(A free translation of the original in Portuguese)

São Martinho S.A.

Quarterly information (ITR) at June 30, 2012 and report on review of quarterly information

(A free translation of the original in Portuguese)

Report on review of quarterly information

To the Board of Directors and Stockholders
São Martinho S.A.

Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of São Martinho S.A., included in the Quarterly Information Form (ITR) for the quarter ended June 30, 2012, comprising the balance sheet as at that date and the statements of income, comprehensive income (loss), changes in equity and cash flows for the quarter then ended, and a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation of the parent company interim accounting information in accordance with the accounting standard CPC 21, Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC), and of the consolidated interim accounting information in accordance with CPC 21 and International Accounting Standard (IAS) 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB), as well as the presentation of this information in accordance with the standards issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the 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 Reviews of Interim Financial Information (NBC TR 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim 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 Brazilian and International Standards on Auditing 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 parent company interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company interim accounting information included in the Quarterly Information referred to above has not been prepared, in all material respects, in accordance with CPC 21 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

São Martinho S.A.

Conclusion on the consolidated interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim accounting information included in the Quarterly Information referred to above has not been prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

Other matters

Statements of value added

We have also reviewed the parent company and consolidated interim statements of value added for the quarter ended June 30, 2012, which are required to be presented in accordance with standards issued by the Brazilian Securities Commission (CVM) applicable to the preparation of Quarterly Information (ITR) and are considered supplementary information under IFRS, which does not require the presentation of the statement of value added. These statements were submitted to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they have not been properly prepared, in all material respects, in a manner consistent with the parent company and consolidated interim accounting information taken as a whole.

Ribeirão Preto, August 14, 2012

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Maurício Cardoso de Moraes
Contador CRC 1PR035795/O-1 "T" SP

São Martinho S.A.

Balance sheet

All amounts in thousands of reais (A free translation of the original in Portuguese)

		Parent		Consolidated	
Assets	**Note**	**June 30, 2012**	**March 31, 2012**	**June 30, 2012**	**March 31, 2012**
Current assets					
Cash and cash equivalents	6	652,026	288,554	793,064	410,567
Trade receivables	7	51,005	33,869	64,602	38,399
Derivative financial instruments	29	47,895	10,283	50,204	11,063
Inventories	8	140,975	104,624	199,289	137,375
Taxes recoverable	9	25,914	28,977	36,703	39,701
Income tax and social contribution	25	19,412	17,658	22,218	20,550
Dividends receivable		8,604	8,604		
Other assets	11	10,581	4,905	12,385	5,551
		956,412	497,474	1,178,465	663,206
Non-current assets					
Long-term receivables					
Financial investments	12			6,679	6,541
Inventories	8	43,969	13,927	62,098	26,877
Related parties	10	15,909	17,672	2	3,788
Deferred income tax and social contribution	25			41,867	38,227
Trade receivables from Copersucar		1,228	1,545	1,398	1,737
Taxes recoverable	9	34,438	23,413	56,101	46,581
Judicial deposits	28	41,987	41,784	45,249	44,972
Other assets	11	253	253	395	395
		137,784	98,594	213,789	169,118
Investments	13	1,372,261	1,376,929	12,138	8,262
Biological assets	14	461,203	443,536	664,307	632,904
Property, plant and equipment	15	1,422,291	1,413,608	3,255,374	3,244,267
Intangible assets	16	2,806	2,967	68,906	69,410
		3,396,345	3,335,634	4,214,514	4,123,961
Total assets		4,352,757	3,833,108	5,392,979	4,787,167

		Parent		Consolidated	
Liabilities and equity	**Note**	**June 30, 2012**	**March 31, 2012**	**June 30, 2012**	**March 31, 2012**
Current liabilities					
Borrowings	17	253,658	117,551	357,830	247,504
Derivative financial instruments	29	65,796	13,542	66,666	14,269
Trade payables	18	89,108	56,751	101,989	76,655
Payables to Copersucar	19	2,040	2,040	2,302	2,356
Salaries and social charges		55,518	44,790	70,035	57,297
Taxes payable		9,389	9,376	12,514	12,199
Income tax and social contribution	25			586	240
Related parties	10			2	224
Dividends payable		30,070	30,070	30,070	30,070
Advances from customers		511	5,810	951	8,418
Acquisition of investment	37	59,499	57,906	59,499	57,906
Other liabilities	21	14,493	13,769	14,238	10,215
		580,082	351,605	716,682	517,353
Non-current liabilities					
Borrowings	17	1,007,974	671,412	1,437,192	984,865
Payables to Copersucar	19	200,208	200,409	221,724	222,007
Taxes payable in installments	20	49,345	49,873	57,078	57,873
Deferred income tax and social contribution	25	393,780	404,681	804,256	820,201
Provision for contingencies	28	68,843	68,064	74,458	74,259
Acquisition of investment	37	57,098	55,569	57,098	55,569
Advances for future capital increase	10			29,063	23,543
Other liabilities	21	7,735	6,817	7,736	6,819
		1,784,983	1,456,825	2,688,605	2,245,136
Equity	22				
Share capital		455,900	455,900	455,900	455,900
Carrying value adjustments		1,228,378	1,272,558	1,228,378	1,272,558
Revenue reserves		308,867	308,867	308,867	308,867
Treasury shares		(14,570)	(12,753)	(14,570)	(12,753)
Stock options granted		737	106	737	106
Retained earnings		8,380		8,380	
		1,987,692	2,024,678	1,987,692	2,024,678
Total liabilities and equity		4,352,757	3,833,108	5,392,979	4,787,167

The accompanying notes are an integral part of these financial statements.

São Martinho S.A.

Statement of income
Quarters ended June 30
All amounts in thousands of reais, unless otherwise stated (A free translation of the original in Portuguese)

	Note	Parent 2012	Parent 2011	Consolidated 2012	Consolidated 2011
Revenue	31	219.506	298.446	290.313	328.948
Cost of sales	32	(159.485)	(211.838)	(218.169)	(232.009)
Gross profit		60.021	86.608	72.144	96.939
Operating income (expenses)					
Selling expenses	32	(6.878)	(12.531)	(8.978)	(13.406)
General and administrative expenses	32	(26.183)	(20.260)	(31.787)	(23.581)
Equity in the results of investees	13	(11.247)	5.328	(1.949)	-
Other income, net	33	845	1.064	781	888
		(43.463)	(26.399)	(41.933)	(36.099)
Operating profit		16.558	60.209	30.211	60.840
Finance result	34				
Finance income		18.348	10.383	25.135	13.350
Finance costs		(26.085)	(20.364)	(35.159)	(24.064)
Monetary and foreign exchange variations, net		2.323	1.504	(17.238)	1.574
		(5.414)	(8.477)	(27.262)	(9.140)
Profit before taxation		11.144	51.732	2.949	51.700
Income tax and social contribution	25(b)				
Current			(11.963)	(489)	(11.972)
Deferred		(8.766)	(1.805)	(82)	(1.764)
Profit for the period		2.378	37.964	2.378	37.964
Basic earnings per share - R$	35			0.02118	0.33638
Diluted earnings per share - R$				0.02117	0.33638

The accompanying notes are an integral part of these financial statements.

São Martinho S.A.

Statement of comprehensive income (loss)
Quarters ended June 30
All amounts in thousands of reais (A free translation of the original in Portuguese)

	Parent		Consolidated	
	2012	**2011**	**2012**	**2011**
Profit for the period	2,378	37,964	2,378	37,964
Other comprehensive income (loss)				
Gains (losses) on derivative transactions - hedge accounting	(38,178)	13,308	(38,178)	13,308
Total comprehensive income (loss) for the period	(35,800)	51,272	(35,800)	51,272

The accompanying notes are an integral part of these financial statements.

São Martinho S.A.

Statement of changes in equity

All amounts in thousands of reais (A free translation of the original in Portuguese)

			Carrying value adjustments			Revenue reserves						
			Deemed cost									
	Note	Share capital	Own	Subsidiaries	Gains (losses) on derivative transactions - hedge accounting	Legal	Capital investments	Additional dividends	Treasury shares	Stock options granted	Retained earnings	Total equity
At March 31, 2011	22	455.900	645.687	674.582	(15.300)	15.199	158.255	21.062	(1.899)			1.953.486
Realization of the deemed cost increment			(10.308)	(147)							10.455	
Gains on derivative transactions - hedge accounting					13.308							13.308
Capital increase with reserve			3.374	(3.374)								
Profit for the period											37.964	37.964
At June 30, 2011	22	455.900	638.753	671.061	(1.992)	15.199	158.255	21.062	(1.899)		48.419	2.004.758
At March 31, 2012	22	455.900	610.553	670.844	(8.839)	21.530	281.323	6.014	(12.753)	106		2.024.678
Realization of the deemed cost increment			(5.932)	(70)							6.002	
Losses on derivative transactions - hedge accounting					(38.178)							(38.178)
Merger of the deemed cost of OMTEK									(1.817)			(1.817)
Stock options granted										631		631
Profit for the period											2.378	2.378
At June 30, 2012	22	455.900	604.621	670.774	(47.017)	21.530	281.323	6.014	(14.570)	737	8.380	1.987.692

The accompanying notes are an integral part of these financial statements.

São Martinho S.A.

Statement of cash flows
Quarters ended June 30
All amounts in thousands of reais (A free translation of the original in Portuguese)

	Parent		Consolidated	
	6/30/12	**6/30/11**	**6/30/12**	**6/30/11**
Cash flows from operating activities				
Profit for the period	2.378	37.964	2.378	37.964
Adjustments				
Depreciation and amortization	26.108	33.080	37.394	39.018
Harvested biological assets (depreciation)	28.894	44.534	40.462	47.251
Changes in the fair value of biological assets	(9.413)	(3.353)	(3.900)	795
Equity in the results of investees	11.247	(5.328)	1.949	
Gains (losses) on investment and property, plant and equipment disposals	15	(313)	(34)	(301)
Interest, monetary and foreign exchange variations, net	10.887	10.708	38.405	14.669
Provision for contingencies, net	7.017	2.363	6.890	2.234
Deferred income tax and social contribution	8.766	1.805	82	1.764
Reversal for inventory losses	(445)	(377)	(446)	(3.804)
Adjustments to present value and others	3.731	482	3.681	98
	89.185	121.565	126.861	139.688
Changes in assets and liabilities				
Trade receivables	(16.820)	3.004	(24.505)	3.909
Inventories	(53.355)	(41.117)	(79.804)	(53.636)
Taxes recoverable	(8.672)	3.247	(7.034)	2.927
Related parties		3.216		294
Other assets	(5.403)	(9.535)	(6.617)	(12.761)
Trade payables	26.358	46.043	17.385	40.054
Salaries and social charges	10.728	16.905	12.738	19.087
Taxes payable	(21)	3.149	627	3.817
Taxes payable in installments	(1.534)	(645)	(1.802)	(829)
Provision for contingencies	(7.852)	(7.302)	(8.459)	(7.435)
Other liabilities	(3.225)	(18.245)	(2.458)	(16.579)
Cash flows from operations	29.389	120.285	26.932	118.536
Interest paid	(8.032)	(3.305)	(14.492)	(8.715)
Income tax and social contribution paid		(10.967)	(129)	(10.967)
Net cash provided by operating activities	21.357	106.013	12.311	98.854
Cash flows from investing activities				
Financial resources used in investments	(1.041)	(1.584)	(1.068)	
Additions to property, plant and equipment and intangible assets	(35.826)	(35.993)	(53.262)	(45.472)
Additions to biological assets (planting and treatment)	(42.691)	(40.900)	(73.439)	(62.206)
Proceeds from sale of property, plant and equipment	130	816	220	965
Cash and cash equivalents of merged subsidiary		1.320		
Advances for future capital increase	(4.395)	(1.600)	(1.193)	(846)
Net cash used in investing activities	(83.823)	(77.941)	(128.742)	(107.559)
Cash flows from financing activities				
Derivative financial instruments	8.966	(9.749)	7.578	(9.749)
New borrowings - third parties	452.754	133.250	542.334	157.444
Repayment of borrowings - Copersucar	(2.461)	(1.141)	(2.874)	(1.136)
Repayment of borrowings - third parties	(31.504)	(24.689)	(51.812)	(40.018)
Advances for future capital increase			5.519	901
Purchases of treasury shares	(1.817)		(1.817)	
Net cash provided by financing activities	425.938	97.671	498.928	107.442
Increase in cash and cash equivalents	363.472	125.743	382.497	98.737
Cash and cash equivalents at the beginning of the period	288.554	116.461	410.567	222.219
Cash and cash equivalents at the end of the period	652.026	242.204	793.064	320.956

The accompanying notes are an integral part of these financial statements.

São Martinho S.A.

Statements of value added
Quarters ended June 30
All amounts in thousands of reais (A free translation of the original in Portuguese)

	Parent		Consolidated	
	2012	**2011**	**2012**	**2012**
Revenue				
Gross sales of products and goods	230,560	314,047	317,909	348,442
Revenue from the construction of own assets	58,492	49,466	90,486	73,022
Reversal of the provision for impairment of trade receivables				
Other income	984	1,144	940	1,172
	290,036	364,657	409,335	422,636
Inputs acquired from third parties				
Cost of products and goods sold	(74,211)	(93,911)	(91,610)	(94,014)
Materials, energy, outsourced services and others	(69,782)	(71,739)	(124,856)	(102,686)
Recovery (impairment) of assets	445	377	444	3,804
	(143,548)	(165,273)	(216,022)	(192,896)
Gross value added	146,488	199,384	193,313	229,740
Depreciation and amortization	(26,108)	(33,080)	(37,394)	(39,018)
Harvested biological assets (depreciation)	(28,894)	(44,534)	(40,462)	(47,251)
Net value added generated by the entity	91,486	121,770	115,457	143,471
Value added received through transfer				
Equity in the results of investees	(11,247)	5,328	(1,949)	
Finance income	35,117	26,549	42,491	29,634
Other	(21)	(41)	749	(237)
Total value added to distribute	115,335	153,606	156,748	172,868
Distribution of value added				
Personnel and payroll charges				
Direct remuneration	46,146	42,787	58,932	52,026
Benefits	10,069	10,463	13,200	12,831
Government Severance Indemnity Fund for Employees (FGTS)	3,467	3,732	4,650	4,423
Management fees	2,254	1,912	2,490	2,220
Taxes and contributions				
Federal	8,798	19,474	2,742	20,019
State	59	1,584	2,683	4,552
Municipal	177	139	501	141
Less: state tax incentives			(2,105)	(1,176)
Creditors				
Interest	19,065	10,655	27,085	14,705
Rentals	210	138	255	161
Foreign exchange differences	14,446	14,662	34,594	14,710
Other	8,266	10,096	9,343	10,292
Profits reinvested	2,378	37,964	2,378	37,964
Value added distributed	115,335	153,606	156,748	172,868

The accompanying notes are an integral part of these financial statements.

1 Operations

1.1 General information

São Martinho S.A. (the "Company") and its subsidiaries are primarily engaged in planting sugar cane and producing and selling sugar, ethanol and other sugar cane products; the cogeneration of electricity; cattle breeding and agricultural production; import and export of goods, products and raw materials and investing in other companies.

Approximately 65% of the sugar cane used in the production of the products derives from the Company's own plantations, from those of stockholders, related companies and agricultural partnerships, and the remaining 35% from third-party suppliers.

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

The sale of sugar and ethanol is carried out in a partnership with Santa Cruz S.A. Açúcar e Álcool ("SC") through a commercial agreement, in which costs, expenses and obligations arising from sales transactions are apportioned proportionally between the Company and its subsidiaries and SC, in accordance with their percentage of the total volume sold. In the prior year, sales were carried out through the consortium Allicom.

As part of its strategic objectives, the Company maintains investments in the following subsidiaries, jointly-controlled companies and associates:

- Vale do Mogi Empreendimentos Imobiliários S.A. ("Vale do Mogi"), previously called Usina São Martinho S.A. ("USM");
- Nova Fronteira Bioenergia S.A. ("NF") and its subsidiaries:
  - Usina Boa Vista S.A. ("UBV"); and
  - SMBJ Agroindustrial S.A. ("SMBJ");
- SMA Indústria Química S.A. ("SMA");
- Usina Santa Luiza S.A. ("USL");
- São Martinho Energia S.A. ("SME");
- Omtek Indústria e Comércio Ltda. ("Omtek") - investment merged into the Company on May 30, 2011;
- Santa Cruz S.A. Açúcar e Álcool ("SC") and its subsidiary:
  - Companhia Bioenergética Santa Cruz 1 ("Bio");
- Agro Pecuária Boa Vista S.A. ("ABV"); and
- CTC - Centro de Tecnologia Canavieira S.A. ("CTC").

The Company is a listed corporation headquartered in Pradópolis, State of São Paulo, and registered with the São Paulo Futures, Commodities and Stock Exchange - BM&FBovespa S.A. ("BM&FBovespa") in the Novo Mercado (New Market) category. It is a subsidiary of the holding company LJN Participações S.A. ("LJN"), which has a controlling interest of 56.52% in its voting capital. In turn, the owners of LJN 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 August 13, 2012.

1.2 Changes in corporate structure

In the last year, important corporate transactions were realized, which significantly affected the comparison of the current period results with those of the prior period. These transactions are described in detail in the annual financial statements for the year ended March 31, 2012 in the following notes:

- Formation and capital increase in NF - note 1.2;
- Total spin-off of Mogi Agrícola S.A. ("Mogi") - note 1.3;
- Partial spin-off of Vale do Mogi (formerly USM) and merger of the spun-off net assets into the Company - note 1.4;
- Merger of Omtek Indústria e Comércio Ltda. ("Omtek") - note 1.5;
- Acquisition of investments in Santa Cruz S.A. Açúcar e Álcool ("SC") and Agro Pecuária Boa Vista S.A. ("ABV") - note 1.6; and
- Sale of the investment in Uniduto Logística S.A. ("Uniduto") - note 1.7.

2 Summary of significant accounting policies

2.1 Basis of preparation

The interim accounting information included in this financial information was prepared in accordance with the Brazilian technical pronouncement CPC 21 - Interim Financial Reporting, and with the international accounting standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), and is presented in accordance with the standards issued by the Brazilian Securities Commission (CVM) applicable to the preparation of Quarterly Information.

Accordingly, and as described in CVM's Circular Letter CVM/SNC/SEP 03/2011, the Company elected to present the explanatory notes in this Quarterly Information (ITR) in a summarized manner when the information is the same as that presented in the annual financial statements. In such cases, the complete explanatory note in the annual financial statements is indicated to facilitate the understanding of the Company's financial position and performance during the interim period.

The Company declares that the basis of preparation, including the consolidation criteria, and the accounting policies were the same as those utilized in preparing the annual financial statements for the year ended March 31, 2012. Therefore, the corresponding information should be referred to in explanatory notes 2.1 through 2.22 to those financial statements.

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, 2012, 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 5 to the financial statements for the year ended March 31, 2012.

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 June 30, 2012:

Current assets	**R$**	**Equivalents in thousands of US$**
Cash and cash equivalents (banks - demand deposits)	74,644	36,940
Trade receivables	22,614	11,191
Derivative financial instruments	50,204	24,845
Total assets	147,462	72,976
Liabilities		
Current liabilities:		
Borrowings	239,749	118,611
Derivative financial instruments	66,666	32,982
Other liabilities	3,800	1,880
Non-current liabilities:		
Borrowings	731,730	362,010
Other liabilities	7,599	3,759
Total liabilities	1,049,544	519,242
Subtotal, net	(902,082)	(446,266)
(-) Export-linked borrowings - ACC and PPE (*)	931,077	460,633
Net exposure - liabilities	28,995	14,367

These assets and liabilities were adjusted and recorded in the financial statements at June 30, 2012 at the exchange rate in effect on that date, of R$ 2.0207 per US$ 1.00 for assets and R$ 2.0213 per US$ 1.00 for liabilities.

(*) The balance of borrowings in foreign currency refers mainly to loans in the format of Advances on Foreign Exchange Contracts (ACC) and Export Prepayments (PPE), maturing from July 2012 to September 2016, which are linked to exports. As the above agreements will be settled through product exports, the Company's management understands that these transactions represent a natural hedge and that, therefore, the foreign exchange variations will only have a temporary accounting effect on the financial statements, without a corresponding effect on the cash flows of the Company and its subsidiaries.

All amounts in thousands of reais unless otherwise stated

4.2 Volatility risk of commodity prices

The Company and its subsidiaries are exposed to the risk of changes in the commodity prices of manufactured products such as sugar and ethanol.

