(A free translation of the original in Portuguese)

São Martinho S.A.

Quarterly Information (ITR) at June 30, 2013 and report on review of quarterly information

(A free translation of the original in Portuguese)

Report on review of quarterly information

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

Introduction

We have reviewed the accompanying parent company and consolidated interim accounting information of São Martinho S.A., included in the Quarterly Information Form (ITR) for the quarter ended June 30, 2013, comprising the balance sheet as at that date and the statements of income, comprehensive loss, changes in equity and cash flows for the quarter then ended, and a summary of significant accounting policies and other explanatory information.

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

Scope of review

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

Conclusion on the parent company interim information

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

São Martinho S.A.

Conclusion on the consolidated interim information

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

Other matters

Interim statements of value added

We have also reviewed the parent company and consolidated interim statements of value added for the quarter ended June 30, 2013, which are required to be presented in accordance with standards issued by the Brazilian Securities Commission (CVM) applicable to the preparation of Quarterly Information (ITR) and are considered supplementary information under IFRS, which does not require the presentation of the statement of value added. These statements 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, August 12, 2013

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)

Contents

São Martinho S.A.

Balance sheet

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

Assets	Note	Parent June 30, 2013	Parent March 31, 2013	Consolidated June 30, 2013	Consolidated March 31, 2013 Restated
Current assets					
Cash and cash equivalents	6	411,458	479,631	468,675	531,142
Trade receivables	7	91,100	52,770	91,096	51,739
Derivative financial instruments	27	80,181	79,232	80,181	79,232
Inventories	8	144,753	102,220	142,702	101,503
Taxes recoverable	9	57,067	43,280	57,067	43,313
Income tax and social contribution	24	30,261	33,329	30,261	33,370
Dividends receivable		9,227	9,227	353	353
Other assets	11	9,929	6,420	9,929	6,422
		833,976	806,109	880,264	847,074
Non-current assets					
Long-term receivables					
Inventories	8	31,314	13,196	31,314	13,196
Related parties	10	3,591	4,578	1,025	2,013
Deferred income tax and social contribution	24				6,968
Receivables from Copersucar	18	1,228	1,228	1,228	1,228
Taxes recoverable	9	49,628	47,148	50,314	47,834
Judicial deposits	26	33,595	35,654	33,595	35,654
Other assets	11	253	253	253	250
		119,609	102,057	117,729	107,143
Investments	12	1,448,690	1,603,485	580,420	600,280
Biological assets	13	525,012	506,368	525,012	544,167
Property, plant and equipment	14	1,402,335	1,483,680	2,615,250	2,627,129
Intangible assets	15	178,474	26,999	178,861	179,119
		3,674,120	3,722,589	4,017,272	4,057,838
Total assets		4,508,096	4,528,698	4,897,536	4,904,912

Liabilities and equity	Note	Parent June 30, 2013	Parent March 31, 2013	Consolidated June 30, 2013	Consolidated March 31, 2013 Restated
Current liabilities					
Borrowings	16	285,458	237,630	288,303	240,405
Derivative financial instruments	27	89,340	14,297	89,340	14,297
Trade payables	17	113,358	76,315	104,829	77,059
Payables to Copersucar	18	2,040	2,040	2,040	2,040
Salaries and social charges		69,452	50,153	69,452	50,153
Taxes payable		10,028	10,204	10,124	10,225
Income tax and social contribution	24			863	314
Dividends payable		17,326	17,326	17,326	17,326
Advances from customers		4,695	957	4,695	957
Acquisition of investments		73,686	71,808	73,686	71,808
Other liabilities	20	20,006	16,393	20,006	16,393
		685,389	497,123	680,664	500,977
Non-current liabilities					
Borrowings	16	1,069,291	1,155,388	1,089,241	1,176,045
Payables to Copersucar	18	194,155	194,440	194,155	194,440
Taxes payable in installments	19	47,952	48,436	47,952	48,436
Deferred income tax and social contribution	24	399,284	458,762	773,499	810,465
Provision for contingencies	26	58,972	60,171	58,972	60,171
Acquisition of investments		10,022	9,849	10,022	9,849
Other liabilities	20	4,400	3,912	4,400	3,912
		1,784,076	1,930,958	2,178,241	2,303,318
Equity	21				
Share capital		614,150	614,150	614,150	614,150
Carrying value adjustments		1,160,934	1,265,869	1,160,934	1,265,869
Revenue reserves		232,556	232,556	232,556	232,556
Treasury shares		(13,811)	(13,811)	(13,811)	(13,811)
Stock options granted		2,382	1,853	2,382	1,853
Retained earnings		42,420		42,420	
		2,038,631	2,100,617	2,038,631	2,100,617
Total liabilities and equity		4,508,096	4,528,698	4,897,536	4,904,912

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

São Martinho S.A.

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

	Note	Parent		Consolidated	
		6/30/2013	**6/30/2012**	**6/30/2013**	**6/30/2012 Restated**
Revenue	29	396,668	219,506	396,242	219,489
Cost of products sold	30	(298,639)	(159,485)	(283,219)	(151,127)
Gross profit		98,029	60,021	113,023	68,362
Operating income (expenses)					
Selling expenses	30	(19,853)	(6,878)	(19,853)	(6,878)
General and administrative expenses	30	(27,233)	(24,569)	(27,381)	(24,552)
Equity in the results of investees	12	3,246	(11,247)	(11,769)	(19,217)
Other income, net	31	573	845	573	846
		(43,267)	(41,849)	(58,430)	(49,801)
Operating profit		54,762	18,172	54,593	18,561
Finance result	32				
Finance income		15,123	18,348	16,091	18,575
Finance costs		(41,060)	(27,699)	(41,061)	(27,915)
Monetary and foreign exchange variations, net		23,183	2,323	23,183	2,323
		(2,754)	(7,028)	(1,787)	(7,017)
Profit before income tax and social contribution		52,008	11,144	52,806	11,544
Income tax and social contribution	24(b)				
Current		(1,399)		(2,299)	(437)
Deferred		(15,881)	(8,766)	(15,779)	(8,729)
Profit for the period		34,728	2,378	34,728	2,378
Basic earnings per share - R$		0.30943	0.02118		
Diluted earnings per share - R$		0.30858	0.02117		

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

São Martinho S.A.

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

	Parent and consolidated	
	6/30/2013	**6/30/2012**
Profit for the period	34,728	2,378
Other comprehensive income (loss)		
Loss on derivative transactions - hedge accounting	(97,243)	(38,178)
Total comprehensive loss for the period	(62,515)	(35,800)

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

The accompanying notes are an integral part of this quarterly 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	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
Realization of deemed cost increment			(5,932)	(70)								6,002	
Loss on derivative transactions - hedge accounting					(38,178)								(38,178)
Purchases of treasury shares										(1,817)			(1,817)
Stock options granted											631		631
Profit for the quarter												2,378	2,378
At June 30, 2012		455,900	604,621	670,774	(47,017)		21,530	281,323	6,014	(14,570)	737	8,380	1,987,692
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
Realization of deemed cost increment			(7,621)	(71)								7,692	
Capital increase in Vale do Mogi with deemed cost	12		(43,899)	43,899									
Loss on derivative transactions - hedge accounting					(88,863)	(8,380)							(97,243)
Stock options granted											529		529
Profit for the quarter												34,728	34,728
At June 30, 2013		614,150	526,298	715,260	(72,244)	(8,380)	25,177	194,705	12,674	(13,811)	2,382	42,420	2,038,631

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

São Martinho S.A.

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

	Parent		Consolidated	
	6/30/2013	6/30/2012	6/30/2013	6/30/2012 Restated
Cash flows from operating activities				
Profit for the quarter	34,728	2,378	34,728	2,378
Adjustments				
Depreciation and amortization	35,237	26,108	35,368	26,238
Harvested biological assets (depletion)	66,424	33,469	66,424	33,469
Changes in fair value of biological assets	(3,429)	(13,988)	(3,429)	(13,988)
Equity in the results of investees	(3,246)	11,247	11,769	19,217
(Gain) loss on investment and property, plant and equipment disposals	(69)	15	(69)	15
Interest, monetary and foreign exchange variations, net	28,442	10,887	28,442	10,952
Provision for contingencies, net	5,333	7,017	5,333	7,015
Deferred income tax and social contribution	15,881	8,766	15,779	8,729
Recording (reversal) of provision for inventory losses		(445)		(445)
Adjustments to present value and others	3,028	3,731	3,028	3,731
	182,329	89,185	197,373	97,311
Changes in assets and liabilities				
Trade receivables	(38,329)	(16,820)	(39,357)	(16,820)
Inventories	(43,509)	(53,355)	(41,457)	(51,687)
Taxes recoverable	(12,343)	(8,672)	(12,269)	(8,788)
Other assets	(1,449)	(5,403)	(1,449)	(5,403)
Trade payables	62,950	26,358	53,679	16,466
Salaries and social charges	19,299	10,728	19,299	10,728
Taxes payable	(177)	(21)	727	544
Taxes payable in installments	(1,211)	(1,534)	(1,211)	(1,534)
Provision for contingencies	(7,819)	(7,852)	(7,819)	(7,852)
Other liabilities	8,891	(3,225)	8,174	(3,225)
Cash from operations	168,632	29,389	175,690	29,740
Interest paid	(28,782)	(8,032)	(29,290)	(8,032)
Income tax and social contribution paid			(281)	(115)
Net cash provided by operating activities	139,850	21,357	146,119	21,593
Cash flows from investing activities				
Acquisition of investments		(1,041)		(1,041)
Additions to property, plant and equipment and intangible assets	(57,588)	(35,826)	(57,685)	(40,139)
Additions to biological assets (planting and crop treatment)	(51,829)	(42,691)	(51,829)	(42,691)
Proceeds from sale of property, plant and equipment	419	130	419	130
Cash and cash equivalents of merged subsidiary	1		1	
Advances for future capital increase	(513)	(4,395)	(513)	(1,830)
Net cash used in investing activities	(109,510)	(83,823)	(109,607)	(85,571)
Cash flows from financing activities				
Derivative financial instruments	(5,596)	8,966	(5,596)	8,966
New borrowings - third parties	53,227	452,754	53,227	461,178
Repayment of borrowings - Copersucar	(2,086)	(2,461)	(2,086)	(2,461)
Repayment of borrowings - third parties	(144,058)	(31,504)	(144,524)	(31,504)
Purchases of treasury shares		(1,817)		(1,817)
Net cash (used in) provided by financing activities	(98,513)	425,938	(98,979)	434,362
Net increase (decrease) in cash and cash equivalents	(68,173)	363,472	(62,467)	370,384
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	411,458	652,026	468,675	666,160

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

São Martinho S.A.

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

	Parent		Consolidated	
	6/30/2013	6/30/2012	6/30/2013	6/30/2012 Restated
Revenue				
Gross sales of products and goods	407,243	230,560	406,473	230,539
Revenue from the construction of own assets	50,058	58,492	50,393	58,492
Other revenue	562	984	562	985
	457,863	290,036	457,428	290,016
Inputs acquired from third parties				
Cost of products and goods sold	(144,000)	(80,237)	(128,579)	(73,097)
Materials, energy, outsourced services and others	(76,148)	(56,248)	(76,166)	(56,253)
Recovery (impairment) of assets		445		445
	(220,148)	(136,040)	(204,745)	(128,905)
Gross value added	237,715	153,996	252,683	161,111
Depreciation and amortization	(35,237)	(26,108)	(35,368)	(26,238)
Harvested biological assets (depletion)	(66,424)	(33,469)	(66,424)	(33,469)
Net value added generated by the entity	136,054	94,419	150,891	101,404
Value added received through transfer				
Equity in the results of investees	3,246	(11,247)	(11,769)	(19,217)
Finance income	46,409	35,117	47,377	35,345
Other	69	(21)	69	747
Total value added to distribute	185,778	118,268	186,568	118,279
Distribution of value added				
Personnel and payroll charges				
Direct remuneration	56,516	46,870	56,516	46,870
Benefits	12,795	11,117	12,795	11,117
Government Severance Indemnity Fund for Employees (FGTS)	4,008	3,822	4,008	3,822
Management fees	2,875	2,254	2,875	2,254
Taxes and contributions				
Federal	23,890	8,835	25,174	9,550
State	17	59	17	59
Municipal	70	177	70	177
Less: state tax incentives				
Creditors				
Interest	23,532	19,065	23,867	19,130
Rentals	1,083	979	253	210
Exchange differences	8,103	14,446	8,103	14,446
Other	18,161	8,266	18,162	8,266
Dividends				
Profits retained for the period	34,728	2,378	34,728	2,378
Value added distributed	185,778	118,268	186,568	118,279

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. IFRS do not require the presentation of this statement. Consequently, according to IFRS, this statement is presented as supplementary information**.**

The accompanying notes are an integral part of this quarterly 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; the cogeneration of electricity; cattle breeding and agricultural production; import and export of goods, products and raw materials and investment in other companies.

Approximately 58% 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 42% 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, being the period during which sugar and ethanol are produced and there is also cogeneration of electricity.

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 August 12, 2013.

2 Summary of significant accounting policies

2.1 Basis of preparation

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

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 the aforementioned 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 Ordinary General Meetings held on July 31, 2013.

In the consolidated financial statements, the investments in associates and joint ventures are recorded using the equity accounting method, as established by the new accounting practice adopted as from April 1, 2013.

All amounts in thousands of reais unless otherwise stated

2.2 New accounting pronouncements adopted as from 2013

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

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 IAS 31, the companies were allowed to record investments in jointly-controlled subsidiaries on the equity method of accounting or using 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 and cash flows at June 30, 2012 already include the retrospective application of the pronouncements, as mentioned above.

The effects on the financial statements arising from the aforementioned matters are as follows:

(a) Balance sheet

		Consolidated	
	Original balance at 3/31/2013	Change in accounting principle	Adjusted balance at 3/31/2013
Assets			
Current	1,031,966	(184,892)	847,074
Non-current	4,601,144	(543,306)	4,057,838
Total assets	5,633,110	(728,198)	4,904,912
Liabilities and equity			
Current	663,946	(162,969)	500,977
Non-current	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		
	Original balance at 3/31/2013	Change in accounting principle	Adjusted balance at 3/31/2013
Revenue	290,313	(70,824)	219,489
Cost of products sold	(218,169)	67,042	(151,127)
Gross profit	72,144	(3,782)	68,362
Operating income (expenses)			
Selling expenses	(8,978)	2,100	(6,878)
General and administrative expenses	(30,019)	5,467	(24,552)
Equity in the results of investees	(1,949)	(17,268)	(19,217)
Other income, net	781	65	846
	(40,165)	(9,636)	(49,801)
Operating profit	31,979	(13,418)	18,561
Finance result			
Finance income	25,135	(6,560)	18,575
Finance costs	(36,927)	9,012	(27,915)
Monetary and foreign exchange variations, net	(17,238)	19,561	2,323
	(29,030)	22,013	(7,017)
Profit before income tax and social contribution	2,949	8,595	11,544
Income tax and social contribution			
Current	(489)	52	(437)
Deferred	(82)	(8,647)	(8,729)
Profit for the period	2,378		2,378

(c) Statement of cash flows

	Consolidated		
	Original balance at 6/30/2012	Change in accounting principle	Adjusted balance at 6/30/2012
Cash flows from operating activities			
Profit for the period	2,378		2,378
Adjustments to profit	124,483	(29,550)	94,933
Changes in assets and liabilities	(99,929)	32,358	(67,571)
Cash from operations	26,932	2,808	29,740
Interest, income tax and social contribution paid	(14,621)	6,474	(8,147)
Net cash provided by operating activities	12,311	9,282	21,593
Net cash used in investing activities	(128,742)	(128,742)	(85,571)
Net cash provided by financing activities	498,928	(64,566)	434,362
Increase in cash and cash equivalents	382,497	(184,026)	370,384
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	793,064	(298,817)	666,160

All amounts in thousands of reais unless otherwise stated

(d) Statement of value added

	Consolidated		
	Original balance at 6/30/2012	**Change in accounting principle**	**Adjusted balance at 6/30/2012**
Revenue	398,919	(108,903)	290,016
Inputs acquired from third parties	(193,451)	64,546	(128,905)
Gross value added	205,468	(44,357)	161,111
Depreciation and amortization	(87,414)	27,707	(59,707)
Net value added generated by the entity	118,054	(16,650)	101,404
Value added received through transfer	41,291	(24,416)	16,875
Total value added to distribute	159,345	(41,066)	118,279
Distribution of value added			
Personnel and payroll charges	81,800	(17,737)	64,063
Taxes and contributions	3,891	5,895	9,786
Creditors	71,276	(29,224)	42,052
Profits reinvested for the period	2,378		2,378
	159,345	(41,066)	118,279

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 June 30, 2013:

	Parent and consolidated	
Current assets	**R$**	**Equivalents in thousands of US$**
Cash and cash equivalents (bank - demand deposits)	265,026	119,651
Trade receivables	50,463	22,782
Derivative financial instruments	80,181	36,199
Total assets	395,670	178,632
Liabilities		
Current liabilities:		
Borrowings	94,358	42,588
Derivative financial instruments	89,340	40,323
Other liabilities	4,275	1,929
Non-current liabilities:		
Borrowings	536,870	242,314
Other liabilities	4,275	1,929
Total liabilities	729,118	329,083
Subtotal, net	(333,448)	(150,451)
(-) Export-linked borrowings - ACC and PPE (*)	629,628	284,179
Net exposure - assets	296,180	133,728

These assets and liabilities were adjusted and recorded in the quarterly information at June 30, 2013 at the exchange rate in effect on that date, of R$ 2.2150 per US$ 1.00 for assets and R$ 2.2156 per US$ 1.00 for liabilities.

