Copersucar S.A.

Consolidated financial statements as of and for the years ended March 31, 2014 and 2013

(A free transalation of the original report in Portuguese as published in Brazil containing financial statements prepared in accordance with accounting practices adopted in Brazil)

Contents

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Independent auditors' report on the consolidated financial statements

To the Management and Board Members of
Copersucar S.A.
São Paulo – SP

We have audited the individual and consolidated financial statements of Copersucar S.A. ("Company"), identified as Parent Company and Consolidated, respectively, comprising the statements of financial position as of March 31, 2014 and the related statements of operations, comprehensive income (loss), changes in equity and cash flows, for the year then ended, as well as the summary of the significant accounting practices and other explanatory notes.

Management's responsibility for the consolidated financial statements
The Company's management is responsible for the preparation and adequate presentation of the individual financial statements in accordance with the accounting practices adopted in Brazil and of the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board - IASB, and in accordance with the accounting practices adopted in Brazil as well as for the internal controls that it deemed necessary to enable the preparation of these financial statements free of significant distortions, regardless of whether the latter were caused by fraud or error.

Responsibility of the independent auditors
Our responsibility is to express an opinion on these consolidated financial statements based on our audit, undertaken in accordance with Brazilian and international auditing standards. These standards require compliance with ethical requirements by the auditors and that the audit be planned and executed with the objective of obtaining reasonable assurance that the financial statements are free from significant distortions.

An audit involves the carrying out of procedures selected to obtain evidence related to the amounts and disclosures presented in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including an assessment of the risks of significant distortion in the consolidated financial statements, regardless of whether the latter are caused by fraud or error. In this risk assessment, according to auditing standards, the auditor considers relevant internal controls for the preparation and adequate presentation of the consolidated financial statements of the Company, to plan the audit procedures that are appropriate in the circumstances, but not for purposes of expressing an opinion on the efficacy of these internal controls of the Company. An audit also includes the evaluation of the adequacy of adopted accounting practices and reasonability of accounting estimates made by Management, as well as an assessment of the presentation of financial statements taken as a whole.

We believe that the audit evidence obtained is sufficient and appropriate to support our opinion.

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.

Opinion on the individual financial statements
In our opinion, the individual and consolidated aforementioned financial statements present fairly, in all material respects, the financial position of Copersucar S.A. as of March 31, 2014, the performance of its operations and its cash flows, for the year then ended, in accordance with the accounting practices adopted in Brazil.

Opinion on the consolidated financial statements
In our opinion, the individual aforementioned financial statements present fairly, in all material respects, the financial position of Copersucar S.A. as of March 31, 2014, the performance of its operations and its cash flows, consolidated for the year then ended, in conformity with International Financial Reporting Standards – IFRS issued by the International Accounting Standards Board (IASB) and the accounting practices adopted in Brazil.

Emphases
As described in note 4, the individual financial statements were prepared in accordance with accounting practices adopted in Brazil. In the case of Copersucar S.A., these practices differ from IFRS and are applicable to segregate financial statements only as it refers to the evaluation of interest in subsidiaries and jointly-owned subsidiaries under the equity method, while for IFRS purposes, it would be at cost of fair value. Our opinion is not qualified in this respect.

The Company’s sugar and ethanol purchases are carried out basically from the related party, in accordance with the commercial conditions described in note 26. The guarantee of the products’ supply is linked to the maintenance of the agreement with this related party. Our opinion is not qualified in this respect.

Other issues

Statements of added value
We have also examined the individual and consolidated statements of value added (DVA) for the year ended March 31, 2014, prepared under responsibility of Company's management, and as supplementary information under IFRS that do not require the presentation of a statement of value added. These statements were submitted to the same audit procedures previously described and, in our opinion, these supplementary statements are adequately presented, in all material respects, in relation to the basic financial statements taken as a whole.

São Paulo, May 21, 2014

KPMG Auditores Independentes
CRC 2SP014428/O-6
Original report signed by
Claudio José Biason
Contador CRC 1SP144806/O-7
Fernando Rogério Liani
Contador CRC 1SP229193/O-2

Copersucar S.A.

Consolidated statements of financial position as of March 31, 2014 and 2013

(In thousands of reais)

		Consolidated		Parent company	
Assets	**Note**	**2014**	**2013**	**2014**	**2013**
Current assets					
Cash and cash equivalents	7	604.346	569.648	298.442	278.861
Trade accounts receivable	8	1.163.026	750.044	401.443	210.815
Dividends receivable	25	-	-	4.881	1.149
Inventories	9	1.719.845	1.190.194	720.226	557.992
Recoverable taxes and contributions	10	237.988	171.510	230.832	168.713
Advances to suppliers of inventory	11	790.275	552.442	21.676	17.789
Stock Exchange transactions	13	121.146	24.913	74	3
Unrealized derivative financial instruments	24	319.229	211.723	20.790	60.990
Other accounts receivable	12	110.340	15.457	6.531	1.308
Total current assets		**5.066.195**	**3.485.931**	**1.704.895**	**1.297.620**
Non-current assets					
Deferred tax assets	14	132.768	147.990	114.804	142.727
Judicial deposits	23	34.529	33.782	20.985	20.985
Unrealized derivative financial instruments	24	12.389	32.876	12.376	32.848
Loan operations	26	-	-	90.247	46.605
Other accounts receivable		910	263	68	-
Investments	15	107.929	107.093	1.121.745	932.279
Investment property	16	-	-	21.572	22.072
Property, plant and equipment	17	465.372	322.747	120.437	42.343
Intangible assets	18	181.356	164.715	19.486	14.950
Total non-current assets		**935.253**	**809.466**	**1.521.720**	**1.254.809**
Total assets		**6.001.448**	**4.295.397**	**3.226.615**	**2.552.429**

		Consolidated		Parent company	
Liabilities	**Note**	**2014**	**2013**	**2014**	**2013**
Current liabilities					
Suppliers	19	2.040.708	1.313.600	1.220.207	1.018.545
Loans and financing	20	990.349	1.243.791	477.174	801.854
Labor payroll obligations		31.939	35.907	19.984	24.813
Provision for income and social contribution taxes		4.936	459	4.931	-
Taxes and contributions payable	21	65.602	34.964	16.445	10.780
Stock Exchange transactions	13	70.189	42.642	-	39
Advances from clients	22	28.914	32.772	11.284	102.545
Dividends payable		1.906	676	1.906	676
Unrealized derivative financial instruments	24	323.933	92.685	3.423	-
Other accounts payable		28.557	10.196	590	234
Total current liabilities		**3.587.033**	**2.807.692**	**1.755.944**	**1.959.486**
Non-current liabilities					
Loans and financing	20	1.771.155	1.088.995	1.066.477	356.824
Employee benefits	35	20.385	16.610	9.041	16.610
Taxes and contributions payable	21	565	675	-	-
Provisions for contingencies	23	35.870	35.152	20.985	20.985
Deferred tax liabilities	14	43.905	32.358	10.881	291
Other accounts payable		6.580	10.646	-	64
Unsecured liability of the subsidiary	15	-	-	3.441	-
Total non-current liabilities		**1.878.460**	**1.184.436**	**1.110.825**	**394.774**
Shareholders' equity					
Capital		180.301	80.301	180.301	80.301
Treasury shares		(8)	(8)	(8)	(8)
Legal reserve		19.992	16.060	19.992	16.060
Profit reserves		131.508	62.434	131.508	62.434
Equity evaluation adjustment		14.090	23.164	14.090	23.164
Additional dividend proposed		13.963	16.218	13.963	16.218
Net assets attributable to controlling shareholders	27	**359.846**	**198.169**	**359.846**	**198.169**
Interest of non-controlling shareholders		**176.109**	**105.100**	**-**	**-**
Total shareholders' equity		**535.955**	**303.269**	**359.846**	**198.169**
Total liabilities and shareholders' equity		**6.001.448**	**4.295.397**	**3.226.615**	**2.552.429**

See the accompanying notes to the financial statements

Copersucar S.A.

Consolidated statement of income

Years ended March 31, 2014 and 2013

(In thousands of reais)

	Note	Consolidated 2014	Consolidated 2013	Parent company 2014	Parent company 2013
Net income	29	23.153.315	14.741.802	5.936.899	4.712.809
Unrealized derivative financial instruments	24	(69.150)	34.583	-	-
Cost of sales	33	(22.156.769)	(14.323.865)	(5.743.067)	(4.765.010)
Gross income (loss)		**927.396**	**452.520**	**193.832**	**(52.201)**
Sales expenses	33	(295.326)	(185.581)	(55.676)	(39.474)
Administrative expenses	33	(147.431)	(59.394)	(73.585)	(32.520)
Other income	30	38.699	23.786	3.543	1.373
Other expenses	31	(46.437)	(50.809)	(1.192)	(10.573)
Income before net financial		**476.901**	**180.522**	**66.922**	**(133.395)**
Financial income	32	514.228	394.362	235.015	262.103
Financial expenses	32	(738.074)	(499.990)	(337.401)	(392.679)
Net financial		**(223.846)**	**(105.628)**	**(102.386)**	**(130.576)**
Equity in income of subsidiaries	15	(13.456)	12.413	157.550	265.875
Income (loss) before taxes		**239.599**	**87.307**	**122.086**	**1.904**
Current income and social contribution taxes	34	(55.098)	(54.200)	(4.931)	-
Deferred income and social contribution taxes - liabilities	34	(26.770)	53.185	(38.513)	65.671
Total income and social contribution taxes		**(81.868)**	**(1.015)**	**(43.444)**	**65.671**
Net income for the year		**157.731**	**86.292**	**78.642**	**67.575**
Income (loss) attributed to					
Controlling shareholders		78.642	67.575	78.642	67.575
Non-controlling shareholders		79.089	18.717	-	-
Net income for the year		**157.731**	**86.292**	**78.642**	**67.575**

See the accompanying notes to the financial statements

Copersucar S.A.

Consolidated statements of comprehensive income

Years ended March 31, 2014 and 2013

(In thousands of reais)

	Consolidated		Parent company	
	2014	**2013**	**2014**	**2013**
Income for the year	157.731	86.292	78.642	67.575
Comprehensive income	-	-	-	-
Total comprehensive income	**157.731**	**86.292**	**78.642**	**67.575**
Comprehensive income attributable to:				
Controlling shareholders	78.642	67.575	78.642	67.575
Non-controlling shareholders	79.089	18.717	-	-
Total comprehensive income	**157.731**	**86.292**	**78.642**	**67.575**

See the accompanying notes to the financial statements

Copersucar S.A.

Consolidated statements of changes in equity

Years ended March 31, 2014 and 2013

(In thousands of reais)

	Capital	Treasury shares	Legal reserve	Profit reserves	Equity evaluation adjustment	Retained earnings	Additional dividend proposed	Total
In 2012	80.300	-	16.060	7.539	27.378	-	74.362	205.639
Capital increase	1	-	-	-	-	-	-	1
Treasury shares	-	(8)	-	-	-	-	-	(8)
Realization of deemed cost	-	-	-	-	(4.214)	4.214	-	-
Distribution of proposed additional dividend	-	-	-	-	-	-	(74.362)	(74.362)
Net income for the year	-	-	-	-	-	67.575	-	67.575
Distribution of income:								-
Proposed dividends (R$ 0.0421 per share)	-	-	-	16.894	-	(16.894)	-	-
Compulsory minimum dividends (R$ 0.0015 per share)	-	-	-	(676)	-	-	-	(676)
Additional dividends proposed (R$ 0.0406 per share)	-	-	-	(16.218)	-	-	16.218	-
Profit retention	-	-	-	54.895	-	(54.895)	-	-
In 2013	80.301	(8)	16.060	62.434	23.164	-	16.218	198.169
Capital increase	100.000	-	-	-	-	-	-	100.000
Realization of deemed cost	-	-	-	-	(9.074)	9.074	-	-
Distribution of proposed additional dividend	-	-	-	-	-	-	(16.218)	(16.218)
Net income for the year	-	-	-	-	-	78.642	-	78.642
Distribution of income:								-
Legal reserve	-	-	3.932	-	-	(3.932)	-	-
Proposed dividends (R$ 0.0119 per share)	-	-	-	14.710	-	(14.710)	-	-
Compulsory minimum dividends (R$ 0.0006 per share)	-	-	-	(747)	-	-	-	(747)
Additional dividends proposed (R$ 0.0113 per share)	-	-	-	(13.963)	-	-	13.963	-
Profit retention	-	-	-	69.074	-	(69.074)	-	-
In 2014	180.301	(8)	19.992	131.508	14.090	-	13.963	359.846

See the accompanying notes to the financial statements

Copersucar S.A.

Consolidated statements of cash flows

Years ended March 31, 2014 and 2013

(In thousands of reais)

	Consolidated		Parent company	
	2014	**2013**	**2014**	**2013**
Cash flow from operating activities				
Net income for the year	**157.731**	**86.292**	**78.642**	**67.575**
Adjusted by:				
Equity in income of subsidiaries and associated companies	13.456	(12.413)	(157.550)	(265.875)
Subsidiary gains with foreign exchange variation	(33.506)	-	(1.127)	61.848
Depreciation and amortization	24.535	15.684	5.445	4.087
Deferred taxes	26.770	(53.185)	38.513	(65.671)
Interest and exchange variation on loans and financings	354.101	255.009	201.538	161.981
Net amount of write-offs of permanent assets	44.602	466	298	465
Increase in provision for contingencies	718	7.238	-	5.829
Employee benefits	12.080	1.160	736	1.160
Change in inventories' fair values	(220.568)	44.187	(75.331)	57.337
Change in fair value of derivative financial instruments	144.228	(101.589)	64.095	(52.718)
Loss of interest in investments in subsidiaries	-	5.936	-	8.819
Provision for impairment (accounts receivable)	-	2.037	-	2.041
Changes in assets and liabilities				
(Increase) decrease in trade accounts receivable	(412.982)	(5.350)	(190.628)	76.837
(Increase) decrease in operations with related parties	(3.859)	33.935	(134.903)	(268.448)
(Increase) decrease in inventories	(309.083)	41.371	(86.903)	106.201
(Increase) decrease in recoverable taxes	(66.478)	111.491	(62.119)	112.958
(Increase) decrease in other accounts receivable	(95.530)	1.026	(5.291)	1.534
(Increase) in advances to suppliers	(237.833)	(497.769)	(3.887)	(13.307)
(Increase) decrease in stock exchange operations	(68.685)	80.949	(110)	708
(Increase) in judicial deposits	(747)	(7.824)	-	(6.274)
Increase in suppliers	727.108	937.524	201.662	848.872
(Decrease) in social and labor obligations and employee benefits	(12.273)	(3.853)	(13.134)	(9.233)
Increase in taxes and contributions payable	37.493	52.439	10.565	(2.073)
Increase (decrease) in other accounts payable	14.326	(23.856)	323	(11.122)
Interest paid on loans and financing	(110.877)	(107.443)	(73.072)	(70.956)
Income and social contribution taxes paid	(2.519)	(54.638)	-	-
Dividends received	18.771	12.253	1.149	1.809
Net cash generated/(used) in operational activities	**979**	**821.077**	**(201.089)**	**754.384**
Cash deriving from acquisition of subsidiary	-	33.505	-	-
Application of funds in investments	(32.229)	(48.068)	(32.229)	(113.531)
Funds invested in properties	-	-	(175)	(1.251)
Application of funds in property, plant and equipment	(194.301)	(133.047)	(79.485)	(32.623)
Application of funds in intangible assets	(9.510)	(150.472)	(8.213)	(6.026)
Shareholders' equity attributable to non-controlling shareholders	-	15.105	-	-
Net cash used in investment activities	**(236.040)**	**(282.977)**	**(120.102)**	**(153.431)**
Paid-in capital	100.000	-	100.000	-
Dividends paid	(15.735)	(100.000)	(15.735)	(100.000)
Treasury shares	-	(8)	-	(8)
Loans and financing obtained	3.038.228	1.266.899	1.815.677	100.001
Payments of loans and financing	(2.852.734)	(1.508.923)	(1.559.170)	(380.808)
Net cash generated (used) in financing activities	**269.759**	**(342.032)**	**340.772**	**(380.815)**
Net increase in cash and cash equivalents	**34.698**	**196.068**	**19.581**	**220.138**
Variation in cash and cash equivalents				
At the end of the year	604.346	569.648	298.442	278.861
At the beginning of the year	569.648	373.580	278.861	58.723
Net increase in cash and cash equivalents	**34.698**	**196.068**	**19.581**	**220.138**

See the accompanying notes to the financial statements

Copersucar S.A.

Consolidated statements of added value

Years ended March 31, 2014 and 2013

(In thousands of reais)

	Consolidated		Parent company	
	2014	**2013**	**2014**	**2013**
Incomes				
Sale of merchandise, products and services	23.720.625	14.983.469	6.771.351	5.318.304
Other income	275.174	376.441	(3.563)	(637)
Change in fair value of financial instruments	(69.150)	34.583	-	(2.041)
Estimated allowance for doubtful accounts	2.277	(2.041)	2.176	-
	23.928.926	15.392.452	6.769.964	5.315.626
Inputs acquired from third parties				
Cost of produts, goods, and services sold	(22.059.447)	(14.248.858)	(5.743.066)	(4.765.010)
Materials, outsourced services and other	(346.940)	(183.822)	(50.849)	(27.185)
Others	(43.531)	(38.247)	(114)	(1.463)
	(22.449.918)	(14.470.927)	(5.794.029)	(4.793.658)
Gross added value	1.479.008	921.525	975.935	521.968
Depreciation and amortization	(24.535)	(14.803)	(5.445)	(1.999)
Added value received as transfer				
Equity in income of subsidiaries	(92.545)	12.413	157.550	265.875
Financial income	514.228	394.362	235.015	262.103
Others	36.491	15.638	2.800	(6.771)
	458.174	422.413	395.365	521.207
Total added value payable	1.912.647	1.329.135	1.365.855	1.041.176
Distribution of added value	(1.912.647)	(1.329.135)	(1.365.855)	(1.041.176)
Personnel				
Direct remuneration	(96.831)	(74.406)	(48.682)	(28.399)
Benefits	(47.246)	(23.894)	(16.254)	(7.564)
FGTS	(6.618)	(4.443)	(3.203)	(1.653)
	(150.695)	(102.743)	(68.139)	(37.616)
Taxes, rates and contributions				
Federal	(446.347)	(227.989)	(400.337)	(149.587)
State	(476.146)	(392.429)	(474.474)	(390.629)
Municipal	(3.256)	(3.601)	(525)	(265)
	(925.749)	(624.019)	(875.336)	(540.481)
Third parties' capital remuneration				
Interest	(738.073)	(518.269)	(337.400)	(392.680)
Rents	(19.488)	(16.529)	(6.338)	(2.824)
	(757.561)	(534.798)	(343.738)	(395.504)
Remuneration of own capital				
Dividends	(14.710)	(16.894)	(14.710)	(16.894)
Retained earnings for the year	(63.932)	(50.681)	(63.932)	(50.681)
	(78.642)	(67.575)	(78.642)	(67.575)

See the accompanying notes to the financial statements

Notes to the financial statements

(In thousands of reais)

1 Operations

The Company, established as a privately-held corporation, is domiciled in Brazil, is headquartered in the city of São Paulo (SP) and may set up and shut down branches, offices or agencies, as well as appoint agents or representatives, anywhere in Brazil or abroad. The registered address of the Company's office is Paulista Avenue, nº 287. The individual and consolidated financial statements of the Company for the year ended March 31, 2014 comprise the parent company and its subsidiaries.

