(Convenience Translation into English from the Original Previously Issued in Portuguese)

São Martinho S.A.

Interim Financial Statements for the Quarter Ended June 30, 2009 and Independent Accountants' Review Report

Deloitte Touche Tohmatsu Auditores Independentes

(Convenience Translation into English from the Original Previously Issued in Portuguese)

INDEPENDENT ACCOUNTANTS' SPECIAL REVIEW REPORT
To the Shareholders and Management of
São Martinho S.A.
Pradópolis - SP

1. We have reviewed the accounting information included in the accompanying interim financial statements of São Martinho S.A. (the "Company") and subsidiaries, for the quarter ended June 30, 2009, consisting of the individual (Company) and consolidated balance sheets, the related statements of operations and cash flows, the performance report and the related notes, prepared under the responsibility of the Company's management.

2. Our review was conducted in accordance with specific standards established by the Brazilian Institute of Independent Auditors (IBRACON), together with the Brazilian Federal Accounting Council (CFC), and consisted, principally, of: (a) inquiries of and discussions with certain officials of the Company and its subsidiaries who have responsibility for accounting, financial and operating matters about the criteria adopted in the preparation of the interim financial statements; and (b) review of the information and subsequent events that have, or might have had, material effects on the financial position and results of operations of the Company and its subsidiaries.

3. Based on our review, we are not aware of any material modifications that should be made to the accounting information included in the interim financial statements referred to in paragraph 1 for them to be in conformity with standards established by the Brazilian Securities and Exchange Commission (CVM), specifically applicable to the preparation of the interim financial statements.

4. The accompanying interim financial statements have been translated into English for the convenience of readers outside Brazil.

Campinas, August 7, 2009

DELOITTE TOUCHE TOHMATSU
Auditores Independentes

Nourival C. Pedroso Filho
Engagement Partner

(Convenience Translation into English from the Original Previously Issued in Portuguese)

SÃO MARTINHO S.A.

BALANCE SHEETS AS OF JUNE 30 AND MARCH 31, 2009
(In thousands of Brazilian reais - R$)

		Company		Consolidated	
ASSETS	Note	06/30/09	03/31/09	06/30/09	03/31/09
CURRENT					
Cash and cash equivalents	4	29.862	28.676	112.108	190.063
Trade accounts receivable	5	7.627	9.980	27.883	45.544
Derivatives	24	-	942	13.062	6.110
Inventories	6	79.244	63.264	353.050	296.404
Recoverable taxes	7	16.383	13.862	63.477	52.972
Other assets	9	3.016	2.641	10.518	10.900
		136.132	119.365	580.098	601.993
NONCURRENT ASSETS					
Long-term assets:					
Intercompany receivables	8	10.361	16.420	3.069	3.424
Assets held for sale		-	-	422	520
Deferred income and social contribution taxes	21	38.076	36.066	119.408	130.973
Receivable from Copersucar		1.044	6.435	3.911	24.092
Recoverable taxes	7	8.229	8.158	66.787	67.578
Other assets	9	54	4	402	354
Investments:					
In subsidiaries and affiliates	10.1	1.134.031	1.101.249	-	-
Other investments		3.430	3.430	3.540	3.482
Property, plant and equipment	11	593.810	599.306	2.481.714	2.481.605
Intangible assets	12	244	262	40.706	40.887
Deferred charges	13	-	-	39.124	39.784
		1.789.279	1.771.330	2.759.083	2.792.699
TOTAL ASSETS		1.925.411	1.890.695	3.339.181	3.394.692

		Company		Consolidated	
LIABILITIES AND SHAREHOLDERS' EQUITY	Note	06/30/09	03/31/09	06/30/09	03/31/09
CURRENT LIABILITIES					
Loans and financing	14	74.897	87.054	366.348	401.115
Derivatives	24	2.112	-	2.112	6.269
Trade accounts payable	15	19.124	16.916	88.628	76.150
Payables to Copersucar	16	589	589	2.203	2.203
Payroll and related charges		10.206	7.300	47.958	34.932
Taxes payable		3.820	4.286	12.062	9.704
Intercompany payables	8	39.031	15.632	2.901	3.277
Other liabilities	17	1.672	7.485	22.471	25.858
		151.451	139.262	544.683	559.508
NONCURRENT LIABILITIES					
Long-term liabilities:					
Loans and financing	14	40.355	41.099	679.447	730.486
Payables to Copersucar	16	51.649	57.507	194.796	216.369
Taxes in installments		8.834	8.963	8.834	8.963
Deferred income and social contribution taxes	21	56.176	56.163	208.855	208.477
Provision for contingencies	23	9.396	8.839	75.452	74.127
Other liabilities	17	1.982	2.160	3.068	3.318
		168.392	174.731	1.170.452	1.241.740
MINORITY INTEREST		-	-	19.938	18.243
SHAREHOLDERS' EQUITY	18				
Capital		360.000	360.000	360.000	360.000
Revaluation reserves		1.108.369	1.117.599	1.108.369	1.117.599
Legal reserve		5.079	5.079	5.079	5.079
Capital budget reserve		95.923	95.923	94.422	94.422
Treasury stocks		(1.899)	(1.899)	(1.899)	(1.899)
Retained earnings		38.096	-	38.137	-
		1.605.568	1.576.702	1.604.108	1.575.201
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1.925.411	1.890.695	3.339.181	3.394.692

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

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SÃO MARTINHO S.A.

STATEMENTS OF OPERATIONS FOR THE QUARTERS ENDED JUNE 30, 2009 AND 2008
(In thousands of Brazilian reais - R$, except per share data)

		Company		Consolidated	
		06/30/09	06/30/08	06/30/09	06/30/08
	Note	Quarter	Quarter	Quarter	Quarter
GROSS SALES		52.625	20.612	241.265	103.410
DEDUCTIONS		(5.794)	(2.476)	(23.810)	(11.354)
NET SALES		46.831	18.136	217.455	92.056
COST OF SALES		(44.260)	(25.681)	(191.814)	(93.392)
GROSS PROFIT (LOSS)		2.571	(7.545)	25.641	(1.336)
Operating (expenses) income:					
Selling expenses		(1.688)	(18)	(14.475)	(2.870)
General and administrative expenses		(4.306)	(5.248)	(21.525)	(22.474)
Management fees		(1.011)	(1.274)	(1.869)	(1.795)
Equity in subsidiaries	10.1	32.782	(13.473)	-	-
Other operating income (expenses), net		(486)	513	(693)	17
		25.291	(19.500)	(38.562)	(27.122)
Income (loss) from operations before financial income (expenses)		27.862	(27.045)	(12.921)	(28.458)
Financial income (expenses)					
Financial income	25	743	1.801	23.598	4.052
Financial expenses	25	(7.485)	(5.308)	(20.453)	(16.494)
Monetary and exchange gains	25	9.168	227	75.035	1.951
Monetary and exchange losses	25	(3.419)	(6)	(21.074)	(660)
		(993)	(3.286)	57.106	(11.151)
Income (loss) before income and social contribution taxes		26.869	(30.331)	44.185	(39.609)
Income and social contribution taxes - current	21	-	-	(1.640)	-
Income and social contribution taxes - deferred	21	1.997	5.725	(11.943)	13.379
		1.997	5.725	(13.583)	13.379
Net income (loss) before minority interest		28.866	(24.606)	30.602	(26.230)
Minority interest		-	-	(1.695)	-
Net income (loss)		28.866	(24.606)	28.907	(26.230)
Income (loss) per share - R$		0,26	(0,22)		

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

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SÃO MARTINHO S.A.

STATEMENTS OF CASH FLOWS FOR THE QUARTERS ENDED JUNE 30, 2009 AND 2008
(In thousands of Brazilian reais - R$)

	Company		Consolidated	
	06/30/09	06/30/08	06/30/09	06/30/08
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income (loss)	28.866	(24.606)	28.907	(26.230)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Equity in subsidiaries	(32.782)	13.473	-	-
Depreciation and amortization - statements of operations	11.921	8.237	54.760	33.157
Net book value of property, plant and equipment written off	1.022	293	1.118	993
Financial charges and exchange variation on long-term intercompany balances, loans, financing, and taxes payable	(6.755)	4.022	(63.783)	17.013
Provision for contingencies	854	876	3.359	4.265
Reversal of allowance for investment losses	-	-	(58)	-
Deferred income and social contribution taxes	(1.997)	(5.725)	11.943	(13.379)
Adjustment to present value	528	220	1.575	710
Provision for inventory losses	985	4.886	1.990	10.897
Minority interest	-	-	1.695	-
(Increase) decrease in assets:				
Trade accounts receivable	2.412	27.392	17.923	52.349
Inventories	(11.060)	(19.232)	(37.637)	(70.771)
Recoverable taxes	(2.592)	(350)	(9.714)	2.262
Intercompany receivables	6.059	(44.289)	355	-
Assets held for sale	-	-	(78)	-
Derivatives	942	(779)	(6.952)	(8.326)
Other current assets	(375)	1.204	382	3.914
Other noncurrent assets	5.341	272	20.133	(5.475)
Increase (decrease) in liabilities:				
Trade accounts payable	2.208	8.196	12.478	24.681
Payroll and related taxes	2.906	3.107	13.026	12.151
Taxes payable	(492)	(819)	2.293	(1.184)
Taxes in installments	(304)	(278)	(584)	(294)
Intercompany payables	23.399	(250)	(376)	(40)
Provision for contingencies	(480)	(201)	(3.511)	(5.489)
Derivatives	2.112	1.299	(4.157)	5.084
Other current liabilities	(5.813)	775	(3.387)	3.080
Other noncurrent liabilities	(178)	2.683	(250)	2.601
Net cash provided by (used in) operating activities	26.727	(19.594)	41.450	41.969
CASH FLOWS FROM INVESTING ACTIVITIES				
Investments	-	(3.390)	-	(3.380)
Purchase of property, plant and equipment and increase in intangible assets and deferred charges	(13.334)	(12.605)	(75.969)	(161.542)
Net cash used in investing activities	(13.334)	(15.995)	(75.969)	(164.922)
CASH FLOWS FROM FINANCING ACTIVITIES				
Borrowings from third parties	36.325	45.062	97.209	210.056
Payment of financing - Copersucar	(6.025)	(20.655)	(22.319)	(75.898)
Payment of financing - third parties	(42.507)	(8.807)	(118.326)	(34.888)
Net cash provided by (used in) financing activities	(12.207)	15.600	(43.436)	99.270
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1.186	(19.989)	(77.955)	(23.683)
CASH AND CASH EQUIVALENTS				
At beginning of the year	28.676	20.557	190.063	72.534
At end of the year	29.862	568	112.108	48.851
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1.186	(19.989)	(77.955)	(23.683)
SUPPLEMENTAL INFORMATION				
Interest paid in the year	5.171	2.042	18.563	8.021
Payments to suppliers for purchases of property, plant and equipment	2.185	3.968	4.976	15.176
Income tax and social contribution paid in the year	-	343	483	2.495

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

1. OPERATIONS

1.1. Operations

São Martinho S.A. (the "Company") and its subsidiaries are primarily engaged in planting sugarcane and manufacturing and selling sugar, alcohol and other sugarcane by-products; cogeneration of electricity; cattle raising and agricultural production; import and export of goods, products and raw material, and holding of equity interest in other companies.

