São Martinho

Quarterly information (ITR)
September 30, 2015
with independent auditor’s review report on quarterly information

A free translation from Portuguese into English of Independent Auditor's Review Report on Quarterly Information prepared in Brazilian currency in accordance with accounting practices adopted in Brazil and International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board – IASB

INDEPENDENT AUDITOR'S REVIEW REPORT ON QUARTERLY INFORMATION

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

Introduction

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

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

Scope of review

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

Conclusion

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

Emphasis of matter

Real estate transactions

As described in Note 25, the Company conducts real estate transactions, which have specific accounting practices in Brazil. Therefore, specifically in relation to real estate transactions, the Company adopted International Financial Reporting Standards (IFRS) applicable to real estate companies in Brazil, edited by the Accounting Pronouncements Committee - CPC, approved by CVM and by the Federal Accounting Council (CFC), which considers OCPC01 and OCPC04 - Application of Technical Interpretation ICPC02 to the Brazilian Real Estate Development Entities, which deals with the revenue recognition and related costs and expenses resulting from real estate transactions during the course of the work (percentage of completion method - POC). Our report on review of interim financial information does not contain qualification in respect of this matter.

Other matters

Statements of value added

We also reviewed the individual and consolidated statements of value added for the six-month period ended September 30, 2015, prepared under the responsibility of Company’s management, whose presentation in the interim accounting information is required by the standards issued by the CVM applicable to preparation of Quarterly Information (ITR) and considered supplementary information under IFRS, whereby no statement of value added presentation is required. These statements were submitted to the same review procedures previously described and, based on our review, we are not aware of any fact that would make us believe that they were not prepared, in all material respects, in accordance with the overall individual and consolidated interim accounting information.

Campinas, November 9, 2015.

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

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

Cristiane Cléria S. Hilário
Accountant CRC 1SP243766/O-8

A free translation from Portuguese into English of Quarterly Information prepared in Brazilian currency in accordance with accounting practices adopted in Brazil and International Financial Reporting Standards (IFRS), issued by International Accounting Standards Board – IASB

Contents

Balance sheet at September 30 and March 31, 2015

In thousands of reais

ASSETS	Note	Company September 30, 2015	Company March 31, 2015	Consolidated September 30, 2015	Consolidated March 31, 2015
CURRENT ASSETS					
Cash and cash equivalents	5	541,094	989,690	592,948	1,020,112
Short-term investments	5	173,565	-	222,251	-
Trade accounts receivable	6	171,566	141,601	191,037	156,317
Derivative financial instruments	22	84,236	221,797	84,236	221,797
Inventories	7	709,826	167,121	702,609	177,443
Taxes recoverable	8	125,811	102,213	126,493	102,821
Income and social contribution taxes	19	86,639	64,278	86,640	64,633
Other assets		14,017	6,507	14,021	6,476
TOTAL CURRENT ASSETS		1,906,754	1,693,207	2,020,235	1,749,599
NONCURRENT ASSETS					
Financial investments		490	478	5,156	5,723
Inventories	7	19,121	49,607	19,121	49,607
Transactions with related parties	9	1,256	1,280	-	34
Trade accounts receivable	6	-	561	20,954	8,049
Receivables from Copersucar		2,302	1,669	2,302	1,669
Taxes recoverable	8	84,788	75,712	84,880	75,860
Judicial deposits	21	29,291	26,587	31,365	27,927
Other assets		498	518	498	518
		137,746	156,412	164,276	169,387
Investments	10	2,297,461	2,242,251	439,790	429,780
Biological assets	11	938,105	936,241	938,105	936,241
Property, plant and equipment	12	1,589,116	1,676,831	3,274,239	3,383,376
Intangible assets	13	397,728	396,280	491,416	500,541
		5,222,410	5,251,603	5,143,550	5,249,938
TOTAL NONCURRENT ASSETS		5,360,156	5,408,015	5,307,826	5,419,325
State		7,266,910	7,101,222	7,328,061	7,168,924

LIABILITIES AND EQUITY	Note	Company September 30, 2015	Company March 31, 2015	Consolidated September 30, 2015	Consolidated March 31, 2015
CURRENT LIABILITIES					
Borrowings	14	790,239	868,879	793,777	872,419
Derivative financial instruments	22	245,168	232,711	245,168	232,711
Trade accounts payable	15	180,903	101,866	170,172	95,476
Payables to Copersucar	16	33,385	2,040	33,385	2,040
Salaries and social charges		104,247	83,942	104,624	84,373
Taxes payable		12,023	11,793	17,389	13,235
Income and social contribution taxes	19	-	725	2,007	1,511
Dividends payable	17	1	67,939	1	67,939
Advances from customers		2,425	4,462	3,387	3,197
Acquisition of investments	9 and 31	17,776	17,507	17,776	17,507
Other liabilities		26,785	23,225	28,264	29,484
TOTAL CURRENT LIABILITIES		1,412,952	1,415,089	1,415,950	1,419,892
NONCURRENT LIABILITIES					
Borrowings	14	2,866,951	2,347,783	2,885,098	2,367,660
Payables to Copersucar	16	236,951	279,584	236,951	279,584
Taxes in installments		15,881	16,267	15,881	16,267
Deferred income and social contribution taxes	19	153,969	282,312	192,057	323,811
Provision for contingencies	21	50,776	54,360	52,575	55,430
Acquisition of investments	9 and 31	73,370	78,815	73,370	78,815
Other liabilities		10,912	10,927	11,031	11,380
TOTAL NONCURRENT LIABILITIES		3,408,810	3,070,048	3,466,963	3,132,947
EQUITY	17				
Capital social		931,340	812,992	931,340	812,992
Capital reserve		9,119	9,119	9,119	9,119
Treasury shares		(5,888)	(7,375)	(5,888)	(7,375)
Stock options granted		6,288	5,079	6,288	5,079
Equity adjustments		1,170,793	1,405,708	1,170,793	1,405,708
Income reserves		272,214	390,562	272,214	390,562
Retained earnings		61,282	-	61,282	-
TOTAL LIABILITIES		2,445,148	2,616,085	2,445,148	2,616,085
TOTAL LIABILITIES AND EQUITY		7,266,910	7,101,222	7,328,061	7,168,924

See accompanying notes.

São Martinho

Income statement

Periods ended September 30, 2015 and 2014

In thousands of reais

		Company			
		September 30, 2015		September 30, 2014	
	Note	Quarter	Six-month period	Quarter	Six-month period
Revenues	25	545,342	862,215	287,582	650,819
Cost of sales	26	(415,392)	(694,378)	(226,928)	(496,474)
Gross profit		129,950	167,837	60,654	154,345
Operating income (expenses)					
Selling expenses	26	(26,287)	(38,784)	(15,657)	(32,461)
General and administrative expenses	26	(35,070)	(63,210)	(26,776)	(54,648)
Equity pickup	10	42,820	111,536	68,293	109,851
Other income, net	27	2,613	3,756	68,725	68,993
		(15,924)	13,298	94,585	91,735
Operating income		114,026	181,135	155,239	246,080
Financial income (expenses), net	28				
Financial income		18,904	47,186	18,396	31,058
Financial expenses		(64,978)	(132,433)	(52,714)	(81,620)
Monetary and exchange variations, net		(102,599)	(96,369)	(254)	761
Derivatives		42,546	15,374	14,068	8,259
		(106,127)	(166,242)	(20,504)	(41,542)
Pretax income		7,899	14,893	134,735	204,538
Income and social contribution taxes	19(b)				
Current		2,015	12,383	13,815	(1,355)
Deferred		11,140	22,073	(33,328)	(27,235)
Net income for the period		21,054	49,349	115,222	175,948
Basic earnings per share (in reais)	29	0.1863	0.4369	1.0252	1.5656
Diluted earnings per share (in reais)	29	0.1861	0.4361	1.0204	1.5582

See accompanying notes.

Income statement

Periods ended September 30, 2015 and 2014

In thousands of reais

		Consolidated			
		September 30, 2015		September 30, 2014	
	Note	Quarter	Six-month period	Quarter	Six-month period
Revenues	25	587,664	954,844	397,709	775,716
Cost of sales	26	(409,510)	(683,611)	(269,227)	(528,349)
Gross profit		178,154	271,233	128,482	247,367
Operating income (expenses)					
Selling expenses	26	(26,756)	(39,619)	(20,451)	(37,327)
General and administrative expenses	26	(36,561)	(65,883)	(32,213)	(60,247)
Equity pickup	10	(2,441)	10,011	11,982	29,294
Other income, net	27	2,777	3,926	77,036	77,677
		(62,981)	(91,565)	36,354	9,397
Operating income		115,173	179,668	164,836	256,764
Financial income (expenses), net	28				
Financial income		23,577	56,767	23,536	36,713
Financial expenses		(65,442)	(133,721)	(62,446)	(91,746)
Monetary and exchange variations, net		(102,598)	(96,368)	(1,894)	(879)
Derivatives		42,545	15,373	12,669	6,860
		(101,918)	(157,949)	(28,135)	(49,052)
Pretax income		13,255	21,719	136,701	207,712
Income and social contribution taxes	19(b)				
Current		(399)	7,886	11,974	(4,300)
Deferred		8,198	19,744	(32,163)	(26,174)
Net income for the period		21,054	49,349	116,512	177,238
Attributable to:					
Controlling shareholders				115,222	175,948
Noncontrolling shareholders				1,290	1,290
				116,512	177,238
Basic earnings per share (in reais)	29	0.1863	0.4369	1.0252	1.5656
State	29	0.1861	0.4361	1.0204	1.5582

See accompanying notes.

São Martinho

Statement of comprehensive income
Periods ended September 30, 2015 and 2014
In thousands of reais

Company	September 30, 2015 Quarter	September 30, 2015 Six-month period	September 30, 2014 Quarter	September 30, 2014 Six-month period
Net income for the period	21,054	49,349	115,222	175,948
Items that will be reclassified subsequently to P&L				
Derivative financial instruments:				
Commodity derivatives - Futures, options and forwards	3,121	(21,887)	32,284	47,097
Foreign exchange derivatives - Options/ NDFs	(112,731)	(67,200)	(21,656)	(11,021)
Foreign exchange variations on borrowings - ACCs/PPEs	(326,648)	(241,320)	(54,685)	(25,053)
Swap contracts	81	389	529	890
Deferred taxes on the items above	148,300	112,206	14,797	(4,050)
Interest in the comprehensive income (loss) of jointly controlled subsidiaries	-	-	(23,422)	(19,717)
	(287,877)	(217,812)	(52,153)	(11,854)
Comprehensive income (loss) for the period	(266,823)	(168,463)	63,069	164,094

Consolidated	September 30, 2015 Quarter	September 30, 2015 Six-month period	September 30, 2014 Quarter	September 30, 2014 Six-month period
Net income for the period	21,054	49,349	116,512	177,238
Items that will be reclassified subsequently to P&L				
Derivative financial instruments:				
Commodity derivatives - Futures, options and forwards	3,121	(21,887)	32,284	47,097
Foreign exchange derivatives - Options/ NDFs	(112,731)	(67,200)	(21,656)	(11,021)
Foreign exchange variations on borrowings - ACCs/PPEs	(326,648)	(241,320)	(54,685)	(25,053)
Swap contracts	81	389	529	890
Deferred taxes on the items above	148,300	112,206	14,797	(4,050)
Interest in the comprehensive income (loss) of jointly controlled subsidiaries	-	-	(23,422)	(19,717)
	(287,877)	(217,812)	(52,153)	(11,854)
Comprehensive income (loss) for the period	(266,823)	(168,463)	64,359	165,384
Attributable to:				
Controlling shareholders			62,278	163,303
Noncontrolling shareholders			2,081	2,081
			64,359	165,384

See accompanying notes.

São Martinho

Statement of changes in equity at September 30, 2015 and 2014

In thousands of reais

						Equity adjustments											
						Deemed cost		Hedge accounting		Income reserves							
	Note	Capital	Capital reserve	Treasury shares	Stock options granted	Own	Of investees	Own	Of investees	Legal	Budgeted capital	Additional dividends	Unrealized income reserve	Retained earnings	Total	Noncontrolling shareholders	Total equity
At March 31, 2014		737,200	-	(11,839)	3,605	513,013	703,701	(91,814)	(8,191)	31,927	190,008	8,342	-	-	2,075,952	-	2,075,952
Capital increase with reserves		71,650	-	-	-	-	-	-	-	-	(71,650)	-	-	-	-	-	-
Realization of deemed cost increment	17 (c)	-	-	-	-	(8,499)	(2,381)	-	-	-	-	-	-	10,880	-	-	-
Payment of capital via assets in Vale do Mogi		-	-	-	-	(22,822)	22,822	-	-	-	-	-	-	-	-	-	-
Gain (loss) on derivative transactions - hedge accounting	17 (c)	-	-	-	-	-	-	7,863	(19,717)	-	-	-	-	-	(11,854)	2,081	(9,773)
Stock options granted		-	-	-	1,421	-	-	-	-	-	-	-	-	-	1,421	-	1,421
Stock options exercised		-	-	1,124	(311)	-	-	-	-	-	-	-	-	352	1,165	-	1,165
Prior-year additional dividends paid		-	-	-	-	-	-	-	-	-	-	(8,342)	-	-	(8,342)	-	(8,342)
Net income for the period		-	-	-	-	-	-	-	-	-	-	-	-	175,948	175,948	1,290	177,238
At September 30, 2014	17	808,850	-	(10,715)	4,715	481,692	724,142	(83,951)	(27,908)	31,927	118,358	-	-	187,180	2,234,290	3,371	2,237,661
At March 31, 2015		812,992	9,119	(7,375)	5,079	213,472	1,505,044	(312,808)	-	46,230	251,984	-	92,348	-	2,616,085	-	2,616,085
Capital increase with reserves	17 (a)	118,348	-	-	-	-	-	-	-	-	(118,348)	-	-	-	-	-	-
Realization of deemed cost increment	17 (c)	-	-	-	-	(7,362)	(3,806)	-	-	-	-	-	-	11,168	-	-	-
Capital decrease via assets in Vale do Mogi	10.3	-	-	-	-	17,457	(17,457)	-	-	-	-	-	-	-	-	-	-
Deferred tax set up																	
(capital reduction in Vale do Mogi)		-	-	-	-	(5,935)	-	-	-	-	-	-	-	-	(5,935)	-	(5,935)
Adjustment of deemed cost increment		-	-	-	-	6,186	(6,186)	-	-	-	-	-	-	-	-	-	-
Gain (loss) on derivative transactions - hedge accounting	17 (c)	-	-	-	-	-	-	(217,812)	-	-	-	-	-	-	(217,812)	-	(217,812)
Stock options granted	17 (f)	-	-	-	1,731	-	-	-	-	-	-	-	-	-	1,731	-	1,731
Stock options exercised	17 (f)	-	-	1,487	(522)	-	-	-	-	-	-	-	-	765	1,730	-	1,730
Net income for the period		-	-	-	-	-	-	-	-	-	-	-	-	49,349	49,349	-	49,349
At September 30, 2015	17	931,340	9,119	(5,888)	6,288	223,818	1,477,595	(530,620)	-	46,230	133,636	-	92,348	61,282	2,445,148	-	2,445,148

See accompanying notes.

São Martinho

Cash flow statements
Periods ended September 30, 2015 and 2014
In thousands of reais

	Note	Company		Consolidated	
		September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Cash flow from operating activities					
Net income for the period		49,349	175,948	49,349	175,948
Adjustments					
Depreciation and amortization	26	88,591	55,592	90,912	63,336
Harvested biological assets (depreciation)	26	185,994	99,829	185,994	108,180
Changes in fair value of biological assets	11	(35,858)	(2,162)	(35,858)	1,305
Amortization of intangible assets		548	-	7,526	1,120
Equity pickup	10	(111,536)	(109,851)	(10,011)	(29,294)
Capital gains on investment		-	-	-	(7,055)
Gain (loss) on investment and PP&E disposed of	12	1,993	333	1,993	(4,054)
Interest, monetary and exchange variations, net		237,715	52,784	235,951	72,762
Derivative financial instruments		133,805	80,690	133,805	81,139
Set up of provision for contingencies, net	21.1	4,613	(2,173)	5,342	(965)
Deferred income and social contribution taxes	19 (b)	(22,073)	27,235	(19,744)	26,174
Present value adjustment and other		3,369	3,739	2,281	3,739
Income (loss) from sale of ownership interest	27	-	(79,717)	-	(79,717)
		536,510	302,247	647,540	412,618
Changes in assets and liabilities					
Trade accounts receivable		(32,365)	(14,472)	(59,507)	(45,242)
Inventories		(378,915)	(264,984)	(361,258)	(289,261)
Taxes recoverable		(51,228)	(26,814)	(50,681)	(30,015)
Short-term investments		-	-	920	(434)
Other assets		(9,732)	(546)	(9,170)	2,194
Trade accounts payable		84,140	90,035	79,890	84,980
Salaries and social charges		20,305	16,184	20,251	15,496
Taxes payable		(2,770)	714	(206)	2,733
Payables to Copersucar		(19,779)	9,749	(19,779)	10,852
Taxes paid in installments		(821)	(952)	(821)	(952)
Provision for contingencies - settlements	21.1	(10,019)	(19,832)	(10,019)	(20,303)
Other liabilities		1,522	9,721	760	5,682
Cash provided by (used in) operations		136,848	101,050	237,920	148,348
State		(102,066)	(39,136)	(102,814)	(50,780)
Income and social contribution taxes paid		-	-	(785)	(47)
Net cash provided by (used in) operating activities		34,782	61,914	134,321	97,521
Cash flow from investing activities					
Investment of funds	30	(10,856)	(46,208)	(10,856)	(44,354)
Changes for acquisition and sale of ownership interest		-	-	-	44,860
Additions to PP&E and intangible assets		(63,675)	(51,879)	(63,864)	(60,580)
Additions to biological assets (sugarcane planting and treatment)	11	(210,212)	(119,948)	(210,212)	(144,312)
Short-term Investments	5	(173,565)	-	(222,251)	-
Proceeds from sale of property, plant and equipment	12	1,422	1,482	11,111	6,210
Future capital contribution		(10)	(301,245)	-	-
Dividends received		37,192	41,350	-	3,127
Net cash used in investing activities		(419,704)	(476,448)	(496,072)	(195,049)
Cash flow from financing activities					
Financing taken out from third parties		581,540	391,818	581,540	396,818
Financing repayment - third parties		(579,006)	(223,934)	(580,745)	(270,946)
Changes in noncontrolling shareholders		-	-	-	1,290
Disposal of treasury shares	17 (f)	1,730	1,164	1,730	1,164
Dividends paid		(67,938)	(40,405)	(67,938)	(43,089)
Net cash provided by financing activities		(63,674)	128,643	(65,413)	85,237
Net increase (decrease) in cash and cash equivalents		(448,596)	(285,891)	(427,164)	(12,291)
Cash and cash equivalents at beginning of period		989,690	542,917	1,020,112	551,359
Cash and cash equivalents at end of period		541,094	257,026	592,948	539,068
Additional information					
Balances of short-term investments	5	173,565	-	222,251	-
Total funds available	5	714,659	257,026	815,199	539,068

See accompanying notes.

São Martinho

Statement of value added

Periods ended September 30, 2015 and 2014

In thousands of reais

	Company		Consolidated	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Revenues				
Gross sales of goods and products	885,104	670,064	976,250	782,041
Revenue related to construction of own assets	229,239	120,205	229,239	142,552
Other revenues	1,278	81,956	1,449	82,838
	1,115,621	872,225	1,206,938	1,007,431
Inputs acquired from third parties				
Cost of sales	(360,708)	(258,598)	(334,060)	(239,268)
Materials, energy, third-party services and other operating expenses	(158,726)	(151,603)	(169,221)	(190,535)
	(519,434)	(410,201)	(503,281)	(429,803)
Gross value added	596,187	462,024	703,657	577,628
Depreciation and amortization	(88,591)	(55,592)	(90,912)	(63,336)
Harvested biological assets (depletion)	(185,994)	(99,829)	(185,994)	(108,180)
Net value added produced by the Company	321,602	306,603	426,751	406,112
Value added received in transfer				
Equity pickup	111,536	109,851	10,011	29,294
Financial income	476,470	126,181	486,051	144,373
Other	2,544	(12,791)	2,542	(4,971)
Total value added to be distributed	912,152	529,844	925,355	574,808
Distribution of value added				
Personnel and charges				
Direct compensation	170,359	103,509	170,747	112,869
Benefits	43,585	24,509	43,671	28,065
Unemployment Compensation Fund (FGTS)	14,537	8,512	14,545	9,324
Management compensation	7,801	6,740	8,458	7,055
Taxes, rates and contributions				
Federal	(18,181)	39,500	(7,665)	44,839
State	466	257	621	260
Municipal	383	424	490	425
Creditors				
Interest	132,557	65,635	133,842	73,608
Leases	834	2,229	833	478
Foreign exchange gains	358,872	44,804	358,872	58,908
Other	151,590	57,777	151,592	61,739
Retained profits for the period	49,349	175,948	49,349	175,948
Noncontrolling shareholders	-	-	-	1,290
Value added distributed	912,152	529,844	925,355	574,808

See accompanying notes.

1. Operations

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

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

The Company is a subsidiary of the holding company LJN Participações S.A. ("LJN"), which has controlling interest of 55.96% in its voting capital. In turn, the owners of LJN are the family holding companies: Luiz Ometto Participações S.A., João Ometto Participações S.A. and Nelson Ometto Participações Ltda.

During the six-month period ended September 30, 2014, the Company acquired the controlling interest in Santa Cruz S.A. - Açúcar e Álcool ("SC") and started the consolidation of it, and also disposed of all its equity investment in Agro Pecuária Boa Vista S.A. ("ABV"), as described in Note 10.

The abovementioned transactions have a significant effect on comparability of the current period results with those of the prior period.

