São Martinho

Quarterly Information (ITR)
June 30, 2016
with independent auditor's review report
on quarterly information

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

Independent auditor's review report on quarterly information

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

Introduction

We have reviewed the individual and consolidated interim accounting information contained in the Quarterly Information Form (ITR) of São Martinho S.A. (Company) or the quarter ended June 30, 2016, which comprise the balance sheet as of June 30, 2015, the related statements of operations and comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended, including explanatory notes.

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

Scope of review

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

Conclusion of individual and consolidated interim financial information

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

Emphasis of matter

Restatement of the corresponding figures

As mentioned in note 2.8, due to the change in accounting policy introduced by CPC 29 - Biological Assets and Agricultural Produce and CPC 27 - Fixed Assets, equivalent to IAS 41 - Agriculture and IAS 16 - Property, Plant and Equipment, respectively, the corresponding individual and consolidated balance sheet at March 31, 2016 and the interim financial information on the statements of income, comprehensive income, changes in shareholders' equity, cash flows and added value for the three-month period ended June 30, 2015, presented for comparison purposes, they were adjusted and are being restated as required by CPC 23 - Accounting Policies, Changes in Accounting Estimates and Errors) and CPC 26 (R1) - Presentation of Accounting statements. Our conclusion does not contain modifications related to this matter.

Other matters

Statements of value added

We also reviewed the individual and consolidated statements of value added for the three-month period ended June 30, 2016, prepared under the responsibility of Company’s management, whose presentation in the interim accounting information is required by the standards issued by the Brazilian Securities and Exchange Commission (CVM) applicable to preparation of Quarterly Information (ITR) and considered supplementary information under IFRS, whereby no statement of value added presentation is required. These statements were submitted to the same review procedures previously described and, based on our review, we are not aware of any fact that would make us believe that they were not prepared, in all material respects, in accordance with the overall individual and consolidated interim accounting information.

Campinas, August 8, 2016.

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

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

Contents

Balance sheet at June 30 and March 31, 2016

Em milhares de reais

ASSETS	Note	Company June 30, 2016	Company March 31, 2016	Consolidated June 30, 2016	Consolidated March 31, 2016
			Restated		Restated
CURRENT ASSETS					
Cash and cash equivalents	5	164,090	266,343	170,197	266,659
Short-term investments	5	247,745	641,236	344,794	706,487
Trade accounts receivable	6	126,630	76,706	142,494	86,419
Derivative financial instruments	22	207,378	145,701	207,378	145,701
Inventories and advances to suppliers	7	471,181	222,629	468,582	229,250
Biological assets	11	454,763	470,241	454,763	470,241
Taxes recoverable	8	66,331	57,634	67,139	58,423
Income and social contribution taxes		119,743	113,757	119,743	113,758
Other assets		13,778	15,339	13,784	15,548
TOTAL CURRENT ASSETS		1,871,639	2,009,586	1,988,874	2,092,486
NONCURRENT ASSETS					
Noncurrent investments	5	492	492	5,539	5,423
Inventories and advances to suppliers	7	53,350	62,309	53,350	62,309
Related parties	9	3,996	2,996	2,000	1,000
Derivative financial instruments	22	24,466	43,243	24,466	43,243
Trade accounts receivable	6	-	-	24,623	21,855
Receivables from Copersucar		8,224	6,324	8,224	6,324
Taxes recoverable	8	115,498	110,158	115,508	110,195
Judicial deposits	21	27,016	27,570	30,083	30,300
Other assets		498	498	498	498
		233,540	253,590	264,291	281,147
Investments	10	2,377,825	2,329,787	533,330	513,233
Property, plant and equipment	12	2,273,995	2,321,124	3,952,099	4,004,469
Intangible assets	13	397,136	397,352	483,745	489,557
		5,048,956	5,048,263	4,969,174	5,007,259
TOTAL NONCURRENT ASSETS		5,282,496	5,301,853	5,233,465	5,288,406
TOTAL ASSETS		7,154,135	7,311,439	7,222,339	7,380,892

LIABILITIES AND EQUITY	Note	Company June 30, 2016	Company March 31, 2016	Consolidated June 30, 2016	Consolidated March 31, 2016
			Restated		Restated
CURRENT LIABILITIES					
Loans and financing	14	1,037,494	667,015	1,041,037	670,559
Derivative financial instruments	22	255,296	196,664	255,296	196,664
Trade accounts payable	15	171,760	119,128	162,489	113,907
Payables to Copersucar	16	15,396	21,875	15,396	21,875
Payroll and related charges		124,437	97,584	125,234	98,231
Taxes recoverable		11,432	12,049	13,153	15,570
Income and social contribution taxes	19	-	-	4,372	916
Dividends payable	17	55,385	53,164	55,385	53,164
Advances from customers		4,159	1,206	12,006	1,298
Acquisition of equity interest	9 and 31	12,045	17,937	12,045	17,937
Other liabilities		15,718	17,252	20,525	26,591
TOTAL CURRENT LIABILITIES		1,703,122	1,203,874	1,716,938	1,216,712
NONCURRENT LIABILITIES					
Loans and financing	14	1,976,485	2,820,182	1,992,082	2,836,628
Derivative financial instruments	22	32,278	65,625	32,278	65,625
Payables to Copersucar	16	237,209	237,166	237,209	237,166
Taxes paid in installments		15,162	15,419	15,162	15,419
Deferred income and social contribution taxes	19	255,845	192,538	291,766	230,173
Provision for contingencies	21	58,639	58,295	61,324	60,643
Acquisition of equity interests	9 and 31	61,750	61,750	61,750	61,750
Other liabilities		10,847	9,993	11,032	10,179
TOTAL NONCURRENT LIABILITIES		2,648,215	3,460,968	2,702,603	3,517,583
EQUITY	17				
Capital		931,340	931,340	931,340	931,340
Capital reserve		10,237	10,531	10,237	10,531
Treasury shares		(33,049)	(26,613)	(33,049)	(26,613)
Stock options granted		5,566	4,753	5,566	4,753
Equity adjustments		1,417,001	1,295,698	1,417,001	1,295,698
Income reserves		430,436	432,656	430,436	432,656
Accumulated earnings (loss)		41,267	(1,768)	41,267	(1,768)
TOTAL EQUITY		2,802,798	2,646,597	2,802,798	2,646,597
TOTAL LIABILITIES AND EQUITY		7,154,135	7,311,439	7,222,339	7,380,892

See accompanying notes.

São Martinho

Income statement
Quarters ended June 30, 2016 and 2015
In thousands of reais, unless otherwise stated

	Note	Company		Consolidated	
		June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
			Restated		Restated
Revenues	25	531,840	316,873	554,746	367,180
Cost of sales	26	(407,242)	(273,967)	(397,767)	(269,082)
Gross profit		124,598	42,906	156,979	98,098
Operating income (expenses)					
Selling expenses	26	(25,652)	(12,497)	(26,156)	(12,863)
General and administrative expenses	26	(37,431)	(28,140)	(38,355)	(29,322)
Equity pickup	10	51,670	68,557	19,242	12,293
Other revenues, net	27	638	1,143	589	1,149
		(10,775)	29,063	(44,680)	(28,743)
Operating income		113,823	71,969	112,299	69,355
Financial income (expenses)	28				
Financial income		28,030	28,282	32,848	33,190
Financial expenses		(69,546)	(67,455)	(70,005)	(68,279)
Monetary and exchange variations, net		10,731	6,230	10,731	6,230
Derivatives		(46,590)	(27,172)	(46,590)	(27,172)
		(77,375)	(60,115)	(73,016)	(56,031)
Income before income and social contribution taxes		36,448	11,854	39,283	13,324
Income and social contribution taxes	19(b)				
Current		-	10,368	(2,626)	8,285
Deferred		3,221	9,226	3,012	9,839
Net income for the quarter		39,669	31,448	39,669	31,448
Basic earnings per share (in reais)	29	0.3522	0.2785		
Diluted earnings per share (in reais)	29	0.3513	0.2779		

See accompanying notes.

São Martinho

Statement of comprehensive income
Quarters ended June 30, 2016 and 2015
In thousands of reais

Company and consolidated	June 30, 2016	June 30, 2015
		Restated
Net income for the quarter	39,669	31,448
Items that will be subsequently reclassified to profit or loss		
Changes in the period:		
Changes in fair value		
Commodity derivatives - Futures, options and forward contracts	(104,177)	140
Foreign exchange derivatives - Options / NDF	69,146	35,386
Exchange variation of financing agreements (Trade Finance)	170,266	64,100
Swap contracts	11	308
	135,246	99,934
Recognition in income (loss)		
Commodity derivatives - Futures, options and forward contracts	22,125	(27,547)
Foreign exchange derivatives - Options / NDF	(30,469)	10,145
Exchange variation of financing agreements (Trade Finance)	64,294	21,228
	55,950	3,826
Total changes in the period		
Commodity derivatives - Futures, options and forward contracts	(82,052)	(25,008)
Foreign exchange derivatives - Options / NDF	38,677	45,531
Exchange variation of financing agreements (Trade Finance)	234,560	85,328
Swap contracts	11	308
Deferred taxes on the items above	(65,006)	(36,094)
	126,190	70,065
Comprehensive income for the quarter	165,859	101,513

See accompanying notes.

São Martinho

Statement of changes in equity for the quarters ended June 30, 2016 and 2015

In thousands of reais

						Equity adjustments								
						Deemed cost			Income reserve					
	Nota	Capital social	Reserva de capital	Ações em tesouraria	Options granted	Own	From investees	Hedge accounting	Legal	Capital budget	Unearned income reserve	Tax incentive reserves - subsidiaries	Retained earnings	Total
Balance on April 1, 2015 (restated)		812,992	9,119	(7,375)	5,079	213,472	1,505,044	(312,808)	46,230	251,984	92,348	-	(14,382)	2,601,703
Realization of surplus deemed cost	17 (c)	-	-	-	-	(3,118)	(2,986)	-	-	-	-	-	6,104	-
Adjustment of surplus deemed cost		-	-	-	-	6,186	(6,186)	-	-	-	-	-	-	-
Gain (loss) on derivatives - hedge accounting	17 (c)	-	-	-	-	-	-	70,065	-	-	-	-	-	70,065
Stock options granted		-	-	-	866	-	-	-	-	-	-	-	-	866
Stock options exercised	17 (f)	-	-	1,316	(457)	-	-	-	-	-	-	-	632	1,491
Gross profit for the quarter		-	-	-	-	-	-	-	-	-	-	-	31,448	31,448
At June 30, 2015	17	812,992	9,119	(6,059)	5,488	216,540	1,495,872	(242,743)	46,230	251,984	92,348	-	23,802	2,705,573
Balance on April 1, 2016 (restated)		931,340	10,531	(26,613)	4,753	209,919	1,483,387	(397,608)	55,947	291,371	85,338	-	(1,768)	2,646,597
Realization of surplus deemed cost	17 (c)	-	-	-	-	(2,953)	(413)	-	-	-	-	-	3,366	-
Capital decrease with assets in Vale do Mogi	10.3	-	-	-	-	4,474	(4,474)	-	-	-	-	-	-	-
Deferred tax set up (capital decrease in Vale do Mogi)		-	-	-	-	(1,521)	-	-	-	-	-	-	-	(1,521)
Prior-year additional dividends		-	-	-	-	-	-	-	-	(2,220)	-	-	-	(2,220)
Setup of tax incentive reserves - subsidiary		-	-	-	-	-	-		-	(44,886)	-	44,886	-	-
Gain (loss) on derivatives - hedge accounting	17 (c)	-	-	-	-	-	-	126,190	-	-	-	-	-	126,190
Acquisition of own shares issued	17 (b)	-	-	(7,423)	-	-	-	-	-	-	-	-	-	(7,423)
Stock options granted	17 (f)	-	-	-	988	-	-	-	-	-	-	-	-	988
Stock options exercised	17 (f)	-	(294)	987	(175)	-	-	-	-	-	-	-	-	518
Gross profit for the quarter		-	-	-	-	-	-	-	-	-	-	-	39,669	39,669
At June 30, 2016	17	931,340	10,237	(33,049)	5,566	209,919	1,478,500	(271,418)	55,947	244,265	85,338	44,886	41,267	2,802,798

See accompanying notes.

São Martinho

Cash flow statement

Quarters ended June 30, 2016 and 2015

In thousands of reais

	Note	Company		Consolidated	
		June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
			Restated		Restated
Cash flow from operating activities					
Net income for the quarter		39,669	31,448	39,669	31,448
Adjustments					
Depreciation and amortization	26	46,406	34,538	47,395	35,629
Biological assets harvested (depreciation)	26	84,040	57,569	84,040	57,569
Change in fair value of biological assets	11	(7,943)	2,147	(7,943)	2,147
Amortization of intangible assets		-	548	3,694	4,906
Equity pickup	10	(51,670)	(68,557)	(19,242)	(12,293)
Income (loss) from investment and PP&E written off	12	(76)	1,306	(76)	1,306
Interest, monetary and exchange variations, net		26,399	50,077	23,374	48,822
Derivative financial instruments		102,540	27,852	102,540	27,852
Setup of provision for contingencies, net	21.1	(374)	286	(37)	662
Deferred income and social contribution taxes	19 (b)	(3,221)	(9,226)	(3,012)	(9,839)
Present value adjustment and other		1,768	1,693	1,183	983
		237,538	129,681	271,585	189,192
Changes in assets and liabilities					
Trade accounts receivable		(61,855)	48,555	(69,556)	21,792
Inventories		(152,249)	(231,089)	(143,028)	(219,909)
Taxes recoverable		(18,156)	(29,262)	(18,145)	(29,597)
Derivative financial instruments		(92,618)	13,582	(92,618)	13,582
Short-term investments		-	-	-	941
Other assets		3,500	(6,344)	3,370	(5,424)
Trade accounts payable		52,275	64,446	48,225	63,481
Payroll and social contributions		26,853	20,270	27,003	20,391
Taxes payable		(718)	(4,387)	2,089	(1,103)
Payables to Copersucar		(9,527)	(4,251)	(9,527)	(4,251)
Taxes payable in installments		(613)	(241)	(613)	(241)
Provision for contingencies - settlements	21.1	(2,820)	(4,884)	(2,820)	(4,884)
Other liabilities		1,419	(9,643)	4,637	(2,892)
Cash from operating activities		(16,971)	(13,567)	20,602	41,078
Payment of interest on loans and financing	14	(74,056)	(66,304)	(74,386)	(66,682)
Income and social contribution taxes paid		-	-	(1,154)	(785)
Net cash provided by operating activities		(91,027)	(79,871)	(54,938)	(26,389)
Cash flow from investing activities					
Investment of funds	31	(8,372)	(7,990)	(8,372)	(7,990)
Additions to property, plant and equipment and intangible assets		(29,437)	(41,488)	(29,690)	(41,497)
Additions to biological assets (planting and handling)	11	(113,607)	(101,398)	(113,607)	(101,398)
Short-term investments	5	405,751	-	376,621	-
Funds for sale of PP&E	12	107	666	64	10,382
Advances for future capital contribution		(1,000)	-	(1,000)	-
Net cash used in investing activities		253,442	(150,210)	224,016	(140,503)
Cash flow from financing activities					
Financing taken out from third parties	14	16,284	461,966	16,284	461,966
Amortization of financing - third parties	14	(274,047)	(307,994)	(274,919)	(308,864)
Purchase of treasury shares	17 (b)	(7,423)	-	(7,423)	-
Disposal of treasury shares	17 (f)	518	1,491	518	1,491
Net cash provided by (used in) financing activities		(264,668)	155,463	(265,540)	154,593
Net increase (decrease) in cash and cash equivalents		(102,253)	(74,618)	(96,462)	(12,299)
Cash and cash equivalents at beginning of period	5	266,343	989,690	266,659	1,020,112
Cash and cash equivalents at end of period	5	164,090	915,072	170,197	1,007,813
Additional information					
Balances in short-term investments	5	247,745	-	344,794	-
Total available funds	5	411,835	915,072	514,991	1,007,813

See accompanying notes.

