a weighted average of all cash flows), pursuant to sugar price and US dollar expectations.

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

	Parent company		Consolidated	
	06.30.2017	03.31.2017	06.30.2017	03.31.2017
Estimated harvest area (hectares)	360,732	360,732	415,095	415,095
Expected productivity (tons of sugar-cane per hectare)	76.74	76.70	77.10	77.06
Amount of ATR (kg)	132.27	132.30	132.27	132.30
Average ATR price per Kg projected (R$/Kg)	0.59	0.70	0.59	0.70

As of June 30 and March 31, 2017, cash flows were discounted at 6.08%, which is the WACC (Weighted Average Capital Cost) of the Group.

Changes in biological assets (sugar cane) are detailed below:

	Parent company	Consolidated
Balance at March 31, 2017	1,105,800	1,276,321
Additions with sugarcane treatments	111,373	129,674
Absorption of harvested sugar-cane costs	(155,685)	(182,821)
Change in fair value	(103,067)	(126,944)
Realization of fair value	(180,263)	(204,796)
Balance at June 30, 2017	778,158	891,434

The Company's sugarcane planting operations are exposed to variations from climate changes, pests and diseases, forest fires and other forces of nature.

Weather conditions may historically cause fluctuations in the sugar and alcohol industry and therefore in Company operating income because they affect crops by means of increasing or reducing harvests. Moreover, Company's businesses are subject to seasonal fluctuations determined by the sugar cane growth cycle in Brazil's Center-Southern region.

Sugarcane usually starts to be harvested in Brazil's Center-Southern region between April and May ending between November and December. This causes fluctuations in inventories, which are usually higher in November and December to cover off-season sales (from December to April) and in gross profit, which is likely to be lower in the last quarter of the fiscal year (from October to December).

8. Other financial assets

	Parent company		Consolidated	
	06.30.2017	**03.31.2017**	**06.30.2017**	**03.31.2017**
Credits from indemnity suits (1)	501,254	496,779	501,254	496,779
National Treasury Certificates (CTN) (2)	722,512	721,526	738,096	737,088
Other	1	1	1	1
	1,223,767	1,218,306	1,239,351	1,233,868
Current	(64,738)	(11,048)	(64,738)	(11,048)
Non-current	1,159,029	1,207,258	1,174,613	1,222,820

1. Receivables from legal disputes on which a final judgment favorable to RESA, which are not part of the net assets contributed by Cosan to set up the Group. Therefore, RESA recognized a liability in the same amount, classified as current and non-current in the related parties account (Note 9.c); given that, RESA has the obligation to reimburse those receivables to Cosan when they are actually collected. These credits yield IPCA-E (Special Amplified Consumer Price Index) and Selic rate variation plus annual interest of 6%, if applicable.

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

9. Related parties

a) Summary of related party balances (7)

	Parent company		Consolidated	
	06.30.2017	03.31.2017	06.30.2017	03.31.2017
Assets				
Asset management (1)				
Raízen Combustíveis S.A. and its subsidiaries	519,383	339,404	519,382	339,404
Agrícola Ponte Alta Ltda.	67,759	-	-	-
Raízen Caarapó Açúcar e Álcool Ltda.	26,330	-	-	-
Benálcool Açúcar e Álcool Ltda.	907	309	-	-
Raízen Centroeste Açúcar e Álcool Ltda.	-	6,561	-	-
Other	7,175	1,172	-	-
	621,554	347,446	519,382	339,404
Debentures (2)				
Raízen Combustíveis S.A. and its subsidiaries	-	-	-	206,916
Commercial operations (3)				
Raízen Combustíveis S.A. and its subsidiaries	23,817	22,826	349,331	180,291
Nova América Agrícola Caarapó Ltda.	-	-	98,312	102,289
Agroterenas S.A.	-	85	50,484	49,183
Raízen and Wilmar Sugar Pte. Ltd.	-	366	26,011	-
Rumo Logística Multimodal S.A and its subsidiaries	21,449	26,679	21,582	26,828
Comgás - Companhia de Gás de São Paulo	6,470	5,418	6,470	5,418
Iogen Energy Corporation	-	-	5,496	-
Cosan S.A. Indústria e Comércio	3,841	3,623	3,841	3,623
Philipínas Shell Petroleum Corp.	-	-	2,932	4,241
Shell Trading US Company	-	-	1,141	558
Raízen International Universal Corporation	303,270	202,282	-	-
Raízen Trading LLP	45,110	3,755	-	-
Raízen Araraquara Açúcar e Álcool Ltda.	12,807	4,957	-	-
Unimodal Ltda.	3,617	3,617	-	-
Raízen Paraguaçú Ltda.	4,785	5,169	-	-
Raízen Centrooeste Açúcar e Álcool Ltda.	2,164	3,438	-	-
Other	5,828	7,387	3,456	4,803
	433,158	289,602	569,056	377,234
Financial operations (4)				
Raízen Combustíveis S.A. and its subsidiaries	-	-	2,517,397	2,355,347
Corporate restructuring				
Logum Logística S.A.	1,714	1,714	1,714	1,714
	1,714	1,714	1,714	1,714
Framework operations (5)				
Cosan S.A. Indústria e Comércio	468,258	435,806	522,236	488,047
Shell Brazil Holding B.V	90	58	90	58
	468,348	435,864	522,326	488,105
	1,524,774	1,074,626	4,129,875	3,768,720
Current assets	(1,197,524)	(760,909)	(1,165,146)	(758,803)
Non-current assets	327,250	313,717	2,964,729	3,009,917

	Parent company		Consolidated	
	06.30.2017	**03.31.2017**	**06.30.2017**	**03.31.2017**
Liabilities				
Asset management (1)				
Raízen Combustíveis S.A. and its subsidiaries	98,254	96,583	98,254	96,582
Bioenergia Barra Ltda. and its subsidiaries	1,477	16,179	-	-
Agrícola Ponte Alta Ltda.	-	26,181	-	-
Raízen Caarapó Açúcar e Álcool Ltda.	-	16,402	-	-
Raízen Paraguaçú Ltda.	-	1,554	-	-
Teas Terminal Exportador de Álcool de Santos Ltda.	-	9,225	-	-
Raízen Centrooeste Açúcar e Álcool Ltda.	242	-	-	-
	99,973	166,124	98,254	96,582
Commercial operations (3)				
Raizen and Wilmar Sugar Pte. Ltd	-	-	248,367	-
Shell Trading US Company	-	-	74,870	-
Agroterenas S.A.	-	-	38,344	17,568
Nova América Agrícola Ltda.	-	-	25,883	9,172
Rumo group	16,916	8,117	19,623	8,250
Raízen Combustíveis S.A. and its subsidiaries	11,172	3,760	12,691	4,984
Nova América Agrícola Caarapó Ltda.	-	-	9,091	19,299
Radar Propriedades Agrícolas	8,806	8,270	8,806	8,308
Cosan S.A. Indústria e Comércio	8,655	17,073	8,655	18,410
Cosan Lubrificantes e Especialidades	1,816	2,577	2,495	3,162
Shell Brazil Holding B.V	1,235	619	1,589	708
Nova Agrícola Ponte Alta S.A.	1,563	1,685	1,563	1,685
Jatobá Prop. Agr. Ltda.	861	928	861	928
Nova Amaralina S.A. Propriedades Agrícolas	762	867	762	867
Raízen International Universal Corporation	226,300	686	-	-
Raízen Araraquara Açúcar e Álcool Ltda.	12,496	1,165	-	-
Raízen Paraguaçú Ltda.	7,338	2,897	-	-
Bioenergia Barra Ltda. and its subsidiaries	3,247	3,933	-	-
Agrícola Ponte Alta Ltda.	-	5,784	-	-
Other	4,126	4,611	5,614	1,984
	305,293	62,972	459,214	95,325
Financial operations (4)				
Raízen Fuels Finance S.A.	1,273,997	1,203,365	-	-
Other	2,316	5,322	2,315	5,322
	1,276,313	1,208,687	2,315	5,322
Corporate restructuring				
Logum Logística S.A.	61,457	61,457	61,457	61,457
Uniduto Logística S.A. (Note 10.a.4)	14,281	14,281	14,281	14,281
	75,738	75,738	75,738	75,738
Framework operations (5)				
Cosan S.A. Indústria e Comércio	686,751	677,629	803,459	793,283
Agrícola Ponte Alta S.A.	1,915	-	-	-
	688,666	677,629	803,459	793,283
Preferred shares (6)				
Cosan S.A. Indústria e Comércio	60,008	60,008	60,008	60,008
	60,008	60,008	60,008	60,008
	2,505,991	2,251,158	1,498,988	1,126,258
Current liabilities	(545,556)	(360,739)	(690,561)	(325,168)
Non-current liabilities	1,960,435	1,890,419	808,427	801,090

(1) Asset management

As of June 30, 2017, the amounts recorded in assets of R$ 621,554 and R$ 519,382 (R$ 347,446 and R$ 339,404 as of March 31, 2017), Parent company and Consolidated, respectively, refers to funds received from the company as the management financial resources. The Company recorded financial income amounting to R$ 10,574 and R$ 8,386 (R$ 5,169 and R$ 693 as of June 30, 2016) for these transactions, Parent company and Consolidated, respectively, for cash financial management pursuant to the terms of fund management contract. The increase in the balance of the Parent company and Consolidated during the period is mainly related to the Company's policy on cash management.

As of June 30, 2017, the amounts recorded in liabilities of R$ 99,973 and R$ 98,254 (R$ 166,124 and R$ 96,582 as of March 31, 2017), Parent company and Consolidated, respectively, refers to funds received from the company as the management financial resources management. The Company recorded financial expenses amounting to R$ 1,891 and R$ 1,784 (R$ 1,445 and R$ 252 as of June 30, 2016) for these transactions, Parent company and Consolidated, respectively, for financial cash management pursuant to the terms of fund management contract.

(2) Debentures

On June 9, 2017, Petróleo Sabbá S.A. (“Sabbá”) settled the private debenture with Raízen Centroeste Açúcar e Álcool Ltda., subsidiary of Raízen Energia S.A. (“RESA”), in the amount of R$ 211,469, of which R$ 200,000 as principal and R$ 11,469 as interest.

(3) Commercial operations

On June 30, 2017, the amounts recorded in assets of R$ 433,158 and R$ 569,056 (R$ 289,602 and R$ 377,234 as of March 31, 2017), Parent company and Consolidated, respectively, are related to business transactions involving the sale of products, such as: sugar, ethanol and other materials as well as advances for purchase of sugarcane.

On June 30, 2017, the amounts recorded in liabilities of R$ 305,293 and R$ 459,214 (R$ 62,972 and R$ 95,325 as of March 31, 2017), Parent company and Consolidated, respectively, are related to business transactions involving the rendering of services, advances from clients for the export of sugar and purchase of products such as: sugar, cane, diesel oil and ethanol.
As of April 1, 2017, RESA and its subsidiaries started commercial operations with RaW. See details in Note 1.

(4) Financial operations

On June 30, 2017, the amount recorded in consolidated assets is related mainly to export prepayment (“PPE”) agreements, for R$ 2,517,397 (R$ 2,355,347 as of March 31, 2017), equivalent to US$ 569 million and € 166 million.

- US$ 219 million on April 27, 2020. Said contract is subject to quarterly Libor interest plus annual fixed interest of 1.69%, resulting in effective average interest rate of 2.99% p.a.

- US$ 350 million on January 20, 2027. Said contract is subject to annual interest of 5.49%.

- € 66 million, on October 15, 2021. The mentioned agreement yields 3.09% in pre-fixed annual interest.

- € 40 million, on January 20, 2022. Said contract is subject to quarterly Euribor interest plus annual fixed interest of 2.21%, resulting in effective average interest rate of 1.88% p.a.