Issue of this quarterly information was approved by the Company's Board of Directors on November 9, 2015.

2. Summary of significant accounting practices

2.1 Statement of compliance and basis of preparation

The interim financial information contained in this individual and consolidated quarterly information was prepared in accordance with Brazilian Financial Accounting Standards Board (CPC) technical pronouncement CPC 21 (R1) – Interim Financial Reporting, and with International Accounting Standard (IAS) 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB), and is presented in line with the rules issued by the Brazilian Securities and Exchange Commission (CVM) applicable to the preparation of Quarterly Information (ITR).

Specifically, the consolidated quarterly information also includes real estate companies, whose accounting practices are in accordance with the International Financial Reporting Standards (IFRS) applicable to real estate development entities in Brazil, including CPC Guidance OCPC 04 – Application of Technical Interpretation ICPC 02 to Brazilian real estate development entities, in connection with revenue recognition in this industry, and involves matters related to the meaning and application of the concept of continuous transfer of risks and rewards of real estate units.

Except for real estate transactions, this interim financial information was prepared under principles, practices and criteria in line with those adopted in the preparation of the annual financial statements as of March 31, 2015. Accordingly, this Quarterly Information (ITR) shall be read in conjunction with the referred to financial statements, approved by the Board of Directors on June 22, 2015, and filed with the CVM on the same date. The referred to financial statements were also approved in Special General Shareholders' Meetings held on July 31, 2015.

Until December 31, 2013, practices applicable to individual quarterly information had differed from the IFRS solely with respect to the measurement of investments in subsidiaries, affiliates and jointly controlled entities under the equity method, whereas such investments would be measured at cost or fair value for IFRS purposes.

After issuance of the revised international accounting standard IAS 27 (Separate Financial Statements) by the IASB in 2014, entities are now allowed to use the equity method to account for their investments in subsidiaries, affiliates and jointly controlled entities in their separate financial statements prepared under IFRS. In December 2014, the Brazilian securities regulator issued CVM Rule No. 733/2014 to approve the Document for Revision of Accounting Pronouncements CPC 18, CPC 35 and CPC 37 issued by the CPC so as to include said revision to IAS 27, and to allow their adoption for annual periods ended on or after December 31, 2014. Accordingly, the Company's quarterly information started to be prepared under IFRS as from the year ended March 31, 2015.

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

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

2.2 Basis of consolidation and investments in subsidiaries

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

Consolidated balances in the quarterly information for the period ended June 30, 2015 includes the following subsidiaries:

In thousands of reais, unless otherwise stated

Company	Interest held	Business activities
Vale do Mogi Empreendimentos Imobiliários S.A. ("Vale do Mogi")	100%	Exploration of land through agricultural lease and partnership agreement, lease and sale of properties.
São Martinho Energia S.A. ("SME")	100%	Cogeneration of electric energy.
Companhia Bioenergética Santa Cruz 1 ("Bio")	100%	Cogeneration of electric energy.
São Martinho Inova S.A. ("SM Inova")	100%	Interest held in companies.
SPE - Residencial Recanto das Paineiras Empreendimentos Imobiliários Ltda. ("SPE Paineiras") – subsidiary of Vale do Mogi	100% (direct 0.01% and indirect 99.99%)	Merger and exploration of real estate venture.
SPE - Park Empresarial Iracemápolis Ltda. ("SPE Park") – subsidiary of Vale do Mogi	100% (direct 0.01% and indirect 99.99%)	Merger and exploration of real estate venture.
SPE - Residencial Limeira Ltda. ("SPE Limeira") – subsidiary of Vale do Mogi	100% (direct 0.01% nd indirect 99.99%)	Merger and exploration of real estate venture.
SPE - Residencial Pradópolis Ltda. ("SPE Pradópolis") - subsidiary of ale do Mogi	100% (direct 0.01% and indirect 99.99%)	Merger and exploration of real estate venture.
São Martinho Logística e Participações S.A. ("SM Logística")	100% (direct 99.99% and indirect 0.01%)	Storage of products in general.

Contractual investment arrangements whereby two or more parties have joint control of the venture are classified as jointly controlled operations or *joint ventures*, according to rights and obligations of the parties thereto. These investments are accounted for under the equity method.

At September 30, 2015, the Company had the following jointly controlled entities:

Company	Interest held	Business activities
Wholly-owned subsidiaries - direct:		
Nova Fronteira Bioenergia S.A. ("NF")	50.95%	Holding interests in other entities in the sugar-energy industry.
SMA Indústria Química S.A. ("SMA")	50%	Production of renewable high performance chemical products.
Usina Santa Luiza S.A. ("USL")	66.67%	Storage services.
Wholly-owned subsidiaries - indirect:		
Usina Boa Vista S.A. ("UBV") – subsidiary of NF	50.95%	Agribusiness activities: industrial processing of sugar cane (own and third party production), manufacture of ethanol and its by-products cogeneration of electricity and agriculture.
SMBJ Agroindustrial S.A. ("SMBJ") - subsidiary of NF	50.95%	Agriculture.

2.3 Functional and reporting currency

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

2.4 Foreign currency translation

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

2.5 Financial instruments

(i) Financial Assets

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

a) Loans and receivables

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

b) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. These assets are measured at fair value and changes therein are recognized in profit or loss for the year.

(ii) Financial Liabilities

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

(iii) Derivative financial instruments

Derivatives are measured at fair value, with gains and losses recognized in profit or loss, unless hedge accounting is applied.

When hedge accounting is applied, the Company documents, at inception, the relationship between the hedging instrument and the hedged item as well as its risk management objective and strategy for undertaking the hedging transaction.

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

In thousands of reais, unless otherwise stated

2.6 Leases

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

3. Standards, revised standards and interpretations of standards not yet in force

The following new or revised standards are not yet effective for the period ended September 30, 2015:

Standard	Requirement	Impacts on Financial Statements
IFRS 9 - Financial instruments.	This standard ultimately refers to replacement of IAS 39. The major changes provided for therein are: (i) all financial assets are initially measured at fair value; (ii) the standard divides all financial assets into two classifications: those measured at amortized; and (iii) the concept of embedded derivatives no longer exists.	Management is evaluating the impacts from its adoption.
IFRS 15 - Revenue from Contracts with Customers;	The main purpose is to provide clear principles for revenue recognition and streamline the process of preparation of the financial statements.	Management is evaluating the impacts from its adoption.
Amendment to IAS 16 and IAS 38 - Clarification of Acceptable Methods of Depreciation and Amortization and IAS 41 - Agriculture	Production biological assets (bearer plants) must be accounted for as a PPE item (IAS 16), i.e., cost less depreciation or impairment. Depreciation and amortization method should be based on economic benefits consumed through use of the asset.	Management is evaluating the impacts from its adoption. This amendment is effective from April 1, 2016.
Amendment to IFRS 10 and IAS 28 - Sale or contribution of assets between an investor and associated or joint venture (joint arrangements)	The purpose of this amendment is to correct the inconsistency between the requirements of IFRS 10 - Consolidated Financial Statements and IAS 28 - Investments in Associate, Subsidiary and Joint Venture upon dealing with the loss of a subsidiary control that is contributed to an associate, subsidiary or joint ventures.	Management is evaluating the impacts from its adoption. This amendment is effective from April 1, 2016.

Standard	Requirement	Impacts on Financial Statements
IFRS 7 - Financial Instruments: Disclosures – Applicability of the offsetting disclosures to condensed financial statements	The amendment removes the phrase 'and interim periods within those annual periods' from paragraph 44R, clarifying that these IFRS 7 disclosures are not required in the condensed financial statements. However, IAS 34 requires an entity to disclose "an explanation of events and transactions that are significant to understand the changes in financial position and performance of the entity since the end of the last annual period". Therefore, if the IFRS 7 disclosures provide a significant update to the information reported in the most recent annual report, these disclosures would be expected to be included in the condensed financial statements. This amendment should be applied retrospectively and will be effective for annual periods beginning on or after January 1, 2016, but early adoption is permitted. Effective from 1/1/2016.	Management is evaluating the impacts from its adoption.

4. Significant accounting judgments and estimates

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

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

(a) Impairment of goodwill

The Group tests goodwill for impairment annually. The recoverable amount of cash-generating units (CGUs) was estimated based on value in use.

(b) Allowance for doubtful accounts

This allowance is calculated based on an individual analysis of the past due notes receivable or estimated default risk, checking the nature of the notes, the existence and sufficiency of security interest, history and other factors.

(c) Provision for write-down to replacement and/or net realizable value of inventories

This provision is calculated based on an analysis of the average cost of finished products in relation to their realizable market value, less costs to sell.

(d) Fair value of biological assets

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

(e) Income tax, social contribution and other taxes

The Company recognizes provisions for situations in which it is probable that additional tax amount shall be levied. When the final result of these circumstances is different from those initially estimated and recorded, these differences will change the current and deferred tax assets and liabilities for the year in which the definitive amount is determined.

(f) Fair value of derivatives and other financial instruments

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

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

(g) Provision for contingencies

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

5. Cash and cash equivalents and short-term investments

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

Bank balances in domestic and foreign currencies, plus short-term investments classified in current assets, comprise the balance of funds available.

In thousands of reais, unless otherwise stated

	Company			Consolidated		
	Yields *	September 30, 2015	March 31, 2015	Yields *	September 30, 2015	March 31, 2015
Cash and banks – in Brazil		60,796	2,041		61,414	8,359
Cash and banks – abroad		421,645	190,575		421,645	190,576
Short-term investments – in Brazil						
. Bank Deposit Certificate (CDB)	100.84%	17,239	405,183	100.84%	17,239	405,183
. Repurchase agreements - debentures	100.89%	41,414	391,891	100.62%	92,650	415,994
Total de cash and cash equivalents		541,094	989,690		592,948	1,020,112
. Boutique investment fund *(i)*	102.54%	173,565	-	102.54%	222,251	-
Total financial investments		173,565	-		222,251	-
Total funds available		714,659	989,690		815,199	1,020,112

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

(i) In order to spread its assets portfolio and leverage its operational and financial management, in June 2015, the Company enrolled with a highly-liquid boutique fund.

6. Trade accounts receivable

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

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

	Company		Consolidated	
	September 30, 2015	March 31, 2015	September 30, 2015	March 31, 2015
Domestic market customers	56,420	79,227	96,845	101,431
Foreign market customers	115,146	62,935	115,146	62,935
	171,566	142,162	211,991	164,366
Current assets	171,566	141,601	191,037	156,317
Noncurrent assets	-	561	20,954	8,049

For the periods presented, management identified no need to record an allowance for doubtful accounts.

In thousands of reais, unless otherwise stated

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

	Company		Consolidated	
	September 30, 2015	March 31, 2015	September 30, 2015	March 31, 2015
Falling due:	170,929	141,551	211,351	163,739
Past due and not provisioned:				
Within 30 days	592	506	592	518
Over 31 days	45	105	48	109
	171,566	142,162	211,991	164,366

Of the amount receivable, R$ 4,941 and R$ 2,246, Company and Consolidated, respectively (R$ 2,719 and R$ 2,565, Company and Consolidated, respectively, at March 31, 2015), refer to related parties, as detailed in Note 9.

7. Inventories

	Company		Consolidated	
	September 30, 2015	March 31, 2015	September 30, 2015	March 31, 2015
Current				
Finished products and work-in-process	553,254	81,410	539,108	81,410
Advances - procurement of sugar cane	91,372	39,575	91,372	39,575
Land - subdivisions	-	-	6,929	10,322
Inputs, ancillary material for maintenance and other items	65,200	46,136	65,200	46,136
	709,826	167,121	702,609	177,443
Noncurrent				
Advances - procurement of sugar cane	19,121	49,607	19,121	49,607
	19,121	49,607	19,121	49,607
	728,947	216,728	721,730	227,050

(i) In consolidated, the elimination of the profit margin between companies of the group is considered.

In thousands of reais, unless otherwise stated

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

Elimination of the profit margin between companies of the group.

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

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

8. Taxes recoverable

Breakdown of taxes recoverable is as follows:

	Company		Consolidated	
	September 30, 2015	March 31, 2015	September 30, 2015	March 31, 2015
Current				
PIS / COFINS	76,587	58,494	76,596	58,500
ICMS	27,346	27,346	28,019	27,948
Reintegra	21,103	15,572	21,103	15,572
Other	775	801	775	801
	125,811	102,213	126,493	102,821
Noncurrent				
PIS / COFINS	38,039	42,160	38,039	42,160
IOF on derivatives	6,700	6,380	6,700	6,380
ICMS	34,993	22,387	35,085	22,535
INSS	5,056	4,785	5,056	4,785
	84,788	75,712	84,880	75,860
	210,599	177,925	211,373	178,681

In thousands of reais, unless otherwise stated

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

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

	September 30, 2015	
	Company	Consolidated
07/01/2016 to 06/30/2017	42,641	42,672
07/01/2017 to 06/30/2018	15,298	15,329
07/01/2018 to 06/30/2019	15,148	15,178
07/01/2019 to 06/30/2020	4,399	4,399
07/01/2020 to 06/30/2021	3,150	3,150
As from 07/01/2021	4,152	4,152
	84,788	84,880

In thousands of reais, unless otherwise stated

9. Related parties

a) Company and consolidated balances:

Company	September 30, 2015				March 31, 2015			
	Current Assets	Noncurrent Assets	Current liabilities	Noncurrent liabilities	Current Assets	Noncurrent Assets	Current liabilities	Noncurrent liabilities
Consolidated in the current quarterly information:								
Vale do Mogi Empreend. Imobiliários S.A.	1,649	-	9,748	-	137	-	3,643	-
Companhia Bioenergética Santa Cruz 1	431	-	343	-	11	-	1,223	-
São Martinho - Energia S.A.	611	-	645	-	5	-	2,179	-
São Martinho Inova S.A.	-	1,256	-	-	-	1,246	-	-
Other	4	-	-	-	-	-	-	-
Not consolidated in the current quarterly information:								
Luiz Ometto Participações S.A. (Note 31)	-	-	-	73,370	-	-	12,062	73,370
Usina Boa Vista S.A.	1,992	-	44	-	2,344	-	-	-
Usina Santa Luiza S.A.	55	-	-	-	57	-	185	-
Nova Fronteira Bioenergia S.A.	4	-	-	-	5	-	-	-
SMBJ Agroindustrial S.A.	4	-	-	-	5	-	-	-
SMA Indústria Química S.A.	116	-	-	-	58	-	-	-
Agro Pecuária Boa Vista S.A.	5	-	7	-	-	-	-	-
Other	70	-	439	-	97	34	73	-
Subtotal	4,941	1,256	11,226	73,370	2,719	1,280	19,365	73,370
Inventories - procurement of sugar cane								
Shareholders	1,292	-	2,430	-	1,015	-	1,027	-
Other	480	-	-	-				
	6,713	1,256	13,656	73,370	3,734	1,280	20,392	73,370

Consolidated	September 30, 2015				March 31, 2015			
	Current Assets	Noncurrent Assets	Current liabilities	Noncurrent liabilities	Current Assets	Noncurrent Assets	Current liabilities	Noncurrent liabilities
From investees and related parties:								
Usina Boa Vista S.A.	1,992	-	44	-	2,344	-	-	-
Nova Fronteira Bioenergia S.A.	4	-	-	-	5	-	-	-
Luiz Ometto Participações S.A. (Note 31)	-	-	-	73,370	-	-	12,062	73,370
Usina Santa Luiza S.A.	55	-	-	-	57	-	185	-
SMA Indústria Química S.A.	116	-	-	-	58	-	-	-
State	4	-	-	-	5	-	-	-
Agro Pecuária Boa Vista S.A.	5	-	7	-				
Other	70	-	439	-	96	34	73	-
Subtotal	2,246	-	490	73,370	2,565	34	12,320	73,370
Inventories - procurement of sugar cane								
Shareholders	1,292	-	2,430	-	1,015	-	1,027	-
Other	480	-	-	-				
	4,018	-	2,920	73,370	3,580	34	13,347	73,370

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

In thousands of reais, unless otherwise stated

b) Company and Consolidated transactions for the period:

			September 30, 2015			September 30,2014
Company	Sales revenue	Reimbursed expenses	Procurement of products and services	Sales revenue	Reimbursed expenses	Procurement of products and
Consolidated in the current financial statements:						
Vale do Mogi Empreend. Imobiliários S.A.	-	362	(30,285)	-	9	(29,945)
Companhia Bioenergética Santa Cruz 1	2,755	11	(3,135)	-	-	-
São Martinho - Energia S.A.	3,742	140	-	4,549	139	-
Not consolidated in the current financial statements:						
Usina Boa Vista S.A.	-	6,787	-	-	6,466	-
Usina Santa Luiza S.A.	-	168	-	-	219	-
SMA Indústria Química S.A.	-	202	-	56	122	-
Santa Cruz S.A. Açúcar e Álcool	-	-	-	-	4,047	-
Other	-	248	-	-	237	-
Shareholders and related parties - procurement of sugar cane	-	-	(6,753)	-	-	(8,092)
	6,497	7,918	(40,173)	4,605	11,239	(38,037)

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

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

In thousands of reais, unless otherwise stated

	September 30, 2015		September 30,2014	
Consolidated	Reimbursed expenses	Procurement of products and services	Reimbursed expenses	Procurement of products and services
Usina Boa Vista S.A.	6,787	-	6,466	-
Usina Santa Luiza S.A.	168	-	219	-
SMA Indústria Química S.A.	202	-	122	-
Santa Cruz S.A. Açúcar e Álcool	-	-	4,047	-
Other	248	-	225	-
Shareholders and related parties - procurement of sugar cane	-	(6,753)	-	(8,092)
	7,405	(6,753)	11,079	(8,092)

As mentioned in Note 10.2, over the year ended March 31, 2015, the Company carried out transactions with its related parties for acquisition and sale of equity investments.

c) Key management personnel compensation:

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

	Company		Consolidated	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Salaries, fees and bonus	8,460	7,715	9,353	8,740
Social security contributions and social charges	1,685	1,510	1,864	1,637
Other	468	438	552	485
	10,613	9,663	11,769	10,862

In thousands of reais, unless otherwise stated

10. Investments

10.1 Subsidiaries, jointly controlled entities and affiliates

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

		Company						Consolidated	
		Equity adjusted of investee		Carrying amount of investment		Equity pickup		Carrying amount of investment	
Company	% of interest held	September 30, 2015	March 31, 2015	September 30, 2015	March 31, 2015	September 30, 2015	March 31, 2015	September 30, 2015	March 31, 2015
Classified in investment									
Vale do Mogi Empreend. Imobiliários S.A.	100.00%	1,662,979	1,678,250	1,662,979	1,678,250	31,706	69,250	-	-
São Martinho - Energia S.A.	100.00%	47,361	9,365	47,361	9,365	41,070	51,553	-	-
Vale do Piracicaba S.A.	100.00%	17,514	17,334	17,514	17,334	180	7,088	-	-
Santa Cruz S.A. Açúcar e Álcool (ii)	-	-	-	-	-	-	31,534	-	-
Agro Pecuária Boa Vista S.A. (iii)	-	-	-	-	-	-	2,507	-	-
São Martinho Logística e Participações S.A.	100.00%	3,245	3,367	3,245	3,367	(58)	267	-	-
Nova Fronteira Bioenergia S.A. (i)	50.95%	822,668	803,414	419,163	409,352	9,810	24,781	419,163	409,352
Companhia Bioenergética Santa Cruz 1	100.00%	145,336	122,733	145,336	122,733	28,813	4,786	-	-
CTC - Centro de Tecnologia Canavieira S.A. (i)	5.67%	-	-	-	-	-	498	18,764	18,578
Other		8,466	8,404	1,863	1,850	-	(1)	1,863	1,850
Total classified in investment		2,707,569	2,642,867	2,297,461	2,242,251	111,521	192,263	439,790	429,780
Classified in noncurrent liabilities									
SMA - Indústria Quimica S/A (i)	50.00%	(3,931)	(3,737)	(1,966)	(1,869)	(97)	(118)	(1,966)	(1,869)
Usina Santa Luiza S.A. (i)	66.67%	(13,418)	(13,587)	(8,946)	(9,058)	112	(1,336)	(8,946)	(9,058)
Total classified in noncurrent liabilities		(17,349)	(17,324)	(10,912)	(10,927)	15	(1,454)	(10,912)	(10,927)
Closing balance		2,690,220	2,625,543	2,286,549	2,231,324	111,536	190,809	428,878	418,853

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

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

(ii) Merged during the preceding year;

(iii) Disposed of during the preceding year.

10.2 Changes in corporate structure during the preceding year

Significant corporate transactions were carried out in the prior year 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, 2015 in the following notes:

- Disposal of Agro Pecuária Boa Vista S.A. ("ABV") - Note 10.6;
- Acquisition and merger of Santa Cruz S.A. - Açúcar e Álcool ("SC") - Note 10.7.1.

10.3 Reduction in the capital of Vale do Mogi

On September 28, 2015, the Board of Directors approved a reduction in the capital of Vale do Mogi amounting to R$ 1,677, without cancelling the shares, giving certain properties as payment. These assets include deemed cost amounting to R$ 17,457.

11. Biological assets

Biological assets comprise planting and cultivation of sugar cane, which will be used as raw material in the production of sugar and ethanol. These assets are carried at fair value less costs to sell.

Sugar cane is classified as a permanent crop and its economically productive cycle lasts, on average, six years after the first harvest.

