Tonon Bioenergia S.A.

Interim financial statements
June 30, 2015

(A free translation of the original report in Portuguese containing Financial Statement prepared in accordance with accounting practices adopted in Brazil)

Contents

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Report on the review of interim information

To
The Executive Board and Shareholders of
Tonon Bioenergia S.A.
Bocaina - SP

Introduction
We have reviewed the accompanying individual and consolidated balance sheet of Tonon Bioenergia S.A. ("Company"), as of June 30, 2015, the statements of income, comprehensive income, the changes in shareholders' equity and cash flows for the three-month period then ended, comprising a summary of significant accounting policies and other explanatory notes.

The Company's management is responsible for the preparation of the individual interim financial information in accordance with Technical Pronouncement CPC 21(R1) - Interim Statement and of the consolidated interim financial information in accordance with CPC 21 (R1) and with international standard IAS 34 - Interim Financial Reporting, issued by the International Accounting Standards Board - IASB. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of the review
Our review was carried out in accordance with the Brazilian and international review standards (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 financial 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 individual interim financial informatiom
Based on our review, nothing has come to our attention that causes us to believe that the individual interim financial statements do not present fairly, in all material respects, in accordance with CPC 21 (R1) applicable to the preparation of interim financial information.

Conclusion on the consolidated interim financial information
Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial statements do not present fairly, in all material respects, in accordance with CPC 21 (R1) and IAS 34 applicable to the preparation of interim financial information.

Emphasis on the financial statements
Without modifying our opinion, we draw attention to Note 1 to the financial statements which management is taking procedures to improve the cash flow generation and improving their working capital. On June 30, 2015, the Company's current liabilities exceeded the consolidated current assets of R$ 347,698 thousand, individual of R$ 347,735 thousand, the equity is negative of R$ 395,174 thousand and the loss for the period R$ 24,941 thousand. These conditions indicate the existence of significant uncertainty and significant doubt about the Company's ability to continue operating.

Ribeirão Preto, August 31, 2015

KPMG Auditores Independentes
CRC 2SP014428/O-6
Original report in Portuguese signed by

Claudio José Biason	Giovani Ricardo Pigatto
Accountant CRC 1SP144806/O-7	Accountant CRC 1SP263189/O-7

Tonon Bioenergia S.A.

Balance sheets June 30, 2015 and March 31, 2015

(In thousands of reais)

		Consolidated		Parent company	
Assets	**Note**	**06/30/2015**	**03/31/2015**	**06/30/2015**	**03/31/2015**
Cash and cash equivalents	11	23,148	38,741	23,647	39,191
Other investments	12	12	14	12	14
Accounts receivable, net	13	49,616	21,236	49,616	21,236
Inventories	14	72,147	54,536	72,147	54,536
Advances to suppliers	15	37,711	32,920	37,711	32,920
Prepaid expenses		1,477	288	1,477	288
Recoverable taxes	16	11,360	13,034	11,360	13,034
Non-current assets held for sale		-	-	-	-
Income and social contribution taxes		151	151	151	151
Other accounts receivable		35	48	35	48
Total current assets		**195,658**	**160,968**	**196,157**	**161,418**
Long-term assets					
Prepaid expenses		21	25	21	25
Other investments	12	3,694	3,694	3,694	3,694
Advances to suppliers	15	69,911	100,539	69,911	100,539
Deferred tax assets	17	196,620	249,654	196,620	249,654
Recoverable taxes	16	34,866	33,508	34,866	33,508
Judicial deposits		4,716	4,813	4,716	4,813
		309,829	392,233	309,829 -	392,233
Investments	18	2,178	2,430	2,178	2,430
Property, plant and equipment	19	600,300	614,501	600,300	614,501
Biological assets	20	859,600	823,880	859,600	823,880
Intangible assets	21	150,262	150,724	150,262	150,724
Total non-current assets		**1,922,170**	**1,983,768**	**1,922,170**	**1,983,768**
Total assets		**2,117,829**	**2,144,736**	**2,118,327**	**2,145,185**

		Consolidated		Parent company	
Liabilities	**Note**	**06/30/2015**	**03/31/2015**	**06/30/2015**	**03/31/2015**
Suppliers	22	164,162	115,300	164,162	115,300
Derivative financial instruments	28	99	1,218	99	1,218
Loans and financing	23	231,142	303,108	231,133	303,099
Salaries and social security charges	24	24,579	18,873	24,579	18,873
Taxes payable	25	14,760	2,349	14,760	2,349
Tax installments	26	7,547	8,128	7,547	8,128
Advances from clients	23	97,914	63,648	97,914	63,648
Other accounts payable		3,152	2,845	3,698	3,342
Total current liabilities		**543,356**	**515,470**	**543,892**	**515,957**
Suppliers	22	1,345	2,069	1,345	2,069
Loans and financing	23	1,780,798	1,811,905	1,780,760	1,811,868
Advances from clients	26	147,699	159,233	147,699	159,233
Provision for contingencies	27	21,634	7,570	21,634	7,570
Taxes paid in installments	25	18,171	18,723	18,171	18,723
Total non-current liabilities		**1,969,647**	**1,999,501**	**1,969,609**	**1,999,463**
Shareholders' equity					
Capital		104,753	104,753	104,753	104,753
Advances for future capital increase		50,000	50,000	50,000	50,000
Legal reserve		993	993	993	993
Capital reserve		167,216	167,216	167,216	167,216
Goodwill special reserve		34,806	34,806	34,806	34,806
Revaluation reserve		4,096	4,309	4,096	4,309
Equity valuation adjustment		72,195	73,959	72,195	73,959
Accumulated losses		(829,233)	(806,271)	(829,233)	(806,270)
Total shareholders' equity	30	**(395,174)**	**(370,235)**	**(395,174)**	**(370,234)**
Total liabilities		**2,513,002**	**2,514,971**	**2,513,501**	**2,515,419**
Total liabilities and shareholders' equity		**2,117,829**	**2,144,736**	**2,118,327**	**2,145,185**

See the accompanying notes to the financial statements.

Tonon Bioenergia S.A.

Statements of income

Three-month periods ended June 30, 2015 and 2014

(In thousands of Reais)

		Consolidated		Parent company	
	Note	**06/30/2015**	**06/30/2014**	**06/30/2015**	**06/30/2014**
Net revenue	31	193,262	211,797	193,262	211,797
Cost of sales	14	(186,199)	(178,208)	(186,199)	(178,208)
Change in fair value of biological assets	20	66,149	(580)	66,149	(580)
Gross income		**73,212**	**33,009**	**73,212**	**33,009**
Administrative expenses	32	(3,945)	(1,804)	(3,945)	(1,804)
Sales expenses	32	(13,098)	(13,551)	(13,098)	(13,551)
General expenses	32	(23,204)	(7,009)	(23,204)	(7,009)
Equity in net income of subsidiaries	18	(27)	(1,265)	(77)	(1,278)
Other operating income (expenses), net	32	(10,638)	(20,492)	(10,638)	(20,492)
		(50,912)	**(44,121)**	**(50,962)**	**(44,134)**
Income (loss) before net financial income (expenses) and taxes		**22,300**	**(11,112)**	**22,250**	**(11,125)**
Financial income	33	739,831	79,683	606,653	63,628
Financial expenses	33	(734,039)	(110,324)	(600,811)	(94,257)
Financial income (expenses), net	33	**5,792**	**(30,642)**	**5,842**	**(30,629)**
Income (loss) before taxes		**28,092**	**(41,754)**	**28,092**	**(41,754)**
Deferred income and social contribution taxes	17	(53,033)	12,132	(53,033)	12,132
Loss for the period		**(24,941)**	**(29,622)**	**(24,941)**	**(29,622)**

See the accompanying notes to the financial statements.

Tonon Bioenergia S.A.

Statement of comprehensive income

Three-month periods ended June 30, 2015 and 2014

(In thousands of reais)

		Consolidated		Parent company	
	Note	**06/30/2015**	**06/30/2014**	**06/30/2015**	**06/30/2014**
Loss for the period		**(24,941)**	**(29,622)**	**(24,941)**	**(29,622)**
Net fair-value variation of financial assets held for sale		-	8,224	-	8,224
Income and social contribution taxes on other comprehensive incomes	17	-	(2,796)	-	(2,796)
Other comprehensive income, net of income and social contribution taxes		-	5,427	-	5,427
Total comprehensive income		**(24,941)**	**(24,195)**	**(24,941)**	**(24,195)**

See the accompanying notes to the financial statements.

Tonon Bioenergia S.A.

Statement of changes in shareholders' equity

Three-month periods ended June 30, 2015 and 2014

(In thousands of reais)

						Profit reserve					
	Note	Capital	Advances for future capital increase	Capital reserve	Goodwill special reserve	Legal reserve	Unrealized profit reserve	Revaluation reserve	Equity evaluation adjustment	Accumulated losses	Total
Balances at March 31, 2014		**88,265**	**50,000**	**167,216**	**34,806**	**993**	**-**	**5,175**	**81,973**	**(175,088)**	**253,340**
Capital increase		16,489	-	-	-	-	-	-	-	-	16,489
Other comprehensive income		-	-	-	-	-	5,428	-	-	-	5,428
Realization of deemed cost		-	-	-	-	-	2,169	-	(2,169)	-	-
Revaluation reserve - Merge		-	-	-	-	-	-	(220)	-	220	-
Loss for the period		-	-	-	-	-	-	-	-	(29,622)	(29,622)
Offset of accumulated losses		-	-	-	-	-	(7,597)	-	-	7,597	-
Balances at June 30, 2014		**104,753**	**50,000**	**167,216**	**34,806**	**993**	**-**	**4,955**	**79,804**	**(196,893)**	**245,635**
Balances at March 31, 2015		**104,753**	**50,000**	**167,216**	**34,806**	**993**	**-**	**4,309**	**73,959**	**(806,271)**	**(370,235)**
Capital increase		-	-	-	-	-	-	-	-	-	-
Other comprehensive incomes		-	-	-	-	-	-	-	-	-	-
Realization of deemed cost		-	-	-	-	-	1,764	-	(1,764)	-	-
Revaluation reserve – Merger		-	-	-	-	-	-	(213)	-	213	0.49
Loss for the period		-	-	-	-	-	-	-	-	(24,941)	(24,941)
Offset accumulated losses		-	-	-	-	-	(1,764)	-	-	1,765	0.20
Balances at June 30, 2015	**30**	**104,753**	**50,000**	**167,216**	**34,806**	**993**	**-**	**4,096**	**72,195**	**(829,233)**	**(395,174)**

See the accompanying notes to the financial statements.

Tonon Bioenergia S.A.

Statement of cash flows – indirect method

Three-month periods ended June 30, 2015 and 2014

(In thousands of reais)

	Consolidated		Parent company	
	06/30/2015	**06/30/2014**	**06/30/2015**	**06/30/2014**
Cash flows from operating activities				
Loss for the period	**(24,941)**	**(29,622)**	**(24,941)**	**(29,622)**
Adjusted by:				
Depreciation of fixed assets	10,277	9,994	10,277	9,994
Amortization of intangible assets	613	614	613	614
Off-season maintenance	18,508	34,376	18,508	34,376
Amortization of plantation and crop treatment	46,741	65,982	46,742	65,982
Change in fair value of biological assets	(66,149)	580	(66,149)	580
Allowance for doubtful accounts	1,094	(91)	1,094	(91)
Provision for contingencies	14,064	(933)	14,064	(933)
Deferred tax assets and liabilities	53,033	(12,132)	53,033	(12,132)
Interest and exchange variation on loans and financing	(21,371)	5,813	(21,371)	5,813
Change in fair value of derivative financial instruments	(1,119)	(743)	(1,119)	(743)
Residual value of disposed fixed assets	10,514	3,597	10,514	3,597
Goodwill adjustement	1	(13,758)	1	(13,758)
Equity in income of subsidiaries companies	27	1,265	77	1,278
	41,292	**64,942**	**41,343**	**64,955**
Changes in assets and liabilities				
(Increase)/decrease in other investments	2	(5,526)	2	(5,526)
(Increase)/decrease in trade accounts receivable, net	(28,380)	(13,796)	(28,380)	(13,796)
(Increase)/decrease in inventories	(17,611)	(54,006)	(17,611)	(54,006)
(Increase)/decrease in advances to suppliers	25,837	(2,409)	25,837	(2,409)
(Increase)/decrease in prepaid expenses	(1,186)	(1,313)	(1,186)	(1,313)
(Increase)/decrease in recoverable taxes	316	9,210	316	9,210
(Increase)/decrease in other accounts receivable	13	403	13	403
(Increase)/decrease in judicial deposits	97	(50)	97	(50)
(Increase)/decrease in investments	252	(1,181)	252	(1,181)
Increase/(decrease) in suppliers	48,138	5,647	48,138	5,647
Increase/(decrease) in salaries and social security charges	5,706	1,315	5,706	1,315
Increase/(decrease) in taxes payable	12,411	3,194	12,411	3,194
Increase/(decrease) in advances from clients	22,732	27,917	22,732	27,917
Increase/(decrease) in other accounts payable	356	5,446	356	5,446
Increase (decrease) in taxes in installments	(1,133)	(2,107)	(1,133)	(2,107)
Interest paid on loans and financing	(53,950)	(24,849)	(53,951)	(24,849)
Cash flow from operating activities	**54,890**	**12,838**	**54,940**	**12,851**
Cash flow from investment activities				
Acquisition of Tonon Luxembourg S.A.	-	-	-	(96)
Investment in fixed assets	(25,678)	(39,206)	(25,678)	(39,206)
Acquisition of intangible assets	(151)	(342)	(151)	(342)
Investment in biological assets	(16,313)	(50,722)	(16,313)	(50,722)
Cash flow used in investment activities	**(42,141)**	**(90,270)**	**(42,141)**	**(90,367)**
Cash flow from financing activities				
Loans and financing taken	3,344	640,773	3,344	639,654
Principal amortization in loans and financing	(31,686)	(509,539)	(31,686)	(509,539)
Cash flow from financing activities	**(28,342)**	**131,234**	**(28,342)**	**130,115**
Net increase (decrease) of cash and cash equivalents	**(15,593)**	**53,802**	**(15,544)**	**52,599**
Statement of changes in cash and cash equivalents				
At the end of period	23,148	133,646	23,647	132,443
At the beginning of period	38,741	79,844	39,191	79,844
	(15,593)	**53,802**	**(15,544)**	**52,599**

See the accompanying notes to the financial statements.