The Company is engaged in the following main activities:

- To import, export, trade, manufacture, store, load and unload sugar, ethanol and by-products in the domestic and foreign markets;
- To provide sugar, ethanol and by-products sales agency services;
- Land, air, river, and sea logistics;
- To provide cargo transportation services, including hazardous cargo transportation, and to act as multimodal transportation operator;
- Production and sales of electricity, steam, exhaust steam, and any derivative arising from the co-generation of electricity;
- The provision of technical and consultancy services related to the above-mentioned activities; and
- Equity interests in other companies.

The Company and its subsidiaries' fiscal year ends on March 31 of each year.

New businesses:

(i) Trade agreement with Mackay

On February 27, 2014, Copersucar and Mackay Sugar, the second largest sugar producer in Australia, announced the formalization of an agreement ("Heads of Agreement") for sugar origination in Australia. The partnership is part of Copersucar's strategy to expand its operations in Asia, boosted in 2013 with the start of operations of subsidiary Copersucar Asia, headquartered in Hong Kong. The agreement provides for the operation of Copersucar together with Queensland Commodity services (QCS), the trading company of Mackay Sugar, with initial forecast volumes of 150,000 tons of sugar in 2014.

(ii) *Joint venture* with Cargill

On March 27, 2014, Copersucar announced an agreement with Cargill to merge its global activities of sugar trading with a new company, with shared management and 50% interest of each partner to originate, market and trade sugar globally.
The new joint venture aims to provide better services to clients by connecting the skills and competencies of both companies, in order to improve the efficiency, quality and logistics of the production chain, benefiting from the global presence and large scale offer of partner plants of Copersucar in Brazil, complemented by origination in countries and regions such as Thailand, India, Central America and Australia. Additionally, it will also benefit from the recognized expertise of the two companies in logistics management and access to port terminals in Brazil.

The ethanol business, trading of sugar in the domestic market and fixed assets, such as plants and terminals, are out of the scope of this transaction. These activities will continue to be separate businesses, and individually controlled by Cargill and Copersucar.

The new company will be a joint venture independent of its two parent companies, with a new name to be announced when the transaction is concluded, and still depends on regulatory approval, expected for the second semester of 2014.

2 Company's entities

			Equity interest	
Entity	**City/State: - Country**	**Relationship**	**2014**	**2013**
Companhia Auxiliar de Armazéns Gerais	São Paulo/SP - Brasil	Subsidiary	99.99995%	99.99995%
Copersucar Armazéns Gerais S.A.	São Paulo/SP - Brasil	Subsidiary	99.99997%	99.99997%
Uniduto Logística S.A.	São Paulo/SP - Brasil	Associate	39.0737%	38.58000%
Logum Logística S.A.	Rio de Janeiro/RJ - Brasil	Jointly-controlled subsidiary	20.00000%	20.00000%
Sugar Express Transportes S.A.	São Paulo/SP - Brasil	Subsidiary	99.99000%	99.99000%
Centro de Tecnologia Canavieira S.A.	São Paulo/SP - Brasil	Associate	20.54000%	20.54000%
Copersucar International N.V.	Caracasbadiweg - Curaçau	Indirect subsidiary	100.00000%	100.00000%
Copersucar Trading A.V.V.	Orangestad – Aruba	Indirect subsidiary	100.00000%	100.00000%
Copersucar Europe B.V.	Rotterdam – Netherlands	Indirect subsidiary	100.00000%	100.00000%
Copa Shipping Company Limited	Tortola – British Virgin Islands	Indirect jointly-controlled subsidiary	50.00000%	50.00000%
Copersucar Noth America, LLC	Franklin/TN – USA	Subsidiary	100.00000%	100.00000%
Copersucar Asia Limited	Hong Kong – China	Indirect subsidiary	100.00000%	100.00000%
Eco-Energy Global Biofuels LLC	Franklin/TN – USA	Indirect subsidiary	65.00000%	65.00000%

Companhia Auxiliar de Armazéns Gerais

The Subsidiary, based in the capital of the state of São Paulo is to sell food products and goods in general on the wholesale market, rent warehouses, provide storage facilities, export sugar and other products of vegetable origin and undertake port operating activities.

On October 18, 2013, the Company suffered a major fire in Copersucar Sugar Terminal at the Port of Santos, who damaged part of its structures. The accident prompted a contingency and reconstruction plan that allowed the control of all shipments of the crop still in December, with the partial resumption of operations as of January 2014. Thus, the export plan for the harvest was readjusted and no contracts with clients were left outstanding. The damages assessed were indemnified by the contracted insurance and the reconstruction works are underway, with an expected resumption of full operating capability in February 2015.

Copersucar Armazéns Gerais S.A.

The Subsidiary, which is headquartered in the State of São Paulo, is mainly engaged, through its subsidiaries, in the wholesale trade of food products and goods in general, retail and wholesale trade and distribution of fuel for automotive or industrial purposes, and rental of warehouses.

Uniduto Logística S.A.

The Associated company, which is headquartered in the State of São Paulo, aims to develop, build and operate pipelines to move liquids for marketing in domestic and foreign markets, intermodal terminals and port terminals for the export of such liquids; moreover, to participating in other companies whose business purpose is one or more activities listed in the previous items.

Logum Logística S.A.

The joint subsidiary is headquartered in Rio de Janeiro - RJ, and is engaged in: construction and operation of intermodal and multimodal networks for the transport of ethanol, oil by-products and other biofuels to the domestic and international markets; activities directly or indirectly related to intermodal and multimodal transport of ethanol, oil by-products and other biofuels; participation in projects whose aim is to promote the development of intermodal and multimodal transport of ethanol, oil by-products and other biofuels; import, export, acquisition, sale, distribution or lease of all the machinery and equipment related to the aforementioned activities, and exploration and development of opportunities in business related to the installation of optic fiber cables in its rights of way.

Sugar Express Transportes S.A.

The subsidiary Sugar Express Transportes S.A. is responsible for the road transport of sugar and ethanol.

Centro de Tecnologia Canavieira S.A. (CTC)

The Associated company, which is headquartered in the State of São Paulo, is engaged in the research and development of new technologies to be applied in the agricultural activities, logistics and manufacturing processes of the sugarcane and sugar and alcohol sectors; research and development of sugarcane varieties, especially the genetic improvement of sugarcane; control of diseases and pests, particularly for biological control purposes; and transfer of agricultural, industrial and laboratory technologies.

Copersucar International N.V.

The subsidiary based in Curaçau has as its corporate purpose equity interests in other companies.

Copersucar Trading A.V.V.

The Subsidiary established in Aruba is engaged in importing and exporting sugar and ethanol, which are mainly purchased from the Cooperativa de Produtores de Cana-de-açúcar, Açúcar e Álcool do Estado de São Paulo.

Copersucar Europe B.V.

The Subsidiary established in Holland is engaged in the trade of sugar and ethanol, especially from related companies.

Copa Shipping Company Limited

Copa Shipping Company Limited, a maritime freight company headquartered in the British Virgin Islands, was set up in partnership with the Jamal Al-Ghurair (JAG) Group, which, among other business activities, owns Al Khaleej Sugar (AKS), the largest sugar refinery in the world and one of its strategic clients. Copa Shipping charters ships to transport the cargo of Copersucar S.A. and AKS, optimizing the cost management and quality control of this service. Copersucar S.A., through Copersucar Trading, and Global Equity Investments, a subsidiary of the JAG Group, hold 50% of Copa Shipping Company Limited each.

Copersucar North America, LLC
Copersucar North America, LLC, a company based in the United States, was established to hold investments in other companies' capital.

Eco-Energy Global Biofuels, LLC
Company headquartered in Franklin, Tennessee, United States, which operates in an integrated manner in the biofuel supply chain, focusing on trade, logistics and marketing services.

Copersucar Asia Limited
The Subsidiary established in Hong Kong is engaged in the trade of sugar and ethanol, especially from related companies.

3 Preparation basis

a. Statement of conformity

These financial statements include:

- The consolidated financial statements prepared according to the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and also in accordance with accounting practices adopted in Brazil; and

- The individual financial statements of the subsidiary were prepared in accordance with the accounting practices adopted in Brazil.

- The parent company's individual financial statements were prepared in accordance with accounting practices adopted in Brazil, and, in the case of the Company, these practices differ from the IFRS applicable to separate financial statements due to the fact that investments in subsidiaries and associates, valued under the equity method in accordance with accounting practices adopted in Brazil, whereas, for IFRS purposes, these investments would be carried at cost or fair value.

However, there is no difference between the shareholders' equity and consolidated result presented by Company and the shareholders' equity and result of the parent company in the Individual financial statements. Accordingly, the Company's consolidated financial statements and the parent company's individual financial statements are being presented side by side in a single set of financial statements.

The issue of financial statements was authorized by the Executive Board on May 21, 2014.

b. Measuring basis

The individual and consolidated financial statements were prepared based on the historical cost, except for the following material items recognized in the balance sheets:

- Derivative financial instruments measured at fair value;
- Non-derivative financial instruments designated at fair value through profit or loss are measured at fair value;
- Property, plant and equipment - measured at acquisition and deemed cost;
- Inventories – calculated at fair value less selling expenses, through marking to market.

c. Functional currency and currency of presentation

The individual and consolidated financial statements are presented in Reais, which is the functional currency of the all the Company's entities, except for Copersucar North America LLC and Eco-Energy Global Biofuels LLC, the functional currency of which is the US dollar. All financial information presented in Brazilian Reais has been rounded to the nearest thousand value, except otherwise indicated.

d. Use of estimates and judgments

The preparation of the parent company and consolidated financial statements in accordance with the accounting pronouncements issued by the Accounting Pronouncements Committee (CPC) and IFRS requires Management to use judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The actual results could differ from these estimates.

Estimates and assumptions are reviewed in a continuous manner. Reviews in relation to accounting estimates are recognized in the period in which the estimates are reviewed and in any future periods affected.

Information regarding critical judgments referring to the accounting policies adopted which significantly impact the amounts recognized in the individual and consolidated financial statements are included in the following notes:

- Note 9 – Inventories;
- Note 14 – Deferred tax assets and liabilities;
- Note 16 – Investment property;
- Note 24 – Financial instruments;
- Note 36 – Operating leases.

Information on uncertainties as to assumptions and estimates that pose a high risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 4.e.iv - Depreciation (useful life of property, plant and equipment);
- Note 4.f.iv - Amortization (useful life of intangible assets);
- Note 14 - Deferred tax assets and liabilities (use of tax losses);

- Note 23 - Provision for contingencies (provisions and contingencies).

4 Significant accounting policies

The accounting policies described below have been consistently applied to all the years presented in these individual and consilidated financial statements in accordance with IFRS and the accounting pronouncements issued by the Accounting Pronouncements Committee (CPC), unless otherwise stated.

The accounting policies have also been consistently applied by the Company's entities.

a. Consolidation basis

(i) Subsidiaries

The financial statements of the subsidiaries are included in the consolidated financial statements as from the date they start to be controlled by the Company until the date such control ceases. The accounting policies of the subsidiaries are aligned with the policies adopted by the Company.

The individual financial statements of the parent company, financial information of subsidiaries are recognized under the equity method.

(ii) Investments in joint-venture subsidiaries

A joint venture is a contractual agreement that joins together two or more parties for the purpose of executing a particular business undertaking which is subject to joint control.

The individual financial statements of the parent company, financial information from joint ventures are recognized under the equity method.

(iii) Investments in associates

Associates are the entities in which the Company has, directly or indirectly, significant influence but not control on financial and operating policies. The significant influence is characterized by the Company holding, directly or indirectly, from 20% to 50% of the voting rights of the other entity.

In the parent company's individual financial statements, investments in associates are accounted for at the equity method and are initially recognized at cost. When the participation of the Company in the losses of an investee, whose shareholders' equity has been accounted for, exceeds its ownership interest in the investee recorded at the equity method, the accounting value of that ownership interest, including long-term investments, is reduced to zero and additional losses are no longer recognized, except when the Company has constructive obligations or made payments on behalf of the investee, when a provision for investment losses is recorded.

(iv) Transactions eliminated in the consolidation

Intragroup balances and transactions, and any income or expenses derived from intragroup transactions, are eliminated in the preparation of the consolidated financial statements. Unrealized gains originating from transactions with investees recorded using the equity method are eliminated against the investment in the proportion of the Company's interest in the investee.

Unrealized losses are eliminated in the same way as unrealized gains, but only up to the point where there is no evidence of loss due to impairment.

b. Foreign currency

(i) Foreign currency transactions

Transactions in foreign currency are translated into the respective functional currencies of the Company's entities at the exchange rates on the dates of the transactions, except for monetary assets and liabilities denominated and calculated in foreign currencies on the date of presentation are converted into the functional currency at the exchange rate determined on that date. Exchange gain or loss in monetary items is the difference between the amortized cost of the functional currency at the beginning of the period, adjusted by interest and effective payments during the period, and the amortized cost in foreign currency at the exchange rate at the end of the presentation year. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into the functional currency at the foreign exchange rate on the date the fair value was determined.

Exchange differences arising from the reconversion are charged to income.

(ii) Transactions abroad

Assets and liabilities of foreign transactions are translated into Brazilian real (functional currency) at the exchange rate prevailing on presentation date. Income and expenses from foreign transactions are converted into reais at the average exchange rates calculated in the period.

Foreign currency differences generated in the translation to the currency presentation are recognized in the income (loss) for the year, since the functional currency of the operation abroad is the Real.

Such exchange variations are recognized in earnings or losses in the individual financial statements of the parent company or subsidiary.

For the translation of transactions in US dollar (USD) to the functional currency of the Company (Brazilian real - R$), the following exchange rates were used for the Consolidated and Parent company:

	Average annual interest		**Spot closing rate**	
	2014	**2013**	**2014**	**2013**
R$/USD	2.2497	2.0116	2.2630	2.0138

c. Financial instruments

(i) Non-derivative financial assets

The Company initially recognizes the loans, receivables on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are initially recognized on the date of the negotiation under which the Company becomes a party to the contractual provisions of the instrument.

The Company fails to recognize a financial asset when the contractual rights to the cash flows of the asset expire, or when the Company transfers the rights to reception of the contractual cash flows on a financial asset in a transaction in which essentially all the risks and benefits of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount reported in the balance sheet only when there is a legally enforceable right to set off and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The Company has the following non-derivative assets: financial assets measured at fair value through profit or loss, investments held to maturity, loans and receivables and financial assets available for sale.

Financial assets measured at fair value through profit or loss

A financial asset is classified at fair value through profit or loss when it is held for trading, i.e. allocated as such at the time of initial recognition. The financial assets are designated at fair value through profit or loss when the Company manages these investments and takes purchase and sale decisions based on the fair values according to the risk management and investment strategy documented by the Company. The transaction costs, after initial recognition, are recognized in income (loss) as incurred. Financial assets recorded at fair value through profit or loss are measured at fair value and changes in the fair value of such assets are recognized in the income for the year.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments, but not quoted on any active market. These assets are recognized initially at fair value plus any attributable transaction costs. After the initial recognition, loans and receivables are measured at amortized cost through the effective interest method, less any impairment loss.

Loans and receivables comprise cash and cash equivalents, trade accounts receivable, other receivables, related parties and advance to supplier.

(ii) Non-derivative financial liabilities

The Company recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the negotiation date on which the Company becomes a party to the contractual provisions of the instrument. The Company fails to recognize a financial liability when its contractual obligations are discharged or canceled or expired.

Financial assets and liabilities are offset and the net amount reported in the balance sheet only when there is a legally enforceable right to set off and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

These financial liabilities are initially recognized at fair value plus any attributable transaction costs. After their initial recognition, these financial liabilities are measured at amortized cost using the effective interest rate method.

Other non-derivative financial liabilities comprise loans and financing, suppliers, and other accounts payable.

(iii) Derivative financial instruments

The company holds futures, options and over-the-counter derivative financial instruments as part of its commodity trade transactions and the management of its hedging policy for product sale transactions.

The objective of operations involving derivatives is always related to the operation of the Company associated with and the reduction of its exposure to market risks, identified in its policies and guidelines and, also, with the management of the volatility of financial flows. The results obtained from such operations are consistent with the policies and strategies defined by Company's management. All gains and losses arising from derivative financial instruments are stated at their fair value.

Derivatives are initially recognized at their fair value, while the attributable transaction costs are recognized in profit or loss when incurred, as a component of the gross profit. After the initial recognition, derivatives are measured at fair value and changes accounted for in profit or loss for the year as a component of the gross profit.

Gains/losses related to unrealized derivative financial instruments arising from commodity price hedging are recognized in gross profit, whereas effects of derivatives related to exchange and interest risks are recognized in financial income.

d. Inventories

The Company’s inventories comprise commodities and are mark-to-market less costs to sell. In determining fair value, the Company uses as a reference the indices disclosed by public sources and related to the products and active markets where it operates. Changes in the fair value of these inventories are recognized in the income (loss) for the year.

e. Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment items are stated at historical acquisition or construction cost, net of depreciation and accumulated impairment losses, when applicable. Purchased software that is integral to the functionality of a piece of equipment is capitalized as part of that equipment.

The cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of assets built includes: the cost of materials and direct labor; any other costs attributable to bringing the assets to the location and condition required for them to operate in the manner intended by the Management; the costs for dismantling and restoration of the site where these assets are located; and borrowing costs on qualifiable assets.

When parts of a property, plant and equipment item have different useful lives, they are accounted for as separate items (major components) of Property, plant and equipment.

Gains and losses on disposal of a property, plant and equipment item are determined by comparing the proceeds from disposal with the book value of Property, plant and equipment and are recognized net within "Other operating income" in the income (loss).

(ii) Reclassification for investment property

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified as an investment property. Any increase resulting from this remeasurement is recognized in income (loss) to the extent the gain reverses earlier impairment loss of this property, which cannot exceed the book value initially recognized (net of depreciation). If there is a remaining increase, the same is recognized in equity evaluation adjustments, as part of other comprehensive income. Any decrease is recognized in income (loss).

(iii) Subsequent costs

The replacement cost of a component of property, plant and equipment is recognized in the book value of the item when it is probable that the future economic benefits embodied in the component will flow to the Company and its cost can be reliably measured. Book value of the component that has been replaced by another component is accounted for in the statement of income for the year in which replacement occurred. Costs of normal maintenance on property, plant and equipment are charged to the income statement as incurred.

(iv) Depreciation

Items of property, plant and equipment are depreciated from the date they are available for use, or, in the case of assets constructed by the Company, as of the date the construction is concluded and the asset is available for use.

Depreciation is calculated on the depreciable values, which is the cost of an asset, or other amount that substitutes cost, less residual values.

Depreciation is recognized to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, since this method best reflects the standard of usage of the future economic benefits incorporated to the asset. Leased assets are depreciated over the shorter of the lease term or the estimated useful life of the asset, unless it is reasonably certain that the Company will obtain ownership at the end of the lease term. Land is not depreciated.

The annual weighted average rates for the current year are as follow:

	Annual weighted average rate	
	Consolidated	**Parent company**
	2014	**2014**
Constructions and improvements	4.00%	4.00%
Machinery and equipment	9.05%	10.55%
Data processing equipment	32.28%	33.12%
Furniture and fixtures	7.09%	7.32%
Vehicles	10.34%	10.38%
Improvements to third-party property	3.08%	-

The depreciation methods, useful lives and residual values are reviewed at each reporting date, and adjusted if appropriate.

The Company reviewed the useful lives of fixed assets this year and concluded that no changes need to be made.

f. Intangible assets and goodwill

(i) Intangible assets with defined useful life

Intangible assets acquired by the Company with finite useful lives are measured at cost, less accumulated amortization and accumulated impairment losses, when applicable.

(ii) Intangible assets with undefined useful life

Goodwill

The goodwill calculated on the acquisition of Eco-Energy Global Biofuels, LLC shares is supported by expected future earnings. The Company assesses annually the likelihood of recovering the goodwill on these investments, to this end employing practices applied in the market regarding the subsidiary's cash flow. The goodwill's recoverability is assessed based on an analysis and the detection of facts or circumstances likely to give rise to the need to advance the tests performed each year. Should a new fact or circumstance suggest a difficulty in recovering the goodwill, the test is advanced.

(iii) Subsequent expenses

Subsequent expenses are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures, including expenditures on internally-generated goodwill and trademarks, are recognized in profit or loss as incurred. Book value of the intangible assets that has been replaced by another component is accounted for in the statement of income for the year in which replacement occurred. Costs of maintenance on PP&E are charged to the income statement as incurred.

(iv) Amortization

Amortization is calculated over the cost of the asset, or other amount substituted for cost, less its residual value.

Amortization is recognized in profit or loss, under the caption "Administrative expenses", on a straight-line basis over the estimated useful lives of the intangible assets, except goodwill, from the date they are available for use, since this is the method that best reflects the consumption pattern of the future economic benefits embodied in the asset. Software estimated useful life for current and comparative years is 5 years.

g. Investment property

Investment property is property held to earn rentals or for capital appreciation or both, but not for sale in the ordinary course of business, or use in the production or supply of goods or services or for administrative purposes. Investment property is initially measured at cost and, subsequently, when significant, at fair value, and changes to fair value are recognized in the income (loss).

Cost includes expenses directly attributable to the acquisition of an investment property. The cost of investment property build by the owner includes the material used, direct labor, or any other cost directly attributable to bringing the investment property to a working condition for its intended purpose, and the capitalized interest on borrowings.

h. Leased assets

The Company’s leases are operating leases. Leased assets are not recognized on the Company’s balance sheet (lessee). An investment property under an operational lease is recognized in the Company's balance sheet (lessor) at its historical cost.

i. Impairment

(i) Non-derivative financial assets (including receivables)

A financial asset not measured at fair value through profit or loss, including interest in an investee accounted by the equity method, is assessed at each reporting for objective evidence of impairment loss. An asset is impaired when there is objective evidence that a loss event has occurred after the initial recognition of the asset, and that such loss event had a negative effect on the projected future cash flows of that asset that can be reliably estimated.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of the amount due to the Company and its subsidiary on terms that the Company would not consider otherwise, indication that the debtor or issuer will file for bankruptcy, or disappearance of an active market for a security. In addition, for an investment in equity instrument, a significant or prolonged decrease in the fair value of the asset, below its cost, is objective evidence of impairment.

Financial assets measured by the amortized cost

For its receivables, the Company considers as evidence of impairment both individually and on an aggregate basis. All and individually significant receivables are assessed for impairment. All the receivables are material on an individual basis, identified as non-impaired on an individual basis are collectively assessed for any impairment loss not yet identified. Assets that are not individually significant are assessed on an aggregate basis in relation to impairment by grouping the notes with similar risk characteristics.

When assessing impairment on an aggregate basis the Company makes use of historical trends of probability of default, the recovery term and the amounts of losses incurred, adjusted to reflect the Management's judgment regarding assumptions if the current economic and credit conditions are such that the actual losses will probably be higher or lower than those suggested by historical trends.

An impairment of a financial asset measured at amortized cost is calculated as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The losses are recognized in an allowance in the income statement against loans and receivables or assets held to maturity. Interest on the impaired asset continues to be recognized. When a subsequent event causes the amount of the impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Provisions for estimated losses on receivables from the trade receivable portfolio are recognized in the income statement for the year under "Selling expenses" as an Estimated Provision for Doubtful Accounts (PECLD) in each year of recoverable amount valuation, in accordance with IAS 39/CPC 38 – "Financial Instruments: Recognition and Measurement."

(ii) Non-financial assets

The carrying amounts of the non-financial assets of the Company, except for inventories, investment properties and deferred income tax and social contribution assets, are reviewed at each reporting date for indication of impairment. If such indication exists, the asset's recoverable amount is estimated. For goodwill and intangible assets with an undefined useful life, the recoverable value is estimated on an annual basis.

The recoverable value of an asset or cash-generating unit is the greater of its value in use and its fair value less selling expenses. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market conditions as to the recoverability period of capital and the risks specific to the asset or CGU. For the purpose of impairment testing, the assets that cannot be individually tested are grouped together into the smallest group of assets that generates cash inflows that are largely independent of the cash flows of other assets or cash generating units.

The Company's corporate assets do not generate separate cash inflows. If there is indication that a corporate asset is impaired, the recoverable amount is determined for the CGU or group of CGUs to which the corporate asset belongs in a reasonable and consistent manner.

An impairment loss is recognized when the carrying amount of an asset or its CGU exceeds its recoverable value. Impairment losses are recorded in the income (loss) for the year. Impairment losses recognized for CGUs are initially allocated to reduce the carrying amount of any goodwill attributed to the CGUs and then, if there was a remaining loss, to reduce the carrying amount of the other assets within the CGU or group of CGUS on a pro-rata basis.

Except for goodwill, for financial statements date we evaluate impaired assets that have been recognized in prior periods to seek indications that impairment has increased, decreased or no longer exists. A loss of value is reversed if there has been a change in estimates used to determine the recoverable value. An impairment loss is reversed only with the condition that the book value of the asset does not exceed the book value that would have been calculated, net of depreciation or amortization, if the value loss had not been recognized.

j. Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity (pension fund) and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as employee benefit expenses in income (loss) for the year in periods the services are rendered by the employees. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available. The contributions to a defined contribution plan whose expected maturity is 12 months from the end of the period in which the employee renders the service are discounted to their present values.

(ii) Short-term employee benefits

Obligations for short-term employee benefits are measured on a non-discounted basis and incurred as expenses as the related service is rendered.

The liability is recognized at the amount expected to be paid under the short term cash bonus or profit sharing plans if the Company has a legal or constructive obligation to pay this amount as a result of prior service rendered by the employee, and the obligation can be reliably estimated.

(iii) Post-employment benefits

Post-employment benefits granted and to be granted to employees, retirees and pensioners are assessed each year through an actuarial calculation performed by an independent actuary. The results are analyzed and provisions are recorded in the event the results are material. The assumptions used in the actuarial calculation and other information on these benefits are presented in note 35.

(iv) Other long-term benefits to employees

The Company grants a long-term bonus to its executives. This benefit is granted every three years and its payment is linked to the achievement of an EBITDA continuity target (net income without the effects of income tax and social contribution, finance costs and depreciation and amortization charges). A provision is recorded for this amount on the accrual basis, as presented in note 26.

k. Provisions

A provision is set up when the Company has a legal or constructive obligation as a result of a past event, which can be reliably estimated, and it is probable that an outflow of funds will be required to settle the obligation. Provisions are calculated by discounting the expected future cash flows at a pre-tax rate which reflects the current market evaluations as to the value of the cash over time and the specific risks of the liability. The effects of discounting to present value are recognized in net income as expense.

l. Leases

(i) Leased assets

Assets maintained as lease by the Company and that substantially transfer to the Company all ownership risks and benefits are classified as financial lease. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognized in the Group's balance sheet.

(ii) Lease payments

The payments made under operating leases are recognized in the income statement on the straight-line basis, in accordance with the effective term of the lease. Lease incentives received, when applicable, are recognized as an integral part of the total lease expenses over the effective term of the lease.

(iii) Determining whether an agreement contains a lease

At the inception of an agreement, the Company defines whether the agreement is for or contains a lease. A specified asset is a leased item if meeting the agreement depends on the use of said specified asset. The agreement transfers the asset use right if the agreement transfers to the Company the right to control the use of the underlying asset.

At the inception of an agreement or at the time of a possible revaluation thereof, the Company separates payments and other considerations required by said agreement between those for leasing and those for other components, taking as a basis their relative fair values. Should the Company conclude that, for a given financial lease, a reliable separation of the payments is impracticable, one asset and one liability are recognized for an amount equal to the fair value of the underlying asset. Subsequently, the minimum lease payments made under financial leases are apportioned between financial expense (based on the Company's incremental interest rate) and reduction of the outstanding liability.

m. Capital

Common and preferred shares are classified as shareholders' equity.

The minimum mandatory dividends, as established in the By-laws, are recognized as liabilities. Additional dividends proposed should be approved by the Board of Directors of the Company and recognized in the Shareholders' equity under this caption.

n. Determination of net income:

a. Operating income

(i) Sugar and ethanol sales

Income from sale of sugar and ethanol in the normal course of business is measured at the fair value of the consideration received or receivable, net of returns, commercial discounts and bonuses. Operating income is recognized when: (i) risks and benefits more significant related to ownership of the goods have been transferred to the purchaser; (ii) it is probable that the financial economic benefits will flow to the Company; (iii) costs and potential return of goods can be reliably estimated; (iv) there is no continued involvement with the goods sold; and (v) the amount of operating income can be reliably measured. In the event it is probable that discounts will be granted and their amounts can be reliably measured, the discounts are recognized as to deduction from operating revenue as the related sales are recognized.

b. Financial income and expenses

Financial income substantially comprise income from interest-earning investments, exchange rate gains and positive changes in the fair value of financial instruments used to hedge currency and interest rate risks, as well as gains on the settlement of these instruments. Interest income is recognized in profit or loss using the effective interest method.

Financial expenses substantially comprise interest expenses on borrowings and negative changes in the fair value of financial instruments used to hedge currency and interest risks, as well as losses on the settlement of these instruments. Borrowing costs which are not directly attributable to the acquisition, construction, or production of a qualifying asset are accounted for in profit or loss using the effective interest rate method.

c. Income and social contribution taxes

The income and social contribution taxes, both current and deferred, are calculated based on the rates of 15% plus a surcharge of 10% on taxable income in excess of R$ 240 for income tax and 9% on taxable income for social contribution on net income, and consider the offsetting of tax loss carryforward and negative basis of social contribution, limited to 30% of the annual taxable income.

The income and social contribution tax expense comprises current and deferred taxes on income. Current taxes and deferred taxes are recognized in profit or loss unless they are related to the business combination, or items directly recognized in shareholders' equity or other comprehensive income.

(i) Current tax

Current taxes are the taxes payable or receivable on the taxable income or loss for the year, at tax rates enacted or substantively enacted on the reporting date, and any adjustments to taxes payable in relation to prior years. Current taxes also include any tax payable arising from the declaration of dividends.

(ii) Deferred tax

Deferred taxes are recognized in relation to the temporary differences between the carrying amounts of assets and liabilities for accounting purposes and the related amounts used for taxation purposes. Deferred taxes are measured at tax rates expected to be applied to temporary differences when they are reversed, based on laws enacted or substantively decreed up to the reporting date of the financial statements.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, whether they are related to taxes levied by the same tax authority and on the same taxable entity, or on different taxable entities, but there is an intention to settle current tax assets and liabilities on a net basis or tax assets and liabilities will be realized simultaneously.

A deferred income and social contribution tax asset is recognized in relation to unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable income will be available and against they will be used.

Deferred income and social contribution tax assets are reviewed at each reporting date and reduced to the extent their realization is no longer probable.

(iii) *Tax exposures*

When determining current and deferred income tax, the Company takes into consideration the impact of uncertainties related to tax positions taken and whether additional taxes and interest may be due. The Company believes that the provision for income tax recorded in liabilities is adequate for all outstanding tax years, based on its evaluation of several factors, including interpretations of tax laws and past experience. This evaluation is based on estimates and assumptions and may involve several judgments on future events. New information may become available, which would lead the Company to change its judgment as to the adequacy of the existing provision; such changes in the provision will impact the income tax expense for the year in which they occur.

o. Segment information

IFRS 8 and CPC 22 – Segment Reporting require that segments be reported in a manner which is consistent with the managerial reports provided and reviewed by the chief operating decision-maker, the CEO, for purposes of assessing the performance of each segment and the allocation of resources.

Although the Company operates in different areas within the sugar and alcohol sector, Management considers it to have two operating segments: Sugar/Ethanol and Services. See Note 6.

p. Net earnings per share

The basic earnings per share are calculated based on the income for the year attributable to the Company's controlling and non-controlling shareholders and the weighted average of outstanding common shares in the respective year. The diluted earnings per share are calculated based on the mentioned average of outstanding shares, adjusted by instruments that can potentially be converted into shares, with a dilution effect, in the years presented, pursuant to CPC 41 and IAS 33.

q. Statements of added value

The Company prepared individual and consolidated statements of added value in accordance with the rules of technical pronouncement CPC 09 - Statement of Added Value, which are presented as an integral part of the financial statements under BRGAAP applicable to publicly-held companies, whereas under IFRS they represent additional financial information.

r. New standards and interpretations not yet adopted

Several news Standards, amendments to standards and interpretations are effective for the years started after January 1, 2014, and have not been adopted to the preparation of these consolidated financial statements. Those that may be relevant to the Group are listed below. The Group does not plan to adopt this standard in advance.

IFRS 9 Financial Instruments (2010), IFRS 9 Financial Instruments (2009)

IFRS 9 (2009) introduces a new requirement for classification and measurement of financial assets. Under IFRS 9 (2009) financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 (2010) introduces additions in relation to financial liabilities. The IASB currently has an active project to make limited amendments to the classification and measurement requirements of IFRS 9 and add new requirements to address the impairment loss of financial assets and hedge accounting.

IFRS 9 (2010 and 2009) is effective for periods beginning on or after January 1, 2015. The adoption of IFRS 9 (2010) may have an impact on the Group's financial assets, but no impact on the Group's financial liabilities.

5 Determination of the fair value

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, additional information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

a. Trade accounts receivable

The fair value of accounts receivable and other receivables, that is determined for disclosure purposes, is estimated as the present value of future cash flows, discounted at the market interest rate on presentation date.

b. Inventories

The fair value of the inventories is calculated with basis on their estimated selling price in the regular course of business, less estimated completion costs and selling expenses, and on a reasonable profit margin based on the effort required to complete and sell the Inventories.

The fair value of the inventories, acquired in a business combination, is calculated with basis on their estimated selling price in the regular course of business, less estimated completion costs and selling expenses, and on a reasonable profit margin based on the effort required to complete and sell the inventories.

c. Property, plant and equipment

Fair value of property, plant and equipment items for deemed cost purposes was based on market approach and cost approach at market prices on the transition date for similar assets, when available, and replacement costs, when applicable.

d. Intangible assets

The fair value of trademarks and patents acquired in a business combination is based on the present value of estimated royalty payments that have been avoided by the ownership of the trademark or patent. The fair value of customer relationships acquired in a business combination is calculated under the multi-period excess earnings method, through which an underlying asset is valued after the deduction of a fair return on all other assets that contribute to the creation of the respective cash flows.

The fair value of other intangible assets is based on the discounted cash flows expected to be accrued from the use and possible sale of the assets.

e. Investment property

The fair value of the investment property, for deemed cost purposes, was determined based on the market approach and on cost approaches through quoted market prices as of the date of transition to similar assets, where available, and replacement cost where appropriate.

f. Loans and financing

The fair value that is determined for disclosure purposes is calculated based on the present value of principal and future cash flows, discounted at market interest rate on the date of presentation of the financial statements.

g. Derivative financial instruments

The fair value of forward exchange agreements is based on the listed market price, if available. The fair value of derivative instruments to hedge currencies and interest rates consists of determining the terms and conditions contracted and calculating the present value based on market curves extracted from the Bloomberg and BM&F databases.