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

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 Total Sugar Recoverable (ATR); and (ii) the future market price of

In thousands of reais, unless otherwise stated

sugar cane, which is estimated based on public data and estimates of the future prices of sugar and ethanol; and

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

The following assumptions were used to test fair value:

Company and consolidated	September 30, 2015	March 31, 2015
Harvest estimated total area (ha)	161,700	157,630
Expected productivity (metric ton/ha)	82.64	80.66
Amount of ATR per metric ton of sugar cane (kg)	134.48	134.34
Estimated average price per ATR (R$)	0.5403	0.4998

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

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

	Company		Consolidated	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Biological assets at March 31	936,241	596,309	936,241	596,309
Increases due to planting	75,926	38,900	75,926	48,996
Increases due to treatment	134,286	81,048	134,286	95,316
Consolidation of SC	-	-	-	252,309
Change in fair value	35,858	2,162	35,858	(1,305)
Decreases resulting from harvesting	(244,206)	(180,484)	(244,206)	(187,414)
Biological assets at the end of the period	938,105	537,935	938,105	804,211

In thousands of reais, unless otherwise stated

(a) Agricultural partnerships and lease agreements

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

The amounts to be disbursed in respect of these agreements are determined at the end of each crop by the price of a metric ton of sugar cane established by CONSECANA. At September 30 and March 31, 2015, the total estimated payments (nominal value) are as follows:

Company and consolidated	September 30, 2015	March 31, 2015
Within 1 year	157,623	164,219
From 1 to 5 years	481,106	499,309
Over 5 years	363,677	425,802
	1,002,406	1,089,330

12. Property, plant and equipment

Net book values and useful lives the assets, and depreciation methods used are reviewed, and adjusted prospectively, at year end. Depreciation is calculated using the straight-line method, and for production equipment the accelerated depreciation method is applied, taking into consideration the crushing season.

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

Impairment of nonfinancial assets

Property, plant and equipment and other noncurrent assets are reviewed annually to identify whether there is any evidence of impairment, and also whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

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

São Martinho

Independent auditor's review report on quarterly information at September 30, 2015

In thousands of reais, unless otherwise stated

Company	Land	Buildings and facilities	Manufacturing facilities and equipment	Maintenance between harvests	Vehicles	Agricultural machinery and implements	Other PPE	Construction in progress	Total
Balances at March 31, 2014	533,478	101,873	484,080	69,770	93,463	149,892	14,732	80,809	1,528,097
Acquisition	-	10	1,057	128,978	22,481	23,117	1,069	91,679	268,391
Cost of sale	-	-	(1)	-	(551)	(2,033)	-	-	(2,585)
Payment of capital - Vale Mogi	(476,795)	-	-	-	-	-	-	-	(476,795)
Merger of SC	30,988	45,446	221,565	3,838	28,756	35,600	966	13,924	381,083
Purchase Pricing Allocation (PPA)	37,491	15,418	658	-	23,513	53,195	-	-	130,275
Transfers between accounts	-	38,302	97,969	-	2,298	1,191	1,919	(141,679)	-
Depreciation	-	(4,204)	(35,673)	(77,152)	(8,834)	(22,781)	(2,991)	-	(151,635)
Balances at March 31, 2015	125,162	196,845	769,655	125,434	161,126	238,181	15,695	44,733	1,676,831
Total cost	125,162	220,548	993,225	125,669	200,124	328,576	50,439	44,733	2,088,476
Accumulated depreciation	-	(23,703)	(223,570)	(235)	(38,998)	(90,395)	(34,744)	-	(411,645)
Net book value	125,162	196,845	769,655	125,434	161,126	238,181	15,695	44,733	1,676,831
Acquisition	-	-	795	5,719	3,957	9,368	645	38,179	58,663
Cost of sale	-	-	(1)	-	(161)	(3,213)	-	-	(3,375)
Transfers between accounts	-	18,708	45,330	-	516	1,567	553	(66,674)	-
Capital reduction in Vale do Mogi	12,929	6,205	-	-	-	-	-	-	19,134
Depreciation	-	(3,818)	(36,764)	(93,821)	(7,365)	(18,779)	(1,590)	-	(162,137)
Balances at September 30, 2015	138,091	217,940	779,015	37,332	158,073	227,124	15,303	16,238	1,589,116
Total cost	138,091	245,461	1,039,345	131,388	204,238	333,634	51,621	16,238	2,160,016
Accumulated depreciation		(27,521)	(260,330)	(94,056)	(46,165)	(106,510)	(36,318)	-	(570,900)
Net book value	138,091	217,940	779,015	37,332	158,073	227,124	15,303	16,238	1,589,116
Net book values:									
Historical cost	2,406	151,751	530,433	37,332	125,230	160,107	15,303	16,238	1,038,800
Surplus	135,685	66,189	248,582		32,843	67,017	-	-	550,316
Average annual depreciation rates	-	2.89%	5.70%	100.00%	7.53%	10.68%	12.03%	-	-

In thousands of reais, unless otherwise stated

Consolidated	Land	Buildings and facilities	Manufacturing facilities and equipment	Maintenance between harvests	Vehicles	Agricultural machinery and implements	Other PPE	Construction in progress	Total
Balances at March 31, 2014	1,690,255	108,887	509,983	69,770	93,463	149,892	14,732	80,809	2,717,791
Acquisition	-	3,193	1,058	129,347	22,973	25,040	1,082	97,420	280,113
Cost of disposal	(639)	-	(1)	-	(709)	(2,033)	-	-	(3,382)
Capital payment	(5,993)	-	-	-	-	-	-	-	(5,993)
Consolidation of SC	30,988	43,945	272,833	3,921	29,330	35,972	712	18,374	436,075
Purchase Pricing Allocation (PPA)	37,491	16,453	4,357		23,513	53,195	-	-	135,009
Transfers between accounts	-	40,450	105,513	-	2,506	1,191	2,209	(151,869)	-
Depreciation	-	(5,235)	(55,702)	(77,235)	(9,950)	(25,075)	(3,040)	-	(176,237)
Balances at March 31, 2015	1,752,102	207,693	838,041	125,803	161,126	238,182	15,695	44,734	3,383,376
Total cost	1,752,102	235,226	1,075,212	126,038	200,124	328,577	50,439	44,734	3,812,452
Accumulated depreciation	-	(27,533)	(237,171)	(235)	(38,998)	(90,395)	(34,744)	-	(429,076)
Net book value	1,752,102	207,693	838,041	125,803	161,126	238,182	15,695	44,734	3,383,376
Acquisition	-	9	795	5,719	3,957	9,368	646	38,359	58,853
Cost of disposal	(118)	-	(1)	-	(161)	(3,213)	-	-	(3,493)
Transfers between accounts	-	18,708	45,330	-	516	1,567	553	(66,674)	-
Depreciation	-	(4,131)	(38,563)	(94,068)	(7,365)	(18,780)	(1,590)	-	(164,497)
Balances at September 30, 2015	1,751,984	222,279	845,602	37,454	158,073	227,124	15,304	16,419	3,274,239
Total cost	1,751,984	251,697	1,121,332	131,757	204,238	333,634	51,622	16,419	3,862,683
Accumulated depreciation	-	(29,418)	(275,730)	(94,303)	(46,165)	(106,510)	(36,318)	-	(588,444)
Net book value	1,751,984	222,279	845,602	37,454	158,073	227,124	15,304	16,419	3,274,239
Net book values:									
Historical cost	104,567	154,947	580,010	37,454	125,230	160,107	15,304	16,419	1,194,038
Surplus	1,647,417	67,332	265,592	-	32,843	67,017	-	-	2,080,201
Average annual depreciation rates	-	3.02%	5.56%	100.00%	7.53%	10.68%	12.03%	-	-

In thousands of reais, unless otherwise stated

Under the terms of certain borrowing agreements of the Group, property, plant and equipment totaling R$ 1,220,338 (consolidated) were pledged as collateral, of which R$ 659,889 refers to rural properties (19,572 hectares of land).

The Group capitalized financial charges amounting to R$ 1,430 for the period ended September 30, 2015 (September 30, 2014 - R$ 617). For the same period, the Company's property, plant and equipment includes assets arising from lease agreements that transfer risks, rewards and controls amounting to R$ 1,602 (September 30, 2014 - R$ 2,268).

13. Intangible assets

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

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

	Company		Consolidated	
	September 30, 2015	March 31, 2015	September 30, 2015	March 31, 2015
Goodwill based on future profitability - USL (i)	79,709	79,709	79,709	79,709
Goodwill based on future profitability - Mirtilo (i)	115,798	115,798	115,798	115,798
Goodwill based on future profitability - SC (i)	179,126	179,126	179,126	179,126
Software	21,976	19,497	21,976	19,497
Accumulated amortization	(13,128)	(11,544)	(13,128)	(11,544)
Rights on sugar cane contracts (ii)	11,781	12,330	11,781	12,330
Rights on electricity contracts (iii)	-	-	92,829	103,401
Other assets	2,466	1,364	3,325	2,224
	397,728	396,280	491,416	500,541

(i) Goodwill on the net assets acquired, whose operations were assumed by the Company.
(ii) Refers to the acquisition of rights on agreements for agricultural partnership and sugar cane supply (2,281 hectares with an exploration period from 2013 to 2017).
(iii) Refers to the fair value allocated under Bio's agreements for electricity supply, effective up to 2025.

In thousands of reais, unless otherwise stated

14. Loans and financing

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

	Annual charges		Company		Consolidated	
Modalidade	Rate	Index	September 30, 2015	March 31, 2015	September 30, 2015	March 31, 2015
In Local Currency						
Export Credit Note (NCE)	101.71%	CDI	578,614	815,024	578,615	815,024
BNDES credit facilities	3.30%	TJLP	285,349	317,404	293,708	326,302
BNDES credit facilities	4.10%	Fixed	296,288	303,082	309,613	317,601
Securitized rural credits	4.54%	IGP-M	49,365	57,445	49,365	57,445
Rural credit	7.07%	Fixed	127,681	32,651	127,681	32,651
FINEP	4.00%	Fixed	24,238	24,254	24,238	24,254
Leasing	9.75%	Fixed	287	839	287	839
Other securitized loans	3.00%	Fixed	57	57	57	57
Total In Local Currency			1,361,879	1,550,756	1,383,564	1,574,173
In Foreign Currency						
Pre-export financing (PPE)	2.62%	Exchange variation (EV)	1,336,153	981,525	1,336,153	981,525
Export Credit Note (NCE)	4.29%	EV	731,193	503,968	731,193	503,968
Advance on exchange contracts (ACC)	1.16%	EV	199,913	160,475	199,913	160,475
BNDES credit facilities	6.69%	Currency basket	28,052	19,938	28,052	19,938
Total in foreign currency			2,295,311	1,665,906	2,295,311	1,665,906
Total			3,657,190	3,216,662	3,678,875	3,240,079
Current			790,239	868,879	793,777	872,419
Noncurrent			2,866,951	2,347,783	2,885,098	2,367,660

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

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

Transactions pegged to swap agreements are as follows:

In thousands of reais, unless otherwise stated

	Company		Consolidated	
	September 30, 2015	March 31, 2015	September 30, 2015	March 31, 2015
Transactions in foreign currency pegged to swap for local currency	445,935	261,003	445,935	261,003
Transactions in local currency	1,246,902	1,349,617	1,268,587	1,373,034
Total in local currency	1,692,837	1,610,620	1,714,522	1,634,037
Transactions in foreign currency pegged to swap for foreign currency	114,977	201,139	114,977	201,139
Transactions in foreign currency	1,849,376	1,404,903	1,849,376	1,404,903
Total in foreign currency	1,964,353	1,606,042	1,964,353	1,606,042

For agreements in foreign currency, R$ 307,780 of Pre-Export Financing (PPE) and R$ 82,237 of NCEs are pegged to libor swaps to a fixed rate.

At September 30, 2015, of total debt of the Company, R$ 2,666,190 is encumbered.

Noncurrent borrowings have the following maturities:

	Company	Consolidated
From 10/01/2016 to 09/30/2017	906,413	909,893
From 10/01/2017 to 09/30/2018	497,120	500,600
From 10/01/2018 to 09/30/2019	674,787	678,267
From 10/01/2019 to 09/30/2020	606,252	609,732
From 10/01/2020 to 09/30/2021	94,392	96,880
From 10/01/2021 to 02/28/2030	87,987	89,726
	2,866,951	2,885,098

Covenants

Some borrowing agreements provide for certain contractual borrowing conditions (covenants) which had been fulfilled by the Company at March 31, 2015.

In thousands of reais, unless otherwise stated

Securitized rural credits

The Company securitized debts with financial institutions through the purchase of National Treasury Notes (CTN). This securitized financing will be automatically settled on the maturity dates through the redemption of the CTNs, which are non-negotiable notes, exclusively intended for payment of this debt. The companies' disbursements during the 20 years in which this securitization is effective are limited to the annual payment of amounts equivalent to the application of variable percentages of between 3.8% and 4.96% per annum of the securitized amount, monetarily adjusted based on the General Market Price Index (IGP-M), limited to 9.5% per annum up to the annual payment date. This obligation is recorded in the quarterly information based on the amount of future disbursements adjusted to present value.

15. Trade accounts payable

	Company		Consolidated	
	September 30, 2015	March 31, 2015	September 30, 2015	March 31, 2015
Sugar cane	120,732	33,732	110,983	30,087
Materials, services and other	60,171	68,134	59,189	65,389
	180,903	101,866	170,172	95,476

Of total trade accounts payable, R$ 11,226 - Company (R$ 490 - Consolidated) refers to related parties, as detailed in Note 9.

The sugar cane harvest period, which generally occurs between April and December of each year, has a direct impact on the balance payable to sugar cane suppliers and providers of harvesting, loading and transport services.

16. Payables to Copersucar

Copersucar provided funds to companies during the period in which they were cooperative members through bills of exchange, for the purpose of financing their operations. The funds were obtained by the Cooperative in the market and transferred to the cooperative members, for short-term settlement, and from temporary cash surpluses arising from injunctions in lawsuits claiming the suspension of liabilities. These cash surpluses are related to provisions for contingencies recorded by the Cooperative under noncurrent liabilities. However, in the event of unfavorable outcomes in lawsuits in which the Cooperative obtained an injunction, the Company could be required to reimburse, within 120 days, the amount that was transferred to it. The main amounts included in these liabilities arose from Federal VAT (IPI), whose constitutionality and lawfulness had been challenged in court by the Cooperative, and from tax liabilities included in the Tax Recovery Program (REFIS) of Copersucar, as shown below.

In thousands of reais, unless otherwise stated

Company and consolidated	September 30, 2015	March 31, 2015
REFIS - Copersucar - Restated by reference to SELIC rate	106,731	107,971
Bill of exchange – Restated by reference to SELIC rate	81,674	79,797
Bill of exchange –Onlending of funds not subject to charges	50,586	50,587
Expenses with tax proceedings (i)	31,345	43,269
Total	270,336	281,624
Current liabilities	33,385	2,040
Noncurrent liabilities	236,951	279,584

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

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

In thousands of reais, unless otherwise stated

17. Equity

(a) Capital

At September 30, 2015, capital amounted to R$ 931,340 (R$ 812,992 at March 31, 2015) and is divided into 113,329,207 registered common shares, without par value.

At the Special General Meeting held on July 31, 2015, shareholders approved capital increase by R$ 118,348 with capital investment reserve, without issue of new shares.

(b) Treasury shares

For the period ended September 30, 2015, there was no share buyback, but sale of 82,655 treasury shares due to share purchase options exercised by Company officers (item (f) below), there remaining 327,020 treasury shares.

	Number	Average acquisition price*	Total
Treasury shares at March 31, 2015	409,675	18.00	7,375
Exercise of stock option	(82,655)	18.00	(1,487)
Treasury shares at September 30, 2015	327,020	18.00	5,888

* including additional acquisition costs - in reais

(c) Equity adjustments

- **Deemed cost**

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

Certain events that took place over the year ended March 31, 2015 resulted in the strategic repositioning of indirect subsidiary Vale do Mogi and evidence the development of real estate activity as its core business. Among these events, the following are to be highlighted: (i) the establishment of independent management and own operational structure; (ii) the launch of real estate ventures; and (iii) the additional payment of plots of land by SM.

Therefore, that subsidiary began to recognize real estate sales also under gross revenue, and tax land sales under the regime in which the Company computes profit as a percentage of gross revenue, as well as other revenues (leases), as allowed by tax legislation.

- **Hedge accounting fair value**

  This refers to the results of outstanding derivative financial instruments that qualify for hedge accounting. The balance is reversed over time from equity to the results of operations, as the related transactions mature/are shipped.

(d) Legal and capital investment reserves

The legal reserve is set up annually with the allocation of 5% of the profit for the year, not to exceed 20% of the capital. The purpose of the legal reserve is to protect the entity's capital, and it can only be used to offset losses and increase capital.

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

(e) Dividend

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

(f) Stock option plan

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

In thousands of reais, unless otherwise stated

The stock option plans issued and the changes in outstanding stock options for the period ended September 30, 2015 are as follows:

Plan	2nd Plan	3rd Plan	4th Plan	5th Plan	6th Plan	Total
Plan issue date	11/28/2011	12/12/2011	12/17/2012	12/16/2013	12/15/2014	
Limit date for exercise*	2018	2018	2019	2020	2021	
Stock options fair value (R$)	3,20 - 6,41	4,98 - 7,56	6,86 - 7,86	8,47 - 9,46	11,39 - 12,59	
Stock options granted	140,400	418,538	391,726	380,812	338,088	1,669,564
Stock options exercised	(129,807)	(241,703)	(109,070)	-	-	(480,580)
Outstanding stock options	10,593	176,835	282,656	380,812	338,088	1,188,984
Strike price	19.31	18.49	25.11	27.40	36.11	

* The options under each one of the plans may be exercised on three occasions, namely: 1/3 after the second year as from the grant date, 1/3 after the third year as from the grant date, and 1/3 after the fourth year as from the grant date, and the maximum term for the exercise of all these stock options is established in each plan.

For the period ended September 30, 2015, stock options exercised corresponded to 82,655 shares purchased for R$ 1,730.

The fair value attributed to these options was determined based on the Black & Scholes pricing model. The Company recognized a stock option expense of R$ 1,731 (R$ 1,421 at September 30, 2014).

(g) Capital reserve

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

(h) Unearned income reserve

This reserve refers to unearned income, comprising the sale of equity interest held in ABV amounting to R$ 52,613, sale of properties arising from real estate developments amounting to R$ 10,297, and gains on equity pickup and on a change in the equity interest amounting to R$ 29,438.

In thousands of reais, unless otherwise stated

18. Profit sharing program

The Company manages, as part of its policy, a profit sharing program based on operating and financial targets previously agreed upon with its employees. The amount of profit sharing for the periods ended September 30, 2015 and 2014, recorded as operating costs or expenses in the income statement, amounted to R$ 17,539 and R$ 15,941, in Company and consolidated, respectively.

19. Income and social contribution taxes

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

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

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

	Company		Consolidated	
	September 30, 2015	March 31, 2015	September 30, 2015	March 31, 2015
Current assets - prepayments				
. Income and social contribution taxes to offset	86,639	64,278	86,640	64,633
Current liabilities – current debts				
. Income and social contribution taxes payable	-	725	2,007	1,511

In thousands of reais, unless otherwise stated

(b) Changes in deferred income and social contribution taxes

		Quarter		
Company	June 30, 2015	Recognized in P&L	Recognized in equity	September 30, 2015
. Derivative financial instruments	154,961	(8,229)	148,300	295,032
. Employees' profit sharing and bonus	7,382	3,053	-	10,435
. Income and social contribution tax losses	63,433	6,787	-	70,220
. Provision for contingencies	16,894	(178)	-	16,716
. Provision for other obligations	18,461	(12,280)	-	6,181
. Biological assets and agricultural product (change in fair value)	7,690	101	-	7,791
. Other	2,311	1,152	-	3,463
Total income and social contribution tax asset	271,132	(9,594)	148,300	409,838
. Present value adjustment	(2,974)	326	-	(2,648)
. Disposal of investment with deferred tax	(27,104)	-	-	(27,104)
. Tax benefit on merged goodwill	(47,369)	(7,590)	-	(54,959)
. Accelerated tax-incentive depreciation	(184,981)	7,612	-	(177,369)
. Securitized financing	(17,606)	(45)	-	(17,651)
. Increment of PP&E (Deemed cost)	(187,592)	3,611	(5,936)	(189,917)
. Other	(665)	(46)	-	(711)
. Foreing exchange gains (losses)	(110,314)	16,866	-	(93,448)
Total income and social contribution tax liability	(578,605)	20,734	(5,936)	(563,807)
Balance of deferred income and social contribution taxes	(307,473)	11,140	142,364	(153,969)
Deferred tax assets	263,443			409,838
Deferred tax liabilities	(570,916)			(563,807)
	(307,473)			(153,969)

In thousands of reais, unless otherwise stated

Consolidated	June 30, 2015	Quarter: Recognized in P&L	Quarter: Recognized in equity	September 30, 2015
. Derivative financial instruments	154,961	(8,229)	148,300	295,032
. Employees' profit sharing and bonus	7,382	3,053	-	10,435
. Income and social contribution tax losses	63,433	6,787	-	70,220
. Provision for contingencies	16,894	(178)	-	16,716
. Provision for other obligations	18,461	(12,280)	-	6,181
. Biological assets and agricultural product (change in fair value)	7,690	101	-	7,791
. Other	2,311	1,152	-	3,463
Total income and social contribution tax asset	271,132	(9,594)	148,300	409,838
. Present value adjustment	(2,974)	326	-	(2,648)
. Disposal of investment with deferred tax	(27,104)	-	-	(27,104)
. Tax benefit on merged goodwill	(47,369)	(7,590)	-	(54,959)
. Accelerated tax-incentive depreciation	(184,981)	7,612	-	(177,369)
. Securitized financing	(17,606)	(45)	-	(17,651)
. Increment of PP&E (Deemed cost)	(192,325)	3,681	(5,936)	(194,580)
. Other	1,382	(122)	-	1,260
. Intangible assets	(36,766)	1,370	-	(35,396)
. Foreign exchange gains (losses)	(110,314)	16,866	-	(93,448)
Total income and social contribution tax liability	(618,057)	22,098	(5,936)	(601,895)
Balance of deferred income and social contribution taxes	(346,925)	12,504	142,364	(192,057)

