Raízen Group

Combined consolidated and condensed interim financial information as of September 30, 2018

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

KPDS 243972

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

Report on review of interim financial information

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

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

Introduction

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

The Company's management is responsible for the preparation of the combined consolidated and condensed interim financial information in accordance Technical Pronouncement CPC 21(R1) - Interim Financial Reporting and IAS 34 - Interim Financial Reporting, issued by the International Accounting Board - IASB. This combined consolidated and condensed financial information contains an aggregation of consolidated and condensed interim financial information of Raízen Energia S.A. and Raízen Combustíveis S.A., and was prepared on the basis of the accounting books and records kept by these entities. Our responsibility is to express a conclusion on this combined consolidated and condensed interim financial information based on our review.

Scope of review

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

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

Emphasis of matter

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

São Paulo, November 8, 2018.

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

Raízen Group

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

In thousands of reais – R$

	Note	09/30/2018	03/31/2018
Assets			
Current assets			
Cash and cash equivalents	3	4,386,682	3,663,168
Securities	4	31,074	1,078,945
Restricted cash	5	364,285	143,606
Derivative financial instruments	25	1,690,524	228,092
Trade accounts receivable	6	3,565,372	2,756,767
Inventories	7	5,717,783	2,552,513
Biological assets	8	684,565	947,815
Recoverable income and social contribution taxes	17.b	974,376	887,416
Recoverable taxes and contributions		1,186,269	628,397
Other financial assets	9	540,883	408,379
Related parties	10	803,460	709,027
Assets from contracts with clients	11	395,443	-
Other receivables		550,944	346,868
Total current assets		20,891,660	14,350,993
Non-current assets			
Trade accounts receivable	6	464,372	447,856
Derivative financial instruments	25	1,053,735	273,762
Other financial assets	9	485,305	502,433
Recoverable income and social contribution taxes	17.b	300,930	300,930
Recoverable taxes and contributions		341,491	337,495
Related parties	10	1,358,672	1,329,549
Deferred income and social contribution taxes	17.d	562,261	158,295
Judicial deposits	18	437,162	406,898
Assets from contracts with clients	11	1,894,137	-
Other receivables		200,448	181,554
Investments	12	698,168	346,461
Property, plant and equipment	13	10,698,618	11,304,718
Intangible assets	14	2,492,931	4,689,901
Total non-current assets		20,988,230	20,279,852
Total assets		41,879,890	34,630,845

See the accompanying notes to the interim financial information.

Raízen Group

Combined consolidated statements of financial position on September 30 and March 31, 2018
In thousands of reais – R$ **(continued)**

	Note	09/30/2018	03/31/2018
Liabilities			
Non-current liabilities			
Loans and financing	16	2,371,624	1,532,009
Derivative financial instruments	25	1,759,531	142,343
Suppliers	15	4,737,075	3,743,572
Payroll and related charges payable		469,305	553,491
Income and social contribution taxes payable	17.c	26,138	97,197
Taxes payable		372,845	276,066
Dividends and interest on own capital payable	20.b	-	23,417
Related parties	10	1,049,909	781,397
Advances from clients	6	789,808	51,677
Other liabilities		556,676	617,994
Total current liabilities		12,132,911	7,819,163
Non-current liabilities			
Loans and financing	16	15,769,340	11,986,340
Derivative financial instruments	25	134,337	199,602
Taxes payable		189,309	183,434
Related parties	10	426,047	406,052
Provision for legal disputes	18	1,344,235	1,260,168
Deferred income and social contribution taxes	17.d	694,110	452,166
Other liabilities		440,538	490,796
Total non-current liabilities		18,997,916	14,978,558
Total liabilities		31,130,827	22,797,721
Equity	20		
Attributed to controlling shareholders		10,489,574	11,607,394
Interest of non-controlling shareholders		259,489	225,730
Total equity		10,749,063	11,833,124
Total liabilities and equity		41,879,890	34,630,845

See the accompanying notes to the interim financial information.

Raízen Group

Combined consolidated statements of income
Three and six-month periods ended September 30, 2018 and 2017
In thousands of reais – R$

	Note	Jul–Sep/18	Apr–Sep/18	Jul–Sep/17	Apr–Sep/17
Net operating revenue	21	25,039,196	47,198,974	21,709,695	41,247,439
Costs of products sold and services provided	22	(23,763,666)	(44,805,296)	(19,668,852)	(38,380,569)
Gross income		1,275,530	2,393,678	2,040,843	2,866,870
Operating revenue (expenses)					
Selling	22	(574,176)	(1,113,779)	(610,755)	(1,107,134)
General and administrative	22	(280,869)	(542,678)	(274,259)	(513,345)
Other operating income, net	23	93,161	286,771	82,030	319,661
Equity accounting result	12	(7,364)	(8,767)	(388)	(10,882)
		(769,248)	(1,378,453)	(803,372)	(1,311,700)
Income before financial results and income tax and social contribution		506,282	1,015,225	1,237,471	1,555,170
Financial results	24				
Financial expenses		(465,308)	(697,667)	(245,959)	(504,042)
Financial income		149,378	316,312	144,908	336,334
Exchange variation, net		(233,624)	(1,142,163)	122,240	(50,676)
Net effect of the derivatives		255,929	856,192	(15,711)	56,628
		(293,625)	(667,326)	5,478	(161,756)
Income before income and social contribution taxes		212,657	347,899	1,242,949	1,393,414
Income tax and social contribution	17.a				
Current		(108,526)	5,997	(256,671)	(460,109)
Deferred	17.d	138,943	53,905	(121,225)	81,370
		30,417	59,902	(377,896)	(378,739)
Net income for the period		243,074	407,801	865,053	1,014,675
Attributable to:					
Group’s controlling shareholders		222,686	382,248	848,236	983,273
Group’s non-controlling shareholders		20,388	25,553	16,817	31,402
		243,074	407,801	865,053	1,014,675

See the accompanying notes to the interim financial information.

Raízen Group

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

	Jul–Sep/18	**Apr–Sep/18**	**Jul–Sep/17**	**Apr–Sep/17**
Net income for the period	243,074	407,801	865,053	1,014,675
Comprehensive income				
Items that are or may be reclassified to statements of income or loss				
Income (loss) from financial instruments designated as hedge accounting (Note 25.e)	24,616	(308,027)	(155,436)	246,592
Effect of foreign currency translation - CTA	(12,782)	(17,729)	608	(441)
Deferred taxes on hedge accounting (Note 17.e)	(8,370)	104,729	52,848	(83,842)
	3,464	(221,027)	(101,980)	162,309
Other components of the comprehensive income for the period	3,464	(221,027)	(101,980)	162,309
Total comprehensive income for the period	246,538	186,774	763,073	1,176,984
Attributable to:				
Group's controlling shareholders	226,150	161,221	746,256	1,145,582
Group's non-controlling shareholders	20,388	25,553	16,817	31,402
	246,538	186,774	763,073	1,176,984

See the accompanying notes to the interim financial information.

Raízen Group

Combined consolidated statements of changes in equity
Six-month periods ended September 30, 2018
In thousands of reais – R$

	Attributable to Group's shareholders	Non-controlling shareholders	Total equity (*)
Balances at March 31, 2018	11,607,394	225,730	11,833,124
Initial adoption of IFRS 9 (CPC 48) (Note 2.4)	(2,641)	(41)	(2,682)
Balances at April 1, 2018	11,604,753	225,689	11,830,442
Comprehensive income for the period			
Net income for the period	382,248	25,553	407,801
Net loss with financial instruments designated as hedge accounting	(203,298)	-	(203,298)
Effect of foreign currency translation - CTA	(17,729)	-	(17,729)
Total comprehensive income for the period (Note 20.c)	161,221	25,553	186,774
Distributions to Group's shareholders			
Capital increase (Note 12.b)	-	4,159	4,159
Business combination (Note 27.ii)	-	30,000	30,000
Dividends and interest on own capital ("JCP") (Note 20.b)	(1,276,400)	(25,912)	(1,302,312)
Total distributions to Group's shareholders	(1,276,400)	8,247	(1,268,153)
Balance at September 30, 2018	10,489,574	259,489	10,749,063

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

See the accompanying notes to the interim financial information.

Raízen Group

Combined consolidated statements of changes in equity
Six-month periods ended September 30, 2017
In thousands of reais – R$

(Continued)

	Attributable to Group's shareholders	Non-controlling shareholders	Total equity (*)
Balances at March 31, 2017	12,160,702	205,725	12,366,427
Comprehensive income for the period			
Net income for the period	983,273	31,402	1,014,675
Net gain on financial instruments designated as hedge accounting	162,750	-	162,750
Effect of foreign currency translation - CTA	(441)	-	(441)
Total comprehensive income for the period	1,145,582	31,402	1,176,984
Distributions to Group's shareholders			
Dividends distributed to holders of preferred shares	(1,194)	-	(1,194)
Dividends and interest on own capital	(1,189,515)	(19,726)	(1,209,241)
Other	85	(246)	(161)
Total distributions to Group's shareholders	(1,190,624)	(19,972)	(1,210,596)
Balance at September 30, 2017	12,115,660	217,155	12,332,815

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

See the accompanying notes to the interim financial information.

Raízen Group

Combined consolidated statements of cash flows
Six-month periods ended September 30, 2018 and 2017
In thousands of reais – R$

	Apr–Sep/18	Apr–Sep/17
Cash flow from operating activities		
Income before income and social contribution taxes	347,899	1,393,414
Adjustments:		
Depreciation and amortization (Note 22)	1,062,201	1,331,061
Amortization of assets from contracts with clients (Notes 11 and 22)	218,499	-
Change in the fair value and realization of gain or loss of goodwill of biological assets (Note 22)	219,025	407,182
Equity accounting result of associated companies (Note 12)	8,767	10,882
Gain on sales of property, plant and equipment (Note 23)	(44,591)	(21,795)
Interest, monetary and exchange-variations, net	1,350,594	379,594
Change in fair value of liabilities financial instruments (Notes 16 and 24)	71,192	49,972
Gain with derivative financial instruments, net	(745,427)	(239,932)
Change in inventories' fair value - fair value hedge (Notes 7 and 25.e)	2,960	(15,863)
Recognition of extemporaneous tax credits, net (Note 23)	(67,990)	(194,320)
Credits with claims for damages (Notes 9 and 23)	(75,406)	-
Other	50,488	(4,143)
Changes in assets and liabilities		
Trade accounts receivable and advances from clients	103,239	(697,261)
Inventories	(2,544,885)	(1,722,484)
Restricted cash	(213,238)	240,495
Payment of assets from contracts with clients	(332,453)	-
Derivative financial instruments	(226,479)	263,907
Other financial assets	66,806	-
Related parties	149,949	(143,371)
Suppliers and advances to suppliers	632,126	1,043,000
Recoverable and payable taxes, net	(368,359)	(361,684)
Payroll and related charges payable	(84,238)	(20,668)
Other assets and liabilities, net	(184,904)	(100,461)
Payment of income and social contribution taxes on net income	(153,218)	(46,101)
Net cash generated (used) in operating activities	(757,443)	1,551,424
Cash flow from investment activities		
Additions to investment	(10,271)	(858,452)
Advance for business acquisition (Note 1.b)	(341,010)	-
Investments in securities, net	1,047,871	602,061
Additions to property, plant and equipment and intangible assets (Notes 13, 14 and 28)	(656,541)	(791,141)
Additions to biological assets (Notes 8 and 28)	(362,984)	(288,020)
Cash received upon disposal of fixed assets, net	74,484	70,296
Cash received in the sale of investment, net	3,662	-
Net cash used in investment activities	(244,789)	(1,265,256)
Cash flow from financing activities		
Funding of loans and financing	3,695,372	1,121,026
Amortizations of principal of loans and financing	(521,033)	(707,815)
Payment of interest on loans and financing	(312,736)	(308,790)
Redemptions (investments in) financial investments linked to financing, net	(325)	399
Payment of dividends and interest on own capital (Note 20.b)	(1,324,903)	(1,297,418)
Related parties and others	(1,124)	1,174
Net cash generated (used) in financing activities	1,535,251	(1,191,424)
Increase (decrease) in cash and cash equivalents	533,019	(905,256)
Cash and cash equivalents at the beginning of the period (Note 3)	3,663,168	3,201,598
Effect of exchange variation on cash and cash equivalents	190,495	(3,747)
Cash and cash equivalents at the end of the period (Note 3)	4,386,682	2,292,595

Supplementary information to the cash flow is shown in Note 28.

See the accompanying notes to the interim financial information.

1. Operations

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

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

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

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

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

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

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

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

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

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

On October 1, 2018, RCSA and its subsidiary Raízen Argentina Holdings S.A.U ("Buyers"), completed on such date, an agreement for the acquisition of Shell's downstream ("DS") business in Argentina, through the acquisition of 100% of the shares issued by Shell Compañía Argentina de Petróleo S.A. and by Energina Compañía Argentina de Petróleo S.A. ("Acquired Companies"), all shares previously held by the Shell Group.