If a listed market price is not available, fair value is estimated by discounting the difference between the contractual forward price and the current forward price by using a risk-free interest rate (based on government bonds) – see note 24.

h. Non-derivative financial liabilities

Non-derivative financial liabilities are measured at fair value upon initial recognition and, at each reporting date for purposes of disclosure. The fair value that is determined based on the present value of principal and future cash flows, discounted at market interest rate on the date of presentation of the financial statements. For convertible debt securities, the market interest rate is determined by reference to similar liabilities that do not have a conversion option. For financial leases, the interest rate is calculated by referring to similar lease agreements.

6 Operating segments

The results reported to the CEO, chief operating decision maker of the Company are presented by segments: Sugar/Ethanol and Services.

Below we describe the Company’s operating segments:

- Sugar/Ethanol – purchase and sale of raw sugar and white sugar in the domestic and international markets; purchase and sale of hydrated ethanol in the domestic and international markets; and purchase and sale of biofuels in North America.

- Services – comprises the results from the provision of logistics services and loading of sugar and ethanol.

The selected information on results by segment, measured based on the same accounting policies used in the preparation of the consolidated financial statements, are as follows:

	2014			2013		
	Sugar/Ethanol	**Services**	**Total**	**Sugar/Ethanol**	**Services**	**Total**
Net income (a)	22,983,394	100,771	23,084,165	14,655,715	120,570	14,776,385
Cost of sales	(22,111,706)	(45,063)	(22,156,769)	(14,221,225)	(102,540)	(14,323,865)
Gross margin	871,688	55,708	927,396	434,490	18,030	452,520

(a) The amounts shown as net income as of March 31, 2014 ad 2013 include the Revenue with unrealized derivative financial instruments, separately disclosed in the statements of income.

The other income statement items, as well as the information on assets and liabilities, are not included in the information by segment, since it is possible to use the gross profit margin to assess the segments’ performance.

Net operating revenue by geographic area is as follows:

Region/Country	**2014**	**2013**
South Africa	11,969	20,156
Germany	360	-
Saudi Arabia	817,515	642,306
Algeria	252,592	380,178
Australia	1,134	-
Austria	4,715	-
Bangladesh	55,567	-
Belgium	13,866	-
Brazil	5,229,008	4,655,231
Canada	1,418,057	495,730
China	109,647	92,945
Hong Kong	48,369	21,819
Singapore	505,135	440,086
Colombia	31,253	88,734
South Korea	41,569	-
Denmark	32,161	29,806
Egypt	239,920	117,120
United Arab Emirates	1,132,082	3,056,979
Spain	2,165	-
United States	9,598,054	2,151,330
Finland	35,921	-
France	24,165	168,163
Great Britain	1,010,178	1,325,626
Holland	23,392	40,584
Yemen	-	22,342
Cayman Islands	-	23,417
Seychelles Islands	417,752	101,937
Indonesia	95,182	42,923
Japan	20,227	-
Malaysia	126,268	-
Morocco	-	30,870
Mauritania	20,015	-
Mexico	59	796
Netherlands	2,183	-
Peru	5,220	16,083
Sweden	35,944	12,584
Switzerland	1,406,713	719,686
Uruguay	384,958	44,371
Total	23,153,315	14,741,802

7 Cash and cash equivalents

	Consolidated		Parent company	
	2014	**2013**	**2014**	**2013**
Cash	37	31	29	26
Demand deposits	285,016	318,608	47,143	34,209
Financial investments	319,293	251,009	251,270	244,626
Total	604,346	569,648	298,442	278,861

Demand deposits correspond to the balances in current bank accounts.

The balances of interest earning bank deposits are represented by fixed-income securities, which substantially yield of 100.56% of the variation of CDI-CETIP – Certificate of Interbank Deposit, have daily liquidity and can be redeemed immediately, without a fine or loss of yield.

8 Trade accounts receivable

	Note	Consolidated		Parent company	
		2014	**2013**	**2014**	**2013**
Domestic clients		272,597	250,508	271,776	209,411
Foreign customers		846,938	499,532	2,327	1,400
Related parties	26	43,491	4	127,340	4
Total		1,163,026	750,044	401,443	210,815

The Company's exposure to credit risks, as well as balances average age, currency risk and impairment losses related to trade accounts receivable are disclosed in note 24.

Receivables from customers are classified as receivables stated at amortized cost. The Company assessed the adjustment to present value, with the CDI – Certificate of Interbank Deposit market rate, of its balances of trade receivables as of March 31, 2014 and 2013, and concluded that the amounts substantially match the carrying amounts presented on the balance sheet, considering that most of the trade receivables are issued with maturities of 20 days on average.

9 Inventories

	Consolidated		Parent company	
	2014	**2013**	**2014**	**2013**
Sugar	878,123	718,672	435,704	410,983
Ethanol	770,101	376,714	277,480	129,968
Gasoline	44,870	13,661	-	-
Corn	-	7,119	-	-
RIN / LCFS	17,997	55,460	-	-
Stocks, packaging, and others	8,754	18,568	7,042	17,041
Total	1,719,845	1,190,194	720,226	557,992

The inventories of tradable products – sugar, ethanol, gasoline (and gasoline by-products), RINs and LCFS (Renewable Identification Numbers) are valued at fair value based on quoted market prices (mark to market) less costs to sell. On a monthly basis, the acquisition cost, without including freight and storage expenses and recoverable taxes, is compared with the equivalent quoted market price as of the reporting date. Reference prices are available to the public and obtained from active markets, as follows:

- Prices of raw sugar contracts negotiated on the Intercontinental Exchange (ICE) (sugar contract *#11*) / NYBOT;
- Prices of domestic sugar contracts disclosed by the Center for Advanced Studies on Applied Economics (CEPEA) of the Luiz de Queiroz School of Agriculture from the University of São Paulo (USP);
- Prices of anhydrous and hydrated ethanol disclosed by the Center for Advanced Studies on Applied Economics (CEPEA) of the Luiz de Queiroz School of Agriculture from the University of São Paulo (USP);
- Prices of anhydrous ethanol over-the-counter contracts, based on *Ethanol (Platts) T2 FOB Rotterdam,* disclosed by CME Group;
- Prices of anhydrous ethanol over-the-counter contracts, based on *Chicago Ethanol (Platts) Swap Futures*, disclosed by CME Group.
- Prices of corn contracts negotiated on the Chicago Board of Trade (CBOT);
- Prices of Renewable Identification Numbers (RINs)/ Low Carbon Fuel Standards (LCFs), with different expiry dates, as published by the Oil Price Information Service (OPIS)/ Heating Oil Bio Reference.
- Prices of gasoline and its by-products (C5, CBOB, Agreement 93 and NC4), as published by the Oil Price Information Service (OPIS) (C5 and NC4) and by Platts – CME Group (CBOB and Agreement 93).

The adjustment amount is accounted for under "Selling costs" on the income statement for the year.

The reference prices used to determine the fair value of inventories each year are as follows:

Commodity	**Market index**	**Unit**	**2014**	**2013**
Raw sugar	Sugar #11 (ICE/NYBOT)	¢lb	19.40	17.66
White sugar	Crystal Sugar (CEPEA/ESALQ)	R$/ton	1,003.67	802.20
Anhydrous ethanol	Anhydrous ethanol (CEPEA/ESALQ)	R$/m3	1,610.20	1,336.80
Hydrous ethanol	Hydrous ethanol (CEPEA/ESALQ)	R$/m3	1,419.50	1,203.00
Anhydrous ethanol (Europe)	Ethanol (Platts) T2 FOB Rotterdam (CME Group)	EUR/m3	525.00	623.00
Anhydrous ethanol (USA)	Ethanol (Platts) Chicago Platts (CME Group)	USD/GL	3.16	2.45
Corn	Corn #2 (CME group)	USD/bu	5.02	7.30
Gasoline	OPIS/ Platts	USD/GL	2.78	2.91
RIN/ LCFS	OPIS / Heating Oil Reference	US$/unit	0.60	0.67

The company has no inventories pledged as collateral.

10 Recoverable taxes and contributions

	Consolidated		**Parent company**	
	2014	**2013**	**2014**	**2013**
Value-added tax on sales and services–ICMS	88,182	63,176	88,055	63,158
IPI	9,265	9,873	9,265	9,873
Social integration program–PIS	9,613	7,019	8,296	7,019
COFINS	38,266	32,330	38,204	32,330
IRPJ	78,280	46,399	74,026	44,281
CSLL	14,382	12,713	12,986	12,052
Total	237,988	171,510	230,832	168,713

11 Advances to suppliers of inventory

	Note	**Consolidated**		**Parent company**	
		2014	**2013**	**2014**	**2013**
Related parties	26	493,796	408,268	15	320
Suppliers – Plants		295,112	143,207	20,294	16,502
Others		1,367	967	1,367	967
		790,275	552,442	21,676	17,789

Correspond to advances made during the year, especially, for the future delivery of sugar regarding the 2014/2015 crop.

12 Other accounts receivable

	Consolidated		**Parent company**	
	2014	**2013**	**2014**	**2013**
Indemnification receivable	50,099	-	-	-
Prepaid expenses	34,100	9,972	6,531	1,308
Reimbursement of expenses	4,969	2,483	-	-
Others	21,172	3,002	-	-
	110,340	15,457	6,531	1,308

13 Stock Exchange transactions

Refer to the balances receivable and payable of deposited amounts related to the margin and premiums paid or received in transactions with derivatives not settled on the Stock Exchange.

14 Deferred tax assets and liabilities

Deferred tax assets and liabilities were allocated as follows:

- **Consolidated**

	Assets		Liabilities		Net	
	2014	**2013**	**2014**	**2013**	**2014**	**2013**
Intangible assets	14,974	15,070	-	-	14,974	15,070
Deferred foreign exchange variation	(1,724)	1,424	-	-	(1,724)	1,424
Provisions	19,722	24,521	2,724	(19)	22,446	24,502
Depreciation	-	-	(13,910)	(11,457)	(13,910)	(11,457)
Tax loss carryforwards	111,811	93,420	(10,474)	-	101,337	93,420
Fair value of inventories	(12,058)	13,555	(14,436)	-	(26,494)	13,555
Deemed cost	-	-	(7,259)	(20,666)	(7,259)	(20,666)
Others	43	-	(550)	(216)	(507)	(216)
Total	132,768	147,990	(43,905)	(32,358)	88,863	115,632

- **Parent company**

	Assets		Liabilities		Net	
	2014	**2013**	**2014**	**2013**	**2014**	**2013**
Intangible assets	14,974	14,974	-	-	14,974	14,974
Deferred foreign exchange variation	(1,724)	1,424	-	-	(1,724)	1,424
Provisions	14,422	19,464	-	-	14,422	19,464
Tax loss carryforwards	99,190	93,311	(10,474)	-	88,716	93,311
Fair value of inventories	(12,058)	13,555	-	-	(12,058)	13,555
Deemed cost	-	-	(407)	(291)	(407)	(291)
Others	-	(1)	-	-	-	(1)
Total	114,804	142,727	(10,881)	(291)	103,923	142,436

Change in temporary differences during the year:

- **Consolidated**

	Balance at March 31, 2012	**Recognized in income**	**Balance at 31 de March 2013**	**3alance at 31 de March 2013**	**Recognized in income (loss)**	**Balance at March 31, 2014**
Intangible assets	15,181	(111)	15,070	15,070	(96)	14,974
Deferred foreign exchange variation	2,777	(1,353)	1,424	1,424	(3,148)	(1,724)
Provisions	24,678	(176)	24,502	24,502	(2,056)	22,446
Depreciation	-	(11,457)	(11,457)	(11,457)	(2,453)	(13,910)
Tax loss carryforwards	45,265	48,155	93,420	93,420	7,917	101,337
Fair value of inventories	(5,940)	19,495	13,555	13,555	(40,049)	(26,494)
Deemed cost	(19,509)	(1,157)	(20,666)	(20,665)	13,407	(7,258)
Others	(5)	(211)	(216)	(216)	(292)	(508)
Total	**62,447**	**53,185**	**115,632**	**115,633**	**(26,770)**	**88,863**

- **Parent company**

	Balance at March 31, 2012	Recognized in income	Balance at March 31, 2013	Balance at March 31, 2013	Recognized in income (loss)	Balance at March 31, 2014
Intangible assets	14,974	-	14,974	14,974	-	14,974
Deferred exchange variation	2,777	(1,352)	1,424	1,424	(3,148)	(1,724)
Provisions	19,844	(380)	19,464	19,464	(5,042)	14,422
Tax loss carryforwards	45,265	48,046	93,311	93,311	(4,595)	88,716
Fair value of inventories	(5,940)	19,495	13,555	13,555	(25,613)	(12,058)
Property, plant and equipment	(150)	(141)	(291)	(291)	(116)	(407)
Others	(4)	3	(1)	(1)	1	-
Total	**76,766**	**65,671**	**142,436**	**142,436**	**(38,513)**	**103,923**

Deferred tax assets were recognized, since Management analyzed its estimates of future earnings and considered it probable that future taxable earnings against which these expenses can be charged will be available.

15 Investments

As of March 31, 2014, Company recorded a gain of R$ 157,550 (gain of R$ 265,875 - March 31, 2013) arising from equity in the earnings of its associates, subsidiaries and joint ventures in the parent company financial statements.

The chart above presents a summary of the equity income of subsidiaries, associates and joint ventures. The information presented here was not adjusted by the percentage of interest held by the Company.

	Interest %	**Number of shares**	**Current assets**	**Non-current assets**	**Total assets**	**Current liabilities**	**Non-current liabilities**	**Total liabilities**	**Shareholders' equity**	**Incomes**	**Other income (losses)**	**Income or loss**	**Equity in net income of subsidiaries**	
March 31, 2013													**Parent company**	**Consolidated**
Companhia Auxiliar de Armazéns Gerais **(a)**	99.99995	2,019,842	6,089	215,174	221,263	15,293	118,820	134,113	87,150	85,137	(80,687)	4,450	4,450	-
Copersucar Armazéns Gerais **(a)**	99.99997	3,512,925	6,070	8,944	15,014	1,990	73	2,063	12,951	20,803	(109,385)	(88,582)	(88,582)	-
Sugar Express Transportes S.A. **(a)**	99.99000	49,995	11,364	123	11,487	1,295	9,431	10,726	761	19,528	(19,160)	368	368	-
Copersucar International N.V. **(a)**	100.00000	24,253,702	-	716,238	716,238	-	-	-	716,238	-	237,946	237,946	336,891	-
Copersucar North America LLC	100.00000	100	292,611	100,177	392,788	229,578	102,034	331,612	61,176	1,110,589	(1,092,192)	18,397	17,897	-
CTC-Centro de Tecnologia Canavieira S.A. **(c)**	20.54000	130,292	107,393	109,517	216,910	20,714	36,145	56,859	160,051	70,010	(72,500)	(2,490)	(511)	(511)
Uniduto Logística S.A. **(c)**	38.58000	41,270,201	1,298	29,225	30,523	5	-	5	30,518	27	(498)	(471)	(189)	(189)
Logum Logística S.A. **(b)**	20.00000	57,678,860	77,730	1,040,513	1,118,243	886,615	-	886,615	231,628	50,413	(72,205)	(21,792)	(4,359)	(4,359)
Copa Shipping	50.00000	25,000	32,025	96	32,121	15,718	-	15,718	16,403	164,647	(129,703)	34,944	-	17,472
Produpar Participações S.A.	100.00000	2,997,926	-	-	-	-	-	-	-	-	-	-	(90)	-
													265,875	12,413
March 31, 2014														
Companhia Auxiliar de Armazéns Gerais **(a)**	99.99995	2,019,842	121,901	253,147	375,048	110,281	161,947	272,228	102,820	82,380	(61,829)	20,551	20,551	-
Copersucar Armazéns Gerais S.A.**)**	99.99997	3,512,925	5,168	9,834	15,002	767	78	845	14,157	11,186	(9,980)	1,206	1,206	-
Sugar Express Transportes S.A. **(a)**	99.99000	49,995	17,765	2,282	20,047	1,964	21,524	23,488	(3,441)	39,952	(44,154)	(4,202)	(4,202)	-
Copersucar International N.V. **(a)**	100.00000	24,253,702	-	351,914	351,914	-	-	-	351,914	80,143	-	80,143	80,143	-
Copersucar North América LLC	100.00000	100	506,629	111,319	617,948	342,576	151,616	494,192	123,756	9,512,345	(9,427,618)	84,727	84,727	-
CTC-Centro de Tecnologia Canavieira S.A. **(c)**	20.54000	130,292	93,168	178,093	271,261	45,450	71,936	117,386	153,875	96,329	(97,239)	(910)	(1,300)	(1,300)
Uniduto Logística S.A. **(c)**	39.07000	52,962,525	1,123	42,527	43,650	9	-	9	43,641	42	(422)	(380)	(146)	(146)
Logum Logística S.A. **(b)**	20.00000	141,260,632	154,886	1,597,125	1,752,011	1,504,533	-	1,504,533	247,478	69,759	(186,908)	(117,149)	(23,429)	(23,429)
Copa Shipping	50.00000	25,000	5,146	81	5,227	2,024	266	2,290	2,937	313,133	(290,291)	22,842	-	11,419
													157,550	(13,456)

(a) Subsidiary

(b) Joint control

(c) Associate

The table below presents the breakdown of investments:

	Consolidated		Parent company	
	2014	**2013**	**2014**	**2013**
Copersucar Armazéns Gerais S.A.	-	-	14,157	12,951
Companhia Auxiliar de Armazéns Gerais	-	-	102,820	87,149
Logum Logistica S.A.	49,496	46,325	49,496	46,325
Uniduto Logistica S.A.	21,580	16,098	21,580	16,098
Sugar Express Transporte S.A.	-	-	-	761
Centro de Tecnologia Canavieira S.A.	33,227	34,527	33,227	34,527
Copa Shipping Company Limited	2,983	9,556	-	-
Copersucar North América LLC	-	-	103,951	18,097
Copersucar International N.V.	-	-	796,381	716,238
	107,286	**106,506**	**1,121,612**	**932,146**
Other unconsolidated investments – valued at fair value:				
Other investments	643	587	133	133
	643	**587**	**133**	**133**
Total investments	**107,929**	**107,093**	**1,121,745**	**932,279**
Subsidiary's unsecured liability				
Sugar Express Transporte S.A.	**-**	**-**	**(3,441)**	**-**

16 Investment property

Parent company	**Land**	**Constructions and improvements**	**Fixed assets under construction**	**Total**
Cost				
Balance at March 31, 2013	5,433	17,589	-	23,022
Additions	-	-	26	26
Transfers	-	150	-	150
Balance at March 31, 2014	**5,433**	**17,739**	**26**	**23,198**
Depreciation				
Balance at March 31, 2013	-	(950)	-	(950)
Depreciation for the year	-	(676)	-	(676)
Balance at March 31, 2014	**-**	**(1,626)**	**-**	**(1,626)**
Net book value				
March 31, 2013	**5,433**	**16,639**	**-**	**22,072**
March 31, 2014	**5,433**	**16,113**	**26**	**21,572**

The subsidiary Copersucar S.A. has a warehouse which is held as an investment property through a lease to the related party Copersucar Armazéns Gerais. This lease is effective for two years. Subsequent refurbishments may occur if agreed upon between the parties. No contingent rent is charged.