Company	March 31, 2015	Six-month period: Recognized in P&L	Six-month period: Recognized in equity	September 30, 2015
. Derivative financial instruments	197,515	(14,689)	112,206	295,032
. Employees' profit sharing and bonus	5,035	5,400	-	10,435
. Income and social contribution tax losses	58,914	11,306	-	70,220
. Provision for contingencies	17,988	(1,272)	-	16,716
. Provision for other obligations	18,461	(12,280)	-	6,181
. Biological assets and agricultural product (change in fair value)	5,163	2,628	-	7,791
. Other	1,921	1,542	-	3,463
Total income and social contribution tax asset	304,997	(7,365)	112,206	409,838
. Present value adjustment	(3,297)	650	-	(2,647)
. Disposal of investment with deferred tax	(27,104)	-	-	(27,104)
. Tax benefit on merged goodwill	(39,779)	(15,180)	-	(54,959)
. Accelerated tax-incentive depreciation	(190,863)	13,494	-	(177,369)
. Securitized financing	(17,400)	(251)	-	(17,651)
. Increment of PP&E (Deemed cost)	(189,950)	5,969	(5,936)	(189,917)
. Other	(617)	(94)	-	(711)
. Foreign exchange gains (losses)	(118,299)	24,850	-	(93,449)
Total income and social contribution tax liability	(587,309)	29,438	(5,936)	(563,807)
Balance of deferred IRPJ and CSLL	(282,312)	22,073	106,270	(153,969)
Deferred tax assets	304,997			409,838
Deferred tax liabilities	(587,309)			(563,807)
	(282,312)			(153,969)

In thousands of reais, unless otherwise stated

Consolidated	March 31, 2015	Six-month period Recognized in P&L	Six-month period Recognized in equity	September 30, 2015
. Derivative financial instruments	197,515	(14,689)	112,206	295,032
. Employees' profit sharing and bonus	5,035	5,400	-	10,435
. Income and social contribution tax losses	58,914	11,306	-	70,220
. Provision for contingencies	17,988	(1,272)	-	16,716
. Provision for other obligations	18,461	(12,280)	-	6,181
. Biological assets and agricultural product (change in fair value)	5,163	2,628	-	7,791
. Other	1,921	1,542	-	3,463
Total income and social contribution tax asset	304,997	(7,365)	112,206	409,838
. Present value adjustment	(3,297)	650	-	(2,647)
. Disposal of investment with deferred tax	(27,104)	-	-	(27,104)
. Tax benefit on merged goodwill	(39,779)	(15,180)	-	(54,959)
. Accelerated tax-incentive depreciation	(190,863)	13,494	-	(177,369)
. Securitized financing	(17,400)	(251)	-	(17,651)
. Increment of PP&E (Deemed cost)	(194,683)	6,101	(5,936)	(194,518)
. Other	(617)	(448)	-	(1,065)
. Intangible assets	(36,766)	3,633	-	(33,133)
. Foreign exchange gains (losses)	(118,299)	24,850	-	(93,449)
Total income and social contribution tax liability	(628,808)	32,849	(5,936)	(601,895)
Balance of deferred IRPJ and CSLL	(323,811)	25,484	106,270	(192,057)

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

Recovery of all deferred tax credits, indicated by the projections of taxable profit approved by management, including expected realization of temporary differences, is estimated as follows:

Consolidated Period ended September 30:	Estimated realizable value
15/16 Crop	68,500
16/17 Crop	98,551
17/18 Crop	128,678
18/19 Crop	57,852
19/20 Crop	56,257
	409,838

In thousands of reais, unless otherwise stated

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

(c) Reconciliation of Income and social contribution taxes

				Company
	September 30, 2015	September 30, 2015	September 30, 2014	September 30, 2014
	Quarter	Six-month period	Quarter	Six-month period
Income before taxes	7,899	14,893	134,735	204,538
Income and social contribution taxes at statutory rates (34%)	(2,686)	(5,064)	(45,810)	(69,543)
Adjustments for calculation of effective tax rate:				
. Equity pickup	14,559	37,922	23,220	37,349
. Other permanent exclusions (additions), net	1,336	1,827	3,561	3,456
. Other	-	-	6	18
. Tax incentives	(54)	(229)	(490)	130
Income and social contribution tax expense	13,155	34,456	(19,513)	(28,590)
Current income and social contribution taxes	2,015	12,383	13,815	(1,355)
Deferred income and social contribution taxes	11,140	22,073	(33,328)	(27,235)
Income and social contribution tax effective rate	-166.5%	-231.4%	14.5%	14.0%

				Consolidated
	September 30, 2015	September 30, 2015	September 30, 2014	September 30, 2014
	Quarter	Six-month period	Quarter	Six-month period
Income before taxes	13,255	21,719	136,701	207,712
Income and social contribution taxes at statutory rates (34%)	(4,507)	(7,384)	(46,478)	(70,622)
Adjustments for calculation of effective tax rate:				
. Equity pickup	(830)	3,404	4,074	9,960
. Other permanent exclusions (additions), net	1,337	1,828	2,941	2,836
. Unrecorded deferred taxes	-	-	596	596
State	11,931	30,369	19,444	26,891
. Gain (loss) on inventories	(76)	(356)	-	-
. Other	-	-	26	38
. Tax incentives	(56)	(231)	(792)	(173)
Income and social contribution tax expense	7,799	27,630	(20,189)	(30,474)
Current income and social contribution taxes	(399)	7,886	11,974	(4,300)
Deferred income and social contribution taxes	8,198	19,744	(32,163)	(26,174)
Income and social contribution tax effective rate	-58.8%	-127.2%	14.8%	14.7%

20. Commitments

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

Riparian forests and land for legal reserve

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

The Company has areas that are already compliant with the current legislation or in process of regularization, within the terms established by the current legislation, and therefore it is not on default on such commitment. Amounts to be invested to comply with these obligations, the manner in which they will be fulfilled, and the time required for their performance are not currently measurable. Investments in preservation areas, when made, are recorded in the Group's property, plant and equipment.

Ethanol supply agreement

Under a sale and purchase agreement, the Company has agreed to supply industrial ethanol to Mitsubishi Corporation for 30 years, beginning with the 2008/2009 crop, in a proportion of 30% of all UBV's ethanol production, under market conditions. The agreement has a clause that prescribes that it is automatically renewable for 10 years.

Sureties granted

In addition, the Company is the guarantor of borrowings contracted by UBV totaling R$ 174,803.

In thousands of reais, unless otherwise stated

Electricity supply

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

21. Provision for contingencies

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

21.1 Probable losses

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

						Company
	March 31, 2015	Additions	Reversals	Use	Restatements	September 30, 2015
Tax	8,625	510	(303)	(26)	183	8,989
Civil and environmental	4,794	1,718	(1,368)	(3,249)	37	1,932
Labor	40,941	9,265	(5,209)	(6,744)	1,602	39,855
Total	54,360	11,493	(6,880)	(10,019)	1,822	50,776
Judicial deposits	26,587	10,012	-	(7,774)	466	29,291

						Consolidated
	March 31, 2015	Additions	Reversals	Use	Restatements	September 30, 2015
Tax	9,693	1,244	(308)	(26)	183	10,786
Civil and environmental	4,793	1,718	(1,368)	(3,249)	37	1,931
Labor	40,944	9,265	(5,209)	(6,744)	1,602	39,858
Total	55,430	12,227	(6,885)	(10,019)	1,822	52,575
Judicial deposits	27,927	10,746	-	(7,774)	466	31,365

Judicial deposits are monetarily restated and reported in noncurrent assets.

The nature of the main lawsuits at September 30, 2015 included in the above provisions is as follows (Company and consolidated):

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

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

Labor proceedings:
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 monthly salary and vacation pay, plus 1/3 vacation bonus.

21.2 Possible losses

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

In thousands of reais, unless otherwise stated

Tax proceedings:

Consolidated						Stage
Nature		No. of proceedings	Administrative	Trial court	Higher court	Total
(i)	Social security contribution	16	125,063	-	12,963	138,026
(ii)	Calculation of IRPJ/CSLL	8	188,555	-	-	188,555
(iii)	IRPJ losses	5	3,043	-	-	3,043
	CSLL losses	5	162	-	-	162
	Offset of credits - PIS	6	1,948	-	2,451	4,399
	Offset of Federal taxes	5	263	-	-	263
(iv)	Other tax proceedings	33	8,973	3,848	1,217	14,038
		78	328,007	3,848	16,631	348,486

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

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

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

(iv) The proceedings refer to disputes involving other tax cases, including, among others, the contribution to the National Service for Industrial Training (SENAI) and the fee to the National Department of Mineral Research (DNPM), whose likelihood of loss is assessed as "possible".

In thousands of reais, unless otherwise stated

Civil and environmental proceedings:

Consolidated		Stage				
Nature	No. of proceedings	Administrative	Trial court	Lower court	Higher court	Total
Environmental	28	934	2,682	386	-	4,002
Civil						
Indemnities	20	-	10,925	3	34	10,963
Review of contracts	11	-	1,575	-	-	1,575
Other civil proceedings	17	-	1,402	12	-	1,415
Labor						
Assessment notice	11	38	-	-	-	38
	87	972	16,584	401	34	17,993

22. Derivative financial instruments and risk management

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

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

22.1 Market risks

(a) Currency risk

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

In thousands of reais, unless otherwise stated

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

Assets and liabilities subject to foreign exchange fluctuation

The table below summarizes foreign currency-denominated assets and liabilities (in US dollars - US$), recorded in the consolidated balance sheet at September 30, 2015:

Consolidated	R$	Thousands of US$ equivalent
Current assets		
Cash and cash equivalents (banks – demand deposits)	421,645	106,130
Trade accounts receivable	115,146	28,983
Derivative financial instruments	84,236	21,203
Total assets	621,027	156,316
Liabilities		
Current:		
Borrowings	382,699	96,344
Derivative financial instruments	245,168	61,721
Noncurrent:		
Borrowings	1,912,612	481,499
Total liabilities	2,540,479	639,564
Subtotal assets (liabilities)	(1,919,452)	(483,248)
(-) Borrowings linked to exports – ACC and PPE	2,267,259	570,782
Net exposure - assets	347,807	87,534

These assets and liabilities were restated and recorded in the quarterly information at September 30, 2015 at the exchange rate in effect on that date, of R$ 3.9729 per US$ 1.00 for assets and R$ 3.9722 per US$ 1.00 for liabilities.

(b) Commodity price volatility risk

The Company is exposed to the risk of changes in the ratio in commodity prices of manufactured products as sugar and ethanol. On September 30, 2015, 695,642 tons sugar were priced with commercial partners planned for delivery in the harvest 15/16, with attachment to an average price of 15.61 ¢ / lb (US dollar cents per pound weight), and 340,528 tons of sugar priced for the season 16/17, with an average price 13.52 ¢ / lb (US dollar cents per pound weight).

(c) Market risk sensitivity analysis

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

In thousands of reais, unless otherwise stated

		Impacts on P&L		
Consolidated	**Risk factor**	**Probable scenario – 5%**	**Probable scenario – 25%**	**Probable scenario – 50%**
Cash and cash equivalents	Decrease in exchange rate – R$/US$	21,076	105,380	210,760
Trade accounts receivable	Decrease in exchange rate – R$/US$	5,758	28,791	57,583
Borrowings	Increase in exchange rate – R$/US$	(26,217)	(131,086)	(262,172)
Derivative financial instruments				
Non-deliverable forward (NDF)	Increase in exchange rate – R$/US$	(2)	(10)	(20)
Future price (sugar and ethanol)	Increase in future price of commodities	(605)	(3,025)	(6,051)
Swap contracts (a)	Decrease in exchange rate - R$/US - and increase in interest curve	765	1,047	1,517
Net exposure		775	1,097	1,617

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

(d) Derivative financial instruments

The Company opted for hedge accounting to recognize part of its derivative financial instruments. Instruments elected were sugar, ethanol and foreign currency (US dollar) derivatives, which cover sales of the 2015/2016 and 2016/2017 crops, and were designated as cash flow *hedge*s of highly probable forecast transactions (future sales).

In thousands of reais, unless otherwise stated

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

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

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

The balances of assets and liabilities at September 30 and March 31, 2015 relating to transactions with derivative financial instruments and their maturities are as follows:

	September 30, 2015			
Company and consolidated	Amount/volume contracted	Average rate/price	Notional amount – R$	Fair value – R$
In current assets – gain / (loss)				
Margin deposit				31,254
Merchandise futures contracts - Sugar #11 – Commodities Exchange				
. Sales commitments	413,074	14.25	515,445	49,852
. Purchase commitments	16,714	13.01	19,045	(205)
Merchandise options contracts - Sugar #11 – Commodities Exchange				
. Bidding position in call options	129,546	16.28	184,660	4,390
. Bidding position in put options	274,333	13.09	314,479	32,527
. Written position in call options	637,570	14.87	830,638	(33,582)
TOTAL DERIVATIVE FINANCIAL INSTRUMENTS IN CURRENT ASSETS				84,236

In thousands of reais, unless otherwise stated

Company and consolidated	September 30, 2015 Amount/volume contracted	Average rate/price	Notional amount – R$	Fair value – R$
In current liabilities – (Gains) / loss				
Merchandise futures contracts - Ethanol – Commodities Exchange				
. Sales commitments	10,050	1,326.82	13,335	805
Flexible currency option contracts - Dollar				
. Bidding position in put options	8,400	3.1812	26,722	(63)
. Written position in call options	8,400	3.4193	28,722	5,644
State				
NDF – US Dollar - OTC				
. Sales commitments	319,719	3.4480	1,102,405	190,942
. Purchase commitments	80,000	4.0150	160,600	1,684

	Notional amount – US$	Notional amount – R$	Fair value – R$
Swap contracts – interest - OTC	336,162	659,914	46,156
TOTAL DERIVATIVE FINANCIAL INSTRUMENTS IN CURRENT LIABILITIES			245,168

In thousands of reais, unless otherwise stated

Company and consolidated	Amount/volume contracted	Average rate/price	Notional amount – R$	Fair value – R$
				March 31, 2015
In current assets – gain / (loss)				
Margin deposit				20,674
Merchandise futures contracts - Sugar #11 – Commodities Exchange				
. Sales commitments	605,565	16.64	712,553	171,830
. Purchase commitments	55,679	15.50	61,048	(12,831)
Merchandise options contracts - Sugar #11 – Commodities Exchange				
. Bidding position in call options	87,431	18.38	2,589	466
. Bidding position in put options	180,349	15.88	11,807	44,204
. Written position in call options	392,957	17.64	11,913	(2,626)
Merchandise futures contracts - Ethanol – Commodities Exchange				
. Sales commitments	39,120	1,250.90	48,939	156
. Purchase commitments	18,900	1,309.80	24,755	(76)
TOTAL DERIVATIVE FINANCIAL INSTRUMENTS IN CURRENT ASSETS				221,797

Company and consolidated	Amount/volume contracted	Average rate/price	Notional amount – R$	Fair value – R$
				March 31, 2015
In current liabilities – (Gains) / loss				
Flexible currency option contracts - Dollar				
. Bidding position in put options	8,400	3.1812	26,722	(880)
. Written position in call options	8,400	3.4193	28,722	1,815
NDF – US Dollar - OTC				
. Sales commitments	231,214	2.7922	645,596	123,855
		Notional amount – US$	Notional amount – R$	Fair value – R$
Swap contracts – interest - OTC		411,763	1,152,956	107,921
TOTAL DERIVATIVE FINANCIAL INSTRUMENTS IN CURRENT LIABILITIES				232,711

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

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

22.2 Credit risk

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

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

22.3 Liquidity risk

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

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

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

In thousands of reais, unless otherwise stated

Company	Within 1 year	From 1 to 2 years	From 3 to 5 years	Above 5 years	Total
At September 30, 2015					
Borrowings	790,239	906,413	1,778,159	182,379	3,657,190
Derivative financial instruments	245,168	-	-	-	245,168
Trade accounts payable	180,903	-	-	-	180,903
Acquisition of equity interest	17,776	11,620	34,860	26,890	91,146
Other liabilities	26,785	10,912	-	-	37,697
	1,260,871	928,945	1,813,019	209,269	4,212,104
At March 31, 2015					
Borrowings	868,879	398,797	1,652,692	296,294	3,216,662
Derivative financial instruments	232,711	-	-	-	232,711
Trade accounts payable	101,866	-	-	-	101,866
Acquisition of equity interest	17,507	17,065	34,860	26,890	96,322
Other liabilities	23,225	-	-	10,927	34,152
	1,244,188	415,862	1,687,552	334,111	3,681,713

Consolidated	Within 1 year	From 1 to 2 years	From 3 to 5 years	Above 5 years	Total
At September 30, 2015					
Borrowings	793,777	909,893	1,788,599	186,606	3,678,875
Derivative financial instruments	245,168	-	-	-	245,168
Trade accounts payable	170,172	-	-	-	170,172
Acquisition of equity interest	17,776	11,620	34,860	26,890	91,146
Other liabilities	28,264	11,031	-	-	39,295
	1,255,157	932,544	1,823,459	213,496	4,224,656
At March 31, 2015					
Borrowings	872,419	402,276	1,663,129	302,255	3,240,079
Derivative financial instruments	232,711	-	-	-	232,711
Trade accounts payable	95,476	-	-	-	95,476
Acquisition of equity interest	17,507	17,065	34,860	26,890	96,322
Other liabilities	29,484	11,380	-	-	40,864
	1,247,597	430,721	1,697,989	329,145	3,705,452

In thousands of reais, unless otherwise stated

22.4 Capital management

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

23. Financial instrument classification and fair value

23.1 Classification

Financial assets and liabilities are classified as follows:

		Company	
	Classification	September 30, 2015	March 31, 2015
Financial Assets			
Cash and cash equivalents	Loans and receivables	541,094	989,690
Short-term Investments	Loans and receivables	174,055	478
Trade accounts receivable	Loans and receivables	171,566	142,162
Derivative financial instruments	Fair value through profit or loss	84,236	221,797
Related parties	Loans and receivables	1,256	1,280
Other assets, except for prepayments	Loans and receivables	5,859	3,091
		978,066	1,358,498
Financial Liabilities			
Borrowings	Fair value through profit or loss	3,657,190	3,216,662
Derivative financial instruments	Fair value through profit or loss	245,168	232,711
Trade accounts payable	Other financial liabilities	180,903	101,866
Acquisition of equity interest	Other financial liabilities	91,146	96,322
Other liabilities	Other financial liabilities	37,697	34,152
		4,212,104	3,681,713

In thousands of reais, unless otherwise stated

			Consolidated
	Classification	September 30, 2015	March 31, 2015
Financial Assets			
Cash and cash equivalents	Loans and receivables	592,948	1,020,112
Short-term Investments	Loans and receivables	227,407	5,723
Trade accounts receivable	Loans and receivables	211,991	164,366
Derivative financial instruments	Fair value through profit or loss	84,236	221,797
Other assets, except for prepayments	Loans and receivables	5,861	3,020
		1,122,443	1,415,018
Financial Liabilities			
Borrowings	Fair value through profit or loss	3,678,875	3,240,079
State	Fair value through profit or loss	245,168	232,711
Trade accounts payable	Other financial liabilities	170,172	95,476
Acquisition of equity interest	Other financial liabilities	91,146	96,322
Other liabilities	Other financial liabilities	39,295	40,864
		4,224,656	3,705,452

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

23.2 Fair value

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

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

In thousands of reais, unless otherwise stated

	September 30, 2015		March 31, 2015	
As per balance sheet	**Level 1**	**Level 2**	**Level 1**	**Level 2**
Derivative financial instruments:				
Sugar cane options contract	3,335	-	42,044	-
Sugar cane futures contract	49,647	-	158,999	-
Ethanol futures contract	-	-	80	-
	52,982	-	201,123	-
Liabilities - Derivative financial instruments:				
Ethanol futures contract	805	-	-	-
Flexible currency option	-	5,581	-	-
Flexible currency option	-	-	-	935
Forward contracts - exchange	-	192,626	-	123,855
Swap contracts	-	46,156	-	107,921
	-	238,782	-	232,711

Futures and Options in the ICE

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 to creditor or debtor balances with the brokers. The fair value of options traded in the ICE is obtained from quotes in the market.

Foreign exchange options

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

Forward contracts

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

Other financial assets and liabilities

The carrying amounts of trade accounts receivables, notes receivable, trade accounts payables and notes payable, less impairment loss, or present value adjustment, when applicable, 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 carrying amounts and the fair values of borrowings are similar.

24. Segment information (consolidated)

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

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

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

Certain events that took place over the period ended March 31, 2015 resulted in the strategic repositioning of Vale do Mogi and evidence the development of real estate activity as its core business. Among these events, the following are to be highlighted: (a) the establishment of independent management and own operational structure; (b) the launch of real estate ventures; and (c) the additional payment of plots of land by the Company in Vale do Mogi.

