



Quarterly Information (ITR)
September 30, 2014,
with Independent Auditor's Review Report
on Quarterly Information

A free translation from Portuguese into English of Independent Auditor's Review Report on individual and consolidated interim accounting information

Independent auditor's review report on quarterly information

The Shareholders, Board of Directors and Officers of
São Martinho S.A.
Pradópolis - SP

Introduction

We have reviewed the individual and consolidated interim accounting information contained in the Quarterly Information Form (ITR) of São Martinho S.A. for the quarter ended September 30, 2014, which comprise the balance sheet as of September 30, 2014, the related statements of operations and comprehensive income for the three and six-month periods then ended and changes in shareholders' equity and cash flows for the six-month period then ended, including explanatory notes.

Management is responsible for the preparation of the individual accounting information in accordance with CPC 21 (R1) - Interim Financial Reporting, and consolidated interim financial information in accordance with IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), as well as for the fair presentation of this information in conformity with the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information (ITR). Our responsibility is to express a conclusion on this interim accounting information based on our review.

Scope of review

We conducted our review in accordance with Brazilian and International Standards on Review Engagements (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). A review of interim accounting information consists of making inquiries, primarily of persons responsible for 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 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 the individual interim accounting information

Based on our review, nothing has come to our attention that causes us to believe that the individual interim accounting information included in the quarterly information referred to above is not fairly presented, in all material respects, in accordance with CPC 21 (R1) applicable to the preparation of the Quarterly Information (ITR), and presented consistently with the standards issued by the Brazilian Securities and Exchange Commission (CVM).

Conclusion on the consolidated interim accounting information

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim accounting information included in the quarterly information referred to above is not fairly presented, in all material respects, in accordance with CPC 21 (R1) and IAS 34 applicable to the preparation of the Quarterly Information (ITR), and presented consistently with the standards issued by the Brazilian Securities and Exchange Commission (CVM).

Emphasis of matter

Real estate transactions

As described in Note 2.2, from this quarter, the Company began to conduct real estate transactions, which have specific accounting practices in Brazil. Therefore, specifically in relation to real estate transactions, the Company adopted International Financial Reporting Standards (IFRS) applicable to real estate companies in Brazil, edited by the Accounting Pronouncements Committee - CPC, approved by the Brazilian Securities and Exchange Commission (CVM) and by the Federal Accounting Council (CFC), which considers OCPC01 and OCPC04 - Application of Technical Interpretation ICPC02 to the Brazilian Real Estate Development Entities, which deals with the revenue recognition and related costs and expenses resulting from real estate transactions during the course of the work (percentage of completion method - POC). Our report on review of interim financial information does not contain qualification in respect of this matter.

Other matters

Statements of value added

We also reviewed the individual and consolidated statements of value added for the six-month period ended September 30, 2014, prepared under the responsibility of Company's management, whose presentation in the interim accounting information is required by the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to preparation of Quarterly Information (ITR) and considered supplementary information under IFRS, whereby no statement of value added presentation is required. These statements were submitted to the same review procedures previously described and, based on our review, we are not aware of any fact that would make us believe that they were not prepared, in all material respects, in accordance with the overall individual and consolidated interim accounting information.

Correspondent financial information

The accounting correspondent information, related to balance sheets as of March 31, 2014, and to statements of operations, comprehensive income, changes in equity and cash flow statement, referred to the six-month period ended September 30, 2013, presented for comparison purposes, were audited and reviewed, respectively, by other independent auditors that issued an unqualified audit report and an unqualified review report, in June 16, 2014 and in November 11, 2013 respectively.

Campinas, November 10, 2014.

ERNST & YOUNG
Auditores Independentes S.S.
CRC 2SP015199/O-6

José Antonio de A. Navarrete
Accountant CRC 1SP198698/O-4

São Martinho S.A.

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Balance sheet
In thousands of reais

Assets	Note	Company		Consolidated	
		September 30, 2014	March 31, 2014	September 30, 2014	March 31, 2014
Current assets					
Cash and cash equivalents	6	257,026	542,917	539,068	551,359
Trade accounts receivable	7	74,784	59,800	137,496	72,106
Derivative financial instruments	27	24,274	33,553	25,247	33,553
Inventories	8	483,796	90,319	667,313	99,658
Taxes recoverable	9	78,073	63,905	92,278	64,367
Income and social contribution taxes	24	41,439	33,473	53,635	34,237
Dividends receivable		-	232	-	232
Other assets	11	18,626	7,141	25,951	7,145
Total current assets		978,018	831,340	1,540,988	862,657
Noncurrent assets					
Long-term receivables					
Short-term investments		-	-	5,942	-
Inventories	8	27,428	25,790	29,622	25,790
Transactions with related parties	10	301,246	1,926	34	1,925
Trade accounts receivable	7	1,080	1,592	4,117	1,592
Accounts receivable from Copersucar	18	1,361	1,361	1,669	1,361
Taxes recoverable	9	74,503	67,942	85,375	68,201
Judicial deposits	26	29,705	31,969	31,989	31,969
Other assets	11	120	120	533	120
		435,443	130,700	159,281	130,958
Investment					
Biological assets	13	537,935	596,309	804,211	596,309
Property, plant and equipment	14	1,426,403	1,528,097	3,095,693	2,717,791
Intangible assets	15	190,611	192,057	528,318	192,917
		3,839,464	3,688,289	4,854,176	4,044,781
Total non-current assets		4,274,907	3,818,989	5,013,457	4,175,739
Total assets		5,252,925	4,650,329	6,554,445	5,038,396

Liabilities and equity	Note	Company		Consolidated	
		September 30, 2014	March 31, 2014	September 30, 2014	March 31, 2014
Current liabilities					
Borrowings	16	648,239	436,671	994,279	439,644
Derivative financial instruments	27	58,122	56,398	64,061	56,398
Trade accounts payable	17	147,180	66,862	194,242	64,429
Payables to Copersucar	18	2,040	2,040	2,040	2,040
Salaries and social charges		75,031	58,847	97,923	58,847
Taxes payable		13,180	10,583	17,193	11,040
Income and social contribution taxes	24	-	-	1,773	611
Transactions with related parties		22,000	-	-	-
Dividends payable		-	32,063	-	32,063
Advances from customers		733	883	2,112	883
Acquisition of investment	35	17,817	10,725	17,817	10,725
Other liabilities	20	25,942	17,289	33,070	17,290
Total current liabilities		1,010,284	692,361	1,424,510	693,970
Noncurrent liabilities					
Borrowings	16	1,153,464	1,132,312	1,570,838	1,151,177
Payables to Copersucar	18	220,522	206,014	270,647	206,014
Tax payments in installments	19	45,432	46,318	45,432	46,318
Deferred income and social contribution taxes:	24	460,245	440,717	869,884	807,880
Provision for contingencies	26	38,431	56,649	44,700	56,649
Acquisition of investment	35	90,251	-	90,251	-
Other liabilities	20	6	6	522	436
Total non-current liabilities		2,008,351	1,882,016	2,892,274	2,268,474
Equity					
Capital	21	808,850	737,200	808,850	737,200
Equity valuation adjustment		1,093,975	1,116,709	1,093,975	1,116,709
Income reserve		150,285	230,277	150,285	230,277
Treasury shares		(10,715)	(11,839)	(10,715)	(11,839)
Stock options		4,715	3,605	4,715	3,605
Retained earnings		187,180	-	187,180	-
Total equity attributed to controlling shareholders		2,234,290	2,075,952	2,234,290	2,075,952
Non-controlling shareholders		-	-	3,371	-
Total equity		2,234,290	2,075,952	2,237,661	2,075,952
Total liabilities and net equity		5,252,925	4,650,329	6,554,445	5,038,396

See accompanying notes.

Income statement

In thousands of reais, except when otherwise indicated

	Note	Company			
		September 30, 2014		September 30, 2013	
		Quarter	Six month period	Quarter	Six month period
Revenues	29	287,582	650,819	482,194	878,862
Cost of goods sold	30	(226,928)	(496,474)	(337,656)	(636,295)
Gross profit		<u>60,654</u>	<u>154,345</u>	<u>144,538</u>	<u>242,567</u>
Operating income (expenses)					
Selling expenses	30	(15,657)	(32,461)	(27,543)	(47,396)
General and administrative expenses	30	(26,776)	(54,648)	(33,562)	(60,795)
Equity pick-up	12	68,293	109,851	14,845	18,091
Other revenues, net	31	68,725	68,993	5,924	6,497
		<u>94,585</u>	<u>91,735</u>	<u>(40,336)</u>	<u>(83,603)</u>
Operating income		<u>155,239</u>	<u>246,080</u>	<u>104,202</u>	<u>158,964</u>
Financial income (expenses)	32				
Financial income		18,396	31,058	5,902	12,534
Financial expenses		(52,714)	(81,620)	(27,775)	(53,179)
Monetary and foreign exchange variations, net		(254)	761	2,670	24,415
Derivatives		14,068	8,259	2,045	(3,682)
		<u>(20,504)</u>	<u>(41,542)</u>	<u>(17,158)</u>	<u>(19,912)</u>
Pre-tax income		134,735	204,538	87,044	139,052
Income and social contribution taxes	24(b)				
For the year		13,815	(1,355)	(13,570)	(14,969)
Deferred charges		(33,328)	(27,235)	(12,587)	(28,468)
Net income for the period		<u>115,222</u>	<u>175,948</u>	<u>60,887</u>	<u>95,615</u>
Basic earnings per share (R\$)	33	<u>1.0252</u>	<u>1.5656</u>	<u>0.5425</u>	<u>0.8519</u>
Diluted earnings per share - R\$	33	<u>1.0204</u>	<u>1.5582</u>	<u>0.5412</u>	<u>0.8498</u>

See accompanying notes.

Income statement

In thousands of reais, except when otherwise indicated

	Note	Consolidated			
		September 30, 2014		September 30, 2013	
		Quarter	Six month period	Quarter	Six month period
Revenues	29	397,709	775,716	504,257	900,499
Cost of goods sold	30	(269,227)	(528,349)	(343,597)	(626,816)
Gross profit		<u>128,482</u>	<u>247,367</u>	<u>160,660</u>	<u>273,683</u>
Operating income (expenses)					
Selling expenses	30	(20,451)	(37,327)	(27,543)	(47,396)
General and administrative expenses	30	(32,213)	(60,247)	(33,723)	(61,104)
Equity pickup		11,982	29,294	(5,434)	(17,203)
Other revenues, net	31	77,036	77,677	6,508	7,081
		<u>36,354</u>	<u>9,397</u>	<u>(60,192)</u>	<u>(118,622)</u>
Operating income		<u>164,836</u>	<u>256,764</u>	<u>100,468</u>	<u>155,061</u>
Financial income (expenses)	32				
Financial income		23,536	36,713	6,902	14,502
Financial expenses		(62,446)	(91,746)	(28,113)	(53,518)
Monetary and foreign exchange variations, net		(1,894)	(879)	2,670	24,415
Derivatives		12,669	6,860	2,045	(3,682)
		<u>(28,135)</u>	<u>(49,052)</u>	<u>(16,496)</u>	<u>(18,283)</u>
Pre-tax income		136,701	207,712	83,972	136,778
Income and social contribution taxes	24(b)				
For the year		11,974	(4,300)	(14,720)	(17,019)
Deferred charges		(32,163)	(26,174)	(8,365)	(24,144)
Net income for the period		<u>116,512</u>	<u>177,238</u>	<u>60,887</u>	<u>95,615</u>
Attributable to:					
Controlling shareholders		115,222	175,948		
Non-controlling shareholders		1,290	1,290		
		<u>116,512</u>	<u>177,238</u>		
Basic earnings per share (R\$)	33	<u>1.0252</u>	<u>1.5656</u>		
Diluted earnings per share - R\$	33	<u>1.0204</u>	<u>1.5582</u>		

See accompanying notes.

Statement of comprehensive income

In thousands of reais

Company	September 30, 2014		September 30, 2013	
	Quarter	Six-month period	Quarter	Six-month period
Net income for the period	115,222	175,948	60,887	95,615
Items that shall be subsequently reclassified to P&L				
Derivative financial instruments				
Merchandise derivatives - Futures contracts, options and forward contracts	32,284	47,097	(50,536)	(49,794)
Foreign exchange derivatives - Options/ NDF	(21,656)	(11,021)	30,597	(35,291)
Foreign exchange variations of borrowings - Advances against Foreign Exchange Contracts (ACC)/ Export Prepayments (PPE)	(54,685)	(25,053)	894	(70,091)
Swap contracts	529	890	(197)	1,295
Deferred taxes on the above items	14,797	(4,050)	6,542	52,320
Equity in the comprehensive income (loss) of jointly-controlled subsidiaries	<u>(23,422)</u>	<u>(19,717)</u>	<u>741</u>	<u>(7,636)</u>
	<u>(52,153)</u>	<u>(11,854)</u>	<u>(11,959)</u>	<u>(109,197)</u>
Comprehensive income for the period	<u>63,069</u>	<u>164,094</u>	<u>48,928</u>	<u>(13,582)</u>

Consolidated	September 30, 2014		September 30, 2013	
	Quarter	Six-month period	Quarter	Six-month period
Net income for the period	116,512	177,238	60,887	95,615
Items that shall be subsequently reclassified to profit or loss				
Derivative financial instruments:				
Merchandise derivatives - Futures contracts, options and forward co	32,284	47,097	(50,536)	(49,794)
Foreign exchange derivatives - Options / NDF	(21,656)	(11,021)	30,597	(35,291)
Foreign exchange variations of borrowings - Advances against Foreign	(54,685)	(25,053)	894	(70,091)
Swap contracts	529	890	(197)	1,295
Deferred taxes on the above items	14,797	(4,050)	6,542	52,320
Equity in the comprehensive income (loss) of jointly-controlled subsidi	<u>(23,422)</u>	<u>(19,717)</u>	<u>741</u>	<u>(7,636)</u>
	<u>(52,153)</u>	<u>(11,854)</u>	<u>(11,959)</u>	<u>(109,197)</u>
Comprehensive income for the period	<u>64,359</u>	<u>165,384</u>	<u>48,928</u>	<u>(13,582)</u>
Attributable to:				
Controlling shareholders	62,278	163,303		
Noncontrolling shareholders	<u>2,081</u>	<u>2,081</u>		
	<u>64,359</u>	<u>165,384</u>		

See accompanying notes.

Statement of changes in equity

All amounts in thousands of reais

Note	Capital	Carrying value adjustments				Income reserves			Treasury shares	Stock options granted	Retained earnings	Total	Noncontrolling shareholders	Total equity	
		Deemed cost		Hedge accounting		Legal	Capital investment	Additional dividends							
		Own	Of investees	Own	Of investees										
March 31, 2013	614,150	577,818	671,432	16,619	-	25,177	194,705	12,674	(13,811)	1,853	-	2,100,617	-	2,100,617	
Capital increase with reserves	123,050	-	-	-	-	-	(123,050)	-	-	-	-	-	-	-	
Realization of deemed cost increment	-	(13,275)	(8,827)	-	-	-	-	-	-	-	22,102	-	-	-	
Payment of capital via assets in Vale do Mogi	-	(43,899)	43,899	-	-	-	-	-	-	-	-	-	-	-	
Loss on derivative transactions - hedge accounting	-	-	-	(101,023)	(8,174)	-	-	-	-	-	-	(109,197)	-	(109,197)	
Stock options granted	-	-	-	-	-	-	-	-	-	1,058	-	1,058	-	1,058	
Additional dividends for prior years, paid	-	-	-	-	-	-	-	(12,674)	-	-	-	(12,674)	-	(12,674)	
Net income for the period	-	-	-	-	-	-	-	-	-	-	95,615	95,615	-	95,615	
At September 30, 2013	21	737,200	520,644	706,504	(84,404)	(8,174)	25,177	71,655	-	(13,811)	2,911	117,717	2,075,419	-	2,075,419
At March 31, 2014		737,200	513,013	703,701	(91,814)	(8,191)	31,927	190,008	8,342	(11,839)	3,605	-	2,075,952	-	2,075,952
Capital increase with reserves		71,650	-	-	-	-	-	(71,650)	-	-	-	-	-	-	-
Realization of deemed cost increment		-	(8,499)	(2,381)	-	-	-	-	-	-	10,880	-	-	-	
Payment of capital via assets in Vale do Mogi		-	(22,822)	22,822	-	-	-	-	-	-	-	-	-	-	
Gain on derivative transactions - hedge accounting		-	-	-	7,863	(19,717)	-	-	-	-	-	-	(11,854)	2,081	(9,773)
Stock options granted		-	-	-	-	-	-	-	-	-	1,421	-	1,421	-	1,421
Stock options exercised		-	-	-	-	-	-	-	-	1,124	(311)	352	1,165	-	1,165
Additional dividends for prior years, paid		-	-	-	-	-	-	(8,342)	-	-	-	(8,342)	-	(8,342)	
Net income for the period		-	-	-	-	-	-	-	-	-	-	175,948	175,948	1,290	177,238
At September 30, 2014	21	808,850	481,692	724,142	(83,951)	(27,908)	31,927	118,358	-	(10,715)	4,715	187,180	2,234,290	3,371	2,237,661

See accompanying notes.

Statement of cash flows
Six-month periods ended September 30

In thousands of reais

	Company		Consolidated	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
Cash flows from operating activities				
Net income for the period	175,948	95,615	175,948	95,615
Adjustments				
Depreciation and amortization	55,592	70,129	63,336	70,690
Harvested biological assets (depletion)	99,829	113,968	108,180	113,968
Changes in the fair value of biological assets	(2,162)	(1,281)	1,305	(1,281)
Amortization of intangible assets	-	-	1,120	-
Equity pickup	(109,851)	(18,091)	(29,294)	17,203
Gain (loss) in investment capital	-	-	(7,055)	-
(Gain) loss on investment and property, plant and equipmen	333	2,451	(4,054)	(1,731)
Interest, monetary and foreign exchange variations, net	52,784	33,207	72,762	33,539
Derivative financial instruments	80,690	32,816	81,139	32,816
Setting up of provision for contingencies, net	(2,173)	11,844	(965)	11,844
Deferred income and social contribution taxes	27,235	28,468	26,174	24,144
Adjustments to present value and others	3,739	5,915	3,739	5,553
Gains (losses) from sale of investment	(79,717)	-	(79,717)	-
	<u>302,247</u>	<u>375,041</u>	<u>412,618</u>	<u>402,360</u>
Changes in assets and liabilities				
Trade accounts receivable	(14,472)	(76,314)	(45,242)	(77,687)
Inventories	(264,984)	(116,332)	(289,261)	(111,920)
Taxes recoverable	(26,814)	(19,714)	(30,015)	(20,008)
Short-term investments	-	-	(434)	-
Other assets	(546)	2,599	2,194	2,599
Trade accounts payable	90,035	100,476	84,980	92,419
Salaries and social charges	16,184	15,740	15,496	15,740
Taxes recoverable	714	10,462	2,733	13,021
Payables to Copersucar	9,749	(3,936)	10,852	(3,936)
Tax installments	(952)	(2,663)	(952)	(2,663)
Provision for contingencies - settlements	(19,832)	(17,383)	(20,303)	(17,383)
Other liabilities	9,721	13,002	5,682	12,717
Cash from operations	101,050	280,978	148,348	305,259
Payment of interest on borrowings	(39,136)	(37,096)	(50,780)	(37,935)
Income and social contribution taxes paid	-	-	(47)	(1,144)
Net cash from operating activities	<u>61,914</u>	<u>243,882</u>	<u>97,521</u>	<u>266,180</u>
Cash flows from investing activities				
Application of funds in investments	(46,208)	-	(44,354)	-
Change from acquisition and sale of shareholding interest	-	-	44,860	-
Additions to PP&E and intangible assets	(51,879)	(82,763)	(60,580)	(83,252)
Additions to biological assets (planting and treatment)	(119,948)	(107,340)	(144,312)	(107,340)
Receipt of revenue from sale of PP&E	1,482	1,762	6,210	8,083
Cash and cash equivalents of merged subsidiary	-	1	-	1
Advance for future capital increase	(301,245)	(976)	-	(976)
Dividends received	41,350	37,614	3,127	1,330
Net cash applied in investing activities	<u>(476,448)</u>	<u>(151,702)</u>	<u>(195,049)</u>	<u>(182,154)</u>
Cash flows from financing activities				
Borrowings raised - third parties	391,818	82,752	396,818	83,225
Amortization of borrowings - third parties	(223,934)	(176,520)	(270,946)	(177,694)
Changes in interest held by noncontrolling shareholders	-	-	1,290	-
Sale of treasury shares	1,164	-	1,164	-
Payment of dividends and interest on equity	(40,405)	(30,000)	(43,089)	(30,000)
Net cash provided by (used in) financing activities	<u>128,643</u>	<u>(123,768)</u>	<u>85,237</u>	<u>(124,469)</u>
Increase (decrease) in cash and cash equivalents	(285,891)	(31,588)	(12,291)	(40,443)
Cash and cash equivalents at the beginning of the period	542,917	479,631	551,359	531,141
Cash and cash equivalents at the end of the period	<u>257,026</u>	<u>448,043</u>	<u>539,068</u>	<u>490,698</u>

See accompanying notes.

Statement of value added
Six month periods ended September 30

In thousands of reais

	Company		Consolidated	
	September 30, 2014	September 30, 2013	September 30, 2014	September 30, 2013
Revenues				
Gross sales of goods and products	670,064	899,511	782,041	923,123
revenue from the construction of own assets	120,205	104,401	142,552	104,736
Other revenue	81,956	6,929	82,838	7,532
	<u>872,225</u>	<u>1,010,841</u>	<u>1,007,431</u>	<u>1,035,391</u>
Income acquired from third parties				
Cost of products and goods sold	(258,598)	(349,454)	(239,268)	(339,056)
Materials, electricity, outsourced services and others	(151,603)	(166,536)	(190,535)	(169,665)
	<u>(410,201)</u>	<u>(515,990)</u>	<u>(429,803)</u>	<u>(508,721)</u>
Gross value added	<u>462,024</u>	<u>494,851</u>	<u>577,628</u>	<u>526,670</u>
Depreciation and amortization	(55,592)	(70,129)	(63,336)	(70,690)
Harvested biological assets (depletion)	(99,829)	(113,968)	(108,180)	(113,968)
Net value added generated by the entity	<u>306,603</u>	<u>310,754</u>	<u>406,112</u>	<u>342,012</u>
Value added received through transfer				
Equity pick up	109,851	18,091	29,294	(17,203)
Finance income	126,181	138,333	144,373	140,300
Other	(12,791)	94	(4,971)	94
Total value added to distribute	<u>529,844</u>	<u>467,272</u>	<u>574,808</u>	<u>465,203</u>
Distribution of value added				
Personnel and payroll charges				
Direct remuneration	103,509	110,863	112,869	110,863
Benefits	24,509	25,192	28,065	25,192
Government Severance Indemnity Fund for Employees (FGTS) management fees	8,512	8,202	9,324	8,202
	6,740	6,057	7,055	6,057
Taxes charges and contributions				
Federal	39,500	59,684	44,839	58,604
State	257	38	260	38
Municipal	424	122	425	122
Creditors				
Interest	65,635	48,036	73,608	48,704
Rent	2,229	2,328	478	668
Foreign exchange variations	44,804	58,313	58,908	58,313
Other	57,777	52,822	61,739	52,825
Dividends				
Profits retained for the period	175,948	95,615	175,948	95,615
Participation of minority shareholders			1,290	
Value added distributed	<u>529,844</u>	<u>467,272</u>	<u>574,808</u>	<u>465,203</u>

See accompanying notes.



Notes to quarterly information at September 30, 2014

In thousands of reais except when otherwise stated

1 Operations

1.1 OPERATIONS

São Martinho S.A. (the "Company"), its subsidiaries and jointly-controlled subsidiaries (together, the "Group") are primarily engaged in planting sugar cane and producing and selling sugar, ethanol and other sugar cane products; cogenerating electricity; development of real estate ventures; agricultural production; import and export of goods, products and raw materials, and investment in other companies.

Approximately 60% of the sugar cane used in the production of the goods derives from the Company's own plantations, from shareholders, related companies and agricultural partnerships, and the remaining 40% from third-party suppliers.

Sugar cane requires an 18-month period for maturing and the beginning of the harvest. The harvest generally takes place between April and December, which is also the period when sugar and ethanol are produced and electricity is cogenerated.

The Company is a listed corporation - headquartered in Pradópolis, State of São Paulo, and registered with the São Paulo Futures, Commodities and Securities Exchange - BM&FBovespa S.A. ("BM&FBovespa") in the Novo Mercado (New Market) category. It is a subsidiary of the holding company LJM Participações S.A. ("LJM"), which has a controlling interest of 56.12% in its voting capital. In turn, the owners of LJM are the family holding companies: Luiz Ometto Participações S.A., João Ometto Participações S.A. and Nelson Ometto Participações Ltda. The issue of these financial statements was approved by the Company's Board of Directors on November 10, 2014.

2 Summary of significant accounting practices

2.1 Basis for preparation

The interim financial information included in this quarterly information was prepared in accordance with the Accounting Pronouncement CPC 21 (R1) - Interim Financial Reporting (individual and consolidated), from the Brazilian FASB (CPC), and with the international accounting standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) (consolidated) and is presented in accordance with the standards issued by the Brazilian SEC (CVM) applicable to the preparation of Quarterly Information.

Specifically, the consolidated quarterly information also include companies with real estate operations, the accounting practices of which are in accordance with International Financial Reporting Standards (IFRS) applicable to real estate development entities including Guidance OCPC 4 – application of Technical Interpretation ICPC 2, for Brazilian real estate entities with regard to the recognition of revenue in the sector and involves issues relating to the meaning and application of the continuous transfer of risk and benefits of real estate units.

With the exception of real estate transactions this interim financial information was prepared in accordance with the principles, practices and criteria adopted in the preparation of the annual financial statements at March 31, 2014. Accordingly, this quarterly information should be read together with the aforementioned financial statements, which were approved by the Board of Directors on June 16, 2014 and filed with the CVM on the same date, and also approved at the Extraordinary and Ordinary General Meetings held on July 31, 2014.

2.2 Sale of land and plots

In addition, as from that quarter the Company began to record revenue from real estate development (land).

Sale of subdivisions (land): The sales revenue from the cost of land inherent to the development are allocated to profit and loss (P&L) to the extent that infrastructure work progresses given that the transfer of risks and benefits occurs continuously. In these sales (undeveloped plots) the following procedures were observed:

- The percentage of cost incurred (including land) in relation to its total budgeted cost is calculated. This percentage is applied on revenue from sold units and plots, adjusting

Notes to quarterly information at September 30, 2014

In thousands of reais except when otherwise stated

in accordance with contractual sale conditions which determines the revenue amount to be recognized as directly proportional to costs.

- The sales revenue recognized that is higher than that effectively received from customers is recorded in current or noncurrent assets.
- The amounts received in relation to the sale of plots that are higher than the amounts recognized in revenue are recorded under the heading “Advances from customers”.

In credit sales of land with completed infrastructure projects, revenue is recognized when the sale is made, regardless of the receipt of the contractual amount, with revenues measured at the fair value of the consideration received and receivable.