At June 30, 2012, the prices of 228,763 metric tons of sugar were hedged by sales contracts for future delivery scheduled as from July 2012, priced at an average of 24.15 ¢/lb (cents per pound weight) with the New York - ICE Futures US.

4.3 Liquidity risk

Cash flow forecasting is realized for the Company and its subsidiaries and aggregated by the Finance Department. The Finance Department monitors rolling forecasts of the Company's liquidity requirements to ensure that it has sufficient cash to meet operating needs.

Surplus cash held by the operating entities over and above the balance 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 June 30, 2012, the Company and its subsidiaries 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.

The table below analyzes the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date.

	Parent			
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At June 30, 2012				
Borrowings	253,658	115,727	821,978	70,269
Derivative financial instruments	65,796			
Trade payables	89,108			
Acquisition of investment	59,499	57,098		
Other liabilities	14,493	3,935	3,800	
At March 31, 2012				
Borrowings	117,551	106,283	483,201	81,928
Derivative financial instruments	13,542			
Trade payables	56,751			
Acquisition of investment	57,906	55,569		
Other liabilities	13,769	3,538	3,279	

All amounts in thousands of reais unless otherwise stated

	Consolidated			
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At June 30, 2012				
Borrowings	357.830	218.857	1.087.075	131.260
Derivative financial instruments	66.666			
Trade payables	101.989			
Acquisition of investment	59.499	57.098		
Other liabilities	14.238	3.936	3.800	
At March 31, 2012				
Borrowings	247.504	211.612	645.997	127.256
Derivative financial instruments	14.269			
Trade payables	76.655			
Acquisition of investment	57.906	55.569		
Other liabilities	10.215	3.537	3.282	

4.4 Sensitivity analysis

In accordance with CVM Instruction 475, the sensitivity analysis below has been prepared by the Company showing the effects of changes in the fair values of financial instruments relating to the pricing and hedging of foreign currency risks and other financial assets and liabilities denominated in foreign currency at June 30, 2012, considered by management as the major risks to which the Company is exposed. This analysis considers management expectations with respect to the future scenario projected.

Parent company:		Probable scenario		Possible scenarios	
	Risk	Average rate/price	Effect on the statement of income and cash flows	Deterioration 25%	Deterioration 50%
Foreign exchange rate risk					
Cash and cash equivalents	Depreciation of the US dollar	2,06	1.543	(16.929)	(35.402)
Trade receivables	Depreciation of the US dollar	2,06	444	(4.869)	(10.181)
Short and long-term borrowings	Appreciation of the US dollar	2,37	(133.196)	(358.623)	(584.050)
Forward contracts - foreign currency - NDF	Appreciation of the US dollar	2,06	(54.497)	(293.635)	(532.772)
Accounts payable	Appreciation of the US dollar	2,17	(824)	(3.880)	(6.935)
Price risk					
Forward contracts - sugar - NDF	Increase in the commodity price	22,72	123	(16.108)	(32.340)
Futures market - sale - ethanol	Increase in the commodity price	1.165,44	5	(740)	(1.484)
Futures market - purchase - sugar	Decrease in the commodity price	20,49	(41)	(1.455)	(3.399)
Futures market - sale - sugar	Increase in the commodity price	22,62	524	(64.883)	(147.127)
"Put" sale - sugar	Increase in the commodity price	23,77	183	(419)	(1.021)
"Call" purchase - sugar	Decrease in the commodity price	22,50	(99)	(528)	(957)
"Put" sale - sugar	Increase in the commodity price	21,11	44	(225)	(494)
"Put" purchase - sugar	Decrease in the commodity price	21,27	(64)	(680)	(1.295)

All amounts in thousands of reais unless otherwise stated

Consolidated:			**Probable scenario**	**Possible scenarios**	
	Risk	**Average rate/price**	**Effect on the statement of income and cash flows**	**Deterioration 25%**	**Deterioration 50%**
Foreign exchange rate risk					
Cash and cash equivalents	Depreciation of the US dollar	2.06	1,592	(17,467)	(36,526)
Trade receivables	Depreciation of the US dollar	2.06	482	(5,292)	(11,066)
Short and long-term borrowings	Appreciation of the US dollar	2.37	(139,340)	(376,010)	(612,680)
Forward contracts - foreign currency - NDF	Appreciation of the US dollar	2.06	(54,606)	(300,589)	(546,572)
Accounts payable	Appreciation of the US dollar	2.17	(824)	(3,880)	(6,935)
Price risk					
Forward contracts - sugar - NDF	Increase in the commodity price	22.72	(10,619)	(51,230)	(91,842)
Futures market - sale - ethanol	Increase in the commodity price	1,164.63	(44)	(2,622)	(5,542)
Futures market - purchase - sugar	Decrease in the commodity price	22.88	1,466	(2,308)	(7,212)
Futures market - sale - sugar	Increase in the commodity price	22.61	(14,542)	(35,189)	(90,046)
"Put" sale - sugar	Increase in the commodity price	22.62	(1,661)	(2,747)	(3,834)
"Call" purchase - sugar	Decrease in the commodity price	22.49	1,302	565	(173)
"Put" sale - sugar	Increase in the commodity price	22.49	790	541	291
"Put" purchase - sugar	Decrease in the commodity price	22.65	(2,061)	(3,101)	(4,141)

4.5 Fair value estimation

The fair values of the financial instruments contracted by the Company and its subsidiaries are measured based on information obtained from the financial institutions and prices quoted in an active market based on standard market pricing methodology, which comprises measuring their nominal values up to the due date and discounting these to present values 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.

The fair values of futures negotiated in the New York - Intercontinental Exchange (ICE Futures US) are 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 current market, and reconciled with creditor or debtor balances with the brokers. The fair value of options negotiated 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 discounted future cash flow methods, which are 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.

At each reporting date, the Company and its subsidiaries review individual financial assets or groups of financial assets for evidence of impairment.

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 Company and its subsidiaries for similar financial instruments.

The Company and its subsidiaries adopted CPC 40 for financial instruments that are measured in the balance sheet at fair value, which requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

- 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).

- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

All amounts in thousands of reais unless otherwise stated

			Parent
As per balance sheet	**Level 1**	**Level 2**	**Total**
At June 30, 2012			
Assets - derivative financial instruments			
Ethanol futures	7		7
Sugar futures	14,456		14,456
Sugar options	2,304		2,304
Sugar forward contracts		182	182
Liabilities - derivative financial instruments			
Foreign exchange forward contracts		(60,977)	(60,977)
Swap contracts		(4,819)	(4,819)
At March 31, 2012			
Assets - derivative financial instruments			
Ethanol futures	8		8
Sugar futures	4,404		4,404
Sugar options	631		631
Sugar forward contracts		4,518	4,518
Liabilities - derivative financial instruments			
Foreign exchange forward contracts		(12,409)	(12,409)
Swap contracts		(1,133)	(1,133)

			Consolidated
As per balance sheet	**Level 1**	**Level 2**	**Total**
At June 30, 2012			
Assets - derivative financial instruments			
Ethanol futures	15		15
Sugar futures	15,084		15,084
Sugar options	3,394		3,394
Sugar forward contracts		5	5
Liabilities - derivative financial instruments			
Foreign exchange forward contracts		(61,256)	(61,256)
Swap contracts		(5,233)	(5,233)
At March 31, 2012			
Assets - derivative financial instruments			
Ethanol futures	(185)		(185)
Sugar futures	4,223		4,223
Sugar options	816		816
Sugar forward contracts		4,548	4,548
Liabilities - derivative financial instruments			
Foreign exchange forward contracts		(12,352)	(12,352)
Swap contracts		(1,543)	(1,543)

All amounts in thousands of reais unless otherwise stated

5 Financial instruments by category

Parent

Assets as per balance sheet	Loans and receivables	Assets at fair value through profit or loss	Derivatives used for hedging	Total
At June 30, 2012				
Cash and cash equivalents	652,026			652,026
Trade receivables	51,005			51,005
Derivative financial instruments		30,945	16,950	47,895
Related parties	15,909			15,909
Other assets, except for prepayments	5,154			5,154
At March 31, 2012				
Cash and cash equivalents	288,554			288,554
Trade receivables	33,869			33,869
Derivative financial instruments		722	9,561	10,283
Related parties	17,672			17,672
Other assets, except for prepayments	2,430			2,430

Parent

Liabilities as per balance sheet	Liabilities at fair value through profit or loss	Derivatives used for hedging	Other financial liabilities	Total
At June 30, 2012				
Borrowings	70.117		1.191.515	1.261.632
Derivative financial instruments	(3.445)	8.264	60.977	65.796
Trade payables			89.108	89.108
Other liabilities			22.228	22.228
At March 31, 2012				
Borrowings	72.199		716.764	788.963
Derivative financial instruments	1.133	12.409		13.542
Trade payables			56.751	56.751
Other liabilities			20.586	20.586

All amounts in thousands of reais unless otherwise stated

Consolidated

Assets as per balance sheet	Loans and receivables	Assets at fair value through profit or loss	Derivatives used for hedging	Total
At June 30, 2012				
Cash and cash equivalents	793,064			793,064
Financial investments	6,679			6,679
Trade receivables	64,602			64,602
Derivative financial instruments		31,526	18,678	50,204
Related parties	2			2
Other assets, except for prepayments	5,573			5,573
At March 31, 2012				
Cash and cash equivalents	410,567			410,567
Financial investments	6,541			6,541
Trade receivables	38,399			38,399
Derivative financial instruments		1,287	9,776	11,063
Related parties	3,788			3,788
Other assets, except for prepayments	2,945			2,945

Consolidated

Liabilities as per balance sheet	Liabilities at fair value through profit or loss	Derivatives used for hedging	Other financial liabilities	Total
At June 30, 2012				
Borrowings	76,961		1,718,061	1,795,022
Derivative financial instruments		4,819	61,847	66,666
Trade payables			101,989	101,989
Related parties			2	2
Other liabilities			21,974	21,974
At March 31, 2012				
Borrowings	72,199		1,160,170	1,232,369
Derivative financial instruments		14,269		14,269
Trade payables			76,655	76,655
Related parties			224	224
Other liabilities			17,034	17,034

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 Company and its subsidiaries.

All amounts in thousands of reais unless otherwise stated

6 Cash and cash equivalents

	Remuneration	Parent June 30, 2012	Parent March 31, 2012
Cash and banks		72,898	39,011
Financial investments			
. Bank Deposit Certificate (CDB)	100.70% (March - 100.90%) of the CDI interest rate - weighted average rate	208,758	77,036
. Debenture repurchase agreements	101.60% (March - 102.00%) of the CDI interest rate - weighted average rate	370,370	172,507
		652,026	288,554

	Remuneration	Consolidated June 30, 2012	Consolidated March 31, 2012
Cash and banks		81,182	54,744
Financial investments			
. Bank Deposit Certificate (CDB)	100.67% (March - 100.82%) of the CDI interest rate - weighted average rate	274,615	129,895
. Debenture repurchase agreements	101.62% (March - 101.94%) of the CDI interest rate - weighted average rate	437,267	225,928
		793,064	410,567

Cash and bank balances include deposits in current accounts which are available for immediate use. These balances are a result of the strategies and the normal flow of operations of the Company and its subsidiaries.

All financial investments can be redeemed in up to 30 days, with no loss of remuneration.

All amounts in thousands of reais unless otherwise stated

7 Trade receivables

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

	Parent		Consolidated	
	June 30, 2012	**March 31, 2012**	**June 30, 2012**	**March 31, 2012**
Local customers	30,199	28,089	41,988	32,580
Foreign customers	20,806	5,780	22,614	5,819
	51,005	33,869	64,602	38,399

At June 30 and March 31, 2012, management did not identify the need to record a provision for impairment of trade receivables.

As of June 30, 2012, trade receivables of R$ 297 (R$ 796 - consolidated) were past due but not impaired. These receivables related to a number of customers for whom there is no history of default. The ageing analysis of these trade receivables is as follows:

	Parent		Consolidated	
	June 30, 2012	**March 31, 2012**	**June 30, 2012**	**March 31, 2012**
Past due and not provided for:				
up to 30 days	144	106	2,104	309
from 31 to 60 days		256		144
over 60 days	153	462	537	447
Not yet due:				
up to 30 days	49,937	30,271	60,810	34,094
from 31 to 60 days	732	2,611	732	3,192
over 60 days	39	163	419	213
	51,005	33,869	64,602	38,399

The past due amounts mainly refer to exports which were billed for immediate payment and take on average 30 days to be received. At June 30, 2012, the average collection period for trade receivables was 9 days (10 days - consolidated).

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

All amounts in thousands of reais unless otherwise stated

8 Inventories

	Parent	
	June 30, 2012	**March 31, 2012**
Finished products and in process	74,463	35,876
Advances - purchases of sugar cane	72,092	49,202
Inputs, indirect, maintenance and other materials	38,470	34,000
Provision for reduction of inventories to realizable value	(81)	(527)
	184,944	118,551
Current assets	140,975	104,624
Non-current assets	43,969	13,927

	Consolidated	
	June 30, 2012	**March 31, 2012**
Finished products and in process	92,889	43,558
Advances - purchases of sugar cane	118,833	68,534
Inputs, indirect, maintenance and other materials	49,927	52,867
Provision for reduction of inventories to realizable value	(262)	(707)
	261,387	164,252
Current assets	199,289	137,375
Non-current assets	62,098	26,877

In order to expand its production, 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.

All amounts in thousands of reais unless otherwise stated

9 Taxes recoverable

The balance of taxes recoverable can be summarized as follows:

		Parent
	June 30, 2012	**March 31, 2012**
Social Contribution on Revenues (COFINS), including credits on purchases of property, plant and equipment	27,649	23,645
Value-added Tax on Sales and Services (ICMS), including credits on purchases of property, plant and equipment	20,387	16,427
Social Integration Program (PIS), including credits on purchases of property, plant and equipment	6,496	6,898
Tax on Financial Transactions (IOF) on derivatives	5,145	4,751
Other	675	669
	60,352	52,390
Current assets	(25,914)	(28,977)
Non-current assets (mainly credits on purchases of property, plant and equipment)	34,438	23,413

		Consolidated
	June 30, 2012	**March 31, 2012**
COFINS, including credits on purchases of property, plant and equipment	47,004	43,515
ICMS, including credits on purchases of property, plant and equipment	28,963	25,777
PIS, including credits on purchases of property, plant and equipment	10,714	11,254
IOF on derivatives	5,145	4,751
Other	978	985
	92,804	86,282
Current assets	(36,703)	(39,701)
Non-current assets (mainly credits on purchases of property, plant and equipment)	56,101	46,581

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

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

All amounts in thousands of reais unless otherwise stated

10 Related parties

(a) Parent company and consolidated balances:

						Parent
			June 30, 2012			March 31, 2012
	Current assets	Non-current assets	Current liabilities	Current assets	Non-current assets	Current liabilities
Subsidiaries and related parties:						
Vale do Mogi (formerly USM)			10,277	466		248
UBV	898			3,082		796
USL	34	666		18	1,500	
SMBJ	9			1		
SME		15,243			12,678	
CTC					3,494	
SC	32		759	1,120		220
SMA	60			86		
Other	35			1,052		
Sub-total	1,068	15,909	11,036	5,825	17,672	1,264
From purchases of sugar cane - trade payables	1,657		2,137	950		1,812
	2,725	15,909	13,173	6,775	17,672	3,076

							Consolidated
			June 30, 2012				March 31, 2012
	Current assets	Non-current assets	Current liabilities	Current assets	Non-current assets	Current liabilities	Non-current liabilities
Subsidiaries and related parties:							
Amyris Brasil							23,543
UBV	440			1512		391	
USL	17			9			
SMBJ	5			1			
CTC		2			3,546		
SC	42		515	760			
SMA	30			42			
Other	33			1,052	242		
Sub-total	567	2	515	3,376	3,788	391	23,543
From purchases of sugar cane - trade payables	1,718		2,137	1,052		1,880	
	2,285	2	2,652	4,428	3,788	2,271	23,543

At June 30, 2012, the balances in current assets and liabilities (classified as trade receivables and trade payables in the balance sheet) refer to sales and purchases of goods between the Company and its subsidiaries and related parties. The balances in non-current assets and liabilities are advances for future capital increase.

All amounts in thousands of reais unless otherwise stated

(b) Parent company transactions in the quarter:

	June 30, 2012			
	Administrative expenses	Sales revenue	Expenses reimbursed by subsidiaries	Purchases of goods and services
Vale do Mogi				10,835
UBV		44	2,671	
USL			90	
SMA			84	
USC			48	
SMBJ			22	
Other			94	
Stockholders and related parties				
- rental of properties	78			
- rendering of services	256			
- purchases of sugar cane				3,054
	334	44	3,009	13,889

	June 30, 2011			
	Administrative expenses	Sales revenue	Expenses reimbursed by subsidiaries	Purchases of goods and services
Omtek		47		
UBV		52	1,313	40
USL			133	
Vale do Mogi				13,319
Stockholders and related parties				
- rental of properties	46			
- rendering of services	317			
- purchases of sugar cane				5,554
	363	99	1,446	18,913

The transactions with related parties refer to revenues and expenses in respect of sales of molasses, steam, rental of properties, provision of legal services and purchases of sugar cane.

The expenses reimbursed by subsidiaries refer to expenditures with the shared services center, of the Board of Directors and the Corporate Office. The apportionments are supported by agreements between the parties.

All amounts in thousands of reais unless otherwise stated

(c) Consolidated transactions in the quarter:

	June 30, 2012			
	Administrative expenses	Sales revenue	Expenses reimbursed by subsidiaries	Purchases of goods and services
UBV		22	1,310	
USL			45	
SMA			42	
USC			33	
SMBJ			11	
Other			94	
Stockholders and related parties				
- rental of properties	78			
- rendering of services	276			
- purchases of sugar cane				3,141
	354	22	1,535	3,141

	June 30, 2011
Stockholders and related parties	
- rental of properties	46
- rendering of services	338
- purchases of sugar cane	5,554
	5,938

(d) Key management remuneration:

Key management includes directors and officers. The remuneration paid or payable for their services is shown below:

	Parent		Consolidated	
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
Fees and bonuses	2,254	2,073	2,490	2,282
Social security contributions	451	415	498	456
Other	162	125	164	127
	2,867	2,613	3,152	2,865

All amounts in thousands of reais unless otherwise stated

11 Other assets

	Parent		Consolidated	
	June 30, 2012	March 31, 2012	June 30, 2012	March 31, 2012
Prepaid expenses	5,680	2,728	7,207	3,001
Sundry advances	3,170	1,437	3,276	1,680
Other investments	142	141	284	284
Other receivables	1,842	852	2,013	981
	10,834	5,158	12,780	5,946
Current assets	(10,581)	(4,905)	(12,385)	(5,551)
Non-current assets	253	253	395	395

12 Financial investments

	Remuneration	Consolidated	
		June 30, 2012	March 31, 2012
Financial investments			
. Funds - Financial Treasury Bills (LFT)	100% of the Special System for Settlement and Custody (SELIC) interest rate	6.679	6.541

The balance guarantees the payment of a long-term financing agreement of UBV and, accordingly, cannot be redeemed at any time.

All amounts in thousands of reais unless otherwise stated

13 Investments

13.1 Subsidiaries, jointly-controlled subsidiaries and associates

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

									June 30, 2012
	Vale do Mogi	**SME**	**NF**	**SMA**	**USL**	**SC**	**ABV**	**Other**	**Total**
In subsidiaries, jointly-controlled subsidiaries and associates									
Shares/quotas held (thousands)	23.500	1	426.635	50	11.898	1.643	1.146		
Percentage holding	100,00%	100,00%	50,95%	50,00%	41,67%	32,19%	17,97%		
Share capital	59.540	1	847.906	100	10.941	65.323	224.803		
Equity (net capital deficiency)	773.496	(150)	785.182	(2.325)	(12.925)	300.600	340.124		
Profit (loss) for the period	7.957	13	(14.287)	(693)	(1.311)	(30.180)	3.411		
Changes in the investments:									
At March 31, 2012	765.539		407.342		34.015	106.489	62.209	1.335	1.376.929
Payment and increase of capital					1.500			5.699	7.199
Equity in the results of investees	7.957	13	(7.279)	(347)	(546)	(9.716)	613	(1.942)	(11.247)
Reclassification to liabilities of investments with net capital deficiency - note 20		(13)		347	(954)				(620)
At June 30, 2012	773.496		400.063		34.015	96.773	62.822	5.092	1.372.261

The equity of the subsidiaries SC and ABV are adjusted by the fair values of the assets and liabilities acquired in the amounts of R$ 141,424 and R$ 108,170, respectively.