Approximately 69% (60% - Consolidated) of the sugarcane used in the manufacture of products derives from the Company's own plantations, shareholders, related parties and agricultural partnerships, and the remaining 31% (40% - consolidated), from third-party suppliers.

Sugarcane planting demands an 18-month period for maturing and for the beginning of the harvest, which generally takes place between April and December, when sugar and alcohol are produced. The sale of the production is made throughout the year and is not subject to seasonal variations but only to normal market variations in demand and supply.

1.2. Increase in ownership interest in the jointly-owned indirect subsidiary Mogi Agrícola S.A. ("Mogi")

The loan agreement entered into with the shareholder of Mogi, in the amount of R$ 7,233, was settled on May 17, 2008 through the exchange of 2,039,056 Mogi's shares. On May 17, 2006, when the loan agreement was signed, USM considered the increase from 30.86% to 46.02% in its interest in Mogi's capital, because it was established in the agreement that it would be settled through the exchange of shares.

The acquisition of interest in Mogi resulted in negative goodwill of R$ 358 on the investment.

1.3. Acquisition of companies followed by spin-off and merger of the jointly-owned indirect subsidiary Etanol Participações S.A. ("EP")

On April 12, 2007, EP, a holding company composed of USM, together with Cosan S.A. Indústria e Comércio and Santa Cruz S.A. Açúcar e Álcool, with interests of 41.67%, 33.33% and 25.00%, respectively, acquired USL, whose management is shared by them, with a board of directors and an executive board composed of representatives of each shareholder. The acquisition value of USL was R$ 184,080. EP also acquired Agropecuária Aquidaban S.A. ("AA") from the shareholders of USL, for R$ 61,360.

In order to achieve one of the objectives of said acquisition, related to gaining operating and administrative synergies, on December 10, 2007 the shareholders of EP announced their decision to absorb the operations of USL and AA. The activities of said subsidiaries will be developed directly by the shareholders, according to their interest in the capital of EP, beginning the 2008/2009 crop.

On December 21, 2007, USM and the other shareholders of EP resolved to conduct a full spin-off of the assets and liabilities of EP, which were transferred to USL and AA. Such spin-off followed by merger was approved by the Extraordinary Shareholders' Meetings held on December 21, 2007. The spun-off and merged net assets, according to the book value appraisal report issued by independent experts, were R$ 226,948 as of October 31, 2007.

At the Extraordinary Shareholders' Meeting held on April 25, 2008, the shareholders approved the merger of the AA into the USL and, subsequently, the spin-off of USL, whose spun-off net assets were absorbed by USM and the other shareholders of USL, at book values, according to their respective equity interests.

1.4. Capital increase in subsidiary Usina Boa Vista S.A. ("UBV")

On a meeting held on July 23, 2008, the Board of Directors approved an increase in UBV's capital in the amount of R$ 170,274, from R$ 71,726 to R$ 242,000, through subscription of 170,273,733 new common shares.

Capital was paid up mainly with the capitalization of an advance for future capital increase in the amount of R$ 97,876 made by the Company and R$ 55,370 made by USM, and funds contributed by Mitsubishi Corporation, in the amount of R$ 17,027.

As a result of the capital increase, the Company's interest in UBV increased from 27% to 48.45% and became its controlling shareholder as it held its common shares. Accordingly, USM's interest in UBV decreased from 63% to 41.55%, and the subsidiary is no longer its controlling shareholder. However, the percentage of interest in consolidated did not change.

1.5. Incorporation and sale of Santa Cecília Agroindustrial S.A. ("SCA")

To provide alternatives to the exploitation and management of assets contributed by shareholders in the spin-off of USL, as mentioned in note 1.4., on July 31, 2008, USM, together with Usina da Barra S.A. Açúcar e Álcool and Santa Cruz S.A. Açúcar e Álcool, incorporated SCA, by contributing part of the spun-off net assets of USL. The portion of capital related to Usina São Martinho S.A. is R$ 20,448, representing an ownership interest of 41.67%.

On January 14, 2008, the subsidiary and the other shareholders of SCA decided to sell the investment in the indirect jointly-owned subsidiary through the sale of its shares to Nova Mucuri Participações S.A., for the amount of R$ 37,829. As a result, a loss of R$ 11,242 was recorded, and the portion attributable to the subsidiary, proportional to its ownership interest in SCA, amounted to R$ 4,684, recorded under "Other income (expenses), net" in the statements of operations.

1.6. Allicom Consortium establishment agreement

On September 22, 2008, the Company and its subsidiaries USM and UBV, together with USJ Açúcar e Álcool S.A. (“USJ”) and Santa Cruz S.A. Açúcar e Álcool (“Santa Cruz”) entered into an agreement for the establishment of the Allicom Consortium, which is engaged in managing the operating aspects of the sale of sugar and ethanol to its members, as well as negotiating prices, terms, and volumes of products, carry out sugar and ethanol hedge transactions under the individual strategic guidance of each member, and try to identify business opportunities to sell its members’ production, both in the domestic market and abroad. Each member is responsible for the direct management of its sales agreements.

The consortium will be managed by an Executive Board consisting of one representative of each consortium member. Costs, expenses and obligations arising from consortium operations will be defrayed by the members proportionally to their percentage interest in the volume sold through Allicom.

2. PREPARATION AND PRESENTATION OF INTERIM FINANCIAL STATEMENTS

The Company’s and consolidated interim financial statements do not include all the disclosures required by Brazilian accounting practices for full financial statements and have been prepared and presented:

(a) In conformity with Brazilian accounting practices with amendments introduced by Law 11638/07 and Law 11941/09, which alter, revoke and introduce new provisions to Law 6404/76;

(b) In conformity with standards established by the Brazilian Securities and Exchange Commission (CVM);

(b) Accounting pronouncements and orientations issued by the Accounting Pronouncement Committee (CPC);

(c) “Novo Mercado” (New Market) listing requirements set forth by São Paulo Stock Exchange (BOVESPA);

The Company’s management did not identify any significant adjustment as a result of the adoption of Laws 11638 and 11941 that would ultimately require the restatement of the statement of income for the quarter ended June 30, 2008 for comparison purposes.

Assets and liabilities are recorded as current according to the payment or realization estimate for the next twelve months. Assets and liabilities expected to be realized in more than twelve months are stated as noncurrent. Monetary assets and liabilities denominated in foreign currencies were converted into Brazilian reais at the exchange rate in effect on the balance sheet date. Currency translation differences are recognized in the statement of operations.

The preparation of interim financial statements in conformity with CVM standards requires the Management of the Company and its subsidiaries to make estimates based on objective and subjective factors to record certain transactions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Major estimates related to the financial statements refer to measurement of financial instruments, benefits to employees, determination of useful lives of property, plant and equipment, the provision for inventory losses at realizable value, provision for contingencies, impairment for noncurrent assets and deferred taxes assets. Actual results, upon effective realization in subsequent periods, could differ from those estimates.

3. CONSOLIDATION CRITERIA

The consolidated balance sheets as of June 30 and March 31, 2009, and the related consolidated statements of operations for the quarters ended June 30, 2009 and 2008 consider the percentage of ownership interest in subsidiaries in effect on the respective dates and the applicable proportionate consolidation criteria. The consolidated balances include the following subsidiaries:

Company	Main activities
Usina São Martinho S.A. – 100% interest	Sugarcane processing; own production and production acquired from third parties; manufacture and sale of sugar, alcohol and their by-products; cogeneration of electric energy; agricultural production and cattle raising; import and export of goods, products and raw material; and holding of equity interests in other companies.
UBV - 48.45% of interest (90% including the interest of USM).	Sugarcane processing; own production and production acquired from third parties; manufacture and sale of sugar, alcohol and their by-products; cogeneration of electric energy; agricultural production and cattle raising; import and export of goods, products and raw material; and holding of equity interests in other companies.
Omtek Indústria e Comércio Ltda. ("Omtek") - 99.99% interest for all reported periods (100% including the interest of USM).	Sodium salt processing and sale in the foreign market. The operating cycle is the same as the parent company's, which is responsible for supplying (under specific conditions) sugarcane molasses, steam and electric power, inputs necessary for the company's production.

The interim financial statements of USM are consolidated prior to the consolidation by the Company, using accounting practices and consolidation criteria consistent with those used by the Company.

The consolidation of USM includes the following subsidiaries:

- Mogi - 46.02% interest;
- USL - 41.67% interest;
- UBV - 41.55% interest;
- SMBJ Agroindustrial S.A. (“SMBJ”) - 99.9% interest.

As of June 30, 2008, UBV was in the pre-operating stage. This Company was fully consolidated as the Company became the controlling shareholder of the common shares as of June 30, 2008, with the separate presentation of minority interest in the consolidated financial statements, calculated based on the percentage interest held by the other shareholders, which totaled 10%. Omtek was considered a subsidiary of the Company.

In addition, the main consolidation procedures adopted were as follows:

a) Elimination of interests in subsidiaries’ shareholders’ equity.
b) Elimination of investments and equity in subsidiaries.
c) Elimination of intercompany balances and unrealized profits arising from intercompany transactions.
d) Reclassification of negative goodwill on indirect subsidiaries to long-term liabilities - other and goodwill on indirect subsidiaries to intangible assets caption.

4. CASH AND CASH EQUIVALENTS

	Company	
	6/30/2009	3/31/2009
Cash and banks	29,862	28,676

		Consolidated	
	Yield	6/30/2009	3/31/2009
Cash and banks	-	109,834	137,279
Temporary cash investments:			
Debenture repurchase agreements	De 100% a 104% of the CDI variation - weighted average rate	168	14,528
CDB (bank certificates of deposit)	101.72% of the CDI variation - weighted average rate	-	36,904
Interest-bearing account SWEEP	US dollar variation + variable rate of 1.45% to 2.55% p.a.	2,106	1,352
Total		112,108	190,063

Cash and bank balances include deposits in bank accounts available for immediate use. These balances reflect significant amounts resulting from the normal flow of operations of the Company and its subsidiaries and the use of such cash to pay commitments at the beginning of the month subsequent to the closing of interim financial statements.