2.3 Consolidated**(a) Subsidiaries**

The consolidated interim financial information includes the interim financial information of the parent company and its subsidiaries. As from August 2014 the Company began to fully consolidate Santa Cruz S.A. Açúcar e Álcool (“SC”) given its acquisition of a 56.05% interest, increasing capital in SC from 36.09% to 92.14% in accordance with the disclosure of material fact of August 8, 2014, the details of the transaction are described in Note 35.

The transaction has a significant affect on the comparability of P&L for the current period with that of the prior period.



Notes to quarterly information at September 30, 2014

In thousands of reais except when otherwise stated

Accordingly the consolidated balances include the following subsidiaries:

Company	Interest	Main activities
Vale do Mogi Empreendimentos Imobiliários S.A. ("Vale do Mogi")	100%	Development of land through tenancy, agricultural partnerships, leasing and sale of properties.
São Martinho S.A. ("SME")	100%	Cogeneration of electricity
Vale do Piracicaba S.A. ("Vale do Piracicaba")	100%	Purchase and sale of properties, development real estate ventures and holding interest in other entities.
SPE - Residencial Recanto das Paineiras Empreendimentos Imobiliários Ltda. ("Paineiras") – a Vale do Mogi subsidiary	100% (direct interest 0.01% and indirect interest 99.99%)	Real estate venture
SPE - Park Empresarial Iracemápolis Ltda. ("Park") – a Vale do Mogi subsidiary	100% (direct interest 0.01% and indirect interest 99.99%)	Real estate venture
Santa Cruz S.A. Sugar and ethanol ("SC ")	92.14%	Agribusiness activities; industrialization of sugar cane, of own and third party production, the manufacture of sugar, ethanol and its derivatives, the cogeneration of electricity, agricultural development and holding interest in other entities.
Indirect subsidiaries		
Companhia Bioenergética Santa Cruz 1 ("Bio") – a subsidiary of SC	92.14%	Cogeneration of electricity

(b) Jointly controlled subsidiaries and affiliates

These investments are recorded under the equity pickup method.

Notes to quarterly information at September 30, 2014

 In thousands of reais except when otherwise stated

Company	Interest	Main activities
Jointly held subsidiaries - Direct:		
Nova Fronteira Bioenergia S.A. ("NF")	50.95%	Interest in other entities
SMA Indústria Química S.A. ("SMA")	50%	Production of renewable high performance chemical products
Usina Santa Luiza S.A. ("USL")	66.67% (direct interest 41.67% and indirect interest 25%)	Storage services
Jointly held subsidiaries - Indirect		
Usina Boa Vista S.A. ("UBV") – subsidiary of NF	50.95%	Agribusiness activities Industrialization of sugar cane, of own and third party production, the manufacture of sugar, ethanol and its derivatives, the cogeneration of electricity and rural development.
SMBJ Agroindustrial S.A. ("SMBJ") – subsidiary of NF	50.95%	Agricultural development

2.3 Amendments of existing standards not yet effective

The following new standards to existing standards were issued by the IASB, but are not effective for the current year:

- IAS 41 - Agriculture (equivalent to CPC 29 – Biological Assets and Agricultural Produce) – This standard currently requires that biological assets related to agricultural activities be measured at fair value less selling costs. In reviewing this standard, the IASB decided that bearer plants (biological asset to bear produce) should be accounted for as Property, Plant & Equipment (IAS 16/CPC 27), that is, at cost less depreciation or impairment. Bearer plants are defined as those used to bear produce for several years, but the plant itself, after maturity, does not suffer significant transformation. Its only future economic benefit comes from the agricultural produce that it generates. Sugarcane stubble fall under the definition of Bearer Plants which are measured at cost less depreciation or impairment. The standing cane is a consumable biological asset and remains within the scope of CPC 29 and IAS 41, measured at fair value. Management is evaluating the impacts of its adoption. This revision is effective from January 1, 2016.
- IFRS 15 – Revenue from contracts with customers – This new standard introduces the principles that an entity must apply to measure revenue and when it is recognized. It is effective in 2017 and supersedes IAS 11 – Construction Contracts, (equivalent to CPC 17 - Construction Contracts) IAS 18 – Revenue and corresponding interpretations (CPC 30 - Revenue) Management is evaluating the impacts of its adoption.

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In thousands of reais except when otherwise stated

- IFRS 9 – Financial instruments – This new standard addresses the classification, measurement and recognition of financial assets and liabilities. IFRS 9 aims, ultimately, to replace IAS 39 – Financial instruments: Recognition and measurement (CPC 38 – Financial Instruments: Recognition and Measurement). This standard enters into force as from 2015 but is being reviewed as from its issue date. Management has not yet concluded its evaluation of the impacts of its adoption.

The equivalents of these revisions and new standards have not been issued by the Brazilian FASB (CPC) as accounting practices adopted in Brazil, including the approval process by the appropriate regulators.

3 Critical accounting estimates and judgments

The Company confirms that the critical accounting estimates and judgments described in the annual financial statements for the year ended March 31, 2014, in Note 3.1, remain valid for this Quarterly Information – ITR.

4 Financial risk management

There are no differences between the current financial risk factors and risk management policy and those described in Note 4 to the financial statements for the year ended March 31, 2014.

4.1 Assets and liabilities subject to foreign exchange variations

The table below summarizes foreign currency-denominated assets and liabilities (in US dollars - US\$), recorded in the consolidated balance sheet at September 30, 2014:

Notes to quarterly information at September 30, 2014

In thousands of reais except when otherwise stated

	R\$	Thousands of US\$ equivalent
Current assets		
Cash and cash equivalents (banks – cash deposits)	143,133	58,412
Trade accounts receivable	53,892	21,993
Derivative financial instruments	25,247	10,303
Total assets	222,272	90,708
Liabilities and equity		
Current liabilities:		
Borrowings	258,632	105,521
Derivative financial instruments	64,061	26,137
Other liabilities	4,741	1,934
Non-current liabilities:		
Borrowings	945,198	385,638
Total liabilities	1,272,632	519,230
Sub total net	(1,050,360)	(428,522)
(-) Export linked financing - ACC and PPE (*)	1,190,069	485,544
Net asset exposure	139,709	57,022

These assets and liabilities were adjusted and recorded in the interim financial information at September 30, 2014, at the exchange rate in effect on that date, of R\$ 2.4504 per US\$ 1.00 for assets and R\$ 2.4510 per US\$ 1.00 for liabilities.

(*)Borrowings in foreign currency refers mainly to loans in the format of Advances on Foreign Exchange Contracts (ACC), Export Credit Notes and Export Prepayments (PPE), maturing from November 2014 to July 2018, which are linked to exports. As the above agreements will be settled through product exports, management understands that these transactions represent a natural hedge and therefore, the foreign exchange variations will only have temporary accounting effects on the financial statements, without a corresponding effect on cash flows.



Notes to quarterly information at September 30, 2014

In thousands of reais except when otherwise stated

4.2 Volatility risk of commodity prices

The Group is exposed to the risk of changes in the commodity prices of manufactured goods such as sugar and ethanol.

At September 30, 2014, the prices of 335,603 metric tons of sugar had been fixed with commercial partners for future delivery scheduled as from October 2014, priced at an average of 16.30 ¢/lb (U.S. dollar cents per pound weight).

4.3 Liquidity risk

Cash flow forecasting is performed for the Group and aggregated by the Finance Department.

This department monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operating needs.

Surplus cash held by the operating entities over and above the amount required for working capital management is invested in interest-earning current accounts, time deposits, money market deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient margins as determined by the cash flow forecasts

At September 30, 2014, the Group had financial investments consisting mainly of repurchase agreements backed by government securities, and fixed-income funds, indexed to the Interbank Deposit Certificate (CDI) interest rate, with high liquidity and active trading in the market, that are expected to readily generate cash inflows for managing liquidity risk.

Notes to quarterly information at September 30, 2014

In thousands of reais except when otherwise stated

The following table analyzes the Group's financial liabilities, by maturity ranges, corresponding to the remaining period in the balance sheet vis-à-vis the contractual maturity date.

Company	Within one year	Between one and	Between two and five	Over five years	Total
At September 30, 2014:					
Borrowings	648,239	213,403	717,716	222,345	1,801,703
Derivative financial instruments	58,122	-	-	-	58,122
Trade accounts payable	147,180	-	-	-	147,180
Acquisition of investment	17,817	90,251	-	-	108,068
Other liabilities	25,942	6	-	-	25,948
	<u>897,300</u>	<u>303,660</u>	<u>717,716</u>	<u>222,345</u>	<u>2,141,021</u>

At March 31, 2014					
Borrowings	436,671	376,562	626,557	129,193	1,568,983
Derivative financial instruments	56,398	-	-	-	56,398
Trade accounts payable	66,862	-	-	-	66,862
Acquisition of investment	10,725	-	-	-	10,725
Other liabilities	17,289	6	-	-	17,295
	<u>587,945</u>	<u>376,568</u>	<u>626,557</u>	<u>129,193</u>	<u>1,720,263</u>

Consolidated	Within one year	Between one and	Between two and five	Over five years	Total
At September 30, 2014:					
Borrowings	994,279	387,324	920,855	262,659	2,565,117
Derivative financial instruments	64,061	-	-	-	64,061
Trade accounts payable	194,242	-	-	-	194,242
Acquisition of investment	17,817	90,251	-	-	108,068
Other liabilities	33,070	522	-	-	33,592
	<u>1,303,469</u>	<u>478,097</u>	<u>920,855</u>	<u>262,659</u>	<u>2,965,080</u>

At March 31, 2014					
Borrowings	439,644	379,505	635,387	136,285	1,590,821
Derivative financial instruments	56,398	-	-	-	56,398
Trade accounts payable	64,429	-	-	-	64,429
Acquisition of interest	10,725	-	-	-	10,725
Other liabilities	17,290	436	-	-	17,726
	<u>588,486</u>	<u>379,941</u>	<u>635,387</u>	<u>136,285</u>	<u>1,740,099</u>

4.4 Sensitivity analysis

In accordance with CVM Ruling 475, the sensitivity analysis below has been prepared by the Company showing the effects of changes in the fair values of financial instruments which are not designated for hedge accounting. This analysis relates to the pricing and hedging of foreign currency exchange risks and other financial assets and liabilities at September 30, 2014, and considers management expectations with respect to risk exposure and the future scenario projected. For this reason, the analysis has not been examined by the independent auditors.

Consolidated	Probable scenarios		Possible scenarios	
	Rate/ average price	Impact on recorded P&L and cash flows	Variation of 25%	Variation of 50%
Variation in foreign currency	5%	47	233	466
Variation in the price of goods sold	5%	165	825	1,650
Variation in the interest curve	10 bps	96	1,758	3,516

Sensitivity analysis of foreign exchange variations: the Company is exposed to variations between the Brazilian real and the US dollar. The sensitivity analysis carried out by the Company considers the effects of an increase or decrease of 25% and 50% between the parity Real/US dollar on its financial instruments. In this analysis, there would be a positive or negative impact arising from the foreign exchange variation of R\$ 233 and R\$ 466 for the stresses of 25% and 50%, respectively, on the futures contracts and options of goods (ICE Futures US - Sugar #11) traded on exchanges and currency negotiated in over-the-counter (OTC) markets.

Sensitivity analysis of variations in the prices of commodities: the Company is exposed to variations in the price of sugar negotiated through futures contracts and options in the North-American ICE Futures US. Also used as index for forward contracts and flexible options of goods in the over-the-counter market, the sensitivity analysis carried out by the Company considers the effects of an increase or decrease of 25% and 50% in the price of the commodity on its derivative financial instruments. In this analysis, there would be an impact arising from the variation of price of R\$ 825 and R\$ 1,650 for the stresses of 25% and 50%, respectively.

Notes to quarterly information at September 30, 2014

In thousands of reais except when otherwise stated

Sensitivity analysis of variations in interest curves: The Company has swap contracts. The exposure to rates refers exclusively to variations in the Interbank Deposit Certificate (CDI) curve. The sensitivity analysis carried out by the Company considers the effects of an increase or decrease of 25 bps and 50 bps (basis points) in the pricing curve of the derivative instrument.

In this analysis, there would be an impact arising from the variation of the curve of R\$ 1,758 and R\$ 3,516 for the stresses of 25 bps and 50 bps, respectively

4.5 Capital management

As additional information, the gearing ratios at September 30 and March 31, 2014 were as follows:

Consolidated	September 30, 2014	March 31, 2014
Third party capital		
Borrowings (Note 16)	2,565,117	1,590,821
(-) Cash and cash equivalents (Note 6)	(539,068)	(551,359)
	2,026,049	1,039,462
Own capital		
Equity	2,234,290	2,075,952
	4,260,339	3,115,414
Total capital		
Financial leverage level - %	48%	33%

The growth in the financial leverage index is due to consolidation as from this quarter in the interest held in SC.

4.6 Fair Value estimate

The fair value of the financial instruments contracted by the Group is measured based on information obtained from the financial institutions and prices quoted in an active market, using standard market pricing methodology, which comprises measuring their nominal value up to the due date and discounting this to present value at future market rates. The use of different assumptions may cause estimated fair values to differ from actual amounts, since considerable judgment is required in interpreting market data.

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The fair value of futures negotiated in the New York - Intercontinental Exchange (ICE Futures US) is calculated by the difference between the price of the derivative in the contract and the market closing price on the base date, obtained from quotations in the active market, and reconciled to creditor or debtor balances with the brokers. The fair value of options traded in the ICE is obtained from quotations in the market.

The fair values of foreign exchange options are obtained using the "Black & Scholes" method, which is based on market data, specifically the DI and DDI interest curves published by the BM&F.

The fair values of forward contracts, both for foreign exchange and sugar, contracted in the over-the-counter market with leading banks, are calculated using the discounted future cash flow method, based on market data on the date of each contract, specifically the DI and DDI interest curves published by the BM&F, PTAX published by the Brazilian Central Bank, and prices of sugar futures in the ICE.

The Group evaluates, at the reporting date, if there is objective evidence that a financial asset or a group of financial assets is impaired in relation to its recoverable value.

The carrying values less impairment provision, or adjustment to present value, when applicable, of trade receivables, notes receivable, trade payables and notes payable are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The Group adopts CPC 40 for financial instruments that are measured in the balance sheet at fair value. This requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets and liabilities (Level 1);

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- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).

According to balance sheet	Consolidated		
	Level 1	Level 2	Total
At September 30, 2014:			
Derivative financial instruments - assets			
Flexible currency options	-	231	231
Sugar options	-	3,420	3,420
Sugar futures	8,546	-	8,546
	<u>8,546</u>	<u>3,651</u>	<u>12,197</u>
Liabilities - Derivative financial instruments			
Ethanol futures	106	-	106
Forward contracts - foreign exchange	-	16,390	16,390
Swap contracts	-	47,565	47,565
	<u>106</u>	<u>63,955</u>	<u>64,061</u>
At March 31, 2014			
Assets - derivative financial instruments			
Flexible currency options	-	4,815	4,815
Forward contracts - goods	-	65	65
	<u>-</u>	<u>4,880</u>	<u>4,880</u>
Liabilities - Derivative financial instruments			
Forward contracts - foreign exchange	-	5,684	5,684
Ethanol futures	15	-	15
Sugar futures	14,770	-	14,770
Sugar options	-	4,369	4,369
Swap contracts	-	31,560	31,560
	<u>14,785</u>	<u>41,613</u>	<u>56,398</u>

Notes to quarterly information at September 30, 2014

In thousands of reais except when otherwise stated

5 Financial instruments by category

Company			
Assets, according to balance sheet	Assets measured at fair value through profit and loss	Derivatives used for hedge	Total
At September 30, 2014:			
Cash and cash equivalents	257,026	-	257,026
Trade accounts receivable	75,864	-	75,864
Derivative financial instruments	12,188	12,086	24,274
Transactions with related parties	301,246	-	301,246
Other assets, except prepayments	11,129	-	11,129
	<u>657,453</u>	<u>12,086</u>	<u>669,539</u>
At March 31, 2014			
Cash and cash equivalents	542,917	-	542,917
Trade accounts receivable	61,392	-	61,392
Derivative financial instruments	28,673	4,880	33,553
Transactions with related parties	1,926	-	1,926
Other assets, except prepayments	5,426	-	5,426
	<u>640,334</u>	<u>4,880</u>	<u>645,214</u>

Company				
Liabilities, according to balance sheet	Liabilities measured at fair value through P&L	Derivatives used for hedge	Liabilities at amortized cost	Total
At September 30, 2014:				
Borrowings	55,133	-	1,746,570	1,801,703
Derivative financial instruments	-	58,122	-	58,122
Trade accounts payable	-	-	147,180	147,180
Acquisition of interest	-	-	108,068	108,068
Other liabilities	-	-	25,948	25,948
	<u>55,133</u>	<u>58,122</u>	<u>2,027,766</u>	<u>2,141,021</u>
At March 31, 2014				
Borrowings	64,807	-	1,504,176	1,568,983
Derivative financial instruments	-	56,398	-	56,398
Trade accounts payable	-	-	66,862	66,862
Acquisition of interest	-	-	10,725	10,725
Other liabilities	-	-	17,295	17,295
	<u>64,807</u>	<u>56,398</u>	<u>1,599,058</u>	<u>1,720,263</u>

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Consolidated			
Assets, according to balance sheet	Assets measured at fair value through profit and loss	Derivatives used for hedge	Total
At September 30, 2014:			
Cash and cash equivalents	539,068	-	539,068
Trade accounts receivable	141,613	-	141,613
Short-term investments	5,942	-	5,942
Derivative financial instruments	13,050	12,197	25,247
Other assets, except prepayments	15,099	-	15,099
	<u>714,772</u>	<u>12,197</u>	<u>726,969</u>
At March 31, 2014			
Cash and cash equivalents	551,359	-	551,359
Trade accounts receivable	73,698	-	73,698
Derivative financial instruments	28,673	4,880	33,553
Transactions with related parties	1,925	-	1,925
Other assets, except prepayments	5,430	-	5,430
	<u>661,085</u>	<u>4,880</u>	<u>665,965</u>

Liabilities, according to balance sheet	Liabilities measured at fair value through P&L	Derivatives used for hedge	Other financial liabilities	Total
At September 30, 2014:				
Borrowings	-	-	2,565,117	2,565,117
Derivative financial instruments	64,061	-	-	64,061
Trade accounts payable	-	-	194,242	194,242
Acquisition of interest	-	-	108,068	108,068
Other liabilities	-	-	33,592	33,592
	<u>64,061</u>	<u>-</u>	<u>2,901,019</u>	<u>2,965,080</u>
At March 31, 2014				
Borrowings	64,807	-	1,526,014	1,590,821
Derivative financial instruments	-	56,398	-	56,398
Trade accounts payable	-	-	64,429	64,429
Acquisition of interest	-	-	10,725	10,725
Other liabilities	-	-	17,726	17,726
	<u>64,807</u>	<u>56,398</u>	<u>1,618,894</u>	<u>1,740,099</u>

Notes to quarterly information at September 30, 2014

 In thousands of reais except when otherwise stated

The credit quality of financial assets that are neither past due nor impaired is assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates: There is no history of significant default in the Group.

6 Cash and cash equivalents

		Company	
Yield		September 30, 2014	March 31, 2014
Cash and banks in Brazil		1,772	471
Cash and banks abroad		96,935	94,447
Short-term investments in Brazil			
	101.16% (March – 101.04%) variation in CDI – Weighted average rate	26,562	187,549
Debtenture repurchase agreements	101.21% (March – 101.23%) variation in CDI – Weighted average rate	131,757	260,450
		<u>257,026</u>	<u>542,917</u>

		Consolidated	
Yield		September 30, 2014	March 31, 2014
Cash and banks in Brazil		3,464	495
Cash and banks abroad		143,133	94,447
Short-term investments – Brazil			
	101.08% (March – 101.04%) variation in CDI – Weighted average rate	65,261	187,549
Debtenture repurchase agreements	99.11% (March – 100.57%) variation in CDI – Weighted average rate	327,210	268,868
		<u>539,068</u>	<u>551,359</u>

Cash and bank balances include deposits in current accounts which are available for immediate use. These balances result from the strategy and normal flow of operations of the Group. All financial investments can be redeemed in up to ninety (90) days with no loss of earnings.

Notes to quarterly information at September 30, 2014

 In thousands of reais except when otherwise stated

7 Trade accounts receivable

The analysis of the balance of trade receivables is as follows:

	Company		Consolidated	
	September 30, 2014	March 31, 2014	September 30, 2014	March 31, 2014
Domestic market	40,978	54,299	87,721	66,605
Foreign market customers	34,886	7,093	53,892	7,093
	<u>75,864</u>	<u>61,392</u>	<u>141,613</u>	<u>73,698</u>
Ativo circulante	<u>74,784</u>	<u>59,800</u>	<u>137,496</u>	<u>72,106</u>
Non-current assets	<u>1,080</u>	<u>1,592</u>	<u>4,117</u>	<u>1,592</u>

At September 30 and March 31, 2014, management did not identify the need to record an allowance for doubtful accounts.

At September 30, 2014, trade accounts receivable at the Company amounting to R\$234 and R\$ 604 consolidated were past due but not impaired. These relate to a number of customers for whom there is no recent history of default. The aging analysis of these trade accounts receivable is as follows:

	Company		Consolidated	
	September 30, 2014	March 31, 2014	September 30, 2014	March 31, 2014
Past due but not provisioned:				
Up to 30 days	144	-	355	-
Over 31 days	90	584	249	584
Falling due:				
Up to 30 days	67,913	51,688	113,513	52,206
From 31 to 60 days	3,353	3,611	14,884	3,606
Over 60 days	4,364	5,509	12,612	17,302
	<u>75,864</u>	<u>61,392</u>	<u>141,613</u>	<u>73,698</u>



Notes to quarterly information at September 30, 2014

In thousands of reais except when otherwise stated

The maximum exposure to credit risk at the reporting date is the book value of the balances of the receivables.

8 Inventories

	Company		Consolidated	
	September 30, 2014	March 31, 2014	September 30, 2014	March 31, 2014
Current				
Finished goods and goods in process	410,851	19,480	560,905	19,480
Advances – procurement of sugar cane	40,808	39,118	60,092	39,118
Land - subdivisions	-	-	7,086	9,339
Inputs, ancillary material for maintenance and other items	32,137	31,721	39,230	31,721
	483,796	90,319	667,313	99,658
Noncurrent				
Advances – customers and services	7,677	2,773	7,941	2,773
Advances – procurement of sugar cane	19,751	23,017	21,681	23,017
	27,428	25,790	29,622	25,790
	511,224	116,109	696,935	125,448

The Company entered into partnerships to purchase sugar cane grown on third-party rural properties (including agricultural partnerships), of which part of the delivery will only occur in future years.

The balance classified as "Land sub-divisions" refers to the real estate ventures under construction Residencial Recanto das Paineiras and Park Empresarial Iracemápolis, both in the municipality of Iracemápolis, State of São Paulo.

Notes to quarterly information at September 30, 2014

 In thousands of reais except when otherwise stated

9 Taxes recoverable

The breakdown of taxes recoverable is as follows:

	Company		Consolidated	
	September 30, 2014	March 31, 2014	September 30, 2014	March 31, 2014
Current taxes				
PIS and COFINS	36,371	24,214	46,699	24,214
ICMS	30,469	29,532	34,046	29,994
Tax on Transactions (IOF) on derivatives	6,103	5,841	6,103	5,841
Other	5,130	4,318	5,430	4,318
	<u>78,073</u>	<u>63,905</u>	<u>92,278</u>	<u>64,367</u>
Noncurrent				
PIS and COFINS	43,983	48,117	53,564	48,117
ICMS	30,520	19,825	31,811	20,084
	<u>74,503</u>	<u>67,942</u>	<u>85,375</u>	<u>68,201</u>
	<u>152,576</u>	<u>131,847</u>	<u>177,653</u>	<u>132,568</u>

The balances of taxes recoverable arise from commercial transactions and tax prepayments, adjusted to present value when applicable (credits on purchases of property, plant and equipment).

Tax credits on purchases of property, plant and equipment are offset against taxes and contributions payable in accordance with the applicable legislation.

The expectation of realization of the long-term tax credits is as follows:

Periods ended September 30:	Company	Consolidated
2016	27,626	33,580
2017	22,451	23,881
2018	11,451	12,882
2019	6,968	7,907
2020	1,000	1,810
2021 onwards	5,007	5,315
	<u>74,503</u>	<u>85,375</u>

Notes to quarterly information at September 30, 2014

In thousands of reais except when otherwise stated

10 Transactions with related parties
a) Company and consolidated balances

Company	September 30, 2014				March 31, 2014		
	Current assets	Non-current	Current liabilities	Noncurrent liabilities	Current assets	Non-current	Current liabilities
From investees and related parties							
Vale do Mogi Empreend. Imobiliários S.A.	4	-	32,987	-	5	-	2,440
Usina Boa Vista S.A.	2,172	-	5	-	3,569	-	116
Usina Santa Luiza S.A.	59	-	173	-	56	1,925	19
SMBJ Agroindustrial S.A.	4	-	-	-	5	-	-
Santa Cruz S.A. Sugar and ethanol	3,603	300,000	-	-	4,398	-	525
Luiz Ometto Participações S.A. (Note 35)	880	-	-	84,990	-	-	-
SMA Industria Química S.A.	53	-	-	-	52	-	-
São Martinho - Energia S.A.	1,058	-	-	-	5	1	14,500
ABV	-	-	-	-	5	-	-
Other	92	1,246	503	-	72	-	-
Subtotal:	7,925	301,246	33,668	84,990	8,167	1,926	17,600
From shareholders – acquisition of sugar cane	2,299		4,485		2,577		1,876
	10,224	301,246	38,153	84,990	10,744	1,926	19,476

Consolidated	September 30, 2014				March 31, 2014		
	Current assets	Non-current	Current liabilities	Noncurrent liabilities	Current assets	Non-current	Current liabilities
From investees and related parties							
Usina Boa Vista S.A.	2,172	-	5	-	3,569	-	116
Santa Cruz S.A. Sugar and ethanol	-	-	-	-	4,398	-	525
Luiz Ometto Participações S.A. (Note 35)	880	-	-	84,990	-	-	-
Usina Santa Luiza S.A.	59	-	173	-	56	1,925	19
SMA Industria Química S.A.	53	-	-	-	52	-	-
SMBJ Agroindustrial S.A.	4	-	-	-	5	-	-
ABV	-	-	-	-	5	-	-
Other	80	34	-	-	72	-	-
Subtotal:	3,248	34	178	84,990	8,157	1,925	660
From shareholders – acquisition of sugar cane	2,299		4,485		2,577		1,876
	5,547	34	4,663	84,990	10,734	1,925	2,536

At September 30 and March 31, 2014, the balances in current assets and liabilities (classified as trade receivables and payables in the balance sheet) refer to sales and purchases of goods and services between the Company, its investees and related parties. The noncurrent asset balances are advances for future capital increases.