Shell's DS operation in Argentina has a network of 665 gas stations, oil refinery with a privileged location in Buenos Aires, a lubricant plant, three land-based terminals, two aviation fuelling terminals, and five LPG bottling plants.

The aforementioned acquisition represents an important growth opportunity for RCSA, expanding and replicating its successful model implemented in Brazil, obtaining logistics, market and financial synergies

The consolidation of this operation by RCSA took into consideration the long-term perspective of a structured market, quality of the assets, expertise of the local team, and strength of the Shell brand in that country.

The total amount to be paid by the Buyers to the Shell Group for the acquisition of the DS business, after price adjustments set forth in the purchase and sale agreement, is US$ 916,360 thousand, equivalent to R$ 3,625,965. Of this amount, (i) US$ 100,000 thousand were advanced as a deposit on April 24, 2018, corresponding to the equivalent of R$ 341,010 on that date; (ii) US$ 370,204 thousand were paid from October 1 to 3 and 16, 2018, corresponding to the equivalent of R$ 1,488,151; and (iii) US$ 446,156 thousand will be paid by December 2019, converted by the PTAX rate on the date of completion of the acquisition, equivalent to R$ 1,796,804.

The total amount of acquisition, according to the purchase and sale agreement, is still subject to possible purchase price adjustments, which are not significant, to be finalized based on the operation's closing financial statements.

In compliance with Argentina's legislation on competition, this acquisition is under review by the local competition authorities until will be formally authorized.

- **Operations**

As announced to the market disclosed on August 2, 2018, the Civil Police of the State of Paraná launched, on July 31, 2018, Operation "Controlled margin", with the goal of collecting statements and to get documents from employees of distributors of fuel with operations in Paraná, including RCSA, on suspicion of possible practices to control the final price of fuel, sold at retailers located in that region. On that same date, search and seizure warrants were executed and three of RCSA's employees were temporarily arrested and on August 3rd, after the statements made to Police Inquiry the court ordered their release. Up to the present 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, a complaint was filed by the Public Ministry of the Federal District, related to "Operation Dubai". This procedure involves, among others, the RCSA and an employee for alleged practice of unlawful competition. In this context, the assessment of RCSA, based on the information available, is that the above-mentioned allegations do not find factual and legal support. In an autonomous action, and aiming to obtain indemnification for the damages potentially suffered by the civil society due to these conducts, the Federal Public Prosecutor filed a redress action in the face of all those involved, which is in the initial stage of the proceedings. There is a request to block goods and securities against, among others, the RCSA, which was not effected due to guarantees given in court. Both procedures are being defended and appealed to, since the RCSA understands that there are no elements that constitute responsibility of its or its representatives in the investigated practices.

There was no relevant update on this topic in relation to that disclosed in the interim financial information for the period ended June 30, 2018.

To the present date, there are no final court decision nor relevant impact on RCSA's business.

However, if the operations prove to be true in the future, any penalties may have an effect on the Company's financial position, results of operations, and future cash flows. Regarding the financial statements of RCSA, it is currently not practicable to determine if there is any probable loss arising from a present obligation in view of a past event or reasonable measurement as to the possible provision for contingencies on this subject in this interim financial information.

(c) Other information

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

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

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

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

2. Presentation of interim financial information and significant accounting policies

2.1. Preparation basis

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

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

In thousands of reais - R$, unless otherwise indicated

Group's financial position and operating performance since the disclosure of the annual financial statements at March 31, 2018.

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

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

The combined consolidated and condensed interim financial information was authorized for issue by Raízen Group Management on November 8, 2018.

2.2. Combination criteria

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

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

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

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

	Total assets		Total equity	
	09/30/2018	03/31/2018	09/30/2018	03/31/2018
Raízen Energia S.A. and its subsidiaries	30,781,298	24,530,296	7,634,186	8,824,167
Raízen Combustíveis S.A. and its subsidiaries	16,248,207	13,341,520	3,118,476	3,021,769
	47,029,505	37,871,816	10,752,662	11,845,936
Elimination of commercial transactions, unrealized profits and financial transactions	(5,149,615)	(3,240,971)	(3,599)	(12,812)
Combined consolidated balances	41,879,890	34,630,845	10,749,063	11,833,124

In thousands of reais - R$, unless otherwise indicated

	Net income (loss)		Other comprehensive income	
	Apr–Sep/18	Apr–Sep/17	Apr–Sep/18	Apr–Sep/17
Raízen Energia S.A. and its subsidiaries	(67,382)	194,614	(460,577)	360,935
Raízen Combustíveis S.A. and its subsidiaries	613,255	819,109	638,139	812,639
	545,873	1,013,723	177,562	1,173,574
Elimination of commercial transactions, unrealized profits and financial transactions	(138,072)	952	9,212	3,410
Combined consolidated income	407,801	1,014,675	186,774	1,176,984

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

2.3. Basis of consolidation

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

Subsidiaries of RESA	Direct and indirect ownership interests	
	09/30/2018	03/31/2018
Agrícola Ponte Alta Ltda.	100%	100%
Benálcool Açúcar e Álcool Ltda.	100%	100%
Bioenergia Araraquara Ltda.	100%	100%
Bioenergia Barra Ltda. ("Bio Barra")	100%	100%
Bioenergia Caarapó Ltda.	100%	100%
Bioenergia Costa Pinto Ltda.	100%	100%
Bioenergia Gasa Ltda.	100%	100%
Bioenergia Jataí Ltda.	100%	100%
Bioenergia Maracaí Ltda.	100%	100%
Bioenergia Rafard Ltda.	100%	100%
Bioenergia Serra Ltda	100%	100%
Bioenergia Tarumã Ltda.	100%	100%
Bioenergia Univalem Ltda.	100%	100%
Raízen Araraquara Açúcar e Álcool Ltda. (“Raízen Araraquara”)	100%	100%
Raízen Ásia PT Ltd.	100%	100%
Raízen Biogás SPE Ltda.	100%	100%
Raízen Biotecnologia S.A.	100%	100%
Raízen Caarapó Açúcar e Álcool Ltda.	100%	100%
Raízen Centroeste Açúcar e Álcool Ltda.	100%	100%
Raízen Energy Finance Ltd.	100%	100%
Raízen Fuels Finance S.A.	100%	100%
Raízen-Geo Biogás S.A.	100%	100%
Raízen International Universal Corp.	100%	100%
Raízen North América, Inc.	100%	100%
Raízen Paraguaçú Ltda.	100%	100%
Raízen Trading LLP.	100%	100%
RWXE Participações S.A. (“RWXE”) (i)	70%	-
São Joaquim Arrendamentos Agrícolas Ltda.	100%	100%
Unimodal Ltda.	73%	73%
WX Energy Comercializadora de Energia Ltda. (“WX Energy”) (i)	70%	-

In thousands of reais - R$, unless otherwise indicated

(i) On July 5, 2018, RESA, through its subsidiary Bio Barra, signed a shareholders agreement with the company WX Energy Participações Ltda. As a result of this transaction, now holds 70% of RWXE. As a result of this operation, RESA indirectly holds a 70% stake in the company WX Energy, which in turn is wholly owned by RWXE.

Subsidiaries of RCSA	Direct and indirect ownership interests	
	09/30/2018	03/31/2018
Blueway Trading Importação e Exportação Ltda.	100%	100%
Petróleo Sabbá S.A. (“Sabbá”)	80%	80%
Raízen Argentina Holdings S.A.U.	100%	100%
Raízen Conveniências Ltda.	100%	100%
Raízen S.A.	100%	100%
Raízen Mime Combustíveis S.A. (“Mime”)	76%	76%
Raízen Mime Conveniências Ltda. (“Mime Conveniências”)	91%	91%
Raízen Sabbá Conveniências Ltda. (“Sabbá Conveniências“)	96%	96%
Sabor Raíz Alimentação S.A.	69%	69%
Saturno Investimentos Imobiliários Ltda.	100%	100%

Exclusive Investment Funds (“FI”)	Total interest	
	09/30/2018	03/31/2018
Fixed income IF for private credit RJ – Banco Santander S.A.	100%	100%
Fixed income IF for private credit RAÍZEN I – Banco BNP PARIBAS BRASIL S.A.	100%	100%

2.4. Change in significant accounting policies due to the new IFRSs / CPC and IFRIC / ICPC

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

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

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

(a) IFRS 9 (CPC 48)

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

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

In thousands of reais - R$, unless otherwise indicated

(a.1) Impairment of financial assets

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

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

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

(a.2) Classification and measurement of financial assets

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

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

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

(a.3) Hedge accounting

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

(b) IFRS 15 (CPC 47)

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

The Group determined when (or to what extent) and in which amounts revenue from contracts with customers should be recognized according to the model consisting of the following five steps: (1) contract identification with client; (2) identification of performance obligations; (3) Determination of transaction price; (4) allocation of the transaction price to performance obligations; (5) recognition when (or while) the performance obligation is satisfied. A performance obligation is considered satisfied when (or to the extent that) the customer obtains control of the promised good or service.
In accordance with the transitional provisions of IFRS 15 (CPC 47), the Group did not restate its financial statements from prior periods and prior years. The differences in the book values resulting from the adoption of IFRS 15 (CPC 47) on April 1, 2018, would be recognized in retained earnings in equity. However, as shown in item (d) below, the impacts were only reclassifications between assets, with no impacts on equity.

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

(c) IFRIC 22 (ICPC 21)

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

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

(d) Impacts on interim financial information

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

In thousands of reais - R$, unless otherwise indicated

- Balance sheets at March 31, 2018:

Balance sheet items	Disclosed at 03/31/2018	Adjustment due to first-time adoption				Note	Balance at 04/01/2018
		IFRS 9		IFRS 15			
Current assets							
Trade accounts receivable	2,756,767	(3,857)	(*)	-		6	2,752,910
Assets from contracts with clients	-	-		415,697		11	415,697
Non-current assets							
Deferred income and social contribution taxes	158,295	1,175		-		17	159,470
Assets from contracts with clients	-	-		1,790,081		11	1,790,081
Intangible assets	4,689,901	-		(2,205,778)		14	2,484,123
Equity							
Retained earnings	-	(2,682)		-		-	(2,682)

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

- Other information

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

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

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

IFRS 16 - Leases (CPC 06 (R2))

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

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

The Group started an initial evaluation of possible impact on its financial statements. Up to now, the most significant impact identified is that the Group will recognize new assets and liabilities for operating leases of fuel distribution bases, land, warehouses, machinery and vehicles. In addition, the nature of expenses related to these leases will be changed, since IFRS 16 (CPC 06 (R2)) replaces the linear operating lease expense for expenses of depreciation of the right of use and interest on lease liabilities.

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

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

In thousands of reais - R$, unless otherwise indicated

3. Cash and cash equivalents

		Weighted average remuneration			
	Index	**09/30/2018**	**03/31/2018**	**09/30/2018**	**03/31/2018**
Funds in banks and in cash				1,593,759	1,388,365
Values awaiting foreign exchange closure				61,102	63,338
Interest earnings bank deposits					
Bank deposit certificate (CDB) and Commitments	CDI	96.7%	100.0%	2,731,821	2,210,857
Other investments	-	-	-	-	608
				2,731,821	2,211,465
				4,386,682	3,663,168
Domestic (domestic currency)				2,916,774	2,375,152
Abroad (foreign currency) (Note 25.d)				1,469,908	1,288,016
				4,386,682	3,663,168

4. Securities

		Weighted average remuneration			
	Index	**09/30/2018**	**03/31/2018**	**09/30/2018**	**03/31/2018**
Financial Treasury Bills ("LFT") (1)	Selic	100.0%	100.0%	31,074	1,078,945
				31,074	1,078,945

(1) Refers to investments by means of exclusive Investment Funds with original maturity of 90 days. During the three-month period ended September 30, 2018, the Group received interest in the amount of R$ 9,208 (R$ 29,220 as of September 30, 2017) related to Financial Treasury Bills - LFTs.