Repurchase and debenture repurchase agreements represent fixed-rate investments backed by government securities, ensuring fixed-rate yield as specified above, regardless of the variation in the yield of the securities acquired. All short-term investments may be redeemed in up to 30 days, with no loss of yield.

5. TRADE ACCOUNTS RECEIVABLES

	Company		Consolidated	
	6/30/2009	3/31/2009	6/30/2009	3/31/2009
Domestic customers	7,266	9,980	27,522	44,235
Foreign customers	361	-	361	1,309
	7,627	9,980	27,883	45,544

For the quarter ended June 30, 2009, Management deemed recording an allowance for doubtful accounts unnecessary.

The aging list of trade accounts receivable is as follows:

	Company		Consolidated	
	6/30/2009	3/31/2009	6/30/2009	3/31/2009
Past due:				
up to30 days	154	745	302	3,544
from 31 to 60 days	-	-	34	1,426
over 61 days	-	112	12	169
Current:				
up to30 days	5,217	7,998	25,163	33,720
from 31 to 60 days	2,093	983	2,198	3,608
over 61 days	163	142	174	3,077
Total	7,627	9,980	27,883	45,544

The average collection period for trade accounts receivable is 13 days (12 days - consolidated). The balance of receivables with maturity over 60 days refers basically to amounts receivable for plantation services provided to third parties, which will be received during the crop 2009/2010, when the respective sugarcane maturation will occur.

6. INVENTORIES

	Company	
	6/30/2009	3/31/2009
Finished products and work in process	43,416	21,090
Sugarcane - crop treatment	24,193	32,073
Advances - purchase of sugarcane	2,425	3,144
Inputs, indirect materials, maintenance materials and other	10,196	6,957
Provision for inventory losses	(986)	-
	79,244	63,264

	Consolidated	
	6/30/2009	3/31/2009
Finished products and work in process	163,612	102,986
Sodium salt	6,329	6,572
Sugarcane - crop treatment	94,438	117,090
Advances - purchase of sugarcane	56,873	42,562
Inputs, indirect materials, maintenance materials and other	40,236	33,642
Provision for inventory losses	(8,438)	(6,448)
	353,050	296,404

The Company recorded a provision to adjust anhydrous and hydrous ethanol inventories to their realizable value.

To secure the payment of part of the obligations assumed at the time of the withdrawal from Copersucar, the Company has pledged in favor of Copersucar 8,907,711 liters of fuel alcohol (25,756,738 liters - Consolidated).

7. RECOVERABLE TAXES

	Company	
	6/30/2009	3/31/2009
COFINS (tax on revenue), including credits arising from purchases of property, plant and equipment items	11,969	10,538
IRPJ (corporate income tax)	4,289	4,724
ICMS (state VAT) on purchases of property, plant and equipment items	4,954	3,737
PIS (tax on revenue) including credits arising from purchases of property, plant and equipment items	2,420	2,102
CSLL (social contribution tax)	897	872
Other	83	47
	24,612	22,020
Current assets	16,383	13,862
Noncurrent assets	8,229	8,158

	Consolidated	
	6/30/2009	3/31/2009
COFINS (tax on revenue), including credits arising from purchases of property, plant and equipment items	70,657	62,777
ICMS (state VAT) on purchases of property, plant and equipment items	33,155	31,245
IRPJ (corporate income tax)	7,739	9,573
PIS (tax on revenue) including credits arising from purchases of property, plant and equipment items	14,594	12,946
CSLL (social contribution tax)	1,369	1,854
Other	2,750	2,155
	130,264	120,550
Current assets	63,477	52,972
Noncurrent assets	66,787	67,578

The balances of recoverable taxes arise from commercial transactions and prepayments. These balances are considered realizable by Management in the normal course of the Company's and subsidiaries' operations.

With the enactment of Law 11,727/08, effective October 1, 2008, PIS and COFINS (taxes on revenue) levied on alcohol production and sale have been calculated on a noncommutative basis. As a result of this change, the Company was entitled to deemed PIS and COFINS credits equivalent to R$ 48,00 per m^3 of the alcohol held in inventory as of September 30, 2008, proportionally to the alcohol production in the period. The Company and its subsidiaries recorded credits in the amount of R$ 48,700, which may be recognized in monthly over 12 to 60 months. These credits will be offset against debits relating to PIS and COFINS calculated on the noncommutative basis. Credits were recognized in the year ended March 31, 2009 against a reduction in inventory and property, plant and equipment balances.

8. RELATED-PARTY TRANSACTIONS

a) Company and consolidated balances:

	Company			
	6/30/2009		3/31/2009	
	Long-term assets	Current liabilities	Long-term assets	Current liabilities
Subsidiaries:				
USM	578	14,734	4,614	9,716
Omtek	9,700	-	11,768	-
UBV	83	24,297	38	5,916
Subtotal	10,361	39,031	16,420	15,632
Shareholders, arising from purchase of sugarcane (trade accounts payable)	-	114	-	193
	10,361	39,145	16,420	15,825

	Consolidated			
	6/30/2009		3/31/2009	
	Long-term assets	Current liabilities	Long-term assets	Current liabilities
Subsidiary and indirect subsidiary:				
Mogi	3	26	-	26
USL	17	2,875	-	3,251
Santa Cruz S.A. – Açúcar e Álcool	1,231	-	1,393	-
Usina da Barra S.A. – Açúcar e Álcool	1,642	-	1,856	-
Sub-total	2,893	2,901	3,249	3,277
Shareholders, arising from leased land	176	-	175	-
Shareholders, arising from purchase of sugarcane (trade accounts payable)	-	2,037	-	959
	3,069	4,938	3,424	4,236

The balances with subsidiaries and indirect subsidiary refer to advance for future capital increase, loan agreements maturing every December 31, extendable for one additional year, subject to charges equivalent to 100% of the CDI (interbank deposit rate) variation, and other intercompany transactions.

All long-term intercompany balances are estimated to be settled in a maximum of 24 months. Sugarcane purchases from shareholders are conducted under market conditions similar to those applicable to third parties.

b) Company's transactions

	6/30/2009					
	Financial expenses	Administrative and financial expenses	Sales revenue	Expenses apportioned among subsidiaries	Expenses reimbursed by subsidiaries	Purchase of products and services
USM	8	94	2,248	1,163	796	-
Omtek	49	-	1,736	-	16	-
UBV	-	395	-	-	287	4,929
Rental of properties from shareholders	-	18	-	-	-	-
Purchase of sugarcane from shareholders	-	-	-	-	-	147
	57	507	3,984	1,163	1,099	5,076

	6/30/2008					
	Financial expenses	Administrative and financial expenses	Sales revenue	Expenses apportioned among subsidiaries	Expenses reimbursed by subsidiaries	Purchase of products and services
USM	-	-	-	877	1,517	18
Omtek	-	-	293	-	23	-
UBV	1,098	-	-	-	250	-
Rental of properties from shareholders	-	16	-	-	-	-
Purchase of sugarcane from shareholders	-	-	-	-	-	601
	1,098	16	293	877	1,790	619

Intercompany transactions refer to revenues and expenses related to charges on loans agreements, revenues and expenses related to sale of molasses, electric power and steam purchase and sale of agricultural and industrial inputs and other products, rental of properties and purchase of sugarcane from shareholders, carried out under the business terms and conditions offered to third parties.

The expenses apportioned among subsidiaries refer to expenses incurred by USM with the shared service center and the expenses reimbursed by subsidiaries refer to expenses incurred on the Board of Directors and the Corporate office. Apportionments are supported by agreements entered into by the parties.

The consolidated amounts of sugarcane purchases from shareholders for the quarters ended June 30, 2009 and 2008 were R$ 2,679 and R$ 1.741, respectively.

9. OTHER ASSETS

	Company		Consolidated	
	6/30/2009	3/31/2009	6/30/2009	3/31/2009
Advances - purchase of sugarcane	625	733	1,815	1,876
Prepaid expenses	760	922	5,056	6,216
Sundry advances	1,597	965	3,452	2,740
Other	88	25	597	422
	3,070	2,645	10,920	11,254
Current assets	3,016	2,641	10,518	10,900
Noncurrent assets	54	4	402	354

Advances for sugarcane purchases classified in long-term assets are realizable as from the 2010/2011 crop. When transferred to current assets, such advances are classified under the Inventories caption.

10. INVESTMENTS

10.1. Subsidiaries

	6/30/2009			
	USM	UBV	Omtek	Total
In subsidiaries:				
Shares held (thousands)	23,500	242,000	13,925	
Ownership interest	100%	48.45%	99.99%	
Capital	60,000	242,000	13,925	
Shareholders' equity	1,018,226	199,380	19,211	
Net income (loss)	25,020	16,950	(451)	
Changes in investments:				
Balances as of March 31, 2009	993,205	88,383	19,661	1,101,249
Equity in subsidiaries	25,020	8,212	(450)	32,782
Balances as of June 30, 2009	1,018,225	96,595	19,211	1,134,031

	3/31/2009			
	USM	UBV	Omtek	Total
In subsidiaries:				
Shares held (thousands)	23,500	242,000	13,925	
Ownership interest	100%	48.45%	99.99%	
Capital:	60,000	242,000	13,925	
Shareholders' equity	993,206	182,430	19,661	
Net loss	(28,067)	(63,955)	(2,488)	
Changes in investments:				
Balances as of March 31, 2008	1,022,213	20,550	22,149	1,064,912
Increase in ownership interest	-	97,876	-	97,876
Effect of the revaluation reserve of subsidiaries due to change in ownership interest	(941)	941	-	-
Equity in subsidiaries	(28,067)	(30,984)	(2,488)	(61,539)
Balances as of March 31, 2009	993,205	88,383	19,661	1,101,249

There are no reciprocal interests between the Company and direct and indirect subsidiaries.

10.2. Goodwill, spin-off and merger of EP

As mentioned in note 1.3, on April 12, 2007 EP acquired interest in USL and in AA for R$ 184,080 and R$ 61,360, respectively, recording total goodwill in the amount of R$ 210,117, of which R$ 154,013 refers to the acquisition of USL and R$ 56,104 refers to the acquisition of AA, based on the financial statements of the acquired companies as of March 31, 2007.

As mentioned in note 1.3, on December 10, 2007 the shareholders of EP announced to the market the discontinuation of the operations of USL AA. Subsequently, on December 21, 2007, the shareholders of EP resolved to conduct a full spin-off of EP's assets and liabilities, which were transferred to USL and AA. The ownership interests of EP in USL and AA were eliminated, and the shares previously held by EP in USL and AA were transferred to its shareholders.