Notes to quarterly information at September 30, 2014

In thousands of reais except when otherwise stated

In the quarter ended September 30, 2014, the Company sold its investment in ABV to LOP, for R\$ 79,717, and it is recorded in the “Other revenue, net” group of accounts (Note 12.8).

b) Parent Company transactions in the six-month period

	September 30, 2014			
	Administrative expenses	Revenue from sales	Reimbursed expenses	Procurement of goods and services
Vale do Mogi Empreend. Imobiliários S.A.	-	-	9	29,945
Usina Boa Vista S.A.	-	-	6,466	-
Usina Santa Luiza S.A.	-	-	219	-
SMA Industria Química S.A.	-	56	122	-
Santa Cruz S.A. Sugar and ethanol	-	-	4,047	-
São Martinho - Energia S.A.	-	4,549	139	-
Other	-	-	237	-
Shareholders and related parties				
- Rent of properties	231	-	-	-
- Rendering of services	547	-	-	-
- Procurement of sugar cane	-	-	-	8,092
	<u>778</u>	<u>4,605</u>	<u>11,239</u>	<u>38,037</u>

	September 30, 2013			
	Administrative expenses	Revenue from sales	Reimbursed expenses	Procurement of goods and services
Vale do Mogi Empreend. Imobiliários S.A.	-	-	10	26,634
Usina Boa Vista S.A.	-	-	5,640	-
Usina Santa Luiza S.A.	-	-	195	108
SMA Industria Química S.A.	-	58	125	-
Santa Cruz S.A. Sugar and ethanol	-	-	4,777	-
Other	-	-	325	-
Shareholders and related parties				
- Rent of properties	136	-	-	-
- Rendering of services	793	-	-	-
- Procurement of sugar cane	-	-	-	7,977
	<u>929</u>	<u>58</u>	<u>11,072</u>	<u>34,719</u>

The transactions with related parties are carried out under specific conditions as established by the parties and refer to revenues and expenses with respect to the rental of properties, provision of legal services and purchases of sugar cane.

The expenses reimbursed by investees refer to the costs of the shared services center of the Board of Directors and the Corporate Office. The apportionments are supported by agreements between the parties.

Notes to quarterly information at September 30, 2014

 In thousands of reais except when otherwise stated

c) Consolidated transactions in the six month period:

	September 30, 2014			
	Administrative expenses	Revenue from sales	Expenses reimbursed by subsidiaries	Procurement of products and services
Usina Boa Vista S.A.	-	-	6,466	-
Usina Santa Luiza S.A.	-	-	219	-
SMA Industria Química S.A.	-	56	122	-
Santa Cruz S.A. Açúcar e Álcool	-	-	4,047	-
Other	-	-	225	-
Shareholders and related parties				
- Rent of real estate	231	-	-	-
- Rendering of services	547	-	-	-
- Procurement of sugar cane	-	-	-	8,092
	<u>778</u>	<u>56</u>	<u>11,079</u>	<u>8,092</u>

	September 30, 2013			
	Administrative expenses	Revenue from sales	Reimbursed expenses	Procurement of products and services
Usina Boa Vista S.A.	-	-	5,640	-
Usina Santa Luiza S.A.	-	-	195	108
SMA Industria Química S.A.	-	58	125	-
Santa Cruz S.A. Açúcar e Álcool	-	-	4,777	-
Other	-	-	258	-
Shareholders and related parties				
- Rent of real estate	136	-	-	-
- Rendering of services	793	-	-	-
- Procurement of sugar cane	-	-	-	7,977
	<u>929</u>	<u>58</u>	<u>10,995</u>	<u>8,085</u>

d) Key management personnel compensation

Key management personnel include directors and statutory officers. Remuneration paid or to be paid abroad is stated as follows:



Notes to quarterly information at September 30, 2014

In thousands of reais except when otherwise stated

Company and consolidated	September 30, 2014	September 30, 2013
Fees and bonus	8,174	6,559
Social security contributions and social charges	1,646	1,312
Other	212	324
	10,032	8,195

11 Other assets

	Company		Consolidated	
	September 30, 2014	March 31, 2014	September 30, 2014	March 31, 2014
Prepaid expenses	7,617	1,835	11,385	1,835
Advances to suppliers	6,901	3,553	9,639	3,553
Advances to employees	1,158	1,068	1,755	1,068
Amounts receivable for guarantees offered	-	267	-	267
Agrarian Debt Bonds (TDA)	1,335	-	1,335	-
Disposal of interest - ABV	880	-	880	-
Assets pledged in guarantee	293	-	293	-
Deposits paid	111	111	111	111
Other investments	10	10	409	10
Other receivables	441	417	677	421
	18,746	7,261	26,484	7,265
Current assets	18,626	7,141	25,951	7,145
Non-current assets	120	120	533	120

Notes to quarterly information at September 30, 2014

In thousands of reais except when otherwise stated

12 Investment
12.1 Subsidiaries, jointly-controlled subsidiaries and associates

The Parent company's investments in other companies are as follows:

	September 30, 2014										
	Vale do Mogi	SME	Vale do Piracicaba "	SM Log	NF	SC	ABV	SMA	USL	CTC	Total
In subsidiaries, jointly controlled subsidiaries and associates											
Shares/quotas held (thousands)	23,500	12,678	10,246	3,100	426,635	1,643	-	50	11,898	-	-
Percentage holding	100.00%	100.00%	100.00%	100.00%	50.95%	92.14%	-	50.00%	41.67%	-	-
Capital	84,919	5,243	10,246	3,100	858,845	21,150	-	100	19,161	-	-
Equity (net capital deficiency)	875,115	34,896	17,400	3,065	795,773	42,891	-	(3,561)	(11,198)	-	-
Net income (loss) for the period	42,963	28,790	7,154	(35)	40,993	34,771	-	(128)	(914)	-	-
Changes in investments:											
At March 31, 2014	826,249	7,814	1	-	384,572	81,648	61,795	-	-	9,747	1,371,826
Acquisition of ownership interest - Note 12.4	-	-	-	-	-	331,207	-	-	-	-	331,207
Capital payment and contributions (Note 12.5)	23,104	-	10,245	3,100	-	-	-	-	1,925	(10,245)	28,129
Partial split-off in SC - Note 12.7	-	-	-	-	-	(51,878)	51,878	-	-	-	-
Contra-effect of gain - hedge accounting	-	-	-	-	-	(19,717)	-	-	-	-	(19,717)
Equity pickup	30,315	28,790	7,154	(35)	20,887	21,455	2,507	(64)	(381)	498	111,126
Equity pickup - Adjusted by PPA	-	-	-	-	-	(1,275)	-	-	-	-	(1,275)
Additional dividend - ABV - Contra-effect of the	-	-	-	-	-	(212)	-	-	-	-	(212)
Distributed dividends	(17,201)	(1,708)	-	-	-	-	-	-	-	-	(18,909)
Disposal of interest- Nota 12.8	-	-	-	-	-	-	(116,180)	-	-	-	(116,180)
Reclassification to liabilities - provision for investment losses	-	-	-	-	-	-	-	64	(1,544)	-	(1,480)
Balances at September 30, 2014	862,467	34,896	17,400	3,065	405,459	361,228	-	-	-	-	1,684,515
Represented by:											
Investment	862,467	34,896	17,400	3,065	405,459	39,520	-	-	-	-	1,362,807
Appreciation of assets and liabilities	-	-	-	-	-	321,710	-	-	-	-	321,710

Notes to quarterly information at September 30, 2014

In thousands of reais except when otherwise stated

	March 31, 2014									
	Vale do Mogi	SME	NF	SC	ABV	SMA	USL	Mirtilo	Outros	Total
In subsidiaries, jointly controlled subsidiaries and associates:										
Shares/quotas held (thousands)	23,500	12,678	426,635	1,643	1,146	50	11,898	-	-	-
Percentage holding	100.00%	100.00%	50.95%	32.19%	17.97%	50.00%	41.67%	-	-	-
Capital	84,637	5,243	858,845	63,083	208,560	100	14,541	-	-	-
Equity (net capital deficiency)	826,249	7,814	754,778	133,963	221,348	(3,500)	(15,824)	-	-	-
Net income (loss) for the quarter	46,556	17,061	(12,908)	(21,280)	5,437	(1,234)	(2,500)	-	-	-
Changes in investments:										
Balances at March 31, 2013	793,862	12,843	391,149	101,266	64,537	-	-	196,500	10,193	1,570,350
Payment and increase in capital	46,550	2,565	-	-	-	-	1,500	-	11,564	62,179
Acquisition of investment	-	-	-	-	-	-	-	-	1	1
Contra effect of loss - <i>hedge accounting</i>	-	-	-	(8,191)	-	-	-	-	-	(8,191)
Equity pickup	46,556	17,061	(6,577)	(6,851)	977	(617)	(1,042)	-	(446)	49,061
Equity pickup - Adjusted by PPA	-	-	-	(1,886)	-	-	-	-	-	(1,886)
Merger of net assets	-	-	-	-	-	-	-	(44,767)	-	(44,767)
Reclassification of goodwill to intangible assets	-	-	-	-	-	-	-	(151,733)	-	(151,733)
Disposal of investment	-	-	-	-	-	-	-	-	(11,564)	(11,564)
Dividends dividends	(63,257)	(14,655)	-	-	(1,210)	-	-	-	-	(79,122)
Capital reduction	-	(10,000)	-	-	-	-	-	-	-	(10,000)
Contra effect of deferred taxes	2,538	-	-	(2,690)	(2,509)	-	-	-	-	(2,661)
Reclassification to liabilities of the investments with net capital deficiency - Note 20	-	-	-	-	-	617	(458)	-	-	159
Balances at March 31, 2014	<u>826,249</u>	<u>7,814</u>	<u>384,572</u>	<u>81,648</u>	<u>61,795</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,748</u>	<u>1,371,826</u>
Represented by:										
Investment	826,249	7,814	384,572	43,127	39,768	-	-	-	9,748	1,311,278
Appreciation of assets and liabilities	-	-	-	38,521	22,027	-	-	-	-	60,548

The equity of the Purchase Pricing Allocation (PPA).in the investee SC is adjusted by the fair values of the assets and liabilities.

There are no cross-holdings between the Parent company and the investees.

Notes to quarterly information at September 30, 2014

 In thousands of reais except when otherwise stated

12.2 Investments in the consolidated financial statements

	September 30, 2014	March 31, 2014
Company investments		
Nova Fronteira Bioenergia S.A.	405,459	384,572
Centro de Tecnologia Canavieira S.A. (i)	18,644	9,749
Agro Pecuária Caieira do Norte S.A.	1,827	-
Agropecuária do Cachimbo S.A.	24	-
Santa Cruz S.A. Açúcar e Álcool	-	81,648
Agro Pecuária Boa Vista S.A.	-	61,795
	425,954	537,764

(i) The investment in CTC at September 30, 2014 was recorded in the subsidiary Vale do Piracicaba.

These investees are not consolidated and the investments are recorded by the equity method with the changes shown in Note 12.1 above.

12.3 Changes in corporate structure during the prior year

Important corporate transactions were carried out, in the prior year which significantly affected the comparison of the current period results with those of the prior period.

These transactions are described in detail in Note 12 of the annual financial statements for the year ended March 31, 2014 in the following notes:

- Merger of Mirtilo Investimentos e Participações S.A.
- Capital payment in Vale do Mogi Empreendimentos Imobiliários S.A.
- Acquisition of investment in Vale do Piracicaba S.A.
- Payment of capital and sale of Cerrado Açúcar e Álcool S.A.
- Capital decrease in São Martinho Energia S.A.
- Capital payment and contribution in subsidiary and joint venture (Usina Santa Luiza S.A. and São Martinho - Energia S.A.)

12.4 Acquisition of additional investment in Santa Cruz S.A. Açúcar e Álcool ("SC")

The meeting of the Board of Directors held on February 17, 2014 approved the acquisition of a further 3.90% of the capital of SC. The amount of the consideration is R\$ 15,345, which will be paid in three annual installments of R\$ 5,115. The completion of this operation occurred on April 1, 2014, with the payment of the first installment and transfer of shares, increasing the Company's investment in the equity of SC from 32.18% to 36.09%. The balance payable related to this transaction is detailed in Note 35.

In addition on August 8, 2014, the Company concluded a transaction with Luiz Ometto Participações S.A. ("LOP") and other individual controlling shareholders from SC for the acquisition of 56.05%, thereby increasing investment in SC from 36.09% to 92.14%. The matching entry amount is R\$ 315,862. The details of the transaction are stated in Note 35.

12.5 Capital increase in Vale do Piracicaba S.A. ("Vale do Piracicaba")

At the Board of Directors' meeting held on June 16, 2014, a capital increase in the subsidiary Vale do Piracicaba was approved, through the transfer of the investment held by the Company in Centro de Tecnologia Canavieira S.A. ("CTC") of R\$ 10,245. The transaction was based on an appraisal report at book values at May 31, 2014 issued by independent appraisers.

12.6 Capital payment and increase in capital in São Martinho Logística e Participações S.A. ("SM Log")

At the Board of Directors' meeting held on March 31, 2014, the establishment of SM Log was approved. The share capital was subscribed as R\$ 1 with the issue of one thousand shares, which were attributed to the shareholders as follows: 99% to the Company and 1% to Vale Mogi. The main purpose of SM Log is to perform services related to warehouse storage and to invest in other companies. The fiscal year of SM Log ends on March 31 of each year.

Notes to quarterly information at September 30, 2014

In thousands of reais except when otherwise stated

In addition, the Board of Directors' meeting held on June 16, 2014 approved a capital increase in SM Log amounting to R\$ 3,099 through the issue of 3,099,000 new shares, using funds assigned as advance for future capital increase..

12.7 Partial asset split off of SC

At the Extraordinary General Meeting of SC held on April 30, 2014, the shareholders approved the split off of the investment previously held by SC in Agro Pecuária Boa Vista S.A. ("ABV") based on an appraisal report at book values as of March 31, 2014 issued by independent appraisers..

12.8 Disposal of Agro Pecuária Boa Vista S.A. ("ABV")

On August 8, 2014, the Company concluded a transaction to sell all shares in ABV to LOP. The transaction was approved by the Board of Directors on May 5, 2014.

In all 1,146 thousand shares, representing 34.29% of capital in ABV at the amount of R\$ 195,900, were sold. This amount shall be received in annual installments restated at the CDI rate over a ten year period. The transaction resulted in a gain amounting to R\$ 79,717 and is recorded under the "Other revenue, net" group of accounts.

13 Biological assets

At September 30, 2014, the Company had sugar cane plantations in the State of São Paulo to provide raw materials for the industrial process. The cultivation of sugar cane begins with the planting of seedlings in own or third party land. The first harvest occurs after a period of 12 to 18 months from planting, when the sugar cane is harvested and the root ("stubble") remains in the ground. The properly treated stubble grows again and its production is considered, on average, economically feasible from six to seven crops.

The land owned by the Company on which crops are planted is classified as property, plant and equipment, and is not included in the fair value of the biological assets.

The significant assumptions utilized in the measurement of fair value are as below.

The fair value of sugar cane plantations is determined based on the discounted cash flow method, considering basically:

Notes to quarterly information at September 30, 2014

In thousands of reais except when otherwise stated

- (a) Cash inflows obtained from the multiplication of (i) the estimated production, measured in kilograms of Total Sugar Recoverable (ATR); and (ii) the future market price of sugar cane, which is estimated based on public data and estimates of the future prices of sugar and ethanol; and
- (b) Cash outflows represented by estimates of (i) costs necessary for the biological transformation of the sugar cane (cultivation) up to the harvest; (ii) costs with harvesting/cutting, loading and transport; (iii) capital costs (land and machinery and equipment); (iv) costs of leases and agricultural partnerships; and (v) taxes on positive cash flows.

The following assumptions were used to test fair value.

Company	September 30, 2014	March 31, 2014
Total estimated harvest area (ha)	105,042	105,227
Expected productivity (metric ton/ha)	83.22	83.50
Amount of ATR per metric ton of sugar cane (kg)	134.25	133.73
Estimated average price per ATR (R\$)	0.4511	0.4646

Consolidated	September 30, 2014	March 31, 2014
Total estimated harvest area (ha)	161,390	105,227
Expected productivity (metric ton/ha)	83.39	83.50
Amount of ATR per metric ton of sugar cane (kg)	134.96	133.73
Estimated average price per ATR (R\$)	0.4660	0.4646

Based on the estimates of revenue and costs, the Company determines the future cash flows to be generated and adjusts them to present value, using a discount rate compatible with the remuneration of the investment in the circumstances. The changes in the fair value are recorded as biological assets with a corresponding entry to the sub account "Changes in the fair value of biological assets", under "Cost of products sold" in the quarterly statement of income.

The model and assumptions used to determine the fair value represent management's best estimates at the reporting date and are reviewed on a quarterly basis and, if necessary, adjusted.

Changes in fair value of biological assets for the period are as follows:

Notes to quarterly information at September 30, 2014

In thousands of reais except when otherwise stated

	Company	
	September 30, 2014	September 30, 2013
Biological assets at March 31	596,309	506,368
Increases due to planting	38,900	42,693
Increases due to treatment	81,048	64,647
Changes in fair value	2,162	1,281
Merger of Mirtilo	-	37,799
Decreases resulting from harvesting	(180,484)	(136,373)
Biological assets at the end of the quarter	<u>537,935</u>	<u>516,415</u>

	Consolidated	
	September 30, 2014	September 30, 2013
Biological assets at March 31	596,309	544,167
Increases due to planting	48,996	42,693
Increases due to treatment	95,316	64,647
Consolidation of SC	252,309	-
Changes in fair value	(1,305)	1,281
Decreases resulting from harvesting	(187,414)	(136,374)
Biological assets at the end of the quarter	<u>804,211</u>	<u>516,414</u>

(a) Agricultural partnerships and lease agreements

The Company signed agreements of agricultural partnerships to purchase sugar cane produced in the rural properties of third parties, substantially through multiyear agreements. The terms of these agreements are, mainly, between six and twelve years, and are renewable upon expiry. In addition, the Company has lease agreements for the production of sugar cane.

The amounts to be disbursed in respect of these agreements are determined at the end of each crop by the price of a metric ton of sugar cane established in the model defined by the Council of Sugar Cane, Sugar and Alcohol Producers of the State of São Paulo (CONSECANA). At September 30 and March 31, 2014, the total estimated payments (nominal value) are as follows:



Notes to quarterly information at September 30, 2014

In thousands of reais except when otherwise stated

Company	September 30, 2014	March 31, 2014
Less than 1 year	94,661	92,368
From 1 to 5 years	263,272	231,707
More than 5 years	185,230	126,976
	543,163	451,051

Consolidated	September 30, 2014	March 31, 2014
Less than 1 year	172,985	92,368
From 1 to 5 years	504,340	231,707
More than 5 years	613,719	126,976
	1,291,044	451,051

Notes to quarterly information at September 30, 2014

In thousands of reais except when otherwise stated

14 Fixed assets

Company	Land	Buildings and ancillary constructions	Industrial equipment and facilities	Vehicles	Agricultural machinery and implements	Other property, plant and equipment	Construction in progress	Total
Balances at March 31, 2013	602,806	83,504	442,725	62,622	133,703	14,226	143,446	1,483,032
Purchases	-	-	70,837	34,479	35,722	599	107,231	248,868
Cost of sales	(164)	-	(8)	(432)	(2,951)	(1)	-	(3,556)
Payment of capital - Vale Mogi	(69,164)	-	-	-	-	-	-	(69,164)
Transfers between accounts	-	21,459	139,353	2,902	3,462	2,692	(169,868)	-
Depreciation	-	(3,090)	(99,057)	(6,108)	(20,044)	(2,784)	-	(131,083)
At March 31, 2014	533,478	101,873	553,850	93,463	149,892	14,732	80,809	1,528,097
Total cost	533,478	117,129	695,664	116,084	202,569	45,515	80,809	1,791,248
Accumulated depreciation	-	(15,256)	(141,814)	(22,621)	(52,677)	(30,783)	-	(263,151)
Net book value	533,478	101,873	553,850	93,463	149,892	14,732	80,809	1,528,097
Purchases	-	-	4,054	2,048	1,680	640	33,653	42,075
Cost of sales	-	-	-	(234)	(1,581)	-	-	(1,815)
Payment of capital - Vale Mogi	(34,861)	-	-	-	-	-	-	(34,861)
Transfers between accounts	-	8,481	79,002	685	365	555	(89,088)	-
Depreciation	-	(2,312)	(85,526)	(4,752)	(13,065)	(1,438)	-	(107,093)
Balances September 30, 2014	498,617	108,042	551,380	91,210	137,291	14,489	25,374	1,426,403
Total cost	498,617	125,610	778,603	118,317	201,676	46,709	25,374	1,794,906
Accumulated depreciation	-	(17,568)	(227,223)	(27,107)	(64,385)	(32,220)	-	(368,503)
Net book value	498,617	108,042	551,380	91,210	137,291	14,489	25,374	1,426,403
Net book values:								
Historical cost	18,169	69,824	326,426	89,437	115,895	14,489	25,374	659,614
Revaluation increment	480,448	38,218	224,954	1,773	21,396	-	-	766,789
Average annual depreciation rates	-	3.19%	5.71%	7.52%	10.84%	12.23%	-	-

Notes to quarterly information at September 30, 2014

In thousands of reais except when otherwise stated

Consolidated	Land	Buildings and ancillary constructions	Industrial equipment and facilities	Vehicles	Agricultural machinery and implements	Leasehold improvements	Other property, plant and equipment	construction in progress	Total
At March 31, 2013	1,712,990	91,041	442,725	62,622	133,703	-	14,226	169,174	2,626,481
Purchases	-	-	71,018	34,479	35,722	-	599	107,895	249,713
Cost of sales	(13,396)	-	(8)	(432)	(2,951)	-	(1)	-	(16,788)
Transfers of inventories to sales	(9,339)	-	-	-	-	-	-	-	(9,339)
Transfers between accounts	-	21,459	165,745	2,902	3,462	-	2,692	(196,260)	-
Depreciation	-	(3,613)	(99,727)	(6,108)	(20,044)	-	(2,784)	-	(132,276)
Balances at March 31, 2014	1,690,255	108,887	579,753	93,463	149,892	-	14,732	80,809	2,717,791
Total cost	1,690,255	127,279	722,237	116,084	202,569	-	45,515	80,809	2,984,748
Accumulated depreciation	-	(18,392)	(142,484)	(22,621)	(52,677)	-	(30,783)	-	(266,957)
Net book value	1,690,255	108,887	579,753	93,463	149,892	-	14,732	80,809	2,717,791
Purchases	-	3,183	4,054	2,427	2,145	-	651	38,283	50,743
Cost of sales	(215)	-	-	(360)	(1,581)	-	-	-	(2,156)
Transfers between accounts	-	9,894	86,530	723	365	-	845	(98,357)	-
Depreciation	-	(2,882)	(98,206)	(5,424)	(14,481)	-	(1,468)	-	(122,461)
Consolidation of SC	38,651	46,062	282,677	29,328	35,971	-	713	18,374	451,776
Balances at September 30, 2014	1,728,691	165,144	854,808	120,157	172,311	-	15,473	39,109	3,095,693
Total cost	1,728,691	194,203	1,235,444	182,952	271,044	686	48,652	39,109	3,700,781
Accumulated depreciation	-	(29,059)	(380,636)	(62,795)	(98,733)	(686)	(33,179)	-	(605,088)
Net book value	1,728,691	165,144	854,808	120,157	172,311	-	15,473	39,109	3,095,693
Net book values:									
Historical cost	104,608	109,103	519,584	108,117	147,366	-	15,473	39,109	1,043,360
Revaluation increment	1,624,083	56,041	335,224	12,040	24,945	-	-	-	2,052,333
Annual average depreciation rates	-	3.24%	5.60%	8.37%	11.28%	-	12.26%	-	-



Notes to quarterly information at September 30, 2014

In thousands of reais except when otherwise stated

The parent company balance of construction in progress at September 30, 2014 refers to the refurbishment of its three industrial facilities to increase sugar and ethanol production and the construction of sugar storage facilities at the subsidiary SC.

During the period, 13,717 ha of land of the Company and its subsidiary Vale do Mogi were pledged in guarantee for the financial transactions of Usina Boa Vista S.A.

Under the terms of certain borrowing agreements of the Group, property, plant and equipment totaling R\$ 511,437 at September 30, 2014 (consolidated) was pledged as collateral.

These assets are mainly represented by industrial equipment and facilities, as well as agricultural machinery and implements. In addition, land totaling R\$ 753,847 was pledged as collateral for securitized rural credits, recorded in current and long-term liabilities.

Expenditures with maintenance in the inter-crop period are charged to property, plant and equipment and are fully depreciated during the following harvest. At September 30, 2014 the remaining balance for fixed assets is R\$ 22,926 (R\$105,540) at March 31, 2014 – considering the subsidiaries SC and Bio).

The Group capitalized finance charges of R\$ 617 in the quarter ended September 30, 2014 (R\$ 351 at March 31, 2014). At September 30, 2014, the property, plant and equipment of the parent company includes assets under finance lease agreements of R\$ 2,268.

Pursuant to CPC 27 Property, Plant and Equipment and supported by a specialized company, the Company reviewed the useful lives of its property, plant and in equipment (machinery and agricultural vehicles, industrial equipment and buildings) in the last year and adjusted the useful lives of the related assets, which resulted in changes to their depreciation rates as from July 1, 2013.

Notes to quarterly information at September 30, 2014

In thousands of reais except when otherwise stated

15 Intangible assets

	Company		Consolidated	
	September 30, 2014	March 31, 2014	September 30, 2014	March 31, 2014
Goodwill based on future profitability (i)	167,335	167,335	202,428	167,335
Revaluation increment- acquisition of SC (Note 35)	-	-	298,919	-
Software	16,078	15,320	19,273	15,320
Accumulated amortization	(8,415)	(7,270)	(10,071)	(7,270)
Rights on sugar cane contracts (ii)	15,539	16,598	15,539	16,598
Other assets	74	74	2,230	934
	<u>190,611</u>	<u>192,057</u>	<u>528,318</u>	<u>192,917</u>

- (i) Goodwill generated through the merger of Mirtilo and of the net assets of USL, whose operations were assumed by the Company.
- (ii) Refers to the acquisition of rights on agreements of agricultural partnership and sugar cane supply (2,281 hectares with an exploration period from 2013 to 2017).