(*) The balance of borrowings in foreign currency refers mainly to loans in the format of Advances on Foreign Exchange Contracts (ACC), Export Credit Notes and Export Prepayments (PPE), maturing from July 2013 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 the cash flows.

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 June 30, 2013, the prices of 200,257 metric tons of sugar were determined with commercial partners for future delivery scheduled as from July 2013, priced at an average of 20.20 ¢/lb (cents per pound weight).

All amounts in thousands of reais unless otherwise stated

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 adequate margins as determined by the cash flow forecasts.

At June 30, 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
	Less than one year	Between one and two years	Between two and five years	Over five years
At June 30, 2013				
Borrowings	285,458	315,136	639,531	114,624
Derivative financial instruments	89,340			
Trade payables	113,357			
Acquisition of investments	73,686	10,022		
Other liabilities	20,006	4,400		
At March 31, 2013				
Borrowings	237,630	361,365	679,244	114,779
Derivative financial instruments	14,297			
Trade payables	76,315			
Acquisition of investments	71,808	9,849		
Other liabilities	16,393	3,912		

				Consolidated
	Less than one year	Between one and two years	Between two and five years	Over five years
At June 30, 2013				
Borrowings	288,303	317,934	647,923	123,384
Derivative financial instruments	89,340			
Trade payables	104,828			
Acquisition of investments	73,686	10,022		
Other liabilities	20,006	4,400		
At March 31, 2013 - restated				
Borrowings	240,405	364,164	687,640	124,241
Derivative financial instruments	14,297			
Trade payables	77,059			
Acquisition of investments	71,808	9,849		
Other liabilities	16,393	3,912		

All amounts in thousands of reais unless otherwise stated

4.4 Sensitivity analysis

In accordance with CVM Instruction 475, the sensitivity analysis below has been prepared by the Company showing the effects of changes in the fair values of financial instruments relating to the pricing and hedging of foreign currency risks and other financial assets and liabilities denominated in foreign currency at June 30, 2013, considered by management as the major risks to which the Company is exposed. This analysis considers management expectations with respect to the future scenario projected. For this reason, this analysis has not been reviewed by the independent auditors.

Parent and consolidated:		Probable scenario		Possible scenarios	
	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	2.30	9,804	(58,903)	(127,611)
Accounts receivable	Depreciation of the US dollar	2.30	1,867	(11,216)	(24,298)
Short and long-term borrowings	Appreciation of the US dollar	2.70	(138,095)	(330,426)	(522,756)
Forward contracts - foreign currency - NDF	Appreciation of the US dollar	2.30	(59,469)	(301,092)	(542,715)
Accounts payable	Appreciation of the US dollar	2.39	(685)	(2,993)	(5,302)
Price risk					
Forward contracts - sugar - NDF	Increase in the commodity price	16.27	1,913	(9,695)	(21,303)
Futures market - sale - ethanol	Increase in the commodity price	1,087.33	140	(2,178)	(4,625)
Futures market - purchase - sugar	Decrease in the commodity price	18.07	(157)	(1,148)	(2,138)
Futures market - sale - sugar	Increase in the commodity price	20.00	4,852	(14,518)	(11,115)
Call sale - sugar	Increase in the commodity price	20.57	734	414	94
Put sale - sugar	Increase in the commodity price	16.50	(32)	(54)	(76)
Put purchase - sugar	Decrease in the commodity price	17.99	1,387	(164)	(1,714)

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 based on the 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 discounted future cash flow methods, which are based on market data on the date of each contract, specifically the DI and DDI interest curves published by the BM&F, PTAX published by the Brazilian Central Bank, and prices of sugar futures in the ICE.

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 and consolidated
As per balance sheet	**Level 1**	**Level 2**	**Total**
At June 30, 2013			
Assets - derivative financial instruments			
Sugar futures	21,090		21,090
Sugar options	2,112		2,112
Ethanol futures		42	42
Forward contracts - sugar		11,371	11,371
Liabilities - derivative financial instruments			
Forward contracts - foreign exchange		(59,492)	(59,492)
Swap contracts		(29,848)	(29,848)
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)

5 Financial instruments by category

				Parent
Assets as per balance sheet	**Loans and receivables**	**Assets at fair value through profit or loss**	**Derivatives used for hedging**	**Total**
At June 30, 2013				
Cash and cash equivalents	411,458			411,458
Trade receivables	91,100			91,100
Derivative financial instruments	45,566		34,615	80,181
Related parties	3,591			3,591
Other assets, except for prepayments	4,279			4,279
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 for prepayments	3,262			3,262

All amounts in thousands of reais unless otherwise stated

Parent

Liabilities as per balance sheet	Liabilities at fair value through profit or loss	Derivatives used for hedging	Other financial liabilities	Total
At June 30, 2013				
Borrowings	65,954		1,288,795	1,354,749
Derivative financial instruments	27,222	62,118		89,340
Trade payables			113,357	113,357
Other liabilities			24,406	24,406
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
Other liabilities			20,305	20,305

Consolidated

Assets as per balance sheet	Loans and receivables	Assets at fair value through profit or loss	Derivatives used for hedging	Total
At June 30, 2013				
Cash and cash equivalents	468,675			468,675
Trade receivables	91,096			91,096
Derivative financial instruments	45,566		34,615	80,181
Related parties	1,025			1,025
Other assets, except for prepayments	4,279			4,279
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 for prepayments	3,261			3,261

All amounts in thousands of reais unless otherwise stated

				Consolidated
Liabilities as per balance sheet	**Liabilities at fair value through profit or loss**	**Derivatives used for hedging**	**Other financial liabilities**	**Total**
At June 30, 2013				
Borrowings	65,954		1,311,590	1,377,544
Derivative financial instruments	27,222	62,118		89,340
Trade payables			104,828	104,828
Other liabilities			24,406	24,406
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
Other liabilities			20,305	20,305

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
	Remuneration	**June 30, 2013**	**March 31, 2013**
Cash and banks		266,465	176,424
Financial investments			
. Bank Deposit Certificate (CDB)	100.90% (March - 100.90%) of the CDI interest rate - weighted average rate	36,512	89,449
. Debenture repurchase agreements	101.40% (March - 102.00%) of the CDI interest rate - weighted average rate	108,481	213,758
		411,458	479,631

All amounts in thousands of reais unless otherwise stated

	Remuneration	Consolidated June 30, 2013	Consolidated March 31, 2013 Restated
Cash and banks		266,801	176,459
Financial investments			
. Bank Deposit Certificate (CDB)	100.69% (March - 100.74%) of the CDI interest rate - weighted average rate	53,152	105,797
. Debenture repurchase agreements	101.19% (March - 101.18%) of the CDI interest rate - weighted average rate	148,722	248,886
		468,675	531,142

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

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

7 Trade receivables

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

	Parent		Consolidated	
	June 30, 2013	March 31, 2013	June 30, 2013	March 31, 2013 Restated
Local customers	40,637	34,648	40,633	33,617
Foreign customers	50,463	18,122	50,463	18,122
	91,100	52,770	91,096	51,739

At June 30 and March 31, 2013, management did not identify the need to record a provision for impairment of trade receivables.

As of June 30, 2013, trade receivables of R$ 430 (parent company and consolidated) were past due but not impaired. These relate to a number of customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

All amounts in thousands of reais unless otherwise stated

	Parent		Consolidated	
	June 30, 2013	**March 31, 2013**	**June 30, 2013**	**March 31, 2013**
Past due and not provided for:				**Restated**
Up to 30 days	315	23	315	23
From 31 to 60 days	17		17	
Over 60 days	98	74	98	74
Not yet due:				
Up to 30 days	84,778	48,426	84,774	47,395
From 31 to 60 days	1,276	3,616	1,276	3,616
Over 60 days	4,616	631	4,616	631
	91,100	52,770	91,096	51,739

The past due amounts mainly refer to exports which were billed for immediate payment and take an average of 30 days to be received.

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

8 Inventories

	Parent		Consolidated	
	June 30, 2013	**March 31, 2013**	**June 30, 2013**	**March 31, 2013**
				Restated
Finished products and in process	80,362	27,587	78,310	26,870
Advances - purchases of sugar cane	66,933	56,487	66,933	56,488
Inputs, indirect, maintenance and other materials	28,772	31,342	28,773	31,341
	176,067	115,416	174,016	114,699
Current assets	(144,753)	(102,220)	(142,702)	(101,503)
Non-current	31,314	13,196	31,314	13,196

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

All amounts in thousands of reais unless otherwise stated

9 Taxes recoverable

The balance of taxes recoverable can be summarized as follows:

	Parent		Consolidated	
	June 30, 2013	March 31, 2013	June 30, 2013	March 31, 2013 Restated
Social Contribution on Revenues (COFINS), including credits on purchases of property, plant and equipment	46,358	36,929	46,358	36,929
Value-added Tax on Sales and Services (ICMS), including credits on purchases of property, plant and equipment	41,716	37,078	42,402	37,765
Social Integration Program (PIS), including credits on purchases of property, plant and equipment	10,133	8,074	10,133	8,074
Tax on Financial Transactions (IOF) on derivatives	5,499	5,407	5,499	5,407
Other	2,989	2,940	2,989	2,972
	106,695	90,428	107,381	91,147
Current assets	(57,067)	(43,280)	(57,067)	(43,313)
Non-current assets (mainly credits on purchases of property, plant and equipment)	49,628	47,148	50,314	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.

10 Related parties

(a) Parent company and consolidated balances

						Parent
	June 30, 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	2			9,853		266
UBV	1,856			2,405		38
USL	34	1,025	18	31	2,013	18
SMBJ	2			31		
SC	641			461		202
SMA	50			64		
Imobiliária Paramirim S.A.	19			9		
SME		2,566		52	2,565	
ABV	2			353		
Other	14			45		15
Sub-total	2,620	3,591	18	13,304	4,578	539
Stockholders relating to purchases of sugar cane	1,156		3,947	1,269		1,578
	3,776	3,591	3,965	14,573	4,578	2,117

All amounts in thousands of reais unless otherwise stated

	Consolidated					
	June 30, 2013			March 31, 2013 - restated		
	Current assets	Non-current assets	Current liabilities	Current assets	Non-current assets	Current liabilities
Investees and related parties:						
UBV	1,856			2,405		38
USL	34	1,025	18	31	2,013	18
SMBJ	2			31		
SC	641			461		202
SMA	50			64		
Imobiliária Paramirim S.A.	19			9		
ABV	2			353		
Other	14			45		15
Sub-total	2,618	1,025	18	3,399	2,013	273
Stockholders relating to purchases of sugar cane	1,156		3,947	1,269		1,578
	3,774	1,025	3,965	4,668	2,013	1,851

At June 30, 2013, the balances in current assets and liabilities (classified as trade receivables and trade payables in the balance sheet) refer to sales and purchases of goods 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.

(b) Parent company transactions in the period

	June 30, 2013			
	Administrative expenses	Sales revenue	Expenses reimbursed	Purchases of goods and services
Vale do Mogi			5	16,816
UBV			2,398	
USL			96	
SMA		31	64	
SC			1,878	
Other			140	
Stockholders and related parties				
- rental of properties	27			
- rendering of services	490			
- purchases of sugar cane				5,416
	517	31	4,581	22,232

All amounts in thousands of reais unless otherwise stated

	March 31, 2013			
	Administrative expenses	Sales revenue	Expenses reimbursed	Purchases of goods and services
Vale do Mogi				35,476
UBV		44	11,318	264
USL			335	
SMA			362	
SC			1,235	2,139
SMBJ			110	
Other			345	
Stockholders and related parties				
- rental of properties	314			
- rendering of services	1,679			
- purchases of sugar cane				10,626
	1,993	44	13,705	48,505

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

(c) Consolidated transactions in the period

	June 30, 2013			
	Administrative expenses	Sales revenue	Expenses reimbursed by subsidiaries	Purchases of goods and services
UBV			2,398	
USL			96	
SMA		31	64	
SC			1,878	
Other			140	
Stockholders and related parties				
- rental of properties	27			
- rendering of services	490			
- purchases of sugar cane				5,416
	517	31	4,576	5,416

All amounts in thousands of reais unless otherwise stated

	March 31, 2013 - restated			
	Administrative expenses	Sales revenue	Expenses reimbursed by subsidiaries	Purchases of goods and services
UBV		44	11,318	264
USL			335	
SMA			362	
SC			1,235	2,139
SMBJ			110	
Other			345	
Stockholders and related parties				
- rental of properties	314			
- rendering of services	1,679			
- purchases of sugar cane				10,626
	1,993	44	13,705	13,029

(d) Key management compensation

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

	Parent and consolidated	
	June 30, 2013	June 30, 2012 Restated
Fees and bonuses	2,346	2,254
Social security contributions	469	451
Other	159	162
	2,974	2,867

All amounts in thousands of reais unless otherwise stated

11 Other assets

	Parent		Consolidated	
	June 30, 2013	**March 31, 2013**	**June 30, 2013**	**March 31, 2013**
				Restated
Prepaid expenses	5,903	3,411	5,903	3,411
Sundry advances	1,534	1,509	1,534	1,508
Advances to employees	1,092	878	1,092	878
Other investments	142	142	142	142
Assets pledged in guarantee	1,003	249	1,003	249
Deposits paid	111	111	111	111
Other receivables	397	373	397	373
	10,182	6,673	10,182	6,672
Current assets	(9,929)	(6,420)	(9,929)	(6,422)
Non-current assets	253	253	253	250

All amounts in thousands of reais unless otherwise stated

12 Investments

12.1 Subsidiaries, jointly-controlled subsidiaries and associates

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

	June 30, 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	12,677	858,837	100	14,541	63,083	208,560			
Equity (net capital deficiency)	857,267	12,991	749,699	(2,673)	(13,528)	283,742	349,962			
Profit (loss) for the quarter	16,855	148	(17,987)	(407)	(203)	(4,784)	5,190			
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
Capital contribution	46,550				1,500					48,050
Equity loss arising from carrying value adjustments						(8,380)				(8,380)
Equity in the results of investees	14,867	148	(9,165)	(204)	(85)	(1,540)	356		(1,131)	3,246
Merger of net assets - Note 12.4								(44,767)		(44,767)
Reclassification of goodwill to intangible assets								(151,733)		(151,733)
Reclassification to liabilities of the investments with net capital deficiency - Note 20				204	(1,415)					(1,211)
At June 30, 2013	855,279	12,991	381,984		34,015	91,346	64,013		9,062	1,448,690

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$ 124,024 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 associates:										
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 year	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 results of investees	37,145	381	(16,193)	(317)	(2,213)	(5,223)	1,801		(1,553)	13,828
Mandatory minimum dividend	(8,822)	(52)					(353)			(9,227)
Reclassification to liabilities of the investments with net capital deficiency - Note 22		(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 subsidiaries.