Due to such decisions, the distribution of the goodwill paid by EP on the acquisition of the above-mentioned subsidiaries between appreciation of assets and future profitability has been revised and the provisions of CVM Instructions No. 319, of December 3, 1999, and No. 349, of March 6, 2001, were applied in the consolidation process of USM.

Such revision was based on an independent experts' appraisal report, taking into consideration the absorption of the operations of the subsidiaries by the controlling shareholders and the sale of a significant portion of their fixed assets. The portion of assets held for sale was classified in the consolidated balance sheet into a specific caption in current assets, at historical cost plus respective goodwill, whose sum represent the estimated realizable value, as determined in a report issued by independent appraisers. The property, plant and equipment items that will not be sold remain classified under a specific caption at the historical cost plus respective goodwill. The remaining goodwill was classified as future profitability, net of the related tax benefit, and is supported by a business appraisal report under the new operational assumption established in December 2007.

Through March 31, 2009, the goodwill portion attributed to estimated future earnings was amortized over a period not longer than ten (10) years, based on the expected return on investment in accordance with the appraisal report, which takes into account the investment's operational characteristics. As established by CPC 01 and CVM Instruction 565/08, goodwill arising from expected future earnings should no longer be systematically amortized from the fiscal year beginning April 1, 2009, to be periodically tested for impairment. Analyses performed did not indicate the need for recognizing an impairment provision.

For the quarter ended June 30, 2008, the gross amortized amount attributable to the USM was R$ 1,618. The goodwill related to the assets held for sale will be amortized upon the realization of such assets.

After the above-mentioned events and amortization and write-off of assets sold, goodwill is as follows:

	Goodwill	Accumulated amortization/ write-off	Net 6/30/09	Net 3/31/09
Future profitability (intangible assets)	39,688	(5,673)	34,015	34,015
Appreciation of assets held for sale	27,415	(27,286)	129	208
Tax benefit related to the portion of future profitability (deferred taxes)	20,446	(2,922)	17,524	17,524
Total	87,549	(35,881)	51,668	51,747

11. PROPERTY, PLANT AND EQUIPMENT

	Company				
	6/30/2009				3/31/2009
	Cost	Revaluation	Accumulated Depreciation	Net	Net
Land	20,813	292,251	-	313,064	314,051
Buildings and premises	14,607	11,084	(6,681)	19,010	19,430
Industrial equipment and facilities	64,177	88,376	(40,879)	111,674	123,105
Vehicles	11,380	8,226	(8,172)	11,434	12,403
Agricultural machinery and implements	21,738	21,282	(12,248)	30,772	30,005
Sugarcane crops	145,202	-	(57,326)	87,876	87,134
Other	23,291	-	(9,177)	14,114	3,851
Construction in progress	5,866	-	-	5,866	9,327
Total	307,074	421,219	(134,483)	593,810	599,306

	Consolidated				
	6/30/2009				3/31/2009
	Cost	Revaluation	Accumulated Depreciation	Net	Net
Land	106,969	904,170	-	1,011,139	1,011,896
Buildings and premises	135,943	47,642	(21,876)	161,709	163,843
Industrial equipment and facilities	391,309	340,195	(182,715)	548,789	613,733
Vehicles	61,567	29,797	(28,793)	62,571	60,914
Agricultural machinery and implements	113,818	69,903	(45,903)	137,818	136,203
Sugarcane crops	599,133	-	(206,299)	392,834	379,438
Other	99,519	-	(40,484)	59,035	28,790
Construction in progress	107,819	-	-	107,819	86,788
Total	1,616,077	1,391,707	(526,070)	2,481,714	2,481,605

In the quarter ended June 30, 2009, the Company invested the amount of R$ 6,773 (R$ 3,892 in the quarter ended June 30, 2008) to grow and/or renew sugarcane crops, and the consolidated balance is R$ 39,618 (R$ 35,791 in the quarter ended June 30, 2008).

As of June 30, 2009, the Company's balance of construction in progress refers to improvements of the plant. The consolidated balance of construction in progress also includes improvements of the plant of USM and UBV, related to the fertirrigation network, construction and improvement of administrative facilities and construction works of the plant of UBV.

Due to some loans and financing agreements entered into by the Company and its subsidiaries, as of June 30, 2009, R$ 228,232 of fixed asset items were pledged as collateral for certain loans and financing of the Company and its subsidiaries. These items are mostly represented by industrial equipment and facilities, and agricultural machinery and implements. In addition, the amount of R$ 138,949 (R$ 476,415 - Consolidated) in land was pledged as collateral for securitized rural credits, recorded in current and long-term liabilities.

As of June 3-, 2009, 8,578 ha used for sugarcane plantation by USM and UBV, at the revalued book value of R$ 168,981, is pledged as collateral for lawsuits and loans, of which 1,998 ha of land, with restated carrying amount of R$ 41,825 for the Company.

The Company, USM (including its subsidiaries) and Omtek recorded, as of March 31, 2007, a revaluation of land, buildings, equipment and industrial facilities based on appraisal reports prepared by independent experts.

From March 31, 2007, revalued assets began to be depreciated based upon their estimated remaining useful life specified in the revaluation report at the following weighted average rates, when applicable:

	Average annual weighted depreciated rate	
Property, plant and equipment	Company	Consolidated
Buildings and premises	7.22%	5.78%
Industrial equipment and facilities	15.58%	14.93%
Vehicles	20.08%	17.95%
Agricultural machinery and implements	16.17%	15.66%
Sugarcane crops	15.87%	17.07%

The revaluation amounts, net of depreciation and gross of deferred charges, as of June 30, 2009 and March 31, 2009, were R$ 379,777 and R$ 385,213, respectively (R$ 1,233,554 and R$ 1,252,533 - Consolidated).

Depreciation and write-offs of revaluation which impacted the results for the quarters ended June 30, 2009 and 2008 totaled R$ 13,987 and R$ 14,266, respectively, net of amounts allocated to inventories and gross of taxes, in consolidated.

The Company and its subsidiaries capitalized financial charges in the consolidated amount of R$ 1,107 in the quarter ended June 30, 2009 (R$ 11,212 in the quarter ended June 30, 2008).

12. INTANGIBLE ASSETS

	Company		Consolidated	
	6/30/2009	3/31/2009	6/30/2009	3/31/2009
Future profitability	-	-	38,826	38,826
Accumulated amortization	-	-	(4,811)	(4,811)
Software	2,032	2,032	6,846	6,827
Accumulated amortization	(1,788)	(1,770)	(3,155)	(2,955)
Other	-	-	3,000	3,000
	244	262	40,706	40,887

Goodwill attributed to future profitability derives from USL spin-off net assets, which was merged by USM, as explained in note 1.3, should no longer be amortized from the fiscal year beginning April 1, 2009, as mentioned in note 10.2.

13. DEFERRED CHARGES

	Consolidated	
	6/30/2009	3/31/2009
Preoperating expenses	41,536	41,474
Other	52	52
Accumulated amortization	(2,464)	(1,742)
	39,124	39,784

In the consolidated balance, deferred charges are represented by costs incurred on the construction of the UBV's industrial plant, which as of June 30, 2008, was in the preoperating stage. Amortization has been calculated from the plant start-up, in July 2008, over a period not exceeding ten years, according to the estimated time which is expected future benefits and proportionally to the use of the production capacity expected for the period.

14. LOANS AND FINANCING

			Company	
Type	Charges	Maturity	6/30/2009	3/31/2009
In local currency:				
Securitized rural credits	IGP-M (general market price index) paid annually	Annual installments with final maturity between Sep 2018 and Jun 2020	26,726	27,544
Rural credit	Fixed-rate weighted average interest of 6.75% p.a. paid on final maturity of contracts	Single installment with final maturity in Oct 2009	1,044	1,922
Finame / BNDES automatic loan	Quarterly TJLP (long-term interest rate) + weighted average interest of 3.13% p.a. paid monthly	Monthly installments with final maturity between Nov 2009 and Mar 2014	23,076	22,386
Finame / BNDES automatic loan	Fixed-rate weighted average interest of 11.79% p.a. paid monthly	Monthly installments with final maturity between Dec 2009 and Oct 2011	5,248	6,643
Rural credit	Fixed-rate interest of 9.99% p.a. + monetary adjustment of TR (managed prime rate) paid on final maturity of contract	Single installment with maturity in Apr 2009	-	17,847
Other securitized credits	Fixed-rate interest of 3% p.a. paid annually	Annual installments with final maturity in Oct 2025	78	78
Working capital	Variation of 111% of CDI OVER CETIP (average rate for interbank loans for one day registered with CETIP) paid on final maturities of contracts	Single installment with final maturity in Apr 2009	-	17,030
Lease	Fixed-rate interest of 7.08% p.a. paid monthly	Monthly installments with final maturity in Apr 2013	58	61
In foreign currency:				
ACC (Advances on Foreign Exchange Contracts)	Fixed interest of 6.78% + USD variation paid on final maturity of contract	Single installments with maturities between Jul 2009 and Jan 2010	59,022	34,642
Total			115,252	128,153
Current liabilities			74,897	87,054
Long-term liabilities			40,355	41,099

Type	Charges	Maturity	Consolidated 6/30/2009	3/31/2009
In local currency:				
Securitized rural credits	IGP-M (general market price index) paid annually	Annual installments with final maturity between Sep 2018 and Jul 2020	76,620	79,780
Rural credit	Fixed-rate weighted average interest of 6.75% p.a. paid on final maturity of contracts	Single installment with final maturity between Set 2009 and Oct 2009	22,325	20,835
Rural credit	Fixed-rate interest of 9.99% p.a. + monetary adjustment of TR (managed prime rate) paid on final maturity of contract	Single installment with maturity in Apr 2009	-	21,974
Finame / BNDES automatic loan	Quarterly TJLP (long-term interest rate) + weighted average interest of 2.96% p.a. paid monthly	Monthly installments with final maturity between Nov 2009 and Jul 2015	87,511	69,578
FINEM – DIRECT	Quarterly TJLP (long-term interest rate) + weighted average interest of 1.95% p.a. paid monthly	Monthly installments with final maturity between Mar 2009 and Jul 2015	356,577	363,920
Finame / BNDES automatic loan	Fixed-rate weighted average interest of 11.58% p.a. paid monthly	Monthly installments with final maturity between Oct 2009 and Nov 2019	28,680	32,148
Other securitized credits	Fixed-rate interest of 3% p.a. paid annually	Single installment with maturity in Oct 2025	78	78
Working capital	Variation of 106.93% of CDI OVER CETIP (average rate for interbank loans for one day registered with CETIP)	Single installment with final maturity in Apr 2009	-	32,671
Lease	Fixed-rate interest of 7.48% p.a. paid monthly	Monthly installments with final maturity between Mar 2013 and May 2013	840	881
In foreign currency:				
Finame / BNDES automatic loan	Currency basket (Dollar, Euro and Yen) + fixed-rate interest of 7.46% p.a. paid monthly	Monthly installments with final maturities between Mar 2012 and July 2015	49	63
FINEM – DIRECT	Currency basket (Dollar, Euro and Yen) + fixed-rate interest of 6.25% p.a. paid monthly	Quarterly installments with final maturities between Apr 2015 and Jul 2015	47,478	57,687
ACC (Advances on Foreign Exchange Contracts)	Weighted average interest of 6.75% p.a. + USD variation paid on the maturity date + US dollar variation , paid on maturity	Monthly installments with final maturities between Jul 2009 and Dec 2009	222,924	214,280
Export prepayment	Average weighted interest of 4.74 % p. a. + US dollar variation , paid on maturity	Semiannual installments maturing from August 2009 to June 2015	202,713	237,706
Total			1,045,795	1,131,601

Current liabilities	366,348	401,115
Long-term liabilities	679,447	730,486

Loans and financing are guaranteed by mortgages, liens on property, plant and equipment, including land (see note 11), promissory notes, cash investments, liens on agricultural and industrial equipment, receivables and collateral signatures. The land offered as collateral for loans and financing refers to sugarcane plantation areas.