Notes to quarterly information at September 30, 2014

In thousands of reais except when otherwise stated

16 Borrowings

Type	Charges	Guaran-tees	Due date	Company	
				September 30, 2014	March 31, de 2014
In local currency:					
Securitized rural credits	General Market Price Index (IGP-M) + weighted average interest of 4.58% p.a., paid annually	(a)	maturities between Sep 18 and Jul 20	55,133	64,807
Rural credit	Weighted average fixed interest of 5.50% p.a. paid on maturity of the contract		Single installments with maturities in Oct 14 and Mar 15	54,372	32,915
Finame/BNDES Automatic loans	Quarterly Long-term Interest Rate (TJLP) + weighted average interest of 3.60% p.a. paid monthly	(b)	Monthly installments with maturities between Oct 14 and Feb	3,529	4,581
Finame/BNDES Automatic loans	Weighted average fixed interest of 3.48% p.a. paid monthly	(c)	Monthly installments with maturities between Oct 14 and Dec	89,043	97,727
Fund for Financing of Studies and Projects (FINEP)	Fixed interest of 4.00% p.a. paid monthly	(c)	Monthly installments with maturities between Oct 14 and Annual installments with final maturity in Oct 25	10,601	-
Other securitized credits	Fixed interest of 3% p.a. paid annually	(d)	Single installments with maturities in June 15, May 17 and May 20	61	61
Export Credit Note	100.12 % CDI OVER CETIP (average rate for interbank loans for one day registered with CETIP) paid on the maturities of the contracts		Monthly installments with maturities between Oct 14 and Dec	639,701	328,880
Lease	Fixed interest of 9.75% p.a. paid monthly	(e)	Monthly installments with maturities between Oct 14 and Apr	1,366	1,867
FINEM INDIRECT	Quarterly Long-term Interest Rate (TJLP) + weighted average interest of 2.91% p.a. paid	(b)	Monthly installments with maturities between Oct 14 and Jan	69,158	46,290
FINEM INDIRECT	Fixed interest of 5.25% p.a. paid monthly	(b)	Monthly installments with maturities between Oct 14 and	130,247	139,304
FINEM DIRECT	Quarterly Long-term Interest Rate (TJLP) + weighted average interest of 1.40% p.a. paid	(b)	Monthly installments with maturities between Oct 14 and Oct	12,194	13,130
PRORENOVA	Quarterly Long-term Interest Rate (TJLP) + weighted average interest of 2.90% p.a. paid	(b)	Monthly installments with maturities between Oct 14 and	43,448	48,492
PRORENOVA	Fixed interest of 5.50% p.a. paid monthly	(b)	Monthly installments with maturities between Oct 14 and	62,413	61,518
Bank Credit Note (BNDES PASS)	Fixed interest of 7.70% p.a. paid on maturity		Single installment in Apr 14	-	15,264
In foreign currency:					
Advances on foreign exchange contracts (ACC)	Fixed rate of 1.2391% p.a. + U.S. dollar adjustment paid on maturity of the contract		Single installments with maturities in Nov 14 and Dec 14	101,797	93,403
Export Credit Note	Fixed rate of 5.50% p.a. + U.S. dollar variation paid on maturity of the contract		Payments of semi-annual interest (Jun and Dec) and principal in Jun	248,544	229,445
PPE	(6-month LIBOR = 0.32767% p.a. + fixed rate = 2.34622% p.a.) = 2.6739% p.a. + U.S. dollar adjustment paid on maturity of the contract	(f)	Semi-annual installments with maturities in Mar 15, Jun 15 and Sept 16	266,335	387,846
FINEM INDIRECT	Currency basket (U.S. dollar, Euro and Yen) + weighted average fixed interest of 6.7901% p.a. paid monthly	(b)	Monthly installments with maturities between Oct 14 and Apr	13,761	3,453
Total				1,801,703	1,568,983
Current liabilities				(648,239)	(436,671)
Noncurrent liabilities				1,153,464	1,132,312

Notes to quarterly information at September 30, 2014

In thousands of reais except when otherwise stated

Type	Charges	Guarantees	Due date	Consolidated	
				September 30, 2014	March 31, de 2014
In local currency:					
Securitized rural credits	General Market Price Index (IGP-M) + weighted average interest of 4.58% p.a., paid annually	(a)	Annual installments with maturities between Sep 18 and Jul 20	55,133	64,807
Rural credit	Weighted average fixed interest of 5.50% p.a. paid on maturity of the contract		Single installments with maturities in Oct 14 and Mar 15	54,372	32,915
Finame/BNDES Automatic loans	Quarterly Long-term Interest Rate (TJLP) + weighted average interest of 3.60% p.a. paid	(b)	Monthly installments with maturities between Oct 14 and Feb	3,529	4,581
Finame/BNDES Automatic loans	Weighted average fixed interest of 3.48% p.a. paid monthly	(c)	Monthly installments with maturities between Oct 14 and Dec	89,043	97,727
Fund for Financing of Studies and Projects (FINEP)	Fixed interest of 4.00% p.a. paid monthly	(c)	Monthly installments with maturities between Oct 14 and	10,601	-
Finame / BNDES Automático	Quarterly Long-term Interest Rate (TJLP) + weighted average interest of 3.8678% p.a. paid	(b)	Monthly installments with maturities between Oct 14 and Feb	28,190	-
FINEM DIRETO	Quarterly Long-term Interest Rate (TJLP) + weighted average interest of 2.2359% p.a. paid	(b)	Monthly installments with maturities between Oct 14 and Apr	86,279	-
Other securitized credits	Fixed interest of 3% p.a. paid annually	(d)	Annual installments with final maturity in Oct 25	61	61
Finame / BNDES Automático	Weighted average fixed interest of 5.1602% p.a. paid monthly	(c)	Monthly installments with maturities between Oct 14 and	29,723	-
Export Credit Note	100.12 % variation in CDI OVER CETIP paid on the maturity of contracts		Single payments maturing May/17 and May/20	639,701	328,880
Export credit Note	113.86% variation of CDI OVER CETIP	(g)	Single payment maturing May/17	20,670	-
Lease	Fixed interest of 9.75% p.a. paid monthly	(e)	Monthly installments with maturities between Oct 14 and Dec	1,366	1,867
FINEM INDIRECT	Quarterly Long-term Interest Rate (TJLP) + weighted average interest of 2.78% p.a. paid	(b)	Monthly installments with maturities between Oct 14 and Apr	78,605	50,732
FINEM INDIRECT	Fixed interest of 5.34% p.a. paid monthly	(b)	Monthly installments with maturities between Oct 14 and Jan	145,959	156,700
FINEM DIRECT	Quarterly Long-term Interest Rate (TJLP) + weighted average interest of 1.40% p.a. paid	(b)	Monthly installments with maturities between Oct 14 and	12,194	13,130
PRORENOVA	Quarterly Long-term Interest Rate (TJLP) + weighted average interest of 2.90% p.a. paid	(b)	Monthly installments with maturities between Oct 14 and Oct	43,448	48,492
PRORENOVA Bank Credit Note (BNDES PASS)	Fixed interest of 5.50% p.a. paid monthly	(b)	Monthly installments with maturities between Oct 14 and	62,413	61,518
	Fixed interest of 7.70% p.a. paid on maturity		Single installment in Apr 14	-	15,264
In foreign currency:					
contracts (ACC)	paid on maturity of the contract		in Nov 14 and Dec 14	101,797	93,403
Advances on foreign exchange contracts (ACC)	Fixed rate of 1.8617% p.a. + U.S. dollar adjustment paid on maturity of the contract		Single installments with maturities in Dec 14 and March 15	61,803	-
Export Credit Note	Fixed rate of 5.50% p.a. + U.S. dollar variation paid on maturity of the contract		Payments of semi-annual interest (Jun and Dec) and principal in Jun 17	248,544	229,445
Advances on foreign exchange contracts (ACC)	Fixed rate of 1.5584% p.a. + U.S. dollar adjustment paid on maturity of the contract	(g)	Single installments with maturities in Apr 15, Out 16 and Jul 18	155,656	-
PPE	(6-month LIBOR = 0.32767% p.a. + fixed rate = 2.34622% p.a.) = 2.6739% p.a. + U.S. dollar adjustment paid on maturity of the contract	(f)	Semi-annual installments with maturities in Mar 15, Jun 15 and Sept 16	266,335	387,846
PPE	Fixed average rate of 5.2205% p.a. + US Dollar adjustment paid on maturity of contract	(h)	Installments maturing between Mar/16 and Mar/22	355,934	-
FINEM INDIRECT	Currency basket (U.S. dollar, Euro and Yen) + weighted average fixed interest of 6.7901% p.a. paid monthly	(b)	Monthly installments with maturities between Oct 14 and Apr 23	13,761	3,453
Total				2,565,117	1,590,821
Current liabilities				(994,279)	(439,644)
Noncurrent liabilities				1,570,838	1,151,177

Notes to quarterly information at September 30, 2014

 In thousands of reais except when otherwise stated

At September 30, 2014, the Borrowings were guaranteed by the following additional guarantees (referenced to the tables above):

Description of the guarantees for borrowings	Book value or contractual
(a) Mortgage - 11,785 ha of land	394,628
(b) Statutory lien of industrial equipment	49,043
Statutory lien of agricultural equipment	6,395
Promissory note	3,013
Bank surety	12,222
(c) Statutory lien of industrial equipment	231,496
Statutory lien of agricultural equipment	173,801
Promissory note	4,677
(d) Mortgage - 69 ha of land	2,701
Statutory lien of industrial equipment	10,544
Statutory lien of agricultural equipment	40,158
Promissory note	4,199
(e) Promissory note	3,020
(f) Promissory note	661,770
(g) Mortgage – 1,632 ha of land	37,815
(h) Mortgage – 13,758 ha of land	318,702
Promissory note	504,479

The land given as collateral for borrowings refers to sugar cane plantation areas.

Noncurrent borrowings have the following maturities.

	September 30, 2014	
	Company	Consolidated
From 10/1/2015 to 9/30/2016	213,403	387,324
From 10/1/2016 to 9/30/2017	378,874	479,869
From 10/1/2017 to 9/30/2018	176,983	253,108
From 10/1/2018 to 9/30/2019	161,859	187,878
From 10/1/2019 to 9/30/2020	153,202	168,824
From 10/1/2020 to 10/31/2025	69,143	93,835
	1,153,464	1,570,838

The books values and Borrowings are similar.



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In thousands of reais except when otherwise stated

Based on Central Bank of Brazil Resolution No. 2471/98 and other pertinent legal provisions, in 1998, 1999 and 2000, the Company, ABV and USL securitized debts with financial institutions by means of the purchase of National Treasury Notes (CTN) in the secondary market, as collateral for the payment of the principal. . This securitized financing, recorded as "Securitized agricultural credits", will be automatically settled on the maturity dates through the redemption of the CTNs, which are in the custody of the creditor financial institutions. These certificates are not negotiable and are exclusively intended for paying this debt. The companies' disbursements during the 20 years in which this securitization is effective are limited to the annual payment of amounts equivalent to the application of variable percentages of between 3.8% and 4.96% per annum of the securitized amount, monetarily adjusted based on the General Market Price Index (IGP-M), limited to 9.5% per annum up to the annual payment date. This obligation is recorded in the financial statements based on the amount of future disbursements adjusted to present value.

17 Trade accounts payable

	Company		Consolidated	
	September 30, 2014	March 31, 2014	September 30, 2014	March 31, 2014
Sugar cane	107,310	25,904	138,295	25,904
Materials, services and other	39,870	40,958	55,947	38,525
	<u>147,180</u>	<u>66,862</u>	<u>194,242</u>	<u>64,429</u>

The sugar cane harvest period, which generally occurs between April and December of each year, has a direct impact on the balance payable to sugar cane suppliers and providers of harvesting, loading and transport services.

18 Payables to Copersucar

These refer to temporary cash surpluses arising from injunctions in lawsuits claiming the suspension of liabilities. These cash surpluses relate to provisions for contingencies recorded by the Cooperative in long-term liabilities. However, in the event of unfavorable outcomes in lawsuits in which the Cooperative obtained an injunction, the Company could be required to reimburse, within 120 days, the amount that was transferred to it. The main amounts



Notes to quarterly information at September 30, 2014

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included in these liabilities arose from Federal VAT (IPI), whose constitutionality and legality had been challenged in court by the Cooperative, and from tax liabilities included in the Tax Recovery Program (REFIS) of Copersucar, as shown below. These cash surpluses are related to provisions for contingencies recorded by the Cooperative under noncurrent liabilities. However, in the event of unfavorable outcomes in lawsuits in which the Cooperative obtained an injunction, the Company could be required to reimburse, within 120 days, the amount that was transferred to it. The main amounts included in these liabilities arose from Federal VAT (IPI), whose constitutionality and legality had been challenged in court by the Cooperative, and from tax liabilities included in the Tax Recovery Program (REFIS) of Copersucar, as shown below.

Company	September 30, 2014	March 31, 2014
REFIS - Copersucar - Restated based on the SELIC interest rate	83,426	84,415
Bill of Exchange - Restated based on the SELIC interest rate	70,739	69,316
Bill of Exchange - Onlending of funds not subject to charges	42,682	42,682
Provision for expenses with tax proceedings	25,715	11,641
Total	222,562	208,054
Current liabilities	(2,040)	(2,040)
Noncurrent liabilities	220,522	206,014
Consolidated	September 30, 2014	March 31, 2014
REFIS - Copersucar - Restated based on the SELIC interest rate	109,391	84,415
Bill of Exchange - Restated based on the SELIC interest rate	78,178	69,316
Bill of Exchange - Onlending of funds not subject to charges	50,586	42,682
Provision for expenses with tax proceedings	34,532	11,641
Total	272,687	208,054
Current liabilities	(2,040)	(2,040)
Noncurrent liabilities	270,647	206,014

All the Company's obligations with Copersucar are guaranteed by bank surety.

In addition, in accordance with the terms negotiated for the withdrawal from Copersucar, the Company, SC and USL remain liable for the payment of obligations, proportionate to their investment in Copersucar in previous harvests, which result from tax assessments that may



Notes to quarterly information at September 30, 2014

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arise and that relate to periods in which the Company, SC and USL were cooperative members.

The State Finance authorities have issued tax assessments against Copersucar with respect to Value-added Tax on Sales and Services (ICMS) on fuel and industrial ethanol sales made by Copersucar up to December 31, 2008, as principal taxpayer or substitute taxpayer of the distribution companies. The adjusted amount, calculated proportionately to the investment of the Company in the Cooperative, amounts to R\$ 203,445. The Copersucar legal counsel assesses the outcome in these lawsuits as a risk of possible loss. Copersucar believes that it has strong arguments to successfully defend the fines imposed by the State Tax Authorities over these delinquency notices. These notices involve court fees and legal fees for the Group at an amount estimated by management of R\$ 25,715. Management is currently discussing/reviewing with Copersucar the final amount to be indemnified for these expenses, but it does not expect a material difference in relation to the amount provided.

19 Tax payments in installments

Company and Consolidated	September 30, 2014	March 31, 2014
Value-added Tax on Sales and Services (ICMS)	907	1,188
REFIS installments - Law No. 11941	49,772	50,349
	50,679	51,537
Current liabilities	(5,247)	(5,219)
Noncurrent liabilities	45,432	46,318

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 In thousands of reais except when otherwise stated

20 Other liabilities

	Company		Consolidated	
	September 30, 2014	March 31, 2014	September 30, 2014	March 31, 2014
Sales for future delivery	6,454	2,353	6,726	2,353
Provision for spending on systems	2,171	-	2,171	-
Net capital deficiency of investees	6,862	8,343	9,891	8,343
Mitsubishi Corporation	5,120	4,440	5,120	4,440
Employee Cooperative	1,292	1,225	2,154	1,225
Freight and transport	3,799	67	6,718	67
Other payables	250	867	812	1,298
	<u>25,948</u>	<u>17,295</u>	<u>33,592</u>	<u>17,726</u>
Current liabilities	<u>25,942</u>	<u>17,289</u>	<u>33,070</u>	<u>17,290</u>
Noncurrent liabilities	<u>6</u>	<u>6</u>	<u>522</u>	<u>436</u>

The outstanding balance due to Mitsubishi Corporation arose from the acquisition of the investment in Usina Boa Vista S.A. in November 2009 with final payment in November 2014.

21 Equity
(a) Capital

At September 30, 2014, capital amounted to R\$ 808,850 (R\$ 737.200 at March 31, 2014) and was divided into 113,000,000 registered common shares, without par value.

At the Extraordinary General Meeting held on July 31, 2014, the stockholders approved a capital increase of R\$ 71,650 with the capital investment reserve, without the issuance of new shares.

(b) Treasury shares

On December 13, 2011, the Board of Directors approved the second common share repurchase program, such shares to be held in treasury for subsequent sale, cancellation or utilization for the stock option plan (item (f) below), without reducing capital, pursuant to the Company's bylaws, CVM Ruling 10/80 and No. 268/97 and other statutory provisions. The share repurchases of this second program were carried out on the BM&FBovespa S.A. - São



Notes to quarterly information at September 30, 2014

In thousands of reais except when otherwise stated

Paulo Commodities, Futures and Securities Exchange), at market prices, with the intermediation of brokerage firms.

During the quarter ended September 30, 2014, there was no repurchase of shares, only the sale of 62,427 treasury shares due to share purchase options exercised by directors of the Company (item (f) below), with 595,213 treasury shares remaining.

At September 30, 2014, the market value of these shares was R\$ 23,392 (September 30, 2013 - R\$ 22,249 - 767,211 shares).

	Number	Average price of acquisition*	Total
Treasury shares at March 31, 2014	657,640	18.00	11,839
Exercise of stock options	(62,427)	18.00	(1,124)
Treasury shares at September 30, 2014	595,213	18.00	10,715

* including additional acquisition cost - in reais

(c) Equity valuation adjustments

See Note 23(c) to the financial statements for the year ended March 31, 2014.

(d) Legal and capital investment reserves

No changes were made to the calculation method utilized during the period ended September 30, 2014. See Note 23(d) to the annual financial statements for the year ended March 31, 2014.

At the Annual General Meeting held on July 31, 2014, the shareholders approved an additional allocation of R\$ 118,353 to the capital investment reserve and a capital increase amounting to R\$ 71,650.

(e) Dividends and interest on equity

Shareholders are entitled to receive a minimum dividend of 25% of the profit for the year, after the deduction of any accumulated deficit and the appropriation to the legal reserve.



Notes to quarterly information at September 30, 2014

In thousands of reais except when otherwise stated

The Annual General Meeting of Shareholders held on July 31, 2014 approved an additional dividend distribution of R\$ 8,342 (R\$ 0.0742 per share), totaling a dividend distribution of R\$ 40,405 (R\$ 0.3595 per share) of the profit for the year ended March 31, 2014.

(f) Stock option plan

The Stock Option Plan offered to the Company's officers is detailed in Note 23(f) to the financial statements for the year ended March 31, 2014.

In the quarter ended September 30, 2014, 62,427 stock options were exercised in the amount of R\$ 1,165

Additionally, the Company recognized in the same period a stock option expense of R\$ 1,420 (at September 30, 2013 - R\$ 1,058).

22 Employee and management benefits plan - Private Pension plan

No changes were made in the model and assumptions used for the plan during the period ended September 30, 2014, and, accordingly, the disclosures described in Note 24 to the annual financial statements for the year ended March 31, 2014 are still applicable.

The amounts of profit sharing for the periods ended September 30, 2014 and 2013 recorded as operating costs or expenses in the statement of income, amounted to R\$ 887 Company and R\$ 768 consolidated.

23 Profit sharing program

No changes were made to the assumptions used during the period ended September 30, 2014 for the respective calculation. See Note 25 to the annual financial statements for the year ended March 31, 2014.

The amounts of profit sharing for the period ended September 30, 2014, recorded as operating costs or expenses in the statement of income, amounted to R\$ 15,491 (in the period ended September 30, 2013 - R\$ 13,296), in the parent company and consolidated statements.

Notes to quarterly information at September 30, 2014

In thousands of reais except when otherwise stated

24 Income and social contribution taxes
(a) The income tax and social contribution balances are as follows:

Company	September 30, 2014	March 31, de 2014
Current assets - Prepayments		
. Income and social contribution taxes to be offset	41,439	33,473
Deferred income and social contribution taxes:		
Deferred tax credits		
. Income tax losses	7,590	11,683
. Social contribution tax losses	2,806	4,279
Taxes on temporary differences		
. Provision for contingencies	12,244	13,803
. Derivative financial instruments	52,986	54,077
. Profit sharing and bonus	5,504	1,018
. Provision for other obligations	8,767	3,958
. Other	3,057	1,411
	92,954	90,229
Deferred charges		
Taxes on temporary differences		
. Deemed cost increment of property plant and equipment	(246,029)	(262,165)
. Accelerated tax-incentive depreciation	(184,931)	(182,609)
. Securitized financing	(17,049)	(17,414)
. Tax benefit on goodwill	(21,109)	(17,523)
. Present value adjustment	(3,704)	(4,561)
. Biological assets and rural produce (fair value variation)	(2,747)	(3,684)
. Foreign exchange variations	(49,808)	(41,289)
. Disposal of investment with deferred taxation	(27,104)	-
. Derivative financial instruments	-	(352)
. Other	(718)	(1,349)
	(553,199)	(530,946)
Noncurrent liabilities	(460,245)	(440,717)



Notes to quarterly information at September 30, 2014

In thousands of reais except when otherwise stated

Consolidated	September 30, 2014	March 31, 2014
Current assets - prepayments		
. Income and social contribution taxes to be offset	53,635	34,237
Current liabilities – Taxes payable		
. Income and social contribution taxes payable	1,773	611
Deferred income and social contribution taxes:		
Deferred tax credits		
. Income tax loss	7,590	11,683
. Social contribution tax loss	2,806	4,279
Taxes on temporary differences:		
. Provision for contingencies	14,184	13,803
. Derivative financial instruments	79,014	54,077
. Profit sharing and bonus	6,525	1,018
. Provision for other obligations	11,741	3,958
. Other	4,180	1,411
	126,040	90,229
Deferred charges		
Tax credits on temporary differences:		
. Deemed cost increment of property plant and equipment	(683,751)	(629,327)
. Accelerated depreciation tax incentive	(184,931)	(182,609)
. Securitized financing	(17,049)	(17,414)
. Tax benefit on incorporated goodwill	(16,954)	(17,523)
. Present value adjustment	(3,704)	(4,561)
. Derivative financial instruments	-	(352)
. Biological assets and rural produce (fair value variation)	(2,319)	(3,684)
. Foreign exchange variation	(53,700)	(41,289)
. Disposal of investment with deferred taxation	(27,104)	-
. Other	(6,412)	(1,350)
	(995,924)	(898,109)
Noncurrent liabilities	(869,884)	(807,880)

The deferred tax assets and liabilities are presented net in the balance sheet, by company, when there is a legally enforceable right and the intention to offset them on the calculation of current taxes and when related to the same tax authority.



Notes to quarterly information at September 30, 2014

In thousands of reais except when otherwise stated

Accumulated income tax and social contribution losses can be carried forward indefinitely, but without monetary restatement or interest, and their offset is limited to 30% of the taxable profit of each calendar year.

In accordance with current accounting practices, deferred tax credits arising from tax loss carryforwards are recognized based on projections of taxable profit of the Group, which support their recovery.

The recovery of all the deferred tax credits, indicated by the projections of taxable income approved by management, and by the expected realization of temporary differences, is estimated to occur as follows:

Consolidated Periods ended September 30	Estimated realizable value
2015	32,364
2016	30,930
2017	50,020
2018	7,142
2019	2,943
2020 onwards	2,641
	<u>126,040</u>

The deferred income tax and social contribution liabilities are realized mainly through the depreciation and disposal of the property, plant and equipment items that gave rise to them. The realization of this liability is estimated at the average rate of 15% per year, according to the depreciation rates of the respective property, plant and equipment items, except for the deferred tax liabilities on the surplus of land, which will be realized if sold. In addition, the period for settlement of the securitized loans, which mature through 2021, impacts the period for recovery of the deferred income tax and social contribution assets.

Notes to quarterly information at September 30, 2014

In thousands of reais except when otherwise stated

(b) Reconciliation of income and social contribution tax expenses

	Company			
	September 30, 2014		September 30, 2013	
	Quarter	Six month period	Quarter	Six month period
Pretax income	134,735	204,538	87,044	139,052
Current income and social contribution statutory tax rates (34%)	(45,810)	(69,543)	(29,595)	(47,278)
Adjustments for calculation of effective rate:				
. Equity pickup	23,220	37,349	5,047	6,151
. Permanent exclusions (additions), net	3,561	3,456	(1,873)	(2,591)
. Other	6	18	18	7
. Tax incentives	(490)	130	246	274
Income and social contribution taxes	(19,513)	(28,590)	(26,157)	(43,437)
Deferred income and social contribution taxes:	(33,328)	(27,235)	(12,587)	(28,468)
Current income and social contribution taxes	13,815	(1,355)	(13,570)	(14,969)
Current income and social contribution statutory tax rates (34%)	14.5%	14.0%	30.1%	31.2%

	Consolidated			
	September 30, 2014		September 30, 2013	
	Quarter	Six month period	Quarter	Six month period
Pretax income	136,701	207,712	83,972	136,778
Current income and social contribution statutory tax rates (34%)	(46,478)	(70,622)	(28,550)	(46,505)
Adjustments for calculation of effective rate				
. Equity pickup	4,074	9,960	(1,848)	(5,849)
. Permanent exclusions (additions), net	2,941	2,836	(1,873)	(2,591)
. Unrecognized deferred taxes	596	596	-	-
. Adjustment of calculation for subsidiary taxed using taxable profit :	19,444	26,891	9,650	14,871
. Other	26	38	(710)	(1,363)
. Tax incentives	(792)	(173)	246	274
Income and social contribution taxes	(20,189)	(30,474)	(23,085)	(41,163)
Deferred income and social contribution taxes:	(32,163)	(26,174)	(8,365)	(24,144)
Current income and social contribution taxes	11,974	(4,300)	(14,720)	(17,019)
Current income and social contribution statutory tax rates (34%)	14.8%	14.7%	27.5%	30.1%

25 Commitments

The Group assumes various commitments in the ordinary course of its business. Detail on commitments is stated in Note 28 to the financial statements for the year ended March 31, 2014.

Notes to quarterly information at September 30, 2014

 In thousands of reais except when otherwise stated

26 Provision for contingencies
26.1 Probable losses

The Group, based on legal counsel's assessment of probable losses, has the following provisions for contingencies (amounts monetarily restated):

	Company					
	March 31, 2014	Additions	Reversals	Uses	Restatements	September 30, 2014
Tax:	3,914	95	-	(95)	41	3,955
Civil and environmental	16,025	1,826	(6,143)	(9,991)	522	2,239
Labor	36,710	7,007	(4,958)	(9,747)	3,225	32,237
Total	56,649	8,928	(11,101)	(19,833)	3,788	38,431
Judicial deposits	31,969	4,890	-	(8,899)	1,745	29,705

	Consolidated						
	March 31, 2014	Consolidation of SC	Additions	Reversals	Uses	Restatements	September 30, 2014
Tax:	3,914	-	660	-	(95)	41	4,520
Civil and environmental	16,025	650	2,035	(6,143)	(10,199)	1,485	3,853
Labor	36,710	3,829	7,470	(4,987)	(10,010)	3,315	36,327
Total	56,649	4,479	10,165	(11,130)	(20,304)	4,841	44,700
Judicial deposits	31,969	1,434	5,758	-	(9,032)	1,860	31,989

The nature of the main lawsuits at September 30, 2014 included in the above provisions is as follows (Parent company and Consolidated):

Tax proceedings

These refer to: (a) taxes whose payment is being challenged in court by the Group; the amounts challenged have been deposited in court; and (b) success fees payable to legal counsel for defenses in tax lawsuits.

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Civil and environmental proceedings

These refer to: (i) general indemnities; (ii) redress for damages caused by the burning of sugar cane straw; and (iii) environmental issues.

Labor claims

These refer mainly to claims for: (i) overtime; (ii) commuting hours; (iii) indemnity for elimination of the break between shifts; (iv) hazardous duty and health hazard premiums; (v) refund of payroll deductions, such as union dues; (vi) night shift premium; and (vii) recognition of employment relationship with the consequent payment of the 13th monthly salary and vacation pay, plus 1/3 vacation bonus.