Notes to the financial statements

(In thousands of reais)

1 Operations

Tonon Bioenergia S.A. is headquartered at Jaú-Araraguara Highway, kilometer 129, Santa Cândida Farm, in the town of Bocaina, State of São Paulo. Its operating structure is made up of three (3) units: one in the state of Mato Grosso do Sul, in the city of Maracajú, whose name is "Vista Alegre Unit", and two in the State of São Paulo, where one is in the city of Brotas called "Paraíso unit" and the headquarters in the city of Bocaina called "Santa Cândida Unit". The Company's corporate purpose and main activity is the planting of sugar cane, the manufacture and sale of sugar, ethanol and other products derived from sugar cane; co-generation of electricity; agricultural exploitation of products and raw materials.

Nearly 75% of the sugarcane used in the manufacture of products comes from its own plantations and agricultural partnerships and 25% from third-party suppliers.

(i) Tonon Luxembourg S.A.

Tonon Luxemburgo S.A., a company established on May 7, 2014, headquartered at street Guillaume Kroll, 5, in Luxemburg, has as main activity the trading of sugar and ethanol.

(ii) Company's Strategic Plan

On March 31, 2015, the Company's Consolidated current liabilities exceeded current assets by R$ 354,502, the Parent Company was R$ 354,540, net worth is negative by R$ 370,235 and the loss for the year was R$ 647,623. On June 30, 2015, the Company's Consolidated current liabilities exceeded current assets by R$ 347,698, the Parent Company was R$ 347,735, net equity worth is negative by R$ 395,174 and the loss for the period was R$ 24,941. The main factors that led the Company in obtaining these figures were:

- Drought most important of all history took place in south-central caused loss of grinding 1.5 million tons, representing a decrease compared to the estimated 18.2% and lost revenue of R$ 165 million;

- Dollar against the real appreciation during the harvest period of 41.8%, generating a negative exchange variation of R$ 670 million, knowing that this will reflect on cash only in their settlement (2019 and 2020);

- Brazilian economic situation has led to crop 14/15 one of the largest credit restrictions precisely at the time when the Company invested in expanding the unit Vista Alegre. Its installed capacity increased from 2.5 million installed capacity to 3.7 million. These investments were necessary for the Company to meet the expansion of cogeneration assets held by Brookfield. These expansion investments in unit Vista Alegre as well as investments in units Paraíso and Santa Cândida led the Company to spend 4.9 million own cane to an estimated 6.1 million own cane for the harvest 15/16.

The Company's management presented its strategic plan to the Board of Directors that was approved on March 23, 2015, where it is clear that the effects shown above will be reversed. The Company is actively working to restructure its short-term debt. The strategic plan includes a significant decrease in short-term debt through new borrowings, which are being negotiated with financial institutions and investors. These measures are badly needed to strengthen the capital structure. Success in achieving the objectives set in the strategic plan is based on the significant amount of assets available and unencumbered property of the Company.

2 Group entities

The Company has an ownership interest, as follows:

			Equity interest			
			06/30/2015		03/31/2015	
Entity	**City / State-Country**		**Direct**	**Indirect**	**Direct**	**Indirect**
Auto Posto Santa Cândida Ltda (a)	Bocaina/SP-Brazil	Subsidiary	99%	-	99%	-
Tonon Luxembourg S.A. (b)	Luxembourg-Luxembourg	Subsidiary	100%	-	100%	-

(a) Financial statements have not been consolidated due to subsidiary's balances immateriality;

(b) Tonon Luxembourg was responsible for receiving funds from bonds obtained on May 14, 2014 with transfers to the Parent company, Tonon Bioenergia. The financial statements were consolidated into the Parent company's financial statements.

3 Basis of preparation

a. Statement of compliance

The interim financial statements have been prepared in accordance with accounting practices adopted in Brazil (BR GAAP) and prepared in accordance with CPC 21 (R1) - Interim Financial Reporting and the International Accounting Standard IAS 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB).

The consolidated and individual financial statements were authorized by the Company's Directors on August 31, 2015.

Details on the Company's accounting policies, including changes during the year are set out in notes 8 and 7, respectively.

4 Functional currency and presentation currency

These financial statements are being presented in Brazilian Real, functional currency of the Company. All financial information presented in BRL has been rounded to the nearest thousand value, except otherwise indicated.

5 Use of estimates and judgments

The preparation of financial statements according to CPC standards requires Management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported values of assets, liabilities, income and expenses. The actual results could differ from these estimates.

Estimates and assumptions are reviewed in a continuous manner. Reviews in relation to accounting estimates are recognized in the period in which the estimates are reviewed and in any future periods affected.

Information about critical judgment referring to the accounting policies adopted which impact the amounts recognized in the financial statements are included in the following notes:

- **Note 13 -** Allowance for doubtful accounts;
- **Note 17 -** Deferred tax assets and liabilities; and
- **Note 28 -** Financial instruments.

Uncertainties about assumptions and estimates
Information on uncertainties as to assumptions and estimates that pose a high risk of resulting in a material adjustment within the next financial period are included in the following notes:

- **Note 19 -** Useful life of the fixed asset;
- **Note 20 -** Biological assets; and
- **Note 27 -** Provision for contingencies.

Fair value measurement
A number of the Company's accounting policies and disclosures requires the measurement of fair values for financial assets and financial and non-financial liabilities.

The Company establishes a control structure related to the measurement of fair values. This includes an assessment team that has overall responsibility for reviewing all significant fair value measurements, including the fair values of Level 3, and reports directly to the CEO.

The Compahia regularly reviews significant unobservable inputs and valuation adjustments. If the third-party information such as quotations from brokers or pricing services, is used to measure the fair value, then the assessment team reviews the evidence obtained from third parties to support the conclusion that such assessments meet the CPC requirements, including the level in the fair value hierarchy in which such assessments should be sorted.

In measuring the fair value of an asset or a liability, the Company uses observable market data as much as possible. Fair values are classified into different levels in a hierarchy based on the information (inputs) used in the valuation techniques as follows:

- **Level 1:** quoted prices (unadjusted) in active for assets and liabilities and identical markets.
- **Level 2:** inputs, except quoted prices included in Level 1 that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices).
- **Level 3:** inputs, for the asset or liability that are not based on observable market data (unobservable inputs).

The Compahia recognizes transfers between levels of the fair value hierarchy at year-end financial statements in which the change occurred.

Additional information on the assumptions used in measuring the fair value are included in the following note:

- **Note 28 -** Financial Instruments.

6 Basis of measurement

The financial statements have been prepared under the historical cost, except for no derivative financial instruments not designated at fair value through profit or loss.

7 Changes in accounting policies

The Company evaluated the following new standards and revisions of pronouncements, with initial application date on January 1, 2014:

(a) ICPC 19/ IFRIC 21 - Taxes;

(b) CPC 38 / IAS 36 (Amendment) - Disclosures about impairment of non-financial assets; and

(c) OCPC 7 - Notes.

The application of these changes did not impact on these financial statements.

Measurement basis

The financial statements were prepared based on historical cost, except for the following material items in the balance sheets:

- Financial assets available for sale measured at fair value through profit or loss;
- Financial instruments measured at fair value through profit or loss;
- Biological assets measured at fair value less selling expenses; and
- Fixed assets valued at deemed cost.

8 Description of significant accounting policies

The accounting policies described in detail below have been consistently applied to all the year presented in these financial statements.

a. Consolidation basis

(i) Subsidiaries

The financial statements of subsidiaries are included in the consolidated financial statements as from the date they start to be controlled by the Company until the date such control ceases. The accounting policies of the subsidiaries are aligned with the policies adopted by the Group.

The financial information of subsidiaries is recognized under the equity method in the individual financial statements of the parent company.

Transactions eliminated in the consolidation

Intragroup balances and transactions, and any income or expenses derived from intragroup transactions, are eliminated in the preparation of the consolidated financial statements. Unrealized gains originating from transactions with investee companies recorded using the equity method, are eliminated against the investment in the proportion of the Group's interest in the Investee entities. Unrealized losses are eliminated in the same way as unrealized gains, but only up to the point where there is no evidence of loss due to impairment.

b. Foreign currency

(i) Foreign currency transactions

Transactions in foreign currency are translated into the functional currency of the Company at the exchange rates on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated into the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between the amortized cost in the functional currency at the beginning of the period, adjusted for interest and payments during the quarter, and the amortized cost in foreign currency translated at the foreign exchange rate at the reporting date.

c. Financial instruments

(i) Non-derivative financial assets

The Company recognizes the loans, receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are initially recognized on the date of the negotiation under which the Company becomes a party to the contractual provisions of the instrument.

The Company fails to recognize a financial asset when the contractual rights to the cash flow of the asset expire, or when the Company transfers the rights to the reception of contractual cash flows over a financial asset in a transaction in which essentially all the risks and benefits of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount reported in the balance sheet only when there is a legally enforceable right to set off and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The Company classifies its financial assets under the following categories: measured at fair value through profit or loss and loans and receivables.

Financial assets measured at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is held for trading, or stated as such when initially recognized. Financial assets are stated at fair value through profit or loss if the Company manages these investments and makes decisions on investment and redemption based on fair value according to the risk management and strategy of investment documented by the Company. The transaction costs are recognized in income (loss) when incurred. Financial assets recorded at fair value through profit or loss are measured at fair value and changes in the fair value of such assets are recognized in the income for the period.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments, but not quoted on any active market. Such assets are initially recognized at fair value plus any transaction costs directly assignable. After their initial recognition, loans and receivables are measured at amortized cost using the effective interest rate method, reduced by any impairment losses.

Loans and receivables comprise cash and cash equivalents, trade accounts receivable, advances to suppliers, prepaid expenses and other accounts receivable.

Financial assets available for sale
Financial assets available for sale are non-derivative financial assets classified as available for sale or not classified in any of the prior categories. Equity instruments that do not have a quoted market price on an active market and whose fair value cannot be reliably measured should be measured at cost.

Cash and cash equivalents
Cash and cash equivalents comprise balances of cash and financial investments with original maturities of three months or less as of the contracting date, which are subject to an insignificant risk of change in value and are used to manage short-term obligations.

(ii) Non-derivative financial liabilities
The Company recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognized initially on the negotiation date on which the Company becomes a party to the contractual provisions of the instrument. The Company writes off a financial liability when its contractual obligations are discharged or canceled or expired.

The Company classifies non-derivative financial liabilities in the category of other financial liabilities. Such financial liabilities are initially recognized at fair value plus any transaction costs directly assignable. After their initial recognition, these liabilities are measured at amortized cost using the effective interest rate method.

The Company has the following non-derivative financial liabilities: suppliers, loans and financing, advances from clients and other accounts payable.

Overdraft limits that have to be paid at sight and that form an integral part of cash management of the Company, are included as a component of cash and cash equivalents for purposes of the statement of cash flows.

(iii) Capital
Common and preferred shares are classified as equity.

The compulsory minimum dividends, as established in the By-laws, are recognized as liabilities.

(iv) Derivative financial instruments
The Company holds hedge derivative financial instruments to hedge its risk exposures to changes in foreign currency and prices. Embedded derivatives are separated from their main contracts and recorded individually if the economic characteristics and risks of the main contract and the embedded derivative are not intrinsically related; or an individual instrument in the same conditions of the embedded derivative meets the definition of a derivative and the combined instrument is not measured at fair value through profit or loss.

Derivatives are initially recognized at fair value. The attributable transaction costs are recognized in income (loss) when incurred. After the initial recognition, derivatives are measured at fair value and changes are recorded against the results.

d. Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment items are stated at historical acquisition or construction cost, net of accumulated depreciation and impairment losses, when applicable.

Purchased software that is integral to the functionality of a piece of equipment is capitalized as part of that equipment.

When parts of a property, plant and equipment item have different useful lives, they are accounted for as separate items (major components) of PP&E.

Gains and losses on disposal of a property, plant and equipment item (are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment) and are recognized net within other income or expenses in income (loss).

(ii) Maintenance costs

The Company performs annual maintenance at its manufacturing units, approximately in the period from December to March.
The main maintenance costs include costs of labor, materials, outsourced services and overhead allocated during the off-season period. Said costs are accounted for as a component of the cost of the equipment and depreciated during the following harvest.

(iii) Depreciation

Fixed assets items are depreciated using the straight-line method in the income for the period based on the estimated economic useful life of each component. Land is not depreciated.

Items of property, plant and equipment are depreciated from the date they are installed or available for use or for assets built internally, from the date the asset is ready and available for use.

The annual weighted average rates for depreciation of assets for the current and comparative year are as follows:

	06/30/2015	**03/31/2015**
Buildings and improvements	2.34%	2.34%
Facilities	6.00%	6.00%
Machinery and equipment	5.78%	5.78%
Furniture and fixtures	10.56%	10.56%
IT equipment	20.31%	20.31%
Vehicles	14.29%	14.29%
Tools and accessories	5.51%	5.51%
Agricultural machinery and implements	9.41%	9.41%

The depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

e. Intangible assets

(i) Recognition and measurement

Intangible assets that are acquired by the Company and which have definite useful lives are stated at cost, less accumulated amortization and, when necessary, impairment losses.

(ii) Subsequent expenses

Subsequent expenses are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in profit or loss as incurred.

(iii) Amortization

Amortization is recognized in income on a straight-line basis over the estimated useful lives of the intangible assets as of the date they are available for use. The estimated useful life for the current and comparative periods is 5 years.

The amortization methods, useful lives and residual values are reviewed at the end of the quarter and adjusted if appropriate.

f. Biological assets

Biological assets are measured at fair value less sales expenses. Changes in fair value less sales expenses are recognized in results. Sale costs include all costs that are necessary to sell the assets. Uncut sugarcane is transferred to inventories at fair value less estimated sales expenses determined on cut date.

g. Leased assets

Leases in terms of which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. After initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

The other leases are operating leases and are not recognized in the balance sheet of the Company.

h. Inventories

Inventories are measured at the lower value between the cost and net realizable value. Inventory costs are valued at the average cost of purchase or production and include expenses incurred in the acquisition of inventories, production and conversion costs and other costs incurred in bringing them to their current locations and conditions.

The net realizable value is the estimated price at which inventories can be realized in the normal course of business, less the estimated completion costs and selling expenses.