Long-term loans (Company and Consolidated) have the following maturities:

	6/30/2009	
	Company	Consolidated
7/01/10 to 6/30/11	11,576	108,150
7/01/11 to 6/30/12	7,530	98,494
7/01/12 to 6/30/13	5,167	139,040
7/01/13 to 6/30/14	3,863	132,425
7/01/14 to 6/30/15	2,512	118,415
7/01/15 to 6/30/26	9,707	82,923
	40,355	679,447

Based on Central Bank of Brazil Resolution No. 2471/98 and other current legal provisions, in 1998, 1999 and 2000 the Company, USM and USL securitized debts with financial institutions, by means of the acquisition of CTNs (National Treasury Certificates) in the secondary market, as collateral for the payment of the principal. The securitized financing will be automatically settled on the maturity dates upon the redemption of the CTNs, which are under the custody of the creditor financial institutions. Said certificates are non-negotiable and are exclusively intended for paying this debt. The Company's and its subsidiary Usina São Martinho's disbursement during the 20 years in which this securitization is effective is limited to the annual payment of amounts equivalent to variable percentages between 3.9% and 4.96% per year on the securitized amount monetarily adjusted based on the IGP-M (general market price index), limited in 9.5% per year through the annual payment date. This obligation was recorded in the individual and consolidated interim financial statements as of June 30, 2009 and March 31, 2009 according to the amount of these future disbursements adjusted to present value.

15. TRADE ACCOUNTS PAYABLE

	Company		Consolidated	
	6/30/2009	3/31/2009	6/30/2009	3/31/2009
Sugarcane	6,413	5,877	43,512	25,485
Materials, services and other	12,711	11,039	45,116	50,665
	19,124	16,916	88,628	76,150

The sugarcane crop period, between April and December of each year on average, has a direct impact on the balance payable to sugarcane suppliers and providers of cutting, loading and transportation services.

16. PAYABLES TO COPERSUCAR

Copersucar provided funds to its cooperative members through bills of exchange for the purpose of financing their operations. The Cooperative's funds come from the temporary cash surplus arising from injunctions in lawsuits claiming the suspension of liabilities. This cash surplus is related to provision for contingencies recorded by the Cooperative in long-term liabilities. Accordingly, the Company also records these liabilities in long-term liabilities. However, in case of unfavorable outcome in lawsuits in which the Cooperative obtained an injunction, the Company may be required to disburse, within 120 days, the amount that was transferred to it. The main amounts included in these liabilities arise from the IPI (federal VAT) whose constitutionality and legality is challenged in court by the Cooperative, and are represented by R$ 14,511 and R$ 14,368 as of June 30, 2009 and March 31, 2009, respectively (R$ 57,756 and R$ 57,189 - Consolidated, respectively).

The Company's payables to Copersucar are as follows:

	Company	
	3/31/2009	3/31/2009
Exchange bill - Updated based on SELIC (Central Bank overnight rate)	33,622	38,749
Exchange bill - Onlending not subject to charges	11,493	11,409
Exchange bill - Updated based on TJLP (long-term interest rate)	4,810	5,057
Exchange bill - Updated based on the US dollar variation + interest of 4.17% p.a.	2,313	2,881
Total	52,238	58,096
Current liabilities	589	589
Long-term liabilities	51,649	57,507

	Consolidated	
	3/31/2009	3/31/2009
Exchange bill - Updated based on SELIC (Central Bank overnight rate)	130,547	149,244
Exchange bill - Onlending not subject to charges	44,248	43,935
Exchange bill - Updated based on TJLP (long-term interest rate)	14,092	15,288
Exchange bill - Updated based on the US dollar variation + interest of 5.65% p.a.	8,112	10,105
Total	197,976	218,572
Current liabilities	2,203	2,203
Long-term liabilities	194,796	216,369

All obligations of the Company and its subsidiaries are guaranteed by directors' collateral signatures.

Pursuant to the terms of the withdrawal from Copersucar, from the date of the withdrawal from the Cooperative, the Company, USM and USL will remain liable for the obligations recorded under the caption "Payables to Copersucar" in long-term liabilities, without any change in maturity dates, until the matters that gave rise to these obligations and are under judicial dispute handled by the Cooperative's attorneys are finally and definitively judged by court. Such obligations are collateralized by bank guarantees in the amount of R$ 36,077 (R$ 140,188 - Consolidated).

17. OTHER LIABILITIES

	Company		Consolidated	
	6/30/2009	3/31/2009	6/30/2009	3/31/2009
Unbilled sales	68	4,070	1,677	6,854
Advances from customers	320	1,704	14,579	10,875
Deferred revenues	2,683	2,858	2,747	2,858
Social security contributions in installments	-	-	1,086	1,162
Other	583	1,013	5,450	7,427
	3,654	9,645	25,539	29,176
Current liabilities	1,672	7,485	22,471	25,858
Noncurrent liabilities	1,982	2,160	3,068	3,318

18. SHAREHOLDERS' EQUITY

(a) Capital

As of June 30, 2009 and March 31, 2009, the capital stock is divided into 113,000,000 registered common shares, without par value.

(b) Treasury stocks

On September 22, 2008, the Board of Directors approved the common share repurchase program to be held in treasury for subsequent sale or cancelation, without reducing capital, pursuant to the Company's bylaws, CVM Instructions CVM No. 10/80 and 268/97 and other statutory provisions in effect. The share repurchase transactions will be carried out until September 22, 2009, on the BM&FBOVESPA - Stock, Commodities and Futures Exchange (BM&FBOVESPA), at market prices, with the intermediation of brokerage firms. The number of shares to be acquired is up to 200,000.

Up to the quarter ended June 30, 2009, the Company repurchased 139,000 common shares, for R$ 1,899, at a minimum price per share of R$ 9.30 and a maximum price per share of R$ 19.20, resulting in an average price per share of R$ 13.65. As of June 30, 2009, the market price of these shares is R$ 2,294.

The purpose of this program is to maximize the creation of shareholder value, by investing part of the available funds.

(c) Dividends and retained earnings

The Annual Shareholders' Meeting held on July 30, 2009, approved the financial statements for the year ended March 31, 2009

Shareholders are entitled to receive a minimum dividend of 25% on net income for the year, after the recognition of the legal reserve.

Following is a summary of changes in retained earnings (accumulated deficit) and total shareholders' equity for the quarter ended June 30, 2009:

	Retained earnings	Shareholders' equity
As of March 31, 2009:	-	1,576,702
Realization of revaluation reserve	9,230	-
Net income	28,866	28,866
As of June 30, 2009:	38,096	1,605,568

(d) Reconciliation of Company's and consolidated income for the quarter and shareholders' equity

	6/30/2009
Shareholders' equity	
Company's shareholders' equity	1,605,568
Interest on loan agreements allocated to UBV's deferred charges	(1,460)
Consolidated shareholders' equity	1,604,108
Income:	
Company's net income	28,866
Amortization of interest on loan recorded as deferred charges by UBV	41
Consolidated net income	28,907

(e) Stock Option Plan

The Extraordinary Shareholders' Meeting held on March 26, 2009, approved the Company's Stock Option Plan, which is intended to foster the Company's growth, the attainment and exceeding of corporate goals, promote the Company's good performance, and retain its professionals. The Plan is managed by the Board of Directors, which may grant stock options to the Company's executives, officers and employees.

The total number of common shares for which options may be granted will not exceed 2% of the total common shares of the Company's capital stock. The Company's Stock Option Plan is available at the CVM.

Currently the Regulations and Adhesion Agreements are being prepared by the Board of Directors, to be implemented by the Company; the Board of Directors will also define the eligible beneficiaries.

19. EMPLOYEE AND MANAGEMENT BENEFITS PLAN

In September 2008, the Company and its subsidiaries USM, UBV and Omtek contracted a supplementary pension plan for all their employees and officers, with options for a PGBL (annuity pension plan) or a VGBL (cash value life insurance), which are both defined contribution pension plans.

All employees are entitled to participate, but the participation is optional. The Company and its subsidiaries' contributions are made only to PGBL plan and are limited to 1% of the nominal salaries of their employees, up to the limit of the reference unit and up to 6% of the portion of the nominal salaries that exceed such limit. Participants are entitled to contribute above the percentage limits above, however without a corresponding increase of the Company and its subsidiaries' contributions.

The Company's contributions in the quarter ended June 30, 2009 amounted to R$ 84 (R$ 365 consolidated).

20. PROFIT SHARING PROGRAM

In conformity with the Collective Bargaining Agreements with labor unions, the Company and its subsidiaries introduced a profit sharing program based on operational and financial targets previously agreed upon with the employees.

The operational and financial indicators agreed upon between the Company and its subsidiaries and employees, through labor unions representing them, are related to the following: (i) use of industrial plant time (productivity); (ii) agricultural productivity; (iii) actual vs. budget indicator; (iv) occupational accident; (v) shared service customer satisfaction; (vi) accounting closing deadline; (vii) economic gains on changes of processes and respective quality; (viii) profile of existing debt; (ix) financial performance measured especially by indebtedness level and quality; (x) efficiency in use of financing in budgeted investments; and (xi) quality of analyses and presentations to the market. These indicators are segregated for specific application in the departments involved, which are divided, for purposes of this program, into the agribusiness, shared service center and corporate areas.