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

	June 30, 2013	March 31, 2013 Restated
NF	381,984	391,149
USL	34,015	34,015
SC	91,346	101,266
ABV	64,013	63,657
CTC	9,062	10,193
	580,420	600,280

These investees are not consolidated and the investments 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

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

These transactions are described in detail in the annual financial statements for the year ended March 31, 2013 in the following notes:

- Increase in the share capital of Nova Fronteira Bioenergia S.A. ("NF") with a reduction of the Company's interest (calculated based on paid-up capital) - Note 14.1 (a);
- Merger of Omtek Indústria e Comércio Ltda. - Note 14.1 (b);
- Acquisition of investments in Santa Cruz S.A. Açúcar e Álcool ("SC") and Agro Pecuária Boa Vista S.A. ("ABV") - Note 14.1 (c);
- Sale of the investment in Uniduto Logística S.A. - Note 14.1 (d); and
- Acquisition of Mirtilo Investimentos e Participações S.A. ("MIP") - Note 14.1 (e)

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 value as of March 31, 2013, issued by independent appraisers.

All amounts in thousands of reais unless otherwise stated

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

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

12.5 Capital increase in 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 value 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
	22,614
Total net assets	**46,550**

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

All amounts in thousands of reais unless otherwise stated

13 Biological assets

At June 30, 2013, the Company had sugar cane plantations in the State of São Paulo used to provide raw material for the industrial process. The cultivation of sugar cane begins with the planting of seedlings in own land or third parties' 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 stubble properly treated grows again and its production is considered, on average, economically feasible for five crops.

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

The key assumptions used for measuring the fair value are:

The fair value of sugar cane plantations is determined 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 the 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 (CCT); (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	
	June 30, 2013	March 31, 2013 Restated
Total estimated harvest area (ha)	109,893	110,104
Expected productivity (metric ton/ha)	83.22	82.32
Amount of ATR per metric ton of sugar cane (kg)	137.28	135.61
Estimated average price per ATR (R$)	0.5592	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, considering a discount rate compatible with the remuneration of the investment in the circumstances. The changes in the fair value are recorded as biological assets with a corresponding entry to the sub account "Changes in the fair value of biological assets", under "Cost of sales" in the statement of income for the quarter.

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 quarter are as follows:

All amounts in thousands of reais unless otherwise stated

	June 30, 2013	
	Parent	Consolidated
Biological assets at March 31, 2013 (Consolidated - restated)	506,368	544,167
Increases due to planting and crop treatment	51,829	51,829
Changes in fair value	3,429	3,429
Merger of Mirtilo - Note 12.4	37,799	
Decreases resulting from harvesting	(74,413)	(74,413)
Biological assets at the end of the period	525,012	525,012

(a) Agricultural partnerships and lease commitments

The Company signed agreements related to agricultural partnerships to purchase sugar cane produced in the rural properties of third parties through multiyear agreements. These agreements are effective, mainly, between six and twelve years, and the majority of them is renewable upon expiry. In addition, the Company had 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 June 30, 2013 and 2012, the total estimated payments (nominal value) are:

	Consolidated	
	June 30, 2013	March 31, 2013 Restated
No later than 1 year	62,157	82,205
Later than 1 year and no later than 5 years	261,455	213,695
Later than 5 years	124,886	131,391
	448,498	427,291

All amounts in thousands of reais unless otherwise stated

14 Property, plant and equipment

								Parent
	Land	**Buildings and ancillary constructions**	**Industrial equipment and facilities**	**Vehicles**	**Agricultural machinery and implements**	**Other**	**Construction in progress**	**Total**
At March 31, 2012	602,806	64,754	458,553	50,905	119,963	12,641	103,986	1,328,183
Total cost	602,806	72,733	520,128	61,148	137,662	38,856	103,986	1,537,319
Accumulated depreciation		(7,979)	(61,575)	(10,243)	(17,699)	(26,215)		(123,711)
Net book value	602,806	64,754	458,553	50,905	119,963	12,641	103,986	1,413,608
At March 31, 2012	602,806	64,754	458,553	50,905	119,963	12,641	103,986	1,413,608
Purchases			82,769	18,316	32,310	495	101,747	235,637
Disposals (residual value)			(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
Total cost	602,806	95,664	550,647	79,810	168,954	42,228	144,094	1,684,203
Accumulated depreciation		(12,160)	(107,922)	(17,188)	(35,251)	(28,002)		(200,523)
Net book value	602,806	83,504	442,725	62,622	133,703	14,226	144,094	1,483,680
At March 31, 2013	602,806	83,504	442,725	62,622	133,703	14,226	144,094	1,483,680
Purchases			390	6,241	9,066	201	16,198	32,096
Disposals (residual value)				(40)	(310)			(350)
Merger of land - Vale Mogi	(69,164)							(69,164)
Transfers between accounts and to intangible assets		19	22				(41)	
Depreciation		(1,237)	(33,246)	(2,481)	(6,270)	(693)		(43,927)
At June 30, 2013	533,642	82,286	409,891	66,342	136,189	13,734	160,251	1,402,335
Total cost	533,642	95,683	551,059	85,990	177,662	42,429	160,251	1,646,716
Accumulated depreciation		(13,397)	(141,168)	(19,648)	(41,473)	(28,695)		(244,381)
Net book value	533,642	82,286	409,891	66,342	136,189	13,734	160,251	1,402,335
Net book value of:								
Historical cost	18,452	41,997	210,968	64,053	103,701	13,734	160,251	613,156
Revaluation increment	515,190	40,289	198,923	2,289	32,488			789,179
	533,642	82,286	409,891	66,342	136,189	13,734	160,251	1,402,335
Average annual depreciation rates		4.57%	9.97%	10.40%	12.20%	12.79%		

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	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
Total cost	1,713,817	82,883	520,128	61,148	137,662	38,856	116,952	2,671,446
Accumulated depreciation		(10,070)	(61,575)	(10,243)	(17,699)	(26,215)		(125,802)
Net book value	1,713,817	72,813	458,553	50,905	119,963	12,641	116,952	2,545,644
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 value)	(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
Total cost	1,712,990	105,814	550,647	79,810	168,954	42,228	169,822	2,830,265
Accumulated depreciation		(14,773)	(107,922)	(17,188)	(35,251)	(28,002)		(203,136)
Net book value	1,712,990	91,041	442,725	62,622	133,703	14,226	169,822	2,627,129
At March 31, 2013 - restated	1,712,990	91,041	442,725	62,622	133,703	14,226	169,822	2,627,129
Purchases			390	6,241	9,066	201	16,631	32,529
Disposals (residual value)				(40)	(310)			(350)
Transfers between accounts and to intangible assets		19	22				(41)	
Depreciation		(1,368)	(33,246)	(2,481)	(6,270)	(693)		(44,058)
At June 30, 2013	1,712,990	89,692	409,891	66,342	136,189	13,734	186,412	2,615,250
Total cost	1,712,990	105,833	551,059	85,990	177,662	42,429	186,412	2,862,375
Accumulated depreciation		(16,141)	(141,168)	(19,648)	(41,473)	(28,695)		(247,125)
Net book value	1,712,990	89,692	409,891	66,342	136,189	13,734	186,412	2,615,250
Net book value of:								
Historical cost	103,314	43,064	210,968	64,053	103,701	13,734	186,412	725,246
Revaluation increment	1,609,676	46,628	198,923	2,289	32,488			1,890,004
	1,712,990	89,692	409,891	66,342	136,189	13,734	186,412	2,615,250
Average annual depreciation rates		4.69%	9.97%	10.40%	12.20%	12.79%		

All amounts in thousands of reais unless otherwise stated

The parent company balance of construction in progress at June 30, 2013 refers to the refurbishment of its two plants to increase sugar and ethanol production, investments in electricity cogeneration and other improvements. The consolidated balance of construction in progress also includes the cogeneration of electricity of SME.

At June 30, 2013, 13,712 ha of land of the Company and its subsidiary Vale do Mogi were pledged in guarantee for UBV transactions.

Under the terms of certain borrowing agreements of the Group, property, plant and equipment totaling R$ 344,923 at June 30, 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$ 536,586 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$ 1,015 in the quarter ended June 30, 2013 (R$ 1,204 in the quarter ended June 30, 2012).

At June 30, 2013, the property, plant and equipment of the parent company includes assets under finance lease agreements in the amount of R$ 2,835.

(a) Deemed cost

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

15 Intangible assets

	Parent		Consolidated	
	June 30, 2013	March 31, 2013	June 30, 2013	March 31, 2013 Restated
Goodwill - expected future profitability -	151,733		151,733	151,733
Software	12,552	12,348	12,552	12,348
Accumulated amortization	(5,797)	(5,334)	(5,796)	(5,333)
Rights on sugar cane contracts (ii)	19,986	19,985	19,986	19,984
Other assets - electricity contract (ii)			386	387
	178,474	26,999	178,861	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).

(ii) Refers to the intangible assets (electricity contracts) identified in the process of acquisition of the investment in SC. See Note 38. The amortization will be recorded in accordance with the deliveries scheduled in the contract.

All amounts in thousands of reais unless otherwise stated

16 Borrowings

Type	Charges	Guarantees	Due date	Parent June 30, 2013	Parent 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	65,954	69,305
Rural credit	Weighted average fixed interest rate of 5.50% p.a. paid on the maturity of the contract	(b)	Monthly installments with maturities from Jul 13 to Dec 13	35,820	30,556
Finame / BNDES Automatic loans	Quarterly Long-term Interest Rate (TJLP) + weighted average interest of 3.58% p.a. paid monthly	(c)	Monthly installments with maturities between Jul 13 and Feb 17	9,304	11,586
Finame / BNDES Automatic loans	Weighted average fixed rate of 3.37 % p.a. paid monthly	(d)	Monthly installments with maturities between Jul 13 and Apr 23	88,110	60,951
Other securitized credits	Fixed interest rate of 3% p.a. paid annually	(e)	Annual installments with final maturity in Oct 25	64	64
Export Credit Note	Variation of 100.09 % CDI OVER CETIP (average rate for interbank loans for one day registered with CETIP) paid on the maturities of the contracts	(g)	Single installments with maturities in May 14, Jan 15 and May 17	301,669	319,557
Lease	Fixed interest rate of 9.75% p.a. paid monthly	(f)	Monthly installments with maturities between Jul 13 and Dec 15	2,575	2,802
FINEM DIRECT	Quarterly Long-term Interest Rate (TJLP) + weighted average interest of 2.82% p.a. paid monthly	(c)	Monthly installments with maturities between Jul 13 and Apr 23	24,688	25,399
FINEM DIRECT	Fixed interest rate of 5.73% p.a. paid monthly	(c)	Monthly installments with maturities between Jul 13 and Apr 21	132,335	135,916
FINEM DIRECT	Quarterly Long-term Interest Rate (TJLP) + weighted average interest of 1.40% p.a. paid monthly	(c)	Monthly installments with maturities between Jul 13 and Mar 21	14,534	15,011
PRORENOVA	Quarterly Long-term Interest Rate (TJLP) + weighted average interest of 2.90% p.a. paid monthly	(c)	Monthly installments with maturities between Jul 13 and Oct 18	48,468	45,835
In foreign currency:					
Advances on foreign exchange contracts (ACC)	Fixed rate of 1.04% p.a. + US$ variation paid on the maturity of the contracts		Single installments with maturities between Apr 13 and May 13		40,662
Export Credit Note	Fixed rate of 5.50% p.a. + US$ variation paid on the maturity of the contract		Payments of semi-annual interest and principal in Jun 17	221,628	204,244
Export Prepayments (PPE)	(6-month Libor = 0.43374% p.a.) + fixed rate = 2.31907 % p.a.) = 2,7528% p.a. + US$ variation paid on maturities	(h)	Semiannual installments with maturities between Jul 13 and Sep 16	408,000	429,612
FINEM DIRECT	Currency basket (US$, Euro and Yen) + weighted average fixed rate of 6.7322% p.a. paid monthly	(c)	Monthly installments with maturities between Jul 13 and Apr 23	1,600	1,518
Total				1,354,749	1,393,018
Current liabilities				(285,458)	(237,630)
Non-current liabilities				1,069,291	1,155,388

All amounts in thousands of reais unless otherwise stated

Type	Charges	Guarantees	Due date	Consolidated June 30, 2013	 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	65,954	69,305
Rural credit	Weighted average fixed interest rate of 5.50% p.a. paid on the maturity of the contract	(b)	Monthly installments with maturities from Jul 13 to Dec 13	35,820	30,556
Finame / BNDES Automatic loans	Quarterly Long-term Interest Rate (TJLP) + weighted average interest of 3.58% p.a. paid monthly	(c)	Monthly installments with maturities between Jul 13 and Feb 17	9,304	11,586
Finame / BNDES Automatic loans	Weighted average fixed rate of 3.37% p.a. paid monthly	(d)	Monthly installments with maturities between Jul 13 and Apr 23	88,110	60,951
Other securitized credits	Fixed interest rate of 3% p.a. paid annually	(e)	Annual installments with final maturity in Oct 25	64	64
Export Credit Note	Variation of 100.09 % CDI OVER CETIP (average rate for interbank loans for one day registered with CETIP) paid on the maturities of the contracts	(g)	Single installments with maturities in May 14, Jan 15 and May 17	301,669	319,557
Lease	Fixed interest rate of 9.75% p.a. paid monthly	(f)	Monthly installments with maturities between Jul 13 and Dec 15	2,575	2,802
FINEM DIRECT	Quarterly Long-term Interest Rate (TJLP) + weighted average interest of 2.80% p.a. paid monthly	(c)	Monthly installments with maturities between Jul 13 and Apr 23	28,793	29,624
FINEM DIRECT	Fixed interest rate of 5.70% p.a. paid monthly	(c)	Monthly installments with maturities between Jul 13 and	151,025	155,123
FINEM DIRECT	Quarterly Long-term Interest Rate (TJLP) + weighted average interest of 1.40% p.a. paid monthly	(c)	Monthly installments with maturities between Jul 13 and Mar 21	14,534	15,011
PRORENOVA	Quarterly Long-term Interest Rate (TJLP) + weighted average interest of 2.90% p.a. paid monthly	(c)	Monthly installments with maturities between Jul 13 and Oct 18	48,468	45,835
In foreign currency:					
Advances on foreign exchange contracts (ACC)	Fixed rate of 1.04% p.a. + US$ variation paid on the maturity of the contracts		Single installments with maturities between Apr 13 and May 13		40,662
Export Credit Note	Fixed rate of 5.50% p.a. + US$ variation paid on the maturity of the contract		Payments of semi-annual interest and principal in Jun 17	221,628	204,244
Export Prepayments (PPE)	(6-month Libor = 0.43374% p.a.) + fixed rate = 2.31907% p.a.) = 2,7528% p.a. + US$ variation paid on maturities	(h)	Semiannual installments with maturities between Jul 13 and Sep 16	408,000	429,612
FINEM DIRECT	Currency basket (US$, Euro and Yen) + weighted average fixed rate of 6.7322% p.a. paid monthly	(c)	Monthly installments with maturities between Jul 13 and Apr 23	1,600	1,518
Total				1,377,544	1,416,450
Current liabilities				(288,303)	(240,405)
Non-current liabilities				1,089,241	1,176,045

All amounts in thousands of reais unless otherwise stated

At June 30, 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 - 22,980 ha of land	531,807
(b)	Promissory note	9,683
(c)	Statutory lien of industrial equipment	38,704
	Statutory lien of agricultural equipment	27,413
	Promissory note	7,434
	Bank guarantee	15,006
(d)	Statutory lien of industrial equipment	163,631
	Statutory lien of agricultural equipment	115,175
	Promissory note	1,664
(e)	Mortgage - 79 ha of land	4,779
(f)	Promissory note	4,382
(g)	Promissory note	100,000
(h)	Promissory note	598,212

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

Long-term borrowings have the following maturities:

	June 30, 2013	
	Parent	Consolidated
From 7/1/2014 to 6/30/2015	315,136	317,934
From 7/1/2015 to 6/30/2016	181,677	184,474
From 7/1/2016 to 6/30/2017	408,507	411,304
From 7/1/2017 to 6/30/2018	49,347	52,145
From 7/1/2018 to 6/30/2019	41,822	44,620
From 7/1/2019 to 10/31/2025	72,802	78,764
	1,069,291	1,089,241

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

All amounts in thousands of reais unless otherwise stated

17 Trade payables

	Parent		Consolidated	
	June 30, 2013	March 31, 2013	June 30, 2013	March 31, 2013 Restated
Sugar cane	72,472	11,963	72,472	11,698
Materials, services and other	40,886	64,352	32,357	65,361
	113,358	76,315	104,829	77,059

18 Payables to Copersucar

	Parent	
	June 30, 2013	March 31, 2013
REFIS - Copersucar - Updated based on the SELIC interest rate	85,970	86,840
Bill of Exchange - Updated based on the SELIC interest rate	67,543	66,958
Bill of Exchange - Onlending of funds not subject to charges	42,682	42,682
Total	196,195	196,480
Current liabilities	(2,040)	(2,040)
Non-current liabilities	194,155	194,440

	Consolidated	
	June 30, 2013	March 31, 2013 Restated
REFIS - Copersucar - Updated based on the SELIC interest rate	85,970	86,840
Bill of Exchange - Updated based on the SELIC interest rate	67,543	66,958
Bill of Exchange - Onlending of funds not subject to charges	42,682	42,682
Total	196,195	196,480
Current liabilities	(2,040)	(2,040)
Non-current liabilities	194,155	194,440

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

All amounts in thousands of reais unless otherwise stated

19 Taxes payable in installments

	Parent		Consolidated	
	June 30, 2013	March 31, 2013	June 30, 2013	March 31, 2013 Restated
ICMS	1,946	2,143	1,946	2,143
REFIS installments - Law 11,941	51,157	51,712	51,157	51,712
	53,103	53,855	53,103	53,855
Current liabilities (taxes payable)	(5,151)	(5,419)	(5,151)	(5,419)
Non-current liabilities	47,952	48,436	47,952	48,436

20 Other liabilities

	Parent		Consolidated	
	June 30, 2013	March 31, 2013	June 30, 2013	March 31, 2013 Restated
Sales to be billed	6,566	2,637	6,566	2,637
Revenues to be appropriated		58		58
Net capital deficiency of investees	6,973	8,185	6,973	8,185
Mitsubishi Corporation	8,550	7,572	8,550	7,572
Other	2,317	1,853	2,317	1,853
	24,406	20,305	24,406	20,305
Current liabilities	(20,006)	(16,393)	(20,006)	(16,393)
Non-current liabilities	4,400	3,912	4,400	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 and with final payment in 2014.

