

São Martinho Group Net Income growth 22% in 9M17

São Paulo, February 8, 2017 – SÃO MARTINHO S.A. (BM&FBovespa: SMT03; Reuters SMT03.SA and Bloomberg SMT03 BZ), one of Brazil's largest sugar and ethanol producers, announces today its results for the third quarter of the 2016/17 crop year (3Q17).

3Q17 and 9M17 HIGHLIGHTS

✓ **In the first nine months of the year, the company posted improvement in all financial indicators, reflecting the better prices for sugar and ethanol. A summary of the main financial indicators in 9M17 in relation to the same period of the previous year follows:**

- ✓ Adjusted EBITDA advanced 9.2% to R\$1,044.1 million (EBITDA margin of 46.9%);
- ✓ Adjusted EBIT increased 15.2% compared to 9M16, to R\$524.9 million (Adjusted EBIT margin of 23.6%);
- ✓ Net Income increased 22% to R\$164.4 million in 9M17;

✓ **The 3Q17 results were adversely affected by: i) the lower ethanol production in the 2016/17 crop year, due to the crop shortfall as announced on Material Fact of November, 2016; and ii) the lower sugar export volume in 3Q17, due to our postponed of shipments to the 4Q17 as our pricing strategy. A summary of the main financial indicators in the quarter follows:**

- ✓ Adjusted EBITDA amounted to R\$341.6 million in 3Q17 (EBITDA margin of 46.2%), down 17.1% from 3Q16;
- ✓ Adjusted EBIT in 3Q17 came to R\$155.8 million (adjusted EBIT margin of 21.1%), down 22.7% from 3Q16;
- ✓ Net Income in the quarter amounted to R\$55.8 million, decreasing 29.5% compared to 3Q16;

✓ **No change in guidance of Adjusted EBITDA for the 2016/17 crop year of R\$1.4 to R\$1.5 billion.** Note that this guidance considers the consolidation of only 50.95% of Nova Fronteira;

✓ **At December 30, 2016, our hedging for sugar prices and the U.S. dollar for the 2017/18 crop year amounted to 500,000 tons and US\$214.9 million, respectively, with 50% of own cane by volume at R\$0.72/lb. On the same date, our sugar price hedge for the 2016/17 crop year amounted to 332,000 tons, with 92% of own cane at R\$0.61/lb;**

✓ **As announced in the Material Fact notice of Dec. 15, 2016, Nova Fronteira Bioenergia will be merged into São Martinho through the issue of 24,023,708 shares, with the operation's settlement of slated for Feb. 23, 2017. On this Report we elaborated a resume of the Company numbers considering the 100% consolidation of Boa Vista, to better understanding of the transaction impacts.**

NEW ACCOUNTING STANDARD – IFRS 11 (CPC 19)

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

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

Since the first quarter, we have adopted the changes in accounting practices introduced by IAS 16 and IAS 41. Bearer biological assets are now recognized under property, plant and equipment. Consumable biological assets (standing cane) will be measured at fair value and remain under the scope of IAS 41.

Accordingly, the results for 3Q16 were restated to maintain comparability between periods, as required under IAS 8 (CPC 23).

The following table presents a summary of the results:

	QUARTER		
	São Martinho S.A. (consolidated CPC 19)	UBV (50.95%)	São Martinho S.A. (Pro forma)
R\$ '000			
Net Revenue*	607,822	131,490	739,325
Adjusted EBITDA	260,290	81,379	341,638
Adjusted EBITDA Margin	42.8%	61.9%	46.2%
Adjusted EBIT	108,655	47,297	155,816
Adjusted EBIT Margin	17.9%	36.0%	21.1%
Biological Assets and Other	(17,049)	(2,275)	(19,758)
Equity Income	31,327	11	446
Financial Result	(64,969)	(1,628)	(67,329)
Adjustment to Maturity of Hedge	(2,400)	-	(2,400)
Income (Loss) Before taxes	55,564	43,405	66,775
Taxes	281	(11,226)	(10,931)
Net Income	55,844	32,179	55,844

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



YEAR TO DATE			
	São Martinho S.A. (consolidated CPC 19)	UBV (50.95%)	São Martinho S.A. (Pro forma)
R\$ '000			
Net Revenue*	1,889,111	338,866	2,228,079
Adjusted EBITDA	843,084	201,666	1,044,092
Adjusted EBITDA Margin	44.6%	59.5%	46.9%
Adjusted EBIT	414,301	111,616	524,940
Adjusted EBIT Margin	21.9%	32.9%	23.6%
Biological Assets and Other	(5,721)	1,348	(4,808)
Equity Income	77,666	22	949
Financial Result / PPE	(192,592)	(4,886)	(198,944)
Adjustment to Maturity of Hedge	(125,269)	-	(125,269)
Income (Loss) Before taxes	168,384	108,100	196,869
Taxes	(3,958)	(28,520)	(32,443)
Net Income	164,426	79,579	164,426
Cash	719,219	175,405	894,981
Gross Debt	3,524,000	273,829	3,798,008
Net Debt	2,804,781	98,424	2,903,027
EBITDA YTD	1,111,802	279,585	1,390,389
Net Debt / EBITDA	2.52 x	0.35 x	2.09 x

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



Merger of Nova Fronteira

As announced in the Material Fact notice of December 15, 2016, Nova Fronteira Bioenergia will be merged into São Martinho through the issue of 24,023,708 shares. The settlement date it's intended to be on February 23, 2017.

The following table provides a summary of the main financial indicators of the São Martinho Group, considering the consolidation of 100% of the result of Nova Fronteira, to provide a better understanding of the merger's effects.

São Martinho S.A.			
	3Q17	3Q17	Chg. (%)
	(50,95% UBV)	(100% UBV)	
R\$ '000			
Net Revenue*	739,325	865,912	17.1%
Adjusted EBITDA	341,638	419,982	22.9%
Adjusted EBITDA Margin	46.2%	48.5%	2.3 p.p.
Adjusted EBIT	155,816	201,350	29.2%
Adjusted EBIT Margin	21.1%	23.3%	2.2 p.p.
Biological Assets and Other	(19,758)	(21,949)	11.1%
Equity Income	446	456	2.3%
Financial Result / PPE	(67,329)	(68,896)	2.3%
Adjustment to Maturity of Hedge	(2,400)	(2,400)	0.0%
Income (Loss) Before taxes	66,775	108,561	62.6%
Taxes	(10,931)	(21,738)	n.m.
Net Income	55,844	86,823	55.5%

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



São Martinho S.A.			
	9M17 (50,95% UBV)	9M17 (100% UBV)	Chg. (%)
R\$ '000			
Net Revenue*	2,228,079	2,554,308	14.6%
Adjusted EBITDA	1,044,092	1,238,238	18.6%
Adjusted EBITDA Margin	46.9%	48.5%	1.6 p.p.
Adjusted EBIT	524,940	632,394	20.5%
Adjusted EBIT Margin	23.6%	24.8%	1.2 p.p.
Biological Assets and Other	(4,808)	(3,510)	-27.0%
Equity Income	949	971	2.3%
Financial Result / PPE	(198,944)	(203,648)	2.4%
Adjustment to Maturity of Hedge / USC PPA	(125,269)	(125,269)	-
Income (Loss) Before taxes	196,869	300,937	52.9%
Taxes	(32,443)	(59,900)	n.m.
Net Income	164,426	241,038	46.6%
Cash	894,981	1,063,845	18.9%
Gross Debt	3,798,008	4,061,626	6.9%
Net Debt	2,903,027	2,997,781	3.3%
EBITDA YTD	1,390,389	1,594,791	14.7%
Net Debt / EBITDA	2.09 x	1.88 x	

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



OVERVIEW - COMPANY

The information of this financial letter, from this page and onwards, consolidates 50.95% of the Boa Vista Mill.