The profit sharing as of June 30, 2009 and 2008, recorded as operating costs or expenses in the consolidated statement of income for the year was R$ 2,335 and R$ 1,627.

21. INCOME AND SOCIAL CONTRIBUTION TAXES

a) Deferred income and social contribution taxes are as follows:

	Company		Consolidated	
	6/30/2009	3/31/2009	6/30/2009	3/31/2009
Assets				
Income tax loss carryforwards	22,305	22,251	47,482	58,732
Social contribution tax loss carryforwards	8,651	8,632	19,277	23,328
Provision for contingencies	4,203	3,910	24,533	23,939
Securitized financing	-	-	584	898
Income and social contribution taxes on goodwill absorbed	-	-	17,524	17,524
Derivatives	1,303	144	-	2,014
Other	1,614	1,129	10,008	4,538
Deferred income and social contribution tax assets	38,076	36,066	119,408	130,973
Liabilities				
Revaluation of assets	(20,963)	(22,287)	(105,770)	(110,516)
Accelerated depreciation	(22,646)	(21,138)	(82,801)	(77,754)
Securitized financing	(8,834)	(8,825)	(9,017)	(9,043)
Adjustment to present value	(3,711)	(3,891)	(10,505)	(11,012)
Derivatives	-	-	(610)	-
Other	(22)	(22)	(152)	(152)
Deferred income and social contribution tax liabilities	(56,176)	(56,163)	(208,855)	(208,477)

The offset of tax loss carryforwards is limited up to 30% of annual taxable income, without monetary adjustment or interest. Deferred tax credits arising from tax loss carryforwards are recognized based on projections of taxable income of the Company and its subsidiaries, which support the recovery of the tax credits in accordance with applicable accounting practices. On a conservative basis, the Company classifies all deferred tax credits into long-term assets.

Recovery of the full amount of deferred tax credits, indicated by the projections of taxable income approved by Management and by the settlement deadline of securitized financing, is expected as follows:

Company:

Year ended March 31	2010	2011	2012	2013	2014	2015 and thereafter
Estimated realization	2,114	7,253	5,532	6,542	7,063	9,572

Consolidated:

Year ended March 31	2010	2011	2012	2013	2014	2015 and thereafter
Estimated realization	17,073	14,570	9,936	10,941	11,937	54,951

Deferred income and social contribution tax liabilities are realized principally through the depreciation and write-off of fixed assets that gave rise to them. The realization of this liability is estimated at the average rate of 13% per year, according to the depreciation rates of the respective property, plant and equipment items. In addition, the period for settlement of securitized loans with maturity through 2021 impacts the period for recovery of deferred income and social contribution tax assets.

b) Reconciliation of income and social contribution taxes - Income and social contribution tax expenses are reconciled to effective rates, as shown below:

Company:	6/30/2009 – quarter		6/30/2008 – quarter	
	Income tax	Social contribution	Income tax	Social contribution
Income (loss) before income and social contribution taxes	26,869	26,869	(30,331)	(30,331)
Statutory rates - %	25%	9%	25%	9%
Income and social contribution at statutory rates	(6,717)	(2,418)	7,583	2,730
Reconciliation to effective rate:				
Permanent differences:				
Equity in subsidiaries	8,196	2,950	(3,368)	(1,213)
Other nondeductible (income) expenses	(10)	(4)	(5)	(2)
	1,469	528	4,210	1,515
Income and social contribution tax credit	1,997		5,725	

Consolidated:	6/30/2009 – quarter		6/30/2008 – quarter	
	Income tax	Social contribution	Income tax	Social contribution
Income (loss) before income and social contribution taxes	44,185	4,185	(39,609)	(39,609)
Statutory rates - %	25%	9%	25%	9%
Income and social contribution taxes at statutory rates	(11,046)	(3,977)	9,902	3,565
Reconciliation to effective rate:				
Permanent differences:				
Non taxable state VAT (ICMS) tax incentives	426	153	-	-
Unrecognized deferred income tax and social contribution assets	(98)	(35)	(26)	(9)
Adjustments arising from option for RTT (Transitional Tax Regime)	727	262	-	-
Other nondeductible expenses	(19)	(6)	(38)	(15)
PAT (Workers' Meal Program)	30	-	-	-
Income and social contribution tax (expenses) credit	(9,980)	(3,603)	9,838	3,541
Income and social contribution tax (expenses) credit	(13,583)		13,379	

22. GOVERNMENT GRANT

UBV has a state tax incentive program in the state of Goiás consisting of the deferral of the payment of state VAT (ICMS), denominated "Program for the Industrial Development of Goiás - Produzir", with partial reduction of ICMS. Obtaining this benefit the subsidiary has to be in compliance with all obligations defined in the program, the conditions of which refer to events under the control of the Company.

The benefit related to the tax reduction is calculated on the debt balance determined in each taxable period, through the application of the discount percentage granted by the benefit.

The government grant value obtained in the year was credited to Sales Deduction in the statements of operations, as a reduction of the account "ICMS payable". As it is not possible to distribute these amounts as dividends, a Reserve for Tax Incentives in the amount of the investment grant is recognized, as a contra entry to Retained Earnings.

For the quarter ended June 30, 2009, the incentive amount credited to operations was R$ 1,705.

23. PROVISION FOR CONTINGENCIES

Income and social contribution tax calculations, as well as tax returns and other taxes and payroll charges, are subject to review by tax authorities for varying periods according to the date of payment or filing of tax returns.

The Company and its subsidiaries are parties to tax, civil and labor lawsuits in different courts. Provisions for contingencies are determined by Management, based on legal counsel's assessment, for probable losses and are stated at monetarily adjusted amounts. The provision for contingencies recorded is composed of:

	Company				
	3/31/2009	Additions	Uses/reversals	Monetary adjustment	6/30/2009
Tax	3,500	483	-	15	3,998
Civil	4,444	-	-	41	4,485
Labor	5,722	524	(353)	153	6,046
	13,666	1,007	(353)	209	14,529
(-) Escrow deposits	(4,827)	(292)	12	(26)	(5,133)
Total	8,839	715	(341)	183	9,396

	Consolidated				
	3/31/2009	Additions	Uses/reversals	Monetary adjustment	6/30/2009
Tax	46,053	1,120	(188)	353	47,338
Civil	6,290	-	(210)	122	6,202
Labor	54,428	3,945	(4,733)	1,343	54,983
	106,771	5,065	(5,131)	1,818	108,523
(-) Escrow deposits	(32,644)	(2,461)	2,376	(342)	(33,071)
Total	74,127	2,604	(2,755)	1,476	75,452

As of June 30, 2009, the nature of the main lawsuits assessed by Management as probable loss based on the legal counsel's opinion and which, therefore, were included in the above provisions is as follows (Company and Consolidated):

I) Tax lawsuits:

(i) Offset of tax loss carryforwards and Social contribution tax loss carryforwards: The National Treasury filed collection actions of the income and social contribution taxes for 1997 and 1998, when USM and the merged company, supported by a lawsuit, offset tax loss carryforwards taken in 1992-1996 above the 30% limit set out by Brazilian legislation. These lawsuits amount to R$ 41,747, consolidated.

(ii) Social Security Contribution on Indirect Compensation: The National Social Security Institute (INSS) issued a Notification against the Company to collect the employer's contribution levied on fringe benefits paid to officers and employees from January 1999 to March 2006. A reserve was recognized for the portion not barred by the statute of limitations, in the amount of R$ 853 (Company and consolidated).

(iii) Other tax lawsuits: (a) contribution of 2.6% to INSS from November 1990 to November 1991; (b) SENAR from November 1992 to September 1997; (c) Insurance for Occupational Accident ("SAT") from February 1993 to April 1994; (d) rural employees INSS from May to July 1994; (e) expansion of PIS tax basis from December 2000 to November 2002; (f) COFINS from August 2001 to March 2003; (g) increase in FGTS termination fine from November 2001 to December 2002; (h) INSS profit sharing in January and August 2001; (i) IPI deemed credit from the second half of 2000 to the first quarter of 2002. Total amount corresponds to R$ 2,178 in the company (R$ 3,164 in the consolidated).

Legal fees: the Company and its subsidiaries retained various attorneys to represent them in tax lawsuits whose legal fees are subject to lawsuits' outcome. These agreements do not provide for success fees. Legal fees are accrued under the caption "Provision for contingencies" for lawsuits whose risk of loss was assessed as possible or remote correspond to R$ 967 - Company (R$ 1.574 - consolidated).

II) Civil lawsuits:

Refers to: (i) compensation for property damages and pain and suffering; (ii) public civil actions to stop the burning of sugarcane straw and creation of a legal reserve area; and (iii) execution of environmental lawsuits. These lawsuits total R$ 4,485, Company (R$ 6,202, consolidated).

III) Labor lawsuits:

Labor claims refer mainly to: (i) overtime; (ii) commute hours; (iii) indemnity for elimination of lunch break; (iv) hazardous duty premium and health hazard premium; (v) refund of payroll deductions such as union confederation dues, union dues, etc.; (vi) night shift premium; and (vii) continuity of employment relationship with the consequent payment of 13th salary and vacation pay plus 1/3 vacation bonus. These lawsuits total R$ 6,046 (R$ 54,983 - Consolidated).

