(A free translation of the original in Portuguese)

São Martinho S.A.

Quarterly information (ITR) at December 31, 2013 and report on review of quarterly information

(A free translation of the original in Portuguese)

Report on the review of quarterly information

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

Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of São Martinho S.A., included in the Quarterly Information (ITR) Form for the quarter ended December 31, 2013, comprising the balance sheet as at December 31, 2013 and the statements of income and comprehensive income (loss) for the quarter and nine-month period then ended, and the changes in equity and cash flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory information.

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

Scope of review

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

Conclusion on the parent company interim information

Based on our review, nothing has come to our attention that causes us to believe that the accompanying parent company interim accounting information included in the quarterly information referred to above has not been prepared, in all material respects, in accordance with CPC 21 (R1) applicable to the preparation of the Quarterly Information, and presented in accordance with the standards issued by the CVM.

PricewaterhouseCoopers, Av. Antônio Diederichsen, 400, 21º e 22º, Ed. Metropolitan Business Center, Ribeirão Preto, SP, Brasil 14020-250 T:(16) 2133-6600, Fax: (16) 2133-6685, www.pwc.com/br

São Martinho S.A.

Conclusion on the consolidated interim information

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

Other matters

Interim statements of value added

We have also reviewed the parent company and consolidated statements of value added for the nine-month period ended December 31, 2013. These statements are the responsibility of the Company's management, and are required to be presented in accordance with standards issued by the CVM applicable to the preparation of Quarterly Information (ITR) and are considered supplementary information under International Financial Reporting Standards (IFRS), which do not require the presentation of a statement of value added. These statements have been submitted to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they have not been prepared, in all material respects, in a manner consistent with the parent company and consolidated interim accounting information taken as a whole.

Ribeirão Preto, February 13, 2014

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5"F"

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

(A free translation of the original in Portuguese)

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São Martinho S.A.

Balance sheet

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

ASSETS	Note	Parent company December 31, 2013	Parent company March 31, 2013	Consolidated December 31, 2013	Consolidated March 31, 2013 Restated
CURRENT ASSETS					
Cash and cash equivalents	6	382,134	479,631	442,733	531,142
Trade receivables	7	112,369	52,770	126,265	51,739
Derivative financial instruments	27	17,603	79,232	17,603	79,232
Inventories	8	320,774	102,220	313,298	101,503
Taxes recoverable	9	63,406	43,280	63,960	43,313
Income tax and social contribution	24	34,487	33,329	34,856	33,370
Dividends receivable			9,227		353
Other assets	11	6,648	6,420	6,648	6,422
TOTAL ASSETS		**937,421**	**806,109**	**1,005,363**	**847,074**
NON-CURRENT ASSETS					
Long-term receivables					
Inventories	8	26,369	13,196	26,369	13,196
Related parties	10	1,926	4,578	1,925	2,013
Deferred income tax and social contribution	24				6,968
Receivables from Copersucar	18	1,361	1,228	1,361	1,228
Taxes recoverable	9	68,198	47,148	68,349	47,834
Judicial deposits	26	28,516	35,654	28,516	35,654
Other assets	11	120	253	120	250
		126,490	**102,057**	**126,640**	**107,143**
Investments	12	1,459,849	1,603,485	576,604	600,280
Biological assets	13	520,305	506,368	520,305	544,167
Property, plant and equipment	14	1,415,534	1,483,680	2,614,698	2,627,129
Intangible assets	15	139,740	26,999	140,398	179,119
		3,535,428	**3,620,532**	**3,852,005**	**3,950,695**
TOTAL NON-CURRENT ASSETS		**3,661,918**	**3,722,589**	**3,978,645**	**4,057,838**
TOTAL ASSETS		**4,599,339**	**4,528,698**	**4,984,008**	**4,904,912**

LIABILITIES AND EQUITY	Note	Parent company December 31, 2013	Parent company March 31, 2013	Consolidated December 31, 2013	Consolidated March 31, 2013 Restated
CURRENT LIABILITIES					
Borrowings	16	493,597	237,630	496,535	240,405
Derivative financial instruments	27	71,513	14,297	71,513	14,297
Trade payables	17	144,754	76,315	135,122	77,059
Payables to Copersucar	18	2,040	2,040	2,040	2,040
Salaries and social charges		58,605	50,153	58,605	50,153
Taxes payable		11,505	10,204	12,871	10,225
Income tax and social contribution	24			791	314
Dividends payable			17,326		17,326
Advances from customers		1,692	957	1,692	957
Acquisition of investment	35	10,473	71,808	10,473	71,808
Other liabilities	20	22,547	16,393	22,547	16,393
TOTAL LIABILITIES		**816,726**	**497,123**	**812,189**	**500,977**
NON-CURRENT LIABILITIES					
Borrowings	16	978,626	1,155,388	997,905	1,176,045
Payables to Copersucar	18	198,615	194,440	198,615	194,440
Taxes payable in installments	19	46,737	48,436	46,737	48,436
Deferred income tax and social contribution	24	411,075	458,762	780,572	810,465
Provision for contingencies	26	55,663	60,171	55,663	60,171
Acquisition of investment	35	10,473	9,849	10,473	9,849
Other liabilities	20	2,263	3,912	2,693	3,912
TOTAL NON-CURRENT LIABILITIES		**1,703,452**	**1,930,958**	**2,092,658**	**2,303,318**
EQUITY	21				
Share capital		737,200	614,150	737,200	614,150
Carrying value adjustments		1,099,791	1,265,869	1,099,791	1,265,869
Revenue reserves		96,832	232,556	96,832	232,556
Treasury shares		(13,184)	(13,811)	(13,184)	(13,811)
Stock options granted		3,268	1,853	3,268	1,853
Retained earnings		155,254		155,254	
TOTAL EQUITY		**2,079,161**	**2,100,617**	**2,079,161**	**2,100,617**
TOTAL LIABILITIES AND EQUITY		**4,599,339**	**4,528,698**	**4,984,008**	**4,904,912**

The accompanying notes are an integral part of this financial information.

São Martinho S.A.

Statement of income

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

Parent company	Note	31/12/2013 Quarter	31/12/2013 Nine-month	31/12/2012 Quarter	31/12/2012 Nine-month Restated
Revenue	29	299,353	1,178,215	301,437	977,893
Cost of products sold	30	(235,747)	(872,042)	(239,110)	(728,659)
Gross profit		**63,606**	**306,173**	**62,327**	**249,234**
Operating income (expenses)					
Selling expenses	30	(14,812)	(62,208)	(13,743)	(44,476)
General and administrative expenses	30	(25,301)	(86,096)	(20,832)	(75,410)
Equity in the earnings of investees	12	25,442	43,533	5,660	7,364
Other income (expenses), net	31	3,048	9,545	2,099	4,503
		(11,623)	**(95,226)**	**(26,816)**	**(108,019)**
Operating profit		**51,983**	**210,947**	**35,511**	**141,215**
Finance result, net	32				
Finance income		16,516	69,937	23,841	65,661
Finance costs		(37,772)	(137,704)	(48,595)	(114,266)
Monetary and foreign exchange variations, net		9,069	35,668	(879)	(21)
		(12,187)	**(32,099)**	**(25,633)**	**(48,626)**
Profit before taxation		**39,796**	**178,848**	**9,878**	**92,589**
Income tax and social contribution	24(b)				
Current		12,147	(2,822)	3,004	(7,612)
Deferred		(18,985)	(47,453)	(5,572)	(24,766)
Profit for the period		**32,958**	**128,573**	**7,310**	**60,211**
Basic earnings per share - R$			1.1456		0.5366
Diluted earnings per share - R$			1.1434		0.5361

All amounts in thousands of reais unless otherwise stated

Consolidated	Note	12/31/2013 Quarter	12/31/2013 Nine-month	12/31/2012 Quarter	12/31/2012 Nine-month Restated
Revenue	29	312,828	1,213,327	304,001	980,440
Cost of products sold	30	(229,205)	(856,021)	(231,824)	(702,562)
Gross profit		**83,623**	**357,306**	**72,177**	**277,878**
Operating income (expenses)					
Selling expenses	30	(14,812)	(62,208)	(13,743)	(44,476)
General and administrative expenses	30	(25,469)	(86,573)	(20,909)	(75,317)
Equity in the earnings (loss) of investees	12	5,901	(11,302)	(3,894)	(20,169)
Other income (expenses), net	31	3,049	10,130	2,101	4,502
		(31,331)	**(149,953)**	**(36,445)**	**(135,460)**
Operating profit		**52,292**	**207,353**	**35,732**	**142,418**
Finance result, net	32				
Finance income		17,685	73,073	24,333	66,666
Finance costs		(38,101)	(138,371)	(48,941)	(115,258)
Monetary and foreign exchange variations, net		9,068	35,667	(879)	(20)
		(11,348)	**(29,631)**	**(25,487)**	**(48,612)**
Profit before taxation		**40,944**	**177,722**	**10,245**	**93,806**
Income tax and social contribution	24(b)				
Current		11,472	(5,547)	2,339	(9,202)
Deferred		(19,458)	(43,602)	(5,274)	(24,393)
Profit for the period		**32,958**	**128,573**	**7,310**	**60,211**

The accompanying notes are an integral part of this financial information.

São Martinho S.A.

Statement of comprehensive income (loss)

All amounts in thousands of reais

(A free translation of the original in Portuguese)

Parent company and Consolidated	12/31/2013 Quarter	12/31/2013 Nine-month period	12/31/2012 Quarter	12/31/2012 Nine-month period
Profit for the period	**32,958**	**128,573**	**7,310**	**60,211**
Other comprehensive income (loss)				
Gain (loss) on derivative transactions - hedge accounting	(30,418)	(139,615)	20,513	(37,061)
Total comprehensive income (loss) for the period	**2,540**	**(11,042)**	**27,823**	**23,150**

In the statement of comprehensive income (loss), the gain (loss) on derivative transactions - hedge accounting are presented net of taxes. The income tax effect relating to this component of other comprehensive income (loss) is disclosed in Note 24.

The accompanying notes are an integral part of this financial information.

São Martinho S.A.

Statement of changes in equity

All amounts in thousands of reais

(A free translation of the original in Portuguese)

			Carrying value adjustments										
			Deemed cost		Hedge accounting		Revenue reserves						
	Note	Share capital	Own	Of investees	Own	Of investees	Legal	Capital investment	Additional dividends	Treasury shares	Stock options granted	Retained earnings	Total equity
At March 31, 2012	**21**	**455,900**	**610,553**	**670,844**	**(8,839)**		**21,530**	**281,323**	**6,014**	**(12,753)**	**106**		**2,024,678**
Capital increase with reserves		158,250						(158,250)					
Realization of deemed cost increment			(24,632)	(720)								25,352	
Loss on derivative transactions - hedge accounting					(16,548)								(16,548)
Purchases of treasury shares										(1,785)			(1,785)
Stock options granted											1,261		1,261
Stock options exercised										618	(110)	155	663
Prior-year additional dividends paid									(6,014)				(6,014)
Profit for the period												60,211	60,211
At December 31, 2012		**614,150**	**585,921**	**670,124**	**(25,387)**		**21,530**	**123,073**		**(13,920)**	**1,257**	**85,718**	**2,062,466**
At March 31, 2013	**21**	**614,150**	**577,818**	**671,432**	**16,619**		**25,177**	**194,705**	**12,674**	**(13,811)**	**1,853**		**2,100,617**
Capital increase with reserves		123,050						(123,050)					
Realization of deemed cost increment			(17,565)	(8,898)								26,463	
Capital increase in Vale do Mogi with deemed cost	12		(43,899)	43,899									
Loss on derivative transactions - hedge accounting					(127,415)	(12,200)							(139,615)
Stock options exercised										627	(172)	218	673
Stock options granted											1,587		1,587
Prior-year additional dividends paid									(12,674)				(12,674)
Profit for the period												128,573	128,573
At December 31, 2013		**737,200**	**516,354**	**706,433**	**(110,796)**	**(12,200)**	**25,177**	**71,655**		**(13,184)**	**3,268**	**155,254**	**2,079,161**

The accompanying notes are an integral part of this financial information.

São Martinho S.A.

Statement of cash flows
Nine-month periods ended December 31
All amounts in thousands of reais (A free translation of the original in Portuguese)

	Parent company		Consolidated	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012 Restated
Cash flows from operating activities				
Profit for the period	128,573	60,211	128,573	60,211
Adjustments				
Depreciation and amortization	97,199	115,334	98,260	115,724
Harvested biological assets (depletion)	153,403	136,706	153,403	136,706
Changes in fair value of biological assets	(47)	(10,537)	(47)	(10,537)
Equity in the (earnings) loss of investees	(43,533)	(7,364)	11,302	20,169
(Gain) loss on investment and property, plant and equipment disposals	1,948	(292)	(2,234)	(2,127)
Interest, monetary and foreign exchange variations, net	58,803	62,289	59,463	62,732
Provision for contingencies, net	13,394	14,113	13,394	14,113
Deferred income tax and social contribution	47,453	24,766	43,602	24,393
Reversal of provision for inventory losses		(526)		(526)
Adjustments to present value and others	12,277	11,353	11,310	11,353
	469,470	406,053	517,026	432,211
Changes in assets and liabilities				
Trade receivables	(59,731)	(60,043)	(64,253)	(60,044)
Inventories	(176,737)	(179,468)	(169,262)	(171,797)
Taxes recoverable	(39,643)	(35,494)	(39,956)	(36,052)
Other assets	7,044	(1,474)	7,044	(1,472)
Trade payables	83,622	58,239	73,935	44,976
Salaries and social charges	8,452	(7,906)	8,452	(7,906)
Taxes payable	1,138	966	5,111	2,607
Taxes payable in installments	(3,990)	(5,194)	(3,990)	(5,194)
Provision for contingencies - settlements	(22,510)	(25,918)	(22,510)	(25,919)
Other liabilities	5,458	(5,664)	5,173	(5,665)
Cash from operations	272,573	144,097	316,770	165,745
Interest paid	(51,286)	(21,112)	(52,451)	(21,340)
Income tax and social contribution paid			(2,151)	(1,025)
Net cash provided by operating activities	221,287	122,985	262,168	143,380
Cash flows from investing activities				
Acquisition of investments	(66,398)	(66,237)	(66,398)	(66,237)
Purchases of property, plant and equipment and additions to intangible assets	(145,242)	(112,373)	(146,022)	(123,619)
Additions to biological assets (planting and crop treatment)	(167,068)	(150,382)	(167,068)	(150,382)
Proceeds from sale of property, plant and equipment	5,232	1,049	11,553	3,710
Proceeds from the sale of biological assets and rights	47,500		47,500	
Cash and cash equivalents of merged subsidiary	1		1	
Advances for future capital increase	(1,414)	(5,228)	(1,414)	(2,663)
Dividends received	37,614	8,604	1,330	1,216
Net cash used in investing activities	(289,775)	(324,567)	(320,518)	(337,975)
Cash flows from financing activities				
Derivative financial instruments	33,320	4,025	33,320	4,025
New borrowings - third parties	206,273	558,091	207,109	574,437
Repayment of borrowings - Copersucar	(5,644)	(10,755)	(5,644)	(10,755)
Repayment of borrowings - third parties	(233,630)	(85,330)	(235,516)	(85,330)
Purchase of treasury shares		(1,785)		(1,785)
Sale of treasury shares	672	663	672	663
Payment of dividends	(30,000)	(36,084)	(30,000)	(36,084)
Net cash provided by (used in) financing activities	(29,009)	428,825	(30,059)	445,171
Increase (decrease) in cash and cash equivalents	(97,497)	227,243	(88,409)	250,576
Cash and cash equivalents at the beginning of the period	479,631	288,554	531,142	295,776
Cash and cash equivalents at the end of the period	382,134	515,797	442,733	546,352

The accompanying notes are an integral part of this financial information.

São Martinho S.A.

Statement of value added
Nine-month periods ended December 31
All amounts in thousands of reais (A free translation of the original in Portuguese)

	Parent company		Consolidated	
	12/31/2013	12/31/2012	12/31/2013	12/31/2012
				Restated
Revenue				
Gross sales of products and goods	1,208,558	1,015,255	1,248,147	1,017,895
Revenue from the construction of own assets	104,889	167,722	105,224	167,722
Other revenue	14,899	3,977	15,502	3,978
	1,328,346	1,186,954	1,368,873	1,189,595
Inputs acquired from third parties				
Cost of products and goods sold	(471,902)	(361,726)	(454,390)	(339,187)
Materials, energy, outsourced services and others	(211,944)	(232,374)	(217,879)	(232,532)
Recovery (impairment) of assets		526		526
	(683,846)	(593,574)	(672,269)	(571,193)
Gross value added	644,500	593,380	696,604	618,402
Depreciation and amortization	(97,199)	(115,334)	(98,260)	(115,724)
Harvested biological assets (depletion)	(153,403)	(136,706)	(153,403)	(136,706)
Net value added generated by the entity	393,898	341,340	444,941	365,972
Value added received through transfer				
Equity in the earnings (loss) of investees	43,533	7,364	(11,302)	(20,169)
Finance income	178,452	123,010	181,588	124,016
Other	(4,584)	915	(4,584)	3,218
Total value added to distribute	611,299	472,629	610,643	473,037
Distribution of value added				
Personnel and payroll charges				
Direct remuneration	141,599	139,020	141,599	139,020
Benefits	32,808	34,946	32,808	34,946
Government Severance Indemnity Fund for Employees (FGTS)	10,648	11,466	10,648	11,466
Management fees	9,126	8,303	9,126	8,303
Taxes and contributions				
Federal	72,567	45,394	73,400	47,661
State	62	74	62	82
Municipal	270	404	270	405
Creditors				
Interest	73,522	64,080	74,518	64,518
Rentals	3,631	2,986	1,141	680
Foreign exchange differences	72,847	57,370	72,848	57,370
Other	65,646	48,375	65,650	48,375
Dividends				
Profits retained for the period	128,573	60,211	128,573	60,211
Value added distributed	611,299	472,629	610,643	473,037

The presentation of the parent company and consolidated Statement of value added is required by Brazilian corporate legislation and the accounting practices adopted in Brazil applicable to listed companies. The International Financial Reporting Standards (IFRS) do not require the presentation of this statement. Consequently, for IFRS purposes, this statement is presented as supplementary information.

The accompanying notes are an integral part of this financial information.

1 Operations

1.1 General information

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

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

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

The Company is a listed corporation headquartered in Pradópolis, State of São Paulo, and registered with the São Paulo Futures, Commodities and Securities Exchange - BM&FBovespa S.A. ("BM&FBovespa") in the Novo Mercado (New Market) category. It is a subsidiary of the holding company LJN Participações S.A. ("LJN"), which has a controlling interest of 56.12% in its voting capital. In turn, the owners of LJN are the family holding companies: Luiz Ometto Participações S.A., João Ometto Participações S.A. and Nelson Ometto Participações Ltda.

The issue of this quarterly information was approved by the Company's Board of Directors on February 13, 2014.

2 Summary of significant accounting policies

2.1 Basis of preparation

The interim accounting information included in this financial information was prepared in accordance with the Technical pronouncement CPC 21 (R1) - Interim Financial Reporting, of the Brazilian Accounting Pronouncements Committee (CPC), and with the international accounting standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), and is presented in accordance with the standards issued by the Brazilian Securities Commission (CVM) applicable to the preparation of Quarterly Information.

This interim accounting information was prepared in accordance with the principles, practices and criteria adopted in the preparation of the annual financial statements at March 31, 2013. Accordingly, this quarterly information should be read together with those financial statements, which were approved by the Board of Directors on June 24, 2013 and filed with the CVM on the same date, and also approved at the Extraordinary and Annual General Meetings of stockholders held on July 31, 2013.

The investments in associated companies and joint ventures are recorded in the consolidated financial statements on the equity method of accounting, in accordance with the new accounting practice adopted as from April 1, 2013.

All amounts in thousands of reais unless otherwise stated

2.2 New accounting standards adopted as from 2013

CPC 19 (R2) and IFRS 11 - "Joint arrangements"

The International Financial Reporting Standard (IFRS) 11 replaces IAS 31 - "Interests in joint ventures". IFRS 11 defines how a joint arrangement in which two or more parties have joint control should be classified. According to IFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the contractual rights and obligations of each party. In addition, according to IFRS 11, joint ventures should be recorded on the equity method of accounting. Under the former standard IAS 31, companies were allowed to record investments in jointly-controlled subsidiaries on the equity method of accounting or on the proportional consolidation method.

Due to the adoption of this standard, the Company started to record all its investments in jointly-controlled entities on the equity method of accounting, and no longer on the proportional consolidation method.

The balances presented in the financial statements at March 31, 2013, and in the statements of income, of cash flows and of value added for the nine-month period ended December 31, 2012 already include the retrospective application of the standards, as mentioned above.