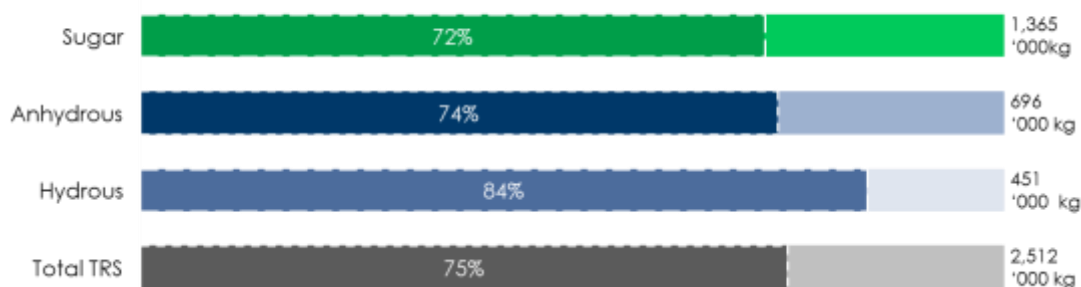
OPERATING DATA	16/17 Crop Year	15/16 Crop Year	Chg.(%)
São Martinho - Consolidated			
Crushed Sugarcane ('000 tons)	19,281	20,024	-3.7%
Own	13,398	12,985	3.2%
Third Parties	5,883	7,039	-16.4%
Mechanized Harvest	98.9%	97.4%	1.50 p.p.
Agricultural Yield (ton/ha)	78.7	85.9	-8.4%
Average TRS (kg/ton)	130.3	128.9	1.1%
Production			
Sugar ('000 tons)	1,301	1,230	5.8%
Anhydrous Ethanol ('000 m ³)	398	445	-10.5%
Hydrous Ethanol ('000 m ³)	269	306	-12.1%
Cogeneration* ('000 MWh)	686	741	-7.4%
TRS Produced	2,512	2,581	-2.7%
Mix - Sugar - Ethanol	54% - 46%	50% - 50%	
Mix Anhydrous - Hydrous	61% - 39%	60% - 40%	

* Ongoing production, scheduled to end in February/17

As announced in the Material Fact notice, São Martinho's plantations were affected by three severe frosts during the crop year, which reduced yields (TCH) and cane sugar content (TRS). As a result, cane processing volume fell 3.7% compared to the 2015/16 crop year, to 19.3 million tons, with priority given to the production of sugar, given its better sales price.

The following chart provides details on sales volumes compared to total production volume in the 2016/17 crop year to date. The product volumes to be sold in the fourth quarter, combined with the improvement in prices, should be sufficient to attain the level of EBITDA and Cash Generation cited in the Material Fact notice in November 2016.

Sales vs Production (TRS)





The following table shows our main financial highlights for the third quarter and first nine months of the crop year.

FINANCIAL HIGHLIGHTS (R\$ '000)	3Q17	3Q16	Chg. (%)	9M17	9M16	Chg. (%)
São Martinho - Consolidated						
Net Revenue ¹	739,325	852,673	-13.3%	2,228,079	2,012,978	10.7%
Adjusted EBITDA	341,638	411,909	-17.1%	1,044,092	955,916	9.2%
Adjusted EBITDA Margin	46.2%	48.3%	-2.1 p.p.	46.9%	47.5%	-0.6 p.p.
Adjusted EBIT	155,816	201,621	-22.7%	524,940	455,781	15.2%
Adjusted EBIT Margin	21.1%	23.6%	-2.6 p.p.	23.6%	22.6%	0.9 p.p.
Consolidated Balance Sheet Indicators						
Total Assets	8,031,844	7,585,261	5.9%	8,031,844	7,585,261	5.9%
Shareholders' Equity	3,020,877	2,485,795	21.5%	3,020,877	2,485,795	21.5%
EBITDA (LTM)	1,390,389	1,275,794	9.0%	1,390,389	1,275,794	9.0%
Net Debt	2,903,027	3,269,705	-11.2%	2,903,027	3,269,705	-11.2%
Net Debt / EBITDA (LTM)	2.09 x	2.56 x		2.09 x	2.56 x	
Net Debt / Shareholders' Equity	96%	130%		96%	130%	

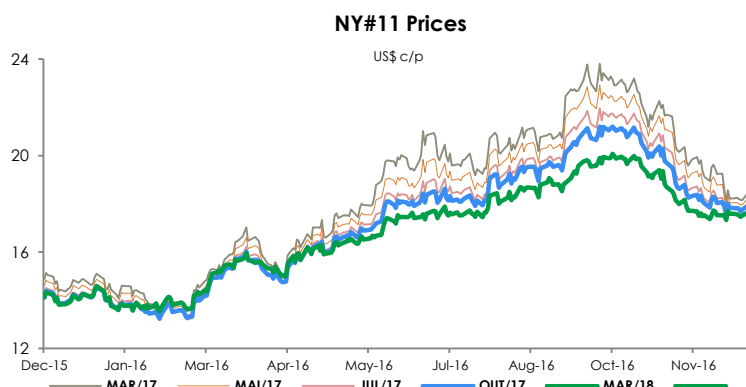
¹ - Excludes the effects from Hedge Accounting of foreign-denominated debt and USC PPA.



INDUSTRY OVERVIEW

Sugar

According to data from the Sugarcane Industry Association (UNICA), Brazil's Center-South crushed 593.2 million tons of sugarcane through mid-January 2017, which is in line with the previous crop year. In the same period, sugar production increased 15.7%, reflecting the higher share of sugar in the production mix, given the recovery in international sugar prices.



As commented last quarter, we expect the 2016/17 crop year to end with a deficit of 5 to 6 million tons, with a consequent reduction, for the second straight year, in global sugar stocks. For the coming crop year, we expect part of this supply shortfall to be rebuilt, but, since the low level of the world inventories, the sugar prices should keep attractive to the Brazilian producers.

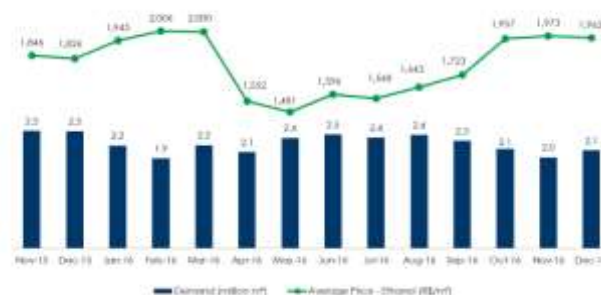
Ethanol

Ethanol production in the 2016/17 crop year decreased by 7.6% compared to the same period of the 2015/16 crop year, according to the latest UNICA report. This reduction reflects the higher share of sugar in the production mix, as already noted.

AVERAGE PRICES - ETHANOL	3Q17	3Q16	Chg. (%)	9M17	9M16	Chg. (%)
Market Prices						
Anhydrous ESALQ, Net DM R\$ / m ³	2,060.48	1,865.09	10.5%	1,807.40	1,543.04	17.1%
Hydrous ESALQ, Net DM - R\$ / m ³	1,867.59	1,650.66	13.1%	1,623.89	1,373.10	18.3%

The lower production volume, combined with monthly demand of around 2 billion liters throughout the year, helped improve the profitability of ethanol, but which still is below that of sugar.

In January 2017, the exemption of PIS/COFINS tax on ethanol sales expired, leading to the resumption of the charge of R\$120/m³, which is still fully passed on to distributors.





FINANCIAL PERFORMANCE

NET REVENUE BREAKDOWN	3Q17	3Q16	Chg. (%)	9M17	9M16	Chg. (%)
R\$ '000						
Domestic Market	411,817	429,107	-4.0%	1,113,978	1,004,332	10.9%
Sugar	41,638	26,596	56.6%	101,278	72,444	39.8%
Hydrous Ethanol	122,670	159,094	-22.9%	318,440	254,684	25.0%
Anhydrous Ethanol	197,618	176,210	12.1%	495,893	427,609	16.0%
Energy	30,548	49,033	-37.7%	122,967	182,650	-32.7%
Real Estate Development	2,858	3,599	-20.6%	20,971	22,877	-8.3%
Others	16,485	14,575	13.1%	54,428	44,068	23.5%
Export Market	327,508	423,566	-22.7%	1,114,101	1,008,646	10.5%
Sugar	306,291	354,751	-13.7%	1,020,732	794,096	28.5%
Hydrous Ethanol	21,217	24,370	-12.9%	67,115	69,021	-2.8%
Anhydrous Ethanol	-	44,380	n.m.	26,255	134,579	-80.5%
Others	-	65	n.m.	-	10,950	n.m.
Net Revenue*	739,325	852,673	-13.3%	2,228,079	2,012,978	10.7%
Sugar	347,929	381,347	-8.8%	1,122,010	866,540	29.5%
Hydrous Ethanol	143,887	183,464	-21.6%	385,555	323,705	19.1%
Anhydrous Ethanol	197,618	220,590	-10.4%	522,147	562,188	-7.1%
Energy	30,548	49,033	-37.7%	122,967	182,650	-32.7%
Hydrous Ethanol	2,858	3,599	-20.6%	20,971	22,877	-8.3%
Others	16,485	14,640	12.6%	54,428	55,018	-1.1%