The cost of biological assets transferred to inventories is the fair value less selling costs, determined on the date of the cut.

i. Impairment

(i) Financial assets (including receivables)

A financial asset not measured at fair value through profit or loss is assessed at each reporting date for objective evidence of impairment loss.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of the amount due to the Company on terms that the Company would not consider otherwise, indication that the debtor or issuer will file for bankruptcy, or disappearance of an active market for a security. In addition, for an equity instrument, a significant or prolonged decrease in the fair value of the asset, below its cost, is objective evidence of impairment.

Financial assets measured at the amortized cost

For its receivables, the Company considers as evidence of impairment both individually and on an aggregate basis. Individually significant receivables are assessed for impairment. All the receivables are material on an individual basis, identified as non-impaired on an individual basis are collectively assessed for any impairment loss not yet identified. Individually significant assets are assessed on an aggregate basis in relation to impairment by grouping the notes with similar risk characteristics.

When assessing impairment on an aggregate basis the Company makes use of historical trends of probability of default, the recovery term and the amounts of losses incurred, adjusted to reflect the management's judgment in relation to the assumptions, if the current economic and credit conditions are such that the actual losses will be higher or lower than those suggested by historical trends.

A decrease in the recoverable value of a financial asset measured at amortized cost is calculated as the difference between the asset's book value and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Losses are recognized in income (loss) for the period in an allowance in a provision account against receivables. Interest on the impaired asset continues to be recognized through the reversal of the discount. When a subsequent event causes reversal the amount of the impairment loss, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the non-financial assets of the Company, except for biological assets, inventories and deferred income and social contribution taxes are reviewed at each reporting date for indication of impairment. If such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognized when the carrying amount of an asset or its CGU (cash generating unit) exceeds its recoverable value.

The recoverable value of an asset or cash-generating unit is the greater of its value in use and its fair value less selling expenses. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market conditions as to the recoverability period of capital and the risks specific to the asset or CGU. For the purpose of impairment testing, the assets that cannot be individually tested are grouped together into the smallest group of assets that generates cash inflows that are largely independent of the cash flows of other assets or group of assets (the cash generating unit or CGU).

Impairment losses are recognized in profit or loss. Impairment losses are reversed only with the condition that the book value of the asset does not exceed the book value that would have been calculated, net of depreciation or amortization, if the value loss had not been recognized.

j. Assets classified as non-current held for sale

Non-current assets or groups of assets classified as held for sale which are expected to have their values recovered primarily through a sale transaction rather than continuous use, are classified as assets held for sale. Immediately before being classified as assets held for sale, the assets or components of a group of assets classified as held for sale are measured under the Company's accounting policies. Since then, the assets, or group of assets classified as held for sale, are generally measured as the book value or the fair value less selling expenses, whichever is the lowest. No loss should be allocated to the inventories, financial assets, deferred tax assets and biological assets, which continue to be measured in accordance with the Company’s accounting policies. Impairment losses determined in the initial classification as held for sale, and the subsequently calculated gains and losses are recognized in profit or loss.

When classified as held for sale, intangible assets and property, plant and equipment are not amortized or depreciated. Investments measured through the equity method are not subject to the equity method when classified as held for sale.

k. Employee benefits

Short-term employee benefits

Obligations for short-term employee benefits are measured on a non-discounted basis and incurred as expenses as the related service is rendered.

The liability is recognized at the amount expected to be paid under the cash bonus plans or short-term profit sharing if the Company has a legal or constructive obligation to pay this amount as a result of prior service rendered by the employee, and the obligation can be reliably estimated.

l. Provisions

A provision is set up when the Company has a legal or constructive obligation as a result of a past event, which can be reliably estimated, and it is probable that an outflow of funds will be required to settle the obligation. Provisions are determined considering the best estimates of the risk involved.

m. Revenue

Revenue from sales of products in the normal course of business is measured by the fair value of the installment received or receivable. Operating income is recognized when there is convincing evidence that the risks and rewards inherent to the ownership of the goods have been transferred to the purchaser, it is probable that the financial economic benefits will flow to the Company, the related costs and potential return of goods can be reliably estimated, there is no continued involvement with the goods sold, and the amount of operating income can be reliably measured.

The correct moment for the transfer of risks and benefits varies depending on the individual conditions of each sales agreement. For sugar and ethanol sales in the domestic market, transfer is normally carried out when the product is delivered in the client's premises or when it is picked up by the client in the Company's premises. For sales in the foreign market, the transfer occurs upon loading of goods in the transportation company of the seller harbor.

n. Government grants

Government grants that compensate the Company for expenses incurred are recognized in profit or loss on a systematic basis over the same period in which the expenses are recognized.

o. Leases

(i) Lease payments

Minimum lease payments made under financial leasing are apportioned between financial expenses and reduction of the outstanding liability. Financial expenses are allocated in each period over the lease period in order to produce a continuous and periodic compounding interest rate over the remaining liability balance.

(ii) Determining whether an agreement contains a lease

At the inception of an agreement, the Company defines whether the agreement is for or contains a lease. This is the case if the two conditions below are met:

- The fulfilment of the arrangement depends on the use of that specified asset; and
- The arrangement includes the right to use the asset.

At inception of the arrangement or on a reassessment of the arrangement, the Company separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Company concludes that it is impracticable to separate the payments of a financial lease reliably, an asset and a liability are recognized at an amount equal to the fair value of the underlying asset. Subsequently the payments under the financial lease are allocated into financial expense (using the Company's incremental borrowing rate) and reduction of the outstanding liability.

p. Financial income and expenses

Financial income substantially comprises earnings from financial investments, foreign exchange, interest, contractual fines and gains on derivative financial instruments. Interest income is recognized in income (loss) under the effective interest method.

Financial expenses substantially comprise interest expenses on loans, bank charges, foreign exchange and losses on derivative financial instruments. Borrowing costs which are not directly attributable to the acquisition, construction, or production of a qualifying asset are accounted for in profit or loss using the effective interest rate method.

q. Income and social contribution taxes

Current and deferred income tax and social contribution for the period are calculated based on the rates of 15%, plus a surcharge of 10% on taxable income in excess of R$ 240, for income tax, and 9% on taxable income for the social contribution on net income, and consider the offsetting of tax loss carryforwards and the negative base of the social contribution, limited to 30% of annual taxable income.

Income tax and social contribution expense comprises both current and deferred taxes. Current taxes and deferred taxes are recognized in income unless they are related to other comprehensive income.

Current taxes are the taxes payable or receivable on the taxable income or loss for the period, at tax rates enacted or substantively enacted on the date of presentation of the financial statements, and any adjustments to taxes payable in relation to prior periods.

Deferred taxes are recognized in relation to the temporary differences between the carrying amounts of assets and liabilities for accounting purposes and the related amounts used for taxation purposes.

Deferred taxes are measured at tax rates expected to be applied to temporary differences when they are reversed, based on laws enacted or substantively enacted up to the reporting date.

To determine current and deferred income tax, the Company takes into consideration the impact of uncertainties on positions taken on taxes and if the additional income tax and interest payment has to be made. The Company believes that the provision for income tax recorded in liabilities is adequate for all outstanding tax periods, based on its evaluation of several factors, including interpretations of tax laws and past experience. This evaluation is based on estimates and assumptions that may involve several judgments on future events. New information may be made available, leading the Company to change its judgment on the adequacy of existing provision; these changes will impact income tax expenses in the year in which they occur.

Deferred tax assets and liabilities are offset when there is a legal enforceable right to set off current tax assets against tax liabilities, and the latter relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred income tax and social contribution asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable income will be available against which the unused tax losses and credits can be utilized.

Deferred income and social contribution tax assets are reviewed at each reporting date and reduced when their realization is no longer probable.

r. Discontinued operations

The classification as a discontinued operation is made upon its sale or when the operation fails to meet the criteria for being held for sale, if this occurs before. When an operation is classified as a discontinued operation, the comparative statement of income is reissued as if the operation had been discontinued since the beginning of the comparative period.

9 New standards and interpretations not yet adopted

A number of new standards, amendments and interpretations of standards will be effective for fiscal years beginning after April 1, 2015 and have not been adopted in preparing these financial statements. Those that may be relevant to the Company are listed below. The Company does not plan to adopt this standard in advance.

IFRS 9 Financial Instruments (2010), IFRS 9 Financial Instruments (2009)

IFRS 9, published in July 2014, replacing the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new model of expected credit loss for the calculation of the impairment of financial assets, and new requirements for hedge accounting. The standard retains the existing guidance on the recognition and derecognition of financial instruments IAS 39.

IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 requires an entity to recognize the amount of revenue reflecting the consideration they expect to receive in exchange for control of those goods or services. The new standard will replace most of the detailed guidance on revenue recognition that currently exists in IFRS when the new standard is adopted. The new standard is effective from or after January 1, 2017, with earlier application permitted by IFRS. The standard may be adopted retrospectively using an approach of cumulative effects. The Company is evaluating the effects that IFRS 15 will have on the financial statements and its disclosures. The Company has not yet chosen the method of transition to the new standard not determined the effects of the new standard in today's financial reports.

Agriculture: Production Plants (changes to IAS 16 and IAS 41)

These changes require production plants, defined as a living plant, to be recorded as fixed assets and included in the scope of IAS 16 Property, instead of IAS 41 Agriculture.

The amendments are effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.

Additionally, it is not expected that the following new standards or modifications can have a significant impact on the Company's financial statements:

- **IFRS 14 -** Regulatory Deferral Accounts;
- *Accounting for Aquisitions of Interests in Joint Operations* (amendment of IFRS 11);
- *Clarification of Acceptable Methods of Depreciation and Amortisation* (amendment of IAS 16 and IAS 38);
- *Defined Benefit Plans: Employee Contributions* (Amendment to IAS 19);
- Annual Improvements to IFRSs 2010-2012; and

- Annual Improvements to IFRSs 2011-2013.

The Accounting Pronouncements Committee issued accounting pronouncement not yet or change the corresponding current pronouncements of these standards. Early adoption is not permitted.

10 Determination of the fair value

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods described. When applicable, additional information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(i) Biological assets

The Company calculated biological assets represented by ratoons, which generate several harvests, and uncut sugarcane at the discounted future cash flow method. Discounted future cash flow is calculated considering assumptions such as sugarcane ton price, productivity, cut, load and transportation costs, crop treatment costs, partnership costs, and taxes, among others. Discount rate used to discount cash flow at present value is calculated based on Weighted Average Cost of Capital (WACC).

(ii) Trade accounts receivable and other credits

The fair value of accounts receivable and other receivables is estimated as the present value of future cash flows, discounted at the market interest rate on presentation date. Such fair value is determined for disclosure purposes

(iii) Exchange contracts and cash flow swaps

The fair value of forward exchange agreements is based on the listed market price, if available. If a listed market price is not available, fair value is estimated by discounting the difference between the contractual forward price and the current forward price by using a risk-free interest rate (based on government bonds).

The fair value of cash flow swap contracts is based on brokers' quotations. These quotations are tested for reasonability through estimated future cash flows discount based on contract conditions and expiration and using market interest rates of a similar instrument on measurement date. Fair values reflect the instrument credit risk and include adjustments to consider the credit risk of the Company and the counterpart, if applicable.

(iv) Other non-derivative financial liabilities

The fair value that is determined for disclosure purposes is calculated based on the present value of principal and future cash flows, discounted at market interest rate on the date of presentation of the financial statements. For financial leases, the interest rate is calculated by referring to similar lease agreements.

11 Cash and cash equivalents

		Consolidated		Parent company	
		06/30/2015	03/31/2015	06/30/2015	03/31/2015
Cash and banks		23,120	25,556	23,619	26,005
Financial investments					
Modality post fixed					
CDB	97% to 100% of the CDI- Interbank deposit certificate (*)	3	9,866	3	9,866
Automatic financial investment		25	2,939	25	2,867
Deposit margin		-	380	-	380
		23,148	**38,741**	**23,647**	**39,191**

(*) Weighted average rate

The balance of cash and banks comprises deposits in current accounts available for immediate use. These balances arise from the strategy and the normal flow of the Company's operations.

Financial investments are recorded at cost, plus income earned up till the date of the statement of financial position where the value does not exceed the market value. These investments may be immediately redeemed without penalty or loss.

The Company's exposure to interest rate risks and a sensitivity analysis for the financial assets and liabilities are disclosed in Note 28 - Financial instruments.

12 Other investments

.		Consolidated		Parent company	
		06/30/2015	03/31/2015	06/30/2015	03/31/2015
Current					
Interest earnings bank deposits					
Pos mode fixed					
CDB	100% of the CDI - Interbank deposit certificate (*)	12	14	12	14
		12	**14**	**12**	**14**
Equity investments					
Centro de Tecnologia Canavieira (a)		3,586	3,586	3,586	3,586
Others (a)		108	108	108	108
		3,694	**3,694**	**3,694**	**3,694**

(*) Weighted average rate

(a) Investments recognized at cost.

The Company's exposure to credit and interest rate risks and a sensitivity analysis for the financial assets and liabilities are disclosed in Note 28 - Financial instruments.

13 Accounts receivable, net

	Consolidated		**Parent company**	
	06/30/2015	**03/31/2015**	**06/30/2015**	**03/31/2015**
Accounts receivable - Foreign market	34,470	962	34,470	962
Accounts receivable - Domestic market	16,521	20,555	16,521	20,555
Allowance for doubtful accounts	(1,375)	(281)	(1,375)	(281)
	49,616	**21,236**	**49,616**	**21,236**

Accounts receivable of the foreign market are originated in U.S. dollars, which are translated into the Reais on the presentation date of the financial statements.

The Company as of June 30, 2015 did not have any operation that generated a significant effect in adjustment to present value.

The Company's exposure to credit and currency risks and losses through impairment related to trade accounts receivable are disclosed in Note 28 - Financial Instruments.

14 Inventories

	Consolidated		**Parent company**	
	06/30/2015	**03/31/2015**	**06/30/2015**	**03/31/2015**
Warehouse, raw material and others	29,384	31,282	29,384	31,282
Finished goods				
Sugar	11,678	1,134	11,678	1,134
Ethanol	30,842	20,088	30,842	20,088
Yeast	218	12	218	12
Oil	25	20	25	20
	72,147	**54,536**	**72,147**	**54,536**

On June 30, 2015, storeroom materials and others, goods and changes in finished products, recognized as sales costs, totaled R$ 186,199 - Consolidated and Parent company (R$ 178,208 - Parent Company as of June 30, 2014).