The effects on the quarterly information arising from the above are as follows:

(a) Balance sheet

Consolidated	Original balance at 3/31/2013	Change in accounting practice	Adjusted balance at 3/31/2013
Assets			
Current assets	1,031,966	(184,892)	847,074
Non-current assets	4,601,144	(543,306)	4,057,838
Total assets	**5,633,110**	**(728,198)**	**4,904,912**
Liabilities and equity			
Current liabilities	663,946	(162,969)	500,977
Non-current liabilities	2,868,547	(565,229)	2,303,318
Equity	2,100,617		2,100,617
Total liabilities and equity	**5,633,110**	**(728,198)**	**4,904,912**

All amounts in thousands of reais unless otherwise stated

(b) Statement of income

Consolidated - Quarter	Original balance at 12/31/2012	Change in accounting practice	Adjusted balance at 12/31/2012
Revenue	394,916	(90,915)	304,001
Cost of products sold	(312,882)	81,058	(231,824)
Gross profit	**82,034**	**(9,857)**	**72,177**
Operating income (expenses)			
Selling expenses	(17,345)	3,602	(13,743)
General and administrative expenses	(28,103)	7,194	(20,909)
Equity in the loss of investees	(2,015)	(1,879)	(3,894)
Other income (expenses), net	1,225	876	2,101
	(46,238)	**9,793**	**(36,445)**
Operating profit	**35,796**	**(64)**	**35,732**
Finance result			
Finance income	28,160	(3,827)	24,333
Finance costs	(58,143)	9,202	(48,941)
Monetary and foreign exchange variations, net	(2,209)	1,330	(879)
	(32,192)	**6,705**	**(25,487)**
Profit before taxation	**3,604**	**6,641**	**10,245**
Income tax and social contribution			
Current	2,481	(142)	2,339
Deferred	1,225	(6,499)	(5,274)
Profit for the period	**7,310**		**7,310**

Consolidated - nine-month period	Original balance at 12/31/2012	Change in accounting practice	Adjusted balance at 12/31/2012
Revenue	1,232,142	(251,702)	980,440
Cost of products sold	(918,097)	215,535	(702,562)
Gross profit	**314,045**	**(36,167)**	**277,878**
Operating income (expenses)			
Selling expenses	(54,518)	10,042	(44,476)
General and administrative expenses	(97,505)	22,188	(75,317)
Equity in the loss of investees	(5,194)	(14,975)	(20,169)
Other income (expenses), net	2,444	2,058	4,502
	(154,773)	**19,313**	**(135,460)**
Operating profit	**159,272**	**(16,854)**	**142,418**
Finance result			
Finance income	82,878	(16,212)	66,666
Finance costs	(141,979)	26,721	(115,258)
Monetary and foreign exchange variations, net	(21,745)	21,725	(20)
	(80,846)	**32,234**	**(48,612)**
Profit before taxation	**78,426**	**15,380**	**93,806**
Income tax and social contribution			
Current	(9,608)	406	(9,202)
Deferred	(8,607)	(15,786)	(24,393)
Profit for the period	**60,211**		**60,211**

All amounts in thousands of reais unless otherwise stated

(c) Statement of cash flows

Consolidated	Original balance at 12/31/2012	Change in accounting practice	Adjusted balance at 12/31/2012
Cash flows from operating activities			
Profit for the period	60,211		60,211
Adjustments to profit	545,851	(173,851)	372,000
Changes in assets and liabilities	(402,917)	136,451	(266,466)
Cash from operations	**203,145**	**(37,400)**	**165,745**
Interest, income tax and social contribution paid	(42,829)	20,464	(22,365)
Net cash provided by operating activities	**160,316**	**(16,936)**	**143,380**
Net cash provided by (used in) investing activities	(483,492)	145,517	(337,975)
Net cash provided by (used in) financing activities	486,622	(41,451)	445,171
Increase in cash and cash equivalents	**163,446**	**87,130**	**250,576**
Cash and cash equivalents at the beginning of the period	**410,567**	**(114,791)**	**295,776**
Cash and cash equivalents at the end of the period	**574,013**	**(27,661)**	**546,352**

(d) Statement of value added

Consolidated	Original balance at 12/31/2012	Change in accounting practice	Adjusted balance at 12/31/2012
Revenue	1,571,055	(381,460)	1,189,595
Inputs acquired from third parties	(788,388)	217,195	(571,193)
Gross value added	**782,667**	**(164,265)**	**618,402**
Depreciation and amortization	(344,060)	91,630	(252,430)
Net value added generated by the entity	438,607	(72,635)	365,972
Value added received through transfer	146,230	(39,165)	107,065
Total value added to distribute	**584,837**	**(111,800)**	**473,037**
Distribution of value added			
Personnel and payroll charges	249,624	(55,889)	193,735
Taxes and contributions	40,524	7,624	48,148
Creditors	234,478	(63,535)	170,943
Profits reinvested for the period	60,211		60,211
	584,837	**(111,800)**	**473,037**

3 Critical accounting estimates and judgments

The Company confirms that the critical accounting estimates and judgments described in the annual financial statements for the year ended March 31, 2013, in Note 3.1, remain valid for this Quarterly Information - ITR.

4 Financial risk management

There are no differences between the current financial risk factors and risk management policy and those described in Note 5 to the financial statements for the year ended March 31, 2013.

Moreover, as from April 1, 2013, the jointly-controlled subsidiary SC designated its Export Prepayment (PPE) contracts for hedge accounting, following the policies already adopted by the Company.

4.1 Assets and liabilities subject to foreign exchange variations

The table below summarizes foreign currency-denominated assets and liabilities (in US dollars - US$), recorded in the balance sheet at December 31, 2013:

Parent company and Consolidated	R$	Equivalents in thousands of US$
Current assets		
Cash and cash equivalents (banks - demand deposits)	90,455	38,623
Trade receivables	57,897	24,721
Derivative financial instruments	17,603	7,516
Total assets	**165,955**	**70,860**
Liabilities		
Current liabilities		
Borrowings	227,409	97,075
Derivative financial instruments	71,513	30,527
Other liabilities	2,251	961
Non-current liabilities		
Borrowings	460,207	196,451
Other liabilities	2,251	961
Total liabilities	763,631	325,975
Subtotal, net	(597,676)	(255,115)
Export-linked borrowings - ACC and PPE (*)	685,989	292,832
Net positive exposure	**88,313**	**37,717**

These assets and liabilities were adjusted and recorded in the quarterly information at December 31, 2013 at the exchange rate in effect on that date, of R$ 2.342 per US$ 1.00 for assets and R$ 2.3426 per US$ 1.00 for liabilities.

(*) The borrowings in foreign currency refer mainly to loans in the format of Advances on Foreign Exchange Contracts (ACC), Export Credit Notes and Export Prepayments (PPE), maturing from January 2014 to June 2017, which are linked to exports. As the above agreements will be settled through product exports, management understands that these transactions represent a natural hedge and that, therefore, the foreign exchange variations will only have temporary accounting effects on the financial statements, without a corresponding effect on cash flows.

All amounts in thousands of reais unless otherwise stated

4.2 Volatility risk of commodity prices

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

At December 31, 2013, the prices of 38,222 metric tons of sugar had been fixed with commercial partners for future delivery scheduled as from January 2014, priced at an average of 20.14 ¢/lb (US dollar cents per pound weight).

4.3 Liquidity risk

Cash flow forecasting is performed for the Group entities and aggregated by the Finance Department. This department monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operating needs.

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

At December 31, 2013, the Group had financial investments consisting mainly of repurchase agreements backed by government securities, and fixed-income funds, indexed to the Interbank Deposit Certificate (CDI) interest rate, with high liquidity and active trading in the market, that are expected to readily generate cash inflows for managing liquidity risk.

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

Parent company	Less than one year	Between 1 and 2 years	Between 2 and 5 years	Over five years	Total
At December 31, 2013					
Borrowings	493,597	297,508	581,885	99,233	1,472,223
Derivative financial instruments	71,513				71,513
Trade payables	144,754				144,754
Acquisition of investment	10,473	10,473			20,946
Other liabilities	22,597	2,263			24,860
	742,934	**310,244**	**581,885**	**99,233**	**1,734,296**
At March 31, 2013					
Borrowings	237,630	361,365	679,244	114,779	1,393,018
Derivative financial instruments	14,297				14,297
Trade payables	76,315				76,315
Acquisition of investment	71,808	9,849			81,657
Other liabilities	16,393	3,912			20,305
	416,443	**375,126**	**679,244**	**114,779**	**1,585,592**

All amounts in thousands of reais unless otherwise stated

Consolidated	Less than one year	Between 1 and 2 years	Between 2 and 5 years	Over five years	Total
At December 31, 2013					
Borrowings	496,535	300,407	590,582	106,916	1,494,440
Derivative financial instruments	71,513				71,513
Trade payables	135,122				135,122
Acquisition of investment	10,473	10,473			20,946
Other liabilities	22,597	2,693			25,290
	736,240	**313,573**	**590,582**	**106,916**	**1,747,311**
At March 31, 2013 - restated					
Borrowings	240,405	364,164	687,640	124,241	1,416,450
Derivative financial instruments	14,297				14,297
Trade payables	77,059				77,059
Acquisition of investment	71,808	9,849			81,657
Other liabilities	16,393	3,912			20,305
	419,962	**377,925**	**687,640**	**124,241**	**1,609,768**

4.4 Sensitivity analysis

In accordance with CVM Instruction 475, the sensitivity analysis below has been prepared by the Company showing the effects of changes in the fair values of financial instruments relating to the pricing and hedging of foreign currency risks and other financial assets and liabilities denominated in foreign currency at December 31, 2013, considered by management as the major risks to which the Group is exposed. This analysis considers management expectations with respect to the future scenario projected. For this reason, this analysis has not been reviewed by the independent auditors.

		Probable scenario		Possible scenarios	
Parent company and Consolidated	Risk	Average rate/price	Effect on accounting result and cash flows	Deterioration of 25%	Deterioration of 50%
Foreign exchange rate risk					
Cash and cash equivalents	Depreciation of the US dollar	2.44	2,584	(14,302)	(31,187)
Margin deposit	Depreciation of the US dollar	2.44	1,014	(5,614)	(12,241)
Trade receivables	Depreciation of the US dollar	2.44	2,288	(12,758)	(27,804)
Short and long-term borrowings	Appreciation of the US dollar	2.83	(132,322)	(324,911)	(517,500)
Forward contracts - foreign currency - NDF	Appreciation of the US dollar	2.44	(33,329)	(141,747)	(250,165)
Accounts payable	Appreciation of the US dollar	2.55	(396)	(1,620)	(2,844)
Price risk					
Forward contracts - sugar	Increase in the commodity price	17.39	10,960	(8,527)	(53,533)
Options contracts	Increase in the commodity price			6,222	6,222
Forward contracts - sugar - NDF	Increase in the commodity price	15.88	1,103	(4,429)	(9,960)

4.5 Fair value estimation

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

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

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

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

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

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

All amounts in thousands of reais unless otherwise stated

	Parent company and Consolidated		
As per balance sheet	**Level 1**	**Level 2**	**Total**
At December 31, 2013			
Assets - derivative financial instruments			
Sugar futures	7,906		7,906
Sugar options	6,334		6,334
Ethanol futures	9		9
Forward contracts - sugar		1,523	1,523
Liabilities - derivative financial instruments			
Forward contracts - foreign exchange		(35,815)	(35,815)
Swap contracts		(35,554)	(35,554)
US dollar options	(144)		(144)
At March 31, 2013 - restated			
Assets - derivative financial instruments			
Sugar futures	35,593		35,593
Sugar options	6,017		6,017
Forward contracts - foreign exchange		16,835	16,835
Forward contracts - sugar		20,787	20,787
Liabilities - derivative financial instruments			
Swap contracts		(10,978)	(10,978)

All amounts in thousands of reais unless otherwise stated

5 Financial instruments by category

			Parent company
Assets as per balance sheet	**Loans and receivables**	**Derivatives used for hedging**	**Total**
At December 31, 2013			
Cash and cash equivalents	382,134		382,134
Trade receivables	112,369		112,369
Derivative financial instruments		17,603	17,603
Related parties	1,926		1,926
Other assets, except prepayments	4,165		4,165
	500,594	**17,603**	**518,197**
At March 31, 2013			
Cash and cash equivalents	479,631		479,631
Trade receivables	52,770		52,770
Derivative financial instruments		79,232	79,232
Related parties	4,578		4,578
Other assets, except prepayments	3,262		3,262
	540,241	**79,232**	**619,473**

				Parent company
Liabilities as per balance sheet	**Liabilities at fair value through profit or loss**	**Derivatives used for hedging**	**Other financial liabilities**	**Total**
At December 31, 2013				
Borrowings	62,918		1,409,305	1,472,223
Derivative financial instruments	32,585	38,928		71,513
Trade payables			144,754	144,754
Acquisition of investment			20,946	20,946
Other liabilities			24,860	24,860
	95,503	**38,928**	**1,599,865**	**1,734,296**
At March 31, 2013				
Borrowings	69,305		1,323,713	1,393,018
Derivative financial instruments		14,251	46	14,297
Trade payables			76,315	76,315
Acquisition of investment			81,657	81,657
Other liabilities			20,305	20,305
	69,305	**14,251**	**1,502,036**	**1,585,592**

All amounts in thousands of reais unless otherwise stated

Assets as per balance sheet	Loans and receivables	Derivatives used for hedging	Total
			Consolidated
At December 31, 2013			
Cash and cash equivalents	442,733		442,733
Trade receivables	126,265		126,265
Derivative financial instruments		17,603	17,603
Related parties	1,925		1,925
Other assets, except prepayments	4,165		4,165
	575,088	**17,603**	**592,691**
At March 31, 2013 - restated			
Cash and cash equivalents	531,142		531,142
Trade receivables	51,739		51,739
Derivative financial instruments		79,232	79,232
Related parties	2,013		2,013
Other assets, except prepayments	3,261		3,261
	588,155	**79,232**	**667,387**

Liabilities as per balance sheet	Liabilities at fair value through profit or loss	Derivatives used for hedging	Other financial liabilities	Total
				Consolidated
At December 31, 2013				
Borrowings	62,918		1,431,522	1,494,440
Derivative financial instruments	32,585	38,928		71,513
Trade payables			135,122	135,122
Acquisition of investment			20,946	20,946
Other liabilities			25,290	25,290
	95,503	**38,928**	**1,612,880**	**1,747,311**
At March 31, 2013 - restated				
Borrowings	69,305		1,347,145	1,416,450
Derivative financial instruments		14,251	46	14,297
Trade payables			77,059	77,059
Acquisition of investment			81,657	81,657
Other liabilities			20,305	20,305
	69,305	**14,251**	**1,526,212**	**1,609,768**

All amounts in thousands of reais unless otherwise stated

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

6 Cash and cash equivalents

		Parent company	
	Remuneration	December 31, 2013	March 31, 2013
Cash and banks		95,200	176,424
Financial investments			
. Bank Deposit Certificates (CDB)	101.05% (March - 100.90%) of the CDI interest rate - weighted average rate	89,084	89,449
. Debenture repurchase agreements	100.96% of the Interbank Deposit Certificate (CDI) interest rate - weighted average rate	197,850	213,758
		382,134	**479,631**

		Consolidated	
	Remuneration	December 31, 2013	March 31, 2013
			Restated
Cash and banks		95,228	176,459
Financial investments			
. Bank Deposit Certificates (CDB)	101.05% (March - 100.74%) of the CDI interest rate - weighted average rate	89,084	105,797
. Debenture repurchase agreements	101.30% (March - 101.18%) of the CDI interest rate - weighted average rate	258,421	248,886
		442,733	**531,142**

Cash and bank balances include deposits in current accounts which are available for immediate use. These balances result from the strategy and normal flow of operations of the Group.

All financial investments can be redeemed in up to 90 days with no loss of remuneration.

All amounts in thousands of reais unless otherwise stated

7 Trade receivables

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

	Parent company		Consolidated	
	December 31, 2013	March 31, 2013	December 31, 2013	March 31, 2013 Restated
Local customers	54,472	34,648	68,368	33,617
Foreign customers	57,897	18,122	57,897	18,122
	112,369	**52,770**	**126,265**	**51,739**

At December 31 and March 31, 2013, no need to record a provision for impairment of trade receivables was identified.

At December 31, 2013, parent company and consolidated trade receivables totaling R$ 1,194 were overdue but not impaired. These relate to a number of customers for whom there is no recent history of default. The aging analysis of these trade receivables is as follows:

	Parent company		Consolidated	
	December 31, 2013	March 31, 2013	December 31, 2013	March 31, 2013 Restated
Overdue and not provided for:				
Up to 30 days	266	23	266	23
Over 60 days	928	74	928	74
Not yet due:				
Up to 30 days	95,206	48,426	92,659	47,395
From 31 to 60 days	6,457	3,616	18,246	3,616
Over 60 days	9,512	631	14,166	631
	112,369	**52,770**	**126,265**	**51,739**

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

All amounts in thousands of reais unless otherwise stated

8 Inventories

	Parent company		Consolidated	
	December 31, 2013	March 31, 2013	December 31, 2013	March 31, 2013 Restated
Finished products and in process	242,620	27,587	235,146	26,870
Advances - purchases of sugar cane	71,005	56,487	71,005	56,488
Inputs, indirect, maintenance and other materials	33,518	31,342	33,516	31,341
	347,143	**115,416**	**339,667**	**114,699**
Current assets	(320,774)	(102,220)	(313,298)	(101,503)
Non-current assets	26,369	13,196	26,369	13,196

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.

9 Taxes recoverable

The balance of taxes recoverable can be summarized as follows:

	Parent company		Consolidated	
	December 31, 2013	March 31, 2013	December 31, 2013	March 31, 2013 Restated
Social Contribution on Revenues (COFINS), including credits on purchases of property, plant and equipment	54,244	36,929	54,244	36,929
Value-added Tax on Sales and Services (ICMS), including credits on purchases of property, plant and equipment	54,622	37,078	55,327	37,765
Social Integration Program (PIS), including credits on purchases of property, plant and equipment	13,108	8,074	13,108	8,074
Tax on Financial Transactions (IOF) on derivatives	5,721	5,407	5,721	5,407
Other	3,909	2,940	3,909	2,972
	131,604	**90,428**	**132,309**	**91,147**
Current assets	**(63,406)**	**(43,280)**	**(63,960)**	**(43,313)**
Non-current (mainly credits on purchases of property, plant and equipment)	**68,198**	**47,148**	**68,349**	**47,834**

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

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

All amounts in thousands of reais unless otherwise stated

10 Related parties

(a) Parent company and consolidated balances

	Parent company					
	December 31, 2013			March 31, 2013		
	Current assets	Non-current assets	Current liabilities	Current assets	Non-current assets	Current liabilities
Investees and related parties:						
Vale do Mogi Empreendimentos Imobiliários S.A.	4		9,632	9,853		266
Usina Boa Vista S.A.	1,861		7	2,405		38
Usina Santa Luiza S.A.	49	1,925	18	31	2,013	18
SMBJ Agroindustrial S.A.	4			31		
Santa Cruz S.A. Açúcar e Álcool	3,374			461		202
SMA Indústria Química S.A.	58			64		
São Martinho - Energia S.E.	1,118	1		52	2,565	
Agro Pecuária Boa Vista S.A.	48			353		
Other				54		15
Subtotal	**6,516**	**1,926**	**9,657**	**13,304**	**4,578**	**539**
Stockholders relating to purchases of sugar cane	1,810		3,429	1,269		1,578
	8,326	**1,926**	**13,086**	**14,573**	**4,578**	**2,117**

	Consolidated					
	December 31, 2013			March 31, 2013 - restated		
	Current assets	Non-current assets	Current liabilities	Current assets	Non-current assets	Current liabilities
Investees and related parties:						
Usina Boa Vista S.A.	1,861		7	2,405		38
Usina Santa Luiza S.A.	49	1,925	18	31	2,013	18
SMBJ Agroindustrial S.A.	4			31		
Santa Cruz S.A. Açúcar e Álcool	3,374			461		202
SMA Indústria Química S.A.	58			64		
Agro Pecuária Boa Vista S.A.	48			353		
Other				45		15
Subtotal	**5,394**	**1,925**	**25**	**3,390**	**2,013**	**273**
Stockholders relating to purchases of sugar cane	1,810		3,429	1,269		1,578
	7,204	**1,925**	**3,454**	**4,659**	**2,013**	**1,851**

At December 31, 2013, the balances in current assets and liabilities (classified as trade receivables and payables in the balance sheet) refer to sales and purchases of goods and services between the Company and its investees and related parties. The balances in non-current assets and liabilities are advances for future capital increase.