In thousands of reais - R$, unless otherwise indicated

5. Restricted cash

	Index	Weighted average remuneration 09/30/2018	Weighted average remuneration 03/31/2018	09/30/2018	03/31/2018
Financial investments linked to financing	CDI	100.0%	100.0%	70,243	67,767
Financial investments linked to derivative operations (Note 25.g)	CDI	101.3%	100.9%	63,477	38,863
Margin on derivative operations (Note 25.g)				230,565	36,976
				364,285	143,606
Domestic (domestic currency)				133,720	106,630
Abroad (foreign currency) (Note 25.d)				230,565	36,976
				364,285	143,606

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

6. Trade accounts receivable

	09/30/2018	03/31/2018
Domestic (domestic currency)	3,316,358	2,667,210
Abroad (foreign currency) (Note 25.d)	283,242	178,237
Funding to clients (i)	635,465	572,090
Estimated loss from allowance for doubtful accounts	(205,321)	(212,914)
	4,029,744	3,204,623
Current	(3,565,372)	(2,756,767)
Non-current	464,372	447,856

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

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

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

In thousands of reais - R$, unless otherwise indicated

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

	09/30/2018	03/31/2018
Falling due	3,689,747	2,900,317
Overdue (days):		
Up to 30	71,075	54,155
31–90	47,090	99,619
91–180	55,534	21,920
>180	371,619	341,526
	4,235,065	3,417,537

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

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

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

March 31, 2018	(212,914)
Initial adoption of IFRS 9 (CPC 48) (Note 2.4)	(3,857)
April 1, 2018	(216,771)
Reversal of estimated loss, net	12,158
Exchange-rate change	(708)
September 30, 2018	(205,321)

As of September 30, 2018, the Group had the amount of R$ 789,808 (R$ 51,677 as at March 31, 2018) recorded in current liabilities, under “Advances from clients” caption, which substantially refer to the receipts from foreign clients for acquisition of sugar, as well as prepayments by clients for purchase of fuels. When applicable, accounts receivable and advances from clients are presented net.

In thousands of reais - R$, unless otherwise indicated

7. Inventories

	09/30/2018	03/31/2018
Finished goods:		
Ethanol	2,146,358	681,500
Sugar	1,238,768	55,215
Diesel (1)	1,061,337	761,781
Gasoline (1)	818,523	752,035
Jet fuel (Jet A-1)	144,450	93,364
Other fuels	12,630	10,903
Warehouse and other	317,171	221,256
Estimated loss for net realizable value and obsolescence	(21,454)	(23,541)
	5,717,783	2,552,513

(1) On September 30, 2018, these inventories are increased by the overall amount of R$ 13,867 (plus the amount of R$ 16,827 on March 31, 2018), as a result of fair value measurement, whose negative impact recorded in the statement of income was R$ 20,717. The Company uses the Tier 2 hierarchy to determine and disclose said fair value. See Note 25.e.

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

March 31, 2018	(23,541)
Estimated loss	(5,056)
Reversal	7,143
September 30, 2018	(21,454)

8. Biological assets

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

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

	09/30/2018	03/31/2018
Estimated harvest area (hectares)	438,648	447,277
Amount of ATR per hectare	9.66	10.27
Average ATR price per Kg projected (R$/Kg)	0.60	0.60

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

The Group periodically reviews assumptions used to calculate biological assets, adjusting it in case there are significant changes in relation to those previously projected. As mentioned in Note 2.1, the Group reviewed the assumptions of biological assets related mainly to the low productivity in sugarcane plantation estimated to 2018/2019 crop due to the drought in the Mid-West region in Brazil.

In thousands of reais - R$, unless otherwise indicated

Changes in biological assets (sugarcane) are detailed below:

March 31, 2018	947,815
Additions with sugarcane treatments	374,295
Absorption of harvested sugarcane costs	(420,805)
Business combination (1)	2,288
Change in fair value	(23,790)
Realization of fair value	(195,238)
September 30, 2018	684,565

(1) Refers to acquisition of Santa Cândida and Paraíso plants (Note 27.i).

9. Other financial assets

	09/30/2018	03/31/2018
Credits from indemnity suits - refundable (1)	88,786	83,769
Credits from indemnity suits - own (2)	75,406	-
National Treasury Certificates - CTN (3)	861,896	827,042
Other	100	1
	1,026,188	910,812
Current	(540,883)	(408,379)
Non-current	485,305	502,433

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

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

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

In thousands of reais - R$, unless otherwise indicated

10. Related parties

(a) Summary of related party balances

	09/30/2018	03/31/2018
Assets		
Assets classification per currency:		
Domestic (domestic currency)	1,995,436	1,937,848
Abroad (foreign currency) (Note 25.d)	166,696	100,728
	2,162,132	2,038,576
Framework agreement (1)		
Shell Brazil Holding B.V.	924,513	922,077
Cosan S.A. Indústria e Comércio	613,519	576,945
Shell Brasil Petróleo Ltda.	66,082	67,419
Other	8,696	9,317
	1,612,810	1,575,758
Commercial and administrative operations (2)		
Rumo Group	158,434	139,263
Nova América Agrícola Caarapó Ltda.	117,492	120,383
Shell Trading US Company	87,927	1,265
Shell Aviation Limited	73,690	94,631
Agroterenas S.A.	33,871	40,026
Posto Agricopel Ltda.	19,960	19,409
Cosan S.A. Indústria e Comércio	10,836	10,057
Raízen and Wilmar Sugar Pte. Ltd.	3,410	825
Other	40,791	36,959
	546,411	462,818
Corporate restructuring		
Geo Energética Participações S.A. (Note b.i)	2,911	-
	2,911	-
	2,162,132	2,038,576
Current assets	(803,460)	(709,027)
Non-current assets	1,358,672	1,329,549

In thousands of reais - R$, unless otherwise indicated

	09/30/2018	03/31/2018
Liabilities		
Classification of liabilities per currency:		
Domestic (domestic currency)	1,181,496	1,054,447
Abroad (foreign currency) (Note 25.d)	294,460	133,002
	1,475,956	1,187,449
Framework agreement (1)		
Cosan S.A. Indústria e Comércio	452,493	436,535
Shell Brasil Petróleo Ltda.	110,468	100,028
Shell Brazil Holding B.V.	29,591	34,438
Other	1,282	1,282
	593,834	572,283
Financial operations		
Shell Finance (Netherlands) B.V.	2,960	3,567
Cosan S.A. Indústria e Comércio	2,516	3,032
Sapore S.A.	5	1
	5,481	6,600
Commercial and administrative operations (2)		
Raízen and Wilmar Sugar Pte. Ltd.	289,352	299
Agroterenas S.A.	65,106	12,934
Nova América Agrícola Caarapó Ltda.	37,899	9,731
Nova América Agrícola Ltda.	34,776	9,428
Rumo Group	32,873	38,808
Shell Energy do Brasil Ltda	8,615	-
Agricopel Group	5,813	6,435
Cosan S.A. Indústria e Comércio	1,723	7,104
Shell Aviation Limited	1,174	14,652
Shell Trading US Company	732	114,142
Other	23,947	23,913
	502,010	237,446
Preferred shares (3)		
Shell Brazil Holding B.V.	288,064	284,554
Cosan S.A. Indústria e Comércio	10,829	10,828
	298,893	295,382
Corporate restructuring (4)		
Logum logística S.A.	61,457	61,457
Uniduto Logística S.A.	14,281	14,281
	75,738	75,738
	1,475,956	1,187,449
Current liabilities	(1,049,909)	(781,397)
Non-current liabilities	426,047	406,052

(1) Framework agreement

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

(2) Commercial and administrative operations

As of September 30, 2018, the sum stated in assets of R$ 546,411 (R$ 462,818 as of March 31, 2018) refers to transactions for the sale of products, such as gasoline, diesel, jet fuel, sugar and ethanol.

As of September 30, 2018, the amount recorded in liabilities of R$ 502,010 (R$ 237,446 as of March 31, 2018), substantially refers to the business operations of purchase of products and rendering of services (freights and warehousing), as well as advances from clients to sugar export.

(3) Preferred shares

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

During the six-month period ended September 30, 2018, the tax credits arising from overpayments of corporate income tax ("IRPJ") and social contribution ("CSLL") for 2010 and 2011, related to Class E preferred shares due to Shell, adjusted by the Selic rate, totaled R$ 3,510 (R$ 8,644 as of September 30, 2017).

(4) Corporate restructuring

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

In thousands of reais - R$, unless otherwise indicated

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

	Jul–Sep/18	Apr–Sep/18	Jul–Sep/17	Apr–Sep/17
Sale of products				
Raízen and Wilmar Sugar Pte. Ltd.	459,124	918,412	958,588	1,312,777
Rumo group (f)	326,875	629,834	276,155	514,724
Agricopel Group (i)	217,216	418,189	141,011	304,922
Shell Aviation Limited	349,545	433,392	203,813	364,848
Shell International Petroleum	11,466	32,799	8,269	17,296
Shell Brasil Petróleo Ltda.	5,272	6,181	2,510	5,291
Shell Trading US Company	220,219	220,219	117,271	132,787
Shell Trading Rotterdam	-	-	8,151	20,118
Other	24,450	54,914	25,116	38,251
	1,614,167	2,713,940	1,740,884	2,711,014
Purchase of goods and services				
Shell Trading US Company (e)	(272,189)	(831,315)	(521,181)	(1,251,402)
Rumo group (f)	(131,246)	(247,710)	(158,844)	(282,032)
Agroterenas S.A.	(83,073)	(157,603)	(106,861)	(173,560)
Nova América Agrícola Ltda.	(47,370)	(86,210)	(67,570)	(113,235)
Nova América Agrícola Caarapó Ltda.	(52,112)	(72,780)	(63,812)	(77,035)
Agricopel Group	(22,315)	(38,963)	(16,445)	(32,572)
Shell Energy do Brasil Ltda	(11,377)	(11,377)	-	-
Ilha Terminal Distribuidora de Petróleo Ltda	(9,961)	(9,961)	-	-
	(6,081)	(13,551)	(7,398)	(12,102)
Other	(19,823)	(35,386)	(27,978)	(51,550)
	(655,547)	(1,504,856)	(970,089)	(1,993,488)
Renewed collection of shared expenses (a)				
Comgás - Companhia de Gás de São Paulo	9,495	18,176	8,019	15,499
Rumo group (f)	6,534	13,269	6,112	12,805
Cosan Lubrificantes e Especialidades S.A.	1,452	3,016	1,726	3,673
Other	1,455	3,283	2,084	3,951
	18,936	37,744	17,941	35,928
Land leases				
Radar Group (g)	(17,693)	(35,585)	(19,050)	(39,821)
Janus Brasil Participação S.A.	(6,896)	(14,983)	(9,087)	(15,840)
Tellus group (h)	(5,702)	(11,204)	(5,539)	(11,877)
Aguassanta Group (i)	(3,074)	(5,854)	(2,911)	(6,057)
Barrapar Participações S.A.	(6)	(20)	(16)	(33)
	(33,371)	(67,646)	(36,603)	(73,628)
Financial income (expense) (b)				
Shell Trading US Company	48	(17,484)	14,572	3,533
Cosan S.A. Indústria e Comércio	(1,225)	(3,706)	(1,868)	(3,792)
Shell Aviation Limited	5,223	21,990	(2,522)	(1,145)
Shell Finance (Netherlands) B.V.	(1,441)	607	(2,197)	(4,460)
Nova América Agrícola Caarapó Ltda.	1,922	3,725	2,130	4,611
Other	(66,854)	(82,608)	33	2,129
	(62,327)	(77,476)	10,148	876
Revenue from services (c)				
Shell Holding B.V.	227	11,603	1,451	1,455
Shell Aviation Limited	877	1,485	876	1,704
Agricopel Group	38	63	400	1,089
Shell Brasil Petróleo Ltda.	-	-	205	473
Shell Downstream Services International BV	-	-	35	760
Other	1	7	-	2
	1,143	13,158	2,967	5,483
Services expenses (d)				
Shell Brasil Petróleo Ltda.	(4,830)	(8,841)	(3,219)	(7,378)
Shell International Petroleum	(1,330)	(2,774)	(1,426)	(2,258)
Other	-	-	(978)	(1,467)
	(6,160)	(11,615)	(5,623)	(11,103)

(a) Reimbursement of shared expenses consists of expenses incurred by shared corporate, managerial and operating costs reimbursed from related parties.

(b) Financial expenses basically consist of expenses incurred with commissions on available credit facilities and restatement of balances of advances granted to finance sugar cane crops as well as the foreign exchange rate of commercial activities from imports and sales of fuel.

(c) They mainly consist of commissions on the sales of lubricants to Shell.

(d) Service expenses consist of expenses incurred with technical support, billing and collection, commissions on the sale of jet fuel and secondees from Shell.

(e) Group's purchase transactions from Shell Trading US Company are substantially represented by those originated from imports of ethanol and its by-products in foreign market.

In thousands of reais - R$, unless otherwise indicated

(f) The term Rumo Group refers to the railway and port operations represented by the companies Rumo S.A., Elevações Portuárias S.A, Logispot Armazéns Gerais S.A., Rumo Malha Sul S.A., Rumo Malha Oeste S.A., Rumo Malha Paulista S.A., Rumo Malha Norte S.A., ALL América Latina Logística Rail Management, Portofer Transporte Ferroviário Ltda. and Brado Logística S.A.
(g) The term Radar Group refers to the purchase, sale and rental of own properties, represented mainly by the companies Radar Propriedades Agrícolas S.A., Nova Agrícola Ponte Alta S.A., Nova Amaralina S.A., Bioinvestiments Negócios e Participações S.A. and Proud Participações S.A..
(h) The term Tellus Group refers to the purchase, sale and rental of own properties, represented mainly by the companies Tellus Brasil Participações S.A., Terrainvest Propriedades Agrícolas S.A. and Agrobio Investimentos e Participações S.A..
(i) The term Aguassanta Group refers to the purchase, sale and rental of own properties, represented mainly by the companies Aguassanta Participações S.A., Santa Bárbara Agrícola S.A., Aguassanta Agrícola Ltda., Aguapar Agrícola Ltda. and Palermo Agrícola S.A..
(j) The term Agricopel Group refers to the trading of fuel presented mainly by the companies Agricopel Comércio de Derivados de Petróleo Ltda. and Posto Agricopel Ltda., whose relationship occurs through FIX Investimentos Ltda., which is the non-controlling shareholder of Mime.
(k) Transactions with related parties are entered into under reasonable and cumulative conditions, in line with those prevailing in the market or that the Group would contract with third parties.