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

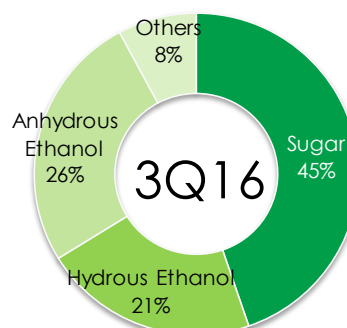
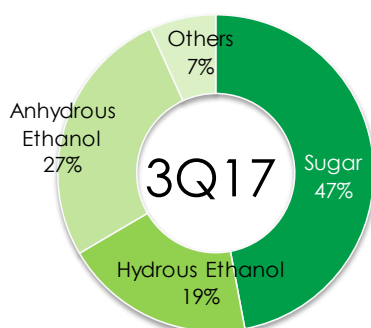
Net Revenue

In the third quarter of the 2016/17 crop year (3Q17), the Company's net revenue amounted to R\$739.3 million, decreasing 13.3% from the same period of the previous crop year, which reflects the sugar shipment schedule and lower ethanol production. In the first nine months of the crop year, net revenue increased 10.7% to R\$2,228.1 million, reflecting better sales prices in the period.

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

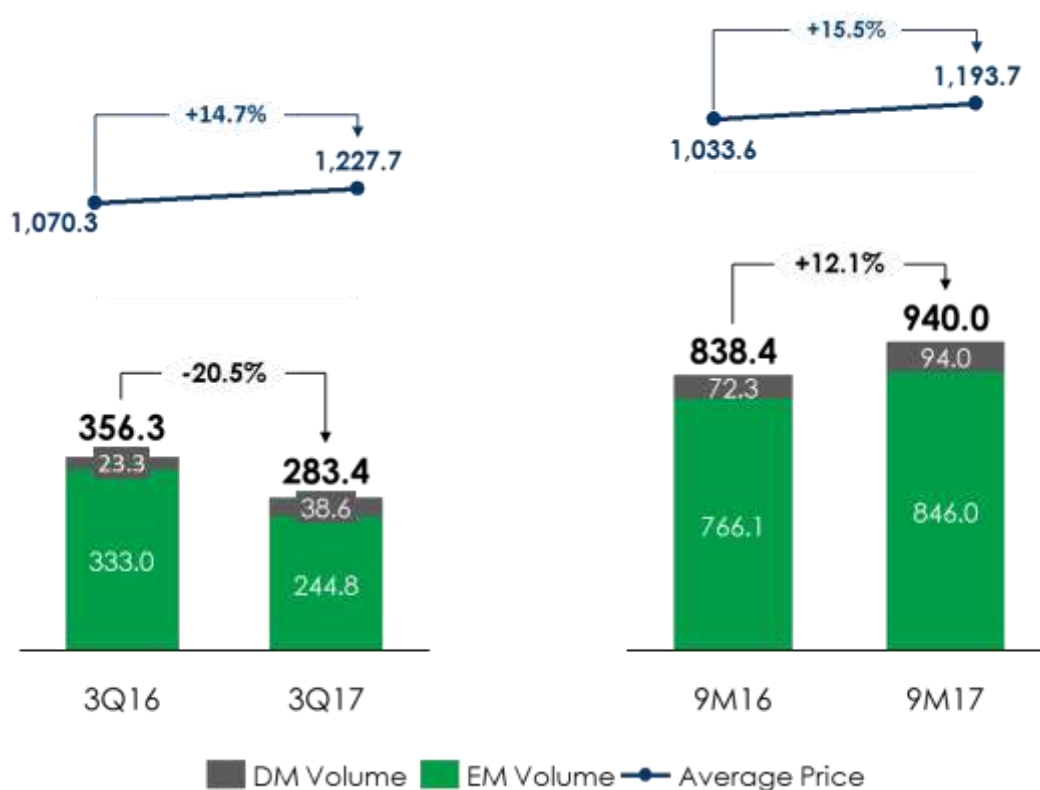
Net Revenue Breakdown

3Q17 x 3Q16



Sugar

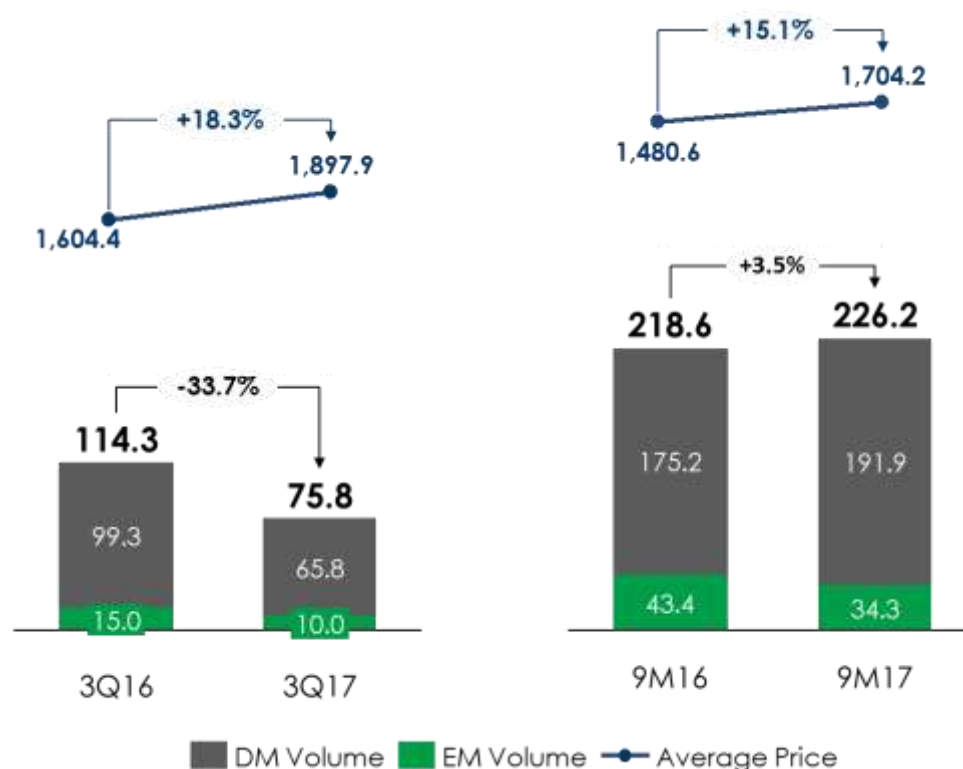
Volume ('000 tons) and Average Price (R\$/Ton)



Net revenue from sugar sales amounted to R\$347.9 million in 3Q17, down 8.8% on the same quarter of the previous crop year, which is explained by the different sugar shipment strategy adopted this season. In the first nine months of the crop year, net revenue from sugar sales amounted to R\$1,122.0 million, increasing 29.5% compared to 9M16, supported by the higher sales volume and better sales prices.