All amounts in thousands of reais unless otherwise stated

(b) Parent company transactions in the period

	December 31, 2013			
	Administrative expenses	Sales revenue	Expenses reimbursed	Purchases of goods/services
Vale do Mogi Empreendimentos Imobiliários S.A.			16	36,073
Usina Boa Vista S.A.			8,598	
Usina Santa Luiza S.A.			276	433
SMA Indústria Química S.A.		85	182	
Santa Cruz S.A. Açúcar e Álcool			7,479	
Other			495	
Stockholders and related parties				
- rental of properties	249			
- rendering of services	1,308			
- purchases of sugar cane				10,312
	1,557	**85**	**17,046**	**46,818**

	December 31, 2012			
	Administrative expenses	Sales revenue	Expenses reimbursed	Purchases of goods/services
Vale do Mogi Empreendimentos Imobiliários S.A.				35,369
Usina Boa Vista S.A.		44	7,593	264
Usina Santa Luiza S.A.			261	
SMA Indústria Química S.A.			247	
Santa Cruz S.A. Açúcar e Álcool			756	2,139
Other			336	
Stockholders and related parties				
- rental of properties	237			
- rendering of services	1,001			
- purchases of sugar cane				10,997
	1,238	**44**	**9,193**	**48,769**

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

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

All amounts in thousands of reais unless otherwise stated

(c) Consolidated transactions in the period

	December 31, 2013			
	Administrative expenses	Sales revenue	Expenses reimbursed by subsidiaries	Purchases of goods/services
Usina Boa Vista S.A.			8,598	
Usina Santa Luiza S.A.			276	433
SMA Indústria Química S.A.		85	182	
Santa Cruz S.A. Açúcar e Álcool			7,479	
Other			360	
Stockholders and related parties				
- rental of properties	249			
- rendering of services	1,308			
- purchases of sugar cane				10,312
	1,557	**85**	**16,895**	**10,745**

	December 31, 2012 - restated			
	Administrative expenses	Sales revenue	Expenses reimbursed by subsidiaries	Purchases of goods/services
Usina Boa Vista S.A.		44	7,593	264
Usina Santa Luiza S.A.			261	
SMA Indústria Química S.A.			247	
Santa Cruz S.A. Açúcar e Álcool			756	2,139
Other			336	
Stockholders and related parties				
- rental of properties	237			
- rendering of services	1,001			
- purchases of sugar cane				10,997
	1,238	**44**	**9,193**	**13,400**

All amounts in thousands of reais unless otherwise stated

(d) Key management remuneration

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

Parent company and Consolidated	December 31, 2013	December 31, 2012 Restated
Fees and bonuses	9,884	7,192
Social security contributions	977	1,439
Other	488	470
	11,349	**9,101**

11 Other assets

	Parent company		Consolidated	
	December 31, 2013	March 31, 2013	December 31, 2013	March 31, 2013 Restated
Prepaid expenses	2,603	3,411	2,603	3,411
Advances to suppliers	1,770	1,509	1,770	1,508
Advances to employees	998	878	998	878
Other investments	9	142	9	142
Account receivable for guarantee provided	1,079	249	1,079	249
Deposits paid	111	111	111	111
Other receivables	198	373	198	373
	6,768	**6,673**	**6,768**	**6,672**
Current assets	(6,648)	(6,420)	(6,648)	(6,422)
Non- current assets	120	253	120	250

All amounts in thousands of reais unless otherwise stated

12 Investments

12.1 Subsidiaries, jointly-controlled subsidiaries and associated companies

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

	December 31, 2013									
	Vale do Mogi	SME	NF	SMA	USL	SC	ABV	Mirtilo	Other	Total
In subsidiaries, jointly-controlled subsidiaries and associates										
Shares/quotas held (thousands)	23,500	12,678	426,635	50	11,898	1,643	1,146			
Percentage holding	100.00%	100.00%	50.95%	50.00%	41.67%	32.19%	17.97%			
Share capital	84,637	15,243	858,845	100	14,541	63,083	208,560			
Equity (net capital deficiency)	858,241	32,244	746,747	(3,440)	(13,965)	275,495	348,551			
Profit (loss) for the period	45,085	16,990	(20,940)	(1,174)	(641)	(1,164)	9,215			
Changes in investments:										
At March 31, 2013	793,862	12,843	391,149		34,015	101,266	63,657	196,500	10,193	1,603,485
Payment and increase of capital	46,550	2,565			1,500				11,564	62,179
Acquisition of investment									1	1
Equity loss arising from carrying value adjustments						(12,200)				(12,200)
Equity in the earnings (loss)	37,848	16,990	(10,669)	(587)	(267)	(375)	1,094		(501)	43,533
Merger of net assets - Note 12.4								(44,767)		(44,767)
Reclassification of goodwill to intangible assets								(151,733)		(151,733)
Sale of investment - Note 12.7									(11,564)	(11,564)
Additional dividend distributed	(27,257)	(154)					(978)			(28,389)
Reclassification to liabilities of the investments with net capital deficiency - Note 20				587	(1,233)					(646)
At December 31, 2013	**851,003**	**32,244**	**380,480**		**34,015**	**88,691**	**63,773**		**9,693**	**1,459,899**

The equity of the subsidiaries SC and ABV is adjusted by the fair values of the assets and liabilities acquired in the amounts of R$ 120,220 and R$ 108,170, respectively.

All amounts in thousands of reais unless otherwise stated

	March 31, 2013									
	Vale do Mogi	**SME**	**NF**	**SMA**	**USL**	**SC**	**ABV**	**Mirtilo**	**Other**	**Total**
In subsidiaries, jointly-controlled subsidiaries and associated companies										
Shares/quotas held (thousands)	23,500	12,678	426,635	50	11,898	1,643	1,146	58,292		
Percentage holding	100.00%	100.00%	50.95%	50.00%	41.67%	32.19%	17.97%	100.00%		
Share capital	81,987	12,677	858,837	100	10,941	63,083	208,560	58,292		
Equity (net capital deficiency)	793,862	12,843	767,686	(2,266)	(16,924)	314,554	346,736	44,767		
Profit (loss) for the period	37,145	381	(31,781)	(634)	(5,310)	(16,225)	10,024			
Changes in investments:										
At March 31, 2012	765,539		407,342		34,015	106,489	62,209		1,335	1,376,929
Payment and increase of capital		12,677			1,500				10,411	24,588
Acquisition of investment - Note 38								196,500		196,500
Equity in the earnings (loss) of investees	37,145	381	(16,193)	(317)	(2,213)	(5,223)	1,801		(1,553)	13,828
Mandatory minimum dividends	(8,822)	(52)					(353)			(9,227)
Reclassification to liabilities of the investments with net capital deficiency - Note 20		(163)		317	713					867
At March 31, 2013	**793,862**	**12,843**	**391,149**		**34,015**	**101,266**	**63,657**	**196,500**	**10,193**	**1,603,485**

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

All amounts in thousands of reais unless otherwise stated

The investment held in Usina Santa Luiza S.A. ("USL") refers to goodwill attributed to expected future profitability, presented in the account "Investments".

12.2 Investments in the consolidated financial statements

	December 31, 2013	March 31, 2013 Restated
Nova Fronteira Bioenergia S.A.	380,480	391,149
Usina Santa Luiza S.A.	34,015	34,015
Santa Cruz S.A. Açúcar e Álcool	88,691	101,266
Agro Pecuária Boa Vista S.A.	63,773	63,657
Centro de Tecnologia Canavieira S.A.	9,695	10,193
	576,654	**600,280**

These investments are not consolidated but are recorded on the equity method of accounting, with the changes shown in Note 12.1 above.

12.3 Changes in corporate structure during the previous period

The Company acquired all the shares of Mirtilo Investimentos e Participações S.A. ("MIP") in the prior reporting year. This acquisition affected the comparability of the current period with the same period in the prior year.

This transaction is described in detail in Note 14.1(e) to the annual financial statements for the year ended March 31, 2013.

12.4 Merger of Mirtilo Investimentos e Participações S.A.

At the Extraordinary General Meeting held on April 25, 2013, the stockholders approved the merger of the net assets of Mirtilo, based on an appraisal report at book values as of March 31, 2013, issued by independent appraisers.

The net assets merged by the Company, including the equity changes up to April 25, 2013, were as follows:

Assets	Net assets merged
Current	
Cash and cash equivalents	1
Non-current	
Long-term receivables	
Deferred income tax and social contribution	6,967
Biological assets	37,799
Total net assets merged	**44,767**

All amounts in thousands of reais unless otherwise stated

12.5 Capital increase in Vale do Mogi Empreendimentos Imobiliários S.A.

At the Board of Directors' Meeting held on June 3, 2013, an increase in the capital of the subsidiary Vale do Mogi was approved, based on the appraisal report at book values as of May 31, 2013, issued by independent appraisers, as shown below:

Assets	Net assets contributed
Non-current	
Land (i)	2,651
Land - deemed cost (ii)	66,513
	69,164
Liabilities	
Non-current	
Deferred income tax and social contribution	22,614
Total net assets	**46,550**

(i) Increase in paid-up capital.
(ii) Carrying value adjustments - deemed cost merged.

12.6 Acquisition of investment in Vale do Piracicaba S.A.

On October 29, 2013, the Company acquired all the shares of Vale do Piracicaba S.A. for R$ 1. Vale do Piracicaba S.A. will be mainly engaged in real estate-related activities and in investing in other companies. The purpose of the Company in this acquisition is to invest in real estate companies.

12.7 Payment of capital and sale of Cerrado Açúcar e Álcool S.A.

On December 16, 2013, the Board of Directors approved the contribution, by the Company, of assets amounting to R$ 11,564 for payment of a capital increase of Cerrado Açúcar e Álcool S.A. ("Cerrado"). These assets comprised sugar cane plantations belonging to the Company in areas of agricultural partnership and lease agreements (2,836.99 hectares).

Cerrado was sold on December 17, 2013 for R$ 47,500.

This transaction resulted in the realization of goodwill of R$ 35,935 on future profitability, arising from the acquisition of Mirtilo's assets, as described in Note 38.2 to the financial statements for the year ended March 31, 2013.

All amounts in thousands of reais unless otherwise stated

13 Biological assets

At December 31, 2013, the Company had sugar cane plantations in the State of São Paulo used to provide raw materials for the industrial process. The cultivation of sugar cane begins with the planting of seedlings in own or third party land. The first harvest occurs after a period of 12 to 18 months from planting, when the sugar cane is harvested and the root ("stubble") remains in the ground. The properly treated stubble grows again and its production is considered, on average, economically feasible from six to seven crops.

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

Significant assumptions utilized in the measurement of fair value:

The fair value of sugar cane plantations 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 ATR (Total Sugar Recoverable); 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.

(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 rural partnerships; and (v) taxes on positive cash flows.

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

Consolidated	December 31, 2013	March 31, 2013 Restated
Total estimated harvest area (ha)	106,444	110,104
Expected productivity (metric ton/ha)	79.87	82.32
Amount of ATR per metric ton of sugar cane (kg)	135.87	135.61
Estimated average price per ATR (R$)	0.5938	0.5313

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

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

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

All amounts in thousands of reais unless otherwise stated

	December 31, 2013	
	Parent company	Consolidated
Biological assets at March 31, 2013 (Consolidated - restated)	506,368	544,167
Increases due to planting and crop treatment	167,068	167,068
Changes in fair value	47	47
Merger of Mirtilo - Note 12.4	37,799	
Reduction on sale of Cerrado - Note 12.7	(11,564)	(11,564)
Decreases resulting from harvesting	(179,413)	(179,413)
Biological assets at the end of the period	**520,305**	**520,305**

Parent company and Consolidated	December 31, 2012
Biological assets at March 31, 2012 (Consolidated - restated)	443,536
Increases due to planting and crop treatment	150,382
Changes in fair value	10,537
Decreases resulting from harvesting	(174,246)
Biological assets at the end of the period	**430,209**

(a) Agricultural partnerships and lease agreements

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

The amounts to be disbursed in respect of these agreements are determined at the end of each crop by the price of a metric ton of sugar cane established in the model defined by the Council of Sugar Cane, Sugar and Alcohol Producers of the State of São Paulo (CONSECANA). At December 31, 2013 and March 31, 2013, the total estimated payments (nominal value) are:

Consolidated	December 31, 2013	March 31, 2013
		Restated
Less than 1 year	91,989	82,205
Between 1 and 5 years	219,978	213,695
Over five years	119,730	131,391
	431,697	**427,291**

All amounts in thousands of reais unless otherwise stated

14 Property, plant and equipment

	Parent company							
	Land	Buildings and ancillary constructions	Industrial equipment and facilities	Vehicles	Agricultural machinery and implements	Other property, plant and equipment	Construction in progress	Total
At March 31, 2012	**602,806**	**64,754**	**458,553**	**50,905**	**119,963**	**12,641**	**103,986**	**1,413,608**
Purchases			82,769	18,316	32,310	495	101,747	235,637
Disposals (residual)			(117)	(211)	(1,361)	(1)		(1,690)
Transfers between accounts and to intangible assets		22,931	28,295	664	773	3,625	(61,639)	(5,351)
Depreciation		(4,181)	(126,775)	(7,052)	(17,982)	(2,534)		(158,524)
At March 31, 2013	**602,806**	**83,504**	**442,725**	**62,622**	**133,703**	**14,226**	**144,094**	**1,483,680**
Purchases			5,860	33,696	26,263	379	64,831	131,029
Disposals (residual)	(164)		(8)	(260)	(1,980)	(1)		(2,413)
Capital contribution - Vale Mogi	(69,164)							(69,164)
Transfers between accounts and to intangible assets		15,438	125,662	285	623	595	(143,795)	(1,192)
Depreciation		(2,704)	(98,007)	(5,476)	(18,135)	(2,084)		(126,406)
At December 31, 2013	**533,478**	**96,238**	**476,232**	**90,867**	**140,474**	**13,115**	**65,130**	**1,415,534**
Net book values:								
Historical cost	18,451	56,654	288,070	88,902	113,190	13,115	65,130	643,512
Revaluation increment	515,027	39,584	188,162	1,965	27,284			772,022

All amounts in thousands of reais unless otherwise stated

								Consolidated
	Land	Buildings and ancillary constructions	Industrial equipment and facilities	Vehicles	Agricultural machinery and implements	Other property, plant and equipment	Construction in progress	Total
At March 31, 2012 - restated	**1,713,817**	**72,813**	**458,553**	**50,905**	**119,963**	**12,641**	**116,952**	**2,545,644**
Purchases			82,769	18,316	32,310	495	114,509	248,399
Disposals (residual)	(827)		(117)	(211)	(1,361)	(1)		(2,517)
Transfers between accounts and to intangible assets		22,931	28,295	664	773	3,625	(61,639)	(5,351)
Depreciation		(4,703)	(126,775)	(7,052)	(17,982)	(2,534)		(159,046)
At March 31, 2013 - restated	**1,712,990**	**91,041**	**442,725**	**62,622**	**133,703**	**14,226**	**169,822**	**2,627,129**
Purchases			6,041	33,696	26,263	379	65,495	131,874
Disposals (residual)	(13,396)		(8)	(260)	(1,980)	(1)		(15,645)
Transfers between accounts and to intangible assets		15,438	152,054	285	623	595	(170,187)	(1,192)
Depreciation		(3,096)	(98,677)	(5,476)	(18,135)	(2,084)		(127,468)
At December 31, 2013	**1,699,594**	**103,383**	**502,135**	**90,867**	**140,474**	**13,115**	**65,130**	**2,614,698**
Net book values:								
Historical cost	103,240	57,675	313,973	88,902	113,190	13,115	65,130	755,225
Revaluation increment	1,596,354	45,708	188,162	1,965	27,284			1,859,473

The parent company balance of construction in progress at December 31, 2013 refers to the refurbishment of its two industrial facilities to increase sugar and ethanol production.

During the period, 13,705 ha of land of the Company and its subsidiary Vale do Mogi were pledged in guarantee for UBV financial transactions.

Under the terms of certain borrowing agreements of the Group, property, plant and equipment totaling R$ 322,362 at December 31, 2013 (consolidated) was pledged as collateral. These assets are mainly represented by industrial equipment and facilities, and agricultural machinery and implements. In addition, land totaling R$ 534,508 was pledged as collateral for securitized rural credits, recorded in current and long-term liabilities.

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

The Group capitalized finance charges of R$ 488 in the period ended December 31, 2013 (2012 - R$ 1,147). At December 31, 2013, the property, plant and equipment of the parent company includes assets under finance lease agreements in the amount of R$ 2,526.

During the nine-month period ended January 31, 2013, the subsidiary Vale do Mogi sold plots of land for R$ 17,414. In addition, the Board of Directors approved the establishment of a Special-purpose Entity (SPE) to explore real-estate related activities in a portion of land of this subsidiary. The land that will be used to establish of this SPE are recorded at the carrying amount of R$ 7,531 at December 31, 2013.

Pursuant to CPC 27 and supported by a specialized company, the Company reviewed the useful lives of its property, plant and in equipment (machinery and agricultural vehicles, industrial equipment and buildings) and adjusted the useful lives of the related assets, which resulted in changes to their depreciation rates as from July 1, 2013. This review of the useful lives resulted in a decrease of R$ 42,316 in the depreciation for the period, as compared with the depreciation prior to such review.

(a) Deemed cost

See Note 16(a) to the financial statements for the year ended March 31, 2013.

All amounts in thousands of reais unless otherwise stated

15 Intangible assets

	Parent company		Consolidated	
	December 31, 2013	March 31, 2013	December 31, 2013	March 31, 2013 Restated
Goodwill - expected future profitability - Mirtilo	115,798		115,798	151,733
Software	13,752	12,348	13,752	12,348
Accumulated amortization	(6,755)	(5,333)	(6,755)	(5,333)
Rights on sugar cane contracts (i)	16,945	19,984	17,603	19,984
Other assets				387
	139,740	**26,999**	**140,398**	**179,119**

(i) Refers to the acquisition of rights on agreements of agricultural partnership and sugar cane supply (2,281 hectares with an exploration period from 2013 to 2017).

The transaction described in Note 12.7 resulted in the realization of the goodwill based on future profitability on the assets sold.

All amounts in thousands of reais unless otherwise stated

16 Borrowings

Type	Charges	Guarantees	Due date	Parent company December 31, 2013	Parent company March 31, 2013
In local currency:					
Securitized rural credits	General Market Price Index (IGP-M) + weighted average interest of 4.58% p.a., paid annually	(a)	Annual installments with maturities between Sep 18 and Jul 20	62,918	69,305
Rural credit	Weighted average fixed interest of 5.50% p.a. paid on maturity of the contract		Single installments with maturities in Jan 14 and Apr 14	46,945	30,556
Finame/BNDES Automatic loans	Quarterly Long-term Interest Rate (TJLP) + weighted average interest of 3.67 % p.a. paid monthly	(b)	Monthly installments with maturities between Jan 14 and Feb 17	5,450	11,586
Finame/BNDES Automatic loans	Weighted average fixed interest of 3.65% p.a. paid monthly	(c)	Monthly installments with maturities between Jan 14 and Apr 23	87,799	60,951
Other securitized credits	Fixed interest of 3% p.a. paid annually	(d)	Annual installments with final maturity in Oct 25	61	64
Export Credit Note	100.10 % CDI OVER CETIP (average rate for interbank loans for one day registered with CETIP) paid on the maturities of the contracts	(f)	Single installments with maturities in May 14, Jan 15 and May 17	315,170	319,557
Lease	Fixed interest of 9.75% p.a. paid monthly	(e)	Monthly installments with maturities between Jan 14 and Dec 15	2,109	2,802
FINEM INDIRECT	Quarterly Long-term Interest Rate (TJLP) + weighted average interest of 2.79% p.a. paid monthly	(b)	Monthly installments with maturities between Jan 14 and Apr 23	32,854	25,399
FINEM INDIRECT	Fixed interest of 5.72% p.a. paid monthly	(b)	Monthly installments with maturities between Jan 14 and Apr 21	123,665	135,916
FINEM DIRECT	Quarterly Long-term Interest Rate (TJLP) + weighted average interest of 1.40% p.a. paid monthly	(b)	Monthly installments with maturities between Jan 14 and Mar 21	13,601	15,011
PRORENOVA	Quarterly Long-term Interest Rate (TJLP) + weighted average interest of 2.90% p.a. paid monthly	(b)	Monthly installments with maturities between Jan 14 and Oct 18	48,512	45,835
Bank Credit Note (BNDES PASS)	Fixed interest of 7.70% p.a. paid on maturity	(h)	Installments with maturities between Feb 14 and Apr 14	45,523	
In foreign currency:					
Advances on foreign exchange contracts (ACC)	Fixed interest of 1.21% p.a. + US dollar variation paid on maturity of the contract		Single installments with maturities in Nov 14	49,583	40,662
Export Credit Note	Fixed interest of 5.50% p.a. + US dollar variation paid on maturity of the contract		Payments of semi-annual interest and principal in Jun 17	234,295	204,244
Export prepayment (PPE)	(6-month Libor = 0.36042% p.a.) + Fixed rate = 2.3787% p.a.) = 2.7391% p.a. + US dollar variation paid on maturity of the contract	(g)	Semi-annual installments with maturities between Jan 14 and Sep 16	402,111	429,612
FINEM INDIRECT	Currency basket (US dollar, Euro and Yen) + weighted average fixed interest of 6.7668% p.a. paid monthly	(b)	Monthly installments with maturities between Jan 14 and Apr 23	1,627	1,518
Total				1,472,223	1,393,018
Current liabilities				(493,597)	(237,630)
Non-current liabilities				978,626	1,155,388