The Company and its subsidiaries are parties to several judicial and administrative proceedings involving tax and civil matters that were assessed by Management, based on the legal counsel's opinion, as possible loss. No provision has been recorded for these proceedings in the accounting books. The nature and the amount of these lawsuits are as follows:

I) Tax proceedings:

Consolidated			Stage				
Subject		Number of proceedings	Administrative	Trial court	Lower court	Higher court	Total
(i)	Social security contribution	20	61,908	11,433	-	-	73,351
(ii)	Funrural (rural worker assistance fund)	3	-	-	36	6,512	6,548
(iii)	Negative balance of income tax (IRPJ)	7	3,697	691	777	1,316	6,481
(iv)	Offset of credits - PIS (tax on revenue)	2	3,367	-	1,544	-	4,911
(v)	Income tax on investment losses	2	-	-	1,540	-	1,540
(vi)	Offset of federal taxes	7	1,166	831	1,332	-	3,329
(vii)	Other tax proceedings	49	2,635	197	2,003	-	4,835
		90	72,773	13,162	7,232	7,828	100,995

(i) Social security contribution:

a. Social security contribution (INSS) for 1997, arising from comparison of Law 8212/92 with Law 8870/94. Executions are suspended by an injunction granted to ensure the payment of social security contribution based in INSS Resolutions ON/INSS 7/97 and OS/INSS 157/97. The total amount is R$ 11,443. There is no final decision of this issue by the Federal Regional Court (TRF), and the issue has not yet been judged by higher courts. This specific case discusses the release set out in Law 10736/2003.

b. Agribusiness INSS in the period from November 2001 to April 2002, calculated based on Law 8212/91 without considering the amendments of Law 10256/2001 on export carried out through Copersucar in the period from November 2001 to March 2006 (not continuous). Total amount corresponds to R$ 51,005 and is being discussed on an administrative level. The Company and USM are discussing in court the tax immunity of revenues from export to foreign market carried out through the cooperative.

c. INSS not withheld or withheld contrary to social security legislation on assignment of labor services provided. The total amount corresponds to R$ 6,770 and was challenged at the administrative level.

d. Fines for non-compliance with accessory obligations Law 8212/91 in the period from January 1999 to March 2006. Total amount corresponds to R$ 2,168 and is being discussed on an administrative level.

e. INSS (social security contribution) fringe benefits offered to the Company's administration and employees from January 1999 to March 2006. The Company is discussing on the administrative level if the amount of R$ 1,368, for which no reserve was recognized, has lapsed.

f. INSS (social security contribution) fringe benefits offered to the Company's administration and employees from January 1999 to March 2006. The Company is discussing on the administrative level if the amount of R$ 1,382, for which no reserve was recognized, has lapsed.

g. Occupational Accident Insurance (SAT) rate applicable due to the work disability arising from the occupational environmental risks (GILRAT), and levied on the Company's payroll. The amount corresponds to R$ 583 and it is deposited in escrow.

(ii) Funrural (rural worker assistance fund) relating to acquisition of sugarcane in the period from October 1991 to August 2001, addressed by Supplementary Law 11/71 after the enactment of Law 8213/91. The amount corresponds to R$ 6,548.

(iii) Negative balance of income tax (IRPJ) offset against IRRF, COFINS , PIS debts and third-party debts which supposedly do not have legal basis or which differs from the balance calculated for IRPJ returns. The adjusted amount corresponds to R$ 6,481.

(iv) Offset of PIS Credits: arising from Federal Senate Resolution 49 of October 9, 1995, by USM which are supposedly lapsed. The amount corresponds to R$ 4,911.

(v) Income Tax on valuation allowance on Investments arising from USM interest in Coopersucar's capital, in the period from 1987 to 1991. The amount corresponds to R$ 1,540.

(vi) Offset of federal taxes: own and third-party debts, with credits from federal VAT (IPI), social tax on revenue (FINSOCIAL) and withholding income tax (IRRF) unrecognized by the Management. The Company filed an Action for Annulment to ensure its right to offset. The amount is equivalent to R$ 3,329 and is deposited in escrow.

(vii) Other Tax Proceedings: debts from differences of social security contribution (INSS) on the payroll of farm and self-employed workers; separate fine on income tax and social contribution, other federal tax offsets; tax on rural property (ITR) differences; state VAT (ICMS) on the purchase of property, plant and equipment; differences calculated in the service tax (ISS); and the road upkeep fee which is being challenged by the Company and its subsidiaries. The amount is equivalent to R$ 4,835.

II) Civil and Environmental Proceedings:

Consolidated			Stage				
Subject		Number of proceedings	Administrative	Trial court	Lower court	Higher court	Total
(i)	Environmental	112	1,236	5,731	3,002	1,110	11,079
(ii)	Civil						
a)	Indemnities for occupational disease and accidents	30	-	1,492	248	315	2,055
b)	Contract revisions	13	-	-	29	-	29
c)	Rectification of area and real estate registration	1	-	-	-	-	-
d)	Permits for obtaining Mining Research license	5	-	-	-	-	-
		161	1,236	7,223	3,279	1,425	13,163

(i) Environmental: administrative and judicial proceedings related sugarcane burning and creation of a legal reserve area. Proceedings related to sugarcane burning are basically divided into: (a) burning carried out under the State's tacit approval for not having regulated Law 10547 of May 2, 2000; and (b) unintentional burning or arson by third parties in areas explored by the Company or its subsidiaries or suppliers' land. The amount is equivalent to R$ 11,079.

(ii) Civil: There are lawsuits filed against the Company and its subsidiaries related to matters present in the table above. These lawsuits amount to R$ 2,084.

Additionally, pursuant to the terms of the withdrawal from Copersucar, the Company, USM and USL will remain liable for the payment of any obligations, proportionate to their interest in Copersucar in each crop, which may result from tax infraction notices in the monetarily adjusted amount of R$ 34,709 (calculated proportionately to the Company's and its subsidiaries' interest in Cooperativa), issued against Copersucar by the tax authorities of the States of Paraná, Minas Gerais and São Paulo, or new tax infraction notices of the same nature that may arise or that relate to periods in which the Company and its subsidiaries were cooperative members, with respect to ICMS (state VAT) levied on fuel and industrial alcohol sales made by Copersucar until March 31, 2008, as a principal taxpayer or substitute taxpayer. The legal counsel believes that an unfavorable outcome is possible. Copersucar believes that it has solid arguments for contesting the fines imposed by the state tax authorities.

Copersucar believes to have strong arguments do defend against the fines imposed thereon by the State Finance Department during tax audits.

The Management of the Company and its subsidiaries, based on the legal counsel's opinion, understands that there are no significant risks not covered by sufficient provisions in their financial statements or that might result in a significant impact on future results.

24. FINANCIAL INSTRUMENTS

24.1. General considerations of risk management

The Company and its subsidiaries have policies and procedures to manage, through the use of financial instruments, the market risks related to the exchange variation and the volatility of the sugar price in the international market of commodities, which are inherent to its business. Such policies are accompanied by the Executive Board and include: (a) management and continuous monitoring procedures on the exposure levels in terms of sales volumes contracted; (b) estimates of the value of each risk based on the established limits of foreign exchange exposure and sales prices of sugar; and (c) estimates of future cash flows and establishing decision making limits to enter into derivative instruments to set its products' price levels and hedge sales performance against exchange rate fluctuations and volatility in sugar prices in the international commodity markets.

In accordance with such policies, the financial instruments are contracted exclusively for the purpose of hedging the Company´s and subsidiaries' sugar export transactions against foreign exchange risks and sugar price fluctuations in the international market. The contracted operations do not exceed sales values and volumes deliverable entered into with customers and the purpose of the transaction entered into is to ensure minimum profitability levels on the future sales. No transactions with financial instruments are conducted for speculative purposes or to hedge financial assets or liabilities.

The Company actively manages derivative instruments, and these transactions are monitored on an ongoing basis so that adjustments to goals and strategies may be made in response to market conditions, and operates mainly in the futures and options market of Intercontinental Exchange (ICE Futures US).

Although contracted exclusively for purposes of pricing and hedging the Company and subsidiaries' export transactions against exchange rate fluctuations and volatility in sugar prices in the international commodity markets, he Company and subsidiaries are adapting their internal control system and documentation standards to fully comply with requirements determined by the recently issued CPC 14 - Financial Instruments - Recognition, Measurements and Evidence", in particular as regards the accounting for of derivatives as hedge transactions (Hedge Accounting), although the essence of these transactions refer to a hedge. Therefore, as of June 30, 2009 changes in fair value of contracted derivatives were recorded in results of operations.

As of June 30, 2009 and March 31, 2009 the balances of assets and liabilities related to transactions involving derivative financial instruments, are as follows:

	Company		Consolidated	
	6/30/2009	3/31/2009	6/30/2009	3/31/2009
In assets:				
Margin deposit	-	942	3,262	4,665
Forward contracts receivable	-	-	9,800	1,445
	-	942	13,062	6,110
In liabilities:				
Credit facilities	2,056	-	2,056	-
Forward contracts payable	56	-	56	6,269
	2,112	-	2,112	6,269

Margin deposit balances refer to financial resources kept in current accounts with the brokers for the coverage of the initial margins established by the Commodities Exchange in which contracts are entered into, to collateralize outstanding contracts, and net remittances related to daily adjustments resulting from fluctuations in contract prices in the future and options market.

Credit facilities correspond to credit limits granted by brokers with which the Company conducts derivatives transactions and are used to cover daily adjustments in connection with open positions, as needed. These credit facilities are denominated in foreign currency and adjusted based on Libor plus interest of 3% per year.

Forward contract balances receivable refer to the cumulative negative effect of the difference between fair value and the notional amounts of derivative financial instruments, under forward foreign exchange contracts. Forward contract balances payable refer to the cumulative positive effect of the difference between fair value and the notional amounts of derivative financial instruments, under forward foreign exchange contract.

The maturity of the derivative financial instruments entered is based on the estimated shipment of sugar protected, and expected cash flows from these shipments, as agreed with customers.

In the quarter ended June 30, 2009, results of operations involving derivative financial instruments settled during the year and that affected the statement of operations, were:

	6/30/2009		6/30/2008	
	Company	Consolidated	Company	Consolidated
Contracts tied to product:				
Forward contract	(312)	(23)	(476)	596
Options	(3,044)	(6,375)	-	241
Commissions and brokerage fees	(225)	(285)	(39)	(174)
Exchange variation	18	(639)	(4)	(266)
	(3,563)	(7,322)	(519)	397
Contracts tied to currency:				
Forward contract	(56)	20,411	-	202
Net effect	(3,619)	13,089	(519)	599
Effect on the statement of operations captions:				
Financial income	111	21,730	-	1,971
Financial expenses	(3,748)	(8,002)	(476)	(932)
Exchange and monetary variation gain	18	18	-	3
Exchange and monetary variation loss	-	(657)	(4)	(269)
General and administrative expenses	-	-	(39)	(174)
	(3,619)	13,089	(519)	599

The composition of the derivative financial instruments, by nature of the risk covered, as of June 30, 2009 and March 31, 2009, follow:

24.1.a) Futures and options contracts:

Company	6/30/09					3/31/09				
Instruments	Volume (Ton)	Average strike price (¢/lb)	Notional amount	Fair value	Accumulated effect (Payable)/receivable	Volume (Ton)	Average strike price (¢/lb)	Notional amount	Fair value	Accumulated effect (Payable)/receivable
Options:										
Short position - holder: Put purchase maturing in Oct 2009	12,192	16.46	317	201	(116)	62,535	12.55	2,142	1,122	(1,020)
Long position - issuer: Call sale maturing from Sep 2009 to March 2010	64,821	18.73	1,804	2,575	(771)	62,535	14.00	2,177	587	1,589
Short position - issuer: Put sale maturing from Sep to Oct 2009	13,208	14.62	130	44	85	-	-	-	-	-
Forward contracts:										
Long position maturing in Oct 2009	33,223	16.09	11,785	13,075	1,290	7,061	12.42	4,476	4,567	90
Short position maturing in Oct 2009	33,223	15.97	11,696	13,075	(1,379)	15,291	13.24	10,335	10,252	84

