(A free translation of the original in Portuguese)

São Martinho S.A. Ouarterly Information (ITR) at

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



(A free translation of the original in Portuguese)

Report on review of quarterly information

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

Introduction

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

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

Scope of review

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

Conclusion on the parent company interim information

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



Conclusion on the consolidated interim information

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

Other matters

Interim statements of value added

We have also reviewed the parent company and consolidated statements of value added for the six-month period ended September 30, 2013. These statements are the responsibility of the Company's management, and are required to be presented in accordance with standards issued by the CVM applicable to the preparation of Quarterly Information (ITR) and are considered supplementary information under the International Financial reporting Standards (IFRS), which do not require the presentation of the statement of value added. These statements have been submitted to the same review procedures described above and, based on our review, nothing has come to our attention that causes us to believe that they have not been prepared, in all material respects, in a manner consistent with the parent company and consolidated interim accounting information taken as a whole.

Ribeirão Preto, November 11, 2013

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

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

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Balance sheet

All amounts in thousands of reais

(A free translation of the original in Portuguese)

		Pare	ent company		Consolidated			Pare	ent company		Consolidated
Assets	Note	September 30, 2013	March 31, 2013	September 30, 2013	March 31, 2013	Liabilities and equity	Note	September 30, 2013	March 31, 2013	September 30, 2013	March 31, 2013
					Restated						Restated
Current assets						Current liabilities					
Cash and cash equivalents	6	448,043	479,631	490,698	531,142	Borrowings	16	372,474	237,630	375,370	240,405
Trade receivables	7	129,084	52,770	140,519	51,739	Derivative financial instruments	27	65,991	14,297	65,991	14,297
Derivative financial instruments	27	20,677	79,232	20,677	79,232	Trade payables	17	154,977	76,315	147,662	77,059
Inventories	8	254,207	102,220	249,795	101,503	Payables to Copersucar	18	2,040	2,040	2,040	2,040
Taxes recoverable	9	73,306	43,280	73,682	43,313	Salaries and social charges	.0	65,893	50,153	65,893	50,153
Income tax and social contribution	24	22,253	33,329	22,617	33,370	Taxes payable		11,092	10,204	11,710	10,225
Dividends receivable		22,200	9,227	22,017	353	Income tax and social contribution	24	9,575	10,201	10,708	314
Other assets	11	8,533	6,420	8,533	6,422	Dividends payable		0,070	17,326	10,700	17,326
0.1101 400010	• •	0,000	0,120	0,000	0,122	Advances from customers		1,082	957	1,082	957
		956,103	806,109	1,006,521	847,074	Acquisition of investments	35	75,672	71,808	75,672	71,808
		000,100	000,100	1,000,021	017,071	Other liabilities	20	28,281	16,393	28,286	16,393
Non-current assets						Guior nasimuos	20	20,201	10,000	20,200	10,000
Long-term receivables								787,077	497,123	784,414	500,977
Inventories	8	15,353	13,196	15,353	13,196			707,077	457,120	704,414	000,511
Related parties	10	1,488	4,578	1,488	2,013	Non-current liabilities					
Deferred income tax and	10	1,400	4,570	1,400	2,010	Borrowings	16	994,857	1,155,388	1,014,523	1,176,045
social contribution	24				6,968	Payables to Copersucar	18	194,075	194,440	194,075	194,440
Receivables from Copersucar	18	1,228	1,228	1,228	1,228	Taxes payable in installments	19	47,199	48,436	47,199	48,436
Taxes recoverable	9	49,903	47,148	50,218	47,834	Deferred income tax and	13	47,133	40,430	47,199	40,430
Judicial deposits	26	30,944	35,654	30,944	35,654	social contribution	24	405,328	458,762	774,958	810,465
Other assets	11	253	253	253	250	Provision for contingencies	26	57,303	60,171	57,303	60,171
Other assets	''				230	Acquisition of investments	35	10,237	9,849	10,237	9,849
		99.169	102,057	99,484	107,143	Other liabilities	20	4,422	3,912	4,852	3,912
		33,103	102,007	33,404	107,143	Other habilities	20	7,722	5,312	4,002	3,312
Investments	12	1,438,861	1,603,485	575,159	600,280			1,713,421	1,930,958	2,103,147	2,303,318
Biological assets	13	516,414	506,368	516,414	544,167						
Property, plant and equipment	14	1,387,368	1,483,680	2,587,013	2,627,129	Equity	21				
Intangible assets	15	178,002	26,999	178,389	179,119	Share capital		737,200	614,150	737,200	614,150
G						Carrying value adjustments		1,134,570	1,265,869	1,134,570	1,265,869
		3,619,814	3,722,589	3,956,459	4,057,838	Revenue reserves		96,832	232,556	96,832	232,556
					, , , , , , , , ,	Treasuryshares		(13,811)	(13,811)	(13,811)	(13,811)
						Stock options granted		2,911	1,853	2,911	1,853
						Retained earnings		117,717	,	117,717	,
						3.					
								2,075,419	2,100,617	2,075,419	2,100,617
Total assets		4,575,917	4,528,698	4,962,980	4,904,912	Total liabilities and equity		4,575,917	4,528,698	4,962,980	4,904,912
10101 00000		7,575,517	7,020,030	7,302,300	7,307,312	rotal habilities and equity		-+,515,511	7,020,030	7,302,300	7,307,312

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

Statement of income

All amounts in thousands of reais unless otherwise stated

(A free translation of the original in Portuguese)

				Pare	nt company
			9/30/2013		9/30/2012
			Six-month		Six-month
	Note	Quarter	period	Quarter	period
					Restated
Revenue	29	482,194	878,862	456,950	676,456
Cost of products sold	30	(337,656)	(636,295)	(330,064)	(489,549)
Gross profit		144,538	242,567	126,886	186,907
Operating income (expenses)					
Selling expenses	30	(27,543)	(47,396)	(23,855)	(30,733)
General and administrative expenses	30	(33,562)	(60,795)	(30,009)	(54,578)
Equity in the results of investees	12	14,845	18,091	12,951	1,704
Other income (expenses), net	31	5,924	6,497	1,559	2,404
		(40,336)	(83,603)	(39,354)	(81,203)
Operating profit		104,202	158,964	87,532	105,704
Finance income and costs	32				
Finance income		38,298	53,421	23,472	41,820
Finance costs		(58,872)	(99,932)	(37,972)	(65,671)
Monetary and foreign exchange variations,	net	3,416	26,599	(1,465)	858
		(17,158)	(19,912)	(15,965)	(22,993)
Profit before income tax and					
social contribution		87,044	139,052	71,567	82,711
Income tax and social contribution	24(b)				
Current	_ (()	(13,570)	(14,969)	(10,616)	(10,616)
Deferred		(12,587)	(28,468)	(10,428)	(19,194)
Profit for the period		60,887	95,615	50,523	52,901
Basic earnings per share - R\$		_	0.82466	<u>-</u>	0.47139
Diluted earnings per share - R\$		_	0.82260	_	0.47130

Statement of incomeAll amounts in thousands of reais

(continued)

				C	onsolidated
			9/30/2013		9/30/2012
			Six-month		Six-month
	Note_	Quarter	period	Quarter	period
					Restated
Revenue	29	504,257	900,499	456,950	676,439
Cost of products sold	30	(343,597)	(626,816)	(319,611)	(470,738)
Gross profit		160,660	273,683	137,339	205,701
Operating income (expenses)					
Selling expenses	30	(27,543)	(47,396)	(23,855)	(30,733)
General and administrative expenses	30	(33,723)	(61,104)	(29,856)	(54,408)
Equity in the results of investees	12	(5,434)	(17,203)	2,942	(16,275)
Other income, net	31	6,508	7,081	1,555	2,401
		(60,192)	(118,622)	(49,214)	(99,015)
Operating profit		100,468	155,061	88,125	106,686
Finance income and costs	32				
Finance income		39,297	55,388	23,758	42,333
Finance costs		(59,209)	(100,270)	(38,402)	(66,317)
Monetary and foreign exchange variations,	net	3,416	26,599	(1,464)	859
		(16,496)	(18,283)	(16,108)	(23,125)
Profit before income tax and					
social contribution		83,972	136,778	72,017	83,561
Income tax and social contribution	24(b)				
Current		(14,720)	(17,019)	(11,104)	(11,541)
Deferred		(8,365)	(24,144)	(10,390)	(19,119)
Profit for the period		60,887	95,615	50,523	52,901

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

Statement of comprehensive income (loss)

All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Parent company and Consolidated					
		9/30/2013		9/30/2012		
		Six-month	Six-month			
	Quarter	period	Quarter	period		
Profit for the period	60,887	95,615	50,523	52,901		
Other comprehensive income (loss) Gain (loss) on derivative transactions - hedge accounting	(11,958)	(109,197)	1,117	(37,061)		
Total comprehensive income (loss) for the period	48,929	(13,582)	51,640	15,840		

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

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

Statement of changes in equity All amounts in thousands of reais

(A free translation of the original in Portuguese)

		_			Carrying value a	djustments							
		_	D	eemed cost	Hedge	accounting		Reven	ue reserves				
	Note	Share capital	Own	Of investees	Own	Of investees	Legal	Capital investment	Additional dividends	Treasury shares	Stock options granted	Retained earnings	Total equity
At March 31, 2012	21	455,900	610,553	670,844	(8,839)		21,530	281,323	6,014	(12,753)	106		2,024,678
Capital increase with reserves Realization of deemed cost increment Loss on derivative transactions - hedge accounting Acquisition of treasury shares Stock options granted Prior-year additional dividend paid Profit for the period		158,250	(16,827)	(141)	(37,061)			(158,250)	(6,014)	(1,785)	946	16,968 52,901	(37,061) (1,785) 946 (6,014) 52,901
At September 30, 2012		614,150	593,726	670,703	(45,900)		21,530	123,073		(14,538)	1,052	69,869	2,033,665
At March 31, 2013	21	614,150	577,818	671,432	16,619		25,177	194,705	12,674	(13,811)	1,853		2,100,617
Capital increase with reserves Realization of deemed cost increment Capital increase in Vale do Mogi with deemed cost Loss on derivative transactions - hedge accounting Stock options granted Prior-year additional dividend paid Profit for the period	12	123,050	(13,275) (43,899)	(8,827) 43,899	(101,023)	(8,174)		(123,050)	(12,674)		1,058	22,102 95,615	(109,197) 1,058 (12,674) 95,615
At September 30, 2013		737,200	520,644	706,504	(84,404)	(8,174)	25,177	71,655		(13,811)	2,911	117,717	2,075,419

Statement of cash flows Six-month periods ended September 30 All amounts in thousands of reais

(A free translation of the original in Portuguese)

Profit of the quarter Agriculture Profit of the quarter Profit of the quarter		Parent company			Consolidated	
Profit for the quarter		9/30/2013	9/30/2012	9/30/2013		
Profit for the quarter	Cach flows from operating activities				Restated	
Adjustments		05.045	50.004	05.045	50.004	
Harvested biological assets (depletion)	·	95,615	52,901	95,615	52,901	
Harvested biological assets (depletion)	Depreciation and amortization	70.129	77.175	70.690	77.435	
Clasin loss on investment and property, plant and equipment disposals Clasin loss on investment and property, plant and equipment disposals Clasin loss on investment and property, plant and equipment disposals Clasin loss on investment and property, plant and equipment disposals Clasin loss on investment and property, plant and equipment and social contribution for contingencies, net 13,424 33,538 38,109 28,468 19,194 24,144 19,119 28,468 19,194 24,144 19,119 28,469 29,409 29,409 28,468 19,194 24,144 19,119 28,469 29,409 28,469	•	,	,	,	,	
Casin Joss on investment and property, plant and equipment disposals 1,84	Changes in fair value of biological assets	(1,281)	(10,493)	(1,281)	(10,493)	
Interest monetary and foreign exchange variations, net	Equity in the results of investees	(18,091)	(1,704)	17,203	16,275	
Provision for contingencies, net					, ,	
Deferred income tax and social contribution Reversal of provision for inventory tosses 5.915 7.963 5.553 7.963 7		, -	,	,	,	
Reversal of provision for inventory losses		,	,	,	,	
Adjustments to present value and others 5,915 7,963 5,553 7,968 303,676		28,468	-, -	24,144	-, -	
Changes in assets and liabilities (76,314) (76,181) (77,687) (76,181) Trade receivables (116,332) (142,870) (111,920) (140,070) Taxes recoverable (19,714) (26,886) (20,008) (27,152) Other assets 2,599 (4,752) 2,599 (4,750) Taxed payables 100,476 62,311 92,419 69,163 Salaries and social charges 15,740 4,467 15,740 4,467 Taxes payable in installments (2,663) (3,511) (2,663) (3,511) Provision for contingencies - settlements (17,383) (10,289) (17,383) (10,928) Other liabilities 13,002 21,588 12,717 21,588 Interest paid (17,383) (10,928) 17,717 21,588 Interest paid (37,096) (13,061) (37,935) (13,143) Incerest paid (37,096) (13,061) (37,935) (13,143) Incerest paid (37,096) (13,061) (37,935) (13,143)	·	5,915	, ,	5,553	, ,	
Trade receivables (76.314) (76.181) (77.687) (76.185) (114.670) (111.920) (140.070) Taxes recoverable (19.714) (26.886) (20.008) (27.152) Other assets 2.599 (4.752) 2.599 (4.750) Trade payables 10.046 62.311 92.419 69.163 Salaries and social charges 15.740 4.467 15.740 4.467 Taxes payable 10.462 10.289 13.021 11.240 Taxes payable in installments (2.663) (3.511) (2.663) (3.511) Provision for contingencies - settlements (7.833) (10.928) (17.383) (10.928) Other liabilities 13.002 21.588 12.717 21.588 Cash from operations (37.096) (13.061) (37.935) (13.143) Interest paid (37.096) (13.061) (37.935) (13.143) Income tax and social contribution paid (1.144) (541) Net cash provided by operating activities (2.612) (2.612) Purchases of property, plant and equipment and additions to intangible assets Advances of property, plant and equipment (1.762) (2.612) Purchases of property, plant and equipment (1.762) (2.612) (2.612) Cash and cash equivalents of merged subsidiary (15.702) (17.702) (17.340) (1.303) Dividends received (3.936) (4.895) (9.76) (2.330) Dividends received (3.936) (4.895) (4.895) (7.896) (4.895) Detail increase (1.785) (4.895) (4.895) (4.895) (4.895) (4.895) (4.895) (4.895) Detail of the parties (3.936) (3.936	•	342,225	285,319	369,543	303,676	
Inventories						
Taxes recoverable						
Other assets 2,599 (4,752) 2,599 (4,750) Trade payables 100,476 62,311 92,419 69,163 Salaries and social charges 15,740 4,467 15,740 4,467 Taxes payable in installments (2,663) (3,511) (2,663) (3,511) Provision for contingencies - settlements (17,383) (10,928) (17,383) (10,928) Other liabilities 13,002 21,588 12,717 21,588 Cash from operations 252,098 118,846 276,378 147,564 Interest paid (37,096) (13,061) (37,935) (13,143) Income tax and social contribution paid (37,096) (13,061) (37,935) (13,143) Net cash provided by operating activities 215,002 105,785 237,299 133,880 Cash flows from investing activities 2(5,022) 105,785 237,299 133,880 Cash flows from investing activities 2(5,022) 105,785 237,299 133,880 Porceeds from sale of property, plant and equipment and a		, ,				
Trade payables 100,476 62,311 92,419 69,163 Salaries and social charges 15,740 4,467 15,740 4,467 Taxes payable in installments (2,663) (3,511) (2,663) (3,511) Provision for contingencies - settlements (2,663) (3,511) (1,6263) (3,511) Provision for contingencies - settlements (2,663) (3,511) (1,6263) (3,511) Provision for contingencies - settlements (2,663) (3,511) (1,663) (3,511) Other liabilities 31,002 21,588 12,717 21,588 Cash from operations 252,098 118,846 276,378 147,564 Interest paid (37,096) (13,061) (37,935) (13,143) Income tax and social contribution paid 252,098 118,846 276,378 147,564 Interest paid (37,096) (13,061) (37,935) (13,143) Income tax and social contribution paid 215,002 105,785 237,299 133,880 Cash flows from innesting activities		* ' '		, , ,	, , ,	
Salaries and social charges 15,740 4,467 15,740 4,467 Taxes payable in installments 10,462 10,289 13,021 11,240 Taxes payable in installments (2,663) (3,511) (2,663) (3,511) Provision for contingencies - settlements (17,383) (10,928) (17,383) (10,928) Other labilities (31,002) 21,588 12,717 21,588 Cash from operations 252,098 118,846 276,378 147,564 Income tax and social contribution paid (37,096) (13,061) (37,395) (13,143) Net cash provided by operating activities 215,002 105,785 237,299 133,880 Cash flows from investing activities (25,002) 105,785 237,299 133,880 Purchases of property, plant and equipment and additions to intangible assets (82,763) (78,017) (83,252) (2,612) Purchases of property, plant and equipment 1,762 252 8,083 252 Pocceeds from sale of propenty, plant and equipment 1,762 2,808		,		,	, , ,	
Taxes payable In a payable in installments 10,462 (2,663) (3,511) (2,663) (3,511) 11,240 (3,511) (2,663) (3,511) 11,240 (3,511) (2,663) (3,511) 12,40 (3,511) (2,663) (3,511) (2,663) (3,511) 12,40 (3,511) (2,663) (3,511) (2,663) (3,511) (2,663) (3,511) 13,511 (2,663) (3,511) (10,928) (17,383) (10,928) (17,383) (10,928) (17,383) (10,928) (17,383) (10,928) (13,002) (21,588) 12,717 (21,588) Cash from operations 252,098 (37,096) (13,061) (37,935) (13,143) (13,143) (10,000) (13,061) (,	,	- , -	,	
Taxes payable in installments (2,663) (3,511) (2,663) (3,511) Provision for contingencies - settlements (17,383) (10,928) (17,383) (10,928) Other liabilities 13,002 21,588 12,177 21,588 Cash from operations 252,098 118,846 276,378 147,564 Income tax and social contribution paid (37,096) (13,061) 37,935) (13,143) Net cash provided by operating activities 215,002 105,785 237,299 133,880 Cash flows from investing activities 215,002 105,785 237,299 133,880 Cash flows from investing activities 82,763 (78,017) (83,252) 26,122 Purchases of property, plant and equipment and additions to intangible assets (82,763) (78,017) (83,252) 95,142 Additions to biological assets (planting and crop treatment) 1(07,340) (95,035) 107,340 95,035 107,340 95,035 107,340 10,340 10,340 10,340 10,340 10,340 10,340 10,340 10,340 10,			,	,		
Provision for contingencies - settlements (17,383) (10,928) (17,383) (10,928) (17,383) (10,928) 21,588 22,718 21,578 21,578 21,578 21,588 22,718 22,588 12,717 21,588 12,717 21,588 12,717 21,588 12,717 21,588 12,717 21,588 12,717 21,588 12,717 21,588 12,717 21,588 147,564 21,508 118,846 276,378 147,564 147,564 147,564 147,564 147,564 147,564 147,564 147,564 147,564 16,000 13,143 16,000 13,143 147,564 147,564 147,564 147,564 14,143 16,000 13,143 16,000 13,143 16,000 13,143 16,000 13,143 16,000 13,000	·	,	,	,	,	
Other liabilities 13,002 21,588 12,717 21,588 Cash from operations 252,098 118,846 276,378 147,564 Interest paid Income tax and social contribution paid 7,000 105,705 237,299 133,880 Net cash provided by operating activities 215,002 105,785 237,299 133,880 Cash flows from investing activities 8,000 2,000 105,785 237,299 133,880 Post cash provided by operating activities 8,000 2,000 105,785 237,299 133,880 Cash flows from investing activities 8,000 1,000 1,000 2,000		* ' '	, , ,			
Interest paid (37,096) (13,061) (37,935) (13,143) (10,0000 tax and social contribution paid (25,0000 tax) (11,0000 tax) (11,			21,588		21,588	
Net cash provided by operating activities 215,002 105,785 237,299 133,880	Cash from operations	252,098	118,846		147,564	
Net cash provided by operating activities 215,002 105,785 237,299 133,880 Cash flows from investing activities (2,612) (2,	Interest paid	(37,096)	(13,061)	(37,935)	(13,143)	
Cash flows from investing activities Acquisition of investments (2,612) (2,612) Purchases of property, plant and equipment and additions to intangible assets (82,763) (78,017) (83,252) (95,142) Additions to biological assets (planting and crop treatment) (107,340) (95,035) (107,340) (95,035) Proceeds from sale of property, plant and equipment 1,762 252 8,083 252 Cash and cash equivalents of merged subsidiary 1 1 1 Advances for future capital increase (976) (4,895) (976) (2,330) Dividends received 37,614 8,604 1,330 1,216 Net cash used in investing activities (151,702) (171,703) (182,154) (193,651) Cash flows from financing activities 32,816 15,192 32,816 15,192 New borrowings - third parties 82,752 498,937 83,225 515,283 Repayment of borrowings - third parties (3,936) (8,340) (3,936) (8,340) Purchases of treasury shares (17,752) (17,783) (17,7694) (17,785) Payment of divide	· ·					
Acquisition of investments (2,612) (2,612) Purchases of property, plant and equipment and additions to intangible assets (82,763) (78,017) (83,252) (95,142) Additions to biological assets (planting and crop treatment) (107,340) (95,035) (107,340) (95,035) Proceeds from sale of property, plant and equipment 1,762 252 8,083 252 Cash and cash equivalents of merged subsidiary 1 1 1 1 1 1 40 1 2,330 1,216 1 <td></td> <td>215,002</td> <td>105,785</td> <td>237,299</td> <td>133,880</td>		215,002	105,785	237,299	133,880	
Purchases of property, plant and equipment and additions to intangible assets (82,763) (78,017) (83,252) (95,142) Additions to biological assets (planting and crop treatment) (107,340) (95,035) (107,340) (95,035) Proceeds from sale of property, plant and equipment 1,762 252 8,083 252 Cash and cash equivalents of merged subsidiary 1 1 1 Advances for future capital increase (976) (4,895) (976) (2,330) Dividends received 37,614 8,604 1,330 1,216 Net cash used in investing activities (151,702) (171,703) (182,154) (193,651) Cash flows from financing activities 32,816 15,192 32,816 15,192 Cash flows from financing activities 82,752 498,937 83,225 515,283 Repayment of borrowings - third parties (3,936) (8,340) (3,936) (8,340) Repayment of borrowings - third parties (176,520) (73,371) (177,694) (73,371) Purchases of treasury shares (1,785) (1,785)			(2 612)		(2 612)	
Additions to biological assets (planting and crop treatment) (107,340) (95,035) (107,340) (95,035) Proceeds from sale of property, plant and equipment 1,762 252 8,083 252 Cash and cash equivalents of merged subsidiary 1 1 1 Advances for future capital increase (976) (4,895) (976) (2,330) Dividends received 37,614 8,604 1,330 1,216 Net cash used in investing activities (151,702) (171,703) (182,154) (193,651) Cash flows from financing activities 32,816 15,192 32,816 15,192 New borrowings - third parties 82,752 498,937 83,225 515,283 Repayment of borrowings - Copersucar (3,936) (8,340) (3,936) (8,340) Repayment of borrowings - third parties (176,520) (73,371) (177,694) (73,371) Purchases of treasury shares (1,785) (1,785) (1,785) Payment of dividends (30,000) (36,084) (30,000) (36,084) Net cash provid	·	(82,763)		(83,252)		
Cash and cash equivalents of merged subsidiary 1 1 1 1 2 2 330 2 330 2 330 1 2 2 330 1 2 2 330 1 2 2 330 1 2 1 1 1 1 2 330 1 2 1 1 1 1 2 330 1 2 1 1 1 1 2 330 1 2 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 2 3 2 1 2 2 2 </td <td></td> <td></td> <td></td> <td></td> <td></td>						
Advances for future capital increase (976) (4,895) (976) (2,330) Dividends received 37,614 8,604 1,330 1,216 Net cash used in investing activities (151,702) (171,703) (182,154) (193,651) Cash flows from financing activities 32,816 15,192 32,816 15,192 New borrowings - third parties 82,752 498,937 83,225 515,283 Repayment of borrowings - Copersucar (3,936) (8,340) (3,936) (8,340) Repayment of borrowings - third parties (176,520) (73,371) (177,694) (73,371) Purchases of treasury shares (1,785) (1,785) (1,785) Payment of dividends (30,000) (36,084) (30,000) (36,084) Net cash provided by (used in) financing activities (94,888) 394,549 (95,589) 410,895 Increase (decrease) in cash and cash equivalents (31,588) 328,631 (40,444) 351,124 Cash and cash equivalents at the beginning of the period 479,631 288,554 531,142 295,776<	Proceeds from sale of property, plant and equipment	1,762	252	8,083	252	
Dividends received 37,614 8,604 1,330 1,216 Net cash used in investing activities (151,702) (171,703) (182,154) (193,651) Cash flows from financing activities 32,816 15,192 32,816 15,192 Derivative financial instruments 32,816 15,192 32,816 15,192 New borrowings - third parties 82,752 498,937 83,225 515,283 Repayment of borrowings - Copersucar (3,936) (8,340) (3,936) (8,340) Repayment of borrowings - third parties (176,520) (73,371) (177,694) (73,371) Purchases of treasury shares (1,785) (1,785) (1,785) Payment of dividends (30,000) (36,084) (30,000) (36,084) Net cash provided by (used in) financing activities (94,888) 394,549 (95,589) 410,895 Increase (decrease) in cash and cash equivalents (31,588) 328,631 (40,444) 351,124 Cash and cash equivalents at the beginning of the period 479,631 288,554 531,142 295,776	· · · · · · · · · · · · · · · · · · ·					
Net cash used in investing activities (151,702) (171,703) (182,154) (193,651) Cash flows from financing activities 32,816 15,192 32,816 15,192 Derivative financial instruments 82,752 498,937 83,225 515,283 Repayment of borrowings - third parties (3,936) (8,340) (3,936) (8,340) Repayment of borrowings - third parties (176,520) (73,371) (177,694) (73,371) Purchases of treasury shares (1,785) (1,785) (1,785) Payment of dividends (30,000) (36,084) (30,000) (36,084) Net cash provided by (used in) financing activities (94,888) 394,549 (95,589) 410,895 Increase (decrease) in cash and cash equivalents (31,588) 328,631 (40,444) 351,124 Cash and cash equivalents at the beginning of the period 479,631 288,554 531,142 295,776	·					
Derivative financial instruments 32,816 15,192 32,816 15,192 New borrowings - third parties 82,752 498,937 83,225 515,283 Repayment of borrowings - Copersucar (3,936) (8,340) (3,936) (8,340) Repayment of borrowings - third parties (176,520) (73,371) (177,694) (73,371) Purchases of treasury shares (1,785) (1,785) (1,785) Payment of dividends (30,000) (36,084) (30,000) (36,084) Net cash provided by (used in) financing activities (94,888) 394,549 (95,589) 410,895 Increase (decrease) in cash and cash equivalents (31,588) 328,631 (40,444) 351,124 Cash and cash equivalents at the beginning of the period 479,631 288,554 531,142 295,776	•		(171,703)			
New borrowings - third parties 82,752 498,937 83,225 515,283 Repayment of borrowings - Copersucar (3,936) (8,340) (3,936) (8,340) Repayment of borrowings - third parties (176,520) (73,371) (177,694) (73,371) Purchases of treasury shares (1,785) (1,785) (1,785) Payment of dividends (30,000) (36,084) (30,000) (36,084) Net cash provided by (used in) financing activities (94,888) 394,549 (95,589) 410,895 Increase (decrease) in cash and cash equivalents (31,588) 328,631 (40,444) 351,124 Cash and cash equivalents at the beginning of the period 479,631 288,554 531,142 295,776	Cash flows from financing activities				_	
Repayment of borrowings - Copersucar (3,936) (8,340) (3,936) (8,340) Repayment of borrowings - third parties (176,520) (73,371) (177,694) (73,371) Purchases of treasury shares (1,785) (1,785) (1,785) Payment of dividends (30,000) (36,084) (30,000) (36,084) Net cash provided by (used in) financing activities (94,888) 394,549 (95,589) 410,895 Increase (decrease) in cash and cash equivalents (31,588) 328,631 (40,444) 351,124 Cash and cash equivalents at the beginning of the period 479,631 288,554 531,142 295,776		32,816	15,192	32,816	15,192	
Repayment of borrowings - third parties (176,520) (73,371) (177,694) (73,371) Purchases of treasury shares (1,785) (1,785) (1,785) Payment of dividends (30,000) (36,084) (30,000) (36,084) Net cash provided by (used in) financing activities (94,888) 394,549 (95,589) 410,895 Increase (decrease) in cash and cash equivalents (31,588) 328,631 (40,444) 351,124 Cash and cash equivalents at the beginning of the period 479,631 288,554 531,142 295,776	New borrowings - third parties	82,752	498,937	83,225	515,283	
Purchases of treasury shares (1,785) (1,785) Payment of dividends (30,000) (36,084) (30,000) (36,084) Net cash provided by (used in) financing activities (94,888) 394,549 (95,589) 410,895 Increase (decrease) in cash and cash equivalents (31,588) 328,631 (40,444) 351,124 Cash and cash equivalents at the beginning of the period 479,631 288,554 531,142 295,776		` ' '	· , ,	. , ,	. , ,	
Payment of dividends (30,000) (36,084) (30,000) (36,084) Net cash provided by (used in) financing activities (94,888) 394,549 (95,589) 410,895 Increase (decrease) in cash and cash equivalents (31,588) 328,631 (40,444) 351,124 Cash and cash equivalents at the beginning of the period 479,631 288,554 531,142 295,776		(176,520)		(177,694)		
Net cash provided by (used in) financing activities (94,888) 394,549 (95,589) 410,895 Increase (decrease) in cash and cash equivalents (31,588) 328,631 (40,444) 351,124 Cash and cash equivalents at the beginning of the period 479,631 288,554 531,142 295,776	·	(30,000)		(30,000)		
Increase (decrease) in cash and cash equivalents (31,588) 328,631 (40,444) 351,124 Cash and cash equivalents at the beginning of the period 479,631 288,554 531,142 295,776	•		, , , , , , , , , , , , , , , , , , , ,		, , , , , , , , , , , , , , , , , , , ,	
·	· · · · · · · · · · · · · · · · · · ·			` _		
Cash and cash equivalents at the end of the period 448,043 617,185 490,698 646,900	Cash and cash equivalents at the beginning of the period	479,631	288,554	531,142	295,776	
	Cash and cash equivalents at the end of the period	448,043	617,185	490,698	646,900	