All amounts in thousands of reais unless otherwise stated

Type	Charges	Guarantees	Due date	Consolidated December 31, 2013	Consolidated March 31, 2013 Restated
In local currency:					
Securitized rural credits	General Market Price Index (IGP-M) + weighted average interest of 4.58% p.a., paid annually	(a)	Annual installments with maturities between Sep 18 and Jul 20	62,918	69,305
Rural credit	Weighted average fixed interest of 5.50% p.a. paid on maturity of the contract		Single installments with maturities in Jan 14 and Apr 14	46,945	30,556
Finame/BNDES Automatic loans	Quarterly Long-term Interest Rate (TJLP) + weighted average interest of 3.67% p.a. paid monthly	(b)	Monthly installments with maturities between Jan 14 and Feb 17	5,450	11,586
Finame/BNDES Automatic loans	Weighted average fixed interest of 3.65% p.a. paid monthly	(c)	Monthly installments with maturities between Jan 14 and Apr 23	87,799	60,951
Other securitized credits	Fixed interest of 3% p.a. paid annually	(d)	Annual installments with final maturity in Oct 25	61	64
Export Credit Note	100.10% CDI OVER CETIP (average rate for interbank loans for one day registered with CETIP) paid on the maturities of the contracts	(f)	Single installments with maturities in May 14, Jan 15 and May 17	315,170	319,557
Lease	Fixed interest of 9.75% p.a. paid monthly	(e)	Monthly installments with maturities between Jan 14 and Dec 15	2,109	2,802
FINEM INDIRECT	Quarterly Long-term Interest Rate (TJLP) + weighted average interest of 2.78% p.a. paid monthly	(b)	Monthly installments with maturities between Jan 14 and Apr 23	37,196	29,624
FINEM INDIRECT	Fixed interest of 5.34% p.a. paid monthly	(b)	Monthly installments with maturities between Jan 14 and Apr 21	141,540	155,123
FINEM DIRECT	Quarterly Long-term Interest Rate (TJLP) + weighted average interest of 1.40% p.a. paid monthly	(b)	Monthly installments with maturities between Jan 14 and Mar 21	13,601	15,011
PRORENOVA	Quarterly Long-term Interest Rate (TJLP) + weighted average interest of 2.90% p.a. paid monthly	(b)	Monthly installments with maturities between Jan 14 and Oct 18	48,512	45,835
Bank Credit Note (BNDES PASS)	Fixed interest of 7.70% p.a. paid on maturity	(h)	Installments with maturities between Feb 14 and Apr 14	45,523	
In foreign currency:					
Advances on foreign exchange contracts (ACC)	Fixed interest of 1.21% p.a. + US dollar variation paid on the maturities of the contracts		Single installments with maturities in Nov 14	49,583	40,662
Export Credit Note	Fixed interest of 5.50% p.a. + US dollar variation paid on maturity of the contract		Payments of semi-annual interest and principal in Jun 17	234,295	204,244
Export prepayment (PPE)	(6-month Libor = 0.36042% p.a.) + Fixed interest = 2.3787% p.a.) = 2.7391% p.a. + US dollar variation paid on maturity of the contract	(g)	Semi-annual installments with maturities between Jan 14 and Sep 16	402,111	429,612
FINEM INDIRECT	Currency basket (US dollar, Euro and Yen) + weighted average fixed interest of 6.7668% p.a. paid monthly	(b)	Monthly installments with maturities between Jan 14 and Apr 23	1,627	1,518
Total				**1,494,440**	**1,416,450**
Current liabilities				**(496,535)**	**(240,405)**
Non-current liabilities				**997,905**	**1,176,045**

All amounts in thousands of reais unless otherwise stated

At December 31, 2013, all the borrowings were guaranteed by stockholders' sureties and by the following additional guarantees (referenced to the tables above):

	Description of the guarantees for borrowings	Book value or contractual amount
(a)	Mortgage - 16,892 ha of land	531,807
(b)	Statutory lien of industrial equipment	26,458
	Statutory lien of agricultural equipment	9,944
	Promissory note	2,496
	Bank guarantee	15,006
(c)	Statutory lien of industrial equipment	163,631
	Statutory lien of agricultural equipment	122,328
	Promissory note	1,664
(d)	Mortgage - 69 ha of land	2,701
(e)	Promissory note	3,020
(f)	Promissory note	100,000
(g)	Promissory note	637,848
(h)	Ethanol - 33,000 m^3	45,210

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

Long-term borrowings have the following maturities:

	December 31, 2013	
	Parent company	Consolidated
From 1/1/15 to 12/31/15	297,508	300,407
From 1/1/16 to 12/31/16	189,382	192,281
From 1/1/17 to 12/31/17	342,830	345,729
From 1/1/18 to 12/31/18	49,673	52,572
From 1/1/19 to 12/31/19	36,256	39,155
From 1/1/20 to 12/31/26	62,977	67,761
	978,626	**997,905**

The book values and fair values of the borrowings are similar.

All amounts in thousands of reais unless otherwise stated

17 Trade payables

	Parent company		Consolidated	
	December 31, 2013	March 31, 2013	December 31, 2013	March 31, 2013 Restated
Sugar cane	92,493	11,963	92,493	11,698
Materials, services and other	52,261	64,352	42,629	65,361
	144,754	**76,315**	**135,122**	**77,059**

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

Parent company and Consolidated	December 31, 2013	March 31, 2013
REFIS - Copersucar - Updated based on the SELIC interest rate	84,911	86,840
Bill of Exchange - Updated based on the SELIC interest rate	68,662	66,958
Bill of Exchange - Onlending of funds not subject to charges	42,682	42,682
Other	4,400	
Total	**200,655**	**196,480**
Current liabilities	(2,040)	(2,040)
Non-current liabilities	198,615	194,440

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

In addition, in accordance with the terms negotiated for the withdrawal from Copersucar, the Company, SC and USL remain liable for the payment of obligations, proportionate to their interest in Copersucar in previous harvests, which result from tax assessments that may arise and that relate to periods in which the Company, SC and USL were cooperative members.

All amounts in thousands of reais unless otherwise stated

The State Finance authorities have issued tax assessments against Copersucar with respect to Value-added Tax on Sales and Services (ICMS) on fuel and industrial ethanol sales made by Copersucar up to December 31, 2008, as principal taxpayer or substitute taxpayer of the distribution companies. The updated amount, calculated proportionately to the interest of the Company, SC and USL in the Cooperative, amounts to R$ 174,168. The Copersucar legal counsel assesses the outcome in these lawsuits as a risk of possible loss. Copersucar believes that it has strong arguments to successfully defend the fines imposed by the State Finance Departments in these assessments.

19 Taxes payable in installments

Parent company and Consolidated	December 31, 2013	March 31, 2013
		Restated
Value-added Tax on Sales and Services (ICMS)	1,405	2,143
REFIS installments - Law 11,941	50,620	51,712
	52,025	**53,855**
Current liabilities (taxes payable)	(5,288)	(5,419)
Non-current liabilities	46,737	48,436

20 Other liabilities

	Parent company		Consolidated	
	December 31, 2013	March 31, 2013	December 31, 2013	March 31, 2013
				Restated
Sales for future delivery	10,949	2,637	10,949	2,637
Revenues to be appropriated		58		58
Net capital deficiency of investees	7,539	8,185	7,540	8,185
Mitsubishi Corporation	4,501	7,572	4,501	7,572
Employee Cooperative	1,163		1,163	
Freight and transport	418		418	
Other payables	290	1,853	719	1,853
	24,860	**20,305**	**25,290**	**20,305**
Current liabilities	(22,597)	(16,393)	(22,597)	(16,393)
Non-current liabilities	2,263	3,912	2,693	3,912

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

21 Equity

(a) Share capital

At December 31 and March 31, 2013, capital was divided into 113,000,000 common shares, with no par value. At the Extraordinary General Meeting held on July 31, 2013, the stockholders approved an increase in the Company's capital of R$ 123,050 without the issue of new common shares and with no par value, using the balance of the capital investment reserve.

(b) Treasury shares

See Note 23(b) to the financial statements for the year ended March 31, 2013.

During the period ended December 31, 2013, there was no repurchase of shares. However, 34,815 treasury shares were sold and the remaining number of treasury shares totaled 732,396.

At December 31, 2013, the market value of these shares was R$ 21,020 (March 31, 2013 - R$ 21,781).

(c) Carrying value adjustments

See Note 23(c) to the financial statements for the year ended March 31, 2013.

(d) Legal and capital investment reserves

No changes occurred in the calculation method utilized during the period ended December 31, 2013. See Note 23(d) to the financial statements for the year ended March 31, 2013.

At the Extraordinary General Meeting held on July 31, 2013, the stockholders approved a capital increase of R$ 123,050, using the balance of the capital investment reserve (Note 21(a)).

(e) Dividends and interest on capital

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

The Annual General Meeting of stockholders held on July 31, 2013 approved an additional dividend distribution of R$ 12,674 (R$ 0.112930 per share), totaling a dividend distribution of R$ 30,000 (R$ 0.267302 per share) of the profit for the year ended March 31, 2013.

(f) Stock option plan

The Stock Option Plan offered to the Company's officers is detailed in Note 23(f) to the financial statements for the year ended March 31, 2013.

On December 16, 2013, purchase options of 380,812 shares of the Company were granted to certain directors. An exercise price of R$ 27.40 per share was attributed to these shares. The acquisition of the right of exercise of the options occur on three occasions, namely: i) 33.3% after the second year as from the grant date; ii) 33.3% after the third year as from the grand date; and iii) 33.3% after the fourth year as from the grant date. The maximum term for the exercise of these stock options is 2020. The fair value of each stock option on the grant date was R$ 8.47 for the batch with right of exercise at the end of the second year after the grant date, R$ 8.99 for the batch with right of exercise as from the end of the third year and R$ 9.46 for the batch with right of exercise as from the end of the fourth year after the grant date.

In the period ended December 31, 2013, 34,815 stock options were exercised in the amount of R$ 672. Additionally, the Company recognized in the nine-month period a stock option expense of R$ 1,587 (at December 31, 2012 - R$ 1,010).

22 Employee and management benefits plan

During the period ended December 31, 2013, there were no changes in the model and assumptions used for the plan, accordingly, the disclosures described in Note 24 to the financial statements for the year ended March 31, 2013 were maintained.

The amounts of these benefits for the periods ended December 31, 2013 and 2012, recorded as operating costs or expenses in the consolidated statement of income, amounted to R$ 1,221 and R$ 1,134, respectively.

23 Profit sharing program

There were no changes in the assumptions utilized for this calculation during the period ended December 31, 2013. See Note 25 to the financial statements for the year ended March 31, 2013.

The profit sharing for the periods ended December 31, 2013 and 2012, recorded as operating costs or expenses in the consolidated statement of income, amounted to R$ 10,995 and R$ 11,150, respectively.

All amounts in thousands of reais unless otherwise stated

24 Income tax and social contribution

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

Parent company	December 31, 2013	March 31, 2013
Current assets - Prepayments		
. Income tax and social contribution to be offset	34,487	33,329
Non-current liabilities		
Deferred assets		
. Income tax losses	8,767	15,477
. Social contribution losses	3,229	5,645
Taxes on temporary differences:		
. Provision for contingencies	13,975	14,956
. Tax benefit of merged goodwill	1,221	2,237
. Derivative financial instruments	71,025	19,689
. Employee profit sharing and bonus	6,580	3,385
. Other	1,415	817
Deferred liabilities		
Taxes on temporary differences:		
. Deemed cost increment of property, plant and equipment	(263,885)	(295,548)
. Accelerated tax-incentive depreciation	(171,849)	(150,660)
. Securitized financing	(16,843)	(15,886)
. Adjustments to present value	(4,779)	(5,793)
. Derivative financial instruments	(6,512)	(26,341)
. Biological assets and agricultural product (changes in fair value)	(564)	(10,257)
. Foreign exchange gains	(51,689)	(16,465)
. Other	(1,166)	(18)
Non-current liabilities	**(411,075)**	**(458,762)**

All amounts in thousands of reais unless otherwise stated

Consolidated	December 31, 2013	March 31, 2013 Restated
Current assets - Prepayments		
. Income tax and social contribution to be offset	34,856	33,370
Current liabilities - Taxes payable		
. Income tax and social contribution payable	791	314
Deferred income tax and social contribution		
Deferred assets		
. Income tax losses	8,767	15,477
. Social contribution losses	3,229	5,645
Taxes on temporary differences:		
. Provision for contingencies	13,975	14,956
. Tax benefit of merged goodwill	1,221	2,237
. Derivative financial instruments	71,025	14,584
. Employee profit sharing and bonus	6,580	3,385
. Biological assets and agricultural product (changes in fair value)		6,967
. Other	1,651	816
Deferred liabilities		
Taxes on temporary differences:		
. Deemed cost increment of property, plant and equipment	(633,618)	(647,251)
. Accelerated tax-incentive depreciation	(171,849)	(150,660)
. Securitized financing	(16,843)	(15,886)
. Adjustments to present value	(4,779)	(5,793)
. Derivative financial instruments	(6,512)	(21,235)
. Biological assets and agricultural product (changes in fair value)	(564)	(10,257)
. Foreign exchange gains	(51,689)	(16,465)
. Other	(1,166)	(17)
	(780,572)	**(803,497)**
Non- current assets		**(6,968)**
Non-current liabilities	**(780,572)**	**(810,465)**

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

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

All amounts in thousands of reais unless otherwise stated

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

	Estimated realizable value	
Years ended:	**Parent company**	**Consolidated**
3/31/2014	25,522	25,758
3/31/2015	14,633	14,633
3/31/2016	24,917	24,917
3/31/2017	19,178	19,178
3/31/2018	19,271	19,271
3/31/2019 onwards	2,691	2,691
	106,212	**106,448**

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

(b) Reconciliation of the income tax and social contribution expense

The reconciliation of taxes calculated in accordance with the statutory rates and the amounts of the taxes recorded in the periods ended December 31, 2013 and 2012 are presented below:

	December 31, 2013		December 31, 2012	
Parent company	**Quarter**	**Nine-month period**	**Quarter**	**Nine-month period**
Profit before taxation	39,796	178,848	9,878	92,589
Income tax and social contribution at the statutory rates (34%)	(13,531)	(60,808)	(3,359)	(31,480)
Adjustments for calculation of the effective tax rate:				
. Equity in results of investees	8,908	15,059	1,924	2,504
. Permanent exclusions/(additions), net	(2,260)	(4,509)	(1,199)	(3,772)
. Tax incentives	45	(17)	66	370
Income tax and social contribution expense	(6,838)	(50,275)	(2,568)	(32,378)
Deferred income tax and social contribution	(18,985)	(47,453)	(5,572)	(24,766)
Current income tax and social contribution	12,147	(2,822)	3,004	(7,612)
Income tax and social contribution effective rate	17.2%	28.1%	26.0%	35.0%

All amounts in thousands of reais unless otherwise stated

Consolidated	December 31, 2013 Quarter	December 31, 2013 Nine-month period	December 31, 2012 Quarter	December 31, 2012 Nine-month period Restated
Profit before taxation	40,944	177,722	10,245	93,806
Income tax and social contribution at the statutory rates (34%)	(13,921)	(60,425)	(3,483)	(31,894)
Adjustments for calculation of the effective tax rate:				
. Equity in results of investees	2,264	(3,585)	(1,324)	(6,878)
. Permanent exclusions/(additions), net	(2,261)	(4,852)	(1,357)	(4,054)
. Adjustment related to the calculation of the subsidiary taxed based on the deemed profit method	6,831	21,702	3,047	8,608
. Profit on inventories	(977)	(2,370)		101
. Tax incentives	78	352	117	422
. Other		29	65	100
Income tax and social contribution expense	(7,986)	(49,149)	(2,935)	(33,595)
Deferred income tax and social contribution	(19,458)	(43,602)	(5,274)	(24,393)
Current income tax and social contribution	11,472	(5,547)	2,339	(9,202)
Income tax and social contribution effective rate	19.5%	27.7%	28.6%	35.8%

25 Commitments

The Group assumes various commitments in the ordinary course of its business. The details of these commitments are described in Note 28 to the financial statements for the year ended March 31, 2013.

26 Provision for contingencies

26.1 Probable losses

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

	Consolidated (restated) and Parent company					
	March 31, 2013	Additions	Reversals	Utilization	Restatements	December 31, 2013
Tax	5,034	23	(16)	(23)	102	5,120
Civil and environmental	13,588	1,391		(1,766)	1,142	14,355
Labor	41,549	18,146	(6,150)	(20,772)	3,415	36,188
Total	**60,171**	**19,560**	**(6,166)**	**(22,561)**	**4,659**	**55,663**
Judicial deposits	**35,654**	**9,509**		**(16,647)**		**28,516**

All amounts in thousands of reais unless otherwise stated

The nature of the main lawsuits at December 31, 2013 included in the above provisions are as follows (Parent company and Consolidated):

Tax

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

Civil and environmental

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

Labor

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

26.2 Possible losses (contingent liabilities)

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

Tax

Consolidated					Stage	
	Nature	Number of cases	Administrative	Trial court	Lower court	Total
(i)	Social security contributions	14	113,288		13,492	**126,779**
(ii)	Calculation of IRPJ/CSLL	7	111,849			**111,849**
	IRPJ losses	5	1,717			**1,717**
	CSLL losses	7	1,698			**1,698**
	Offset of credits - PIS	5	4,826		2,253	**7,080**
	Offset of credits - COFINS	1				
	Offset of federal taxes	1	250			**250**
	Other tax cases	33	17,185	1,682	407	**19,275**
		73	**250,813**	**1,682**	**16,152**	**268,647**

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

All amounts in thousands of reais unless otherwise stated

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

Civil and environmental

Consolidated			Stage			
Nature	Number of cases	Administrative	Trial court	Lower court	Higher court	Total
Environmental	27	3,922	29,627	228		**33,778**
Civil						
Indemnities	35		8,097	187	30	**8,313**
Review of contracts	7			15		**15**
Rectification of area and land registry	5		13			**13**
Permits for obtaining mineral research license	8					
	82	**3,922**	**37,738**	**430**	**30**	**42,119**

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

27 Derivative financial instruments

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

The Company opted for the utilization of hedge accounting to record part of its derivative financial instruments. The instruments elected were sugar, ethanol and foreign currency (US dollar) derivatives, which cover the sales of the 2013/2014 and 2014/2015 crops, and were classified as a hedge of cash flows of highly probable expected transactions (future sales).

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

In order to utilize hedge accounting, prospective tests were carried out to verify effectiveness. These tests showed that the instruments designated as hedges provide a highly effective offset for the effects of price variations on the value of future sales. In the case of foreign exchange hedges, the derivatives were designated as a protection of cash flows arising from future sales in foreign currency. These hedges were carried out by contracting Non-Deliverable Forwards (NDFs) and options strategies with leading financial institutions.

All amounts in thousands of reais unless otherwise stated

In the case of sugar hedges, the derivatives were designated as a protection of cash flow variations arising from future sales of sugar. These transactions are carried out in the New York Intercontinental Exchange (ICE Futures US) and with leading financial institutions through over-the-counter contracts.