- € 60 million, to be settled on January 21, 2022. Said contract is subject to quarterly Euribor interest plus annual fixed interest of 2.50%, resulting in effective average interest rate of 2.17% p.a.

On June 30, 2017, the sum stated in liabilities of R$ 1,276,313 and R$ 2,315 (R$ 1,208,687 and R$ 5,322 as of March 31, 2017), Parent company and Consolidated, respectively, refers substantially to export prepayment ("PPE") agreements.

The main remaining balance for R$ 1,273,997, Parent company, equivalent to US$ 381 million, will be settled as follows:

- US$ 231 million on April 27, 2020. Said contract is subject to quarterly Libor interest plus annual fixed interest of 1.69%, resulting in effective average interest rate of 2.99% p.a.

- US$ 150 million on January 20, 2027. Said contract is subject to quarterly Libor interest plus annual fixed interest of 1.69%, resulting in effective average interest rate of 2.99% p.a.

The Company assigns certain Export Prepayment ("PPE") as liability measured at fair value through profit or loss. Accordingly, said PPE is increased by the fair value evaluation for R$ 9,221 (zero on March 31, 2017).

(5) Framework agreement

As of June 30, 2017, the amounts recorded in assets and liabilities are related to amounts spent or payable, fully reimbursable, due to the formation of Raízen (Note 1).

(6) Preferred shares

The balance of preferred shares payable, recorded in liabilities, is related to:

- Amount of tax benefits to be reimbursed to Cosan, when effectively utilized by the Company, determined based on NOLs and tax benefits on goodwill amortization ("GW").

- Amount generated on the merger of Ispagnac Participações Ltda. ("IPL") by REPSA and subsequently by the Company, occurred on November 30, 2012, for which class C preferred shares were issued in order to secure an exclusive dividend base for Shell, the benefit's exclusive holder.

(7) Foreign exchange exposure

As of June 30, 2017, net values recorded with related parties that presented foreign exchange exposure correspond to (R$ 1,151,888) and R$ 2,484,749 ((R$ 1,002,032) and R$ 2,483,722 as of March 31, 2017), Parent company and Consolidated, respectively.

b) Summary of related party transactions (4)

	Parent company		Consolidated	
	Apr-Jun/2017	Apr-Jun/2016	Apr-Jun/2017	Apr-Jun/2016
Sale of products, net of return				
Raízen Combustíveis S.A. and its subsidiaries	7,366	17,718	693,838	221,617
Raízen and Wilmar Sugar Pt Ltd	-	-	354,189	-
Shell Trading US Company	-	-	15,516	122,294
Shell Trading Rotterdam	-	-	11,967	-
Raízen Trading LLP and its subsidiaries	105,307	190,151	-	-
Raízen International Universal	368,227	842,023	-	-
Raízen Araraquara Açúcar a Álcool Ltda.	7,734	6,476	-	-
Other	2,017	2,841	9,649	23,118
	490,651	1,059,209	1,085,159	367,029
Purchases of goods and services				
Shell Trading US Company	-	-	(164,435)	-
Raízen Combustíveis S.A. and its subsidiaries	(132,209)	(147,267)	(151,848)	(168,364)
Rumo group (i)	(78,177)	(83,617)	(93,607)	(92,098)
Agroterenas S.A.	-	-	(66,699)	(64,626)
Nova América Agrícola Ltda.	-	-	(45,665)	(49,570)
Nova América Agrícola Caarapó Ltda.	-	-	(13,223)	(26,357)
Shell Trading Rotterdam	-	-	(9,715)	-
Cosan Lubrificantes e Especialidades S.A.	(3,491)	(6,282)	(4,517)	(7,833)
Nova América Terras Ltda.	-	-	(2,969)	(3,518)
Iogen Energy Corporation	-	-	(2,871)	(2,838)
Agroterenas S.A. Terras	-	-	(2,185)	(1,670)
Shell Brasil Petróleo	(877)	(1,492)	(1,206)	(2,060)
Palermo Agrícola S.A.	(1,172)	(1,641)	(1,172)	(1,641)
Raízen Paraguaçu Ltda.	(17,392)	(14,351)	-	-
Raízen Araraquara Açúcar e Álcool Ltda.	(16,195)	(20,984)	-	-
Teas Terminal Exportador de Álcool de Santos	(7,269)	(8,125)	-	-
Bioenergia Barra Ltda. and its subsidiaries	(4,295)	(1,744)	-	-
Other	(4,223)	(5,241)	(193)	(1,458)
	(265,300)	(290,744)	(560,305)	(422,033)
Reimbursement of shared expenses (1)				
Raízen Combustíveis S.A. and its subsidiaries	34,856	43,041	34,856	43,041
Companhia de Gás de São Paulo	7,480	7,959	7,480	7,959
Rumo group (i)	6,694	6,912	6,694	6,912
Cosan Lubrificantes e Especialidades S.A.	1,947	1,825	1,947	1,825
Cosan S.A. Indústria e Comércio	985	1,215	985	1,215
Raízen Paraguaçu Ltda.	5,964	5,072	-	-
Bioenergia Barra Ltda. and its subsidiaries	1,967	3,131	-	-
Raízen Centroeste Açúcar e Álcool Ltda.	1,863	1,986	-	-
Raízen Araraquara Açúcar e Álcool Ltda.	1,320	1,954	-	-
Raízen Caarapó Açúcar e Álcool Ltda.	1,005	1,568	-	-
Other	899	3,179	882	830
	64,980	77,842	52,844	61,782
Land leases (2)				
Radar Group (iii)	(20,771)	(17,407)	(20,771)	(17,407)
Aguassanta Group (ii)	(3,145)	(7,177)	(3,145)	(7,177)
Grupo Janus	(6,754)	(2,524)	(6,754)	(2,524)
Tellus group	(6,338)	(5,686)	(6,338)	(5,686)
Barrapar Participações S.A.	(17)	-	(17)	-
	(37,025)	(32,794)	(37,025)	(32,794)
Net financial results (3)				

	Parent company		Consolidated	
	Apr-Jun/2017	Apr-Jun/2016	Apr-Jun/2017	Apr-Jun/2016
Sale of products, net of return				
Raízen Combustíveis S.A. and its subsidiaries	6,603	10,456	186,176	(93,418)
Raízen International Universal	13,553	(38,907)	-	-
Raízen Trading LLP	1,982	(10,825)	-	-
Raízen Fuels Finance S.A.	(76,134)	-	-	-
Raízen Energy Finance Limited	(39)	60,828	-	-
Raízen Luxembourg S.A.	-	124,143	-	-
Raízen Tarumã Ltda.	-	3,264	-	-
Other	(2,248)	(1,825)	(1,208)	1,173
	(56,283)	147,134	184,968	(92,245)

(i) The term Rumo Group refers to the railroad and port operations represented by the companies Rumo Logística Operadora Multimodal S.A. and Logispot Armazéns Gerais S.A.

(ii) The term Aguassanta Group refers to land lease operations for sugarcane crops with companies Aguassanta Agrícola Ltda., Aguassanta Participações S.A., Aguapar Agrícola Ltda., Palermo Agrícola S.A. and Vila Santa Empreendimentos Imobiliários Ltda.

(iii) The term Radar Group refers to land lease operations for sugarcane crops, and the main companies of the group are 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., Vale da Ponte Alta S.A., Proud Participações S.A. and Bioinvestments Negócios S.A.

(1) Expenses incurred by shared corporate, managerial and operating costs reimbursed from related parties;

(2) Expenses incurred with land leased from related parties outside Raízen Group;

(3) It mainly refers to charges produced by the companies as a way of administering financial resources, due to the financial management of cash and prepaid export contract (Export pre-payment (Export pre-payment - PPEs).

(4) Transactions with related parties are realized into under reasonable and cumulative conditions, in line with those prevailing in the market or that the Company would contract with third parties.

c) Summary of recoverable and chargeable balances from Cosan shareholder

	Parent company		Consolidated	
	06.30.2017	03.31.2017	06.30.2017	03.31.2017
Current assets				
Other financial assets (Note 8)	11,204	11,048	11,264	11,048
Other amounts receivable (i)	37,137	34,665	43,777	41,153
	48,341	45,713	55,041	52,201
Non-current assets				
Judicial deposits (Note 16)	86,871	85,328	194,942	192,570
Other financial assets (Note 8)	489,990	485,731	489,990	485,731
Other amounts receivable (i)	61,549	60,857	63,486	62,781
	638,410	631,916	748,418	741,082
Total assets	686,751	677,629	803,459	793,283
Current liabilities				
Taxes payable	23	23	2,639	2,939
Other payables (ii)	142,699	123,780	157,559	136,374
	142,722	123,803	160,198	139,313

	Parent company		Consolidated	
	06.30.2017	**03.31.2017**	**06.30.2017**	**03.31.2017**
Current assets				
Non-current liabilities				
Taxes payable (ii)	159,850	157,383	171,936	169,747
Provision for legal disputes (Note 16)	165,686	154,620	190,102	178,987
	325,536	312,003	362,038	348,734
Total liabilities	468,258	435,806	522,236	488,047

(i) Refers substantially to legal expenses receivable from the shareholder.

(ii) Refers substantially to tax credits to be reimbursed to the shareholder.

d) Other significant information involving related parties

Committed Back-up Credit Facility Agreement

The Company is a beneficiary of a US$ 700 million Revolving Committed Back-up Credit Facility Agreement granted by Shell Finance (Netherlands) B.V. and Cosan S.A. Indústria e Comércio. Until the end of the three-month period ended June 30, 2017, the mentioned credit facility had not been used.

e) Directors and members of the Board of Directors

Fixed and variable compensation pay to key management personnel, including statutory directors and members of the Board of Directors that is recognized in the statement of income for the period is as follows:

	Apr-Jun/2017	**Apr-Jun/2016**
Regular remuneration	(11,903)	(10,913)
Bonuses and other variable compensation	(6,402)	(6,141)
Total compensation	(18,305)	(17,054)

The Company shares the structure and corporate, managerial and operating costs with its related party Raízen Combustíveis S.A. ("RCSA"). Key management personnel and other administrative positions mostly consist of employees of the Company itself. Thus, as of June 30, 2017, RCSA reimbursed the Company for all the structure shared, including the key management personnel and other Management's employees, totaling R$ 17,484 (R$ 22,982 in the three-month period ended June 30, 2016).