All amounts in thousands of reais unless otherwise stated

							June 30, 2011
	Vale do Mogi	**Omtek**	**SME**	**NF**	**SMA**	**USL**	**Total**
In subsidiaries:							
Shares/quotas held (thousands)	23.500		1.000	426.635	50	11.898	
Percentage holding	100,00%		100,00%	62,89%	50,00%	41,67%	
Share capital	59.540		1.000	684.870	100	3.541	
Equity (net capital deficiency)	770.796		(1)	621.493	(93)	(12.186)	
Profit (loss) for the quarter	8.364		(2)	(2.359)	(136)	(1.259)	
Changes in the investments:							
At March 31, 2011	762.432	24.614		392.344	21		1.179.411
Payment and increase of capital			1			1.583	1.584
Merger of spun-off net assets - note 1.7		(23.652)					(23.652)
Equity in the results of investees	8.364	(962)	(2)	(1.485)	(68)	(519)	5.328
Reclassification to current liabilities of investments with net capital deficiency			1		47	(1.064)	(1.016)
At June 30, 2011	770.796			390.859			1.161.655

There are no cross-holdings between the parent company and the subsidiaries.

13.2 Goodwill, spin-off and merger of Etanol Participações S.A. ("EP")

Goodwill is described in detail in note 14.2 to the annual financial statements for the year ended March 31, 2012.

13.3 Investments in the consolidated financial statements

The balance of investments in the consolidated relates to: (i) the indirect investees: Agropecuária Caieira do Norte S.A., Monte Sereno Agrícola Ltda. and Agropecuária do Cachimbo S.A., which investments amount to R$ 5,464, R$ 1,362 and R$ 66, respectively; and (ii) the associated company CTC - Centro de Tecnologia Canavieira amounting to R$ 5,245.

These investments are not consolidated and are recorded on the equity method of accounting.

14 Biological assets

At June 30, 2012, the Company, SC and UBV had sugar cane plantations in the states of São Paulo and Goiás used to provide raw materials for their production. The cultivation of sugar cane begins with the planting of seedlings in land of the Company or of third parties, and the first harvest occurs after a period of 12 to 18 months from planting, when the cane is harvested and the root ("stubble") remains in the ground. After each harvest (year/crop), the treated stubble grows again, giving an average of five or six crops.

The Company's land in which crops are cultivated is recorded in property, plant and equipment and is not part of the fair value of biological assets.

The key assumptions used for measuring the fair value are:

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

(a) Cash inflows obtained from the multiplication of (i) the estimated production, measured in kilograms of ATR (Total Sugar Recoverable); and (ii) the futures market price of sugar cane, which is estimated based on public data and estimates of the future prices of sugar and ethanol;

(b) Cash outflows represented by the estimates of (i) costs necessary for the biological transformation of the sugarcane (cultivation) up to the harvest; (ii) costs with harvesting/cutting, loading and transport (CCT); (iii) capital costs (land and machinery and equipment); (iv) costs of leases and rural partnerships; and (v) taxes on positive cash flows; and

(c) The discount rate corresponding to the Weighted Average Cost of Capital (WACC), which is periodically reviewed by management.

All amounts in thousands of reais unless otherwise stated

The following assumptions were used to determine the related fair value:

	Consolidated	
	June 30, 2012	**March 31, 2012**
Estimated harvest area (ha)	132,516	130,068
Expected productivity (t/ha)	79.44	74.42
Amount of ATR per metric ton of sugar cane (kg)	137.23	137.07
Estimated average price per ATR (R$)	0.5403	0.5269

Based on the estimates of revenue and costs, the Company determines the future cash flows to be generated and discounts them to present value, considering 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 sales" in the statement of income for the period.

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.

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

	June 30, 2012	
	Parent	**Consolidated**
Biological assets at March 31, 2012	443.536	632.904
Increases arising from planting and treatment	42.691	73.439
Change in fair value	9.413	3.900
Decreases resulting from the harvest	(34.437)	(45.936)
Biological assets at the end of the period	461.203	664.307

All amounts in thousands of reais unless otherwise stated

(a) Operating leases, agricultural partnerships and future sugar cane purchase commitments.

The Company and its subsidiaries signed agreements related to operating leases and purchases of sugar cane produced in the rural properties of third parties and agricultural partnerships through multiyear agreements. The lease and sugar cane purchase agreements are effective for six to twelve years, and most of them are renewable.

The amounts to be disbursed in respect of these transactions will be 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). The total payments related to leases and purchase agreements are estimated as follows:

	Consolidated	
	June 30, 2012	March 31, 2012
Up to 1 year	107,567	123,716
From 1 year and up to 5 years	307,461	368,186
After 5 years	152,704	195,845
	567,732	687,747

All amounts in thousands of reais unless otherwise stated

15 Property, plant and equipment

Parent

	Land	Buildings and ancillary constructions	Industrial equipment and facilities	Vehicles	Agricultural machinery and implements	Other	Construction in progress	Total
At March 31, 2012	602.806	64.754	458.553	50.905	119.963	12.641	103.986	1.413.608
Total cost	602.806	72.733	520.128	61.148	137.662	38.856	103.986	1.537.319
Accumulated depreciation		(7.979)	(61.575)	(10.243)	(17.699)	(26.215)		(123.711)
Net book value	602.806	64.754	458.553	50.905	119.963	12.641	103.986	1.413.608
At March 31, 2012	602.806	64.754	458.553	50.905	119.963	12.641	103.986	1.413.608
Additions			16.827	259	517	155	24.067	41.825
Disposals (residual value)				(145)				(145)
Transfers between accounts and to intangible assets		19.675	16.899	140	27	12	(36.785)	(32)
Depreciation		(886)	(25.873)	(1.619)	(3.999)	(588)		(32.965)
At June 30, 2012	602.806	83.543	466.406	49.540	116.508	12.220	91.268	1.422.291
Total cost	602.806	92.408	553.854	61.362	138.206	39.008	91.268	1.578.912
Accumulated depreciation		(8.865)	(87.448)	(11.822)	(21.698)	(26.788)		(156.621)
Net book value	602.806	83.543	466.406	49.540	116.508	12.220	91.268	1.422.291
Net book value of:								
Historical cost	21.102	40.142	233.146	45.672	73.661	12.220	91.268	517.211
Revaluation increment	581.704	43.401	233.260	3.868	42.847			905.080
	602.806	83.543	466.406	49.540	116.508	12.220	91.268	1.422.291
Average annual depreciation rates		4,61%	10,06%	11,19%	12,97%	12,17%		

All amounts in thousands of reais unless otherwise stated

Consolidated

	Land	Buildings and ancillary constructions	Industrial equipment and facilities	Vehicles	Agricultural machinery and implements	Leasehold improvements	Other	Construction in progress	Total
At March 31, 2012	1.904.176	159.440	758.872	79.312	162.418	21.580	15.375	143.094	3.244.267
Total cost	1.904.176	178.951	871.975	103.260	198.489	31.574	43.056	143.094	3.474.575
Accumulated depreciation		(19.511)	(113.103)	(23.948)	(36.071)	(9.994)	(27.681)		(230.308)
Net book value	1.904.176	159.440	758.872	79.312	162.418	21.580	15.375	143.094	3.244.267
At March 31, 2012	1.904.176	159.440	758.872	79.312	162.418	21.580	15.375	143.094	3.244.267
Additions			20.781	428	2.528	1.719	200	33.867	59.523
Disposals (residual value)			(1)	(173)	(13)				(187)
Transfers between accounts and to intangible assets		19.684	17.672	141	46	626	(614)	(37.587)	(32)
Depreciation		(1.760)	(35.856)	(2.643)	(6.349)	(907)	(682)		(48.197)
At June 30, 2012	1.904.176	177.364	761.468	77.065	158.630	23.018	14.279	139.374	3.255.374
Total cost	1.904.176	198.635	910.427	103.572	200.999	33.919	42.628	139.374	3.533.730
Accumulated depreciation		(21.271)	(148.959)	(26.507)	(42.369)	(10.901)	(28.349)		(278.356)
Net book value	1.904.176	177.364	761.468	77.065	158.630	23.018	14.279	139.374	3.255.374
Net book value of:									
Historical cost	133.039	121.212	478.742	68.081	112.438	23.018	14.279	139.374	1.090.183
Revaluation increment	1.771.137	56.152	282.726	8.984	46.192				2.165.191
	1.904.176	177.364	761.468	77.065	158.630	23.018	14.279	139.374	3.255.374
Average annual depreciation rates		3,54%	7,58%	12,94%	12,80%	16,76%	12,25%		

All amounts in thousands of reais unless otherwise stated

The parent company balance of construction in progress at June 30, 2012 refers to the refurbishment of its two plants to increase sugar and ethanol production, investments in electricity cogeneration and other improvements. The consolidated balance of construction in progress also includes the expansion and improvements to the plant of UBV and SC for the production of sugar, ethanol and electricity cogeneration.

At June 30, 2012, 13,938 ha of the Company's land were pledged in guarantee for borrowings of UBV.

Expenditures with maintenance in the inter-crop period are allocated to property, plant and equipment and are fully depreciated during the following harvest.

Under the terms of certain borrowing agreements of the Company and its subsidiaries, property, plant and equipment totaling R$ 580,031 at June 30, 2012 (consolidated) was pledged as collateral. These assets are mainly represented by industrial equipment and facilities, and agricultural machinery and implements. In addition, land totaling R$ 812,327 was pledged as collateral for securitized rural credits, recorded in current and long-term liabilities.

The Company and its subsidiaries capitalized finance charges of R$ 1,223 and R$ 1,272, in the quarters ended June 30, 2012 and 2011, respectively.

(a) Deemed cost

See note 16 (a) to the annual financial statements for the year ended March 31, 2012.

16 Intangible assets

	Parent		Consolidated	
	June 30, 2012	**March 31, 2012**	**June 30, 2012**	**March 31, 2012**
Goodwill - expected future profitability (i)			47,880	47,880
Accumulated amortization (i)			(4,811)	(4,811)
Software	6,980	6,948	9,170	9,138
Accumulated amortization	(4,174)	(3,981)	(5,438)	(5,149)
Electricity contract (ii) and other assets			22,105	22,352
	2,806	2,967	68,906	69,410

(i) The goodwill attributed to expected future profitability, derived from the spin-off of the net assets of USL, of R$ 38,826, currently merged into the Company, is no longer being amortized and has been tested for impairment as from the fiscal year beginning April 1, 2009, as mentioned in note 14.2 to the annual financial statements for the year ended March 31, 2012. The goodwill attributed to the acquisition of ABV is detailed in note 38 to the annual financial statements for the year ended March 31, 2012.

(ii) Refers to the intangible assets (electricity contracts) identified in the process of acquisition of the investment in SC. See note 38 to the annual financial statements for the year ended March 31, 2012. The amortization is recorded in accordance with the deliveries of energy scheduled in the contract.

All amounts in thousands of reais unless otherwise stated

17 Borrowings

Type	Charges	Guarantees	Maturity	Parent June 30, 2012	March 31, 2012
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	70,117	72,199
Rural credit	Weighted average fixed interest rate of 6.75% paid on the maturity of the contract	(b)	Monthly installments with maturities between Aug 12 and Dec 12	10,970	20,139
Finame / BNDES Automatic loans	Quarterly Long-term Interest Rate (TJLP) + weighted average interest of 4.37% p.a. paid monthly	(c)	Monthly installments with maturities between Jul 12 and Feb 17	18,614	21,472
Finame / BNDES Automatic loans	Weighted average fixed rate of 5.56% p.a. paid monthly	(d)	Monthly installments with maturities between Jul 12 and Feb 17	36,319	36,560
Other securitized credits	Fixed interest rate of 3% p.a. paid annually	(e)	Annual installments with final maturity in Oct 25	68	69
Working capital	Variation of 99.63 % CDI OVER CETIP (average rate for interbank loans for one day registered with CETIP) paid on the maturities of the contracts	(g)	Single installments with maturities in May 13, May 14, Jun 16 and May 17	265,167	109,392
Leasing	Fixed interest rate of 7.51% p.a. paid monthly	(f)	Monthly installments with maturities between Jul 12 and Apr 13	186	242
FINEM DIRECT	Quarterly Long-term Interest Rate (TJLP) + weighted average interest of 2.91% p.a. paid monthly	(c)	Monthly installments with maturities between May 13 and Apr 23	15,003	14,966
FINEM DIRECT	Fixed interest rate of 5.50% p.a. paid monthly	(c)	Monthly installments with maturities between Jul 12 and Apr 21	62,178	62,177
FINEM DIRECT	Quarterly Long-term Interest Rate (TJLP) + weighted average interest of 1.40% p.a. paid monthly	(c)	Monthly installments with maturities between Jul 12 and Mar 21	14,500	13,001
In foreign currency:					
Advances on Foreign Exchange Contracts (ACC)	Fixed interest rate of 0.923% p.a. + US$ variation paid on maturities	(l)	Single installments with maturities between Jan 13 and May 13	80,984	
Working capital	Fixed interest rate of 5.50% p.a. + US$ variation paid on maturities		Payments of semi-annual interest and principal in Jun 17	202,192	
Export prepayment - PPE	6-month Libor + fixed rate of 1.4979% p.a. = 2.9979% p.a. + US$ variation paid on maturities	(h)	Semiannual installments with maturities between Jul 12 and Sep 16	483,805	437,376
FINEM DIRECT	Currency basket (US$, Euro and Yen) + weighted average fixed rate of 6.6950% p.a. paid monthly	(c)	Monthly installments with maturities between May 13 and Apr 23	1,529	1,370
Total				1,261,632	788,963
Current liabilities				(253,658)	(117,551)
Non-current liabilities				1,007,974	671,412

FINAME - Government Agency for Machinery and Equipment Financing
BNDES - National Bank for Economic and Social Development
FINEM - Financing Program for Business Expansion and Modernization

All amounts in thousands of reais unless otherwise stated

Type	Charges	Guarantees	Maturity	Consolidated June 30, 2012	Consolidated March 31, 2012
In local currency:					
Securitized rural credits	General Market Price Index (IGP-M) + weighted average interest of 4.59% p.a., paid annually	(a)	Annual installments with maturities between Sep 18 and Jul 20	76,961	78,927
Rural credit	Fixed interest rate of 10.16% p.a. paid on final maturity of the contracts	(b)	Monthly installments with maturities between Aug 12 and Jun 17	87,505	20,139
Finame / BNDES Automatic loans	Quarterly Long-term Interest Rate (TJLP) + weighted average interest of 4.25% p.a. paid monthly	(c) and (i)	Monthly installments with maturities between Jul 12 and Feb 17	27,344	31,677
Finame / BNDES Automatic loans	Weighted average fixed interest rate of 5.86% p.a. paid monthly	(d) and (j)	Monthly installments with maturities between Jul 12 and Jan 17	43,563	43,155
Industrial Credit Certificate	Weighted average fixed interest rate of 11.5% p.a. paid monthly	(j)	Monthly installments with maturities between Jul 12 and Nov 19	4,231	4,374
Working capital	Variation of 99.63 % CDI OVER CETIP (average rate for interbank loans for one day registered with CETIP) paid on the maturities of the contracts	(g)	Single installments with maturities in May 13, May 14, Jun 15, Jun 16 and May 17	265,167	109,392
Other securitized credits	Fixed interest rate of 3% p.a. paid annually	(e)	Annual installments with maturities between Oct 12 and Oct 25	68	68
Leasing	Weighted average fixed rate of 7.49% p.a. paid monthly	(f)	Monthly installments with final maturity between Jul 12 and May 13	195	257
FINEM - DIRECT	Quarterly Long-term Interest Rate (TJLP) + weighted average interest of 2.40% p.a. paid monthly	(c) and (i)	Monthly installments with maturities between May 13 and Apr 23	186,177	195,455
FINEM - DIRECT	Quarterly Long-term Interest Rate (TJLP) + weighted average interest of 1.40% p.a. paid monthly	(c) and (i)	Monthly installments with maturities between Jul 12 and Mar 21	14,500	13,001
FINEM - DIRECT	Fixed interest rate of 5.14% p.a. paid monthly	(c) and (i)	Monthly installments with maturities between Jul 12 and Apr 21	117,832	111,983
In foreign currency:					
Finame / BNDES Automatic loans	Currency basket (US$, Euro and Yen) + weighted average fixed rate of 7.02% p.a. paid monthly	(k)	Monthly installments with maturity in Jun 13	52	
FINEM - DIRECT	Currency basket (US$, Euro and Yen) + weighted average fixed rate of 6.16% p.a. paid monthly	(c) and (k)	Monthly installments with maturities between May 13 and Apr 23	40,350	38,198
ACC	Fixed interest rate of 1.81% p.a. + US$ variation paid on final maturities	(l)	Installments with maturities between Jan 13 and May 13	107,641	19,093
Working capital	Average fixed interest rate of 5.50% p.a. + US$ variation paid on maturities		Single installment with maturity in Jun 17	202,192	
Working capital	Average fixed interest rate of 5.6594% p.a. + US$ variation paid on maturities	(m)	Single installment with maturity in Jul 13	40,637	36,073
Export prepayment - PPE	6-month Libor + fixed rate of 1.4979% p.a. = 2,9979% p.a. + US$ variation paid on maturities	(h)	Semiannual installments with maturities between Jul 12 and Sep 16	483,805	437,376
Export prepayment - PPE	Average fixed interest rate of 4.7811% p.a. + US$ variation paid on maturities	(h)	Installments with maturities between Aug 12 and Apr 18	96,802	88,144
Export prepayment - PPE	Principal restated at the US$ variation and interest restated at 135% of the variation of the Interbank Deposit Certificate (CDI) OVER Central System for Custody and Financial Settlement of Securities (CETIP) rate, paid on final maturities	(h)	Single installment with maturity in Jan 13		5,057
Total				1,795,022	1,232,369
Current liabilities				(357,830)	(247,504)
Non-current liabilities				1,437,192	984,865

All amounts in thousands of reais unless otherwise stated

At June 30, 2012, all the borrowings were guaranteed by stockholders' sureties and by the following additional guarantees (referenced to the tables above):

Description of the guarantees for borrowings at June 30, 2012		Carrying or contractual amount
(a)	Mortgage - 15,598 ha of land	533,763
(b)	Promissory note	14,928
(c)	Statutory lien of industrial equipment	125,357
	Statutory lien of agricultural equipment	48,128
	Promissory note	22,441
	Bank guarantee	18,687
(d)	Mortgage - 23 ha of land	143
	Statutory lien of industrial equipment	89,042
	Statutory lien of agricultural equipment	49,530
	Promissory note	1,804
(e)	Mortgage - 78 ha of land	4,779
(f)	Promissory note	1,471
(g)	Promissory note	100,000
(h)	Consolidated financial covenants: maintenance of a minimum percentage of principal with a projected flow of receivables and minimum ratio between the net debt and EBITDA. At June 30, 2012 and March 31, 2012, the Company was in compliance with all the covenants of the financing agreements.	
	Mortgage - 3,942 ha of land	23,937
	Promissory note	612,960
(i)	Mortgage of 11,326 ha	198,125
	Statutory lien of industrial equipment	155,165
	Statutory lien of agricultural equipment	13,265
	Promissory note	4,530
(j)	Mortgage of 199 ha	3,138
	Statutory lien of industrial equipment	96,606
	Statutory lien of agricultural equipment	371
(k)	Mortgage of 2,413 ha	42,217
	Statutory lien of industrial equipment	2,567
(l)	Promissory note	28,515
(m)	Mortgage of 1,025 ha	6,226

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

All amounts in thousands of reais unless otherwise stated

The subsidiary SC did not comply at March 31, 2012 with certain contractual borrowing conditions (covenants - financial indices), which would enable the lender to demand prepayment of approximately R$ 66 million. The Company reclassified, in the consolidated financial statements, the amount of R$ 22 million at March 31, 2012 to current liabilities, equivalent to its proportion of the subsidiary's borrowing. SC obtained waivers from the lender of the compliance with these covenants on May 24, 2012. Therefore, at June 30, 2012, the balance once again was classified as non-current liabilities.

Long-term borrowings have the following maturities:

	June 30, 2012	
	Parent	**Consolidated**
From 7/1/13 to 6/30/14	115,727	218,857
From 7/1/14 to 6/30/15	260,582	350,234
From 7/1/15 to 6/30/16	79,810	139,221
From 7/1/16 to 6/30/17	481,586	597,620
From 7/1/17 to 6/30/18	20,363	50,189
From 7/1/18 to 6/30/27	49,906	81,071
	1,007,974	1,437,192

The carrying amounts and fair values of the borrowings are similar.