(c) Directors and members of the Board of Directors

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

	Apr–Sep/18	Apr–Sep/17
Regular remuneration	(27,082)	(25,021)
Bonuses and other variable remuneration	(17,837)	(15,985)
Total remuneration	(44,919)	(41,006)

(d) Other significant information involving related parties

Back-up Credit Facility Agreement

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

11. Assets from contracts with clients

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

Balances at March 31, 2018	-
Initial adoption of IFRS 15 (CPC 47) (Note 2.4)	2,205,778
Balances at April 1, 2018	2,205,778
Additions of contracts	302,301
Amortization (Note 21)	(218,499)
Balance at September 30, 2018	2,289,580
Current	(395,443)
Non-current	1,894,137

In thousands of reais - R$, unless otherwise indicated

12. Investments

				Investments (1)		Equity accounting results	
	Country	**Business**	**Equity interest percentage**	**09/30/2018**	**03/31/2018**	**Apr–Sep/18**	**Apr–Sep/17**
Book value							
Centro de Tecnologia Canavieiras S.A.	Brazil	P&D	19.58%	111,471	110,989	443	480
Logum Logística S.A.	Brazil	Logistics	20.78%	132,710	132,986	(13,277)	(17,294)
Uniduto Logística S.A.	Brazil	Logistics	46.48%	31,340	31,416	(3,098)	(4,644)
Raízen and Wilmar Sugar Pte. Ltd.	Singapore	Trading	50.00%	24,015	13,448	7,165	10,576
				299,536	288,839	(8,767)	(10,882)
Advance for business acquisition (Note 1.b) (3)				341,010	-	-	-
Investment goodwill (2)							
Uniduto Logística S.A.				5,676	5,676	-	-
Centro de Tecnologia Canavieira S.A.				51,946	51,946	-	-
				57,622	57,622	-	-
Total investments				698,168	346,461	(8,767)	(10,882)

(1) Investments assessed under the equity method;

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

(3) DS business of Shell Argentina.

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

Balance at March 31, 2018	346,461
Equity accounting results	(8,767)
Additions	16,021
Advance for business acquisition of DS (Note 1.b)	341,010
Other	3,443
Balance at September 30, 2018	698,168

In thousands of reais - R$, unless otherwise indicated

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

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

- September 30, 2018

	Logum Logística S.A. (1)/(2)	Uniduto Logística Ltda. (1)/(2)	Centro de Tecnologia Canavieira S.A. (2)/(4)	Iogen Energy Corporation (3)	Raízen and Wilmar Sugar PTE Ltd. (4)
Assets	2,318,769	98,164	775,748	33,032	410,264
Liabilities	(1,045,299)	(30,733)	(206,437)	(316,071)	(362,234)
Equity	1,273,470	67,431	569,311	(283,039)	48,030
Six-month period ended September 30, 2018					
Net operating revenue	80,480	-	80,671	-	1,100,607
Net income (loss)	(63,816)	(27)	2,265	(501)	14,756
Six-month period ended September 30, 2017					
Net operating revenue	58,250	-	53,638	-	1,395,094
Net income/(loss)	(69,316)	(163)	2,449	(877)	20,898

- March 31, 2018

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

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

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

(i) Additions to the investment

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

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

As of June 28, 2018, Company's capital increase was resolved and approved totaling R$ 23,000. The amount subscribed by RESA on July 6, 2018 was R$ 4,600, and paid up by means of a bank deposit on July 11, 2018.

At the end of this operation, the Company started to hold direct and indirect ownership interest of 20.77% and 25.59%, respectively, in Logum (20.81% and 25.65% as at March 31, 2018).

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

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

As of June 28, 2018, Company's capital increase was resolved and approved totaling R$ 2,300. The amount subscribed by RESA on July 6, 2018 was R$ 1,069, according to interest, and paid up by means of a bank deposit on July 10, 2018.

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

Capital increase at Biogás

As of August 31, 2018, Company's capital increase was resolved and approved totaling R$ 27,724. Of this amount, R$ 521 were paid in by RESA on the same date as contribution of assets; R$ 7,796 (R$ 6,548 for RESA and R$ 1,248 for the minority shareholder) were paid in on September 15, 2018 through direct deposit; R$ 8,318 (R$ 7,070 by RESA and R$ 1,248 by the minority shareholder) will be paid in by October 15, 2018, and R$ 11,089 (R$ 9,426 by RESA and R$ 1,663 by the minority shareholder) will be paid on by April 1, 2019.

Advance payment to Shell Argentina

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

In thousands of reais - R$, unless otherwise indicated

13. Property, plant and equipment

- **September 30, 2018**

	Lands and rural properties	Buildings and improvements	Machinery, equipment and facilities	Aircrafts, vessels and vehicles	Furniture, fixtures and IT equipment	Constructions in progress	Frequently replaced parts and accessories	Sugarcane planting	Other	Total
Cost:										
March 31, 2018	595,759	1,914,301	9,998,537	700,874	233,300	754,997	1,245,902	4,976,918	41,306	20,461,894
Additions	-	996	13,036	1,279	1,377	314,607	84,633	273,034	2	688,964
Business combination (3)	-	66	(6,349)	(3,217)	79	-	-	72	-	(9,349)
Write-offs	(17,650)	(3,697)	(37,029)	(13,863)	(2,000)	-	-	-	-	(74,239)
Net formation of estimated loss and others (2)	-	(195)	(2,764)	(274)	(1,518)	-	-	-	-	(4,751)
Transfers (1)	(2,901)	124,426	211,441	40,554	22,757	(416,938)	-	-	3,416	(17,245)
								-		
September 30, 2018	575,208	2,035,897	10,176,872	725,353	253,995	652,666	1,330,535	5,250,024	44,724	21,045,274
Accumulated depreciation:										
March 31, 2018	-	(478,320)	(3,845,493)	(337,917)	(153,189)	-	(665,300)	(3,644,899)	(32,058)	(9,157,176)
Depreciation in the period	-	(33,533)	(344,749)	(34,334)	(14,832)	-	(504,233)	(299,011)	(3,139)	(1,233,831)
Write-offs	-	1,727	30,342	10,959	1,318	-	-	-	-	44,346
Transfers (1)	-	(6,128)	9,151	(2,411)	(607)	-	-	-	-	5
September 30, 2018	-	(516,254)	(4,150,749)	(363,703)	(167,310)	-	(1,169,533)	(3,943,910)	(35,197)	(10,346,656)
Net residual value:										
September 30, 2018	575,208	1,519,643	6,026,123	361,650	86,685	652,666	161,002	1,306,114	9,527	10,698,618
March 31, 2018	595,759	1,435,981	6,153,044	362,957	80,111	754,997	580,602	1,332,019	9,248	11,304,718

(1) On September 30, 2018, net transfer in the amount of R$ 17,240 includes: (a) transfer to intangible assets (software), in the amount of R$ 17,538, and (b) amounts transferred from Trade accounts receivable and Other receivables, totaling R$ 298;
(2) Refers substantially to the net formation of estimated loss in inventory, recognized in income (loss) for the period under "Other operating income, net" caption (Note 23).
(3) Final adjustments in the allocation of the acquisition price of the Santa Candida and Paraíso plants in the negative amount of R$ 9,507 (Note 27.i) and acquisition of RWXE in the amount of R$ 158 (Note 27.ii).

Constructions in progress

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

During the six-month period ended September 30, 2018, several projects were concluded, namely: industrial maintenance and improvement and agricultural automation, SSMA, investments in administrative structures, improvement and expansion of terminals and airports, investments in gas stations with Shell flag (B2B), totaling R$ 416,938.

Borrowing cost capitalization

In the six-month period ended September 30, 2018, capitalized loan costs in the Group totaled R$ 17,404 (R$ 18,492 on September 30, 2017). The annual weighted average rates of debt financial charges were 7.40% as of September 30, 2018 (7.32% as of September 30, 2017).

Financial lease

As of September 30, 2018, the machinery and equipment, vehicle aircraft classes include net residual values of R$ 16,458 (R$ 24,344 as of March 31, 2018), in which RESA is the lessee under a finance lease, guaranteed by promissory note in the original amount of R$ 13,076.

Property, plant and equipment pledged

As of September 30, 2018, loans and financing are secured by land, building and machinery in the amounts of R$ 922,895 (R$ 1,093,646 as of March 31, 2018).

In thousands of reais - R$, unless otherwise indicated

14. Intangible assets

- **September 30, 2018**

	Software license	Goodwill	Brands	Agricultural Partnership Agreements	Sugarcane supply agreements	Contractual relationships with clients	Exclusive supply rights	Public concession rights of use	Technology	Other	Total
Cost:											
March 31, 2018	470,754	2,383,350	532,348	18,411	181,516	362,834	3,727,500	12,541	183,730	24,760	7,897,744
Initial adoption of IFRS 15 (CPC 47) (Note 2.4.4)	-	-	-	-	-	(362,834)	(3,727,284)	-	-	(216)	(4,090,334)
April 1, 2018	470,754	2,383,350	532,348	18,411	181,516	-	216	12,541	183,730	24,544	3,807,410
Additions	14,108	-	-	-	-	-	-	-	-	-	14,108
Business combinations (2)	3	45,761	-	-	-	-	-	-	-	-	45,764
Transfers (1)	17,544	-	-	-	-	-	-	-	-	-	17,544
Other	-	-	-	-	-	-	-	-	-	1,609	1,609
September 30, 2018	502,409	2,429,111	532,348	18,411	181,516	-	216	12,541	183,730	26,153	3,886,435
Amortization:											
March 31, 2018	(327,419)	(431,380)	(370,451)	(15,475)	(91,198)	(113,632)	(1,770,924)	(12,195)	(53,964)	(21,205)	(3,207,843)
Initial adoption of IFRS 15 (CPC 47) (Note 2.4.4)	-	-	-	-	-	113,632	1,770,708	-	-	216	1,884,556
April 1, 2018	(327,419)	(431,380)	(370,451)	(15,475)	(91,198)	-	(216)	(12,195)	(53,964)	(20,989)	(1,323,287)
Amortization in the period	(22,185)	-	(26,252)	(2,687)	(9,554)	-	-	(346)	(9,187)	-	(70,211)
Transfers (1)	(6)	-	-	-	-	-	-	-	-	-	(6)
September 30, 2018	(349,610)	(431,380)	(396,703)	(18,162)	(100,752)	-	(216)	(12,541)	(63,151)	(20,989)	(1,393,504)
Net residual value:											
September 30, 2018	152,799	1,997,731	135,645	249	80,764	-	-	-	120,579	5,164	2,492,931
March 31, 2018	143,335	1,951,970	161,897	2,936	90,318	249,202	1,956,576	346	129,766	3,555	4,689,901

(1) On September 30, 2018, it includes a net transfer from Property, plant and equipment in the amount of R$ 17,538.
(2) Final adjustments in the allocation of the acquisition price of the Santa Candida and Paraíso plants in the amount of R$ 21,135 (Note 27.i) and acquisition of RWXE in the amount of R$ 24,629 (Note 27.ii).