Hydrous Ethanol

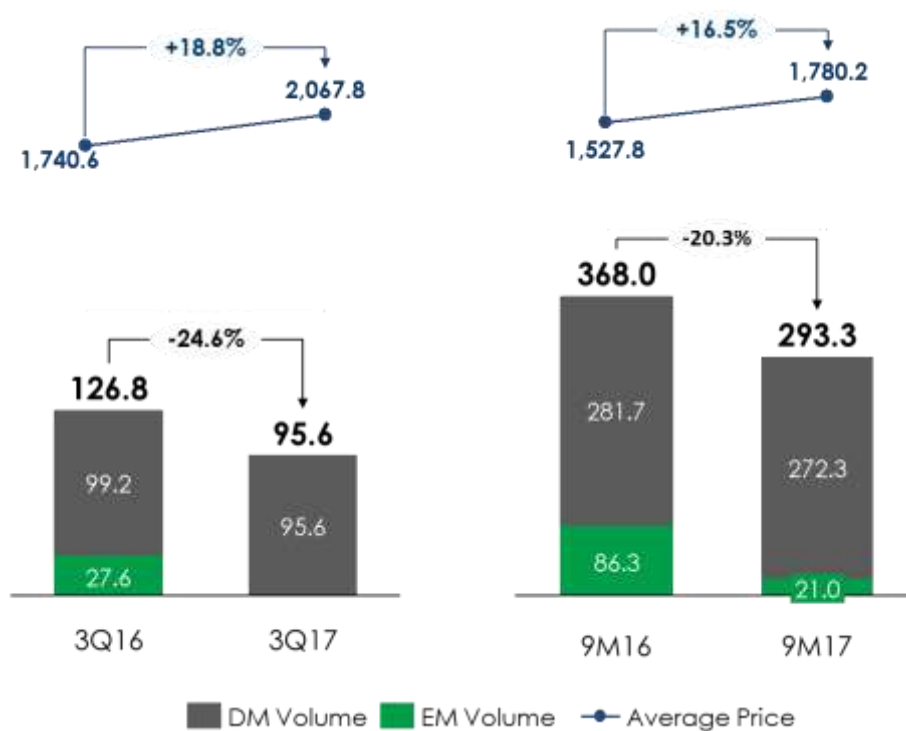
Volume ('000 m³) and Average Price (R\$/m³)



Net revenue from hydrous ethanol sales amounted to R\$143.9 million in 3Q17, down 21.6% from 3Q16, which reflects the lower production volume of hydrous ethanol due to the crop shortfall already announced. In 9M17, net revenue from hydrous ethanol sales grew 19.1% compared to 9M16, reflecting the 15.1% increase in the average sales price.

Anhydrous Ethanol

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

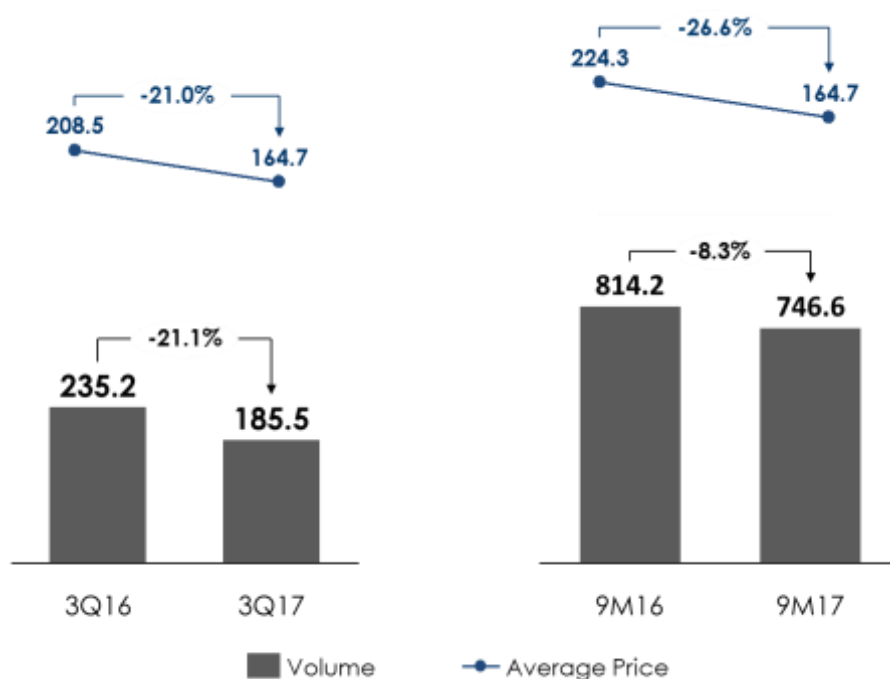


Net revenue from anhydrous ethanol sales amounted to R\$197.6 million in 3Q17, down 10.4% from the same quarter of the previous crop year. The lower revenue reflects the 24.6% drop in sales volume in the period due to the crop shortfall.

In the nine-month period, net revenue from anhydrous ethanol sales decreased 7.1% compared to 9M16, reflecting the lower sales volume.

Cogeneration

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



Net revenue from cogeneration sales in 3Q17 decreased 37.7% from the same quarter of the previous crop year. In the nine-month period, net revenue from cogeneration sales amounted to R\$122.9 million, down 32.7% from the same period of the previous crop year. The decline in revenue is explained by the lower prices and lower sales volume, given the reduction in crushing volume and less short period sales.

Real Estate Development

As disclosed in our previous earnings releases, three real estate projects were launched in the 2014/15 crop year: Recanto das Paineiras, Park Empresarial de Itacemópolis (in the Limeira region of São Paulo state) and Residencial Pradópolis.

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

Real Estate Development 9M17 Project Evolution	Recanto das Paineiras	Park Empresarial de Itacemópolis	Residencial Pradópolis
POC (percentage-of-completion) position	100.0%	100.0%	100.0%
Total lots sold (%)	99.8%	75.2%	76.0%

In 9M17, we recognized revenue of R\$21.0 million (based on the percentage of completion method), as shown in the following table.

Real Estate Development in progress	Revenue Recognized 3Q17	Revenue Recognized 9M17
	R\$ '000	R\$ '000
Property sales	295	11,717
Projects already launched in partnership	2,563	9,252
Total revenue	2,858	20,969

INVENTORIES

INVENTORIES	3Q17	3Q16	Chg. (%)
Sugar (tons)	390,015	397,699	-1.9%
Hydrous (m³)	50,134	94,854	-47.1%
Anhydrous (m³)	144,631	148,643	-2.7%

At the end of 3Q17, we held sugar inventories amounting to 390,000 tons, in line with the level in 3Q16.

Inventories of hydrous and anhydrous ethanol declined by 47.1% and 2.7%, respectively, reflecting the lower production volumes in the 2016/17 crop year.



EBITDA AND EBITDA COST BY PRODUCT

EBITDA BY PRODUCT - 3Q17	SUGAR	ETHANOL	COGEN	REAL ESTATE	OTHERS	TOTAL
R\$ '000						
Net Revenues*	347,929	341,505	30,548	2,858	16,485	739,325
COGS (Cash)	(163,095)	(158,892)	(5,786)	(132)	(9,799)	(338,075)
Gross Profit (Cash)	184,834	182,613	24,762	2,726	6,686	401,250
Gross Margin (Cash)	53.1%	53.5%	81.1%	95.4%	40.6%	54.3%
Sales Expenses	(17,508)	(1,578)	(1,898)	-	(95)	(21,078)
G&A Expenses (Cash)	(17,408)	(17,270)	(3,082)	(1,010)	-	(38,770)
Other Revenues (Expenses)					236	236
Adjusted EBITDA	149,918	163,765	19,783	1,716	6,826	341,638
Adjusted EBITDA Margin	43.1%	48.0%	64.8%	60.0%	41.4%	46.2%
EBITDA Cost**	(698.7)	(1,039.1)	(58.0)			

*Excludes Hedge Accounting effects of foreign-denominated debt and PPA USC (R\$ 2.4 million).

** Sugar in R\$/Ton

Ethanol in R\$/m³

Cogeneration in R\$/MWh

EBITDA BY PRODUCT - 3Q16	SUGAR	ETHANOL	COGEN	REAL ESTATE	OTHERS	TOTAL
R\$ '000						
Net Revenues*	381,347	404,054	49,033	3,599	14,640	852,673
COGS (Cash)	(163,795)	(182,375)	(14,312)	(3,092)	(9,850)	(373,424)
Gross Profit (Cash)	217,552	221,679	34,721	507	4,790	479,249
Gross Margin (Cash)	57.0%	54.9%	70.8%	14.1%	32.7%	56.2%
Sales Expenses	(22,859)	(8,713)	(1,351)	-	-	(32,923)
G&A Expenses (Cash)	(14,832)	(16,474)	(2,649)	(992)	-	(34,947)
Other Revenues (Expenses)					530	530
Adjusted EBITDA	179,861	196,492	30,721	(485)	5,320	411,908
Adjusted EBITDA Margin	47.2%	48.6%	62.7%	-13.5%	36.3%	48.3%
EBITDA Cost**	(565.5)	(860.9)	(77.8)			

*Excludes Hedge Accounting effects of foreign-denominated debt and PPA USC (R\$ 50.6 million).