Based on Brazilian Central Bank Resolution 2,471/98 and other pertinent legal provisions, in 1998, 1999 and 2000, the Company 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 3.9% 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 was recorded in the financial statements at June 30 and March 31, 2012, based on the amount of future disbursements adjusted to present value.

All amounts in thousands of reais unless otherwise stated

18 Trade payables

	Parent		Consolidated	
	June 30, 2012	March 31, 2012	June 30, 2012	March 31, 2012
Sugar cane	55,184	14,212	56,889	17,587
Materials, services and other	33,924	42,539	45,100	59,068
	89,108	56,751	101,989	76,655

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.

19 Payables to Copersucar

Copersucar provided funds to the companies during the period in which they were cooperative members through bills of exchange, for the purpose of financing their operations. The funds were obtained by the Cooperative in the market and transferred to the cooperative members, for short-term settlement, and from temporary cash surpluses arising from injunctions in lawsuits claiming the suspension of liabilities. These cash surpluses related 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 included in these liabilities arose from Excise Tax (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.

The analysis of the amounts payable to Copersucar is as follows:

	Parent	
	June 30, 2012	March 31, 2012
REFIS - Copersucar - Updated based on the SELIC interest rate	87,520	87,804
Bill of Exchange - Updated based on the SELIC interest rate	69,772	69,141
Bill of Exchange - Onlending of funds not subject to charges	44,272	44,272
Bill of Exchange - Updated based on the US$ variation + interest of 4.53%	684	1,232
Total	202,248	202,449
Current liabilities	(2,040)	(2,040)
Non-current liabilities	200,208	200,409

All amounts in thousands of reais unless otherwise stated

	Consolidated	
	June 30, 2012	March 31, 2012
REFIS - Copersucar - Updated based on the SELIC interest rate	102,223	103,371
Bill of Exchange - Updated based on the SELIC interest rate	76,076	79,075
Bill of Exchange - Onlending of funds not subject to charges	42,686	40,478
Bill of Exchange - Updated based on the US$ variation + interest of 4.53%	3,041	1,439
Total	224,026	224,363
Current liabilities	(2,302)	(2,356)
Non-current liabilities	221,724	222,007

All the liabilities of the Company and its subsidiaries to Copersucar are guaranteed by directors' sureties.

Copersucar enrolled in the special Tax Recovery Program (REFIS) established by Law 11,941/09. The amount included in the installment payments of taxes under this Program was allocated to the cooperative and ex-cooperative members during the year ended March 31, 2011, according to the resolution of the Board of Directors of Copersucar.

In accordance with the terms of the withdrawal from Copersucar, as from the date thereof, the Company and its subsidiaries USL and SC will remain liable for the obligations recorded under "Payables to Copersucar" in non-current liabilities, without any change in maturity dates, until the matters that gave rise to these liabilities and which are under judicial dispute being handled by the Cooperative's legal counsel are finally judged by the courts on an unappealable basis. Such liabilities continue to be collateralized by bank guarantees in the amount of R$ 155,073 (R$ 177,708 - consolidated).

20 Taxes payable in installments

	Parent		Consolidated	
	June 30, 2012	March 31, 2012	June 30, 2012	March 31, 2012
ICMS	2,940	3,106	3,042	3,224
REFIS installment program - Law 11,941	51,593	52,005	57,564	59,122
Other			1,660	839
	54,533	55,111	62,266	63,185
Current liabilities (taxes payable)	(5,188)	(5,238)	(5,188)	(5,312)
Non-current liabilities	49,345	49,873	57,078	57,873

In October and November 2009, the Company and its subsidiaries Omtek, USL, SC and ABV enrolled in the Tax Recovery Program (REFIS), established by Law 11,941, of May 27, 2009, with benefits of the reduction of interest, fines and legal charges. Most of the lawsuits included in the installment payment program were being challenged in court and had been provided for, based on the opinion of the legal advisors. As a consequence of the enrollment in REFIS, the Company and its subsidiaries must pay the installments without any delay exceeding three months, as well as waive their legal claims and any plea of rights on which these lawsuits were based, subject to the immediate rescission of the installment program and, consequently, the loss of the benefits (discounts and advantageous payment terms). The consolidated liability portion of ABV has not been approved by the tax authorities yet due to issues in the data transmission system of the Brazilian Federal Revenue Secretariat. The subsidiary has taken measures to recognize the inclusion of these liabilities in the Tax Recovery Program (REFIS).

All amounts in thousands of reais unless otherwise stated

21 Other liabilities

	Parent		Consolidated	
	June 30, 2012	March 31, 2012	June 30, 2012	March 31, 2012
Sales to be billed	616	160	6,608	3,202
Revenues to be appropriated	583	758	583	758
Taxes payable in installments	22	88	22	88
Net capital deficiency of subsidiaries	6,698	7,319		
Mitsubishi Corporation	11,399	9,836	11,399	9,836
Other	2,910	2,425	3,362	3,150
	22,228	20,586	21,974	17,034
Current liabilities	(14,493)	(13,769)	(14,238)	(10,215)
Non-current liabilities	7,735	6,817	7,736	6,819

The outstanding balance due to Mitsubishi Corporation arose from the acquisition of the investment in ABV, in November 2009 and with final payment in 2014.

22 Equity

(a) Share capital

At June 30 and March 31, 2012, the capital was divided into 113,000,000 nominative common shares, without par value. At the Extraordinary General Meeting held on July 27, 2012, the stockholders approved an increase in the Company's capital of R$ 158,250 without the issue of new common nominative shares and without par value, with the balance of the capital investment reserve.

(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 Instructions 10/80 and 268/97 and other statutory provisions. The share repurchases of this second program were carried during the period of December 2011 and May 2012 on the BM&FBovespa S.A. (São Paulo Stock, Commodities and Futures Exchange), at market prices, with the intermediation of brokerage firms. Up to 1,000,000 shares were to be purchased.

All amounts in thousands of reais unless otherwise stated

During the quarter ended June 30, 2012, the Company repurchased 99,000 common shares for R$ 1,817, at a minimum price per share of R$ 18.30 and a maximum price of R$ 18.65, resulting in an average price of R$ 18.33. The table below summarizes the changes in treasury shares in this period:

	Number	Average purchase price*	Total amount
Treasury shares at March 31, 2011	708,600	18.00	12,755
Repurchase of shares of the second program	99,000	18.33	1,815
Treasury shares at June 30, 2012	807,600	18.04	14,570

** Includes additional costs of acquisition*

At June 30, 2012, the market value of the totality of these shares was R$ 16,669. At March 31, 2012, the market value was R$ 16,574, when the balance in treasury was 708,600 shares.

The Company's objective with this program is to maximize the generation of value for its stockholders.

(c) Carrying value adjustments

See note 23(c) to the annual financial statements for the year ended March 31, 2012.

(d) Legal and capital investment reserves

No changes occurred in the calculation method utilized during the quarter ended June 30, 2012. See note 23 (d) to the annual financial statements for the year ended March 31, 2012.

At the Ordinary General Stockholders Meeting held on July 27, 2012, the stockholders approved an additional allocation of R$ 123,068 to the capital investment reserve.

(e) Dividends and interest on capital

Stockholders 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.

The Ordinary General Stockholders Meeting held on July 27, 2012 approved an additional dividend distribution of R$ 6,014 (R$ 0.0536 per share), totaling a dividend distribution of R$ 36,084 (R$ 0.321343 per share).

(f) Stock option plan

On November, 28 and December 12, 2011, purchase options of Company's shares were granted to certain directors. These stock options are detailed in note 23(f) to the annual financial statements for the year ended March 31, 2012.

All amounts in thousands of reais unless otherwise stated

The changes in the outstanding stock options are as follows:

Date	Number of shares granted	Outstanding stock options	Average exercise price (R$)
11/28/2011	140,400	140,400	19.31
12/12/2011	418,538	418,538	18.49
6/30/2012	558,938	558,938	

The fair value attributed to these options was determined based on the Black & Scholes pricing model, which takes into consideration the value of the share, the price of exercise, the time to elapse up to the exercise of the option, the likelihood of the option being exercised, the historical volatility based on the daily closing prices of the shares in the last two years, the dividend rate and the risk-free interest rate.

In the quarter ended June 30, 2012, the Company recognized an expense of R$ 631 with stock options.

23 Employee and management benefits plan

During the quarter ended June 30, 2012, there were no changes made in the model and assumptions used for the plan, as described in note 24 to the annual financial statements for the year ended March 31, 2012.

The contributions in the quarters ended June 30, 2012 and 2011, recorded as operating costs or expenses in the consolidated statements of income, amounted to R$ 384 and R$ 432, respectively.

24 Profit sharing program

There were no changes in the assumptions utilized for this calculation during the quarter ended June 30, 2012. See note 25 to the annual financial statements for the year ended March 31, 2012.

The profit sharing for the quarters ended June 30, 2012 and 2011, recorded as operating costs or expenses in the consolidated statements of income, amounted to R$ 2,948 and R$ 2,663, respectively.

All amounts in thousands of reais unless otherwise stated

25 Income tax and social contribution

(a) The income tax and social contribution are represented by:

		Parent
Tax assets	**June 30, 2012**	**March 31, 2012**
Current assets - prepayments		
. Income tax and social contribution to be offset	19,412	17,658
Tax liabilities		
Net non-current liabilities		
Deferred tax assets		
. Income tax on tax losses	19,851	21,880
. Social contribution on tax losses	7,220	7,950
Taxes on temporary differences:		
. Provision for contingencies	17,341	16,737
. Tax benefit of merged goodwill	5,295	5,432
. Pre-operating expenses (deferred charges, written off)	5	6
. Derivative financial instruments	43,468	10,980
. Other	2,800	5,331
Deferred tax liabilities		
Taxes on temporary differences:		
. Revaluation increment of property, plant and equipment (deemed cost)	(308,648)	(311,776)
. Accelerated tax-incentive depreciation	(127,180)	(125,318)
. Securitized financing	(14,412)	(13,833)
. Adjustments to present value	(4,996)	(5,312)
. Derivative financial instruments	(18,318)	(4,248)
. Biological assets and agricultural product (changes in fair value)	(8,676)	(4,867)
. Foreign exchange variations	(7,530)	(7,643)
Non-current liabilities	(393,780)	(404,681)

All amounts in thousands of reais unless otherwise stated

	Consolidated	
	June 30, 2012	**March 31, 2012**
In current assets - prepayments		
. Income tax and social contribution to be offset	22,218	20,550
In current liabilities - current payables		
. Income tax and social contribution payable	586	240
Deferred income tax and social contribution		
Deferred tax assets		
. Income tax on tax losses	56,028	55,359
. Social contribution on tax losses	20,291	20,051
Taxes on temporary differences:		
. Provision for contingencies	18,126	17,826
. Biological assets and agricultural product (changes in fair value)	5,723	5,731
. Tax benefit of merged goodwill	8,203	8,459
. Pre-operating expenses (deferred, written off)	5,188	5,941
. Derivative financial instruments	43,468	10,980
. Other	2,787	5,665
Deferred tax liabilities		
Taxes on temporary differences:		
. Revaluation increment of property, plant and equipment (deemed cost)	(733,767)	(737,730)
. Accelerated tax-incentive depreciation	(127,180)	(125,318)
. Securitized financing	(14,610)	(14,027)
. Adjustments to present value	(5,412)	(5,749)
. Derivative financial instruments	(18,318)	(4,248)
. Biological assets and agricultural product (changes in fair value)	(10,488)	(6,831)
. Foreign exchange variations	(5,045)	(10,616)
. Intangible assets	(7,383)	(7,467)
	(762,389)	(781,974)
Non-current assets	(41,867)	(38,227)
Non-current liabilities	(804,256)	(820,201)

All amounts in thousands of reais unless otherwise stated

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

Accumulated income tax and social contribution losses can be carried forward indefinitely, but without monetary adjustment or interest, and their offset is limited to 30% of the taxable income of each year. In accordance with current accounting practices, deferred tax credits arising from tax loss carryforwards are recognized based on projections of taxable income of the Company and its subsidiaries, which support the recovery of the tax credits.

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 expected to occur as follows:

	Estimated realization	
Years ended June 30	**Parent**	**Consolidated**
2013	18,240	23,473
2014	38,097	44,200
2015	17,459	27,256
2016	11,166	24,539
2017	7,549	20,071
2018 and thereafter	3,469	20,275
	95,980	159,814

The deferred income tax and social contribution liabilities are realized principally 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. 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.

All amounts in thousands of reais unless otherwise stated

(b) Reconciliation of income tax and social contribution

The income tax and social contribution expense are reconciled to the standard rates as shown below:

	June 30, 2012		June 30, 2011	
Parent company:	**Income tax**	**Social contribution**	**Income tax**	**Social contribution**
Profit before taxation	11,144	11,144	51,732	51,732
Standard rates of tax - %	25%	9%	25%	9%
	(2,786)	(1,003)	(12,933)	(4,656)
Reconciliation to the effective rate:				
Permanent differences				
Equity in the results of investees	(2,812)	(1,012)	1,332	480
Tax benefits - REFIS installment program - Law 11,941			176	64
Other permanent differences	(854)	(299)	1,112	434
Workers' Meal Program (PAT) and donations with incentives			223	
Income tax and social contribution	(6,452)	(2,314)	(10,090)	(3,678)
Total income tax and social contribution	(8,766)		(13,768)	

All amounts in thousands of reais unless otherwise stated

	June 30, 2012		June 30, 2011	
Consolidated:	**Income tax**	**Social contribution**	**Income tax**	**Social contribution**
Profit before taxation	2,949	2,949	51,700	51,700
Standard rates of tax - %	25%	9%	25%	9%
	(737)	(265)	(12,925)	(4,653)
Reconciliation to the effective rate:				
Permanent differences				
Tax incentives - non-taxable ICMS	399	144	271	97
Deferred taxes, not recorded	(271)	(98)	(999)	(359)
Equity in the results of investees	(487)	(175)		
Write-off of deferred taxes in subsidiary	(419)	(151)		
Adjustment related to the calculation of subsidiary taxed based on the deemed profit method	1,981	713		
Other permanent differences	(892)	(313)	3,163	1,206
Tax benefits - REFIS installment program - Law 11,941			176	63
PAT and donations with incentives			224	
Income tax and social contribution	(426)	(145)	(10,090)	(3,646)
Total income tax and social contribution	(571)		(13,736)	

26 Investment subsidies

There were no changes in the assumptions utilized for this calculation during the quarter ended June 30, 2012. See note 27 to the annual financial statements for the year ended March 31, 2012.

The incentive amounts credited to operations for the quarters ended June 30, 2012 and 2011 were R$ 1,596 and R$ 1,724, respectively.

27 Commitments

The Company and its subsidiaries undertake several commitments in the ordinary course of their business. There were no significant changes to these commitments in comparison with those described in note 28 to the annual financial statements for the year ended March 31, 2012.

In addition, the Company is the guarantor of borrowings contracted by UBV totaling R$ 522,127.

All amounts in thousands of reais unless otherwise stated

28 Provision for contingencies

28.1 Probable losses

The Company and its subsidiaries, based on legal counsel's assessment of probable losses, have the following provisions for contingencies (amounts monetarily restated):

						Parent
	March 31, 2012	Additions	Reversals	Utilizations	Monetary restatements	June 30, 2012
Tax	6,493		(4)	(261)	54	6,282
Civil and environmental	14,506	220		(220)	256	14,762
Labor	47,065	8,054	(1,253)	(7,371)	1,304	47,799
Contingent liability	68,064	8,274	(1,257)	(7,852)	1,614	68,843
Judicial deposits	41,784	4,176		(4,447)	474	41,987

						Consolidated
	March 31, 2012	Additions	Reversals	Utilizations	Monetary restatements	June 30, 2012
Tax	8,218		(869)	(261)	73	7,161
Civil and environmental	15,489	232	(58)	(220)	258	15,701
Labor	50,552	8,977	(1,392)	(7,978)	1,437	51,596
Contingent liability	74,259	9,209	(2,319)	(8,459)	1,768	74,458
Judicial deposits	44,972	4,295	(43)	(4,466)	491	45,249

The nature of the main lawsuits to which the above provisions related at June 30, 2012 was as follows (Parent company and Consolidated):

Tax

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

Civil and environmental

These refer to: (i) compensation for material and moral damages; (ii) redress for damages caused by the burning of sugar cane straw; and (iii) environmental lawsuits.

All amounts in thousands of reais unless otherwise stated

Labor

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 month salary and vacation pay, plus 1/3 vacation bonus.

28.2 Possible losses (contingent liabilities)

The Company and its subsidiaries are parties to several lawsuits involving tax, environmental and civil matters that were assessed by legal counsel as possible losses (contingent liabilities). The nature and the amounts involved in the lawsuits are as follows:

Tax:

Consolidated						Stage	
Subject		Number of lawsuits	Administrative	Trial court	Lower tribunal	Higher tribunal	Total
(i)	Social security contributions	15	100,740		12,878		113,618
(ii)	Calculation of IRPJ/CSLL	6	81,306				81,306
	Negative balance of IRPJ	3	107	98		1,550	1,755
	Offset of credits - PIS	2	3,787		1,778		5,565
	Offset of federal taxes	2	230		1,496		1,726
	Other tax cases	37	15,121	1,373	325		16,819
		65	201,291	1,471	16,477	1,550	220,789

(i) The lawsuits refer to the levy of the Social Security Contribution 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.

(ii) The lawsuits refer to the exclusion from the calculation basis of income tax and social contribution of expenses related to securitized financing, as well as expenses arising from the benefit of accelerated tax-incentive depreciation.

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 interest in Copersucar in previous harvests, which result from tax assessments that may arise and that relate to periods in which the Company and its subsidiaries 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 interest of the Company and its subsidiaries in the Cooperative, amounts to R$ 152,882. Legal counsel assesses the outcome in these lawsuits as a possible loss.

Copersucar believes that it has strong arguments to successfully defend the fines imposed by the State Finance Departments in these assessments.

All amounts in thousands of reais unless otherwise stated

Civil and environmental:

Consolidated						**Stage**
Subject	**Number of lawsuits**	**Administrative**	**Trial court**	**Lower tribunal**	**Higher tribunal**	**Total**
Environmental	31	825	974	1,133		2,932
Civil						
Indemnities	49		10,413	210	27	10,650
Review of contracts	8			18		18
Rectification of area and land registration	5		11			11
Permits for obtaining mining research license	8					
Regulatory	1	71				71
	102	896	11,398	1,361	27	13,682

The management of the Company and its subsidiaries, based on legal counsel's opinion, believe 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.

29 Derivative financial instruments

Derivative financial instruments must 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 for the period, except when the derivative is designated for hedge accounting. 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 in the results arising from derivatives marked to market.

As from March 1, 2010, the Company and its subsidiaries (except for SC and ABV) opted for the utilization of hedge accounting to record a part of their derivative financial instruments. The instruments elected were sugar, ethanol and foreign currency (US dollar) derivatives, which cover the sales of the 2011/2012 and 2012/2013 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, are recorded in "Carrying value adjustments" in equity, net of deferred taxes, and recorded in the statement of income in "Net sales revenue", when the revenue of the related hedged sale is recorded, which occurs in the month the products 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 realized 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.

All amounts in thousands of reais unless otherwise stated

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 realized by contracting Non-Deliverable Forwards (NDFs) and options strategies with leading financial institutions.

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 were realized 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 June 30 and March 31, 2012, relating to transactions involving derivative financial instruments, were as follows:

		Parent
	June 30, 2012	**March 31, 2012**
Margin deposits	30,946	722
Potential results - futures - sugar	14,456	4,404
Potential results - futures - ethanol	7	8
Potential results - options - sugar	2,304	631
Potential results - options - US dollar		
Potential results - forward contracts - foreign exchange	(60,977)	(12,409)
Potential results - forward contracts - sugar	182	4,518
Potential results - swap contracts	(4,819)	(1,133)
	(17,901)	(3,259)
In current assets	47,895	10,283
In current liabilities	(65,796)	(13,542)
	(17,901)	(3,259)

All amounts in thousands of reais unless otherwise stated

	Consolidated	
	June 30, 2012	March 31, 2012
Margin deposits	31,526	1,287
Potential results - futures - sugar	15,084	4,223
Potential results - futures - ethanol	15	(185)
Potential results - options - sugar	3,394	816
Potential results - options - US dollar	3	
Potential results - forward contracts - foreign exchange	(61,256)	(12,352)
Potential results - forward contracts - sugar	5	4,548
Potential results - swap contracts	(5,233)	(1,543)
	(16,462)	(3,206)
In current assets	50,204	11,063
In current liabilities	(66,666)	(14,269)
	(16,462)	(3,206)

Margin deposit balances refer to funds maintained in current accounts with brokers to cover the initial margins 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 transactions.