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

In thousands of reais, unless otherwise stated

Consolidated P&L by segment

Period ended September 30, 2015	Sugar cane	Ethanol	Electricity	Real estate ventures	Other products	Not by segment and PPA	Total
Net revenue	443,742	363,498	105,148	19,278	30,156	(6,978)	954,844
Cost of sales	(328,067)	(282,268)	(32,995)	(3,488)	(18,907)	(8,129)	(673,854)
Depreciation of agricultural product	(27,794)	(17,821)	-	-	-	-	(45,615)
Mark-to-market of sugar cane plantation	-	-	-	-	-	35,858	35,858
Gross profit	87,881	63,409	72,153	15,790	11,249	20,751	271,233
Gross margin	19.80%	17.44%	68.62%	81.91%	37.30%	-	28.41%
Selling expenses	(27,733)	(10,771)	(1,045)	-	(70)	-	(39,619)
Other operating expenses	-	-	-	-	-	(51,946)	(51,946)
Operating income (loss)	60,148	52,638	71,108	15,790	11,179	(31,195)	179,668
Operating margin	13.55%	14.48%	67.63%	81.91%	37.07%	-	18.82%
Other income and expenses not by segment	-	-	-	-	-	(157,949)	(157,949)
Net Income for the period	-	-	-	-	-	-	21,719

Period ended September 30, 2014	Sugar cane	Ethanol	Electricity	Real estate ventures	Other products	Not by segment and PPA	Total
Net revenue	406,877	254,556	66,746	16,901	32,222	(1,586)	775,716
Cost of sales	(302,536)	(179,977)	(10,631)	(2,467)	(26,651)	(347)	(522,609)
Depreciation of agricultural product	(1,055)	(3,380)	-	-	-		(4,435)
Mark-to-market of sugar cane plantation	-	-	-	-	-	(1,305)	(1,305)
Gross profit	103,286	71,199	56,115	14,434	5,571	(3,238)	247,367
Gross margin	25.39%	27.97%	84.07%	-	17.29%	-	31.89%
Selling expenses	(30,654)	(6,014)	(538)	-	(121)	-	(37,327)
Other operating expenses	-	-	-	-	-	46,724	46,724
Operating income	72,632	65,185	55,577	14,434	5,450	43,486	256,764
Operating margin	17.85%	25.61%	83.27%	-	16.91%	-	33.10%
Other income and expenses not by segment	-	-	-	-	-	(49,052)	(49,052)
Net Income for the period	-	-	-	-	-	-	207,712

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 year to another.

In thousands of reais, unless otherwise stated

						September 30, 2015
	Sugar cane	Ethanol	Electricity	Real estate ventures	Other unallocated products	Total
Trade accounts receivable	50,862	63,690	14,101	25,291	58,047	211,991
Inventories	408,401	293,902	-	6,929	12,497	721,729
Biological assets	574,870	363,235	-	-	-	938,105
Property, plant and equipment	945,177	595,305	109,181	1,614,066	10,510	3,274,239
Intangible assets	244,254	154,334	92,828	-	-	491,416
Total assets allocated	2,223,564	1,470,466	216,110	1,646,286	81,054	5,637,480
Other unallocated assets	-	-	-	-	-	1,690,580
Total	2,223,564	1,470,466	216,110	1,646,286	81,054	7,328,060

						March 31, 2015
	Sugar cane	Ethanol	Electricity	Real estate ventures	Other unallocated products	Total
Trade accounts receivable	50,322	61,706	3,230	8,902	40,206	164,366
Inventories	81,296	127,703	-	10,322	7,729	227,050
Biological assets	550,146	386,095	-	-	-	936,241
Property, plant and equipment	1,911,574	1,339,385	120,359	-	12,058	3,383,376
Intangible assets	233,364	163,776	103,401	-	-	500,541
Total assets allocated	2,826,702	2,078,665	226,990	19,224	59,993	5,211,574
Other unallocated assets	-	-	-	-	1,957,350	1,957,350
Total	2,826,702	2,078,665	226,990	19,224	2,017,343	7,168,924

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

25. Revenues

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

(i) Sales of products and services

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

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

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

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

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

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

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

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

In thousands of reais, unless otherwise stated

	Company				Consolidated			
	September 30, 2015		September 30, 2014		September 30, 2015		September 30, 2014	
	Quarter	Six-month period	Quarter	Six-month period	Quarter	Six-month period	Quarter	Six-month period
Gross sales revenue								
Local market	173,718	344,147	106,596	248,529	221,026	448,965	176,329	334,169
Foreign market	391,021	552,294	191,228	417,414	391,021	552,294	237,189	463,375
Gain (loss) on derivatives	(6,069)	(9,895)	-	4,706	(6,068)	(9,894)	-	4,706
	558,670	886,546	297,824	670,649	605,979	991,365	413,518	802,250
Purchase Pricing Allocation (PPA) effects – electricity (i)	-	-	-	-	(2,620)	(6,978)	(1,120)	(1,586)
	558,670	886,546	297,824	670,649	603,359	984,387	412,398	800,664
Sales taxes, contributions and deductions	(13,328)	(24,331)	(10,242)	(19,830)	(15,695)	(29,543)	(14,689)	(24,948)
	545,342	862,215	287,582	650,819	587,664	954,844	397,709	775,716

(i) This refers to PPA amortization deriving from acquisition of SC, as detailed in Note 10.

26. Costs and expenses by nature

Reconciliation of expenses by nature is as follows:

	Company				Consolidated			
	September 30, 2015		September 30, 2014		September 30, 2015		September 30, 2014	
Costs and expenses by nature	Quarter	Six-month period	Quarter	Six-month period	Quarter	Six-month period	Quarter	Six-month period
Raw material, store and supplies	166,638	274,422	100,202	245,586	158,057	258,284	112,054	247,444
Personnel	83,543	144,409	44,287	89,505	84,301	145,839	51,043	96,260
Depreciation and amortization (including harvested biological assets)	173,753	274,585	77,749	155,421	174,982	276,906	93,461	171,516
Third-party services	33,282	53,161	23,112	46,557	33,171	52,786	28,707	52,155
Spare parts and maintenance services	20,178	34,352	7,260	15,147	20,240	34,475	9,452	17,339
Litigation	4,206	4,161	(4,417)	(2,173)	4,201	4,157	(3,774)	(1,530)
Changes in fair value of biological assets	(34,299)	(35,858)	(471)	(2,162)	(34,299)	(35,858)	2,996	1,305
Materials for resale	19,160	27,974	3,873	6,241	19,160	27,974	3,960	6,327
Cost of sale of land	-		-	-	710	3,488	2,467	2,467
Other expenses	10,288	19,166	17,766	29,461	12,304	21,062	21,525	32,640
	476,749	796,372	269,361	583,583	472,827	789,113	321,891	625,923

	Company				Consolidated			
	September 30, 2015		September 30, 2014		September 30, 2015		September 30, 2014	
Classified as:	Quarter	Six-month period	Quarter	Six-month period	Quarter	Six-month period	Quarter	Six-month period
Cost of sales	415,392	694,378	226,928	496,474	409,510	683,611	269,227	528,349
Selling expenses	26,287	38,784	15,657	32,461	26,756	39,619	20,451	37,327
General and administrative expenses	35,070	63,210	26,776	54,648	36,561	65,883	32,213	60,247
	476,749	796,372	269,361	583,583	472,827	789,113	321,891	625,923

In thousands of reais, unless otherwise stated

27. Other income (expenses), net

	Company			
	September 30, 2015		September 30, 2014	
	Quarter	Six-month period	Quarter	Six-month period
Divestiture – ABV (Note 10.2)	-	-	79,717	79,717
Nonrecurring expenses – Acquisition of SC (Note 10.2)	-	-	(9,394)	(9,394)
Revenue from right-of-way agreement	71	71	-	-
Review of tax credits	12	(10)	(54)	(82)
Proceeds from sale of property, plant and equipment	(417)	(1,250)	(266)	(333)
Gain on sale of scrap	474	1,030	901	1,010
Leases	26	102	623	685
Fine for break of contract - service provider	-	-	(780)	(780)
Indemnities for agricultural partnership agreements	-	-	-	468
Recoveries with agricultural partnership agreement	-	971	-	-
Expenses with proceeding - ICMS Copersucar	1,536	1,400	(2,328)	(2,566)
In-court reorganizations	753	942	331	331
Recovery of receivables	-	187	-	-
Claim reimbursement	-	142	-	-
Other	158	171	(25)	(63)
	2,613	3,756	68,725	68,993

	Consolidated			
	September 30, 2015		September 30, 2014	
	Quarter	Six-month period	Quarter	Six-month period
Divestiture – ABV (Note 10.2)	-	-	79,717	79,717
Nonrecurring expenses – Acquisition of SC (Note 10.2)	-	-	(9,394)	(9,394)
Gain on change of related interest - CTC	-	-	7,055	7,055
Revenue from right-of-way agreement	234	234	-	-
Review of tax credits	12	(10)	(537)	(565)
Proceeds from sale of property, plant and equipment	(417)	(1,250)	(239)	(306)
Gain on sale of scrap	474	1,030	1,010	1,119
Leases	26	102	625	1,064
Fine for break of contract - service provider	-	-	(780)	(780)
State	-	-	-	468
Recoveries with agricultural partnership agreement	-	971	181	181
Revenue from agricultural services - prior crop	-	-	804	804
Set up of private pension unnamed fund	-	-	239	239
Expenses with proceeding - ICMS Copersucar	1,536	1,400	(2,328)	(2,566)
In-court reorganizations	753	942	331	331
Recovery of receivables	-	187	-	-
Claim reimbursement	-	142	-	-
Other	159	178	352	310
	2,777	3,926	77,036	77,677

28. Financial income (expenses)

	Company				Consolidated			
	September 30, 2015		September 30, 2014		September 30, 2015		September 30, 2014	
	Quarter	Six-month period	Quarter	Six-month period	Quarter	Six-month period	Quarter	Six-month period
Financial income								
Interest received and accrued	18,327	45,458	17,455	29,190	22,215	52,193	22,521	34,770
Bank surety commission	1,073	2,039	895	1,478	1,073	2,039	895	1,478
Other income	(496)	(311)	46	390	289	2,535	120	465
	18,904	47,186	18,396	31,058	23,577	56,767	23,536	36,713
Financial expenses								
Present value adjustment	(959)	(1,912)	(1,380)	(2,726)	(959)	(1,912)	(1,380)	(2,726)
Interest on borrowings	(54,005)	(102,383)	(29,642)	(50,557)	(54,383)	(103,138)	(36,438)	(57,741)
Interest on payment in installment - Copersucar	(1,314)	(4,311)	(2,326)	(4,477)	(1,314)	(4,311)	(2,710)	(4,861)
Interest paid and accrued	(12,017)	(22,511)	(5,769)	(7,231)	(12,101)	(23,040)	(5,776)	(7,242)
Bank surety commission	4,784	2,887	(11,736)	(12,085)	4,784	2,887	(13,029)	(13,378)
Monetary restatement of contingencies	(396)	(1,822)	(1,644)	(3,788)	(396)	(1,822)	(2,697)	(4,841)
Other expenses	(1,071)	(2,381)	(217)	(756)	(1,073)	(2,385)	(416)	(957)
	(64,978)	(132,433)	(52,714)	(81,620)	(65,442)	(133,721)	(62,446)	(91,746)
Monetary and foreign exchange variation, net								
Cash and cash equivalents	76,746	72,804	9,202	8,363	76,747	72,805	13,273	12,434
Customers and suppliers	10,699	11,337	5,055	4,272	10,699	11,337	5,913	5,130
Borrowings	(190,044)	(180,510)	(14,511)	(11,874)	(190,044)	(180,510)	(21,080)	(18,443)
	(102,599)	(96,369)	(254)	761	(102,598)	(96,368)	(1,894)	(879)
Derivatives - not designated for hedge accounting								
Gain (loss) on sugar cane transactions	(11,063)	(16,231)	6,226	7,127	(11,063)	(16,231)	6,017	6,918
Gain (loss) on ethanol transactions	-	(6)	(8)	15	-	(6)	(8)	15
Gain (loss) on foreign exchange transactions	(18,924)	(19,883)	540	(257)	(18,924)	(19,883)	540	(257)
Gain (loss) on swap	65,970	46,566	5,973	972	65,970	46,566	4,402	(599)
Cost of commodities exchange operations	(629)	(960)	(303)	(447)	(629)	(960)	(381)	(525)
Net foreign exchange variation	7,192	5,888	1,640	849	7,191	5,887	2,099	1,308
	42,546	15,374	14,068	8,259	42,545	15,373	12,669	6,860
Financial income (expenses)	(106,127)	(166,242)	(20,504)	(41,542)	(101,918)	(157,949)	(28,135)	(49,052)

29. Earnings per share

	September 30, 2015		September 30, 2014	
	Quarter	Six-month period	Quarter	Six-month period
Profit attributed to the Company shareholders	21,054	49,349	115,222	175,948
Weighted average number of common shares in the year – in thousands	112,993	112,963	112,387	112,387
Basic earnings per share (in reais)	0.1863	0.4369	1.0252	1.5656

	September 30, 2015		September 30, 2014	
	Quarter	Six-month period	Quarter	Six-month period
Income used to determine diluted earnings per share	21,054	49,349	115,222	175,948
Weighted average number of common shares for diluted earnings per shares – in thousands (i)	113,156	113,166	112,921	112,921
Diluted earnings per share (in Reais)	0.1861	0.4361	1.0204	1.5582

(i) Weighted average includes potentially dilutive call options.

30. Insurance coverage

The Group maintains a standard safety, training and quality program in its units, which aims, among other things, to reduce the risk of accidents. Furthermore, it maintains insurance contracts at amounts considered sufficient to cover any significant losses on its assets and liabilities. Insured amounts at September 30, 2015 are as follows:

Company and consolidated	
Insured perils	**Maximum coverage (i)**
Civil liability	1,803,089
Fire, lightning and explosion of any nature	1,316,909
Theft or larceny	216,187
Other coverage	226,515
Electrical damages	42,963
Natural phenomena, vehicle or aircraft crash, among others.	144,000

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

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

In thousands of reais, unless otherwise stated

31. Acquisition and divestiture - payables and receivables

The balances payable refer to the acquisition of equity investment and are comprised as follows:

	Payables					Receivables				
	Balance at March 31, 2015	Monetary restatement	Amortization (principal)	Amortization (interest)	Balances at September 30, 2015	Balance at March 31, 2015	Monetary restatement	Amortization (interest)	Balance at September 30, 2015	Net balance
Santa Cruz – acquisition of equity interest - 56.05%	(282,349)	(18,187)	-	18,074	(282,462)	-	-	-	-	(282,462)
Agro Pecuária Boa Vista - divestiture	-	-	-	-	-	196,917	12,507	(12,428)	196,996	196,996
Total with related party LOP	**(282,349)**	**(18,187)**	**-**	**18,074**	**(282,462)**	**196,917**	**12,507**	**(12,428)**	**196,996**	**(85,466)**
Santa Cruz – 3.9%	(10,890)	-	5,115	95	(5,680)	-	-	-	-	(5,680)
	(293,239)	**(18,187)**	**5,115**	**18,169**	**(288,142)**	**196,917**	**12,507**	**(12,428)**	**196,996**	**(91,146)**

Current liabilities	(17,776)
Noncurrent liabilities	(73,370)
	(91,146)

* * *

São Martinho

2Q16

Results

2015/2016 Crop Year

São Martinho Group posts Net Income of R$21.0 million in 2Q16

São Paulo, November 9, 2015 – 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 second quarter of the 2015/16 crop year (2Q16).

2Q16 HIGHLIGHTS

✓ Adjusted EBITDA amounted to R$318.9 million (Adjusted EBITDA margin of 46.7%), up 24.1% from 2Q15. The indicator improved this quarter benefiting from a combination of i) higher anhydrous ethanol sales volume; and ii) higher sugar sales prices in the period;

✓ EBIT came to R$112.6 million (EBIT margin of 16.5%), down 12.3% from 2Q15. The lower EBIT is related exclusively to the increase in depreciation expenses (+R$ 40 million) in 2Q16, due to the mark-to-market adjustment of the agricultural product. At the end of the fiscal year, after inventories are sold, this effect will be reversed and depreciation volume will be closer to the Company's recurring capex. Excluding this effect, EBIT in the quarter was R$153.1 million (EBIT margin of 22.4%), up 17.2% on 2Q15;

✓ Net income was R$21.0 million, decreasing 81.7% on 2Q15. The decline in net income is mainly associated with the increase in financial expenses due to the BRL depreciation in the period and to the higher balance of net debt compared to 2Q15. Moreover, last year, we recorded a non-recurring gain of R$79.8 million from the sale of our ownership interest in Agropecuária Boa Vista, which distorts comparisons between the periods;

✓ At September 30, 2015, we had sugar prices fixed for the 2015/16 crop year for 695,642 tons at an average price of US$ 15.61 cents/lb. The amount represents 97% of our net exposure (total sugar sales through the end of the crop year excluding our natural hedge with Consecana). In addition to its sugar hedging, the Company also held short dollar positions through NDFs of US$194.0 million (equivalent to 81% of hedged sugar volumes), with an average BRL/USD parity price of 3.15;

✓ In 2Q16, we began hedging sugar prices for the 2016/17 crop year at US$ 13.52 cents/lb for a total of 340,528 tons. This volume corresponds to around 25% of the group's maximum sugar production volume. On the same date, we held US$10 million in NDFs, representing only 10% of the equivalent volume of hedged sugar;

✓ On October 9, 2015, the rating agency Standard & Poor's reaffirmed the rating of the São Martinho Group on the global scale of BB+, with a stable outlook;

✓ Sugarcane crushing at São Martinho Group mills through September 2015 amounted to 15.0 million tons, which represents 77.1% of the guidance for the 2015/16 crop year. Based on current weather conditions, we reaffirm our production guidance announced earlier this year.

Conference Call: November 10, 2015 (Tuesday)
3:00 p.m. (Brasília time): +55 (11) 3193 1001
12:00 p.m. (US ET): +1 (786) 924 6977
Access code: São Martinho

NEW ACCOUNTING STANDARD – IFRS 11 (CPC 19)

With the adoption of the new accounting standard IFRS 11 (CPC 19) as of the 2013/14 fiscal year, São Martinho S.A. no longer proportionally consolidates the results of its investees. In view of the materiality of the results of Nova Fronteira Bioenergia S.A. (50.95%) to the São Martinho Group, **the Company decided to continue to present on a pro-forma basis its balance sheet, income statement and cash flow statement in the set of financial statements following the same consolidation criteria used prior to the adoption of said standard.**

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

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

QUARTER			
	São Martinho S.A. (consolidated CPC 19)	UBV (50.95%)	São Martinho S.A. (Pro forma)
R$ '000			
Net Revenue*	610,507	73,013	683,599
Adjusted EBITDA	278,477	40,260	318,903
Adjusted EBITDA Margin	45.6%	55.1%	46.7%
EBIT	103,494	9,100	112,652
EBIT Margin	17.0%	12.5%	16.5%
Taxes	36,963	6,164	42,921
Net Income	(2,441)	4	166
Financial Result / PPE	(124,761)	(17,917)	(142,257)
Income (Loss) Before taxes	13,255	(2,649)	13,482
Taxes	7,799	(229)	7,572
Net Income	21,054	(2,878)	21,054

*Excludes the Hedge Accounting effect of foreign-denominated debt and USC PPA (R$ 22.8 million).

YEAR TO DATE	São Martinho S.A. (consolidated CPC 19)	UBV (50.95%)	São Martinho S.A. (Pro forma)
R$ '000			
Net Revenue*	1,003,273	156,663	1,160,305
Adjusted EBITDA	455,208	86,982	543,034
Adjusted EBITDA Margin	45.4%	55.5%	46.8%
EBIT	178,302	21,565	200,494
EBIT Margin	17.8%	13.8%	17.3%
Biological Assets and Other	39,784	9,047	47,922
Equity Income	10,011	5	190
Financial Result / PPE	(206,378)	(20,314)	(226,413)
Income (Loss) Before taxes	21,719	10,302	22,194
Taxes	27,630	(492)	27,155
Net Income	49,349	9,810	49,349
Cash	820,355	103,569	925,382
Gross Debt	3,770,021	387,281	4,157,526
Net Debt	2,949,666	283,712	3,232,144
EBITDA YTD**	995,207	156,361	1,151,568
Net Debt / EBITDA	2.96 x	1.81 x	2.81 x

*Excludes the Hedge Accounting effect of foreign-denominated debt and USC PPA (R$ 48.4 million).

**Considers 100% of Adjusted EBITDA of USC in the last 12 months.

OVERVIEW - COMPANY

OPERATING DATA	6M16	6M15	Chg.(%)
São Martinho - Consolidated			
Crushed Sugarcane ('000 tons)	**15,037**	**15,158**	**-0.8%**
Own	9,253	9,629	-3.9%
Third Parties	5,784	5,529	4.6%
Mechanized Harvest	97.1%	94.8%	2.31 p.p.
Agricultural Yield (ton/ha)	84.2	87.6	-3.8%
Average TRS (kg/ton)	130.1	141.0	-7.8%
Production			
Sugar ('000 tons)	952	987	-3.5%
Anhydrous Ethanol ('000 m^3)	318	369	-13.8%
Hydrous Ethanol ('000 m^3)	239	273	-12.4%
Ribonucleic Acid (RNA) Sodium Salt ('000 Kg)	142	239	-40.5%
Cogeneration ('000 MWh)	536	507	5.7%
TRS Produced	*1,957*	*2,138*	*-8.5%*
Mix - Sugar - Ethanol	*51% - 49%*	*48% - 52%*	
Mix Anhydrous - Hydrous	*58% - 42%*	*59% - 41%*	

In the first six months of the 2015/16 crop year, the São Martinho Group processed 15.0 million tons, which represents 77% of the guidance given for production in the crop year, in line with production volume in the previous crop year.