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

Statement of value added Six-month periods ended September 30

All amounts in thousands of reais

(A free translation of the original in Portuguese)

	Parent company		Consolidated		
	9/30/2013	9/30/2012	9/30/2013	9/30/2012	
				Restated	
Revenue					
Gross sales of products and goods	899,511	700,187	923,123	700,166	
Revenue from the construction of own assets	104,401	106,995	104,736	106,995	
Other income	6,929	1,921	7,532	1,922	
	1,010,841	809,103	1,035,391	809,083	
Inputs acquired from third parties					
Cost of products and goods sold	(349,454)	(253, 198)	(339,056)	(236,795)	
Materials, energy, outsourced services and others	(166,536)	(144,756)	(169,665)	(144,780)	
Recovery (impairment) of assets		526		526	
	(515,990)	(397,428)	(508,721)	(381,049)	
Gross value added	494,851	411,675	526,670	428,034	
Depreciation and amortization	(70,129)	(77, 175)	(70,690)	(77,435)	
Harvested biological assets (depletion)	(113,968)	(90,743)	(113,968)	(90,743)	
Net value added generated by the entity	310,754	243,757	342,012	259,856	
Value added received through transfer					
Equity in the results of investees	18,091	1,704	(17,203)	(16,275)	
Finance income	138,333	72,811	140,300	73,325	
Other	94	675	94	2,209	
Total value added to distribute	467,272	318,947	465,203	319,115	
Distribution of value added					
Personnel and payroll charges					
Direct remuneration	110,863	94,584	110,863	94,584	
Benefits	25,192	22,653	25,192	22,653	
Government Severance Indemnity Fund for Employees (FGTS)	8,202	7,622	8,202	7,622	
Management fees Taxes and contributions	6,057	5,660	6,057	5,660	
Federal	59,684	38,578	58,604	40,091	
State	38	68	38	68	
Municipal	122	330	122	331	
Creditors					
Interest	48,036	42,636	48,704	42,828	
Rentals	2,328	1,995	668	457	
Exchange differences	58,313	30,133	58,313	30,133	
Other	52,822	21,787	52,825	21,787	
Dividends Profits retained for the period	95,615	52,901	95,615	52,901	
Value added distributed		<u> </u>		· · · · · · · · · · · · · · · · · · ·	
value added distributed	467,272	318,947	465,203	319,115	

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

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

Notes to the quarterly information at September 30, 2013 All amounts in thousands of reais unless otherwise stated

1 Operations

1.1 General information

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

Approximately 70% of the sugar cane used in the production of the products derives from the Company's own plantations, from those of stockholders, related companies and agricultural partnerships, and the remaining 30% from third-party suppliers.

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

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

The issue of this quarterly information was approved by the Company's Board of Directors on November 11, 2013.

2 Summary of significant accounting policies

2.1 Basis of preparation

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

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

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

Notes to the quarterly information at September 30, 2013 All amounts in thousands of reais unless otherwise stated

2.2 New accounting pronouncements adopted as from 2013

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

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

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

The balances presented in the financial statements at March 31, 2013, and in the statements of income and cash flows at September 30, 2012 already include the retrospective application of the pronouncements, as mentioned above.

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

(a) Balance sheet

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

Notes to the quarterly information at September 30, 2013 All amounts in thousands of reais unless otherwise stated

(b) Statement of income

		Consolidated - Quarter			
	Original balance at 9/30/2012	Consolidation criteria	Adjusted balance at 9/30/2012		
Revenue Cost of products sold	546,913 (387,046)	(89,963) 67,435	456,950 (319,611)		
Gross profit	159,867	(22,528)	137,339		
Operating income (expenses) Selling expenses General and administrative expenses Equity in the results of investees Other income, net	(28,195) (37,615) (1,230) 438	4,340 7,759 4,172 1,117	(23,855) (29,856) 2,942 1,555		
	(66,602)	17,388	(49,214)		
Operating profit	93,265	(5,140)	88,125		
Finance income and costs Finance income Finance costs Monetary and foreign exchange variations, net	29,583 (48,677) (2,298) (21,392)	(5,825) 10,275 834 5,284	23,758 (38,402) (1,464) (16,108)		
Profit before income tax and social contribution	71,873	144	72,017		
Income tax and social contribution Current Deferred	(11,600) (9,750)	496 (640)	(11,104) (10,390)		
Profit for the period	50,523		50,523		

Notes to the quarterly information at September 30, 2013 All amounts in thousands of reais unless otherwise stated

	Consolidated - Six-month period				
	Original balance at 9/30/2012	Consolidation criteria	Adjusted balance at 9/30/2012		
Revenue Cost of products sold	837,226 (605,215)	(160,787) 134,477	676,439 (470,738)		
Gross profit	232,011	(26,310)	205,701		
Operating income (expenses) Selling expenses General and administrative expenses Equity in the results of investees Other income, net	(37,173) (69,402) (3,179) 1,219 (108,535)	6,440 14,994 (13,096) 1,182	(30,733) (54,408) (16,275) 2,401 (99,015)		
Operating profit	123,476	(16,790)	106,686		
Finance income and costs Finance income Finance costs Monetary and foreign exchange variations, net	54,718 (83,836) (19,536) (48,654)	(12,385) 17,519 20,395 25,529	42,333 (66,317) 859 (23,125)		
Profit before income tax and social contribution	74,822	8,739	83,561		
Income tax and social contribution Current Deferred	(12,089) (9,832)	548 (9,287)	(11,541) (19,119)		
Profit for the period	52,901		52,901		

(c) Statement of cash flows

			Consolidated
	Original balance at 9/30/2012	Consolidation criteria	Adjusted balance at 9/30/2012
Cash flows from operating activities			
Profit for the period	52,901		52,901
Adjustments to profit Changes in assets and liabilities	324,559 (218,114)	(73,784) 62,002	250,775 (156,112)
Cash from operations	159,346	(11,782)	147,564
Interest, income tax and social contribution paid	(28,323)	14,639	(13,684)
Net cash provided by operating activities	131,023	2,857	133,880
Net cash provided by (used in) investing activities	(286,006)	92,355	(193,651)
Net cash provided by financing activities	455,752	(44,857)	410,895
Increase in cash and cash equivalents	300,769	50,355	351,124
Cash and cash equivalents at the beginning of the period	410,567	(114,791)	295,776
Cash and cash equivalents at the end of the period	711,336	(64,436)	646,900

Notes to the quarterly information at September 30, 2013 All amounts in thousands of reais unless otherwise stated

(d) Statement of value added

			Consolidated
	Original balance at 9/30/2012	Consolidation criteria	Adjusted balance at 9/30/2012
Revenue	1,053,737	(244,654)	809,083
Inputs acquired from third parties	(519,599)	138,550	(381,049)
Gross value added	534,138	(106,104)	428,034
Depreciation and amortization	(225,006)	56,828	(168,178)
Net value added generated by the entity	309,132	(49,276)	259,856
Value added received through transfer	86,507	(27,248)	59,259
Total value added to distribute	395,639	(76,524)	319,115
Distribution of value added			
Personnel and payroll charges	166,589	(36,070)	130,519
Taxes and contributions	36,257	4,233	40,490
Creditors	139,892	(44,687)	95,205
Profits reinvested for the period	52,901		52,901
	395,639	(76,524)	319,115

3 Critical accounting estimates and judgments

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

4 Financial risk management

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

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

Notes to the quarterly information at September 30, 2013 All amounts in thousands of reais unless otherwise stated

4.1 Assets and liabilities subject to foreign exchange variations

The table below summarizes foreign currency-denominated assets and liabilities (in U.S. dollars - US\$), recorded in the balance sheet at September 30, 2013:

Parent company and Consolidated

Current assets	R \$_	Equivalents in thousands of US\$
Cash and cash equivalents (bank - demand deposits) Trade receivables Derivative financial instruments	284,855 79,994 20,677	127,772 35,881 9,275
Total assets	385,526	172,928
Liabilities Current liabilities Borrowings Derivative financial instruments Other liabilities	171,996 65,991 4,294	77,128 29,592 1,926
Non-current liabilities Borrowings Other liabilities	466,022 4,294	208,978 1,926
Total liabilities	712,597	319,550
Subtotal, net Export-linked borrowings - ACC and PPE (*)	(327,071) 636,407	(146,622) 285,384
Net exposure - assets	309,336	138,762

These assets and liabilities were adjusted and recorded in the quarterly information at September 30, 2013 at the exchange rate in effect on that date, of R\$ 2.2294 per US\$ 1.00 for assets and R\$ 2.2300 per US\$ 1.00 for liabilities.

(*) The balance of borrowings in foreign currency refers mainly to loans in the format of Advances on Foreign Exchange Contracts (ACC), Export Credit Notes and Export Prepayments (PPE), maturing from October 2013 to June 2017, which are linked to exports. As the above agreements will be settled through product exports, management understands that these transactions represent a natural hedge and that, therefore, the foreign exchange variations will only have temporary accounting effects on the financial statements, without a corresponding effect on the cash flows.

4.2 Volatility risk of commodity prices

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

At September 30, 2013, the prices of 167,689 metric tons of sugar were determined with commercial partners for future delivery scheduled as from October 2013, priced at an average of 19.69 ϕ (cents per pound weight).

Notes to the quarterly information at September 30, 2013 All amounts in thousands of reais unless otherwise stated

4.3 Liquidity risk

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

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

At September 30, 2013, the Group had financial investments consisting mainly of repurchase agreements backed by government securities, and fixed-income funds, indexed to the Interbank Deposit Certificate (CDI) interest rate, with high liquidity and active trading in the market, that are expected to readily generate cash inflows for managing liquidity risk.