26.2 Possible losses (contingent liabilities)

The Group is party to various litigations involving tax, environmental and civil matters that were assessed by legal counsel as involving possible losses (contingent liabilities). The nature and the amounts thereof are as follows:

Tax proceedings

Company		Stage			
Nature	No. of proceedings	Adminis- trative	Trial court	Higher court	Total
(i) Social security contributions	14	118,512	-	13,856	132,369
(ii) Calculation of IRPJ/CSLL	10	127,368	1,719	-	129,087
(iii) IRPJ losses	6	1,009	-	-	1,009
CSLL losses	6	799	137	-	936
Offset of credits - PIS	4	71	-	2,325	2,395
Offset of Federal taxes	8	53,765	-	-	53,765
(iv) Other tax proceedings	23	9,457	289	431	10,177
	<u>71</u>	<u>310,982</u>	<u>2,145</u>	<u>16,612</u>	<u>329,739</u>

- (i) (i) These refer to the levy of Social Security Contributions on export revenue, under the allegation that the exports carried out through the intermediation of a cooperative are not included in the exemption established in article 149, paragraph 2, of the Federal Constitution.

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- (ii) These refer to the exclusion from the calculation basis of Corporate Income Tax (IPRJ) and Social Contribution on Net Income (CSLL) of expenses related to securitized financing, as well as expenses arising from the benefit of accelerated tax-incentive depreciation.
- (iii) The proceedings refer to requests to offset Corporate Income Tax (IPRJ), Social Contribution (CSLL), Social Contribution Tax on Gross Revenue for Social Integration Program (PIS), Social Contribution Tax on Gross Revenue for Social Security Financing (COFINS) and other federal taxes arising from overpayments and/or tax losses and export credits whose offset was rejected by the Brazilian IRS (RFB) and are pending judgment of the objections against the decision/voluntary appeals.
- (iv) The proceedings refer to disputes involving other tax cases such as the contribution to the National Service for Industrial Training (SENAI), and whose loss risk classification is "possible".

Civil, environmental and labor proceedings:

Consolidated		Stage				
Nature	No. of proceedings	Adminis- trative	Trial court	Lower court	Higher court	Total
Environmental	18	835	1,748	247	-	2,830
Civil						
Indemnities	36	-	13,752	173	31	13,956
Review of contracts	13	-	285	-	-	285
Rectification of area and land registry	2	-	-	-	-	-
Permits for obtaining mineral research licenses	6	-	-	-	-	-
Other civil proceedings	3	-	1	-	-	1
Labor						
Tax delinquency notice	6	41	-	-	-	41
Labor claim/Annulment of delinquency notice	-	-	-	-	-	-
	5	-	4,961	1,643	-	6,604
	<u>89</u>	<u>876</u>	<u>20,747</u>	<u>2,063</u>	<u>31</u>	<u>23,717</u>

The management of the Group, based on legal counsel's opinion, believes that there are no significant risks not covered by provisions in the financial statements or that could result in a significant impact on future results of operations.

27 Derivative financial instruments

Derivative financial instruments should be classified as "held for trading" and recorded at their fair values in current assets when the fair value is positive, and in current liabilities when it is negative. Fair value variations must be recorded in the statement of income, except when the derivative is designated for hedge accounting purposes. The utilization of hedge accounting is optional and its purpose is to record the effects of derivative financial instruments at the same time as the hedged items affect the entity's results of operations, in order to conform to the accrual basis of accounting and to reduce the volatility of the income or loss arising from derivatives marked to market.

The Company opted for the utilization of hedge accounting to record part of its derivative financial instruments. The instruments elected were sugar, ethanol and foreign currency (US dollar) derivatives, which cover the sales of the 2014/2015 and 2015/2016 crops, and were classified as a hedge of cash flows of highly probable expected transactions (future sales).

Derivatives designated for hedge accounting are recorded at their fair values in the balance sheet. The effective portion of the variations in the fair value of the designated derivatives, which qualify for hedge accounting, is recorded in "Carrying value adjustments" in equity (as shown in the "Statement of comprehensive income"), net of deferred taxes, and transferred to the statement of income in "Net sales revenue" when the revenue of the related hedged sale is recognized, which occurs in the month the goods are shipped. The ineffective portion of the variations is recorded as finance income or costs in the same period in which it occurs.

In order to utilize hedge accounting, prospective tests were carried out to verify effectiveness. These tests showed that the instruments designated as hedges provide a highly effective offset for the effects of price variations on the value of future sales.

In the case of foreign exchange hedges, the derivatives were designated as a protection of cash flows arising from future sales in foreign currency. These hedges were carried out by contracting Non-Deliverable Forwards (NDFs) and options strategies with leading financial institutions.

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In the case of sugar hedges, the derivatives were designated as a protection of cash flow variations arising from future sales of sugar.

These transactions are carried out in the New York Intercontinental Exchange (ICE Futures US) and with leading financial institutions through over-the-counter contracts.

The balances of assets and liabilities at September 30, 2014 and March 31, 2014 relating to transactions with derivative financial instruments and their maturities were as follows:

Company	Due date	Amount/ contracted volume	Price/ average rate	September 30, 2014	
				Notional amount - R\$	Fair value - R\$
<u>In current assets - gain / (loss)</u>					
Margin deposit					12,188
Merchandise futures contracts - Sugar #11 -		Ton	Cts USD/lb		
. Sales commitments		300,750	17.25	280,334	9,542
February-15		183,905	17.25	171,462	7,107
April-15		31,497	16.91	28,773	367
June-15		85,348	17.37	80,099	2,068
. Purchase commitments		44,351	17.28	41,402	(1,081)
February-15		41,760	17.34	39,117	(1,133)
April-15		2,591	16.32	2,285	52
Merchandise futures contracts - Sugar #11 - Commodities Exchange		Ton	Cts USD/lb		
. Bidding position in call options		75,950	18.43	75,618	1,327
February-15		75,950	18.43	75,618	1,327
. Bidding position in put options		70,107	17.18	65,072	5,195
February-15		50,802	16.85	46,255	3,431
June-15		14,225	18.32	14,082	1,487
September-15		5,080	17.25	4,735	277
. Written position in call options		211,083	19.40	221,205	(3,128)
February-15		172,474	19.24	179,301	(2,490)
June-15		28,449	20.21	31,061	(385)
September-15		10,160	19.75	10,843	(253)
Flexible currency option contracts - Dollar		USD (.000)	R\$/USD		
. Written position in put options		12,050	2.4651	29,706	638
October-14		1,680	2.4069	4,044	5
November-14		5,500	2.4187	13,303	204
March-15		4,870	2.5377	12,359	429
. Written position in call options		12,050	2.5824	31,118	(407)
October-14		1,680	2.6039	4,375	(1)
November-14		5,500	2.5308	13,919	(134)
March-15		4,870	2.6332	12,824	(272)
TOTAL CURRENT ASSETS					24,274

Notes to quarterly information at September 30, 2014

In thousands of reais except when otherwise stated

Company	September 30, 2014				
	Due date	Amount/ contracted volume	Price/average rate	Notional amount - R\$	Fair value - R\$
<u>In current assets - gain (loss)</u>					
Currency forward contracts (NDF) - Dollar - Over-the-		USD (.000)	R\$/USD		
. Sales commitments		192,486	2.4055	463,032	18,742
October-14		70,132	2.3024	161,472	10,421
November-14		65,554	2.4366	159,730	1,943
December-14		234	2.3895	559	22
January-15		234	2.4045	563	23
February-15		234	2.4210	567	23
March-15		2,054	2.5973	5,335	(112)
April-15		234	2.4505	573	25
May-15		8,290	2.5544	21,176	214
July-15		29,310	2.5696	75,315	1,434
August-15		14,880	2.2955	34,157	4,756
October-15		1,330	2.6953	3,585	(7)
. Purchase commitments		55,598	2.4087	133,918	(2,352)
October-14		55,598	2.4087	133,918	(2,352)
Merchandise futures contracts - Ethanol -		m ³	R\$/m ³		
. Sale commitments		16,860	1,318.91	22,237	104
February-15		16,860	1,318.91	22,237	104
Swap contracts - Interest - Over-the-counter		USD (.000)	Assets	Liabilities	41,628
November-14		49,914	USD + 1,2%	95.5% do CDI	1,648
December-14		47,920	USD + 1,3%	95.7% do CDI	1,787
March-15		91,280	Libor 6M + 3%	3.85%	165
June-15		137,355	Libor 6M + 1,5%	2.36%	236
September-16		183,140	Libor 6M + 2,5%	3.60%	888
May-17		165,736	100% CDI	USD + 5%	36,904
TOTAL CURRENT LIABILITIES					58,122

Consolidated	September 30, 2014				
	Due date	Amount/Co ntracted volume	Price/average rate	Notional amount - R\$	Fair value - R\$
<u>In current assets - gain (loss)</u>					
Margin deposit					13,050
Currency forward contracts (NDF) - Dollar -		Ton	Cts USD/lb		
. Sales commitments		324,119	17.20	288,871	9,627
Feb-15		207,274	17.18	179,998	7,192
Apr-15		31,497	16.91	28,773	367
Jun-15		85,348	17.37	80,099	2,068
Purchase commitment		54,511	17.64	45,713	(1,081)
Feb-15		51,920	17.71	43,428	(1,133)
Apr-15		2,591	16.32	2,285	52

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Consolidated	September 30, 2014				
	Due date	Amount/Contracted volume	Price/average rate	Notional amount - R\$	Fair value - R\$
<u>Current assets - Gain / (loss) - continued</u>					
Merchandise futures contracts - Sugar #11 -		Ton	Cts USD/lb		
Bidding position in call options		96,271	18.74	84,550	1,539
	Feb-15	96,271	18.74	84,550	1,539
Bidding position in put options		77,728	17.16	67,929	5,757
	Feb-15	58,423	16.87	49,111	3,993
	Jun-15	14,225	18.32	14,082	1,487
	Sep-15	5,080	17.25	4,735	277
Written position in call options		244,105	19.55	236,157	(3,365)
	Feb-15	205,496	19.45	194,253	(2,727)
	Jun-15	28,449	20.21	31,061	(385)
	Sep-15	10,160	19.75	10,843	(253)
Written position in put options		10,160	16.50	3,696	(511)
	Feb-15	10,160	16.50	3,696	(511)
Flexible currency option contracts - Dollar		USD (.000)	R\$/USD		
Bidding position in put options		12,050	2.4651	29,705	638
	Oct-14	1,680	2.4069	4,044	5
	Nov-14	5,500	2.4187	13,303	204
	Mar-15	4,870	2.5377	12,359	429
Written position in call options		12,050	2.5824	31,117	(407)
	Oct-14	1,680	2.6039	4,375	(1)
	Nov-14	5,500	2.5308	13,919	(134)
	Mar-15	4,870	2.6332	12,824	(272)
TOTAL CURRENT ASSETS					25,247
<u>Current liabilities - (Gain) / Loss</u>					
Swap contracts - Interest - Over-the-		USD (.000)	R\$/USD		
Sales commitment		192,486	2.4055	463,032	18,742
	Oct-14	70,132	2.3024	161,472	10,421
	Nov-14	65,554	2.4366	159,730	1,943
	Dec-14	234	2.3895	559	22
	Jan-15	234	2.4045	563	23
	Feb-15	234	2.4210	567	23
	Mar-15	2,054	2.5973	5,335	(112)
	Apr-15	234	2.4505	573	25
	May-15	8,290	2.5544	21,176	214
	Jul-15	29,310	2.5696	75,315	1,434
	Aug-15	14,880	2.2955	34,157	4,756
	Oct-15	1,330	2.6953	3,585	(7)
Purchase commitment		55,598	2.4087	133,918	(2,352)
	Oct-14	55,598	2.4087	133,918	(2,352)
Merchandise futures contracts - Sugar #11 -		m³	R\$/m³		
Sales commitment		16,860	1,318.91	22,237	106
	Feb-15	16,860	1,318.91	22,237	106

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Consolidated	September 30, 2014				
	Due date	Amount/Contracted volume	Price/average rate	Notional amount - R\$	Fair value - R\$
<u>Incurrent liabilities (gain) loss - continued</u>					
Swap - interest - over the counter		USD (.000)	Assets	Liabilities	47,565
	Nov-14	49,914	USD + 1,2%	95.5% do CDI	1,648
	Dec-14	47,920	USD + 1,3%	95.7% do CDI	1,787
	Mar-15	91,280	Libor 6M + 3%	3.85%	165
	Jun-15	137,355	Libor 6M + 1,5%	2.36%	236
	Sep-15	34,444	100% LBUSD Interpol	100% USD + 0,870%	52
	Sep-15	26,739	100% LBUSD 6M	100% USD + 1,430%	120
	Dec-15	36,258	100% LBUSD 6M	100% USD + 1,350%	229
	Dec-15	16,065	100% LBUSD 6M	100% USD + 1,220%	139
	Sep-16	183,140	Libor 6M + 2,5%	3.60%	888
	Sep-16	22,224	100% LBUSD 6M	100% USD + 1,000%	63
	Sep-16	11,611	100% LBUSD 6M	100% USD + 1,355%	(2)
	May-17	20,422	100% CDI + 1,5%	100% USD + 5,5%	5,024
	May-17	165,736	100% CDI	USD + 5%	36,904
	Jan-18	29,146	100% LBUSD Interpol	100% USD + 1,135%	55
	Mar-18	40,584	100% LBUSD 6M	100% USD + 1,060%	(40)
	Apr-18	23,225	100% LBUSD Interpol	100% USD + 1,170%	95
	Apr-18	24,787	100% LBUSD Interpol	100% USD + 1,625%	285
	Apr-18	14,045	100% LBUSD Interpol	100% USD + 1,570%	133
	Jun-18	20,249	100% LBUSD 6M	100% USD + 1,370%	115
	Jul-18	69,674	100% LBUSD 1M	100% USD + 0,930%	(254)
	Dec-18	23,638	100% LBUSD 3M	100% USD + 1,300%	(77)
TOTAL CURRENT LIABILITIES					64,061

Company and consolidated	March 31, 2014				
	Due date	Amount/Contracted volume	Price/average rate	Notional amount - R\$	Fair value - R\$
<u>Current assets - Gain / (Loss)</u>					
Margin deposit					28,673
Merchandise futures contracts - Sugar #11 -		Ton	Cts USD/lb		
. Sale commitments		2,540	18.70	2,370	65
	Jun-14	2,540	18.70	2,370	65
Flexible currency option contracts - Dollar		USD (.000)	R\$/USD		
Bidding position in call options		3,704	2.3586	8,736	9
	Jun-14	3,704	2.3586	8,736	9
Bidding position in out options		52,086	2.4586	128,058	6,009
	Jun-14	7,210	2.4541	17,694	905
	Jul-14	19,610	2.4133	47,324	1,886
	Aug-14	13,216	2.4875	32,875	1,671
	Oct-14	1,680	2.4723	4,153	171
	Nov-14	5,500	2.4599	13,529	605
	Mar-15	4,870	2.5633	12,483	771

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Company and consolidated	March 31, 2014			
	Due date	Amount/Contracted volume	Price/average rate	Notional amount - R\$ Fair value - R\$
<u>Current assets - Gain / (Loss) - continued</u>				
Written position in call options		50,580	2.4607	128,058 (1,203)
	Jun-14	5,704	2.4657	17,694 (20)
	Jul-14	19,610	2.4150	47,324 (308)
	Aug-14	13,216	2.4875	32,875 (191)
	Oct-14	1,680	2.4723	4,153 (51)
	Nov-14	5,500	2.4599	13,529 (283)
	Mar-15	4,870	2.5633	12,483 (350)
TOTAL CURRENT ASSETS				33,553
<u>Current liabilities- (Gain) / Loss</u>				
Merchandise futures contracts - Sugar #11 -				
		Ton	Cts USD/lb	
Sales commitments		416,611	17.37	361,067 15,115
	Apr-14	130,607	17.41	113,463 1,841
	Jun-14	188,976	17.29	163,028 7,298
	Sep-14	72,898	17.39	63,255 4,218
	Feb-15	24,130	17.71	21,321 1,758
Purchase commitments		6,350	16.73	5,298 (345)
	Apr-14	5,842	16.74	4,880 (299)
	Jun-14	254	16.29	206 (23)
	Sep-14	254	16.75	212 (23)
Merchandise futures contracts - Sugar #11 - Commodities Exchange				
		Ton	Cts USD/lb	
Bidding position in call options		27,940	19.18	26,739 (1,363)
	Apr-14	10,160	18.00	9,124 (456)
	Jun-14	7,620	21.00	7,984 (76)
	Feb-15	10,160	19.00	9,631 (831)
Bidding position in put options		120,904	17.25	104,056 (3,328)
	Apr-14	10,160	17.63	8,934 (150)
	Jun-14	52,324	17.59	45,920 (1,640)
	Sep-14	48,260	16.91	40,711 (1,274)
	Feb-15	10,160	16.75	8,491 (264)
Written position in call options		178,308	19.07	169,609 8,437
	Apr-14	20,320	18.63	18,882 271
	Jun-14	69,088	19.53	67,308 1,613
	Sep-14	43,180	18.19	39,191 3,109
	Feb-15	45,720	19.39	44,228 3,444
. Written position in put options		29,210	16.83	24,522 623
	Jun-14	13,970	17.18	11,976 319
	Sep-14	15,240	16.50	12,546 304
Merchandise futures contract - Ethanol - Commodities exchange				
		m ³	R\$/m ³	
. Sales commitment		9,000	1,150.08	10,351 15
	May-14	2,700	1,151.94	3,110 28
	Jun-14	3,600	1,150.00	4,140 7
	Jul-14	2,700	1,148.33	3,101 (20)

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In thousands of reais except when otherwise stated

Company and consolidated	March 31, 2014				
	Due date	Amount/Contracted volume	Price/average rate	Notional amount - R\$	Fair value - R\$
Current liabilities - (Gain) / Loss (continued)					
NDF - US Dollar - Over the Counter					
		USD (.000)	R\$/USD		
. Sales commitment		150,531	2.3245	349,908	3,763
	Apr-14	20,079	2.2722	45,623	(184)
	May-14	15,000	2.2313	33,469	798
	Jun-14	18,434	2.3630	43,559	(1,081)
	Jul-14	13,024	2.3156	30,158	66
	Aug-14	30,946	2.2890	70,835	1,580
	Sep-14	16,757	2.3069	38,657	858
	Oct-14	8,965	2.5024	22,434	(1,047)
	Nov-14	9,956	2.4755	24,646	(708)
	Dec-14	234	2.3895	559	6
	Jan-15	234	2.4045	563	7
	Feb-15	234	2.4210	567	8
	Mar-15	1,554	2.6434	4,108	(238)
	Apr-15	234	2.4505	573	10
	Aug-15	14,880	2.2955	34,157	3,688
		17,972	2.3699	42,592	1,921
. Purchase commitment	Apr-14	17,972	2.3699	42,592	1,921
Swap - Interest - Over the Counter					
		USD (.000)	Assets	Liabilities	31,560
	Nov-14	49,914	USD + 1,2%	95.5% do CDI	2,974
	Dec-14	47,920	USD + 1,3%	95.7% do CDI	3,033
	Mar-15	91,280	Libor 6M + 3%	3.85%	331
	Jun-15	137,355	Libor 6M + 1,5%	2.36%	412
	Sep-16	183,140	Libor 6M + 2,5%	3.60%	1,531
	May-17	165,736	100% CDI	USD + 5%	23,279
TOTAL CURRENT LIABILITIES					56,398

Margin deposit balances refer to funds maintained in current accounts with brokers to cover the initial margins and variations established by the Commodities Exchange in which the contracts are formalized, with the objective of guaranteeing outstanding contracts and net remittances related to daily adjustments resulting from fluctuations in contract prices in the futures and options market.

The potential results of futures, options and forward contracts refer to the cumulative positive (negative) effect of the fair value of derivative financial instruments in the related categories.

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The maturity dates of the derivative financial instruments contracted are determined based on the estimated shipment dates of the hedged sugar and ethanol and the forecast cash flows from these shipments, as agreed with the customers.

28 Segment information (consolidated)

Management has determined the Group's operating segments based on the reports used for strategic decisions, which are reviewed by the main decision-makers, namely: the Executive Board, the CEO and the Board of Directors.

The analyses are made by segmenting the business based on the products sold by the Group, comprising four segments:

- (i) Sugar;
- (ii) Ethanol;
- (iii) Electricity;
- (iv) Real estate ventures; and
- (v) Other products

The "Other products" segment (iv) includes operations related to the production and sale of ribonucleic acid (sodium salt) and other products or byproducts of lesser importance.

The analyses of operating segment performance are based on the results of operations of each product, focusing on profitability.

The operating assets related to these segments are located only in Brazil.

The segment information used by the decision-makers is as follows:

Notes to quarterly information at September 30, 2014

In thousands of reais except when otherwise stated

Consolidated result by segment

September 30, 2014							
	Sugar	Ethanol	Electrical energy	Real estate venture	Other products	Not by segment	Total
Net revenue	406,877	254,556	65,160	16,901	32,222	-	775,716
Cost of goods sold	(303,760)	(183,535)	(10,631)	(2,467)	(26,651)	-	(527,044)
Mark to market of sugar cane plantation	-	-	-	-	-	(1,305)	(1,305)
Gross profit	103,117	71,021	54,529	14,434	5,571	(1,305)	247,367
Gross margin	25.34%	27.90%	83.68%	85.40%	17.29%	-	31.89%
Selling expenses	(30,654)	(6,014)	(538)	-	(121)	-	(37,327)
Other operating expenses:	-	-	-	-	-	46,724	46,724
Operating income (loss)	72,463	65,007	53,991	14,434	5,450	45,419	256,764
Operating margin	17.81%	25.54%	82.86%	85.40%	16.91%	-	33.10%
Financial expenses, net	-	-	-	-	-	(55,033)	(55,033)
Foreign exchange variation, net	-	-	-	-	-	(879)	(879)
Derivatives	-	-	-	-	-	6,860	6,860
Pretax income (loss)	-	-	-	-	-	(3,633)	207,712
Income and social contribution taxes	-	-	-	-	-	(30,474)	(30,474)
Net income (loss) for the period	-	-	-	-	-	(34,107)	177,238

September 30, 2013							
	Sugar;	Ethanol;	Electrical energy	Real estate venture	Other products	Not by segment	Total
Net revenue	482,466	318,833	12,558	16,066	70,576	-	900,499
Cost of goods sold	(313,632)	(224,479)	(2,104)	(15,986)	(71,896)	-	(628,097)
Mark to market of sugar cane plantation	-	-	-	-	-	1,281	1,281
Gross profit	168,834	94,354	10,454	80	(1,320)	1,281	273,683
Gross margin	34.99%	29.59%	83.25%	0.50%	-1.87%	-	30.39%
Selling expenses	(32,289)	(14,945)	(33)	-	(129)	-	(47,396)
Other operating expenses:	-	-	-	-	-	(71,226)	(71,226)
Operating income (loss)	136,545	79,409	10,421	80	(1,449)	(69,945)	155,061
Operating margin	28.30%	24.91%	82.98%	0.50%	-2.05%	-	17.22%
Financial expenses, net	-	-	-	-	-	(39,016)	(39,016)
Foreign exchange variation, net	-	-	-	-	-	24,415	24,415
Derivatives	-	-	-	-	-	(3,682)	(3,682)
Pretax income (loss)	-	-	-	-	-	(88,228)	136,778
Income and social contribution taxes	-	-	-	-	-	(41,163)	(41,163)
Net income (loss) for the period	-	-	-	-	-	(129,391)	95,615

Notes to quarterly information at September 30, 2014

In thousands of reais except when otherwise stated

Consolidated operating assets by segment

The main operating assets of the Group were segregated by segment based on the cost centers into which they are allocated and/or the apportionment criterion that takes into consideration the production of each product in relation to total production. This allocation could, therefore, vary from one year to another.

September 30, 2014						
	Sugar	Ethanol	Electrical energy	Real estate venture	Other products	Total
Trade accounts receivable	52,951	22,645	26,762	17,789	21,466	141,613
Inventory items	325,081	347,281	-	7,086	17,487	696,935
Biological assets	465,910	338,301	-	-	-	804,211
Property, plant and equipment	1,724,430	1,249,833	110,275	-	11,155	3,095,693
Intangible assets	296,516	215,302	16,500	-	-	528,318
Total assets allocated	2,864,888	2,173,362	153,537	24,875	50,108	5,266,770
Other unallocated assets	-	-	-	-	-	1,287,675
Total	2,864,888	2,173,362	153,537	24,875	50,108	6,554,445

March 31, 2014						
	Sugar	Ethanol	Electrical energy	Real estate venture	Other products	Total
Trade accounts receivable	16,753	27,193	523	11,793	17,436	73,698
Inventory items	57,160	49,934	-	-	18,354	125,448
Biological assets	359,807	236,502	-	-	-	596,309
Property, plant and equipment	1,590,914	1,045,707	67,800	-	13,370	2,717,791
Intangible assets	116,404	76,513	-	-	-	192,917
Total assets allocated	2,141,038	1,435,849	68,323	11,793	49,160	3,706,163
Other unallocated assets	-	-	-	-	-	1,332,233
Total	2,141,038	1,435,849	68,323	11,793	49,160	5,038,396

Since the decision-makers analyze liabilities on a consolidated basis, the segment information relating to liabilities is not being reported.