The balances of assets and liabilities at December 31 and March 31, 2013 relating to transactions involving derivative financial instruments, were as follows:

Parent company and Consolidated	December 31, 2013	March 31, 2013
		Restated
Margin deposits	1,831	(3,319)
Potential results with sugar futures	7,906	35,593
Potential results with ethanol futures	9	
Potential results with sugar options	6,334	6,017
Potential results with US dollar options	(144)	
Potential results with foreign exchange forward contracts	(35,815)	16,835
Potential results with sugar forward contracts	1,523	20,787
Potential results with swap contracts	(35,554)	(10,978)
	(53,910)	**64,935**
In current assets	17,603	79,232
In current liabilities	(71,513)	(14,297)

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

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

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

All amounts in thousands of reais unless otherwise stated

27.1 Fair value of the derivative financial instruments

At December 31 and March 31, 2013, the analysis of the fair values of the assets and liabilities related to transactions involving derivative financial instruments is as follows:

(a) Futures and options contracts

Parent company and Consolidated	Contracted volume	Price/average rate	Notional amount - R$	Fair value - R$	Receivable (payable) - R$
					December 31, 2013
Products - Sugar #11					
Futures contracts					
Sales commitment	313,842	17.65	272,343	15,992	15,992
Purchase commitment	78,334	18.42	70,941	(8,086)	(8,086)
					7,906
Options contracts					
Bidding position - sale	124,282	17.56	112,716	8,129	8,129
Bidding position - purchase	22,860	20.94	24,723	11	11
Written position - sale	29,210	17.00	25,647	(1,233)	(1,233)
Written position - purchase	174,904	19.69	177,868	(573)	(573)
					6,334
Products - ETH BMF					
Futures contracts					
Sales commitment	6,000	1,128.00	226	9	9
					9
Products - ETH BMF					
Futures contracts					
Bidding position - sale	27,186	2.4014	65,285	1,613	1,613
Bidding position - purchase	2,204	2.5490	5,618	107	107
Written position - purchase	(25,680)	2.5478	(65,428)	(1,864)	(1,864)
					(144)

All amounts in thousands of reais unless otherwise stated

Parent company and Consolidated	March 31, 2013 - restated				
	Contracted volume	Price/average rate	Notional amount - R$	Fair value - R$	Receivable (payable) - R$
Products - Sugar #11					
Futures contracts					
Sales commitment	327,609	20.35	296,056	36,274	36,274
Purchase commitment	15,291	18.74	12,725	(681)	(681)
					35,593
Options contracts					
Bidding position - sale	98,298	19.26	84,044	7,384	7,384
Bidding position - purchase	20,574	24.95	22,791	9	9
Written position - sale	10,160	19.13	8,627	(834)	(834)
Written position - purchase	148,336	22.20	146,221	(542)	(542)
					6,017

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

Parent and Consolidated - December 31, 2013						
Due date	Position	US$ thousand	Average fixed rate - R$/US$ 1	Notional amount - R$	Fair value - R$	Payable - R$
4Q13	Sold	74,821	2.1728	162,576	(14,493)	(14,493)
4Q13	Purchased	(16,532)	2.2441	64,722	(5,114)	(5,114)
1Q14	Sold	28,841	2.2924	134,627	(10,335)	(10,335)
2Q14	Sold	58,728	2.4713	40,562	(726)	(726)
3Q14	Sold	16,414	2.4197	1,699	(102)	(102)
4Q14	Sold	702	2.4505	573	(35)	(35)
1Q15	Sold	234	2.2955	34,157	(5,165)	(5,165)
2Q15	Sold	14,880	2.3332	(38,571)	155	155
		178,088				**(35,815)**

Parent and Consolidated (restated) - March 31, 2013						
Due date	Position	US$ thousand	Average fixed rate - R$/US$ 1	Notional amount - R$	Fair value - R$	Payable - R$
1Q13	Sold	86,761	2.0596	178,696	3,262	3,262
2Q13	Sold	143,946	2.1101	303,737	7,532	7,532
3Q13	Sold	94,555	2.1483	203,133	5,272	5,272
4Q13	Sold	38,233	2.1709	83,004	1,902	1,902
1Q14	Sold	2,861	2.1613	6,184	31	31
2Q14	Sold	14,880	2.1608	32,152	(446)	(446)
2Q15	Sold	14,880	2.2955	34,158	(718)	(718)
		396,116				**16,835**

All amounts in thousands of reais unless otherwise stated

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

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

Parent company and Consolidated - December 31, 2013						
Due date	Position	Lots	Average fixed price (¢/lb)	Notional amount - R$	Fair value - R$	Receivable (payable) - R$
Mar-14	Sold	93	19.04	3,919	640	640
May-14	Sold	25	17.45	973	59	59
Jul-14	Sold	400	17.51	15,620	822	822
Oct-14	Sold	13	17.12	496	2	2
		531				1,523

Parent company and Consolidated (restated) - March 31, 2013						
Due date	Position	Lots	Average fixed price (¢/lb)	Notional amount - R$	Fair value - R$	Receivable (payable) - R$
May-13	Sold	635	21.03	26,902	4,813	4,813
Jul-13	Sold	1,205	20.98	50,909	8,910	8,910
Oct-13	Sold	1,120	20.96	47,276	7,064	7,064
		2,960				**20,787**

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

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

Parent company and Consolidated - December 31, 2013						
Due date	Notional amount - US$ thousand	Base value - R$	Receivable	Payable	Fair value - R$	Payable - R$
Nov-14	US$ 21,150	49,914	US$ + 1.2 %	95.5% of the CDI	(277)	(277)
Mar-15	US$ 50,000	91,280	6M Libor + 3.0%	US$ + 3.85%	(317)	(317)
Jun-15	US$ 75,000	137,355	6M Libor + 1.5%	US$ + 2.36%	(388)	(388)
Sep-16	US$ 100,000	183,140	6M Libor + 2.5%	US$ + 3.6%	(2,264)	(2,264)
May-17	US$ 80,000	165,736	CDI	US$ + 5%	(32,308)	(32,308)
						(35,554)

All amounts in thousands of reais unless otherwise stated

Parent company and Consolidated (restated) - March 31, 2013						
Due date	Notional amount - US$ thousand	Base value - R$	Receivable	Payable	Fair value - R$	Payable - R$
Apr-13	US$ 10,000	18,920	US$ + 0.9%	93.8% of the CDI	147	147
May-13	US$ 10,000	19,416	US$ + 1.2%	94.2% of the CDI	(193)	(193)
Mar-15	US$ 50,000	91,280	6M Libor + 3.0%	US$ + 3.85%	(578)	(578)
Jun-15	US$ 75,000	137,355	6M Libor + 1.5%	US$ + 2.36%	(766)	(766)
Sep-16	US$ 100,000	183,140	6M Libor + 2.5%	US$ + 3.6%	(2,730)	(2,730)
May-17	US$ 80,000	165,736	CDI	US$ + 5%	(6,858)	(6,858)
						(10,978)

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

Parent company and Consolidated - December 31, 2013	Maturity by month				
	Mar-14	May-14	Jul-14	Oct-14	Total
Products					
Fair value of purchased futures - Sugar	(8,019)	(67)			**(8,086)**
Fair value of sold futures - Sugar	4,493	4,444	4,692	2,363	**15,992**
	(3,526)	**4,377**	**4,692**	**2,363**	**7,906**
Sugar options					
Fair value of bidding position - sale	4,944	317	2,652	216	**8,129**
Fair value of bidding position - purchase	11				**11**
Fair value of written position - sale	(529)		(704)		**(1,233)**
Fair value of written position - purchase	(115)	(46)	(377)	(35)	**(573)**
	4,311	**271**	**1,571**	**181**	**6,334**
	785	**4,648**	**6,263**	**2,544**	**14,240**

Parent company and Consolidated - December 31, 2013	Maturity by quarter				
	4Q13	1Q14	2Q14	3Q14	Total
Products					
Fair value of sold futures - Ethanol	9				**9**
US dollar options					
Fair value of bidding position - sale		349	1,054	210	1,613
Fair value of bidding position - purchase		107			107
Fair value of written position - purchase		(139)	(1,135)	(590)	(1,864)
		317	**(81)**	**(380)**	**(144)**
	9	**317**	**(81)**	**(380)**	**(135)**

All amounts in thousands of reais unless otherwise stated

Parent company and Consolidated (restated) - March 31, 2013	Maturity by month				
	May-13	Jul-13	Oct-13	Mar-14	Total
Products					
Fair value of purchased futures - Sugar	(373)	(240)	(68)		**(681)**
Fair value of sold futures - Sugar	8,832	14,448	12,455	539	**36,274**
	8,459	**14,208**	**12,387**	**539**	**35,593**
Sugar options					
Fair value of bidding position - sale	2,924	2,886	1,283	291	**7,384**
Fair value of bidding position - purchase	9				**9**
Fair value of written position - sale	(398)	(406)	(30)		**(834)**
Fair value of written position - purchase	(28)	(101)	(259)	(154)	**(542)**
	2,507	**2,379**	**994**	**137**	**6,017**
	10,966	**16,587**	**13,381**	**676**	**41,610**

At December 31 and March 31, 2013, the transactions involving derivative financial instruments that affected the results of operations were:

Parent company and Consolidated	12/31/2013		12/31/2012	
	Quarter	Nine-month	Quarter	Nine-month
				Restated
Product-related contracts:				
Futures contracts	17,988	80,680	10,063	63,661
Options	1,119	(1,833)	(521)	(2,478)
Forward contracts	113	305		
Commissions and brokerage fees	(66)	(465)	(165)	(681)
Foreign exchange variations	2,077	4,262	26	(36)
	21,231	**82,949**	**9,403**	**60,466**
Currency-related contracts:				
Forward contracts	(14,626)	(55,283)	(25,432)	(64,420)
Options	(391)	1,734		
	(15,017)	**(53,549)**	**(25,432)**	**(64,420)**
Debt-related contracts:				
Swap	(890)	353	(705)	2,643
Net effect	**5,324**	**29,753**	**(16,734)**	**(1,311)**
Effect on statement of income items:				
Gross revenue	4,301	32,411	(5,425)	9,554
Interest income	9,263	50,149	14,963	36,811
Finance costs	(10,317)	(57,069)	(26,298)	(47,640)
Monetary and foreign exchange variations, net	2,077	4,262	26	(36)
	5,324	**29,753**	**(16,734)**	**(1,311)**

All amounts in thousands of reais unless otherwise stated

28 Segment information (consolidated)

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

The analyses are made by segmenting the business based on the products sold by the Group, comprising four segments:
(i) Sugar
(ii) Ethanol
(iii) Electricity
(iv) Other products

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

Given the increased revenue resulting from the cogeneration of electricity, which has received investments in previous years, management has decided to present this segment separately from the others, also reflecting the segregated approach that has been adopted by management. Accordingly, the segment information for December 31, 2012, presented for comparison purposes, has been restated.

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

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

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

(a) Consolidated result by segment

Period ended December 31, 2013

	Sugar	Ethanol	Electricity	Other products	Non-segmented	Total
Net revenue	638,739	411,589	34,789	128,210		**1,213,327**
Cost of products sold	(418,794)	(299,848)	(10,382)	(126,997)		**(856,021)**
Gross profit	219,945	111,741	24,407	1,213		**357,306**
Gross margin	34.4%	27.1%	70.2%	0.9%		**29.4%**
Selling expenses	(43,746)	(18,189)	(80)	(193)		**(62,208)**
Other operating expenses					(87,745)	**(87,745)**
Operating profit	176,199	93,552	24,327	1,020	(87,745)	**207,353**
Operating margin	27.6%	22.7%	69.9%	0.8%		**17.1%**
Net finance costs					(65,298)	**(65,298)**
Foreign exchange variations, net					35,667	**35,667**
Profit before taxation					(117,376)	**177,722**
Income tax and social contribution					(49,149)	**(49,149)**
Profit for the period					**(166,525)**	**128,573**

All amounts in thousands of reais unless otherwise stated

Period ended December 31, 2012 - restated	Sugar	Ethanol	Electricity	Other products	Non-segmented	Total
Net revenue	652,222	271,704	2,821	53,693		**980,440**
Cost of products sold	(420,340)	(248,815)	(1,956)	(31,451)		**(702,562)**
Gross profit	231,882	22,889	865	22,242		**277,878**
Gross margin	35.6%	8.4%	30.7%	41.4%		**28.3%**
Selling expenses	(38,024)	(6,226)	(64)	(162)		**(44,476)**
Other operating expenses					(90,984)	**(90,984)**
Operating profit	193,858	16,663	801	22,080	(90,984)	**142,418**
Operating margin	29.7%	6.1%	28.4%	41.1%		**14.5%**
Net finance costs					(48,592)	**(48,592)**
Foreign exchange variations, net					(20)	**(20)**
Profit before taxation					(139,596)	**93,806**
Income tax and social contribution					(33,595)	**(33,595)**
Profit for the period					**(173,191)**	**60,211**

(b) 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.

At December 31, 2013	Sugar	Ethanol	Electricity	Other products	Total
Trade receivables	30,616	47,669	5,006	42,974	**126,265**
Inventories	177,399	151,092		11,176	**339,667**
Biological assets	313,947	206,358			**520,305**
Property, plant and equipment	1,534,973	1,008,937	58,424	12,364	**2,614,698**
Intangible assets	84,715	55,683			**140,398**
Assets allocated	**2,141,650**	**1,469,739**	**63,430**	**66,514**	**3,741,333**
Other assets not allocated					**1,242,675**
Total	**2,141,650**	**1,469,739**	**63,430**	**66,514**	**4,984,008**

All amounts in thousands of reais unless otherwise stated

At March 31, 2013 - restated

	Sugar	Ethanol	Electricity	Other products	Total
Trade receivables	17,233	20,885	123	13,498	**51,739**
Inventories	49,569	57,058		8,072	**114,699**
Biological assets	300,757	243,410			**544,167**
Property, plant and equipment	1,423,873	1,152,373	29,136	21,747	**2,627,129**
Intangible assets	98,998	80,121			**179,119**
Assets allocated	**1,890,430**	**1,553,847**	**29,259**	**43,317**	**3,516,853**
Other assets not allocated					**1,388,059**
Total	**1,890,430**	**1,553,847**	**29,259**	**43,317**	**4,904,912**

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

29 Revenue

Parent company	12/31/2013 Quarter	12/31/2013 Nine-month period	12/31/2012 Quarter	12/31/2012 Nine-month period
Gross sales				
Domestic market	130,981	388,898	121,799	308,046
Foreign market	178,617	820,265	193,262	707,530
	309,598	**1,209,163**	**315,061**	**1,015,576**
Taxes, contributions and sales deductions	(10,245)	(30,948)	(13,624)	(37,683)
	299,353	**1,178,215**	**301,437**	**977,893**

Consolidated	12/31/2013 Quarter	12/31/2013 Nine-month period Restated	12/31/2012 Quarter	12/31/2012 Nine-month period Restated
Gross sales				
Domestic market	145,263	426,446	124,460	310,686
Foreign market	178,617	820,265	193,262	707,530
	323,880	**1,246,711**	**317,722**	**1,018,216**
Taxes, contributions and sales deductions	(11,052)	(33,384)	(13,721)	(37,776)
	312,828	**1,213,327**	**304,001**	**980,440**

All amounts in thousands of reais unless otherwise stated

30 Costs and expenses by nature

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

	Parent company			
	31/12/2013		31/12/2012	
Costs and expenses by nature	Quarter	Nine-month period	Quarter	Nine-month period Restated
Raw materials and materials for use and consumption	95,785	374,701	109,840	346,605
Personnel expenses	45,426	142,276	33,341	103,672
Depreciation and amortization (includes harvested biological assets)	66,505	250,602	84,123	252,040
Spare parts and maintenance services	9,716	33,022	6,659	20,487
Third-party services	24,843	93,015	18,643	61,322
Contingencies	1,568	13,435	1,872	14,113
Change in fair value of biological assets	1,234	(47)	(43)	(10,537)
Materials for resale (i)	18,461	70,041	3,610	13,965
Other expenses	12,322	43,301	15,640	46,878
	275,860	**1,020,346**	**273,685**	**848,545**

	Consolidated			
	31/12/2013		31/12/2012	
Costs and expenses by nature	Quarter	Nine-month period	Quarter	Nine-month period Restated
Raw materials and materials for use and consumption	89,501	346,387	102,468	321,919
Personnel expenses	45,489	142,399	33,341	103,672
Depreciation and amortization (includes harvested biological assets)	67,006	251,663	84,253	252,430
Spare parts and maintenance services	9,716	33,022	6,659	20,487
Third-party services	24,865	93,062	18,679	61,363
Contingencies	1,568	13,435	1,872	14,113
Change in fair value of biological assets	1,234	(47)	(43)	(10,537)
Cost of land sold (Note 14)		13,396		
Materials for resale (i)	18,541	73,648	3,610	13,965
Other expenses	11,566	37,837	15,637	44,943
	269,486	**1,004,802**	**266,476**	**822,355**

(i) In 2013, mainly sugar cane sales.

All amounts in thousands of reais unless otherwise stated

	Parent company			
	12/31/2013		12/31/2012	
Classified as	Quarter	Nine-month period	Quarter	Nine-month period
				Restated
Cost of products sold	235,747	872,042	239,110	728,659
Selling expenses	14,812	62,208	13,743	44,476
General and administrative expenses	25,301	86,096	20,832	75,410
	275,860	**1,020,346**	**273,685**	**848,545**

	Consolidated			
	12/31/2013		12/31/2012	
Classified as	Quarter	Nine-month period	Quarter	Nine-month period
				Restated
Cost of products sold	229,205	856,021	231,824	702,562
Selling expenses	14,812	62,208	13,743	44,476
General and administrative expenses	25,469	86,573	20,909	75,317
	269,486	**1,004,802**	**266,476**	**822,355**

31 Other income (expenses), net

	12/31/2013		12/31/2012	
Parent company	Quarter	Nine-month period	Quarter	Nine-month period
Gain on the sale of property, plant and equipment	1,906	2,819	204	292
Gain on the sale of scrap	204	763	289	764
Payroll contract		68	175	526
Leases	59	(240)		
Indemnities of agricultural partnership agreements		4,636		419
Assignment of soil exploitation rights	1,313	1,313		
Gain on the sale of clay	283	965	1,037	1,037
Gain on the purchase of agricultural debt notes		340	308	308
Tax recoveries (INSS)				364
Other	(717)	(1,119)	86	793
	3,048	**9,545**	**2,099**	**4,503**

All amounts in thousands of reais unless otherwise stated

Consolidated	12/31/2013 Quarter	12/31/2013 Nine-month period	12/31/2012 Quarter	12/31/2012 Nine-month period
Gain on the sale of property, plant and equipment	1,906	2,819	204	292
Gain on the sale of scrap	204	763	289	764
Payroll contract		68	175	526
Leases	59	(240)		
Indemnities of agricultural partnership agreements		4,636		419
Assignment of soil exploitation rights	1,313	1,313		
Gain on the sale of clay	283	965	1,037	1,037
Revenue from power grid right-of-way		604		
Gain on the purchase of agricultural debt notes		340	308	308
Tax recoveries (INSS)				364
Other	(716)	(1,138)	88	792
	3,049	**10,130**	**2,101**	**4,502**

32 Finance result

Parent company	12/31/2013 Quarter	12/31/2013 Nine-month period	12/31/2012 Quarter	12/31/2012 Nine-month period
Finance income				
Interest received and accrued	6,380	17,041	7,498	25,329
Gains on derivatives	9,263	50,149	14,963	36,811
Other income	873	2,747	1,380	3,521
	16,516	**69,937**	**23,841**	**65,661**
Finance costs				
Interest paid and accrued	(24,992)	(71,974)	(20,402)	(60,797)
Losses on derivatives	(10,317)	(57,069)	(26,298)	(47,640)
Other expenses	(2,463)	(8,661)	(1,895)	(5,829)
	(37,772)	**(137,704)**	**(48,595)**	**(114,266)**
Foreign exchange and monetary variations				
Monetary and foreign exchange gains	23,603	108,515	26,359	57,349
Monetary and foreign exchange losses	(14,534)	(72,847)	(27,238)	(57,370)
	9,069	**35,668**	**(879)**	**(21)**
Finance result	**(12,187)**	**(32,099)**	**(25,633)**	**(48,626)**

Consolidated	12/31/2013 Quarter	12/31/2013 Nine-month period	12/31/2012 Quarter	12/31/2012 Nine-month period
Finance income				
Interest received and accrued	7,548	20,176	7,991	26,334
Gains on derivatives	9,263	50,149	14,963	36,811
Other income	874	2,748	1,379	3,521
	17,685	**73,073**	**24,333**	**66,666**
Finance costs				
Interest paid and accrued	(25,320)	(72,638)	(20,649)	(61,232)
Losses on derivatives	(10,317)	(57,069)	(26,298)	(47,640)
Other expenses	(2,464)	(8,664)	(1,994)	(6,386)
	(38,101)	**(138,371)**	**(48,941)**	**(115,258)**
Foreign exchange and monetary variations				
Monetary and foreign exchange gains	23,603	108,515	26,359	57,350
Monetary and foreign exchange losses	(14,535)	(72,848)	(27,238)	(57,370)
	9,068	**35,667**	**(879)**	**(20)**
Finance result	**(11,348)**	**(29,631)**	**(25,487)**	**(48,612)**

33 Earnings per share

(a) Basic

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

	December 31, 2013	December 31, 2012
Profit for the period attributable to the stockholders of the Company	128,573	60,211
Weighted average number of common shares in the period - in thousands	112,230	112,213
Basic earnings per share (in reais)	**1.1456**	**0.5366**

(b) Diluted

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

	December 31, 2013	December 31, 2012
Profit for period used to determine diluted earnings per share	128,573	60,211
Weighted average number of common shares for diluted earnings per share - in thousands	112,452	112,316
Diluted earnings per share - R$	**1.1434**	**0.5361**

34 Insurance (unaudited)

The Group maintains a safety, training and quality program in its units, which aims, among other things, to also reduce the risk of accidents. Furthermore, it maintains insurance contracts at amounts considered sufficient to cover possible significant losses on its assets and responsibilities. The amounts covered by the current insurance policies at December 31, 2013 were as follows:

	Maximum cover (*)
Risks covered	Parent company and Consolidated
Civil liability	1,157,060
Fire, lightning and explosion of any nature	413,800
Theft or robbery	190,313
Other cover	41,642
Electrical damages	31,576
Natural phenomena, impact of vehicles or aircraft, etc.	8,500

(*) Corresponds to the maximum amount of cover for the various assets and locations insured.
The vehicle cover, mainly civil liability, is also included above, except for actual damage to the vehicle, which has as reference, on average, 100% of the Economic Research Institute (FIPE) table.

All amounts in thousands of reais unless otherwise stated

35 Acquisition of investment

35.1 Mirtilo Investimentos e Participações S.A. ("Mirtilo").

Note 38.2 to the financial statements for the year ended March 31, 2013 presents full details of the acquisition of all the shares of Mirtilo Investimentos e Participações S.A., carried out in March 2013.

In addition, the Extraordinary General Meeting of stockholders held on April 25, 2013 approved the merger of the net assets of Mirtilo by the Company and its consequent liquidation. All the assets, rights, receivables and liabilities of Mirtilo are transferred automatically and universally to the Company, as Mirtilo's successor, irrespective of any other formalities.