10. Investments

a) Parent company

	Country	Business	Percentage of Interest	Investments (1) 06.30.2017	Investments (1) 03.31.2017	Equity pick-up on subsidiaries Apr-Jun/2017	Equity pick-up on subsidiaries Apr-Jun/2016
Book value							
Agrícola Ponte Alta Ltda.	Brazil	Ethanol trade	91.21%	959,050	956,282	2,772	10,981
Benálcool Açúcar e Álcool Ltda.	Brazil	*Holding*	99.99%	283,694	212,504	72,239	(5,601)
Centro de Tecnologia Canavieira S.A.	Brazil	P&D	19.04%	103,771	105,145	(1,374)	296
Raízen Caarapó Açúcar e Álcool Ltda.	Brazil	Sugar and ethanol plant	31.48%	199,191	199,188	4	2,826
Raízen Centroeste Açúcar e Álcool Ltda.	Brazil	Ethanol plant	47.37%	874,747	872,794	1,952	12,544
Logum Logística S.A. (5)	Brazil	Logistics	21.28%	54,113	62,906	(8,795)	(10,462)
Raízen Araraquara Açúcar e Álcool Ltda. (3)	Brazil	Sugar and ethanol plant	99.99%	791,054	799,979	(8,925)	(5,938)
Raízen Luxembourg S.A. (7)	Luxembourg	Financing	100.00%	-	-	-	1,137
Raízen Fuels Finance S.A.	Luxembourg	Financing	100.00%	34,196	30,475	2,304	-
Raízen and Wilmar Sugar PTE Ltd (6)	Singapore	Trading	50.00%	2,659	-	2,318	-
Raízen Energy Finance Ltd.	Cayman Islands	Financing	100.00%	32,424	31,055	(2)	(890)
Raízen Paraguaçú Ltda. (3)	Brazil	Sugar and ethanol plant	99.99%	848,084	844,851	3,234	7,901
Raízen Tarumã Ltda. (3) (8)	Brazil	Sugar and ethanol plant	99.99%	-	-	-	19,968
TEAS - Terminal Exportador de Álcool de Santos Ltda.	Brazil	Port Terminal	99.99%	113,633	109,958	3,675	3,959
Bioenergia Barra Ltda.	Brazil	Co-generation of energy	99.99%	1,065,240	999,092	66,146	66,537
Uniduto Logística S.A. (4)	Brazil	Logistics	46.48%	13,169	15,773	(2,604)	(2,333)
Subtotal				5,375,025	5,240,002	132,944	100,925
Goodwill on investments							
Na Benálcool Açúcar e Álcool Ltda.			99.99%	49,202	49,202	-	-
Raízen Araraquara Açúcar e Álcool Ltda.			99.99%	197,013	197,013	-	-
Raízen Tarumã Ltda.			99.99%	92,379	92,379	-	-
Uniduto Logística S.A.			46.48%	5,676	5,676	-	-
Centro de Tecnologia Canavieira S.A.			19.04%	45,514	45,514	-	-
Subtotal				389,784	389,784	-	-
Total investments				5,764,809	5,629,786	132,944	100,925
Provision for negative equity in subsidiaries and associated companies (2)							
Raízen International Universal Corporation	British Virgin Islands	Ethanol and sugar trade	100.00%	(18,275)	(38,888)	22,032	1,023
Unimodal Ltda.	Brazil	Logistics	53.17%	(1,923)	(1,923)	-	-
Other	Brazil	-		(2)	(2)	-	-
Total provision for negative equity				(20,200)	(40,813)	22,032	1,023
						154,976	101,948

(1) Investments accounted for under the equity method; (2) Classified under non-current liabilities under "Other liabilities"; (3) On June 30, 2017, the balances of investments include allocated portion of goodwill produced by the merger of Curupay and the acquisition of Usina Zanin, amounting to R$ 111,576 and R$ 56,288 (negative) (R$ 115,251 and R$ 55,391 (negative) as of March 31, 2017, respectively. The amortization of capital gain of such allocations, classified in the Parent company as a result of equity income (loss) totaled R$ 3,675 and R$ 896 (R$ 9,616 and R$ 5,600 as of June 30, 2016), respectively; (4) On June 30 and March 31, 2017, investment balance includes the amount of R$14,281, referring to capital contributions, according to note 9a.; (5) As of June 30, 2017, includes the estimated impairment loss on the investment in the amount of R$ 131,792, as mentioned in Note 10.d.ii of the annual financial statements as of March 31, 2017; (6) Refers to the income (loss) of RaW that RESA started recognizing as of April 1, 2017, according to its interest. Refer to details in Note 1. (7) Company incorporated on September 15, 2016 by Raízen Fuels Finance S.A. (8) Company incorporated by Raízen Paraguaçu Ltda. on June 1, 2016.

(b) Consolidated

				Investments (1)		Equity pick-up on subsidiaries	
	Country	Business	Percentage of Interest	06.30.2017	03.31.2017	Apr-Jun/2017	Apr-Jun/2016
Book value							
Centro de Tecnologia Canavieira S.A.	Brazil	P&D	19.58%	106,714	108,128	(1,413)	303
Logum Logística S.A.	Brazil	Logistics	21.28%	54,113	62,906	(8,795)	(10,462)
Uniduto Logística S.A. (3)	Brazil	Logistics	46.48%	13,169	15,773	(2,604)	(2,333)
Raízen and Wilmar Sugar PTE Ltd (4)	Singapore	Trading	50.00%	2,659	-	2,318	-
Subtotal				176,655	186,807	(10,494)	(12,492)
Goodwill on investments (2)							
Uniduto Logística S.A.			46.48%	5,676	5,676	-	-
Centro de Tecnologia Canavieira S.A.			19.58%	51,946	51,946	-	-
Subtotal				57,622	57,622	-	-
Total investments				234,277	244,429	(10,494)	(12,492)

(1) Investments accounted for under the equity method; (2) Goodwill on acquisition and transfer of shares; (3) On June 30 and March 31, 2017, the balance of the investment includes the amount of R$ 14,281 related to the capital contribution, pursuant to Note 9.a; and (4) Refers to income (loss) of RaW that RESA started recognizing as of April 1, 2017, according to its interest. See details in Note 1.

Changes in interest in subsidiaries and associated companies:

	Parent company	Consolidated
Balance at March 31, 2017	5,629,786	244,429
Equity pick-up on subsidiaries and associated companies	132,944	(10,494)
Additions to the investment	312	312
Other	1,767	30
Balance at June 30, 2017	5,764,809	234,277

Changes in the provision for negative equity in subsidiaries and associated companies:

	Parent company	Consolidated
Balance at March 31, 2017	(40,813)	-
Equity pick-up on subsidiaries and associated companies	22,032	-
Effect of foreign currency translation - CTA	(1,419)	-
Balance at June 30, 2017	(20,200)	-

c) Summarized financial information of associated companies considering equity valuation adjustments, when applicable.

- June 30, 2017

	Logum Logística S.A. (1)/(2)	Uniduto Logística Ltda. (1)/(2)	Centro de Tecnologia Canavieira S.A. (2) / (4)	Iogen Energy Corporation (3)	Raízen and Wilmar Sugar PTE Ltd (4)
Assets	2,559,231	28,349	813,385	32,019	337,189
Liabilities	(1,685,756)	(30,742)	(268,368)	(266,543)	(331,871)
Equity	873,475	(2,393)	545,017	(234,524)	5,318
Three-month period ended June 30, 2017					
Net operating income	33,095	-	20,207	-	390,626
(Loss) income for the period, net	(41,326)	(4,421)	(7,214)	(523)	4,525
Three-month period ended June 30, 2016					
Net operating income	31,938	-	16,527	-	-
(Loss) income for the period, net	(48,013)	(15)	1,485	(759)	-

- March 31, 2017

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

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

11. Property, plant and equipment

a) Parent company

	Lands and rural properties	Buildings and improvements	Machinery, equipment and facilities	Aircrafts, vessels and vehicles	Furniture, fixtures and IT equipment	Construction in progress	Frequently replaced parts and accessories	Sugarcane planting	Other	Total
Cost:										
March 31, 2017	9,329	712,528	3,870,431	479,939	145,814	276,107	816,556	3,736,443	19,711	10,066,858
Additions	-	305	2,567	1,913	481	85,972	32,208	134,197	-	257,643
Write-offs	-	-	(5,446)	(5,875)	(1,336)	(1,804)	-	-	(1)	(14,462)
Transfers (1)	-	21,269	74,026	8,338	6,945	(112,385)	-	-	(1)	(1,808)
Estimated loss (2)	-	-	3,059	22	384	-	-	-	-	3,465
June 30, 2017	9,329	734,102	3,944,637	484,337	152,288	247,890	848,764	3,870,640	19,709	10,311,696
Accumulated depreciation:										
March 31, 2017	-	(234,155)	(1,464,729)	(220,638)	(92,183)	-	(343,417)	(2,739,367)	(19,404)	(5,113,893)
Depreciation expense for the period	-	(5,944)	(62,509)	(9,799)	(4,080)	-	(143,873)	(109,501)	(70)	(335,776)
Write-offs	-	-	2,530	5,262	969	-	-	-	2	8,763
Transfers (1)	-	-	34	(44)	(3)	-	-	-	-	(13)
June 30, 2017	-	(240,099)	(1,524,674)	(225,219)	(95,297)	-	(487,290)	(2,848,868)	(19,472)	(5,440,919)
Net residual value:										
June 30, 2017	9,329	494,003	2,419,963	259,118	56,991	247,890	361,474	1,021,772	237	4,870,777
March 31, 2017	9,329	478,373	2,405,702	259,301	53,631	276,107	473,139	997,076	307	4,952,965

(1) Refers to the transfers of intangible assets, corresponding to the software license.
(2) Refers to reversal of estimated net loss of fixed assets, recognized in the income (loss) for the period under "Other operating income (expenses), net" (Note 22).

b) Consolidated

	Lands and rural properties	Buildings and improvements	Machinery, equipment and facilities	Aircrafts, vessels and vehicles	Furniture, fixtures and IT equipment	Construction in progress	Frequently replaced parts and accessories	Sugarcane planting	Other	Total
Cost:										
March 31, 2017	35,211	1,303,010	7,977,550	553,010	176,600	609,729	1,066,581	4,382,729	33,413	16,137,833
Additions	-	840	6,911	1,928	634	110,656	47,183	148,836	-	316,988
Write-offs	-	-	(4,827)	(11,865)	(1,322)	(2,738)	-	-	(2)	(20,754)
Transfers (1)	300	34,110	140,142	10,733	8,159	(196,262)	(1)	-	1,008	(1,811)
Estimated loss (2)	-	-	3,293	24	384	-	-	-	-	3,701
Other	-	-	-	-	30	-	-	-	-	30
June 30, 2017	35,511	1,337,960	8,123,069	553,830	184,485	521,385	1,113,763	4,531,565	34,419	16,435,987
Accumulated depreciation:										
March 31, 2017	-	(373,644)	(2,830,987)	(256,582)	(112,345)	-	(452,743)	(3,253,454)	(31,451)	(7,311,206)
Depreciation expense for the period	-	(10,307)	(124,875)	(11,470)	(4,961)	-	(186,230)	(125,068)	(184)	(463,095)
Write-offs	-	-	2,745	7,161	969	-	-	-	2	10,877
Transfers (1)	-	(310)	358	(58)	(35)	-	-	-	-	(45)
June 30, 2017	-	(384,261)	(2,952,759)	(260,949)	(116,372)	-	(638,973)	(3,378,522)	(31,633)	(7,763,469)
Net residual value:										
June 30, 2017	35,511	953,699	5,170,310	292,881	68,113	521,385	474,790	1,153,043	2,786	8,672,518
March 31, 2017	35,211	929,366	5,146,563	296,428	64,255	609,729	613,838	1,129,275	1,962	8,826,627

(1) Refers to the transfers of intangible assets, corresponding to the software license.
(2) Refers to reversal of estimated net loss of fixed assets, recognized in the income (loss) for the period under "Other operating income (expenses), net" (Note 22).

Construction in progress

The balance of construction in progress refers mainly to: i) stillage concentration project; ii) design for the reception of chopped cane and separation of straw for energy coproduction; iii) installation of tanks for expanded ethanol storage capacity; and, iv) investments in maintenance and industrial improvement, agricultural automation, Safety, Health and Environment ("SSMA").

During the three-month period ended June 30, 2017, several projects were concluded, as follows: i) investments for maintenance and industrial improvement and agricultural automation in the amount of R$ 123,510; ii) expansion of the Raízen Caarapó S.A Açúcar e Álcool ("Caarapó") mills in the amount of R$ 24,516; iii) investment for administrative in the amount of R$ 15,021 and iv) SSMA in the amount of R$ 10,197.

Borrowing cost capitalization

In the three-month period ended June 30, 2017, borrowing costs capitalized by the Parent company and Consolidated reached R$ 4,809 and R$ 9,362 (R$ 3,796 and R$ 8,583 in the three-month period ended June 30, 2016), respectively. The annual weighted average of debt charges, for the Parent company and Consolidated, used for capitalization of interest in the balance of work in progress was 6.97% and 7.40% as of June 30, 2017 (7.70% and 6.81% as of June 30, 2016), respectively.