Notes to quarterly information at September 30, 2014

In thousands of reais except when otherwise stated

29 Revenues

	Company			
	September 30, 2014		September 30, 2013	
	Quarter	Six month period	Quarter	Six month period
Gross revenue from sales				
Domestic market	106,596	248,529	120,208	257,917
Foreign market	191,228	417,414	372,017	641,610
Gains (losses) from derivatives	-	4,706	-	-
	<u>297,824</u>	<u>670,649</u>	<u>492,225</u>	<u>899,527</u>
Sales taxes, contributions and deductions	(10,242)	(19,830)	(10,031)	(20,665)
	<u>287,582</u>	<u>650,819</u>	<u>482,194</u>	<u>878,862</u>

	Consolidated			
	September 30, 2014		September 30, 2013	
	Quarter	Six month period	Quarter	Six month period
Gross revenue from sales				
Domestic market	175,209	332,583	143,474	281,183
Mercado externo	237,189	463,375	372,017	641,610
Gains (losses) from derivatives	-	4,706	-	-
	<u>412,398</u>	<u>800,664</u>	<u>515,491</u>	<u>922,793</u>
Sales taxes, contributions and	(14,689)	(24,948)	(11,234)	(22,294)
	<u>397,709</u>	<u>775,716</u>	<u>504,257</u>	<u>900,499</u>

Notes to quarterly information at September 30, 2014

In thousands of reais except when otherwise stated

30 Costs and expenses by nature

The Group's statement of income is classified by function. The reconciliation by nature/purpose, as required by applicable accounting practices, is as follows:

Costs and expenses by nature:	Company			
	September 30, 2014		September 30, 2013	
	Quarter	Six month period	Quarter	Six month period
Raw material and material for use and consumption	100,202	245,586	160,614	278,916
Personnel expenses	44,287	89,505	46,635	96,849
Depreciation and amortization (including harvested biological assets)	77,749	155,421	82,436	184,097
Spare parts and maintenance services	7,260	15,147	10,885	23,306
Third-party services	23,112	46,557	37,816	68,172
Litigation	(4,417)	(2,173)	6,533	11,867
Change in fair value of biological assets	(471)	(2,162)	2,148	(1,281)
Materials for resale (i)	3,873	6,241	35,251	51,581
Other expenses	17,766	29,461	16,443	30,979
	<u>269,361</u>	<u>583,583</u>	<u>398,761</u>	<u>744,486</u>

Costs and expenses by nature	Consolidated			
	September 30, 2014		September 30, 2013	
	Quarter	Six month period	Quarter	Six month period
Raw material and material for use and consumption	112,054	247,444	153,205	256,886
Personnel expenses	51,043	96,260	46,696	96,911
Depreciation and amortization (including harvested biological assets)	93,461	171,516	82,867	184,658
Spare parts and maintenance services	9,452	17,339	10,885	23,306
Third-party services	28,707	52,155	37,836	68,197
Litigation:	(3,774)	(1,530)	6,533	11,867
Change in fair value of biological assets	2,996	1,305	2,148	(1,281)
Materials for resale (i)	3,960	6,327	35,331	55,127
Sale of lands	2,467	2,467	13,232	13,232
Other expenses	21,525	32,640	16,130	26,413
	<u>321,891</u>	<u>625,923</u>	<u>404,863</u>	<u>735,316</u>

Notes to quarterly information at September 30, 2014

In thousands of reais except when otherwise stated

Classified as:	Company			
	September 30, 2014		September 30, 2013	
	Quarter	Six month period	Quarter	Six month period
Cost of goods sold	226,928	496,474	337,656	636,295
Selling expenses	15,657	32,461	27,543	47,396
General and administrative expenses	26,776	54,648	33,562	60,795
	<u>269,361</u>	<u>583,583</u>	<u>398,761</u>	<u>744,486</u>

Classified as:	Consolidated			
	September 30, 2014		September 30, 2013	
	Quarter	Six month period	Quarter	Six month period
Cost of goods sold	269,227	528,349	343,597	626,816
Selling expenses	20,451	37,327	27,543	47,396
General and administrative expenses	32,213	60,247	33,723	61,104
	<u>321,891</u>	<u>625,923</u>	<u>404,863</u>	<u>735,316</u>

- (i) In September 30, 2013, mainly sugar cane sold.

31 Other income (expenses), net

	Company			
	September 30, 2014		September 30, 2013	
	Quarter	Six month period	Quarter	Six month period
Disposal of investment - ABV (Note 12.8)	79,717	79,717	-	-
Nonrecurring expenses - Acquisition of SC (Note 35)	(9,394)	(9,394)	-	-
Expenses with Copersucar ICMS proceedings	(2,328)	(2,566)	-	-
Penalty for termination of service agreement	(780)	(780)	-	-
Judicial reorganization	331	331	-	-
Revision of tax credits	(54)	(82)	-	-
Gain (loss) from sale of PP&E items	(266)	(333)	844	913
Gain (loss) from sale of scrap	901	1,010	192	559
Lease	623	685	324	383
Indemnities of agricultural partnership agreements	-	468	4,636	4,636
Gain from acquisition of rural debt bonds	-	-	340	340
Payroll contract	-	-	-	68
Other	(25)	(63)	(412)	(402)
	<u>68,725</u>	<u>68,993</u>	<u>5,924</u>	<u>6,497</u>



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In thousands of reais except when otherwise stated

	Consolidated			
	September 30, 2014		September 30, 2013	
	Quarter	Six month period	Quarter	Six month period
Disposal of interest - ABV	79,717	79,717	-	-
Nonrecurring expenses - Acquisition of SC	(9,394)	(9,394)	-	-
Expenses with Copersucar ICMS proceedings	(2,328)	(2,566)	-	-
Penalty for termination of service agreement	(780)	(780)	-	-
Judicial reorganization	331	331	-	-
Reorganization of agricultural partnerships	181	181	-	-
Revenues from prior agricultural harvest services	804	804	-	-
Setting up of unnamed private pension fund	239	239	-	-
Review of tax credits	(537)	(565)	-	-
Gain due to change in interest regarding CTC	7,055	7,055	-	-
Gain (loss) from sale of PP&E items	(239)	(306)	844	913
Gains (loss) from sale of scrap	1,010	1,119	192	559
Lease	625	1,064	324	383
Indemnities for agricultural partnership agreements	-	468	4,636	4,636
Revenue from energy network easements	-	-	604	604
Gain from acquisition of agrarian debt bonds	-	-	340	340
Payroll contract	-	-	-	68
Other	352	310	(432)	(422)
	<u>77,036</u>	<u>77,677</u>	<u>6,508</u>	<u>7,081</u>

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In thousands of reais except when otherwise stated

32 Financial income (expenses)

	Company			
	September 30, 2014		September 30, 2013	
	Quarter	Six month period	Quarter	Six month period
Financial income				
Interest received and accrued	17,455	29,190	5,053	10,661
Bank surety commission	895	1,478	782	1,537
Other revenues	46	390	67	336
	<u>18,396</u>	<u>31,058</u>	<u>5,902</u>	<u>12,534</u>
Financial expenses				
Present value adjustment	(1,380)	(2,726)	(2,987)	(5,957)
Interest on Borrowings	(29,642)	(50,557)	(17,996)	(34,719)
Interest on Borrowings - Copersucar	(2,326)	(4,477)	(1,825)	(3,679)
Interest paid and accrued	(5,769)	(7,231)	(1,334)	(2,627)
Bank surety commission	(228)	(577)	(1,162)	(1,198)
Surety commission - Copersucar	(11,508)	(11,508)		
Monetary restatement of contingencies	(1,644)	(3,788)	(1,362)	(2,649)
Other expenses	(217)	(756)	(1,109)	(2,350)
	<u>(52,714)</u>	<u>(81,620)</u>	<u>(27,775)</u>	<u>(53,179)</u>
Monetary and foreign exchange variation, net				
Cash and cash equivalents	9,202	8,363	1,332	21,203
Customers and suppliers	5,055	4,272	1,348	7,470
Borrowings	(14,511)	(11,874)	(10)	(4,258)
	<u>(254)</u>	<u>761</u>	<u>2,670</u>	<u>24,415</u>
Derivatives - not designated for hedge accounting				
Gain (loss) from sugar transactions	6,226	7,127	(216)	(299)
Gain (loss) from ethanol transactions	(8)	15	(663)	(609)
Gain (loss) from foreign exchange transactions	540	(257)	3,106	(5,801)
Gains (loss) from Swaps	5,973	972	(744)	1,242
Costs of Commodities Exchange operations	(303)	(447)	(183)	(399)
Net foreign exchange variation	1,640	849	745	2,184
	<u>14,068</u>	<u>8,259</u>	<u>2,045</u>	<u>(3,682)</u>
Financial income (loss)	<u>(20,504)</u>	<u>(41,542)</u>	<u>(17,158)</u>	<u>(19,912)</u>

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	Consolidated			
	September 30, 2014		September 30, 2013	
	Quarter	Six month period	Quarter	Six month period
Financial income				
Interest received and accrued	22,521	34,770	6,052	12,628
Bank surety commission	895	1,478	782	1,537
Other revenues	120	465	68	337
	<u>23,536</u>	<u>36,713</u>	<u>6,902</u>	<u>14,502</u>
Financial expenses				
Present value adjustment	(1,380)	(2,726)	(2,987)	(5,957)
Interest on Borrowings	(36,438)	(57,741)	(18,332)	(35,055)
Interest on Borrowings - Copersucar	(2,710)	(4,861)	(1,825)	(3,679)
Interest paid and accrued	(5,776)	(7,242)	(1,334)	(2,627)
Bank surety commission	(471)	(820)	(1,162)	(1,198)
Surety commission - Copersucar	(12,558)	(12,558)	-	-
Monetary restatement of contingencies	(2,697)	(4,841)	(1,362)	(2,649)
Other expenses	(416)	(957)	(1,111)	(2,353)
	<u>(62,446)</u>	<u>(91,746)</u>	<u>(28,113)</u>	<u>(53,518)</u>
Monetary and foreign exchange variation, net				
Cash and cash equivalents	13,273	12,434	1,332	21,203
Customers and suppliers	5,913	5,130	1,348	7,471
Borrowings	(21,080)	(18,443)	(10)	(4,259)
	<u>(1,894)</u>	<u>(879)</u>	<u>2,670</u>	<u>24,415</u>
Derivatives - not designated for hedge accounting				
Income (loss) from sugar transactions	6,017	6,918	(216)	(299)
Gain (loss) from ethanol transactions	(8)	15	(663)	(609)
Gain (loss) from foreign exchange transactions	540	(257)	3,106	(5,801)
Gain (loss) from Swaps	4,402	(599)	(744)	1,242
Cost of Commodities exchange transactions	(381)	(525)	(183)	(399)
Foreign exchange gains, net	2,099	1,308	745	2,184
	<u>12,669</u>	<u>6,860</u>	<u>2,045</u>	<u>(3,682)</u>
Financial income (expenses)	<u>(28,135)</u>	<u>(49,052)</u>	<u>(16,496)</u>	<u>(18,283)</u>

33 Earnings per share:
(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of common shares outstanding during the year, excluding the common shares purchased by the Company and held as treasury shares.



Notes to quarterly information at September 30, 2014

In thousands of reais except when otherwise stated

	September 30, 2014		September 30, 2013	
	Quarter	Six month period	Quarter	Six month period
Income for the quarter attributable to the shareholders of the Company	115,222	175,948	60,887	95,615
weighted average number of common shares for the year - in thousands	112,387	112,387	112,233	112,233
Basic earnings per share (in reais)	1.0252	1.5656	0.5425	0.8519

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of common shares outstanding to assume conversion of all potential common shares with dilutive effects. The Company has purchase options of common shares with potential of dilution.

	September 30, 2014		September 30, 2013	
	Quarter	Six month period	Quarter	Six month period
Profit for the quarter used to determine diluted earnings per share	115,222	175,948	60,887	95,615
Weighted average number of common shares for diluted earnings in thousands	112,921	112,921	112,514	112,514
Diluted earnings per share (in reais)	1.0204	1.5582	0.5412	0.8498

34 Insurance coverage

The Group maintains a safety, training and quality program in its units, which aims, among other things, to also reduce the risk of accidents.

Furthermore, it maintains insurance contracts at amounts considered sufficient to cover possible significant losses on its assets and responsibilities. The amounts covered by the current insurance policies at September 30, 2014 were as follows:

Notes to quarterly information at September 30, 2014

 In thousands of reais except when otherwise stated

Risks covered	Maximum coverage (*)	
	Company	Consolidated
Civil liability	1,207,727	2,104,089
Fire, lightning and explosion of any nature	509,500	730,000
Theft or robbery	168,349	168,349
Other cover	88,014	101,332
Electrical damages	30,896	32,896
Natural phenomena, impact of vehicles or aircraft, etc.	12,500	18,500

(*) Corresponds to the maximum amount of cover for the various assets and locations insured.

The vehicle cover, mainly civil liability, is also included above, except for actual damage to the vehicle, which has as reference, on average, 100% of the Economic Research Institute (FIPE) table.

35 Acquisition of investments - accounts payable

The Board of Directors' meeting held on February 17, 2014, approved the acquisition of a further 3.9% investment in SC. The amount of the price for the additional purchase of equity in SC is R\$ 15,345, payable in three annual installments of R\$ 5,115. The transaction was formalized on April 1, 2014, with payment of the first installment and the transfer of shares.

In addition, on August 8, 2014 the Company acquired 56.05% of the capital in SC for R\$ 315,862 increasing its investment in SC from 36.09% to 92.14%. The Company began to fully consolidate SC's results as from that date.

The closure of this transaction with Luiz Ometto Participações S.A. ("LOP") and other individual shareholders through the approval of the Free Trade Commission (CADE) on July 23, 2014.

Management contracted independent experts to measure fair value of the identifiable assets acquired, the liabilities and the contingent liabilities assumed, in addition to the determination of the purchase pricing allocation (PPA). The independent expert work is ongoing and at the base date September 30, 2014, management based the book value for SC on the preliminary calculation of goodwill paid in the transaction. The variations stemming from the measurement in the fair value of the investments acquired, as well as the PPA shall



Notes to quarterly information at September 30, 2014

In thousands of reais except when otherwise stated

be period measurement adjustments and measured retrospectively with corresponding adjustments in the originally recorded goodwill. The adjustments for the measurement period correspond to the adjustments stemming from additional information obtained during the “measurement period” that may not exceed one year as from the date of acquisition relating to the facts and circumstances on the acquisition date. The Company intends to conclude the work and undertake the required adjustment up to the end of the financial year, i.e. March 31, 2015.

The following table stated the matching entry of the acquisition as well as the preliminary goodwill recorded:

Notes to quarterly information at September 30, 2014

In thousands of reais except when otherwise stated

	Formation of purchase price 3.9%	Formation of purchase price 56.05%
Total payment	15,346	315,861
	<u>Account values</u>	<u>Account values</u>
Fair value of identifiable acquired assets and assumed liabilities		
Cash and cash equivalents	79,082	42,302
Trade accounts receivable	40,140	18,649
Inventory items	25,300	145,293
Taxes recoverable	22,446	24,693
Other assets	25,571	13,906
Investments	148,669	73,390
Biological assets	263,797	252,309
Property, plant and equipment	410,878	395,417
Intangible assets	29,243	29,467
Borrowings	(737,730)	(743,589)
Trade accounts payable	(35,053)	(58,243)
Derivative financial instruments	(14,335)	(4,876)
Copersucar liabilities	(49,255)	(49,175)
Deferred income and social contribution taxes	(36,174)	(29,693)
Other liabilities	(38,618)	(61,565)
Total value of assets and liabilities - investee	133,961	48,285
Interest acquired	3.90%	56.05%
(=) Investment - proportion of value of assets acquired and obligations assumed	5,224	27,064
(=) Revaluation increment	10,122	288,797

There is an expectation that the asset will generate future tax benefits.

Costs related to the transaction are represented by commission, legal and intermediary fees and totaled R\$ 7,794, recorded in income for the quarter ended September 30, 2014.

Notes to quarterly information at September 30, 2014

 In thousands of reais except when otherwise stated

35.1 Acquisition and disposal of investment -Amounts payable and receivable

Amounts payable	Mirtilo	Santa Cruz 3.9%	Santa Cruz 56.05%	Total
Total consideration	196,500	15,346	315,861	527,707
Payment on March 14, 2013	(176,850)	-	-	(176,850)
Payment on March 31, 2014	(9,825)	-	-	(9,825)
Payment on April 1, 2014	-	(5,115)	-	(5,115)
Payment made on August 8, 2014	-	-	(34,973)	(34,973)
Monetary restatement	1,469	292	1,263	3,024
	<u>11,294</u>	<u>10,523</u>	<u>282,151</u>	<u>303,968</u>

Amounts receivable	Agro Pecuária Boa Vista
Total payment	195,900
Monetary restatement	<u>880</u>
	<u>196,780</u>

Net balance	107,188
--------------------	----------------

Classified under:	
Other assets	880
Current liabilities	(17,817)
Noncurrent liabilities	(90,251)

The balances payable refer to the acquisition of investment and are comprised as follows:

The Company paid 90% of the price at the moment of the acquisition of Mirtilo. The remainder was partially settled in March 2014 and will be fully settled in March 2015. This amount is subject to interest.

The amount of the price for the additional purchase of 3.9% investment in SC is R\$ 15,346, payable in three annual installments of R\$ 5,115, the first on signature of the transaction and the other two in the subsequent years, restated by the savings account interest rate.

Notes to quarterly information at September 30, 2014

In thousands of reais except when otherwise stated

The total amount for the acquisition of 56.05% equity interest in SC is R \$ 315,861, and the sale of its entire equity interest in ABV to LOP is R \$ 195,900. Therefore, the net amount to be paid by the Company will be R \$ 119,961, payable over 10 years, adjusted by CDI.

36 Subsequent events**36.1 Merger of SC**

The Extraordinary General Meeting held on October 31, 2014, approved the merger of SC by the Company in a significant event notice published on September 22, 2014 and approved by the Board on the same date. The Company holds investment corresponding to 92.14% of the total share capital of Santa Cruz , thus is its direct parent.

The Company's capital was increased by R\$ 4,141 through the issue of 329 207 new common registered shares, with no par value.

The Merger is justified to the extent that SC assets compliment those of the Company, under a single corporate structure and allowing more efficient use of its assets and operations in order to concentrate at the Company, all activities undertaken by SC. This procedure will provide the merge the administration and activities of the two companies, creating greater efficiency, synergy and rationalization of administrative and financial costs. It shall further strengthen the competitive position of the Company, reducing risk for shareholders and allowing the generation of long-term value.

36.2 Partnership with Alphaville Urbanismo S.A. (“Alphaville”)

In accordance with the disclosure of material fact issued on October 27, 2014, the Company communicated to the market the approval of a real estate consortium between the subsidiary Vale do Mogi and Alphaville for the development of a real estate venture in the city of Limeira, São Paulo State.

The partnership shall take the form of a real estate consortium in which Vale do Mogi shall contribute 124,09 hectares (equivalent to 1,240928.05 square meters of virgin land and Alphaville shall prepare and approve the project, under take the venture for the implementation of subdivisions, realization, coordination, marketing and sale. The project shall be undertaken in three phases with the first in 2016. Based on the studies undertaken by Alphaville, we estimate the total potential sales value (VGV) of the project to be approximately R\$ 277 million that will result in net present value for Vale do Mogi of R\$ 67 million.

* * *



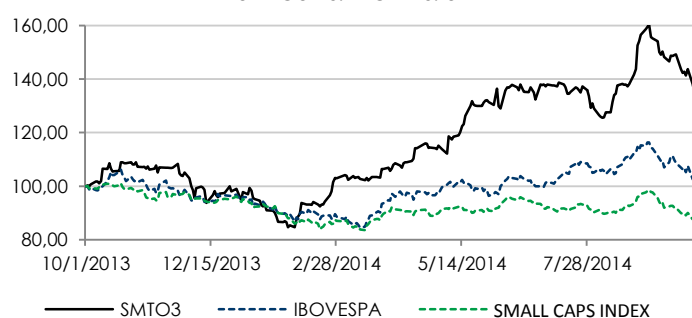
São Martinho posts Net Income of R\$115.2 million in 2Q15, up 89.2% on 2Q14

São Paulo, November 10th, 2014 – SÃO MARTINHO S.A. (BM&FBovespa: SMT03; Reuters SMT03.SA and Bloomberg SMT03:BZ), one of Brazil's largest sugar and ethanol producers, announces today its results for the second quarter of the 2014/15 crop year (2Q15).

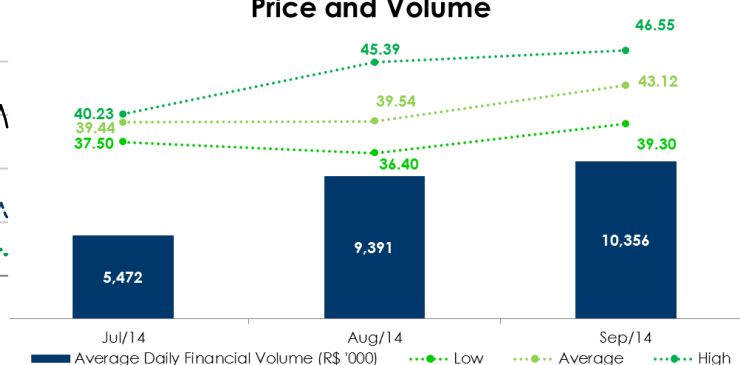
2Q15 HIGHLIGHTS

- ✓ **In 2Q15, Adjusted EBITDA amounted to R\$256.9 million (Adjusted EBITDA margin of 48.8%), up 7.6% from 2Q14.** The main driver of EBITDA improvement in the period was the growth in energy cogeneration on the back of both higher volumes and higher prices;
- ✓ **In 2Q15, net income was R\$115.2 million, increasing 89.2% on the year-ago quarter.** The increase is explained by i) EBITDA growth; and ii) the non-recurring revenue from the divestment of Agropecuária Boa Vista, in accordance with the Material Fact notice disclosed in May 2014;
- ✓ **On September 30th, 2014, we had sugar prices fixed for the 2014/15 crop year for 574,122 tons at an average price of USD 17.30 cents/pound.** The amount represents 82.6% of our net exposure (total sugar sales through the end of the crop year excluding our natural hedge with Consecana). **In addition to its sugar hedges, the company also held short dollar positions through NDFs of US\$84.6 million (equivalent to 223,000 tons of sugar), with an average BRL/USD parity price of 2.37;**
- ✓ In 2Q15, we started to fix sugar and U.S. dollar prices for the 2015/16 crop year, reaching 136,150 tons of sugar fixed at USD 18.06 cents/pound, with USD 38.9 million in dollar NDFs locked in at an average BRL/USD parity price of R\$/US\$2.54;
- ✓ On October 27th, 2014, we released a Material Fact notice announcing the creation of a **consortium with Alphaville Urbanismo S.A. to develop real estate projects in the Limeira region with estimated net present value (NPV) of R\$67 million for São Martinho Group.** In 2Q15 we also launched the real estate project Recanto das Paineiras, for total potential sales of R\$123 million and NPV for the São Martinho Group of R\$44 million;
- ✓ **Sugarcane crushing at São Martinho Group mills to September 2014 grew 30% on the same period last crop year to 15.1 million tons, which corresponds to 77% of our guidance for the 2014/15 crop year.** The higher crushing reflects i) the acquisition of Santa Cruz Mill; ii) the processing of 100% of the sugarcane from São Carlos Mill; and iii) the operating efficiency gains resulting from the drought observed to date in the crop year.

SMT03 vs. IBOV vs. SMLL



Price and Volume





NEW ACCOUNTING STANDARD – IFRS 11 (CPC 19)

Given the adoption of the new accounting standard IFRS 11 (CPC 19) as of the last fiscal year (13/14), São Martinho S.A. no longer proportionally consolidates the results of its investees. In view of the materiality of the results of Nova Fronteira Bioenergia S.A. (50.95%) and Santa Cruz S.A. (36.09% in July) to the São Martinho Group, **the Company decided to continue to present on a pro-forma basis its balance sheet, income statement and cash flow statement in the set of financial statements following the same consolidation criteria used prior to the adoption of said standard.**

The breakdown of this information will continue to be presented with the purpose of providing users with a comprehensive and comparative view of the Company's operations. However, many of the figures will not coincide with details in the notes to the financial statements, which will adopt the new accounting effects mentioned above.

A summary of the results and the conciliation in accordance with CPC 19, including the breakdown of the main investees, is presented below:

	QUARTER			
	São Martinho S.A. (consolidated CPC 19)	UBV (50.95%)	USC (July - 36.09%)	São Martinho S.A. (Pro forma)
R\$ '000				
Net Revenue*	416,429	97,506	9,102	526,227
Adjusted EBITDA	190,995	53,516	6,312	256,918
Adjusted EBITDA Margin	45.9%	54.9%	69.4%	48.8%
Adjusted EBIT	97,534	21,660	3,197	128,384
Adjusted EBIT Margin	23.4%	22.2%	35.1%	24.4%
Chg. Biological Assets and Other	55,320	15	467	(51,739)
Equity Income	11,982	1	(30)	100
Financial Result	(28,135)	(9,954)	(1,077)	(40,311)
Net income before taxes	136,701	11,721	2,558	139,912
Taxes	(20,189)	(2,375)	(375)	(23,400)
Non-controlling interest	(1,290)	-	-	(1,290)
Net income	115,222	9,346	2,183	115,222

* Excludes the Hedge Accounting effect of foreign-denominated debt (R\$18.7 million), as detailed in the Hedge section of this earnings release.

In accordance with accounting standard IFRS 11 (CPC 19), the result of USC for the months of August and September were 100% consolidated in the financial statements. As a result, the above chart highlights the result for July at USC (36.09% interest) that up until then impacted the official financial statements of the Company only through equity income (loss).



YEAR TO DATE				
	São Martinho S.A. (consolidated CPC 19)	UBV (50.95%)	USC (July - 36.09%)	São Martinho S.A. (Pro forma)
R\$ '000				
Net Revenue	800,823	178,919	54,102	1,037,248
Adjusted EBITDA	347,721	99,202	29,761	484,030
Adjusted EBITDA Margin	43.4%	55.4%	55.0%	46.7%
Adjusted EBIT	176,205	35,225	11,024	229,610
Adjusted EBIT Margin	22.0%	19.7%	20.4%	22.1%
Chg. Biological Assets and Other	51,265	1,314	830	48,351
Equity Income	29,294	14	(27)	613
Financial Result	(49,052)	(12,972)	(3,415)	(66,781)
Net income before taxes	207,712	23,580	8,412	211,793
Taxes	(30,474)	(2,694)	(931)	(34,555)
Non-controlling interest	(1,290)	-	-	(1,290)
Net income	175,948	20,886	7,481	175,948
Cash	545,010	119,030	-	665,258
Gross Debt	2,673,185	384,634	-	3,058,061
Net Debt	2,128,175	265,604	-	2,392,803
EBITDA YTD	894,089	156,932	-	1,051,022
Net Debt / EBITDA	2.38 x	1.69 x	-	2.28 x

* Excludes the Hedge Accounting effect of foreign-denominated debt (R\$25.1 million), as detailed in the Hedge section of this earnings release.

Moreover, in accordance with the minutes of the meeting of the Board of Directors held on June 16th, 2014 (and published on the same date), the Board approved the engagement of Ernst & Young Terco Auditores Independentes S.S. ("Ernst & Young") to provide external audit services, replacing PricewaterhouseCoopers Auditores Independentes. Ernst & Young started its activities with the review of the quarterly financial information (ITR) for the second quarter of the 2014/15 crop year (2Q15). The substitution aims to comply with Article 31 of Instruction 308/99 of the Securities and Exchange Commission of Brazil (CVM) and with good market practices.



OVERVIEW - COMPANY

OPERATING DATA	6M15	6M14	Chg.(%)
São Martinho - Consolidated			
Crushed Sugarcane ('000 tons)	15,158	11,640	30.2%
Own	9,629	7,484	28.7%
Third Parties	5,529	4,156	33.0%
Mechanized Harvest	94.8%	93.9%	0.89 p.p.
Agricultural Yield (ton/ha)	87.56	100.00	-12.4%
Average TRS (kg/ton)	141.04	137.01	2.9%
Production			
Sugar ('000 tons)	987	763	29.4%
Anhydrous Ethanol ('000 m ³)	369	283	30.3%
Hydrous Ethanol ('000 m ³)	273	179	52.7%
Ribonucleic Acid (RNA) Sodium Salt ('000 Kg)	239	164	45.6%
Cogeneration ('000 MWh)	507	281	80.4%
TRS Produced	2,138	1,595	34.1%
Mix - Sugar - Ethanol	48% - 52%	50% - 50%	
Mix Anhydrous - Hydrous	59% - 41%	62% - 38%	

Considering the proportional consolidation of 50.95% of Nova Fronteira Bioenergia and of 100% of Santa Cruz Mill, the São Martinho Group processed 15.2 million tons in the first half of the 2014/15 crop year, for growth of 30.2% on the same period of the previous season.