35.2 Accounts payable - acquisition of investment

	Mirtilo
Total consideration	196,500
Payment on March 14, 2013	(176,850)
Monetary restatement	1,296
Total payable - Mirtilo	20,946
Represented by:	
Current liabilities	10,473
Non-current liabilities	10,473

* * *

São Martinho

3Q14

Results

2013/14 Crop Year

Net income in 3Q14 of R$32.9 million, 4.5 times higher than in 3Q13

São Paulo, February 13, 2014 – SÃO MARTINHO S.A. (BM&FBovespa: SMTO3; Reuters SMTO3.SA and Bloomberg SMTO3 BZ), one of Brazil's largest sugar and ethanol producers, announces today its results for the third quarter of the 2013/14 crop year (3Q14).

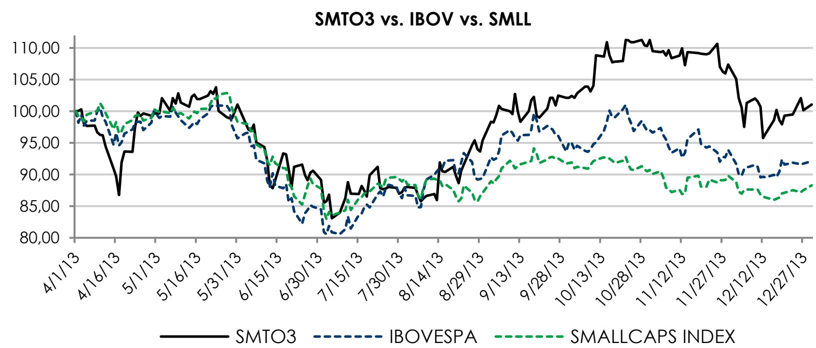
3Q14 HIGHLIGHTS

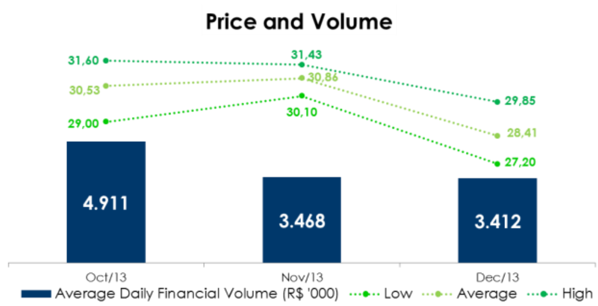
- ✓ The São Martinho Group crushed 15.6 million tons in the 2013/14 crop year, or 21% more than in the previous season. The strong growth in the period is explained by the higher yields registered at our sugarcane fields (approximately 100 tons per hectare) and by the expansion in the area under our management due to the acquisition of sugarcane fields from São Carlos in December 2012;

- ✓ In 3Q14, the Company's Adjusted EBITDA amounted to R$ 168.4 million (Adjusted EBITDA margin of 39.6%), increasing 4.6% from 3Q13. **In 9M14, Adjusted EBITDA was R$ 618.9 million (with Adjusted EBITDA Margin of 40.4%), up 22.4% from 9M13.** The main drivers of EBITDA growth in the period were (i) the higher sales volume registered by all the Company's products due to the growth in crushing volume; and (ii) the better average ethanol prices;

- ✓ Net Income was **R$32.9 million in 3Q14, 4.5 times higher than in the previous crop year (R$7.3 million)**. The improvement in net income in the period is mainly explained by (i) the lower financial expenses; and (ii) the reduction in depreciation in the period to more accurately reflect the lifespan of our assets and the average age of our sugarcane fields;

- ✓ On Dec. 31, 2013, sugar prices for the 2014/15 crop year were locked in at an average price of USD 18.34 cents/pound for 338,536 tons, **with this volume representing 44% of our net exposure (i.e., total sugar production excluding our natural hedge with Consecana).** In addition to the hedging of sugar prices, we also held short dollar positions of **US$ 97.3 million with an average price of R$ 2.39/US$** for sugar exports. In addition, our hedge position for the sugar inventory remaining **from the 2013/14 crop year amounted to 174,541 tons at USD 18.39 cents/pound** and USD 91.3 million at an exchange rate of R$ 2.18/USD, with this volume representing 100% of the net exposure of our sugar exports to be sold in 4Q13.





NEW ACCOUNTING STANDARD – IFRS 11 (CPC 19)

Given the adoption of the new accounting standard IFRS 11 (CPC 19) as of this fiscal year, São Martinho S.A. will no longer proportionally consolidate the results of its investees. In view of the materiality of the results of Nova Fronteira Bioenergia S.A. (50.95%) and Santa Cruz S.A. (32.18%) to the São Martinho Group, **the Company decided to continue to present on a pro-forma basis its balance sheet, income statement and cash flow statement in the set of financial statements following the same consolidation criteria used prior to the adoption of said standard.**

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

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

	QUARTER			
	São Martinho S.A. (consolidated CPC 19)	UBV (50.95%)	USC (32.18%)	São Martinho S.A. (Pro forma)
R$ '000				
Net Revenue	312,828	78,943	32,730	424,812
Adjusted EBITDA	111,581	38,306	13,906	168,426
Adjusted EBITDA Margin	35.7%	48.5%	42.5%	39.6%
Adjusted EBIT	44,576	15,650	1,594	66,392
Adjusted EBIT Margin	14.2%	19.8%	4.9%	15.6%
Biological Assets and Other	1,815	(1,502)	(1,146)	(5,032)
Equity Income	5,901	5	-	(30)
Financial Result	(11,348)	(7,563)	(2,744)	(22,089)
Income (Loss) Before taxes	40,944	6,590	(2,296)	39,241
Taxes	(7,986)	(221)	1,922	(6,283)
Net Income	32,958	6,370	(374)	32,958

ACUMULATED	São Martinho S.A. (consolidated CPC 19)	UBV (50.95%)	USC (32.18%)	São Martinho S.A. (Pro forma)
R$ '000				
Net Revenue	1,213,327	206,333	112,804	1,533,054
Adjusted EBITDA	460,142	95,628	54,060	618,907
Adjusted EBITDA Margin	37.9%	46.3%	47.9%	40.4%
Adjusted EBIT	208,478	16,250	13,565	247,078
Adjusted EBIT Margin	17.2%	7.9%	12.0%	16.1%
Biological Assets and Other	10,177	(4,559)	(959)	(4,191)
Equity Income	(11,302)	1	46	(455)
Financial Result	(29,631)	(21,502)	(14,564)	(66,487)
Income (Loss) Before taxes	177,722	(9,810)	(1,911)	175,945
Taxes	(49,149)	(859)	2,629	(47,372)
Net Income	128,573	(10,669)	718	128,573
Cash	442,733	77,437	12,221	533,588
Gross Debt	1,494,440	383,157	238,641	2,137,406
Net Debt	1,051,707	305,720	226,420	1,603,818
EBITDA YTD	575,944	110,797	70,161	762,905
Net Debt / EBITDA	1.83 x	2.76 x	3.23 x	2.10 x

OVERVIEW - COMPANY

FINANCIAL HIGHLIGHTS (R$ '000)	3Q14	3Q13	Chg. (%)	9M14	9M13	Chg. (%)
São Martinho - Consolidated						
Gross Revenue	444,445	416,351	6.7%	1,587,968	1,288,277	23.3%
Net Revenue	424,812	394,916	7.6%	1,533,054	1,232,142	24.4%
Adjusted EBITDA	168,426	161,054	4.6%	618,907	505,682	22.4%
EBITDA Margin	39.6%	40.8%	-1.1 p.p.	40.4%	41.0%	-0.7 p.p.
Consolidated Balance Sheet Indicators						
Total Assets	5,774,023	5,449,358	6.0%	5,774,023	5,449,358	6.0%
Shareholders' Equity	2,079,161	2,062,466	0.8%	2,079,161	2,062,466	0.8%
EBITDA (LTM)	762,905	574,474	32.8%	762,905	574,474	32.8%
Net Debt	1,603,818	1,353,814	18.5%	1,603,818	1,353,814	18.5%
Net Debt / EBITDA (LTM)	2.10 x	2.36 x		2.1 x	2.4 x	
Net Debt / Shareholders' Equity	77%	66%		77%	66%	

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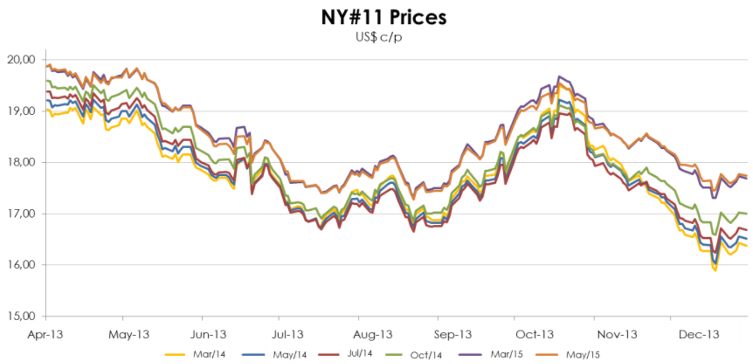
OPERATING DATA	9M14	9M13	Chg.(%)
São Martinho - Consolidated			
Crushed Sugarcane ('000 tons)	**15,592**	**12,885**	**21.0%**
Own	10,315	8,206	25.7%
Third Parties	5,278	4,679	12.8%
Mechanized Harvest	93.9%	88.8%	508.4%
Agricultural Yield (ton/ha)	99.47	88.58	12.3%
Average TRS (kg/ton)	136.95	139.14	-1.6%
Production			
Sugar ('000 tons)	986	969	1.7%
Anhydrous Ethanol ('000 m3)	388	275	41.0%
Hydrous Ethanol ('000 m3)	252	176	43.3%
Ribonucleic Acid (RNA) Sodium Salt ('000 Kg)	284	280	1.4%
Cogeneration ('000 MWh)	442	176	151.6%
TRS Produced	*2,135*	*1,793*	*19.1%*
Mix - Sugar - Ethanol	*48% - 52%*	*57% - 43%*	
Mix Anhydrous - Hydrous	*62% - 38%*	*62% - 38%*	

The São Martinho Group crushed 15.6 million tons, increasing 21% from the previous crop year and surpassing the initial crushing guidance of 15.3 million tons. As mentioned above, the strong growth in the period is explained by the higher yields registered at our sugarcane fields (approximately 100 tons per hectare) and by the expansion in the area under our management due to the acquisition of sugarcane fields from São Carlos in December 2012.

Note that the information in the above table already considers our proportional interests in Nova Fronteira (50.95%) and Santa Cruz (32.18%).

INDUSTRY OVERVIEW

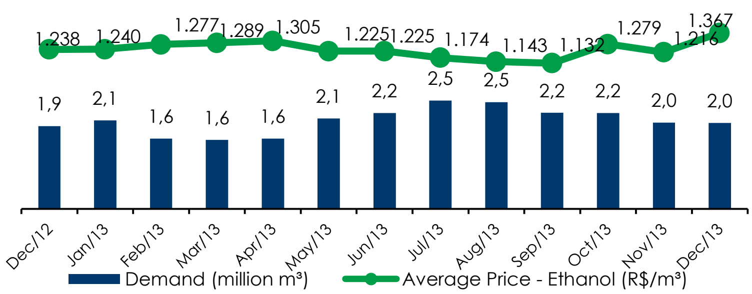
Sugar



In the third quarter of the 2013/14 crop year, sugar prices (US$ cents/pound) recovered through the second half of October, due to (i) rain in the Center-South of Brazil, which raised doubts with regard to the crushing volume expected for the 2013/14 crop year; (ii) higher demand (especially from Asia); and (iii) the fire at the Copersucar terminal, which could adversely affect the distribution of Brazilian production. After this period, sugar prices suffered a sharp drop that lasted through end-December, due to (i) the dry weather at the end of the crop year, which led to a higher number of days that allowed sugarcane crushing operations in the Center-South; and (ii) expectations that India would increase its export volume this crop year.

On February 12th, 2014, the Sugarcane Industry Association (UNICA) revised its forecasts for the 2013/14 crop year. According to the revision, Brazil's Center-South region has processed 596.2 million tons of sugarcane so far in the 2013/14 crop year, or 12.0% more than in the 2012/13 crop year, with sugar production amounting to 34.3 million tons, in line with 2012/13.

Ethanol



In the third quarter of the 2013/14 crop year, prices for both anhydrous and hydrous ethanol were higher than a year earlier (+11.1% and +12.8%, respectively). The improvement in net prices is exclusively due to the reduction in the rate of PIS/Cofins taxes implemented in May 2013.

As shown in the graph, ethanol consumption in the domestic market remained above 2 billion liters/month, which was the main factor supporting average ethanol prices.

AVERAGE PRICES - ETHANOL	3Q14	3Q13	Chg. (%)	9M14	9M13	Chg. (%)
Market Prices						
Anhydrous ESALQ, Net DM R$ / m3	1,370.06	1,233.55	11.1%	1,326.23	1,259.39	5.3%
Hydrous ESALQ, Net DM - R$ / m3	1,217.12	1,078.75	12.8%	1,166.00	1,088.65	7.1%

FINANCIAL PERFORMANCE

NET REVENUE BREAKDOWN	3Q14	3Q13	Chg. (%)	9M14	9M13	Chg. (%)
R$ '000						
Domestic Market	**233,981**	**181,913**	**28.6%**	**645,477**	**448,045**	**44.1%**
Sugar	14,434	17,625	-18.1%	46,763	44,193	5.8%
Hydrous Ethanol	61,130	48,308	26.5%	152,050	116,987	30.0%
Anhydrous Ethanol	85,293	81,160	5.1%	247,596	188,436	31.4%
Cogeneration	40,514	19,206	110.9%	74,885	39,177	91.1%
Other	32,610	15,614	108.9%	124,183	59,252	109.6%
Export Market	**190,831**	**213,003**	**-10.4%**	**887,577**	**784,098**	**13.2%**
Sugar	154,954	147,163	5.3%	647,778	673,782	-3.9%
Hydrous Ethanol	19,038	2,347	711.1%	67,638	22,875	195.7%
Anhydrous Ethanol	2,932	51,128	-94.3%	149,377	65,660	127.5%
Other	13,906	12,365	12.5%	22,784	21,781	4.6%
Net Revenue	**424,812**	**394,916**	**7.6%**	**1,533,054**	**1,232,142**	**24.4%**
Sugar	169,388	164,788	2.8%	694,541	717,974	-3.3%
Hydrous Ethanol	80,169	50,655	58.3%	219,688	139,862	57.1%
Anhydrous Ethanol	88,226	132,288	-33.3%	396,973	254,096	56.2%
Cogeneration	40,514	19,206	110.9%	74,885	39,177	91.1%
Other	46,516	27,979	66.3%	146,967	81,033	81.4%

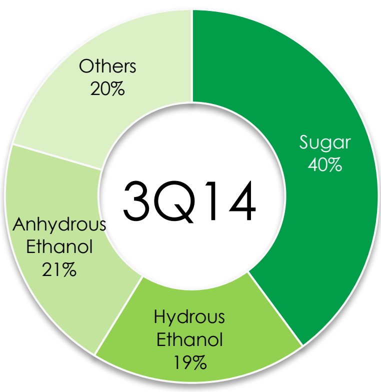
Net Revenue

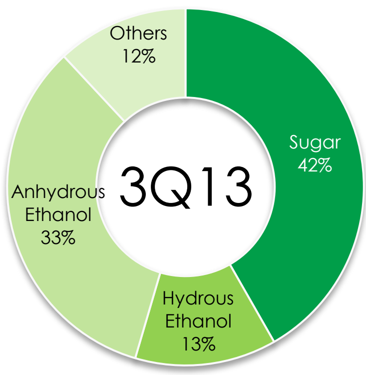
In the third quarter of the 2013/14 crop year (3Q14), the Company's net revenue amounted to R$424.8 million, increasing 7.6% from the same period of the previous crop year. This improvement was mainly driven by (i) the 35.8% increase in hydrous ethanol sales volume and the better sales price; and (ii) the 74.7% increase in cogeneration sales volume combined with the better sales price. The strong growth in energy sales volume was mainly due to the start of cogeneration activities at Usina São Martinho in the 2013/14 crop year.

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

Distribuition – Net Revenues

3Q14 x 3Q13





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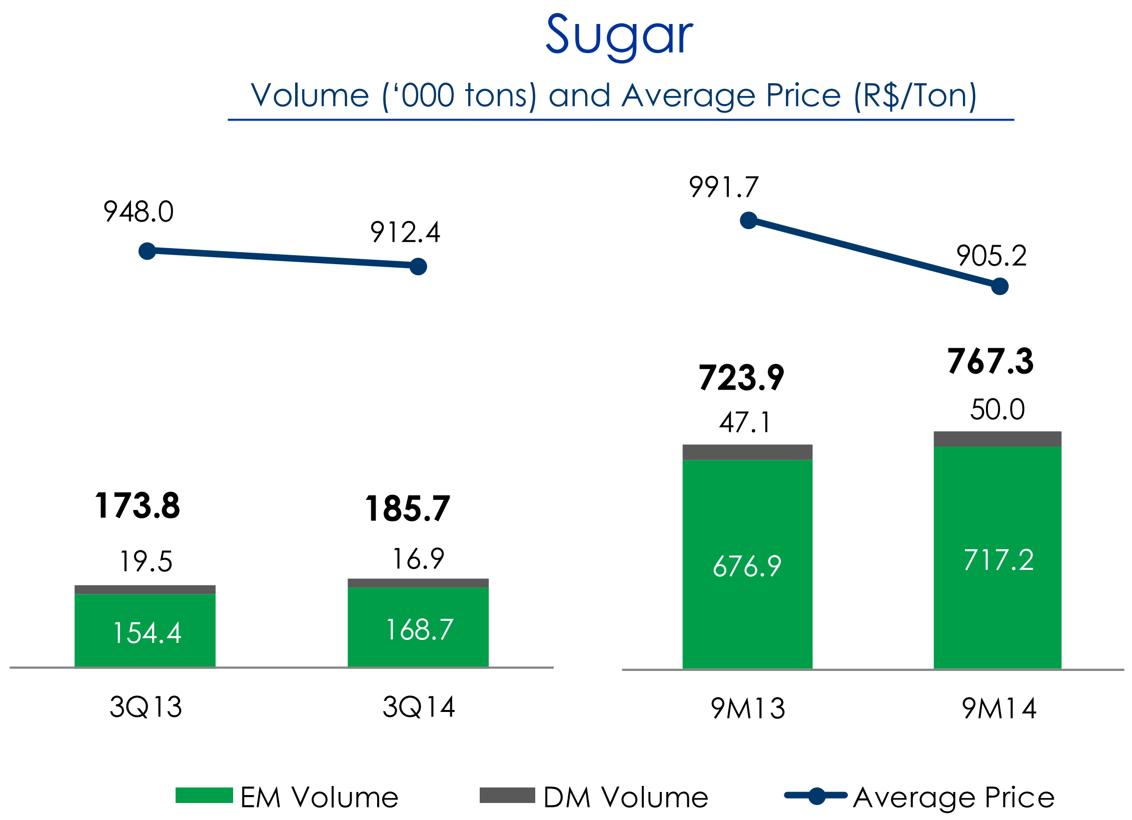
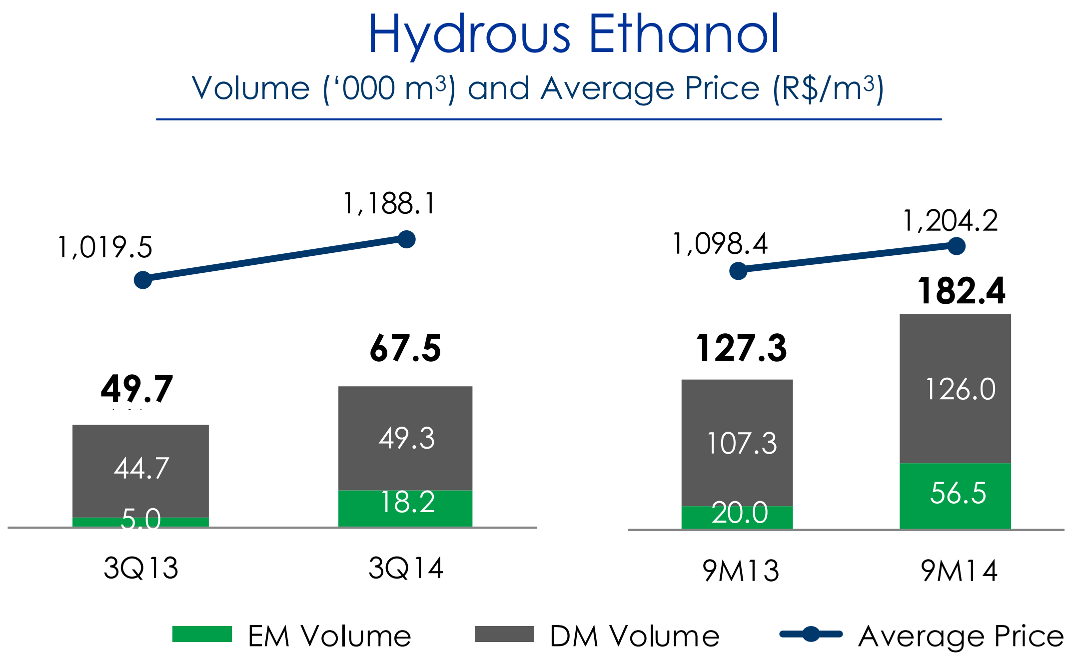
Sugar



Net revenue from sugar sales amounted to R$ 169.4 million in 3Q14, in line with the same period of the previous crop year. In 9M14, sugar sales registered net revenue of R$ 694.5 million, down slightly from the revenue recorded in 9M13 due to the reduction in the average sales price.