15 Advances to suppliers

	Consolidated		**Parent company**	
	06/30/2015	**03/31/2015**	**06/30/2015**	**03/31/2015**
Advances to other suppliers	1,098	640	1,098	640
Advances to sugar cane suppliers	104,651	129,517	104,651	129,517
Advances to suppliers - Related parties	1,873	3,302	1,873	3,302
	107,622	**133,459**	**107,622**	**133,459**
Total classified as current assets	(37,711)	(32,920)	(37,711)	(32,920)
Total classified as non-current assets	69,911	100,539	69,911	100,539

Advances to sugar cane suppliers are represented substantially by amounts advanced to rural partners, as provided for by contract, and the products will be delivered during the next crop season.

16 Recoverable taxes

	Consolidated		Parent company	
	06/30/2015	**03/31/2015**	**06/30/2015**	**03/31/2015**
Contribution for Social Security Funding - COFINS	16,028	15,388	16,028	15,388
Value added tax on sales and services - ICMS	19,468	19,557	19,468	19,557
Social Integration Program-PIS	2,714	3,664	2,714	3,664
Withholding income tax - IRRF	6,129	6,083	6,129	6,083
Excise Tax - IPI	932	895	932	895
Other taxes recoverable	955	955	955	955
	46,226	**46,542**	**46,226**	**46,542**
Total classified as current assets	(11,360)	(13,034)	(11,360)	(13,034)
Total classified as non-current assets	34,866	33,508	34,866	33,508

17 Income and social contribution taxes

The breakdown of expense calculated by the combined statutory rates and the income and social contribution tax expense charged to net income is presented below:

	Consolidated and Parent company	Consolidated and Parent company
	30/06/2015	**30/06/2014**
Loss before income and social contribution taxes	28,092	(41,754)
Combined tax rate	34%	34%
Income tax and social contribution using the combined rate	9,551	14,196
Additions and permanent exclusions		
Permanent additions (exclusions)	(9,626)	(2,064)
Tax losses for the year for which has not been recognized tax deferred assets	(33,856)	-
Income tax and social contribution in income for the period	**(53,033)**	**12,132**
Effective rate	189%	29%

The changes in the period ended June 30, 2015 are presented as follows:

	03/31/2015	Recognized in income (loss)	06/30/2015
Provision for contingencies	2,709	(189)	2,520
Allowance for doubtful accounts	561	372	933
Temporary provisions	8,045	31	8,076
Deferred IR/CS on tax loss and negative basis	172,441	-	172,441
Deferred income tax and social contribution on goodwill	(10,361)	(3,195)	(13,556)
Deferred taxes on the surplus value of property, plant and equipment	(40,600)	1,222	(39,378)
Deferred taxes on the surplus value of biological assets	(117,385)	(22,570)	(139,955)
Accelerated depreciation incentive	(4,942)	-	(4,942)
Fair value of investments	(1,098)	-	(1,098)
Exchange variation - cash method calculation	242,891	(28,813)	214,078
Revaluation reserve	(2,608)	110	(2,498)
Total	**249,654**	**(53,033)**	**196,620**

Management considers that tax deferred assets resulting from timing differences will be realized in proportion to the final resolution of contingencies and events.

The expected recoverability of the tax credits is based on the projections of future taxable income taking into consideration various business and financial assumptions at the end of the year. Accordingly, these estimates may differ from the effective taxable income in the future due to the inherent uncertainties involving these estimates.

Deferred tax assets, in according with the Company's expected future profitability will be realized within six years.

18 Investments

	Consolidated		Parent company	
	06/30/2015	**03/31/2015**	**06/30/2015**	**03/31/2015**
Investments in subsidiary (a)				
Auto Posto Santa Cândida de Bocaina Ltda. (i)	2,178	2,430	2,178	2,430
	2,178	**2,430**	**2,178**	**2,430**

a. Investments in subsidiaries

They represent investments in subsidiaries valued using the equity accounting method in the individual financial statements and in the advances for future capital increase, where the breakdown is listed in the table below:

	2015		
	Tonon Luxembourg	**Auto Posto (i)**	**Total**
Capital	97	99	-
Number of quotas/shares held	97	99.999	-
Ownership interest	100%	99%	-
Total interest on shareholders' equity as of March 31, 2015	(496)	2,430	1,934
Loss for the period	(50)	(27)	(77)
Provision for investment loss	546	(225)	321
Total interest on shareholders' equity as of June 30, 2015	-	2,178	2,178
Total amount of investment	**-**	**2,178**	**2,178**

(i) On October 18, 2012, the Company acquired from Tonon Holding 100% of the capital of Auto Posto Santa Cândida de Bocaina Ltda., a gas station located near the Santa Candida unit. The cost of acquisition was R$ 4,600. On January 9, 2014, Tonon Holding S.A. was admitted as a partner of Auto Posto upon the assignment of one (1) quota. Therefore, the Company started holding 99 thousand quotas, representing 99% of the total number of shares. The investments were not consolidated.

Change in the period

	06/30/2015		
	Tonon Luxembourg	**Auto Posto**	**Total**
Balance of the investment as of March 31, 2015	-	2,430	2,430
Equity in income of subsidiaries	(50)	(27)	(77)
Loss of investment	-	(225)	(225)
Provision for investment loss	50	-	50
Balance of the investment as of June 30, 2015	**-**	**2,178**	**2,178**

19 Property, plant and equipment

	Consolidated												
Cost	**Land**	**Buildings and improvements**	**Facilities**	**Machinery and equipment**	**Furniture and fixtures**	**IT equipment**	**Vehicles**	**Tools and accessories**	**Agricultural machinery and implements**	**Off-season maintenance**	**Property, plant and equipment in progress**	**Advances to suppliers**	**Total**
Balance on March 31, 2014	**7,077**	**121,399**	**88,258**	**358,408**	**3,326**	**4,154**	**42,725**	**226**	**83,069**	**100,998**	**21,292**	**-**	**830,932**
Additions													
Write-offs	-	648	-	-	23	25	111	-	-	28,859	9,540	-	39,206
Capitalized interest on property, plant and equipment	-	-	-	-	-	-	(73)	-	(754)	(34,376)	(3,256)	-	(38,459)
Transfers	-	-	-	-	-	-	-	-	-	-	(21)	-	(21)
Transfer of assets held for sale	-	198	105	1,907	19	558	130	-	606	-	(3,523)	-	-
	-	1,783	937	1,088	-	-	-	-	-	-	-	-	3,808
Balance on June 30, 2014	**7,077**	**124,027**	**89,300**	**361,404**	**3,368**	**4,737**	**42,893**	**226**	**82,921**	**95,482**	**24,032**	**-**	**835,466**
Balance on March 31, 2015	**7.077**	**124.233**	**94.220**	**364.536**	**3.360**	**4.811**	**41.506**	**242**	**72.378**	**85.222**	**56.553**	**26.384**	**880.521**
Additions	-	-	-	1	-	-	1,028	-	-	4,534	19,403	711	25,677
Write-offs	-	-	-	(44)	-	-	(1,834)	-	(14,189)	(18,508)	-	(9,013)	(43,589)
Capitalized interest on property, plant and equipment	-	-	-	-	-	-	-	-	-	-	(579)	-	(579)
Transfers	-	-	-	4	1	-	-	2	3,975	-	(3,982)	-	-
Transfers between fixed asset accounts	(540)	(8,265)	8,585	(3,926)	718	-	(18)	941	2,042	(1)	464	-	-
Balance on June 30, 2015	**6,537**	**115,968**	**102,805**	**360,571**	**4,079**	**4,811**	**40,682**	**1,185**	**64,206**	**71,247**	**71,859**	**18,081**	**862,031**
Accumulated depreciation	**Land**	**Buildings and improvements**	**Facilities**	**Machinery and equipment**	**Furniture and fixtures**	**IT equipment**	**Vehicles**	**Tools and accessories**	**Agricultural machinery and implements**	**Off-season maintenance**	**Property, plant and equipment in progress**	**Advances to suppliers**	**Total**
Balance on March 31, 2014	**-**	**(21,960)**	**(30,440)**	**(118,962)**	**(1,953)**	**(2,603)**	**(31,227)**	**(164)**	**(28,987)**	**-**	**-**	**-**	**(236,296)**
Additions	-	(748)	(1,.386)	(3,922)	(79)	(170)	(944)	(19)	(2,727)	-	-	-	(9,994)
Write-offs	-	-	-	-	-	-	73	-	413	-	-	-	486
Merger	-	(366)	(192)	(223)	-	-	-	-	-	-	-	-	(781)
Balance on June 30, 2014	**-**	**(23,074)**	**(32,018)**	**(123,107)**	**(2,032)**	**(2,773)**	**(32,098)**	**(183)**	**(31,301)**	**-**	**-**	**-**	**(246,585)**
Balance on March 31, 2015	**-**	**(25,510)**	**(36,310)**	**(135,458)**	**(2,230)**	**(3,312)**	**(33,102)**	**(237)**	**(29,859)**	**-**	**-**	**-**	**(266,020)**
Additions	-	(811)	(1,449)	(4,439)	(70)	(177)	(589)	(17)	(2,725)	-	-	-	(10,276)
Write-offs	-	-	-	28	-	-	1,709	-	12,830	-	-	-	14,566
Transfers between fixed asset accounts	-	2,518	(2,593)	803	(582)	-	298	(450)	5	-	-	-	-
Balance on June 30, 2015	**-**	**(23,803)**	**(40.352)**	**(139,066)**	**(2,882)**	**(3,489)**	**(31,684)**	**(705)**	**(19,750)**	**-**	**-**	**-**	**(261,730)**
Net Book value													
On 03/31/2014	7,077	99,439	57,818	239,446	1,373	1,551	11,498	62	54,082	100,998	21,292	-	594,636
On 06/30/2014	7,077	100,953	57,282	238,297	1,336	1,964	10,795	44	51,621	95,482	24,032	-	588,882
On 03/31/2015	7,077	98,723	57,910	229,078	1,130	1,499	8,404	5	42,519	85,222	56,553	26,384	614,501
On 06/30/2015	6,537	92,165	62,453	221,505	1,197	1,322	8,997	480	44,456	71,247	71,859	18,081	600,300

Parent Company

Cost	**Land**	**Buildings and improvements**	**Facilities**	**Machinery and equipment**	**Furniture and fixtures**	**IT equipment**	**Vehicles**	**Tools and accessories**	**Agricultural machinery and implements**	**Off-season maintenance**	**Property, plant and equipment in progress**	**Advances to suppliers**	**Total**
Balance on March 31, 2014	**7,077**	**121,399**	**88,258**	**358,408**	**3,326**	**4,154**	**42,725**	**226**	**83,069**	**100,998**	**21,292**	**-**	**830,932**
Additions													
Write-offs	-	648	-	-	23	25	111	-	-	28,859	9,540	-	39,206
Capitalized interest on property, plant and equipment	-	-	-	-	-	-	(73)	-	(754)	(34,376)	(3,256)	-	(38,459)
Transfers	-	-	-	-	-	-	-	-	-	-	(21)	-	(21)
Transfer of assets held for sale	-	198	105	1,907	19	558	130	-	606	-	(3,523)	-	-
	-	1,783	937	1,088	-	-	-	-	-	-	-	-	3,808
Balance on June 30, 2014	**7,077**	**124,027**	**89,300**	**361,404**	**3,368**	**4,737**	**42,893**	**226**	**82,921**	**95,482**	**24,032**	**-**	**835,466**
Balance on March 31, 2015	**7.077**	**124.233**	**94.220**	**364.536**	**3.360**	**4.811**	**41.506**	**242**	**72.378**	**85.222**	**56.553**	**26.384**	**880.521**
Additions	-	-	-	1	-	-	1,028	-	-	4,534	19,403	711	25,677
Write-offs	-	-	-	(44)	-	-	(1,834)	-	(14,189)	(18,508)	-	(9,013)	(43,589)
Capitalized interest on property, plant and equipment	-	-	-	-	-	-	-	-	-	-	(579)	-	(579)
Transfers	-	-	-	4	1	-	-	2	3,975	-	(3,982)	-	-
Transfers between fixed asset accounts	(540)	(8,265)	8,585	(3,926)	718	-	(18)	941	2,042	(1)	464	-	-
Balance on June 30, 2015	**6,537**	**115,968**	**102,805**	**360,571**	**4,079**	**4,811**	**40,682**	**1,185**	**64,206**	**71,247**	**71,859**	**18,081**	**862,031**

Accumulated depreciation	**Land**	**Buildings and improvements**	**Facilities**	**Machinery and equipment**	**Furniture and fixtures**	**IT equipment**	**Vehicles**	**Tools and accessories**	**Agricultural machinery and implements**	**Off-season maintenance**	**Property, plant and equipment in progress**	**Advances to suppliers**	**Total**
Balance on March 31, 2014	**-**	**(21,960)**	**(30,440)**	**(118,962)**	**(1,953)**	**(2,603)**	**(31,227)**	**(164)**	**(28,987)**	**-**	**-**	**-**	**(236,296)**
Additions	-	(748)	(1,.386)	(3,922)	(79)	(170)	(944)	(19)	(2,727)	-	-	-	(9,994)
Write-offs	-	-	-	-	-	-	73	-	413	-	-	-	486
Merger	-	(366)	(192)	(223)	-	-	-	-	-	-	-	-	(781)
Balance on June 30, 2014	**-**	**(23,074)**	**(32,018)**	**(123,107)**	**(2,032)**	**(2,773)**	**(32,098)**	**(183)**	**(31,301)**	**-**	**-**	**-**	**(246,585)**
Balance on March 31, 2015	**-**	**(25,510)**	**(36,310)**	**(135,458)**	**(2,230)**	**(3,312)**	**(33,102)**	**(237)**	**(29,859)**	**-**	**-**	**-**	**(266,020)**
Additions	-	(811)	(1,449)	(4,439)	(70)	(177)	(589)	(17)	(2,725)	-	-	-	(10,276)
Write-offs	-	-	-	28	-	-	1,709	-	12,830	-	-	-	14,566
Transfers between fixed asset accounts	-	2,518	(2,593)	803	(582)	-	298	(450)	5	-	-	-	-
Balance on June 30, 2015	**-**	**(23,803)**	**(40.352)**	**(139,066)**	**(2,882)**	**(3,489)**	**(31,684)**	**(705)**	**(19,750)**	**-**	**-**	**-**	**(261,730)**
Net Book value													
On 03/31/2014	7,077	99,439	57,818	239,446	1,373	1,551	11,498	62	54,082	100,998	21,292	-	594,636
On 06/30/2014	7,077	100,953	57,282	238,297	1,336	1,964	10,795	44	51,621	95,482	24,032	-	588,882
On 03/31/2015	7,077	98,723	57,910	229,078	1,130	1,499	8,404	5	42,519	85,222	56,553	26,384	614,501
On 06/30/2015	6,537	92,165	62,453	221,505	1,197	1,322	8,997	480	44,456	71,247	71,859	18,081	600,300

Maintenance expenditures incurred during the off-season period are allocated to property, plant and equipment and fully depreciated in the next harvest season.