** Sugar in R\$/Ton

Ethanol in R\$/m³

Cogeneration in R\$/MWh



EBITDA BY PRODUCT - 9M17	SUGAR	ETHANOL	ETHANOL IMPORTED	COGEN	REAL ESTATE	OTHERS	TOTAL
R\$ '000							
Net Revenues*	1,122,010	882,189	25,513	122,967	20,971	54,428	2,228,079
COGS (Cash)	(479,892)	(423,133)	(27,241)	(19,578)	(3,374)	(31,999)	(985,218)
Gross Profit (Cash)	642,118	459,056	(1,728)	103,389	17,597	22,429	1,242,860
Gross Margin (Cash)	57.2%	52.0%	-6.8%	84.1%	83.9%	41.2%	55.8%
Sales Expenses	(62,896)	(8,170)	(2,160)	(4,740)	-	(95)	(78,061)
G&A Expenses (Cash)	(56,828)	(50,048)	-	(12,190)	(2,398)	-	(121,464)
Other Revenues (Expenses)						758	758
Adjusted EBITDA	522,394	400,838	(3,888)	86,459	15,199	23,092	1,044,092
Adjusted EBITDA Margin	46.6%	45.4%	-15.2%	70.3%	72.5%	42.4%	46.9%
EBITDA Cost**	(637.9)	(954.4)	(1,934.9)	(48.9)			

*Excludes Hedge Accounting effects of foreign-denominated debt and PPA USC (R\$ 125.3 million).

** Sugar in R\$/Ton

Ethanol in R\$/m³

Cogeneration in R\$/MWh

EBITDA BY PRODUCT - 9M16	SUGAR	ETHANOL	COGEN	REAL ESTATE	OTHERS	TOTAL
R\$ '000						
Net Revenues*	866,537	885,893	182,650	22,877	55,021	2,012,978
COGS (Cash)	(371,279)	(428,197)	(44,672)	(6,581)	(29,241)	(879,969)
Gross Profit (Cash)	495,258	457,696	137,978	16,296	25,780	1,133,009
Gross Margin (Cash)	57.2%	51.7%	75.5%	71.2%	46.9%	56.3%
Sales Expenses	(50,592)	(20,413)	(4,405)	-	(69)	(75,479)
G&A Expenses (Cash)	(41,632)	(48,046)	(11,420)	(3,056)	-	(104,153)
Other Revenues (Expenses)					2,539	2,539
Adjusted EBITDA	403,035	389,237	122,153	13,240	28,250	955,916
Adjusted EBITDA Margin	46.5%	43.9%	66.9%	57.9%	51.3%	47.5%
EBITDA Cost**	(552.9)	(846.7)	(74.3)			

*Excludes Hedge Accounting effects of foreign-denominated debt and PPA USC (R\$ 99.0 million).

** Sugar in R\$/Ton

Ethanol in R\$/m³

Cogeneration in R\$/MWh

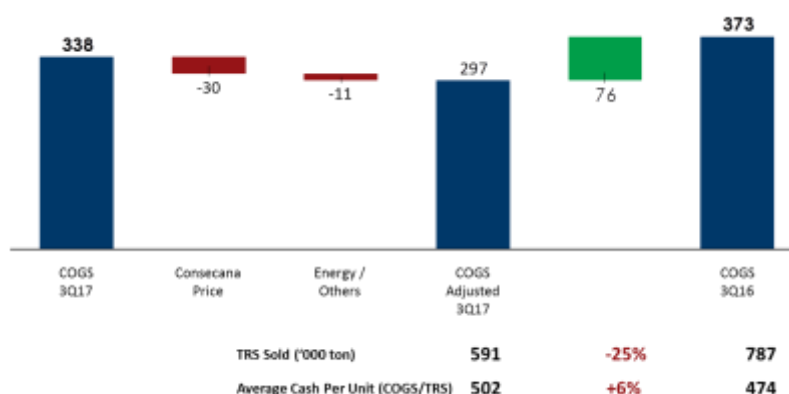
In 3Q17, sugar accounted for 43.9% of the Group's consolidated Adjusted EBITDA, while ethanol accounted for 47.8% and cogeneration for 5.8%. In 9M17, sugar accounted for 50.0% of the Group's consolidated Adjusted EBITDA, while ethanol accounted for 38.0% and cogeneration for 8.3%. Sugar EBITDA margin was stable compared to 9M16. Meanwhile, ethanol EBITDA margin, excluding anhydrous imports, improved by 1.5 percentage points.



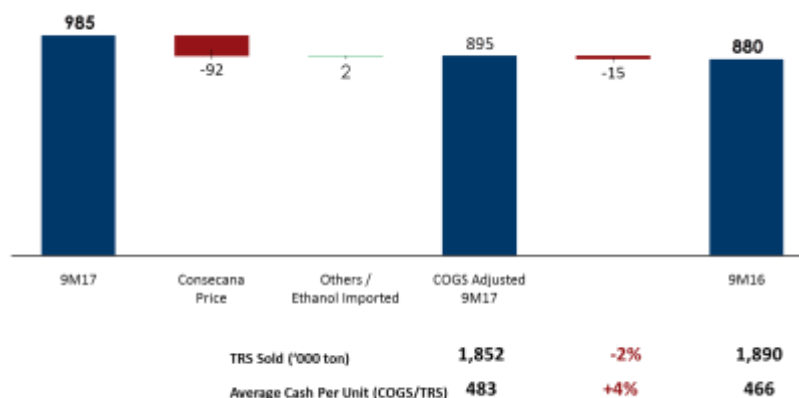
COST OF GOODS SOLD

BREAKDOWN OF COGS - CASH	3Q17	3Q16	Chg. (%)	9M17	9M16	Chg. (%)
R\$ '000						
Agricultural Costs	279,896	298,623	-6.3%	789,765	689,861	14.5%
Suppliers	138,216	157,696	-12.4%	416,317	379,340	9.7%
Partnerships	66,138	54,522	21.3%	175,111	128,281	36.5%
Own Sugarcane	75,542	86,405	-12.6%	198,336	182,240	8.8%
Industrial	42,365	48,591	-12.8%	114,035	111,283	2.5%
Other Products	16,190	28,844	-45.2%	55,315	86,872	-36.3%
Imported Ethanol				27,241		
Reintegra	(376)	(2,634)	-85.7%	(1,137)	(8,047)	-85.9%
Total COGS	338,075	373,424	-9.5%	957,978	879,969	8.9%
TRS Sold ('000 Tons)	591	787	-24.9%	1,852	1,890	-2.0%
Unit Cost (Sugar and Ethanol Cash COGS / TRS Sold)	545	438	24.4%	495	420	18.0%
Total COGS ex-Imports				957,978	879,969	8.9%
TRS Sold ('000 Tons) ex-Imports				1,852	1,890	-2.0%
Unit Cost (Sugar and Ethanol Cash COGS / TRS Sold) ex-Imports				487	420	16.1%

In 3Q17, Cash COGS came to R\$338.0 million, down 9.5% from the previous crop year, due to the lower sales volume in the quarter. Unit COGS rose 16% in the period, basically reflecting the higher Consecana price. The following chart presents the main changes:



In the first nine months of the crop year, COGS came to R\$955.2 million, up 12.0% from the same period of the prior crop year, reflecting the higher sales volume and higher CONSECANA price. The following chart shows costs excluding these factors:





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

AVERAGE CASH COST PER UNIT	3Q17	3Q16	Chg. (%)	9M17	9M16	Chg. (%)
R\$ '000						
COGS	321,986	346,170	-7.0%	903,026	799,476	13.0%
Sugar	163,095	163,795	-0.4%	479,892	371,279	29.3%
Ethanol	158,892	182,375	-12.9%	423,133	428,197	-1.2%
Average Cash Cost Per Unit (*)						
Sugar Cash Cost	575.5	459.7	25.2%	510.5	442.9	15.3%
Ethanol Cash Cost	928.9	756.5	22.8%	838.9	730.0	14.9%

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

SELLING EXPENSES

SELLING EXPENSES	3Q17	3Q16	Chg. (%)	9M17	9M16	Chg. (%)
R\$ Thousand						
Port Costs / Freight	18,807	28,357	-33.7%	69,143	67,781	2.0%
Ethanol Imported				2,160		n.m.
Other	2,271	4,566	-50.3%	6,759	7,698	-12.2%
Selling Expenses	21,078	32,923	-36.0%	78,062	75,479	3.4%
TRS Sold ('000 Tons)	591	787	-24.9%	1,878	1,890	-0.6%
% of Net Revenues	2.9%	3.9%	-1.0 p.p.	3.5%	3.7%	-0.2 p.p.