21 Equity

(a) Share capital

At June 30 and March 31, 2013, the capital was divided into 113,000,000 registered common shares, without par value.

(b) Treasury shares

On December 13, 2011, the Board of Directors approved the second common share repurchase program, such shares to be held in treasury for subsequent sale, cancellation or utilization for the stock option plan (item (f) below), without reducing capital, pursuant to the Company's bylaws, CVM Instructions 10/80 and 268/97 and other statutory provisions. The share repurchases of this second program were carried out on the BM&FBovespa S.A. (São Paulo Commodities, Futures and Securities Exchange), at market prices, with the intermediation of brokerage firms.

During the quarter ended June 30, 2013, there was no repurchase or sale of treasury shares, therefore, the number of treasury shares remained at 767,211.

At June 30, 2013, the market value of these shares was R$ 19,748 (March 31, 2013 - R$ 21,781).

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

(c) Carrying value adjustments

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

(d) Legal and capital investment reserves

No changes occurred in the calculation method utilized during the quarter ended June 30, 2013.
See Note 23(d) to the annual financial statements for the year ended March 31, 2013.

At the Ordinary General Meeting held on July 31, 2013, the stockholders approved an additional allocation of R$ 71,632 to the capital investment reserve.

(e) Dividends and interest on capital

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

The 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 annual financial statements for the year ended March 31, 2013.

In the quarter ended June 30, 2013, no stock options were exercised. Additionally, the Company recognized in the same period a stock option expense of R$ 529 (at June 30, 2012 - R$ 631).

22 Employee and management benefits plan

During the quarter ended June 30, 2013, there were no changes made in the model and assumptions used for the plan, accordingly, the disclosures described in Note 24 to the annual financial statements for the year ended March 31, 2013 were maintained.

The benefits for the quarters ended June 30, 2013 and 2012, recorded as operating costs or expenses in the consolidated statements of income, amounted to R$ 405 and R$ 339, respectively.

All amounts in thousands of reais unless otherwise stated

23 Profit sharing program

There were no changes in the assumptions utilized for this calculation during the quarter ended June 30, 2013. See Note 25 to the annual financial statements for the year ended March 31, 2013.

The amounts of profit sharing for the quarter ended June 30, 2013, recorded as operating costs or expenses in the statement of income, amounted to R$ 2,802 (in the quarter ended June 30, 2012 - R$ 2,500), in the parent company and consolidated statements.

24 Income tax and social contribution

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

	Parent	
Tax assets	**June 30, 2013**	**March 31, 2013**
Current assets - Prepayments		
. Income tax and social contribution to be offset	30,261	33,329
Tax liabilities		
Non-current liabilities		
Deferred assets		
. Income tax losses	9,106	15,477
. Social contribution losses	3,351	5,645
Taxes on temporary differences:		
. Provision for contingencies	14,659	14,956
. Tax benefit of merged goodwill	1,899	2,237
. Derivative financial instruments	71,331	19,689
. Employee profit sharing	5,770	3,385
. Provision for other liabilities	1,351	
. Other	1,205	817
Deferred liabilities		
Taxes on temporary differences:		
. Deemed cost increment of property, plant and equipment	(269,008)	(295,548)
. Accelerated tax-incentive depreciation	(152,368)	(150,660)
. Securitized financing	(16,065)	(15,886)
. Adjustments to present value	(5,396)	(5,793)
. Derivative financial instruments	(21,484)	(26,341)
. Biological assets and agricultural products (changes in fair value)	(2,997)	(10,257)
. Foreign exchange variations	(40,600)	(16,465)
. Other	(38)	(18)
Non-current liabilities	(399,284)	(458,762)

All amounts in thousands of reais unless otherwise stated

	Consolidated	
	June 30, 2013	**March 31, 2013**
		Restated
In current assets - prepayments		
. Income tax and social contribution to be offset	30,261	33,370
Current liabilities - payable		
. Income tax and social contribution payable	863	314
Deferred income tax and social contribution		
Deferred assets		
. Income tax losses	9,106	15,477
. Social contribution losses	3,351	5,645
Taxes on temporary differences:		
. Provision for contingencies	14,659	14,956
. Tax benefit of merged goodwill	1,899	2,237
. Derivative financial instruments	71,331	14,584
. Employee profit sharing	5,770	3,385
. Provision for other liabilities	1,351	
. Biological assets and agricultural product (changes in fair value)		6,967
. Other	1,270	816
Deferred liabilities		
Taxes on temporary differences:		
. Deemed cost increment of property, plant and equipment	(643,288)	(647,251)
. Accelerated tax-incentive depreciation	(152,368)	(150,660)
. Securitized financing	(16,065)	(15,886)
. Adjustments to present value	(5,396)	(5,793)
. Derivative financial instruments	(21,484)	(21,235)
. Biological assets and agricultural product (changes in fair value)	(2,997)	(10,257)
. Foreign exchange variations	(40,600)	(16,465)
. Other	(38)	(17)
	(773,499)	(803,497)
Non-current assets		(6,968)
Non-current liabilities	(773,499)	(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 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	
Periods ended June 30:	**Parent**	**Consolidated**
2014	32,391	32,456
2015	18,467	18,467
2016	20,904	20,904
2017	14,733	14,733
2018	19,350	19,350
2019 onwards	2,827	2,827
	108,672	108,737

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 June 30, 2013 and 2012 are presented below:

	Parent		Consolidated	
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012 Restated
Profit before taxation	52,008	11,144	52,806	11,544
Income tax and social contribution at the statutory rates (34%)	(17,683)	(3,789)	(17,954)	(3,925)
Adjustments for calculation of the effective tax rate:				
. Equity in the results of investees	1,104	(3,824)	(4,002)	(6,534)
. Permanent exclusions /(additions), net	(718)	(1,219)	(718)	(1,219)
. Adjustment related to the calculation of subsidiary taxed based on the deemed profit method			5,211	2,441
. Profit on inventories	(22)	66	(655)	67
. Deferred taxes, not recorded				4
. Tax incentives	27		28	
. Other	12		12	
Income tax and social contribution expense	(17,280)	(8,766)	(18,078)	(9,166)
Deferred income tax and social contribution	(15,881)	(8,766)	(15,779)	(8,729)
Current income tax and social contribution	(1,399)		(2,299)	(437)
	(17,280)	(8,766)	(18,078)	(9,166)
Income tax and social contribution effective rate	33.2%	78.7%	34.2%	79.4%

All amounts in thousands of reais unless otherwise stated

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 annual 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):

						Parent
	March 31, 2013	Additions	Reversals	Utilization	Restatements	June 30, 2013
Tax	5,034				23	5,057
Civil and environmental	13,588	1,044		(510)	233	14,355
Labor	41,549	4,892	(603)	(7,309)	1,031	39,560
Total	60,171	5,936	(603)	(7,819)	1,287	58,972
Judicial deposits	35,654	3,512		(5,838)	267	33,595

						Consolidated
	March 31, 2013	Additions	Reversals	Utilization	Restatements	June 30, 2013
	Restated					
Tax	5,034				23	5,057
Civil and environmental	13,588	1,044		(510)	233	14,355
Labor	41,549	4,892	(603)	(7,309)	1,031	39,560
Total	60,171	5,936	(603)	(7,819)	1,287	58,972
Judicial deposits	35,654	3,512		(5,838)	267	33,595

The nature of the main lawsuits to which the above provisions related at June 30, 2013 was 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) compensation in general; (ii) redress for damages caused by the burning of sugar cane straw; and (iii) environmental issues.

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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 litigation involving tax, environmental and civil matters that was assessed by legal counsel as involving possible losses (contingent liabilities). The nature and the amounts thereof are as follows:

Tax:

Consolidated					Stage		
	Subject	Number of claims	Administrative	Trial court	Lower court	Higher court	Total
(i)	Social security contributions	15	104,113		13,227		117,340
(ii)	Calculation of IRPJ/CSLL	8	99,555				99,555
	Negative balance of IRPJ	7	1,631	102		1,607	3,340
	Negative balance of CSLL	6	1,491				1,491
	Offset of credits - PIS	5	3,952		1,835		5,787
	Offset of credits - COFINS	1					
	Offset of federal taxes	2	241		1,544		1,785
	Other tax cases	31	12,684	1,378	347		14,409
		75	223,667	1,480	16,953	1,607	243,707

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

(ii) 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.

All amounts in thousands of reais unless otherwise stated

In addition, in accordance with the terms negotiated for the withdrawal from Copersucar, the Company remains liable for the payment of any obligations, in proportion to its interest in Copersucar in previous harvests, which result from tax assessments that may arise and that relate to periods in which the Company was a cooperative member. The State Finance authorities have issued tax assessments against Copersucar with respect to Value-added Tax on Sales and Services (ICMS) on fuel and industrial ethanol sales made by Copersucar up to December 31, 2008, as principal taxpayer or substitute taxpayer of the distribution companies. The adjusted amount, calculated proportionately to the interest of the Company in the Cooperative, amounts to R$ 148,871. Legal counsel assesses the outcome in these lawsuits as a possible loss.

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

Civil and environmental:

Consolidated						Stage
Subject	Number of claims	Administrative	Trial court	Lower court	Higher court	Total
Environmental	26	3,712	1,304	1,244		6,260
Civil						
Indemnities	33		6,424	187	29	6,640
Review of contracts	7			14		14
Rectification of area and land registry	5		12			12
Permits for obtaining mining research license	8					
	79	3,712	7,740	1,445	29	12,926

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

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 2012/2013 and 2013/2014 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.

All amounts in thousands of reais unless otherwise stated

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

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.

In the case of sugar hedges, the derivatives were designated as a protection of cash flow variations arising from future sales of sugar. These transactions were 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 June 30 and March 31, 2013, relating to transactions involving derivative financial instruments, were as follows:

	Parent and consolidated	
	June 30, 2013	March 31, 2013
		Restated
Margin deposits	45,566	(3,319)
Potential results with sugar futures	21,090	35,593
Potential results with ethanol futures	42	
Potential results with sugar options	2,112	6,017
Potential results with foreign exchange forward contracts	(59,492)	16,835
Potential results with sugar forward contracts	11,371	20,787
Potential results with swap contracts	(29,848)	(10,978)
	(9,159)	64,935
In current assets	80,181	79,232
In current liabilities	(89,340)	(14,297)
	(9,159)	64,935

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.

All amounts in thousands of reais unless otherwise stated

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.

27.1 Fair value of the derivative financial instruments

At June 30 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:

					June 30, 2013
Parent and consolidated	**Contracted volume**	**Price/ average rate**	**Notional amount - R$**	**Fair value - R$**	**Receivable (payable) - R$**
Products - Sugar #11					
Futures contracts					
Sales commitment	147,320	20.00	143,925	21,359	21,359
Purchase commitment	4,978	21.60	5,253	(269)	(269)
					21,090
Options contracts					
Bidding position - sale	76,429	18.04	67,350	4,382	4,382
Written position - sale	2,540	16.50	2,047	(55)	(55)
Written position - purchase	140,158	20.51	140,420	(2,215)	(2,215)
					2,112
Products - ETH BMF					
Futures contracts					
Sales commitment	9,000	1,110.00	333	42	42
					42

					March 31, 2013 - restated
Parent and consolidated	**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

All amounts in thousands of reais unless otherwise stated

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

Parent and Consolidated - June 30, 2013

Maturity	Position	US$ thousand	Average fixed rate - R$/US$ 1	Notional amount - R$	Fair value - R$	Payable -R$
Jul-13	Sold	40,447	2.1212	85,796	(3,821)	(3,821)
Aug-13	Sold	69,838	2.1274	148,570	(7,540)	(7,540)
Sep-13	Sold	35,224	2.1408	75,406	(4,046)	(4,046)
Oct-13	Sold	39,312	2.1363	83,980	(5,131)	(5,131)
Nov-13	Sold	43,659	2.1315	93,057	(6,705)	(6,705)
Dec-13	Sold	46,622	2.1446	99,987	(7,111)	(7,111)
Jan-14	Sold	24,532	2.1729	53,304	(3,261)	(3,261)
Feb-14	Sold	24,982	2.1486	53,675	(4,258)	(4,258)
Mar-14	Sold	21,601	2.1721	46,921	(3,458)	(3,458)
Apr-14	Sold	9,019	2.1829	19,688	(1,445)	(1,445)
May-14	Sold	11,230	2.1915	24,610	(1,855)	(1,855)
Jun-14	Sold	234	2.2888	536	(21)	(21)
Jul-14	Sold	7,234	2.2058	15,957	(1,279)	(1,279)
Aug-14	Sold	15,728	2.1746	34,202	(3,459)	(3,459)
Sep-14	Sold	12,624	2.2646	28,589	(1,916)	(1,916)
Oct-14	Sold	1,419	2.4660	3,499	19	19
Nov-14	Sold	1,140	2.4812	2,829	12	12
Dec-14	Sold	234	2.3895	559	(20)	(20)
Jan-15	Sold	234	2.4045	563	(21)	(21)
Feb-15	Sold	234	2.4210	567	(21)	(21)
Apr-15	Sold	234	2.4505	573	(21)	(21)
Aug-15	Sold	14,880	2.2955	34,157	(4,134)	(4,134)
		420,660				(59,492)

Parent and Consolidated (restated) - March 31, 2013

Maturity	Position	US$ thousand	Average fixed rate - R$/US$ 1	Notional amount - R$	Fair value - R$	Payable -R$
Apr-13	Sold	44,272	2.0466	90,607	1,456	1,456
May-13	Sold	33,940	2.0681	70,192	1,336	1,336
Jun-13	Sold	8,549	2.0935	17,897	470	470
Jul-13	Sold	52,481	2.0943	109,912	2,438	2,438
Aug-13	Sold	60,975	2.1150	128,960	3,374	3,374
Sep-13	Sold	30,490	2.1275	64,865	1,720	1,720
Oct-13	Sold	36,463	2.1405	78,052	2,127	2,127
Nov-13	Sold	33,652	2.1446	72,169	1,689	1,689
Dec-13	Sold	24,440	2.1651	52,912	1,456	1,456
Jan-14	Sold	24,298	2.1724	52,787	1,346	1,346
Feb-14	Sold	12,618	2.1705	27,389	542	542
Mar-14	Sold	1,317	2.1475	2,828	14	14
Apr-14	Sold	1,745	2.1571	3,765	19	19
May-14	Sold	1,116	2.1677	2,419	12	12
Aug-14	Sold	14,880	2.1608	32,152	(446)	(446)
Aug-15	Sold	14,880	2.2955	34,158	(718)	(718)
		396,116				16,835

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

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

Parent and Consolidated - June 30, 2013						
Maturity	Position	Lots	Average fixed price (¢/lb)	Notional amount - R$	Fair value - R$	Receivable (payable) - R$
Oct-13	Sold	1,120	20.96	52,013	11,311	11,311
Mar-14	Sold	30	19.06	1,266	60	60
		1,150				11,371

Parent and Consolidated (restated) - March 31, 2013						
Maturity	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, Deutsche Bank and Barclays.