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.

29.1 Fair value of the derivative financial instruments

At June 30 and March 31, 2012, the analysis of the fair values of the assets and liabilities related to transactions involving derivative financial instruments is as follows:

All amounts in thousands of reais unless otherwise stated

(a) Futures and options contracts:

					June 30, 2012
Parent	Contracted volume	Price/ average rate	Notional amount - R$	Fair value - R$	Receivable (payable) - R$
Products - Sugar #11					
Futures contracts					
Sales commitment	209,550	22.62	211,212	13,913	13,913
Purchase commitment	17,272	20.49	15,771	543	543
					14,456
Option contracts					
Bidding position - sale	66,548	21.27	63,082	4,694	4,694
Bidding position - purchase	45,720	22.50	45,843	1,647	1,647
Written position - sale	27,940	21.11	26,289	(1,752)	(1,752)
Written position - purchase	84,328	23.77	89,332	(2,285)	(2,285)
					2,304
Products - ETH BMF					
Futures contracts					
Sales commitment	7,200	452.71	109	7	7

					March 31, 2012
Parent	Contracted volume	Price/ average rate	Notional amount - R$	Fair value - R$	Receivable (payable) - R$
Products - Sugar #11					
Futures contracts					
Sales commitment	340,360	24.41	333,733	4,220	4,220
Purchase commitment	7,874	24.13	7,633	184	184
					4,404
Option contracts					
Bidding position - sale	100,584	21.97	88,757	2,527	2,527
Bidding position - purchase	46,736	24.70	46,376	1,814	1,814
Written position - sale	69,596	20.60	57,605	(1,120)	(1,120)
Written position - purchase	85,344	25.20	86,395	(2,590)	(2,590)
					631
Products - ETH BMF					
Futures contracts					
Sales commitment	2,520	1,140.30	96	8	8
Currency - US$					
Option contracts					
Bidding position - sale	1,000	1.74	1,740		1
Written position - purchase	1,000	2.01	2,010		(1)

All amounts in thousands of reais unless otherwise stated

					June 30, 2012
Consolidated	**Contracted volume**	**Price/ average rate**	**Notional amount - R$**	**Fair value - R$**	**Receivable (payable) - R$**
Products - Sugar #11					
Futures contracts					
Sales commitment	222,552	22.63	224,429	14,911	14,911
Purchase commitment	19,235	20.97	17,979	173	173
					15,084
Option contracts					
Bidding position - sale	81,268	21.52	77,927	6,223	6,223
Bidding position - purchase	45,720	22.50	45,843	1,647	1,647
Written position - sale	34,482	20.44	31,408	(1,788)	(1,788)
Written position - purchase	107,797	24.01	115,332	(2,688)	(2,688)
					3,394
Products - ETH BMF					
Futures contracts					
Sales commitment	7,509	481.96	121	15	15
					15
Currency - US$					
Option contracts					
Bidding position - sale	161	2.05	330	11	11
Written position - purchase	161	2.12	341	(8)	(8)
					3

All amounts in thousands of reais unless otherwise stated

Consolidated	March 31, 2012				
	Contracted volume	Price/average rate	Notional amount - R$	Fair value - R$	Receivable (payable) - R$
Products - Sugar #11					
Futures Contracts					
Sales commitment	367,918	24.43	361,033	4,856	4,856
Purchase commitment	21,858	25.10	22,036	(633)	(633)
					4,223
Options contracts					
Bidding position - sale	127,243	22.30	114,010	3,679	3,679
Bidding position - purchase	46,736	24.70	46,376	1,814	1,814
Written position - sale	80,636	20.36	65,965	(1,159)	(1,159)
Written position - purchase	125,087	25.54	128,353	(3,518)	(3,518)
					816
Products - ETH BMF					
Futures Contracts					
Sales commitment	6,036	1,150.69	232	(185)	(185)
					(185)
Currency - US$					
Options contracts					
Bidding position - sale	1,000	1.74	1,740		1
Written position - purchase	1,000	2.01	2,010		(1)

The following terminology is used for the options contracts listed above:

(a) Bidding position - sale: purchase of put options that grant the Company the right, but not the obligation, to sell at a previously established price.

(b) Bidding position - purchase: purchase of call options that grant the Company the right, but not the obligation, to purchase at a previously established price.

(c) Written position - purchase: sale of call options under which the Company has the obligation to comply at the agreed price at the buyer's discretion.

(d) Written position - sale: sale of call options under which the Company has the obligation to comply at the agreed price at the buyer's discretion.

All amounts in thousands of reais unless otherwise stated

(b) Foreign currency forward contracts (NDF over-the-counter - CETIP):

						Parent - June 30, 2012
Maturity	Position	US$ thousand	Average fixed rate - R$/US$ 1	Notional amount - R$	Fair value - R$	Payable - R$
Jul/12	Sold	21,907	1.7904	39,223	(5,014)	(5,014)
Aug/12	Sold	60,704	1.8266	110,886	(11,914)	(11,914)
Sep/12	Sold	43,283	1.8505	80,102	(7,902)	(7,902)
Oct/12	Sold	48,137	1.8444	88,791	(9,396)	(9,396)
Nov/12	Sold	40,174	1.8561	74,566	(7,403)	(7,403)
Dec/12	Sold	31,641	1.8928	59,891	(4,928)	(4,928)
Jan/13	Sold	39,181	1.9098	74,829	(6,036)	(6,036)
Feb/13	Sold	11,694	1.8893	22,093	(2,090)	(2,090)
Mar/13	Sold	20,500	1.9369	39,708	(2,839)	(2,839)
Apr/13	Sold	18,500	1.9832	36,689	(1,899)	(1,899)
May/13	Sold	15,000	2.0168	30,252	(1,151)	(1,151)
Jun/13	Sold	560	2.1387	1,198	18	18
Jul/13	Sold	9,025	2.1568	19,464	360	360
Aug/13	Sold	25,153	2.0853	52,451	(867)	(867)
Sep/13	Sold	8,632	2.1744	18,771	338	338
Oct/13	Sold	12,217	2.1830	26,671	469	469
Nov/13	Sold	9,650	2.1941	21,174	379	379
Dec/13	Sold	7,594	2.2048	16,744	315	315
Jan/14	Sold	7,242	2.2143	16,037	295	295
Feb/14	Sold	2,803	2.2248	6,238	116	116
Aug/14	Sold	14,880	2.1608	32,152	(968)	(968)
Aug/15	Sold	14,880	2.2955	34,158	(860)	(860)
		463,357				(60,977)

All amounts in thousands of reais unless otherwise stated

Consolidated- June 30, 2012

Maturity	Position	US$ thousand	Average fixed rate - R$/US$ 1	Notional amount - R$	Fair value - R$	Payable - R$
Jul/12	Sold	23,951	1.8025	43,171	(5,201)	(5,201)
Aug/12	Sold	61,380	1.8288	112,252	(11,919)	(11,919)
Sep/12	Sold	44,088	1.8546	81,764	(7,879)	(7,879)
Oct/12	Sold	49,988	1.8515	92,555	(9,422)	(9,422)
Nov/12	Sold	40,818	1.8574	75,817	(7,480)	(7,480)
Dec/12	Sold	32,365	1.8955	61,348	(4,966)	(4,966)
Jan/13	Sold	39,181	1.9098	74,829	(6,036)	(6,036)
Feb/13	Sold	12,451	1.8947	23,591	(2,164)	(2,164)
Mar/13	Sold	20,886	1.9400	40,520	(2,833)	(2,833)
Apr/13	Sold	19,251	1.9875	38,262	(1,899)	(1,899)
May/13	Sold	15,000	2.0168	30,253	(1,151)	(1,151)
Jun/13	Sold	2,763	2.1282	5,880	47	47
Jul/13	Sold	9,629	2.1583	20,782	392	392
Aug/13	Sold	25,475	2.0863	53,147	(857)	(857)
Sep/13	Sold	10,128	2.1719	21,997	366	366
Oct/13	Sold	12,217	2.1830	26,670	469	469
Nov/13	Sold	9,650	2.1941	21,173	379	379
Dec/13	Sold	7,594	2.2048	16,744	315	315
Jan/14	Sold	7,242	2.2143	16,036	295	295
Feb/14	Sold	2,803	2.2248	6,236	116	116
Aug/14	Sold	14,880	2.1608	32,153	(968)	(968)
Aug/15	Sold	14,880	2.2955	34,157	(860)	(860)
		476,620				(61,256)

All amounts in thousands of reais unless otherwise stated

Parent - March 31, 2012

Maturity	Position	US$ thousand	Average fixed rate - R$/US$ 1	Notional amount - R$	Fair value - R$	Payable - R$
Apr/12	Sold	6,708	1.8529	12,430	203	203
May/12	Sold	2,000	1.7280	3,456	(220)	(220)
Jun/12	Sold	6,500	1.7762	11,546	(468)	(468)
Jul/12	Sold	20,416	1.7804	36,348	(1,585)	(1,585)
Aug/12	Sold	54,336	1.8192	98,850	(2,714)	(2,714)
Sep/12	Sold	40,792	1.8459	75,304	(1,440)	(1,440)
Oct/12	Sold	45,646	1.8397	83,980	(2,333)	(2,333)
Nov/12	Sold	35,660	1.8473	65,872	(1,917)	(1,917)
Dec/12	Sold	28,127	1.8871	53,080	(694)	(694)
Jan/13	Sold	25,667	1.8893	48,493	(813)	(813)
Feb/13	Sold	11,180	1.8790	21,007	(571)	(571)
Mar/13	Sold	8,500	1.9017	16,166	(320)	(320)
Apr/12	Sold	2,500	1.9182	4,796	(77)	(77)
May/12	Sold	5,000	1.9545	9,772	(36)	(36)
Aug/13	Sold	14,880	2.0296	30,200	452	452
Aug/14	Sold	14,880	2.1608	32,152	152	152
Aug/15	Sold	14,880	2.2955	34,158	(28)	(28)
		337,672				(12,409)

Consolidated- March 31, 2012

Maturity	Position	US$ thousand	Average fixed rate - R$/US$ 1	Notional amount - R$	Fair value - R$	Payable - R$
Apr/12	Sold	6,740	1.8521	12,483	199	199
May/12	Sold	2,032	1.7274	3,510	(225)	(225)
Jun/12	Sold	7,739	1.7918	13,867	(450)	(450)
Jul/12	Sold	21,655	1.7855	38,665	(1,584)	(1,584)
Aug/12	Sold	54,529	1.8195	99,214	(2,709)	(2,709)
Sep/12	Sold	40,872	1.8462	75,458	(1,431)	(1,431)
Oct/12	Sold	46,065	1.8400	84,760	(2,342)	(2,342)
Nov/12	Sold	35,901	1.8478	66,336	(1,916)	(1,916)
Dec/12	Sold	28,610	1.8881	54,019	(682)	(682)
Jan/13	Sold	25,667	1.8893	48,493	(813)	(813)
Feb/13	Sold	11,937	1.8853	22,505	(542)	(542)
Mar/13	Sold	8,500	1.9017	16,165	(320)	(320)
Apr/12	Sold	2,500	1.9182	4,795	(77)	(77)
May/12	Sold	5,000	1.9545	9,773	(36)	(36)
Aug/13	Sold	14,880	2.0296	30,200	452	452
Aug/14	Sold	14,880	2.1608	32,153	152	152
Aug/15	Sold	14,880	2.2955	34,157	(28)	(28)
		342,387				(12,352)

All amounts in thousands of reais unless otherwise stated

The counterparties of the forward contracts are the financial institutions: America Merrill Lynch, Citibank, Rabobank, Bradesco, Santander, HSBC, Itaú BBA, Deutsche Bank, Goldman Sachs, Morgan Stanley, BTG Pactual, Barclays and Credit Agricole Brasil.

(c) Sugar forward contracts "sugar 11" (NDF over-the-counter - CETIP):

Parent - June 30, 2012

Maturity	Position	Lots	Average fixed rate (¢/lb)	Notional amount - R$	Fair value - R$	Receivable (payable) - R$
Oct/12	Sold	300	24.53	14,874	2,369	2,369
May/13	Sold	605	20.99	25,665	(462)	(462)
Jul/13	Sold	1,045	20.86	44,059	(804)	(804)
Oct/13	Sold	960	20.84	40,439	(921)	(921)
		2,910				182

Consolidated - June 30, 2012

Maturity	Position	Lots	Average fixed rate (¢/lb)	Notional amount - R$	Fair value - R$	Receivable (payable) - R$
Oct/12	Sold	306	24.54	15,238	2,427	2,427
May/13	Sold	637	20.98	27,183	(498)	(498)
Jul/13	Sold	1,190	20.86	50,895	(924)	(924)
Oct/13	Sold	1,024	20.84	43,462	(1,000)	(1,000)
		3,157				5

Parent - March 31, 2012

Maturity	Position	Lots	Average fixed rate (¢/lb)	Notional amount - R$	Fair value - R$	Receivable (payable) - R$
May/12	Sold	282	26.94	13,846	1,283	1,283
Jul/12	Sold	745	25.69	34,870	2,833	2,833
Oct/12	Sold	300	24.53	13,409	402	402
		1,327				4,518

Consolidated - March 31, 2012

Maturity	Position	Lots	Average fixed rate (¢/lb)	Notional amount - R$	Fair value - R$	Receivable (payable) - R$
May/12	Sold	282	26.94	13,846	1,283	1,283
Jul/12	Sold	1,072	25.48	49,766	2,849	2,849
Oct/12	Sold	627	24.75	28,281	416	416
		1,981				4,548

The counterparties of the sugar forward contracts "Sugar #11" are the financial institutions: Citibank, Macquarie, Deutsche Bank and Barclays.

(d) Swap contracts - US$ x CDI (over-the-counter - CETIP):

						Parent - June 30, 2012
Maturity	Notional amount - US$ (000)	Base value - R$	Receivable	Payable	Fair value - R$	Payable - R$
Jan/13	USD 10,000	18,682	USD + 0.8%	96% of CDI	1,118	1,118
Mar/13	USD 10,000	18,682	USD + 0.8%	95.8% of CDI	1,057	1,057
Apr/13	USD 10,000	18,920	USD + 0.9%	93.8% of CDI	846	846
May/13	USD 10,000	19,416	USD + 1.2%	94.2% of CDI	425	425
Mar/15	USD 50,000	91,280	6M Libor + 3%	USD + 3.85%	(425)	(425)
Jun/15	USD 75,000	137,355	6M Libor + 1.5%	USD + 2.36%	(571)	(571)
Sep/16	USD 100,000	183,140	6M Libor + 2.5%	USD + 3.60%	(2,203)	(2,203)
May/17	USD 80,000	165,736	CDI	USD + 5.0%	(5,066)	(5,066)
						(4,819)

						Consolidated - June 30, 2012
Maturity	Notional amount - US$ (000)	Base value - R$	Receivable	Payable	Fair value - R$	Payable - R$
Nov/12	USD 966	1,646	100% LB12 USD + 1.70%	100% USD +5.1500%	(55)	(55)
Jan/13	USD 10,000	18,682	USD + 0.8%	96% of CDI	1,118	1,118
Mar/13	USD 10,000	18,682	USD + 0.8%	95.8% of CDI	1,057	1,057
Apr/13	USD 10,000	18,920	USD + 0.9%	93.8% of CDI	846	846
May/13	USD 10,000	19,416	USD + 1.2%	94.2% of CDI	425	425
Nov/13	USD 2,897	4,939	100% LB6 USD + 1.95%	100% USD +5.0941%	(133)	(133)
Mar/15	USD 50,000	91,280	6M Libor + 3%	USD + 3.85%	(425)	(425)
Jun/15	USD 75,000	137,355	6M Libor + 1.5%	USD + 2.36%	(571)	(571)
Sep/15	USD 4,829	8,608	100% LB6 USD	100% USD +1.43%	(69)	(69)
Dec/15	USD 6,548	11,673	100% LB6 USD	100% USD +1.35%	(86)	(86)
Dec/15	USD 2,897	5,172	100% LB6 USD	100% USD +1.22%	(37)	(37)
Aug/16	USD 4,829	9,827	100% LB6 USD	100% USD +0.9775%	(33)	(33)
Sep/16	USD 100,000	183,140	6M Libor + 2.5%	USD + 3.60%	(2,204)	(2,204)
May/17	USD 80,000	165,736	CDI	USD + 5.0%	(5,066)	(5,066)
						(5,233)

The fair values of the derivative financial instruments, presented above, are expected to be realized in the following months/periods:

Parent company (in thousands of reais)					Maturity by month	
	Oct/12	Mar/13	May/13	Jul/13	Oct/13	Total
PRODUCTS						
Derivatives designated as hedges						
Fair value of purchased futures - Sugar	397	146				543
Fair value of sold futures - Sugar	11,163	2,893		(79)	(64)	13,913
Fair value of sold NDFs - Sugar	2,369		(462)	(804)	(921)	182
	13,929	3,039	(462)	(883)	(985)	14,638
Sugar options						
Fair value of bidding position - sale	3,466	1,228				4,694
Fair value of bidding option - purchase	1,647					1,647
Fair value of written position - sale	(1,752)					(1,752)
Fair value of written position - purchase	(1,081)	(1,204)				(2,285)
	2,280	24	-	-	-	2,304
	16,209	3,063	(462)	(883)	(985)	16,942

Parent company (in thousands of reais)	2Q12	3Q12	4Q12	1Q13	Later	Total
						Maturity by period
PRODUCTS						
Derivatives designated as hedges						
Fair value of sold futures - Ethanol	7					7
FOREIGN CURRENCY						
Derivatives designated as hedges						
Fair value of sold NDFs - Foreign exchange	(24,830)	(21,727)	(10,965)	(3,032)	(423)	(60,977)
Derivatives not designated as hedges						
Swap contracts						
Fair value of Swap - US dollar x CDI					(8,264)	(8,264)
Derivatives designated as hedges						
Swap contracts						
Fair value of Swap - US dollar x CDI			2,174	1,271		3,445
	(24,823)	(21,727)	(8,791)	(1,761)	(423)	(57,525)

Consolidated (in thousands of reais)	Oct/12	Mar/13	May/13	Jul/13	Oct/13	Total
						Maturity by month
PRODUCTS						
Derivatives designated as hedges						
Fair value of purchased futures - Sugar	27	146	-			173
Fair value of sold futures - Sugar	12,072	2,978	2	(77)	(64)	14,911
Fair value of sold NDFs - Sugar	2,427	-	(498)	(924)	(1,000)	5
	14,526	3,124	(496)	(1,001)	(1,064)	15,089
Sugar options						
Fair value of bidding position - sale	4,949	1,274				6,223
Fair value of bidding option - purchase	1,647					1,647
Fair value of written position - sale	(1,788)					(1,788)
Fair value of written position - purchase	(1,380)	(1,308)				(2,688)
	3,428	(34)	-	-	-	3,394
	17,954	3,090	(496)	(1,001)	(1,064)	18,483

Consolidated (in thousands of reais)	2Q12	3Q12	4Q12	1Q13	Later	Total
						Maturity by period
PRODUCTS						
Derivatives designated as hedges						
Fair value of sold futures - Ethanol	15					15
FOREIGN CURRENCY						
Derivatives designated as hedges						
Fair value of sold NDFs - Sugar		58		(36)	(199)	(177)
Fair value of sold NDFs - Foreign exchange	(24,998)	(21,868)	(11,033)	(3,004)	(353)	(61,256)
Derivatives not designated						
Fair value of Swap - US dollar x CDI					(8,264)	(8,264)
Derivatives not designated						
Fair value of Swap - US dollar x CDI		(55)	2,174	1,271	(359)	3,031
	(24,983)	(21,865)	(8,859)	(1,769)	(911)	(58,387)

All amounts in thousands of reais unless otherwise stated

The results of transactions involving derivative financial instruments that affected the results in the quarters ended June 30, 2012 and 2011 were:

	June 30, 2012		June 30, 2011	
Product-linked contracts:	Parent	Consolidated	Parent	Consolidated
Futures contracts	11,341	15,604	(11,480)	(11,480)
Options	(464)	(393)	(3,385)	(3,385)
Commissions and brokerage fees	(236)	(280)	(179)	(179)
Foreign exchange variations	(300)	(300)	(146)	(146)
	10,341	14,631	(15,190)	(15,190)
Currency-linked contracts:				
Futures contracts	(3,516)	(4,121)	1,351	1,351
Options			(92)	(92)
	(3,516)	(4,121)	1,259	1,259
Debt-linked contracts:				
Swap	3,615	3,541		
Net effect	10,440	14,051	(13,931)	(13,931)
Effect on statement of income items:				
Gross revenue	8,098	8,098	(9,898)	(9,898)
Finance income	10,490	15,130	5,450	5,450
Finance costs	(7,848)	(8,877)	(9,336)	(9,336)
Monetary and foreign exchange variations, net	(300)	(300)	(147)	(147)
	10,440	14,051	(13,931)	(13,931)

29.2 Margin deposits given in guarantee

In order to comply with the requirements of exchanges for certain financial derivative transactions, the Company and its subsidiaries maintained the following amounts as guarantees.