Consolidated	6/30/2009					3/31/2009				
Instruments	Volume (Ton)	Average strike price (¢/lb)	Notional amount	Fair value	Accumulated effect (Payable)/receivable	Volume (Ton)	Average strike price (¢/lb)	Notional amount	Fair value	Accumulated effect (Payable)/receivable
Options:										
Short position – holder										
Put purchase maturing in Oct 2009	16,764	16.73	453	320	(134)	118,110	12.60	4,733	2,699	(2,034)
Long position - issuer:										
Call sale maturing from Sep 2009 to March 2010	69,393	18.72	1,898	2,692	(794)	118,110	14.00	4,815	2,290	2,526
Short position - issuer:										
Put sale maturing from Sep to Oct 2009	17,780	14.84	174	85	90	-	-	-	-	-
Futures contracts:										
Long position maturing in Oct 2009	33,223	16.09	11,785	13,075	1,290	7,061	12.42	4,476	4,567	90
Short position maturing in Oct 2009	33,223	15.97	11,696	13,075	(1,379)	19,863	13.42	13,603	13,363	240

The positions listed above are operated as follows:

a. Put options – purchase of put options that grant the Company the right, but not the obligation to sell at a previously established price.

b. Call options – sale of call options under which the Company has the obligation to sell at the agreed price at the buyer's discretion.

c. Put options – sale of put options under which the Company has the obligation to sell at the agreed price at the buyer's discretion.

24.1.b) Foreign currency forward contracts - NDF (desk - CETIP):

Company – 6/30/09						
Maturity	Position	US$ 000	US$ average fixed rate	Notional amount - R$	Fair value - R$	Accumulated effect payable – R$
Aug/09	Sold	1,710	1.9644	3,354	3,370	(11)
Sep/09	Sold	3,420	1.9746	6,753	6,779	(26)
Oct/09	Sold	2,050	1.9840	4,067	4,086	(19)
		7,180				(56)

Consolidated – 6/30/09						
Maturity	Position	US$ 000	US$ average fixed rate	Notional amount - R$	Fair value - R$	Accumulated effect payable – R$
Jul/2009	Sold	1,000	2.4635	2,464	1,974	490
Aug/2009	Sold	9,203	2.0749	19,094	18,161	933
Sep/2009	Sold	11,820	2.1841	25,816	23,539	2,277
Oct/2009	Sold	7,139	2.2712	16,213	14,319	1,894
Nov/2009	Sold	4,900	2.2837	11,190	9,900	1,290
Dec/2009	Sold	389	2.1340	829	786	43
Jan/2010	Sold	6,300	2.3070	14,534	12,884	1,650
Mar/2010	Sold	6,000	2.2600	13,560	12,393	1,167
		46,751				9,744

Consolidated – 3/31/09						
Maturity	Position	US$ 000	US$ average fixed rate	Notional amount - R$	Fair value - R$	Accumulated effect payable – R$
May/09	Sold	6,000	2.3078	13,847	14,004	(157)
Jun/09	Sold	13,096	2.2780	29,832	30,757	(925)
Jul/09	Sold	1,000	2.4635	2,464	2,373	91
Aug/09	Sold	2,388	2.3672	5,653	5,680	(27)
Sep/09	Sold	8,400	2.2693	19,062	20,067	(1,005)
Oct/09	Sold	5,088	2.3869	12,145	12,246	(101)
Nov/09	Sold	4,900	2.2837	11,190	11,822	(632)
Dec/09	Sold	389	2.1340	830	937	(107)
Jan/10	Sold	6,300	2.3070	14,534	15,342	(808)
Mar/10	Sold	6,000	2.2600	13,560	14,718	(1,158)
		53,561				(4,829)

The counterparts of the forward contracts are the following financial institutions: Unibanco, Citibank, Banco ABC, Bradesco and Itaú BBA.

24.2. Fair value measurement

The fair value of the financial instruments contracted by the Companies is measured based on information obtained from the financial institutions and prices quoted in an active market based on the standard market pricing approach, which comprises measuring their nominal value up to due date and discount it to present value at future market rates. The use of different assumptions may cause estimated fair value to differ from realized amounts, considering that considerable judgment is required in interpreting market data.

24.3. Guarantee margins

In order to comply with the guarantees required by derivative exchanges for certain derivative transactions, the Company and its subsidiaries maintained a margin of R$ 3,262 as guarantee.

24.4. Future price risk

As of June 30, 2009, 297,637 tonnes of sugar in Consolidated were hedged by sales contracts for future delivery scheduled for the period between July and December 2009, fixed at an average price of 14.7 ¢/lb (cents of dollar per weight pound) on the ICE Futures US.

24.5. Temporary cash investments

Temporary cash investments consist principally of repurchase agreements and CDBs (bank certificates of deposit) and fixed-income funds indexed to the CDI (interbank deposit rate), with high liquidity and trading on the market, entered into with financial institutions that meet the Company's and subsidiaries' risk assessment criteria.

24.6. Assets and liabilities subject to exchange variation

The table below summarizes foreign currency-denominated assets and liabilities (in US dollar - US$ equivalent), recorded in the consolidated balance sheet as of June 30, 2009:

	Consolidated – 6/30/09	
	R$	Thousands of US$ equivalents
Current assets:		
Cash and banks	93,853	48,090
Temporary cash investments	2,106	1,079
Receivables	361	185
Derivative financial instruments	13,062	6,693
Total assets	109,382	56,047
Liabilities		
Current:		
Loans and financing	(238,265)	(122,087)
Derivative financial instruments	2,112	1,082
	(236,153)	(121,005)
Noncurrent:		
Loans and financing	(234,899)	(120,362)
Total liabilities	(471,052)	(241,367)
Net exposure	(361,670)	(185,320)

These assets and liabilities were adjusted and recorded in the interim financial statements as of June 30, 2009 at the exchange rate in effect on this date, of R$ 1.9516 per US$ 1.00.

The balance of short-term loans and financing, in the amount of R$ 238,265, refers basically to forward foreign currency agreements (ACC), maturing in July and June 2010, tied to product exports. The balance of long-term loans and financing, in the amount of R$ 234,899, refers to a US dollar-denominated export prepayment loan, raised by UBV with international financial institutions, maturing within six (6) years.

As the agreements above will be settled through product exports, the Company's Management understands that these transactions have a natural hedge and thus the exchange variations will have a temporary impact on the financial statements, without a corresponding effect of the Company's cash flows.

24.7. Sensitivity analysis

In accordance with CVM Instructions No. 475, below is the sensitivity analysis prepared by the Company on the effects of changes in derivatives' fair value relating to pricing and hedging against exchange rate fluctuations in other financial assets and financial liabilities in foreign currency as of June 30, 2009, considered by Management as the major risk the Company is exposed to. This analysis considers expectations of the Administration with respect to future scenario designed, for that reason such analysis has not been reviewed by independent auditors.

Company		Probable scenario		Possible scenario	
Operation	Risk	Average rate/price	Effect on the statement of operations and cash flow	Deterioration 25%	Deterioration 50%
Cash and Banks	US$ depreciation	R$ 1.96	(4,347)	(10,343)	(16,339)
Trade accounts receivable	US$ depreciation	R$ 1.96	(55)	(132)	(208)
Loans and financing – short and long-terms	US$ appreciation	R$ 1.96	9,055	(3,436)	(15,928)
Foreign currency contracts of fixed-term – NDF	US$ appreciation	R$ 1.96	107	(3,412)	(6,930)
Futures market - Purchase	Decrease in commodity price	16.09 ¢/lb	829	(722)	(7,309)
Futures market - Sale	Increase in commodity price	15.97 ¢/lb	(829)	(7,416)	(14,002)
"Call" sale	Increase in commodity price	18.73 ¢/lb	(130)	(1,419)	(2,708)
"Put" sale	Decrease in commodity price	14.62 ¢/lb	99	96	93
"Put" - Purchase	Decrease in commodity price	16.46 ¢/lb	(216)	(260)	(304)

Consolidated		Probable scenario		Possible scenario	
Operation	Risk	Average rate/price	Effect on the statement of operations and cash flow	Deterioration 25%	Deterioration 50%
Cash and banks	US$ depreciation	R$ 1.96	(14,399)	(34,263)	(54,126)
Temporary investments	US$ depreciation	R$ 1.96	(323)	(769)	(1,214)
Trade accounts receivable	US$ depreciation	R$ 1.96	(55)	(132)	(208)
Loans and financing – short and long-terms	US$ appreciation	R$ 1.96	72,593	(27,549)	(127,692)
Foreign currency contrats of fixed-term – NDF	US$ appreciation	R$ 1.96	12,070	(10,837)	(33,744)
Futures market - Purchase	Decrease in commodity price	16.09 ¢/lb	829	(722)	(7,309)
Futures market - Sale	Increase in commodity price	15.97 ¢/lb	(829)	(7,416)	(14,002)
"Call" sale	Increase in commodity price	18.72 ¢/lb	(117)	(1,459)	(2,802)
"Put" sale	Decrease in commodity price	14.84 ¢/lb	203	194	184
"Put" - Purchase	Decrease in commodity price	16.73 ¢/lb	(418)	(470)	(521)

25. FINANCIAL INCOME (EXPENSES)

	Company		Consolidated	
	6/30/2009	6/30/2008	6/30/2009	6/30/2008
Financial income				
Interest income	474	1,776	1,418	1,987
Gains on derivatives	111	-	21,730	1,971
Other income	158	25	450	94
	743	1,801	23,598	4,052
Financial expenses				
Interest expenses	(3,221)	(4,359)	(10,580)	(14,392)
Losses on derivatives	(3,749)	(476)	(8,002)	(932)
Other	(515)	(473)	(1,871)	(1,170)
	(7,485)	(5,308)	(20,453)	(16,494)
Monetary and exchange gains (losses)				
Monetary and exchange gains	9,168	227	75,035	1,951
Monetary and exchange losses	(3,419)	(6)	(21,074)	(660)
	5,749	221	53,961	1,291
Net financial expenses	(993)	(3,286)	57,106	(11,151)

Changes in “Monetary and exchange gains (losses)” – Consolidated derive from Export Prepayment Loans contracted by the subsidiary Usina Boa Vista S.A., as mentioned in note 24.6. As the agreements will be settled through product exports, the Company’s Management understands that these transactions have a natural hedge and thus the exchange variations will have a temporary impact on the financial statements, without a corresponding effect of the Company’s cash flows.