Ethanol

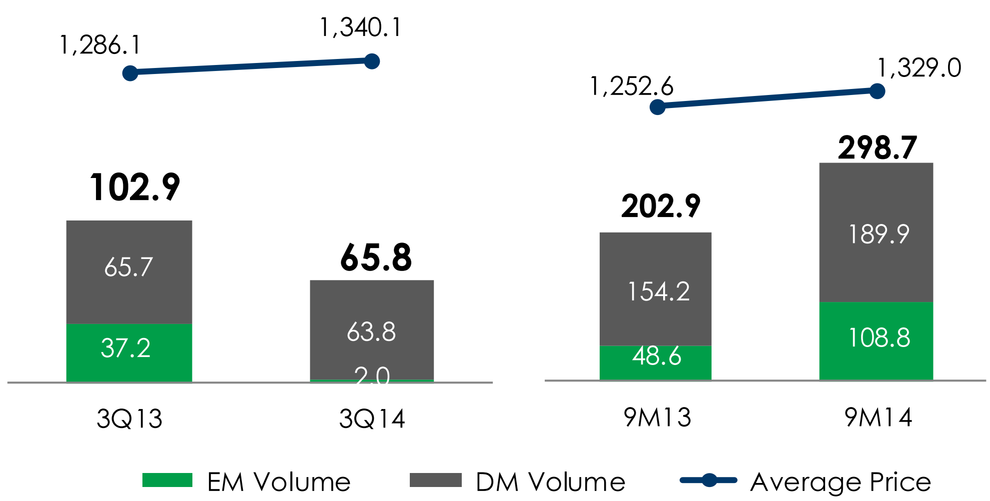


Net revenue from hydrous ethanol sales amounted to R$ 80.2 million in 3Q14, increasing 58.3% from the same quarter of the previous crop year. The improvement was due to the 35.8% growth in hydrous ethanol sales volume, combined with the 16.5% increase in the average sales price.

The growth in sales volume is related to exports of hydrous ethanol for industrial purposes under a long-term contract we have with the Mitsubishi group. The improvement in the average sales price was driven by the stronger demand for hydrous ethanol, as mentioned in the section "Industry Overview – Ethanol."

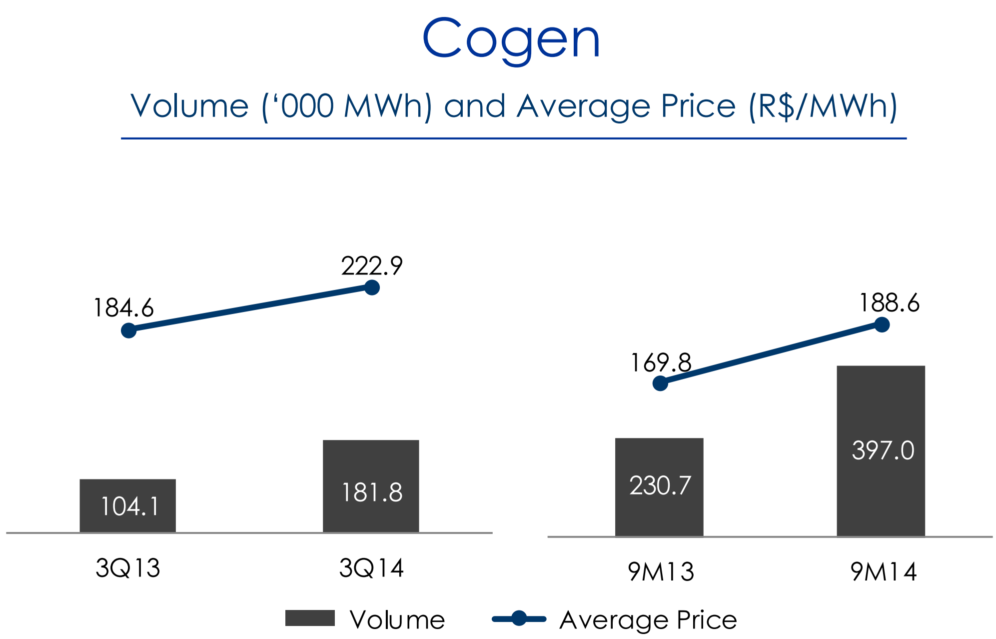
Anhydrous Ethanol

Volume (‘000 m³) and Average Price (R$/m³)



In 3Q14, net revenue from anhydrous ethanol sales decreased 33.3% from 3Q13 to R$ 88.2 million. The decrease was due to the anticipation of sales, which became concentrated in previous quarters. In 9M14, revenue from anhydrous ethanol sales amounted to R$ 396.9 million, 56.2% higher than in the same period of the previous crop year, reflecting the priority given to anhydrous ethanol in the Company’s production mix during the 2013/14 crop year.

Cogen



Net revenue from cogeneration sales in 3Q14 amounted to R$ 40.5 million, increasing 110.9% from the same quarter of the previous crop year. In 9M14, net revenue from cogeneration sales amounted to R$ 74.9 million, increasing 91.1% from the same period of the previous crop year. The improvement is explained by the increase of 74.7% in cogeneration sales volume in the quarter (+72.1% in 9M14), which basically reflects the output from the cogeneration operation at Usina São Martinho that was launched this crop year.

Other Products and Services

Net revenue from the line "Other Products and Services" was R$ 46.5 million in 3Q14, increasing 66.3% from the same quarter of the previous crop year. In 9M14, net revenue amounted to R$ 146.9 million, increasing 81.4% from 9M13. The higher revenue is mainly explained by the sale of sugarcane to Biosev under the agreement for the sale of 1,000,000 tons of sugarcane during the 2013/14 crop year related to Usina São Carlos.

INVENTORIES

INVENTORIES	3Q14	3Q13	Chg. (%)
Sugar (tons)	233,428	265,059	-11.9%
Hydrous (m3)	74,141	57,302	29.4%
Anhydrous (m3)	109,666	90,881	20.7%

EBITDA AND EBITDA COST BY PRODUCT

EBITDA BY PRODUCT - 9M14	SUGAR	ETHANOL	OTHER	TOTAL
R$ '000				
Net Revenues	694,538	616,660	221,856	1,533,054
COGS (Cash)	(308,461)	(305,224)	(138,077)	(751,761)
Gross Profit (Cash)	386,077	311,436	83,779	781,293
Gross Margin (Cash)	55.6%	50.5%	37.8%	51.0%
Sales Expenses	(48,982)	(21,772)	(2,831)	(73,585)
G&A Expenses (Cash)	(43,260)	(44,526)	(9,754)	(97,539)
Other Revenues (Expenses)	-	-	8,738	8,738
Adjusted EBITDA	**293,835**	**245,139**	**79,932**	**618,907**
Adjusted EBITDA Margin	**42.3%**	**39.8%**	**36.0%**	**40.4%**
EBITDA Cost (*)	**(522.2)**	**(772.2)**	**-**	**-**

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

EBITDA BY PRODUCT - 9M13	SUGAR	ETHANOL	OTHER	TOTAL
R$ '000				
Net Revenues	717,971	393,958	120,213	1,232,142
COGS (Cash)	(287,019)	(225,515)	(72,767)	(585,302)
Gross Profit (Cash)	430,952	168,443	47,446	646,840
Gross Margin (Cash)	60.0%	42.8%	39.5%	52.5%
Sales Expenses	(43,093)	(9,024)	(2,400)	(54,518)
G&A Expenses (Cash)	(44,011)	(32,939)	(8,550)	(85,500)
Other Revenues (Expenses)	-	-	(1,140)	(1,140)
Adjusted EBITDA	**343,848**	**126,479**	**35,356**	**505,682**
Adjusted EBITDA Margin	**47.9%**	**32.1%**	**29.4%**	**41.0%**
EBITDA Cost (*)	**(516.8)**	**(810.1)**	**-**	**-**

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

In 9M14, sugar accounted for 47.5% of the Group's consolidated Adjusted EBITDA, while ethanol and other products accounted for 39.6% and 12.9%, respectively. Sugar EBITDA margin decreased 5.6 p.p. from 9M13, reflecting the lower sugar prices and higher freight expenses (higher logistics costs due to strong competition for freight from other commodities). On the other hand, sugar

EBITDA cost was virtually unchanged from last year (increasing 1.1%), reflecting the dilution of fixed costs resulting from the higher crushing volume.

In the case of ethanol, in 9M14, Adjusted EBITDA margin expanded 7.6 p.p. from 9M13, reflecting the higher utilization of installed capacity (sharp increase in the share of ethanol in the production mix) and the higher average price (which reduced ethanol EBITDA cost by 4.7%).

AVERAGE CASH COST PER UNIT	3Q13	3Q12	Var.%	9M14	9M13	Var.%
R$ '000						
COGS	**(214,613)**	**(191,385)**	**12.1%**	**(751,761)**	**(585,302)**	**28.4%**
Sugar	(80,104)	(63,805)	25.5%	(308,461)	(287,019)	*7.5%*
Ethanol	(91,536)	(103,274)	-11.4%	(305,224)	(225,515)	*35.3%*
Other Products	(42,973)	(24,306)	76.8%	(138,076)	(72,767)	*89.8%*
Average Cash Cost Per Unit (*)						
Sugar Cash Cost	**(431.5)**	**(367.0)**	**17.5%**	**(402.0)**	**(396.5)**	**1.4%**
Ethanol Cash Cost	**(686.6)**	**(677.0)**	**1.4%**	**(634.4)**	**(683.0)**	**-7.1%**

(*) Sugar in R$/Ton
Ethanol in R$/m³

COST OF GOODS SOLD

BREAKDOWN OF COGS - CASH - CAIXA	3Q14	3Q13	Chg. (%)	9M14	9M13	Chg. (%)
R$ '000						
Agricultural Costs	**138,692**	**130,842**	**6.0%**	**493,647**	**415,780**	**18.7%**
Suppliers	*78,858*	*81,486*	*-3.2%*	*276,776*	*259,993*	*6.5%*
Partnerships	*20,466*	*16,314*	*25.4%*	*80,232*	*56,833*	*41.2%*
Own Sugarcane	*39,368*	*33,042*	*19.1%*	*136,639*	*98,955*	*38.1%*
Industrial	23,721	21,558	10.0%	89,235	64,548	38.2%
Other Products	52,200	38,986	33.9%	168,879	104,973	60.9%
Total COGS	**214,613**	**191,385**	**12.1%**	**751,761**	**585,302**	**28.4%**
TRS Sold ('000 Tons)	423	446	-5.0%	1,634	1,328	*23.0%*
Unit Cost (Sugar and Ethanol COGS/TRS)	384	342	12.2%	*357*	*362*	*-1.3%*

In 3Q14, Cash COGS was R$ 214.6 million, increasing 12.1% from the same quarter of the previous crop year. The main driver of the cost increase was the line "Other Products," which reflects the sale of sugarcane to Biosev, as described in the section "Financial Performance – Other Products." Excluding the effect from the sale of sugarcane to Biosev, Cash COGS in 3Q14 was R$ 196.2 million (increasing 2.5% from 3Q13).

In 9M14, Cash COGS was R$ 751.8 million, increasing 28.4% from 9M13. The higher COGS in 9M14 is explained by (i) the higher sales volume in the period (+23% in TRS equivalent); and (ii) the sale of sugarcane to Biosev, as mentioned above. Excluding the effect from the sale of sugarcane to Biosev, Cash COGS in 9M14 was R$ 666.7 million, increasing 12.7% from 9M13.

SELLING EXPENSES

SELLING EXPENSES	3Q14	3Q13	Chg. (%)	9M14	9M13	Chg. (%)
R$ '000						
Port / Freight Costs	16,340	16,161	1.1%	70,965	51,485	37.8%
Sales Commission	-	22	n.m.	78	77	0.8%
Other - non-recurring	1,138	1,162	-2.1%	2,542	2,956	-14.0%
Selling Expenses	**17,478**	**17,345**	**0.8%**	**73,585**	**54,518**	**35.0%**
TRS Sold ('000 Tons)	423	446	-5.0%	1,634	1,328	23.0%
% of Net Revenues	4.1%	4.4%	-0.4 p.p.	4.8%	4.4%	0.5 p.p.

In 3Q14, selling expenses amounted to R$ 17.5 million, in line with 3Q13.

In 9M14, selling expenses increased 35%, mainly due to the higher volume of ethanol sales in the export market, especially in the previous quarter (2Q14).

GENERAL AND ADMINISTRATIVE EXPENSES

G&A EXPENSES - (CASH)	3Q14	3Q13	Chg. (%)	9M14	9M13	Chg. (%)
R$ '000						
Personnel and Management Fee	17,135	13,445	27.5%	50,669	42,173	20.1%
Taxes, Fees, Contributions and Contingencies	3,354	2,949	13.7%	21,204	21,278	-0.3%
General Expenses and Third-Party Services	7,332	7,021	4.4%	24,079	20,789	15.8%
Stock Options Expenses	529	315	67.8%	1,587	1,261	25.9%
Total General and Administrative Expenses	**28,350**	**23,730**	**19.5%**	**97,539**	**85,500**	**14.1%**

G&A expenses amounted to R$ 28.3 million in 3Q14, increasing 19.5% from the same quarter of the previous crop year. The main impact in the period was related to the expenses with personnel and fees, due to the 25% provision for variable compensation and the wage increases under the collective bargaining agreement, which last year were allocated 100% in the fourth quarter.

EBITDA

EBITDA RECONCILIATION	Pro-Forma 3Q14	3Q13	Chg. (%)	9M14	9M13	Chg. (%)
R$ Thousand						
Adjusted EBITDA	**168,426**	**161,054**	**4.6%**	**618,907**	**505,682**	**22.4%**
Adjusted EBITDA Margin	39.6%	40.8%	-1.1 p.p.	40.4%	41.0%	-0.7 p.p.
Equity Income	30	2,015	n.m.	455	5,194	-91.2%
Non Recurring Operating Revenues (Expenses)	1,282	(1,225)	n.m.	(945)	(2,444)	n.m.
Biological Assets	3,750	2,364	58.6%	5,135	(6,821)	n.m.
Non Cash Items Launched in the COGS	-	1,405	n.m.	-	1,078	n.m.
Book EBITDA	**163,364**	**156,495**	**4.4%**	**614,261**	**508,676**	**20.8%**
EBITDA Margin	38.5%	39.6%	-1.2 p.p.	40.1%	41.3%	-1.2 p.p.
(-) Depreciation and Amortization	(102,034)	(119,054)	-14.3%	(371,829)	(344,060)	8.1%
(-) Financial Revenue (Expense), net	(22,089)	(33,837)	-34.7%	(66,487)	(86,190)	-22.9%
(=) Operating Income	39,241	3,604	988.8%	175,945	78,426	124.3%

Adjusted EBITDA

In 3Q14, the São Martinho Group recorded EBITDA of R$ 168.4 million (Adjusted EBITDA Margin of 39.6%), increasing 4.6% from 3Q13. The decrease of 1.1 p.p. in EBITDA margin was mainly due to the higher share of other non-recurring revenue (see the comparative table below), in particular the sale of sugarcane to Biosev, in accordance with the Material Fact notice disclosed in December 2012.

A breakdown by business line of Adjusted EBITDA follows:

3Q14					
EBITDA BY SEGMENT	Consolidated	S&E	Cogen	Other	Consolidated - ex other
R$ '000					
Net Revenues	424,812	337,781	40,514	46,517	378,295
Adjusted EBITDA	168,426	124,132	35,673	8,621	159,805
Adjusted EBITDA Margin	**39.6%**	**36.7%**	**88.1%**	**18.5%**	**42.2%**

3Q13					
EBITDA BY SEGMENT	Consolidated	S&E	Cogen	Other	Consolidated - ex other
R$ '000					
Net Revenues	394,916	347,730	19,206	27,980	366,936
Adjusted EBITDA	161,054	142,756	12,416	5,882	155,172
Adjusted EBITDA Margin	**40.8%**	**41.1%**	**64.6%**	**21.0%**	**42.3%**

9M14					
EBITDA BY SEGMENT	**Consolidated**	**S&E**	**Cogen**	**Others**	**Consolidated - ex others**
R$ '000					
Net Revenues	1,533,054	1,311,198	74,885	146,971	1,386,083
Adjusted EBITDA	618,907	538,974	63,673	16,259	602,648
Adjusted EBITDA Margin	**40.4%**	**41.1%**	**85.0%**	**11.1%**	**43.5%**

9M13					
EBITDA BY SEGMENT	**Consolidated**	**S&E**	**Cogen**	**Others**	**Consolidated - ex others**
R$ '000					
Net Revenues	1,232,142	1,111,929	39,177	81,036	1,151,106
Adjusted EBITDA	505,682	470,327	27,844	7,511	498,171
Adjusted EBITDA Margin	**41.0%**	**42.3%**	**71.1%**	**9.3%**	**43.3%**

In 9M14, Adjusted EBITDA amounted to R$ 618.9 million (Adjusted EBITDA margin of 40.4%), increasing 22.4% from 9M13 (R$ 505.7 million with Adjusted EBITDA margin of 41.0%). The main drivers of EBITDA growth in the period were (i) the higher sales volume by all the Company's products due to the growth in crushing volume, and (ii) the better average ethanol prices, as mentioned above.

EBITDA RECONCILIATION	**CPC 19 3Q14**	**3Q13**	**Chg. (%)**	**9M14**	**9M13**	**Chg. (%)**
R$ '000						
Book EBITDA	**119,297**	**119,985**	**-0.6%**	**459,016**	**394,849**	**16.3%**
EBITDA Margin	38.1%	39.5%	-1.3 p.p.	37.8%	40.3%	-2.4 p.p.
(-) Depreciation and Amortization	(67,005)	(84,253)	-20.5%	(251,663)	(252,431)	-0.3%
(-) Financial Expense, net	(11,348)	(25,487)	-55.5%	(29,631)	(48,612)	-39.0%
(=) Operating Income (Loss)	40,944	10,245	299.6%	177,722	93,806	89.5%

*Includes the impacts from Nova Fronteira (50.95%) and Santa Cruz (32.18%) only through equity accounting **

HEDGING

Sugar

A summary of our sugar and U.S. dollar hedge positions on December 31, 2013 follows.

	Volume (Tons)	Average Price (US$ c/p)	USD - Average Price (R$/US$)
Sugar			
2013/2014 Harvest	174,541	18.39	2.18
2014/2015 Harvest	338,536	18.34	2.39

Our sugar prices for the 2014/15 crop year were locked in at an average price of USD 18.34 cents/pound for 338,536 tons, with this volume representing 44% of our net exposure (i.e., total sugar production excluding our natural hedge with Consecana). In addition, our hedge position for the sugar inventory remaining from the 2013/14 crop year amounted to 174,541 tons at USD 18.39 cents/pound and USD 91.3 million with an exchange rate of R$ 2.18/USD, with this volume representing 100% of the net exposure of our sugar exports to be sold in 4Q13.

U.S. Dollar

On December 31, 2013, the São Martinho Group held open positions through non-deliverable forwards (NDFs), which are used to hedge its exports, with maturities through the 2015/16 crop year as follows:

Maturity	TOTAL		SUGAR		Other	
Dólar	US$ '000	Average Price (R$/US$)	US$ '000	Average Price (R$/US$)	US$ '000	Average Price (R$/US$)
2013/2014 Crop Year	92,486	2.18	91,316	2.18	1,170	2.25
2014/2015 Crop Year	114,573	2.36	97,353	2.39	17,220	2.19
2015/2016 Crop Year	15,114	2.30	-	-	15,114	2.30

In addition, on the same date the Company held **US$ 38.6 million** in cash, **with our net exposure in U.S. dollar for the 2013/14 crop year amounting to US$ 52.7 million**.

Hedge Accounting - In March 2010, inclusive, the Company began to adopt hedge accounting for derivatives classified as hedge instruments, as well as debt denominated in foreign currency, with their potential results recorded under equity ("Adjustments to book value"), net of deferred income tax and social contribution tax (potential loss of R$122.9 million in December 2013).

NET FINANCIAL RESULT

FINANCIAL RESULT	3Q14	3Q13	Chg.%	9M14	9M13	Chg.%
R$ '000						
Financial Revenues	10,140	21,061	-51.9%	41,455	51,133	-18.9%
Financial Expenses	(38,950)	(51,796)	-24.8%	(124,506)	(113,059)	10.1%
Hedge Result	1,592	751	112.0%	(5,594)	3,558	n.m.
Exchange Variation	7,359	(2,209)	n.m.	28,340	(21,746)	n.m.
Copersucar Monetary Variation	(2,230)	(1,644)	35.6%	(6,182)	(6,077)	1.7%
Net Financial Result	**(22,089)**	**(33,837)**	**-34.7%**	**(66,487)**	**(86,190)**	**-22.9%**

The net financial result in 3Q14 was an expense of R$ 22.1 million, which represents a 34.7% reduction from the net financial expense in 3Q13. The main impact on this result was from the exchange variation gain in the period arising from the exposure to the U.S. dollar of our cash balance (in the same currency).