The fixed assets pledged as collateral for loans and financing are presented in Note 23 - Loans and financing.

The Company evaluates each period if there is objective evidence that impairment losses have occurred. Model and assumptions used to determine fair value represent the best Management estimate on financial statements date and are reviewed on an annual basis.

20 Biological assets

The Company's biological assets comprise the cultivation and planting of sugar cane, through contracts with cane lessees and partners, for use as a material in its sugar and ethanol industrial processes. The cultivation of sugarcane is initiated with the plantation of seedlings on land owned by third-party landowners, and the first cutting occurs after a period of 12 to 18 months after planting, when the sugarcane is cut and the root ("ratoon") continues in the soil. After each cut or year/harvest, the treated root stock grows again, giving on average a total of five or six harvests, varying based on the culture and genetic material to which it is related to.

Movements of Company's biological assets are stated as follows:

	Consolidated		**Parent company**	
	06/30/2015	**03/31/2015**	**06/30/2015**	**03/31/2015**
Biological assets at the beginning of the period	823,880	740,067	823,880	740,067
Increase from purchases	-	860	-	860
Increase resulting from plantations and treatment	16,313	202,162	16,313	202,162
Amortization of plantation and treatment	(46,742)	(229,246)	(46,742)	(229,246)
Variation of the fair value	66,149	110,038	66,149	110,038
Biological assets at the end of the period	**859,600**	**823,880**	**859,600**	**823,880**

Biological assets will be realized in the following crops:

	Consolidated		**Parent company**	
	06/30/2015	**03/31/2015**	**06/30/2015**	**03/31/2015**
2015/2016	214,331	240,673	214,331	240,673
2016/2017	201,548	193,345	201,548	193,345
2017/2018	176,478	154,225	176,478	154,225
2018/2019	129,239	112,098	129,239	112,098
2019/2020	83,303	74,487	83,303	74,487
2020/2021	54,701	49,053	54,701	49,053
	859,600	**823,880**	**859,600**	**823,880**

Planted areas refer only to sugarcane plants, and do not consider planted land.

The following assumptions were used in the determination of the fair value:

	Parent company	
	06/30/2015	**03/31/2015**
Estimated harvest area (ha)	87,925	96,673
Estimated productivity (ton/ha)	79.56	78.56
Amount of TRS per ton of cane sugar (kg / TRS ton)	137.69	137.69
Average projected price of TRS (R$/kg TRS)	0.56	0.56

The fair value of the sugar cane plantations was determined using the discounted cash flow method, considering:

- Cash inflows obtained by multiplying (i) estimated production measured in pounds of TRS (Total Recoverable Sugar) and (ii) sugarcane futures market price, which is estimated based on public data and future estimated sugar and ethanol prices; and

- Cash outflows represented by estimates of (i) necessary costs for the biological transformation of sugarcane (handling of harvest) up till the harvest, (ii) costs associated with the harvest/cutting, loading and transport (CCT), and (iii) costs of leasing and agricultural partnership.

Based on the estimates of income and expenses, the Company determines the discounted cash flows that will be generated and the present value and amount, assuming an actual discount rate of 9.68% per year, consistent with the return on investment in the circumstances. Changes in fair value are presented as “Changes in fair value of biological assets.”

Model and assumptions used to determine fair value represent the best Management estimate on financial statements date and are reviewed on an annual basis.

The increase or decrease in the fair value is determined by the difference between the fair value of biological assets at the beginning of the period and at the end of the period, less plantation costs incurred in the development and depreciation of biological assets during the year.

The Company is exposed to several risks related to its plantations:

Regulatory and environmental risks

The Company is subject to the laws and regulations of the country in which it operates. The Company established environmental policies and procedures focused on the compliance with environmental laws and others. The Management carries out regular analyses to identify environmental risks and assure that systems under operation are appropriate to manage those risks.

Supply and demand risk

The Company is exposed to risks resulting from the prices fluctuation and sales volume of its plantations. Whenever possible, the Company manages this risk by aligning its extraction volume to the market's offer and demand. The management analyzes on a regular basis the trend of the industry to ensure that a price structure of the Company is in accordance with market and to ensure that estimated volumes of extraction are consistent with expected demand.

Climatic risks and others

The Company's plantations are exposed to the risk of damage due to climate changes, pests, fires and other forces of nature. The Company has extensive processes in place focused on monitoring and reducing these risks, including regular inspections in the cane fields and analyses and control of diseases and pests.

21 Intangible assets

	Parent company and Consolidated			
Description	**Cost**	**Accumulated amortization**	**Net 06/30/2015**	**Net 03/31/2015**
Software and others	12,524	(2,655)	9,869	9,913
Fair value of contracts with third-parties (a)	16,856	(4,145)	12,711	13,129
Goodwill in business combinations - CPC 15 (b)	127,682	-	127,682	127,682
Total	**157,062**	**(6,800)**	**150,262**	**150,724**

(a) Paraíso has a contract with third-parties where an investment was made in a plant attached to Paraíso for the production of other products derived from sugar cane molasses sold by Paraíso. This plant entered into operation at the end of the 2012/13 crop. This contract establishes the acquisition of molasses equivalent to the crushing of 500 thousand tons of sugarcane per crop which represents a production equivalent to 45 thousand m^3 of hydrous ethanol.

(b) Refers to goodwill on acquisition and merger of Paraíso.

22 Suppliers

	Consolidated		Parent company	
	06/30/2015	**03/31/2015**	**06/30/2015**	**03/31/2015**
Sundry suppliers	124,637	102,291	124,637	102,291
Cane supplier	33,573	13,799	33,573	13,799
Suppliers - related parties (Note 29)	7,297	1,279	7,297	1,279
	165,507	**117,369**	**165,507**	**117,369**
Total classified as current liabilities	(164,162)	(115,300)	(164,162)	(115,300)
Total classified as non-current liabilities	1,345	2,069	1,345	2,069

The sugarcane harvest period, between April and December of each year, on average, has direct impact on the balance of suppliers of sugarcane and respective cutting, loading and transportation services.

Amounts payable to sugarcane suppliers and agricultural partners take into consideration sugarcane delivered and not yet paid, and possible supplementation of sugarcane price calculated based on the final harvest price, using the Total Recoverable Sugar (TRS) index disclosed by Consecana - Sao Paulo State Council of Sugarcane, Sugar and Alcohol Producers.

The Company's exposure to currency and liquidity risks, related to accounts payable to suppliers, is disclosed in Note 28 - Financial Instruments.

23 Loans and financing

	Consolidated		Parent company	
	06/30/2015	**03/31/2015**	**06/30/2015**	**03/31/2015**
Current liabilities				
Working capital	58,985	101,528	58,985	101,528
Bonds	18,992	17,698	18.983	17,689
Advance on exchange contract (ACC)	88,544	94,603	88,544	94,603
Export pre-payment (PPE)	62,859	88,803	62,859	88,803
FINAME	1,017	-	1,017	-
Syndicated loan	-	-	-	199,484
Agricultural funding (Pesa)	745	475	745	475
	231,142	**303,108**	**231,133**	**303,098**
Non-current liabilities				
Working capital	49,074	21,850	49,074	21,850
Bonds	1,577,286	1,635,179	1,577,248	1,635,141
Advance on exchange contract (ACC)	43,436	48,120	43,436	48,120
Export pre-payment (PPE)	107,755	106,757	107,755	106,757
FINAME	3,247	-	3,247	-
	1,780,798	**1,811,905**	**1,780,760**	**1,811,868**
Total	**2,011,940**	**2,115,013**	**2,011,893**	**2,114,966**

Terms and conditions of outstanding loans were as follows:

Consolidated						
Description	**Index**	**Currency**	**Average interest rate (p.a.)**	**Year of maturity**	**06/30/2015**	**03/31/2015**
Advance on Exchange Contract (ACC)	Pre-fixed rate + exchange variation	USD	7.02%	2015 and 2017	131,980	142,723
Bonds	Pre-fixed rate + exchange variation	USD	9.77%	2019 and 2020	1,596,278	1,652,877
Working capital	Pre-fixed rate + CDI	R$	22.06%	2015 and 2017	22,978	23,837
Working capital	Pre-fixed rate + exchange variation	USD	9.48%	2016 to 2017	85,081	99,541
FINAME	Pre-fixed rate + SELIC	R$	6.72%	2018 and 2020	4,264	-
Export pre-payment (PPE)	Pre-fixed rate + CDI/Libor + exchange variation	USD	8.31%	2016 to 2017	170,614	195,561
Agricultural funding (Pesa)	IGPM	R$	4.56%	2019	745	475
					2,011,940	**2,115,013**

Parent company

Description	Index	Currency	Average interest rate (p.a.)	Year of maturity	06/30/2015	03/31/2015
Advance on Exchange Contract (ACC)	Pre-fixed rate + exchange variation	USD	7.02%	2015 and 2017	131,980	142,723
Bonds	Pre-fixed rate + exchange variation	USD	9.77%	2019 and 2020	1,596,231	1,652,830
Working capital	Pre-fixed rate + CDI	R$	22.06%	2015 and 2017	22,978	23,837
Working capital	Pre-fixed rate + exchange variation	USD	9.48%	2016 to 2017	85,081	99,541
FINAME	Pre-fixed rate + SELIC	R$	6.72%	2018 and 2020	4,264	195,561
Export pre-payment (PPE)	Pre-fixed rate + CDI/Libor + exchange variation	USD	8.31%	2016 to 2017	170,614	475
Agricultural funding (Pesa)	IGPM	R$	4.56%	2019	745	-
					2,011,893	**2,114,966**

Loan and financing balances represented in current liabilities are segregated into principal and interest, as follows:

Consolidated

	06/30/2015		
	Principal	**Accrued interest**	**Total**
Working capital	58,009	976	58,985
Bonds	-	18,992	18,992
Advance on Exchange Contract (ACC)	85,753	2,791	88,544
Export pre-payment (PPE)	62,520	339	62,859
FINAME	994	23	1,017
Agricultural funding (Pesa)	-	745	745
	207,276	**23,866**	**231,142**

	03/31/2015		
	Principal	**Accrued interest**	**Total**
Working capital	100,811	717	101,528
Bonds	-	17,698	17,698
Advance on Exchange Contract (ACC)	88,711	5,892	94,603
Export pre-payment (PPE)	85,119	3,685	88,803
Agricultural funding (Pesa)	-	475	475
	274,640	**28,467**	**303,107**

Parent company

	06/30/2015		
	Principal	**Accrued interest**	**Total**
Working capital	58,009	976	58,985
Bonds	-	18,983	18,983
Advance on Exchange Contract (ACC)	85,753	2,791	88,544
Export pre-payment (PPE)	62,520	339	62,859
FINAME	994	23	1,017
Agricultural funding (Pesa)	-	745	745
	207,276	**23,857**	**231,133**

	03/31/2015		
	Principal	**Accrued interest**	**Total**
Working capital	100,811	717	101,528
Bonds	-	17,689	17,689
Advance on Exchange Contract (ACC)	88,711	5,892	94,603
Export pre-payment (PPE)	85,118	3,685	88,803
Agricultural funding (Pesa)	-	475	475
	274,640	**28,458**	**303,098**

The portions of financing classified as non-current liabilities maturing between 2016 and 2020, have the following payment schedule.

	Consolidated		Parent company	
Crop maturity year:	**06/30/2015**	**03/31/2015**	**06/30/2015**	**31/03/2015**
2016/2017	116,342	90,092	116,342	90,092
2017/2018	86,058	86,635	86,058	86,635
2018/2019	557	-	557	-
2019/2020	1,577,841	1,635,178	1,577,803	1,635,141
	1,780,798	**1,811,905**	**1,780,760**	**1,811,868**

Guarantees

With guarantees:

Description	**Guarantee**	**06/30/2015**	**03/31/2015**
Bonds	Fixed assets/Assignment of receivables/Agricultural Liens	231,031	231,031
Working capital	Property, plant and equipment / Investment / Pledge of sugarcane / Ethanol	44,014	45,018
FINAME	Property, plant and equipment	4,250	-
Export pre-payment (PPE)	Property, plant and equipment	19,586	19,586
		298,881	**295,635**

On March 31, 2015 the Company did not comply with certain contractual obligations (covenants) related to financial indicators, and reclassified the amount of R$ 35,296 of non-current liabilities balances to current liabilities. However, the Company obtained the waiver after the close of the year.

24 Taxes payable

	Consolidated		Parent Company	
	06/30/2015	**03/31/2015**	**06/30/2015**	**03/31/2015**
Social Security Charges - INSS	5,115	577	5,115	577
Withholding income tax - IRRF	1,321	492	1,321	492
Value added taxes on sales and services - ICMS	6,947	601	6,947	601
Service tax - ISS	816	641	816	641
Other taxes payable	561	39	561	39
	14,760	**2,349**	**14,760**	**2,349**

25 Tax installments

	Consolidated		Parent company	
	06/30/2015	**03/31/2015**	**30/06/2015**	**03/31/2015**
Value-added tax on sales and services - ICMS (ii)	9,228	10,769	9,228	10,769
Social Security Charges - INSS (i)	13,027	12,561	13,027	12,561
Social Integration Program (PIS) and Contribution for Social Security Funding (COFINS) (i)	1,001	989	1,001	989
Contribution to the Severance Indemnity Fund - FGTS.	2,209	2,250	2,209	2,250
Corporate Income Tax - IRPJ (i)	82	81	82	81
Social Contribution on Net Income (CSLL) (i)	39	39	39	39
Other	132	162	132	162
	25,718	**26,851**	**25,718**	**26,851**
Total classified as current liabilities	(7,547)	(8,128)	(7,547)	(8,128)
Total classified as non-current liabilities	18,171	18,723	18,171	18,723

(i) The Company joined the Tax Recovery program (Refis) for federal debts, approved by Law 11,941 of 27 May 2009 and in July 2011 substantially consolidated its debts related to INSS, PIS, COFINS and IRPJ/CSLL.