São Martinho

Statement of value added

Quarters ended June 30, 2016 and 2015

In thousands of reais

	Company		Consolidated	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
		Restated		Restated
Turnover				
Gross sales	550,046	326,914	568,455	375,048
Turnover from construction of own assets	112,388	119,696	112,388	119,696
Other turnover	1,029	315	1,035	315
	663,463	446,925	681,878	495,059
Bought-in inputs				
Costs of sales	(231,925)	(144,684)	(211,624)	(131,503)
Bought-in materials, energy and services and other	(99,551)	(87,691)	(104,501)	(93,129)
	(331,476)	(232,375)	(316,125)	(224,632)
Gross value added	331,987	214,550	365,753	270,427
Depreciation and amortization	(46,406)	(34,538)	(47,395)	(35,629)
Biological assets harvested (depreciation)	(84,040)	(57,569)	(84,040)	(57,569)
Net value added generated by the entity	201,541	122,443	234,318	177,229
Value added received in transfer				
Equity pickup	51,670	68,557	19,242	12,293
Financial turnover	345,221	278,792	350,039	283,700
Other	(306)	870	(359)	870
Total value added payable	598,126	470,662	603,240	474,092
Payment of value added				
Personnel and charges				
Direct compensation	84,958	78,468	85,190	78,647
Benefits	23,792	20,914	23,836	20,966
Unemployment Compensation Fund (FGTS)	7,975	7,157	8,079	7,161
Management compensation	10,045	3,630	10,373	3,933
Taxes, charges and contributions				
Federal	8,412	(12,360)	12,298	(9,447)
State	693	454	749	518
Local	276	88	282	89
Financers				
Interest	64,261	63,565	64,615	64,388
Rents	566	1,276	566	366
Foreign exchange rate fluctuations	280,861	163,057	280,861	163,057
Other	76,618	112,965	76,722	112,966
Retained earnings for the period	39,669	31,448	39,669	31,448
Value added paid	598,126	470,662	603,240	474,092

See accompanying notes.

1. Operations

São Martinho S.A. (the “Company”), is a listed corporation headquartered in Pradópolis, State of São Paulo, and registered with the São Paulo Futures, Commodities and Securities Exchange - BM&BOVESPA S.A. The Company, its subsidiaries and jointly-controlled subsidiaries (together, the “Group”) are primarily engaged in planting sugar cane and producing and selling sugar, ethanol and other sugar cane byproducts; cogenerating electricity; development of real estate ventures; agricultural production; import and export of goods, products and raw materials, and investment in other companies.

Approximately 70% of the sugar cane used in the production of the goods derives from the Company’s own plantations, from shareholders, related companies and agricultural partnerships, and the remaining 30% from third-party suppliers. Sugar alcohol business is subject to seasonal trends based on the sugarcane growing cycle in the South and Central region of Brazil. The annual sugarcane crop period in the South and Central region of Brazil typically begins in April and ends in December. This creates fluctuations in the Company’s inventories. Raw material supply can suffer from the impact of adverse climate conditions. Sugar cane requires an 18-month period for maturing and the beginning of the harvest. The harvest generally takes place between April and December, which is also the period when sugar and ethanol are produced and electricity is cogenerated.

The Company is a subsidiary of the holding company LJN Participações S.A. ("LJN"), which has controlling interest of 55.96% 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.

Issue of this quarterly information was approved by the Company’s Board of Directors on August 8, 2016.

2. Summary of significant accounting practices

2.1 Statement of compliance and basis of preparation

Company’s interim financial information comprises:

a) Interim financial information

The interim financial information of the Company has been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”), implemented in Brazil by the Brazilian Financial Accounting Standards Board (“CPC”) and CPC technical interpretations (“ICPC”) and guidance (“OCPC”) approved by the Brazilian SEC (“CVM”).

a) Individual interim financial information (Company)

The individual interim financial information of the Company has been prepared in accordance with accounting practices adopted in Brazil, which include the provisions of Brazilian Corporation Law, under Law No. 6404/76 as amended by Laws No. 11638/07 and No. 11941/09, and accounting pronouncements, interpretations and guidance issued by the CPC and approved by the CVM.

The interim financial information was prepared at historical cost, except for certain derivative financial instruments and biological assets, measured at fair value.

The Company records dividends received from its subsidiaries on its cash flow used in investing activities since it considers these dividends as return on investments made.

Significant accounting practices adopted by the Company are described in the specific notes to this interim financial information related to the items reported, and those generally applicable, in different respects, to the interim financial information, are described as follows.

2.2 Basis of consolidation and investments in subsidiaries

Subsidiaries are all companies controlled by the Company, fully consolidated from the date on which control is transferred to the Company. Consolidation is ceased as from the date the Company loses control of the investee.

In thousands of reais, unless otherwise stated

Consolidated balances in the interim financial information for the period ended June 30, 2016 includes the following subsidiaries:

Company	Interest in capital	Main activities
Vale do Mogi Empreendimentos Imobiliários S/A (“Vale do Mogi”)	100%	Exploitation of land through lease and agricultural partnership, rental and sale of real estate.
São Martinho Energia S.A. (“SME”)	100%	Cogeneration of electric energy.
Cia Bioenergética Santa Cruz 1 (“Bio”)	100%	Cogeneration of electric energy.
São Martinho Inova S.A. (“SM Inova”)	100%	Interest in companies.
Landco Emprendimentos e Participações S.A. ("LandCo")	100%	Exploitation of land through lease and agricultural partnership, rental and sale of real estate.
SPE - Residencial Recanto das Paineiras Empreendimentos Imobiliários Ltda ("SPE Paineiras") – subsidiary of Vale do Mogi	100% (direct 0.01% and indirect 99.99%)	
SPE - Park Empresarial Iracemápolis Ltda ("SPE Park") – subsidiary of Vale do Mogi	100% (direct 0.01% and indirect 99.99%)	Real estate development exploitation
SPE - Residencial Limeira Ltda ("SPE Limeira") – subsidiary of Vale do Mogi	100% (direct 0.01% and indirect 99.99%)	Real estate development exploitation
SPE - Residencial Pradópolis Ltda ("SPE Pradópolis") – subsidiary of Vale do Mogi	100% (direct 0.01% and indirect 99.99%)	Real estate development exploitation
São Martinho Logística e Participações S.A. ("SM Logística")	100% (direct 99.99% and indirect 0.01%)	Storage of products in general

Contractual investment arrangements whereby two or more parties have joint control of the venture are classified as jointly-controlled operations or joint ventures, according to rights on this entity’s net assets and obligations of the parties thereto. Common control is the sharing, contractually agreed, of the business control that exists only when decisions on the significant activities require the unanimous consent from the parties that share the control. These investments are accounted for under the equity method.

The interim financial information of jointly ventures is prepared for the same reporting date as that of the Company.

At June 30, 2016, the Company had the following jointly-controlled entities:

Company	Interest in capital	Main activities
Jointly controlled entities - direct:		
Nova Fronteira Bioenergia S.A. ("NF")	50.95%	Interest in companies of the sugarcane industry.
Usina Santa Luiza S/A ("USL")	66.67%	Storage services.
Jointly controlled entities - indirect:		
Usina Boa Vista S/A ("UBV") – subsidiary of NF	50.95%	Agroindustrial activity: manufacturing of sugarcane from own production and third parties, production of ethanol and its byproducts, cogeneration of electric energy and agricultural exploitation.

2.3 Functional and reporting currencies

The interim financial information is presented in Real (R$), which is the currency of the primary economic environment in which the Company operates ("the functional currency").

2.4 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the corresponding transaction dates. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation of monetary assets and liabilities denominated in foreign currency are recognized in P&L, except when deferred in equity as qualifying cash flow hedges.

2.5 Financial instruments

(i) Financial assets

The Company's financial assets are classified as (i) financial assets at fair value through profit or loss, and (ii) loans and receivables. Measurement of financial assets depends on their classification.

a) Financial assets measured at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. These assets are accounted for at fair value and transaction costs are charged to profit or loss.

b) Loans and receivable

These include cash and cash equivalents, trade accounts receivable and other receivables ("transactions with related parties"). Loans and receivables are measured at amortized cost under the effective interest rate method, less any impairment loss.

c) Impairment of financial assets

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

(ii) Financial liabilities

The Company's financial liabilities include trade accounts payable, borrowings, related parties and other payables, which are classified as borrowings. After initial recognition, borrowings are measured at amortized cost using the effective interest method. Gains and losses are recognized in the statement of operations when liabilities are derecognized, and over the amortization process by using the effective interest rate method.

(iii) Derivative financial instruments

Derivatives are measured at fair value, with gains and losses recognized in P&L, unless hedge accounting is applied.

The Company documents, at inception, the relation between the hedging instruments and hedged items, as well as the risk management objective and strategy for undertaking the hedging transactions.

The effective portion of changes in fair value of derivatives designated as cash flow *hedge*s is classified as “Equity adjustments” in equity. The ineffective portion of such changes is recorded as “Financial income (expenses)” in profit or loss for the year. The amounts accumulated in equity are reclassified in the statement of operations for the periods when the hedged item affects profit or loss, and the related effects are recognized as “Net revenue from sales”, in order to minimize undesired changes in the hedged item.

2.6 Business combinations and goodwill

Business combinations are accounted for using the acquisition method.

Goodwill is initially measured at cost when the amount exceeds (a) the consideration transferred in exchange for control of the acquiree, (b) the amount of any noncontrolling interest in the acquiree, and (c) fair value of the interest previously held by the acquirer in the acquiree (if any) that exceeds the amounts, on the acquisition date, net of identifiable assets acquired and liabilities assumed, valued at fair value. If, after remeasurement, the Group’s interest in the fair value of net identifiable assets acquired exceeds (a), (b) and (c) above, the excess amount is immediately recognized in P&L as gain arising from bargain purchase.

Goodwill corresponding to consolidated entities is recorded under specific goodwill account in the consolidated balance sheet. Under the equity method, goodwill for consolidated entities is included in investments in affiliates’.

In each business combination, the acquirer shall measure any noncontrolling interests in the acquiree at fair value of these interests or a portion assignable to them in the fair value of net identifiable assets of the acquiree.

Acquisition costs incurred are accounted for as expenses.

Upon acquiring a business, the Group assesses financial assets and liabilities assumed so as to correctly classify and designate them in accordance with contractual terms, economic circumstances and relevant conditions on the acquisition date, including the segregation, by the acquiree, of embedded derivatives existing in host contracts.

In case the business combination is performed in stages, book value on acquisition date of the controlling interest previously held by the acquirer in the acquiree is remeasured at fair value on acquisition date through P&L.

After initial recognition, goodwill is recorded at cost, less accumulated impairment losses. For impairment test purposes, goodwill acquired in a business combination is, as of acquisition date, allocated to each Group's cash-generating unit, which shall be benefited from such combination synergy, regardless of other assets or liabilities of the acquiree being attributed to these units.

2.7 Lease agreements

Leases in which a significant portion of the risks and rewards of ownership is retained by the lessor are classified as operating leases. Operating lease payments (net of any incentives received from the lessor) are charged to the statement of operations on a straight-line basis over the lease term.

2.8 New standards, interpretations and amendments adopted by the Company – restatement

Amendments to IAS 41 and IAS 16

The Company adopted the amendments to IAS 41 and IAS 16 with effect from April 1, 2016 and changed its basis for determining the fair value of its biological assets and their presentation in the financial statements.

As a result of the adoption of this standard, the main changes for the Group are:

- Bearer plants are now carried at cost less any accumulated depreciation and any accumulated impairment instead of fair value less costs to sell.

- Bearer plants and their related depreciations are now classified in property, plant and equipment instead of non current biological assets.

- Standing canes are now valued at their fair value less cost to sell and classified in current biological assets instead of non current biological assets.

In accordance with CPC 23 - Accounting Policies, Changes in Accounting Estimates and Errors, the change in accounting policy has been applied retrospectively.

As permitted under the transitional rules, the fair value of these plants from April 1, 2015 (opening balance) was regarded as its cost. The difference between the fair value and the previous carrying amount was recognized in retained earnings on transition.