The fair value of this asset does not differ from the cost of acquisition (which occurred on January 20, 2010), plus construction in progress (improvements) up to March 31, 2014.

17 Property, plant and equipment

Consolidated	**Land**	**Constructions and improvements**	**Machinery and equipment**	**Data processing equipment**	**Furniture and fixtures**	**Vehicles**	**Leasehold improvements**	**Fixed assets under construction**	**Total**
Cost									
Balance at March 31, 2013	20,517	22,255	137,531	2,567	3,879	2,472	99,841	149,571	438,633
Foreign exchange variation	618	577	4,241	-	109	15	230	897	6,687
Additions	2,936	-	457	204	308	5,052	305	194,064	203,326
Sales/write-off	-	-	(29,847)	(449)	(647)	(421)	(25,879)	(20,761)	(78,004)
Transfers	-	5,778	53,409	22	57	464	85,771	(154,526)	(9,025)
Balance at March 31, 2014	24,071	28,610	165,791	2,344	3,706	7,582	160,268	169,245	561,617
Depreciation									
Balance at March 31, 2013	-	(1,070)	(73,890)	(1,702)	(1,164)	(492)	(37,568)	-	(115,886)
Foreign exchange variation	-	(15)	(137)	-	(17)	(17)	(12)	-	(198)
Depreciation for the year	-	(1,332)	(7,814)	(171)	(651)	(1,205)	(2,390)	-	(13,563)
Sales/write-off	-	-	21,614	349	355	135	10,949	-	33,402
Balance at March 31, 2014	-	(2,417)	(60,227)	(1,524)	(1,477)	(1,579)	(29,021)	-	(96,245)
Net book value									
March 31, 2013	20,517	21,185	63,641	865	2,715	1,980	62,273	149,571	322,747
March 31, 2014	**24,071**	**26,193**	**105,564**	**820**	**2,229**	**6,003**	**131,247**	**169,245**	**465,372**

Parent company	**Land**	**Machinery and equipment**	**Data processing equipment**	**Furniture and fixtures**	**Vehicles**	**Fixed assets under construction**	**Total**
Cost							
Balance at March 31, 2013	10,094	6,504	1,952	2,520	1,944	22,646	45,660
Additions	-	10	137	7	367	87,322	87,843
Disposals	-	-	(45)	-	(419)	-	(464)
Transfers	-	-	-	-	-	(8,360)	(8,360)
Balance at March 31, 2014	10,094	6,514	2,044	2,527	1,892	101,608	124,679
Depreciation							
Balance at March 31, 2013	-	(954)	(1,287)	(774)	(302)	-	(3,317)
Depreciation for the year	-	(622)	(125)	(172)	(174)	-	(1,093)
Disposals	-	-	33	-	135	-	168
Balance at March 31, 2014	-	(1,576)	(1,379)	(946)	(341)	-	(4,242)
Net book value							
March 31, 2013	10,094	5,550	665	1,746	1,642	22,646	42,343
March 31, 2014	**10,094**	**4,938**	**665**	**1,581**	**1,551**	**101,608**	**120,437**

Sales/write-off

Divestments/write-offs are due to the fire in the sugar Storage Warehouses, reaching approximately 47,246 square feet on October 18, 2013.

Fixed assets under construction

The Company has a property in the city of Paulínia (State of São Paulo), where construction works are underway for installation of ethanol storage and distribution facilities.

Through its subsidiary, Cia. Auxiliar de Armazéns Gerais, the Company is carrying out a refurbishment project at the Copersucar Sugar Terminal (TAC) located at the Port of Santos, State of São Paulo, affected by a fire in October 2013.

The Company assessed the capitalizable costs of loans and did not make any adjustments, since the balances calculated were reviewed and deemed immaterial.

18 Intangible assets

Consolidated	**Software**	**Brands**	**Goodwill**	**Relationship with customers and other parties**	**Total**
Cost					
Balance at March 31, 2013	24,791	4,567	106,844	34,135	170,337
Foreign exchange variation	386	548	13,222	4,224	18,380
Additions	745	1	-	14	760
Transfer	8,750	-	-	-	8,750
Balance at March 31, 2014	34,672	5,116	120,066	38,373	198,227
Amortizations					
Balance at March 31, 2013	(4,384)	(127)	-	(1,111)	(5,622)
Foreign exchange variation	(71)	(16)	-	(137)	(224)
Amortization for the year	(6,141)	(498)	-	(4,386)	(11,025)
Balance at March 31, 2014	(10,596)	(641)	-	(5,634)	(16,871)
Net book value					
March 31, 2013	20,407	4,440	106,844	33,024	164,715
March 31, 2014	24,076	4,475	120,066	32,739	181,356

Parent company	**Software**	**Brands**	**Total**
Cost			
Balance at March 31, 2013	18,381	137	18,518
Additions	4	-	4
Transfers	8,208	-	8,208
Balance at March 31, 2014	26,593	137	26,730
Amortizations			
Balance at March 31, 2013	(3,568)	-	(3,568)
Amortization for the year	(3,676)	-	(3,676)
Balance at March 31, 2014	(7,244)	-	(7,244)
Net book value			
March 31, 2013	14,813	137	14,950
March 31, 2014	19,349	137	19,486

19 Suppliers

	Note	**Consolidated**		**Parent company**	
		2014	**2013**	**2014**	**2013**
Suppliers		979,333	366,369	108,755	20,714
Related parties	26	1,061,375	947,231	1,111,452	997,831
Total		2,040,708	1,313,600	1,220,207	1,018,545

The balances of trade payables and related parties correspond to the item “Payables for ethanol and sugar purchases".

The exposure of the Company to liquidity risks related to accounts payable to suppliers and other accounts payable, is disclosed in Note 24.

20 Loans and financing

This note provides information on contract terms of loans bearing interest, which are measured at the amortized cost. For more information on the Company's exposure to interest, foreign currency and liquidity risks, see note 24.

							Consolidated		Parent company	
Description	**Purpose**	**Guarantee**	**Currency**	**Index**	**Average annual interest rate**	**Year of maturity**	**2014**	**2013**	**2014**	**2013**
Export credit note	Working capital	Guarantee of Cooperative	US$	Prefixed rate	3.25%	2014 to 2015	138,097	416,093	138,097	416,093
Export pre-payment	Working capital	Aval da Cooperativa/Copersucar S.A.	US$	Prefixed rate	4.28%	2015 a 2017	571,056	607,831	-	-
Direct External Borrowing	Working capital	Guarantee of Cooperative	US$	Prefixed rate	1.58%	2015 a 2016	453,823	270,333	453,823	270,333
Working capital	Working capital	Aval da Cooperativa/Copersucar S.A.	US$	Prefixed rate	2.41%	2014 to 2020	579,198	518,589	-	-
Export credit note	Working capital	Guarantee of Cooperative	R$	CDI-CETIP	11.39%	2014 to 2016	549,134	472,251	549,134	472,252
Brazilian Real Note	Working capital	Guarantee of Cooperative	R$	Prefixed rate	10.04%	2016	217,092	-	217,092	-
BNDES-PROCER	Working capital	Commercial pledge	R$	Prefixed rate	7.70%	2014	121,325	-	121,325	-
BNDES-FINAME	Assets Property, plant and equipment	Collateral	R$	Prefixed rate	2.50%	2014 to 2022	106,573	-	64,180	-
BNDES-FINAME	Assets Property, plant and equipment	Guarantee of the Cooperative with fiduciary assignment.	R$	TJLP	3.17%	2014 to 2016	2,987	4,073	-	-
BNDES-FINEN	Assets Property, plant and equipment	Guarantee from Copersucar S.A. with statutory lien	R$	TJLP	2.22%	2014 to 2022	22,219	43,616	-	-
Total loans and financing							2,761,504	2,332,786	1,543,651	1,158,678
Current liabilities							990,349	1,243,791	477,174	801,854
Non-current liabilities							1,771,155	1,088,995	1,066,477	356,824

Terms and schedule of debt amortization

Terms and conditions of outstanding loans are as follows:

Consolidated

					2014		2013	
	Currency	**Index**	**Average annual interest rate**	**Year of maturity**	**Book value**	**Fair value**	**Book value**	**Fair value**
Export credit note	US$	Prefixed rate	3.25%	2014 to 2015	138,097	149,835	416,093	424,245
Export pre-payment	US$	Prefixed rate	4.28%	2015 a 2017	571,056	619,596	607,831	660,258
Direct External Borrowing	US$	Prefixed rate	1.58%	2015 a 2016	453,823	453,186	270,333	268,160
Working capital	US$	Prefixed rate	2.41%	2014 to 2020	579,198	628,430	518,589	526,428
Export credit note	R$	CDI-CETIP	11.39%	2014 to 2016	549,134	549,134	472,251	472,251
Brazilian Real Note	R$	Prefixed rate	10.04%	2016	217,092	235,545	-	-
BNDES - PROCER	R$	Prefixed rate	7.70%	2014	121,325	121,325	-	-
BNDES - FINAME		Prefixed rate	2.50%	2014 to 2022	106,573	106,573	-	-
BNDES - FINAME	R$	TJLP	3.17%	2014 to 2016	2,987	2,987	4,073	4,073
BNDES - FINEM	R$	TJLP	2.22%	2014 to 2022	22,219	22,218	43,616	43,615
					2,761,504	2,888,829	2,332,786	2,399,030

Of the amount presented above, R$ 2,505,028 thousand is guaranteed by the related party - Cooperative (refer to Note 26).

Parent company

					2014		2013	
	Currency	**Index**	**Average annual interest rate**	**Year of maturity**	**Book value**	**Fair value**	**Book value**	**Fair value**
Export credit note	US$	Prefixed rate	3.25%	2014 to 2015	138,097	149,835	416,093	424,245
Direct External Borrowing	US$	Prefixed rate	4.28%	2015 a 2016	453,823	453,186	270,333	268,160
Brazilian Real Note	R$	Prefixed rate	10.04%	2016	217,092	235,545	-	-
BNDES - PROCER		Prefixed rate	7.70%	2014	121,325	121,325	-	-
BNDES - FINAME		Prefixed rate	2.50%	2014 à 2022	64,180	64,180	-	-
Export credit note	R$	CDI-CETIP	11.39%	2014 à 2016	549,134	549,134	472,252	472,251
					1,543,651	1,573,205	1,158,678	1,164,656

Maturities of the principal and interest of loans and financing as of March 31, 2014:

	Consolidated	**Parent company**
2015	990,349	477,174
2016	923,427	801,816
2017	555,155	223,805
2018	73,979	10,655
2019	18,305	10,655
2020	18,305	10,655
2021	164,893	8,187
2022	9,767	704
2023	7,324	-
	2,761,504	1,543,651

The Company and its subsidiaries do not have covenants in the borrowing agreements in effect.

21 Taxes and contributions payable

	Consolidated		Parent company	
	2014	**2013**	**2014**	**2013**
Value-added tax on sales and services–ICMS	34,976	31,779	15,714	9,964
Social integration program–PIS	13	86	9	5
COFINS	60	246	40	23
ISS	559	654	77	103
IR/CS	29,327	1,867	605	685
Others	667	332	-	-
Total current	65,602	34,964	16,445	10,780
Taxes in installments	565	675	-	-
Total non-current assets	565	675	-	-
Total	66,167	35,639	16,445	10,780

22 Advances from clients

	Note	Consolidated		Parent company	
		2014	**2013**	**2014**	**2013**
Domestic Market Customers		11,284	9,456	11,284	9,137
Foreign Market Customers		17,630	23,316	-	-
Related parties	26	-	-	-	93,408
		28,914	32,772	11,284	102,545

23 Provision for contingencies

Management, based on information from its legal advisors, analyzed the outstanding legal proceedings, and in respect of tax and labor claims previous experience with regards to amounts claimed, recorded provisions for amounts considered sufficient to cover estimated losses from current lawsuits, as follows:

	Consolidated			Parent company		
	Tax	**Labors**	**Total**	**Tax**	**Labors**	**Total**
Balance at March 31, 2012	27,035	879	27,914	15,156	-	15,156
Provisions formed during the year	7,248	383	7,631	5,829	-	5,829
Provisions used during the year	-	(393)	(393)	-	-	-
Balance at March 31, 2013	34,283	869	35,152	20,985	-	20,985
Provisions formed during the year	830	-	830	-	-	-
Provisions used during the year	-	(112)	(112)	-	-	-
Balance at March 31, 2014	35,113	757	35,870	20,985	-	20,985

In relation to the contingencies presented above, as of March 31, 2013, there are judicial deposits for the Consolidated and Parent Company financial statements totaling R$ 34,529 and R$ 20,985, respectively on March 31, 2014 (R$ 33,782 and R$ 20,985 - March 31, 2013).

The Company has filed a lawsuit to exclude ICMS tax from the calculation base for PIS and COFINS, as it considers that this sum (ICMS) is not earnings or invoicing, but rather a state tax, and the Company is merely a paying agent. As a result of a court order, the Company has been paying PIS and COFINS after excluding ICMS tax from the calculation base, and has made court deposits of the difference.

The Company is not a party to other contingencies for which an unfavorable outcome is regarded as possible.

24 Financial instruments

Overview

The Company is subject to a number of risks, such as financial (liquidity, market and credit), legal and operational risks. Based on an in-depth analysis of the risk matrix, the Company selects the risks which are most likely to occur and their financial impact, and monitors them on a periodic basis. The risks treated as priorities are as follows:

- Credit risk;
- Liquidity risk;
- Market risk: commodity prices and exchange rate; and
- Operational risk.

Currently, the risk management policy adopts the following assumptions:

- All the risks classified as “priorities” are identified, reviewed and monitored;
- Capital expenditure limits are approved by the Board of Directors;
- All exposures are reported and measured with the appropriate frequency;

- The risk management area monitors the exposures, the risks taken against the pre-established limits, notifies the business areas, the Audit and Risk Committee and the Executive Board of any deviations, and provides guidance on how to reduce exposure and request additional limits.

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. Additional quantitative disclosures are included throughout these financial statements.

Risk management structure
The Board of Directors has responsibility for the establishment and supervision of the Company's risk management structure. The Board of Directors set up the Audit and Risk Committee, which is responsible, together with the risk management area, for developing and monitoring the Company's risk policies. This Committee regularly reports to the Board of Directors on its activities, whereas the risk management area reports to the CEO.

The risk management policies of the Company are established to identify and analyze the risks the Company faces, to define capital limits, exposures and controls of risks, and to monitor risks and adherence to the preestablished limits. The risk management policies and systems are determined annually and reviewed to reflect changes in the market conditions and in the Company's activities. The Company, through its training and management rules and procedures, aims at developing a disciplined and constructive control environment, i.e., a risk culture where all the employees are aware of their roles and duties.

Audit and Risk Committee
The Company's Audit and Risk Committee is made up of four members appointed by the Board of Directors for three-year terms coinciding with the terms of the Board of Directors itself. Fortnightly, meetings are held with all members of the Supervisory Board and Risk Committee.

The Committee aids Management and plays an important role in Corporate Governance model adopted by the Company. Activities attributions are as follows:

- Evaluate and monitor operating and financial risks existing in the Company's business;

- Follow up, with external auditor, relevant and/or significant matters related to accounting practices adopted by Management on the Company's financial statements;

- Follow up and discuss internal controls, reports, pending items and issues referring to internal and external audit work;

- Suggest and direct internal audit tasks and functions.

The Company's Audit and Risk Committee supervises how management keeps track of the performance of the risk management policies and procedures, and reviews the adequacy of the risk management structure in relation to the risks faced by the Company. The Committee is assisted in its supervision role by Internal Audit. The Internal Audit department carries out both regular reviews and reviews of controls and risk management procedures, the outcomes of which are reported to the Audit and Risk Committee.

Credit risk

It is the possibility of a financial loss if a client or a counterpart of a financial instrument fails to fulfill its contractual obligations arising mainly from trade accounts receivable and investments of the Company.

(i) Trade accounts receivable

The Company and its subsidiaries are subject to credit risk. Management seeks to mitigate credit risk using a strict credit policy, customer selection, monitoring of sales financing terms per business segment, and individual credit limits; these procedures are adopted to minimize possible default risks in trade accounts receivable.

The Company operates in sugar and ethanol segments and provides sugar lifting services in its port terminal. For domestic market clients, average receipt period is 20 days for sugar; while for ethanol sales, 70% of clients pay within 11 days and remaining 30% pay at sight. As regards accounts receivable from foreign market, including Latin America, approximately 80% of customers pay them using *Cash Against Documents*, that is, only after obligations are paid, documents are released to the customer for unloading of goods. Customers that do not use this payment type, pay through credit letter with prime banks.
More than 80% of the Company’s customers are customer for more than 5 years and present a very low history of losses. When monitoring customers’ credit risk, customers are grouped according to their credit characteristics - including whether they are distributors, industries or refineries - geographical location and history of financial difficulties.

(ii) Guarantees

Guarantees are provided on contracting of bank credit facilities needed to maintain parent company and subsidiaries’ cash balance, however, there are guarantees received and granted to the related party whose details are in Note 25.

(iii) Purchase contracts with non-related suppliers

The Company is subject to default risks on delivery of products included in purchase contracts at fixed price with non-related plants and trading firms (suppliers/ third parties’ origination). To minimize risk of concentration on non-related supplier, current policy determines that individual volume contracted at fixed price should not exceed 20% of total estimated purchase volume for current crop with non-related parties.

Liquidity risk

Liquidity risk is the risk of the Company encountering 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 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.