(ii) It basically refers to ICMS debts that were included in the Program for Payment in Installment granted by the State of São Paulo (PPI). The total amounts of the installments are being paid in 120 monthly installments.

Schedule of payments of taxes in installment classified in current and non-current liabilities:

	Consolidated		Parent company	
Year of maturity	**06/3/2015**	**03/31/2015**	**06/3/2015**	**03/31/2015**
2015	7,547	8,128	7,547	8,128
2016	4,248	5,502	4,248	5,502
2017	4,403	4,210	4,403	4,210
2018-2024	9,520	9,012	9,520	9,012
	25,718	**26,851**	**25,718**	**26,851**

26 Advances from clients

	Consolidated		Parent company	
	06/30/2015	**03/31/2015**	**06/30/2015**	**03/31/2015**
Advances from clients - Domestic market (i)	21,283	6.571	21,283	6.571
Advances from clients - Foreign market (ii)	158,511	147.454	158,511	147.454
Advances from clients - Sundry	65,819	68.855	65,819	68.855
	245,613	**222,281**	**245,613**	**222,281**
Total classified as current liabilities	(97,914)	(63,648)	(97,914)	(63,648)
Total classified as non-current liabilities	147,699	159,233	147,699	159,233

(i) The amount refers to the advances made by clients, purchasers of ethanol.

(ii) The amount refers to the advances made by clients, purchasers of sugar.

27 Provision for contingencies

The Company is party to lawsuits of a civil, labor and tax nature, all due in the normal course of operations. The Management, based on its legal advisors' opinion and, whenever applicable, grounded on specific opinion issued by experts, assesses the expectation of the outcome of the proceeding in course and determines the need or not for constituting a provision for contingencies.

As of June 30, 2015, the provision for contingencies in the amount of R$ 21,634 refers to lawsuits considered as probable losses, based on the opinions of the legal advisors, is considered sufficient by Management to cover possible losses, as follows:

	Civil and environmental	Labors	Tax	Total
Balance on March 31, 2015	**897**	**5,658**	**1,015**	**7,570**
Provisions / reversals during the period	676	14,176	(233)	14,620
Write-offs during the period	-	(556)	-	(556)
Balance on June 30, 2015	**1,573**	**19,278**	**782**	**21,634**

Tax lawsuit

Refer to: taxes whose payment is being challenged in court by the Company, in which the challenged amounts have been deposited in court; and success fees to be paid to the lawyers retained by the Company for defenses in tax lawsuits.

Civil and environmental lawsuits

Refer to: compensation for material damages and pain and suffering; public civil lawsuits for abstaining from burning cane sugar straw and formation of a legal reserve; and execution actions of an environmental nature.

Labor lawsuits
These refer to labor claims mainly related to: overtime; commuting hours; elimination of breaks during shifts; hazardous duty and health hazard premiums; return of amounts deducted from the payroll, such as contributions to unions; night work pay; and recognition of a single employment contract with the consequent payment of the 13th-month salary and vacation pay plus a vacation bonus equivalent to one third of the salary.

Contingent liabilities
The Company has other contingent liabilities involving labor, tax and civil issues in the estimated amount of R$ 111,236 (R$ 60,930 as of March 31, 2015). Due to the current stage of these suits and as the lawyers consider a favorable outcome possible, no provision for loss was recorded in the financial statements.

28 Financial instruments

Financial risk management

Overview
The Company is exposed to the following risks from the use of financial instruments:

- Credit risk;
- Liquidity risk;
- Market risk;
- Operating risk; and
- Capital structure risk.

This note presents information on the Company's exposure to each one of the abovementioned risks, the Company's goals, policies and processes for the measurement and management of risk, and the Company's capital management.

Risk management framework
The Company has a risk management policy that defines the methodologies and instruments to be applied for the permanent control of the risks to which it is exposed.

This policy aims at creating mechanisms for the maintenance of the Company’s economic and financial balance, through the use of hedges for assets and liabilities. The procedures and instruments used for this are evaluated by the Controllership, Finance and Marketing Committees, and subsequently proposed for approval by the Board of Directors.

The hedges to mitigate the main risks are managed as follows:

- For volatility of sugar prices on the international market, instruments are defined that include the amount of production of VHP sugar estimate for the harvest;

- For the exchange rate the amounts to be received in each period, are observed, in accordance with the forecast cash flow for the harvest; and

- For interest rates of financial liabilities only the transactions where the interest rates present significant historical volatility are hedged.

All the positions taken are constantly evaluated aiming at resizing the hedged volumes as necessary, as the Company uses derivative financial instruments for the sole purpose of hedging its assets and liabilities.

Credit risk

Credit risk is the possibility of a financial loss if a client or a counterpart of a financial instrument fails to fulfill its contractual obligations arising mainly from trade accounts receivable and investments of the Company.

The Company's main scope of its credit risk management is to contract operations only with financial institutions recognized by the market as a solid institution, which are approved in advance by the Board of Directors. Within this scope, the opening of new positions in the New York exchange (ICE Futures US) with the intermediation of INTL FCStone is authorized.

For client credit risk, the Company conducts analyzes prior to registration to ensure the suitability of the prospective client, as well as spot contracts to ensure the advanced receipt of the physical delivery of the product sold, trying to maintain a low average turnover of receipt from its clients.

In order to mitigate such risks, the Company adopts as practice an analysis of the financial and equity situation of their counterparties.

Exposure to credit risk

The carrying amounts of financial assets classified as loans and receivables represent the maximum credit exposure. The maximum credit risk exposure on balance sheet date was:

	Consolidated		Parent company	
	06/30/2015	**03/31/2015**	**06/30/2015**	**03/31/2015**
Cash and banks	23,119	25,936	23,618	26,385
Interest earnings bank deposits	29	12,805	29	12,806
Other investments	12	14	12	14
Trade accounts receivable	49,616	21,236	49,616	21,236
Other accounts receivable	35	48	35	48
	72,811	**60,039**	**73,310**	**60,489**

Management in order to mitigate credit risks spreads its financial investments and other investments in financial institutions deemed by the market as first tier institutions.

Impairment loss

The allowance for doubtful accounts on trade accounts receivable was recorded in an amount considered by management as sufficient in the face of possible losses.

The composition of accounts receivable by maturity age is as follows:

	Consolidated		Parent company	
	06/30/2015	**03/31/2015**	**06/30/2015**	**03/31/2015**
Overdue				
Up to 30 days	165	115	165	115
31-60 days	909	146	909	146
After 61 days	1.063	13	1.063	13
Over 121 days	171	518	171	518
	2,308	**792**	**2,308**	**792**
Falling due				
Up to 30 days	47,293	20,242	47,293	20,242
Over 31 days	15	203	15	203
	47,308	**20,444**	**47,308**	**20,444**
Total	**49,616**	**21,236**	**49,616**	**21,236**

The changes in allowance for impairment loss in relation to accounts receivable during the quarter was as follows:

Balance on March 31, 2015	**(281)**
Changes	(1.094)
Balance on June 30, 2015	**(1.375)**

Liquidity risk

Liquidity risk is the risk of the Company encountering difficulties in performing the obligations associated with its financial liabilities that are settled with cash payments or with another financial asset.

The Company's approach in liquidity management is to guarantee, as much as possible, that it always has sufficient liquidity to perform its obligations upon maturity, under normal and stress conditions, without causing unacceptable losses or with a risk of the Company's reputation.

The contractual maturities of financial liabilities are shown below, including payment of estimated interest.

Consolidated					
	06/30/2015				
	Cash flow	**Less than one year**	**Between two and three years**	**Between four and five years**	**Over 5 years**
Financial liabilities					
Suppliers	165,507	164,162	1,345	-	-
Derivative financial instruments	99	99	-	-	-
Loans and financing	2,011,940	231,142	202,956	1,577,842	-
Other accounts payable	3,152	3,152	-	-	-
	2,180,698	**398,555**	**204,301**	**1,577,842**	**-**

	03/31/2015				
	Cash flow	**Less than one year**	**Between two and three years**	**Between four and five years**	**Over 5 years**
Financial liabilities					
Suppliers	117,369	115,300	2,069	-	-
Derivative financial instruments	1,218	1,218	-	-	-
Loans and financing	2,115,013	303,108	176,726	1,635,179	-
Other accounts payable	2,845	2,845	-	-	-
	2,236,447	**422,472**	**178,795**	**1,635,179**	**-**

Parent company

	06/30/2015				
	Cash flow	**Less than one year**	**Between two and three years**	**Between four and five years**	**Over 5 years**
Financial liabilities					
Suppliers	165,507	164,162	1,345	-	-
Derivative financial instruments	99	99	-	-	-
Loans and financing	2,011,893	231,133	202,956	1,577,804	-
Other accounts payable	3,698	3,698	-	-	-
	2,181,197	**399,092**	**204,301**	**1,577,804**	**-**

	03/31/2015				
	Cash flow	**Less than one year**	**Between two and three years**	**Between four and five years**	**Over 5 years**
Financial liabilities					
Suppliers	117,369	115,300	2,069	-	-
Derivative financial instruments	1,218	1,218	-	-	-
Loans and financing	2,114,966	303,099	176,726	1,635,152	-
Other accounts payable	3,342	3,343	-	-	-
	2,236,896	**422,960**	**178,795**	**1,635,141**	**-**

The gross inflows of entries / (exits), disclosed in the table above represent cash flows related to derivative and non-derivative financial liabilities held for risk management purposes which are not usually closed before the contractual maturity.

Market risk

Market risk is the risk that changes in market prices, such as exchange rates and interest rates. The objective of market risk management is to manage and control exposures to market risks, within acceptable parameters, and at the same time to optimize the return.

Foreign exchange risk

The exchange rate risk to which the Company is exposed is the appreciation of the real against the dollar, as a significant portion of its revenue arises from exports received in U.S. dollars which in the event of appreciation of the real against the dollar causes a decrease in their income.

The hedging mechanisms aim at ensuring an average receipt compatible with the results projected by the Company for the harvest year. For hedging receipts from export income, the Company uses the "Currency forwards" (NDF) with the various financial institutions with which it operates.

The balances of loans and financing exposed to U.S. dollars refer materially to operations for Advances on Exchange Contract, Export Credit Notes, and Prepayment of Exports and Bonds. The Company therefore believes that there is a natural hedge, since the operations will be paid with funds from the delivery of sugar, also in U.S. dollars, which mitigates the risk of an impact on the Company's cash flow.

Exposure to foreign currency

The Company's exposure is substantially linked to the U.S. dollars (USD) on the base-dates presented below:

Consolidated

	06/30/2015		**03/31/2015**	
Assets	**R$**	**USD**	**R$**	**USD**
Current assets				
Cash and cash equivalents	22.164	7,144	25,456	7,935
Accounts receivable - Foreign market	34.470	11,110	962	300
Margin deposits	-	-	380	118
Total assets	**56.634**	**18,254**	**26,798**	**8,354**

	06/30/2015		**03/31/2015**	
Liabilities	**R$**	**USD**	**R$**	**USD**
Current liabilities				
Loans and financing	207.026	66,727	278,795	86,906
Derivative financial instruments				
Cash flow swap	99	32	1,218	380
Non-current liabilities				
Loans and financing	1.776.927	572,722	1,811,906	564,809
Total liabilities	**1.984.052**	**639,481**	**2,091,919**	**652,094**
Net liability exposure	**1.927.418**	**621,227**	**2,065,121**	**643,741**

Parent company

	06/30/2015		03/31/2015	
Assets	**R$**	**USD**	**R$**	**USD**
Current assets				
Cash and cash equivalents				
Cash and cash equivalents	22.662	7,304	25,905	8,075
Margin deposits	-	-	380	118
Accounts receivable - Foreign market	34.470	11,110	962	300
Total assets	**57.132**	**18,414**	**27,247**	**8,493**

	06/30/2015		03/31/2015	
Liabilities	**R$**	**USD**	**R$**	**USD**
Current liabilities				
Loans and financing	207.017	66,724	278,786	86,903
Derivative financial instruments				
Cash flow swap	99	32	1,218	380
Non-current liabilities				
Loans and financing	1.776.889	572,710	1,811,868	564,797
Total liabilities	**1.984.005**	**639,466**	**2,091,872**	**652,080**
Net liability exposure	**1.926.873**	**621,052**	**2,064,625**	**643,586**

Monetary assets and liabilities were restated and recorded in the balance sheet as of March 31, 2015 and June 30, 2015 with the foreign exchange rate calculated by the Central Bank of Brazil, respectively, R$ 3.2080 and R$ 3.1026 per US$ 1.00.

The balances of loans and financing refer to operations of Advances on Exchange Contracts, Export Credit Notes, Export Prepayment and Bonds, therefore although the exchange rate effect has an impact on the financial statements, there is a natural hedge since the operations will be paid with funds from the delivery of sugar, also in U.S. dollars, which mitigates the risk of impact on the cash flow of the Company.

Sensitivity analysis

The probable scenario was adopted based on the position of the Company on June 30, 2015. For other scenarios, management used 25% for a possible scenario and a change of 50% for a remote scenario.

Consolidated

Operations	**Remote (-50%)**	**Possible (-25%)**	**Probable**	**Possible (+25%)**	**Remote (+50%)**
Loans and financing	991,976	1,487,965	1,983,953	2,479,941	2,975,929

	Parent company				
Operations	**Remote (-50%)**	**Possible (-25%)**	**Probable**	**Possible (+25%)**	**Remote (+50%)**
Loans and financing	991,953	1,487,929	1,983,906	2,479,882	2,975,859

(*) Changes were calculated on the referential rate of each transaction, which is the rate that would be negotiated with the counterparties as of June 30, 2015.

Interest rate risk

The Company's indebtedness costs are substantially tied to variable rates and thus it is exposed to the volatility of the following interest rates: Libor, TJLP and CDI. Occasionally, when significant volatilities are found in some interest rate to which it is exposed, the Company Hedges itself against interest rates by contracting Cash Flow Swaps tied to be some long-term operations, such Prepayment of Export and Export Credit Notes, which are contracted with several financial institutions with which the Company operates.