In thousands of reais - R$, unless otherwise indicated

15. Suppliers

	09/30/2018	03/31/2018
Suppliers of materials and services	1,514,397	1,103,382
Suppliers of ethanol	400,734	274,430
Oil by-product suppliers	639,092	702,836
Sugarcane suppliers	944,216	196,393
Suppliers - Agreements	1,238,636	1,466,531
	4,737,075	3,743,572
Domestic (domestic currency)	3,264,875	1,986,185
Abroad (foreign currency) (Note 25.d)	1,472,200	1,757,387
	4,737,075	3,743,572

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

In thousands of reais - R$, unless otherwise indicated

16. Loans and financing

Purpose	Final maturity	Index	Annual effective average interest rate (1)		Total	
			09/30/2018	03/31/2018	09/30/2018	03/31/2018
Classification of debts per currency:						
Denominated in Reais					7,498,265	7,555,610
Denominated in North-American Dollars (US$) and Euro (€) (Note 25.d)					10,666,130	6,044,756
					18,164,395	13,600,366
Type of debts (2):						
National Bank for Social and Economic Development (“BNDES”)	Oct 2025	URTJLP	8.86%	9.25%	456,257	779,096
BNDES	Jul 2024	Pre-fixed	3.98%	3.94%	666,700	742,614
BNDES	Apr 2024	UMBND	6.67%	6.78%	42,656	47,664
PPEs	Aug 2025	US$ + Libor	3.63%	3.41%	4,386,345	1,505,428
PPEs	Sep 2020	Pre-fixed	3.74%	3.74%	800,476	660,231
Term Loan Agreement	Apr 2020	US$ + Libor	3.57%	3.49%	1,831,492	1,500,431
Debentures	Oct 2018	CDI	7.38%	7.38%	406,087	406,691
Debentures	Oct 2020	IPCA + interest	10.95%	10.17%	436,825	413,677
Senior notes due 2027	Jan 2027	US$	5.30%	5.30%	2,022,100	1,651,752
Resolution 2471 (PESA)	Apr 2023	IGP-M	14.09%	8.67%	979,114	975,224
Resolution 2471 (PESA)	Oct 2025	Pre-fixed	3.00%	3.00%	61	61
Credit Notes	Oct 2020	CDI	6.85%	6.85%	257,068	257,355
Finame/Leasing	Jan 2025	Pre-fixed	6.57%	6.73%	85,819	102,392
Finame/Leasing	Mar 2021	URTJLP	9.81%	10.02%	111	133
Certificate of Agribusiness Receivables (CRA)	Dec 2023	CDI	6.27%	6.27%	3,016,886	3,018,209
CRA	Dec 2024	IPCA	9.82%	9.04%	791,130	812,494
Schuldschein	Oct 2021	Pre-fixed - €	2.88%	2.88%	315,663	273,159
Schuldschein	Sep 2022	*Euribor*	1.86%	1.85%	504,938	453,755
Rural credit	Apr 2020	US$	6.05%	-	359,551	-
Advance on exchange contract ("ACC")	Mar 2019	Pre-fixed	3.14%	-	805,116	-
					18,164,395	13,600,366
Expenses incurred with the placement of the securities:						
CRA					(17,070)	(51,115)
BNDES					(3,109)	(3,476)
Senior notes due 2027					(1,618)	(2,035)
Debentures					(718)	(1,266)
Term Loan Agreement					(722)	(7,155)
PPEs					(194)	(5,887)
Schuldschein					-	(11,083)
					(23,431)	(82,017)
					18,140,964	13,518,349
Current					(2,371,624)	(1,532,009)
Non-current					15,769,340	11,986,340

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

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

In thousands of reais - R$, unless otherwise indicated

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

Periods (months):	09/30/2018
13–24	4,265,250
25–36	1,901,052
37–48	1,688,767
49–60	3,267,105
61–72	2,100,948
73–84	532,028
85–96	3,622
>97	2,010,568
	15,769,340

ACC

Engagement	Bank	Purpose	Interest rate	Maturity	Amount R$	Amount US$
05/30/2018	BNP Paribas Brasil S.A.	Export of goods	3.07% p.a. + US Dollar	Nov/18	186,310	50,000
07/19/2018	Banco Santader Brasil S.A.	Export of goods	3.04% p.a. + US Dollar	Jan/19	192,955	50,000
08/24/2018	BNP Paribas Brasil S.A.	Export of goods	3.22% p.a. + US Dollar	Feb/19	285,166	70,000
09/17/2018	Banco do Brasil S.A.	Export of goods	3.27% p.a. + US Dollar	Mar/19	125,961	30,000

Rural credit

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

PPEs

In September 2018, RCSA contracted two new loans in the amounts of R$ 208,260 and R$ 1,201,170, equivalent to US$ 50,000 thousand and US$ 300,000 thousand, respectively. Export prepayments – PPEs bear quarterly Libor interest plus annual interest of 1.15% and 1.15%, resulting in effective average interest rate of 3.47% and 3.54% p.a., and with final maturity on August 30, 2023 and September 30, 2024.

On August 24 and 29, 2018, RESA contracted new loans in the amount of R$ 613,378 and R$ 515,675, equivalent to US$ 150,000 thousand and US$ 125,000 thousand, respectively. Export prepayments – PPEs bear Libor interest (quarterly) plus annual interest of 1.25% and 1.10%, resulting in effective average interest rate of 3.56% and 3.41% p.a., both with final maturity on August 22, 2024 and August 27, 2025.

Covenants

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

In thousands of reais - R$, unless otherwise indicated

Fair value

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

	Book value		Fair value	
	09/30/2018	03/31/2018	09/30/2018	03/31/2018
Senior notes due 2027	2,020,482	1,649,717	1,904,495	1,697,652
Face value			94.24%	101.23%

Accordingly, as of September 30, 2018, Term Loan Agreement, Schuldschein, PPEs, Senior Notes Due 2027 and CRA debts are increased by R$ 92,010 (plus R$ 20,818 as of March 31, 2018), from fair value appraisal, with a positive impact in the income (loss) for the six-month period then ended was R$ 71,192 (negative impact of R$ 49,972 as of September 30, 2017), recognized in financial income (loss). The amount of such debts valued at fair value totals R$ 10,552,183 (R$ 3,798,830 on March 31, 2018) (Notes 24 and 25.i).

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

Other significant information

Committed Back-up Credit Facility Agreement

As disclosed in Note 15 to the annual financial statements of March 31, 2018, RCSA took out a credit facility with a syndicate comprised of several global commercial banks, in the total amount of US$ 850,000. Up to the end of six-month period ended September 30, 2018, the amount of R$ US$ 300,000 thousand was use and the amount of US$ 150,000 thousand was canceled.

Revolving Credit Facility

Through of the union the Term Loan Agreement, RESA has obtained a revolving credit facility of USD 285,000, also due in April 27, 2020. Up to the end of six-month period ended September 30, 2018, such line did not have been used.

In thousands of reais - R$, unless otherwise indicated

17. Income tax and social contribution

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

	Jul–Sep/18	Apr–Sep/18	Jul–Sep/17	Apr–Sep/17
Income before income and social contribution taxes	212,657	347,899	1,242,949	1,393,414
Income tax and social contribution at nominal rate (34%)	(72,303)	(118,286)	(422,603)	(473,761)
Adjustments for calculation of effective rate:				
JCP	16,320	32,640	5,780	22,780
Equity accounting results	(2,504)	(2,980)	(132)	(3,700)
Gifts, donations, class association	(908)	(4,217)	(245)	(1,476)
Special regime for the reintegration of tax amounts for exporting companies - (“Reintegra”)	240	3,826	10,387	19,495
Investment grants - ICMS	1,822	3,412	976	1,315
Agência Nacional de Petróleo (“ANP)” grant (i)	41,645	41,645	-	-
Difference between deemed income and taxable income rates	30,240	54,271	34,307	52,237
Credits from indemnity suits	-	25,638	-	-
Exchange variation on investees abroad	3,395	18,257	(4,409)	(659)
Taxation at universal basis related to foreign investments	6,433	(12)	(804)	512
Other	6,037	5,708	(1,153)	4,518
Income (expense) from income tax and social contribution	30,417	59,902	(377,896)	(378,739)
Effective rate	-14.3%	-17.2%	30.4%	27.2%

(i) Refers to the grant for the sales of diesel oil, in the form of equalization of part of the costs to which diesel oil producers and importers are subject, under the terms of Decrees 9.454/2018, 9.403/2018 and 9.392/2018, and Provisional Measures 847/2018 and 838/2018, converted into Law 13.723 of October 4, 2018.

(b) Recoverable income and social contribution taxes

	09/30/2018	03/31/2018
IRPJ	916,326	901,661
CSLL	358,980	286,685
	1,275,306	1,188,346
Current assets	(974,376)	(887,416)
Non-current assets	300,930	300,930

(c) Income and social contribution taxes payable (Current):

	09/30/2018	03/31/2018
IRPJ	19,462	71,666
CSLL	6,676	25,531
	26,138	97,197

In thousands of reais - R$, unless otherwise indicated

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

				09/30/2018	03/31/2018
Assets (liabilities)	**Base**	**IRPJ 25%**	**CSLL 9%**	**Total**	**Total**
Tax losses	1,860,592	465,148	-	465,148	276,257
Negative basis for social contribution	1,867,733	-	168,096	168,096	99,452
Temporary differences:					
Exchange variation on the cash basis	1,179,476	294,869	106,153	401,022	11,829
Exclusive supply rights	-	-	-	-	297,914
Fair value of financial liabilities	37,212	9,303	3,349	12,652	7,078
Estimated loss for goodwill write-off	166,656	41,664	14,999	56,663	56,663
Remuneration and employee benefits	150,423	37,606	13,538	51,144	114,990
Provision for legal disputes	668,653	167,163	60,179	227,342	203,555
Provisions and other temporary differences	1,316,873	329,218	119,215	448,433	394,018
Total deferred tax assets		1,344,971	485,529	1,830,500	1,461,756
Amortized tax goodwill	(1,780,497)	(445,124)	(160,245)	(605,369)	(597,576)
Refund of ICMS	(194,621)	(48,655)	(17,516)	(66,171)	(69,348)
Result unrealized with derivatives	(903,012)	(225,753)	(81,271)	(307,024)	(83,594)
Fixed assets' useful life review	(1,750,265)	(437,566)	(157,524)	(595,090)	(528,700)
Fair value of inventories	(13,868)	(3,467)	(1,248)	(4,715)	(5,721)
Fair value of fixed assets	(463,158)	(115,790)	(41,684)	(157,474)	(163,273)
Fair value of assets from contracts with clients	(239,826)	(59,957)	(21,584)	(81,541)	(84,774)
Cost of capitalized loans	(283,341)	(70,835)	(25,501)	(96,336)	(99,543)
Biological assets	(143,026)	(35,757)	(12,872)	(48,629)	(123,098)
Total deferred tax liabilities		(1,442,904)	(519,445)	(1,962,349)	(1,755,627)
Total deferred taxes		(97,933)	(33,916)	(131,849)	(293,871)
Deferred taxes - Assets, net				562,261	158,295
Deferred taxes - Liabilities, net				(694,110)	(452,166)
Total deferred taxes				(131,849)	(293,871)

(e) Net movement in deferred tax liabilities:

March 31, 2018	(293,871)
Initial adoption of IFRS 9 (CPC 48) (Note 2.4)	1,175
April 1, 2018	(292,696)
Credit in income (loss)	53,905
Deferred taxes on other comprehensive income	104,729
Other	2,213
September 30, 2018	(131,849)

In thousands of reais - R$, unless otherwise indicated

18. Provision for legal disputes and judicial deposits

Breakdown of legal disputes considered as probable loss

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

	09/30/2018	03/31/2018
Tax	826,586	754,435
Civil	148,193	162,264
Labor	309,525	284,916
Environmental	59,931	58,553
	1,344,235	1,260,168
Non-reimbursable legal disputes	248,209	204,345
Reimbursable legal disputes	1,096,026	1,055,823
	1,344,235	1,260,168

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

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

	09/30/2018	03/31/2018
Tax	307,078	291,850
Civil	35,269	29,431
Labor	94,815	85,617
	437,162	406,898
Own judicial deposits	176,379	148,058
Reimbursable judicial deposits	260,783	258,840
	437,162	406,898

In thousands of reais - R$, unless otherwise indicated

(i) Non-reimbursable legal disputes

	Tax	Civil	Labor	Environmental	Total
March 31, 2018	36,828	5,969	157,619	3,929	204,345
Provisioned in the period (a)	2,640	3,842	62,657	105	69,244
Write-offs/reversals (a) / (b)	(69)	(656)	(31,280)	(320)	(32,325)
Payments	(1,104)	(107)	(15,309)	(171)	(16,691)
Inflation adjustment (b)	146	3,832	19,657	1	23,636
September 30, 2018	38,441	12,880	193,344	3,544	248,209

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

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

(ii) Reimbursable legal disputes

	Tax	Civil	Labor	Environmental	Total
March 31, 2018	717,607	156,295	127,297	54,624	1,055,823
Provisioned in the period	22,751	2,780	15,229	19,412	60,172
Write-offs/reversals	(2,231)	(19,015)	(24,098)	(14,675)	(60,019)
Payments	(68)	(18,991)	(12,329)	(3,417)	(34,805)
Monetary restatement	50,086	14,244	10,082	443	74,855
September 30, 2018	788,145	135,313	116,181	56,387	1,096,026

(iii) Total legal disputes

	Tax	Civil	Labor	Environmental	Total
March 31, 2018	754,435	162,264	284,916	58,553	1,260,168
Provisioned in the period	25,391	6,622	77,886	19,517	129,416
Write-offs/reversals	(2,300)	(19,671)	(55,378)	(14,995)	(92,344)
Payments	(1,172)	(19,098)	(27,638)	(3,588)	(51,496)
Monetary restatement	50,232	18,076	29,739	444	98,491
September 30, 2018	826,586	148,193	309,525	59,931	1,344,235

In thousands of reais - R$, unless otherwise indicated

(a) Tax

	09/30/2018	03/31/2018
Social security charges (“INSS”)	1,699	1,638
Value-added tax on sales and services (“ICMS”)	497,559	495,112
Excise tax ("IPI”) (i)	111,660	82,514
Social Integration Program ("PIS") and Contribution for the Financing of Social Security ("COFINS")	56,862	19,338
Lawyers' fees	70,212	68,649
Income tax and Social Contribution taxes (IRPJ and CSLL)	75,914	74,838
CIDE and others	12,680	12,346
	826,586	754,435
Non-reimbursable legal disputes	38,441	36,828
Reimbursable legal disputes	788,145	717,607
	826,586	754,435

(i) IPI

In the six-month period ended September 30, 2018, the Company recognized a notice of tax infraction in the amount of R$ 24,835, previous considered as Possible, for the period from November 1992 to December 1995 , referring to “IPI Seletividade,” a matter recently judged by the Federal Supreme Court (“STF”) using the General Repercussion systematic process (RE n° 592.145, tema 080) in an unfavorable way to the corporate taxpayer.