Financial lease

As of June 30, 2017, the aircraft class includes net residual values of R$ 3,952 (R$ 4,194 as of March 31, 2017), Parent company and Consolidated, in which the Company and subsidiaries are the lessees under a finance lease, pledged by a promissory note in the original amount of R$ 13,076.

Property, plant and equipment pledged

As of June 30, 2017, loans and financing are secured by land, building and machinery in the total amounts of R$ 377,566 and R$ 1,201,603 (R$ 418,862 and R$ 1,307,185 as of March 31, 2017) in the Parent company and Consolidated, respectively.

12. Intangible assets

a) Parent company

	Software license	Goodwill	Agricultural partnership agreements	Sugarcane supply agreements	Technology	Total
Cost or evaluation:						
March 31, 2017	185,135	1,213,357	18,411	26,011	179,876	1,622,790
Additions	581	-	-	-	-	581
Transfers (1)	1,808	-	-	-	-	1,808
June 30, 2017	187,524	1,213,357	18,411	26,011	179,876	1,625,179
Accumulated amortization:						
March 31, 2017	(107,626)	(368,026)	(12,251)	(12,736)	(35,975)	(536,614)
Amortization expense for the period	(5,590)	-	(1,075)	(962)	(5,396)	(13,023)
Transfers (1)	13	-	-	-	-	13
June 30, 2017	(113,203)	(368,026)	(13,326)	(13,698)	(41,371)	(549,624)
Net residual value:						
June 30, 2017	74,321	845,331	5,085	12,313	138,505	1,075,555
March 31, 2017	77,509	845,331	6,160	13,275	143,901	1,086,176

b) Consolidated

	Software license	Goodwill	Agricultural partnership agreements	Sugarcane supply agreements	Public concession rights of use	Technology	Other	Total
Cost or evaluation:								
March 31, 2017	205,906	1,538,446	18,411	181,516	12,541	179,876	24,377	2,161,073
Additions	583	-	-	-	-	-	-	583
Transfers (1)	1,811	-	-	-	-	-	-	1,811
Other	-	-	-	-	-	-	361	361
June 30, 2017	208,300	1,538,446	18,411	181,516	12,541	179,876	24,738	2,163,828
Accumulated amortization:								
March 31, 2017	(127,573)	(431,380)	(12,250)	(79,689)	(10,787)	(35,975)	(20,378)	(718,032)
Amortization expense for the period	(5,671)	-	(1,077)	(4,665)	(700)	(5,396)	(356)	(17,865)
Transfers (1)	45	-	-	-	-	-	-	45
June 30, 2017	(133,199)	(431,380)	(13,327)	(84,354)	(11,487)	(41,371)	(20,734)	(735,852)
Net residual value:								
June 30, 2017	75,101	1,107,066	5,084	97,162	1,054	138,505	4,004	1,427,976
March 31, 2017	78,333	1,107,066	6,161	101,827	1,754	143,901	3,999	1,443,041

(1) Refers to transfers of property, plant and equipment.

13. Suppliers

	Parent company		Consolidated	
	06.30.2017	**03.31.2017**	**06.30.2017**	**03.31.2017**
Materials and services (i)	255,046	334,493	473,745	571,349
Sugarcane suppliers (i)	435,974	135,994	543,196	183,362
Suppliers - Agreements (ii)	62,169	75,292	153,354	193,649
	753,189	545,779	1,170,295	948,360
Domestic (domestic currency)	752,752	545,443	1,094,668	862,556
Abroad (foreign currency) (Note 24.d)	437	336	75,627	85,804
	753,189	545,779	1,170,295	948,360

(i) The balance payable to suppliers of materials and services mostly consists of acquisitions of machinery and equipment for production facilities, as sourcing of ethanol, sugar and bioenergy for resale.

Sugarcane harvesting, which usually takes place between April and December every year, in general, has a direct impact on the seasonality of balance of trade payables to sugar cane suppliers and for cutting, loading and transportation services.

(ii) The Company has Agreements Related to Payments to financial institutions ("Agreements") that permit certain suppliers to advance their receivables referring to products and services rendered to the Company, directly with financial institutions. In said Agreements, supplier may choose to grant or not and the financial institutions decide whether to acquire or not said credit, without interference from the Company. Using the Agreements does not imply any change in notes issued by the supplier, and the same original value and average payment term conditions are maintained, which, as average, is around 60 to 90 days, period that is consistent with the Company's recurring operating cycle.

14. Loans and financing

			Finance charges Annual effective average interest rate (1)		Parent company		Consolidated	
Purpose	**Final maturity**	**Index**	**06.30.2017**	**03.31.2017**	**06.30.2017**	**03.31.2017**	**06.30.2017**	**03.31.2017**
Classification of debts per currency:								
Denominated in reais					5,258,946	4,358,787	7,157,881	6,343,343
Denominated in North-American Dollars and Euro					248,459	269,633	4,241,417	4,047,031
					5,507,405	4,628,420	11,399,298	10,390,374
Type of debts (2):								
BNDES	October/25	URTJLP	9.56%	10.10%	209,591	202,690	921,075	955,802
BNDES	July/24	Pre-fixed	4.04%	4.03%	533,985	546,582	924,549	960,242
BNDES	April/24	UMBND	6.66%	6.72%	14,521	14,392	55,598	56,395
Debentures	October/18	CDI	11.16%	13.17%	456,131	473,917	456,131	473,917
Debentures	October/20	IPCA + interest	10.04%	10.73%	410,881	402,808	410,881	402,808
Prepayments	December/20	Dollar (US$) + *Libor*	2.96%	2.82%	248,460	269,633	414,077	429,499
Term Loan Agreement	April/20	Dollar (US$) + *Libor*	2.50%	2.35%	-	-	1,489,103	1,426,154
Senior Notes Due 2027 (3)	January/27	Dollar (USA)	5.30%	5.30%	-	-	1,702,285	1,600,526
Resolution 2471 (PESA)	April/23	IGP-M	4.49%	8.48%	926,981	946,084	953,697	973,477
PESA	October/25	Pre-fixed	3.00%	3.00%	68	68	68	68
Credit Notes	October/20	CDI	10.89%	13.03%	254,556	264,126	254,556	264,126
Finame/Leasing	November/24	Pre-fixed	6.77%	6.70%	84,399	86,104	124,940	128,253
Finame/Leasing	March/21	URTJLP	10.29%	10.84%	132	132	132	132
Certificate of Agribusiness Receivables ("CRA")	April/23	CDI	9.97%	12.06%	2,006,691	1,296,483	2,475,276	1,780,644
CRA	April/24	IPCA + interest	9.11%	10.33%	361,009	125,401	580,977	347,479
Schuldschein	October/21	Pre-fixed - EUR	2.88%	2.90%	-	-	254,224	226,658
Schuldschein	September/22	*Euribor*	1.85%	1.85%	-	-	378,106	339,507
Other	Sundry	Dollar (US$)	-	-	-	-	3,623	24,687
					5,507,405	4,628,420	11,399,298	10,390,374
Expenses incurred with the placement of the securities:								
BNDES					(2,405)	(2,501)	(3,764)	(3,936)
CRA					(34,441)	(18,180)	(45,065)	(29,261)
Debentures					(2,088)	(2,362)	(2,088)	(2,362)
Prepayments					(47)	(92)	(1,667)	(1,818)
Term Loan Agreement					-	-	(9,692)	(10,102)
Senior Notes Due 2027					-	-	(12,000)	(12,788)
Schuldschein					-	-	(12,096)	(11,416)
					(38,981)	(23,135)	(86,372)	(71,683)
					5,468,424	4,605,285	11,312,926	10,318,691
Current					(677,339)	(638,228)	(1,018,306)	(1,005,578)
Non-current					4,791,085	3,967,057	10,294,620	9,313,113

(1) The annual effective interest rate is the contract rate plus, Libor, URTJLP, IGP-M, UMBND, IPCA and CDI, where applicable.
(2) Loans and financing are usually secured by the Company's promissory notes. In some cases, they rely on guarantees of their subsidiaries, Raízen Combustíveis S.A. or shareholders, in addition to warranties, such as: i) receivables from energy trading contracts (BNDES); ii) CTN (Note 8) and land mortgage (PESA); iii) fixed assets (Note 11); and iv) chattel mortgage on financed assets (Finame).
(3) On June 30, 2017, these debts were increased by R$ 9,221 (zero as of March 31, 2017), due to the adjustment to fair value.

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

	Parent company		Consolidated	
Months:	**06.30.2017**	**03.31.2017**	**06.30.2017**	**03.31.2017**
13-24	1,100,884	1,078,984	1,372,188	1,350,618
25-36	1,170,027	1,303,756	2,841,712	1,512,317
37-48	1,344,374	678,026	1,658,108	2,407,178
49-60	138,691	818,525	1,120,174	1,304,205
61-72	788,895	63,979	1,337,822	822,331
73-84	247,249	22,108	297,007	323,891
85-96	964	1,679	15,839	16,779
From 97	1	-	1,651,770	1,575,794
	4,791,085	3,967,057	10,294,620	9,313,113

Issuance of Certificate of Agribusiness Receivables - CRA

In May 2017, RESA issued a CPR - Rural Product Note related to Public Distribution of 6th and 7th series of the 1st issuance of CRAs of RB Capital Companhia de Securitização in the amount of R$ 969,691, of which R$ 738,814 maturing in May 2023, restated at 96% of CDI, and R$ 230,877 maturing in April 2024, restated at IPCA plus 4.73% per annum. About such operation, issuing costs for will amortized by the term of the debt. The final destination of the funds raised will be the use in the activities of RESA and its subsidiaries, exclusively related to agribusiness.

Covenants

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

Fair value

As of June 30 and March 31, 2017, the fair value of the Senior Notes Due 2027 is based on the price quotations at the balance sheet date (Note 24.i), and the consolidated book value and fair value of such loan are as follows:

	Book value		Fair value	
	06.30.2017	**03.31.2017**	**06.30.2017**	**03.31.2017**
Senior Notes Due 2027	1,690,285	1,587,738	1,708,414	1,615,143
Face value			101.63%	101.73%

Other loans and financing do not have a value quoted, and their fair value is close to the book value due to their exposure to variable interest rates and insignificant changes in the Company's credit risk, which is shown by comparison to the quoted instruments presented above.