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

Between 1

Between 2

Less than

Parent company

Over five

	one year	and 2 years	and 5 years	years	Total
At September 30, 2012					
Borrowings	372,474	326,940	564,932	102,985	1,367,331
Derivative financial instruments	65,991			,,	65,991
Trade payables	154,977				154,977
Acquisition of investments	75,672	10,237			85,909
Other liabilities	28,281	4,422			32,703
	697,395	341,599	564,932	102,985	1,706,911
At March 31, 2013					
Borrowings	237,630	361,365	679,244	114,779	1,393,018
Derivative financial instruments	14,297				14,297
Trade payables	76,315				76,315
Acquisition of investments	71,808	9,849			81,657
Other liabilities	16,393	3,912			20,305
	416,443	375,126	679,244	114,779	1,585,592
				Co	<u>onsolidated</u>
	Less than	Between 1	Between 2	Over five	onsolidated
	Less than one year	Between 1 and 2 years	Between 2 and 5 years		Total
At September 30, 2012				Over five	
At September 30, 2012 Borrowings			and 5 years	Over five	
	one year	and 2 years		Over five years	Total
Borrowings	one year 375,370	and 2 years	and 5 years	Over five years	Total
Borrowings Derivative financial instruments	375,370 65,991	and 2 years	and 5 years	Over five years	Total 1,389,893 65,991
Borrowings Derivative financial instruments Trade payables	375,370 65,991 147,662	and 2 years 329,786	and 5 years	Over five years	Total 1,389,893 65,991 147,662
Borrowings Derivative financial instruments Trade payables Acquisition of investments	375,370 65,991 147,662 75,672	329,786 10,237	and 5 years	Over five years	Total 1,389,893 65,991 147,662 85,909
Borrowings Derivative financial instruments Trade payables Acquisition of investments	375,370 65,991 147,662 75,672 28,286	329,786 10,237 4,852	and 5 years 573,470	Over five years	Total 1,389,893 65,991 147,662 85,909 33,138
Borrowings Derivative financial instruments Trade payables Acquisition of investments Other liabilities	375,370 65,991 147,662 75,672 28,286	329,786 10,237 4,852	and 5 years 573,470	Over five years	Total 1,389,893 65,991 147,662 85,909 33,138
Borrowings Derivative financial instruments Trade payables Acquisition of investments Other liabilities At March 31, 2013 - restated	375,370 65,991 147,662 75,672 28,286 692,981	329,786 10,237 4,852 344,875	573,470 573,470	Over five years 111,267	Total 1,389,893 65,991 147,662 85,909 33,138 1,722,593
Borrowings Derivative financial instruments Trade payables Acquisition of investments Other liabilities At March 31, 2013 - restated Borrowings	375,370 65,991 147,662 75,672 28,286 692,981	329,786 10,237 4,852 344,875	573,470 573,470	Over five years 111,267	Total 1,389,893 65,991 147,662 85,909 33,138 1,722,593
Borrowings Derivative financial instruments Trade payables Acquisition of investments Other liabilities At March 31, 2013 - restated Borrowings Derivative financial instruments	375,370 65,991 147,662 75,672 28,286 692,981	329,786 10,237 4,852 344,875	573,470 573,470	Over five years 111,267	1,389,893 65,991 147,662 85,909 33,138 1,722,593
Borrowings Derivative financial instruments Trade payables Acquisition of investments Other liabilities At March 31, 2013 - restated Borrowings Derivative financial instruments Trade payables	375,370 65,991 147,662 75,672 28,286 692,981 240,405 14,297 77,059	329,786 10,237 4,852 344,875	573,470 573,470	Over five years 111,267	1,389,893 65,991 147,662 85,909 33,138 1,722,593 1,416,450 14,297 77,059

Notes to the quarterly information at September 30, 2013 All amounts in thousands of reais unless otherwise stated

4.4 Sensitivity analysis

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

Parent Company and Consol	y and Consolidated: Probable scenario		ble scenario	Pos	sible scenarios
	Risk	Average rate/price	Effect on accounting result and cash flows	Deterioration of 25%	Deterioration of 50%
Foreign exchange rate risk					
Cash and cash equivalents	Depreciation of the U.S. dollar	2.30	8,727	(60,609)	(129,945)
Margin deposits	Depreciation of the U.S. dollar	2.30	623	(4,284)	(9,192)
Accounts receivable	Depreciation of the U.S. dollar	2.30	2,104	(14,614)	(31,332)
Short and long-term borrowings	Appreciation of the U.S. dollar	2.64	(116,543)	(305,183)	(493,823)
Forward contracts - foreign currency - NDF	Appreciation of the U.S. dollar	2.30	(30,400)	(217,262)	(404,124)
Accounts payable	Appreciation of the U.S. dollar	2.40	(669)	(2,983)	(5,297)
Price risk					
Forward contracts - sugar - NDF	Increase in the commodity price	18.56	(471)	(4,528)	(8,584)
Futures market - sale - ethanol	Increase in the commodity price	1,173.13	(68)	(3,587)	(7,106)
Futures market - purchase - sugar	Decrease in the commodity price	17.18	83	(330)	(1,018)
Futures market - sale - sugar	Increase in the commodity price	17.30	(6,523)	(60,552)	(116,387)
Call sale - sugar	Increase in the commodity price	19.70	(930)	(1,951)	(2,973)
Put sale - sugar	Increase in the commodity price	17.00	121	85	49
Put purchase - sugar	Decrease in the commodity price	17.45	(1,096)	(1,519)	(1,941)

Notes to the quarterly information at September 30, 2013 All amounts in thousands of reais unless otherwise stated

4.5 Fair value estimation

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

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

The fair values of foreign exchange options are obtained using the "Black & Scholes" method, which is based on market data, specifically the DI and DDI interest curves published by the BM&F.

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

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

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

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

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

Notes to the quarterly information at September 30, 2013 All amounts in thousands of reais unless otherwise stated

	Parent company and Consolidated		
As per balance sheet	Level 1	Level 2	Total
At September 30, 2013 Assets - derivative financial instruments			
U.S. dollar options		1,671	1,671
Liabilities - derivative financial instruments			
Forward contracts - foreign exchange		(28,909)	(28,909)
Sugar futures	(9,089)		(9,089)
Sugar options	(532)		(532)
Ethanol futures	(44)		(44)
Forward contracts - sugar		(609)	(609)
Swap contracts		(26,808)	(26,808)
At March 31, 2013 - restated			
Assets - derivative financial instruments			
Sugar futures	35,593		35,593
Sugar options	6,017		6,017
Forward contracts - foreign exchange		16,835	16,835
Forward contracts - sugar		20,787	20,787
Liabilities - derivative financial instruments			
Swap contracts		(10,978)	(10,978)

Financial instruments by category 5

		Paren	t company
Assets as per balance sheet	Loans and receivables	Derivatives used for hedging	Total
At September 30, 2013			
Cash and cash equivalents Trade receivables Derivative financial instruments Related parties Other assets, except for prepayments	448,043 129,084 19,006 1,488 3,655 601,276	1,671	448,043 129,084 20,677 1,488 3,655 602,947
At March 31, 2013			
Cash and cash equivalents Trade receivables Derivative financial instruments Related parties Other assets, except for prepayments	479,631 52,770 4,578	79,232	479,631 52,770 79,232 4,578
	540,241	79,232	619,473

Notes to the quarterly information at September 30, 2013 All amounts in thousands of reais unless otherwise stated

			Pare	nt company
Liabilities as per balance sheet	Liabilities at fair value through profit or loss	Derivatives used for hedging	Other financial liabilities	Total
At September 30, 2013				
Borrowings Derivative financial instruments Trade payables Acquisition of investments Other liabilities	62,071 23,973 86,044	42,018	1,305,260 154,977 85,909 32,703 1,578,849	1,367,331 65,991 154,977 85,909 32,703 1,706,911
At March 31, 2013				
Borrowings Derivative financial instruments Trade payables Acquisition of investments Other liabilities	69,305	14,251	1,323,713 46 76,315 81,657 20,305	1,393,018 14,297 76,315 81,657 20,305
	69,305	14,251	1,502,036	1,585,592

		Co	onsolidated
Assets as per balance sheet	Loans and receivables	Derivatives used for hedging	Total
At September 30, 2013			
Cash and cash equivalents Trade receivables Derivative financial instruments	490,698 140,519 19,006	1,671	490,698 140,519 20,677
Related parties Other assets, except for prepayments	1,488 3,655	1,0/1	1,488 3,655
prepayments	655,366	1,671	657,037
At March 31, 2013 - restated			
Cash and cash equivalents Trade receivables	531,142 51,739		531,142 51,739
Derivative financial instruments Related parties Other assets, except for	2,013	79,232	79,232 2,013
prepayments	3,261 588,155	79,232	3,261 667,387

Notes to the quarterly information at September 30, 2013 All amounts in thousands of reais unless otherwise stated

			C	onsolidated
Liabilities as per balance sheet	Liabilities at fair value through profit or loss	Derivatives used for hedging	Other financial liabilities	Total
At September 30, 2013				
Borrowings Derivative financial instruments Trade payables Acquisition of investments Other liabilities	62,071 23,973 ————————————————————————————————————	42,018	1,327,822 147,662 85,909 33,138 1,594,531	1,389,893 65,991 147,662 85,909 33,138 1,722,593
	00,044	42,010	1,394,331	1,/ 22,393
At March 31, 2013 - restated Borrowings Derivative financial instruments Trade payables Acquisition of investments Other liabilities	69,305	14,251	1,347,145 46 77,059 81,657 20,305	1,416,450 14,297 77,059 81,657 20,305
	69,305	14,251	1,526,212	1,609,768

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

6 Cash and cash equivalents

		Parei	nt company
	Remuneration	September 30, 2013	March 31, 2013
Cash and banks Financial investments		287,842	176,424
. Bank Deposit Certificate (CDB)	101.05% (March - 100.90%) of the CDI interest rate - weighted average rate	72,569	89,449
. Debenture repurchase agreements	101.58% (March - 102.00%) of the CDI interest rate - weighted average rate	87,632	213,758
		448,043	479,631

Notes to the quarterly information at September 30, 2013 All amounts in thousands of reais unless otherwise stated

		C	onsolidated
	Remuneration	September 30,2013	March 31, 2013 Restated
Cash and banks Financial investments		287,890	176,459
Bank Deposit Certificate (CDB)	101.05% (March - 100.7 4%) of the CDI interest rate - weighted average rate	72,569	105,797
. Debenture repurchase agreements	101.30% (March - 101.18%) of the CDI interest rate - weighted	100.000	0.49.996
	average rate	130,239 490,698	248,886 531,142

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

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

7 Trade receivables

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

	Parent company		<u>Consolida</u>	
	September 30, 2013	March 31, 2013	September 30, 2013	March 31, 2013
				Restated
Local customers	49,090	34,648	60,525	33,617
Foreign customers	7 9,994	18,122	79,994	18,122
	129,084	52,770	140,519	51,739

At September 30 and March 31, 2013, no need to record a provision for impairment of trade receivables was identified.

Notes to the quarterly information at September 30, 2013 All amounts in thousands of reais unless otherwise stated

At September 30, 2013, the Parent company and Consolidated trade receivables of R\$ 1,583 were overdue but not impaired. These relate to a number of customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	Parent company Consolida			onsolidated
Overdue and not provided for:	September 30, 2013	March 31, 2013	September 30, 2013	March 31, 2013
				Restated
Up to 30 days	120	23	120	23
From 31 to 60 days	697		697	
Over 60 days	766	74	766	74
Not yet due:				
Up to 30 days	113,479	48,426	113,825	47,395
From 31 to 60 days	3,829	3,616	3,829	3,616
Over 60 days	10,193	631	21,282	631
	129,084	52,770	140,519	51,739

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

8 Inventories

	Parei	nt company_	Consolidated		
	September 30, 2013	March 31, 2013	September 30, 2013	March 31, 2013 Restated	
Finished products and in progress	165,099	27,587	160,687	26,870	
Advances - purchases of sugar cane	77,444	56,487	77,444	56,488	
Inputs, indirect, maintenance and other materials	27,017	31,342	27,017	31,341	
Current assets Non-current	269,560	115,416	265,148	114,699	
	(254,207)	(102,220)	(249,795)	(101,503)	
	15,353	13,196	15,353	13,196	

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

Notes to the quarterly information at September 30, 2013 All amounts in thousands of reais unless otherwise stated

9 Taxes recoverable

The balance of taxes recoverable can be summarized as follows:

	Parei	nt company	Consolidated		
	September 30, 2013	March 31, 2013	September 30, 2013	March 31, 2013	
				Restated	
Social Contribution on Revenues (COFINS), including credits					
on purchases of property, plant and equipment Value-added Tax on Sales and Services (ICMS), including	55,106	36,929	55,106	36,929	
credits on purchases of property, plant and equipment Social Integration Program (PIS), including credits on	46,923	37,078	47,614	37,765	
purchases of property, plant and equipment	12,061	8,074	12,061	8,074	
Tax on Financial Transactions (IOF) on derivatives	5,605	5,407	5,605	5,407	
Other	3,514	2,940	3,514	2,972	
	123,209	90,428	123,900	91,147	
Current assets	(73,306)	(43,280)	(73,682)	(43,313)	
Non-current (mainly credits on purchases of property, plant and equipment)					
	49,903	47,148	50,218	47,834	

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

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

10 Related parties

(a) Parent company and consolidated balances:

_					Paren	t company
_		Septeml	ber 30, 2013		rch 31, 2013	
_	Current assets	Non- current assets	Current liabilities	Current assets	Non- current assets	Current liabilities
Investees and related parties:						
Vale do Mogi Empreendimentos						
Imobiliários S.A.	4		7,570	9,853		266
Usina Boa Vista S.A.	1,882			2,405		38
Usina Santa Luiza S.A.	59	1,488	18	31	2,013	18
SMBJ Agroindustrial S.A.	4			31		
Santa Cruz S.A. Açúcar e Álcool	1,730			461		202
SMA Indústria Química S.A.	42			64		
São Martinho - Energia S.E.	355			52	2,565	
Agro Pecuária Boa Vista S.A.	4			353		
Other	73			54		15
Subtotal	4,153	1,488	7,588	13,304	4,578	539
Stockholders relating to purchases of						
sugar cane	1,386		3,426	1,269		1,578
_	5,539	1,488	11,014	14,573	4,578	2,117

Notes to the quarterly information at September 30, 2013 All amounts in thousands of reais unless otherwise stated

_					Co	onsolidated
_		30 de setembro 2013 March 31, 2013 - 1				3 - restated
	Current assets	Non- current assets	Current liabilities	Current assets	Non- current assets	Current liabilities
Investees and related parties:						
Usina Boa Vista S.A.	1,882			2,405		38
Usina Santa Luiza S.A.	59	1,488	18	31	2,013	18
SMBJ Agroindustrial S.A.	4			31		
Santa Cruz S.A. Açúcar e Álcool	1,730			461		202
SMA Indústria Química S.A.	42			64		
Agro Pecuária Boa Vista S.A.	4			353		
Other	73			45		15
Subtotal Stockholders relating to purchases of	3,794	1,488	18	3,390	2,013	273
sugar cane	1,386		3,426	1,269		1,578
_	5,180	1,488	3,444	4,659	2,013	1,851

At September 30, 2013, the balances in current assets and liabilities (classified as trade receivables and trade payables in the balance sheet) refer to sales and purchases of goods and services between the Company and its investees and related parties. The balances in non-current assets and liabilities are advances for future capital increase.

(b) Parent company transactions in the period:

	September 30,						
	Administrative expenses	Sales revenue	Expenses reimbursed	Purchases of goods and services			
Vale do Mogi Empreendimentos							
Imobiliários S.A.			10	26,634			
Usina Boa Vista S.A.			5,640				
Usina Santa Luiza S.A.			195	108			
SMA Indústria Química S.A.		58	125				
Santa Cruz S.A. Açúcar e Álcool			4,777				
Other			325				
Stockholders and related parties							
- rental of properties	136						
- rendering of services	793						
- purchases of sugar cane				7,977			
	929	58	11,072	34,719			

Notes to the quarterly information at September 30, 2013 All amounts in thousands of reais unless otherwise stated

			September 30, 20			
	Administrative expenses	Sales revenue	Expenses reimbursed	Purchases of goods and services		
Vale do Mogi Empreendimentos						
Imobiliários S.A.				21,998		
Usina Boa Vista S.A.		44	5,263			
Usina Santa Luiza S.A.			182			
SMA Indústria Química S.A.			139			
Santa Cruz S.A. Açúcar e Álcool			709			
Other			247			
Stockholders and related parties						
- rental of properties	155					
- rendering of services	688					
- purchases of sugar cane			_	9,612		
	843	44	6,540	31,610		

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

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

(c) Consolidated transactions in the period:

			Septe	mber 30, 2013
	Administrative expenses	Sales revenue	Expenses reimbursed by subsidiaries	Purchases of goods and services
Usina Boa Vista S.A.			5,640	
Usina Santa Luiza S.A.			195	108
SMA Indústria Química S.A.		58	125	
Santa Cruz S.A. Açúcar e Álcool			4,777	
Other			258	
Stockholders and related parties				
- rental of properties	136			
- rendering of services	793			
- purchases of sugar cane				7,977
	929	58	10,995	8,085

Notes to the quarterly information at September 30, 2013 All amounts in thousands of reais unless otherwise stated

			September 30,	2012 - restated
	Administrative expenses	Sales revenue	Expenses reimbursed by subsidiaries	Purchases of goods and services
Usina Boa Vista S.A.		44	5,263	
Usina Santa Luiza S.A.			182	
SMA Indústria Química S.A.			139	
Santa Cruz S.A. Açúcar e Álcool			709	
Other			247	
Stockholders and related parties				
- rental of properties	155			
- rendering of services	688			
- purchases of sugar cane				9,612
	843	44	6,540	9,612

(d) **Key management remuneration**

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

Parent company and Consolidated

	September 30,2013	September 30,2012 Restated
Fees and bonuses	6,559	4,864
Social security contributions	1,312	973
Other	324	315
	8,195	6,152

Notes to the quarterly information at September 30, 2013 All amounts in thousands of reais unless otherwise stated

11 Other assets

	Parei	nt company	Consolidated			
	September	March 31,	September	March 31,		
	30,2013	2013	30,2013	2013		
				Restated		
Prepaid expenses	5,131	3,411	5,131	3,411		
Advances to suppliers	2,103	1,509	2,103	1,508		
Advances to employees	975	878	975	878		
Other investments	142	142	142	142		
Assets pledged in guarantee	252	249	252	249		
Deposits paid	111	111	111	111		
Other receivables	72	373	72	373		
	8,786	6,673	8,786	6,672		
Current assets	(8,533)	(6,420)	(8,533)	(6,422)		
Non-current assets	253	253	253	250		

Notes to the quarterly information at September 30, 2013 All amounts in thousands of reais unless otherwise stated

12 Investments

12.1 Subsidiaries, jointly-controlled subsidiaries and associates

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

							S	eptem be	er 30, 2013
Vale do Mogi	SME	NF	SMA	USL	SC	ABV	Mirtilo	Other	Total
23,500	12,678	426,635	50	11,898	1,643	1,146			
100.00%	100.00%	50.95%	50.00%	41.67%	32.19%	17.97%			
84,637	15,243	858,837	100	14,541	63,083	208,560			
848,307	19,669	734,245	(2,719)	(14,451)	291,307	347,424			
35,152	4,415	(33,442)	(453)	(1,127)	477	8,088			
793,862	12,843	391,149		34,015	101,266	63,657	196,500	10,193	1,603,485
46,550	2,565			1,500					50,615
					(7,638)				(7,638)
30,879	4,415	(17,039)	(227)	(470)	154	845		(466)	18,091
							(44,767)		(44,767)
							(151,733)		(151,733)
(27,257)	(154)					(978)			(28,389)
			227	(1,030)					(803)
844,034	19,669	374,110		34,015	93,782	63,524		9,727	1,438,861
	23,500 100.00% 84,637 848,307 35,152 793,862 46,550 30,879 (27,257)	Mogi SME 23,500 12,678 100.00% 100.00% 84,637 15,243 848,307 19,669 35,152 4,415 793,862 12,843 46,550 2,565 30,879 4,415 (27,257) (154)	Mogi SME NF 23,500 12,678 426,635 100.00% 100.00% 50.95% 84,637 15,243 858,837 848,307 19,669 734,245 35,152 4,415 (33,442) 793,862 12,843 391,149 46,550 2,565 30,879 4,415 (17,039) (27,257) (154)	Mogi SME NF SMA 23,500 12,678 426,635 50 100.00% 100.00% 50.95% 50.00% 84,637 15,243 858,837 100 848,307 19,669 734,245 (2,719) 35,152 4,415 (33,442) (453) 793,862 12,843 391,149 46,550 2,565 30,879 4,415 (17,039) (227) (27,257) (154) 227	Mogi SME NF SMA USL 23,500 12,678 426,635 50 11,898 100.00% 100.00% 50.95% 50.00% 41.67% 84,637 15,243 858,837 100 14,541 848,307 19,669 734,245 (2,719) (14,451) 35,152 4,415 (33,442) (453) (1,127) 793,862 12,843 391,149 34,015 46,550 2,565 1,500 30,879 4,415 (17,039) (227) (470) (27,257) (154) 227 (1,030)	Mogi SME NF SMA USL SC 23,500 12,678 426,635 50 11,898 1,643 100.00% 100.00% 50.95% 50.00% 41.67% 32.19% 84,637 15,243 858,837 100 14,541 63,083 848,307 19,669 734,245 (2,719) (14,451) 291,307 35,152 4,415 (33,442) (453) (1,127) 477 793,862 12,843 391,149 34,015 101,266 46,550 2,565 1,500 (7,638) 30,879 4,415 (17,039) (227) (470) 154 (27,257) (154) 227 (1,030) 100,000	Mogi SME NF SMA USL SC ABV 23,500 12,678 426,635 50 11,898 1,643 1,146 100.00% 100.00% 50.95% 50.00% 41.67% 32.19% 17.97% 84,637 15,243 858,837 100 14,541 63,083 208,560 848,307 19,669 734,245 (2,719) (14,451) 291,307 347,424 35,152 4,415 (33,442) (453) (1,127) 477 8,088 793,862 12,843 391,149 34,015 101,266 63,657 46,550 2,565 1,500 (7,638) 30,879 4,415 (17,039) (227) (470) 154 845 (27,257) (154) 227 (1,030) (978)	Vale do Mogi SME NF SMA USL SC ABV Mirtilo 23,500 12,678 12,678 100,00% 100,00% 100,00% 50,95% 50,00% 41,67% 32,19% 17,97% 17,97% 100,00% 17,97% 17,97% 100,00% 19,669 734,245 (2,719) (14,451) 291,307 347,424 35,152 4,415 (33,442) (453) (1,127) 477 8,088 100,000 14,541 101,266	Vale do Mogi SME NF SMA USL SC ABV Mirtilo Other 23,500 12,678 426,635 50 11,898 1,643 1,146 17.97%<

The equity of the subsidiaries SC and ABV is adjusted by the fair values of the assets and liabilities acquired in the amounts of R\$ 121,592 and R\$ 108,170, respectively.