(ii) PIS and COFINS

In the six-month period ended September 30, 2018, RCSA recognized a provision referring to PIS and COFINS, for which Brazil’s Federal Revenue Service states that the compensations made by Shell are not valid. The discussion is currently bogged down in the preliminary allegations, in which the procedural aspects and formalities of the process are being analyzed. This means that the merit aspects have not been addressed and cannot be addressed until the procedural issue has been resolved. The points below indicate a high probability that the Interlocutory Appeal will not be admitted.

(b) Civil, labor and environmental

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

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

In thousands of reais - R$, unless otherwise indicated

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

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

(a) Tax

	09/30/2018	03/31/2018
ICMS	4,321,217	4,238,197
INSS	509,394	491,903
IPI	356,101	459,744
IRPJ and CSLL (i)	2,672,864	2,826,265
PIS, COFINS and taxes on financial operations ("IOF")	3,259,933	3,186,926
Offsets with IPI credit - IN 67/98	134,076	132,869
MP 470 Debt in installments	184,057	181,541
Other (ii)	1,060,442	848,810
	12,498,084	12,366,255
Non-reimbursable legal disputes	3,631,310	3,614,353
Reimbursable legal disputes	8,866,774	8,751,902
	12,498,084	12,366,255

(i) Income tax and Social Contribution taxes (IRPJ and CSLL)

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

(ii) ISS

Refers to the charging of ISS tax by the Municipality of Anchieta, Espírito Santo (“ES”) on services rendered in maritime waters (in block BC-10) because it believes that the services provided therein would have been within the territory of the Municipality, and therefore the ISS should have been paid to the municipality in ES.

(b) Civil, labor and environmental

	09/30/2018	03/31/2018
Civil	1,207,875	1,176,767

In thousands of reais - R$, unless otherwise indicated

Labor	429,157	496,119
Environmental	54,418	52,871
	1,691,450	1,725,757
Non-reimbursable legal disputes	509,674	545,852
Reimbursable legal disputes	1,181,776	1,179,905
	1,691,450	1,725,757

19. Commitments

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

20. Equity

(a) Capital

a.1) RESA

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

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

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

In thousands of reais - R$, unless otherwise indicated

a.2) RCSA

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

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

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

(b) Dividends and interest on own capital

Company	Dividend	Year	Approval	Nature and type of share	Impact in equity	No impact in equity	Amount paid or payable	Payment date
								September 30, 2018
RCSA	Profit	2018	06/20/2018	Common	153,000	-	153,000	06/28/2018
RCSA	Interim	2018	06/20/2018	Common	107,000	-	107,000	06/28/2018
RCSA	JCP	2018	06/20/2018	Common	48,000	-	48,000	06/28/2018
RESA	Profit	2018	06/20/2018	Common	330,200	-	330,200	06/28/2018
Sabbá	Interim	2018	06/18/2018	Common	7,500	-	7,500	06/26/2018
Mime	Minimum	2018	07/23/2018	Common	16,305	4,001	20,306	07/24/2018
RESA and	Exclusive	2018	-	Preferred D	-	-	2,972	08/28/2018
RESA	Exclusive	2018	-	Preferred B	-	10,355	10,355	08/28/2018
RESA	Minimum	2018	-	Common	-	-	5,241	08/28/2018
Mime Conveniências	Minimum compulsory	2018	08/14/2018	Common	1,520	16	1,536	08/30/2018
Sabbá Conveniências	Minimum compulsory	2018	08/14/2018	Common	587	6	593	08/30/2018
RCSA	JCP	2018	09/21/2018	Common	48,000	-	48,000	09/26/2018
RCSA	Interim	2018	09/21/2018	Common	157,000	-	157,000	09/26/2018
RESA	Profit	2018	09/21/2018	Common	390,364	-	390,364	09/26/2018
RESA	Interim	2018	09/21/2018	Common	42,836	-	42,836	09/26/2018
Total Paid							**1,324,903**	
Impact in combined and consolidated equity					**1,302,312**			

(c) Equity valuation adjustments

	03/31/2018	Comprehensive income	09/30/2018
Effect of foreign currency translation - CTA	273	(17,729)	(17,456)
Actuarial loss from defined benefit plan	(11,526)	-	(11,526)
Income (loss) from financial instruments designated as hedge accounting	7,851	(203,298)	(195,447)
	(3,402)	(221,027)	(224,429)
Attributable to:			
Group's controlling shareholders	(3,397)	(221,027)	(224,424)
Group's non-controlling shareholders	(5)	-	(5)

	03/31/2017	Comprehensive income	09/30/2017
Effect of foreign currency translation - CTA	4,038	(441)	3,597
Actuarial loss from defined benefit plan	(11,175)	-	(11,175)
Income (loss) from financial instruments designated as hedge accounting	(32,251)	162,750	130,499
	(39,388)	162,309	122,921
Attributable to:			
Group's controlling shareholders	(39,383)	162,309	122,926
Group's non-controlling shareholders	(5)	-	(5)

In thousands of reais - R$, unless otherwise indicated

(d) Interest of non-controlling shareholders

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

	09/30/2018	03/31/2018
Unimodal Ltda.	27%	27%
Petróleo Sabbá S.A.	20%	20%
Raízen Mime Combustíveis S.A.	24%	24%
Sabor Raíz Alimentação S.A.	40%	40%
Raízen Mime Conveniências Ltda.	9%	9%
Raízen Sabbá Conveniências Ltda.	4%	4%
WX Energy Comercializadora de Energia Ltda.	30%	-

21. Net operating revenue

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

	Jul–Sep/18	Apr–Sep/18	Jul–Sep/17	Apr–Sep/17
Domestic market	24,015,943	45,843,392	20,600,210	39,798,691
Foreign market	2,358,849	3,817,774	1,851,374	3,074,755
Gross revenue from sale of products and services	26,374,792	49,661,166	22,451,584	42,873,446
Income (loss) from financial instruments designated as hedge accounting	12,641	(20,495)	255,603	175,552
Results from commodity financial instruments not designated as hedge accounting	(35,727)	(34,074)	(13,006)	(3,785)
Returns and cancellations	(85,995)	(212,694)	(92,739)	(200,759)
Sales taxes	(992,567)	(1,741,774)	(697,671)	(1,233,443)
Commercial discounts and rebates	(100,376)	(196,774)	(77,923)	(139,375)
Amortization of exclusive supply rights (Note 11)	(117,443)	(218,499)	(103,099)	(198,635)
Other	(16,129)	(37,882)	(13,054)	(25,562)
Net operating revenue	25,039,196	47,198,974	21,709,695	41,247,439

(b) Detailing of net operating revenue per product is as follows:

	Jul–Sep/18	Apr–Sep/18	Jul–Sep/17	Apr–Sep/17
Diesel	9,944,257	19,140,815	8,297,885	15,573,090
Gasoline	7,843,362	15,755,535	7,730,465	15,532,232
Ethanol	3,341,149	5,969,607	2,563,777	4,562,095
Jet A-1	1,501,453	2,728,277	892,212	1,744,416
Sugar	1,022,945	1,752,389	1,643,066	2,864,583
Energy	1,181,989	1,485,927	364,848	563,525
Other	204,041	366,424	217,442	407,498
	25,039,196	47,198,974	21,709,695	41,247,439

In thousands of reais - R$, unless otherwise indicated

22. Costs and expenses per type

Reconciliation of costs and expenses by nature

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

Costs and expenses per type

	Jul–Sep/18	Apr–Sep/18	Jul–Sep/17	Apr–Sep/17
Fuels for resales and raw material, collection and transfer costs (1)	(21,506,362)	(41,657,333)	(18,333,393)	(35,792,616)
Depreciation and amortization	(618,837)	(1,062,201)	(620,684)	(1,132,426)
Personnel expenses	(441,123)	(796,694)	(434,186)	(807,185)
Cutting, loading and transportation	(257,224)	(428,808)	(245,948)	(415,282)
Realization of fair value of biological assets	(95,723)	(195,235)	(257,662)	(462,451)
Change in fair value of biological assets	(66,613)	(23,790)	182,214	55,269
Rental and leases	(107,487)	(182,574)	(97,229)	(186,923)
Maintenance materials	(56,442)	(99,923)	(88,874)	(185,238)
Commercial expenses	(77,081)	(175,052)	(116,023)	(197,828)
Resale of energy	(837,681)	(960,613)	(113,962)	(162,941)
Freight	(99,476)	(195,218)	(91,634)	(179,361)
Outsourced labor	(82,978)	(160,512)	(93,956)	(155,616)
Logistics expenses	(69,565)	(143,947)	(56,401)	(113,857)
Other (2) / (3)	(302,119)	(379,853)	(186,128)	(264,593)
	(24,618,711)	(46,461,753)	(20,553,866)	(40,001,048)

(1) Refers mainly to the increase in the volume sold at Raízen Trading.
(2) This includes the Investment grants - ICMS of R$ 10,787 (R$ 10,468 as of September 30, 2017).
(3) Includes estimated loss on realization of taxes and fees, in the amount of R$ 5,733 (zero on September 30, 2017).

Classified as:

	Jul–Sep/18	Apr–Sep/18	Jul–Sep/17	Apr–Sep/17
Cost of products sold and services rendered	(23,763,666)	(44,805,296)	(19,668,852)	(38,380,569)
Selling expenses	(574,176)	(1,113,779)	(610,755)	(1,107,134)
General and administrative expenses	(280,869)	(542,678)	(274,259)	(513,345)
	(24,618,711)	(46,461,753)	(20,553,866)	(40,001,048)

In thousands of reais - R$, unless otherwise indicated

23. Other operating income, net

	Jul–Sep/18	Apr–Sep/18	Jul–Sep/17	Apr–Sep/17
Credits from indemnity suits (Note 9)	-	75,406	-	-
Recognition of extemporaneous tax credits, net (1)	30,866	67,990	33,290	194,320
Income from rental and leases	23,263	47,796	23,647	47,963
Gain in the sale of property, plant and equipment	11,887	44,591	1,841	21,795
Income from royalties	15,713	31,076	13,907	27,461
Merchandising	12,642	25,982	15,053	25,355
Commissions on sales of lubricants, cards and payment means	6,699	14,548	8,664	15,950
Store rental revenue	1,852	3,712	2,117	4,656
Net reversal (formation) of estimated loss in investments and fixed and intangible assets (Notes 13 and 14)	(3,224)	(4,842)	4,620	8,830
Formation of provision for legal disputes and contingencies, net	(16,832)	(30,956)	(13,883)	(23,997)
Other income (expenses), net	10,295	11,468	(7,226)	(2,672)
	93,161	286,771	82,030	319,661

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

24. Financial results

	Jul–Sep/18	Apr–Sep/18	Jul–Sep/17	Apr–Sep/17
Financial expenses				
Interest	(230,645)	(445,553)	(201,646)	(396,508)
Monetary variation - liabilities	(41,448)	(99,575)	(13,469)	(42,993)
PIS and COFINS on financial income	(9,744)	(20,617)	(8,499)	(18,262)
Other	(17,798)	(78,134)	(7,651)	(14,799)
	(299,635)	(643,879)	(231,265)	(472,562)
Fair value of financial instruments (Note 16)	(172,544)	(71,192)	(21,855)	(49,972)
Amounts capitalized on qualifying assets (Note 13)	6,871	17,404	7,161	18,492
	(465,308)	(697,667)	(245,959)	(504,042)
Financial income				
Yields from financial investments	22,329	57,895	58,129	154,860
Interest	104,034	205,533	75,907	144,985
Monetary variation - assets and others	23,015	52,884	10,872	36,489
	149,378	316,312	144,908	336,334
Exchange variation, net	(233,624)	(1,142,163)	122,240	(50,676)
Net effect of the derivatives	255,929	856,192	(15,711)	56,628
	(293,625)	(667,326)	5,478	(161,756)