In 3Q17, selling expenses amounted to R\$21.1 million, decreasing 36.0% from 3Q16, due to the lower sugar sales volume.

GENERAL AND ADMINISTRATIVE EXPENSES

G&A EXPENSES - (CASH)	3Q17	3Q16	Chg. (%)	9M17	9M16	Chg. (%)
R\$ Thousand						
Personnel and Management Fee	24,754	22,886	8.2%	77,843	71,202	9.3%
Taxes, Fees, Contributions and Contingencies	3,779	3,707	1.9%	11,705	11,070	5.7%
General Expenses and Third-Party Services	9,249	7,949	16.4%	21,752	19,744	10.2%
Stock Options Expenses	988	405	144.0%	2,964	2,137	38.7%
Total recurring General and Administrative Expenses	38,770	34,947	10.9%	114,264	104,153	9.7%
Non-recurring items	-	-		7,200	-	
Total General and Administrative Expenses	38,770	34,947	10.9%	121,464	104,153	16.6%

G&A expenses amounted to R\$42.5 million in 3Q17, increasing 10.7% from the same period of the previous crop year. The increase mainly reflects the increase in Personnel expenses arising from the collective bargaining agreement reached with the trade union.

In the nine-month period, excluding non-recurring items, G&A expenses came to R\$114.3 million, increasing 9.7% from 9M16.



EBITDA

Pro-Forma EBITDA RECONCILIATION	3Q17	3Q16	Chg. (%)	9M17	9M16	Chg. (%)
R\$ '000						
Adjusted EBITDA	341,638	411,909	-17.1%	1,044,092	955,916	9.2%
Adjusted EBITDA Margin	46.2%	48.3%	-2.1 p.p.	46.9%	47.5%	-0.6 p.p.
Debt Maturity (Hedge) /USC PPA	2,400	50,616	-95.3%	125,269	99,044	26.5%
Equity Income (loss)	(446)	171	n.m.	(949)	(19)	n.m.
Non Recurring Operating Income (Expenses)	310	231	34.0%	(1,752)	(2,341)	-25.1%
Biological Assets	19,448	(11,488)	n.m.	6,560	(12,729)	n.m.
Book EBITDA	319,926	372,379	-14.1%	914,965	871,960	4.9%
EBITDA Margin	43.4%	46.4%	-3.0 p.p.	43.5%	45.6%	-2.0 p.p.
(-) Depreciation and Amortization	(185,822)	(210,288)	-11.6%	(519,152)	(500,135)	3.8%
(-) Financial Income (Expense), net	(67,329)	(76,104)	-11.5%	(198,944)	(254,088)	-21.7%
(=) Operating Income (Loss)	66,775	85,987	-22.3%	196,869	117,737	67.2%

Adjusted EBITDA

As mentioned in the section "3Q17 Highlights," the São Martinho Group posted Adjusted EBITDA in the quarter of R\$341.6 million (Adjusted EBITDA Margin of 46.2%), a decrease of 17.7% from 3Q16, which is explained by the lower production of sugar and ethanol in the crop year due to the three frost events in the period. In 9M17, Adjusted EBITDA advanced 9.2% to R\$1,044.1 million (EBITDA margin of 46.9%). The increase in the nine-month period is explained by higher sales prices in the period.

Main Adjustments to EBITDA in 3Q17 and 9M17

1) Adjustment of Debt Maturity in Hedge Accounting / PPA Santa Cruz: R\$ 2.4 million

- Expense related to exchange variation on debt settled in 3Q17 that was previously designated as Hedge Accounting. Considering that the exchange rate used for the purposes of cash flow in the period was R\$3.30/US\$1.00, we adjusted the amount of R\$1.3 million in net revenue and EBITDA to provide a better understanding of the Company's cash generation in the period. In 9M17, we adjusted the amount of R\$116.5 million.
- Noncash expense of R\$1.2 million, reflecting the amortization of goodwill paid for the future profitability of the cogeneration volume of Santa Cruz Mill (purchase price allocation - PPA) in 3Q17. In the nine-month period, the expense came to R\$8.8 million.

Biological Assets

Expense related to the noncash accrual of a provision for the fair value adjustment of biological assets in the amount of R\$19.5 million in 3Q17, which mainly reflects the drop in sugar prices at the close of contracts for December 2016 compared to at the close of contracts for September 2016.



Operating Cash Generation and Adjusted EBIT

EBIT in 3Q17 came to R\$155.8 million (EBIT margin of 21.1%), down 22.7% from 3Q16. In 9M17, EBIT increased 15.2% compared to 9M16, to R\$524.9 million (EBIT margin of 23.6%), with the improvement due to the same factors that impacted Adjusted EBITDA in the period.

R\$ '000	3Q17	3Q16	Chg.%	9M17	9M16	Chg.%
Adjusted EBIT	155,816	201,621	-22.7%	524,940	455,781	15.2%
Adjusted EBIT Margin	21.1%	23.6%	-2.6 p.p.	23.6%	22.6%	0.9 p.p.
(-) Depreciation and Amortization	(185,822)	(210,288)	-11.6%	(519,152)	(500,135)	3.8%
Adjusted EBITDA	341,638	411,909	-17.1%	1,044,092	955,916	9.2%
Adjusted EBITDA Margin	46.2%	48.3%	-2.1 p.p.	46.9%	47.5%	-0.6 p.p.
Adjustment to Maturity of Hedge /USC PPA	2,400	50,616	-95.3%	125,269	99,044	26.5%
Equity Income	(446)	171	n.m	(949)	(19)	n.m
Non Recurring Operating Revenues (Expenses)	310	231	34.0%	(1,752)	(2,341)	-25.1%
Biological Assets	19,448	(11,488)	n.m	6,560	(12,729)	n.m.
Book EBITDA	319,926	372,379	-14.1%	914,965	871,960	4.9%
EBITDA Margin	43.4%	46.4%	-3.0 p.p.	43.5%	45.6%	-2.0 p.p.

HEDGING

A summary of our sugar and U.S. dollar hedge positions on December 31, 2016 follows.

Sugar

	Volume Hedged (‘000 tons)	Avg. Price (US\$ c/p)	Avg. Price (R\$ /ton)
Sugar			
Out/16 (V16)	71,323	16.55	
Mar/17 (H17)	260,718	19.01	
Safra 2016/2017	332,041	18.48	1,358
Mai/17 (K17)	161,654	20.58	
Jul/17 (N17)	171,662	19.92	
Out/17 (V17)	139,758	19.73	
Mar/18 (H18)	26,926	18.81	
Safra 2017/2018	500,000	20.02	1,589

On Dec. 31, 2016, sugar prices for the 2016/17 crop year were hedged for 332,000 tons at US\$18.48 ¢/lb, which represents the hedging of approximately 92% of the total.

On the same date, our sugar prices for the 2017/18 crop year were hedged for 500,000 tons at an average price of US\$20.02 ¢/lb. This volume represents approximately 51% of own cane and 37% of total sugarcane, considering the production of 1,350,000 tons of sugar projected for the crop year.

U.S. Dollar

On Dec. 31, 2016, the São Martinho Group held open positions through Non-Deliverable Forwards (NDFs) and derivative instruments, which are used to hedge its exports, with maturities in the 2016/17 and 2017/18 crop years, as follows:

	TOTAL		SUGAR	
USD	US\$ '000	Average Price (R\$/US\$)	US\$ '000	Average Price (R\$/US\$)
2016/2017 crop year	55,058	3.55	55,058	3.55
2017/2018 crop year	214,877	3.60	214,877	3.60

For the 2017/18 crop year, the amount of NDF hedge corresponds to approximately 37% of the total.