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

Parent and Consolidated - June 30, 2013						
Maturity	Notional amount - US$ (000)	Base value - R$	Receivable	Payable	Fair value - R$	Payable - R$
Mar-15	USD 50,000	91,280	6M Libor + 3.0%	USD + 3.85%	(331)	(331)
Jun-15	USD 75,000	137,355	6M Libor + 1.5%	USD + 2.36%	(434)	(434)
Sep-16	USD 100,000	183,140	6M Libor + 2.5%	USD + 3.6%	(1,861)	(1,861)
May-17	USD 80,000	165,736	CDI	USD + 5%	(27,222)	(27,222)
						(29,848)

Parent and Consolidated (restated) - March 31, 2013						
Maturity	Notional amount - US$ (000)	Base value - R$	Receivable	Payable	Fair value - R$	Payable - R$
Apr-13	USD 10,000	18,920	USD + 0.9%	93.8% of CDI	147	147
May-13	USD 10,000	19,416	USD + 1.2%	94.2% of CDI	(193)	(193)
Mar-15	USD 50,000	91,280	6M Libor + 3.0%	USD + 3.85%	(578)	(578)
Jun-15	USD 75,000	137,355	6M Libor + 1.5%	USD + 2.36%	(766)	(766)
Sep-16	USD 100,000	183,140	6M Libor + 2.5%	USD + 3.6%	(2,730)	(2,730)
May-17	USD 80,000	165,736	CDI	USD + 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 and Consolidated at June 30, 2013			Maturity by month	
	Oct-13	Mar-14	Jul-14	Total
PRODUCTS				
Fair value of purchased futures - Sugar	(265)	(4)		(269)
Fair value of sold futures - Sugar	20,348	1,070	(59)	21,359
Fair value of sold NDFs - Sugar	11,311	60		11,371
	31,394	1,126	(59)	32,461
Sugar options				
Fair value of bidding position - sale	2,214	1,703	465	4,382
Fair value of written position - sale	(55)			(55)
Fair value of written position - purchase	(94)	(1,753)	(368)	(2,215)
	2,065	(50)	97	2,112
	33,459	1,076	38	34,573

Parent and Consolidated at June 30, 2013					Maturity by period	
	2Q13	3Q13	4Q13	1Q14	Later	Total
PRODUCTS						
Fair value of sold futures - Ethanol	42					42
FOREIGN CURRENCY						
Fair value of sold NDFs - Foreign exchange	(15,407)	(18,947)	(10,977)	(3,321)	(10,840)	(59,492)
Swap contracts						
Fair value of Swap - US dollar x CDI					(29,848)	(29,848)
	(15,365)	(18,947)	(10,977)	(3,321)	(40,688)	(89,298)

All amounts in thousands of reais unless otherwise stated

Parent and Consolidated (restated) at 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
Fair value of sold NDFs - Sugar	4,813	8,910	7,064		20,787
	13,272	23,118	19,451	539	56,380
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
	15,779	25,497	20,445	676	62,397

Parent and Consolidated (restated) at March 31, 2013					Maturity by period	
	1Q13	**2Q13**	**3Q13**	**4Q13**	**Later**	**Total**
FOREIGN CURRENCY						
Fair value of sold NDFs - Foreign exchange	3,262	7,532	5,272	1,902	(1,133)	16,835
FOREIGN CURRENCY						
Fair value of Swap - US dollar x CDI	(46)				(10,932)	(10,978)
	3,216	7,532	5,272	1,902	(12,065)	5,857

At June 30 and March 31, 2013, the transactions involving derivative financial instruments that affected the results of operations were:

All amounts in thousands of reais unless otherwise stated

	Parent and consolidated	
Product-related contracts:	**June 30, 2013**	**June 30, 2012**
		Restated
Futures contracts	21,759	11,341
Options	(523)	(464)
Forward contracts	56	
Commissions and brokerage fees	(216)	(236)
Foreign exchange variations	1,438	(299)
	22,514	10,342
Currency-related contracts:		
Forward contracts	(14,934)	(3,516)
	(14,934)	(3,516)
Debt-related contracts:		
Swap	1,986	3,615
Net effect	9,566	10,441
Effect on statement of income items:		
Gross revenue	15,294	8,098
Finance income	8,490	10,490
Finance costs	(15,656)	(7,847)
Monetary and foreign exchange variations, net	1,438	(300)
	9,566	10,441

27.2 Margin deposits given in guarantee

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

	Parent and consolidated	
Brokers	**June 30, 2013**	**March 31, 2013**
		Restated
New Edge	24,086	(6,576)
Prudential	4,023	1,145
Santander	17,457	2,112
	45,566	(3,319)

All amounts in thousands of reais unless otherwise stated

28 Segment information (consolidated)

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

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

(i) Sugar
(ii) Ethanol
(iii) Other products

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

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

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

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

(a) Consolidated result by segment

Period ended June 30, 2013	Sugar	Ethanol	Other products	Non-segmented	Total
Net revenue	213,741	153,231	29,270		396,242
Cost of products sold	(148,509)	(110,725)	(23,985)		(283,219)
Gross profit	65,232	42,506	5,285		113,023
Gross margin	30.5%	27.7%	18.1%		28.5%
Selling expenses	(13,750)	(6,007)	(96)		(19,853)
Other operating expenses				(38,577)	(38,577)
Operating profit	51,482	36,499	5,189	(38,577)	54,593
Finance costs, net				(24,970)	(24,970)
Foreign exchange variations, net				23,183	23,183
Profit before taxation	51,482	36,499	5,189	(40,364)	52,806
Income tax and social contribution				(18,078)	(18,078)
Profit for the period	51,482	36,499	5,189	(58,442)	34,728

All amounts in thousands of reais unless otherwise stated

Period ended June 30, 2012 - restated

	Sugar	Ethanol	Other products	Non-segmented	Total
Net revenue	130,956	74,077	14,456		219,489
Cost of products sold	(81,505)	(70,582)	960		(151,127)
Gross profit	49,451	3,495	15,416		68,362
Gross margin	37.8%	4.7%	106.6%		31.1%
Selling expenses	(6,077)	(722)	(79)		(6,878)
Other operating expenses				(42,923)	(42,923)
Operating profit	(6,077)	(722)	(79)	(42,923)	18,561
Finance costs, net				(9,340)	(9,340)
Foreign exchange variations, net				2,323	2,323
Profit before taxation	(6,077)	(722)	(79)	(49,940)	11,544
Income tax and social contribution				(9,166)	(9,166)
Profit for the period	(6,077)	(722)	(79)	(59,106)	2,378

(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 June 30, 2013

	Sugar	Ethanol	Other products	Total
Trade receivables	17,059	53,489	20,548	91,096
Inventories	79,168	86,968	7,880	174,016
Biological assets	270,398	254,614		525,012
Property, plant and equipment	1,320,330	1,243,260	51,660	2,615,250
Intangible assets	92,119	86,742		178,861
Other assets not allocated				1,313,301
Total	1,779,074	1,725,073	80,088	4,897,536

All amounts in thousands of reais unless otherwise stated

At March 31, 2013 - restated	**Sugar**	**Ethanol**	**Other products**	**Total**
Trade receivables	17,233	20,885	13,621	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	50,883	2,627,129
Intangible assets	98,998	80,121		179,119
Other assets not allocated				1,388,059
Total	1,890,430	1,553,847	72,576	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 disclosed.

29 Revenue

	Parent		**Consolidated**	
	June 30, 2013	**June 30, 2012**	**June 30, 2013**	**June 30, 2012**
				Restated
Gross sales revenue				
Domestic market	137,709	93,857	137,709	93,836
Foreign market	269,593	137,043	269,593	137,043
	407,302	230,900	407,302	230,879
Taxes, contributions and deductions on sales	(10,634)	(11,394)	(11,060)	(11,390)
	396,668	219,506	396,242	219,489

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:

All amounts in thousands of reais unless otherwise stated

Costs and expenses by nature:	Parent June 30, 2013	Parent June 30, 2012	Consolidated June 30, 2013	Consolidated June 30, 2012 Restated
Raw materials and use and consumption materials	118,302	68,643	103,681	61,042
Personnel expenses	50,214	30,124	50,214	29,972
Depreciation and amortization (includes harvested biological assets)	101,661	59,577	101,792	59,707
Parts and maintenance services	12,421	5,997	12,421	5,997
Outsourced services	30,356	13,176	30,360	13,178
Contingencies	5,333	7,017	5,333	7,017
Changes in fair value of biological assets	(3,429)	(13,988)	(3,429)	(13,988)
Materials for resale	16,330	4,986	16,330	4,986
Other expenses	14,537	15,400	13,751	14,646
	345,725	190,932	330,453	182,557

All amounts in thousands of reais unless otherwise stated

	Parent		Consolidated	
Classified as:	**June 30, 2013**	**June 30, 2012**	**June 30, 2013**	**June 30, 2012 Restated**
Cost of products sold	298,639	159,485	283,219	151,127
Selling expenses	19,853	6,878	19,853	6,878
General and administrative expenses	27,233	24,569	27,381	24,552
	345,725	190,932	330,453	182,557

31 Other income, net

	Parent		Consolidated	
	June 30, 2013	**June 30, 2012**	**June 30, 2013**	**June 30, 2012 Restated**
Gain (loss) on the sale of property, plant and equipment	69	(15)	69	(15)
Gain on the sale of scrap	367	249	367	249
Payroll contract	68	175	68	175
Leases	59	524	59	525
Other	10	(88)	10	(88)
	573	845	573	846

32 Finance result

	Parent		Consolidated	
	June 30, 2013	June 30, 2012	June 30, 2013	June 30, 2012 Restated
Finance income				
Interest received and accrued	5,608	6,820	6,576	7,047
Gains with derivatives	8,490	10,490	8,490	10,490
Other revenue	1,025	1,038	1,025	1,038
	15,123	18,348	16,091	18,575
Finance costs				
Interest paid and accrued	(22,841)	(17,860)	(22,841)	(17,922)
Losses with derivatives	(15,656)	(7,847)	(15,656)	(7,847)
Other expenses	(2,563)	(1,992)	(2,564)	(2,146)
	(41,060)	(27,699)	(41,061)	(27,915)
Foreign exchange and monetary variations				
Monetary and foreign exchange gains	31,286	16,770	31,286	16,770
Monetary and foreign exchange losses	(8,103)	(14,447)	(8,103)	(14,447)
	23,183	2,323	23,183	2,323
Finance result	(2,754)	(7,028)	(1,787)	(7,017)

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.

	June 30, 2013	June 30, 2012
Profit for the quarter attributable to stockholders of the Company	34,728	2,378
Weighted average number of common shares in the period - in thousands	112,233	112,249
Basic earnings per share - R$	0.30943	0.02118

(b) Diluted

Diluted earnings per share are calculated by adjusting the weighted average number of outstanding common shares to assume the conversion of all the potentially diluted common shares. The Company has call options of common shares with potential of dilution.

	June 30, 2013	June 30, 2012
Profit for the quarter used to determine diluted earnings per share	34,728	2,378
Weighted average number of common shares for diluted earnings per share - in thousands	112,542	112,322
Diluted earnings per share - R$	0.30858	0.02117

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 liabilities. The amounts covered by the current insurance policies at June 30, 2013 were as follows:

	Maximum cover (*)
Risks covered	Parent and consolidated
Civil liability	1,084,195
Fire, lightning and explosion of any nature	413,800
Theft or robbery	166,939
Other coverage	39,360
Electrical damages	29,734
Natural phenomena, impact of vehicles or aircraft, etc.	8,500

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

35 Acquisition of investments

35.1 Santa Cruz S.A. Açúcar e Álcool ("SC") and Agro Pecuária Boa Vista S.A. ("ABV")

Note 38.1 to the annual financial statements for the year ended March 31, 2013 presents the complete details of the acquisition of 32.18% of the capital of SC and 17.97% of the capital of ABV, carried out in November 2011.

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

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

All amounts in thousands of reais unless otherwise stated

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

35.3 Accounts payable - acquisition of investments

	SC	ABV	Total
Present value of the total consideration	102,764	65,308	168,072
Payment on November 21, 2011	(36,081)	(22,929)	(59,010)
Payment on November 18, 2012	(37,942)	(24,113)	(62,055)
Present value adjustment	10,184	6,473	16,657
Total payable - SC and ABV	38,925	24,739	63,664

	Mirtilo
Total consideration	196,500
Payment on March 14, 2013	(176,850)
Monetary restatement	394
Total payable - Mirtilo	20,044
Total accounts payable - acquisition of investments	83,708
Represented by:	
Current liabilities	73,686
Non-current liabilities	10,022

36 Events after the reporting period

As described in Note 21, at the Ordinary and Extraordinary General Meeting held on July 31, 2013, the stockholders approved: (i) the allocation of the profit for the year ended March 31, 2013 for the payment of dividends totaling R$ 30,000, equivalent to R$ 0.267302 per share; (ii) the allocation of R$ 71,632 to the capital reserve account; and (iii) an increase in the Company's capital of R$ 123,050 without the issue of new shares, using the balance of the capital investments reserve.

Additionally, the aforementioned Meeting approved the establishment of a Statutory Audit Board, which will remain effective up to the next Ordinary General Meeting of the Company, which will approve the financial statements for the year ending March 31, 2014.

* * *

São Martinho

1Q14

Results

2013/2014 Crop Year

Adjusted EBITDA in 1Q14 grows 95.8% to R$211.6 million

São Paulo, August 12, 2013 – SÃO MARTINHO S.A. (BM&FBovespa: SMTO3; Reuters SMTO3.SA and Bloomberg SMTO3 BZ), one of Brazil's largest sugar and ethanol producers, announces today its results for the first quarter of 2013/2014 fiscal year (1Q14).

1Q14 HIGHLIGHTS

✓ Sugarcane crushing at the mills of the São Martinho Group amounted to 5.5 million tons as of June 2013, **growing 90% from the previous crop year. The result brings crushing volume to 36% of the guidance for the 2013/14 crop year;**

✓ **Adjusted EBITDA in 1Q14 was R$211.6 million (Adjusted EBITDA margin of 42.8%), increasing 95.8% from 1Q13 (R$108.1 million, Adjusted EBITDA margin 37.2%).** The main drivers of the improvement in EBITDA and EBITDA margin were i) the higher sales volume by all the Company's products due to the growth in crushing volume, and ii) the lower unit production cost of sugar and ethanol due to the higher utilization of installed capacity, which increased the dilution of fixed costs;

✓ **Net income in 1Q14 amounted to R$34.7 million, compared to net income of R$2.4 million in the same period last year.** The improvement reflects the EBITDA growth in the period driven by the abovementioned factors;

✓ On June 30, 2013, sugar prices for the 2013/14 crop year were locked in at an average price of USD 20.3 cents/pound for 528,400 tons, **with this volume representing 91.0% of our net exposure (total sugar production excluding our natural hedge with Consecana).** In addition to the sugar prices locked in, the Company held short dollar positions through NDFs amounting to US$303.7 million for exports of the 2013/14 crop, with average BRL/USD parity prices of 2.14.

Conference Call: August 13, 2013 (Tuesday)
3:00 p.m. (Brasília time): +55 (11) 4688 6361
2:00 p.m. (US ET): +1 (786) 924 6977
Access code: São Martinho

SMTO3 NOVO MERCADO BM&FBOVESPA

NEW ACCOUNTING STANDARD – CPC 19 AND IFRS 11

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 adopted 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.