Breakdown of financial instruments with variable interest rates

On the date of the financial statements, the profile of financial instruments remunerated at interest with variable rates was concentrated in investments and loans and financing.

Variable rate instruments

The Company does not conduct sensitivity analysis for financial instruments tied to variable interest rates, since it considers that the possible impacts are immaterial to its financial statements.

Price risk

The Company is exposed to risks of changes in commodity prices due to the products produced, such as sugar and ethanol.

The Company operates in the management of price risk for volumes of sugar corresponding to the expected production for the harvest. The management of the positions is done in order to enable adjustments in the positions established, in response to market conditions, operating on the futures markets of the New York Stock Exchange (ICE Future US. - Intercontinental Exchange) and OTC markets.

On June 30, 2015, our sugar prices established for the 2015-16 crop for our trade partners or by means of derivative financial instruments amounted to 334,360 thousand tons at the average price of US$13.88/lb (US dollar cents per pound weight) priced through futures contract No. 11 for gross sugar of ICE Futures, New York USA.

Sensitivity analysis

The assumptions used for the sensitivity analysis considers that there is a difference of more or less 10% from the indexes used for determining the fair value on June 30, 2015.

The Company does not show the mark to market of OTC contracts - Sugar.

Operating risk

Operating risk is the risk of direct or indirect losses arising from different causes related to the processes, personnel, technology and infrastructure of the Company and external factors, except credit, market and liquidity risks, as those arising from legal and regulatory requirements and from generally accepted corporate behavior standards. Operating risks are associated to all operations of the Company.

The Company's goal is to manage the operational risk to avoid the occurrence of financial losses and damage to its reputation, and to pursue cost effectiveness and avoid control procedures that restrict initiative and creativeness.

Capital structure risk

Results from the choice between own capital (capital transfers and profit retention) and third party capital that the Company makes to finance its operations. To mitigate the liquidity risks and the optimization of the weighted average cost of capital, the Company permanently monitors the indebtedness levels according to market standards.

Capital management

The risk assessment for capital management has the main purpose of ensuring the satisfactorily continuity of the Company’s operation, with a structure capable of generating value for shareholders with adequate levels of borrowings and the benefits and the security permitted by a sound capital position. The Board of Directors defines the performance indicator to be analyzed and actions to achieve the desired level.

the indicator used by the Company is the ratio of net debt divided by the EBITDA (earn before interest, taxes, depreciation and amortization, including amortization of the plantation, accumulated in the last 12 months). Net debt includes total loans and financing from the first quarter to the third quarter less total cash and cash equivalents, other investments and finished product inventory value. For the fourth quarter (crop end), net debt includes total loans and financing less total cash and cash equivalents and other investments, and EBITDA accumulated in the last 12 months.

Revisions to the Company’s dividend policy, investment policy and asset management are acceptable as actions to enable the fulfillment of the capital management goals and targets.

The ratio deemed satisfactory by the Company must be equal to or lower than three, in other words., the debt must no more than three times the EBITDA.

The index recorded in the period ended June 30, 2015 was 4.51 (4.75 on March 31, 2015), in accordance with the minimum ratio established by the Company.

The Company’s net debt sat the end of the quarter is presented as follows:

	Consolidated		Parent company	
	06/30/2015	**03/31/2015**	**06/30/2015**	**03/31/2015**
Total loans and financing	2,011,940	2,115,013	2,011,893	2,114,966
Less: Cash and cash equivalents	(23,148)	(38,741)	(23,647)	(39,191)
Less: Other investments (*)	(12)	(14)	(12)	(14)
Less: Finished product inventory	(72,147)	(23,254)	(72,147)	(23,254)
Net debt	**1,916,633**	**2,053,004**	**1,916,087**	**2,052,507**
Total shareholders' equity	(395,174)	(370,235)	(395,174)	(370,235)

(*) Other investments exclude investment recognized at cost in Centro de Tecnologia Canavieira, Energisa Bioeletricidade Santa Cândida I S.A., Energisa Bioeletricidade Vista Alegre I S.A. and Auto Posto Santa Cândida.

Accounting classifications and fair values

Statement of financial instruments and their respective category classification:

	Consolidated		Parent company	
	06/30/2015	**03/31/2015**	**06/30/2015**	**03/31/2015**
Financial instruments recorded at fair value through profit or loss				
Other investments	12	14	12	14
Derivative financial instruments - liabilities	(99)	(1,218)	(99)	(1,218)
Assets held at amortized cost				
Cash and cash equivalents	23,148	38,742	23,647	39,191
Loans and receivables				
Trade accounts receivable	49,616	21,236	49,616	21,236
Other accounts receivable	35	48	35	48
Liabilities held at amortized cost				
Suppliers	(165,507)	(117,369)	(165,507)	(117,369)
Loans and financing	(2,011,940)	(2,115,013)	(2,011,893)	(2,114,966)
Other accounts payable	(3,152)	(2,847)	(3,698)	(3,343)

During the period ended June 30, 2015, no reclassification of financial instruments was carried out among the categories above.

Book value versus fair value

The fair values of the financial assets and liabilities, together with the book values presented in the balance sheet, are as follows:

	Consolidated			
	06/30/2015		03/31/2015	
	Book value	**Fair value**	**Book value**	**Fair value**
Assets				
Cash and cash equivalents	23,148	23,148	38,742	38,742
Other investments	12	12	14	14
Trade accounts receivable	49,616	49,616	21,236	21,236
Other accounts receivable	35	35	48	48
Liabilities				
Suppliers	(165,507)	(165,507)	(117,369)	(117,369)
Derivative financial instruments	(99)	(99)	(1,218)	(1,218)
Loans and financing	(2,011,940)	(2,011,940)	(2,115,013)	(2,115,013)
Other accounts payable	(3,152)	(3,152)	(2,847)	(2,847)

	Parent company			
	06/30/2015		03/31/2015	
	Book value	**Fair value**	**Book value**	**Fair value**
Assets				
Cash and cash equivalents	23,647	23,647	39,191	39,191
Other investments	12	12	14	14
Trade accounts receivable	49,616	49,616	21,236	21,236
Other accounts receivable	35	35	48	48
Liabilities				
Suppliers	(165,507)	(165,507)	(117,369)	(117,369)
Derivative financial instruments	(99)	(99)	(1,218)	(1,218)
Loans and financing	(2,011,893)	(2,011,893)	(2,114,966)	(2,114,966)
Other accounts payable	(3,698)	(3,698)	(3,343)	(3,343)

Fair value hierarchy

The table below provides an analysis of financial instruments that are measured at fair value after first-time recognition, grouped in Levels 1 to 3 based on the observable level of fair value:

- **Level 1 measurements of fair value -** are obtained from (unadjusted) prices quoted in active markets for identical assets and liabilities;

- **Level 2 fair value measurements** - are obtained through other variables in addition to quoted prices included in Level 1, which are verifiable directly for the asset or liability (that is, as prices) or indirectly (that is, based on prices); and

- **Level 3 fair value measurements** - Are obtained through evaluation techniques that include variables for the asset or liability, but that are not based on verifiable market data (non-verifiable data).

	Consolidated					
	06/30/2015			03/31/2015		
	Level 1	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Assets						
Cash and cash equivalents	23,119	29	-	25,936	12,806	-
Other investments	12	-	-	14	-	-
Liabilities						
Cash flow swap	-	99	-	-	1,218	-

	Parent company					
	06/30/2015			03/31/2015		
	Level 1	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Assets						
Cash and cash equivalents	23,618	29	-	26,385	12,806	-
Other investments	12	-	-	14	-	-
Liabilities						
Cash flow swap	-	99	-	-	1,218	-

Derivative instruments

On June 30, 2015, the balances of assets and liabilities related to transactions involving derivative financial instruments were as follows:

	Parent company	
	06/30/2015	**03/31/2015**
Derivative liabilities		
Forward foreign currency contracts - NDF	-	-
Cash flow swap	99	1,218
Total liabilities	**99**	**1,218**
Total current liabilities	99	1,218

The amounts of margin deposits refer to funds held in a current account with the broker INTL FCStone to cover initial margins and daily adjustments resulting from fluctuations in sugar prices, to ensure the outstanding operations that the Company has with the broker.

The balance of forward contracts, NDF, refers to the negative result of Hedge transactions contracted in the form of NDF.

The balance of cash flow swaps refers to the negative result calculated for cash flow Hedges for export pre-payments.

Guarantee margins

On June 30, 2015, the Company held amounts deposited as guarantee margins, as required by the Nova York ICE Future US exchange, as follows:

	Parent company	
Broker INTL FCStone	**06/30/2015**	**03/31/2015**
OTC account	-	380
	-	**380**

Impact of derivative financial instruments in income (loss)

	Consolidated		Parent company	
Income and expenses on derivatives by category	**06/30/2015**	**03/31/2015**	**06/30/2015**	**03/31/2015**
Income				
Futures contracts - Sugar	-	-	-	-
Currency forward contracts - NDF	-	2,968	-	2,968
Cash flow swap	1,119	-	1,119	-
Total income	**1,119**	**2,968**	**1,119**	**2,968**
Expenses				
Futures contracts - Sugar	(14)	(3,731)	(14)	(3,731)
Currency forward contracts - NDF	-	(1,773)	-	(1,773)
Cash flow swap	(1,114)	(2,521)	(1,114)	(2,521)
Total expenses	**(1,128)**	**(8,075)**	**(1,128)**	**(8,075)**
Net Income (loss)	**(9)**	**(5,107)**	**(9)**	**(5,107)**

29 Related parties

Remuneration of key management personnel

	Parent Company		
	06/30/2015 (3 months)	**03/31/2015** (12months)	**06/30/2014** (3 months)
Salaries and wages	427	2,588	707
Fees and bonuses	433	1,991	743
Social security and social contributions	82	484	120
Profit sharing program	1,377	9	2
Other	3	19	6
	2,322	**5,090**	**1,578**

The remuneration paid to key management personnel, composed of Directors and Board members, as of June 30, 2015 was R$ 2,322 (R$ 5,090 on March 31, 2015) and includes short-term variable salaries and benefits. The Company does not grant benefits with long-term characteristics to the key management personnel.

Other related party transactions

	Parent company and consolidated	Parent company and consolidated
Breakdown of balances of assets	**06/30/2015**	**03/31/2015**
Advances to suppliers		
Abelmir BortoloTonon	41	41
Alfredo Tonon and others	15	15
Aparecida T. Tonon Ghiselli	16	16
Auto Posto Santa Cândida de Bocaina Ltda.	-	626
DioneteTonon	2	2
José Antônio Tonon	401	512
Mauro de Albuquerque Pinheiro	-	150
Renato José Tonon	166	303
Tereza de Francisco	34	34
Tonon Holding	500	500
Vera Tonon Durante	328	733
Wilson Helio Albuquerque Pinheiro Junior	370	369
Total advances to suppliers - Related parties (note 15)	**1,873**	**3,302**

	Parent company and consolidated	Parent company and consolidated
	06/30/2015	**03/31/2015**
Suppliers		
ABT Participações Ltda.	16	13
Alfredo Tonon e Outros	52	54
ALT Particpações Ltda.	16	13
ANT Participações Ltda.	16	13
Auto Posto Santa Candida	1,284	
CAJRT Participações Ltda.	22	13
Celso Roberto Tonon	137	69
Flavio de Albuquerque Pinheiro	158	109
JAT Participações Ltda.	16	13
J. Tonon Transp. Ltda.	3	2
Mauro Albuquerque Pinheiro	361	
RJT Participações Ltda.	16	13
Renata de Albuquerque Pinheiro	93	45
Silvia de Barros Brisola	47	23
TononAgroimóveis Rurais Ltda.	3,932	367
Pinhal Administração de bens próprios	1,035	489
Wilson Helio Albuquerque Pinheiro Junior	93	44
Total suppliers - related parties (note 22)	**7,297**	**1,279**

	06/30/2015 (3 months)								
	Purchase of fuel	**Purchase of sugarcane**	**Services received**	**Sureties taken**	**Retainer expenses**	**Purchase of property, plant and equipment**	**Acquisition of Paraiso**	**Payment for over-accruals**	**Total**
Abelmir BortoloTonon	-	-	-	-	-	-	-	-	-
ABT Participações Ltda.	-	-	-	-	45	-	-	-	45
Alfredo Tonon	-	405	-	-	-	-	-	-	405
ALT Participações Ltda.	-	-	-	-	45	-	-	-	45
ANT Participações Ltda.	-	-	-	-	45	-	-	-	45
Auto Posto Santa Cândida de Bocaina Ltda.	7,412	-	-	-	-	-	-	-	7,412
CAJRTParticipações Ltda.	-	-	-	-	61	-	-	-	61
Celso Roberto Tonon	-	68	-	-	-	-	-	-	68
Flavio Albuquerque Pinheiro	-	-	-	41	-	-	-	-	41
JAT Participações Ltda.	-	-	-	-	45	-	-	-	45
José Antônio Tonon	-	111	-	-	-	-	-	-	111
Mauro Albuquerque Pinheiro	-	510	-	-	-	-	-	-	510
Renata de Albuquerque Pinheiro	-	-	-	41	-	-	-	-	41
Renato José Tonon	-	137	-	-	-	-	-	-	137
RJT Participações Ltda.	-	-	-	-	45	-	-	-	45
Silvia de Barros Brisola	-	-	-	20	-	-	-	-	20
Tonon Agro Imóveis Rurais Ltda.	-	3,667	-	-	-	-	-	-	3,667
Wilson Helio A. Pinheiro Jr.	-	-	-	41	-	-	-	-	41
Total	**7,412**	**4,898**	**-**	**143**	**286**	**-**	**-**	**-**	**12,739**