Market risk

Market risk represents the likelihood of financial losses to which the Company is exposed, resulting from variations on commodities prices, foreign exchange rates and interest rates. The purpose of market risk management is to control and monitor all exposures to these risks so that they remain within acceptable parameters defined by the Board of Directors.

The Company buys and sells derivatives and also complies with financial obligations to manage market risks. All these operations are conducted according to guidelines established by the Supervisory and Risk Board and decided by the Board of Directors.

(i) Commodity price risk

The Company maintains commodity derivatives to minimize income fluctuation caused by recognition of assets and liabilities, and rights and obligations at fair value, evaluated according to commodities' quotation disclosed by ICE, NYBOT, LIFFE intercontinental exchange and CEPEA, ESALQ indices.

Exposure to this type of risk is continuously adjusted along with the Company's normal course of business. Therefore, management of this exposure is a dynamic process conducted through derivative contracts, aiming at carrying out hedge adjustments according to the new need. The use of these derivative contracts is monitored and based on risk limits pre-established by the Board of Directors.
The Company does not have sugar and ethanol production plants. Approximately 75% of traded raw material is acquired from partner production units, while other 25% derives from non-partner production units and other trading firms. In accordance with supply contract entered into by Copersucar S.A. and Cooperativa de Produtores de Cana-de-Açúcar, Açúcar e Álcool do Estado de São Paulo, which are partner parties, negotiation price is formed based on CEPEA/ESALQ index over the period for delivery of goods.

Sugar is traded in domestic and foreign markets and sale price is formed by *Sugar #11/ICE* sugar price of the New York Stock Exchange. This turns such risk into the main portfolio risk factor. Net exposure of purchases and sales is managed with the use of *Sugar #11/ICE* derivative financial instruments (future or over-the-counter) referred to the same stock exchange, and is monitored through risk limits pre-established by the Board of Directors.

Ethanol is also traded in domestic and foreign markets and its sales price is formed by CEPEA/ESALQ index. This turns such risk into the main portfolio risk factor. Accordingly, net position between purchase and sales at fixed price is exposed to the risk of ethanol price variation. Monitoring of risk exposure is carried out through limits pre-established by the Board of Directors.

Gains or losses originated from these hedging instruments are recorded in income for the year.

(ii) Currency risk

The Company is subject to currency risk in the sales, purchases and loans denominated in a currency other than its functional currency of the Company and its subsidiaries, the real (R$).

The Company uses Over-the-counter Contracts or Exchange Contracts to hedge against currency risk, effective for less than one year counted as of financial statements date. When necessary, these contracts are renewed on maturity.

Monetary assets and liabilities denominated in foreign currency are managed by their net exposure, through purchase and sale of foreign currency at demand or future rates (forwards), when necessary, for short-term exposures.

Amounts of the Company's main bank loans in USD are hedged using swap contracts, over-the-counter contracts or are offset against assets indexed at the same currency.

Interest on loans is denominated in the loan's currency. In general, loans are denominated in currencies equal to the cash flows generated by the Company's basic operations, mainly in Brazilian reais, but also in USD.

Exposure to this type of risk is continuously adjusted along with the Company's normal course of business. Therefore, management of this exposure is a dynamic process conducted through derivative contracts, aiming at carrying out hedge adjustments according to the new need. The use of these derivative contracts is defined every year, at the risk limit pre-established by the Board of Directors and monitored on a fortnightly basis by the Audit and Risk Committee.

(iii) Interest rate risk

The Company's debt is linked to fixed and floating rates, therefore, it is exposed to interest rate fluctuations. CDI exposure risk is partially offset by financial investments.

The purpose of managing the Company's total financial cost is to make its financial costs be in line with those practiced in the market, considering entities of similar size.

Operational risk

Operating risk is the risk of direct or indirect losses arising from different causes related to the Company's business processes, personnel, technology and infrastructure and external factors, except credit, market and liquidity risks, as those arising from legal and regulatory requirements and from generally accepted corporate behavior standards.

The purpose of the Company is to monitor possible operating risks and mitigate financial losses and damages to reputation and business continuity, thus seeking cost effectiveness and avoiding non-effective control procedures.

Capital management

Management's policy is to maintain capital basis sufficient to maintain investor, creditor and market trust. The main objective is future development of business.

The Company operates with several financial instruments, as follows: interest earning bank deposits, receivables from clients, payables to suppliers and loans and financing. Transactions with derivative financial instruments contracted to hedge against market volatility, as well as forward merchandise purchase and sale transactions with Cooperativa, are also part of financial instruments' portfolio. The following hedging instruments are used for this purpose: Exchange swap, transactions with NDF - *Non-Deliverable Forwards*, futures and options of commodities and currency.

	Consolidated		Parent company	
	2014	**2013**	**2014**	**2013**
Financial instruments measured at fair value through profit or loss				
Assets				
Cash and cash equivalents	604,346	569,648	298,442	278,861
Inventories	1,719,845	1,190,194	720,226	557,992
Stock Exchange transactions	121,146	24,913	74	3
Unrealized derivative financial instruments	331,618	244,599	33,166	93,838
Liabilities				
Stock Exchange transactions	70,189	42,642	-	39
Unrealized derivative financial instruments	323,933	92,685	3,423	-
Loans and receivables				
Trade accounts receivable	1,163,026	750,044	401,443	210,815
Advances to suppliers of inventory	790,275	552,442	21,676	17,789
Other accounts receivable	111,250	15,720	6,599	1,308
Dividends	-	-	4,881	1,149
Granted loans – related parties	-	-	90,247	46,605
Liabilities held at amortized cost				
Suppliers	2,040,708	1,313,600	1,220,207	1,018,545
Loans and financing	2,761,504	2,332,786	1,543,651	1,158,678
Advances from clients	28,914	32,772	11,284	102,545
Other accounts payable	35,137	20,842	590	298

Classification of financial instruments

During the years ended March 31, 2014 and 2013, no reclassification of financial instruments was performed.

Credit risks

Credit risk exposure

Maximum credit risk exposure is substantially focused on financial instruments below:

	Consolidated		Parent company	
	2014	**2013**	**2014**	**2013**
Demand deposits	285,016	318,608	47,143	34,209
Interest earnings bank deposits	319,293	251,009	251,270	244,626
Trade accounts receivable	1,163,026	750,044	401,443	210,815
Advances to suppliers of inventory	790,275	552,442	21,676	17,789
Stock Exchange transactions	121,146	24,913	74	3
Unrealized derivative financial instruments	331,618	244,599	33,166	93,838
Other accounts receivable	111,250	15,720	6,599	1,308

Financial investment transactions are scattered into several financial institutions that are considered as prime institutions by the market.

The three most important clients of the Company are responsible for R$ 305 thousand of receivables on March 31, 2014 (R$ 242 thousand on March 31, 2013), and during these periods relevant exchanges occurred between clients.

Other financial instruments do not present significant risk concentrations, except for trade accounts receivable for which the Company uses credit letters, CAD - *Cash Against Document*, or credit insurance to hedge its portfolio.

Trade accounts receivable

Maximum exposure to credit risk, on report date and per geographical region, of trade accounts receivable presented above was as follows:

	Consolidated					
	2014	**Amount secured**	**Net exposure**	**2013**	**Amount secured**	**Net exposure**
Domestic	212,898	-	212,898	243,125	-	243,125
Uruguay (b)	2,376	2,376	-	-	-	-
Algeria (b)	44,667	44,667	-	83,855	83,855	-
Rep. Of Seychelles (b)	48,234	48,234	-	50,568	50,568	-
England (b)	3,103	3,103	-	-	-	-
Saudi Arabia (b)	56,789	56,789	-	46,859	46,859	-
Dubai (b)	111,972	111,972	-	11,309	11,309	-
Switzerland (b)	188,675	188,675	-	105,362	105,362	-
Colombia (b)	2,184	2,184	-	3,893	3,893	-
Holland (b)	-	-	-	5,433	5,433	-
Singapore (b)	1,574	1,574	-	4,019	4,019	-
USA (a)	336,766	-	-	141,078	47,999	93,079
Canada a)	7,491	-	-	37,800	442	37,358
Others (a)	146,142	146,142	-	16,739	7,449	9,290
Related parties (c)	155	155	-	4	4	-
	1,163,026	605,871	212,898	750,044	367,192	382,852

	Parent company					
	2014	**Amount secured**	**Net exposure**	**2013**	**Amount secured**	**Net exposure**
Domestic	306,087	-	306,087	209,411	-	209,411
Others	95,354	-	95,354	1,400	-	1,400
Related parties (c)	2	-	2	4	4	-
	401,443	-	401,443	210,815	4	210,811

(a) 100% guaranteed balances, being: 80% *Cash Against Document*, 13% through credit letter and 7% per credit insurance;

(b) Balances 100% guaranteed by credit letters from a prime international banks;

(c) The Company does not consider the existence of credit risk for its related-party transactions.

Impairment losses

Trade accounts rec mature as follows:

Consolidated

	2014		2013	
	Gross	**PECLD**	**Gross**	**PECLD**
Not overdue	924,793	-	717,014	-
Overdue for 0-30 days	218,715	-	30,160	-
Overdue for 31-120 days	5,012	-	1,367	-
Over 120 days	15,372	(866)	4,644	(3,141)
Total	1,163,892	(866)	753,185	(3,141)

Parent company

	2014		2013	
	Gross	**PECLD**	**Gross**	**PECLD**
Not overdue	345,606	-	185,729	-
Overdue for 0-30 days	50,505	-	24,761	-
Overdue for 31-120 days	4,715	-	85	-
Over 120 days	1,483	(866)	3,282	(3,042)
Total	402,309	(866)	213,857	(3,042)

The expense on the recognition of the allowance estimated for doubtful accounts (PECLD) was recorded in 'Selling expenses' in the statement of operations. Whenever provisioned amounts is not expected to be recovered, the amount in this caption is realized against the definite write-off of the receivable, and this provision becomes tax deductible.

Commodity risk

Consolidated

	Volume		Notional (R$ thousand)		Fair value (R$ thousand) 2014			Fair value (R$ thousand) 2013		
	March 31, 2014	**March 31, 2013**	**March 31, 2014**	**March 31, 2013**	**Up to 6 months**	**Over 6 months**	**Fair value**	**Up to 6 months**	**Over 6 months**	**Fair value**
Forward contracts										
Long position										
Goods										
Sugar (tons)	1,734,649	1,165,887	626,006	962,075	72,024	(2,109)	69,915	(23,542)	(10,405)	(33,947)
Ethanol (m3)	2,379,406	2,073,165	3,179,091	2,605,278	416,091	11,295	427,386	3,709	811	4,520
Corn (tons)	-	1,723,111	-	262,111	-	-	-	(3,514)	(1,898)	(5,412)
Gasoline (m3)	270,437	13,037	352,424	20,576	5,456	2,767	8,223	512	-	512
					493,571	**11,953**	**505,524**	**(22,835)**	**(11,492)**	**(34,327)**
Future contracts (Forward)										
Short position										
Goods										
Sugar (ton)	(1,290,563)	(838,798)	(519,689)	(728,044)	16,499	(9,938)	6,561	70,541	(19)	70,522
Options – Sugar (tons)	(81,427)	(8,243)	(19,236)	(4,450)	(3,136)	-	(3,136)	1,022	-	1,022
Ethanol (m3)	(3,082,936)	(2,230,385)	(4,419,244)	(2,839,563)	(468,212)	(19,145)	(487,357)	19,543	2,456	21,999
Corn (tons)	-	(1,314,340)	-	(242,911)	-	-	-	6,783	369	7,152
Gasoline (m3)	(260,582)	(30,060)	(388,386)	(46,712)	(5,307)	(2,779)	(8,086)	(1,200)	39	(1,161)
					(460,156)	**(31,862)**	**(492,018)**	**96,689**	**2,845**	**99,534**

The Company uses basically two categories of price instruments to control commodities' exposure:

a. Futures and option derivative contracts negotiated directly by the Company in Stock Exchange (ICE/NYBOT) or over-the-counter with prime financial institutions, including NDF (*Non Deliverable Forward*)

b. Forward contracts traded directly with customers and suppliers

Fair value of futures and options derivative contracts in stock exchange is equivalent to market value for reversal of such positions. Transactions conducted in stock exchange environment need to have initial margins available and adjustments are made on a daily basis.

For over-the-counter contracts, measurement at fair value is given by the difference between prices fixed on contracting and their respective market values, through public information. This measurement follows usual market models and is monthly calculated both by the Company and by banks that intermediate transactions. For these contracts, margin calls are not needed. The impact on the Company's cash flow only occurs on the settlement date of the contracts.

Measurement at fair value of forward contracts with customers and suppliers is carried out based on the difference between fixed purchase or sale price and market price on base date. To determine market prices, the same setting indicators are used, that is Sugar #11/ICE quotations. For each future contract of AA (*Against Actuals*), SEO (*Seller Execution Order*) and BEO (*Buyer Execution Order*) types, there is a physical contract with the same price and volume variables.

The methodology of the calculation of fair value adopts quotations of contract no. 11 of ICE FUTURES Intercontinental Exchange of New York as pricing basis to define indicators, according to weighing based on percentage pre-attributed to reference screen for a certain month and also months in which daily quotations will be used as the basis (average) to calculate reference screen value.

Forward contracts include the volume of 585,598 thousand tons and notional value of R$ 491,153 on March 31, 2014, referring to Supply Contract with the Cooperativa (see note 25). These volumes represent contract portion whose price is already defined according to CEPEA methodology, as contract negotiation price follows CEPEA/ESALQ Gross Sugar index. Fair value calculation model on base date is determined by the difference between: (i) estimated CEPEA/ESALQ Gross Sugar index based on average quotations of disclosed Sugar #11/ICE contract prices and (ii) average of Sugar #11/ICE prices on weighed base date according to delivery volumes corresponding to each screen maturity at ICE. Polarization effects (4.05%) and freight and lifting costs are adjusted at price CEPEA/ESALQ Gross Sugar index.

Sensitivity analysis for commodities risk

The Company adopted three scenarios for the sensitivity analysis, being one of them the probable scenario presented below, and two other scenarios that may present the impairment of the Company's financial instruments' fair values.
Probable scenario was internally defined by Market Intelligence area and represents the Company's expectations on this indicator variation over the following 12 months. The

scenarios: Possible and Remote scenarios are those proposed by Instruction no 475/08 of the Brazilian Securities Commission (CVM).
Used methodology was *delta MTM*, i.e. to recalculate fair value with the stress of each scenario on market rate as of March 31, 2014.

	Scenarios		
Commodities price risk	**Probable**	**Possible**	**Remote**
Scenarios and price levels	***5.9%***	***-25%***	***-50%***
Non-derivative	113,620	(485,344)	(970,688)
Derivatives	(68,204)	291,345	582,691
Total effects	45,416	(193,999)	(387,997)

Due to this commodity (sugar) quotation behavior seasonality, this scenario is subject to variations during the year/crop.

Liquidity risk

We present below the contractual maturities of financial liabilities including payment of estimated interest and excluding, the impact of the negotiation agreements of currencies by the net position.

Consolidated	**Contractual cash flow**	**6 months or less**	**From 6 to 12 months**	**Between 1 and 2 years**	**From 2 to 5 years**	**Over 5 years**
March 31, 2014						
Suppliers	2,040,708	2,040,708	-	-	-	-
Loans and financing	2,761,504	607,871	382,479	923,427	647,438	200,289
Unrealized derivative financial instruments:						
- NDF	2,244	1,458	683	103	-	-
- Swap	3,423	3,423	-	-	-	-
- Commodity future	318,266	318,266	-	-	-	-
Other accounts payable	35,137	35,137	-	-	-	-
March 31, 2013						
Suppliers	1,313,600	1,313,600	-	-	-	-
Loans and financing	2,332,786	643,909	599,883	625,355	348,950	114,689
Unrealized derivative financial instruments:						
- NDF	2,425	2,229	196	-	-	-
- Commodity future	90,260	90,260	-	-	-	-
Other accounts payable	20,778	20,778	-	-	-	-

Parent company	**Contractual cash flow**	**6 months or less**	**From 6 to 12 months**	**Between 1 and 2 years**	**From 2 to 5 years**	**Over 5 years**
March 31, 2014						
Suppliers	1,220,207	1,220,207	-	-	-	-
Loans and financing	1,543,651	325,609	151,565	801,816	245,116	19,545
Other accounts payable	590	590	-	-	-	-
March 30, 2013						
Suppliers	1,018,545	1,018,545	-	-	-	-
Loans and financing	1,158,678	438,565	363,289	317,361	39,463	-
Other accounts payable	234	234	-	-	-	-

Foreign exchange risk

Foreign currency exposure

The Company’s exposure is substantially linked to US dollar (USD) variation on the following base dates:

Consolidated	**2014**	**2013**
Assets		
Cash and cash equivalents	237,783	283,733
Trade accounts receivable	890,381	593,552
Inventories	686,381	630,675
Advances to suppliers of inventory	76,212	628,026
Stock Exchange transactions	121,072	24,910
Unrealized derivative financial instruments	298,439	150,761
Recoverable taxes	17	-
Other accounts receivable	54,433	-
Property, plant and equipment	90,652	52,438
Intangible assets	160,828	149,178
Liabilities		
Suppliers	(910,521)	(385,807)
Loans and financing	(1,742,175)	(1,812,846)
Social charges and labor legislation obligations	(7,819)	(6,823)
Taxes and contributions payable	(48,303)	(22,984)
Stock Exchange transactions	(70,190)	(42,603)
Unrealized derivative financial instruments	(320,509)	(92,685)
Deferred tax liabilities	(19,037)	(11,686)
Other accounts payable	(116,347)	(43,684)
Gross exposure of the shareholders' equity	(618,703)	94,155
Notional derivatives contracted to hedge against the foreign exchange risk	202,309	412,847
Net exposure	(416,394)	507,002

Parent company	**2014**	**2013**
Assets		
Trade accounts receivable	96,220	1,400
Liabilities		
Suppliers	(50,077)	(49,938)
Loans and financing	(591,920)	(686,426)
Gross exposure of the shareholders' equity	(545,777)	(734,964)
Notional derivatives contracted to hedge against the foreign exchange risk	484,718	681,346
Net exposure	(61,059)	(53,618)

The Company’s foreign exchange exposure refers basically to book balances referring to subsidiary Copersucar Trading operation.