	Parent		Consolidated	
Brokers	**2012**	**2011**	**2012**	**2011**
Natixis	8,046	524	8,379	711
New Edge	13,168	(6)	13,168	(6)
Prudential	924	287	924	287
Hencorp			35	61
Macquarie			20	18
ICAP			18	79
ADM			174	221
Santander	8,808	(83)	8,808	(84)
	30,946	722	31,526	1,287

All amounts in thousands of reais unless otherwise stated

30 Segment information (consolidated)

Management has determined the operating segments of the Company and its subsidiaries based on the reports used for strategic decisions, reviewed by the main decision-makers, namely: the Executive Board, the CEO and the Board of Directors.

The analyses are realized by segmenting the business based on the products sold by the Company and its subsidiaries, comprising three segments:

(i) Sugar;
(ii) Ethanol; and
(iii) Other products.

The "Other products" segment (iii) includes operations related to the production and sale of electricity, generated by the Company and UBV, ribonucleic acid (sodium salt), arising from the merger of Omtek, 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 (State of São Paulo and Goiás).

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

(a) Consolidated result per segment

Quarter ended June 30, 2012

	Sugar	Ethanol	Other products	Non-segmented	Total
Net revenue	145,782	106,998	37,533		290,313
Cost of sales	(92,374)	(104,745)	(21,050)		(218,169)
Gross profit	53,408	2,253	16,483		72,144
Gross margin	36.6%	2.1%	43.9%		24.9%
Selling expenses	(7,008)	(1,190)	(780)		(8,978)
Other operating expenses				(32,955)	(32,955)
Operating profit	46,400	1,063	15,703	(32,955)	30,211
Finance costs, net				(10,024)	(10,024)
Monetary and foreign exchange variations, net				(17,238)	(17,238)
Profit before taxation	46,400	1,063	15,703	(60,217)	2,949
Income tax and social contribution				(571)	(571)
Profit for the quarter	46,400	1,063	15,703	(60,788)	2,378

All amounts in thousands of reais unless otherwise stated

Quarter ended June 30, 2011

	Sugar	Ethanol	Other products	Non-segmented	Total
Net revenue	197,244	110,726	20,978		328,948
Cost of sales	(131,808)	(76,668)	(23,533)		(232,009)
Gross profit	65,436	34,058	(2,555)		96,939
Gross margin	33.2%	30.8%	-12.2%		29.5%
Selling expenses	(12,076)	(836)	(494)		(13,406)
Other operating expenses				(22,693)	(22,693)
Operating profit	53,360	33,222	(3,049)	(22,693)	60,840
Finance costs, net				(10,714)	(10,714)
Monetary and foreign exchange variations, net				1,574	1,574
Profit before taxation	53,360	33,222	(3,049)	(31,833)	51,700
Income tax and social contribution				(13,736)	(13,736)
Profit for the quarter	53,360	33,222	(3,049)	(45,569)	37,964

(b) Consolidated operating assets per segment

The main operating assets of the Company and its subsidiaries 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 period to another.

At June 30, 2012

	Sugar	Ethanol	Other products	Total
Trade receivables	8,775	39,896	15,931	64,602
Inventories	104,640	143,860	12,887	261,387
Biological assets	279,003	385,304	-	664,307
Property, plant and equipment	1,384,327	1,583,269	287,778	3,255,374
Intangible assets	20,489	19,316	21,760	61,565
Other assets not allocated				1,085,744
Total	1,797,234	2,171,645	338,356	5,392,979

At March 31, 2012

	Sugar	Ethanol	Other products	Total
Trade receivables	6,278	25,152	6,969	38,399
Inventories	53,972	101,418	8,862	164,252
Biological assets	282,517	350,387		632,904
Property, plant and equipment	1,402,441	1,461,113	380,713	3,244,267
Intangible assets	37,864	31,498	48	69,410
Other assets not allocated				637,935
Total	1,783,072	1,969,568	396,592	4,787,167

All amounts in thousands of reais unless otherwise stated

Taking into consideration that the decision-makers analyze liabilities on a consolidated basis, the segment information relating to liabilities is not being disclosed.

31 Revenue

	Parent		Consolidated	
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
Gross sales revenue				
Domestic market	93,857	124,702	153,912	155,231
Foreign market	137,043	189,374	153,960	193,240
	230,900	314,076	307,872	348,471
Taxes, contributions and sales deductions	(11,394)	(15,630)	(17,559)	(19,523)
	219,506	298,446	290,313	328,948

32 Costs and expenses by nature

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

	Parent		Consolidated	
Costs and expenses by nature:	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
Raw material and materials for use and consumption	68,643	83,008	69,884	80,139
Personnel expenses	30,124	33,590	38,393	36,990
Depreciation and amortization (includes harvested biological assets)	55,002	77,614	77,771	86,259
Parts and maintenance services	5,997	9,025	8,756	9,552
Outsourced services	13,176	22,389	18,136	24,395
Contingencies	8,632	3,717	8,659	3,752
Change in fair value of biological assets	(9,413)	(3,353)	(3,818)	795
Materials for resale	7,318	1,900	14,179	3,569
Other expenses	13,067	16,739	26,974	23,545
	192,546	244,629	258,934	268,996

All amounts in thousands of reais unless otherwise stated

Classified as:	Parent June 30, 2012	Parent June 30, 2011	Consolidated June 30, 2012	Consolidated June 30, 2011
Cost of sales	159.485	211.838	218.169	232.009
Selling expenses	6.878	12.531	8.978	13.406
General and administrative expenses	26.183	20.260	31.787	23.581
	192.546	244.629	258.934	268.996

33 Other income (expenses), net

	Parent June 30, 2012	Parent June 30, 2011	Consolidated June 30, 2012	Consolidated June 30, 2011
Gain (loss) on the sale of property, plant and equipment	(15)	313	34	301
REFIS installment program - Law 11,941		424		618
Other	860	327	747	(31)
	845	1.064	781	888

34 Finance result

	Parent June 30, 2012	Parent June 30, 2011	Consolidated June 30, 2012	Consolidated June 30, 2011
Finance income				
Interest income	6,820	4,793	8,890	7,740
Gains on derivatives	10,490	5,450	15,130	5,450
Other income	1,038	140	1,115	160
	18,348	10,383	25,135	13,350
Finance costs				
Interest expense	(17,861)	(10,219)	(25,787)	(13,740)
Losses on derivatives	(7,848)	(9,336)	(8,877)	(9,336)
Other expenses	(376)	(809)	(495)	(988)
	(26,085)	(20,364)	(35,159)	(24,064)
Monetary and foreign exchange variations				
Gains	16,769	16,166	17,356	16,284
Losses	(14,446)	(14,662)	(34,594)	(14,710)
	2,323	1,504	(17,238)	1,574
Finance result	(5,414)	(8,477)	(27,262)	(9,140)

35 Earnings per share

(a) Basic

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

	June 30, 2012	June 30, 2011
Profit attributable to stockholders of the Company	2,378	37,964
Weighted average number of common shares - in thousands	112,249	112,861
Basic and diluted earnings (in reais)	0.02118	0.3364

(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 share purchase options with potential dilutive effects.

	June 30, 2012	June 30, 2011
Earnings		
Profit used to determine diluted earnings per share	2,378	37,964
Weighted average number of common shares for diluted earnings per share (thousands)	112,322	112,861
Diluted earnings per share – R$	0.02117	0.3364

36 Insurance (unaudited)

The Company and its subsidiaries maintain a standard of safety, training and quality program in their units, which aims to, among other things, reduce the risk of accidents. In addition, they have insurance contracts with cover determined according to the advice of experts, taking into account the nature and degree of risk, in amounts considered sufficient to cover possible significant losses on assets and/or civil liability. The amounts covered by the current insurance policies at June 30, 2012 were as follows:

All amounts in thousands of reais unless otherwise stated

Risks covered	Maximum cover (*)	
	Parent	Consolidated
Civil liability	803,040	951,044
Fire, lightning and explosion of any nature	396,500	514,744
Theft or robbery	111,409	141,571
Other cover	140,334	196,779
Electrical damages	15,955	20,854
Natural phenomena, impact of vehicles or aircraft, etc.	8,500	11,638

(*) Corresponds to the maximum 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.

37 Acquisition of investment

Note 38 to the annual financial statements for the year ended March 31, 2012 presents the complete details of the acquisition of 32.18% of the capital share of SC and 17.97% of the capital share of ABV, carried out in November 2011.

37.1 Accounts payable - Acquisition of investment

The payment for the acquisition of the shareholdings in SC and ABV is due in three installments, and the balance payable is as follows:

	SC	ABV	Total
Present value of the total consideration	102,764	65,308	168,072
Payment on November 21, 2011	(36,081)	(22,929)	(59,010)
Adjustment to present value	4,607	2,928	7,535
At June 30, 2012	71,290	45,307	116,597
Current liabilities	(36,380)	(23,119)	(59,499)
Non-current liabilities	34,910	22,188	57,098

38 Subsequent events

As described in note 22 (c), at the Ordinary and Extraordinary General Stockholders Meeting held on July 27, 2012, the stockholders approved: (i) the allocation of the profit for the year ended March 31, 2012 for the payment of dividends totaling R$ 36,084, equivalent to R$ 0.321343 per share; (ii) the allocation of R$ 123,068 to the capital reserve account; and (iii) an increase in the Company's capital of R$ 158,250 without the issue of new shares, using the balance of the capital investments reserve.

* * *

São Martinho

1Q13

Results

2012/2013 Crop Year

São Martinho reports Adjusted EBITDA of R$105.7 million, with Adjusted EBITDA margin of 36.4%

São Paulo, August 14, 2012 – SÃO MARTINHO S.A. (BM&FBovespa: SMTO3; Reuters SMTO3.SA and Bloomberg SMTO3 BZ), one of Brazil's largest sugar and ethanol producers, announces today its results for the first quarter of 2013 (1Q13).

1Q13 HIGHLIGHTS

- The São Martinho Group recorded Adjusted EBITDA of R$105.7 million in 1Q13 (Adjusted EBITDA Margin of 36.4%), decreasing 28.2% from 1Q12. The decrease was mainly driven by the 38% reduction in sugar sales volume between 1Q13 and 1Q12, which was due to the higher rainfall in May and June that negatively impacted sugarcane crushing and hindered the distribution of sugar at ports. Based on the information to date on sugarcane yields in our fields, we expect to recover sugar and ethanol production volumes by the end of this crop year and to offset the lower sales volume recorded in 1Q13 over the coming quarters;

- Net income in 1Q13 was R$2.4 million, compared to net income of R$37.9 million in 1Q12. The reduction in net income resulted from a combination of i) the decrease in Adjusted EBITDA (as mentioned above) and ii) the increase in expenses with long-term exchange variation impacts (non-cash) of R$17.0 million, resulting from the 11% depreciation in the Brazilian real against the U.S. dollar in 1Q13. Considering that all dollar-denominated debt is linked to future export volumes, these losses will be fully reversed once the exports are realized;

- On June 30, 2012, 529,000 tons of sugar were hedged through the end of the crop year at an average price of US$24.3 cents/pound. This amount is equivalent to roughly 67.5% of the total volume of sugar available for sale in the coming quarters of the 12/13 crop year (approximately 785,000 tons). In addition, on the same date, a total of 145,000 tons of sugar were hedged for the 2013/14 crop year at an average price of US$21.80 cents/pound with US$ currency futures of around R$/US$ 2.11.

FINANCIAL HIGHLIGHTS

FINANCIAL HIGHLIGHTS (R$ Thousand)	1Q13	1Q12	Chg. (%)
São Martinho - Consolidated			
Gross Revenue	307,872	348,471	-11.7%
Net Revenue	290,313	328,948	-11.7%
Adjusted EBITDA	105,645	147,094	-28.2%
EBITDA Margin	36.4%	44.7%	-8.3 p.p.
Consolidated Balance Sheet Indicators			
Total Assets	5,392,799	4,787,167	12.7%
Shareholders' Equity	1,987,692	2,024,678	-1.8%
EBITDA (LTM)	488,360	620,184	-21.3%
Net Debt	1,118,555	496,224	125.4%
Net Debt / EBITDA (LTM)	2.1 x (*)	0.8 x	
Net Debt / Shareholders' Equity	56%	25%	

(*) Considering Santa Cruz´s EBITDA LTM (32.18%)

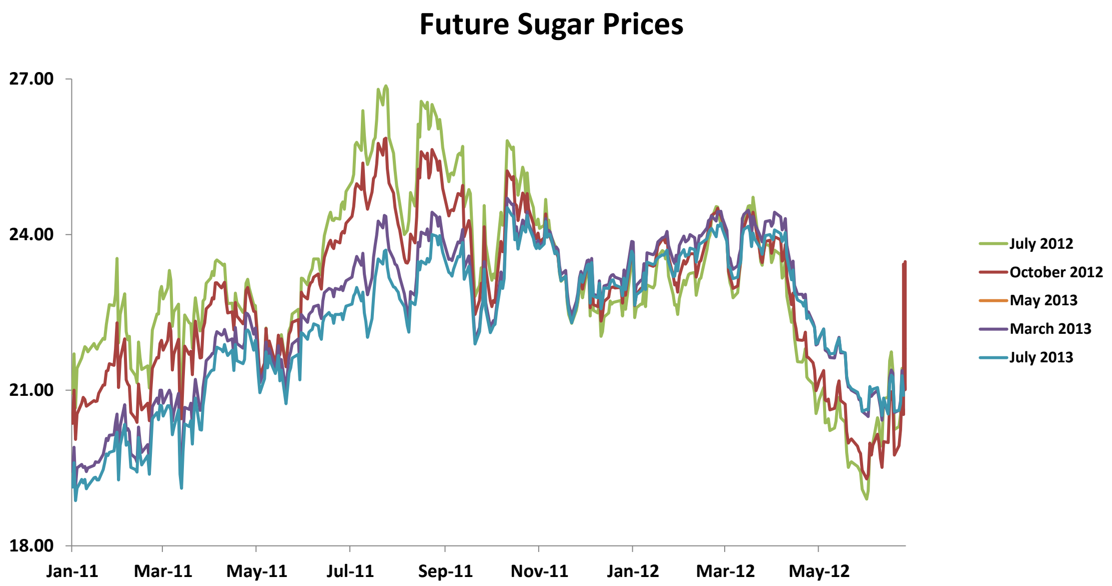
OPERATING DATA	1Q13	1Q12	Chg.(%)
São Martinho - Consolidated			
Crushed Sugarcane (‘000 tons)	2,918	3,648	-20.0%
Own	2,159	2,623	-17.7%
Third Parties	759	1,024	-25.9%
Mechanized Harvest	89.1%	87.1%	2.0 p.p
Production			
Sugar ('000 tons)	190	213	-11.0%
Anhydrous Ethanol ('000 m^3)	50	69	-26.4%
Hydrous Ethanol ('000 m^3)	42	60	-30.5%
Ribonucleic Acid (RNA) Sodium Salt ('000 Kg)	71	46	53.4%
Cogeneration ('000 MWh)	44	45	-0.8%

The crushing volume of the São Martinho Group decreased by 20.0% in the first quarter of the 12/13 crop year compared to the same period of the prior year. The reduction was due to the lower volume of sugarcane crushing caused by the high rainfall in May and June, which delayed crushing at our mills in the state of São Paulo.

Based on the information on sugarcane yields in our fields available to date, we expect to recover sugar and ethanol production volumes by the end of this crop year and meet our guidance for sugarcane crushing in the 12/13 crop year of 12.0 million tons.

Note that, as of this quarter (1Q13), we opted to include in the above table our production volumes already considering our interests of 50.95% in Nova Fronteira and 32.18% interest in Santa Cruz, as well as 100.0% of our mills in São Paulo.

INDUSTRY OVERVIEW - SUGAR



During almost all of 1Q13 we observed a sharp drop in future sugar prices, from US$25.00 cents/pound to US$19.00 cents/pound. The decline was driven by the unfavorable macroeconomic scenario and the high sugar production volumes recorded at the end of the crop years in countries in the Northern Hemisphere, such as India and Thailand, which heightened expectations of a global surplus. Despite the drop in prices in U.S. dollar, prices in Brazilian real remained stable due to the depreciation in the Brazilian real against the U.S. dollar in the period, which offset the lower international prices.

At the end of June, however, sugar prices began to rise to previous levels, particularly on the back of the news of delays in the Brazilian harvest caused by heavy rains, as well as the confirmation of the lower sugarcane quality. Another factor pressuring prices were the purchases made by China, which anticipated its imports to take advantage of sugar prices at around US$20.00 cents/pound.

For the coming months, we expect sugar prices to remain in the range of US$20.00 - 23.00 cents/pound, given the expectations of a rapid recovery in Brazilian production, since the drier weather has been facilitating the harvesting of sugarcane and the higher rainfall in May and June substantially improved sugarcane yields (measured in tons/hectare).

On the other hand, the outlook for India's sugar crop has led to downward revisions in forecasts for sugar production volume, which were primarily due to weather factors. Previous forecasts for the Indian crop indicated production equivalent to the 2011/12 crop year (around 26 million tons). However, current forecasts point to approximately 24 million tons, which should have a positive impact on future sugar prices for March 2013.

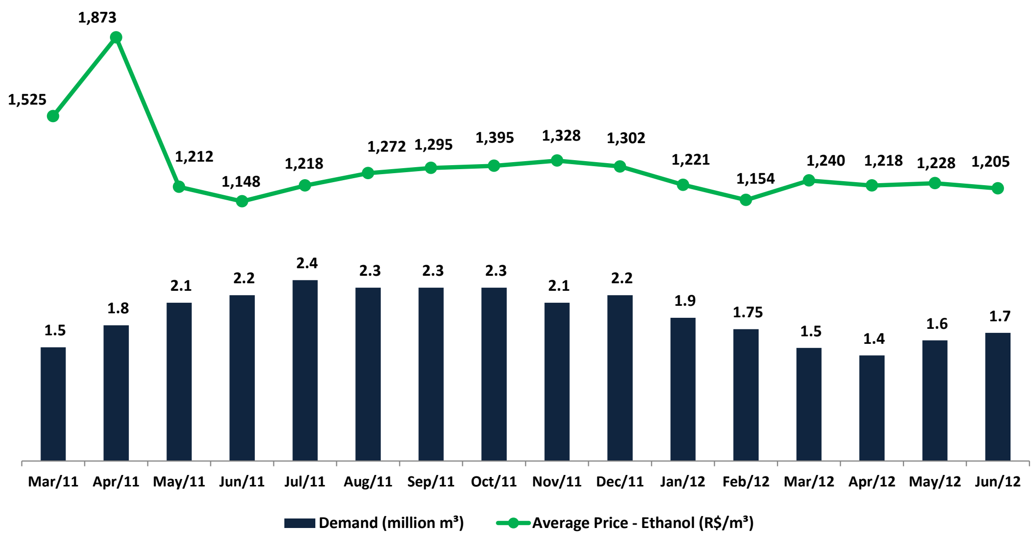
INDUSTRY OVERVIEW - ETHANOL

AVERAGE PRICES - ETHANOL	1Q13	1Q12	Chg. (%)
Market Prices			
Anhydrous ESALQ, Net DM R$ / m^3	1,301.39	1,704.35	-23.6%
Hydrous ESALQ, Net DM - R$ / m^3	1,131.97	1,188.66	-4.8%

In 1Q13, ethanol prices, particularly anhydrous ethanol prices, decreased from the same period in the previous crop year. However, the sharp drop in prices reflects the fact that in 1Q12, anhydrous ethanol prices had peaked due to the short supply during the last off-season period. Therefore, although ethanol prices had reached levels higher than in 4Q12, compared to the same quarter of last year they were sharply lower.

Prices for hydrous ethanol were also lower, however, the circumstances were different, since the 4.8% drop from 1Q12 was primarily driven by weak demand for the product. In the comparison between June/11 and June/12, demand decreased sharply, due to the low gasoline prices in Brazil, which directly affect demand for hydrous ethanol, since it makes price parity between gasoline and hydrous ethanol unfavorable for the renewable fuel.