25. Financial instruments

(a) Overview

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

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

(b) Risk management structure

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

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

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

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

In thousands of reais - R$, unless otherwise indicated

	Notional		Fair value	
	09/30/2018	03/31/2018	09/30/2018	03/31/2018
Price risk				
Commodity derivatives				
Futures contracts	1,620,153	2,066,104	(60,719)	85,735
	1,620,153	2,066,104	(60,719)	85,735
Foreign exchange rate risk				
Foreign exchange rate derivatives				
Futures contracts	(255,250)	(59,829)	999	(1,521)
Forward contracts	(383,373)	(332,376)	44,971	(3,453)
FX lock	400,390	498,570	(41,936)	5,825
FX swap	(7,259,077)	(3,815,277)	833,965	(24,218)
	(7,497,310)	(3,708,912)	837,999	(23,367)
Interest rate risk				
Interest rate swap	(1,558,897)	(1,558,897)	73,111	97,541
	(1,558,897)	(1,558,897)	73,111	97,541
Total			850,391	159,909
Current assets			1,690,524	228,092
Non-current assets			1,053,735	273,762
Total assets			2,744,259	501,854
Current liabilities			(1,759,531)	(142,343)
Non-current liabilities			(134,337)	(199,602)
Total liabilities			(1,893,868)	(341,945)
Total			850,391	159,909

(c) <u>Price risk</u>

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

In thousands of reais - R$, unless otherwise indicated

					Price risk: commodity derivatives, outstanding as of September 30, 2018			
Derivatives	Purchased / Sold	Market	Contract	Maturity	Notional (units)		Notional (R$ thousand)	Fair value (R$ thousand)
Future	Sold	NYSE LIFFE	Sugar#5	Oct/18–Jul/19	12,599	t	362,988	101
Future	Sold	ICE	*Sugar#11*	Jul/19–Feb/20	2,040,276	t	2,252,767	213,163
Options	Sold	OTC	*Sugar#11*	Oct/18–Sep/19	505	t	18	(15,684)
Sub-total sugar sold					2,053,380	t	2,615,773	197,580
Future	Purchased	NYSE LIFFE	Sugar#5	Oct/18–Jul/19	(12,142)	t	(349,488)	(76)
Future	Purchased	ICE	*Sugar#11*	Feb/19–Sep/19	(1,399,606)	t	(1,482,505)	(96,136)
Options	Purchased	ICE	*Sugar#11*	Oct/18–Dec/18	(479)	t	(16)	22,434
Sub-total sugar bought					(1,412,227)	t	(1,832,009)	(73,778)
Subtotal sugar					641,153	t	783,764	123,802
Future	Sold	B3	Ethanol	Oct/18–Nov/18	4	m³	6	(3)
Future	Sold	CHGOETHNL	Ethanol	Oct/18–May/19	983,015	m³	1,548,788	(76,389)
Future	Sold	NYMEX	Ethanol	Oct/18–Sep/19	155,000	m³	293,907	(8,991)
Options	Sold	OTC	Ethanol	Dec/18–Mar/19	194,225	m³	21,735	7,031
Options	Sold	CHGOETHNL	Ethanol	Dec/18	3,180	m³	319	(475)
Sub-total ethanol sold					1,335,424	m³	1,864,755	(78,827)
Future	Purchased	B3	Ethanol	Oct/18–Feb/19	(10)	m³	(17)	82
Future	Purchased	NYMEX	Ethanol	Oct/18–Sep/19	(138,000)	m³	(260,530)	10,165
Future	Purchased	CHGOETHNL	Ethanol	Oct/18–May/19	(1,152,178)	m³	(1,787,154)	61,133
Options	Purchased	OTC	Ethanol	Oct/18–Sep/19	(168,133)	m³	(14,334)	(8,344)
Options	Purchased	CHGOETHNL	Ethanol	Oct/18–Feb/19	(16,694)	m³	(4,532)	2,201
Sub-total ethanol bought					(1,475,015)	m³	(2,066,567)	65,237
Physical fixed	Sold	CHGOETHNL	Ethanol	Oct/18–Mar/19	879,559	m³	1,782,760	6,778
Sub-total physical fixed ethanol sold					879,559	m³	1,782,760	6,778
Physical fixed	Purchased	CHGOETHNL	Ethanol	Oct/18–Sep/19	(1,569,450)	m³	(2,752,016)	5,087
Sub-total physical fixed ethanol bought					(1,569,450)	m³	(2,752,016)	5,087
Sub-total future physical fixed ethanol					(829,482)	m³	(1,171,068)	(1,725)
Future	Purchased	OTC	Gasoline	Oct/18	(143,137)	m³	(357,535)	19,371
Subtotal future gasoline bought					(143,137)	m³	(357,535)	19,371
Future	Sold	NYMEX	Gasoline	Oct/18–Jun/19	742,913	m³	1,603,704	(157,393)
Future	Sold	OTC	Gasoline	Oct/18	129,000	m³	315,560	(62,145)
Options	Sold	OTC	Gasoline	Oct/18–Mar/20	702	m³	2,812	13,228
Subtotal future gasoline sold					872,615	m³	1,922,076	(206,310)
Physical fixed	Purchased	CCEE/OTC	Energy	Oct/18–Dec/21	4,751	m³	383	(1,161,340)
Physical fixed	Sold	CCEE/OTC	Energy	Oct/18–Dec/21	(4,751)	m³	508	1,179,232
Subtotal future *physical fixed* electric power					-	m³	891	17,892
Future	Purchased	NYMEX	Heating Oil / gasoline	Oct/18	(23,461)	m³	(57,152)	903
Sub-total future heating oil/gasoline bought					(23,461)	m³	(57,152)	903
Future	Sold	NYMEX	Heating Oil / gasoline	Oct/18	208,917	m³	499,177	(14,652)
Sub-total heating oil/gasoline sold					208,917	m³	499,177	(14,652)
Sub-total heating oil/gasoline/electric power					914,934	m³	2,007,457	(182,796)
Net exposure of commodity derivatives in September 2018							1,620,153	(60,719)
Net exposure of commodity derivatives in March 2018							2,066,104	85,735

In thousands of reais - R$, unless otherwise indicated

(d) Foreign exchange rate risk

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

Foreign exchange rate risk: outstanding foreign exchange derivatives as of September 30, 2018							
Derivatives	**Purchased / Sold**	**Market**	**Contract**	**Maturity**	**Notional (US$ thou.)**	**Notional (R$ thousand)**	**Fair value (R$ thousand)**
Future	Sold	B3	Trade dollar	Oct/18–Nov/18	637,000	2,550,484	(8,489)
Future	Sold	CME	Euro	Dec/18	19,500	78,076	639
Subtotal future sold					656,500	2,628,560	(7,850)
Future	Purchased	B3	Trade dollar	Oct/18–Nov/18	(706,750)	(2,829,757)	9,673
Future	Purchased	CME	Euro	Dec/18	(13,500)	(54,053)	(824)
Subtotal future bought					(720,250)	(2,883,810)	8,849
Subtotal future bought/sold					(63,750)	(255,250)	999
Term	Purchased	OTC/Cetip	*Non Deliverable Forward - NDF*	Oct/18–May/19	(2,407,927)	(9,641,099)	(82,911)
Term	Sold	OTC/Cetip	*NDF*	Oct/18–May/19	2,312,177	9,257,726	127,882
Subtotal term bought/sold					(95,750)	(383,373)	44,971
FX swap	Purchased	OTC	FX swap	Oct/18–Jan/27	(2,286,227)	(9,153,822)	1,124,096
FX swap	Sold	OTC	FX swap	Oct/21–Jan/27	473,225	1,894,745	(290,131)
Subtotal FX swap					(1,813,002)	(7,259,077)	833,965
FX lock	Sold	OTC	FX lock	Nov/18–Jun/19	100,000	400,390	(41,936)
Subtotal foreign exchange lock, sold					100,000	400,390	(41,936)
Net exposure of foreign exchange derivatives in September 2018					(1,872,502)	(7,497,310)	837,999
Net exposure of foreign exchange derivatives in March 2018					(1,115,866)	(3,708,912)	(23,367)

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

		09/30/2018
	R$	US$ (in thousands)
Cash and cash equivalents (Note 3)	1,469,908	367,119
Restricted cash (Note 5)	230,565	57,585
Accounts receivable - Abroad (Note 6)	283,242	70,742
Related parties (Note 10.a)	(136,379)	(34,062)
Suppliers (note 15)	(1,472,200)	(367,692)
Loans and financing (Note 16)	(10,666,130)	(2,663,935)
Derivative financial instruments (Note 25.d) (1)		1,872,502
Net foreign exchange exposure		(697,741)
Derivatives settled in the month following the closing (2)		7,000
Net foreign exchange exposure in September 2018 (3)		(690,741)
Net foreign exchange exposure in March 2018		(788,938)

(1) Refers to the notional foreign exchange derivative transactions.
(2) Maturity on July 2018, whose settlement was given by PTAX on the last closing day of the month.
(3) The net foreign exchange exposure, this will be substantially offset by probable future income of export products and/or import products.

(e) Hedge accounting effect

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

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

			Realization years				
Instruments	**Market**	**Risk**	**2018/19**	**2019/20**	**>2020**	**09/30/2018**	**03/31/2018**
Future	OTC / ICE	Sugar#11	146,345	69,253	-	215,598	50,104
Future	B3 / NYMEX / OTC	Ethanol	(213,821)	(16,987)	-	(230,808)	(19,111)
Option	ICE	Sugar#11	-	5,096	-	5,096	-
NDF	OTC	FX	(13,974)	-	-	(13,974)	2,751
Swap	OTC	FX	-	-	(229,065)	(229,065)	(5,702)
PPE	Debt	FX	-	-	(42,979)	(42,979)	(16,147)
			(81,450)	57,362	(272,044)	(296,132)	11,895
(-) Deferred taxes			27,693	(19,503)	92,495	100,685	(4,044)
Effect in equity			(53,757)	37,859	(179,549)	(195,447)	7,851

In thousands of reais - R$, unless otherwise indicated

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

Cash flow hedge

Balance at March 31, 2018	7,851
Movement occurred in the period:	
Fair value on commodity futures designated as hedge accounting	(15,853)
Fair value loss on forward exchange contracts designated as hedge accounting	(285,836)
Exchange variation on debt contracts designated as hedge accounting	(26,833)
Income (loss) from debt contracts in net operating revenue (Note 21)	(56,043)
Income (loss) from commodities reclassified to net operating revenue (Note 21)	76,538
Total changes occurred during the period (before deferred taxes)	(308,027)
Effect of deferred taxes on equity valuation adjustments	104,729
	(203,298)
Balance at September 30, 2018	(195,447)

Fair value hedge

RCSA assigned to the fair value, the imported inventory derivatives with linked derivatives (forward sold) at fair value. The primary goal of risk management is to recognize inventory at a floating price, as it will be the case of RCSA's sales revenue upon selling products to its customers. Hedge accounting aims to minimize any kind of mismatching in income (loss) for the period, causing both the derivatives and the inventory to be recorded at fair value, with the change being recognized under Cost of products sold and services rendered caption, whose negative impact in six-month period ended September 30, 2018 is R$ 2,960 (positive impact of R$ 15,863 as of September 30, 2017).

(f) Interest rate risk

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

Interest rate risk: Interest derivatives, outstanding as of September 30, 2018							
Derivatives	**Purchased / Sold**	**Market**	**Contract**	**Maturity**	**Notional (US$ thou.)**	**Notional (R$ thousand)**	**Fair value (R$ thousand)**
Interest rate swap	Purchased	OTC	Interest rate swap	Oct/20–Dec/24	(389,344)	(1,558,897)	73,111
Sub-total interest rate swap					(389,344)	(1,558,897)	73,111
Net exposure of interest derivatives in September 2018					(389,344)	(1,558,897)	73,111
Net exposure of interest rate derivatives in March 2018					(228,560)	(757,043)	97,541

(g) Credit risk

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

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

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

The Group enters into commodity derivative agreements in futures markets and options at the New York Board of Trade - NYBOT and NYMEX, Chicago - *CBOT,* Chicago - *CME* and the London International Financial Futures and Options Exchange - LIFFE, as well as in over-the-counter markets with selected counterparties. The Group enters into foreign exchange rate and commodity derivative agreements at B3 and over-the-counter agreements, mainly with the leading local and foreign banks considered by global credit risk rating agencies to have investment level ratings.

Guarantee margins - Derivative transactions in commodity exchanges (NYBOT, NYMEX, LIFFE and B3) require guarantee margins. The total margin of the combined and consolidated deposited as of September 30, 2018 is R$ 294,042 (R$ 75,839 as of March 31, 2018), of which R$ 63,477 (R$ 38,863 as of March 31, 2018) in restricted financial investments and R$ 230,565 (R$ 36,976 as of March 31, 2018) in derivative transaction margins.