	03/31/2015 (12 months)								
	Purchase of fuel	**Purchase of sugarcane**	**Services received**	**Sureties taken**	**Retainer expenses**	**Purchase of property, plant and equipment**	**Acquisition of Paraiso**	**Payment for over-accruals**	**Total**
AbelmirBortoloTonon	-	-	-	33	-	-	-	-	33
ABT Participações Ltda.	-	-	-	-	153	-	-	-	153
Alfredo Tonon	-	505	-	49	-	-	-	-	554
Alfredo Tonon e Outros	-	46	-	-	-	-	-	-	46
ALT Participações Ltda.	-	-	-	-	153	-	-	-	153
ANT Participações Ltda.	-	-	-	-	153	-	-	-	153
Antônio Tonon	-	-	-	21	-	-	-	-	21
Aparecida T. Tonon Ghiselli	-	236	-	-	-	-	-	-	236
Auto Posto Santa Cândida de Bocaina Ltda.	24,562	-	-	-	-	-	-	-	24,562
CAJRTParticipações Ltda.	-	-	-	-	153	-	-	-	153
Celso Roberto Tonon	-	286	-	38	-	-	-	-	324
DioneteTonon	-	147	-	-	-	-	-	-	147
Flavio Albuquerque Pinheiro	-	19	-	188	-	-	-	-	207
J. Tonon Transportes Ltda.	-	-	493	-	-	-	-	-	493
JAT Participações Ltda.	-	-	-	-	153	-	-	-	153
José Antônio Tonon	-	151	-	40	-	-	-	-	191
Mauro Albuquerque Pinheiro	-	748	-	-	-	-	-	-	748
Pinhal Administração de Bens	-	1,349	-	-	-	-	-	-	1,349
Renata de Albuquerque Pinheiro	-	19	-	188	-	-	-	-	207
Renato José Tonon	-	173	-	38	-	-	-	-	211
RJT Participações Ltda.	-	-	-	-	153	-	-	-	153
Silvia de Barros Brisola	-	10	-	94	-	-	-	-	104
Tereza de Francisco Delbuque	-	86	-	-	-	-	-	-	86
Tonon Agro Imóveis Rurais Ltda.	-	7,355	-	-	-	-	-	-	7,355
Wilson Helio A. Pinheiro Jr.	-	19	-	188	-	-	-	-	207
Total	**24,562**	**11,149**	**493**	**877**	**920**	**-**	**-**	**-**	**38,001**

	06/30/2014 (3 months)								
	Purchase of fuel	**Purchase of sugarcane**	**Services received**	**Sureties taken**	**Retainer expenses**	**Purchase of property, plant and equipment**	**Acquisition of Paraiso**	**Payment for over-accruals**	**Total**
AbelmirBortoloTonon	-	-	-	33	-	-	-	-	33
ABT Participações Ltda.	-	-	-	-	11	-	-	-	11
Alfredo Tonon	-	-	-	49	-	-	-	-	49
Alfredo Tonon and others	-	46	-	-	-	-	-	-	46
ALT Participações Ltda.	-	-	-	-	11	-	-	-	11
ANT Participações Ltda.	-	-	-	-	11	-	-	-	11
Antônio Tonon	-	-	-	21	-	-	-	-	21
Aparecida T. Tonon Ghiselli	-	166	-	-	-	-	-	-	166
Auto Posto Santa Cândida de Bocaina Ltda.	9,736	-	-	-	-	-	-	-	9,736
CAJRTParticipações Ltda.	-	-	-	-	11	-	-	-	11
Celso Roberto Tonon	-	115	-	38	-	-	-	-	153
DioneteTonon	-	114	-	-	-	-	-	-	114
Flavio Albuquerque Pinheiro	-	5	-	61	-	-	-	-	66
J. Tonon Transportes Ltda.	-	-	331	-	-	-	-	-	331
JAT Participações Ltda.	-	-	-	-	11	-	-	-	11
José Antônio Tonon	-	141	-	40	-	-	-	-	181
Mauro Albuquerque Pinheiro	-	457	-	-	-	-	-	-	457
Pinhal Administração de Bens	-	363	-	-	-	-	-	-	363
Renata de Albuquerque Pinheiro	-	5	-	61	-	-	-	-	66
Renato José Tonon	-	82	-	38	-	-	-	-	120
RJT Participações Ltda.	-	-	-	-	11	-	-	-	11
Silvia de Barros Brisola	-	3	-	30	-	-	-	-	33
Tonon Agro Imóveis Rurais Ltda.	-	4,137	-	-	-	-	-	-	4,137
Tonon Holding S.A.	-	-	-	-	-	-	-	3,420	3,420
Wilson Helio A. Pinheiro Jr.	-	5	-	61	-	-	-	-	66
Total	**9,736**	**5,639**	**331**	**432**	**66**	**-**	**-**	**3,420**	**19,624**

30 Shareholders' equity - Parent company

Capital

On June 26, 2014, the capital was increased by FIP Terra Viva in the amount of R$ 13,758 through the capitalization of receivables arising from the purchase price adjusting mechanism resulting from the acquisition, by the Company, of shares issued by Paraíso Bioenergia S.A.. Also, there was a capital increase made by Tonon Holding S.A. in the amount of R$ 2,731 arising from an Agreement for Indemnity and Other Covenants.

On June 30, 2015, capital is R$ 104,754 divided into 55,545,498 registered common shares with no par value and 34,707,533 registered preferred shares, with no par value. The capital is comprised by the following shareholders:

	06/30/2015		03/31/2015	
	Shares (thousands)	R$	Shares (thousands)	R$
Tonon Holding S.A. (i)	55,545	57,931	55,545	57,931
FIP - Terra Viva (ii)	34,707	46,823	34,707	46,823
		104,754		**104,754**

(i) Nominative common shares with no par value. Preferred shares guarantee voting rights in the General Meeting; and

(ii) Registered preferred shares with no par value. Preferred shares entitle their holders to vote in the general meetings, and to priority in capital reimbursements.

All capital is fully subscribed and paid in.

Capital reserve

Represented by the excess amount of the issue price of the subscription of shares by the fund FIP Terra Viva.

Goodwill special reserve

Represented by the tax benefit generated by the goodwill through corporate mergers made by the Company.

The Company, for corporate purposes, wrote off this goodwill since for accounting practices adopted in Brazil this goodwill does not meet the requirements of accounting recognition, however, the portion of the tax benefit to which the Company is entitled was maintained in accordance with the legal opinion of its legal counsel.

Legal reserve

The legal reserve is set up at the rate of 5% of the net income determined in each financial year, pursuant to article 193 of Law 6404/76 up to the limit of 20% of the share capital.

Dividends

If there is a profit in the year, the Company's prevailing bylaws require that the Annual General Meeting decides on the distribution of dividends, which is at least 30% of the net income for the year, adjusted in accordance with article 202 of Law 6404/76.

Equity evaluation adjustment

Refers to the adoption of the deemed cost for property, plant and equipment on the transition date, less the respective deferred income tax and social contribution and it is being realized through depreciation, disposal or write off of the assets which it originated from.

Advances for future capital increase

Refers to the allocation of the purchase price of the acquisition of the subsidiary Paraíso Bioenergia S.A. in the amount of R$ 50 million. This amount must be subscribed to the capital Tonon Bioenergia S.A. through common shares by the seller or paid in local currency up to May 2015, in accordance with the option of Tonon Bioenergia S.A., determined in the contract for purchase and sale.

31 Revenue

The Company’s operating income consist of the sale of sugar, ethanol and electric power for domestic and foreign markets.

The reconciliation between the gross and net income is as follows:

	Consolidated		**Parent company**	
	06/30/2015	**06/30/2014**	**06/30/2015**	**06/30/2014**
Gross revenue from domestic sales	130,151	139,671	130,151	139,671
Gross revenue from foreign sales	77,168	84,800	77,168	84,800
Gross revenue from sales and services	973	2,465	973	2,465
Gross revenue from resales	870	-	870	-
	209,162	**226.936**	**209,162**	**226.936**
Less:				
Deductions and rebates	(1,261)	(1,100)	(1,261)	(1,100)
Sales tax	(14,420)	(14,039)	(14,420)	(14,039)
Resales tax	(219)	-	(219)	-
	(15,900)	**(15,139)**	**(15,900)**	**(15,139)**
Net revenue	**193,262**	**211,797**	**193,262**	**211,797**

32 Expenses and other operating income

	Consolidated		Parent company	
	06/30/2015	**06/30/2014**	**06/30/2015**	**06/30/2014**
Operating expenses by type				
Agreements	-	(6,151)	-	(6,151)
Losses from partnership agreements	(11,430)	(14,258)	(11,430)	(14,258)
Commercial expenses of shipments and freight	(11,623)	(13,279)	(11,623)	(13,279)
Provision for contingencies	(14,620)	-	(14,620)	-
Personnel expenses	(6,990)	(5,669)	(6,990)	(5,669)
Expenses/income with taxes fees and contributions	186	(2,247)	186	(2,247)
Other expenses	(1,947)	(1,982)	(1,947)	(1,982)
Third party services	(3,567)	(1,706)	(3,567)	(1,706)
Depreciation and amortization	(509)	(657)	(509)	(657)
Loss in the sale of investments	(1,501)	(341)	(1,501)	(341)
Other net operating income	2,210	3,343	2,210	3,343
Expenses/Revenue PDD - Guest	(1,094)	90	(1,094)	90
	(50,885)	**(42,857)**	**(50,885)**	**(42,857)**
Operating expenses by function				
Administrative expenses	(3,945)	(1,804)	(3,945)	(1,804)
Sales expenses	(13,098)	(13,551)	(13,098)	(13,551)
General expenses	(23,204)	(7,009)	(23,204)	(7,010)
Other operating expenses, net	(10,638)	(20,492)	(10,638)	(20,492)
	(50,885)	**(42,857)**	**(50,885)**	**(42,857)**

33 Net financial

	Consolidated		Parent company	
	06/30/2015	**06/30/2014**	**06/30/2015**	**06/30/2014**
Receitas financeiras				
Gains with derivative financial instruments	1,119	3,670	1,119	3,670
Yields from financial investments	228	688	228	688
Discounts granted	7	38	7	38
Asset interest	1,033	75	1,033	75
Contractual Penalties	2,059	-	2,059	-
Asset foreign exchange fluctuation	735,385	75,212	602,207	59,157
	739,831	**79,683**	**606,653**	**63,628**
Despesas financeiras				
Losses with derivative financial instruments	(1,128)	(306)	(1,128)	(306)
Interest expense and bank charges	(73,901)	(71,060)	(73,901)	(71,060)
Contractual fines	(25)	-	(25)	-
Liability foreign exchange fluctuations	(658,985)	(38,958)	(525,757)	(22,891)
	(734,039)	**(110,324)**	**(600,811)**	**(94,257)**
Net financial	**5,792**	**(30,641)**	**5,842**	**(30,629)**

34 Tax Incentive

The Company has a state tax incentive program with the State of Mato Grosso do Sul in the form of deferral of payment of Value Added Tax on Sales and Services (ICMS). The Company's use of the tax incentive is contingent on fulfillment of all the obligations set forth in the agreement, whose conditions refer to factors under the Company's control.

The benefit related to the reduction in the payment of this tax is calculated on the outstanding balance calculated in each calculation period by applying the percentage of the discount given by the tax incentive.

The amount of the subsidy calculated during the period was recorded in the income statement as a deduction under sales taxes.

For the periods ended June 30, 2015 and 2014, the amount of the incentive which impacted the results was R$ 3,210 and R$ 4,094, respectively.

35 Firm commitments - Parent company

Expected production for 2015/2016 crop, with respective obligation volumes with clients, obligations referring to contracts already executed with clients and suppliers for the coming crops, partners and sugarcane leases are as follows:

Forecast production versus commitments with clients

	Sugar values (in tons)		
	Forecast production + Inventory	**Commitments with clients**	**Committed volume (%)**
06/30/2015	502,145	484,563	96.50

Commitments with clients for the next harvest for sale of sugar

Year / Crop	**Tons of sugar**
2015/2016	536,000
2016/2017	350,000
2017/2018	276,000
2018/2019	150,000
2019/2020	536,000
	1,312,000

Contracts closed for 2015 and subsequent years for suppliers and partners and leases

Future crops	Commitments with suppliers in thousands of R$
2015/2016	103,225
2016/2017	115,642
2017/2018	90,220
2018/2019	49,134
2019/2020	32,592
Crop from 2020/2021 to 2030/2031	168,810
	559,623

For valuation of payment commitments of suppliers, partners and leases, the TRS amount in effect in June, 2015, of R$ 0.4765 kg/TRS and in other crops for commitments assumed was used.

36 Profit sharing program - Parent company

In accordance with the collective labor agreement, signed with its employees, the Company implemented the program for employee profit sharing based on agreements and operating and financial targets previously established, based on the budgetary plan.

The operating and financial indicators agreed between the Company and the employees, through the unions that represent them, are related to the following aspects: (i) agribusiness operating indexes; (ii) budgetary index; (iii) safety, health and environmental statistical indexes; (iv) economic gains with changes in processes and the related quality; and (v) economic and financial performance.

The amount of profit sharing, which was recorded as operating expenses is as follows:

	Parent company	
	06/30/2015	**06/30/2014**
Profit sharing	1,741	1,641

37 Environmental aspects

The Group considers that the facilities and activities are subject to environmental regulations and reduces the risks associated with environmental matters, by operational procedures and investment controls in pollution control equipment and systems. The Group believes that no allowance for loss relating to environmental matters is required at present, based on the current laws and regulations in force.

38 Subsequent events

On July 15, 2015 there was an increase of capital by Brotas Fundo de Investimento em Participações by credit capitalization (Advance for Future Capital Increase) arising from the sale to the Company of shares of Paraíso Bioenergia SA, amounting R$ 50 million. This increase is divided into R$ 6,326 in capital and R$ 43,674 in the capital reserve represented by the excess amount of the issue price to subscribe for shares.

On July 16, 2015, the Company completed the exchange of 96.4% or US$ 289.16 million from US$ 300 million Notes issued in January 2013. The New Notes (New Step-Up Senior Notes due 2020 "New Notes ") has the same maturity in January 2020 and has a reduced coupon to 7.25% p.a. the first two years, in addition to the reduction of the coupon New Note includes a coupon deferral mechanism ("Pik Election") in which is the Company's discretion in the first two years the capitalization of interest. From the third year onwards, the coupon rises to 9.25% p.a. and the coupon deferral will now be conditioned to check the cash and the Company's cash equivalents are below the R$ 100 million in the previous quarter to pay the coupon.

While the exchange of the Notes, the Company hiring a new debt of up to US$ 70 million of which US$ 67 million was disbursed on 16 July 2015, simultaneously with the completion of the exchange of notes described above. This debt will be used to repay part of the short-term the Company as well as for working capital ("general corporate purposes").