The impact of the initial application of these changes on the corresponding figures for the balance sheet at March 31, 2016, as well as the income statement for the quarter ended June 30, 2015 are shown below:

In thousands of reais, unless otherwise stated

			Balance Sheet at March 31, 2016
Company	Original	Impact of amendments to IAS 41 and IAS 16	Restated
CURRENT ASSETS			
Biological assets	-	470,241	470,241
Other current assets	1,539,345	-	1,539,345
NONCURRENT ASSETS			
Investments	2,326,505	3,282	2,329,787
Biological assets	1,072,806	(1,072,806)	-
Property, plant and equipment	1,726,210	594,914	2,321,124
Other noncurrent assets	650,942	-	650,942
TOTAL ASSETS	7,315,808	(4,369)	7,311,439
CURRENT LIABILITIES	1,203,874	-	1,203,874
NONCURRENT LIABILITIES			
Deferred income and social contribution tax	195,139	(2,601)	192,538
Other noncurrent liabilities	3,268,430	-	3,268,430
EQUITY			
Capital	931,340	-	931,340
Capital reserve	10,531	-	10,531
Treasury shares	(26,613)	-	(26,613)
Stock options granted	4,753	-	4,753
Equity adjustments	1,295,698	-	1,295,698
Income reserves	432,656	-	432,656
Accumulated loss	-	(1,768)	(1,768)
TOTAL LIABILITIES AND EQUITY	7,315,808	(4,369)	7,311,439

In thousands of reais, unless otherwise stated

			Balance Sheet at March 31, 2016
Consolidated	Original	Impact of amendments to IAS 41 and IAS 16	Restated
CURRENT ASSETS			
Biological assets	-	470,241	470,241
Other current assets	1,622,245	-	1,622,245
NONCURRENT ASSETS			
Investments	509,951	3,282	513,233
Biological assets	1,072,806	(1,072,806)	-
Property, plant and equipment	3,409,555	594,914	4,004,469
Other noncurrent assets	770,704	-	770,704
TOTAL ASSETS	7,385,261	(4,369)	7,380,892
CURRENT LIABILITIES	1,216,712	-	1,216,712
NONCURRENT LIABILITIES			
Deferred income and social contribution tax	232,774	(2,601)	230,173
Other noncurrent liabilities	3,287,410	-	3,287,410
EQUITY			
Capital	931,340	-	931,340
Capital reserve	10,531	-	10,531
Treasury shares	(26,613)	-	(26,613)
Stock options granted	4,753	-	4,753
Equity adjustments	1,295,698	-	1,295,698
Income reserves	432,656	-	432,656
Accumulated loss	-	(1,768)	(1,768)
TOTAL LIABILITIES AND EQUITY	7,385,261	(4,369)	7,380,892

In thousands of reais, unless otherwise stated

			Income statement for June 30, 2015
Company	Published	Impact of amendments to IAS 41 and IAS 16	Restated
Revenues	316,873	-	316,873
Cost of sales	(278,986)	5,019	(273,967)
Gross profit	37,887	5,019	42,906
Operating income and expenses			
Equity pickup	68,716	(159)	68,557
Other operating income and expenses	(39,494)	-	(39,494)
Operating income before financial income (expenses)	67,109	4,860	71,969
Financial income (expenses)	(60,115)	-	(60,115)
Income before income and social contribution taxes	6,994	4,860	11,854
Income and social contribution taxes			
Current	10,368	-	10,368
Deferred	10,933	(1,707)	9,226
Net income for the period	28,295	3,153	31,448

In thousands of reais, unless otherwise stated

	Income statement for June 30, 2015		
Consolidated	**Published**	**Impact of amendments to IAS 41 and IAS 16**	**Restated**
Revenues	367,180	-	367,180
Cost of sales	(274,101)	5,019	(269,082)
Gross profit	93,079	5,019	98,098
Operating income and expenses			
Equity pickup	12,452	(159)	12,293
Other operating income and expenses	(41,036)	-	(41,036)
Operating income before financial income (expenses)	64,495	4,860	69,355
Financial income (expenses)	(56,031)	-	(56,031)
Income before income and social contribution taxes	8,464	4,860	13,324
Income and social contribution taxes			
Current	8,285	-	8,285
Deferred	11,546	(1,707)	9,839
Net income for the period	28,295	3,153	31,448

The impact on the statement of comprehensive income and the statement of value added are arising from the adjustment in net income and the effects are not relevant to the presentation of reconciliation. The adjustments referred to above did not impact the total amounts of the operating, investing and financing activities in the cash flow statements related the quarter ended June 30, 2015.

3. Standards, interpretations and amendments to standards that are not yet effective

Pronouncements and interpretations issued by IASB, but which had not taken effect until the issuance date of the quarterly information of the Company, are disclosed as follows. The Company intends to adopt these pronouncements, where applicable, once they become effective.

- IFRS 9 - Financial Instruments: IFRS 9 ultimately aims to replace IAS 39 - Financial Instruments: Recognition and Measurement Main changes estimated are: (i) all financial assets must be initially recognized at fair value; (ii) the standard divides all financial assets that are currently in the scope of IAS 39 into two classifications: amortized cost and fair value; (iii) the IAS 39 categories of available for sale and held to maturity were eliminated; and (iv) the IAS 39 concept of embedded derivatives was extinguished by the concepts of this new standard. The standard will come into effect on January 1, 2018. The Company is assessing the impact on its financial statements.

- IFRS 15 – Revenue from Contracts with Customers: This new standard states principles that an entity shall apply to determine measurement of revenue and when revenue shall be recognized. This standard is effective for years beginning on or after January 1, 2018. The Company is assessing the corresponding impact on its financial statements.

- IFRS 16 – Leasing: Establishes that leases be recognized in the balance sheet of the lessee, and a liability recorded for future payments and an intangible asset for the right to use. Definition of lease covers all contracts that provide the right to use and control an identifiable asset, including lease agreements and, potentially, certain components of services rendered. This standard is effective on or after January 1, 2019. The Company is assessing the corresponding impact on its financial statements.

4. Significant accounting estimates and judgments

Accounting estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events, which are believed to be reasonable under the circumstances.

Estimates and judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities for the next financial year are listed below.

(a) Impairment of goodwill

The Group tests goodwill for impairment annually. The recoverable amounts of Cash Generating Units (CGUs) were determined based on calculations of the value in use, based on estimates.

(b) **Fair value of biological assets**
This represents the present value of expected net cash flows from these assets, which is determined based on assumptions used in the discounted cash flow method.

(c) **Income tax, social contribution and other taxes**
The Group recognizes provisions for situations in which it is probable that additional tax amounts shall be levied. When the final result of these circumstances is different from those initially estimated and recorded, these differences will change the current and deferred tax assets and liabilities for the year in which the definitive amount is determined.

(d) **Fair value of derivatives and other financial instruments**
The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses its judgment to select a variety of methods and to make assumptions based mainly on market conditions existing at the balance sheet date.

In addition, certain financial assets and liabilities are discounted to present value. Management estimates the discount rates most appropriate in each circumstance and period.

(e) **Provision for contingencies**
The Group is party to labor, civil and tax lawsuits at various court levels. The provisions for contingencies to cover losses arising from proceedings pending judgment are set up and restated based on management's assessment, according to the opinion of its legal counsel, and require a high level of judgment on the matters involved.

5. Cash and cash equivalents and short-term investments

Cash and cash equivalents include cash on hand, bank deposits and other highly liquid short-term investments with original maturity within three months, readily convertible into a known cash amount and subject to insignificant risk of change in value.

In thousands of reais, unless otherwise stated

	Company			Consolidated		
	Yield *	June 30, 2016	March 31, 2016	Yield *	June 30, 2016	March 31, 2016
Cash and banks - in Brazil		1,758	224		3,058	291
Cash and banks - abroad		102,945	55,853		102,945	55,853
Short-term investments - in Brazil						
. CDB	100.63%	40,500	38,197	100.63%	40,500	38,197
. Debentures held under repurchase agreements	99.73%	18,887	172,069	99.29%	23,694	172,318
Total cash and cash equivalents		164,090	266,343		170,197	266,659
Short-term investments						
. Investment fund	99.12%	247,745	641,236	99.12%	344,794	706,487
. Other		492	492	99.05%	5,539	5,423
Total short-term investments		248,237	641,728		350,333	711,910
In noncurrent assets		492	492		5,539	5,423
Total available funds		411,835	907,579		514,991	973,146

* Current remuneration based on the Interbank Deposit Certificate (CDI) rate variation – weighted average rate

6. Trade accounts receivable

Trade accounts receivable are stated at present value, net of allowance for doubtful accounts, as applicable.

The balance of trade accounts receivable is broken down as follows:

	Company		Consolidated	
	June 30, 2016	March 31, 2016	June 30, 2016	March 31, 2016
Domestic customers	30,976	32,880	71,463	64,448
Foreign customers	95,654	43,826	95,654	43,826
	126,630	76,706	167,117	108,274
Current assets	126,630	76,706	142,494	86,419
Noncurrent assets	-	-	24,623	21,855

In thousands of reais, unless otherwise stated

For the quarter ended June 30, 2016 and the year ended March 31, 2016, management identified no need to record an allowance for doubtful accounts.

The aging list of these trade accounts receivable is as follows:

	Company		Consolidated	
	June 30, 2016	March 31, 2016	June 30, 2016	March 31, 2016
Falling due:	126,595	76,675	167,082	108,190
Overdue and not provisioned:				
above 31 days	35	31	35	84
	126,630	76,706	167,117	108,274

Out of the amount receivable, R$3,758 and R$2,467, Company and Consolidated, respectively (R$3,450 and R$3,275, Company and Consolidated, respectively, at March 31, 2016), refer to related parties, as detailed in Note 9.

7. Inventories and advances to suppliers

	Company		Consolidated	
	June 30, 2016	March 31, 2016	June 30, 2016	March 31, 2016
Current				
Finished goods and work-in-process	333,900	65,957	324,964	65,957
Advances - purchase of product	-	25,671	-	25,671
Advances - purchase of sugar cane	57,859	47,953	57,859	47,953
Advances - purchase of inputs	31,255	31,041	31,255	31,041
Land division	-	-	6,336	6,621
Inputs, ancillary materials for maintenance and other	48,167	52,007	48,168	52,007
	471,181	222,629	468,582	229,250
Noncurrent				
Advances - purchase of sugar cane	53,350	62,309	53,350	62,309
	53,350	62,309	53,350	62,309
	524,531	284,938	521,932	291,559

In thousands of reais, unless otherwise stated

Inventories are stated at average acquisition or production costs, adjusted, where necessary, by the provision for write-down to their realizable value. The land inventory balance (Land subdivisions) is stated at acquisition cost, increased by the deemed cost surplus of land.

The balance classified as "Land subdivisions - land" refers to real estate developments SPE Paineiras, SPE Park, SPE Limeira and SPE Pradópolis.

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.

8. Taxes recoverable

Breakdown of taxes recoverable is as follows:

	Company		Consolidated	
	June 30, 20-16	March 31, 2016	June 30, 2016	March 31, 2016
Current				
PIS / COFINS	30,582	26,616	30,596	26,655
ICMS	34,970	30,248	35,764	30,997
Other	779	770	779	771
	66,331	57,634	67,139	58,423
Noncurrent				
PIS / COFINS	63,486	58,454	63,486	58,454
Special Tax Refund Regime for Exporting Companies (Reintegra)	24,525	24,155	24,525	24,155
IOF on derivatives	7,194	7,027	7,194	7,027
ICMS	14,885	15,249	14,895	15,286
INSS	5,408	5,273	5,408	5,273
	115,498	110,158	115,508	110,195
	181,829	167,792	182,647	168,618

In thousands of reais, unless otherwise stated

The balances of taxes recoverable arise from commercial transactions and tax prepayments, adjusted to present value when applicable.

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

	June 30, 2016	
	Company	Consolidated
From 07/01/2017 to 06/30/2018	71,163	71,173
From 07/01/2018 to 06/30/2019	19,197	19,197
From 07/01/2019 to 06/30/2020	8,536	8,536
From 07/01/2020 to 06/30/2021	7,247	7,247
From 07/01/2021 to 06/30/2022	4,418	4,418
Fromn 07/01/2022	4,937	4,937
	115,498	115,508

9. Related parties

(a) Company and Consolidated balances:

	June 30, 2016				March 31, 2016			
Company	Current assets	Noncurrent asset	Current liabilities	Noncurrent liabilities	Current assets	Noncurrent assets	Current liabilities	Noncurrent liabilities
Consolidated in the current financial statements:								
Vale do Mogi Empreend. Imobiliários S/A	6	-	5,982	-	100	-	5,012	-
Cia Bioenergética Santa Cruz 1	216	-	170	-	45	-	395	-
São Martinho - Energia S.A.	1,063	-	-	-	24	-	-	-
São Martinho Inova S.A.	-	1,996	-	-	-	1,996	-	-
Landco Empreendimentos e Participações S.A.	-	-	3,274		-	-	-	-
Other	6	-	-	-	6	-	-	-
Not consolidated in the current financial statements:								
Luiz Ometto Participações S.A. (Note 31)	-	-	12,045	61,750	-	-	12,045	61,750
Usina Boa Vista S/A	2,299	-	-	-	3,097	-	-	-
Usina Santa Luiza S/A	56	2,000	-	-	76	1,000	-	-
Nova Fronteira Bioenergia S.A.	5	-	-	-	5	-	-	-
SMBJ Agroindustrial S/A	-	-	-	-	4	-	-	-
Agro Pecuária Boa Vista S/A	7	-	7	-	7	-	2,976	-
Other	100	-	104	-	86	-	105	-
Subtotal	3,758	3,996	21,582	61,750	3,450	2,996	20,533	61,750
Inventories - purchase of sugar cane								
From shareholders/related parties	3,812	-	2,656	-	1,633	-	708	-
	7,570	3,996	24,238	61,750	5,083	2,996	21,241	61,750

In thousands of reais, unless otherwise stated

Consolidated	June 30, 2016 Current assets	Noncurrent assets	Current liabilities	Noncurrent liabilities	March 31, 2016 Current assets	Noncurrent assets	Current liabilities	Noncurrent liabilities
From investees and related parties:								
Usina Boa Vista S/A	2,299	-	-	-	3,097	-	-	-
Nova Fronteira Bioenergia S.A.	5	-	-	-	5	-	-	-
Luiz Ometto Participações S.A. (Note 31)	-	-	12,045	61,750	-	-	12,045	61,750
Usina Santa Luiza S/A	56	2,000	-	-	76	1,000	-	-
SMBJ Agroindustrial S/A	-	-	-	-	4	-	-	-
Agro Pecuária Boa Vista S/A	7	-	7	-	7	-	2,976	-
Other	100	-	104	-	86	-	105	-
Subtotal	2,467	2,000	12,156	61,750	3,275	1,000	15,126	61,750
Inventories - purchase of sugar cane								
From shareholders/related parties	3,812	-	2,656	-	1,633	-	708	-
	6,279	2,000	14,812	61,750	4,908	1,000	15,834	61,750

The balances in current assets are classified as trade accounts receivable and inventories in the balance sheet. Balance in current liabilities (classified as trade accounts payable and acquisition of equity interest in the balance sheet) refers to purchases and sales of products and services between the Company, its investees and related parties. Balances in noncurrent assets and noncurrent liabilities refer to future capital contributions and to acquisition of equity interest, respectively.

(b) Significant Company and Consolidated transactions for the period:

Company	June 30, 2016 Sales revenue	Reimbursed expenses/(Purchase of products and services)	June 03, 2015 Sales revenue	Reimbursed expenses/(Purchase of products and services)
Consolidated in the current financial statements:				
Vale do Mogi Empreend. Imobiliários S/A	-	(12,657)	-	(15,959)
Landco Empreendimentos e Participações S.A.	-	(7,928)	-	-
Cia Bioenergética Santa Cruz 1	1,069	(374)	1,323	(472)
São Martinho - Energia S.A.	1,086	-	1,589	-
Not consolidated in the current and related financial statements:				
Usina Boa Vista S/A	-	3,439	-	3,276
Agro Pecuária Boa Vista S/A	-	(7,181)	-	(6,412)
Shareholders and related parties				
- purchases of sugar cane	-	(2,928)	-	(2,211)
	2,155	(27,629)	2,912	(21,778)

Sales revenue refers to sale of steam. Purchases of products and services are derived from purchase of sugar cane, electricity and steam manufacturing service.