It is important to note that since the information in the set of financial statements is presented on a pro-forma basis, as mentioned above, some of the figures will not coincide with 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:

R$ Thousand	São Martinho S.A. (consolidated CPC 19)	UBV (50.25%)	USC (32.18%)	São Martinho S.A. (Pro forma)
Net Revenue	396.242	62.708	35.166	494.261
Adjusted EBITDA	164.171	29.217	18.487	211.615
Adjusted EBITDA Margin	41,4%	46,6%	52,6%	42,8%
Adjusted EBIT	62.379	(1.992)	4.505	64.517
Adjusted EBIT Margin	15,7%	-3,2%	12,8%	13,1%
Biological Assets and Others	3.983	(2.630)	691	2.378
Equity Income	(11.769)	8	46	(1.079)
Financial Result	(1.787)	(8.024)	(6.672)	(16.748)
Income (Loss) Before taxes	52.806	(12.638)	(1.430)	49.068
Taxes	(18.078)	3.472	263	(14.340)
Net Income	34.728	(9.166)	(1.167)	34.728
Cash	468.675	74.222	33.431	576.857
Gross Debt	1.461.252	362.250	248.938	1.823.699
Net Debt	992.577	288.028	215.507	1.495.780
EBITDA LTD	597.301	83.271	76.780	755.454
Net Debt / EBITDA	1,66 x	3,46 x	2,81 x	1,98 x

OVERVIEW - COMPANY

FINANCIAL HIGHLIGHTS (R$ Thousand)	1Q14	1Q13	Chg. (%)
São Martinho - Consolidated			
Gross Revenue	512,277	307,872	66.4%
Net Revenue	494,261	290,313	70.3%
Adjusted EBITDA	211,615	108,076	95.8%
EBITDA Margin	42.8%	37.2%	5.6 p.p.
Consolidated Balance Sheet Indicators			
Total Assets	5,676,458	5,392,979	5.3%
Shareholders' Equity	2,038,631	1,987,692	2.6%
EBITDA (LTM)	755,454	490,791	53.9%
Net Debt	1,495,780	1,118,555	33.7%
Net Debt / EBITDA (LTM)	2.0 x	2.3 x	
Net Debt / Shareholders' Equity	73%	56%	

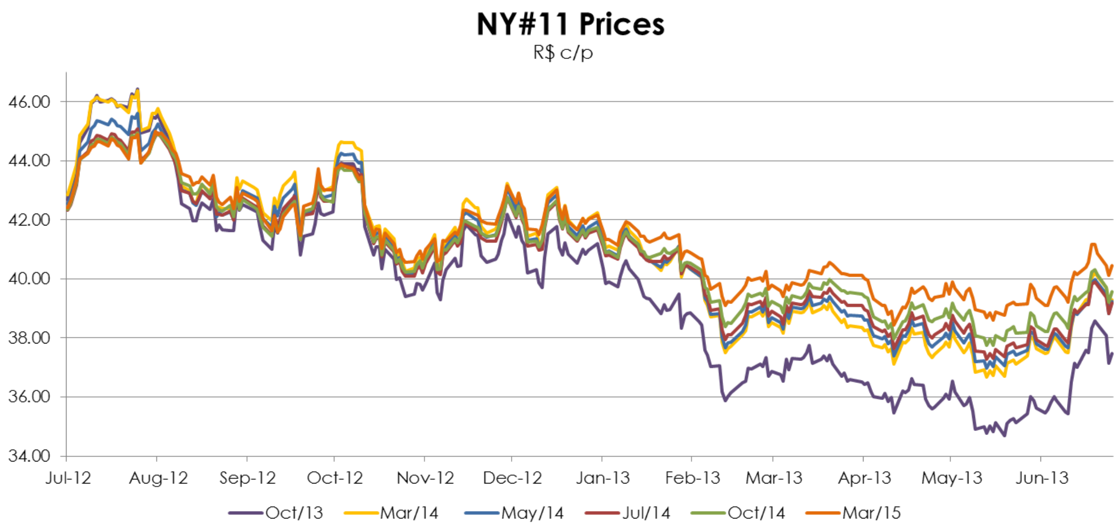
OPERATING DATA	1Q14	1Q13	Chg.(%)
São Martinho - Consolidated			
Crushed Sugarcane ('000 tons)	**5,543**	**2,918**	**90.0%**
Own	4,271	2,159	97.8%
Third Parties	1,272	759	67.7%
Mechanized Harvest	94.5%	89.1%	539.6%
Estimated Total Harvest Area (hectares)	151,155	132,516	14.1%
Production			
Sugar ('000 tons)	318	190	67.4%
Anhydrous Ethanol ('000 m3)	132	50	161.2%
Hydrous Ethanol ('000 m3)	83	42	99.7%
Ribonucleic Acid (RNA) Sodium Salt ('000 Kg)	72	71	2.5%
Cogeneration ('000 MWh)	98	44	119.5%
TRS Produced	*704*	*357*	*96.9%*
Mix - Sugar - Ethanol	*47% - 53%*	*56% - 44%*	
Mix Anhydrous - Hydrous	*62% - 38%*	*56% - 44%*	

The volume of sugarcane processed in the first quarter of the 2013/14 crop year totaled 5.5 million tons, representing growth of 90.0% on the same period of the previous crop year. The improvement in crushing volume was driven by (i) the recovery in yields and expansion in sugarcane fields; and (ii) the more favorable weather conditions compared to the same period last year.

This quarter, the São Martinho Group prioritized the production of sugar and anhydrous ethanol, which are products with higher contribution margins and more resilient demand compared to hydrous ethanol.

Note that the information in the above table already considers our proportional interests in Nova Fronteira (51.0%) and Santa Cruz (32.18%).

INDUSTRY OVERVIEW – SUGAR



The downward trend in prices observed in the previous quarter continued in 1Q14 (i.e., Apr-Jun 2013). The decline reflects the higher supply of sugar in the global market due to the start of the harvest in Brazil in April, which enjoyed weather that was favorable for crushing and consequently for sugar production. Despite the drop in sugar prices, the depreciation in the Brazilian real served to mitigate the decline in prices in local currency. Despite the current price pressures, market consensus points to a surplus for the 2014/15 crop of approximately 3.5 million tons, or approximately 2% of world consumption.

According to the Sugarcane Industry Association (UNICA), Brazil's Center-South region should process 589.6 million tons of sugarcane in the 2013/14 crop year, or 10.7% more than in the 2012/13 crop year, with sugar production totaling 35.5 million tons, or 4% more than in 2012/13. By the close of June, the Center-South region had already processed 224 million tons of cane (+31.22% from the year-ago period), with total sugar production of 11.3 million tons, increasing 21.23% on a year earlier.

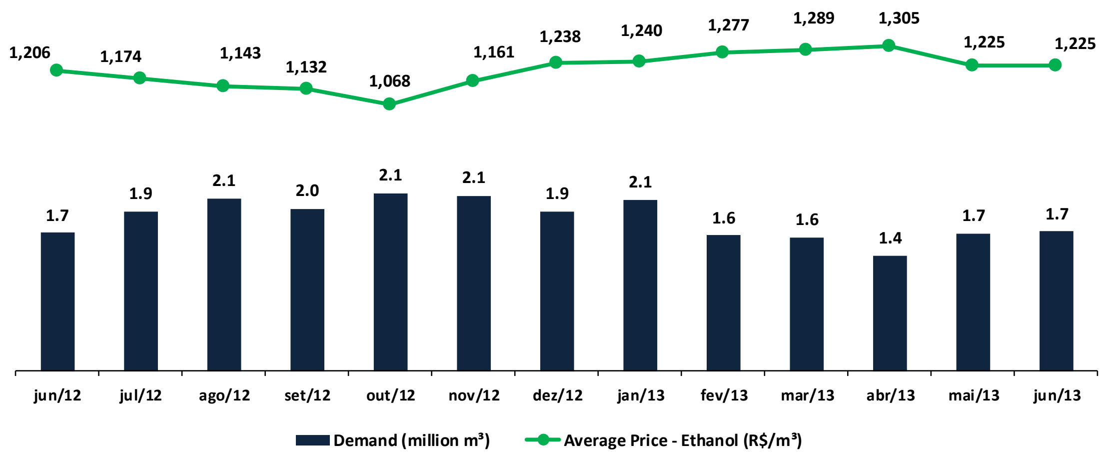
On June 30, 2013, the São Martinho Group had sugar prices locked-in for 91% of its net exposure (total sugar production in the 13/14 crop year, excluding our natural hedge with Consecana). As a result, the impact from lower sugar prices (as the above chart shows) should barely have any impact on the group's results for the current fiscal year.

INDUSTRY OVERVIEW - ETHANOL

AVERAGE PRICES - ETHANOL	1Q14	1Q13	Chg. (%)
Market Prices			
Anhydrous ESALQ, Net DM R$ / m3	1,335.09	1,301.39	2.6%
Hydrous ESALQ, Net DM - R$ / m3	1,163.96	1,131.97	2.8%

In the first quarter of the 2013/14 crop year, prices for both anhydrous and hydrous ethanol were higher than a year earlier (+2.6% and +2.8%, respectively), but lower than in the last quarter of the previous crop year. We believe this reduction in prices in recent months reflects the higher supply of ethanol in the market, due to higher crushing volume and greater share of ethanol in the production mix.

As mentioned last quarter, the increase from 20% to 25% in the addition of anhydrous ethanol to the Type-A gasoline blend (adding some 2 billion liters per year) and the cuts in the PIS/Cofins tax rates on ethanol production and sale should serve as key drivers of ethanol demand. As shown below, in the last two months, we have already observed some firming of demand and, despite the high supply of ethanol this season, prices are stable compared to the same period last year.



FINANCIAL PERFORMANCE

NET REVENUE BREAKDOWN	1Q14	1Q13	Chg. (%)
R$ Thousand			
Domestic Market	**203.416**	**136.716**	**48,8%**
Sugar	13.021	10.797	20,6%
Hydrous Ethanol	54.715	36.990	47,9%
Anhydrous Ethanol	93.855	54.537	72,1%
Energy	9.381	6.976	34,5%
Others	32.444	27.415	18,3%
Export Market	**290.846**	**153.598**	**89,4%**
Sugar	216.070	134.986	60,1%
Hydrous Ethanol	3.298	7.259	-54,6%
Anhydrous Ethanol	68.614	8.211	735,6%
Others	2.863	3.141	-8,8%
Net Revenue	**494.261**	**290.313**	**70,3%**
Sugar	229.092	145.784	57,1%
Hydrous Ethanol	58.014	44.250	31,1%
Anhydrous Ethanol	162.469	62.748	158,9%
Energy	9.381	6.976	34,5%
Others	35.307	30.556	15,6%

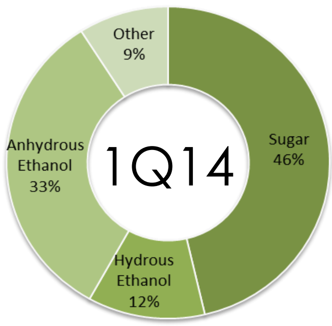
Net Revenue

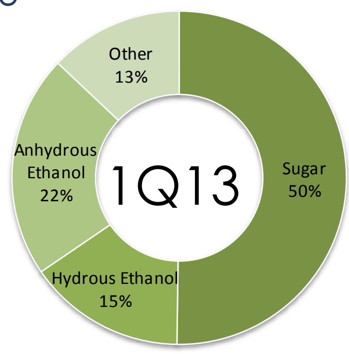
In the first quarter of the 2013/14 crop year (1Q14), the Company's net revenue amounted to R$494.3 million, increasing 70.3% from the same period of the previous crop year. This improvement was mainly driven by (i) the 88.8% increase in sugar sales volume, and (ii) the 94.8% increase in ethanol sales volume. The strong growth in sales volume is explained by the higher production in the current crop year, in line with the production guidance announced at the end of the last fiscal year.

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

Distribution – Net Revenues

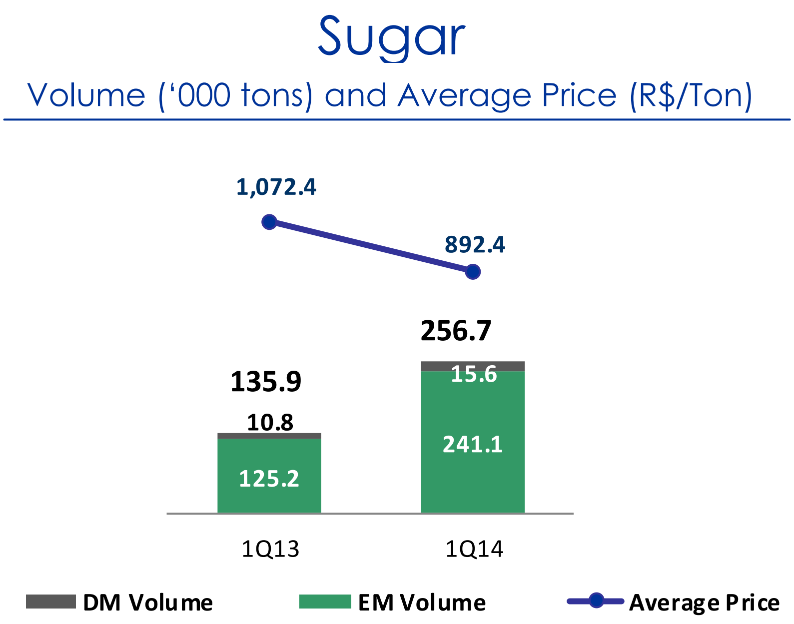
1Q14 x 1Q13





SMTO3
NOVO MERCADO
BM&FBOVESPA

Sugar

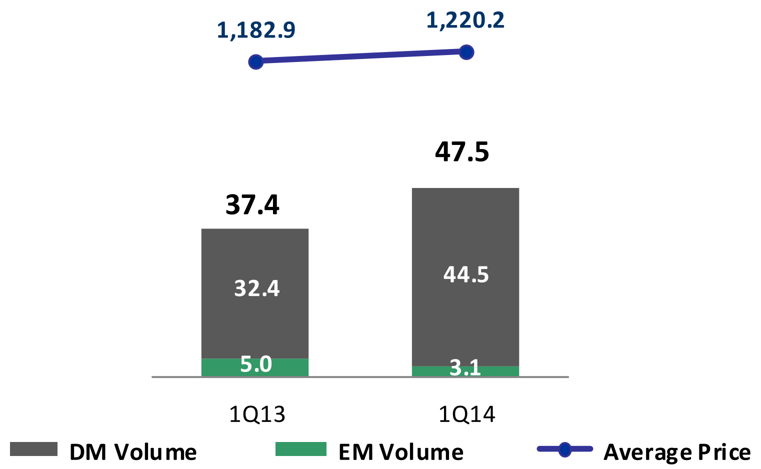


Net revenue from sugar sales was R$229.1 million in 1Q14, increasing 57.1% from the same quarter of the previous crop year. This substantial improvement in net revenue is explained by the 88.8% increase in sugar sales volume in the period, which more than offset the 16.8% drop in the average sales price in the period.

Ethanol

Hydrous Ethanol

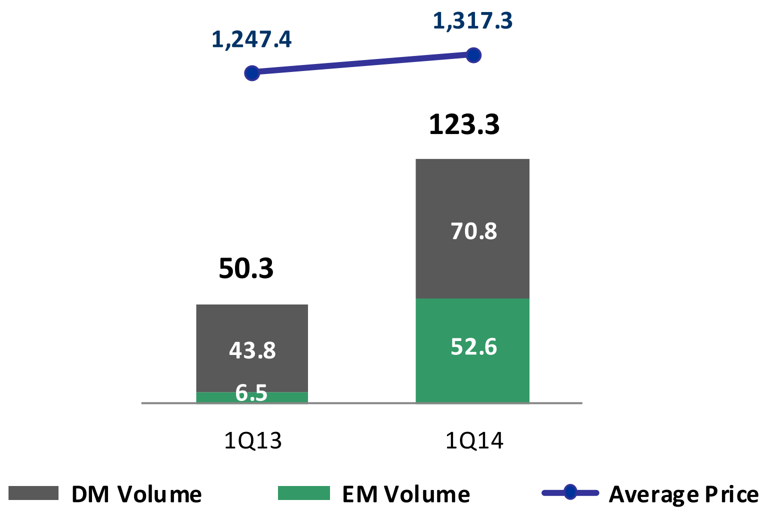
Volume ('000 m³) and Average Price (R$/m³)



Net revenue from hydrous ethanol sales amounted to R$58.0 million in 1Q14, increasing 31.1% from the same quarter of the previous crop year. The improvement was due to the 27.1% growth in hydrous ethanol sales volume, combined with the 3.2% increase in the average sales price.