Amounts below comprise the Notional balance presented above:

			Consolidated		Parent company	
Description	**Counterparty**	**Maturity**	**2014**	**2013**	**2014**	**2013**
Exchange NDF	Itaú / Deutsche / Standart Chartered / Merril Lynch / JP Morgan / Morgan Stanley/HSBC/Barclays/Credit Agricole/Santander	2014 to 2015	(282,409)	(270,513)	-	-
Swap Foreign exchange	Itaú /Rabobank /Citibank/Santander	2014 to 2016	484,718	683,360	484,718	681,346
Total			202,309	412,847	484,718	681,346

Foreign exchange sensitivity analysis
The Company adopted three scenarios for the sensitivity analysis, being one of them the probable scenario presented below, and two other scenarios that may present the impairment of the Company's financial instruments' fair values.

Probable scenario was internally defined by Market Intelligence area and represents the Company's expectations on this indicator variation over the following 12 months. Possible and Remote scenarios are those proposed by CVM Instruction no 475/08.

Methodology used was *delta MTM*, that is, fair value recalculation with each scenario focused on market rate on March 31, 2014 less amounts already recognized, and calculation of income value by which the Company would be affected according to each scenario. The analysis considers that all the remaining variables, especially interest rates, are kept constant.

	Scenarios		
Exchange risk	**Probable**	**Possible**	**Remote**
Scenarios and price levels	**6.61% (2.4125 BRL/USD)**	**25% (2,8288 BRL/USD)**	**50% (3,3945 BRL/USD)**
Assets	172,833	654,108	1,308,100
Liabilities	(213,707)	(808,797)	(1,617,451)
Derivatives	13,365	50,582	101,155
Total effects	(27,509)	(104,107)	(208,196)

Brazilian Real appreciation against currencies above, on March 31, 2014, would have the same effect, but with the opposite result on currencies presented above, considering that all other variables would remain constant.

Interest rate risk

Profile
On the balance sheet dates, the profile of financial instruments remunerated through variable-rates was:

Fixed rate instruments
The Company does not record any fixed rate financial assets or liabilities at fair value through profit or loss, and does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in the interest rates on the reporting date would not change income (loss).

Variable rate instruments

	Consolidated		Parent company	
	2014	**2013**	**2014**	**2013**
Financial assets	319,272	251,009	251,270	244,626
Financial liabilities	(549,134)	(472,251)	(549,134)	(472,251)

The Company does not perform sensitivity analysis for financial instruments linked to interest variable rates, as it considers that possible impacts are irrelevant for the Company's financial statements.

Gains (losses) with unrealized derivative financial instruments

Summary of gains (losses) recorded on March 31, 2014 and 2013 that affected balance sheet, and amounts that affected the Company's accumulated income on those dates:

Consolidated

	2014			**2013**		
	Effects on the balance sheet		**Effects on income (loss)**	**Effects on the balance sheet**		**Effects on profit or loss**
	Assets	**Liabilities**		**Assets**	**Liabilities**	
Fixed-term / commodities	291,087	318,266	(69,150)	145,101	90,260	34,583
	291,087	318,266	(69,150)	145,101	90,260	34,583
Non deliverable forwards	7,352	2,244	1,873	5,660	2,425	10,023
SWAP	33,179	3,423	(64,082)	93,838	-	52,731
	40,531	5,667	(62,209)	99,498	2,425	62,754
Total	331,618	323,933		244,599	92,685	
Current	319,229	323,933		211,723	92,685	
Non-current	12,389			32,876	-	

	Parent company					
	2014			**2013**		
	Effects on the balance sheet		**Effects on income (loss)**	**Effects on the balance sheet**		**Effects on income (loss)**
	Assets	**Liabilities**		**Assets**	**Liabilities**	
Non deliverable forwards	-	-	-	-	-	(13)
SWAP	33,166	3,423	(64,095)	93,838	-	52,731
Total	33,166	3,423	(64,095)	93,838	-	52,718
Current	20,790	3,423		60,990	-	
Non-current	12,376	-		32,848	-	

Fair value

Fair value vs. book value

The fair values of the financial assets and liabilities, together with the book values presented in the balance sheet, are as follows:

	2014		2013	
Consolidated	**Book value**	**Fair value**	**Book value**	**Fair value**
Financial instruments measured at fair value through profit or loss				
Assets				
Cash and cash equivalents	604,346	604,346	569,648	569,648
Inventories	1,719,845	1,719,845	1,190,194	1,190,194
Stock Exchange transactions	121,146	121,146	24,913	24,913
Unrealized derivative financial instruments	331,618	331,618	244,599	244,599
Liabilities				
Stock Exchange transactions	70,189	70,189	42,642	42,642
Unrealized derivative financial instruments	323,933	323,933	92,685	92,685
Loans and receivables				
Trade accounts receivable	1,163,026	1,163,026	750,044	750,044
Advances to suppliers of inventory	790,275	790,275	552,442	552,442
Other accounts receivable	111,250	111,250	15,720	15,720
Liabilities held at amortized cost				
Suppliers	2,040,708	2,040,708	1,313,600	1,313,600
Loans and financing	2,761,504	2,888,829	2,332,786	2,399,030
Loan operations	101,296	101,296	32,772	32,772
Other accounts payable	35,137	35,137	20,842	20,842

Parent company	2014		2013	
	Book value	**Fair value**	**Book value**	**Fair value**
Financial instruments measured at fair value through profit or loss				
Assets				
Cash and cash equivalents	298,442	298,442	278,861	278,861
Inventories	720,226	720,226	557,992	557,992
Stock Exchange transactions	74	74	3	3
Unrealized derivative financial instruments	33,166	33,166	93,838	93,838
Liabilities				
Stock Exchange transactions	-	-	39	39
Unrealized derivative financial instruments	3,423	3,423	-	-
Loans and receivables				
Trade accounts receivable	401,443	401,443	210,815	210,815
Advances to suppliers of inventory	21,676	21,676	17,789	17,789
Other accounts receivable	6,599	6,599	1,308	1,308
Dividends	4,881	4,881	1,149	1,149
Granted loans – related parties	90,247	90,247	46,605	46,605
Liabilities held at amortized cost				
Suppliers	1,220,207	1,220,207	1,018,545	1,018,545
Loans and financing	1,543,651	1,573,205	1,158,678	1,158,678
Advances from clients	11,284	11,284	102,545	102,545
Other accounts payable	590	590	298	298

Fair value hierarchy

The table below provides an analysis of financial instruments that are measured at fair value after first-time recognition, grouped in Levels 1 to 3 based on the observable level of fair value:

- **Level 1 measurements of fair value -** Are obtained from (unadjusted) prices quoted in active markets for identical assets and liabilities;
- **Level 2 fair value measurements -** Are obtained through other variables in addition to quoted prices included in Level 1, which are verifiable directly for the asset or liability (that is, as prices) or indirectly (that is, based on prices);
- **Level 3 fair value measurements -** Are obtained through evaluation techniques that include variables for the asset or liability, but that are not based on verifiable market data (non-verifiable data). There are no financial instruments grouped at this level.

Consolidated	**Level 1**	**Level 2**
March 31, 2014		
Assets		
Cash and cash equivalents	285,053	319,293
Inventories	-	1,719,845
Stock Exchange transactions	-	121,146
Unrealized derivative financial instruments	-	331,618
Liabilities		
Stock Exchange transactions	-	70,189
Unrealized derivative financial instruments	-	323,933
March 31, 2013		
Assets		
Cash and cash equivalents	318,639	251,009
Inventories	-	1,190,194
Stock Exchange transactions	-	24,913
Unrealized derivative financial instruments	-	244,599
Liabilities		
Stock Exchange transactions	-	42,642
Unrealized derivative financial instruments	-	92,685

Parent company	**Level 1**	**Level 2**
March 31, 2014		
Assets		
Cash and cash equivalents	47,172	251,270
Inventories	-	720,226
Stock Exchange transactions	-	74
Unrealized derivative financial instruments	-	33,166
Liabilities		
Unrealized derivative financial instruments	-	3,423
March 31, 2013		
Assets		
Cash and cash equivalents	34,235	244,626
Inventories	-	557,992
Stock Exchange transactions	-	3
Unrealized derivative financial instruments	-	93,838
Liabilities		
Stock Exchange transactions	-	39

25 Contractual commitments

Sales

Considering that the Company operates mainly in the commodities market, sales are substantially made at the sales date price. However, most contracts are short-term contracts. As of March 31, 2014, sugar contracted volume is 5,327 thousand tons (5,154 thousand tons on March 31, 2013) and ethanol contracted volume is 1,811 thousand m³ as of March 31, 2014 (811.4 thousand m³ on March 31, 2013).

Purchasing

In accordance with the contract entered into by the Company and its related party - Cooperativa, committed volumes on March 31, 2014 and 2013 were (sugar in thousand tons and ethanol in thousand m³):

Purchase	**2014**	**2013**
White sugar	1,587	1,536
Raw sugar	3,986	4,358
Total	**5,573**	**5,894**
Anhydrous ethanol	2,311	2,317
Hydrous ethanol	2,336	2,468
Total	**4,647**	**4,785**

Logistics

The Company has strategic partnerships for the provision of railroad transportation services with the following suppliers:

América Latina Logística - ALL

- Provision of sugar transportation services in wagons of ALL railroad to Santos Port terminal (São Paulo State - SP), maturing in 2028;

- Ethanol transportation through ALL railroads with destination indicated by Copersucar. This contract effectiveness follows ALL railroad concessions.

Ferrovia Centro Atlântica - FCA

- Transportation from Ribeirão Preto (SP) terminal to Santos Port (SP) terminal, effective until 2026;

26 Related parties

Parent company and part of the final parent company

The Company's final controlling parties are the following groups:

Shareholders – Group	Number of common shares	Quantity of preferred shares	Total shares	% Interest
Virgolino Oliveira	136,537,290	2	136,537,292	11.0572
Zilor	136,470,950	3	136,470,953	11.0517
Pedra	123,481,862	1	123,481,863	9.9999
Santa Adélia	83,767,543	2	83,767,545	6.7837
Cocal	77,153,075	1	77,153,076	6.2480
Batatais	74,642,239	1	74,642,240	6.0447
Aralco	72,023,093	4	72,023,097	5.8326
Viralcool	70,948,322	2	70,948,324	5.7456
Balbo	67,984,431	3	67,984,434	5.5055
Ipiranga	62,957,606	2	62,957,608	5.0985
São J. da Estiva	42,337,360	1	42,337,361	3.4286
São Manoel	40,320,740	1	40,320,741	3.2653
Ferrari	31,586,248	1	31,586,249	2.5579
Pitangueiras	31,144,060	1	31,144,061	2.5221
Furlan	30,894,483	1	30,894,484	2.5019
São Luiz	28,837,064	1	28,837,065	2.3353
Umoe Bioenergy	26,375,699	1	26,375,700	2.1360
Jacarezinho	19,993,486	1	19,993,487	1.6191
Improvements	16,897,505	2	16,897,507	1.3684
Cerradão	16,393,879	1	16,393,880	1.3276
Santa Lucia	15,484,721	1	15,484,722	1.2540
Santa Maria	13,826,284	1	13,826,285	1.1197
Caçu	8,744,649	1	8,744,650	0.7082
Decal – Rio Verde	5,980,744	1	5,980,745	0.4843
Others	51,150	1	51,151	0.0042
	1,234,834,483	37	1,234,834,520	100.0000

Remuneration of key management staff

The Company's key personnel are the president of the Board of Directors, the Executive president and officers of the following areas: Commercial, Logistics, Administrative-Financial and Planning.

For the year ended March 31, 2014, remuneration of key management personnel totaled R$ 9,647 (R$ 10,353 for the year ended March 31, 2013) and includes salaries, short and long-term remuneration, short- and long-term and post-employment benefits.

Remuneration of key management personnel includes:

	Consolidated		**Parent company**	
	2014	**2013**	**2014**	**2013**
Short-term employee benefits	7,273	7,181	7,273	7,181
Post-employment benefits	903	852	903	852
Variable remuneration – long-term (a)	1,471	2,320	1,471	2,320
	9,647	10,353	9,647	10,353

(d) Part of the amount segregated as long-term benefit refers to a bonus granted to key personnel and is linked to the Company’s value based on EBITDA perpetuity. Provisions are recorded for these amounts and will be paid in case goal is reached after three years.

Other related party balances

		Consolidated		Parent company	
	Note	**2014**	**2013**	**2014**	**2013**
Current assets					
Accounts receivable					
Arrepar Participações S.A.		-	4	-	4
Cooperativa		43,491	-	12,838	-
Companhia Auxiliar de Armazéns Gerais		-	-	20,610	-
Copersucar Trading A.V.V.		-	-	93,892	-
	8	43,491	4	127,340	4
Dividends receivable					
Companhia Auxiliar de Armazéns Gerais		-	-	4,881	1,057
Sugar Express Transportes S.A.		-	-	-	92
		-	-	4,881	1,149
Advances to suppliers of inventory					
Companhia Auxiliar de Armazéns Gerais		-	-	15	-
Cooperativa		493,796	408,268	-	320
	11	493,796	408,268	15	320
Non-current assets					
Granted loans					
Companhia Auxiliar de Armazéns Gerais		-	-	68,715	37,266
Sugar Express Transportes S.A.		-	-	21,532	9,339
		-	-	90,247	46,605
Current liabilities					
Suppliers					
Cooperativa		1,050,334	937,102	1,050,334	937,102
Arrepar Participações S.A.		-	4	-	4
Imocop Empreendimentos e Participações S.A.		11,041	10,125	11,041	10,125
Copersucar Trading A.V.V.		-	-	50,077	49,938
Companhia Auxiliar de Armazéns Gerais			-	-	662
	19	1,061,375	947,231	1,111,452	997,831
Advances from clients					
Companhia Auxiliar de Armazéns Gerais		-	-	-	320
Copersucar Trading A.V.V.		-	-	-	93,088
	22	-	-	-	93,408
Dividends					
Dividends payable		1,906	676	1,906	676

Other related party transactions

	Consolidated		Parent company	
	2014	**2013**	**2014**	**2013**
Value of the transaction for the year				
Sale of goods				
Eco-Energy Global Biofuels LLC	542,619	64,221	-	-
Cooperativa	34,688	-	-	-
Copersucar Trading A.V.V.	-	-	186,497	429,857
	577,307	**64,221**	**186,497**	**429,857**
Sale of services				
Cooperativa	22,565	58,006	-	-
Rent – Copersucar Armazéns Gerais S.A.	-	-	-	695
	22,565	**58,006**	**-**	**695**
Product acquisition				
Copersucar Trading A.V.V.	-	-	(30,460)	-
Eco-Energy Global Biofuels LLC	(49,318)	-	-	-
Cooperativa	(10,564,467)	(9,407,630)	(6,202,044)	(4,431,973)
	(10,613,785)	**(9,407,630)**	**(6,232,504)**	**(4,431,973)**
Acquisition of Services				
Companhia Auxiliar de Armazéns Gerais	-	-	(2,417)	(5,308)
Copersucar Armazéns Gerais S.A.	(9,413)	-	(1,826)	(1,840)
	(9,413)	**-**	**(4,243)**	**(7,148)**
Financial – Interest				
Produpar Participações S.A.	-	-	-	65
Copersucar Armazéns Gerais S.A.	-	-	-	500
Companhia Auxiliar de Armazéns Gerais	-	-	3,564	2,717
Sugar Express Transportes S.A.	-	-	1,619	431
	-	**-**	**5,183**	**3,713**

Related-party transactions are transactions carried out between the Parent company and its direct and indirect subsidiaries or other related parties (Cooperativa and Produpar Participações S.A.) and refer basically to:

- **Sale/Acquisition of assets and services** – Products (sugar and ethanol) purchase and sale transactions and port services traded in accordance with contract entered into by the parties, at conditions similar to those agreed on with third parties, considering volumes, involved risks and corporate policies.

- **Asset values -** (a) Advances made for the acquisition of products and services, (b) Loan contracts with subsidiaries or direct or indirect shareholders at interest rates similar to those of this fund raising and (c) Rent of properties.

- **Liability values -** (a) Advances received for the supply of products and services and (b) Loan contracts with subsidiaries or direct or indirect shareholders at interest rate similar to those of this fund raising.

Supply contract with Cooperativa

The Company has an exclusivity agreement directly or indirectly ensuring benefits and financial and market advantages for the acquisition of sugar and ethanol from Cooperativa, over a period of two years and six months, renewed at each year/crop. Quantities to be delivered are defined on a monthly basis at a volume that contemplates scenario of six subsequent months, so that, beginning as of that time, Cooperativa becomes responsible for delivery or even for possible undelivered amounts, if contracted break limit is exceeded.

Guarantee of products supply is linked to continuity of contract with Cooperativa. The contract also guarantees access to certain facilities that are essential to carry out the Company's business, such as those intended for storage of ethanol and sugar deriving from Cooperativa and associated plants. Prices practiced in this contract are related to CEPEA/ESALQ index plus premium of 2%.

Billings and payments related to acquired products occur through index based on CEPEA/ESALQ plus estimated premium of 2% for that month and, on year/crop closing, financial settlement of differences calculated between these billings ad effective CEPEA/ESALQ index plus premium of 2% is carried out. Adjustment amounts calculated for the year/crop were recorded in cost of sold goods.

Pursuant to the contract, guarantors of sugar and ethanol sale transactions are plants associated to Cooperativa.