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

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

(h) Liquidity risk

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

As part of the liquidity management process, management prepares business plans and monitors their implementation, discussing positive and negative cash flow risks and assessing the availability of funds to support its operations, investments and refinancing needs.
The table below shows the main financial liabilities according to their aging schedules:

In thousands of reais - R$, unless otherwise indicated

	Up to 1 year	Up to 2 years	3–5 years	>5 years	Total
Loans and financing (1)	2,512,951	4,745,890	8,482,085	7,042,618	22,783,544
Suppliers (note 15)	4,737,075	-	-	-	4,737,075
Derivative financial instruments (Note 25.b)	1,759,531	121,935	9,233	3,169	1,893,868
Related parties (Note 10.a)	1,049,909	-	-	426,047	1,475,956
	10,059,466	4,867,825	8,491,318	7,471,834	30,890,443

(1) Undiscounted contractual cash flows.

(i) Fair value

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

Fair value hierarchy

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

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

Financial instruments measured at fair value as of September 30, 2018	Level 1	Level 2	Level 3	Total
Interest earnings bank deposits (Note 3)	-	2,731,821	-	2,731,821
Securities (Note 4)	-	31,074	-	31,074
Restricted financial investments (Restricted cash) (Note 5)	-	133,720	-	133,720
Derivative financial assets (Note 25.b)	508,180	2,236,079		2,744,259
Loans and financing (Note 16)	-	(10,552,183)	-	(10,552,183)
Derivative financial liabilities (Note 25.b)	(585,791)	(1,308,077)	-	(1,893,868)
Total as of September 30, 2018	(77,611)	(6,727,566)	-	(6,805,177)
Total as of March 31, 2018	86,252	(326,096)	(2,037)	(241,881)

In thousands of reais - R$, unless otherwise indicated

(j) Sensitivity analysis

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

Assumptions for the sensitivity analysis

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

Sensitivity table

(1) **Change in fair value of derivative financial instruments**

			Impacts on income (loss) (*)			
	Risk factor	**Probable scenario**	**Possible scenario +25%**	**Balance of fair value**	**Remote scenario +50%**	**Balance of the fair value**
Price risk						
Commodity derivatives						
Futures and options contracts:						
Purchase and sale commitments	Sugar price increase	123,802	(231,708)	(107,906)	(463,416)	(339,614)
Purchase and sale commitments	Increase in ethanol price	(1,725)	(51,206)	(52,931)	(102,413)	(104,138)
Purchase and sale commitments	Electric power price increase	17,892	(34,775)	(16,883)	(69,550)	(51,658)
Purchase and sale commitments	Increase in diesel and gasoline prices	(200,688)	(554,269)	(754,957)	(1,108,538)	(1,309,226)
		(60,719)	(871,958)	(932,677)	(1,743,917)	(1,804,636)
Exchange rate risk						
Foreign exchange rate derivatives						
Futures contracts:						
Purchase and sale commitments	Decrease in foreign exchange rate	999	71,069	72,068	142,137	143,136
Fixed-term and Lock Contracts:						
Purchase and sale commitments	Decrease in foreign exchange rate.	3,035	(644,963)	(641,928)	(1,289,926)	(1,286,891)
FX swaps:						
Purchase and sale commitments	Decrease in foreign exchange rate	833,965	(1,305,133)	(471,168)	(2,610,266)	(1,776,301)
		837,999	(1,879,027)	(1,041,028)	(3,758,055)	(2,920,056)
Interest rate risk						
Interest derivatives						
Swap contracts, lock, DI, and NDF	Decrease in interest rate	73,111	(123,282)	(50,171)	(246,564)	(173,453)
		73,111	(123,282)	(50,171)	(246,564)	(173,453)
Total		850,391	(2,874,267)	(2,023,876)	(5,748,536)	(4,898,145)

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

In thousands of reais - R$, unless otherwise indicated

(2) Net foreign exchange exposure

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

		Effect of exchange-rate changes			
		Possible scenario	Remote scenario	Possible scenario	Remote scenario
Net foreign exchange exposure as of September 30, 2018		**+25%**	**+50%**	**-25%**	**-50%**
Cash and cash equivalents (Note 3)	1,469,908	367,477	734,954	(367,477)	(734,954)
Restricted cash (Note 5)	230,565	57,641	115,283	(57,641)	(115,283)
Accounts receivable from abroad (Note 6)	283,242	70,811	141,621	(70,811)	(141,621)
Related parties (Note 10.a)	(136,379)	(34,095)	(68,190)	34,095	68,190
Suppliers (note 15)	(1,472,200)	(368,050)	(736,100)	368,050	736,100
Loans and financing (Note 16)	(10,666,130)	(2,666,533)	(5,333,065)	2,666,533	5,333,065
Impact on income (loss) in the period		(2,572,749)	(5,145,497)	2,572,749	5,145,497

(3) Interest rate sensibility

As of September 30, 2018, the probable scenario considers the annual weighted average rate of floating interests of loans and financing of 5.80% and for financial investments and as restricted cash and basically, CDI accumulated in the last 12 months of 6.65%. In both cases, simulations were run considering the increase and reduction by 25% and 50%. The combined consolidated results of this sensitivity are as follows:

	September 30, 2018				
	Interest rate sensibility				
	Probable scenario	**Possible scenario +25%**	**Remote scenario +50%**	**Possible scenario -25%**	**Remote scenario -50%**
Interest earnings bank deposits	171,568	42,892	85,784	(42,892)	(85,784)
Securities	1,977	494	988	(494)	(988)
Interest earning bank deposits (restricted cash)	8,954	2,239	4,477	(2,239)	(4,477)
Loans and financing	(804,488)	(201,122)	(402,244)	201,122	402,244
Additional impact in income (loss) for the period	(621,988)	(155,497)	(310,995)	155,497	310,995

(k) Capital management

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

In thousands of reais - R$, unless otherwise indicated

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

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

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

	09/30/2018	03/31/2018
Third party capital		
Loans and financing (Note 16)	18,140,964	13,518,349
(-) Cash and cash equivalents (Note 3)	(4,386,682)	(3,663,168)
(-) Securities (Note 4)	(31,074)	(1,078,945)
(-) Financial investments linked to financing (note 5)	(70,243)	(67,767)
(-) National Treasury Certificates - CTN (Note 9)	(861,896)	(827,042)
(-) Foreign exchange and interest rate derivatives (Note 25.b)	(911,110)	(74,174)
	11,879,959	7,807,253
Own capital		
Equity		
Attributable to Group's shareholders	10,489,574	11,607,394
Interest of non-controlling shareholders	259,489	225,730
	10,749,063	11,833,124
Total own capital and third-parties	22,629,022	19,640,377
Leverage ratio	52%	40%

26. Retirement supplementation plan and other employee benefits

(a) Pension fund

Defined contribution

During the six-month period ended September 30, 2018, the contribution recognized as expenses amounted to R$ 10,053 (R$ 8,831 as of September 30, 2017).

(b) Profit sharing

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

In thousands of reais - R$, unless otherwise indicated

27. Corporate restructuring and business combination

(1) Transactions occurred during the six-month period ended September 30, 2018.

(i) Acquisition of Santa Cândida and Paraíso Plants – sugar and ethanol producing units of Tonon Group.

On September 28, 2018, RESA concluded the allocation of the price of the assets acquired and liabilities assumed. The main differences between the preliminary goodwill and the final goodwill are shown below:

Changes	
Fair value of net assets	425,811
(-) Total cost of acquisition	835,948
Preliminary goodwill	**410,137**
(-) Fair value of biological assets (note 8)	(2,288)
(+) Property, plant and equipment (Note 13)	9,507
(+) Other liabilities	6,421
(+) Financial lease	7,495
Final goodwill	**431,272**

(ii) RWXE Participações S.A.

On April 28, 2018, RESA, through its subsidiary Bio Barra, signed a shareholders agreement with the company WX Energy Participações Ltda. (“WX Participações”), which corresponded to the commitment to invest the approximate amount of R$ 95.000 thousand in company RWXE, a company set up as a result of this business combination and parent company of WX Energy.

On July 5, 2018, the shareholders' agreement between Bio Barra and WX Participações was signed, formalizing the previous Investment commitment. With this operation, RESA acquired a 70% stake in the share capital of RWXE, for the amount of R$ 94,626, of which R$ 44,626 was effectively settled on this date by RESA’s subsidiary, Bio Barra. The residual amount will be paid up to July 5, 2021.

RWXE is a company primarily engaged in participating, as partner or shareholder, in the share capital of other companies or ventures, constituted as a result of this business combination.

WX operates in the whole sale market of electric power, authorized by National Agency of Electrical Energy (ANEEL) and agent of Electric Energy Trading Chamber (CCEE, in Portuguese).

Through these investments, RESA aims to expand its presence in electric energy trading and increase its product portfolio.

Pursuant to IFRS 3/CPC 15 - Business Combination, the preliminary fair value of acquired assets and assumed liabilities at the date of acquisition of UPI Tonon, is as follows: The difference between the amount paid and the net assets at fair value resulted in the recognition of a preliminary goodwill for expectation of future returns.

In thousands of reais - R$, unless otherwise indicated

Captions	Total
Cash and cash equivalents	63,912
Trade accounts receivable	187,442
Related parties	50,000
Derivative financial instruments	712,117
Advances to suppliers	30
Recoverable taxes and contributions	73
Property, plant and equipment (Note 13)	158
Intangible assets (Note 14)	3
Suppliers	(200,672)
Derivative financial instruments	(712,119)
Taxes payable	(893)
Payroll and related charges payable	(51)
Net assets	100,000
Raízen Interest (70%)	70,000
(-) Cost of acquisition	94,626
Preliminary goodwill (Note 14)	**24,626**

In the period ended September 30, 2018, RESA made preliminary recognition of acquisition price and final recognition is expected to be completed by July 2019.

In thousands of reais - R$, unless otherwise indicated

28. Cash flow supplementary information

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

(Assets) / Liabilities	Financial investments linked to financing (note 5)	Other receivables	Loans and financing (Note 16)	Related parties (1)	Dividends and interest on own capital payable	Total
Balance at March 31, 2018	(67,767)	(528,422)	13,518,349	301,982	23,417	13,247,559
				-		
Transactions with impact in FCF				-		
Funding, net of expenditures	-	(855)	3,696,227	-	-	3,695,372
Amortization of principal	-	-	(521,033)	-	-	(521,033)
Interest paid	-	-	(312,736)	-	-	(312,736)
Payment of dividends and interest on own capital, including remuneration of preferred shares (Note 20.b)	-	-	-	-	(1,324,903)	(1,324,903)
Investments	(325)	-	-	-	-	(325)
Other	-	-	-	(1,124)	-	(1,124)
	(325)	(855)	2,862,458	(1,124)	(1,324,903)	1,535,251
Other movements that do not affect the FCF						
Net interest, inflation adjustments, and exchange-rate changes	(2,151)	-	1,618,763	-	-	1,616,612
Change financial instruments fair value (Notes 16 and 24)	-	-	71,191	-	-	71,191
Allocation of dividends and interest on own capital (Note 20.b)	-	-	-	-	1,302,312	1,302,312
Other	-	(222,115)	70,203	3,516	(826)	(149,222)
	(2,151)	(222,115)	1,760,157	3,516	1,301,486	2,840,893
Balance at September 30, 2018	(70,243)	(751,392)	18,140,964	304,374	-	17,623,703

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

(b) Transactions not involving cash

	Apr–Sep/18	Apr–Sep/17
Investment transactions not involving cash		
Capital to be paid-up and AFAC	-	(2,641)
Depreciation and amortization of agricultural assets capitalized as property, plant and equipment	(30,074)	(31,501)
Interest capitalized in fixed assets (Notes 13 and 24)	(17,404)	(18,492)
Depreciation of agricultural assets capitalized as biological assets	(11,311)	(10,468)
Exclusive rights to supply fuel payable, net	-	(56,789)
Other	947	2,086
	(57,842)	(117,805)

29. Subsequent events

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

On August 13, after RESA’s announcement with São Martinho S.A. (“São Martinho”), business provide for the acquisition of the biological assets of Usina Açúcareira Furlan S.A., relating to the Santa Bárbara D’Oeste plant (state of SP), as well as the leasing of land owned by Usina Açucareira Furlan S.A. and Agro Pecuária Furlan S.A. (“Transaction”) and the operation was effectively approved by the CADE (Administrative Council for Economic Defense).

On October 8, 2018, by means of the signature of the Term for the completion of the Transaction, RESA and São Martinho took on the agricultural and supply agreements which total approximately 1 million tons of sugar and as a counterparty, the obligation to independently make the payment of the respective proportion of 2/3 and 1/3 the approximate amount of R$ 117 million.

The conclusion of this Transaction is aligned with the strategy of increasing the availability of cane for processing at the mills of Raízen. On October 11, 2018, RESA already paid R$ 64,786.

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