Notes to the quarterly information at September 30, 2013 All amounts in thousands of reais unless otherwise stated

_									Marc	ch 31, 2013
	Vale do Mogi	SME	NF	SMA	USL	SC	ABV	Mirtilo	Other	Total
In subsidiaries, jointly-controlled subsidiaries										
and associates:										
Shares/quotas held (thousands)	23,500	12,678	426,635	50	11,898	1,643	1,146	58,292		
Percentage holding	100.00%	100.00%	50.95%	50.00%	41.67%	32.19%	17.97%	100.00%		
Share capital	81,987	12,677	858,837	100	10,941	63,083	208,560	58,292		
Equity (net capital deficiency)	793,862	12,843	767,686	(2,266)	(16,924)	314,554	346,736	44,767		
Profit (loss) for the period	37,145	381	(31,781)	(634)	(5,310)	(16,225)	10,024			
Changes in investments:										
At March 31, 2012	765,539		407,342		34,015	106,489	62,209		1,335	1,376,929
Payment and increase of capital		12,677			1,500				10,411	24,588
Acquisition of investment - Note 38								196,500		196,500
Equity in the results of investees	37,145	381	(16,193)	(317)	(2,213)	(5,223)	1,801		(1,553)	13,828
Mandatory minimum dividend	(8,822)	(52)					(353)			(9,227)
Reclassification to liabilities of the investments										
with net capital deficiency - Note 22		(163)		317	713					867
At March 31, 2013	793,862	12,843	391,149		34,015	101,266	63,657	196,500	10,193	1,603,485

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

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

Notes to the quarterly information at September 30, 2013 All amounts in thousands of reais unless otherwise stated

12.2 Investments in the consolidated financial statements

	Septem ber	March 31,
	30,2013	2013
		Restated
Nova Fronteira Bioenergia S.A.	374,109	391,149
Usina Santa Luiza S.A.	34,015	34,015
Santa Cruz S.A. Açúcar e Álcool	93,782	101,266
Agro Pecuária Boa Vista S.A.	63,524	63,657
Centro de Tecnologia Canavieira S.A.	9,729	10,193
	575,159	600,280

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

12.3 Changes in corporate structure during the previous period

In 2012, the Company acquired all shares of Mirtilo Investimentos e Participações S.A. ("MIP"). This acquisition significantly affected the comparison between the current results and the results from the same period in the prior year.

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

12.4 Merger of Mirtilo Investimentos e Participações S.A.

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

Notes to the quarterly information at September 30, 2013 All amounts in thousands of reais unless otherwise stated

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

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

12.5 Capital increase in Mogi Empreendimentos Imobiliários S.A.

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

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

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

Notes to the quarterly information at September 30, 2013 All amounts in thousands of reais unless otherwise stated

13 Biological assets

At September 30, 2013, the Company had sugar cane plantations in the State of São Paulo used to provide raw material for the industrial process. The cultivation of sugar cane begins with the planting of seedlings in own land or third parties' land. The first harvest occurs after a period of 12 to 18 months from planting, when the sugar cane is harvested and the root ("stubble") remains in the ground. The stubble properly treated grows again and its production is considered, on average, economically feasible for five crops.

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

The key assumptions used for measuring the fair value are:

The fair value of sugar cane plantations is determined based on the discounted cash flow method, considering basically:

- (a) Cash inflows obtained from the multiplication of (i) the estimated production, measured in kilograms of ATR (Total Sugar Recoverable); and (ii) the future market price of sugar cane, which is estimated based on public data and estimates of the future prices of sugar and ethanol.
- (b) Cash outflows represented by the estimates of (i) costs necessary for the biological transformation of the sugar cane (cultivation) up to the harvest; (ii) costs with harvesting/cutting, loading and transport (CCT); (iii) capital costs (land and machinery and equipment); (iv) costs of leases and rural partnerships; and (v) taxes on positive cash flows.

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

	Consolidated		
	September 30, 2013	March 31, 2013	
		Restated	
Total estimated harvest area (ha)	108,206	110,104	
Expected productivity (metric ton/ha)	79.37	82.32	
Amount of ATR per metric ton of sugar cane (kg)	136.69	135.61	
Estimated average price per ATR (R\$)	0.5737	0.5313	

Based on the estimates of revenue and costs, the Company determines the future cash flows to be generated and adjusts them to present value, considering a discount rate compatible with the remuneration of the investment in the circumstances. The changes in the fair value are recorded as biological assets with a corresponding entry to the sub account "Changes in the fair value of biological assets", under "Cost of sales" in the statement of income. The model and assumptions used to determine the fair value represent management's best estimates at the reporting date and are reviewed on a quarterly basis and, if necessary, adjusted.

Notes to the quarterly information at September 30, 2013 All amounts in thousands of reais unless otherwise stated

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

	Septe	September 30, 2013		
	Parent company	Consolidated		
Biological assets at March 31, 2013 (Consolidated - restated)	506,368	544,167		
Increases due to planting and crop treatment	107,340	107,340		
Changes in fair value	1,281	1,281		
Merger of Mirtilo - Note 12.4	37,799			
Decreases resulting from harvesting	(136,374)	(136,374)		
Biological assets at the end of the period	516,414	516,414		

Parent company and Consolidated	30, 2012
Biological assets at March 31, 2012 (Consolidated - restated)	443,536
Increases due to planting and crop treatment	95,035
Changes in fair value	10,493
Decreases resulting from harvesting	(113,744)
Biological assets at the end of the period	435,320

Cantamban

(a) Agricultural partnerships and lease commitments

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

The amounts to be disbursed in respect of these agreements are determined at the end of each crop by the price of a metric ton of sugar cane established in the model defined by the Council of Sugar Cane, Sugar and Alcohol Producers of the State of São Paulo (CONSECANA). At September 30, 2013 and March 31, 2013, the total estimated payments (nominal value) are:

	C	Consolidated		
	September 30, 2013	March 31, 2013 Restated		
No later than 1 year Later than 1 year and no later than 5 years Later than 5 years	94,743 275,684 151,973	82,205 213,695 131,391		
	522,400	427,291		

Notes to the quarterly information at September 30, 2013 All amounts in thousands of reais unless otherwise stated

14 Property, plant and equipment

							Pare	nt company
	Land	Buildings and ancillary constructions	Industrial equipment and facilities	Vehicles	Agricultural machinery and implements	Other	Construction in progress	Total
At March 31, 2012	602,806	64,754	458,553	50,905	119,963	12,641	103,986	1,413,608
Purchases Disposals (residual value) Transfers between accounts and to			82,769 (117)	18,316 (211)	32,310 (1,361)	495 (1)	101,747	235,637 (1,690)
intangible assets		22,931	28,295	664	773	3,625	(61,639)	(5,351)
Depreciation		(4,181)	(126,775)	(7,052)	(17,982)	(2,534)		(158,524)
At March 31, 2013	602,806	83,504	442,725	62,622	133,703	14,226	144,094	1,483,680
Purchases Disposals (residual value) Capital contribution - Vale Mogi	(69,164)		938 (5)	9,647 (236)	10,561 (608)	314 (1)	40,206	61,666 (850) (69,164)
Transfers between accounts Depreciation		13,036 (1,857)	116,222 (69,136)	(3,588)	(11,996)	262 (1,387)	(129,520)	(87,964)
At September 30, 2013	533,642	94,683	490,744	68,445	131,660	13,414	54,780	1,387,368
Average annual depreciation rates		3.11%	6.25%	8.12%	11.75%	12.45%		
Net book values: Historical cost	18,452	54,643	297,242	66,253	101,654	13,414	54,780	606,438
Revaluation increment	515,190	40,040	193,502	2,192	30,006			780,930

Notes to the quarterly information at September 30, 2013 All amounts in thousands of reais unless otherwise stated

							C	onsolidated
	Land	Buildings and ancillary constructions	Industrial equipment and facilities	Vehicles	Agricultural machinery and implements	Other	Construction in progress	Total
At March 31, 2012 - restated	1,713,817	7 2,813	458,553	50,905	119,963	12,641	116,952	2,545,644
Purchases Disposals (residual value) Transfers between accounts and to	(827)		82,769 (117)	18,316 (211)	32,310 (1,361)	495 (1)	114,509	248,399 (2,517)
intangible assets Depreciation		22,931 (4,703)	28,295 (126,775)	664 (7,052)	773 (17,982)	3,625 (2,534)	(61,639)	(5,351) (159,046)
At March 31, 2013 - restated	1,712,990	91,041	442,725	62,622	133,703	14,226	169,822	2,627,129
Purchases Disposals (residual value) Transfers between accounts Depreciation	(13,232)	13,036 (2,118)	1,099 (5) 142,614 (69,436)	9,647 (236) (3,588)	10,561 (608) (11,996)	314 (1) 262 (1,387)	40,870 (155,912)	62,491 (14,082) (88,525)
At September 30, 2013	1,699,758	101,959	516,997	68,445	131,660	13,414	54,780	2,587,013
Average annual depreciation rates		3.35%	6.07%	8.12%	11.75%	12.45%		
Net book values: Historical cost Revaluation increment	103,241 1,596,517	55,687 46,272	323,495 193,502	66,253 2,192	101,654 30,006	13,414	54,780	718,524 1,868,489

The parent company balance of construction in progress at September 30, 2013 refers to the refurbishment of its two industrial facilities to increase sugar and ethanol production.

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

Notes to the quarterly information at September 30, 2013 All amounts in thousands of reais unless otherwise stated

Under the terms of certain borrowing agreements of the Group, property, plant and equipment totaling R\$ 329,225 at September 30, 2013 (consolidated) was pledged as collateral. These assets are mainly represented by industrial equipment and facilities, and agricultural machinery and implements. In addition, land totaling R\$ 534,508 was pledged as collateral for securitized rural credits, recorded in current and long-term liabilities.

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

The Group capitalized finance charges of R\$ 351 in the period ended September 30, 2013 (2012 - R\$ 1,034). In 2012, during the same period, the Company capitalized charges with SME in its preoperating phase.

At September 30, 2013, the property, plant and equipment of the parent company includes assets under finance lease agreements in the amount of R\$ 2,681.

During the period, the subsidiary Vale do Mogi sold land for R\$ 17,414 (original amount of R\$ 13,232).

Pursuant to CPC 27 and supported by a specialized entity, the Company carried out the review of the useful lives of its property, plant and in equipment (machinery and agricultural vehicles, industrial equipment and buildings) and adjusted the useful lives of the related assets, which resulted in changes to their depreciation rates as from July 1, 2013. This procedure in turn resulted in a decrease of R\$ 16,673 in the depreciation for the quarter, as compared with the depreciation rate prior to such review.

(a) Deemed cost

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

15 Intangible assets

	Parent company		Consolidate	
	September 30, 2013	March 31, 2013	September 30,2013	March 31, 2013
	<u> </u>		30,2013	Restated
Goodwill - expected future profitability - Mirtilo	151,733		151,733	151,733
Software	12,552	12,348	12,552	12,348
Accumulated amortization	(6,267)	(5,333)	(6,267)	(5,333)
Rights on sugar cane contracts (ii)	19,984	19,984	19,984	19,984
Other assets			387	387
	178,002	26,999	178,389	179,119

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

Notes to the quarterly information at September 30, 2013 All amounts in thousands of reais unless otherwise stated

Borrowings 16

				Parei	nt company
Туре	Charges	Guara ntees	Due date	September 30,2013	March 31, 2013
In local currency:					
Securitized rural credits	General Market Price Index (IGP- M) + weighted average interest of 4.58% p.a., paid annually	(a)	Annual installments with maturities between Sep 18 and Jul 20	62,071	69,305
Rural credit	Weighted average fixed interest rate of 5.50% p.a. paid on the maturity of the contract		Single installments with maturities in Nov 13, Dec 13, Jan 14 and Apr 14	44,701	30,556
Finame / BNDES Automatic loans	Quarterly Long-term Interest Rate (TJLP) + weighted average interest of 3.63% p.a. paid monthly	(b)	Monthly installments with maturities between Oct 13 and Feb 17	7,245	11,586
Finame / BNDES Automatic loans	Weighted average fixed rate of 3.71% p.a. paid monthly	(c)	Monthly installments with maturities between Oct 13 and Apr 23	86,309	60,951
Other securitized credits	Fixed interest rate of 3% p.a. paid annually	(d)	Annual installments with final maturity in Oct 25	64	64
Export Credit Note	Variation of 100.10 % CDI OVER CETIP (average rate for interbank loans for one day registered with CETIP) paid on the maturities of the contracts	(f)	Single installments with maturities in May 14, Jan 15 and May 17	308,055	319,557
Lease	Fixed interest rate of 9.75% p.a. paid monthly	(e)	Monthly installments with maturities between Oct 13 and Dec 15	2,345	2,802
FINEM INDIRECT	Quarterly Long-term Interest Rate (TJLP) + weighted average interest of 2.80% p.a. paid monthly	(b)	Monthly installments with maturities between Oct 13 and Apr 23	27,942	25,399
FINEM INDIRECT	Fixed interest rate of 5.72% p.a. paid monthly	(b)	Monthly installments with maturities between Oct 13 and Apr 21	128,001	135,916
FINEM DIRECT	Quarterly Long-term Interest Rate (TJLP) + weighted average interest of 1.40% p.a. paid monthly	(b)	Monthly installments with maturities between Oct 13 and Mar 21	14,068	15,011
PRORENOV A	Quarterly Long-term Interest Rate (TJLP) + weighted average interest of 2.90% p.a. paid monthly	(b)	Monthly installments with maturities between Oct 13 and Oct 18	48,512	45,835
In foreign currency:					
Advances on foreign exchange contracts (ACC)	Fixed rate of 1.04% p.a. + US\$ variation paid on the maturity of the contracts		Single installments with maturities between Apr 13 and May 13		40,662
Export Credit Note	Fixed rate of 5.50% p.a. + US\$ variation paid on the maturity of the contract		Payments of semi-annual interest and principal in Jun 17	226,203	204,244
Export Prepayments (PPE)	(6-month Libor = 0.3921% p.a.) + Fixed rate = 2,31833% p.a.) = 2,7104% p.a. + US\$ variation paid on maturities	(g)	Semiannual installments with maturities between Oct 13 and Sep 16	410,204	429,612
FINEM INDIRECT	Currency basket (US\$, Euro and Yen) + weighted average fixed rate of 6.7403% p.a. paid monthly	(b)	Monthly installments with maturities between Oct 13 and Apr 23	1,611	1,518
Total Current liabilities				1,367,331 (372,474)	1,393,018 (237,630)
Non-current				994,857	1,155,388

Notes to the quarterly information at September 30, 2013 All amounts in thousands of reais unless otherwise stated

				C	onsolidated
Туре	Charges	Guara ntees	Due date	September 30,2013	March 31, 2013
In local currency	•				Restated
Securitized rural credits	General Market Price Index (IGP-M) + weighted average interest of 4.58% p.a., paid annually	(a)	Annual installments with maturities between Sep 18 and Jul 20	62,071	69,305
Rural credit	Weighted average fixed interest rate of 5.50% p.a. paid on the maturity of the contract		Single installments with maturities in Nov 13, Dec 13, Jan 14 and Apr 14	44,701	30,556
Finame / BNDES Automatic loans	Quarterly Long-term Interest Rate (TJLP) + weighted average interest of 3.63% p.a. paid monthly	(b)	Monthly installments with maturities between Oct 13 and Feb 17	7,245	11,586
Finame / BNDES Automatic loans	Weighted average fixed rate of 3.71% p.a. paid monthly	(c)	Monthly installments with maturities between Oct 13 and Apr 23	86,309	60,951
Other securitized credits	Fixed interest rate of 3% p.a. paid annually	(d)	Annual installments with maturities between Oct 13 and Oct 25	64	64
Export Credit Note	Variation of 100.10 % CDI OVER CETIP (average rate for interbank loans for one day registered with CETIP) paid on the maturities of the contracts	(f)	Single installments with maturities in Nov 13, May 14, Jun 15, Jun 16 and May 17	308,055	319,557
Lease	Fixed interest rate of 9.75% p.a. paid monthly	(e)	Monthly installments with maturities between Oct 13 and Dec 15	2,345	2,802
FINEM INDIRECT	Quarterly Long-term Interest Rate (TJLP) + weighted average interest of 2.79% p.a. paid monthly	(b)	Monthly installments with maturities between Oct 13 and Apr 23	32,406	29,624
FINEM INDIRECT	Fixed interest rate of 5.70% p.a. paid monthly	(b)	Monthly installments with maturities between Oct 13 and Apr 21	146,099	155,123
FINEM DIRECT	Quarterly Long-term Interest Rate (TJLP) + weighted average interest of 1.40% p.a. paid monthly	(b)	Monthly installments with maturities between Oct 13 and Mar 21	14,068	15,011
PRORENOVA	Quarterly Long-term Interest Rate (TJLP) + weighted average interest of 2.90% p.a. paid monthly	(b)	Monthly installments with maturities between Oct 13 and Oct 18	48,512	45,835
In foreign curren	cy:				
Advances on foreign exchange contracts (ACC)	Fixed rate of 1.04% p.a. + US\$ variation paid on the maturity of the contracts		Single installments with maturities between Apr 13 and May 13		40,662
Export Credit Note	Fixed rate of 5.50% p.a. + US\$ variation paid on the maturity of the contract		Payments of semi-annual interest and principal in Jun 17	226,203	204,244
Export Prepayments (PPE)	(6-month Libor = 0.3921% p.a.) + Fixed rate = 2,31833% p.a.) = 2,7104% p.a. + US\$ variation paid on maturities	(g)	Semiannual installments with maturities between Jul 13 and Sep 16	410,204	429,612
FINEM INDIRECT	Currency basket (US\$, Euro and Yen) + weighted average fixed rate of 6.7403% p.a. paid monthly	(b)	Monthly installments with maturities between Oct 13 and Apr 23	1,611	1,518
Total Current liabilities				1,389,893 (375,370)	1,416,450 (240,405)
Non-current				1,014,523	1,176,045

Notes to the quarterly information at September 30, 2013 All amounts in thousands of reais unless otherwise stated

At September 30, 2013, all the borrowings were guaranteed by stockholders' sureties and by the following additional guarantees (referenced to the tables above):

Desc	ription of the guarantees for borrowings	Book value or contractual amount
(a)	Mortgage - 16,892 ha of land	531,807
(b)	Statutory lien of industrial equipment Statutory lien of agricultural equipment Promissory note Bank guarantee	38,7 04 9,944 2,496 15,006
(c)	Statutory lien of industrial equipment Statutory lien of agricultural equipment Promissory note	163,631 116,945 1,664
(d)	Mortgage - 69 ha of land	2,701
(e)	Promissory note	3,020
(f)	Promissory note	100,000
(g)	Promissory note	602,100

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

Long-term borrowings have the following maturities:

	Septe	September 30, 2013		
	Parent company	Consolidated		
From 10/1/14 to 9/30/15	326,940	329,786		
From 10/1/15 to 9/30/16	184,515	187,361		
From 10/1/16 to 9/30/17	330,522	333,368		
From 10/1/17 to 9/30/18	49,895	52,741		
From 10/1/18 to 9/30/19	35,101	37,947		
From 10/1/19 to 10/31/25	67,884	73,320		
	994,857	1,014,523		

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

Notes to the quarterly information at September 30, 2013 All amounts in thousands of reais unless otherwise stated

17 Trade payables

	Parent	company	Consolidated		
	September 30, 2013	March 31, 2013	September 30, 2013	March 31, 2013	
				Restated	
Sugar cane	112,190	11,963	112,190	11,698	
Materials, services and other	42,787	64,352	35,472	65,361	
	154,977	76,315	147,662	77,059	

18 Payables to Copersucar

Parent	company	and Con	solidated
raient	COHILDAILV	anu con	SULLATER

	September 30, 2013	March 31, 2013
REFIS - Copersucar - Updated based on the SELIC interest rate	85,400	86,840
Bill of Exchange - Updated based on the SELIC interest rate	68,033	66,958
Bill of Exchange - Onlending of funds not subject to charges	42,682	42,682
Total	196,115	196,480
Current liabilities	(2,040)	(2,040)
Non-current	194,075	194,440

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

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

The State Finance authorities have issued tax assessments against Copersucar with respect to Value-added Tax on Sales and Services (ICMS) on fuel and industrial ethanol sales made by Copersucar up to December 31, 2008, as principal taxpayer or substitute taxpayer of the distribution companies. The adjusted amount, calculated proportionately to the interest of the Company, SC and USL in the Cooperative, amounts to R\$ 170,253. Legal counsel assesses the outcome in these lawsuits as a risk of possible loss. Copersucar believes that it has strong arguments to successfully defend the fines imposed by the State Finance Departments in these assessments.