Guarantees or collateral signatures received from related parties

Loans and financing listed below are collateralized by related party Cooperativa:

Borrowing company	**Type of financing**	**Bank**	**Maturity**	**Amount**	
Copersucar S.A.	NCE (in US$)	Itaú	2015	81,468	**(c)**
Copersucar S.A.	NCE (in US$)	Citibank	2014	56,629	**(c)**
Copersucar S.A.	Resolution (4131 (in USD)	Rabobank	2015	113,722	**(c)**
Copersucar S.A.	Resolution (4131 (in USD)	Citibank	2016	226,886	**(a)**
Copersucar S.A.	Resolution (4131 (in USD)	Citibank	2016	113,214	**(a)**
Copersucar Trading AVV	Export pre-payment	Standard Chartered	2016	116,416	**(c)**
Copersucar Trading AVV	Export pre-payment	Brazil	2017	341,107	**(c)**
Copersucar Trading AVV	Export pre-payment	Standard Chartered	2015	113,533	**(c)**
Copersucar Trading AVV	Working capital	Rabobank	2014	91,192	**(c)**
Copersucar Trading AVV	Working capital	Sumitomo	2014	113,208	**(c)**
Copersucar Trading AVV	Working capital	Brazil	2014	67,917	**(c)**
Copersucar North América	Working capital	Brazil	2020	306,146	**(c)**
Copersucar S.A.	NCE	HSBC	2014	50,859	**(c)**
Copersucar S.A.	NCE	HSBC	2014	112,718	**(c)**
Copersucar S.A.	NCE	Bradesco	2014	76,090	**(c)**
Copersucar S.A.	NCE	Brazil	2016	206,751	**(c)**
Copersucar S.A.	NCE	Brazil	2015	50,343	**(c)**
Copersucar S.A.	NCE	Brazil	2015	52,373	**(c)**
Copersucar S.A.	Brazilian Real Note	Santander	2016	217,092	**(c)**
Copersucar S.A.	BNDES-PROCER	Brazil	2014	52,110	**(c)**
Copersucar S.A.	BNDES-PROCER	Santander	2014	17,304	**(c)**
Copersucar S.A.	BNDES-PROCER	Safra	2014	51,911	**(c)**
Copersucar S.A.	FINAME	Santander	2021	44,660	**(B)**
Cia. Auxiliary	FINAME	Bradesco	2016	1,493	**(b)**
Cia. Auxiliary	FINAME	Brazil	2016	1,495	**(b)**
				2,676,637	

(a) Collateralized loans and financing also guaranteed by related-party's inventories.

(b) Collateralized loans and financing guaranteed by property, plant and equipment.

(c) Loans and financing guaranteed

Guarantees or collateral signatures granted to related parties

The Company guarantees the following loans and financing to its related party Cooperativa de Produtores de Cana-de-Açúcar, Açúcar e Álcool do Estado de São Paulo:

Borrowing company	Type of financing	Bank	Maturity	Amount
Cooperativa	ACC	Banco do Brasil	2014	60,382
Cooperativa	NCE	Banco do Brasil	2014	341,042
Cooperativa	CRP	Banco do Brasil	2014	107,255
				508,679

27 Shareholders' equity

The Company's paid-in capital is R$180,300,590 on March 31, 2014, represented by 1,234,834,520 shares, being 1,234,834,483 common shares and 37 preferred shares, all of them nominative, registered and with no par value.

The Company's paid-in capital was R$80,300,590 on March 31, 2013, represented by 401,501,186 shares, being 401,501,150 common shares and 36 preferred shares, all of them nominative, registered and with no par value.

The Company is authorized to increase its capital according to decision of the Board of Directors, regardless of statutory reform, up to the limit of R$2,500,000,000.00.

Profit reserve

Legal reserve

It is set up at the rate of 5% of the net income determined in each financial year, pursuant to article 193 of Law 6404/76 up to the limit of 20% of the share capital.

Equity evaluation adjustment

The reserve for the adjustments to asset valuation includes adjustments for the adoption of deemed cost of fixed assets on the transition date.

The amounts recorded in adjustments to asset valuation are reclassified to the result for the year wholly or partially, through asset impairment to which they refer.

Proposal for allocation of income for the year 2014

Net income for the year attributed to controlling parties	**78,642**
- Legal reserve (5%)	(3,932)
- Statutory mandatory dividend (1%)	(747)
- Additional dividend proposed	(13,963)
- Special reserve for investment	(60,000)
Summary of allocations	
- Dividends	14,710
- Reserves	63,932
Total	**78,642**

28 Net earnings per share

In accordance with IAS 33/CPC 31 - "Earnings per share", reconciliation of net income for the year of Consolidated and Parent Company with amounts used to calculate basic and diluted net earnings per share, is as follows:

	Consolidated		Parent company	
	2014	**2013**	**2014**	**2013**
Income for the year attributable to the Company's shareholders (a)	157,731	86,292	78,642	67,575
Weighted average of outstanding shares (b)	1,234,835	401,501	1,234,835	401,501
Diluted income per common share (a) / (b)	0.13	0.21	0.06	0.17

29 Operating income

	Consolidated		Parent company	
	2014	**2013**	**2014**	**2013**
Sales of goods				
Sugar	7,903,058	6,613,016	1,518,020	1,087,478
Ethanol	14,559,869	7,329,596	4,384,515	3,590,590
Gasoline	152,743	220,930	-	-
Corn	(807)	38,918	-	-
RIN_LCFS (registration of renewable fuel)	138,719	62,024	-	-
Realized derivative financial instrument	298,961	356,743	(3,563)	(637)
Rendering of services	100,772	120,575	37,927	35,378
	23,153,315	14,741,802	5,936,899	4,712,809

We present below the reconciliation between gross income and income presented in the statement of income for the year:

	Consolidated		Parent company	
	2014	**2013**	**2014**	**2013**
Gross tax income	23,702,339	15,005,628	6,776,850	5,320,765
Less:				
Sales tax	(827,163)	(601,227)	(826,943)	(601,217)
Services taxes	(15,322)	(16,881)	(3,946)	(3,641)
Returns/rebates	(5,500)	(2,461)	(5,499)	(2,461)
	22,854,354	14,385,059	5,940,462	4,713,446
Realized derivative financial instrument	298,961	356,743	(3,563)	(637)
	23,153,315	14,741,802	5,936,899	4,712,809

30 Other income

	Consolidated		Parent company	
	2014	**2013**	**2014**	**2013**
Premium for shipment anticipation (*Despatch*)	8,850	4,090	-	-
Legal provisions	277	1,015	-	678
Rent	15,384	14,630	752	695
Compensation	10,560	-	-	-
Overstated trade accounts receivable	2,793	-	2,789	-
Write-off of receivables due to loss	-	3,869	-	-
Others	835	182	2	-
	38,699	23,786	3,543	1,373

31 Other expenses

	Consolidated		Parent company	
	2014	**2013**	**2014**	**2013**
Expenses with ship stay in port (*Demurrage*)	(30,622)	(23,691)	-	-
Brokerage/rates	(12,384)	(13,251)	(114)	(690)
Donations	(662)	(5,264)	(658)	(5,261)
Labor legal claim	(525)	(1,305)	-	(774)
Loss from equity interests	-	(2,884)	-	(2,884)
PIS/Cofins taxes on other income	(384)	(120)	(336)	(74)
Others	(1,860)	(4,294)	(84)	(890)
	(46,437)	(50,809)	(1,192)	(10,573)

32 Net financial income (loss)

	Consolidated		Parent company	
	2014	**2013**	**2014**	**2013**
Financial income				
Asset interest	31,674	22,944	35,222	23,684
Asset foreign exchange fluctuation	221,189	125,065	111,357	67,608
Transactions with derivative asset	251,572	246,338	78,691	172,320
Gain on investment foreign exchange variation	9,745	8	9,745	(1,509)
Other financial income	48	7	-	-
	514,228	394,362	235,015	262,103
Financial expenses				
Liability interest	(159,257)	(123,671)	(109,007)	(72,089)
Liability foreign exchange fluctuations	(332,654)	(153,606)	(195,358)	(150,355)
Transactions with derivative liabilities	(227,691)	(231,274)	(18,697)	(108,783)
Loss on investment foreign exchange variation	(8,617)	199	(8,617)	(60,339)
Other financial expenses	(9,855)	8,362	(5,722)	(1,113)
	(738,074)	(499,990)	(337,401)	(392,679)
Total net financial income	(223,846)	(105,628)	(102,386)	(130,576)

33 Expenses by nature

	Consolidated		Parent company	
	2014	**2013**	**2014**	**2013**
Cost of products, except freights, transshipment and storage	(22,280,015)	(14,205,811)	(5,818,398)	(4,707,672)
Change in inventories' fair values	220,568	(43,047)	75,331	(57,337)
Depreciation and amortization	(24,242)	(14,364)	(5,445)	(1,999)
Personnel expenses	(150,695)	(102,743)	(68,139)	(37,617)
Freights, transshipment, warehousing and shipping expenses	(248,090)	(148,295)	(17,459)	(12,456)
Other expenses	(117,052)	(54,580)	(38,218)	(19,923)
	(22,599,526)	(14,568,840)	(5,872,328)	(4,837,004)
Classified as:				
Cost of sales	(22,156,769)	(14,323,865)	(5,743,067)	(4,765,010)
-Administrative	(147,431)	(59,394)	(73,585)	(32,520)
- Sales	(295,326)	(185,581)	(55,676)	(39,474)
	(22,599,526)	(14,568,840)	(5,872,328)	(4,837,004)

34 Expense com Income tax and social contribution

The reconciliation between the tax expense as calculated by the combined statutory rates and the income and social contribution tax expense charged to net income is presented below:

	Consolidated		Parent company	
	2014	**2013**	**2014**	**2013**
Accounting profit before income and social contribution taxes	239,599	87,307	122,086	1,904
Income attributable to non-controlling shareholders	(79,089)	(18,717)	-	-
Adjusted accounting profit	160,510	68,590	122,086	1,904
Equity in income of subsidiaries	13,456	(12,412)	(322,420)	(265,874)
Foreign exchange variation of company abroad	(1,127)	61,848	164,870	61,848
Income (loss) of company headquartered abroad	(68,723)	(220,674)	(1,127)	-
Income /(loss) before income and social contribution taxes	104,116	(102,648)	(36,591)	(202,122)
Combined statutory rate	34%	34%	34%	34%
Income and social contribution taxes:				
Calculated at combined statutory rate	(35,375)	54,109	12,465	68,721
Permanent additions:				
Fines	(438)	(129)	(15)	(129)
Donations	(282)	(1,885)	(281)	(1,884)
Variation in interest	-	(979)	-	(979)
Others	(506)	(243)	(97)	(58)
Transfer price adjustment	(906)	-	(906)	-
CNA rate difference	(8,584)	-	-	-
Profits abroad	-	-	-	-
Long-term compensation	(6,932)	-	(6,832)	-
Permanent exclusions:				
Income from claim	18,594	-	-	-
Others	7	31	5	1
Adjustment of corporate IRPJ and CSLL	-	(1,587)	-	-
IRPJ - PAT deductions and Sponsorship	27	32	56	-
Use of unrecorded tax loss	367	200	-	-
Unrecorded tax loss	-	(336)	-	-
Income tax and social contribution in income for the year	(34,028)	49,213	4,395	65,671
Income tax and social contribution on income abroad	(47,840)	(50,228)	(47,839)	-
Effective rate	**33%**	**29%**	**14%**	**32%**
Current taxes	(55,098)	(54,200)	(4,931)	-
Deferred taxes	(26,770)	53,185	(38,513)	65,671
Total	(81,868)	(1,015)	(43,444)	65,671

Law 12973, enacted on May 13, 2014, introduced significant changes to federal tax rules. Provisions of said law will become mandatorily effective beginning as of 2015, with the option of early applying of the provisions beginning as of calendar year 2014. The Company's management is analyzing potential impacts of the aforementioned law.

35 Employee benefits

The Company grants some benefits to its employees. Among these benefits, those listed below were evaluated through actuarial calculation.

Medical care

The Company grants the benefit of a medical care plan for which, since July 1, 2011, employees do not pay monthly contribution. In accordance with Law no. 9,656/98, in case of retirement, termination without cause or dismissal, medical care plan is maintained at conditions equal to those for active employees, provided that the employee is classified in one of the three conditions mentioned below and assumes full payment of his/her monthly fees.

Accordingly, the following plan maintenance periods are guaranteed:

Dismissed without cause

Guaranteed stay time will be 1/3 of time of contribution to Health Plan, being assured a minimum period of 6 months and a maximum period of 24 months.

Retirees

For employees with employment relationship time equal to or higher than 10 years and age equal to or higher than 45 years on July 1, 2011: the right to remain as beneficiaries of the Plan under the same coverage conditions enjoyed during work contract, without counting a new grace period and over the time they wish, is assured.

For employees with employment relationship time of less than 10 years: the right to remain as beneficiaries of the Plan under the same coverage conditions enjoyed during work contract, without counting a new grace period, is assured at the rate of one year for each contribution year.

Considering that plan costs are determined considering active and retired employees, the Company conducted an actuarial evaluation to verify existence of liabilities. Calculations were made by an outsourced specialized company and material impacts were not found.

Assumptions used for calculation

Financial and economic assumptions

	2014	**2013**
Benefits capacity factor	100%	100%
Expected long-term inflation rate	6.1%	5.70%
Actuarial discount nominal rate	13.1%	9.78%
Expected nominal return rate of long-term assets	0.00%	0.00%
Medical costs growth nominal rate – Medical inflation	8.2% **(1)**	7.81% **(1)**
Medical costs growth rate per age - *Aging factor*	2.00% **(1)**	2.00% **(1)**

Biometrical assumptions		
General mortality table	AT-2000 **(2)**	AT-83 **(2)**
Turnover table - (end of employment relationship)	See note (3)	See note (3)
Entry into retirement	100% eligibility	100% eligibility

(1) Estimated increase in contributions subsidized by current active members of the Plan

(2) General mortality table per sex

(3) Turnover table inversely proportional to length of work provided to the Company: 15 / TS + 1

No effects on variation of Health Plan costs’ growth rate during the year.

Summary of members' reference file:

	2014	2013
Assets		
Inversion	204	204
Average age	41	37
Plan time	2.8	1.8
Future period of service	12.0	12.0

Statistics on frequency, age, length of work, future length of work, and expected survival period refer to the Company's employees. Statistics on costs consider hypothetical family group formed by the member and spouse; female spouse is considered as 2 years younger.

Life insurance

For employees included in this benefit until 2005, the Company used to guarantee the payment of a lifetime insurance premium upon retirement, thus generating a post-employment benefit. For employees included after this period, benefit is funded by the Company over the period in which employees remain active, and are considered as expenses, not incurring actuarial risks.

The Company also submitted this benefit to actuarial evaluation and did not perform any adjustment, as values were not considered relevant.

Assumptions used for calculation

Financial and economic assumptions

	2014	2013
Benefits capacity factor	100%	100%
Expected long-term inflation rate	6.1%	5.70%
Actuarial discount nominal rate	13.1%	10.20%
Expected nominal return rate of long-term assets	0.00%	0.00%
Biometrical assumptions		
General mortality table	AT-2000 [(1)]	AT-83 [(1)]

(1) Estimated increase in subsidized contributions of current Plan's active members.

Summary of members' reference file:

	2014	2013
Assisted and enjoying the benefit		
Inversion	4	4
Average age	57	56
Expected survival period	17	18
Average monthly benefit	608.04	608.04

(1) Refers to the benefit of life insurance premium payment, according to contract entered into with the insurance company, currently at the rate of 0.00863 on monthly remuneration of assisted member.

Other long-term benefits

Based on its benefit program, the Company recorded a provision for bonus that is effective for one year, for the following professionals:

	2014	**2013**
Key personnel	16,454	26,576
Other executives	4,114	6,644
	20,568	33,220

36 Operational leases

Leases as lessee

Operational leases that cannot be cancelled are paid as follows:

	Consolidated		**Parent company**	
	2014	**2013**	**2014**	**2013**
Up to 1 year	44,078	31,249	5,575	5,229
Over 1 year – Up to 5 years	94,685	98,113	11,580	16,780
More than five years	130,778	121,189	-	-
Total	269,541	250,551	17,155	22,009

The Company recognized the following expenses amounts with operational leasing transactions:

	2014	**2013**
Expense with operating lease	21,781	16,693

The Company is the lessee of an area located in Santos Port of approximately 50,392 square meters, where its facilities are built. Contract is effective for 20 years, beginning as of March 7, 1996; on June 27, 2011, it was renewed for another 20 years beginning as of March 7, 2016.

The main provisos of the lease are:

- Deviation from contract object by the lessee;
- Wind up of lessee;
- Sublease;
- Lease transfer without previous authorization by Codesp;
- Lessee fails to pay more than 3 monthly payments;
- Interruption of the execution of the Lease without justified cause;
- Port operations carried out with violation of the applicable rules of law and regulations;
- Non-compliance with court decisions.

All covenants of the operating lease contract are being fully complied with by the Company.

The Company is also the lessee of an area located in the municipality and courts of Guarujá, São Paulo State, of approximately 47,333 m², used to store products. The contract effective period is 5 years, starting on March 1, 2011; it may be renewed for an equal period.

Through its indirect subsidiary Eco-Energy, the Company is the lessee of equipment for ethanol and gasoline storage and moving (tank-cars, trucks, railroad wagons, tanks and transshipment equipment), and office equipment; it also rents a property in the city of Franklin, TN, USA, for administrative purposes.

Leases as lessor

Parent company rents its property for investment under operating lease (see Note 16) to a related party, Copersucar Armazéns Gerais.

Through its indirect subsidiary Eco-Energy, the Company sub-rents tank-cars.

Minimum future payments under non-cancelable leases are as follows:

	Consolidated		**Parent company**	
	2014	**2013**	**2014**	**2013**
Up to 1 year	25,036	25,439	795	751
Over 1 year – Up to 5 years	22,315	11,206	766	1,545
More than five years	275	-	-	-
Total	47,626	36,645	1,561	2,296

During the year ended March 31, 2014, the amount of R$ 16,566 was recognized as rent revenue in the Company's income (loss).

	2014	**2013**
Revenue from operating lease	16,566	14,940

37 Insurance coverage

The Company adopts the policy of contracting insurance coverage for assets subject to risks for amounts considered to be sufficient to cover eventual claims, considering the nature of its activity.

On March 31, 2014, the Company's insurance coverage against operating risks was comprised of R$ 358,455 for property insurance and R$ 50,000 for parent company's liability.

38 Statement of added value - SAV

In accordance with BRGAAP requirement applicable to listed companies and as additional information for IFRS purposes, the Company prepared consolidated and individual statement of added value.

This statement, supported by macro-economic concepts, is intended to present the Company's portion in Gross Domestic Product formation by determining values added by the Company and those received from other entities; distribution of these amounts to employees, government spheres, asset leases, loan, financing and debt security creditors, controlling and minority shareholders, and other remuneration that represents wealth transfer to third parties; said added value represents wealth created by the Company, in general, measured at revenues from sale of assets and from services provided less respective inputs acquired from third parties, including value added produced by third parties and transferred to the entity.