In thousands of reais, unless otherwise stated

Expenses reimbursed by investees refer to the costs of the shared service center, the Board of Directors, and the Corporate Office. Apportionments are supported by agreements between the parties.

Consolidated	June 30, 2016 Reimbursed expenses/(Purchase of products and services)	June 30, 2015 Reimbursed expenses/(Purchase of products and services)
Usina Boa Vista S/A	3,439	3,276
Usina Santa Luiza S/A	-	-
SMA Indústria Química Ltda	-	-
Agro Pecuária Boa Vista S/A	(7,181)	(6,412)
Other	-	-
Shareholders and related parties		
- purchases of sugar cane	(2,928)	(2,211)
	(6,670)	(5,347)

(c) Key management personnel compensation:

Key management personnel include directors and officers. Compensation paid or to be paid for the period is stated as follows:

	Company		Consolidated	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
Salaries, compensation and bonus	10,252	3,841	10,698	4,253
Social security and social contributions	2,047	765	2,136	847
Other	255	228	290	270
	12,554	4,834	13,124	5,370

Information on the Stock Option Plan offered to the Company's officers, which does not make up your fixed and variable remuneration, is described in Note 17 (f).

In thousands of reais, unless otherwise stated

10. Investments

10.1 Subsidiaries, jointly-controlled subsidiaries and affiliates

Investments in other companies, Company and Consolidated, are as follows:

				Company				Consolidated			
	% equity interest	Adjusted equity of the investee		Book value of investments		Equity pickup		Equity pickup		Book value of investments	
Company	(current)	June 30, 2016	March 31, 2016 Restated	June 30, 2016	March 31, 2016 Restated	June 30, 2016	June 30, 2015 Restated	June 30, 2016	June 30, 2015 Restated	June 30, 2016	March 31, 2016 Restated
Classified in Investment											
Vale do Mogi Empreend. Imobiliários S.A.	100.00%	1,064,061	1,673,486	1,064,061	1,673,486	12,362	19,996	-	-	-	-
São Martinho - Energia S.A.	100.00%	26,863	23,819	26,863	23,819	3,044	20,608	-	-	-	-
São Martinho Inova S/A	100.00%	20,261	20,089	20,261	20,089	170	23	-	-	-	-
Landco Empreendimentos e Participações S.A.	100.00%	621,384	-	621,384	-	4,083	-	-	-	-	-
São Martinho Logística e Participações S.A.	100.00%	3,159	3,190	3,159	3,190	(31)	(27)	-	-	-	-
Nova Fronteira Bioenergia S.A. (i)	50.95%	997,120	958,013	508,032	488,107	19,925	12,529	19,925	12,529	508,032	488,107
Companhia Bioenergética Santa Cruz 1	100.00%	132,200	119,230	132,200	119,230	12,970	15,687	-	-	-	-
CTC - Centro de Tecnologia Canavieira S.A. (i)	5.40%	434,012	430,841	-	-	-	-	170	23	23,433	23,260
Other				1,865	1,866	-	-	-	-	1,865	1,866
Total classified in Investment		3,299,060	3,228,668	2,377,825	2,329,787	52,523	68,816	20,095	12,552	533,330	513,233
Classified in noncurrent liabilities											
SMA - Indústria Quimica S/A (i) e (ii)	50.00%	-	-	-	-	-	(55)	-	(55)	-	-
Usina Santa Luiza S.A. (i)	66.67%	(16,269)	(14,989)	(10,847)	(9,993)	(853)	(204)	(853)	(204)	(10,847)	(9,993)
Total classified in noncurrent liabilities		(16,269)	(14,989)	(10,847)	(9,993)	(853)	(259)	(853)	(259)	(10,847)	(9,993)
Closing balance		3,282,791	3,213,679	2,366,978	2,319,794	51,670	68,557	19,242	12,293	522,483	503,240

There are no cross-holdings between the Company and its investees.

(i) Investees are not consolidated and these investments are reported in the consolidated interim financial information under the equity method;

(ii) Investment disposed of;

(iii) Investee incorporated in the period.

In thousands of reais, unless otherwise stated

The Special General Meeting held on April 25, 2016, approved the partial spin-off of subsidiary Vale do Mogi into LandCo. The portion spun off by LandCo refers to land amounting to R$53,176. LandCo is primarily engaged in the exploration and trade of produce related to agriculture and interest held in other entities. This change is intended to address geographical organization according to the operating radius of the agribusiness units.

10.2 Supplementary information on Nova Fronteira Bioenergia S.A.

The balance sheet and statement of income of the referred to subsidiary is summarized as follows:

BALANCE SHEET	June 30, 2016	March 31, 2016
		Restated
Current assets	582,091	594,399
Noncurrent assets	1,064,073	1,092,909
Total assets	1,646,164	1,687,308
Current liabilities	392,034	301,555
Noncurrent liabilities	257,010	427,740
Equity	997,120	958,013
Total liabilities	1,646,164	1,687,308

INCOME STATEMENT	June 30, 2016	June 30, 2015
		Restated
Net revenue	169,998	164,181
Cost of sales	(105,225)	(124,235)
Gross profit	64,773	39,946
Net operating expenses	(10,104)	(10,294)
Financial income (expenses)	(1,280)	(4,706)
Income and social contribution taxes	(14,282)	(355)
Net income for the year	39,107	24,591

11. Biological assets

Biological assets correspond to agricultural products in development (standing cane) produced in sugarcane plantations (bearer plant), to be used as raw material in the production of sugar and ethanol upon its harvest. These assets are carried at fair value less costs to sell.

Fair value of the agriculture produce harvested is determined by the quantity harvested, valued at the accumulated value established by the Council of Sugar Cane, Sugar and Alcohol Producers of the State of São Paulo (CONSECANA) in that month. The fair value of sugar cane harvested will be the cost of raw material used in the production of sugar and ethanol.

Measurement at fair value of biological assets is classified as Level 3 - Assets and liabilities, whose prices do not exist, or whose prices or valuation techniques are supported by a small, nonexistent or illiquid market and unobservable market inputs.

The fair value of biological assets is determined based on the discounted cash flow method, considering basically:

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

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

The following significant assumptions were used to determine fair value:

In thousands of reais, unless otherwise stated

Company and Consolidated	June 30, 2016	March 31, 2016
Total estimated harvest area (ha)	165,545	162,289
Expected productivity (ton/ha)	89.53	79.86
Quantity of ATR per ton of sugarcane (kg)	134.87	132.58
Projected average price of ATR (R$)	0.6080	0.5750

Based on the estimates of revenue and costs, the Company determines the future cash flows to be generated and adjusts them to present value, using a discount rate compatible with the remuneration of the investment in the circumstances. Changes in fair value are recorded as biological assets with a corresponding entry to the sub account "Changes in fair value of biological assets", under "Cost of sales" in P&L for the period.

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

Company and Consolidated	June 30, 2016	March 31, 2016
		Restated
Historical cost	458,097	392,045
Fair value	12,144	(40,884)
Biological assets at March 31	470,241	351,161
Changes:		
Increases resulting from planting	72,832	252,512
Increases resulting from handling	47,926	159,363
Changes in fair value	5,734	53,028
Reductions due to harvest	(141,970)	(345,823)
Biological assets at end of year:	454,763	470,241
Represented by:		
Historical cost	436,885	458,097
Fair value	17,878	12,144
Closing balance of biological assets:	454,763	470,241

(a) Agricultural partnerships and lease agreements

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

In thousands of reais, unless otherwise stated

The amounts to be disbursed in respect of these agreements are determined at the end of each crop by the price of a metric ton of sugar cane established by CONSECANA. At June 30 and March 31, 2016, the total estimated payments (nominal value) are as follows:

Company and Consolidated	June 30, 2016	March 31, 2016
Within one year	205,145	190,259
More than one year	647,629	580,992
Above five years	554,019	488,104
	1,406,793	1,259,355

12. Property, plant and equipment

The net book value and useful life of the assets as well as the depreciation methods are reviewed at year end, and adjusted prospectively, as applicable. Depreciation is calculated using the straight-line method, and for production equipment the accelerated depreciation method is applied, taking into consideration the crushing season.

Maintenance costs that extend the useful lives of property, plant and equipment items are capitalized and items that replace others which suffer wear and tear during the crop period are recorded as assets, and are depreciated during the subsequent crop period. Maintenance costs that do not extend the useful lives of the assets are recognized as expenses when incurred. Replaced items are written off.

Sugar cane plantations correspond to bearer plants that are solely used to cultivate sugarcane. Sugar cane is classified as a permanent crop and its economically productive cycle lasts, on average, six years after the first harvest.

The costs of charges on borrowings taken to finance the construction of property, plant and equipment are capitalized during the period of time required to execute and prepare the asset for its intended use.

In thousands of reais, unless otherwise stated

Company	Land	Buildings and outbuildings	Equipment and industrial facilities	Offseason	Vehicles	Agricultural machinery and tools	Other PP&E	Construction in progress	Sugar cane plantation	Total
Balances at March 31, 2015 (restated)	125,162	196,845	769,655	125,434	161,126	238,181	15,695	44,733	557,352	2,234,183
Acquisition	-	16	1,196	137,147	17,330	25,899	1,352	88,086	196,925	467,951
Cost to sell	-	-	(81)	-	(396)	(3,679)	(1)	-	-	(4,157)
Transfers between groups		22,540	55,354	-	1,213	2,250	994	(82,351)	-	-
Transfer to inventories	12,929	6,205	-	-	-	-	-	-	-	19,134
Transfer to biological assets	-	-	-	-	-	-	-	-	(159,363)	(159,363)
Depreciation	-	(6,445)	(49,816)	(131,933)	(12,825)	(32,402)	(3,203)	-	-	(236,624)
Balances at March 31, 2016 (restated)	138,091	219,161	776,308	130,648	166,448	230,249	14,837	50,468	594,914	2,321,124
Total cost	138,091	249,309	1,049,558	131,427	217,828	349,146	52,714	50,468	594,914	2,833,455
Accumulated depreciation	-	(30,148)	(273,250)	(779)	(51,380)	(118,897)	(37,877)	-	-	(512,331)
Net book value	138,091	219,161	776,308	130,648	166,448	230,249	14,837	50,468	594,914	2,321,124
	-	-	369	391	3,601	4,221	311	19,427	46,890	75,210
Acquisition	-	-	(2)	-	(4)	(18)	(7)	-	-	(31)
Cost to sell	-	7,650	17,062	-	926	262	1,263	(27,163)	-	
Transfers between groups	4,487	-	-	-	-	-	-	-	-	4,487
Transfer to biological assets	-	-	-	-	-	-	-	-	(47,926)	(47,926)
Depreciation	-	(2,019)	(17,430)	(44,959)	(4,150)	(9,526)	(785)	-	-	(78,869)
Balances at June 30, 2016	142,578	224,792	776,307	86,080	166,821	225,188	15,619	42,732	593,878	2,273,995
Total cost	142,578	256,959	1,066,977	131,818	222,338	353,595	53,864	42,732	593,878	2,864,739
Accumulated depreciation		(32,167)	(290,670)	(45,738)	(55,517)	(128,407)	(38,245)	-	-	(590,744)
Net book value	142,578	224,792	776,307	86,080	166,821	225,188	15,619	42,732	593,878	2,273,995
Net book values:										
Historical cost	2,420	160,464	538,441	86,080	135,844	165,414	15,619	42,732	593,878	1,740,892
Appreciation	140,158	64,328	237,866	-	30,977	59,774	-	-	-	533,103
Average annual depreciation rates	-	3%	6%	100%	7%	10%	10%	-	17%	-

In thousands of reais, unless otherwise stated

Consolidated	Land	Buildings and outbuildings	Equipment and industrial facilities	Offseason	Vehicles	Agricultural machinery and tools	Other PP&E	Construction in progress	Sugar cane plantation	Total
Balances at March 31, 2015 (restated)	1,752,102	207,693	838,041	125,803	161,126	238,182	15,695	44,734	557,352	3,940,728
Acquisition	1,145	25	1,196	137,619	17,330	25,898	1,353	88,703	196,925	470,194
Cost to sell	(118)	-	(81)	-	(396)	(3,679)	(1)	-	-	(4,275)
Transfers between groups	-	22,540	55,354	-	1,213	2,250	994	(82,351)	-	-
Transfer to inventories	(2,785)	-	-	-	-	-	-	-	-	(2,785)
Transfer to biological assets	-	-	-	-	-	-	-	-	(159,363)	(159,363)
Depreciation	-	(6,838)	(52,460)	(132,302)	(12,825)	(32,402)	(3,203)	-	-	(240,030)
Balances at March 31, 2016 (restated)	1,750,344	223,420	842,050	131,120	166,448	230,249	14,838	51,086	594,914	4,004,469
Total cost	1,750,344	255,545	1,131,545	131,899	217,828	349,146	52,715	51,086	594,914	4,535,022
Accumulated depreciation	-	(32,125)	(289,495)	(779)	(51,380)	(118,897)	(37,877)	-	-	(530,553)
Net book value	1,750,344	223,420	842,050	131,120	166,448	230,249	14,838	51,086	594,914	4,004,469
Acquisition	-	-	369	391	3,601	4,221	311	19,681	46,890	75,464
Cost to sell	-	-	(2)	-	(4)	(18)	(6)	-	-	(30)
Transfers between groups	-	7,650	17,062	-	926	262	1,263	(27,163)	-	
Transfer to biological assets	-	-		-					(47,926)	(47,926)
Depreciation	-	(2,071)	(18,245)	(45,100)	(4,150)	(9,526)	(786)	-	-	(79,878)
Balances at June 30, 2016	1,750,344	228,999	841,234	86,411	166,821	225,188	15,620	43,604	593,878	3,952,099
Total cost	1,750,344	263,195	1,148,964	132,290	222,338	353,595	53,865	43,604	593,878	4,562,073
Accumulated depreciation	-	(34,196)	(307,730)	(45,879)	(55,517)	(128,407)	(38,245)	-	-	(609,974)
Net book value	1,750,344	228,999	841,234	86,411	166,821	225,188	15,620	43,604	593,878	3,952,099
Net book values:										
Historical cost	105,709	163,555	586,754	86,411	135,844	165,414	15,620	43,604	593,878	1,896,789
Appreciation	1,644,635	65,444	254,480	-	30,977	59,774	-	-	-	2,055,310
Average annual depreciation rates	-	3%	6%	100%	7%	10%	10%	-	17%	-

In thousands of reais, unless otherwise stated

Under the terms of certain borrowing agreements of the Group, property, plant and equipment totaling R$1,018,586 (consolidated) were pledged as collateral, of which R$437,946 refers to rural properties (12,641 hectares of land).