Net Exposure to the Dollar

	16/17 Crop Year	17/18 Crop year
	9M	12M
Estimated sugar sales ('000 ton)	390,015	1,350,000
CONSECANA ('000 ton)	25,000	300,000
Exposure('000 ton)	365,015	1,050,000
Hedged Volume ('000 ton)	332,041	500,000
Volume to Hedge ('000 ton)	32,974	550,000
Average Price(Fixed + market) US\$ c/p	18.72	19.85
Exposure to USD (US\$ '000)	150,651	459,606
Hedged USD (US\$ '000)	(55,058)	(214,877)
Debt in USD (US\$ '000)	(42,500)	(166,000)
Supplies (US\$ '000)	-	(35,000)
USD Committed (US\$ '000)	(97,558)	(415,877)
Net exposure to USD (US\$ '000)	53,093	43,729

Hedge Accounting

Effect on Shareholders' Equity

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

The quarterly results are recorded in shareholders' equity ("Adjustments to Book Value"), net of deferred income and social contribution taxes. In the period from April to December 2016, we recorded a gain in shareholders' equity of R\$212.5 million.

Effect on Income Statement

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

In 3Q17, a total of US\$1.2 million in debt was recognized, with the exchange rate of R\$2.30/US\$1.00 adopted for the translation of net revenue. Considering that the exchange rate used for the purposes of cash flow in the period was R\$3.30/US\$1.00, we adjusted the amount of R\$1.3 million in net revenue and EBITDA to provide a better understanding of the Company's cash generation in the period.

In 9M17, a total of US\$82.9 million in debt was recognized, with the exchange rate of R\$2.00/US\$1.00 adopted for the translation of net revenue. Considering that the exchange rate used for the purposes of cash flow in the period was R\$3.40/US\$1.00, we adjusted the amount of R\$116.5 million in net revenue and EBITDA to provide a better understanding of the Company's cash generation in the period.



NET FINANCIAL RESULT

FINANCIAL RESULT	3Q17	3Q16	Chg.%	9M17	9M16	Var.%
R\$ '000						
Financial Income	30,808	27,086	13.7%	101,571	89,990	12.9%
Financial Expenses	(86,049)	(80,868)	6.4%	(237,978)	(227,903)	4.4%
Net Financial Result before Exchange Var. and Hedge	(55,241)	(53,782)	2.7%	(136,407)	(137,913)	-1.1%
Hedge Result / Exchange Variation	(6,212)	(17,870)	-65.2%	(44,771)	(111,132)	-59.7%
COPERSUCAR	(5,879)	(4,453)	32.0%	(17,769)	(5,044)	n.m.
Net Financial Result	(67,332)	(76,105)	-11.5%	(198,947)	(254,089)	-21.7%

The Group registered a net financial expense of R\$67.3 million in 3Q17, which represents a decrease of 11.5% from 3Q16. In the first nine months of the crop year, the financial expense decreased 21.7% to R\$198.9 million, due to the appreciation in the Brazilian real in the period.

NET INCOME (LOSS)

Net income in the nine-month period came to R\$165.4 million, increasing 22% from 9M16, supported by the higher sales prices for our products.

Net income in the third quarter dropped 29.5%, result of the different sugar shipment strategy adopted this season and lower production volume of ethanol to the crop shortfall

DEBT WITH COPERSUCAR

On Dec. 31, 2016, the São Martinho Group recognized on its balance sheet debt of R\$260.8 million with Copersucar. In view of the terms negotiated in the process to terminate the membership at Copersucar, we will continue to book under "Obligations - Copersucar" all liabilities related to the contingencies currently being resolved judicially that were filed by legal counsel at Copersucar. These obligations continue to be secured by suretyships in the amount of R\$212.7 million on a consolidated basis.



INDEBTEDNESS

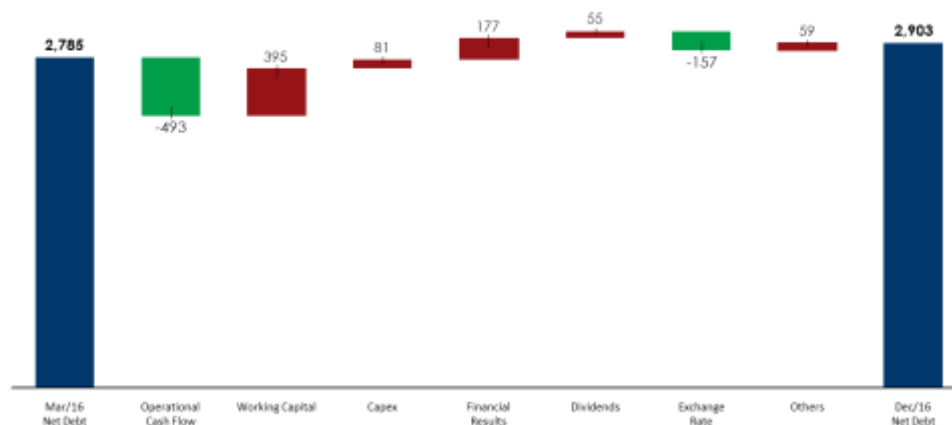
DEBT	dec/16	mar/16	Chg.%
R\$ Thousand			
PESA	41,245	51,757	-20.3%
Rural Credit	430,299	147,229	192.3%
BNDES / FINAME	700,813	734,472	-4.6%
Working Capital	794,097	990,353	-19.8%
ACC (Advances on Foreign Exchange Contracts)	33,249	142,520	-76.7%
PPE (Export prepayment)	760,684	1,024,853	-25.8%
NCE (Export Credit Note)	602,347	734,296	-18.0%
Agribusiness Certificate of Receivables (CRA)	361,494	-	-
Obligations from Acquisitions - LOP	73,780	73,794	0.0%
Obligations from Acquisitions - Other	-	5,893	-
Gross Debt	3,798,008	3,905,167	-2.7%
Cash and Cash Equivalents	894,981	1,120,212	-20.1%
Consolidated Net Debt	2,903,027	2,784,955	4.2%
Net Debt / Acum. EBITDA	2.09 x	2.14 x	
Net Debt / Acum. EBITDA - USD*	2.23 x	2.16 x	

* Net Debt PTAX:
March/16: R\$ 3.56
December/16: R\$ 3.26

Cum. EBITDA PTAX daily average 12 months:
March/16: R\$ 3.58
December/16: R\$ 3.48

In 3Q17, the net debt of the São Martinho Group increased 4.2% compared to 4Q16, amounting to approximately R\$2.9 billion and ending the period with a Net Debt/EBITDA ratio of 2.09. As we detail below, a large part of the increase in the period is reflection of investments in working capital, mainly to finance inventories. In the next quarter, we expect a large part of working capital to be converted into cash, closing with the Net Debt / EBITDA indicator below 1.7 times.

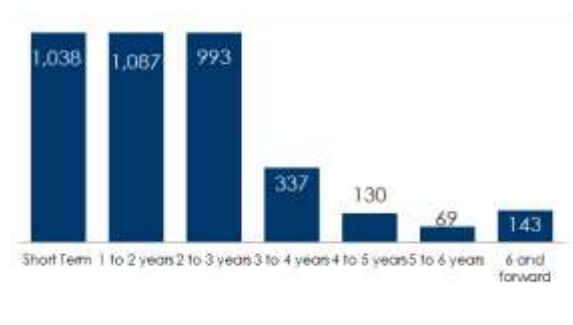
Follow the composition of our net debt during the 2016/2017 crop year:





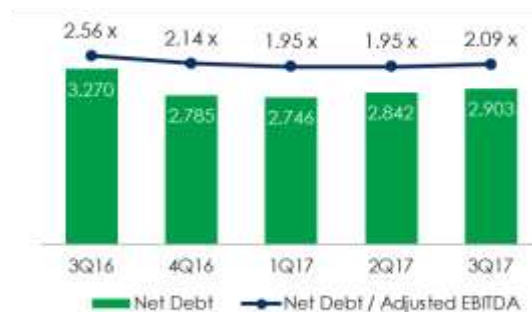
Debt Amortization Schedule

R\$ million



Net Debt / EBITDA LTM

Evolution



CAPEX

(Maintenance)	3Q17	3Q16	Chg.%	9M17	9M16	Var%.
R\$ '000						
Sugarcane Planting	53,137	47,079	12.9%	141,140	132,506	6.5%
Off-Season Maintenance / Industrial / Agricultural	63,818	19,651	224.8%	64,209	25,370	153.1%
Crop Treatment	101,267	87,173	16.2%	289,427	244,479	18.4%
Total	218,223	153,903	41.8%	494,776	402,356	23.0%
(Operational Improvements)	3Q17	3Q16	Chg.%	9M17	9M16	Chg.%
R\$ '000						
Equipment/Projects/Replacements	26,155	25,582	2.2%	54,904	55,272	-0.7%
Total	26,155	25,582	2.2%	54,904	55,272	-0.7%
(Upgrading/Expansion)	3Q17	3Q16	Chg.%	9M17	9M16	Chg.%
R\$ '000						
Industrial/Agricultural	36,589	30,069	21.7%	81,065	64,480	25.7%
Total	36,589	30,069	21.7%	81,065	64,480	25.7%
Total	280,967	209,555	34.1%	630,745	522,108	20.8%

The maintenance CAPEX of the São Martinho Group amounted to R\$218.2 million in 3Q17, increasing 41.8% from the year-ago period. The increase is due to the completion of the 2016/17 crop cycle one month earlier than in 2015/16, and the resulting earlier start of expenditures with maintenance in the inter-crop period.