Notes to the quarterly information at September 30, 2013 All amounts in thousands of reais unless otherwise stated

19 Taxes payable in installments

Parent company	and Consolidated	

-			
	September 30, 2013	March 31, 2013 Restated	
Value-added Tax on Sales and Services (ICMS) REFIS installments - Law 11,941	1,609 50,922	2,143 51,712	
Current liabilities (taxes payable)	52,531 (5,332)	53,855 (5,419)	
Non-current	47,199	48,436	

20 Other liabilities

	Parer	nt company	Consolidated		
	September 30,2013	March 31, 2013	September 30,2013	March 31, 2013	
				Restated	
Sales to be billed	10,423	2,637	10,423	2,637	
Revenues to be appropriated	2,979	58	2,979	58	
Net capital deficiency of investees	7,381	8,185	7,381	8,185	
Mitsubishi Corporation	8,587	7,572	8,587	7,572	
Employee Cooperative	1,146		1,146		
Freights and transport	2,075		2,075		
Other	112	1,853	547	1,853	
	32,703	20,305	33,138	20,305	
Current liabilities	(28,281)	(16,393)	(28,286)	(16,393)	
Non-current	4,422	3,912	4,852	3,912	

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

21 Equity

(a) Share capital

At September 30 and March 31, 2013, the capital was divided into 113,000,000 registered common shares, with no par value. At the Extraordinary General Meeting held on July 31, 2013, the stockholders approved an increase in the Company's capital of R\$ 123,050 without the issue of new common nominative shares and without par value, using the balance of the capital investment reserve.

Notes to the quarterly information at September 30, 2013 All amounts in thousands of reais unless otherwise stated

(b) Treasury shares

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

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

At September 30, 2013, the market value of these shares was R\$ 22,249 (March 31, 2013 - R\$ 21,781).

(c) Carrying value adjustments

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

(d) Legal and capital investment reserves

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

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

(e) Dividends and interest on capital

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

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

(f) Stock option plan

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

In the period ended September 30, 2013, no stock options were exercised. Additionally, the Company recognized in the same period a stock option expense of R\$ 1,058 (at September 30, 2012 - R\$ 946).

Notes to the quarterly information at September 30, 2013 All amounts in thousands of reais unless otherwise stated

22 Employee and management benefits plan

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

The related amounts for the periods ended September 30, 2013 and 2012, recorded as operating costs or expenses in the consolidated statements of income, amounted to R\$ 768 and R\$ 770, respectively.

23 Profit sharing program

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

The profit sharing for the periods ended September 30, 2013 and 2012, recorded as operating costs or expenses in the consolidated statements of income, amounted to R\$ 6,653 and R\$ 5,647, respectively.

Notes to the quarterly information at September 30, 2013 All amounts in thousands of reais unless otherwise stated

Income tax and social contribution **24**

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

	Parent company		
	September 30, 2013	March 31, 2013	
Current assets - Prepayments . Income tax and social contribution to be offset	22,253	33,329	
Current liabilities - Payable . Income tax and social contribution payable	9,575		
Tax liabilities			
Net non-current liabilities Deferred assets			
. Income tax losses	4,746	15,477	
Accumulated social contribution losses	1,782	5,645	
Taxes on temporary differences:			
Provision for contingencies	14,307	14,956	
. Tax benefit of merged goodwill	1,560	2,237	
Derivative financial instruments	54,042	19,689	
• Employee profit sharing and bonus	5,502	3,385	
. Other	1,857	817	
Deferred liabilities Taxes on temporary differences:			
• Deemed cost increment of property, plant and equipment	(266,095)	(295,548)	
Accelerated tax-incentive depreciation	(153,348)	(150,660)	
Securitized financing	(16,553)	(15,886)	
. Discount to present value	(5,016)	(5,793)	
Derivative financial instruments	(4,305)	(26,341)	
 Biological assets and agricultural product (changes in fair value) 	(3,452)	(10,257)	
. Foreign exchange variation	(40,296)	(16,465)	
. Other	(59)	(18)	
Non-current liabilities	(405,328)	(458,762)	

Notes to the quarterly information at September 30, 2013

All amounts in thousands of reais unless otherwise stated

		Consolidated_
	September 30, 2013	March 31, 2013
In current assets - Prepayments . Income tax and social contribution to be offset	22,617	Restated 33,370
Current liabilities - Payable . Income tax and social contribution payable	10,708	314
Deferred income tax and social contribution		
Deferred assets Income tax losses Accumulated social contribution losses	4,7 46 1,7 82	15,47 <i>7</i> 5,645
 Taxes on temporary differences: Provision for contingencies Tax benefit of merged goodwill Derivative financial instruments Employee profit sharing and bonus Biological assets and agricultural product (changes in fair value) Other 	14,307 1,560 54,042 5,502	14,956 2,237 14,584 3,385 6,967 816
Deferred liabilities		
Taxes on temporary differences: Deemed cost increment of property, plant and equipment Accelerated tax-incentive depreciation Securitized financing Discount to present value Derivative financial instruments Biological assets and agricultural product (changes in fair value) Foreign exchange variation Other	(635,865) (153,348) (16,553) (5,016) (4,305) (3,452) (40,296) (59)	(647,251) (150,660) (15,886) (5,793) (21,235) (10,257) (16,465) (17) (803,497)
Non-current assets	(, , 1,) (-)	(6,968)
Non-current liabilities	(774,958)	(810,465)

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

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

Notes to the quarterly information at September 30, 2013 All amounts in thousands of reais unless otherwise stated

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

	Estimated realizable value			
Years ended:	Parent company	Consolidated		
3/31/2014	23,210	23,350		
3/31/2015	8,005	8,005		
3/31/2016	15,877	15,877		
3/31/2017	14,280	14,280		
3/31/2018	19,667	19,667		
3/31/2019 onwards	2,757	2,757		
	83,796	83,936		

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

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

The reconciliation of taxes calculated in accordance with the statutory rates and the amounts of the taxes recorded in the periods ended September 30, 2013 and 2012 are presented below:

	Parent company				
	Septem b	er 30, 2013	September 30, 2012		
		Six-month		Six-month	
	Quarter	period	Quarter	period	
Profit before taxation	87,044	139,052	71,567	82,711	
Income tax and social contribution at the statutory rates (34%)	(29,595)	(47,278)	(24,333)	(28,122)	
Adjustments for calculation of the effective tax rate:					
. Equity in resuls of investees	5,047	6,150	4,404	580	
. Permanent exclusions / (additions), net	(1,873)	(2,591)	(1,419)	(2,572)	
. Tax incentives	246	274	304	304	
. Other	18	8			
Income tax and social contribution expense	(26,157)	(43,437)	(21,044)	(29,810)	
Deferred income tax and social contribution	(12,587)	(28,468)	(10,428)	(19,194)	
Current income tax and social contribution	(13,570)	(14,969)	(10,616)	(10,616)	
Income tax and social contribution effective rate	30.1%	31.2%	29.4%	36.0%	

Notes to the quarterly information at September 30, 2013 All amounts in thousands of reais unless otherwise stated

	Septemb	er 30, 2013	Consolidated September 30, 2012		
		Six-month	Six-moi		
	Quarter	period	Quarter	period	
				Restated	
Profit before taxation	83,972	136,778	72,017	83,561	
Income tax and social contribution at the statutory rates (34%)	(28,550)	(46,505)	(24,486)	(28,411)	
Adjustments for calculation of the effective tax rate:					
. Equity in results of investees	(1,847)	(5,849)	1,000	(5,554)	
. Permanent exclusions / (additions), net	(1,873)	(2,591)	(1,472)	(2,697)	
. Adjustment related to the calculation of subsidiary					
taxed based on the deemed profit method	9,650	14,871	3,120	5,561	
. Profit on inventories	(738)	(1,393)	35	101	
. Tax incentives	246	274	305	305	
. Other	27	30	4	35	
Income tax and social contribution expense	(23,085)	(41,163)	(21,494)	(30,660)	
Deferred income tax and social contribution	(8,365)	(24,144)	(10,390)	(19,119)	
Current income tax and social contribution	(14,720)	(17,019)	(11,104)	(11,541)	
Income tax and social contribution effective rate	27.5%	30.1%	29.8%	36.7%	

Commitments 25

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

Provision for contingencies 26

Probable losses 26.1

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

	Consolidated (restated) and Parent company							
	March 31, 2013	Additions	Reversals	Utilization	Restatements	September 30, 2013		
Tax Civil and environmental Labor	5,034 13,588 41,549	23 1,082 14,183	(3,444)	(23) (1,002) (16,358)	46 432 2,193	5,080 14,100 38,123		
Total	60,171	15,288	(3,444)	(17,383)	2,671	57,303		
Judicial deposits	35,654	8,294		(13,519)	515	30,944		

The nature of the main lawsuits to which the above provisions related at September 30, 2013 was as follows (Parent company and Consolidated):

Notes to the quarterly information at September 30, 2013 All amounts in thousands of reais unless otherwise stated

Tax

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

Civil and environmental

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

Labor

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

26.2 Possible losses (contingent liabilities)

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

Tax

Con	solidated	_					Stage
Natu	ıre	Number of processes	Adminis trative	Trial court	Lower court	Higher court	Total
(i)	Social security contributions	15	105,128		13,332		118,460
(ii)	Calculation of IRPJ/CSLL	8	100,858				100,858
	Negative balance of IRPJ	7	1,665	103		1,624	3,392
	Negative balance of CSLL	6	1,523				1,523
	Offset of credits - PIS	5	3,984		1,852		5,836
	Offset of credits - COFINS	1					
	Offset of federal taxes	2	245		1,558		1,803
	Other tax cases	33	17,985	1,467	351		19,803
		77	231,388	1,570	17,093	1,624	251,675

- (i) Refer to the levy of the Social Security Contribution on export revenue, under the allegation that the exports carried out through the intermediation of a cooperative are not included in the exemption established in article 149, paragraph 2, of the Federal Constitution.
- (ii) Refer to the exclusion from the calculation basis of income tax and social contribution of expenses related to securitized financing, as well as expenses arising from the benefit of accelerated taxincentive depreciation.

Notes to the quarterly information at September 30, 2013 All amounts in thousands of reais unless otherwise stated

Civil and environmental

Consolidated					Stage	
Nature	Number of processes	Adminis trative	Trial court	Lower court	Higher court	Total
Environmental	29	3,816	26,784	1,262		31,862
Civil						
Indemnities	34		7,100	187	29	7,316
Review of contracts	7			14		14
Rectification of area and land registry	5		13			13
Permits for obtaining mineral						
research license	8					
	83	3,816	33,897	1,463	29	39,205

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

27 Derivative financial instruments

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

The Company opted for the utilization of hedge accounting to record part of its derivative financial instruments. The instruments elected were sugar, ethanol and foreign currency (US dollar) derivatives, which cover the sales of the 2012/2013 and 2013/2014 crops, and were classified as a hedge of cash flows of highly probable expected transactions (future sales).

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

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

Notes to the quarterly information at September 30, 2013 All amounts in thousands of reais unless otherwise stated

In the case of foreign exchange hedges, the derivatives were designated as a protection of cash flows arising from future sales in foreign currency. These hedges were carried out by contracting Non-Deliverable Forwards (NDFs) and options strategies with leading financial institutions.

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

The balances of assets and liabilities at September 30 and March 31, 2013, relating to transactions involving derivative financial instruments, were as follows:

Parent company and Consolidated

	September	March 31,
	30,2013	2013
		Restated
Margin deposits	19,006	(3,319)
Potential results with sugar futures	(9,089)	35,593
Potential results with ethanol futures	(44)	
Potential results with sugar options	(532)	6,017
Potential results with U.S. dollar options	1,671	
Potential results with foreign exchange forward contracts	(28,909)	16,835
Potential results with sugar forward contracts	(609)	20,787
Potential results with swap contracts	(26,808)	(10,978)
	(45,314)	64,935
In current assets	20,677	79,232
In current liabilities	(65,991)	(14,297)

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

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

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

27.1 Fair value of the derivative financial instruments

At September 30 and March 31, 2013, the analysis of the fair values of the assets and liabilities related to transactions involving derivative financial instruments is as follows:

Notes to the quarterly information at September 30, 2013 All amounts in thousands of reais unless otherwise stated

Futures and options contracts: (a)

				Septem	ber 30, 2013
Parent company and Consolidated	Contracted volume	Price/ average rate	Notional amount - R\$	Fair value - R\$	Receivable (payable) - R\$
Products - Sugar #11					
Futures contracts					
Sales commitment	243,992	17.30	207,530	(9,226)	(9,226)
Purchase commitment	2,997	17.18	2,532	137	137
					(9,089)
Options contracts					
Bidding position - sale	100,457	17.49	86,383	2,922	2,922
Written position - sale	13,970	17.00	11,676	(264)	(264)
Written position - purchase	167,894	19.70	162,615	(3,190)	(3,190)
Products - ETH BMF					(532)
Futures contracts					
Sales commitment	12,000	1,116.75	447	(44)	(44)
					(44)
<u>Products - ETH BMF</u> Futures contracts					
Bidding position - sale	15,626	2.4288	37,953	2,302	2,302
Purchased position - purchase	2,204	2.5490	5,618	99	99
Written position - purchase	(12,910)	2.6057	(33,639)	(730)	(730)
					1,671
	-			March 31, 20	13 - restated
		Price/			Receivable
Parent company and	Contracted	average	Notional		(payable) -
Consolidated	volume	rate	amount - R\$	Fair value - R\$	R\$
Products - Sugar #11					
Futures contracts					
Sales commitment	327,609	20.35	296,056	36,274	36,274
Purchase commitment	15,291	18.74	12,725	(681)	(681)
					35,593
Options contracts					
Bidding position - sale	98,298	19.26	84,044	7,384	7,384
Bidding position - purchase	20,574	24.95	22,791	9	9
Written position - sale	10,160	19.13	8,627	(834)	(834)
Written position - purchase	148,336	22.20	146,221	(542)	(542)
					6,017

Notes to the quarterly information at September 30, 2013

All amounts in thousands of reais unless otherwise stated

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

Parent company and Consolidated - September 30, 2013

Maturity	Position	US\$ thousand	Average fixed rate - R\$/US\$ 1	Notional amount - R\$	Fair value - R\$	Payable - R\$
3Q13	Sold	137,451	2.1533	295,967	(11,779)	(11,779)
4Q13	Sold	74,821	2.1728	162,572	(7,641)	(7,641)
1Q14	Sold	28,841	2.2441	64,722	(2,127)	(2,127)
2Q14	Sold	54,668	2.2843	124,880	(4,565)	(4,565)
3Q14	Sold	13,034	2.4917	32,477	919	919
4Q14	Sold	702	2.4197	1,699	(36)	(36)
1Q15	Sold	234	2.4505	573	(13)	(13)
2Q15	Sold	14,880	2.2955	34,157	(3,667)	(3,667)
		324,631			_	(28,909)

Parent company and Consolidated (restated) - March 31, 2013

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

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

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

Parent company and Consolidated - September 30, 2013

Maturity	Position	Lots	Average fixed price (¢/lb)	Notional amount - R\$	Fair value - R\$	Receivable (payable) - R\$
Mar-14	Sold	62	19.03	2,610	130	130
May-14	Sold	25	17.45	973	(38)	(38)
Jul-14	Sold	250	16.90	9,422	(665)	(665)
Oct-14	Sold	13	17.12	496	(36)	(36)
		350				(609)

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Parent company and Consolidated (restated) - March 31, 2013

Maturity	Position	Lots	Average fixed price (¢/lb)	Notional amount - R\$	Fair value - R\$	Receivable (payable) - R\$
May-13	Sold	635	21.03	26,902	4,813	4,813
Jul-13	Sold	1,205	20.98	50,909	8,910	8,910
Oct-13	Sold	1,120	20.96	47,276	7,064	7,064
		2,960				20,787

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

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

Parent company and Consolidated at September 30, 2013

Maturity	Notional amount - US\$ thousand	Base value - R\$	Receivable	Payable	Fair value - R\$	Payable - R\$
Mar-15	USD 50,000	91,280	6M Libor + 3.0%	USD + 3.85%	(412)	(412)
Jun-15	USD 75,000	137,355	6M Libor + 1.5%	USD + 2.36%	(548)	(548)
Sep-16	USD100,000	183,140	6M Libor + 2.5%	USD + 3.6%	(1,876)	(1,876)
May-17	USD 80,000	165,736	CDI	USD + 5%	(23,972)	(23,972)
						(26,808)

Parent company and Consolidated (restated) at March 31, 2013

Maturity	Notional amount - US\$ thousand	Base value - R\$	Receivable	Payable	Fair value - R\$	Payable - R\$
Apr-13	USD10,000	18,920	USD + 0.9%	93.8% of CDI	147	147
May-13	USD 10,000	19,416	USD + 1.2%	94.2% of CDI	(193)	(193)
Mar-15	USD 50,000	91,280	6M Libor + 3.0%	USD + 3.85%	(578)	(578)
Jun-15	USD 75,000	137,355	6M Libor + 1.5%	USD + 2.36%	(766)	(766)
Sep-16	USD 100,000	183,140	6M Libor + 2.5%	USD + 3.6%	(2,730)	(2,730)
May-17	USD 80,000	165,736	CDI	USD + 5%	(6,858)	(6,858)
						(10,978)

CDI - Interbank Deposit Certificate Libor - London Interbank Offered Rate

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

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Parent company and Consolidated at	Septem ber	30,2013		Maturity b	y month
	Mar-14	May-14	Jul-14	Oct-14	Total
PRODUCTS					
Fair value of purchased futures - Sugar	86	51			137
Fair value of sold futures - Sugar	(1,716)	(2,956)	(3,431)	(1,123)	(9,226)
	(1,630)	(2,905)	(3,431)	(1,123)	(9,089)
Sugar options					
Fair value of bidding position - sale	1,771	150	1,001		2,922
Fair value of written position - sale	(165)		(99)		(264)
Fair value of written position - purchase	(1,641)	(247)	(1,302)		(3,190)
	(35)	(97)	(400)		(532)
	(1,665)	(3,002)	(3,831)	(1,123)	(9,621)
Parent company and Consolidated at	Santam har	20, 2012		Maturity b	v period
Tarent company and consolidated at			2014	-	
PRODUCTS	3Q13	1Q14	2Q14	<u>After</u>	Total
Fair value of sold futures - Ethanol	(44)			_	(44)
U.S. dollar options					
Fair value of bidding position - sale	85	789	1,287	141	2,302
Fair value of bidding position - purchase		99		•	99
Fair value of written position - purchase		(175)	(493)	(62)	(730)
	85	713	794	79	1,671
	41	713	794	79	1,627
					_
Parent company and Consolidated (resta	ted) at Marcl			Maturity l	by month
PRODUCTS	May-	13 Jul-1	13 Oct-	<u> 13 Mar-14</u>	<u>Total</u>
Fair value of purchased futures - Sugar	(37	(240	o) (6	8)	(681)
Fair value of sold futures - Sugar	8,83			•	36,274
	8,45	14,20	8 12,38	7 539	35,593
Sugar options					
Fair value of bidding position - sale	2,92	2,88	6 1,28	3 291	7,384
Fair value of bidding position - purchase		9			9
Fair value of written position - sale	(39			0)	(834)
Fair value of written position - purchase	(2	(10	1) (25	9) (154)	(542)
	2,50	2,37	9 99	4 137	6,017
	10,96	16,58	7 13,38	676	41,610

Notes to the quarterly information at September 30, 2013 All amounts in thousands of reais unless otherwise stated

The transactions involving derivative financial instruments that affected the results of operations were:

	Parent company and Consolid				
	-	9/30/2013		9/30/2012	
Product-related contracts:	Quarter	Six-month period	Quarter	Six-month period	
				Restated	
Futures contracts	40,934	62,693	42,257	53,598	
Options	(2,429)	(2,952)	(1,493)	(1,957)	
Forward contracts	136	192			
Commissions and brokerage fees	(183)	(399)	(280)	(516)	
Foreign exchange variation	746	2,185	238	(62)	
	39,204	61,719	40,722	51,063	
Currency-related contracts:					
Forward contracts	(25,723)	(40,657)	(35,472)	(38,988)	
Options	2,125	2,125			
	(23,598)	(38,532)	(35,472)	(38,988)	
Debt-related contracts:					
Swap	(745)	1,242	(267)	3,348	
Net effect	14,861	24,429	4,983	15,423	
Effect on statement of income items:					
Gross revenue	12,816	28,110	6,881	14,979	
Finance income	32,396	40,886	11,358	21,848	
Finance costs	(31,096)	(46,752)	(13,495)	(21,342)	
Monetary and foreign exchange variations, net	745	2,185	239	(62)	
	14,861	24,429	4,983	15,423	

Notes to the quarterly information at September 30, 2013 All amounts in thousands of reais unless otherwise stated

28 Segment information (Consolidated)

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

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

- (i) Sugar;
- (ii) Ethanol; and
- (iii) Other products.