15. Income and social contribution taxes

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

	Parent company		Consolidated	
	Apr-Jun/2017	Apr-Jun/2016	Apr-Jun/2017	Apr-Jun/2016
(Loss) income before income and social contribution taxes	(379,074)	309,000	(339,841)	350,285
Income tax and social contribution at nominal rate (34%)	128,885	(105,060)	115,546	(119,097)
Adjustments for calculation of effective rate:				
Gifts, donations, class association	(258)	(301)	(239)	(548)
Equity pick-up on subsidiaries	52,692	34,662	(3,568)	(4,247)
(Loss) income from foreign company	(6,366)	12,931	1,316	13,209
Indemnification of assets (claim)	-	-	3,632	-
Investment subsidy - Value-added Tax on Sales and Services (ICMS)	-	-	339	834
Special regime for the reintegration of tax amounts for exporting companies ("*Reintegra*")	8,538	484	9,107	524
Difference between deemed income and taxable income rates (i)	-	-	12,083	15,081
Foreign exchange rate variation on investees abroad	475	17	3,751	(4,084)
Other	(1,107)	(157)	1,659	(381)
Expense (credit) from income and social contribution taxes (current and deferred)	182,859	(57,424)	143,626	(98,709)
Effective rate	48.24%	18.58%	42.26%	28.18%

(i) Organizations with co-generation activities determined IRPJ and CSLL at deemed income. This type of taxation considers investments of a percentage of income as taxable income, generating a difference in relation to net income nominal rate.

a.1) Recoverable income and social contribution taxes

	Parent company		Consolidated	
	06.30.2017	03.31.2017	06.30.2017	03.31.2017
Taxes on income ("IRPJ")	532,326	525,872	601,622	600,297
Social contribution ("CSLL")	146,043	145,765	156,813	155,852
	678,369	671,637	758,435	756,149
Current	(507,001)	(491,994)	(574,692)	(564,271)
Non-current	171,368	179,643	183,743	191,878

a.2) Income and social contribution taxes payable

	Parent company		Consolidated	
	06.30.2017	03.31.2017	06.30.2017	03.31.2017
IRPJ	-	-	35,507	25,882
CSLL	-	-	721	2,345
	-	-	36,228	28,227

b) Deferred income and social contribution taxes in assets and liabilities:

b.1) Parent company

				06.30.2017	03.31.2017
	Basis	**IRPJ 25%**	**CSLL 9%**	**Total**	**Total**
Non-current assets (liabilities)					
Tax losses					
Tax losses	854,112	213,528	-	213,528	223,407
Negative basis for social contribution tax	854,112	-	76,870	76,870	80,427
Temporary differences:					
Tax goodwill deriving from downstream merger	70,915	17,729	6,382	24,111	36,166
Provisions for legal disputes	438,724	109,681	39,485	149,166	141,772
Foreign exchange variation on the cash basis	571,335	142,834	51,420	194,254	178,219
Remuneration and employee benefits	208,709	52,178	18,783	70,961	65,119
Other provisions and other temporary differences	495,797	123,949	44,622	168,571	142,561
Total deferred tax assets		659,899	237,562	897,461	867,671
Biological assets	(352,659)	(88,165)	(31,739)	(119,904)	(216,237)
Unrealized loss with derivatives	(497,418)	(124,355)	(44,767)	(169,122)	(104,947)
Capitalized borrowing cost	(119,162)	(29,791)	(10,724)	(40,515)	(40,061)
Fixed assets' useful life review	(738,259)	(184,565)	(66,443)	(251,008)	(235,190)
Amortized tax goodwill	(666,771)	(166,693)	(60,009)	(226,702)	(225,274)
Total deferred tax liabilities		(593,569)	(213,682)	(807,251)	(821,709)
Total deferred assets, net		66,330	23,880	90,210	45,962

b.2) Consolidated

				06.30.2017	03.31.2017
	Basis	**IRPJ 25%**	**CSLL 9%**	**Total**	**Total**
Non-current assets (liabilities)					
Tax losses					
Tax losses	1,187,696	296,924	-	296,924	308,560
Negative basis for social contribution tax	1,187,696	-	106,893	106,893	111,082
Temporary differences:					
Tax goodwill deriving from downstream merger	78,532	19,633	7,068	26,701	38,934
Provisions for legal disputes	489,726	122,432	44,075	166,507	158,608
Provision for goodwill write-off	166,656	41,664	14,999	56,663	56,663
Foreign exchange variation on the cash basis	545,091	136,273	49,058	185,331	166,609
Remuneration and employee benefits	230,838	57,710	20,775	78,485	71,565
Other provisions and other temporary differences	490,403	122,601	44,136	166,737	156,598
Total deferred tax assets		797,237	287,004	1,084,241	1,068,619
Biological assets	(397,759)	(99,440)	(35,798)	(135,238)	(248,029)
Capitalized borrowing costs	(224,968)	(56,242)	(20,247)	(76,489)	(80,064)
Unrealized result with derivatives	(481,038)	(120,260)	(43,293)	(163,553)	(94,366)
Fair value of the fixed asset	(272,626)	(68,157)	(24,536)	(92,693)	(91,274)
Fixed assets' useful life review	(1,398,321)	(349,580)	(125,849)	(475,429)	(444,489)
Amortized tax goodwill	(821,715)	(205,429)	(73,954)	(279,383)	(276,541)
Total deferred tax liabilities		(899,108)	(323,677)	(1,222,785)	(1,234,763)
Total deferred taxes		(101,871)	(36,673)	(138,544)	(166,144)

				06.30.2017	03.31.2017
	Basis	IRPJ 25%	CSLL 9%	Total	Total
Non-current assets (liabilities)					
Deferred taxes - Assets, net				42,788	19,562
Deferred taxes - Liabilities, net				(181,332)	(185,706)
Total deferred taxes				(138,544)	(166,144)

c) Net changes in deferred taxes:

	Apr-Jun/2017	
	Parent company	Consolidated
Balance at the beginning of the period	45,962	(166,144)
Credit in statement of income	199,059	184,223
Deferred taxes on comprehensive income	(154,811)	(154,811)
Other	-	(1,812)
Balance at the end of the period	90,210	(138,544)

16. Provision for legal disputes and judicial deposits

Breakdown of legal disputes classified as probable

As of June 30 and March 31, 2017, balance of legal disputes is as follows:

	Parent company		Consolidated	
	06.30.2017	03.31.2017	06.30.2017	03.31.2017
Tax	51,676	33,683	62,284	44,133
Civil	30,321	26,783	33,051	29,396
Labor	170,766	169,349	223,132	220,384
	252,763	229,815	318,467	293,913
Non-reimbursable legal disputes	87,077	75,195	128,365	114,926
Reimbursable legal disputes (Note 9.c)	165,686	154,620	190,102	178,987

When Raízen was established, it was agreed that Cosan would reimburse the Company for legal disputes that were ongoing before its formation, thus, the Company should reimburse Cosan regarding the judicial deposits made on the date before its formation. As of June 30 and March 31, 2017, the balance of judicial deposits are as follows:

	Parent company		Consolidated	
	06.30.2017	**03.31.2017**	**06.30.2017**	**03.31.2017**
Tax	105,002	100,057	215,935	210,160
Civil	9,171	8,944	9,978	9,750
Labor	46,314	42,908	61,715	55,856
	160,487	151,909	287,628	275,766
Own judicial deposits	73,616	66,581	92,686	83,196
Reimbursable judicial deposits (Note 9.c)	86,871	85,328	194,942	192,570

i) Non-reimbursable legal disputes

	Parent company			
	Tax	**Civil**	**Labor**	**Total**
March 31, 2017	5,070	3,150	66,975	75,195
Reserves recorded for the period	1,687	1,018	14,871	17,576
Write-offs/reversals	-	(1,077)	(4,228)	(5,305)
Payments	-	(193)	(3,093)	(3,286)
Price-level restatement (i)	4	39	2,854	2,897
June 30, 2017	6,761	2,937	77,379	87,077

	Consolidated			
	Tax	**Civil**	**Labor**	**Total**
March 31, 2017	12,733	4,994	97,199	114,926
Reserves recorded for the period	1,745	1,326	19,332	22,403
Write-offs/reversals	-	(1,079)	(6,306)	(7,385)
Payments	-	(193)	(4,710)	(4,903)
Price-level restatement (i)	73	89	3,162	3,324
June 30, 2017	14,551	5,137	108,677	128,365

(i) Recognized in the statement of income for the period as finance results.

ii) Reimbursable legal disputes (i)

	Parent company			
	Tax	**Civil**	**Labor**	**Total**
March 31, 2017	28,613	23,633	102,374	154,620
Reserves recorded for the period	7,172	18	10,066	17,256
Write-offs/reversals	-	(1,250)	(5,939)	(7,189)
Payments	-	(600)	(8,707)	(9,307)
Price-level restatement	9,130	5,583	(4,407)	10,306
June 30, 2017	44,915	27,384	93,387	165,686

	Consolidated			
	Tax	**Civil**	**Labor**	**Total**
March 31, 2017	31,400	24,402	123,185	178,987
Reserves recorded for the period	7,173	20	11,182	18,375
Write-offs/reversals	-	(1,420)	(6,639)	(8,059)
Payments	-	(600)	(9,117)	(9,717)
Price-level restatement	9,160	5,512	(4,156)	10,516
June 30, 2017	47,733	27,914	114,455	190,102

(i) The changes had no effect on profit or loss of the period.

iii) Total legal disputes

	Parent company			
	Tax	**Civil**	**Labor**	**Total**
March 31, 2017	33,683	26,783	169,349	229,815
Reserves recorded for the period	8,859	1,036	24,937	34,832
Write-offs/reversals	-	(2,327)	(10,167)	(12,494)
Payments	-	(793)	(11,800)	(12,593)
Price-level restatement	9,134	5,622	(1,553)	13,203
June 30, 2017	51,676	30,321	170,766	252,763

	Consolidated			
	Tax	**Civil**	**Labor**	**Total**
March 31, 2017	44,133	29,396	220,384	293,913
Reserves recorded for the period	8,918	1,346	30,514	40,778
Write-offs/reversals	-	(2,499)	(12,945)	(15,444)
Payments	-	(793)	(13,827)	(14,620)
Price-level restatement	9,233	5,601	(994)	13,840
June 30, 2017	62,284	33,051	223,132	318,467

a) Tax

	Parent company		Consolidated	
	06.30.2017	**03.31.2017**	**06.30.2017**	**03.31.2017**
Social security charges (“INSS”)	806	792	2,617	2,590
Value-added tax on sales and services ("ICMS")	26,451	20,515	29,814	23,827
Social Integration Program (“PIS”) and Social Contribution on Revenues (“COFINS”)	9,399	204	9,399	204
Excise tax ("IPI")	830	817	2,767	2,726
Lawyers' fees	6,555	4,869	9,119	7,375
Other	7,635	6,486	8,568	7,411
	51,676	33,683	62,284	44,133
Non-reimbursable legal disputes	6,761	5,070	14,550	12,733
Reimbursable legal disputes	44,915	28,613	47,734	31,400

b) Civil and labor

The Company and its subsidiaries are parties to several civil claims related to indemnity for property damage and pain and suffering, contractual disputes, execution, collections, accountability, possessory actions and public civil actions and environmental annulment actions.

The Company and its subsidiaries are also parties to various labor lawsuits filed by former employees and employees of service providers who question, among others, payment of overtime, extra for night and dangerous work, rehiring to job position, return of amounts discounted on payroll such as confederation union dues, union dues, and others.

The following legal disputes were considered as probable loss and, thus, no provision for lawsuits demands has been recognized in the financial statements

a) Tax

	Parent company		Consolidated	
	06.30.2017	**03.31.2017**	**06.30.2017**	**03.31.2017**
ICMS	1,630,760	1,620,452	1,930,234	1,909,687
INSS	464,126	483,175	471,213	496,956
IPI	400,170	401,966	439,386	440,872
IRPJ and CSSL	412,528	406,000	571,319	524,053
PIS and COFINS (i)	1,211,912	905,334	1,252,748	944,514
Offsets with IPI credit - IN 67/98	110,191	109,323	130,663	129,618
IOF	42,389	41,941	42,389	41,941
MP470 Installment of debts	176,943	174,765	176,943	174,765
Other	299,633	292,966	341,640	327,354
	4,748,652	4,435,922	5,356,535	4,989,760
Non-reimbursable legal disputes	1,882,854	1,520,245	2,098,916	1,718,076
Reimbursable legal disputes	2,865,798	2,915,677	3,257,619	3,271,684

(i) PIS and COFINS

They refer, substantially, the rejection of PIS and CONFINS credits, in the non-cumulative system, provided for in the Laws 10,637/2002 and 10,833/2003, respectively for the calculation periods (quarters) from 2012 to 2015. These rejections arise, in summary, due to the restrictive interpretation of the Secretariat of the RFB in regard to the concept of "inputs" as well as differences regarding the interpretation of the referred to laws. Such questions are still at the administrative level.

b) Civil and labor

	Parent company		Consolidated	
	06.30.2017	**03.31.2017**	**06.30.2017**	**03.31.2017**
Civil	408,371	398,489	672,896	694,634
Labor	439,015	490,583	519,384	580,386
	847,386	889,072	1,192,280	1,275,020
Non-reimbursable legal disputes	285,321	287,843	445,438	444,120
Reimbursable legal disputes	562,065	601,229	746,842	830,900

17. Commitments (Consolidated)

As mentioned in note 17 to annual financial statements of March 31, 2017, the Company has entered into commitments to sell (sugar, ethanol, electric energy cogeneration and steam), purchase sugarcane, contracts (agricultural partnership, land lease, transport and lift) and storage services. During the three-month period ended June 30, 2017 no significant changes in those commitments occurred.