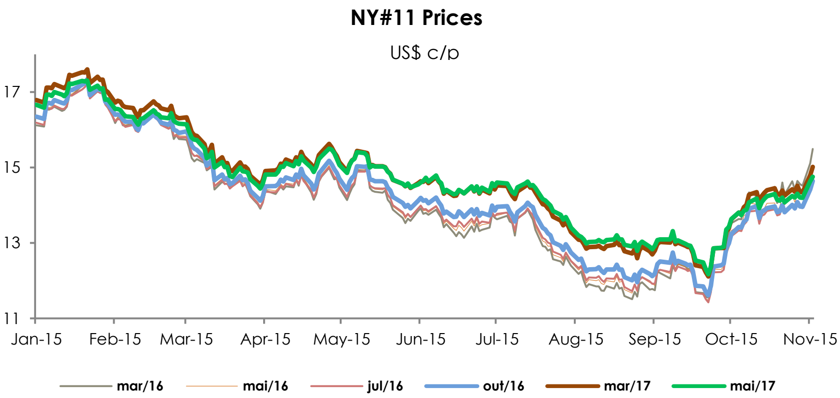
Due to high rainfall early in the crop year, the average TRS content in 6M16 stood at 130.1 kg/ton, down 7.8% from 6M15, which led to contraction of 8.5% in total TRS production in the first six months of the crop year. The decrease in TRS had already been considered in the guidance given at the start of the season (June 2015) and will be offset by higher sugarcane crushing volumes.

FINANCIAL HIGHLIGHTS (R$ '000)	2Q16	2Q15	Chg. (%)	6M16	6M15	Var. (%)
São Martinho - Consolidated						
Net Revenue*	683,599	526,227	29.9%	1,160,305	1,037,248	11.9%
Adjusted EBITDA	318,903	256,918	24.1%	543,034	484,030	12.2%
EBITDA Margin	46.7%	48.8%	-2.2 p.p.	46.8%	46.7%	0.1 p.p.
EBIT	112,652	128,384	-12.3%	200,494	229,610	-12.7%
EBIT Margin	16.5%	24.4%	-7.9 p.p.	17.3%	22.1%	-4.9 p.p.
Consolidated Balance Sheet Indicators						
Total Assets	7,796,812	7,013,366	11.2%	7,796,812	7,013,366	11.2%
Shareholders' Equity	2,445,148	2,234,288	9.4%	2,445,148	2,234,288	9.4%
EBITDA (LTM)	1,151,568	1,051,022	9.6%	1,151,568	1,051,022	9.6%
Net Debt	3,232,144	2,392,803	35.1%	3,232,144	2,392,803	35.1%
Net Debt / EBITDA (LTM)	2.8 x	2.28 x		2.8 x	2.3 x	
Net Debt / Shareholders' Equity	132%	107%		132%	107%	

*Excludes the effects from Hedge Accounting of foreign-denominated debt and USC PPA.

INDUSTRY OVERVIEW

Sugar

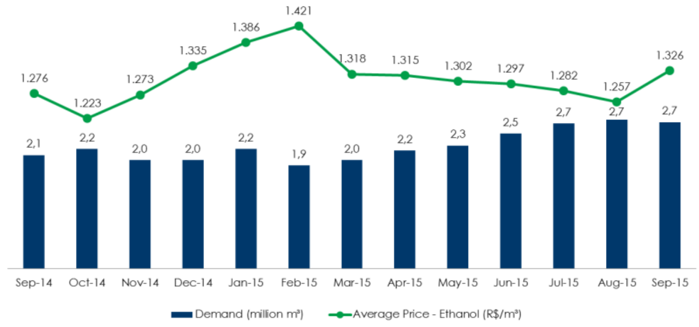


According to the data from the Sugarcane Industry Association (UNICA) for Brazil's Center-South, the region's sugar production through the first half of October fell by 7.65% on the year-ago period. As we mentioned last quarter, the region's lower production volume reflects: i) the high rainfall in the first six months of the season primarily in the state of São Paulo, which adversely affected sugar production; and ii) the higher allocation of sucrose to ethanol production.

The combination of Brazil's lower sugar production and the recent increase in ethanol prices helped to support sugar prices, which reached US$15.00 ¢/lb in recent weeks. Assuming that domestic demand for ethanol remains resilient, sugar prices could sustain very attractive levels for Brazilian producers in the next season, at above R$1,200/ton.

Ethanol

According to the latest UNICA report, ethanol production through the first half of October rose 1.3% from the same period last season. The increase was led by higher hydrous ethanol production, which grew around 10.4%, driven by: i) companies' increased need for cash; and ii) higher consumption, due to the increased competitiveness of ethanol over gasoline at the pump.



AVERAGE PRICES - ETHANOL	2Q16	2Q15	Chg. (%)	6M16	6M15	Chg. (%)
Market Prices						
Anhydrous ESALQ, Net DM R$ / m^3	1,365.09	1,345.38	1.5%	1,369.63	1,381.48	-0.9%
Hydrous ESALQ, Net DM - R$ / m^3	1,210.48	1,215.31	-0.4%	1,223.64	1,234.05	-0.8%

Note that on September 29, 2015, Petrobras announced a 6% increase in gasoline prices, which further strengthens the competitiveness of hydrous ethanol over gasoline at the pump, leading to an important increase in prices whose positive impact should be felt over the coming quarters.

FINANCIAL PERFORMANCE

NET REVENUE BREAKDOWN	2Q16	2Q15	Chg. (%)	6M16	6M15	Chg. (%)
R$ '000						
Domestic Market	**279,125**	**264,368**	**5.6%**	**575,225**	**517,678**	**11.1%**
Sugar	22,883	16,908	35.3%	45,848	33,583	36.5%
Hydrous Ethanol	35,873	62,238	-42.4%	95,590	118,232	-19.2%
Anhydrous Ethanol	131,726	87,284	50.9%	251,399	210,884	19.2%
Energy	65,805	61,934	6.3%	133,617	111,206	20.2%
Real Estate Development	5,336	18,364	-70.9%	19,278	18,364	5.0%
Others	17,502	17,640	-0.8%	29,493	25,409	16.1%
Export Market	**404,474**	**261,859**	**54.5%**	**585,080**	**519,569**	**12.6%**
Sugar	267,170	232,873	14.7%	439,345	420,062	4.6%
Hydrous Ethanol	44,651	18,847	136.9%	44,651	18,847	136.9%
Anhydrous Ethanol	90,199	-	n.m.	90,199	66,765	35.1%
Others	2,454	10,139	-75.8%	10,885	13,895	-21.7%
Net Revenue*	**683,599**	**526,227**	**29.9%**	**1,160,305**	**1,037,247**	**11.9%**
Sugar	290,053	249,781	16.1%	485,193	453,645	7.0%
Hydrous Ethanol	80,524	81,085	-0.7%	140,241	137,079	2.3%
Anhydrous Ethanol	221,925	87,284	154.3%	341,598	277,649	23.0%
Energy	65,805	61,934	6.3%	133,617	111,206	20.2%
Real Estate Development	5,336	18,364	-70.9%	19,278	18,364	5.0%
Others	19,956	27,779	-28.2%	40,378	39,304	2.7%

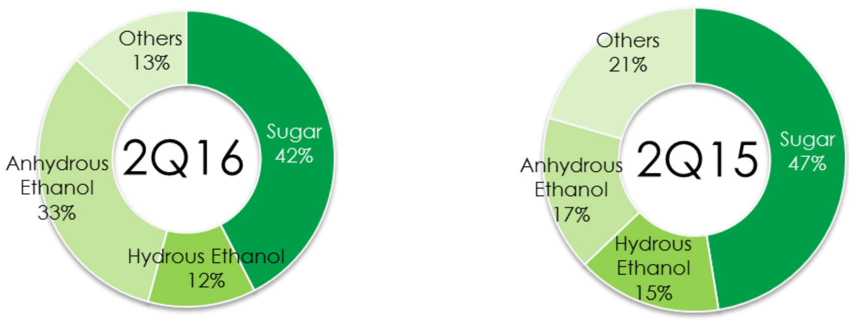
*Excludes the effects from Hedge Accounting of foreign-denominated debt and USC PPA.

Net Revenue

In the second quarter of the 2015/16 crop year (2Q16), the Company's net revenue amounted to R$683.6 million, increasing 29.9% from the same period of the previous crop year. The increase was mainly due to the higher sales volume of anhydrous ethanol (+139.2%) and higher sugar prices (+19.5%).

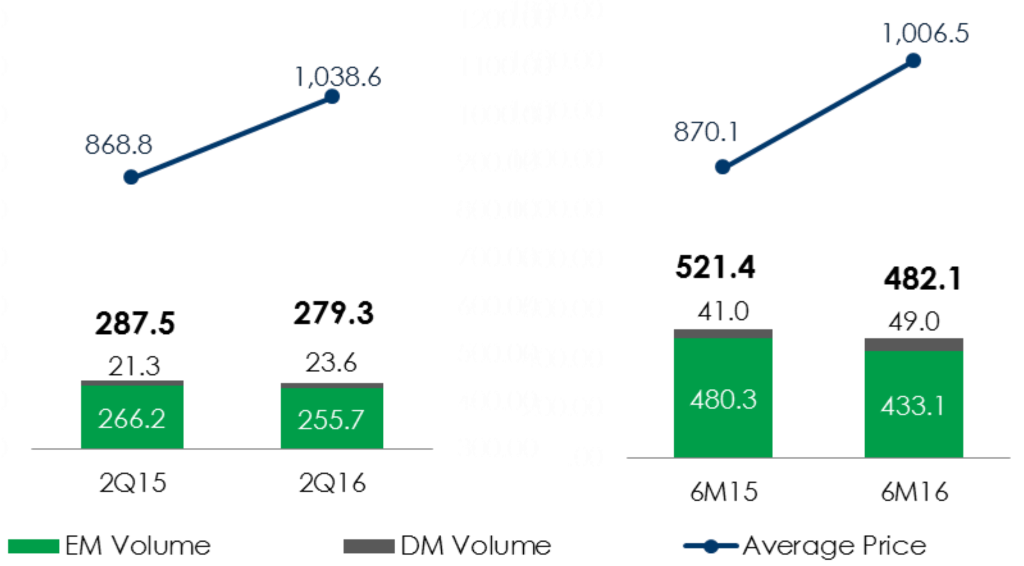
The following charts present a breakdown of the Company's net revenue by product in the quarters:

Net Revenue Breakdown
2Q16 vs. 2Q15



Sugar

Volume ('000 tons) and Average Price (R$/Ton)

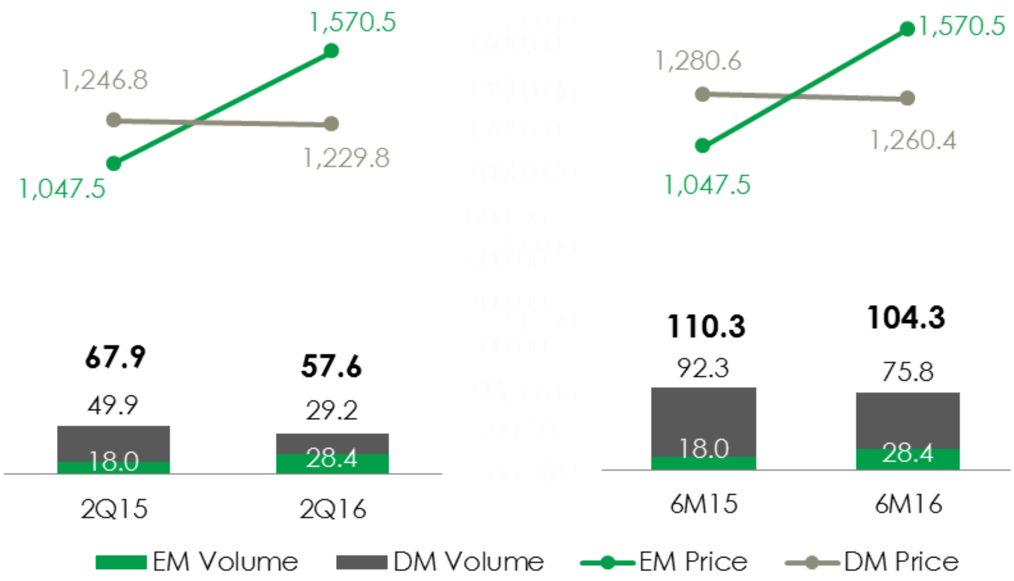


Net revenue from sugar sales amounted to R$290.1 million in 2Q16, increasing 16.1% on the same period of the previous crop year. The improvement reflects the 19.5% increase in the average sugar sales price, driven by the sharp BRL depreciation in the period.

In the first six months of the crop year, net revenue from sugar sales totaled R$485.2 million, increasing 7.0% compared to 6M14, reflecting the 15.7% increase in the average sales price.

Hydrous Ethanol

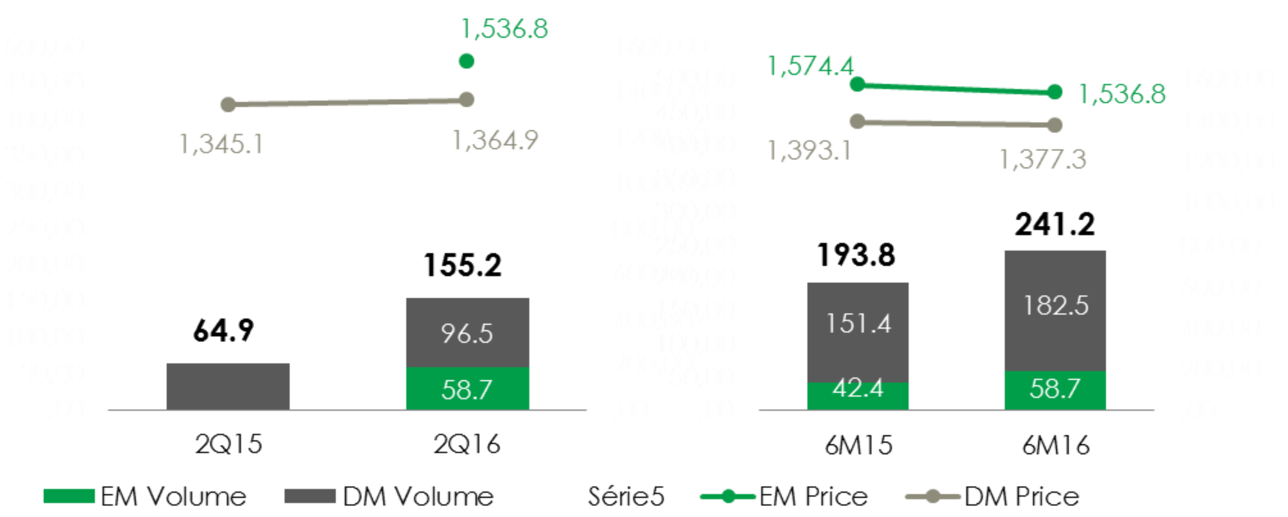
Volume ('000 m³) and Average Price (R$/m³)



Net revenue from hydrous ethanol sales amounted to R$80.1 million in 2Q16, in line with the same period of the previous crop year. In 6M16, net revenue from hydrous ethanol sales grew 2.3% compared to 6M15, reflecting the 8.2% higher average sales price.

Anhydrous Ethanol

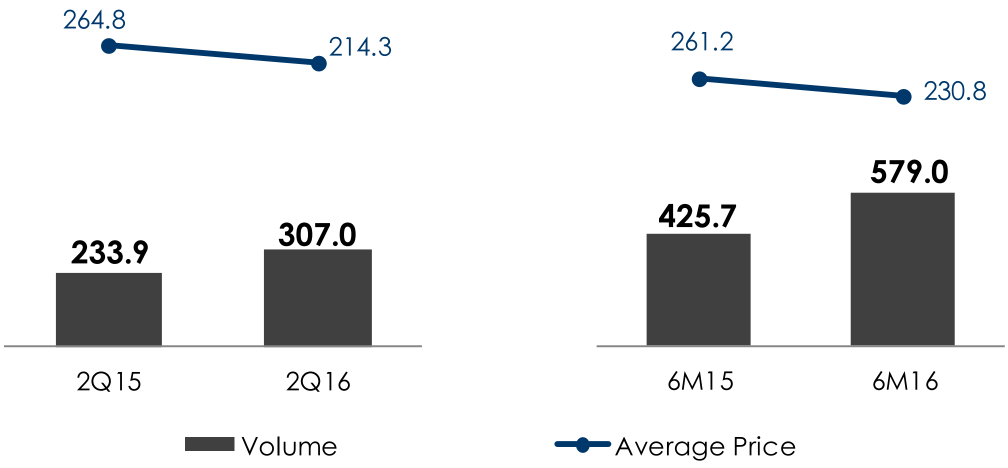
Volume (‘000 m³) and Average Price (R$/m³)



Net revenue from anhydrous ethanol sales amounted to R$221.9 million in 2Q16, increasing 154.3% from the same period of the previous season. The improvement was due to the 139.2% growth in sales volume in the period, combined with the 6.3% increase in the average sales price. In the six-month period, net revenue from anhydrous ethanol sales increased 23.0% compared to the same period of the 2014/15 crop year, reflecting an increase in sales volume.

Cogeneration

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



Net revenue from cogeneration sales in 2Q16 amounted to R$65.8 million, increasing 6.3% from the same period of the previous crop year. In 6M16, net revenue from cogeneration came to R$133.6 million, increasing 20.2% from the year-ago period, driven by the 36.0% increase in energy sales volume as a result of the consolidation of Santa Cruz, given that in 2Q15 (July 2014) we held only a 36.0% ownership interest.

The average sales price decreased around 11.7% in the first six months of the season, reflecting the decline in the spot energy prices to which the Company is exposed. Note that in the previous crop year, the Company was able to sell energy in the spot market close to the ceiling price of R$822/MWh, compared to the current ceiling price of R$388/MWh.

However, it is important to note that in this crop year, part of the sales volume we would sell in the spot market has already been allocated to a forward contract (valid for the 2015/16 crop year), at an average price above R$300/MWh. Therefore, on September 30, 2015, our effective exposure to spot energy prices was only 5.6%.

Real Estate Development

As reported previously, in the 2014/15 crop year we launched two real estate projects: Recanto das Paineiras and Park Empresarial de Iracemápolis, located in the Limeira region of the interior of São Paulo state.

The following table shows the evolution in terms of construction and sales of the projects launched so far in this crop year.

Real Estate Development 6M16 Project Evolution	Recanto das Paineiras	Park Empresarial de Iracemápolis
POC (percentage-of-completion) position	95.7%	96.2%
Total lots sold (%)	99.8%	72.6%

In 6M16, we recognized revenue of R$19.3 million (based on the percentage of completion method), as shown in the following table.

Real Estate Development in progress	Revenue Recognized in 2Q16	Revenue Recognized in 6M16
	R$ '000	R$ '000
Property sales	**2,118**	**2,263**
Projects already lauched in partnership	**3,218**	**17,015**
Recanto das Paineiras	2,844	12,594
Park Empresarial de Iracemápolis	374	4,421
Total revenue	**5,336**	**19,278**

Other Products and Services

Net revenue from the line "Other Products and Services" came to R$19.9 million in 2Q16, decreasing 28.2% from the same quarter of the previous crop year. The reduction is explained mainly by the 67% decrease in RNA net revenue, due to the 73% drop in sales volume this quarter.

INVENTORIES

INVENTORIES	2Q16	2Q15	Chg. (%)
Sugar (tons)	476,321	357,737	33.1%
Hydrous (m^3)	155,850	165,397	-5.8%
Anhydrous (m^3)	136,501	155,107	-12.0%

At the end of 2Q16, our sugar inventories came to 476,300 tons (approximately R$520 million), or 33% more than in the previous quarter. The higher inventory level results from the strategy to carry sugar to benefit from higher prices for Oct/15 and Mar/16 contracts, which were approximately 10% higher than the average realized price in 6M16.