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

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

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

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

(a) Consolidated result by segment

Period ended September 30, 2013

	Sugar	Ethanol	Other products	Non- segmented	Total
Net revenue Cost of products sold	482,466 (313,602)	318,833 (224,479)	99,200 (88,735)		900,499 (626,816)
Gross profit	168,864	94,354	10,465		273,683
Gross margin Selling expenses Other operating expenses	35.0% (32,289)	29.6% (14,945)	10.5% (162)	(71,226)	30.4% (47,396) (71,226)
Operating profit	136,575	79,409	10,303	(71,226)	155,061
Operating margin Net finance costs Foreign exchange variations, net	28.3%	24.9%	10.4%	(44,882) 26,599	17.2% (44,882) 26,599
Profit before taxation				(89,509)	136,778
Income tax and social contribution			-	(41,163)	(41,163)
Profit for the period			-	(130,672)	95,615

Notes to the quarterly information at September 30, 2013 All amounts in thousands of reais unless otherwise stated

Period ended September 30, 2012 - restated

	Sugar	Ethanol	Other products	Non- segmented	Total
Net revenue Cost of products sold	502,680 (321,456)	141,626 (131,570)	32,133 (17,712)		676,439 (470,738)
Gross profit	181,224	10,056	14,421		205,701
Gross margin Selling expenses Other operating expenses	36.1% (29,011)	7.1% (1,561)	44.9% (161)	(68,282)	30.4% (30,733) (68,282)
Operating profit	152,213	8,495	14,260	(68,282)	106,686
Operating margin Net finance costs Foreign exchange variations, net	30.3%	6.0%	44.4%	(23,984) 859	15.8% (23,984) 859
Profit before taxation				(91,407)	83,561
Income tax and social contribution			· -	(30,660)	(30,660)
Profit for the period			_	(122,067)	52,901

(b) Consolidated operating assets by segment

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

At September 30, 2013

	Sugar	Ethanol	Other products	Total
Trade receivables	53,640	29,136	57,743	140,519
Inventories	154,059	96,911	14,178	265,148
Biological assets	324,384	192,030		516,414
Property, plant and equipment	1,602,061	948,390	36,562	2,587,013
Intangible assets	112,055	66,334		178,389
Assets allocated	2,246,199	1,332,801	108,483	3,687,483
Other assets not allocated				1,275,497
Total	2,246,199	1,332,801	108,483	4,962,980

Notes to the quarterly information at September 30, 2013 All amounts in thousands of reais unless otherwise stated

At March 31, 2013 - restated

	Sugar	Ethanol	Other products	Total
Trade receivables	17,233	20,885	13,621	51,739
Inventories	49,569	57,058	8,072	114,699
Biological assets	300,757	243,410		544,167
Property, plant and equipment	1,423,873	1,152,373	50,883	2,627,129
Intangible assets	98,998	80,121		179,119
Assets allocated	1,890,430	1,553,847	72,576	3,516,853
Other assets not allocated				1,388,059
Total	1,890,430	1,553,847	72,576	4,904,912

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

Revenue 29

		Par	ent company
	9/30/2013		9/30/2012
Quarter	Six-month period	Quarter	Six-month period
120,208	257,917	92,390	186,247
372,017	641,610	377,225	514,268
492,225	899,527	469,615	700,515
(10,031)	(20,665)	(12,665)	(24,059)
482,194	878,862	456,950	676,456
	120,208 372,017 492,225 (10,031)	Six-month period 120,208 257,917 372,017 641,610 492,225 899,527 (10,031) (20,665)	9/30/2013 Six-month period Quarter 120,208 257,917 92,390 372,017 641,610 377,225 492,225 899,527 469,615 (10,031) (20,665) (12,665)

Notes to the quarterly information at September 30, 2013 All amounts in thousands of reais unless otherwise stated

				Consolidated
		9/30/2013		9/30/2012
	Quarter	Six-month period	Quarter	Six-month period
		Restated		Restated
Gross sales				
Domestic market	143,474	281,183	92,390	186,226
Foreign market	372,017	641,610	377,225	514,268
	515,491	922,793	469,615	700,494
Taxes, contributions and				
deductions on sales	(11,234)	(22,294)	(12,665)	(24,055)
	504,257	900,499	456,950	676,439

30 Costs and expenses by nature

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

_	Parent company			
_		9/30/2013		9/30/2012
Costs and expenses by nature	Quarter	Six-month period	Quarter	Six-month period Restated
Raw materials and use and				
consumption materials	160,614	278,916	168,122	236,765
Personnel expenses	46,635	96,849	40,207	70,331
Depreciation and amortization				
(includes harvested biological assets)	82,436	184,097	108,340	167,918
Parts and maintenance services	10,885	23,306	7,832	13,828
Outsourced services	37,816	68,172	29,502	42,678
Contingencies	6,533	11,867	5,224	12,241
Change in fair value of				
biological assets	2,148	(1,281)	3,494	(10,493)
Materials for resale	35,251	51,581	5,369	10,355
Other expenses	16,443	30,979	15,838	31,237
_	398,761	744,486	383,928	574,860

Notes to the quarterly information at September 30, 2013 All amounts in thousands of reais unless otherwise stated

_			Con	<u>isolidated</u>
_		9/30/2013	ģ	9/30/2012
	:	Six-month	s	Six-month
Costs and expenses by nature	Quarter	period	Quarter	period
				Restated
Raw materials and use and				
consumption materials	153,205	256,886	158,409	219,451
Personnel expenses	46,696	96,911	40,207	70,331
Depreciation and amortization	0 - 06	.0.6.0	0	
(includes harvested biological assets)	82,867	184,658	108,471	168,178
Parts and maintenance services Outsourced services	10,885	23,306	7,832	13,828
	37,836	68,197	29,507	42,685
Contingencies Change in fair value of	6,533	11,867	5,224	12,241
biological assets	2,148	(1,281)	3,494	(10,493)
Cost of land disposal	13,232	13,232	3,494	(10,493)
Materials for resale	35,331	55,107	5,369	10,355
Other expenses	16,130	26,433	14,809	29,303
		==,400	14,007	<u> = </u>
=	404,863	735,316	373,322	555,879
			Dono	
-			rare	ent company
		9/30/2013		9/30/2012
01 1 1		Six-month		Six-month
<u>Classified as</u>	Quarter	period	Quarter	period Restated
Cost of products sold	337,656	636,295	330,064	489,549
Selling expenses	27,543	47,396	23,855	30,733
General and administrative expenses	33,562	60,795	30,009	54,578
	398,761	744,486	383,928	574,860
			(Consolidated
		9/30/2013		9/30/2012
-				
ol 'e 1	0 -	Six-month		Six-month
<u>Classified as</u>	Quarter	period	Quarter	period Restated
				Restateu
Cost of products sold	343,597	626,816	319,611	470,738
Selling expenses	27,543	47,396	23,855	30,733
General and administrative expenses	33,723	61,104	29,856	54,408
-				
_	404,863	735,316	373,322	555,879

Notes to the quarterly information at September 30, 2013 All amounts in thousands of reais unless otherwise stated

Other income (expenses), net 31

	-		Pare	ent company
	9	9/30/2013		9/30/2012
	:	Six-month	Six-month	
	Quarter	period	Quarter	period
Gain on the sale of property, plant and equipment	844	913	103	88
Gain on the sale of scrap	192	559	227	475
Payroll contract	- 9 -	68	175	351
Leases	324	383	62	674
Indemnities of agricultural partnership agreements	4,636	4,636	269	419
Gain on purchase of agricultural debt notes	340	340		. ,
Other	(412)	(402)	723	397
			<u> </u>	
	5,924	6,497	1,559	2,404
				Consolidated
	9	0/30/2013		9/30/2012
	Quarter	Six-month period	Quarter	Six-month period
Gain on the sale of property, plant and equipment	844	913	103	88
Gain on the sale of scrap	192	559	227	475
Payroll contract		68	175	351
Leases	324	383	62	674
Indemnities of agricultural partnership agreements	4,636	4,636	269	419
Income from electricity network access easement	604	604		
Gain on purchase of agricultural debt notes	340	340		
Other	(432)	(422)	719	394
	6,508	7,081	1,555	2,401

Notes to the quarterly information at September 30, 2013 All amounts in thousands of reais unless otherwise stated

32 Finance income and costs

			Pa	rent company
		9/30/2013		9/30/2012
	Quarter	Six-month period	Quarter	Six-month period
Finance income				
Interest received and accrued	5,053	10,661	11,011	17,831
Gains with derivatives	32,396	40,886	11,358	21,848
Other income	849	1,874	1,103	2,141
	38,298	53,421	23,472	41,820
Finance costs				
Interest paid and accrued	(24,141)	(46,982)	(22,535)	(40,395)
Losses with derivatives	(31,096)	(46,752)	(13,495)	(21,342)
Other expenses	(3,635)	(6,198)	(1,942)	(3,934)
	(58,872)	(99,932)	(37,972)	(65,671)
Foreign exchange and monetary variations				
Monetary and foreign exchange gains	53,626	84,912	14,221	30,991
Monetary and foreign exchange losses	(50,210)	(58,313)	(15,686)	(30,133)
	3,416	26,599	(1,465)	858
Finance result, net	(17,158)	(19,912)	(15,965)	(22,993)

Notes to the quarterly information at September 30, 2013 All amounts in thousands of reais unless otherwise stated

				Consolidated
		9/30/2013		9/30/2012
	Quarter	Six-month period	Quarter	Six-month period
Finance income				_
Interest received and accrued Gains with derivatives Other income	6,052 32,396 849	12,628 40,886 1,874	11,297 11,358 1,103	18,344 21,848 2,141
	39,297	55,388	23,758	42,333
Finance costs				
Interest paid and accrued Losses with derivatives Other expenses	(24,476) (31,096) (3,637)	(47,317) (46,752) (6,201)	(22,661) (13,495) (2,246)	(40,583) (21,342) (4,392)
	(59,209)	(100,270)	(38,402)	(66,317)
Foreign exchange and monetary variations				
Monetary and foreign exchange gains Monetary and foreign exchange losses	53,626 (50,210)	84,912 (58,313)	14,222 (15,686)	30,992 (30,133)
	3,416	26,599	(1,464)	859
Finance result, net	(16,496)	(18,283)	(16,108)	(23,125)

Earnings per share **33**

(a) **Basic**

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

	September 30, 2013	September 30, 2012
Profit for the period attributable to the stockholders of the Company	95,615	52,901
Weighted average number of common shares in the period - in thousands	112,233	112,221
Basic earnings per share - R\$	0.8247	0.4714

Notes to the quarterly information at September 30, 2013 All amounts in thousands of reais unless otherwise stated

(b) Diluted

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

	September 30, 2013	September 30, 2012
Profit for period used to determine diluted earnings per share	95,615	52,901
Weighted average number of common shares for diluted earnings per share - in thousands	112,514	112,246
Diluted earnings per share - R\$	0.8226	0.4713

34 Insurance (unaudited)

The Group maintains a safety, training and quality program in its units, which aims, among other things, to also reduce the risk of accidents. Furthermore, it maintains insurance contracts at amounts considered sufficient to cover possible significant losses on its assets and liabilities. The amounts covered by the current insurance policies at September 30, 2013 were as follows:

	Maximum cover (*)
Risks covered	Parent company and Consolidated
Civil liability	1,129,148
Fire, lightning and explosion of any nature	413,800
Theft or robbery	171,894
Other coverage	39,548
Electrical damages	29,790
Natural phenomena, impact of vehicles or aircraft, etc.	8,500

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

35 Acquisition of investments

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

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

Notes to the quarterly information at September 30, 2013 All amounts in thousands of reais unless otherwise stated

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

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

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

35.3 Accounts payable - acquisition of investments

	SC	ABV	Total
Present value of the total consideration	102,764	65,308	168,072
Payment on November 21, 2011	(36,081)	(22,929)	(59,010)
Payment on November 18, 2012	(37,942)	(24,113)	(62,055)
Adjustment to present value	11,267	7,161	18,428
Total payable - SC and ABV	40,008	25,427	65,435

	Mirtilo
Total consideration	196,500
Payment on March 14, 2013	(176,850)
Monetary restatement	824
Total payable - Mirtilo	20,474
Total accounts payable - acquisition of investments	85,909
Represented by:	
Current liabilities	75,672
Non-current liabilities	10,237

36 Events after the reporting period

On October 30, 2013, the Fair Trade Commission (CADE) approved the acquisition of SM assets by Raízen Energia S.A, including (i) agricultural partnership and/or rural lease agreements; (ii) sugar cane supply and purchase and sale agreements; and (iii) sugar cane plantations located in the areas described in the agreement entered into by the parties. This transaction involved an amount of R\$ 47,500 and will be made effective for the 2014/2015 crop.

* * *





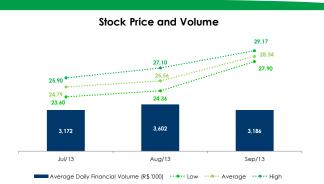
Net Income in 2Q14 grows 20.5% to R\$60.9 million

São Paulo, November 11, 2013 - SÃO MARTINHO S.A. (BM&FBovespa: SMTO3; Reuters SMTO3.SA and Bloomberg SMTO3:BZ), one of Brazil's largest sugar and ethanol producers, announces today its results for the second quarter of fiscal year 2014 (2Q14).

2Q14 HIGHLIGHTS

- The São Martinho Group crushed 11.6 million tons in 6M14, or 30% more than in the previous crop year, with the amount already representing 75.8% of our guidance for the entire 2013/14 crop year. The strong growth in the period is explained by the higher yields registered at our sugarcane fields (approximately 100 tons per hectare) and by the expansion in the area under our management due to the acquisition of sugarcane fields from São Carlos in December 2012;
- ✓ In 2Q14, Adjusted EBITDA amounted to R\$239.9 million (Adjusted EBITDA margin of 39.1%), in line with the second quarter of last year. **Net income in 2Q14 was R\$60.9 million, growing by 20.5% from R\$50.5 million in the same quarter last year.** The net income growth in the period is mainly explained by the reduction in depreciation in the period to more accurately reflect the lifespan of our assets and the average age of our sugarcane fields;
- In 6M14, Adjusted EBITDA amounted to R\$451.1 million (Adjusted EBITDA margin of 40.7%), increasing 30.2% from 6M13 (R\$346.3 million with Adjusted EBITDA margin 41.4%). The main drivers of EBITDA growth in the period were (i) the higher sales volume by all the Company's products due to the growth in crushing volume; and (ii) the lower unit production cost of sugar and ethanol due to the higher utilization of installed capacity, which increased the dilution of fixed costs;
- On September 30, 2013, sugar prices for the 2013/14 crop year were locked in at an average price of USD 19.4 cents/pound for 384,800 tons, with this volume representing 92.7% of our net exposure (total sugar production excluding our natural hedge with Consecana). In addition to the sugar prices locked in, we also held short dollar positions amounting to US\$202.8 million with an average price of R\$2.15/US\$ for sugar exports. In addition, in 2Q14, we began to lock in sugar prices and U.S. dollar for the 2014/15 crop year, with 238,900 tons at a price of USD 18 cents/pound and US\$79.50 million at an exchange rate of R\$2.33/US\$.









NEW ACCOUNTING STANDARD – IFRS 11 (CPC 19)

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

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

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

QUARTER						
	São Martinho S.A. (consolidated CPC 19)	UBV (50.25%)	USC (32.18%)	São Martinho S.A. (Pro forma)		
R\$ '000						
Net Revenue	504,257	64,685	45,421	614,494		
Adjusted EBITDA	189,812	28,370	21,171	239,987		
Adjusted EBITDA Margin	37.6%	43.9%	46.6%	39.1%		
Adjusted EBIT	106,945	2,857	6,457	116,777		
Adjusted EBIT Margin	21.2%	4.4%	14.2%	19.0%		
Biological Assets and Other	(1,043)	(692)	505	(2,145)		
Equity Income	(5,434)	(12)	-	654		
Financial Result	(16,496)	(5,917)	(5,149)	(27,650)		
Income (Loss) Before Taxes	83,972	(3,764)	1,813	87,636		
Taxes	(23,085)	(4,110)	445	(26,749)		
Net Income	60,887	(7,874)	2,258	60,887		





Resultados Safra 2013/2014

YEAR TO DATE										
	São Martinho S.A. (consolidated CPC 19)	UBV (50.25%)	USC (32.18%)	São Martinho S.A. (Pro forma)						
R\$ '000										
Net Revenue	900,499	127,393	80,074	1,108,242						
Adjusted EBITDA	354,024	51,208	40,529	451,089						
Adjusted EBITDA Margin	39.3%	40.2%	50.6%	40.7%						
Adjusted EBIT	169,365	(5,514)	12,346	181,293						
Adjusted EBIT Margin	18.8%	-4.3%	15.4%	16.4%						
Biological Assets and Others	2,899	3,057	(187)	234						
Equity Income	(17,203)	(4)	46	(425)						
Financial Result	(18,283)	(13,941)	(11,820)	(44,398)						
Income (Loss) Before taxes	136,778	(16,402)	385	136,704						
Taxes	(41,163)	(638)	707	(41,089)						
Net Income	95,615	(17,040)	1,092	95,615						
Cash	490,698	57,259	30,914	578,923						
Gross Debt	1,475,802	367,143	243,683	2,086,831						
Net Debt	985,104	309,884	212,769	1,507,908						
EBITDA YTD	755,732	97,006	70,064	757,169						
Net Debt / EBITDA	1.30 x	3.19 x	3.04 x	1.99 x						

OVERVIEW - COMPANY

DESTAQUES FINANCEIROS (milhares de R\$)	2T14	2T13	Var. (%)	6M14	6M13	Var. (%)
São Martinho - Consolidado						
Receita Bruta	631.759	564.054	12,0%	1.143.523	871.926	31,1%
Receita Líquida	614.494	546.913	12,4%	1.108.242	837.226	32,4%
EBITDA (Ajustado)	239.987	238.271	0,7%	451.089	346.348	30,2%
Margem EBITDA	39,1%	43,6%	-4,5 p.p.	40,7%	41,4%	-0,7 p.p.
Indicadores de Balanço Consolidados						
Ativo Total	5.751.857	5.513.693	4,3%	5.751.857	5.513.693	4,3%
Patrimônio Líquido	2.075.419	2.033.665	2,1%	2.075.419	2.033.665	2,1%
EBITDA (acumulado dos últimos 12 meses)	757.169	565.988	33,8%	757.169	565.988	33,8%
Dívida Líquida	1.507.908	1.213.822	24,2%	1.507.908	1.213.822	24,2%
Dívida Líquida / (EBITDA dos últimos 12 meses)	1,99 x	2,14 x		1,99 x	2,14 x	
Dívida Líquida / Patrimônio Líquido	73%	60%		73%	60%	

Access Code: São Martinho





OPERATING DATA 6M14 6M13 Var.(%) São Martinho - Consolidated Crushed Sugarcane ('000 tons) 11,640 8,954 30.0% Own 7,484 5,510 35.8% Third Parties 4,156 3,444 20.7% Mechanized Harvest 93.9% 89.2% 4.74 p.p. Yield in the Period (ton/ha) 100.00 90.20 10.9% Average TRS (kg/ton) 137.01 -0.5% 137.65 Production 15.7% Sugar ('000 tons) 763 659 Anhydrous Ethanol ('000 m3) 283 169 67.6% Hydrous Ethanol ('000 m3) 179 146 22.0% Ribonucleic Acid (RNA) Sodium Salt ('000 Kg) 171 -4.1% 164 Cogeneration ('000 MWh) 281 126 123.0% TRS Produced 1.595 1.232 29.4% 50% - 50% 56% - 44% Mix - Sugar - Ethanol Mix Anhydrous - Hydrous 62% - 38% 55% - 45%

The São Martinho Group crushed 11.6 million tons in 6M14, or 30% more than in the previous crop year, with the amount already representing 75.8% of our guidance for the entire 2013/14 crop year. The strong growth in the period is explained by the higher yields registered at our sugarcane fields (approximately 100 tons per hectare) and by the expansion in the area under our management due to the acquisition of sugarcane fields from São Carlos in December 2012.