Meanwhile, the export market for ethanol may once again become favorable for Brazilian producers, since the drought in the United States has led to sharp downward revisions in estimates for the U.S. corn crop. Because U.S. ethanol is corn-based, producers are expected to prioritize food production over ethanol production, leading the United States to potentially require Brazilian ethanol imports to meet its demand and gasoline blend standards.



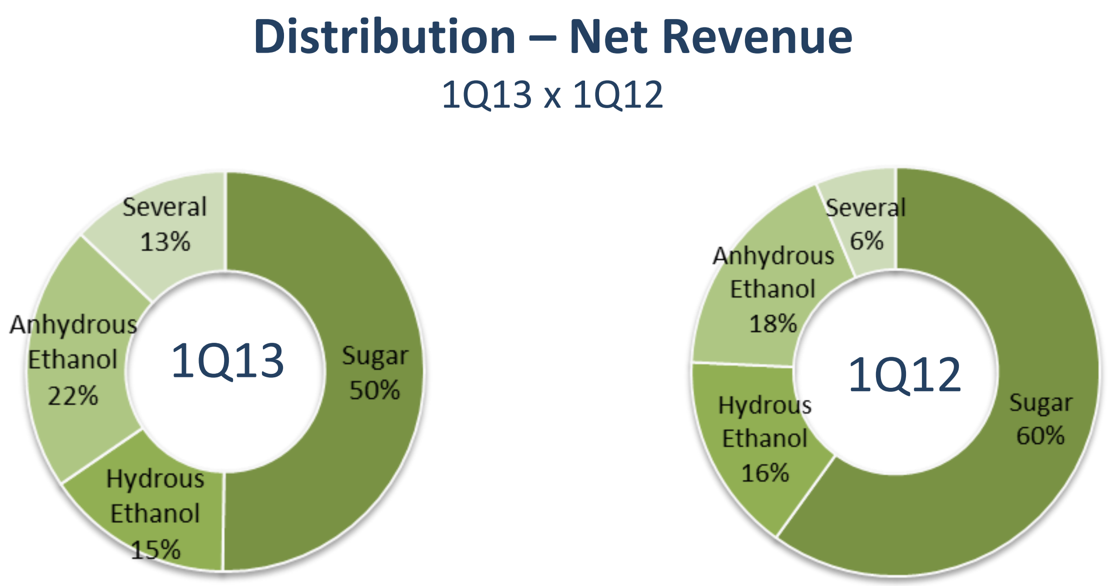
FINANCIAL PERFORMANCE

NET REVENUE BREAKDOWN	1Q13	1Q12	Chg. (%)
R$ Thousand			
Domestic Market	**136.716**	**136.206**	**0,4%**
Sugar	10.797	11.673	-7,5%
Hydrous Ethanol	36.990	50.122	-26,2%
Anhydrous Ethanol	54.537	58.827	-7,3%
Energy	6.976	4.009	74,0%
Other	27.415	11.574	136,9%
Export Market	**153.598**	**192.741**	**-20,3%**
Sugar	134.986	185.571	-27,3%
Hydrous Ethanol	7.259	1.777	308,5%
Anhydrous Ethanol	8.211	0	n.m.
RNA	3.141	5.393	-41,8%
Net Revenue	**290.313**	**328.948**	**-11,7%**
Sugar	145.784	197.244	-26,1%
Hydrous Ethanol	44.250	51.899	-14,7%
Anhydrous Ethanol	62.748	58.827	6,7%
Energy	6.976	4.009	74,0%
Other	30.556	16.967	80,1%

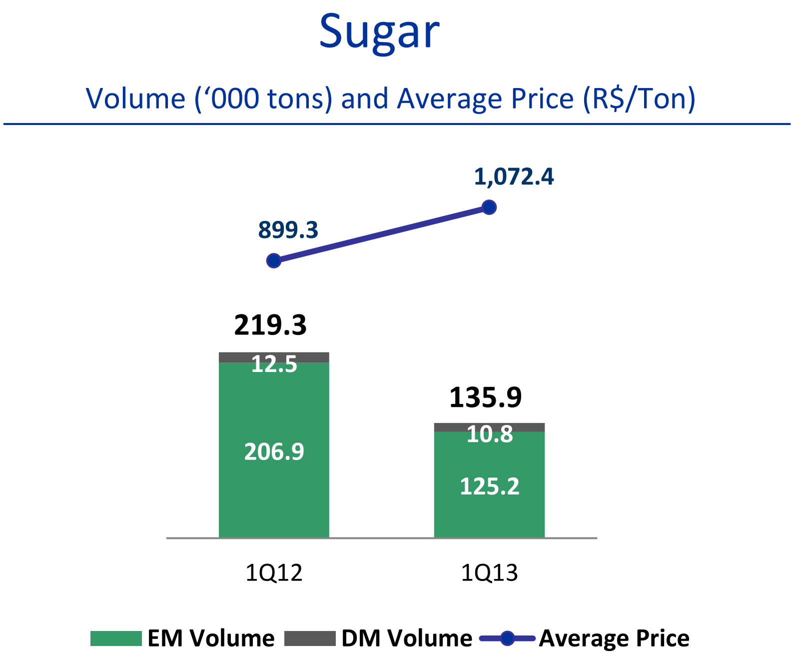
Net Revenue

The net revenue of the São Martinho Group in the quarter declined by 11.7% in relation to 1Q12, reflecting the reductions of 38.0% in sugar sales volume in the period and of 20.8% in hydrous ethanol sales volume, despite the better sales prices for both products.

The following charts provide a breakdown of the Company's net revenue by product:



Sugar

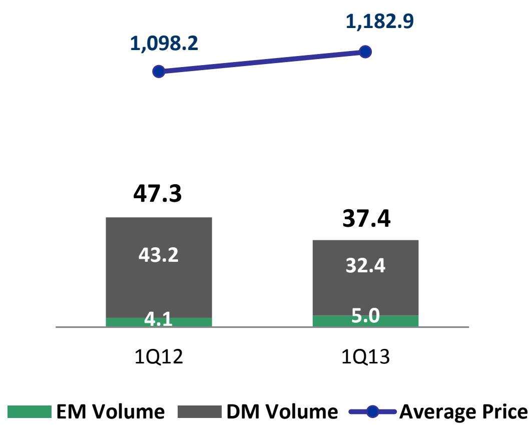


Net revenue from sugar sales came to R$145.8 million in 1Q13, for a reduction of 26.1% from the same period of the previous crop year. The reduction was driven by a 38.0% decrease in sugar sales volume, despite the 19.2% improvement in the average sales price (R$1,072.4/ton).

Ethanol

Hydrous Ethanol

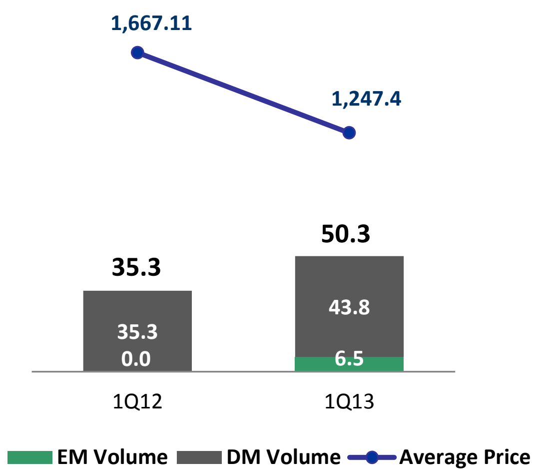
Volume ('000 m^3) and Average Price (R$/$m^3$)



Net revenue from hydrous ethanol sales came to R$44.3 million in 1Q13, decreasing 14.7% from the same period of the previous crop year. The decrease was driven by the lower sales volume (-20.8%) in the period due to the lower product supply resulting from the lower production volume (as detailed in the section "Operating Data").

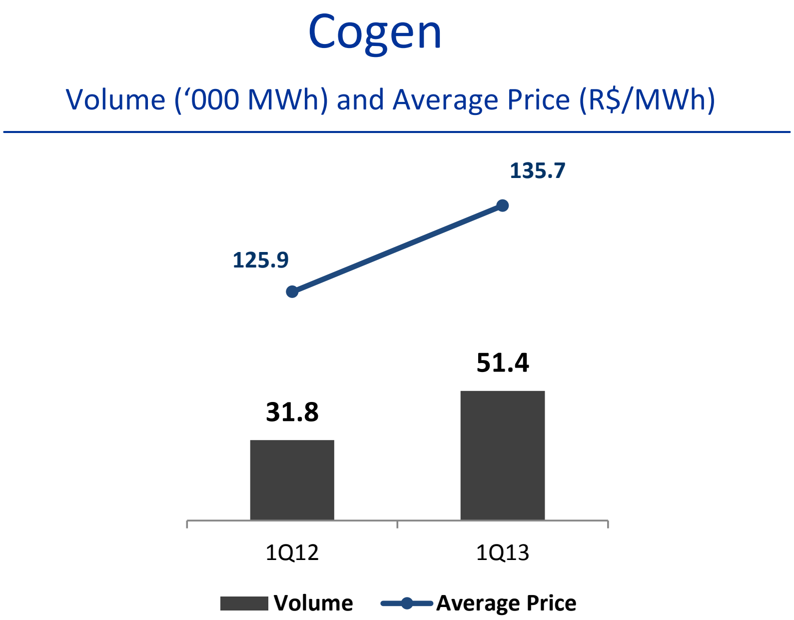
Anhydrous Ethanol

Volume ('000 m^3) and Average Price (R$/$m^3$)



In 1Q13, net revenue from anhydrous ethanol sales increased by 6.7% to R$62.7 million, due to the 42.6% increase in sales (R$50,300 m³), which offset the 25.2% drop in the average sales price for anhydrous ethanol (R$1,247.4/m³). The increase in anhydrous sales volume was driven by stronger demand due to the high gasoline consumption in Brazil (the Type-A gasoline blend sold at the pump in Brazil is required to contain 20% anhydrous ethanol).

Cogen



Net revenue from cogeneration sales increased 74.0% (+R$7.0 million) in 1Q13 in relation to the same period last year, driven by the higher sales volume. Sales volume growth was driven by the sale of the guaranteed supply generated by Usina Boa Vista S.A.

Other Products and Services

Net revenue from the line "Other Products and Services" totaled R$30.6 million in 1Q13, increasing by 80.1% from the year-ago period. This growth was due to (i) the sale and planting of sugarcane for suppliers at Usina Boa Vista, and (ii) the planting and mechanization services rendered to suppliers, with both of these revenue-generating activities resulting from the expansion plan for Usina Boa Vista in Goiás.

INVENTORIES

INVENTORIES	1Q13	1Q12	Chg. (%)
Sugar (tons)	73,984	52,219	41.7%
Hydrous (m^3)	14,010	36,365	-61.5%
Anhydrous (m^3)	19,025	50,654	-62.4%

Inventories in 1Q13 include the proportionate consolidation of our interests in UBV (50.95%) and Santa Cruz (32.18%), and of our 100.0% interests in the São Martinho and Iracema mills.

The increase in sugar inventories is directly related to the inability to ship sugar through the Port of Santos due to the heavy rainfall. The reduction in ethanol inventories reflects the lower ethanol production, as mentioned in the section "Operating Data".

EBITDA AND EBITDA COST BY PRODUCT

EBITDA BY PRODUCT - 1Q13	SUGAR	ETHANOL	OTHER	TOTAL
R$ Thousand				
Net Revenues	145.782	106.998	37.533	290.313
COGS (Cash)	(55.468)	(62.575)	(28.461)	(146.504)
Gross Profit (Cash)	90.314	44.423	9.072	143.809
Gross Margin (Cash)	62,0%	41,5%	24,2%	49,5%
Sales Expenses	(7.008)	(1.190)	(781)	(8.978)
G&A Expenses (Cash)	(13.161)	(13.911)	(3.008)	(30.080)
Other Revenues (Expenses)	-	-	895	895
Adjusted EBITDA	**70.145**	**29.322**	**6.178**	**105.645**
Adjusted EBITDA Margin	**48,1%**	**27,4%**	**16,5%**	**36,4%**
EBITDA Cost (*)	**(556,4)**	**(885,6)**	**-**	**-**

(*) Sugar in R$/Ton
Ethanol in R$/m³

EBITDA BY PRODUCT - 1Q12	SUGAR	ETHANOL	OTHER	TOTAL
R$ Thousand				
Net Revenues	197.244	110.726	20.978	328.948
COGS (Cash)	(86.310)	(43.951)	(19.969)	(150.230)
Gross Profit (Cash)	110.934	66.775	1.009	178.718
Gross Margin (Cash)	56,2%	60,3%	4,8%	54,3%
Sales Expenses	(12.076)	(836)	(494)	(13.406)
G&A Expenses (Cash)	(12.338)	(7.562)	(2.211)	(22.111)
Other Revenues (Expenses)	-	-	3.893	3.893
Adjusted EBITDA	**86.519**	**58.377**	**2.197**	**147.094**
Adjusted EBITDA Margin	**43,9%**	**52,7%**	**10,5%**	**44,7%**
EBITDA Cost (*)	**(504,8)**	**(634,2)**	**-**	**-**

(*) Sugar in R$/Ton
Ethanol in R$/m³

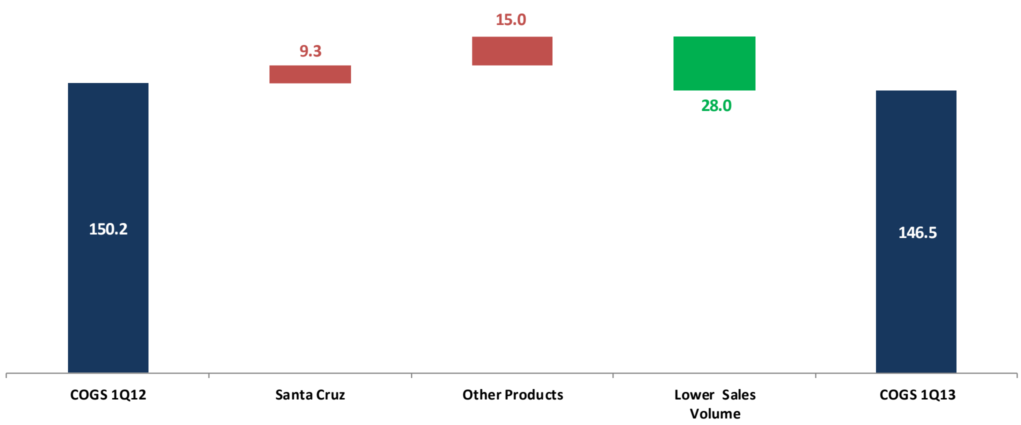
In 1Q13, sugar accounted for 66.4% of the Group's consolidated EBITDA, while ethanol and other products accounted for 27.8% and 5.8%, respectively. Sugar EBITDA margin expanded by 4.2 p.p. in relation to 1Q12, despite the 10.2% increase in the sugar EBITDA cost. In the case of ethanol, the EBITDA cost was R$885.6/m³ in 1Q13, or 39.6% higher than in 1Q12.

The increases in the EBITDA costs of sugar and ethanol were due to the lower dilution of fixed production costs resulting from the lower capacity utilization rates, since the volume of sugarcane crushed was 20% lower than in the previous crop year **(see more details in the sections "Cost of Goods Sold" and "General and Administrative Expenses")**.

COST OF GOODS SOLD

BREAKDOWN OF COGS - CASH	1Q13	1Q12	Chg. (%)
R$ Thousand			
Agricultural Costs	85,144	112,914	-24.6%
Suppliers	43,790	54,561	-19.7%
Partnerships	15,950	19,017	-16.1%
Own Sugarcane	25,404	39,336	-35.4%
Industrial	17,624	17,941	-1.8%
Other Products	34,426	19,375	77.7%
Total COGS - Santa Cruz	**9,310**	**-**	**n.m.**
Total COGS - Consolidated	**146,504**	**150,230**	**-2.5%**
TRS Sold (000 Tons)	293	371	-20.9%
Unit Cost (Sugar and Ethanol Cash COGS / TRS Sold)	381	352	8.0%

In 1Q13, cash COGS was R$146.5 million, decreasing 2.5% in relation to 1Q12. The following chart presents a breakdown of these costs in 1Q13 compared to 1Q12:



The main drivers of the variation in COGS in 1Q13 were:

(i) Santa Cruz (+R$9.3 million): The acquisition of a 32.18% interest in Santa Cruz occurred in November 2011, and, as a result, we began to partially consolidate its results as of December 2011;

(ii) Other Products (+R$15.0 million): This increase reflects the higher costs related to (i) the sale, planting of sugarcane and mechanization services rendered to suppliers at Usina Boa Vista, with these revenue-generating activities resulting from the expansion plan for UBV, in Goiás (ii) the higher cogeneration sales volume in the period, and (iii) to the anhydrous ethanol imports that occurred during the previous fiscal year, because we adopt the "First In, First Out" accounting method, a portion of the revenue from these sugar imports was recorded only in 1Q13, impacting our Cost of Goods Sold;

(iii) Lower Sales Volume (-R$28.0 million): Reflects the lower sales volume of products and consequently the lower exposure to costs in our COGS.

AVERAGE CASH COST PER UNIT	1Q13	1Q12	Var.%
R$ Thousand			
COGS	**(146,504)**	**(150,230)**	**-2.5%**
Sugar	(55,468)	(86,310)	-35.7%
Ethanol	(62,575)	(43,951)	42.4%
Other Products	(28,461)	(19,969)	42.5%
Average Cash Cost Per Unit (*)			
Sugar Cash Cost	**(408.0)**	**(393.5)**	**3.7%**
Ethanol Cash Cost	**(713.4)**	**(532.5)**	**34.0%**

(*) Sugar in R$/Ton

Ethanol in R$/m³

SELLING EXPENSES

SELLING EXPENSES	1Q13	1Q12	Chg. (%)
R$ Thousand			
Port Costs / Freight	6,968	12,769	-45.4%
Sales Commission	32	158	-79.6%
Other	758	479	58.2%
Selling Expenses - Santa Cruz	**1,220**	**-**	**n.m.**
Selling Expenses - Consolidated	**8,978**	**13,406**	**-33.0%**
TRS Sold ('000 Tons)	293	371	-20.9%
% of Net Revenues	3.1%	4.1%	-1.0 p.p.

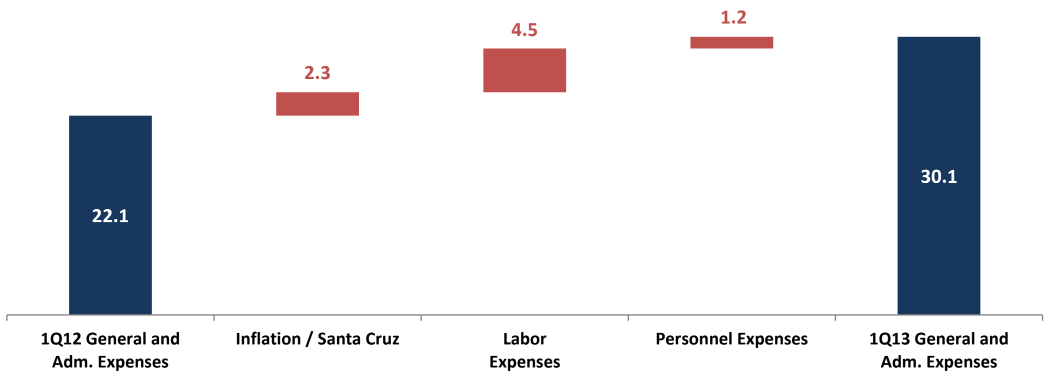
In 1Q13, selling expenses came to R$9.0 million, decreasing 33.0% from 1Q12. The improvement is explained by the 45.4% reduction in port and freight costs due to the lower volume of sugar exports in the quarter compared to 1Q12.

GENERAL AND ADMINISTRATIVE EXPENSES

G&A EXPENSES - (CASH)	1Q13	1Q12	Chg. (%)
R$ Thousand			
Personnel	10,662	9,433	13.0%
Taxes, Fees and Contributions	770	952	-19.1%
Provisions for Contingencies	8,804	3,737	135.6%
General Expenses and Third-Party Services	6,075	5,769	5.3%
Management Fee	2,286	2,219	3.0%
Total General and Administrative Expenses - Santa Cruz	**1,483**	**-**	**n.m.**
Total General and Administrative Expenses - Consolidated	**30,080**	**22,111**	**36.0%**

G&A expenses totaled R$30.1 million in the quarter, for an increase of 36.0% from the same period in the prior crop year. The main impact was the higher expenses with the provision for labor contingencies. As disclosed in our 4Q12 Earnings Release, for the whole of the 2012/13 crop year, we expect labor contingencies of around R$15.0 million. For the following crop year in 2013/14, these provisions should decrease to around R$10.0 million.