The Group capitalized financial charges amounting to R$483 for the period ended June 30, 2016 (R$747 for June 30, 2015).

13. Intangible assets

Contractual relationships have a defined useful life. Their amortization is calculated on the quantity of sugar cane harvested during the term of the agreement with the partner or supplier.

Goodwill is carried at cost less accumulated impairment losses. Goodwill is tested annually for *impairment*.

	Company		Consolidated	
	June 30, 2016	March 31, 2016	June 30, 2016	March 31, 2016
Goodwill on future profitability USL (i)	79,709	79,709	79,709	79,709
Goodwill on future profitability Mirtilo (i)	115,798	115,798	115,798	115,798
Goodwill on future profitability SC (i)	179,126	179,126	179,126	179,126
Software	23,554	22,927	23,554	22,927
Accumulated amortization	(15,651)	(14,796)	(15,651)	(14,796)
Rights on sugarcane contracts	11,781	11,781	11,781	11,781
Rights on electricity agreements (iii)	-	-	103,401	103,401
Rights on electricity agreements - amortization (iii)	-	-	(19,821)	(14,225)
Other assets	2,819	2,807	5,848	5,836
	397,136	397,352	483,745	489,557

(i) Goodwill related to business combination of prior years of company merged by the Company.
(ii) Refers to the acquisition of rights on agreements for agricultural partnership and sugar cane supply (2,281 hectares with an exploration period from 2013 to 2017);
(iii) Refers to the fair value of Bio's agreements for electricity supply, effective up to 2025.

In thousands of reais, unless otherwise stated

Impairment of nonfinancial assets

Under the provisions of CPC 01 (IAS 36) – Impairment of assets, goodwill, property, plant and equipment and intangible assets are submitted to test of impairment losses whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Goodwill and intangible assets with indefinite useful lives are submitted to impairment loss tests at least once a year or more frequently, is evidence of impairment is found. Annual impairment tests are performed at the end of March. To determine whether there was impairment, assets are grouped into cash generating units (CGU), which correspond to the smallest group of assets generating cash flows clearly independent from those generated by another CGU.

At March 31, 2016, the Company carried out an impairment test of noncurrent assets. The assessment was based on calculations of the value in use of each cash generating unit. Calculations of value in use are based on cash flow projections, before calculation of income and social contribution taxes, in accordance with budgets approved by management. Growth rate does not exceed the average long-term growth rate of the industry in which the cash generating unit operates.

Main assumptions and estimates involved are estimates of sugar and ethanol sales prices, costs related to energy and other macroeconomic data.

Main assumptions used by the Company are as follows:

	UGC	
	USM	USC
Average growth rate of net operating revenue	4.8%	4.7%
Nominal growth rate for perpetuity	4.0%	4.0%
Discount rate	9.9%	9.9%

14. Borrowings

Borrowings are recognized at fair value, net of transaction costs incurred, and are subsequently carried at amortized cost.

In thousands of reais, unless otherwise stated

Type	Annual charges: Rate	Annual charges: Index	Company: June 30, 2016	Company: March 31, 2016	Consolidated: June 30, 2016	Consolidated: March 31, 2016
In local currency						
Export credit note	101.97%	CDI	515,120	586,526	515,120	586,526
Export credit note	14.82%	PRÉ	-	151,140	-	151,140
BNDES lines	2.81%	TJLP	226,522	225,394	234,126	233,250
BNDES lines	4.23%	PRÉ	330,740	345,786	342,276	357,920
BNDES lines	4.22%	SELIC	933	22	933	22
Rural credit	6.65%	PRÉ	43,121	64,569	43,121	64,569
FINEP	4.00%	PRÉ	62,770	62,777	62,770	62,777
Other			47,291	51,530	47,291	51,530
Total in local currency			1,226,497	1,487,744	1,245,637	1,507,734
In foreign currency						
Prepaid Export (PPE)	2.69%	Var. cambial	1,034,953	1,154,991	1,034,953	1,154,991
Export Credit Note (NCE)	4.37%	Var. cambial	603,482	678,989	603,482	678,989
Advance on Exchange Contracts (ACC)	1.95%	Var. cambial	129,173	142,520	129,173	142,520
BNDES lines	6.70%	Cesta Moedas	19,874	22,953	19,874	22,953
Total in foreign currency			1,787,482	1,999,453	1,787,482	1,999,453
TOTAL			3,013,979	3,487,197	3,033,119	3,507,187
Current			1,037,494	667,015	1,041,037	670,559
Noncurrent			1,976,485	2,820,182	1,992,082	2,836,628

Changes in loans and financing for the quarter are as follows:

Changes in debt	Company: June 30, 2016	Company: June 30, 2015	Consolidated: June 30, 2016	Consolidated: June 30, 2015
Prior balance	3,487,197	3,216,662	3,507,187	3,240,079
Financing taken out	16,284	461,966	16,284	461,966
Amortization of principal	(274,047)	(307,994)	(274,919)	(308,864)
Interest amortization	(74,056)	(66,304)	(74,386)	(66,682)
Monetary restatement	49,071	50,106	49,423	50,483
Foreign exchange fluctuation	(190,470)	(59,916)	(190,470)	(59,916)
	3,013,979	3,294,520	3,033,119	3,317,066

Some transactions in foreign currency are pegged to swap agreements for Brazilian reais, not exposed to foreign exchange fluctuations.

In addition, some transactions in domestic currency are pegged to swap agreements for US dollar, exposed to foreign exchange fluctuations.

In thousands of reais, unless otherwise stated

Transactions pegged to swap agreements are as follows:

	Company		Consolidated	
	June 30, 2016	March 31, 2016	June 30, 2016	March 31, 2016
Foreign currency transactions, pegged to swap for domestic currency	362,715	399,831	362,715	399,831
Domestic currency transactions	1,170,728	1,365,038	1,189,868	1,385,028
Total in domestic currency	1,533,443	1,764,869	1,552,583	1,784,859
Domestic currency transactions, pegged to swap for foreign currency	55,769	122,706	55,769	122,706
Foreign currency transactions	1,424,767	1,599,622	1,424,767	1,599,622
Total in foreign currency	1,480,536	1,722,328	1,480,536	1,722,328
TOTAL	3,013,979	3,487,197	3,033,119	3,507,187

For agreements in foreign currency, R$207,510 of Pre-Export Financing (PPE) and R$48,862 of NCEs are pegged to libor swaps to a fixed rate.

At June 30, 2016, out of the total debt of the Company, R$2,234,073 are pledged as collateral (encumbered) for the transactions above.

Noncurrent borrowings mature as follows:

	Company	Consolidated
From 07/01/2017 to 06/30/2018	561,349	564,839
From 07/01/2018 to 06/30/2019	615,687	619,177
From 07/01/2019 to 06/30/2020	550,808	554,298
From 07/01/2020 to 06/30/2021	111,847	114,940
From 07/01/2021 to 06/30/2022	56,590	57,699
From 07/01/2022 to 02/28/2030	80,204	81,129
	1,976,485	1,992,082

Covenants

Some borrowing agreements provide for certain contractual borrowing conditions (covenants) which were fulfilled by the Company for the quarter ended June 30, 2016.

In thousands of reais, unless otherwise stated

15. Trade accounts payable

	Company		Consolidated	
	June 30, 2016	March 31, 2016	June 30, 2016	March 31, 2016
Sugar cane	122,240	64,322	112,984	59,311
Materials, services and other	49,520	54,806	49,505	54,596
	171,760	119,128	162,489	113,907

Out of the amount receivable, R$12,193 and R$2,767, Company and Consolidated, respectively (R$8,488 and R$3,081, Company and Consolidated, respectively, at March 31, 2016), refer to related parties, as detailed in Note 9.

16. Payables to Copersucar

Copersucar provided funds to 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 are related to provisions for contingencies recorded by the Cooperative under noncurrent liabilities. However, in the event of unfavorable outcomes in lawsuits, the Company could be required to reimburse the amount within 120 days. The main amounts included in these liabilities arose from Federal VAT (IPI), whose constitutionality and lawfulness had been challenged in court by the Cooperative, and from tax liabilities included in the Tax Recovery Program (REFIS) of Copersucar, as shown below.

Company and Consolidated	June 30, 2016	March 31, 2016
REFIS - Copersucar – Restated based on SELIC	104,072	105,028
Bill of Exchange - Restated based on SELIC	84,590	83,591
Bill of Exchange - Transfer of funds without incurring charges	48,547	48,547
Tax claim expenses *(i)*	15,396	21,875
Total	252,605	259,041
Current liabilities	15,396	21,875
Noncurrent	237,209	237,166

All the Company's obligations with Copersucar are guaranteed by bank sureties. In addition, in accordance with the terms negotiated for the withdrawal from Copersucar, the Company remains liable for the payment of obligations, proportionate to its investment in Copersucar in previous harvests, which result from tax assessments that may arise and that relate to periods in which the Company was a cooperative member.

(i) Copersucar has been served delinquency notices with respect to State VAT (ICMS) on fuel and industrial ethanol sales made up to December 31, 2008. Copersucar legal counsel assesses the outcome in these lawsuits as a risk of possible loss. Copersucar believes that it has strong arguments to successfully defend the fines imposed by the State Tax Authorities over these delinquency notices. Costs from these notices and attorney's fees for the Company totaled R$33,542 (balance restated at June 30, 2016 amounting to R$15,396).

17. Equity

(a) Capital

At June 30, and March 31, 2016, capital amounted to R$931,340, represented by 113,329,207 registered common shares, without par value.

The Company is authorized to increase capital up to 124,000,000 (one hundred and twenty-four million) of common shares, irrespective of a corporate restructuring, as resolved by the Board of Directors, which is in charge of setting issue conditions, including price and term of payment.

At the Special General Meeting held on July 29, 2016, shareholders approved capital increase by R$133,632 with capital investment reserve, without issue of new shares.

(b) Treasury shares

Changes in treasury shares for the period ended June 30, 2016 are as follows:

In thousands of reais, unless otherwise stated

	Number	Average acquisition price*	Total amount
Treasury shares at March 31, 2016	614,486	43.31	26,613
Acquisition of shares	157,700	47.07	7,423
Exercise of options	(22,398)	44.08	(987)
Treasury shares at June 30, 2016	749,788	44.08	33,049

* including additional acquisition costs - in reais

(c) Equity adjustments

- ***Deemed cost***

This corresponds to the deemed cost surplus of land, buildings and premises, equipment and manufacturing facilities, vehicles and machinery, and agricultural implements. Amounts are recorded net of tax effects and their realization is based on depreciation, write-offs or sale of related assets. Realized amounts are transferred to "Retained earnings".

- **Hedge accounting fair value**

This refers to the results of outstanding derivative financial instrument transactions not realized/settled that qualify for hedge accounting. The balance is reversed over time from equity, as the related transactions mature/are shipped.

(d) Legal and capital investment reserves

Legal reserve is annually set up with allocation of 5% of net income for the year, capped at 20% of capital. The purpose of the legal reserve is to protect the entity's capital, and it can only be used to offset losses and increase capital.

The capital investment reserve is intended to fund investments in increasing production capacity and in several projects intended for improving processes.

In thousands of reais, unless otherwise stated

At the Annual General Meeting held on July 29, 2016, the shareholders approved an appropriation of P&L for the year ended March 31, 2016, previously classified as capital investment reserve: R$2,220 intended for additional dividend payments and R$44,886 reclassified to tax incentive reserves - subsidiaries, arising from investment together with the invoice (NF), and the remaining balance of R$110,629 remains as a reserve for capital budget.

(e) Dividends:

Shareholders are entitled to receive a minimum dividend of 25% on net income for the year, after deduction of accumulated losses, if any, and the allocation to legal reserve.

(f) Stock option plan

The Stock Option Plan was approved and offered to the Company's officers in 2009. Options granted should not exceed 2% of total shares of the Company and cannot exceed a maximum annual limit of 0.5% of its total capital shares.

At the Board of Director's meeting held on December 14, 2015, the 7th Stock Option Plan was approved. The new plan regulation will govern all characteristics of the other plans existing in the Company.

Balances of stock option plans issued and the changes in outstanding stock options for the quarter ended June 30, 2016, are as follows:

Plan	4th plan	5th plan	6th plan	7th plan	Total
Date of plan issue	12/17/2012	12/16/2013	12/15/2014	12/14/2015	
Deadline for exercise*	2019	2020	2021	2022	
Fair value of options (R$)	6,86 - 7,86	8,47 - 9,46	11,39 - 12,59	16,65 - 18,63	
Stock options granted	391,726	380,812	338,088	255,900	1,366,526
Options exercised	(272,065)	(120,349)	-	-	(392,414)
Outstanding stock options	119,661	260,463	338,088	255,900	974,112
Exercise price	25.11	27.40	36.11	47.60	

* The options under each one of the plans may be exercised on three occasions, namely: 1/3 after the second year as from the grant date, 1/3 after the third year as from the grant date,

and 1/3 after the fourth year as from the grant date, and the maximum term for the exercise of all these stock options is established in each plan.

In the quarter ended June 30, 2016, 22,398 stock options were exercised in the amount of R$518.

The fair value attributed to these options was determined based on the Black & Scholes pricing model. The Company recognized a stock option expense of R$988 (R$866 at June 30, 2015).

(g) Capital reserve

This refers to mark-to-market valuation of Company shares issued upon stock option exchange with noncontrolling shareholders.

(h) Unearned income reserve

This refers to unearned income, comprising the sale of equity interest held in ABV, sale of properties arising from real estate developments and gains/losses on equity pickup and gain on a change in equity interest.

18. Profit sharing program

The Company manages, as part of its policy, a profit sharing program based on operating and financial targets previously agreed upon with its employees. The amount of profit sharing for the quarters ended June 30, 2016 and 2015, recorded as operating costs or expenses in P&L, amounted to R$8,565 and R$7,974, in Company and Consolidated, respectively.

19. Income and social contribution taxes

Deferred income and social contribution taxes are calculated on respective income and social contribution tax losses, and corresponding temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial information.

In thousands of reais, unless otherwise stated

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available to offset temporary differences and/or tax losses, considering deferred income projections prepared and based on internal assumptions and future economic scenarios which may, therefore, be subject to changes.

