



RAÍZEN ENERGIA S.A.

Publicly-Held Company - Category B

CNPJ 08.070.508/0001-78

NOTICE TO THE MARKET

RAÍZEN ENERGIA S.A. (“Raízen” or “Company”) hereby informs the market in general that, on July 31, 2018, the Civil Police of Paraná State launched Operation Controlled Margin to investigate the alleged involvement of one of Raízen Group’s the companies of, Raízen Combustíveis S.A. (“RCSA”), in practices to control the final price of fuel sold in gas stations located in such region. On the same date, search and seizure warrants were executed and three of RCSA’s employees were temporarily arrested.

To this moment, in view of the existing information, no irregular conduct may be attributed to RCSA or its employees. No complaints were filed against any employees of RCSA, and no court order was issued determining the freeze of any assets or funds in its bank accounts.

In parallel, also on July 31, 2018, in connection with the so-called Operation Dubai, the Prosecution Office of the Federal District filed a complaint against, among other parties, RCSA and one employee on the grounds of alleged anticompetitive practice. In said complaint, the Prosecution Office requested freeze of assets and funds of RCSA in approximately R\$120,000,000.00, and such request is under analysis. RCSA is taking the necessary steps to bring the appropriate remedies against that decision.

According to Raízen’s analysis , based on the information available so far, the above-mentioned allegations have no factual or legal grounds; the prices charged in the gas stations are set exclusively by resellers, with no interference of RCSA.

So far there is no final decision with significant impact on the RCSA's businesses.



RCSA applies the highest standards of governance in its commercial policies, and their operations permanently and fully comply with the legislation in force, in absolute respect for free competition as well as to its resellers, clients and consumers.

Finally, the Company reiterates that it will continue to investigate information on said events and will keep the market informed in a timely manner, under the applicable regulations.

São Paulo, August 02, 2018.

Guilherme José de Vasconcelos Cerqueira
Vice-President of Finance and Investor Relations Executive Officer