Ethanol (anhydrous and hydrous) inventories decreased 9.9%, **due to i) lower production volume (higher share of sugar in the production mix and lower TRS content); and ii) higher ethanol exports in 2Q16. Considering the sharp increase in ethanol prices as of October 2015, the Company has changed its mix to produce more ethanol through the end of the crop year.**

EBITDA AND EBITDA COST BY PRODUCT

EBITDA BY PRODUCT - 2Q16	SUGAR	ETHANOL	COGEN	REAL ESTATE	OTHERS	TOTAL
R$ '000						
Net Revenues*	290,053	302,448	65,805	5,337	19,956	683,599
COGS (Cash)	(122,553)	(146,421)	(18,006)	(710)	(11,190)	(298,880)
Gross Profit (Cash)	167,500	156,027	47,799	4,627	8,766	384,719
Gross Margin (Cash)	57.7%	51.6%	72.6%	86.7%	43.9%	56.3%
Sales Expenses	(16,081)	(10,310)	(1,465)	-	(44)	(27,900)
G&A Expenses (Cash)	(14,455)	(18,232)	(4,297)	(1,400)	-	(38,384)
Other Revenues (Expenses)	-	-	-	-	468	468
Adjusted EBITDA	**136,964**	**127,485**	**42,036**	**3,227**	**9,190**	**318,903**
Adjusted EBITDA Margin	**47.2%**	**42.2%**	**63.9%**	**60.5%**	**46.1%**	**46.7%**
EBITDA Cost**	**(548.2)**	**(822.2)**	**(77.4)**			

**Excludes Hedge Accounting effects of foreign-denominated debt and PPA USC (R$ 22.8 million).*
*** Sugar in R$/Ton*
Ethanol in R$/m³
Cogeneration in R$/MWh

EBITDA BY PRODUCT - 2Q15	SUGAR	ETHANOL	COGEN	REAL ESTATE	OTHERS	TOTAL
R$ '000						
Receita Líquida*	249,782	168,370	61,934	17,743	28,398	526,227
CPV (Caixa)	(110,316)	(81,956)	(4,795)	(2,467)	(16,598)	(216,132)
Lucro Bruto (Caixa)	139,466	86,414	57,139	15,276	11,800	310,095
Margem Bruta (Caixa)	55.8%	51.3%	92.3%	86.1%	41.6%	58.9%
Despesas de Vendas	(18,812)	(2,896)	(1,422)	-	(73)	(23,202)
Despesas G&A (Caixa)	(16,792)	(12,446)	(3,861)	(673)	-	(33,772)
Outras receitas (despesas)	-	-	-	-	3,797	3,797
EBITDA Ajustado	**103,862**	**71,072**	**51,857**	**14,603**	**15,524**	**256,918**
Margem EBITDA Ajustado	**41.6%**	**42.2%**	**83.7%**	**82.3%**	**54.7%**	**48.8%**
Custo EBITDA **	**(507.5)**	**(732.7)**	**(43.1)**			

**Excludes Hedge Accounting effects of foreign-denominated debt and PPA USC (R$ 18.7 million).*
*** Sugar in R$/Ton*
Ethanol in R$/m³
Cogeneration in R$/MWh

EBITDA BY PRODUCT - 6M16	SUGAR	ETHANOL	COGEN	REAL ESTATE	OTHERS	TOTAL
R$ '000						
Net Revenue*	485,193	481,838	133,617	19,279	40,378	1,160,305
COGS (Cash)	(214,568)	(238,738)	(30,360)	(3,488)	(19,390)	(506,544)
Gross Profit (Cash)	270,625	243,100	103,257	15,791	20,988	653,761
Gross Margin (Cash)	55.8%	50.5%	77.3%	81.9%	52.0%	56.3%
Selling Expenses	(27,733)	(11,701)	(3,054)	-	(69)	(42,556)
G&A Expenses (Cash)	(26,567)	(31,475)	(8,631)	(2,533)	-	(69,206)
Other Income (Expenses)	-	-	-	-	1,034	1,034
Adjusted EBITDA	**216,325**	**199,924**	**91,573**	**13,258**	**21,953**	**543,034**
Adjusted EBITDA Margin	**44.6%**	**41.5%**	**68.5%**	**68.8%**	**54.4%**	**46.8%**
EBITDA Cost**	**(557.7)**	**(816.0)**	**(72.6)**			

**Excludes Hedge Accounting effects of foreign-denominated debt and PPA USC (R$ 48.4 million).*
*** Sugar in R$/Ton*
Ethanol in R$/m³
Cogeneration in R$/MWh

EBITDA BY PRODUCT - 6M15	SUGAR	ETHANOL	COGEN	REAL ESTATE	OTHERS	TOTAL
R$ '000						
Net Revenue*	453,645	414,727	111,207	17,743	39,928	1,037,250
COGS (Cash)	(214,201)	(199,416)	(8,933)	(2,467)	(23,863)	(448,880)
Gross Profit (Cash)	239,444	215,311	102,274	15,276	16,065	588,370
Gross Margin (Cash)	52.8%	51.9%	92.0%	86.1%	40.2%	56.7%
Selling Expenses	(32,596)	(7,656)	(2,599)	-	(122)	(42,973)
G&A Expenses (Cash)	(29,736)	(28,917)	(7,222)	(817)	-	(66,692)
Other Income (Expenses)	-	-	-	-	5,325	5,325
Adjusted EBITDA	**177,112**	**178,738**	**92,453**	**14,459**	**21,268**	**484,030**
Adjusted EBITDA Margin	**39.0%**	**43.1%**	**83.1%**	**81.5%**	**53.3%**	**46.7%**
EBITDA Cost**	**(530.4)**	**(776.0)**	**(44.1)**			

**Excludes Hedge Accounting effects of foreign-denominated debt and PPA USC (R$ 25.1million).*
*** Sugar in R$/Ton*
Ethanol in R$/m³
Cogeneration in R$/MWh

In 2Q16, sugar accounted for 42.9% of the Group's consolidated Adjusted EBITDA, while ethanol accounted for 40.0% and cogeneration for 13.2%. Sugar EBITDA margin expanded 5.6 p.p. compared to 2Q15, driven by higher prices, while ethanol EBITDA margin remained stable.

The EBITDA cost in 2Q16 i) increased 8.0% for sugar; and ii) increased 12.2% for ethanol, reflecting the lower dilution of fixed costs due to the decline in TRS content. In the case of cogeneration, EBITDA margin fell 19.8 p.p., due to the lower energy prices in the spot market.

COST OF GOODS SOLD

BREAKDOWN OF COGS - CASH	2Q16	2Q15	Chg. (%)	6M16	6M15	Chg.%
R$ '000						
Agricultural Costs	**232,422**	**162,124**	**43.4%**	**391,238**	**347,718**	**12.5%**
Suppliers	*135,450*	*99,173*	*36.6%*	*221,644*	*196,664*	*12.7%*
Partnerships	*41,665*	*24,904*	*67.3%*	*73,759*	*70,041*	*5.3%*
Own Sugarcane	*55,307*	*38,047*	*45.4%*	*95,835*	*81,013*	*18.3%*
Industrial	36,621	24,844	47.4%	62,692	53,838	16.4%
Reintegra	33,723	29,163	15.6%	58,028	47,324	22.6%
Other Products	(3,885)	-	n.m.	(5,413)	-	n.m.
Total COGS	**298,880**	**216,132**	**38.3%**	**506,545**	**448,880**	**12.8%**
TRS Sold ('000 Tons)	661	529	24.9%	1,103	1,071	3.0%
Unit Cost (Sugar and Ethanol Cash COGS / TRS Sold)	407	353	15.2%	412	375	9.8%

In 2Q16, Cash COGS came to R$298.9 million, increasing 38.3% from the previous crop year. The increase in COGS is mainly due to i) the 24.9% growth in sales volume (in TRS) compared to the year-ago period; and ii) the lower dilution of the Company's costs given the lower TRS content this quarter compared to 2Q15.

In the first six months of the crop year, Cash COGS came to R$506.5 million, up 12.8% from the same period of the prior season, due to the higher sales volume and lower dilution of fixed costs, as explained above.

Since we should produce the same volume of sugar and ethanol (in TRS equivalent) by the end of the crop year, we expect the impact from the lower dilution of fixed costs observed to date to be partially offset.

The following table presents more details on this impact for both sugar and ethanol.

AVERAGE CASH COST PER UNIT	2Q16	2Q15	Chg.%	6M16	6M15	Chg.%
R$ '000						
COGS	**(268,974)**	**(192,272)**	**39.9%**	**(453,307)**	**(413,617)**	**9.6%**
Sugar	(122,553)	(110,316)	11.1%	(214,568)	(214,201)	0.2%
Ethanol	(146,421)	(81,956)	78.7%	(238,738)	(199,416)	19.7%
Average Cash Cost Per Unit (*)						
Sugar Cash Cost	(438.8)	(383.7)	14.4%	(445.1)	(410.9)	8.3%
Ethanol Cash Cost	(688.1)	(617.2)	11.5%	(691.0)	(655.8)	5.4%

(*) Sugar in R$/Ton
Ethanol in R$/m³

SELLING EXPENSES

SELLING EXPENSES	2Q16	2Q15	Chg. (%)	6M16	6M15	Chg. (%)
R$ Thousand						
Port Costs / Freight	26,341	21,347	23.4%	39,424	40,200	-1.9%
Other	1,559	1,856	-16.0%	3,132	2,773	12.9%
Selling Expenses	**27,900**	**23,203**	**20.2%**	**42,556**	**42,973**	**-1.0%**
TRS Sold ('000 Tons)	661	529	24.9%	1,103	1,071	3.0%
% of Net Revenues	4.2%	4.6%	-0.4 p.p.	3.8%	4.2%	-0.3 p.p.

In 2Q16, selling expenses amounted to R$27.9 million, up 20.2% on the same period of the previous crop year (2Q15), mainly due to the increase in freight expenses on higher exports of ethanol in the period, as explained previously under "Financial Performance." In 6M16, selling expenses amounted to R$42.6 million, in line with 6M15.

GENERAL AND ADMINISTRATIVE EXPENSES

G&A EXPENSES - (CASH)	2Q16	2Q15	Chg. (%)	6M16	6M15	Chg. (%)
R$ Thousand						
Personnel and Management Fee	25,385	22,632	12.2%	48,317	43,288	11.6%
Taxes, Fees, Contributions and Contingencies	6,277	2,138	193.6%	7,364	7,519	-2.1%
General Expenses and Third-Party Services	5,857	8,292	-29.4%	11,793	14,466	-18.5%
Stock Options Expenses	866	710	22.0%	1,732	1,420	22.0%
Total General and Administrative Expenses	**38,385**	**33,772**	**13.7%**	**69,206**	**66,692**	**3.8%**

G&A expenses amounted to R$38.4 million in 2Q16, increasing 13.7% from the same period of the previous crop year. The increase is mainly due to the increase in the Company's labor contingencies, which is in line with expectations for over the course of the crop year, the impact of which is fully reflected in 6M16.

EBITDA

Pro-Forma EBITDA RECONCILIATION	2Q16	2Q15	Chg. (%)	6M16	6M15	Chg. (%)
R$ '000						
Adjusted EBITDA	**318,903**	**256,918**	**24.1%**	**543,034**	**484,030**	**12.2%**
Adjusted EBITDA Margin	46.7%	48.8%	-2.2 p.p.	46.8%	46.7%	0.1 p.p.
Adjustment to Maturity of Hedge / USC PPA	22,843	18,720	22.0%	48,429	25,107	92.9%
Equity Income (loss)	(166)	(100)	66.0%	(190)	(613)	-69.0%
Non Recurring Operating Income (Expenses)	(2,561)	(72,187)	-96.5%	(3,544)	(71,973)	-95.1%
Biological Assets	(40,360)	1,728	n.m.	(44,378)	(1,485)	n.m.
Book EBITDA	**339,147**	**308,757**	**9.8%**	**542,718**	**532,994**	**1.8%**
EBITDA Margin	51.3%	60.8%	-9.5 p.p.	48.8%	52.7%	-3.8 p.p.
(-) Depreciation and Amortization	(165,753)	(126,279)	31.3%	(289,846)	(246,726)	17.5%
(-) Depreciation of Agricultural Product	(40,498)	(2,255)	n.m.	(52,694)	(7,694)	n.m.
(-) Financial Income (Expense), net	(119,414)	(40,311)	196.2%	(177,984)	(66,781)	166.5%
(=) Operating Income	13,482	139,912	-90.4%	22,194	211,793	-89.5%

Adjusted EBITDA

As mentioned earlier in the section "2Q16 Highlights," the São Martinho Group recorded Adjusted EBITDA in the quarter of R$318.9 million (Adjusted EBITDA Margin of 46.7%), which represents an increase of 24.1% from 2Q15. Growth in the period was mainly driven by the higher sales volume of anhydrous ethanol and the increase in the average sugar sales price in period.

Main Adjustments to EBITDA in 2Q16

1) Adjustment of Debt Maturity in Hedge Accounting / PPA Santa Cruz: R$22.8 million

- Expense related to exchange variation on debt settled in 2Q16 that was previously designated as Hedge Accounting. Considering that the exchange rate used for the purposes of cash flow in the period was R$3.1/US$1.00, we adjusted the amount of R$20.2 million in net revenue and EBITDA to provide a better understanding of the Company's cash generation in the period;

- Noncash expense of R$2.6 million, reflecting the amortization of goodwill paid for the future profitability of the cogeneration volume of Santa Cruz Mill (purchase price allocation - PPA).

Biological Assets

Revenue related to the noncash accrual of a provision for the fair value adjustment of biological assets in the amount of R$40.4 million, which mainly reflects i) the improvement in the expected future yield of our sugarcane fields; and ii) the increase in sugar and ethanol prices. Accordingly, a negative adjustment was made to the Company's EBITDA (see details in Note 11 to the Financial Statements).

The following tables provide a breakdown of Adjusted EBITDA by business:

2Q16						
EBITDA BY SEGMENT	**Consolidated**	**S&E**	**Cogen**	**Real Estate**	**Others**	**Consolidated - ex others**
R$ '000						
Net Revenues*	683,599	592,501	65,805	5,337	19,956	663,643
Adjusted EBITDA	318,903	264,449	42,036	3,227	9,190	309,712
Adjusted EBITDA Margin	**46.7%**	**44.6%**	**63.9%**	**60.5%**	**46.1%**	**46.7%**

*Excludes hedge accounting effect of foreign demoninated debt.

2Q15						
EBITDA BY SEGMENT	**Consolidated**	**S&E**	**Cogen**	**Real Estate**	**Others**	**Consolidated - ex others**
R$ '000						
Net Revenues*	526,227	418,152	61,934	17,743	28,398	497,829
Adjusted EBITDA	256,918	174,934	51,857	14,603	15,524	241,394
Adjusted EBITDA Margin	**48.8%**	**41.8%**	**83.7%**	**82.3%**	**54.7%**	**48.5%**

*Excludes hedge accounting effect of foreign demoninated debt.

6M16						
EBITDA BY SEGMENT	**Consolidated**	**S&E**	**Cogen**	**Real Estate**	**Others**	**Consolidated - ex others**
R$ '000						
Net Revenues*	1,160,305	967,031	133,617	19,279	40,378	1,119,927
Adjusted EBITDA	543,034	416,249	91,573	13,258	21,954	521,080
Adjusted EBITDA Margin	**46.8%**	**43.0%**	**68.5%**	**68.8%**	**54.4%**	**46.5%**

*Excludes hedge accounting effect of foreign demoninated debt.

6M15						
EBITDA BY SEGMENT	**Consolidated**	**S&E**	**Cogen**	**Real Estate**	**Others**	**Consolidated - ex others**
R$ '000						
Net Revenues*	1,037,248	868,372	111,207	17,743	39,926	997,322
Adjusted EBITDA	484,030	355,851	92,453	14,459	21,267	462,763
Adjusted EBITDA Margin	**46.7%**	**41.0%**	**83.1%**	**81.5%**	**53.3%**	**46.4%**

*Excludes hedge accounting effect of foreign demoninated debt.

EBITDA RECONCILIATION	**CPC 19 2Q16**	**2Q15**	**Chg.%**	**6M16**	**6M15**	**Chg.%**
R$ '000						
Book EBITDA	**290,156**	**258,297**	**12.3%**	**456,574**	**428,280**	**6.6%**
EBITDA Margin	49.4%	64.9%	-15.6 p.p.	47.8%	55.2%	-7.4 p.p.
(-) Depreciation and Amortization	(174,983)	(93,461)	87.2%	(276,906)	(171,516)	61.4%
(-) Net Financial Expense	(101,918)	(28,135)	262.2%	(157,949)	(49,052)	222.0%
(=) Operating Income	13,255	136,701	-90.3%	21,719	207,712	-89.5%

With the adoption of the new accounting standard IFRS 11 (CPC 19) as of fiscal year 2013/14, São Martinho S.A. no longer proportionately consolidates the results of its investees. Adjusted by IFRS 11, the table above includes only the EBITDA of São Martinho S.A., excluding the proportionate consolidation of Nova Fronteira Bioenergia S.A. (50.95%).

Operating Cash Generation

EBIT in 2Q16 came to R$112.6 million (EBIT margin of 16.5%), down 12.3% from 2Q15. The lower EBIT is related exclusively to the increase in depreciation expenses **(+R$40 million)** in 2Q16, due to the mark-to-market adjustment of the agricultural product (mark-to-market adjustment of the volume of cane processed and in inventory, already transformed into final products). At the end of the fiscal year, after inventories are sold, this effect will be reversed and depreciation volume will be closer to the Company's recurring capex. Excluding this effect, EBIT in the quarter came to R$153.1 million (EBIT margin of 22.4%), up 17.2% on 2Q15.

HEDGING

A summary of our sugar and U.S. dollar hedge positions on September 30, 2015 follows.

Sugar

	Volume Hedged ('000 tons)	Avg. Price (US$ c/p)
Sugar		
Jul/15 (N15)	19,055	14.89
Oct/15 (V15)	352,213	15.48
Mar/16 (H16)	324,373	15.80
2015/2016 crop year	**695,642**	**15.61**
May/16 (K16)	85,856	13.45
Jul/16 (N16)	108,768	13.44
Oct/16 (V16)	100,944	13.56
Mar/17 (H17)	44,960	13.72
2016/2017 crop year	**340,528**	**13.52**

At September 30, 2015, our hedge position for the 2015/16 crop year amounted to 695,642 tons at US$15.61 cents/lb, which corresponds to approximately 97% of own sugarcane and 85.6% of total sugarcane.

On the same date, 340,528 tons of sugar production in the 2016/17 crop year was locked in at a price of US$13.52 cents/lb. If we consider the same production volume of the current crop year (1,295 thousand tons), we would have approximately 37.6% of own cane and 26.3% of the total cane prices hedged.

U.S. Dollar

On September 30, 2015, the São Martinho Group held open positions through non-deliverable forwards (NDFs) and derivative instruments, which are used to hedge its exports, with maturities in the 2015/16 and 2016/17 crop years, as follows:

	TOTAL		SUGAR		OTHERS	
Dollar	US$ '000	Average Price (R$/US$)	US$ '000	Average Price (R$/US$)	US$ '000	Average Price (R$/US$)
2015/2016 crop year	238,119	3.25	194,053	3.15	44,067	3.66
2016/20117 crop year	10,000	3.67	10,000	3.67		

The volume of NDFs in U.S. dollar related to the 2015/16 crop year represented approximately 79.4% of own sugarcane or 70.1% of the total for the crop year. Therefore, the sharp exchange depreciation in recent months will enable the Company to obtain better sugar prices in terms of reais per ton.

Hedge Accounting

Effect on Shareholders' Equity

In March 2010, inclusive, the Company began to adopt hedge accounting for derivatives classified as hedge instruments, as well as debt denominated in foreign currency.

The quarterly results are recorded in shareholders' equity ("Adjustments to Book Value"), net of deferred income and social contribution taxes. In the period between March 2015 and September 2015, we recorded a gain in shareholders' equity of R$217.8 million, mainly related to the depreciation in the Brazilian real against the U.S. dollar.

Impact on Income Statement

As previously mentioned, certain foreign currency-denominated debts that had been designated as Hedge Accounting will mature in the future, which will impact our net revenue.

In 2Q16, a total of US$22.0 million in debt matured, with the exchange rate of R$2.1/US$1.00 adopted for the translation of net revenue. Considering that the rate considered for the purposes of cash flow in the period was R$3.1/US$ 1.00, we adjusted the amount of R$20.2 million in net revenue and EBITDA to provide a better understanding of the Company's cash generation.

NET FINANCIAL RESULT

FINANCIAL RESULT	2Q16	2Q15	Chg.%	6M16	6M15	Chg.%
R$ '000						
Financial Income	26,434	26,973	-2.0%	62,904	43,099	46.0%
Financial Expenses	(72,353)	(73,722)	-1.9%	(147,626)	(115,362)	28.0%
Hedge Result/Exchange Variation	(73,495)	6,439	n.m.	(93,262)	5,482	n.m.
Net Financial Result	**(119,414)**	**(40,311)**	**196.2%**	**(177,984)**	**(66,781)**	**166.5%**

The São Martinho Group registered a net financial expense of R$119.4 million in 2Q16, which represents an increase of 196.2% from 2Q15. As mentioned earlier, the increase in financial expenses reflect i) the BRL depreciation in the period; and ii) the 25.8% increase in the Company's net debt position.

NET INCOME

Net income in the quarter amounted to R$21.0 million, decreasing 81.7% on compared to 2Q15. The decrease in net income is mainly associated with the increase in financial expenses, due to the BRL depreciation in the period and to the higher balance of net debt in 2Q16 compared to 2Q15. Moreover, last year, we recorded a non-recurring gain of R$79.8 million from the sale of our ownership interest in Agropecuária Boa Vista, which distorts comparisons between the periods.

DEBT WITH COPERSUCAR

On September 30, 2015, the São Martinho Group recognized under Liabilities on its Balance Sheet R$283.2 million in obligations with Copersucar. In view of the terms negotiated in the process to terminate the membership at Copersucar, we will continue to book under "Obligations – Copersucar" all liabilities related to the contingencies currently being resolved judicially that were filed by the legal counsels at Copersucar. These obligations continue to be secured by suretyships in the amount of R$207.8 million on a consolidated basis.

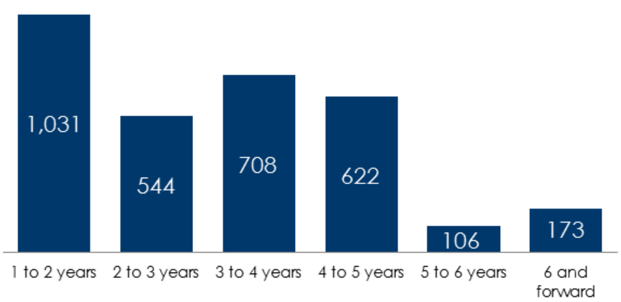
INDEBTEDNESS

DEBT	Sep/15	Mar/15	Chg.%
R$ '000			
PESA	49,635	57,756	-14.1%
Rural Credit	260,019	163,907	58.6%
BNDES / FINAME	749,210	877,296	-14.6%
Working Capital	794,974	533,283	49.1%
ACC (Advances on Foreign Exchange Contracts)	199,913	160,475	24.6%
PPE (Export prepayment)	1,220,069	981,525	24.3%
NCE (Export Credit Note)	792,273	838,463	-5.5%
Others	287	897	-68.0%
Obligations from Acquisitions - LOP	85,466	85,432	n.m.
Obligations from Acquisitions - Other	5,680	10,891	-47.8%
Gross Debt	**4,157,526**	**3,709,925**	**12.1%**
Cash and Cash Equivalents	925,382	1,140,538	-18.9%
Consolidated Net Debt	**3,232,144**	**2,569,387**	**25.8%**
Net Debt / Cum. EBITDA	2.8 x	2.2 x	
	2.1 x	1.7 x	

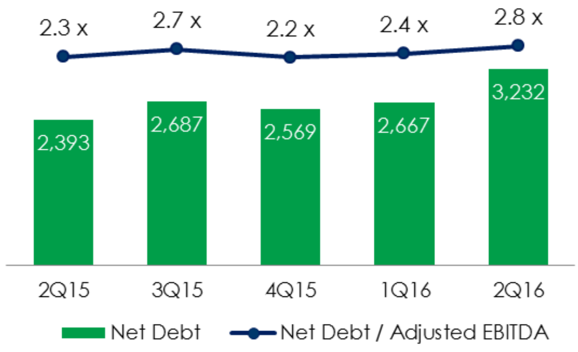
* Net Debt PTAX: March/15: R$ 3.2; September/15: R$ 3.9722
Cumulative EBITDA average 12M daily PTAX rate: March/15: R$ 2.48; September/15: R$ 3.01

In 2Q16, the net debt of the São Martinho Group increased 25.8% to R$3.2 billion, to end the period with a Net Debt to EBITDA ratio of 2.8 times. The increase in the Company's net debt is mainly due to: i) one-off increase of approximately R$433.0 million in the Company's working capital due to the high volume of inventories in the period, which will be sold by the end of the season; and ii) long-term exchange variation, in the amount of approximately R$241.0 million. Note that the market value of our inventories of finished products (sugar and ethanol) amounted to approximately R$920 million at September 30, 2015. Considering that we expect to sell the entire inventory by March 2016, the Company's Net Debt to EBITDA ratio should decline back to around 2 times.