18. Equity

a) Capital

As of June 30 and March 31, 2017, capital is R$ 6,516,354. That caption does not include the balance of redeemable preferred shares - financial instrument - liabilities - for R$ 60,008, totaling R$ 6,456,346.

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

	Shareholders (shares in units)			
	Shell	**Cosan Investimentos e Participações S.A("CIP") (1)**	**Cosan S.A. Indústria e Comércio ("Cosan S.A.")**	**Total**
Common	3,621,641,599	3,621,641,599	-	7,243,283,198
Class A preferred shares	-	-	1	1
Class B preferred shares	-	-	133,242,457	133,242,457
Class C preferred shares	663,476	-	-	663,476
Class D preferred shares	100,000	-	-	100,000
Total as of June 30, 2017	3,622,405,075	3,621,641,599	133,242,458	7,377,289,132
Total at March 31, 2017	3,622,405,075	3,621,641,599	133,242,458	7,377,289,132

(1) In June 2014, Cosan S.A. contributed with all common shares issued by RESA and RCSA to CIP.

b) Dividends

On June 26, 2017, at the "Special Shareholders' Meeting", the shareholders of RESA discussed and approved the additional dividends referring to retained earnings as of March 31, 2017, in the amount of R$ 391,000, to be individually credited to the shareholders Shell and Cosan in the amount of R$ 195,500, each. Payment was made on June 28, 2017.

c) Asset / liability valuation adjustments

	03.31.2016	**Comprehensive income**	**06.30.2016**	**03.31.2017**	**Comprehensive income**	**06.30.2017**
Effect of foreign currency translation - CTA	1,433	2,617	4,050	4,038	(1,046)	2,992
Actuarial Losses of the defined benefit plans	(9,050)	-	(9,050)	(11,161)	-	(11,161)
Net result from financial instruments designated as hedge accounting	(486,379)	(246,551)	(732,930)	(36,351)	300,518	264,167
Total	(493,996)	(243,934)	(737,930)	(43,474)	299,472	255,998

d) Income reserves

i) Legal reserve

The legal reserve consists of the allocation of 5% of the profit reported in the year, according to the by-laws and in compliance with Brazilian Corporate Law.

ii) Tax incentive reserve

Corresponds to tax incentive recognized in indirect subsidiary, Raízen Caarapó Açúcar e Álcool Ltda. ("Caarapó") arising from Agreement 331/2008 entered into between Caarapó and the State of Mato Grosso do Sul, whereby a tax benefit on the processing of sugar in that state is granted in an amount equivalent to 67% of the ICMS debt balance.

Additionally, the Company recognizes the recurring effect of the incentives through the subsidiary Raízen Centroeste, arising from the state incentive program in the State of Goias, in the form of financing part of the ICMS payment, named "Industrial Development Program of Goias - Produce", with the subsequent discharge of the amount financed.

iii) Profit retention reserve

The remaining balance of the Company's net income, after the appropriations made to set up the legal reserve and to accrue dividends was recognized in this account. The Company's By-Laws provides that up to 80% of the year's profit may be allocated to that reserve, to fund operations and to new investments and projects, which may not exceed the percentage of 80% of capital.

At the Special Shareholders' Meeting held on June 26, 2017, the Company approved dividend payments to holders of common shares for R$ 391,000, partially using the balance of retained earnings.

e) Non-controlling shareholders

Corresponds to the 26.59% stake of non-controlling shareholders in the equity of subsidiary Unimodal Ltda.

f) (Loss) profit per share

Basic and diluted:

	Apr-Jun/2017	Apr-Jun/2016
Numerator		
(Loss) income for the period, net	(196,215)	251,576
Profit available for preferred shareholders	(1,702)	(17,090)
(Loss) profit available to common shareholders	(197,917)	234,486
Denominator:		
Weighted average of ordinary outstanding common shares (in thousands)	7,243,283	7,243,283
(Loss) earnings basic and diluted per common share (reais per share)	(0.027)	0.032

The Company has no outstanding Instruments that could cause dilution into common shares. Thus, basic and diluted earnings per share are equivalent.

19. Net operating revenue

	Parent company		Consolidated	
	Apr-Jun/2017	Apr-Jun/2016	Apr-Jun/2017	Apr-Jun/2016
Gross revenue from sale of products and services	1,371,734	1,611,250	3,299,259	2,768,282
Taxes and sales deductions	(69,810)	(48,667)	(193,345)	(125,384)
Net operating revenue	1,301,924	1,562,583	3,105,914	2,642,898

The net operating income is segregated between the following components:

	Parent company		Consolidated	
	Apr-Jun/2017	Apr-Jun/2016	Apr-Jun/2017	Apr-Jun/2016
Net income from sale of products and services	1,372,752	1,683,552	3,176,742	2,763,867
(Loss) gain from financial instruments designated as hedge *accounting*	(80,050)	488,436	(80,050)	488,436
Gain (loss) on commodity financial instruments not designated as hedge accounting	9,222	(609,405)	9,222	(609,405)
Net operating revenue	1,301,924	1,562,583	3,105,914	2,642,898

20. Segment information

The Management of RESA defined ethanol, sugar and bioenergy ("EAB") as the only operating segment, based on the reports used by the Company's President and the Board of Directors, which are the chief operational and strategic decision-makers. Performance evaluation targets are defined and monitored considering the EAB segment as a whole.

The EAB segment includes the production and sale of ethanol and sugar generated by sugarcane processing, as well as sugarcane bagasse burning-derived energy coproduction.

Given that assets are also used for the production of sugar, ethanol and bioenergy, there is no separate disclosure of these assets per business segment.

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

	Consolidated	
	Apr-Jun/2017	Apr-Jun/2016
Foreign market (1)	1,726,016	1,641,404
Domestic market	1,379,898	1,001,494
Total	3,105,914	2,642,898

(1) Including sales to Brazilian clients in the export-equivalent category.

The breakdown of net operating income by product is as follows

	Consolidated	
	Apr-Jun/2017	**Apr-Jun/2016**
Sugar	1,221,516	1,115,320
Ethanol	1,614,698	1,262,342
Electric power	198,677	151,438
Other goods and services	71,023	113,798
Total	3,105,914	2,642,898

The proportion of net operating income by geographic area is as follows:

	Consolidated	
	Apr-Jun/2017	**Apr-Jun/2016**
Brazil	54.33%	39.12%
Asia	34.52%	36.38%
Europe	2.85%	7.73%
North America	7.55%	16.00%
Central America	0.00%	0.27%
Other (1)	0.75%	0.50%
Total	100.00%	100.00%

(1) South America (except Brazil), Africa and Oceania.

EAB main clients for the periods ended June 30, 2017 and 2016, which individually accounted for 5% or more of the Company's total revenues are as follows:

	Consolidated	
Client	**Apr-Jun/2017**	**Apr-Jun/2016**
Raízen Combustíveis S.A.	21.05%	8.13%
Wilmar Sugar Pte Ltd	14.53%	21.62%
Mitsubishi International Corporation	5.92%	9.89%

21. Costs and expenses by nature

Reconciliation of costs and expenses by nature

Costs and expenses are shown in the income by function. The reconciliation of the results by nature for the three-month periods ended June 30, 2017 and June 30, 2016 is as follows:

a) Costs and expenses by nature

	Parent company		Consolidated	
	Apr-Jun/2017	**Apr-Jun/2016**	**Apr-Jun/2017**	**Apr-Jun/2016**
Material	(474,848)	(416,909)	(1,772,273)	(944,564)
Depreciation and amortization	(342,171)	(364,817)	(460,650)	(491,100)
Personnel expenses	(184,187)	(191,140)	(264,841)	(270,959)
Cutting, loading and transportation (CCT)	(131,582)	(154,972)	(169,334)	(185,556)
Maintenance materials	(49,457)	(63,544)	(93,276)	(122,747)
Outsourced labor	(35,736)	(31,982)	(40,282)	(37,736)
Change in fair value of biological assets	(103,067)	3,835	(126,944)	4,593
Realization of fair value of the biological assets	(180,256)	(97,889)	(204,789)	(114,899)
Rental and leases	(73,763)	(64,900)	(82,444)	(119,207)
Other expenses	(95,835)	(148,792)	(131,212)	(180,263)
	(1,670,902)	(1,531,110)	(3,346,045)	(2,462,438)

b) Classified as:

	Parent company		Consolidated	
	Apr-Jun/2017	**Apr-Jun/2016**	**Apr-Jun/2017**	**Apr-Jun/2016**
Cost of products sold and services provided	(1,435,516)	(1,305,566)	(3,022,966)	(2,170,689)
Sales expenses	(134,738)	(152,484)	(186,415)	(180,311)
General and administrative	(100,648)	(73,060)	(136,664)	(111,438)
	(1,670,902)	(1,531,110)	(3,346,045)	(2,462,438)

22. Other operating income (expenses), net

	Parent company		Consolidated	
	Apr-Jun/2017	**Apr-Jun/2016**	**Apr-Jun/2017**	**Apr-Jun/2016**
Formation of provision for legal disputes and contingencies, net	(10,966)	(7,756)	(12,211)	(7,921)
Income from the sale of property, plant and equipment	(2,350)	1,887	(2,584)	572
Extemporaneous tax credits	2,797	-	4,044	-
Reversal of estimated loss with fixed and intangible assets, net (Note 11)	3,465	-	3,701	-
Income from sales of scrap and waste	1,752	2,044	2,275	2,628
Income from breakage of inventory	1,295	1,490	1,522	2,110
Income from the sale of biological assets	61	-	61	71
Gain (loss) with commercial transaction (1)	38	(27,189)	38	(27,189)
Other (2)	(218)	1,955	10,004	3,373
	(4,126)	(27,569)	6,850	(26,356)

(1) Substantially refers to the result of the washout of certain business contracts, in the scope of the execution of the business strategy of the Company in the ordinary course of its businesses.
(2) As of June 30, 2017, substantially comprised of R$ 10 million in provision for reimbursement of insurance company on asset losses, related to the fire occurred on October 20, 2016 in subsidiary Centroeste.

23. Financial results

	Parent company		Consolidated	
	Apr-Jun/2017	**Apr-Jun/2016**	**Apr-Jun/2017**	**Apr-Jun/2016**
Financial expenses				
Interest	(127,878)	(126,481)	(186,401)	(172,365)
Monetary variation - liabilities	(23,721)	(33,035)	(29,193)	(33,462)
PIS and COFINS on financial income	(4,896)	(4,496)	(8,330)	(7,768)
Bank expenses	(2,312)	(1,506)	(5,511)	(4,223)
	(158,807)	(165,518)	(229,435)	(217,818)
Fair value of financial instrument liabilities (Notes 9 and 14)	(9,221)	-	(9,221)	-
Less: amounts capitalized on qualifying assets (Note 11)	4,809	3,796	9,362	8,583
	(163,219)	(161,722)	(229,294)	(209,235)
Financial income				
Yields from financial investments	23,082	11,671	88,063	78,814
Interest	52,526	57,590	92,479	67,950
Monetary variation - assets	24,825	17,820	25,540	18,199
Other	161	75	164	648
	100,594	87,156	206,246	165,611
Exchange variation, net [(1)]	(16,381)	(45,674)	(13,790)	(45,045)
Net effect of the derivatives [(2)]	(81,940)	323,388	(59,228)	297,342
	(160,946)	203,148	(96,066)	208,673

(1) Includes net foreign exchange, net losses on assets and liabilities denominated in foreign currency; and
(2) Includes realized and unrealized results and unrealized with options, *swaps* and *NDFs* and other derivatives.