Anhydrous Ethanol

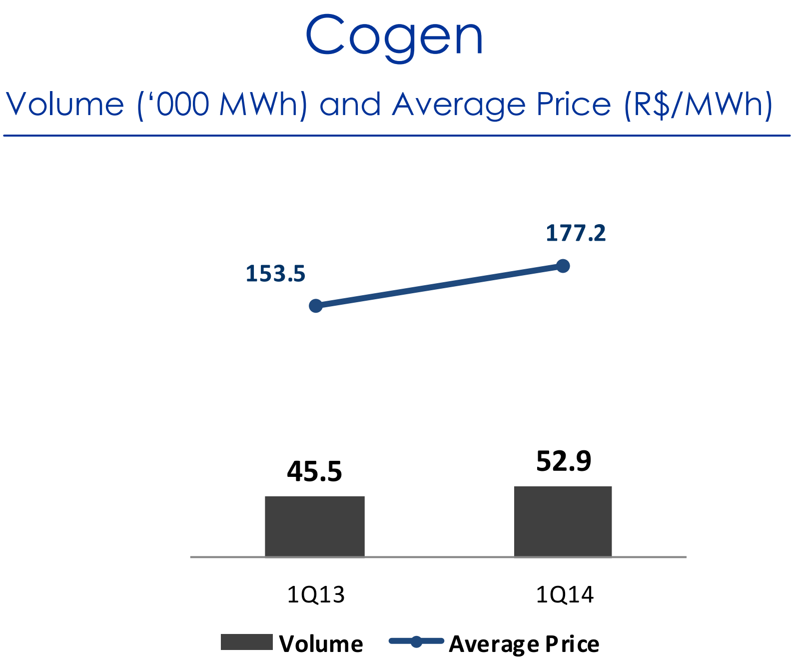
Volume ('000 m³) and Average Price (R$/m³)



In 1Q14, net revenue from anhydrous ethanol sales increased 158.9% from 1Q13 to reach R$162.5 million. Net revenue growth in the period was driven by the 145.2% increase in anhydrous ethanol sales volume in the period combined with the 5.6% increase in the average sales price.

This material improvement in sales volume reflects the Company's strategy to allocate a higher share of the production mix to anhydrous ethanol, since this type of ethanol offers more resilient pricing in the domestic market as well as opportunities for exports, especially in light of the depreciation in the Brazilian real against the U.S. dollar in the period.

Cogen



Net revenue from electricity sales in 1Q14 amounted to R$9.4 million, increasing 34.5% from the same quarter of the previous crop year. The improvement was driven by the 16.5% increase in cogen sales volume in the period combined with the 15.5% increase in the average sales price in the period.

Other Products and Services

Net revenue from the line "Other Products and Services" was R$35.3 million in 1Q14, increasing 15.6% from the same quarter of the previous crop year. The higher revenue is mainly explained by the sale of sugarcane to Biosev through the agreement signed with the São Martinho Group for the sale of 1,000,000 tons of sugarcane during the 2013/14 crop year, related to the São Carlos mill.

INVENTORIES

INVENTORIES	1Q14	1Q13	Chg. (%)
Sugar (tons)	71,753	73,984	-3.0%
Hydrous (m3)	41,385	14,010	195.4%
Anhydrous (m3)	29,628	19,025	55.7%

EBITDA AND EBITDA COST BY PRODUCT

EBITDA BY PRODUCT - 1Q14	SUGAR	ETHANOL	OTHER	TOTAL
R$ Thousand				
Net Revenues	229,090	220,482	44,689	494,261
COGS (Cash)	(97,160)	(101,106)	(30,858)	(229,124)
Gross Profit (Cash)	131,930	119,376	13,831	265,137
Gross Margin (Cash)	57.6%	54.1%	30.9%	53.6%
Sales Expenses	(15,343)	(6,615)	(925)	(22,882)
G&A Expenses (Cash)	(13,018)	(14,281)	(3,033)	(30,332)
Other Revenues (Expenses)	-	-	(306)	(306)
Adjusted EBITDA	**103,569**	**98,480**	**9,567**	**211,615**
Adjusted EBITDA Margin	**45.2%**	**44.7%**	**21.4%**	**42.8%**
EBITDA Cost (*)	**(488.9)**	**(714.0)**	**-**	**-**

(*) Sugar in R$/Ton
Ethanol in R$/m³

EBITDA BY PRODUCT - 1Q13	SUGAR	ETHANOL	OTHER	TOTAL
R$ Thousand				
Net Revenues	145,782	106,998	37,533	290,313
COGS (Cash)	(55,467)	(63,500)	(27,489)	(146,456)
Gross Profit (Cash)	90,315	43,498	10,044	143,857
Gross Margin (Cash)	62.0%	40.7%	26.8%	49.6%
Sales Expenses	(7,008)	(1,190)	(781)	(8,978)
G&A Expenses (Cash)	(12,373)	(13,078)	(2,828)	(28,280)
Other Revenues (Expenses)	-	-	1,479	1,479
Adjusted EBITDA	**70,933**	**29,229**	**7,914**	**108,076**
Adjusted EBITDA Margin	**48.7%**	**27.3%**	**21.1%**	**37.2%**
EBITDA Cost (*)	**(550.6)**	**(886.6)**	**-**	**-**

(*) Sugar in R$/Ton
Ethanol in R$/m³

AVERAGE CASH COST PER UNIT	1Q14	1Q13	Var.%
R$ Thousand			
COGS	**(229,124)**	**(146,456)**	**56.4%**
Sugar	(97,160)	(55,467)	75.2%
Ethanol	(101,106)	(63,500)	59.2%
Other Products	(30,858)	(27,489)	12.3%
Average Cash Cost Per Unit (*)			
Sugar Cash Cost	**(378.5)**	**(408.0)**	**-7.2%**
Ethanol Cash Cost	**(591.7)**	**(724.0)**	**-18.3%**

(*) Sugar in R$/Ton
Ethanol in R$/m³

In 1Q14, sugar accounted for 48.9% of the Group's consolidated EBITDA, while ethanol and other products accounted for 46.5% and 4.6%, respectively. Sugar EBITDA margin decreased 3.5 p.p. from 1Q13, reflecting the lower sugar prices and higher freight expenses (higher logistics costs due to strong competition for freight from other commodities, such as corn and soybean, for example). However, due to the higher utilization of installed capacity, the sugar EBITDA cost decreased by 11.2%, reflecting the higher dilution of fixed costs.

Ethanol EBITDA margin expanded 17.4 p.p. in the quarter, reflecting the higher utilization of installed capacity (i.e., sharp increase in the share of ethanol in the mix) and the higher average price (which reduced the ethanol EBITDA cost by 19.5%).

COST OF GOODS SOLD

BREAKDOWN OF COGS - CASH	1Q14	1Q13	Chg.%
R$ thousand			
Agricultural Costs	**154,390**	**91,216**	**69.3%**
Suppliers	*64,061*	*44,631*	*43.5%*
Partnerships	*34,603*	*17,429*	*98.5%*
Own Sugarcane	*55,726*	*29,156*	*91.1%*
Industrial	35,623	20,511	73.7%
Other Products	39,111	34,729	12.6%
Total COGS	**229,124**	**146,456**	**56.4%**
TRS Sold ('000 Tons)	565	293	92.5%
Unit Cost (Sugar and Ethanol Cash COGS/TRS Sold)	336	381	-11.7%

In 1Q14, cash COGS was R$229.1 million, increasing 56.4% from the same quarter of the previous crop year, mainly due to the strong sales volume growth of 92.5% measured in TRS equivalent.

Unit cost fell 11.7%, reflecting the higher capacity utilization rate, which helped dilute industrial and agricultural costs.

SELLING EXPENSES

SELLING EXPENSES	1Q14	1Q13	Chg.%
R$ thousand			
Port / Freight Costs	22,112	8,088	173.4%
Sales Commission	40	32	22.5%
Other - non-recurring	730	857	-14.8%
Selling Expenses	**22,882**	**8,978**	**154.9%**
TRS Sold ('000 Tons)	565	293	92.5%
% of Net Revenues	4.6%	3.1%	1.5 p.p.

In 1Q14, selling expenses amounted to R$22.9 million, increasing 154.9% from 1Q13. The line making the biggest contribution to these expenses was "Port/Freight Costs", which were impacted by the higher volume of ethanol and sugar exports in the period, as commented in the section "Financial Performance – Sugar/Ethanol".

GENERAL AND ADMINISTRATIVE EXPENSES

G&A EXPENSES - (CASH)	1Q14	1Q13	Chg. (%)
R$ Thousand			
Personnel and Management Fee	18,287	14,314	27.8%
Taxes, Fees, Contributions and Contingencies	6,437	7,775	-17.2%
General Expenses and Third-Party Services	5,079	5,560	-8.7%
Stock Options Expenses	529	631	-16.1%
Total General and Administrative Expenses	**30,332**	**28,280**	**7.3%**

G&A expenses amounted to R$30.3 million in 1Q14, increasing 7.3% from the same quarter of the previous crop year. The increase in the period was led by expenses with personnel and fees, due to the 25% provision for variable compensation and wage increases under the collective bargaining agreement, which had not been provisioned for in the same period last year.

EBITDA

BOOK EBITDA	CPC 19 1Q14	CPC 19 1Q13	CPC 19 Chg.%	Pro-Forma 1Q14	Pro-Forma 1Q13	Pro-Forma Chg.%
R$ thousand						
Book EBITDA	**156,385**	**78,268**	**99.8%**	**212,914**	**119,393**	**78.3%**
EBITDA Margin	39.5%	35.7%	3.8 p.p.	43.1%	41.1%	2.0 p.p.
(-) Depreciation and Amortization	(101,792)	(59,707)	70.5%	(147,098)	(87,414)	68.3%
(-) Net Financial Expense	(1,787)	(7,017)	-74.5%	(16,748)	(29,030)	-42.3%
(=) Operating Profit (Loss)	52,806	11,544	357.4%	49,068	2,949	1563.9%

EBITDA RECONCILIATION	Pro-Forma 1Q14	Pro-Forma 1Q13	Pro-Forma Chg.%
R$ thousand			
Book EBITDA	**212,914**	**119,393**	**78.3%**
Non-cash Items Recorded in COGS	-	(246)	n.m.
Biological Assets	(1,864)	(13,458)	-86.1%
Operating Income (Expenses) - Non-recurring	(514)	438	n.m.
Equity Income	1,079	1,949	-44.6%
Adjusted EBITDA	**211,615**	**108,076**	**95.8%**
Adjusted EBTIDA Margin	42.8%	37.2%	5.6 p.p.

Adjusted EBITDA

The São Martinho Group recorded EBITDA of **R$211.6 million in 1Q14 (Adjusted EBITDA Margin of 42.8%), increasing 95.8% from 1Q13.** As mentioned earlier, EBITDA growth was mainly driven by (i) the higher sales volumes of sugar, ethanol and electricity resulting from the higher volume of sugarcane crushed in the period; and (ii) the lower sugar and ethanol unit production costs due to the higher utilization of installed capacity, which helped dilute fixed costs.

HEDGING

U.S. Dollar

On June 30, 2013, the São Martinho Group held a short position in USD currency futures through non-deliverable forwards (NDFs), which are used to hedge its sugar and ethanol exports, with maturities through the 2015/16 crop year as follows:

Maturity	US$ thousand	Average Price (R$/US$)
US Dollar		
2013/2014 Crop Year	356,590	2.14
2014/2015 Crop Year	59,330	2.22
2015/2016 Crop Year	15,114	2.30
	431,034	**2.16**

From the number of US$ 356.6 million of NDFs in the 2013/2014 Crop Year, US$ 303.7 million refers to sugar hedge. The difference comes from NDFs designed to Anhydrous Ethanol, RNA and other products hedges.

Sugar

On June 30, 2013, we had sugar prices locked-in for the **2013/14 crop year for 528,300 tons at an average price of USD 20.27 cents/pound.**

	Volume (Tons)	Average Price (US$ c/p)	USD - Average Price (R$/US$)
Sugar			
2013/2014 Harvest	528.355	20,27	2,14
	528.355	**20,27**	

Hedge Accounting - In March 2010, inclusive, the Company began adopting hedge accounting for derivatives designated as hedge instruments, with their potential results recorded in equity ("Adjustments to book value"), net of deferred income tax and social contribution tax (potential loss of R$80.6 million in June 2013).

NET FINANCIAL RESULT

FINANCIAL RESULT	1Q14	1Q13	Chg. (%)
R$ Thousand			
Financial Income	9,817	13,008	-24.5%
Financial Expenses	(34,011)	(25,100)	35.5%
Hedge Result	(77)	3,481	n.m.
Exchange Variation	9,505	(17,842)	-153.3%
Copersucar Monetary Variation	(1,983)	(2,577)	-23.0%
Net Financial Result	**(16,748)**	**(29,030)**	**-42.3%**

The net financial result in 1Q14 was an expense of R$16.7 million, which represents a 42.3% reduction from the net financial expense in 1Q13. The result was mainly impacted by the R$9.5 million exchange variation gain resulting from the net exposure to the USD in the quarter (balance denominated in foreign currency, excluding the hedge for exports already executed).

NET INCOME

Net income in 1Q14 amounted to R$34.7 million, compared to net income of R$2.4 million in the same period last year. The improvement was driven by the EBITDA growth in the period, as mentioned in the section "EBITDA".

DEBT WITH COPERSUCAR

On June 30, 2013, the São Martinho Group recognized the amount of R$217.4 million in obligations payable to Copersucar under Liabilities on its balance sheet. 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$169.7 million on a consolidated basis.

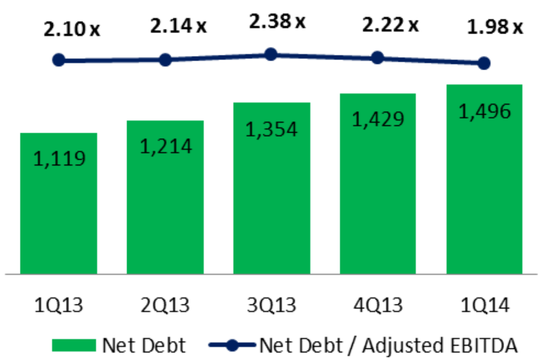
INDEBTEDNESS

DEBT	sep/12	mar/12	Chg. (%)
R$ Thousand			
PESA	66,215	69,599	-4.9%
Rural Credit	162,003	161,662	0.2%
BNDES / FINAME	557,177	546,570	1.9%
Working Capital	100,488	144,896	-30.6%
ACC (Advances on Foreign Exchange Contracts)	-	40,662	n.m.
PPE (Export prepayment)	408,000	429,611	-5.0%
NCE (Export Credit Note)	443,256	378,905	n.m.
Others	2,852	3,108	-8.2%
Obligations from Acquisitions	83,708	81,657	2.5%
Gross Debt	**1,823,699**	**1,856,670**	**-1.8%**
Cash and Cash Equivalents	576,857	634,290	-9.1%
Net Debt	**1,246,842**	**1,222,380**	**2.0%**
(+) Proportional Gross Debt at Santa Cruz	248,938	206,913	20.3%
Consolidated Net Debt	**1,495,780**	**1,429,293**	**4.7%**
Net Debt / Acum. EBITDA	1.98 x	2.22 x	

In 1Q14, the net debt of the São Martinho Group increased by 4.7% (R$1.5 billion), closing the period with a Net Debt/EBITDA ratio of 1.98 times. The main factor in the debt increase was the depreciation in the local currency in the period, which increased our USD-denominated debt by approximately R$100 million.