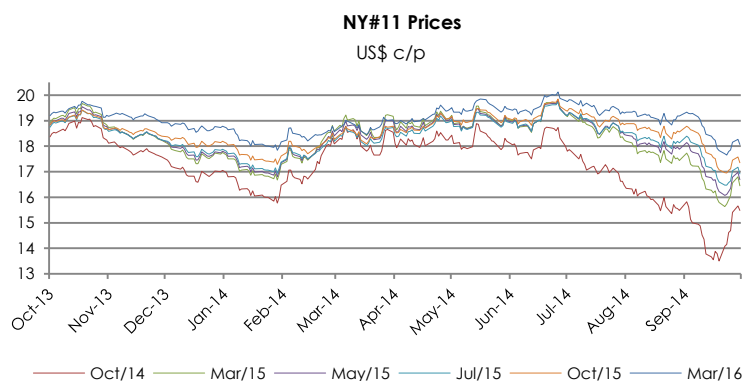
The higher crushing volume reflects: i) the acquisition of Santa Cruz Mill; ii) the crushing of 100% of the sugarcane from São Carlos Mill, which was acquired in December 2012; and iii) the higher operating efficiency resulting from the dry weather observed in the crop year to date.



INDUSTRY OVERVIEW

Sugar

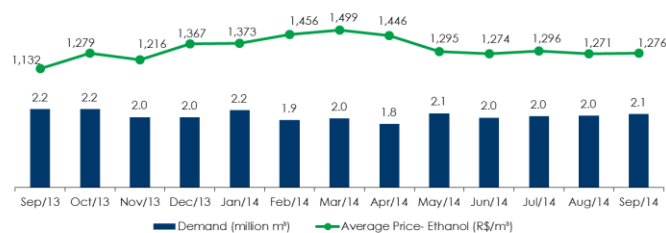
According to data published by the Sugarcane Industry Association (UNICA) on October 23rd, 2014, Brazil's Center-South region registered growth of 1.45% in sugarcane crushing, which was primarily due to the dry weather in the period, which enabled mills to operate at maximum processing capacity and capture time gains. However, the drought observed since November 2013 has been adversely affecting sugarcane yields, and, according to UNICA, 22 mills had already concluded their crushing, which is considerably more than the 6 mills that had concluded their activities as of the same period last year. According to UNICA's estimates, the Center-South should process approximately 545 million tons of sugarcane, or 8.5% less than in the previous season.



The combination of i) the accelerated sugar production in Brazil due to the dry weather; ii) the high volume of Thai sugar shipped in August; and iii) the lower sugar demand from China compared to the same period last year pressured sugar prices throughout the season, though always with carrying opportunities emerging, which is the main reason for the build-up in sugar inventories at the São Martinho Group.

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Ethanol



In the second quarter of the 2014/15 crop year, prices for both anhydrous and hydrous ethanol were higher than a year earlier (+5.6% and +8.8%, respectively), in line with inflation in the period.

AVERAGE PRICES - ETHANOL	2Q15	2Q14	Chg. (%)	6M15	6M14	Chg. (%)
Market Prices						
Anhydrous ESALQ, Net DM R\$ / m ³	1,345.38	1,273.55	5.6%	1,381.48	1,304.32	5.9%
Hydrous ESALQ, Net DM - R\$ / m ³	1,215.31	1,116.92	8.8%	1,234.05	1,140.44	8.2%



FINANCIAL PERFORMANCE

NET REVENUE BREAKDOWN	2Q15	2Q14	Chg. (%)	6M15	6M14	Chg. (%)
R\$ '000						
Domestic Market	264,368	208,593	26.7%	517,676	411,495	25.8%
Sugar	16,908	19,308	-12.4%	33,583	32,329	3.9%
Hydrous Ethanol	62,238	36,205	71.9%	118,232	90,920	30.0%
Anhydrous Ethanol	87,284	68,448	27.5%	210,884	162,302	29.9%
Energy	61,934	25,504	142.8%	111,207	34,372	223.5%
Others	36,004	59,128	-39.1%	43,770	91,572	-52.2%
Export Market	261,859	405,901	-35.5%	519,569	696,747	-25.4%
Sugar*	232,873	276,754	-15.9%	420,062	492,824	-14.8%
Hydrous Ethanol	18,847	45,301	-58.4%	18,847	48,599	-61.2%
Anhydrous Ethanol	0	77,831	-100.0%	66,765	146,444	-54.4%
Others	10,139	6,015	68.6%	13,895	8,880	56.5%
Total Net Revenue*	526,227	614,494	-14.4%	1,037,248	1,108,242	-6.4%
Sugar*	249,781	296,062	-15.6%	453,645	525,153	-13.6%
Hydrous Ethanol	81,085	81,506	-0.5%	137,079	139,519	-1.7%
Anhydrous Ethanol	87,284	146,279	-40.3%	277,649	308,746	-10.1%
Energy	61,934	25,504	142.8%	111,207	34,372	223.5%
Others	46,143	65,143	-29.2%	57,668	100,452	-42.6%

* Excludes the Hedge Accounting effect of foreign-denominated debt as detailed in the Hedge section of this earnings release.

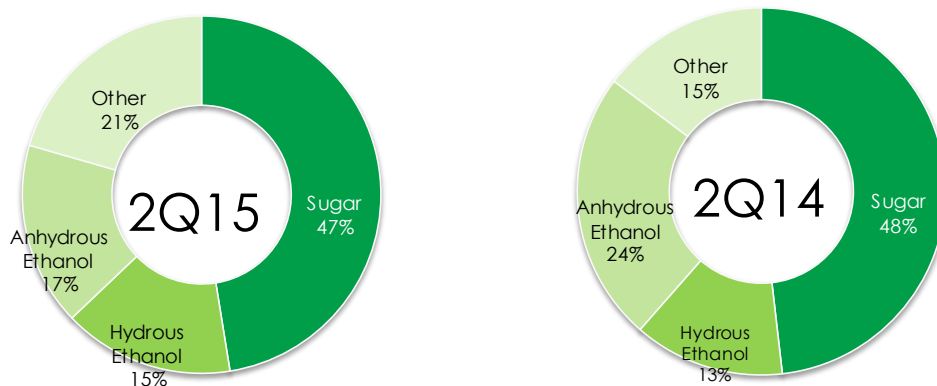
Net Revenue

In the second quarter of the 2014/15 crop year (2Q15), the Company's net revenue amounted to R\$526.2 million, decreasing 14.4% from the same period of the previous crop year. The reduction reflects the lower sugar and ethanol sales volume in the period, in line with the company's strategy to carry higher inventories of these products, particularly in the case of sugar, given the high spread between the prices for July 2014 and March 2015.

The following charts present a breakdown of the Company's net revenue by product in the quarters:

Net Revenue Breakdown

2Q15 x 2Q14

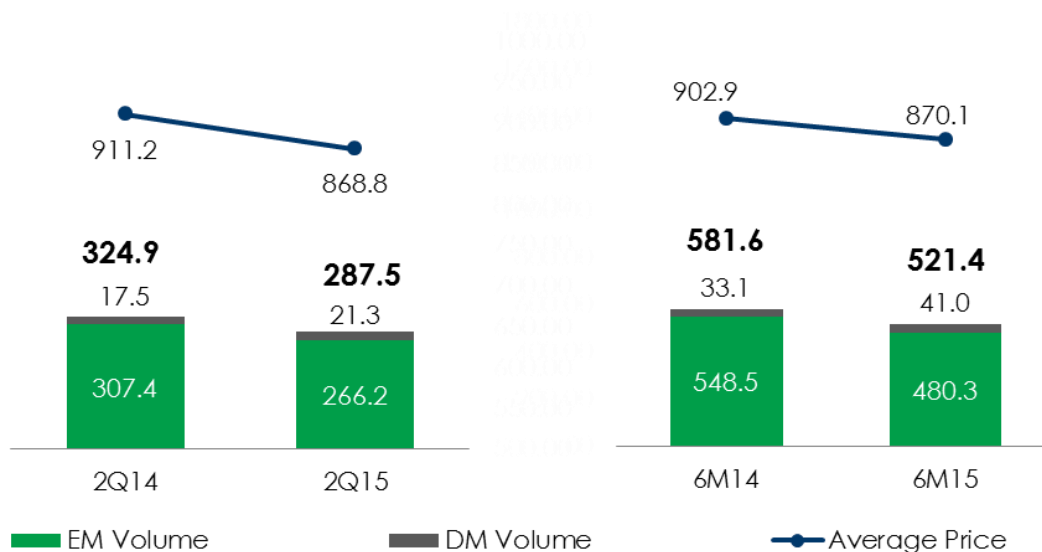




Sugar

Sugar

Volume ('000 tons) and Average Price (R\$/Ton)



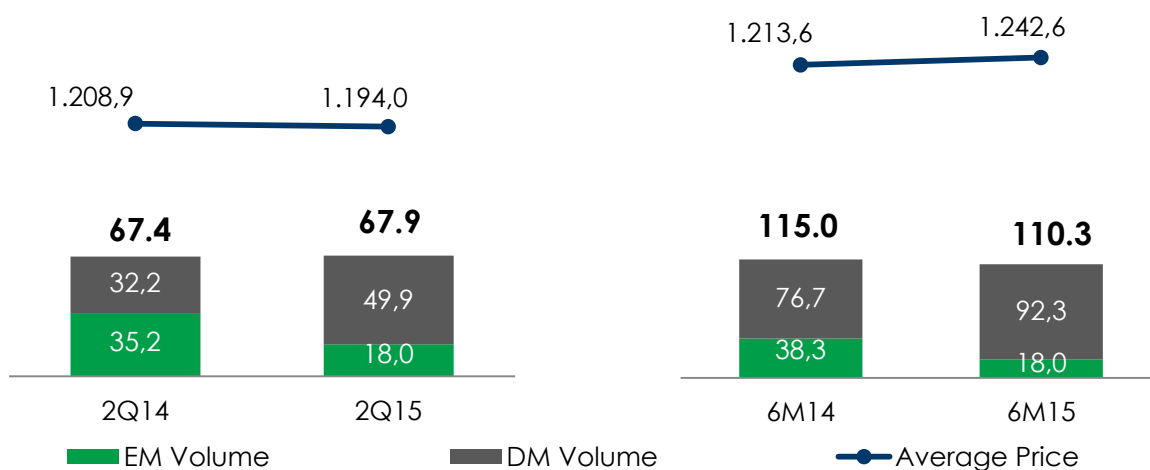
Net revenue from sugar sales amounted to R\$249.8 million in 2Q15, down 15.6% from the same period of the previous crop year. In the first six months of the crop year, net revenue from sugar sales amounted to R\$453.6 million, down 13.6% compared to 6M14. The decline was driven by: i) the lower sales volume resulting from the Company's strategy to postpone sugar sales to future quarters; and ii) the lower average sales prices due to the decline in international prices.



Ethanol

Hydrous Ethanol

Volume ('000 m³) and Average Price (R\$/m³)

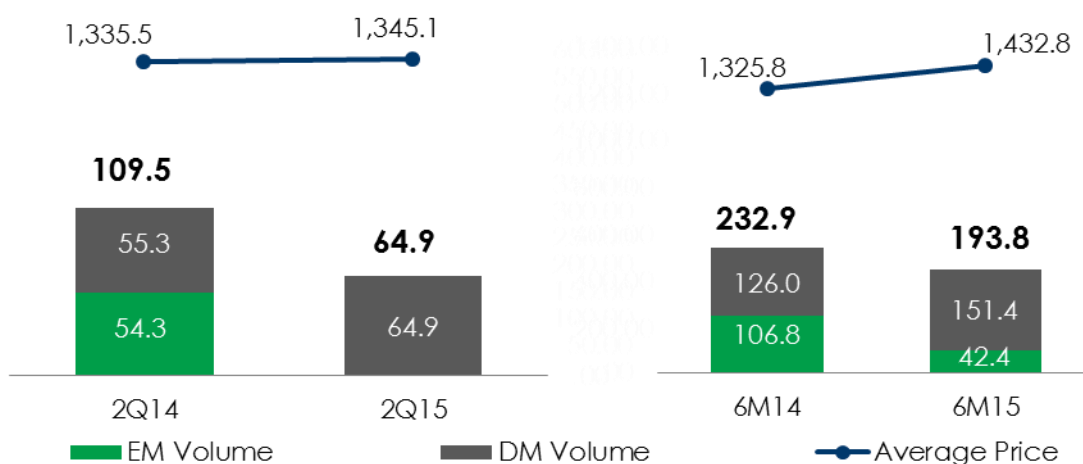


Net revenue from hydrous ethanol sales amounted to R\$81.1 million in 2Q15, in line with the same period of the previous crop year. In the first six months of the season, net revenue from hydrous ethanol sales fell by 1.7% compared to 6M14.



Anhydrous Ethanol

Volume ('000 m³) and Average Price (R\$/m³)



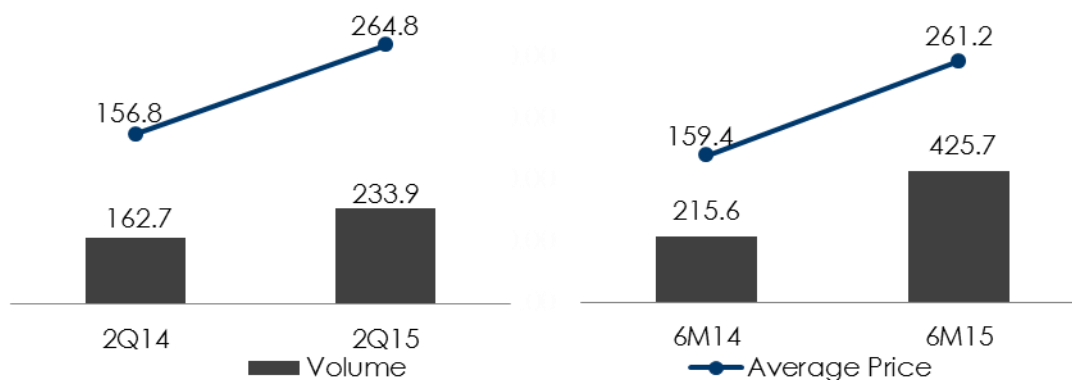
In 2Q15, net revenue from anhydrous ethanol sales decreased 40.3% from 2Q14 to R\$87.3 million. In the first six months of the crop year, net revenue from anhydrous ethanol sales decreased 10.1%, to R\$277.6 million. The reduction was driven by lower export volumes, given the fewer export opportunities in the 2014/15 crop year compared to the previous season.



Cogen

Cogeneration

Volume ('000 MWh) and Average Price (R\$/MWh)



Net revenue from cogeneration sales in 2Q15 amounted to R\$61.9 million, increasing 142.8% from the same period of the previous crop year. The increase was due to: i) the higher cogeneration sales volumes compared to 2Q14 driven by the higher cogeneration at Usina São Martinho and the full consolidation of Usina Santa Cruz; and ii) the higher sale prices practiced as a result of the higher energy prices on the spot market.



Real Estate Development

As announced in the Material Fact notice dated October 27th, 2014, we formed a consortium with Alphaville Urbanismo S.A. to develop real estate projects in the Limeira region, with the launch of the first phase scheduled for 2016. Furthermore, in 2Q15 we launched the real estate projects Residencial Recanto das Paineiras and Residencial Park Empresarial de Iracemópolis, which combined have potential sales of R\$123 million.

Real Estate Development in progress	Total project area	Potential sales Project Total	NPV for Vale do Mogi	Revenue Recognized in the Quarter 2Q15
	In m ²	R\$ '000		R\$ '000
Property sales	41,600	-	-	4,534
Projects launched	556,866	123,000	43,959	13,210
Recanto das Paineiras	376,566	90,000	31,055	12,327
Park Empresarial de Iracemópolis	180,300	33,000	12,904	883
Future projects	1,240,928	277,000	67,000	-
Alphaville	1,240,928	277,000	67,000	-

In 2Q15, we recorded revenue from real estate development of approximately R\$17.7 million. Of this amount, R\$13.2 million is related to projects already launched, as detailed in the above chart. Sales revenue and land costs related to the projects are apportioned in accordance with the percentage of completion of infrastructure works.

Other Products and Services

Net revenue from the line "Other Products and Services" (excluding real estate projects) was R\$28.4 million in 2Q15, decreasing 41.3% from the same quarter of the previous crop year. This decrease is explained basically by the end of the partial sale to Biosev of sugarcane from Usina São Carlos, which occurred only in the 2013/14 crop year.

As mentioned in previous quarters, since the beginning of the 2014/15 crop year, the Company has been crushing at its mills 100% of the fields of São Carlos.



INVENTORIES

INVENTORIES	2Q15	2Q14	Chg. (%)
Sugar (tons)	357,737	195,881	82.6%
Hydrous (m ³)	165,397	68,764	140.5%
Anhydrous (m ³)	155,107	71,054	118.3%

EBITDA AND EBITDA COST BY PRODUCT

EBITDA BY PRODUCT - 2Q14	SUGAR	ETHANOL	OTHER	TOTAL
R\$ '000				
Net Revenue	296,061	227,783	90,650	614,494
COGS (Cash)	(131,195)	(112,582)	(64,247)	(308,024)
Gross Profit (Cash)	164,866	115,201	26,403	306,470
Gross Margin (Cash)	55.7%	50.6%	29.1%	49.9%
Selling Expenses	(21,129)	(11,173)	(923)	(33,225)
G&A Expenses (Cash)	(18,465)	(16,505)	(3,886)	(38,856)
Other Revenues (Expenses)	0	0	4,280	4,280
Adjusted EBITDA	125,272	87,522	25,874	238,669
Adjusted EBITDA Margin	42.3%	38.4%	28.5%	38.8%
EBITDA Cost (*)	(525.7)	(792.6)	-	-

(*) Sugar in R\$/Ton
Ethanol in R\$/m³

EBITDA BY PRODUCT - 2Q15	SUGAR	ETHANOL	OTHER	TOTAL
R\$ '000				
Net Revenue	249,781	168,370	108,076	526,227
COGS (Cash)	(110,316)	(81,956)	(23,860)	(216,132)
Gross Profit (Cash)	139,465	86,414	84,216	310,095
Gross Margin (Cash)	55.8%	51.3%	77.9%	58.9%
Selling Expenses	(18,812)	(2,897)	(1,494)	(23,203)
G&A Expenses (Cash)	(17,328)	(13,067)	(3,377)	(33,772)
Other Revenues (Expenses)	-	-	3,797	3,797
Adjusted EBITDA	103,325	70,451	83,142	256,918
Adjusted EBITDA Margin	41.4%	41.8%	76.9%	48.8%
EBITDA Cost (*)	(509.4)	(737.4)	-	-

(*) Sugar in R\$/Ton
Ethanol in R\$/m³

** Excludes the Hedge Accounting effect of foreign-denominated debt (R\$18.7 million), as detailed in the Hedge section of this earnings release.



EBITDA BY PRODUCT - 6M14	SUGAR	ETHANOL	OTHER	TOTAL
R\$ '000				
Net Revenue	525,151	448,266	134,825	1,108,242
COGS (Cash)	(228,357)	(213,688)	(95,431)	(537,476)
Gross Profit (Cash)	296,794	234,578	39,394	570,766
Gross Margin (Cash)	56.5%	52.3%	29.2%	51.5%
Selling Expenses	(36,472)	(17,788)	(1,847)	(56,107)
G&A Expenses (Cash)	(31,393)	(30,876)	(6,919)	(69,188)
Other Revenues (Expenses)	-	-	4,572	4,572
Adjusted EBITDA	228,929	185,913	35,201	450,043
Adjusted EBITDA Margin	43.6%	41.5%	26.1%	40.6%
EBITDA Cost (*)	(509.3)	(754.2)	-	-

(*) Sugar in R\$/Ton
Ethanol in R\$/m³

EBITDA BY PRODUCT - 6M15	SUGAR	ETHANOL	OTHER	TOTAL
R\$ '000				
Net Revenue	453,644	414,727	168,877	1,037,248
COGS (Cash)	(214,201)	(199,416)	(35,263)	(448,880)
Gross Profit (Cash)	239,443	215,311	133,614	588,368
Gross Margin (Cash)	52.8%	51.9%	79.1%	56.7%
Selling Expenses	(32,596)	(7,656)	(2,721)	(42,973)
G&A Expenses (Cash)	(34,219)	(25,804)	(6,669)	(66,692)
Other Revenues (Expenses)	-	-	5,327	5,327
Adjusted EBITDA	172,627	181,851	129,551	484,030
Adjusted EBITDA Margin	38.1%	43.8%	76.7%	46.7%
EBITDA Cost (*)	(539.0)	(765.8)	-	-

(*) Sugar in R\$/Ton
Ethanol in R\$/m³

** Excludes the Hedge Accounting effect of foreign-denominated debt (R\$25.1 million), as detailed in the Hedge section of this earnings release.

In the second quarter, sugar accounted for 40.2% of the Group's consolidated Adjusted EBITDA, while ethanol and other products accounted for 27.4% and 32.4%, respectively. Sugar EBITDA margin contracted 0.9 p.p. from 2Q14, which primarily reflects the lower sales price, which was partially offset by the lower production costs.

In the case of ethanol, Adjusted EBITDA margin in the second quarter of the crop year increased by 3.4 p.p. from 2Q14, due to lower production costs and higher sales prices.

AVERAGE CASH COST PER UNIT	2Q15	2Q14	Chg.%	6M15	6M14	Chg.%
R\$ '000						
COGS	(216,132)	(308,024)	-29.8%	(448,879)	(537,476)	-16.5%
Sugar	(110,316)	(131,195)	-15.9%	(214,201)	(228,357)	-6.2%
Ethanol	(81,956)	(112,582)	-27.2%	(199,416)	(213,688)	-6.7%
Other Products	(23,860)	(64,247)	-62.9%	(35,262)	(95,431)	-63.0%
Average Cash Cost Per Unit (*)						
Sugar Cash Cost	(383.7)	(403.8)	-5.0%	(410.9)	(392.6)	4.6%
Ethanol Cash Cost	(617.2)	(636.2)	-3.0%	(655.8)	(614.3)	6.7%

(*) Sugar in R\$/Ton
Ethanol in R\$/m³



COST OF GOODS SOLD

BREAKDOWN OF COGS - CASH	2Q15	2Q14	Chg.%	6M15	6M14	Chg.%
R\$ '000						
Agricultural Costs	162,249	200,565	-19.1%	347,876	354,955	-2.0%
Suppliers	99,249	133,854	-25.9%	196,754	197,917	-0.6%
Partnerships	21,906	25,164	-12.9%	64,967	59,766	8.7%
Own Sugarcane	41,094	41,547	-1.1%	86,156	97,272	-11.4%
Industrial	24,864	29,891	-16.8%	53,863	65,514	-17.8%
Other Products	29,019	77,568	-62.6%	47,142	117,007	-59.7%
Total COGS	216,132	308,024	-29.8%	448,880	537,476	-16.5%
TRS Sold ('000 Tons)	529	646	-18.0%	1,071	1,211	-11.5%
Unit Cost (Sugar and Ethanol COGS/TRS)	354	357	-0.9%	375	347	8.0%

In 2Q15, cash COGS was R\$216.1 million, decreasing 29.8% in relation to 2Q14. The main impact on this reduction in cost was the line "Other Products," given the end of sugarcane sales to Biosev as of this crop year. Considering only agricultural and industrial costs, the 18.8% reduction is in line with the volume of TRS sold in the period.

In the first six months of the crop year, cash cost came to R\$448.9 million, down 16.5% on the same period of the previous crop year. The main driver of the cost reduction, as already mentioned, was the line "Other Products," due to the end of sugarcane sales to Biosev.



SELLING EXPENSES

SELLING EXPENSES	2Q15	2Q14	Chg.%	6M15	6M14	Chg.%
R\$ '000						
Port / Freight Costs	21,347	32,516	-34.4%	40,199	54,625	-26.4%
Sales Commission	-	38	n.m.	-	78	-100.0%
Other - non-recurring	1,856	671	176.7%	2,774	1,404	97.5%
Selling Expenses	23,203	33,225	-30.2%	42,973	56,107	-23.4%
TRS Sold ('000 Tons)	529	646	-18.0%	1,071	1,211	-11.5%
% of Net Revenue	4.6%	5.4%	-0.9 p.p.	4.2%	5.1%	-0.7 p.p.

In 2Q15, selling expenses amounted to R\$23.2 million, down 30.2% from 2Q14. In 6M15, selling expenses amounted to R\$42.9 million, decreasing 23.4% from the same period of the previous crop year. The reduction was mainly due to the lower volumes of sugar and anhydrous ethanol exported in the period.

GENERAL AND ADMINISTRATIVE EXPENSES

G&A EXPENSES - (CASH)	2Q15	2Q14	Chg.%	6M15	6M14	Chg.%
R\$ '000						
Payroll and Related Charges	22,632	19,660	15.1%	43,288	37,977	14.0%
Taxes, Fees, Contributions and Contingencies	2,138	11,552	-81.5%	7,519	17,882	-58.0%
General Expenses and Third-Party Services	8,292	7,115	16.6%	14,466	12,271	17.9%
Stock Options Expenses	710	529	34.2%	1,420	1,058	34.2%
Total General and Administrative Expenses	33,772	38,856	-13.1%	66,692	69,188	-3.6%

G&A expenses were R\$33.8 million in 2Q15, decreasing 13.1% from the same quarter of the previous crop year, mainly due to the positive impact from the reversal of provisions for contingencies.



EBITDA

EBITDA RECONCILIATION	Pro-Forma					
	2Q15	2Q14	Chg.%	6M15	6M14	Chg.%
R\$ '000						
Adjusted EBITDA	256,918	238,669	7.6%	484,030	450,043	7.6%
Adjusted EBITDA Margin	48.8%	38.8%	10.0 p.p.	46.7%	40.6%	6.1 p.p.
Adjustment to Maturity of Hedge Accounting Debt	18,720	-	n.m.	25,107	-	n.m.
Equity Income	(100)	(654)	-84.7%	(613)	425	n.m.
Non Recurring Operating Income (Expenses)	(72,187)	(2,423)	n.m.	(71,973)	(2,336)	n.m.
Biological Assets	1,728	3,249	-46.8%	(1,485)	1,385	n.m.
Book EBITDA	308,757	238,496	29.5%	532,994	450,897	18.2%
EBITDA Margin	60.8%	38.8%	22.0 p.p.	52.7%	40.7%	12.0 p.p.
(-) Depreciation and Amortization	(128,534)	(123,210)	4.3%	(254,420)	(269,796)	-5.7%
(-) Financial Expense, net	(40,311)	(27,650)	45.8%	(66,781)	(44,397)	50.4%
(=) Operating Income (Loss)	139,912	87,636	59.7%	211,793	136,704	54.9%

Adjusted EBITDA

In 2Q15, the São Martinho Group recorded adjusted EBITDA of R\$256.9 million (Adjusted EBITDA Margin of 48.8%), which represents an increase of 7.6% from 2Q14. EBITDA growth in the period was mainly driven by the result of energy cogeneration due to the higher sales volume and higher average sales price.