24. Financial instruments

a) Overview

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

- price risk
- foreign exchange rate risk
- interest rate risk
- credit risk
- liquidity risk

This note presents information on the Company's exposure to each one of the abovementioned risks, the Company's goals, policies and processes for the measurement and management of risk, and the Company's capital management.

b) Risk management framework

The Company has specific treasury and trading policies that set risk management guidelines. The Company has the following main committees to monitor activities and ensure policy compliance: (i) A risk committee whose members gather weekly to analyze the behavior of commodity (mainly sugar) and foreign exchange markets and decide on coverage positions and the strategy to fix the prices of sugar exports to reduce the negative effects of changes in prices and exchange rates, as well as monitoring the liquidity and counterparty risk (credit); (ii) The ethanol committee meets monthly and evaluates the risks related to the marketing of ethanol and adapts to limits defined in the risk policies.

The Company and its subsidiaries are exposed to market risks, the main ones being: (i) fluctuations of sugar and ethanol prices; (ii) exchange rates fluctuations; and (iii) interest rates fluctuations. The purchases of financial instruments for hedging purposes are made according to an analysis of the risk exposure that Management intends to cover.

As of June 30, and March 31, 2017, the fair values of transactions with derivative financial instruments for hedging and other purposes were measured at fair value according to observable data, such as prices quoted in active markets or discounted cash flows according to market curves and are presented below:

	Parent company				Consolidated			
	Notional		Fair value		Notional		Fair value	
	06.30.2017	03.31.2017	06.30.2017	03.31.2017	06.30.2017	03.31.2017	06.30.2017	03.31.2017
Price risk								
Commodity derivatives								
Future contracts	1,849,862	2,018,131	325,836	68,984	1,629,272	1,997,655	338,773	84,459
	1,849,862	2,018,131	325,836	68,984	1,629,272	1,997,655	338,773	84,459
Foreign exchange rate risk								
Foreign exchange rate derivatives								
Future contracts	(438,336)	(298,622)	256	3,689	(438,336)	(298,622)	256	3,689
Forward contracts	3,849,638	3,922,885	(22,028)	67,593	3,643,234	3,922,885	(19,813)	67,593
Foreign exchange swap	(1,353,617)	(1,197,402)	128,711	74,758	(1,545,210)	(1,361,519)	102,383	34,993
	2,057,685	2,426,861	106,939	146,040	1,659,688	2,262,744	82,826	106,275
Interest rate risk								
Interest derivatives	(987,204)	(745,842)	2,559	14,810	(987,249)	(960,699)	12,259	23,418
	(987,204)	(745,842)	2,559	14,810	(987,249)	(960,699)	12,259	23,418
Total			435,334	229,834			433,858	214,152
Current assets			371,989	372,926			453,629	422,055
Non-current assets			188,524	151,717			198,224	160,325
Total assets			560,513	524,643			651,853	582,380
Current liabilities			(103,343)	(260,404)			(170,082)	(294,094)
Non-current liabilities			(21,836)	(34,405)			(47,913)	(74,134)
Total liabilities			(125,179)	(294,809)			(217,995)	(368,228)

c) Price risk

Results from the possibility of fluctuations in the market prices of the products sold by the Company and its subsidiaries, mainly raw sugar (sugar #11), sugar VHP (sugar #5 or white sugar), and ethanol. These price fluctuations may cause substantial alterations in the Company's sales income. In order to mitigate such risk, the Company permanently monitors market, trying to be ahead of price movements. The table below shows the positions of derivative instruments to cover the risk of fluctuations in commodity prices:

							Consolidated
							Price risk: derivatives of goods outstanding on June 30, 2017
Derivatives	**Purchased / Sold**	**Market**	**Contract**	**Maturity**	**Notional (units)**	**Notional (R$ thousand)**	**Fair value (R$ thousand)**
Future	Sold	NYSE LIFFE	Sugar#5	Aug/17-Sep/17	35,250 t	1,278,721	10,299
Future	Sold	ICE	Sugar#11	Dec/17-Dec/18	1,275,750 t	1,588,646	275,807
Options	Sold	ICE	Sugar#11	Sep/17-Sep/18	337,835 t	25,014	(15,074)
Accumulator	Sold	OTC	Sugar#11	Sep/17-Sep/18	- t	-	9,998
Sub-total sugar future sold					1,648,835 t	2,892,381	281,030
Future	Purchased	NYSE LIFFE	Sugar#5	Sep/17	(20,400) t	(689,969)	(3,558)
Future	Purchased	ICE	Sugar#11	Jul/17-Dec/18	(337,124) t	(377,584)	(37,716)
Options	Purchased	ICE	Sugar#11	Sep/17	(439,441) t	(29,447)	89,584
Sub-total sugar future bought					(796,965) t	(1,097,000)	48,310
Sub-total sugar future					851,870 t	1,795,381	329,340
Future	Sold	B3	Ethanol	Jul/17-Dec/17	55,950 m³	78,432	(1,071)
Future	Sold	CHGOETHNL	Ethanol	Aug/17-Dec/17	62,118 m³	6,551	2,852
Future	Sold	NYMEX	Ethanol	Jul/17-Dec/18	241,500 m³	397,067	(7,244)
Options	Sold	CHGOETHNL	Ethanol	Sep/17-Dec/17	23,100 m³	453	(4,701)
Sub-total ethanol future sold					382,668 m³	482,503	(10,164)
Future	Purchased	B3	Ethanol	Jul/17-Mar/18	(53,070) m³	(77,141)	363
Future	Purchased	CHGOETHNL	Ethanol	Jul/17-Dec/17	(86,226) m³	(6,936)	(3,831)
Future	Purchased	NYMEX	Ethanol	Jul/17-Dec/18	(225,000) m³	(369,597)	9,401
Options	Purchased	CHGOETHNL	Ethanol	Aug/17	(10,500) m³	(35)	886
Sub-total ethanol future bought					(374,796) m³	(453,709)	6,819
Physical fixed	Sold	CHGOETHNL	Ethanol	Jul/17-Dec/17	484 m³	683,890	12,929
Sub-total physical fixed ethanol sold					484 m³	683,890	12,929
Physical fixed	Purchased	CHGOETHNL	Ethanol	Jul/17-Mar/18	(660) m³	(878,793)	(151)
Sub-total physical fixed ethanol purchased					(660) m³	(878,793)	(151)
Sub-total ethanol future					7,696	(166,109)	9,433
Net exposure of derivatives of goods as of June 30, 2017						1,629,272	338,773
Net exposure of derivatives of goods as of March 31, 2017						1,997,655	84,459

d) Foreign exchange rate risk

Arises from the possibility of fluctuations in the exchange rates used by the Company for export revenues, imports, financing cash flows and other foreign currency assets and liabilities. The Company uses derivative transactions to manage cash flow risks resulting from export revenues denominated in US dollars, net of other cash flows also denominated in foreign currency. The table below shows the positions outstanding as of June 30 and March 31, 2017 for derivatives used to cover interest rate risk:

					Consolidated		
					Price risk: exchange derivatives outstanding on June 30, 2017		
Derivatives	**Purchased / Sold**	**Market**	**Contract**	**Maturity**	**Notional (US$ thou.)**	**Notional (R$ thousand)**	**Fair value (R$ thousand)**
Future	Sold	B3	Trade dollar	Jul/17-Aug/17	439,250	1,453,127	(1,157)
Subtotal future sold					439,250	1,453,127	(1,157)
Future	Purchased	B3	Trade dollar	Jul/17-Aug/17	(571,750)	(1,891,463)	1,413
Subtotal future bought					(571,750)	(1,891,463)	1,413
Term	Purchased	OTC/B3	NDF	Jul/17-Aug/17	(986,820)	(3,261,774)	5,314
Term	Sold	OTC/B3	NDF	Jul/17-Aug/17	2,089,917	6,905,008	(25,127)
Subtotal term dollar purchased/sold					1,103,097	3,643,234	(19,813)
Foreign exchange swap	Purchased	Fixed Dollar/OTC	*Foreign exchange swap*	Aug/17-Jan/27	(588,042)	(1,945,358)	56,019
Foreign exchange swap	Sold	Fixed Dollar/OTC	*Foreign exchange swap*	Oct/21-Jan/22	120,957	400,148	46,364
Swap subtotal					(467,085)	(1,545,210)	102,383
Net exposure of foreign exchange derivatives as of June 30, 2017					503,512	1,659,688	82,826
Net exposure of foreign exchange derivatives as of March 31, 2017					699,436	2,262,744	106,275

The summary of the quantitative data on accounting exposure to foreign exchange risk of the Company on June 30 and March 31, 2017 is presented below:

	Consolidated	
	06.30.2017	
	R$	US$ (in thousands)
Cash and cash equivalents (Note 3)	415,632	125,637
Restricted cash (Note 4)	44,979	13,596
Accounts receivable from abroad (Note 5)	103,743	31,359
Related parties, net (Note 9)	2,484,749	751,088
Suppliers (Note 13)	(75,627)	(22,860)
Loans and financing (Note 14)	(4,241,417)	(1,282,092)
Derivatives (Note 24) (*)	-	(503,512)
Net foreign exchange exposure	(1,267,941)	(886,784)
Derivatives settled in the month before the closing (**)		182,079
Net foreign exchange exposure, adjusted in Jun 2017 (***)		(704,705)
Net foreign exchange exposure, adjusted in Mar 2017 (***)		(816,687)

(*) Refers to the notional foreign exchange derivative transactions.
(**) PTAX liquidation on the last day of the closing month.
(***) The net foreign exchange exposure, this will be substantially offset by probable future income of export products.

e) Hedge accounting effect

The Company formally designates its operations subject to hedge accounting, which aims at hedging cash flows of US Dollar income, related to the export of sugar and ethanol, describing: (i) the hedging relationship, (ii) the Company's risk management framework purpose and strategy when entering into the hedging instrument, (iii) the identification of the financial instrument, (iv) the covered object or transaction, (v) the nature of the risk to be covered, (vi) the description of the hedging relationship, (vii) the relation between the hedging instrument and the covered item, and (viii) the retrospective and prospective testing of the effectiveness of the hedging instrument.