NET INCOME

Net income in 3Q14 amounted to R$ 32.9 million, compared to net income of R$ 7.3 million in the same period last year. The improvement in net income in the period is mainly explained by (i) the decrease in financial expenses; and (ii) the reduction in depreciation in the period to more accurately reflect the lifespan of our assets and the average age of our sugarcane fields.

DEBT WITH COPERSUCAR

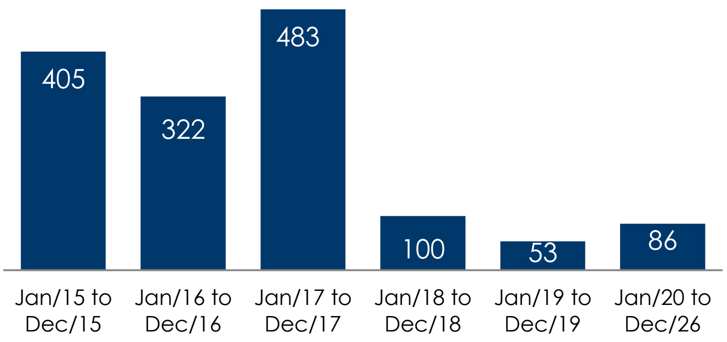
On December 31, 2013, the São Martinho Group recognized on its balance sheet debt of R$ 222.5 million with Copersucar. In view of the terms negotiated in the process to terminate the membership at Copersucar, we will continue to book under "Obligations – Copersucar" all liabilities related to the contingencies currently being resolved judicially that were filed by legal counsel at Copersucar. These obligations continue to be secured by suretyships in the amount of R$ 169.5 million on a consolidated basis.

INDEBTEDNESS

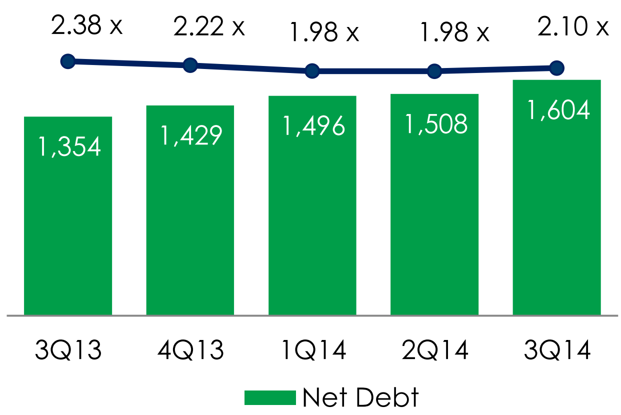
DEBT	Dec/13	Mar/13	Chg. (%)
R$ '000			
PESA	63,188	69,599	-9.2%
Rural Credit	179,820	161,662	11.2%
BNDES / FINAME	538,616	546,570	-1.5%
Working Capital	173,611	144,896	19.8%
ACC (Advances on Foreign Exchange Contracts)	49,583	40,662	n.m.
PPE (Export prepayment)	402,112	429,611	-6.4%
NCE (Export Credit Note)	468,591	378,905	23.7%
Other	2,298	3,108	-26.1%
Obligations from Acquisitions	20,946	81,657	-74.3%
Gross Debt	**1,898,765**	**1,856,670**	**2.3%**
Cash and Cash Equivalents	533,588	634,290	-15.9%
Net Debt	**1,365,177**	**1,222,380**	**11.7%**
(+) Proportional Gross Debt at Santa Cruz	238,641	206,913	15.3%
Consolidated Net Debt	**1,603,818**	**1,429,293**	**12.2%**
Net Debt / YTD EBITDA	2.10 x	2.22 x	

In 9M14, the net debt of the São Martinho Group increased by 12.2% to R$ 1.6 billion, ending the period with a Net Debt/EBITDA ratio of 2.10 times. The main factor in the debt increase was the local currency depreciation in the period, which increased our dollar-denominated debt by approximately R$ 120 million. Considering that all dollar-denominated debt is linked to the Company's future export volumes, these losses will be fully offset once the exports are realized.

Amortization Schedule – Long-term Debt
R$ - Million



Net Debt/ LTM EBITDA
Evolution



CAPITAL EXPENDITURE

SÃO MARTINHO - CONSOLIDATED	3Q14	3Q13	Var%.	9M14	9M13	Var%.
Maintenance Capex						
Sugarcane Planting	33,005	30,348	8.8%	91,431	84,001	8.8%
Off-Season Maintenance / Industrial / Agricultural	29,571	23,557	25.5%	39,963	49,108	-18.6%
Crop Tretament	53,751	47,241	13.8%	151,880	130,492	16.4%
Sub Total	**116,327**	**101,146**	**15.0%**	**283,274**	**263,602**	**7.5%**
Upgrading / Expansion Capex						
São Martinho S.A.						
Industrial / Agricultural	43,373	8,196	429.2%	94,920	83,583	13.6%
Sub Total	**43,373**	**8,196**	**429.2%**	**94,920**	**83,583**	**13.6%**
Boa Vista Mill (50,95%)						
Sugarcane Planting	-	9,657	-100.0%	7,455	33,698	-77.9%
Industrial / Agricultural	6,302	14,405	-56.3%	11,266	26,408	-57.3%
Crop Tretament	-	3,121	-100.0%	2,121	8,291	-74.4%
Sub Total	**6,302**	**27,183**	**-76.8%**	**20,843**	**68,398**	**-69.5%**
Santa Cruz Mill (32,18%)						
Industrial / Agricultural	926	1,010	-8.3%	2,999	2,921	2.7%
Sub Total	**926**	**1,010**	**-8.3%**	**2,999**	**2,921**	**2.7%**
TOTAL	**166,929**	**137,536**	**21.4%**	**402,036**	**418,504**	**-3.9%**

The maintenance capex of the São Martinho Group(*) amounted to R$ 116.3 million in 3Q14, increasing 15.0% from 3Q13, mainly due to the expansion in the line crop treatments as a result of the expansion in the area under our management following the acquisition of sugarcane fields from São Carlos in December 2012. In 9M14, maintenance capex was R$ 283.3 million, increasing 7.5% from the same period of the previous crop year.

The main increase in modernization and expansion investments in 3Q14 (+R$ 35.2 million) was at São Martinho S.A., which is explained by the project to increase crushing capacity at Usina São Martinho to 10.5 million tons, with this factor reflected in the year-to-date period (9M14).

(*) Maintenance capex consists of the maintenance activities at all our mills: Usina São Martinho, Usina Iracema, Usina Boa Vista (50.95%) and Usina Santa Cruz (32.18%).

DISCLAIMER

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

ABOUT SÃO MARTINHO GROUP

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

INCOME STATEMENT

Quarter

SÃO MARTINHO S.A. - CONSOLIDATED	CPC 19 3Q14	CPC 19 3Q13	CPC 19 Var %	Pro-forma 3Q14	Pro-forma 3Q13	Pro-forma Chg. (%)
R$ '000						
Gross Revenue	323,880	317,722	1.9%	444,445	416,351	6.7%
Deductions from Gross Revenue	(11,052)	(13,721)	-19.5%	(19,633)	(21,435)	-8.4%
Net Revenue	**312,828**	**304,001**	**2.9%**	**424,812**	**394,916**	**7.6%**
Cost of Goods Sold (COGS)	(229,205)	(231,824)	-1.1%	(317,090)	(312,882)	1.3%
Gross Profit	**83,623**	**72,177**	**15.9%**	**107,722**	**82,034**	**31.3%**
Gross Margin (%)	*26.7%*	*23.7%*	3.0 p.p	*25.4%*	*20.8%*	4.6 p.p
Operating Expenses	**(31,331)**	**(36,445)**	**-14.0%**	**(46,392)**	**(44,593)**	**4.0%**
Selling Expenses	(14,812)	(13,743)	7.8%	(17,478)	(17,345)	0.8%
General and Administrative Expenses	(25,469)	(20,909)	21.8%	(31,678)	(26,458)	19.7%
Equity Income	5,901	(3,894)	n.m.	(30)	(2,015)	n.m.
Other Operating Expenses, Net	3,049	2,101	45.1%	2,794	1,225	128.1%
Operating Profit, Before Financial Effects	**52,292**	**35,732**	**46.3%**	**61,330**	**37,441**	**63.8%**
Financial Result, Net	**(11,348)**	**(25,487)**	**-55.5%**	**(22,089)**	**(33,837)**	**-34.7%**
Financial Income	17,685	24,333	-27.3%	22,130	28,160	-21.4%
Financial Expenses	(38,101)	(48,941)	-22.1%	(51,578)	(59,788)	-13.7%
Monetary and Exchange Variations - Net	9,068	(879)	n.m.	7,359	(2,209)	n.m.
Income (Loss) Before Income and Social Contribution Taxes	**40,944**	**10,245**	**299.6%**	**39,241**	**3,604**	**988.8%**
Income Tax and Social Contribution - Current	11,472	2,339	390.5%	11,233	2,481	352.8%
Income Tax and Social Contribution - Deferred	(19,458)	(5,274)	268.9%	(17,516)	1,225	n.m.
Net Income	**32,958**	**7,310**	**350.9%**	**32,958**	**7,310**	**350.9%**
Net Margin (%)	*10.5%*	*2.4%*	8.1 p.p	*7.8%*	*1.9%*	5.9 p.p

Year to Date

SÃO MARTINHO S.A. - CONSOLIDATED	CPC 19 9M14	CPC 19 9M13	CPC 19 Var %	Pro-forma 9M14	Pro-forma 9M13	Pro-forma Chg. (%)
R$ '000						
Gross Revenue	1,246,711	1,018,216	22.4%	1,587,968	1,288,277	23.3%
Deductions from Gross Revenue	(33,384)	(37,776)	-11.6%	(54,914)	(56,135)	-2.2%
Net Revenue	**1,213,327**	**980,440**	**23.8%**	**1,533,054**	**1,232,142**	**24.4%**
Cost of Goods Sold (COGS)	(856,021)	(702,562)	21.8%	(1,121,719)	(918,097)	22.2%
Gross Profit	**357,306**	**277,878**	**28.6%**	**411,335**	**314,045**	**31.0%**
Gross Margin (%)	*29.4%*	*28.3%*	1.1 p.p	*26.8%*	*25.5%*	1.3 p.p
Operating Expenses	**(149,953)**	**(135,460)**	**10.7%**	**(168,903)**	**(149,429)**	**13.0%**
Selling Expenses	(62,208)	(44,476)	39.9%	(73,585)	(54,518)	35.0%
General and Administrative Expenses	(86,573)	(75,317)	14.9%	(104,520)	(92,161)	13.4%
Equity Income	(11,302)	(20,169)	-44.0%	(455)	(5,194)	-91.2%
Other Operating Expenses, Net	10,130	4,502	125.0%	9,657	2,444	295.1%
Operating Profit, Before Financial Effects	**207,353**	**142,418**	**45.6%**	**242,432**	**164,616**	**47.3%**
Financial Result, Net	**(29,631)**	**(48,612)**	**-39.0%**	**(66,487)**	**(86,190)**	**-22.9%**
Financial Revenues	73,073	66,666	9.6%	90,294	82,878	8.9%
Financial Expenses	(138,371)	(115,258)	20.1%	(185,120)	(147,323)	25.7%
Monetary and Exchange Variations - Net	35,667	(20)	n.m.	28,339	(21,745)	n.m.
Income (Loss) Before Income and Social Contribution Taxes	**177,722**	**93,806**	**89.5%**	**175,945**	**78,426**	**124.3%**
Income Tax and Social Contribution - Current	(5,547)	(9,202)	-39.7%	(6,164)	(9,608)	-35.8%
Income Tax and Social Contribution - Deferred	(43,602)	(24,393)	78.7%	(41,208)	(8,607)	378.8%
Net Income	**128,573**	**60,211**	**113.5%**	**128,573**	**60,211**	**113.5%**
Net Margin (%)	*10.6%*	*6.1%*	4.5 p.p	*8.4%*	*4.9%*	3.5 p.p

BALANCE SHEET (ASSETS)

SÃO MARTINHO S.A. CONSOLIDATED - ASSETS	CPC 19		Pro-forma	
R$ '000				
ASSETS	Dec/13	Mar/13	Dec/13	Mar/13
SHORT-TERM ASSETS				
Cash and Cash Equivalents	442,733	531,142	533,588	634,290
Trade Receivables	126,265	51,739	154,026	62,667
Derivative Financial Instruments	17,603	79,232	20,228	84,998
Inventories	313,298	101,503	422,709	148,661
Taxes Recoverable	63,960	43,313	77,286	57,085
Income Tax and Social Contribution	34,856	33,370	38,004	36,655
Dividends receivable	-	353	-	-
Other Assets	6,648	6,422	13,811	7,610
TOTAL SHORT-TERM ASSETS	**1,005,363**	**847,074**	**1,259,652**	**1,031,966**
LONG-TERM ASSETS				
Long-term Receivables				
Marketable Securities	-	-	9,005	9,037
Inventories	26,369	13,196	59,493	35,592
Related Parties	1,925	2,013	11	10
Deferred Income Tax and Social Contribution	-	6,968	49,054	56,785
Trade Receivables from Copersucar	1,361	1,228	1,546	1,398
Taxes Recoverable	68,349	47,834	91,834	67,438
Judicial Deposits	28,516	35,654	31,395	38,769
Other Assets	120	250	321	395
	126,640	**107,143**	**242,659**	**209,424**
Investments	576,604	600,280	10,534	11,488
Biological Assets	520,305	544,167	763,484	797,400
Property, plant and equipment	2,614,698	2,627,129	3,296,092	3,339,886
Intangible Assets	140,398	179,119	201,602	242,946
TOTAL LONG-TERM ASSETS	**3,978,645**	**4,057,838**	**4,514,371**	**4,601,144**
TOTAL ASSETS	**4,984,008**	**4,904,912**	**5,774,023**	**5,633,110**

BALANCE SHEET (LIABILITIES)

SÃO MARTINHO S.A. CONSOLIDATED- LIABILITIES	CPC 19		Pro-forma	
R$ '000				
LIABILITIES AND SHAREHOLDERS' EQUITY	Dec/13	Mar/13	Dec/13	Mar/13
SHORT-TERM LIABILITIES				
Borrowings	496,535	240,405	665,954	363,529
Derivative Financial Instruments	71,513	14,297	74,223	15,149
Trade Payables	135,122	77,059	166,047	98,235
Payables to Copersucar	2,040	2,040	2,234	2,263
Salaries and Social Contributions	58,605	50,153	74,996	66,523
Taxes Payable	12,871	10,225	15,966	12,485
Income Tax and Social Contribution	791	314	995	484
Related Parties	-	-	-	398
Dividends Payable	-	17,326	-	17,326
Advances from Customers	1,692	957	3,873	3,341
Acquisition of Investment	10,473	71,808	10,473	71,808
Other Liabilities	22,547	16,393	21,277	12,405
TOTAL SHORT-TERM LIABILITIES	**812,189**	**500,977**	**1,036,038**	**663,946**
LONG-TERM LIABILITIES				
Borrowings	997,905	1,176,045	1,450,506	1,618,397
Payables to Copersucar	198,615	194,440	220,305	215,478
Taxes Payable in Installments	46,737	48,436	53,636	55,758
Deferred Income Tax and Social Contribution	780,572	810,465	828,863	867,891
Provision for Contingencies	55,663	60,171	61,195	66,331
Acquisition of Investment	10,473	9,849	10,473	9,849
Advances for future capital increase	-	-	31,153	30,931
Other Liabilities	2,693	3,912	2,693	3,912
TOTAL LONG-TERM LIABILITIES	**2,092,658**	**2,303,318**	**2,658,824**	**2,868,547**
SHAREHOLDERS' EQUITY				
Share Capital	737,200	614,150	737,200	614,150
Adjustments to Book Value	1,099,791	1,265,869	1,099,791	1,265,869
Profits Reserves	96,832	232,556	96,832	232,556
Treasury Shares	(13,184)	(13,811)	(13,184)	(13,811)
Stock options granted	3,268	1,853	3,268	1,853
Retained Earnings	155,254	-	155,254	-
TOTAL SHAREHOLDERS' EQUITY	**2,079,161**	**2,100,617**	**2,079,161**	**2,100,617**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**4,984,008**	**4,904,912**	**5,774,023**	**5,633,110**

CONSOLIDATED CASH FLOW

SÃO MARTINHO S.A.	CPC 19 9M14	CPC 19 9M13	Pro Forma 9M14	Pro Forma 9M13
R$ '000				
CASH FLOWS FROM OPERATING ACTIVITIES				
Net Income in the period	**128,573**	**60,211**	**128,573**	**60,211**
Adjustments				
Depreciation and amortization	98,260	115,724	134,095	157,406
Harvested biological assets (depreciation)	153,403	136,707	237,735	186,654
Variation in fair value of biological assets	(47)	(10,536)	5,146	(6,822)
Amortization of intangible assets	-	-	1,942	-
Equity income	11,302	20,169	455	5,194
Result of investment and property, plant and equipment disposals	(2,234)	(2,127)	(2,557)	(2,045)
Interest, monetary and foreign exchange variations, net	59,463	62,732	104,350	111,695
Accrual of provision for contingencies, net	13,394	14,113	14,597	14,375
Deferred income tax and social contribution taxes	43,602	24,393	41,208	8,607
Accrual (reversal) of provision for inventory losses	-	(526)	-	(527)
Adjustments to present value and others	11,310	11,353	12,853	11,103
	517,026	**432,213**	**678,397**	**545,851**
Changes in assets and liabilities				
Trade receivables	(64,253)	(60,044)	(80,413)	(77,157)
Inventories	(169,262)	(171,797)	(221,907)	(237,825)
Taxes recoverable	(39,956)	(36,052)	(42,793)	(34,855)
Marketable securities	-	-	624	(543)
Related parties	-	-	-	(2)
Other assets	7,044	(1,472)	2,090	(2,583)
Trade payables	73,935	44,976	87,547	49,061
Salaries and social charges	8,452	(7,906)	8,607	(9,626)
Taxes payable	5,111	2,607	5,740	2,911
Taxes payable in installments	(3,990)	(5,194)	(4,428)	(5,693)
Provision for contingencies - settlements	(22,510)	(25,919)	(24,815)	(27,470)
Other liabilities	5,173	(5,665)	6,373	(3,137)
Cash provided by operations	**316,770**	**165,747**	**415,022**	**198,932**
Interest paid	(52,451)	(21,340)	(79,181)	(41,548)
Income tax and social contribution paid	(2,151)	(1,025)	(2,248)	(1,281)
Net cash provided by operating activities	**262,168**	**143,382**	**333,593**	**156,103**
CASH FLOW FROM INVESTING ACTIVITIES				
Financial resources used in investments	(66,398)	(66,237)	(66,398)	(66,374)
Additions to property, plant and equipments and intangible assets	(146,022)	(123,619)	(169,358)	(163,391)
Additions to biological assets (planting and crop treatment)	(167,068)	(150,382)	(252,910)	(256,483)
Proceeds from sale of property, plant and equipment	11,553	3,710	12,207	3,958
Receivable from saleof biological assets and rights	47,500	-	47,500	-
Cash and cash equivalents acquired from subsidiary	1	-	1	-
Advance for future capital increase	(1,414)	(2,663)	-	(1,202)
Dividends and interest on equity received	1,330	1,216	-	4,213
Net cash used in investing activities	**(320,518)**	**(337,975)**	**(428,958)**	**(479,279)**
CASH FLOW FROM FINANCING ACTIVITIES				
Derivative financial instruments	33,320	4,025	38,242	1,359
New borrowings - third parties	207,109	574,437	314,575	699,781
Repayment of borrowings - Copersucar	(5,644)	(10,755)	(6,621)	(12,617)
Repayment of borrowings - third parties	(235,516)	(85,330)	(322,530)	(172,033)
Advance for future capital increase	-	-	223	7,338
Payment of dividends and interest on equity	(30,000)	(36,084)	(29,898)	(36,084)
Purchase of treasury shares	-	(1,785)	-	(1,785)
Sale of shares from exercised options	672	663	672	663
Net cash provided by (used in) financing activities	**(30,059)**	**445,171**	**(5,337)**	**486,622**
Increase (decrease) in cash and cash equivalents, net	**(88,409)**	**250,578**	**(100,702)**	**163,446**
Cash and cash equivalents at the beginning of the period	**531,142**	**295,776**	**634,290**	**410,567**
Cash and cash equivalents at the end of the period	**442,733**	**546,354**	**533,588**	**574,013**

Conference Call: Feb. 14, 2014 (Friday)
3:00 p.m. Brasília time: +55 (11) 4688 6361
12:00 p.m. U.S. time (ET): +1 (786) 924 6977
Access code: São Martinho

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