The following chart shows the main impacts in 1Q13:



EBITDA

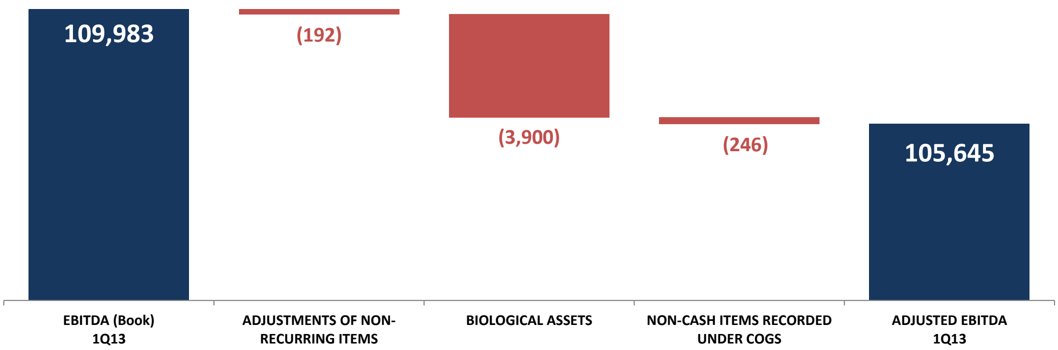
EBITDA RECONCILIATION	1Q13	1Q12	Chg. (%)
R$ Thousand			
Adjusted EBITDA	**105,645**	**147,094**	**-28.2%**
Adjusted EBITDA Margin	36.4%	44.7%	-8.3 p.p.
Non Recurring Operating Revenues (Expenses)	(192)	(810)	-76.2%
Biological Assets	(3,900)	795	n.m.
Non Cash Items Launched in the COGS	(246)	-	n.m.
EBITDA	**109,983**	**147,109**	**-25.2%**
EBITDA Margin	37.9%	44.7%	-6.8 p.p.
(-) Depreciation and Amortization	(77,823)	(86,269)	-9.8%
(-) Financial Revenue (Expense), net	(27,262)	(9,140)	198.3%
(-) Equity Income	(1,949)	-	n.m.
(=) Operating Income	2,949	51,700	-94.3%

Adjusted EBITDA

The São Martinho Group recorded Adjusted EBITDA of R$105.7 million in 1Q13 (Adjusted EBITDA Margin of 36.4%), decreasing 28.2% from 1Q12. The decrease was mainly driven by the 38% reduction in sugar sales volume between 1Q13 and 1Q12, which was due to the higher rainfall in May and June that negatively impacted sugarcane crushing and hindered the distribution of sugar at ports. Based on the information to date on the sugarcane yields of our fields, we expect to recover sugar and ethanol production volumes by the end of this crop year and to offset the lower sales volume recorded in 1Q13 over the coming quarters.

Reconciliation of EBITDA to Adjusted EBITDA

EBITDA Reconciliation 1Q13
R$ '000



HEDGING

U.S. Dollar

On June 30, 2012, the São Martinho Group held a short position in US$ currency futures through non-deliverable forwards (NDFs) with maturities through the 2015/16 crop year, as follows:

Maturity	US$ thousand	Average Price (R$/US$)
US Dollar		
2012/2013 Crop Year	317,221	1.8601
2013/2014 Crop Year	116,376	2.1111
2014/2015 Crop Year	14,880	2.1608
2015/2016 Crop Year	14,880	2.2955
	463,357	**1.9468**

Sugar

On June 30, 2012, the São Martinho Group held positions in derivatives and prices fixed with clients and in the futures market in the following amounts:

	Volume (Tons)	Average Price (US$ c/p)
Sugar		
2012/2013 Harvest	529,000	24.30
2013/2014 Harvest	145,000	21.80
	674,000	**23.76**

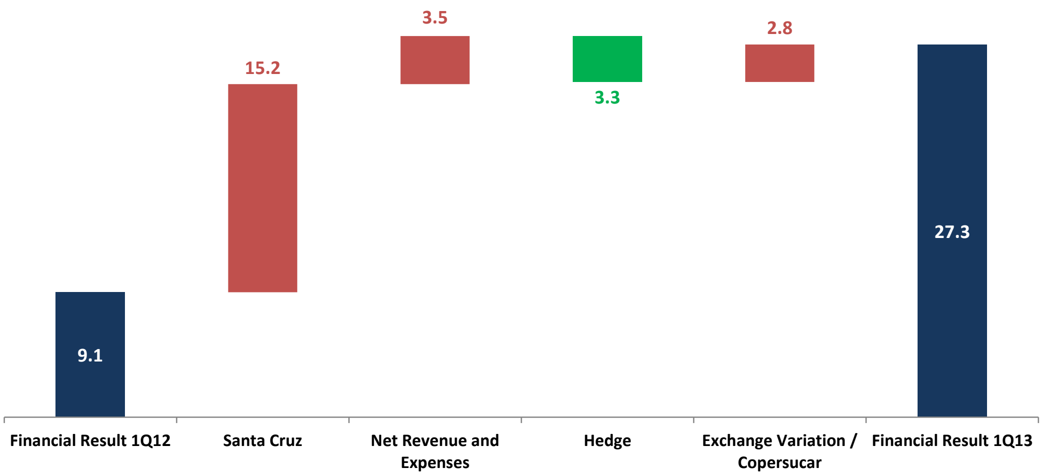
Hedge Accounting - In March 2010, inclusive, the Company began adopting hedge accounting for derivatives designated as hedge instruments, with their potential results recorded in equity ("Adjustments to book value"), net of deferred income tax and social contribution tax (potential loss of R$47.0 million in June 2012).

NET FINANCIAL RESULT

FINANCIAL RESULT R$ Thousand	1Q13	1Q12	Chg. (%)
Financial Revenues	12,897	6,811	89.4%
Financial Expenses	(19,954)	(10,340)	93.0%
Hedge Result	(739)	(4,096)	-82.0%
Exchange Variation	(1,667)	1,474	n.m.
Copersucar Monetary Variation	(2,577)	(2,989)	-13.8%
Net Financial Result - Santa Cruz	**(15,224)**	**-**	**n.m.**
Net Financial Result	**(27,262)**	**(9,140)**	**198.3%**

The São Martinho Group registered a net financial expense of R$27.3 million in 1Q13, which represents an increase in the expense of 198.3% from 1Q12.

The main negative impact in the quarter was the financial result at Santa Cruz S.A., due to the expenses with exchange variation (60% of its debt was denominated in foreign currencies, with no hedge accounting). It is important to note that these exchange variations do not have any impact on our cash flow, since all dollar-denominated debt is linked to exports, i.e. the variation is offset once the product is exported.



OPERATING WORKING CAPITAL

OPERATING WORKING CAPITAL	1Q12	4Q12	1Q13	1Q13 x 4Q12	1Q13 x 1Q12
R$ Thousand					
ASSETS	**302,226**	**242,352**	**362,692**	**-120,340**	**-60,466**
Accounts Receivable	55,309	38,399	64,602	-26,203	-9,293
Inventories - Short Term	216,392	137,375	199,289	-61,914	17,103
Inventories - Long Term	-	26,877	62,098	-35,221	-62,098
Tax receivable	30,525	39,701	36,703	2,998	-6,178
LIABILITIES	**179,760**	**146,151**	**184,538**	**38,387**	**-4,778**
Suppliers	104,130	76,655	101,989	25,334	2,141
Payroll and social contribution	63,086	57,297	70,035	12,738	-6,949
Tax payable	12,544	12,199	12,514	315	30
WORKING CAPITAL	**122,466**	**96,201**	**178,154**	**-81,953**	**-55,688**

In 1Q13, the São Martinho Group invested working capital of R$178.1 million in its operations, which represents an increase of R$55.7 million from 1Q12, due primarily to the lower inventories of finished products in the period, as mentioned under "Inventories".

NET INCOME

In 1Q13, the São Martinho Group posted net income of R$2.4 million, compared to net income of R$37.9 million in 1Q12. The reduction in net income resulted from a combination of i) the decrease in Adjusted EBITDA (as mentioned in the section "EBITDA") and ii) the increase in expenses with long-term exchange variation impacts (non-cash) of R$17.0 million, which resulted from the 11% depreciation in the Brazilian real against the U.S. dollar in 1Q13. Considering that all dollar-denominated debt is linked to future export volumes, these losses will be fully reversed once the exports are realized.

DEBT WITH COPERSUCAR

On June 30, 2012, the São Martinho Group recognized on its balance sheet debt of R$224.0 million 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$178.7 million on a consolidated basis.

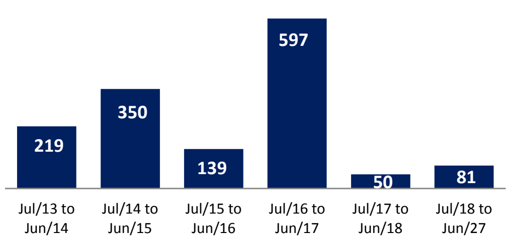
INDEBTEDNESS

DEBT	jun/12	mar/12	Chg. (%)
R$ Thousand			
PESA	70,397	72,509	-2.9%
Rural Credit	87,505	20,139	334.5%
BNDES / FINAME	386,237	388,726	-0.6%
Working Capital	84,473	109,392	-22.8%
ACC (Advances on Foreign Exchange Contracts)	80,984	-	n.m.
PPE (Export prepayment)	483,805	437,376	10.6%
NCE (Export Credit Note)	382,886	-	n.m.
Others	195	733	-73.4%
Obligations from Santa Cruz	116,597	113,475	2.8%
Gross Debt	**1,693,079**	**1,142,350**	**48.2%**
Cash and Cash Equivalents	793,064	410,567	93.2%
Net Debt	**900,015**	**731,783**	**23.0%**
(+) Proportional Gross Debt at Santa Cruz	218,540	203,494	7.4%
Consolidated Net Debt	**1,118,555**	**935,277**	**19.6%**
Net Debt / Acum. EBITDA	2.1 x (*)	1.6 x (*)	

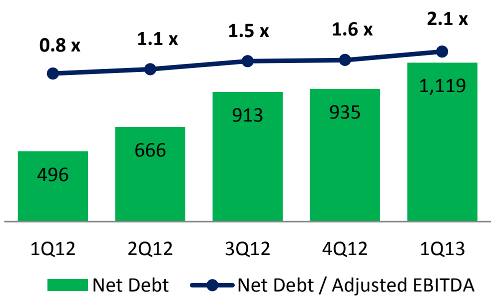
(*) Considering Santa Cruz´s EBITDA LTM in the last 12 months in the proportion of 32.18%

The São Martinho Group's debt stood at R$1.1 billion in June 2012, which represents an increase of 19.6% from March 2012. The main factors driving the increase in debt were (i) the increase in working capital used in operations in view of the start of the crop year (R$82 million); ii) the change in debt denominated in foreign currencies, reflecting the depreciation in the Brazilian real (R$47 million), and the increase in net debt at Santa Cruz (+R$15 million).

Amortization Schedule
R$ - Million



Net Debt / EBITDA LTM
Evolution



CAPITAL EXPENDITURE

SÃO MARTINHO - CONSOLIDATED	1Q13	1Q12	Chg. (%)
Capex (maintenance)			
Sugarcane Planting	17,226	17,269	-0.2%
Industrial / Agricultural	16,701	14,451	15.6%
Crop Tretament	25,464	23,631	7.8%
Sub Total	**59,392**	**55,351**	**7.3%**
Upgrading, Mechanization and Expansion			
Industrial / Agricultural	33,079	25,351	30.5%
Other	-	-	n.m.
Sub Total	**33,079**	**25,351**	**30.5%**
Boa Vista Mill (Greenfield)			
Sugarcane Planting	11,061	14,028	-21.2%
Industrial / Agricultural	5,022	7,690	-34.7%
Crop Tretament	9,145	7,278	25.7%
Sub Total	**25,228**	**28,996**	**-13.0%**
Maintenance Capex - Santa Cruz			
Sugarcane Planting	6,534	-	n.m.
Industrial / Agricultural	3,499	-	n.m.
Crop Tretament	4,008	-	n.m.
Sub Total	**14,041**	**-**	**n.m.**
Total	**131,739**	**109,698**	**20.1%**

The maintenance CAPEX of the São Martinho Group totaled R$59.4 million in 1Q13, or 7.3% higher than in 1Q12. The increase reflects the higher maintenance investments made during the off-season and the higher use of crop treatments, in line with the expansion in treated areas, as already mentioned in the previous quarter (4Q12).

Investments in expansion and modernization totaled R$33.1 million, increasing 30.5% from the same period in the prior crop year. This increase reflects the investments in (i) the cogeneration project at São Martinho Mill and (ii) the expansion of the sugar distribution terminal at São Martinho Mill.

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 groups in Brazil's sugar and ethanol industry, with three mills in operation: São Martinho in Pradópolis (in the Ribeirão Preto region of São Paulo state), Iracema in Iracemápolis (in the Limeira region of São Paulo), and Boa Vista (in Quirinópolis, Goiás). In addition to these mills, we also consolidated 32.18% of Santa Cruz, a mill located in Américo Brasiliense (in the Ribeirão Preto region of São Paulo state). For more information please go to www.saomartinho.ind.br.

INCOME STATEMENT

SÃO MARTINHO S.A. - CONSOLIDATED	1Q13	1Q12	Chg. (%)
R$ Thousand			
Gross Revenue	307,872	348,471	-11.7%
Deductions from Gross Revenue	(17,559)	(19,523)	-10.1%
Net Revenue	**290,313**	**328,948**	**-11.7%**
Cost of Goods Sold (COGS)	(218,169)	(232,009)	-6.0%
Gross Profit	**72,144**	**96,939**	**-25.6%**
Gross Margin (%)	*24.9%*	*29.5%*	-4.6 p.p
Operating Expenses	**(41,933)**	**(36,099)**	**16.2%**
Selling Expenses	(8,978)	(13,406)	-33.0%
General and Administrative Expenses	(31,787)	(23,581)	34.8%
Equity Income	(1,949)	-	n.m.
Other Operating Expenses, Net	781	888	-12.0%
Operating Profit, Before Financial Effects	**30,211**	**60,840**	**n.m.**
Financial Result, Net	**(27,262)**	**(9,140)**	**198.3%**
Financial Revenues	25,135	13,350	88.3%
Financial Expenses	(35,159)	(24,064)	46.1%
Monetary and Exchange Variations - Net	(17,238)	1,574	n.m.
Income (Loss) Before Income and Social Contribution Taxes	**2,949**	**51,700**	**-94.3%**
Income Tax and Social Contribution - Current	(489)	(11,972)	-95.9%
Income Tax and Social Contribution - Deferred	(82)	(1,764)	-95.4%
Net Income (Loss) Before Minority Interest	**2,378**	**37,964**	**-93.7%**
Minority Interest	-	-	n.m.
Net Income	**2,378**	**37,964**	**-93.7%**
Net Margin (%)	*0.8%*	*11.5%*	-10.7 p.p

BALANCE SHEET (ASSETS)

SÃO MARTINHO S.A. CONSOLIDATED - ASSETS

R$ Thousand

ASSETS	Jun/12	Mar/12
SHORT-TERM ASSETS		
Cash and Cash Equivalents	793,064	410,567
Accounts Receivable	64,602	38,399
Derivatives Financial Instruments	50,204	11,063
Inventories	199,289	137,375
Recoverable Taxes	36,703	39,701
Income Tax and Social Contribution	22,218	20,550
Other Assets	12,385	5,551
TOTAL SHORT-TERM ASSETS	**1,178,465**	**663,206**
LONG-TERM ASSETS		
Long-term Receivables		
Financial Applications	6,679	6,541
Inventories	62,098	26,877
Related Parties	2	3,788
Deferred Income Tax and Social Contribution	41,867	38,227
Accounts Receivable - Copersucar	1,398	1,737
Recoverable Taxes	56,101	46,581
Judicial Deposits	45,249	44,972
Other Assets	395	395
	213,789	**169,118**
Investments	12,138	8,262
Biological Assets	664,307	632,904
Fixed Assets	3,255,374	3,244,267
Intangible	68,906	69,410
TOTAL LONG-TERM ASSETS	**4,214,514**	**4,123,961**
TOTAL ASSETS	**5,392,979**	**4,787,167**

BALANCE SHEET (LIABILITIES)

SÃO MARTINHO S.A. CONSOLIDATED- LIABILITIES		
R$ Thousand		
LIABILITIES AND SHAREHOLDERS' EQUITY	Jun/12	Mar/12
SHORT-TERM LIABILITIES		
Loans and Financing	357,830	247,504
Derivatives Financial Instruments	66,666	14,269
Suppliers	101,989	76,655
Accounts Payable - Copersucar	2,302	2,356
Payroll and Social Contribution	70,035	57,297
Tax Payable	12,514	12,199
Income Tax and Social Contribution	586	240
Related Companies	2	224
Dividends Payable	30,070	30,070
Advances from Customers	951	8,418
Aquisition of Interest	59,499	57,906
Other Liabilities	14,238	10,215
TOTAL SHORT-TERM LIABILITIES	**716,682**	**517,353**
LONG-TERM LIABILITIES		
Loans and Financing	1,437,192	984,865
Accounts Payable - Copersucar	221,724	222,007
Tax Installments	57,078	57,873
Deferred Income Tax and Social Contribution	804,256	820,201
Provision for Contingencies	74,458	74,259
Aquisition of Interest	57,098	55,569
Advance for future capital increase	29,063	23,543
Other Liabilities	7,736	6,819
TOTAL LONG-TERM LIABILITIES	**2,688,605**	**2,245,136**
SHAREHOLDERS' EQUITY		
Capital Stock	455,900	455,900
Adjustments to Book Value	1,228,378	1,272,558
Capital Budget Reserve	308,867	308,867
Treasury Shares	(14,570)	(12,753)
Number of shares granted	737	106
Retained Earnings	8,380	-
TOTAL SHAREHOLDERS' EQUITY	**1,987,692**	**2,024,678**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**5,392,979**	**4,787,167**

CONSOLIDATED CASH FLOW

SÃO MARTINHO S.A.	1Q13	1Q12
R$ Thousand		
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income in the period	**2,378**	**37,964**
Adjustments		
Depreciation and amortization	37,394	39,018
Biological assets harvested (depreciation)	40,462	47,251
Variation in fair value of biological assets	(3,900)	795
Residual cost of investment and property, plant and equipment disposals	1,949	-
Capital gain from the change in equity interest	(34)	(301)
Interest, monetary and foreign exchange variations, net	38,405	14,669
Constitution of provision for contingencies, net	6,890	2,234
Deferred income tax and social contribution on net income	82	1,764
Constitution (reversal) of provision for inventory losses	(446)	(3,804)
Adjustments to present value and others	3,681	98
	126,861	**139,688**
Changes in assets and liabilities		
Trade accounts receivable	(24,505)	3,909
Inventories	(79,804)	(53,636)
Taxes recoverable	(7,034)	2,927
Related parties	-	294
Other assets	(6,617)	(12,761)
Suppliers	17,385	40,054
Salaries and social charges	12,738	19,087
Taxes payable	627	3,817
Taxes payable in installments	(1,802)	(829)
Provision for contingencies	(8,459)	(7,435)
Other liabilities	(2,458)	(16,579)
Cash provided by (used in) operations	**26,932**	**118,536**
Interest paid	(14,492)	(8,715)
Income tax and social contribution on net income paid	(129)	(10,967)
Net cash provided by (used in) operating activities	**12,311**	**98,854**
CASH FLOW FROM INVESTMENT ACTIVITIES		
Investments	(1,068)	-
Additions to property, plant and equipments, intangible assets and deferred charges	(53,262)	(45,472)
Additions to biological assets (planting and treatment)	(73,439)	(62,206)
Proceeds from sale of property, plant and equipment	220	965
Cash and cash equivalents acquired by parent company	-	-
Advance on future capital increase	(1,193)	(846)
Net cash used in investing activities	**(128,742)**	**(107,559)**
CASH FLOW FROM FINANCING ACTIVITIES		
Derivatives Financial Instruments	7,578	(9,749)
Financing - third parties	542,334	157,444
Repayment of financing - Copersucar	(2,874)	(1,136)
Repayment of financing - third parties	(51,812)	(40,018)
Advance on future capital increase	5,519	901
Acquisition of treasury stock	(1,817)	-
Net cash provided by (used in) financing activities	**498,928**	**107,442**
Increase (decrease) in cash and cash equivalents	**382,497**	**98,737**
Cash and cash equivalents at the beginning of the period	**410,567**	**222,219**
Cash and cash equivalents at the end of the period	**793,064**	**320,956**