As of June 30 and March 31, 2017, the impacts calculated in the Company's equity and the estimated realization in profit or loss are shown below:

Financial instruments	Market	Risk	Period for realization 2017/18	2018/19	>2020	06.30.2017	03.31.2017
Future	OTC / ICE	*Sugar#11*	313,567	62,183	-	375,750	(18,891)
Future	B3	Ethanol	(1,790)	-	-	(1,790)	222
Options	OTC / ICE	Sugar#11	64,514	-	-	64,514	58,377
NDF	OTC	FX	(2,068)	-	-	(2,068)	-
PPE	Debt	FX	(15,420)	-	(20,733)	(36,153)	(94,787)
			358,803	62,183	(20,733)	400,253	(55,079)
(-) Deferred taxes			(121,993)	(21,142)	7,049	(136,086)	18,728
Effect in equity on June 30, 2017			236,810	41,041	(13,684)	264,167	(36,351)

We show below the changes in the balances of other comprehensive income during the period:

Balance at March 31, 2017	(36,351)
Gains/(losses) during the period:	
Fair value on commodity futures designated as hedge accounting	411,365
Foreign exchange variation on debt contracts designated as hedge accounting	(36,086)
Result from commodities recognized in net operating income (Note 19)	(12,604)
Result from debt contracts recognized in net operating income (Note 19)	92,654
Total changes during the period	455,329
Effect of deferred taxes on equity valuation adjustment	(154,811)
	300,518
Balance at June 30, 2017	264,167

f) Interest rate risk

The Company monitors fluctuations in interest rates applied to certain debts, particularly those exposed to the Libor risk, and uses derivative instruments to minimize those risks. In the table below we shows the positions outstanding as of June 30 and March 31, 2017 for derivatives used to cover interest rate risk:

					Consolidated Price risk: interest derivatives outstanding on June 30, 2017		
Derivatives	Purchased / Sold	Market	Contract	Maturity	Notional (US$ thou.)	Notional (R$ thousand)	Fair value (R$ thousand)
Interest rate swap	Purchased	OTC	Interest rate swap	Sep/17-Apr/24	(298,425)	(987,249)	12,259
Net exposure of interest derivatives as of June 30, 2017					(298,425)	(987,249)	12,259
Net exposure of interest derivatives as of March 31, 2017					(303,213)	(960,699)	23,418

g) Credit risk

A substantial part of the sales of Company and its subsidiaries is made to a select group of highly qualified counterparties, such as trading companies, fuel distribution companies and major supermarket chains.

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

Individual risk limits are determined with basis on internal or external classifications in accordance with limits determined by Company's management. The use of credit limits is regularly monitored. No credit limit was exceeded during the period, and Management does not expect any loss from default by these counterparties in amounts higher than those already provided allowed for.

The Company enters into commodity derivative agreements in futures markets and options at the New York - NYBOT, Chicago - CBOT and at the London - LIFFE, as well as in over-the-counter markets with selected counterparties. The Company enters into exchange rate and commodity derivative agreements and over-the-counter agreements registered with B3, mainly with the leading local and foreign banks considered by global credit risk rating agencies to have investment level ratings.

Guarantee margins - Derivative transactions in commodity exchanges (NYBOT, LIFFE, and B3) require guarantee margins. The Consolidated total margin deposited as of June 30, 2017 is R$ 107,707, of which R$ 62,728 in restricted financial investments and R$ 44,979 in derivative transaction margins. The total consolidated margin deposited as of March 31, 2017 is R$ 186,994, of which R$ 28,246 in restricted financial investments and R$ 158,748 in derivative transaction margins.

The Company's over-the-counter derivative transactions do not require a guarantee margin.

The credit risk on cash and cash equivalents is mitigated by the conservative distribution of investment funds and CDBs (Note 3), which make up the caption. The distribution follows strict criteria for allocation and exposure to counterparties that are major national and international banks, mainly considered investment grade by international rating agencies.

h) Liquidity risk

Liquidity risk is the risk of the Company will encounter difficulties in performing the obligations associated with its financial liabilities that are settled with cash payments or with another financial asset. The Company's approach in liquidity Management is to guarantee, as much as possible, that it always has sufficient liquidity to perform its obligations upon maturity, under normal and stress conditions, without causing unacceptable losses or with a risk of sullying the Company's reputation. As part of the liquidity management process, management prepares business plans and monitors their implementation, discussing positive and negative cash flow risks and assessing the availability of funds to support its operations, investments and refinancing needs.

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

	Consolidated				
	Up to 1 year	**Up to 2 years**	**3-5 years**	**>5 years**	**Total**
Loans and financing (1)	1,085,628	1,559,621	7,128,191	5,394,522	15,167,962
Suppliers (Note 13)	1,170,295	-	-	-	1,170,295
Derivative financial instruments	170,082	201	40,671	7,041	217,995
Related parties (1)	700,525	-	-	808,427	1,508,952
June 30, 2017	3,126,530	1,559,822	7,168,862	6,209,990	18,065,204
March 31, 2017	2,658,877	1,556,906	7,002,176	5,606,590	16,824,549

(1) Undiscounted contractual cash flows.

i) Fair value

Procedures over the definition, measurement and recognition of the fair value of financial assets and liabilities are the same disclosed on annual financial statements of March 31, 2017.

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

Financial instruments are classified as follows:

	Consolidated			
Financial instruments measured at fair value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial investments (Note 3)	-	3,554,039	-	3,554,039
Restricted financial investments (Restricted cash) (Note 4)	-	110,977	-	110,977
Derivative financial instruments - assets	462,530	179,324	9,999	651,853
Loans and financing (Note 14)	-	(114,296)	-	(114,296)
Derivative financial instruments - liabilities	(133,500)	(84,495)	-	(217,995)
June 30, 2017	329,030	3,645,549	9,999	3,984,578
March 31, 2017	74,897	3,081,981	13,251	3,170,129

As of June 30 and March 31, 2017, no transfers were made between the levels to determine the fair values of financial instruments.

j) Sensitivity analysis

We present below the sensitivity analysis of the fair value of financial instruments according to the types of risk considered relevant by the Company, pursuant to the CVM Instruction No. 475, issued on March 17, 2008.

Assumptions for the sensitivity analysis

The Company has adopted three scenarios for the sensitivity analysis, one probable and two that may show the adverse effects in the fair values of the Company's financial instruments. The probable scenario was set according to the futures market curves of sugar and the US dollar as of June 30, 2017 to determine the fair value balance of derivatives on the date. Possible and remote adverse scenarios were set considering negative impacts of 25% and 50% on sugar and US dollar price curves, which were considered as a basis for the probable scenario.

Sensitivity tables

i) Sensitivity on change in fair value of financial instruments

		Impacts on income (*)				
						June 30, 2017
	Risk factor	Probable scenario	Possible scenario + (25%)	Balance of the fair value	Remote scenario + (50%)	Balance of the fair value
Price risk						
Commodity derivatives						
Futures and options contracts:						
Purchase and sale commitments	High sugar prices	329,340	(281,804)	47,536	(563,608)	(234,268)
Purchase and sale commitments	Ethanol price decrease	9,433	(3,969)	5,464	(7,938)	1,495
		338,773	(285,773)	53,000	(571,546)	(232,773)
Foreign exchange rate risk						
Foreign exchange rate derivatives						
Futures contracts:						
Purchase and sale commitments	Increase in foreign exchange rate R$/US$	256	10,731	10,987	21,462	21,718
Forward contracts:						
Purchase and sale commitments	Increase in foreign exchange rate R$/US$	(19,813)	(910,725)	(930,538)	(1,821,450)	(1,841,263)
Foreign exchange swaps:						
Purchase and sale commitments	Increase in foreign exchange rate R$/US$	102,383	316,169	418,552	632,338	734,721
		82,826	(583,825)	(500,999)	(1,167,650)	(1,084,824)
Interest rate risk						
Swap, Term and Futures Contracts	Low interest rate	12,259	(5,188)	7,071	(10,376)	1,883
		12,259	(5,188)	7,071	(10,376)	1,883
Total		433,858	(874,786)	(440,928)	(1,749,572)	(1,315,714)

(*) Result projected to occur within 12 months from June 30, 2017.

ii) Net foreign exchange exposure

The probable scenario considers the position as of June 30, 2017. The effects of the possible and remote scenarios that would be recognized in the consolidated statement on profit or loss as income or expenses on exchange rate fluctuation are as follows:

		Effect of exchange variation			
Net foreign exchange exposure					**Scenarios**
June 30, 2017		**Possible scenario +25%**	**Remote scenario +50%**	**Possible scenario -25%**	**Remote scenario -50%**
Cash and cash equivalents (Note 3)	415,632	103,908	207,816	(103,908)	(207,816)
Restricted cash (Note 4)	44,979	11,245	22,490	(11,245)	(22,490)
Accounts receivable from abroad (Note 5)	103,743	25,936	51,872	(25,936)	(51,872)
Related party transactions (note 9)	2,484,749	621,187	1,242,375	(621,187)	(1,242,375)
Suppliers (Note 13)	(75,627)	(18,907)	(37,814)	18,907	37,814
Loans and financing (Note 14)	(4,241,417)	(1,060,354)	(2,120,709)	1,060,354	2,120,709
Impact on income (loss) for the period		(316,985)	(633,970)	316,985	633,970

iii) Interest rate sensibility

As at June 30, 2017, the probable scenario considers the annual (7.28%) weighted average rate of floating interests of loans and financing and for financial investments including those classified as restricted cash and the CDI (12.86%) accumulated in the last 12 months. In both cases, simulations were run considering the increase and reduction by 25% and 50%. The consolidated results of this sensitivity are as follows:

		June 30, 2017			
		Interest rate sensibility			
	Probable scenario	**Possible scenario 25%**	**Remote scenario 50%**	**Possible scenario -25%**	**Remote scenario -50%**
Financial investments	459,501	114,875	229,751	(114,875)	(229,751)
Restricted cash	14,449	3,612	7,225	(3,612)	(7,225)
Loans and financing	(610,661)	(152,665)	(305,331)	152,665	305,331
Impact on (loss) income for the period	(136,711)	(34,178)	(68,355)	34,178	68,355

k) 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 large local and international banks and financial institutions as shown below:

Branch	Scale	Rating	Outlook	Date
Fitch	National	AAA (bra)	Stable	06/16/2017
Moody's	National	Aaa.Br	Negative	05/31/2017
Standard & Poor's	National	brAAA	Negative	05/15/2017

The financial leverage ratios on June 30 and March 31, 2017 were calculated as follows:

	Consolidated	
	06.30.2017	**03.31.2017**
Third party capital		
Loans and financing (Note 14)	11,312,926	10,318,691
(-) Cash and cash equivalents (Note 3)	(4,046,721)	(3,437,612)
(-) Financial investments linked to financing (note 4)	(48,249)	(47,206)
(-) National Treasury Certificates - CTN (Note 8)	(738,096)	(737,088)
(-) Foreign exchange and interest rate derivatives (Note 24.b)	(95,085)	(129,693)
	6,384,775	5,967,092
Own capital		
Equity		
Attributed to the parent company's shareholders	9,097,412	9,385,155
Non-controlling shareholders	(963)	(963)
	9,096,449	9,384,192
Total capital	15,481,224	15,351,284
Leverage ratio	41%	39%

25. Retirement supplementation plan and other benefits to employees

(a) Pension fund

Defined contribution

During the three-month period ended June 30, 2017, the contribution recognized as expenses amounted to R$ 2,968 (R$ 2,919 in the three-month period ended June 30, 2016).

(b) Profit sharing

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

26. Insurance

As mentioned in Note 26 of annual financial statements as of March 31, 2017, The Company and its subsidiaries have an insurance program and risk management that provides consistent coverage and protection for corporate assets and operations. During the three-month period ended June 30, 2017 no significant changes in this insurance coverage.

27. Cash flow supplementary information

Investment and financing transactions not involving cash are as follows:

	Parent company		Consolidated	
	Apr-Jun/2017	Apr-Jun/2016	Apr-Jun/2017	Apr-Jun/2016
Investment transactions not involving cash				
Depreciation of agricultural assets capitalized as biological assets (Note 7)	(3,970)	(3,434)	(4,717)	(3,569)
Depreciation of agricultural assets capitalized as property, plant and equipment (Note 11)	(19,225)	(15,068)	(21,859)	(16,923)
Tax credits on fixed assets, including adjustment at present value of property, plant and equipment	(199)	(267)	(806)	(998)
Interest capitalized in fixed assets (Notes 11 and 23)	(4,809)	(3,796)	(9,363)	(8,583)
	(28,203)	(22,565)	(36,745)	(30,073)

***