In 2Q14, the São Martinho Group prioritized the production of anhydrous ethanol and sugar, which are products with higher contribution margins and more resilient demand compared to hydrous ethanol.

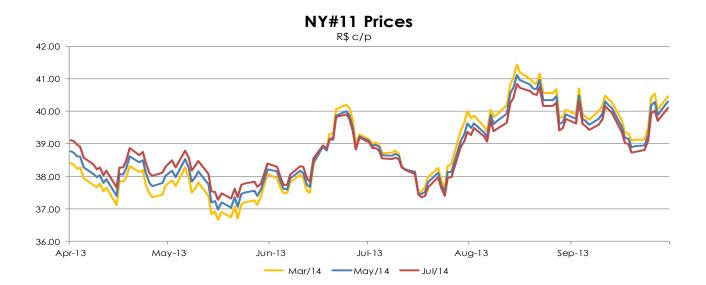
Note that the information in the above table already considers our proportional interests in Nova Fronteira (50.95%) and Santa Cruz (32.18%).







INDUSTRY OVERVIEW - SUGAR



Average sugar prices in R\$ cents/pound posted a recovery in all quotes during 2Q14 (see the above chart). The improvement in prices is due to: (i) the downward revision in the projected oversupply for the 2013/14 crop year (from a surplus of 5 million tons to approximately 4 million tons); (ii) the increase in sugar consumption in the Asian market; and (iii) the higher rainfall in late 2Q14 and early 3Q14 that could delay crushing in Brazil's Center-South region and most importantly reduce the level of TRS, directly impacting yields.

On Oct. 1, 2013, the Sugarcane Industry Association (UNICA) revised its forecasts for the 2013/14 crop year. According to the revision, Brazil's Center-South region should process 587.0 million tons of sugarcane in the 2013/14 crop year, or 10.7% more than in the 2012/13 crop year, with sugar production amounting to 34.2 million tons, in line with the 2012/13 crop year. By the close of September, the Center-South region had already processed 440.2 million tons of cane (+15% from the year-ago period), with total sugar production of 25.2 million tons, or 5% more than last year.

On September 30, 2013, the São Martinho Group had sugar prices locked-in for 92.7% of its net exposure (total sugar production in the 2013/14 crop year, excluding our natural hedge with Consecana). We also began to lock-in prices for the 2014/15 crop year, with 238,900 tons at a price of R\$0.42 cents/pound, which represents approximately 20% of production in the period.





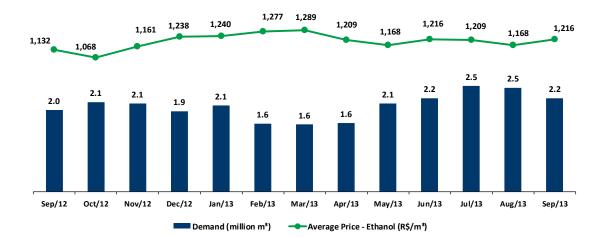


INDUSTRY OVERVIEW - ETHANOL

AVERAGE PRICES - ETHANOL	2Q14	2Q13 Chg. (%)		6M14	6M13 Ch	ıg. (%)
Market Prices Anhydrous ESALQ, Net DM R\$ / m3	1,273.55	1,243.22	2.4%	1,304.32	1,272.31	2.5%
Hydrous ESALQ, Net DM - R\$ / m3	1,116.92	1,055.24	5.8%	1,140.44	1,093.60	4.3%

In the second quarter of the 2013/14 crop year, prices for both anhydrous and hydrous ethanol were higher than a year earlier (+2.4% and +5.8%, respectively). The improvement in net prices is exclusively due to the reduction in the rate of PIS/Cofins taxes implemented in May 2013, given that gross prices were down from a year earlier.

As the above chart shows, ethanol consumption in the domestic market has improved in recent months. However, most of the growth has been driven by the increase from 20% to 25% in the amount of anhydrous ethanol added to the gasoline blend as of May this year.









FINANCIAL PERFORMANCE

NET REVENUE BREAKDOWN	2Q14	2Q13 (Chg. (%)	6M13	6M12	Chg. (%)
R\$ '000						
Domestic Market	208,593	129,416	61.2%	411,496	266,132	54.6%
Sugar	19,308	15,770	22.4%	32,329	26,567	21.7%
Hydrous Ethanol	36,205	31,688	14.3%	90,920	68,679	32.4%
Anhydrous Ethanol	68,448	52,739	29.8%	162,303	107,276	51.3%
Cogeneration	25,503	12,995	96.2%	34,371	19,971	72.1%
Other	59,130	16,224	264.5%	91,574	43,638	109.8%
Export Market	405,900	417,497	-2.8%	696,746	571,094	22.0%
Sugar	276,754	391,633	-29.3%	492,824	526,619	-6.4%
Hydrous Ethanol	45,301	13,269	241.4%	48,599	20,528	136.7%
Anhydrous Ethanol	77,831	6,321	1131.3%	146,444	14,532	907.7%
Others	6,015	6,275	-4.1%	8,878	9,415	-5.7%
Net Revenue	614,494	546,913	12.4%	1,108,242	837,226	32.4%
Sugar	296,062	407,403	-27.3%	525,153	553,187	-5.1%
Hydrous Ethanol	81,506	44,957	81.3%	139,519	89,207	56.4%
Anhydrous Ethanol	146,278	59,060	147.7%	308,747	121,808	153.5%
Cogeneration	25,503	12,995	96.2%	34,371	19,971	72.1%
Other	65,145	22,498	189.6%	100,452	53,054	89.3%

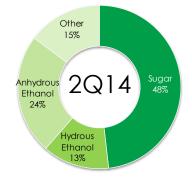
Net Revenue

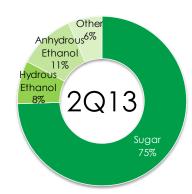
In the second quarter of the 2013/14 crop year (2Q14), the Company's net revenue amounted to R\$614.5 million, increasing 12.4% from the same period of the previous crop year. This improvement was mainly driven by (i) the 120.4% increase in anhydrous ethanol sales volume, and (ii) the 67.5% increase in hydrous ethanol sales volume. The strong growth in sales volume is explained by the higher production in the current crop year, in line with the production guidance announced at the end of the last fiscal year.

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

Net Revenue Distribution

2Q14 vs. 2Q13







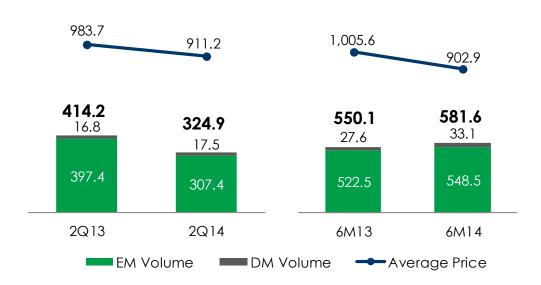




Sugar

Sugar

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



Net revenue from sugar sales amounted to R\$296.1 million in 2Q14, for a reduction of 27.3% from the same period of the previous crop year. The main reason for the lower net revenue was the reduction in sugar sales volume due to the difference in the timetable of sugar shipments, since this crop year we were able to anticipate a portion of sales to 1Q14. In the comparison of 6M14 with 6M13, sugar net revenue decreased 5.1%, which is explained exclusively by the lower sugar price.



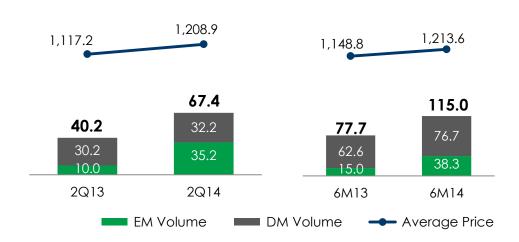




Ethanol

Hydrous Ethanol

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



Net revenue from hydrous ethanol sales amounted to R\$81.5 million in 2Q14, increasing 81.3% from the same quarter of the previous crop year. The improvement was due to the 67.5% growth in hydrous ethanol sales volume, driven by the higher hydrous ethanol exports for industrial uses in the period (+252%).

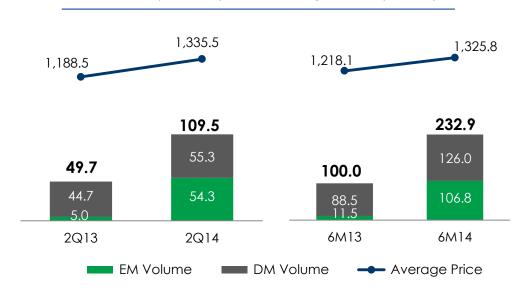






Anhydrous Ethanol

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



In 2Q14, net revenue from anhydrous ethanol sales increased 147.7% from 2Q13 to reach R\$146.3 million. The strong growth was driven by (i) the 67.6% increase in anhydrous ethanol production in 6M14 in relation to the prior-year period; and (ii) the higher export volume in the period to take advantage of the window for exports to the United States and Europe that opened in April 2013.



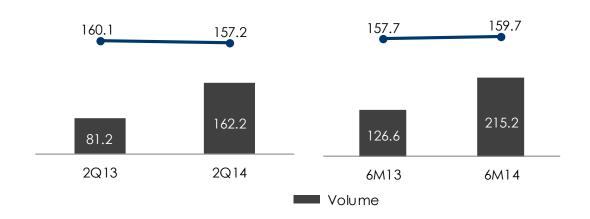




Cogen

Cogen

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



Net revenue from electricity sales in 2Q14 amounted to R\$25.5 million, increasing 96.2% from the same quarter of the previous crop year. In 6M14, net revenue from electricity sales amounted to R\$34.4 million, increasing 72.1% from the same period of the previous crop year. The improvement is explained by the increase of 99.9% in electricity sales volume in the quarter (+69.9% in 6M14), which basically reflects the cogeneration from Usina São Martinho that started operations this crop year.

Other Products and Services

Net revenue from the line "Other Products and Services" was R\$65.1 million in 2Q14, increasing 189.6% from the same quarter of the previous crop year. In 6M14, net revenue amounted to R\$100.5 million, increasing 89.3% from the same period of the previous crop year. The higher revenue is mainly explained by the sale of sugarcane to Biosev under the agreement for the sale of 1,000,000 tons of sugarcane during the 2013/14 crop year related to the São Carlos mill.







INVENTORIES

INVENTORIES	2Q14	2Q13	Chg. (%)
Sugar (tons)	195,881	128,722	52.2%
Hydrous (m³)	68,764	78,177	-12.0%
Anhydrous (m³)	71,054	87,904	-19.2%

EBITDA AND EBITDA COST BY PRODUCT

EBITDA BY PRODUCT - 6M14	SUGAR	ETHANOL	OTHER	TOTAL
R\$ '000				
Net Revenues	525,151	448,266	134,825	1,108,242
COGS (Cash)	(228,357)	(213,688)	(95,103)	(537,148)
Gross Profit (Cash)	296,794	234,578	39,722	571,094
Gross Margin (Cash)	56.5%	52.3%	29.5%	51.5%
Sales Expenses	(36,471)	(17,788)	(1,848)	(56,107)
G&A Expenses (Cash)	(31,393)	(30,877)	(6,919)	(69,189)
Other Revenues (Expenses)	-	-	5,291	5,291
Adjusted EBITDA	228,929	185,913	36,247	451,089
Adjusted EBITDA Margin	43.6%	41.5%	26.9%	40.7%
EBITDA Cost (*)	(509.3)	(754.2)	-	-

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

EBITDA BY PRODUCT - 6M13	SUGAR	ETHANOL	OTHER	TOTAL
R\$ '000				
Net Revenues	553,185	211,015	73,026	837,226
COGS (Cash)	(223,213)	(122,238)	(48,465)	(393,916)
Gross Profit (Cash)	329,972	88,777	24,561	443,310
Gross Margin (Cash)	59.6%	42.1%	33.6%	52.9%
Sales Expenses	(32,655)	(2,922)	(1,595)	(37,173)
G&A Expenses (Cash)	(36,364)	(19,229)	(6,177)	(61,770)
Other Revenues (Expenses)	-	-	1,982	1,982
Adjusted EBITDA	260,953	66,625	18,770	346,348
Adjusted EBITDA Margin	47.2%	31.6%	25.7%	41.4%
EBITDA Cost (*)	(531.2)	(812.8)	-	-

(*) Sugar in R\$/Ton Ethanol in R\$/m 3

In 6M14, sugar accounted for 50.8% of the Group's consolidated Adjusted EBITDA, while ethanol and other products accounted for 41.2% and 8.0%, respectively. Sugar EBITDA margin decreased 3.6 p.p. from 6M13, reflecting the lower sugar prices and higher freight expenses (higher logistics costs due to strong competition for freight from other commodities, such as corn and soybean, for







example). On the other hand, sugar EBITDA cost decreased by 4.1%, reflecting the dilution of fixed costs resulting from the higher crushing volume.

In the case of ethanol, in 6M14, Ethanol Adjusted EBITDA margin expanded 9.9 p.p. from 6M13, reflecting the higher utilization of installed capacity (sharp increase in the share of ethanol in the production mix) and the higher average price (which reduced ethanol EBITDA cost by 7.2%).

AVERAGE CASH COST PER UNIT	2Q14	2Q13	Var.%	6M14	6M13	Var.%
R\$ '000						
COGS	(308,024)	(247,461)	24.5%	(537,148)	(393,916)	36.4%
Sugar	(131,196)	(167,742)	-21.8%	(228, 357)	(223,213)	2.3%
Ethanol	(112,583)	(58,738)	91.7%	(213,688)	(122,238)	74.8%
Other Products	(64,246)	(20,980)	206.2%	(95,102)	(48,465)	96.2%
Average Cash Cost Per Unit (*)						
Sugar Cash Cost	(403.8)	(405.0)	-0.3%	(392.6)	(405.8)	-3.2%
Ethanol Cash Cost	(636.2)	(653.1)	-2.6%	(614.3)	(688.1)	-10.7%

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

COST OF GOODS SOLD

BREAKDOWN OF COGS - CASH - CAIXA	2Q14	2Q13	Var.%	6M14	6M13	Var.%
R\$ '000						
Agricultural Costs	200,565	193,724	3.5%	354,955	284,938	24.6%
Suppliers	133,854	133,879	0.0%	197,917	178,507	10.9%
Partnerships	25,164	23,089	9.0%	59,766	40,518	47.5%
Own Sugarcane	41,547	36,756	13.0%	97,272	65,913	47.6%
Industrial	29,891	22,479	33.0%	65,514	42,991	52.4%
Other Products	77,568	31,257	148.2%	116,680	65,988	76.8%
Total COGS	308,024	247,461	24.5%	537,148	393,916	36.4%
TRS Sold ('000 Tons)	646	589	9.6%	1,211	883	37.2%
Unit Cost (Sugar and Ethanol COGS/TRS)	357	367	-2.8%	347	372	-6.5%

In 2Q14, cash COGS was R\$308.0 million, increasing 24.5% from the same quarter of the previous crop year. The main driver of the COGS increase was the line "Other Products," which reflects the cane sales to Biosev, as described in the item "Financial Performance – Other products."

Note that because it involves the sale of sugarcane, this sales volume is not recorded under "TRS Sold," which distorts the results in lines under COGS in relation to the amount of cane we effectively crushed.

Excluding the cost of other products, Cash COGS in 2Q14 was R\$230.5, or 6.6% higher than a year earlier, lagging the growth in sales volume in TRS equivalent (+9.6%), due to the reduction in unit costs.







SELLING EXPENSES

SELLING EXPENSES	2Q14	2Q13	Var.%	6M14	6M13	Var.%
R\$ '000						
Port / Freight Costs	32,513	27,260	19.3%	54,626	35,324	54.6%
Sales Commission	38	23	67.6%	78	55	41.5%
Other - non-recurring	674	912	-26.1%	1,403	1,794	-21.8%
Selling Expenses	33,225	28,195	17.8%	56,107	37,173	50.9%
TRS Sold ('000 Tons)	646	589	9.6%	1,211	883	37.2%
% of Net Revenues	5.4%	5.2%	0.2 p.p.	5.1%	4.4%	0.7 p.p.

In 2Q14, selling expenses amounted to R\$33.2 million, increasing 17.8% from 2Q13. The line making the biggest contribution to these expenses was "Port/Freight Costs," which were impacted by the higher volume of ethanol exports in the period, as commented in the section "Financial Performance – Sugar/Ethanol."

GENERAL AND ADMINISTRATIVE EXPENSES

G&A EXPENSES - (CASH) R\$ '000	2Q14	2Q13 C	hg. (%)	6M14	6M13 C	Chg. (%)
Personnel and Management Fee	17,035	14,753	15.5%	33,486	28,727	16.6%
Taxes, Fees, Contributions and Contingencies	11,487	10,669	7.7%	17,907	18,330	-2.3%
General Expenses and Third-Party Services	9,806	7,122	37.7%	16,738	13,767	21.6%
Stock Options Expenses	529	946	-44.1%	1,058	946	11.9%
Total General and Administrative Expenses	38,857	33,490	16.0%	69,189	61,770	12.0%

G&A expenses amounted to R\$38.9 million in 2Q14, increasing 16.0% from the same quarter of the previous crop year. The main impact in the period was related to the expenses with personnel and fees, due to the 25% provision for variable compensation and the wage increases under the collective bargaining agreement, which last year were allocated in the fourth quarter.







EBITDA

			Pro-For	ma		
EBITDA RECONCILIATION	2Q14	2Q13	Chg. (%)	6M14	6M13	Chg. (%)
R\$ '000						
Adjusted EBITDA	239,987	238,271	0.7%	451,089	346,348	30.2%
Adjusted EBITDA Margin	39.1%	43.6%	-4.5 p.p.	40.7%	41.4%	-0.7 p.p.
Equity Income	(654)	1,230	n.m.	425	3,179	-86.6%
Non Recurring Operating Income (Expenses)	(1,105)	63	n.m.	(1,618)	501	n.m.
Biological Assets	3,249	4,272	-23.9%	1,385	(9,186)	n.m.
Non Cash Items Recorded in COGS	-	(81)	n.m.	-	(327)	n.m.
Book EBITDA	238,496	232,788	2.5%	450,898	352,181	28.0%
EBITDA Margin	38.8%	42.6%	-3.8 p.p.	40.7%	42.1%	-1.4 p.p.
(-) Depreciation and Amortization	(123,210)	(137,592)	-10.5%	(269,796)	(225,006)	19.9%
(-) Financial Income (Expense), net	(27,650)	(23,323)	18.6%	(44,398)	(52,353)	-15.2%
(=) Operating Income	87,636	71,873	21.9%	136,704	74,822	82.7%

Adjusted EBITDA

In 2Q14, the São Martinho Group recorded EBITDA of R\$239.9 million (Adjusted EBITDA Margin of 39.1%), increasing 0.7% from 2Q13. Adjusted EBITDA margin contracted by 4.5 p.p. The main factor in this EBITDA margin compression was the increase in the share of other nonrecurring revenue related to the sale of sugarcane to Biosev, as per the Material Fact notice published in December 2012.

The following table below shows the composition of Adjusted EBITDA by business:

EBITDA BY SEGMENT	Consolidated	S&E	Cogen	Other	Consolidated - ex other
R\$ '000					
Net Revenues	614,494	523,844	25,503	65,147	549,347
Adjusted EBITDA	239,987	212,792	20,851	6,344	233,643
Adjusted EBITDA Margin	39.1%	40.6%	81.7%	9.7%	42.5%

In 6M14, Adjusted EBITDA amounted to R\$451.1 million (Adjusted EBITDA margin of 40.7%), increasing 30.2% from 6M13 (R\$346.3 million with Adjusted EBITDA margin 41.4%). The main drivers of EBITDA growth in the period were (i) the higher sales volume by all the Company's products due to the growth in crushing volume, and (ii) the lower unit production cost of sugar and ethanol due to the higher utilization of installed capacity, which increased the dilution of fixed costs.

	CPC 19						
EBITDA RECONCILIATION	2Q14	2Q13	Chg. (%)	6M14	6M13	Chg. (%)	
R\$ '000							
Book EBITDA	183,334	196,595	-6.7%	339,719	274,863	23.6%	
EBITDA Margin	36.4%	43.0%	-6.7 p.p.	37.7%	40.6%	-2.9 p.p.	
(-) Depreciation and Amortization	(82,866)	(108,470)	-23.6%	(184,658)	(168,177)	9.8%	
(-) Financial Expense, net	(16,496)	(16,108)	2.4%	(18,283)	(23, 125)	-20.9%	
(=) Operating Income (Loss)	83,972	72,017	16.6%	136,778	83,561	63.7%	

Considers the impacts from Nova Fronteira (50.95%) and Santa Cruz (32.19%) only on Equity Income*







HEDGE

Sugar

The following table presents a summary of our sugar and USD hedge positions at September 30, 2013.