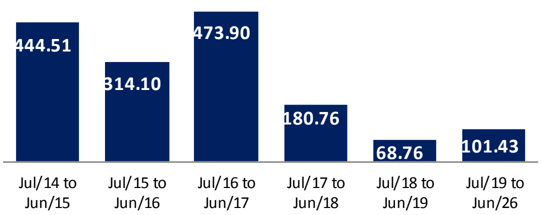
Amortization Schedule – Long-term Debt

R$ - Million



Net Debt/ LTM EBITDA

Evolution

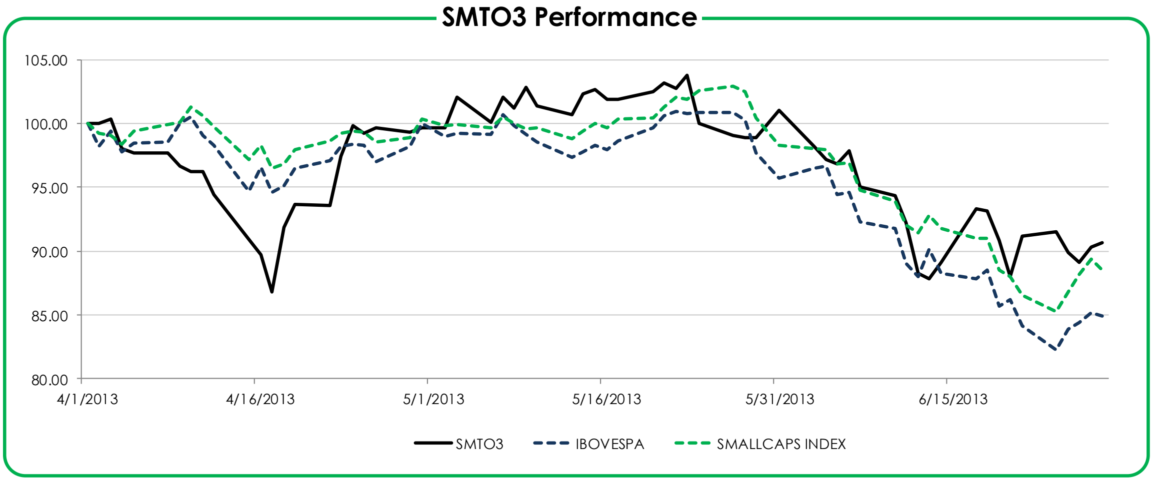


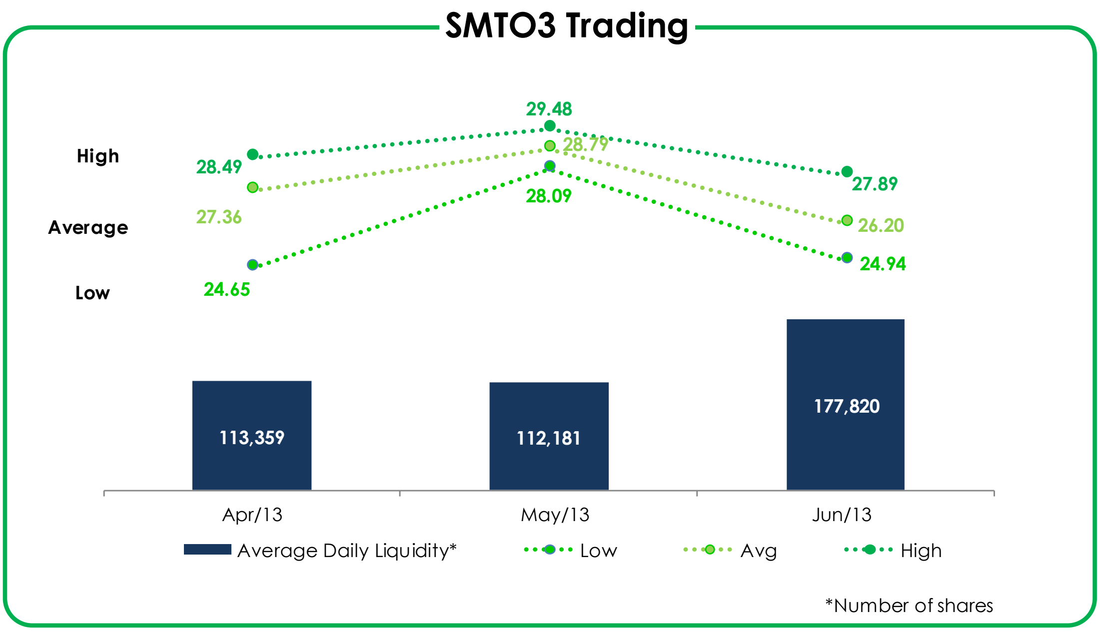
CAPITAL EXPENDITURE

SÃO MARTINHO - CONSOLIDATED	1Q14	1Q13	Var%.
Maintenance Capex			
Sugarcane Planting	27,420	24,111	13.7%
Industrial / Agricultural	3,039	21,228	-85.7%
Crop Tretament	46,625	34,213	36.3%
Sub Total	**77,084**	**79,552**	**-3.1%**
Upgrading / Expansion Capex			
São Martinho Mill			
Industrial / Agricultural	29,142	33,079	-11.9%
Sub Total	**29,142**	**33,079**	**-11.9%**
Boa Vista Mill (50,95%)			
Sugarcane Planting	5,807	10,710	n.m.
Industrial / Agricultural	1,451	2,699	-46.2%
Crop Tretament	1,185	4,404	n.m.
Sub Total	**8,442**	**17,813**	**-52.6%**
Santa Cruz Mill (32,18%)			
Industrial / Agricultural	745	1,315	-43.3%
Sub Total	**745**	**1,315**	**-43.3%**
TOTAL GERAL	**115,413**	**131,759**	**-12.4%**

The maintenance CAPEX of the São Martinho Group amounted to R$77.1 million in 1Q14, or 3.1% lower than in 1Q13. Investments related to expansion and modernization amounted to R$38.3 million in the period and were composed of (i) the remaining investment in the cogeneration project at Usina São Martinho, and (ii) the investments in Usina Boa Vista.

SMTO3 STOCK PERFORMANCE





Conference Call: August 13, 2013 (Tuesday)
3:00 p.m. (Brasília time): +55 (11) 4688 6361
2:00 p.m. (US ET): +1 (786) 924 6977
Access code: São Martinho

SMTO3 NOVO MERCADO BM&FBOVESPA

DISCLAIMER

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

ABOUT SÃO MARTINHO GROUP

The São Martinho Group is one of the largest groups in Brazil's sugar and ethanol industry, with three mills in operation: São Martinho in Pradópolis (in the Ribeirão Preto region of São Paulo state), Iracema in Iracemápolis (in the Limeira region of São Paulo) and Boa Vista (in Quirinópolis, Goiás). In addition to these mills, we also consolidated 32.18% of 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

SÃO MARTINHO S.A. - CONSOLIDATED	CPC 19 1Q14	CPC 19 1Q13	Var %	Pro-forma 1Q14	Pro-forma 1Q13	Chg. (%)
R$ Thousand						
Gross Revenue	407,302	230,879	76.4%	512,277	307,872	66.4%
Deductions from Gross Revenue	(11,060)	(11,390)	-2.9%	(18,016)	(17,559)	2.6%
Net Revenue	**396,242**	**219,489**	**80.5%**	**494,261**	**290,313**	**70.3%**
Cost of Goods Sold (COGS)	(283,219)	(151,127)	87.4%	(372,242)	(218,169)	70.6%
Gross Profit	**113,023**	**68,362**	**65.3%**	**122,019**	**72,144**	**69.1%**
Gross Margin (%)	*28.5%*	*31.1%*	-2.6 p.p	*24.7%*	*24.9%*	-0.2 p.p
Operating Expenses	**(58,430)**	**(49,801)**	**17.3%**	**(56,203)**	**(40,165)**	**39.9%**
Selling Expenses	(19,853)	(6,878)	188.6%	(22,882)	(8,978)	154.9%
General and Administrative Expenses	(27,381)	(24,552)	11.5%	(32,422)	(30,019)	8.0%
Equity Income	(11,769)	(19,217)	-38.8%	(1,079)	(1,949)	-44.6%
Other Operating Expenses, Net	573	846	-32.3%	180	781	-77.0%
Operating Profit, Before Financial Effects	**54,593**	**18,561**	**194.1%**	**65,816**	**31,979**	**105.8%**
Financial Result, Net	**(1,787)**	**(7,017)**	**-74.5%**	**(16,748)**	**(29,030)**	**-42.3%**
Financial Revenues	16,091	18,575	-13.4%	22,807	25,135	-9.3%
Financial Expenses	(41,061)	(27,915)	47.1%	(57,466)	(36,927)	55.6%
Monetary and Exchange Variations - Net	23,183	2,323	898.0%	17,911	(17,238)	n.m.
Income (Loss) Before Income and Social Contribution Taxes	**52,806**	**11,544**	**357.4%**	**49,068**	**2,949**	**1563.9%**
Income Tax and Social Contribution - Current	(2,299)	(437)	426.1%	(2,740)	(489)	n.m.
Income Tax and Social Contribution - Deferred	(15,779)	(8,729)	80.8%	(11,600)	(82)	n.m.
Net Income	**34,728**	**2,378**	**1360.4%**	**34,728**	**2,378**	**1360.4%**
Net Margin (%)	*8.8%*	*1.1%*	7.7 p.p	*7.0%*	*0.8%*	6.2 p.p

BALANCE SHEET (ASSETS)

SÃO MARTINHO S.A. CONSOLIDATED - ASSETS	CPC 19		Pro-forma	
R$ Thousand				
ASSETS	jun/13	mar/13	Jun/13	Mar/12
SHORT-TERM ASSETS				
Cash and Cash Equivalents	468,675	531,142	576,857	634,290
Trade Receivables	91,096	51,739	115,603	62,667
Derivative Financial Instruments	80,181	79,232	85,874	84,998
Inventories	142,702	101,503	205,247	148,661
Taxes Recoverable	57,067	43,313	71,538	57,085
Income Tax and Social Contribution	30,261	33,370	33,093	36,655
	353	353		
Other Assets	9,929	6,422	12,495	7,610
TOTAL SHORT-TERM ASSETS	**880,264**	**847,074**	**1,100,707**	**1,031,966**
LONG-TERM ASSETS				
Long-term Receivables				
Marketable Securities	-	-	9,554	9,037
Inventories	31,314	13,196	73,445	35,592
Related Parties	1,025	2,013	11	10
Deferred Income Tax and Social Contribution	-	6,968	53,323	56,785
Trade Receivables from Copersucar	1,228	1,228	1,398	1,398
Taxes Recoverable	50,314	47,834	70,444	67,438
Judicial Deposits	33,595	35,654	36,411	38,769
Other Assets	253	250	463	395
	117,729	**107,143**	**245,049**	**209,424**
Investments	580,420	600,280	10,409	11,488
Biological Assets	525,012	544,167	767,176	797,400
Property, plant and equipment	2,615,250	2,627,129	3,311,624	3,339,886
Intangible Assets	178,861	179,119	241,493	242,946
TOTAL LONG-TERM ASSETS	**4,017,272**	**4,057,838**	**4,575,751**	**4,601,144**
TOTAL ASSETS	**4,897,536**	**4,904,912**	**5,676,458**	**5,633,110**

BALANCE SHEET (LIABILITIES)

SÃO MARTINHO S.A. CONSOLIDATED- LIABILITIES	CPC 19		Pro-forma	
R$ Thousand				
LIABILITIES AND SHAREHOLDERS' EQUITY	**jun/13**	**mar/13**	**Jun/13**	**Mar/12**
SHORT-TERM LIABILITIES				
Borrowings	288.303	240.405	405.468	363.529
Derivative Financial Instruments	89.340	14.297	92.259	15.149
Trade Payables	104.829	77.059	130.571	98.235
Payables to Copersucar	2.040	2.040	2.234	2.263
Salaries and Social Contributions	69.452	50.153	86.614	66.523
Taxes Payable	10.124	10.225	12.908	12.485
Income Tax and Social Contribution	863	314	1.270	484
Related Parties	-	-	398	398
Dividends Payable	17.326	17.326	17.326	17.326
Advances from Customers	4.695	957	7.700	3.341
Aquisition of Investment	73.686	71.808	73.686	71.808
Other Liabilities	20.006	16.393	17.516	12.405
TOTAL SHORT-TERM LIABILITIES	**680.664**	**500.977**	**847.950**	**663.946**
LONG-TERM LIABILITIES				
Borrowings	1.089.241	1.176.045	1.583.461	1.618.397
Payables to Copersucar	194.155	194.440	215.127	215.478
Taxes Payable in Installments	47.952	48.436	55.073	55.758
Deferred Income Tax and Social Contribution	773.499	810.465	826.242	867.891
Provision for Contingencies	58.972	60.171	64.556	66.331
Aquisition of Investment	10.022	9.849	10.022	9.849
Advances for future capital increase	-	-	30.996	30.931
Other Liabilities	4.400	3.912	4.400	3.912
TOTAL LONG-TERM LIABILITIES	**2.178.241**	**2.303.318**	**2.789.877**	**2.868.547**
SHAREHOLDERS' EQUITY				
Share Capital	614.150	614.150	614.150	614.150
Adjustments to Book Value	1.160.934	1.265.869	1.160.934	1.265.869
Revenues Reserves	232.556	232.556	232.556	232.556
Treasury Shares	(13.811)	(13.811)	(13.811)	(13.811)
Stock options granted	2.382	1.853	2.382	1.853
Retained Earnings	42.420	-	42.420	-
TOTAL SHAREHOLDERS' EQUITY	**2.038.631**	**2.100.617**	**2.038.631**	**2.100.617**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**4.897.536**	**4.904.912**	**5.676.458**	**5.633.110**

CONSOLIDATED CASH FLOW

SÃO MARTINHO S.A.	CPC 19 1Q14	CPC 19 1Q13	Pro Forma 1Q14	Pro Forma 1Q13
R$ Thousand				
CASH FLOWS FROM OPERATING ACTIVITIES				
Net Income in the period	**34.728**	**2.378**	**34.728**	**2.378**
Adjustments				
Depreciation and amortization	35.368	26.238	48.780	37.394
Harvested biological assets (depreciation)	66.424	33.469	98.318	50.020
Variation in fair value of biological assets	(3.429)	(13.988)	(1.864)	(13.458)
Residual cost of investments and property, plant and equipment disposals	11.769	19.217	1.079	1.949
Result of investment and property, plant and equipment disposals	(69)	15	(94)	(34)
Interest, monetary and foreign exchange variations, net	28.442	10.952	45.252	38.405
Constitution of provision for contingencies, net	5.333	7.015	5.469	6.890
Deferred income tax and social contribution	15.779	8.729	11.600	82
Constitution of provision for inventory losses	-	(445)	-	(446)
Adjustments to present value and others	3.028	3.731	3.843	3.681
	197.373	**97.311**	**247.111**	**126.861**
Changes in assets and liabilities				
Trade receivables	(39.357)	(16.820)	(52.935)	(24.505)
Inventories	(41.457)	(51.687)	(63.921)	(79.804)
Taxes recoverable	(12.269)	(8.788)	(12.822)	(7.034)
Financial Investments	-	-	(347)	-
Other assets	(1.449)	(5.403)	(1.824)	(6.617)
Trade payables	53.679	16.466	63.320	17.385
Salaries and social charges	19.299	10.728	20.225	12.738
Taxes payable	727	544	1.415	627
Taxes payable in installments	(1.211)	(1.534)	(1.449)	(1.802)
Provision for contingencies - settlements	(7.819)	(7.852)	(8.664)	(8.459)
Other liabilities	8.174	(3.225)	8.532	(2.458)
Cash provided by operations	**175.690**	**29.740**	**198.641**	**26.932**
Interest paid	(29.290)	(8.032)	(43.721)	(14.492)
Income tax and social contribution paid	(281)	(115)	(317)	(129)
Net cash provided by operating activities	**146.119**	**21.593**	**154.603**	**12.311**
CASH FLOW FROM INVESTMENT ACTIVITIES				
Financial resources used in investments	-	(1.041)	-	(1.068)
Additions to property, plant and equipments, intangible assets and deferred charges	(57.685)	(40.139)	(65.339)	(53.262)
Additions to biological assets (planting and crop treatment)	(51.829)	(42.691)	(81.037)	(73.439)
Proceeds from sale of property, plant and equipment	419	130	552	220
Cash and cash equivalents acquired from subsidiary	1	-	1	-
Advance for future capital increase	(513)	(1.830)	-	(1.193)
Net cash used in investing activities	**(109.607)**	**(85.571)**	**(145.823)**	**(128.742)**
CASH FLOW FROM FINANCING ACTIVITIES				
Derivatives Financial Instruments	(5.596)	8.966	(3.618)	7.578
New borrowing - third parties	53.227	461.178	100.561	542.334
Repayment of borrowing- Copersucar	(2.086)	(2.461)	(2.436)	(2.874)
Repayment of borrowing - third parties	(144.524)	(31.504)	(160.786)	(51.812)
Advance for future capital increase	-	-	66	5.519
Payment of dividends and interest on capital	-	(1.817)	-	(1.817)
Net cash provided by financing activities	**(98.979)**	**434.362**	**(66.213)**	**498.928**
Increase (decrease) in cash and cash equivalents	**(62.467)**	**370.384**	**(57.433)**	**382.497**
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	**468.675**	**666.160**	**576.857**	**793.064**

Conference Call: August 13, 2013 (Tuesday)
3:00 p.m. (Brasília time): +55 (11) 4688 6361
2:00 p.m. (US ET): +1 (786) 924 6977
Access code: São Martinho

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