(a) Income and social contribution tax balances are as follows:

	Company		Consolidated	
	June 30, 2016	March 31, 2016	June 30, 2016	March 31, 2016
Current assets - Prepayments				
. Income and social contribution taxes to be offset	119,743	113,757	119,743	113,758
In current liabilities - Current debts				
. Income and social contribution taxes payable	-	-	4,372	916

Changes in deferred income and social contribution taxes

	Accumulated			
Company	March 31, 2016	Recognized in P&L	Recognized in equity	June 30, 2016
	Restated			
. Derivative financial instruments	230,298	8,331	(65,007)	173,622
. Employee profit sharing and bonuses	507	3,327	-	3,834
. Income and social contribution tax losses	68,623	(3,331)	-	65,292
. Provision for contingencies	19,231	295	-	19,526
. Provision for other liabilities	6,668	-	-	6,668
. Other	1,947	79	-	2,026
Total income and social contribution tax assets	327,274	8,701	(65,007)	270,968
. Present value adjustment	(2,298)	310	-	(1,988)
. Disposal of investments with deferred taxation	(24,394)	-	-	(24,394)
. Tax benefit on goodwill merged	(70,138)	(7,590)	-	(77,728)
. Encouraged accelerated depreciation	(173,280)	(2,107)	-	(175,387)
. Securitized financing	(18,524)	(136)	-	(18,660)
. Appreciation of PP&E (Deemed cost)	(183,839)	2,659	(1,521)	(182,701)
. Other	(519)	542	-	23
. Biological assets and agricultural product (variation for fair value)	(2,636)	(2,701)	-	(5,337)
. Foreign exchange fluctuation	(44,184)	3,543	-	(40,641)
Total income and social contribution tax liabilities	(519,812)	(5,480)	(1,521)	(526,813)
Balance of deferred income and social contribution taxes	(192,538)	3,221	(66,528)	(255,845)

In thousands of reais, unless otherwise stated

					Accumulated
Consolidated	March 31, 2016	Recognized in P&L	Recognized in equity	Consolidation adjustment - rights over electric power supply agreement	June 30, 2016
	Reapresentado				
. Derivative financial instruments	230,298	8,331	(65,007)	-	173,622
. Employee profit sharing and bonuses	507	3,327	-	-	3,834
. Income and social contribution tax losses	68,623	(3,331)	-	-	65,292
. Provision for contingencies	19,231	295	-	-	19,526
. Provision for other liabilities	6,668	-	-	-	6,668
. Other	1,947	79	-	-	2,026
Total income and social contribution tax assets	327,274	8,701	(65,007)	-	270,968
. Present value adjustment	(2,298)	310	-	-	(1,988)
. Disposal of investments with deferred taxation	(24,394)	-	-	-	(24,394)
. Tax benefit on goodwill merged	(70,138)	(7,590)	-	-	(77,728)
. Accelerated depreciation incentivated	(173,280)	(2,107)	-	-	(175,387)
. Securitized financing	(18,524)	(136)	-	-	(18,660)
. Deemed cost	(188,395)	2,726	(1,521)	-	(187,190)
. Other	(519)	266	-	-	(253)
. Biological assets and agricultural product (variation for fair value)	(2,636)	(2,701)	-	-	(5,337)
. Intangible	(31,878)	-	-	1,923	(29,955)
. Gain related to participation change in CTC	(1,201)	-	-	-	(1,201)
. Foreign exchange fluctuation	(44,184)	3,543	-	-	(40,641)
Total income and social contribution tax liabilities	(557,447)	(5,689)	(1,521)	1,923	(562,734)
Balance of deferred income and social contribution taxes	(230,173)	3,012	(66,528)	1,923	(291,766)

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

The Company recognizes deferred tax assets based on projection of taxable profit in subsequent years. This projection is revised on an annual basis and within ten years.

Deferred income and social contribution tax liabilities are realized mainly through the depreciation and disposal of property, plant and equipment items that gave rise to them. Realization of this liability is estimated at the average rate of 15% per year, according to the depreciation rates of the respective property, plant and equipment items, except for the deferred tax liabilities on the surplus of land, which will be realized if sold.

In thousands of reais, unless otherwise stated

(b) Reconciliation of income and social contribution taxes

	Company		Consolidated	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
		Restated		Restated
Income before income and social contribution taxes	36,448	11,854	39,283	13,324
Income and social contribution taxes at statutory rates (34%)	(12,392)	(4,030)	(13,356)	(4,530)
Adjustments for calculation of effective tax rate:				
. Equity pickup	17,568	23,309	6,542	4,180
. Permanent exclusions/(additons), net	(2,354)	491	(2,354)	491
. Adjustment of calculation of subsidiary whose taxable profit is computed as a percentage of gross sales		-	9,428	18,438
. Inventory profit		-	(273)	(279)
. Tax incentives		(176)	-	(176)
. Other	399	-	399	-
Income and social contribution tax expense	3,221	19,594	386	18,124
Current income and social contribution taxes	-	10,368	(2,626)	8,285
Deferred income and social contribution taxes	3,221	9,226	3,012	9,839
Income and social contribution tax effective rate	-8.8%	-165.3%	-1.0%	-136.0%

20. Commitments

The Group assumes various commitments in the ordinary course of its business. Significant commitments to be disclosed in this interim financial information are set out as under:

Riparian forests and land for legal reserve

The Group has uncultivated areas covered by preserved native vegetation in the process of regeneration or enrichment intended to ensure the ecological balance of the environment. Such areas, under current environmental law, correspond to riparian forests and areas destined to the so-called "legal reserve”. These legal reserve areas are strictly observed and preserved upon sugar cane plantation.

The Company has all areas already compliant with the Environmental Rural Registry (CAR), pursuant to the schedule set by the Ministry of Environment in prevailing legislation, and also in the process of complying with further obligations in accordance with the deadlines set by law, and is not therefore in default of that commitment. Amounts to be invested to comply with these obligations, the manner in which they will be fulfilled, and the time required for their performance are not currently measurable. Investments in preservation areas, when made, are recorded in the Group's property, plant and equipment.

Ethanol supply agreement

Under a sale and purchase agreement, the Company has agreed to supply industrial ethanol to Mitsubishi Corporation for 30 years, beginning with the 2008/2009 crop, under market conditions.

Sureties granted

In addition, the Company is the guarantor of borrowings contracted by UBV totaling R$150,313.

Electricity supply

The Company, BIO and SME have commitments for sale of part of their production through the Electric Energy Trade Chamber (CCEE) both in the regulated market (auctions) and in the free market (sales contracts with third parties).

Purchase of inputs

The Company has commitments for the purchase of inputs intended for maintenance of the plantation over the harvest. The referred to operation is performed through purchase for future delivery.

21. Provision for contingencies

Provisions are recognized when the Group has a present legal or constructive obligation arising from past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount of the obligation can be reliably measured. Provisions are set up, reviewed and adjusted to reflect management's best estimate at the interim financial information reporting dates.

21.1 Probable losses

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

In thousands of reais, unless otherwise stated

	Company					
	March 31, 2016	Additions	Reversals	Use	Restatements	June 30, 2016
Tax	10,651	996	(1,290)	(1)	-	10,356
Civil and environmental	3,468	522	(581)	(4)	349	3,754
Labor	44,176	3,487	(3,508)	(2,815)	3,189	44,529
Total	58,295	5,005	(5,379)	(2,820)	3,538	58,639
Judicial deposits	27,570	2,763	-	(4,040)	723	27,016

	Consolidated					
	March 31, 2016	Additions	Reversals	Use	Restatements	June 30, 2016
Tax	12,999	1,333	(1,290)	(1)	-	13,041
Civil and environmental	3,468	522	(581)	(4)	349	3,754
Labor	44,176	3,487	(3,508)	(2,815)	3,189	44,529
Total	60,643	5,342	(5,379)	(2,820)	3,538	61,324
Judicial deposits	30,300	3,100	-	(4,040)	723	30,083

Judicial deposits are monetarily restated and reported in noncurrent assets.

The nature of the main lawsuits at June 30, 2016 included in the above provisions is as follows (Company and Consolidated):

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

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

Labor claims:
These refer mainly to claims for: (i) overtime; (ii) commuting hours; (iii) indemnity for elimination of the break between shifts; (iv) hazardous duty and health hazard premiums; (v) refund of payroll deductions, such as union dues; (vi) night shift premium; and (vii)

In thousands of reais, unless otherwise stated

recognition of employment relationship with the consequent payment of the 13th monthly salary and vacation pay, plus 1/3 vacation bonus.

21.2 Possible losses

The Group is party to various lawsuits involving tax, environmental and civil matters that were assessed by legal counsel as possible losses. The nature and the amounts involved in these lawsuits are as follows:

Tax proceedings:

Consolidated			Stage			
Nature		No. of proceedings	Administrative	Trial court	Higher court	Total
(i)	Social Security Contribution	14	177,414	-	14,453	191,867
(ii)	Calculation of IRPJ/CSLL	5	293,945	-	-	293,945
(iii)	Offset of federal taxes	25	8,232	-	-	8,232
(iv)	Other tax proceedings	41	14,094	2,602	3,598	20,294
		85	493,685	2,602	18,051	514,338

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

(ii) These refer to exclusion of expenses on securitized financing, as well as expenses arising from the benefit of accelerated tax-incentive depreciation from the Corporate Income Tax (IRPJ) and Social Contribution on Net Profit (CSLL) bases.

(iii) The proceedings refer to requests to offset IRPJ, CSLL, Contribution Taxes on Gross Revenue for Social Integration Program (PIS) and for Social Security Financing (COFINS) and other federal taxes as a result of overpayments and/or tax losses and export credits whose offset has been rejected by the Brazilian IRS (RFB) and which are pending judgment of protest letters/voluntary appeals.

(iv) The proceedings refer to disputes involving other tax cases, including, among others, tax delinquency notices related to a fine arising from lack of approval of offset, Municipal Real Estate Tax (IPTU) collection claims, contribution to the National Service for Industrial Training (SENAI) and the fee to the National Department of Mineral Research (DNPM), whose likelihood of loss is assessed as “possible”.

In thousands of reais, unless otherwise stated

Civil and environmental proceedings:

Consolidated		Stage				
Nature	No. of proceedings	Administrative	Trial court	Lower court	Higher court	Total
Environmental	33	850	4,622	334	-	5,806
Civil						
Indemnities	21	-	11,429	4	38	11,471
Review of contracts	10	-	1,709	-	-	1,709
Other civil proceedings	20	-	2,105	14	-	2,119
Labor claims						
Tax assessment notice	14	-	-	-	-	-
	98	850	19,865	352	38	21,105

Environmental proceedings refer to notices from CETESB and/or environmental police arising from burning of sugar cane straw, as well as annulment proceedings to cancel the fines applied by the bodies aforementioned.

Civil proceedings relate to compensation claims in general arising from (i) traffic accidents and (ii) contract reviews.

22. Derivative financial instruments and risk management

The Company is exposed to market risks, including foreign exchange risk, commodity price volatility risk, interest rate risk, credit risk and liquidity risk. Company management believes risk management is critical to: (i) continuous monitoring of exposure levels relating to the sales volumes contracted; (ii) estimates of the value of each risk based on the established limits of foreign exchange exposure and sugar sales prices; and (iii) future cash flow forecasts and the definition of approval authority levels for taking out financial instruments designed to protect product prices and to hedge sales performance against foreign exchange fluctuation, price volatility and interest rates.

Derivative financial instruments are taken out exclusively for the purpose of pricing and hedging the Company’s sugar, ethanol and other product export transactions against foreign exchange risk, sugar price fluctuation in the international market and interest rates. No transactions with financial instruments are carried out for speculative purposes.

In thousands of reais, unless otherwise stated

22.1 Market risks

(a) Currency risk

Management has established a policy that requires Group companies to manage their currency risk so as to reduce the potential impact entailed by this currency mismatch.

Non-Derivable Forwards (NDF), options strategy and swaps are used to manage currency risk. The Group's financial risk establishes guidelines to hedge the greatest possible volume of expected cash flows, mainly those from export sales.

Assets and liabilities subject to foreign exchange fluctuation

The table below summarizes foreign currency-denominated assets and liabilities (in US dollars - US$), recorded in the consolidated balance sheet at June 30, 2016:

Consolidated	R$	Thousands of US$ equivalent
Current and noncurrent assets		
Cash and cash equivalents (banks – demand deposits)	102,945	32,072
Trade accounts receivable	95,654	29,801
Derivative financial instruments	231,844	72,230
Total assets	430,443	134,103
Current and noncurrent liabilities:		
Loans and financing	1,787,482	556,987
Derivative financial instruments	287,574	89,609
Total liabilities	2,075,056	646,596
Subtotal assets (liabilities)	(1,644,613)	(512,493)
(-) Borrowings linked to exports – ACC and PPE	1,767,608	550,794
Exposure receivable, net	122,995	38,301

These assets and liabilities were restated and recorded in the quarterly information at June 30, 2016 at the exchange rate in effect on that date, amounting to R$3.2098 per US$1.00 for assets and R$3.2092 per US$1.00 for liabilities.

(b) Commodity price volatility risk

The Company is exposed to the risk of changes in the commodity prices of manufactured products such as sugar and ethanol. At June 30, 2016, the prices of 664,471 tons of sugar had been determined with commercial partners for future delivery scheduled for 2016/2017 crop, priced at an average of 15.28 ¢/lb (US dollar cents per pound weight).

(c) Cash flow or fair value risk associated with interest rate

The Group obtains borrowings at floating rates. Regarding borrowings in local currency, the risk of fluctuation in interest rates is mitigated naturally since investments are all remunerated at floating rates. As regards foreign currency, swaps may be contracted to mitigate possible interest-rate fluctuations (Libor).

(d) Market risk sensitivity analysis

The following table provides a sensitivity analysis of the effects of changes in the relevant risk factors to which the Company is exposed. Such analysis considers only instruments that are not designated for hedge accounting.

In thousands of reais, unless otherwise stated

		Impacts on P&L		
Consolidated	Risk factor	Probable scenarios – 5%	Possible scenarios – 25%	Possible scenarios – 50%
Cash and cash equivalents	Decrease in exchange rate – R$/US$	5,148	25,741	51,481
Trade accounts receivable	Decrease in exchange rate – R$/US$	4,784	23,918	47,836
Loans and financing	Increase in exchange rate – R$/US$	(20,963)	(104,817)	(209,634)
Derivative financial instruments				
Non-derivable Forwards (NDF	Increase in future price of commodities	(1,570)	(7,851)	(15,702)
Future price (sugar and ethanol)	Increase in future price of commodities	(63)	(315)	(630)
Swap contracts (a)	Decrease in exchange rate - R$/US - and increase in interest curve	(594)	(902)	(1,413)
Net exposure		(13,259)	(64,226)	(128,063)

(a) The sensitivity analysis of variations in interest curves considers the effects of an increase or decrease of 25bps and 50bps (basis points) in the pricing curve of the derivative instruments. The exposure to rates refers exclusively to variations in the CDI curve and foreign exchange coupons.