A breakdown by business line of Adjusted EBITDA follows:

2Q15						
EBITDA BY SEGMENT	Consolidated	S&E	Cogen	Real Estate	Other	Consolidated - ex other
R\$ '000						
Net Revenue	526,227	418,151	61,934	17,744	28,398	497,829
Adjusted EBITDA	256,918	173,776	57,139	15,276	10,727	246,191
Adjusted EBITDA Margin	48.8%	41.6%	92.3%	86.1%	37.8%	49.5%

* Excludes the Hedge Accounting effect of foreign-denominated debt (R\$18.7 million), as detailed in the Hedge section of this earnings release.

2Q14						
EBITDA BY SEGMENT	Consolidated	S&E	Cogen	Real Estate	Other	Consolidated - ex other
R\$ '000						
Net Revenue	614,494	523,844	25,504	16,778	48,368	566,126
Adjusted EBITDA	238,669	212,794	23,082	3,546	(755)	239,423
Adjusted EBITDA Margin	38.8%	40.6%	90.5%	21.1%	-1.6%	42.3%

6M15						
EBITDA BY SEGMENT	Consolidated	S&E	Cogen	Real Estate	Other	Consolidated - ex other
R\$ '000						
Net Revenue	1,037,248	868,371	111,207	17,701	39,969	997,279
Adjusted EBITDA	484,030	354,479	102,274	15,234	12,043	471,987
Adjusted EBITDA Margin	46.7%	40.8%	92.0%	86.1%	30.1%	47.3%

* Excludes the Hedge Accounting effect of foreign-denominated debt (R\$25.1 million), as detailed in the Hedge section of this earnings release.



6M14						
EBITDA BY SEGMENT	Consolidated	S&E	Cogen	Real Estate	Other	Consolidated - ex other
R\$ '000						
Net Revenue	1,108,242	973,417	34,372	16,778	83,675	1,024,567
Adjusted EBITDA	450,043	414,843	30,705	3,546	950	449,094
Adjusted EBITDA Margin	40.6%	42.6%	89.3%	21.1%	1.1%	43.8%

EBITDA RECONCILIATION	CPC 19					
	2Q15	2Q14	Chg.%	6M15	6M14	Chg.%
R\$ '000						
Book EBITDA	258,297	183,334	40.9%	428,280	339,719	26.1%
EBITDA Margin	64.9%	36.4%	28.6 p.p.	55.2%	37.7%	17.5 p.p.
(-) Depreciation and Amortization	(93,461)	(82,866)	12.8%	(171,516)	(184,658)	-7.1%
(-) Net Financial Expense	(28,135)	(16,496)	70.6%	(49,052)	(18,283)	168.3%
(=) Operating Income (Loss)	136,701	83,972	62.8%	207,712	136,778	51.9%

*Includes the impacts from Nova Fronteira (50.95%) and Santa Cruz (36.09% in July) only through Equity Income**

Given the adoption of the new accounting standard IFRS 11 (CPC 19) as of the last fiscal year (13/14), São Martinho S.A. no longer proportionally consolidates the results of its investees. Adjusted by IFRS 11, the table above includes only the EBITDA of São Martinho S.A., excluding the proportional consolidations of Nova Fronteira Bioenergia S.A. (50.95%) and Santa Cruz S.A. (36.09% in July).



HEDGING

A summary of our sugar and U.S. dollar hedge positions on September 30th, 2014 follows.

Sugar

	Volume Hedged ('000 tons)	Avg. Price (US\$ c/p)	Percentage of Own Sugarcane
Sugar			
Oct/14 (V14)	335,604	16.94	100.0%
Mar/15 (H15)	238,518	17.81	66.4%
2014/2015 crop year	574,122	17.30	82.6%
May/15 (K15)	31,497	17.59	12.6%
Jul/15 (N15)	99,573	18.21	48.8%
Oct/15 (V15)	5,080	17.95	2.2%
Mar/16 (H16)	-	-	-
2015/2016 crop year	136,150	18.06	14.4%

On September 30th, 2014, sugar prices for the 2014/15 crop year were fixed at an average price of USD 17.30 cents/pound for 574,122 tons, with this volume representing 82.6% of our net exposure (i.e., total sugar production through the end of the crop year excluding our natural hedge with Consecana).

For the 2015/16 crop year, on September 30th, we had 136,150 tons of sugar fixed at USD 18.06 cents/pound, which represents 14.4% of our net exposure, based on the assumption of flat sugar production in relation to the current crop year.

U.S. Dollar

On September 30th, 2014, the São Martinho Group held open positions through non-deliverable forwards (NDFs), which are used to hedge its exports, with maturities through the 2015/16 crop year as follows:

Maturity	TOTAL		SUGAR		OTHERS	
	US\$ '000	Average Price (R\$/US\$)	US\$ '000	Average Price (R\$/US\$)	US\$ '000	Average Price (R\$/US\$)
2014/2015 Crop Year	85,561	2.37	84,625	2.37	936	2.42
2015/2016 Crop Year	53,810	2.47	38,930	2.54	14,880	2.30



Hedge Accounting

Effect on Shareholders' Equity

In March 2010, inclusive, the Company began to adopt hedge accounting for derivatives classified as hedge instruments, as well as debt denominated in foreign currency.

The quarterly results are recorded in shareholders' equity ("Adjustments to Book Value"), net of deferred income and social contribution taxes. In the period between March 2014 and September 2014, we recorded a gain in shareholders' equity of R\$11.9 million, mainly related to the appreciation in the Brazilian real against the U.S. dollar.

Impact on Income Statement

As mentioned in the 4Q14 Earnings Release, in the coming crop years, certain foreign-denominated debts that had been designated as Hedge Accounting will mature.

In 2Q15, a total of US\$68.4 million in debt matured, with the exchange rate of R\$1.91/US\$1.00 adopted for the translation of net revenue. Considering that the rate considered for the purposes of cash flow in the period was R\$2.19/US\$ 1.00, we adjusted the amount of R\$18.7 million in net revenue and EBITDA to provide a better understanding of the Company's cash generation.

The following table provides an updated maturity schedule for debt designated as Hedge Accounting:

	US\$ '000	Average Price (R\$/US\$)
1Q15	18,468	1.88
2Q15	68,440	1.91
3Q15	25,715	1.86
4Q15	20,309	1.93
12M15	132,932	1.90



NET FINANCIAL RESULT

FINANCIAL RESULT	2Q15	2Q14	Chg.%	6M15	6M14	Chg.%
R\$ '000						
Financial Income	26,972	9,030	198.7%	43,091	18,612	131.5%
Financial Expenses	(58,399)	(37,839)	54.3%	(97,708)	(72,674)	34.4%
Hedge Result	(13,252)	209	n.m.	(11,784)	(16,335)	-27.9%
Exchange Variation	4,368	951	359.4%	(380)	26,000	n.m.
Net Financial Income (Loss)	(40,311)	(27,650)	45.8%	(66,781)	(44,397)	50.4%

The São Martinho Group registered a net financial expense of R\$40.3 million in 2Q15, which represents an increase in the financial expense of 45.8% from 2Q14. The main driver of the higher net expense was the line "Hedge Result," due to the market-to-market adjustments of positions in USD, which were partially offset by the effects of exchange variation on our cash and accounts receivable in foreign currencies.

NET INCOME

In 2Q15, net income was R\$115.2 million, increasing 89.2% on the year-ago quarter. The increase is explained by i) EBITDA growth; and ii) the non-recurring revenue from the divestment of Agropecuária Boa Vista, in accordance with the Material Fact notice disclosed in May 2014.

DEBT WITH COPERSUCAR

On September 30th, 2014, the São Martinho Group recognized under Liabilities on its Balance Sheet R\$285.6 million in obligations with Copersucar. In view of the terms negotiated in the process to terminate the membership at Copersucar, we will continue to book under "Obligations – Copersucar" all liabilities related to the contingencies currently being resolved judicially that were filed by legal counsel at Copersucar. These obligations continue to be secured by suretyships in the amount of R\$203.6 million on a consolidated basis.



INDEBTEDNESS

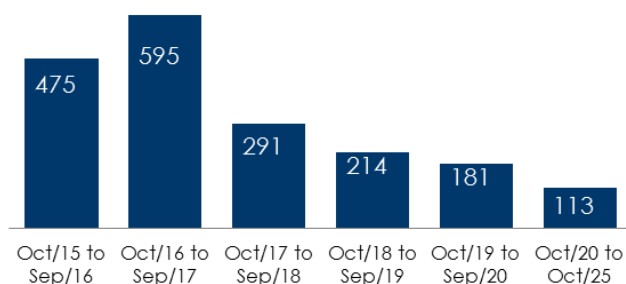
DEBT	Sep/14	Mar/14	Chg. (%)
R\$ '000			
PESA	55,435	70,616	-21.5%
Rural Credit	209,872	164,073	27.9%
BNDES / FINAME	822,166	697,593	17.9%
Working Capital	422,472	151,931	178.1%
ACC (Advances on Foreign Exchange Contracts)	163,600	97,070	68.5%
PPE (Export prepayment)	622,270	514,689	20.9%
NCE (Export Credit Note)	652,700	511,219	27.7%
Others	1,478	2,031	-27.2%
Obligations from Acquisitions - LOP	86,252	-	n.m.
Obligations from Acquisitions - Other	21,816	10,725	103.4%
Gross Debt	3,058,061	2,219,947	37.8%
Cash and Cash Equivalents	665,258	679,928	-2.2%
Consolidated Net Debt	2,392,803	1,540,019	55.4%
Net Debt / YTD EBITDA	2.28 x	2.03 x	

In 2Q15, the net debt of the São Martinho Group increased 55.4% from March 2014 to end the period at R\$2.4 billion, which represents a Net Debt/EBITDA ratio of 2.28 times. The main reasons for the increase in net debt were: i) the acquisition of Santa Cruz concluded in August 2014 for R\$550 million, which is divided into debt assumption and payments to the former controlling shareholder; and ii) the higher working capital in the period due to the strategy to carry sugar and ethanol inventories for sale in future quarters.

The Company also received, in the first week of October 2014, a disbursement of US\$150 million from an Export Prepayment Transaction maturing in 2018 and 2019. These funds will be used over the next six months to settle the foreign-denominated debt of Santa Cruz, which effectively lengthens the maturity profile of the debt and reduces its cost.

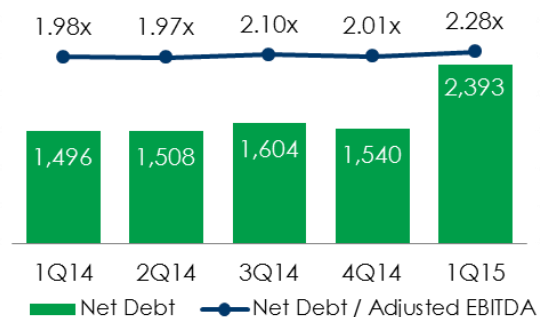
Amortization Schedule – Long-term Debt

R\$ million



Net Debt / EBITDA LTM

Evolution





CAPITAL EXPENDITURE

(Maintenance)	2Q15	2Q14	Chg.(%)	6M15	6M14	Chg.(%)
R\$ million						
Sugarcane Planting	37,991	31,006	22.5%	70,016	58,426	19.8%
Off-Season Maintenance / Industrial / Agricultural	-	-	n.m.	3,310	351	
Crop Treatment	74,244	51,504	44.2%	128,917	98,129	31.4%
Total	112,235	82,510	36.0%	202,244	156,905	28.9%

(Operational Improvements)	2Q15	2Q14	Chg.(%)	6M15	6M14	Chg.(%)
R\$ million						
Equipment/Projects/Replacements	12,302	7,353	67.3%	18,403	10,041	83.3%
Total	12,302	7,353	67.3%	18,403	10,041	83.3%

(Upgrading/Expansion)	2Q15	2Q14	Chg.(%)	6M15	6M14	Chg.(%)
R\$ million						
Sugarcane Planting	-	1,648	n.m.	-	7,455	n.m.
Industrial / Agricultural	24,034	27,245	-11.8%	47,108	58,584	-19.6%
Crop Treatment	-	937	n.m.	-	2,121	n.m.
TOTAL	24,034	29,830	-19.4%	47,108	68,160	-30.9%

The maintenance CAPEX of the São Martinho Group amounted to R\$112.2 million in 2Q15, increasing 36.0% from the year-ago period. The increased investment is related to the larger planting area and corresponding crop treatments, as a result of the 100% consolidation of Santa Cruz as of August 2014.

Operational improvement capex (investments in replacing agricultural and industrial equipment to boost yields) amounted to R\$12.3 million in 2Q15, increasing 67.3% from 2Q14. The increase is mainly related to investments in agricultural automation and to the 100% consolidation of Santa Cruz as of August this year.

Investments in modernization and expansion (R\$47 million in 6M15) are related to projects aimed at reducing production costs by vertically orienting the sugarcane transportation and vinasse concentration operations.

For this crop year, we estimate total CAPEX of around R\$730 million, of which R\$560 million will be allocated to maintenance.



DISCLAIMER

This document contains forward-looking statements related to the business outlook, operating and financial projections and growth prospects of São Martinho. These statements are merely projections and as such are based exclusively on Management's expectations for the future of the business. These forward-looking statements depend materially on changes in market conditions and the performance of the Brazilian economy, the industry and international markets, and therefore are subject to change without prior notice.

ABOUT SÃO MARTINHO GROUP

The São Martinho Group is one of the largest sugar and ethanol groups in Brazil, with annual sugarcane processing capacity of 20 million metric tons. It currently operates four mills: São Martinho in Pradópolis (in the Ribeirão Preto region of São Paulo state), Iracema in Iracemópolis (in the Limeira region of São Paulo), Santa Cruz in Américo Brasiliense (in the Ribeirão Preto region) and Boa Vista (in Quirinópolis, Goiás). For more information please go to www.saomartinho.com.br.



INCOME STATEMENT

Quarter

SÃO MARTINHO S.A. - CONSOLIDATED	CPC 19			Pro-forma		
	2Q15	2Q14	Var %	2Q15	2Q14	Var %
R\$ '000						
Gross Revenue	412,398	515,529	-20.0%	529,856	631,759	-16.1%
Deductions from Gross Revenue	(14,689)	(11,272)	30.3%	(22,349)	(17,265)	29.4%
Net Revenue	397,709	504,257	-21.1%	507,507	614,494	-17.4%
Cost of Goods Sold (COGS)	(269,227)	(343,597)	-21.6%	(344,691)	(432,900)	-20.4%
Gross Profit	128,482	160,660	-20.0%	162,816	181,594	-10.3%
Gross Margin (%)	32.3%	31.9%	0.4 p.p	32.1%	29.6%	2.5 p.p
Operating Expenses	36,354	(60,192)	-160.4%	17,407	(66,308)	n.m.
Selling Expenses	(20,451)	(27,543)	-25.7%	(23,203)	(33,225)	-30.2%
General and Administrative Expenses	(32,213)	(33,723)	-4.5%	(35,475)	(40,420)	-12.2%
Equity Income	11,982	(5,434)	n.m.	100	654	-12.2%
Other Operating Expenses, Net	77,036	6,508	1083.7%	75,985	6,683	1037.0%
Operating Profit, Before Financial Effects	164,836	100,468	64.1%	180,223	115,286	56.3%
Financial Result, Net	(28,135)	(16,496)	70.6%	(40,311)	(27,650)	45.8%
Financial Income	23,536	6,902	241.0%	26,972	9,024	198.9%
Financial Expenses	(62,446)	(28,113)	122.1%	(73,722)	(39,803)	85.2%
Monetary and Exchange Variations - Net	(1,894)	2,670	n.m.	(6,125)	2,306	n.m.
Derivative Income (Loss)	12,669	2,045	519.5%	12,564	823	1426.6%
Income (Loss) Before Income and Social Contribution Taxes	136,701	83,972	62.8%	139,912	87,636	59.7%
Income Tax and Social Contribution - Current	11,974	(14,720)	n.m.	9,732	(14,657)	n.m.
Income Tax and Social Contribution - Deferred	(32,163)	(8,365)	-166.4%	(33,132)	(12,092)	-166.4%
Net Income (Loss) Before Minority Interest	116,512	60,887	91.4%	116,512	60,887	91.4%
Noncontrolling Interest	(1,290)	-	n.m.	(1,290)	-	n.m.
Net Income	115,222	60,887	89.2%	115,222	60,887	89.2%
Net Margin (%)	29.0%	12.1%	16.9 p.p	22.7%	9.9%	12.8 p.p



Year to date

SÃO MARTINHO S.A. - CONSOLIDATED	CPC 19			Pro-forma		
	6M15	6M14	Var %	6M15	6M14	Chg. (%)
R\$ '000						
Gross Revenue	801,082	922,831	-13.2%	1,052,349	1,143,523	-8.0%
Deductions from Gross Revenue	(25,366)	(22,332)	13.6%	(40,208)	(35,281)	14.0%
Net Revenue	775,716	900,499	-13.9%	1,012,141	1,108,242	-8.7%
Cost of Goods Sold (COGS)	(528,349)	(626,816)	-15.7%	(697,582)	(804,629)	-13.3%
Gross Profit	247,367	273,683	-9.6%	314,559	303,613	3.6%
Gross Margin (%)	31.9%	30.4%	1.5 p.p	31.1%	27.4%	3.7 p.p
Operating Expenses	9,397	(118,622)	n.m.	(35,985)	(122,512)	-70.6%
Selling Expenses	(37,327)	(47,396)	-21.2%	(42,973)	(56,107)	-23.4%
General and Administrative Expenses	(60,247)	(61,104)	-1.4%	(70,925)	(72,842)	-2.6%
Equity Income	29,294	(17,203)	n.m.	613	(425)	n.m.
Other Operating Expenses, Net	77,677	7,081	997.0%	77,300	6,862	1026.5%
Operating Profit, Before Financial Effects	256,764	155,061	65.6%	278,574	181,101	53.8%
Financial Result, Net	(49,052)	(18,283)	168.3%	(66,781)	(44,397)	50.4%
Financial Income	36,713	14,502	153.2%	43,099	18,608	131.6%
Financial Expenses	(91,746)	(53,518)	71.4%	(115,362)	(76,622)	50.6%
Monetary and Exchange Variations - Net	(879)	24,415	n.m.	(4,248)	18,684	n.m.
Derivative Income (Loss)	6,860	(3,682)	n.m.	9,730	(5,067)	n.m.
Income (Loss) Before Income and Social Contribution Taxes	207,712	136,778	51.9%	211,793	136,704	54.9%
Income Tax and Social Contribution - Current	(4,300)	(17,019)	-74.7%	(6,679)	(17,397)	-61.6%
Income Tax and Social Contribution - Deferred	(26,174)	(24,144)	8.4%	(27,876)	(23,692)	17.7%
Net Income (Loss) Before Minority Interest	177,238	95,615	85.4%	177,238	95,615	85.4%
Noncontrolling Interest	(1,290)	-	n.m.	(1,290)	-	n.m.
Net Income	175,948	95,615	84.0%	175,948	95,615	84.0%
Net Margin (%)	22.7%	10.6%	12.1 p.p	17.4%	8.6%	8.8 p.p



BALANCE SHEET (ASSETS)

São Martinho S.A. - ASSETS	CPC 19		Pro-forma	
R\$ '000				
ASSETS	Sep/14	Mar/14	Sep/14	Mar/14
SHORT-TERM ASSETS				
Cash and Cash Equivalents	539,068	551,359	651,463	670,741
Trade Receivables	137,496	72,106	170,078	95,051
Derivative Financial Instruments	25,247	33,553	25,247	37,467
Inventories	667,313	99,658	740,684	145,028
Taxes Recoverable	92,278	64,367	107,206	79,339
Income and Social Contribution Taxes	53,635	34,237	56,335	37,349
Dividends receivable	-	232	-	420
Other Assets	25,951	7,145	27,573	10,919
TOTAL SHORT-TERM ASSETS	1,540,988	862,657	1,778,586	1,076,314
LONG-TERM ASSETS				
Long-term Receivables				
Marketable Securities	5,942	-	13,795	9,187
Inventories	29,622	25,790	55,660	50,235
Related Parties	34	1,925	34	11
Deferred Income and Social Contribution Taxes	-	-	48,449	48,867
Trade Receivables	4,117	1,592	4,117	1,592
Trade Receivables from Copersucar	1,669	1,361	1,784	1,546
Taxes Recoverable	85,375	68,201	96,656	94,808
Judicial Deposits	31,989	31,969	33,476	34,479
Other Assets	533	120	535	321
	159,281	130,958	254,506	241,046
Investments	425,954	537,764	20,790	10,589
Biological Assets	804,211	596,309	969,708	863,368
Property, plant and equipment	3,095,693	2,717,791	3,478,812	3,432,148
Intangible Assets	528,318	192,917	510,964	202,486
TOTAL LONG-TERM ASSETS	5,013,457	4,175,739	5,234,780	4,749,637
TOTAL ASSETS	6,554,445	5,038,396	7,013,366	5,825,951



BALANCE SHEET (LIABILITIES)

São Martinho S.A. - LIABILITIES	CPC 19		Pro-forma	
R\$ '000	Sep/14	Mar/14	Sep/14	Mar/14
LIABILITIES AND SHAREHOLDERS' EQUITY				
SHORT-TERM ASSETS				
Borrowings	994,279	439,644	1,080,757	592,294
Derivative Financial Instruments	64,061	56,398	66,628	63,814
Trade Payables	194,242	64,429	223,256	90,602
Payables to Copersucar	2,040	2,040	2,300	2,234
Payroll and Social Contributions	97,923	58,847	111,548	75,720
Taxes Payable	17,193	11,040	19,383	13,749
Income and Social Contribution Taxes	1,773	611	1,783	891
Dividends Payable	-	32,063	-	32,483
Advances from Customers	2,112	883	5,135	3,143
Acquisition of Investment	17,817	10,725	17,817	10,725
Other Liabilities	33,070	17,290	26,886	15,676
TOTAL SHORT-TERM LIABILITIES	1,424,510	693,970	1,555,493	901,331
LONG-TERM ASSETS				
Borrowings	1,570,838	1,151,177	1,869,236	1,616,928
Payables to Copersucar	270,647	206,014	283,273	230,254
Taxes Payable in Installments	45,432	46,318	45,432	53,452
Deferred Income and Social Contribution Taxes	869,884	807,880	852,622	854,330
Provision for Contingencies	44,700	56,649	47,531	62,048
Acquisition of Investment	90,251	-	90,251	-
Advances for future capital increase	-	-	31,347	31,220
Other Liabilities	522	436	522	436
TOTAL LONG-TERM LIABILITIES	2,892,274	2,268,474	3,220,214	2,848,668
SHAREHOLDERS' EQUITY				
Share Capital	808,850	737,200	808,850	737,200
Adjustments to Book Value	1,093,975	1,116,709	1,093,975	1,116,709
Profits Reserves	150,285	230,277	150,283	230,277
Treasury Shares	(10,715)	(11,839)	(10,715)	(11,839)
Stock options granted	4,715	3,605	4,715	3,605
Retained Earnings	187,180	-	187,180	-
TOTAL SHAREHOLDERS' EQUITY	2,234,290	2,075,952	2,234,288	2,075,952
Non-controlling interest	3,371	-	3,371	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	6,554,445	5,038,396	7,013,366	5,825,951



CONSOLIDATED CASH FLOW

SÃO MARTINHO S.A.	CPC 19		Pro Forma	
	6M15	6M14	6M15	6M14
R\$ '000				
CASH FLOWS FROM OPERATING ACTIVITIES				
Net Income in the period	175,948	95,615	175,948	95,615
Adjustments				
Depreciation and amortization	63,336	70,690	87,323	95,966
Harvested biological assets (depreciation)	108,180	113,968	167,099	173,830
Variation in fair value of biological assets	1,305	(1,281)	(1,486)	1,385
Amortization of intangible assets	1,120	-	1,586	1,464
Equity income	(29,294)	17,203	(613)	425
Capital gain from the change in equity interest	(7,055)	-	(7,055)	-
Result of investment and property, plant and equipment disposals	(4,054)	(1,731)	(4,560)	(1,783)
Interest, monetary and foreign exchange variations, net	72,761	33,539	94,127	64,889
Derivative financial instruments	81,139	32,816	84,399	37,311
Accrual of provision for contingencies, net	(965)	11,844	(383)	12,431
Deferred income tax and social contribution taxes	26,175	24,144	27,876	23,692
Adjustments to present value and others	3,739	5,553	3,516	6,261
Income (loss) from ownership divestment	(79,717)	-	(79,717)	-
	412,618	402,360	548,060	511,486
Changes in assets and liabilities				
Trade receivables	(45,242)	(77,687)	(52,614)	(90,066)
Inventories	(289,261)	(111,920)	(337,409)	(171,150)
Taxes recoverable	(30,015)	(20,008)	(28,857)	(22,390)
Marketable securities	(434)	-	(371)	(817)
Other assets	2,194	2,599	(5,437)	(837)
Trade payables	84,980	92,419	100,876	116,049
Salaries and social charges	15,496	15,740	20,007	18,679
Taxes payable	2,733	13,021	2,483	13,561
Payables to Copersucar	10,852	(3,936)	11,504	(4,597)
Taxes payable in installments	(952)	(2,663)	(924)	(3,026)
Provision for contingencies - settlements	(20,303)	(17,383)	(22,369)	(19,023)
Other liabilities	5,682	12,717	5,326	9,231
	148,348	305,259	240,275	357,100
Cash provided by operations	148,348	305,259	240,275	357,100
Interest paid	(50,780)	(37,935)	(73,278)	(59,267)
Income tax and social contribution paid	(47)	(1,144)	(99)	(1,211)
Net cash provided by operating activities	97,521	266,180	166,898	296,622
CASH FLOW FROM INVESTING ACTIVITIES				
Financial resources used in investments	(44,354)	-	(44,354)	-
Increase due to acquisition of ownership	44,860	-	25,273	-
Additions to property, plant and equipments and intangible assets	(60,580)	(83,252)	(75,299)	(95,535)
Additions to biological assets (planting and crop treatment)	(144,312)	(107,340)	(198,934)	(166,131)
Proceeds from sale of property, plant and equipment	6,210	8,083	6,854	8,383
Cash and cash equivalents acquired from subsidiary	-	1	-	1
Advance for future capital increase	-	(976)	(32)	-
Dividends and interest on equity received	3,127	1,330	443	-
Net cash used in investing activities	(195,049)	(182,154)	(286,049)	(253,282)
CASH FLOW FROM FINANCING ACTIVITIES				
New borrowings - third parties	396,818	83,225	482,291	160,271
Repayment of borrowings - third parties	(270,946)	(177,694)	(345,011)	(229,143)
Advance for future capital increase	-	-	544	166
Change in noncontrolling interest	1,290	-	1,290	-
Payment of dividends and interest on equity	(43,089)	(30,000)	(40,405)	(30,000)
Purchase of treasury shares	1,164	-	1,164	-
Net cash provided by (used in) financing activities	85,237	(124,469)	99,873	(98,706)
Increase (decrease) in cash and cash equivalents, net	(12,291)	(40,443)	(19,278)	(55,366)
Cash and cash equivalents at the beginning of the period	551,359	531,141	670,741	634,290
Cash and cash equivalents at the end of the period	539,068	490,698	651,463	578,924