	Volume (Tons)	Average Price (US\$ c/p)	USD - Average Price (R\$/US\$)
Sugar			
2013/2014 Harvest	384,846	19.37	2.15
2014/2015 Harvest	238,903	17.97	2.33

U.S. Dollar

On September 30, 2013, the São Martinho Group held outstanding USD currency futures through non-deliverable forwards (NDFs), which are used to hedge its exports, with maturities through the 2015/16 crop year as follows:

Maturity	TC	OTAL	SUGAR		Oī	HERS
HCD	US\$	Av erage Price	US\$	Av erage Price	US\$	Av erage Price
USD	'000	(R\$/US\$)	'000	(R\$/US\$)	'000	(R\$/US\$)
2013/2014 Crop Year	212,284	2.16	202,783	2.15	9,502	2.38
2014/2015 Crop Year	97,250	2.30	79,557	2.33	17,693	2.19
2015/2016 Crop Year	15,114	2.30	-	-	15,114	2.30

On the same date, the São Martinho Group held US\$84.4 million in cash, which means that **our net exposure in U.S. dollar for the 2013/14 crop year was US\$118.4 million.**

Hedge Accounting – In March 2010, inclusive, the Company began to adopt hedge accounting for derivatives classified as hedge instruments, as well as debt denominated in foreign currency, with their potential results recorded under equity ("Adjustments to book value"), net of deferred income tax and social contribution tax (potential loss of R\$92.6 million in September 2012).







NET FINANCIAL RESULT

FINANCIAL RESULT R\$ '000	2Q14	2Q13 C	thg. (%)	6M14	6M13	Chg. (%)
Financial Revenues	21,496	17,064	26.0%	31,313	30,071	4.1%
Financial Expenses	(51,543)	(36,162)	42.5%	(85,555)	(61,261)	39.7%
Hedge Result	1,298	(70)	n.m.	(7,186)	2,808	n.m.
Exchange Variation	3,069	(2,298)	n.m.	20,981	(19,537)	n.m.
Copersucar Monetary Variation	(1,969)	(1,856)	6.1%	(3,952)	(4,433)	-10.8%
Net Financial Result	(27,650)	(23,323)	18.6%	(44,398)	(52,353)	-15.2%

The São Martinho Group registered a net financial expense of R\$27.6 million in 2Q14, which represents an increase in the expense of 18.6% from 2Q13. The main impact was caused by financial expenses, which is explained by the increase in net debt in relation to the same quarter last year.

NET INCOME

Net income in 2Q14 amounted to R\$60.9 million, compared to net income of R\$50.5 million in the same period last year. The net income growth in the period is mainly explained by the reduction in depreciation in the period to more accurately reflect the lifespan of our assets and the average age of our sugarcane fields.

DEBT WITH COPERSUCAR

On September 30, 2013, the São Martinho Group recognized under Liabilities on its Balance Sheet R\$217.3 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 legal counsel at Copersucar. These obligations continue to be secured by suretyships in the amount of R\$171.2 million on a consolidated basis.





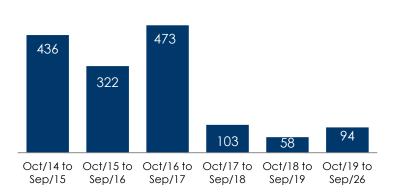


INDEBTEDNESS

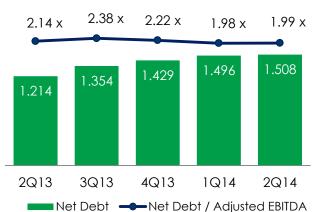
DEBT	Sep/13	Mar/13	Chg. (%)
R\$ '000			
PESA	62,338	69,599	-10.4%
Rural Credit	174,207	161,662	7.8%
BNDES / FINAME	552,796	546,570	1.1%
Working Capital	102,731	144,896	-29.1%
ACC (Advances on Foreign Exchange Contracts)	-	40,662	n.m.
PPE (Export prepayment)	410,204	429,611	-4.5%
NCE (Export Credit Note)	452,405	378,905	19.4%
Other	2,558	3,108	-17.7%
Obligations from Acquisitions	85,909	81,657	5.2%
Gross Debt	1,843,148	1,856,670	-0.7%
Cash and Cash Equivalents	578,923	634,290	-8.7%
Net Debt	1,264,225	1,222,380	3.4%
(+) Proportional Gross Debt at Santa Cruz	243,683	206,913	17.8%
Consolidated Net Debt	1,507,908	1,429,293	5.5%
Net Debt / YTD EBITDA	1.99 x	2.22 x	

In 6M14, the net debt of the São Martinho Group increased by 5.5% (R\$1.5 billion) to close the period with a Net Debt/EBITDA ratio of 1.99 times. The main driver of the net debt increase was the local-currency depreciation in the period, which increased our dollar-denominated debt by approximately R\$100 million. Considering that all dollar-denominated debt is linked to the Company's future exports, these losses will be fully reversed once the exports are realized.

Amortization Schedule – Long-term DebtR\$ - Million



Net Debt/ LTM EBITDA Evolution









CAPITAL EXPENDITURE

SÃO MARTINHO - CONSOLIDATED	2Q14	2Q13	Chg. (%)	6M14	6M13	Chg. (%)
Maintenance Capex						
Sugarcane Planting	31,006	29,542	5.0%	58,426	53,653	8.9%
Off Season / Industrial / Agricultural	7,353	4,324	70.1%	10,392	25,551	-59.3%
Crop Tretament	51,504	49,038	5.0%	98,129	83,251	17.9%
Sub Total	89,863	82,904	8.4%	166,947	162,455	2.8%

TOTAL GERAL	119.693	149.209	-19.8%	235.107	280.969	-16.3%
Sub Total	1,327	596	122.7%	2,072	1,911	8.4%
Industrial / Agricultural	1,327	596	122.7%	2,072	1,911	8.49
Santa Cruz Mill (32.18%)						
Sub Total	6,098	23,402	-73.9%	14,540	41,215	-64.7%
Crop Tretament	937	767	22.2%	2,121	5,171	-59.0%
Industrial / Agricultural	3,513	9,305	-62.2%	4,964	12,003	-58.69
Sugarcane Planting	1,648	13,331	-87.6%	7,455	24,041	-69.09
Boa Vista Mill (50.95%)						
Sub Total	22,405	42,307	-47.0%	51,547	75,387	-31.69
Industrial / Agricultural	22,405	42,307	-47.0%	51,547	75,387	-31.69
São Martinho Mill	22 405	42 307	-47 0%	51 5 4 7	75 387	-31 6

The maintenance CAPEX of the São Martinho Group amounted to R\$89.9 million in 2Q14, up 8.4% from 2Q13, and already includes the maintenance for all of our mills: Usina São Martinho, Usina Iracema, Usina Boa Vista (50.95%) and Usina Santa Cruz (32.18%).

In 6M14, maintenance capex was R\$166.9 million, increasing by less than 3.0% from the same period of the previous crop year. In the last two quarters of this fiscal year, we plan to invest approximately R\$150 million in cane planting and off-season maintenance, which would bring our maintenance capex in the whole of the year to approximately R\$380 million.

Investments in modernization and expansion amounted to R\$51.5 million in 6M14, of which 70% was allocated to increasing crushing capacity at Usina São Martinho to approximately 50,000 tons of sugarcane/day. By March 2014, another R\$75 million is expected to be invested to conclude the project.







DISCLAIMER

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

ABOUT SÃO MARTINHO GROUP

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





INCOME STATEMENT

Quarter

		CPC 19			Pro-forma	
SÃO MARTINHO S.A CONSOLIDATED	2Q14	2Q13	Var %	2Q14	2Q13	Chg. (%)
R\$ '000						
Gross Revenue	515,529	469,615	9.8%	631,759	564,054	12.0%
Deductions from Gross Revenue	(11,272)	(12,665)	-11.0%	(17,265)	(17,141)	0.7%
Net Revenue	504,257	456,950	10.4%	614,494	546,913	12.4%
Cost of Goods Sold (COGS)	(343,597)	(319,611)	7.5%	(432,900)	(387,046)	11.8%
Gross Profit	160,660	137,339	17.0%	181,594	159,867	13.6%
Gross Margin (%)	31.9%	30.1%	1.8 p.p	29.6%	29.2%	0.3 p.p
Operating Expenses	(60,192)	(49,214)	22.3%	(66,308)	(64,671)	2.5%
Selling Expenses	(27,543)	(23,855)	15.5%	(33,225)	(28,195)	17.8%
General and Administrative Expenses	(33,723)	(29,856)	13.0%	(40,420)	(35,684)	13.3%
Equity Income	(5,434)	2,942	n.m.	654	(1,230)	n.m.
Other Operating Expenses, Net	6,508	1,555	318.5%	6,683	438	1425.8%
Operating Profit, Before Financial Effects	100,468	88,125	14.0%	115,286	95,196	21.1%
Financial Result, Net	(16,496)	(16,108)	2.4%	(27,650)	(23,323)	18.6%
Financial Income	39,297	23,758	65.4%	45,357	29,583	53.3%
Financial Expenses	(59,209)	(38,402)	54.2%	(76,076)	(50,608)	50.3%
Monetary and Exchange Variations, Net	3,416	(1,464)	n.m.	3,069	(2,298)	n.m.
Income (Loss) Before Income and Social Contribution Taxes	83,972	72,017	16.6%	87,636	71,873	21.9%
Income Tax and Social Contribution - Current	(14,720)	(11,104)	32.6%	(14,657)	(11,600)	26.4%
Income Tax and Social Contribution - Deferred	(8,365)	(10,390)	-19.5%	(12,092)	(9,750)	24.0%
Net Income	60,887	50,523	20.5%	60,887	50,523	20.5%
Net Margin (%)	12.1%	11.1%	1.0 p.p	9.9%	9.2%	0.7 p.p





Safra 2013/2014

Year to Date

		CPC 19			Pro-forma	
SÃO MARTINHO S.A CONSOLIDATED	6M14	6M13	Var %	6M14	6M13	Chg. (%)
R\$ '000						
Gross Revenue	922,831	700,494	31.7%	1,143,523	871,926	31.1%
Deductions from Gross Revenue	(22,332)	(24,055)	-7.2%	(35,281)	(34,700)	1.7%
Net Revenue	900,499	676,439	33.1%	1,108,242	837,226	32.4%
Cost of Goods Sold (COGS)	(626,816)	(470,738)	33.2%	(804,629)	(605,215)	32.9%
Gross Profit	273,683	205,701	33.0%	303,613	232,011	30.9%
Gross Margin (%)	30.4%	30.4%	0.0 p.p	27.4%	27.7%	-0.3 p.p
Operating Expenses	(118,622)	(99,015)	19.8%	(122,511)	(104,836)	16.9%
Selling Expenses	(47,396)	(30,733)	54.2%	(56,107)	(37,173)	50.9%
General and Administrative Expenses	(61,104)	(54,408)	12.3%	(72,842)	(65,703)	10.9%
Equity Income	(17,203)	(16,275)	5.7%	(425)	(3,179)	-86.6%
Other Operating Expenses, Net	7,081	2,401	194.9%	6,863	1,219	463.0%
Operating Profit, Before Financial Effects	155,061	106,686	45.3%	181,102	127,175	42.4%
Financial Result, Net	(18,283)	(23,125)	-20.9%	(44,398)	(52,353)	-15.2%
Financial Income	55,388	42,333	30.8%	68,164	54,718	24.6%
Financial Expenses	(100,270)	(66,317)	51.2%	(133,542)	(87,535)	52.6%
Monetary and Exchange Variations, Net	26,599	859	n.m.	20,980	(19,536)	n.m.
Income (Loss) Before Income and Social Contribution Taxes	136,778	83,561	63.7%	136,704	74,822	82.7%
Income Tax and Social Contribution - Current	(17,019)	(11,541)	47.5%	(17,397)	(12,089)	43.9%
Income Tax and Social Contribution - Deferred	(24, 144)	(19,119)	26.3%	(23,692)	(9,832)	141.0%
Net Income	95,615	52,901	80.7%	95,615	52,901	80.7%
Net Margin (%)	10.6%	7.8%	2.8 p.p	8.6%	6.3%	2.3 p.p





Resultados Safra 2013/2014

BALANCE SHEET (ASSETS)

SÃO MARTINHO S.A. CONSOLIDATED - ASSETS	CPC 1	9	Pro-forma		
R\$ Thousand					
<u>ASSETS</u>	Sep/13	Mar/13	Sep/13	Mar/13	
SHORT-TERM ASSETS					
Cash and Cash Equivalents	490,698	531,142	578,923	634,290	
Trade Receivables	140,519	51,739	163,821	62,667	
Derivative Financial Instruments	20,677	79,232	21,673	84,998	
Inventories	249,795	101,503	374,174	148,661	
Taxes Recoverable	73,682	43,313	88,958	57,085	
Income Tax and Social Contribution	22,617	33,370	25,666	36,655	
	-	353	102	-	
Other Assets	8,533	6,422	14,083	7,610	
TOTAL SHORT-TERM ASSETS	1,006,521	847,074	1,267,400	1,031,966	
LONG-TERM ASSETS					
Long-term Receivables					
Marketable Securities	-	-	10,235	9,037	
Inventories	15,353	13,196	43,992	35,592	
Related Parties	1,488	2,013	11	10	
Deferred Income Tax and Social Contribution	-	6,968	49,242	56,785	
Trade Receivables from Copersucar	1,228	1,228	1,404	1,398	
Taxes Recoverable	50,218	47,834	71,381	67,438	
Judicial Deposits	30,944	35,654	33,750	38,769	
Other Assets	253	250	463	395	
	99,484	107,143	210,478	209,424	
Investments	575,159	600,280	10,564	11,488	
Biological Assets	516,414	544,167	754,920	797,400	
Property, plant and equipment	2,587,013	2,627,129	3,268,490	3,339,886	
Intangible Assets	178,389	179,119	240,005	242,946	
TOTAL LONG-TERM ASSETS	3,956,459	4,057,838	4,484,457	4,601,144	
TOTAL ASSETS	4,962,980	4,904,912	5,751,857	5,633,110	





Safra 2013/2014

BALANCE SHEET (LIABILITIES)

R\$ '000		?	Pro-form	<u> </u>
LIABILITIES AND SHAREHOLDERS' EQUITY	Sep/13	Mar/13	Sep/13	Mar/13
SHORT-TERM LIABILITIES				
Borrowings	375,370	240,405	515,295	363,529
Derivative Financial Instruments	65,991	14,297	67,953	15,149
Trade Payables	147,662	77,059	187,704	98,235
Payables to Copersucar	2,040	2,040	2,234	2,263
Salaries and Social Contributions	65,893	50,153	85,067	66,523
Taxes Payable	11,710	10,225	14,691	12,485
Income Tax and Social Contribution	10,708	314	10,888	484
Related Parties	-	-	-	398
Dividends Payable	-	17,326	-	17,326
Advances from Customers	1,082	957	1,920	3,341
Acquisition of Investment	75,672	71,808	75,672	71,808
Other Liabilities	28,286	16,393	23,603	12,405
TOTAL SHORT-TERM LIABILITIES	784,414	500,977	985,027	663,946
LONG-TERM LIABILITIES				
Borrowings	1,014,523	1,176,045	1,485,627	1,618,397
Payables to Copersucar	194,075	194,440	215,021	215,478
Taxes Payable in Installments	47,199	48,436	54,152	55,758
Deferred Income Tax and Social Contribution	774,958	810,465	827,730	867,891
Provision for Contingencies	57,303	60,171	62,694	66,331
Acquisition of Investment	10,237	9,849	10,237	9,849
Advances for future capital increase	-	-	31,096	30,931
Other Liabilities	4,852	3,912	4,854	3,912
TOTAL LONG-TERM LIABILITIES	2,103,147	2,303,318	2,691,411	2,868,547
SHAREHOLDERS' EQUITY				
Share Capital	737,200	614,150	737,200	614,150
Adjustments to Book Value	1,134,570	1,265,869	1,134,570	1,265,869
Profits Reserves	96,832	232,556	96,832	232,556
Treasury Shares	(13,811)	(13,811)	(13,811)	(13,811)
,	2,911	1,853	2,911	1,853
Stock options granted Retained Earnings	117,717	-	117,717	1,033
TOTAL SHAREHOLDERS' EQUITY	2,075,419	2,100,617	2,075,419	2,100,617
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	4,962,980	4,904,912	5,751,857	5,633,110





Resultados Safra 2013/2014

CONSOLIDATED CASH FLOW

	CPC	19	Pro For	ma
SÃO MARTINHO S.A.	6M14	6M13	6M14	6M13
R\$ Thousand				
CASH FLOWS FROM OPERATING ACTIVITIES				
Net Income in the period	95,615	52,901	95,615	52,901
Adjustments				
Depreciation and amortization	70,690	77,435	95,966	104,035
Harvested biological assets (depreciation)	113,968	90,742	173,830	120,971
Variation in fair value of biological assets Amortization of intangible assets	(1,281)	(10,493)	1,385 1,464	(9,186)
Residual cost of investments and property, plant and equipment disposals	17,203	16,275	425	3,179
Result of investment and property, plant and equipment disposals	(1,731)	(88)	(1,783)	(116)
Interest, monetary and foreign exchange variations, net	33,538	38,109	64,889	76,267
Constitution of provision for contingencies, net	11,844	12,238	12,431	12,339
Deferred income tax and social contribution	24,144	19,119	23,692	9,832
Constitution of provision for inventory losses	-	(526)	-	(527)
Adjustments to present value and others	5,553	7,963	6,261	7,765
	369,543	303,675	474,175	377,460
Changes in assets and liabilities	(77 (07)	(7/ 150)	(00.077)	(00.005)
Trade receivables Inventories	(77,687) (111,920)	(76,158) (140,070)	(90,066) (171,150)	(88,885) (197,511)
Taxes recoverable	(20,008)	(27,152)	(22,390)	(26,375)
Financial Investments	-	-	(817)	(71)
Related parties	-	-	-	(2)
Other assets	2,599	(4,750)	(837)	(5,994)
Trade payables	92,419	69,163	116,049	75,038
Salaries and social charges	15,740	4,467	18,679	8,119
Taxes payable Taxes payable in installments	13,021 (2,663)	11,240 (3,511)	13,561 (3,026)	11,642 (3,834)
Provision for contingencies - settlements	(17,383)	(10,929)	(19,023)	(12,462)
Other liabilities	12,717	21,589	9,231	22,221
Cash provided by operations	276,378	147,564	324,386	159,346 (27,721)
Interest paid Income tax and social contribution paid	(37,935) (1,144)	(13,143) (541)	(58,706) (1,211)	(602)
Net cash provided by operating activities	237,299	133,880	264,469	131,023
		·		
CASH FLOW FROM INVESTMENT ACTIVITIES		(0. (10)		(0.770)
Financial resources used in investments Additions to property, plant and equipments, intangible assets and deferred	-	(2,612)	-	(2,679)
charges	(83,252)	(95,142)	(95,535)	(116,495)
Additions to biological assets (planting and crop treatment)	(107,340)	(95,035)	(166,131)	(166,116)
Proceeds from sale of property, plant and equipment	8,083	252	8,383	477
Cash and cash equivalents acquired from subsidiary	1	-	1	-
Advance for future capital increase	(976)	(2,330)	-	(1,193)
Dividends and interest on own capital	1,330	1,216	-	-
Net cash used in investing activities	(182,154)	(193,651)	(253,282)	(286,006)
CASH FLOW FROM FINANCING ACTIVITIES				
Derivatives Financial Instruments	32,816	15,192	37,311	13,195
New borrowing - third parties	83,225	515,283	160,271	614,650
Repayment of borrowing-Copersucar	(3,936)	(8,340)	(4,597)	(9,629)
Repayment of borrowing - third parties	, ,			
	(177,694)	(73,371)	(229,705)	(131,455)
Advance for future capital increase	-	-	166	6,860
Payment of dividends and interest on capital	(30,000)	(36,084)	(30,000)	(36,084)
Payment of dividends and interest on capital	-	(1,785)	-	(1,785)
Net cash provided by financing activities	(95,589)	410,895	(66,554)	455,752
Increase (decrease) in cash and cash equivalents	(40,444)	351,124	(55,367)	300,769
Cash and cash equivalents at the beginning of the period	531,142	295,776	634,290	410,567
Cash and cash equivalents at the end of the period	490,698	646,900	578,923	711,336
	≒70,070	040,700	3/0,723	/ 11,336



Access Code: São Martinho