(e) Derivative financial instruments

The Company opted for hedge accounting to recognize part of its derivative financial instruments. Instruments elected were sugar, ethanol and foreign currency (US dollar) derivatives, which cover sales of the 2016/2017 and 2017/2018 crops, and were designated as cash flow *hedge*s of highly probable forecast transactions (future sales).

Additionally, the Company elected to use nonderivative financial instruments – debts – in foreign currency (US dollar), which cover foreign currency risks of crops from 2016/2017 to 2020/2021.

In order to apply hedge accounting, prospective tests were carried out to verify effectiveness. These tests showed that the hedge-designated instruments qualify as highly effective hedges against the effects of price fluctuations on the value of future sales.

In the case of foreign exchange hedges, the derivatives were designated as a cash flow hedge in respect of future sales in foreign currency. These hedges were carried out upon contracting of Non-Deliverable Forwards (NDFs) and option and swaps strategies with leading financial institutions.

In the case of sugar hedges, the derivatives were designated as a cash flow hedge in respect of future sales of sugar. These transactions are carried out on the ICE Futures US and with leading financial institutions through over-the-counter contracts or directly with the Company's customers.

The balances of assets and liabilities at June 30 and March 31, 2016, relating to transactions with derivative financial instruments and their maturities are as follows:

In thousands of reais, unless otherwise stated

Copmpany and Consolidated	Contracted amount/volume	Average price/rate	Notional value – R$	Fair value – R$
				June 30, 2016
In current assets - Gain				
Margin deposit				73,619
Merchandise futures contracts - Sugar #11 – Commodities Exchange				
. Sale commitment	254	20.27	364	6
. Purchase commitment	87,990	16.03	99,840	26,782
Merchandise forward contracts - Ethanol				
. Purchase commitment	2,640	1,414	11,988	9
Merchandise forward contracts - Sugar #11				
. Sale commitment	4,572	18.78	6,077	48
Non-Deliverable Forward (NDF) – Dollar - OTC				
. Sale commitment	186,525	3.9026	726,714	96,276
Merchandise options contracts - Sugar #11 – Commodities Exchange				
. Bidding position in call options	12,701	15.50	13,931	4,395
. Bidding position in put options	114,559	14.78	119,848	3,564
Swap contracts – interest - OTC				2,679
TOTAL DERIVATIVE FINANCIAL INSTRUMENTS IN CURRENT ASSETS				207,378
In noncurrent assets – Gain				
Merchandise futures contracts - Sugar #11 – Commodities Exchange				
. Sale commitment	1,067	16.87	1,395	5
Merchandise forward contracts - Ethanol				
. Sale commitment	7,366	18.25	9,515	102
Non-Deliverable Forwards (NDF) - US dollar - OTC				
. Sale commitment	28,681	3.7777	108,351	5,015
Swap contracts - Interest - OTC				19,344
TOTAL DERIVATIVE FINANCIAL INSTRUMENTS IN NONCURRENT ASSETS				24,466

In thousands of reais, unless otherwise stated

	June 30, 2016			
	Contracted amount/volume	Average price/rate	Notional value – R$	Fair value – R$
In current liabilities – Loss				
Merchandise futures contracts - Sugar #11 – Commodities Exchange				
. Sale commitment	265,544	14.21	266,939	115,504
. Purchase commitment	203	20.36	293	-
Merchandise forward contracts - Sugar #11				
. Sale commitment	194,116	18.06	248,061	18,748
Non-Deliverable Forwards (NDF) - US dollar - OTC				
. Sale commitment	10,927	3.4683	37,898	166
Merchandise options contracts - Sugar #11 – Commodities Exchange				
. Bidding position in call options	127,260	16.01	144,159	44,798
Swap contracts - Interest - OTC				76,080
TOTAL DERIVATIVE FINANCIAL INSTRUMENTS IN CURRENT LIABILITIES				255,296
In noncurrent liabilities - Loss				
Merchandise futures contracts - Sugar #11 – Commodities Exchange				
. Sale commitment	1,575	18.29	2,038	24
Merchandise forward contracts - Sugar #11				
. Sale commitment	12,193	17.93	15,472	109
Non-Deliverable Forwards (NDF) - US dollar - OTC				
. Sale commitment	7,144	3.5930	25,669	101
Swap contracts - Interest - OTC				32,044
TOTAL DERIVATIVE FINANCIAL INSTRUMENTS IN NONCURRENT LIABILITIES				32,278

In thousands of reais, unless otherwise stated

Company and Consolidated	March 31, 2016			
	Contracted amount/volume	Average price/rate	Notional value – R$	Fair value – R$
In current assets – Gain				
Margin deposit				72,395
Merchandise futures contracts - Sugar #11 – Commodities Exchange				
. Sale commitment	36,171	16.06	45,593	1,979
. Purchase commitment	366,489	14.56	418,731	24,520
Merchandise forward contracts - Sugar #11				
. Sale commitment	45,722	16.17	58,024	1,512
Non-Deliverable Forwards (NDF) - US dollar - OTC				
. Sale commitment	88,550	4.1422	366,797	31,162
Merchandise options contracts - Sugar #11 – Commodities Exchange				
. Bidding position in call options	76,204	14.25	85,199	9,034
. Bidding position in put options	200,669	12.84	202,135	2,391
Swap contracts - Interest - OTC				2,708
TOTAL DERIVATIVE FINANCIAL INSTRUMENTS IN CURRENT ASSETS				145,701
In noncurrent assets – Gain				
Swap contracts - Interest - OTC				43,243
TOTAL DERIVATIVE FINANCIAL INSTRUMENTS IN NONCURRENT ASSETS				43,243

In thousands of reais, unless otherwise stated

Company and Consolidated	March 31, 2016			
	Contracted amount/volume	Average price/rate	Notional value – R$	Fair value – R$
In current liabilities – Loss				
Merchandise futures contracts - Sugar #11 – Commodities Exchange				
. Sale commitment	569,495	13.46	601,696	91,706
. Purchase commitment	134,068	16.01	168,399	6,089
Non-Deliverable Forwards (NDF) - US dollar - OTC				
. Sale commitment	14,080	3.7822	53,254	805
Merchandise options contracts - Sugar #11 – Commodities Exchange				
. Bidding position in call options	259,549	14.15	288,049	36,905
. Bidding position in put options	15,241	13.00	15,545	12
Swap contracts - Interest - OTC				61,147
TOTAL DERIVATIVE FINANCIAL INSTRUMENTS IN CURRENT LIABILITIES				196,664
In noncurrent liabilities - Loss				
Swap contracts - Interest - OTC				65,625
TOTAL DERIVATIVE FINANCIAL INSTRUMENTS IN NONCURRENT LIABILITIES				65,625

Margin deposit balances refer to funds maintained in current accounts with brokers to cover the initial margins and variance established by the Commodities Exchange in which the contracts are executed, with the objective of guaranteeing open contracts and net remittances in relation 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 corresponding categories.

(f) Estimated realization

At June 30, 2016, impacts reported in the Company's equity and estimated realization in P&L are as follows:

In thousands of reais, unless otherwise stated

Company and Consolidated	2016/2017 crop	2017/2018 crop	2018/2019 crop	2019/2020 crop	2020/2021 crop	TOTAL
Derivative financial instruments:						
Commodity derivatives - Futures, options and forward contracts	(138,074)	(31,324)	-	-	-	(169,398)
Foreign exchange derivatives - Options / NDF	61,582	8,038	-	-	-	69,620
Exchange variation of financing agreements (Trade Finance)	(59,072)	(128,745)	(64,407)	(35,361)	8,123	(279,462)
Swap contracts	(104)	(31,894)	-	-	-	(31,998)
	(135,668)	(183,925)	(64,407)	(35,361)	8,123	(411,238)
Deferred taxes on the items above	46,127	62,534	21,898	12,023	(2,762)	139,820
	(89,541)	(121,391)	(42,509)	(23,338)	5,361	(271,418)

22.2 Credit risk

Credit risk management consists of contracting only with top tier financial institutions which meet the Group's risk assessment criteria. The Group controls, on a monthly basis, its exposure in derivatives and financial investments, using maximum concentration criteria based on the rating of the financial institution.

With respect to customers default risk, the Group assesses the credit risk associated with each customer annually, and also whenever a new customer is included in its base establishing an individual credit limit based on the risk identified.

22.3 Liquidity risk

The Finance Department monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet its operational needs.

Cash surplus is invested in repurchase agreements backed by corporate bonds, Bank Deposit Certificates (CDB) and investment funds pegged to the CDI interest rate, with high liquidity and active trading in the market.

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

In thousands of reais, unless otherwise stated

Company	Within 1 year	From 1 to 2 years	From 2 to 5 years	Above 5 years	Total
At June 30, 2016					
Loans and financing	1,037,494	561,349	1,278,342	136,794	3,013,979
Derivative financial instruments	255,296	32,278	-	-	287,574
Trade accounts payable	171,760	-	-	-	171,760
Acquisition of equity interest	12,045	23,240	34,860	3,650	73,795
Other liabilities	15,718	-	-	10,847	26,565
	1,492,313	616,867	1,313,202	151,291	3,573,673
At March 31, 2016					
Loans and financing	667,015	1,028,493	1,639,133	152,556	3,487,197
Derivative financial instruments	196,664	65,625	-	-	262,289
Trade accounts payable	119,128	-	-	-	119,128
Acquisition of equity interest	17,937	23,240	34,860	3,650	79,687
Other liabilities	17,252	-	-	9,993	27,245
	1,017,996	1,117,358	1,673,993	166,199	3,975,546

Consolidated	Within 1 year	From 1 to 2 years	From 2 to 5 years	Above 5 years	Total
At June 30, 2016					
Loans and financing	1,041,037	564,839	1,288,415	138,828	3,033,119
Derivative financial instruments	255,296	32,278	-	-	287,574
Trade accounts payable	162,489	-	-	-	162,489
Acquisition of equity interest	12,045	23,240	34,860	3,650	73,795
Other liabilities	20,525		-	11,032	31,557
	1,491,392	620,357	1,323,275	153,510	3,588,534
At March 31, 2016					
Loans and financing	670,559	1,031,979	1,649,591	155,058	3,507,187
Derivative financial instruments	196,664	-	-	-	196,664
Trade accounts payable	113,907	-	-	-	113,907
Acquisition of equity interest	17,937	23,240	34,860	3,650	79,687
Other liabilities	26,591	-	-	10,179	36,770
	1,025,658	1,055,219	1,684,451	168,887	3,934,215

In thousands of reais, unless otherwise stated

22.4 Capital management

The Group objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide return for shareholders and benefits for other stakeholders and to maintain an optimal target capital structure to reduce the cost of capital. In order to maintain or adjust its capital structure, the Group may, under the Brazilian Corporation Law, revise the policy on payment of dividends, return capital to shareholders, issue new shares, or sell assets to reduce its indebtedness, for example.

23. Financial instrument classification and fair value

23.1 Classification

Financial assets and liabilities are classified as follows:

		Company	
	Classification	June 30, 2016	March 31, 2016
Financial assets			
Cash and cash equivalents	Loans and receivables	164,090	266,343
Short-term investments	Fair value through profit or loss	248,237	641,728
Trade accounts receivable	Loans and receivables	126,630	76,706
Derivative financial instruments	Fair value through profit or loss	231,844	188,944
Transactions with related parties	Loans and receivables	3,996	2,996
Other assets, except for prepayments	Loans and receivables	5,379	4,517
		780,176	1,181,234
Financial liabilities			
Loans and financing	Liabilities at amortized cost	3,013,979	3,487,197
Derivative financial instruments	Fair value through profit or loss	287,574	262,289
Trade accounts payable	Other financial liabilities	171,760	119,128
Acquisition of equity interest	Other financial liabilities	73,795	79,687
Other liabilities	Other financial liabilities	26,565	27,245
		3,573,673	3,975,546

In thousands of reais, unless otherwise stated

			Consolidated
	Classification	June 30, 2016	March 31, 2016
Financial assets			
Cash and cash equivalents	Loans and receivables	170,197	266,659
Short-term investments	Fair value through profit or loss	350,333	711,910
Trade accounts receivable	Loans and receivables	167,117	108,274
Derivative financial instruments	Fair value through profit or loss	231,844	188,944
Other assets, except for prepayments	Loans and receivables	5,380	4,515
		924,871	1,280,302
Financial liabilities			
Loans and financing	Liabilities at amortized cost	3,033,119	3,507,187
Derivative financial instruments	Fair value through profit or loss	287,574	262,289
Trade accounts payable	Other financial liabilities	162,489	113,907
Acquisition of equity interest	Other financial liabilities	73,795	79,687
Other liabilities	Other financial liabilities	31,557	36,770
		3,588,534	3,999,840

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

23.2 Fair value

For measuring and determining fair value, the Company uses various methods including market approaches, of P&L or cost, in order to estimate the value that market participants would use to price the asset or liability. Financial assets and liabilities carried at fair value are classified and disclosed within the following fair value hierarchy levels:

Level 1 - Quoted prices (unadjusted) in active, liquid and visible markets, for identical assets and liabilities that are readily available at the measurement date;
Level 2 - Quoted prices (which may be adjusted or not) for similar assets or liabilities in active markets; and
Level 3 - Assets and liabilities whose prices do not exist, or whose prices or valuation techniques are supported by a small, nonexistent or illiquid market and unobservable market inputs.

For the period ended June 30, 2016, there is no reclassification of assets and liabilities at fair value from or to Level 1, 2 or 3.

In thousands of reais, unless otherwise stated

As per balance sheet	June 30, 2016			March 31, 2016		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Short-term investments	-	350,333	-	-	711,910	-
Margin deposit	-	73,619	-	-	72,395	-
Derivative financial instruments	34,761	123,464	-	37,924	78,625	-
Biological assets	-	-	454,763	-	-	470,241
	34,761	547,416	454,763	37,924	862,930	470,241
Liabilities - derivative financial instruments	160,326	127,248	-	134,712	127,577	-

As per balance sheet	June 30, 2016			March 31, 2016		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets - derivative financial instruments						
Short-term investments	-	350,333	-	-	711,910	-
Margin deposit	-	73,619	-	-	72,395	-
Sugarcane options contracts	7,959	-	-	11,425	-	-
Forward contracts - exchange	-	101,291	-	-	31,162	-
Forward contracts - products	-	150	-	-	1,512	-
Sugarcane futures contract	26,793	-	-	26,499	-	-
Ethanol futures contract	9	-	-	-	-	-
Swap contracts	-	22,023	-	-	45,951	-
Biological assets	-	-	454,763	-	-	470,241
	34,761	547,416	454,763	37,924	862,930	470,241
Liabilities - derivative financial instruments						
Sugarcane options contracts	44,798	-	-	36,917	-	-
Sugarcane futures contract	115,528	-	-	97,795	-	-
Flexible currency option	-	101	-	-	-	-
Forward contracts - products	-	18,857	-			-
Forward contracts - exchange	-	166	-	-	805	-
Swap contracts	-	108,124	-	-	126,772	-
	160,326	127,248	-	134,712	127,577	-

<u>Futures and Options in the ICE</u>

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

Foreign exchange options

The fair value of foreign exchange options is obtained using the Black & Scholes method, based on public market data and characteristics thereof, specifically the price of the underlying asset, strike of options, volatility, yield curve and time remaining until expiration of the agreements.