Debt Amortization Schedule
R$ million



Net Debt/ EBITDA LTM
Evolution



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CAPITAL EXPENDITURE

(Maintenance)	2Q16	2Q15	Chg.%	6M16	6M15	Var%.
R$ '000						
Sugarcane Planting	42,158	37,991	11.0%	85,427	70,016	22.0%
Off-Season Maintenance / Industrial / Agricultural				5,719	3,310	72.8%
Crop Treatament	82,496	74,244	11.1%	157,306	128,917	22.0%
Total	**124,654**	**112,235**	**11.1%**	**248,453**	**202,244**	**22.8%**

(Operational Improvements)	2Q16	2Q15	Chg.%	6M16	6M15	Chg.%
R$ '000						
Equipament/Projects/Replacements	11,207	12,302	-8.9%	29,689	18,403	61.3%
Total	**11,207**	**12,302**	**-8.9%**	**29,689**	**18,403**	**61.3%**

(Upgrading/Expansion)	2Q16	2Q15	Chg.%	6M16	6M15	Chg.%
R$ '000						
Industrial/Agricultural	16,879	24,034	-29.8%	34,411	47,108	-27.0%
Total	**16,879**	**24,034**	**-29.8%**	**34,411**	**47,108**	**-27.0%**

Total	**152,740**	**148,571**	**2.8%**	**312,553**	**267,754**	**16.7%**

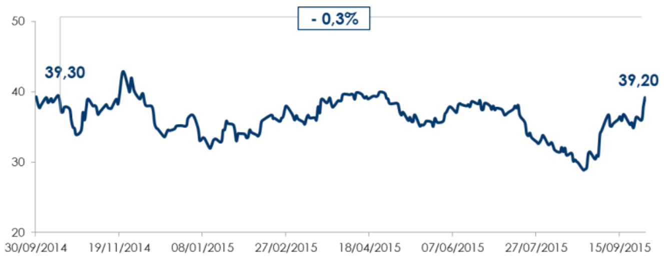
The maintenance CAPEX of the São Martinho Group amounted to R$124.7 million in 2Q16, increasing 11.1% from the year-ago period. The increase was mainly due to i) the full consolidation of Santa Cruz this quarter (in July/14 we only consolidated 36.0%), and higher costs, such as with diesel and labor.

Operational improvement capex (investments in replacing agricultural and industrial equipment to boost yields) amounted to R$11.2 million in 2Q16, down 8.9% from 2Q15, reflecting the lower need to replace equipment this quarter.

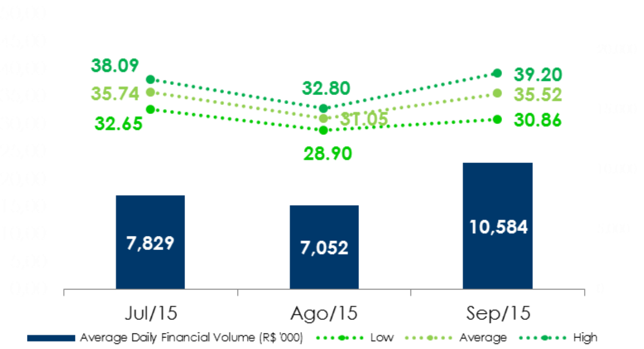
The Company’s expansion capex came to R$16.9 million, down 29.8% on the year-ago period. As mentioned in the previous quarter, these investments reflect the carryover of projects started in the previous season and that, due to the accrual method of accounting, will have an impact on this season.

CAPITAL MARKETS AND INVESTOR RELATIONS

Performance SMTO3 – 12 months

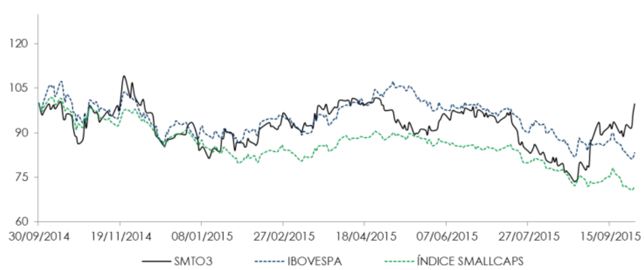


Price and Volume



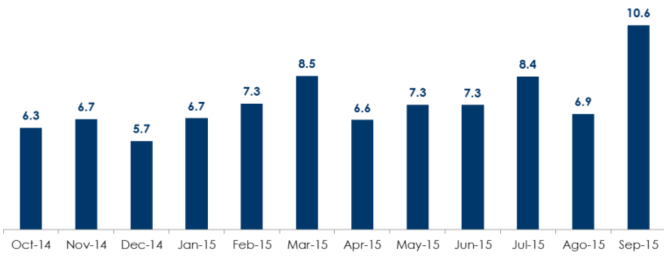
SMTO3 vs. Stock Indexes

Base=100



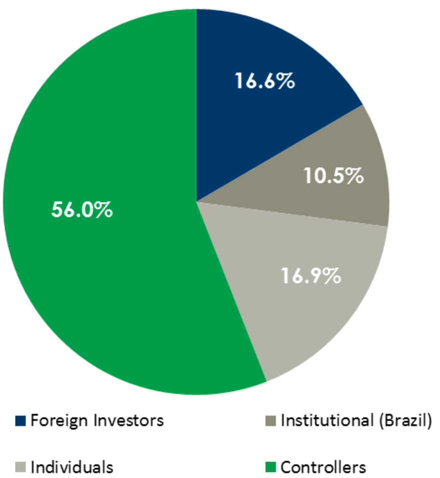
Average Daily Trading Volume

R$ million

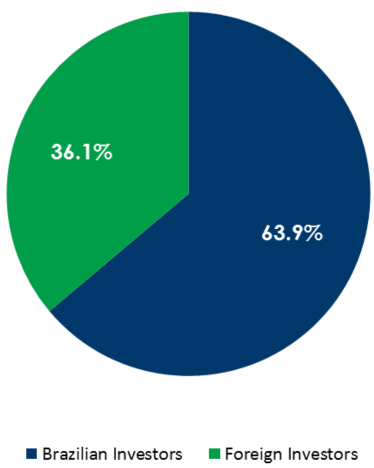


Ownership Structure

Base: Sept. 30, 2015



Free Float Composition



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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.

INCOME STATEMENT

Quarter

SÃO MARTINHO S.A. - CONSOLIDATED	CPC 19 2Q16	CPC 19 2Q15	CPC 19 Chg. (%)	Pro-forma 2Q16	Pro-forma 2Q15	Pro-forma Chg. (%)
R$ Thousand						
Gross Revenue	603,359	412,398	46.3%	680,534	529,856	28.4%
Deductions from Gross Revenue	(15,695)	(14,689)	6.8%	(19,778)	(22,349)	-11.5%
Net Revenue	**587,664**	**397,709**	**47.8%**	**660,756**	**507,507**	**30.2%**
Cost of Goods Sold (COGS)	(409,510)	(269,227)	52.1%	(461,944)	(344,691)	34.0%
Gross Profit	**178,154**	**128,482**	**38.7%**	**198,812**	**162,816**	**22.1%**
Gross Margin (%)	*30.3%*	*32.3%*	-2.0 p.p	*30.1%*	*32.1%*	-2.0 p.p
Operating Expenses	**(62,981)**	**36,354**	n.m.	**(65,916)**	**17,407**	n.m.
Selling Expenses	(26,756)	(20,451)	30.8%	(27,900)	(23,203)	20.2%
General and Administrative Expenses	(36,561)	(32,213)	13.5%	(41,211)	(35,475)	16.2%
Equity Income	(2,441)	11,982	-120.4%	166	100	66.0%
Other Operating Expenses, Net	2,777	77,036	-96.4%	3,029	75,985	-96.0%
Operating Profit, Before Financial Effects	**115,173**	**164,836**	**-30.1%**	**132,896**	**180,223**	**-26.3%**
Financial Result, Net	**(101,918)**	**(28,135)**	**262.2%**	**(119,414)**	**(40,311)**	**196.2%**
Financial Revenues	23,577	23,536	0.2%	26,434	26,972	-2.0%
Financial Expenses	(65,442)	(62,446)	4.8%	(72,353)	(73,722)	-1.9%
Monetary and Exchange Variations - Net	(102,598)	(1,894)	n.m.	(121,985)	(6,125)	n.m.
Derivatives Results	42,545	12,669	235.8%	48,490	12,564	285.9%
Income (Loss) Before Income and Social Contribution Taxes	**13,255**	**136,701**	**-90.3%**	**13,482**	**139,912**	**-90.4%**
Income Tax and Social Contribution - Current	(399)	11,974	n.m.	(391)	9,732	n.m.
Income Tax and Social Contribution - Deferred	8,198	(32,163)	n.m.	7,963	(33,132)	n.m.
Net Income (Loss) Before Minority Interest	**21,054**	**116,512**	**-81.9%**	**21,054**	**116,512**	**-81.9%**
Minority Interest	-	(1,290)	n.m.	-	(1,290)	n.m.
Net Income	**21,054**	**115,222**	**-81.7%**	**21,054**	**115,222**	**-81.7%**
Net Margin (%)	*3.6%*	*29.0%*	-25.4 p.p	*3.2%*	*22.7%*	-19.5 p.p

Year-to-date

SÃO MARTINHO S.A. - CONSOLIDATED	CPC 19 6M16	CPC 19 6M15	CPC 19 Chg. (%)	Pro-forma 6M16	Pro-forma 6M15	Pro-forma Chg. (%)
R$ Thousand						
Gross Revenue	984,387	801,082	22.9%	1,152,578	1,052,349	9.5%
Deductions from Gross Revenue	(29,543)	(25,366)	16.5%	(40,702)	(40,208)	1.2%
Net Revenue	**954,844**	**775,716**	**23.1%**	**1,111,876**	**1,012,141**	**9.9%**
Cost of Goods Sold (COGS)	(683,611)	(528,349)	29.4%	(799,275)	(697,582)	14.6%
Gross Profit	**271,233**	**247,367**	**9.6%**	**312,601**	**314,559**	**-0.6%**
Gross Margin (%)	*28.4%*	*31.9%*	-3.5 p.p	*28.1%*	*31.1%*	-3.0 p.p
Operating Expenses	**(91,565)**	**9,397**	**n.m.**	**(112,423)**	**(35,985)**	**212.4%**
Selling Expenses	(39,619)	(37,327)	6.1%	(42,556)	(42,973)	-1.0%
General and Administrative Expenses	(65,883)	(60,247)	9.4%	(74,637)	(70,925)	5.2%
Equity Income	10,011	29,294	-65.8%	190	613	-69.0%
Other Operating Expenses, Net	3,926	77,677	-94.9%	4,580	77,300	-94.1%
Operating Profit, Before Financial Effects	**179,668**	**256,764**	**-30.0%**	**200,178**	**278,574**	**-28.1%**
Financial Result, Net	**(157,949)**	**(49,052)**	**222.0%**	**(177,984)**	**(66,781)**	**166.5%**
Financial Revenues	56,767	36,713	54.6%	62,904	43,099	46.0%
Financial Expenses	(133,721)	(91,746)	45.8%	(147,626)	(115,362)	28.0%
Monetary and Exchange Variations - Net	(96,368)	(879)	n.m.	(113,087)	(4,248)	n.m.
Derivatives Results	15,373	6,860	124.1%	19,825	9,730	103.8%
Income (Loss) Before Income and Social Contribution Taxes	**21,719**	**207,712**	**-89.5%**	**22,194**	**211,793**	**-89.5%**
Income Tax and Social Contribution - Current	7,886	(4,300)	n.m.	7,880	(6,679)	n.m.
Income Tax and Social Contribution - Deferred	19,744	(26,174)	n.m.	19,275	(27,876)	n.m.
Net Income (Loss) Before Minority Interest	**49,349**	**177,238**	**-72.2%**	**49,349**	**177,238**	**-72.2%**
Minority Interest	-	(1,290)	n.m.	-	(1,290)	n.m.
Net Income	**49,349**	**175,948**	**-72.0%**	**49,349**	**175,948**	**-72.0%**
Net Margin (%)	*5.2%*	*22.7%*	-17.5 p.p	*4.4%*	*17.4%*	-12.9 p.p

BALANCE SHEET (ASSETS)

São Martinho S.A. - ASSETS	CPC 19		Pro-forma	
R$ '000				
ASSETS	Sep/15	Mar/15	Sep/15	Mar/15
SHORT-TERM ASSETS				
Cash and Cash Equivalents	592,948	1,020,112	627,954	1,126,517
Marketable Securities	222,251	-	284,451	-
Trade Receivables	191,037	156,317	218,637	168,031
Derivative Financial Instruments	84,236	221,797	89,117	222,226
Inventories	702,609	177,443	797,139	212,975
Taxes Recoverable	126,493	102,821	138,233	116,363
Income and Social Contribution Taxes	86,640	64,633	94,133	68,718
Other Assets	14,021	6,476	15,453	7,661
TOTAL SHORT-TERM ASSETS	**2,020,235**	**1,749,599**	**2,265,117**	**1,922,491**
LONG-TERM ASSETS				
Long-term Receivables				
Marketable Securities	5,156	5,723	12,977	14,021
Inventories	19,121	49,607	35,029	72,288
Related Parties	-	34	-	34
Deferred Income and Social Contribution Taxes	-	-	47,557	48,031
Trade Receivables	20,954	8,049	21,469	8,049
Trade Receivables from Copersucar	2,302	1,669	2,462	1,784
Taxes Recoverable	84,880	75,860	95,059	87,127
Judicial Deposits	31,365	27,927	33,306	29,553
Other Assets	498	518	498	518
	164,276	**169,387**	**248,357**	**261,405**
Investments	439,790	429,780	21,106	20,902
Biological Assets	938,105	936,241	1,100,669	1,116,783
Property, plant and equipment	3,274,239	3,383,376	3,670,044	3,796,775
Intangible Assets	491,416	500,541	491,519	500,676
TOTAL LONG-TERM ASSETS	**5,307,826**	**5,419,325**	**5,531,695**	**5,696,541**
TOTAL ASSETS	**7,328,061**	**7,168,924**	**7,796,812**	**7,619,032**

BALANCE SHEET (LIABILITIES)

São Martinho S.A. - LIABILITIES	CPC 19		Pro-forma	
R$ '000				
LIABILITIES AND SHAREHOLDERS' EQUITY	Sep/15	Mar/15	Sep/15	Mar/15
SHORT-TERM ASSETS				
Borrowings	793,777	872,419	956,179	978,828
Derivative Financial Instruments	245,168	232,711	245,168	232,711
Trade Payables	170,172	95,476	189,797	115,727
Payables to Copersucar	33,385	2,040	35,883	2,300
Payroll and Social Contributions	104,624	84,373	118,833	95,953
Taxes Payable	17,389	13,235	18,995	14,531
Income and Social Contribution Taxes	2,007	1,511	2,007	1,540
Dividends Payable	1	67,939	1	67,939
Advances from Customers	3,387	3,197	4,498	4,321
Acquisition of Investment	17,776	17,507	17,776	17,507
Other Liabilities	28,264	29,484	35,135	34,079
TOTAL SHORT-TERM LIABILITIES	**1,415,950**	**1,419,892**	**1,624,272**	**1,565,436**
LONG-TERM ASSETS				
Borrowings	2,885,098	2,367,660	3,110,201	2,634,773
Payables to Copersucar	236,951	279,584	247,312	292,945
Taxes Payable in Installments	15,881	16,267	15,881	16,267
Deferred Income and Social Contribution Taxes	192,057	323,811	192,304	324,064
Provision for Contingencies	52,575	55,430	56,575	58,702
Acquisition of Investment	73,370	78,815	73,370	78,815
Advances for future capital increase	-	-	31,629	31,492
Other Liabilities	11,031	11,380	120	453
TOTAL SHORT-TERM LIABILITIES	**3,466,963**	**3,132,947**	**3,727,392**	**3,437,511**
SHAREHOLDERS' EQUITY				
Share Capital	931,340	812,992	931,340	812,992
Capital reserves	9,119	9,119	9,119	9,119
Treasury Shares	(5,888)	(7,375)	(5,888)	(7,375)
Stock options granted	6,288	5,079	6,288	5,079
Adjustments to Book Value	1,170,793	1,405,708	1,170,793	1,405,708
Profits Reserves	272,214	390,562	272,214	390,562
Retained earnings	61,282	-	61,282	-
TOTAL SHORT-TERM LIABILITIES	**2,445,148**	**2,616,085**	**2,445,148**	**2,616,085**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**7,328,061**	**7,168,924**	**7,796,812**	**7,619,032**

CONSOLIDATED CASH FLOW

SÃO MARTINHO S.A.	CPC 19 6M16	CPC 19 6M15	Pro Forma 6M16	Pro Forma 6M15
R$ '000				
CASH FLOWS FROM OPERATING ACTIVITIES				
Net Income in the period	**49,349**	**175,948**	**49,349**	**175,948**
Depreciation and amortization	90,912	63,336	107,011	87,323
Harvested biological assets (depreciation)	185,994	108,180	235,529	167,099
Change in fair value of biological assets	(35,858)	1,305	(44,378)	(1,486)
Amortization of intangible assets	7,526	1,120	7,526	1,586
Equity income	(10,011)	(29,294)	(190)	(613)
Capital gain in investment in joint venture	-	(7,055)	-	(7,055)
Result of investment and property, plant and equipment disposals	1,993	(4,054)	2,006	(4,560)
Interest, monetary and foreign exchange variations, net	235,951	72,762	261,279	94,126
Derivative financial instruments	133,805	81,139	133,805	84,399
Accrual of provision for contingencies, net	5,342	(965)	6,744	(383)
Deferred income tax and social contribution taxes	(19,744)	26,174	(19,275)	27,876
Adjustments to present value and others	2,281	3,739	1,995	3,516
Income (loss) from ownership divestment	-	(79,717)	-	(79,717)
	647,540	**412,618**	**741,401**	**548,059**
Changes in assets and liabilities				
Trade receivables	(59,507)	(45,242)	(76,458)	(59,288)
Inventories	(361,258)	(289,261)	(393,334)	(337,409)
Taxes recoverable	(50,681)	(30,015)	(50,712)	(28,857)
Marketable securities	920	(434)	1,905	(371)
Other assets	(9,170)	2,194	(9,618)	1,867
Trade payables	79,890	84,980	79,981	100,876
Salaries and social charges	20,251	15,496	22,880	20,007
Taxes payable	(206)	2,733	(218)	2,483
Payables to Copersucar	(19,779)	10,852	(21,281)	10,866
Taxes payable in installments	(821)	(952)	(821)	(924)
Provision for contingencies - settlements	(10,019)	(20,303)	(10,958)	(22,369)
Other liabilities	760	5,682	3,024	5,335
Cash provided by operations	**237,920**	**148,348**	**285,791**	**240,275**
Interest paid	(102,814)	(50,780)	(116,829)	(73,278)
Income tax and social contribution paid	(785)	(47)	(826)	(99)
Net cash provided by operating activities	**134,321**	**97,521**	**168,136**	**166,898**
CASH FLOW FROM INVESTING ACTIVITIES				
Financial resources used in investments	(10,856)	(44,354)	(10,856)	(44,354)
Increase due to acquisition of equity interest	-	44,860	-	25,273
Additions to property, plant and equipment and intangible assets	(63,864)	(60,580)	(73,083)	(75,299)
Additions to biological assets (planting and crop treatment)	(210,212)	(144,312)	(242,733)	(198,934)
Marketable securities	(222,251)	-	(284,449)	-
Proceeds from sale of property, plant and equipment	11,111	6,210	11,143	6,854
Advance for future capital increase	-	-	-	(32)
Dividends received	-	3,127	-	443
Net cash used in investing activities	**(496,072)**	**(195,049)**	**(599,978)**	**(286,049)**
CASH FLOW FROM FINANCING ACTIVITIES				
New borrowings - third parties	581,540	396,818	609,725	482,291
Repayment of borrowings - third parties	(580,745)	(270,946)	(610,375)	(345,011)
Advance for future capital increase	-	-	137	544
Change in noncontrolling interest	-	1,290	-	1,290
Sale of treasury shares	1,730	1,164	1,730	1,164
Payment of dividends	(67,938)	(43,089)	(67,938)	(40,405)
Net cash provided by (used in) financing activities	**(65,413)**	**85,237**	**(66,721)**	**99,873**
Increase (decrease) in cash and cash equivalents, net	**(427,164)**	**(12,291)**	**(498,563)**	**(19,278)**
Cash and cash equivalents at the beginning of the period	**1,020,112**	**551,359**	**1,126,517**	**670,741**
Cash and cash equivalents at the end of the period	**592,948**	**539,068**	**627,954**	**651,463**

Conference Call: November 10, 2015 (Tuesday)
3:00 p.m. (Brasília time): +55 (11) 3193 1001
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