Forward contracts

The fair values of forward contracts, both for foreign exchange and sugar, contracted in the over-the-counter market with first-tier banks, are calculated using the discounted future cash flow method, based on observable market inputs, specifically the DI and DDI interest curves and foreign exchange coupons published by the BM&F, PTAX published by the Central Bank of Brazil (BACEN), and prices of sugar futures published by Ice Futures in the ICE.

Other financial assets and liabilities

The carrying amounts of trade accounts receivable, notes receivable, trade accounts payable and notes payable, less impairment loss, or present value adjustment, when applicable, are assumed to approximate their fair values.

24. Segment reporting (consolidated)

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

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

(i) Sugar;
(ii) Ethanol;
(iii) Electricity;
(iv) Real estate ventures; and
(v) Other products, which includes operations related to production and sale of ribonucleic acid (sodium salt) and other products or byproducts of lesser importance.

In thousands of reais, unless otherwise stated

Certain events that took place over the period ended June 30, 2016 resulted in the strategic repositioning of Vale do Mogi and evidence the development of real estate activity as its main business activity. Among these events, the following are to be highlighted: (a) the establishment of independent management and own operational structure; (b) the launch of real estate ventures; and (c) the additional payment of plots of land by the Company in Vale do Mogi.

The operating segment performance is analyzed based on the statement of operations by product, focusing on profitability. The operating assets related to these segments are located in Brazil only.

Consolidated P&L by segment

							June 30, 2016
	Sugarcane	Ethanol	Electricity	Real estate ventures	Other products	Not by segment	Total
Net revenue	323,115	185,149	32,398	5,077	12,701	(3,694)	554,746
Cost of sales	(236,078)	(149,324)	(8,002)	(285)	(8,111)	(3,910)	(405,710)
Gain (loss) on market value - biological as	878	1,331	-	-	-	5,734	7,943
Gross profit	87,915	37,156	24,396	4,792	4,590	(1,870)	156,979
Gross marging	27.21%	20.07%	75.30%	94.39%	36.14%	-	28.30%
Selling expenses	(21,581)	(3,952)	(623)	-	-	-	(26,156)
Other operating expenses	-	-	-	-	-	(18,524)	(18,524)
Operating income (loss)	66,334	33,204	23,773	4,792	4,590	(20,394)	112,299
Operating margin	20.53%	17.93%	73.38%	94.39%	36.14%	-	20.24%
Other income and expenses not by segment	-	-	-	-	-	(72,630)	(72,630)
Net income for the quarter	-	-	-	-	-	-	39,669

In thousands of reais, unless otherwise stated

	June 30, 2015 - restated						
	Sugarcane	Ethanol	Electricity	Real estate ventures	Other products	Not by segment	Total
Net revenue	173,912	115,987	52,608	13,946	15,085	(4,358)	367,180
Cost of sales	(142,821)	(98,857)	(13,526)	(2,779)	(8,785)	1,845	(264,922)
Gain (loss) on market value - biological as:	(6,729)	(4,009)	-	-	-	6,578	(4,160)
Gross profit	24,362	13,121	39,082	11,167	6,300	4,066	98,098
Gross margin	14.01%	11.31%	74.29%	80.07%	41.77%	-	26.72%
Selling expenses	(11,652)	(721)	(464)	-	(26)	-	(12,863)
Other operating expenses	-	-	-	-	-	(15,880)	(15,880)
Operating income	12,710	12,400	38,618	11,167	6,274	(11,814)	69,355
Operating margin	7.31%	10.69%	73.41%	80.07%	41.59%	-	18.89%
Other income and expenses not by segment	-	-	-	-	-	(37,907)	(37,907)
Net income for the quarter	-	-	-	-	-	-	31,448

Consolidated operating assets by segment

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

	June 30, 2016					
	Sugarcane	Ethanol	Electricity	Real estate ventures	Not by segment	Total
Trade accounts receivable	102,543	7,186	14,498	30,450	12,440	167,117
Inventories	250,040	253,492	-	6,337	12,063	521,932
Biological assets	277,628	177,135	-	-	-	454,763
Property, plant and equipment	1,346,043	856,943	129,405	1,608,801	10,907	3,952,099
Intangible assets	235,357	164,809	83,579	-	-	483,745
Total assets allocated	2,211,611	1,459,565	227,482	1,645,588	35,410	5,579,656
Other unallocated assets	-	-	-	-	1,642,683	1,642,683
Total	2,211,611	1,459,565	227,482	1,645,588	1,678,093	7,222,339

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

In thousands of reais, unless otherwise stated

	March 31, 2016 - restated					
	Sugarcane	Ethanol	Electricity	Real estate ventures	Not by segment	Total
Trade accounts receivable	45,796	15,178	5,798	26,911	14,591	108,274
Inventories	151,887	118,600	-	6,622	14,450	291,559
Biological assets	282,710	187,531	-	-	-	470,241
Property, plant and equipment	2,338,079	1,548,967	106,482	-	10,941	4,004,469
Intangible assets	235,399	164,982	89,176	-	-	489,557
Total assets allocated	3,053,871	2,035,258	201,456	33,533	39,982	5,364,100
Other unallocated assets	-	-	-	-	2,016,792	2,016,792
Total	3,053,871	2,035,258	201,456	33,533	2,056,774	7,380,892

25. Revenues

Revenue comprises the fair value of the consideration received or receivable for the sale of products and services in the ordinary course of the Group's activities.

(i) Sales of products and services

The Group sells sugar, ethanol, electricity, ribonucleic acid, sugar cane bagasse, among others. Sales of products are recognized whenever the Company has delivered products to the customer. The delivery is not made until: (i) the products have been sent to a local specified; (ii) the loss risks have been transferred to the customer; (iii) the customer has accepted the products according to the sale contract; and (iv) the acceptance provisions have been agreed to, or the Group has objective evidence that all criteria for acceptance have been met.

The Group renders planting, mechanization and logistics services. These services are priced according to the time incurred and materials used, and are recognized as they occur.

(ii) Sale of plots of land and subdivisions (real estate ventures)

Sales revenue and cost of land inherent in the development are allocated to profit or loss (P&L) to the extent that infrastructure work progresses given that the transfer of risks and rewards occurs continuously. In these sales (undeveloped plots), the following procedures are observed:

In thousands of reais, unless otherwise stated

(i) The percentage of cost incurred in relation to its total budgeted cost is calculated. This percentage is applied on revenue from plots and units sold, adjusted in accordance with contractual sale conditions;

(ii) The sales revenue recognized that is higher than that effectively received from customers is recorded in current or noncurrent assets; and

(iii) The amounts received in relation to the sale of plots that are higher than the amounts recognized in revenue are recorded under the heading "Advances from customers".

In time sales of land with completed infrastructure projects, revenue is recognized when the sale is made, regardless of the receipt of the contractual amount, with revenues measured at the fair value of the consideration received and receivable. The Company takes into consideration the present value adjustment to the amounts receivable recorded.

	Company		Consolidated	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
Gross sales revenue				
Domestic market	236,676	170,429	265,186	227,939
Foreign market	369,490	161,273	369,490	161,273
Gain/loss on derivatives	(55,950)	(3,826)	(55,950)	(3,826)
	550,216	327,876	578,726	385,386
Amortization of electric power supply agreement (i)	-	-	(3,694)	(4,358)
	550,216	327,876	575,032	381,028
Taxes, contributions and deductions on sales	(18,376)	(11,003)	(20,286)	(13,848)
	531,840	316,873	554,746	367,180

(i) Amortization of Bio's agreements for electricity supply, described in Note 13.

In thousands of reais, unless otherwise stated

26. Costs and expenses by nature

Reconciliation of expenses by nature is as follows:

	Company		Consolidated	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
		Restated		Restated
Raw material and consumer and in-use materials	166,293	107,784	154,644	100,226
Personnel expenses	83,944	60,866	84,802	61,539
Depreciation and amortization (including biological assets harvested)	130,446	92,107	131,435	93,198
Third-party services	32,140	19,879	32,274	19,615
Maintenance services and parts	21,374	14,173	21,506	14,235
Litigation	(397)	(45)	(397)	(45)
Change in fair value of biological assets	(7,943)	2,147	(7,943)	2,147
Materials for resale	30,645	8,814	31,376	8,814
Cost of land sold	-	-	285	2,779
Other expenses	13,823	8,879	14,296	8,759
	470,325	314,604	462,278	311,267
Classified as:				
Cost of sales	407,242	273,967	397,767	269,082
Selling expenses	25,652	12,497	26,156	12,863
General and administrative expenses	37,431	28,140	38,355	29,322
	470,325	314,604	462,278	311,267

27. Other revenues, net

	Company		Consolidated	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
Gain/loss on sale of property, plant and equipment	76	(833)	76	(833)
Gain/loss on sale of scrap	890	556	890	556
Recoveries with agricultural partnership agreement	-	971		971
Expenses with proceeding - ICMS Copersucar	(321)	(137)	(321)	(137)
In-court reorganizations	-	189	-	189
Recovery of receivables	-	187	-	187
Claim reimbursement	-	142	-	142
Review of tax credits	(26)	(22)	(26)	(22)
Lease agreements	48	76	48	76
Other	(29)	14	(78)	20
	638	1,143	589	1,149

In thousands of reais, unless otherwise stated

28. Financial income (expenses)

	Company		Consolidated	
	June 30, 2016	June 30, 2015	June 30, 2016	June 30, 2015
Financial income				
Interest received and accrued	27,445	27,131	30,948	29,978
Bank surety commission	593	966	593	966
PIS/COFINS on financial income	(1,366)	-	(1,416)	-
Other revenues	1,358	185	2,723	2,246
	28,030	28,282	32,848	33,190
Financial expenses				
Present value adjustment	(911)	(953)	(911)	(953)
Interest on loans and financing	(47,738)	(48,378)	(48,089)	(48,755)
Interest on payment in installment - Copersucar	(4,111)	(2,997)	(4,111)	(2,997)
Interest paid and accrued	(10,957)	(10,494)	(10,960)	(10,939)
Bank surety commission	(295)	(503)	(295)	(503)
ICMS - Copersucar	(1,165)	(1,394)	(1,165)	(1,394)
Monetary restatement of contingencies	(3,538)	(1,430)	(3,538)	(1,429)
Other expenses	(831)	(1,306)	(936)	(1,309)
	(69,546)	(67,455)	(70,005)	(68,279)
Exchange gain (loss) and monetary restatement, net				
Cash and cash equivalents	(8,710)	(3,941)	(8,710)	(3,941)
Customers and suppliers	(7,509)	638	(7,509)	638
Loans and financing	26,950	9,533	26,950	9,533
	10,731	6,230	10,731	6,230
Derivatives - not designated for hedge accounting				
Gain (loss) on sugarcane transactions	4,144	(5,168)	4,144	(5,168)
Gain (loss) on ethanol transactions	-	(6)	-	(6)
Gain (loss) on foreign exchange transactions	8,231	(959)	8,231	(959)
Gain (loss) on swap	(48,370)	(19,404)	(48,370)	(19,404)
Cost of commodities exchange transactions	(768)	(331)	(768)	(331)
Foreign exchange gain (loss), net	(9,827)	(1,304)	(9,827)	(1,304)
	(46,590)	(27,172)	(46,590)	(27,172)
Financial income (expenses)	(77,375)	(60,115)	(73,016)	(56,031)

29. Earnings per share

	June 30, 2016	June 30, 2015
		Restated
Income for the year attributable to the Company's shareholders	39,669	31,448
Weighted average number of common shares in the year – in thousands	112,630	112,933
Basic earnings per share (in reais)	0.3522	0.2785

	June 30, 2016	June 30, 2015
		Restated
Income for the year used to determine diluted earnings per share	39,669	31,448
Weighted average number of common shares for diluted earnings per share - in thousands (i)	112,922	113,171
Diluted earnings per share (in reais)	0.3513	0.2779

(i) Weighted average includes potentially dilutive call options.

30. Insurance coverage

The Group maintains a standard safety, training and quality program in its units, which aims, among other things, to reduce the risk of accidents. Furthermore, it maintains insurance contracts at amounts considered sufficient to cover any significant losses on its assets and liabilities. The amounts covered by the current insurance policies at June 30, 2016 are as follows:

In thousands of reais, unless otherwise stated

Company and Consolidated Covered perils	Maximum coverage *(i)*
Civil liability	2,116,427
Loss of profits	1,923,772
Fire, lightning and explosion of any nature	1,432,676
Other insurance coverage	1,171,937
Electric damages	1,015,641
Theft or larceny	234,165
Natural phenomena, vehicle or aircraft crash, etc.	144,000

(i) Corresponds to the maximum coverage amount for the various assets and locations insured.

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

31. Acquisition and divestiture - payables and receivables

Net balance payable refers to the acquisition and disposal of equity investment and is as follows:

	Payables					Receivables				
	Balance 03.31.2016	Monetary restatement	Amortization (principal)	Amortization (interest)	Balance 06.30.2016	Balance 03.31.2016	Amortization (principal)	Amortization (interest)	Balance 06.30.2016	Net balance
Santa Cruz – acquisition of equity interest - 56.05%	(251,124)	(8,296)	-	8,296	(251,124)	-	-	-	-	(251,124)
Agro Pecuária Boa Vista - divestiture	-	-	-	-	-	177,329	5,859	(5,859)	177,329	177,329
TOTAL with related party LOP	**(251,124)**	**(8,296)**	**-**	**8,296**	**(251,124)**	**177,329**	**5,859**	**(5,859)**	**177,329**	**(73,795)**
Santa Cruz – 3.9%	(5,893)	(42)	5,935	-	-	-	-	-	-	-
	(257,017)	**(8,338)**	**5,935**	**8,296**	**(251,124)**	**177,329**	**5,859**	**(5,859)**	**177,329**	**(73,795)**

Current liabilities	(12,045)
Noncurrent liabilities	(61,750)
	(73,795)

32. Subsequent events

Agribusiness Receivables Certificate Issuance ("CRA")

On July 27, 2016, the Company held its 1st fundraising through the capital market through Agribusiness Receivables Certificates issued - CRA by Octant Securitization SA, amounting to R$ 350 million. During the period of three years, semiannual payments would be of interest equivalent to 99% of the accumulated variation of the CDI rate, with single repayment of principal in July 2019.

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