Operational improvement capex (investments in replacing agricultural and industrial equipment to boost yields) amounted to R\$26.2 million in 3Q17, increasing 2.2% from 3Q16.

The Company invested a total of R\$36.6 million in 9M17, or 21.7% more than in the same period of the previous crop year, mainly due to the expansion project at Santa Cruz to increase production capacity to 5.6 million tons.

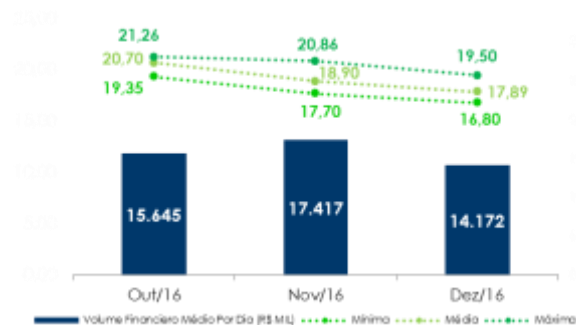


CAPITAL MARKETS AND INVESTOR RELATIONS

Performance SMT03 – 12 months

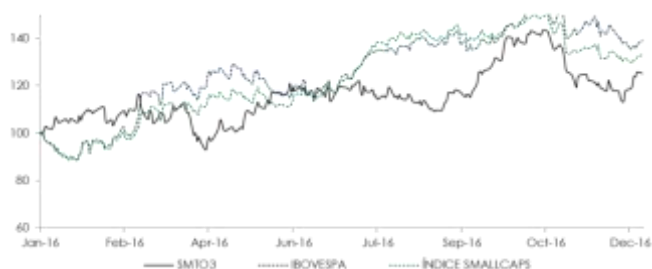


Price and Volume



SMT03 vs. Stock Indexes

Base 100



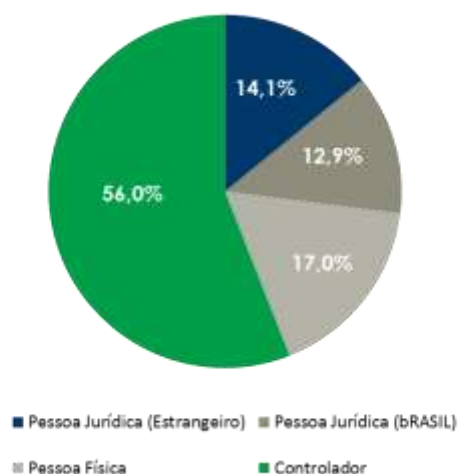
Average Daily Trading Volume

R\$ million

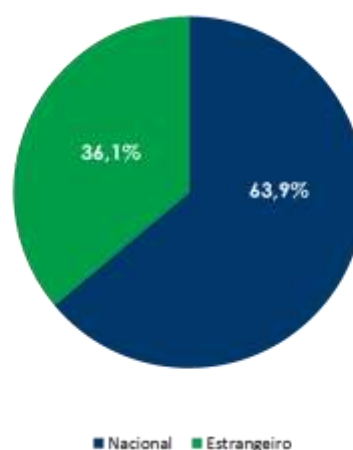


Ownership Structure

Base: Dec. 29, 2016



Free-Float Composition





DISCLAIMER

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



INCOME STATEMENT

Quarter

SÃO MARTINHO S.A. - CONSOLIDATED	CPC 19			Pro-forma		
	3Q17	3Q16	Chg. (%)	3Q17	3Q16	Chg. (%)
R\$ Thousand						
Gross Revenue	629,656	726,025	-13.3%	766,663	840,996	-8.8%
Deductions from Gross Revenue	(24,234)	(31,338)	-22.7%	(29,739)	(38,939)	-23.6%
Net Revenue	605,422	694,687	-12.8%	736,924	802,057	-8.1%
Cost of Goods Sold (COGS)	(458,842)	(503,329)	-8.8%	(540,470)	(569,472)	-5.1%
Gross Profit	146,580	191,358	-23.4%	196,454	232,585	-15.5%
Gross Margin (%)	24.2%	27.5%	-3.3 p.p	26.7%	29.0%	-2.3 p.p
Operating Expenses	(26,048)	(33,568)	-22.4%	(62,350)	(70,494)	-11.6%
Selling Expenses	(19,851)	(31,260)	-36.5%	(21,079)	(32,923)	-36.0%
General and Administrative Expenses	(37,343)	(33,505)	11.5%	(41,641)	(37,699)	10.5%
Equity Income	31,327	30,923	1.3%	446	(171)	n.m.
Other Operating Expenses, Net	(181)	274	n.m.	(76)	299	n.m.
Operating Profit, Before Financial Effects	120,532	157,790	-23.6%	134,104	162,091	-17.3%
Financial Result, Net	(64,969)	(74,532)	-12.8%	(67,329)	(76,104)	-11.5%
Financial Revenues	24,675	22,529	9.5%	30,809	27,086	13.7%
Financial Expenses	(83,774)	(76,534)	9.5%	(91,927)	(85,320)	7.7%
Monetary and Exchange Variations - Net	(6,926)	865	n.m.	(7,267)	4,416	n.m.
Derivatives Results	1,056	(21,392)	n.m.	1,056	(22,286)	n.m.
Income (Loss) Before Income and Social Contribution Taxes	55,563	83,258	-33.3%	66,775	85,987	-22.3%
Income Tax and Social Contribution - Current	(6,935)	(26,866)	-74.2%	(10,658)	(29,442)	-63.8%
Income Tax and Social Contribution - Deferred	7,216	22,783	-68.3%	(273)	22,630	n.m.
Net Income	55,844	79,175	-29.5%	55,844	79,175	-29.5%
Net Margin (%)	9.2%	11.4%	-2.2 p.p	7.6%	9.9%	-2.3 p.p



Year to date

SÃO MARTINHO S.A. - CONSOLIDATED	CPC 19			Pro-forma		
	9M17	9M16	Chg. (%)	9M17	9M16	Chg. (%)
R\$ Thousand						
Gross Revenue	1,831,458	1,710,412	7.1%	2,189,090	1,993,574	9.8%
Deductions from Gross Revenue	(67,616)	(60,881)	11.1%	(86,281)	(79,641)	8.3%
Net Revenue	1,763,842	1,649,531	6.9%	2,102,809	1,913,933	9.9%
Cost of Goods Sold (COGS)	(1,292,271)	(1,176,902)	9.8%	(1,502,330)	(1,359,191)	10.5%
Gross Profit	471,571	472,629	-0.2%	600,479	554,742	8.2%
Gross Margin (%)	26.7%	28.7%	-1.9 p.p	28.6%	29.0%	-0.4 p.p
Operating Expenses	(110,595)	(125,451)	-11.8%	(204,666)	(182,917)	11.9%
Selling Expenses	(74,031)	(70,879)	4.4%	(78,062)	(75,479)	3.4%
General and Administrative Expenses	(116,708)	(99,388)	17.4%	(130,063)	(112,336)	15.8%
Equity Income	77,666	40,616	91.2%	949	19	n.m.
Other Operating Expenses, Net	2,478	4,200	-41.0%	2,510	4,879	-48.6%
Operating Profit, Before Financial Effects	360,976	347,178	4.0%	395,813	371,825	6.5%
Financial Result, Net	(192,592)	(232,481)	-17.2%	(198,944)	(254,088)	-21.7%
Financial Revenues	86,625	79,296	9.2%	101,572	89,990	12.9%
Financial Expenses	(233,512)	(210,255)	11.1%	(255,746)	(232,946)	9.8%
Monetary and Exchange Variations - Net	(1,179)	(95,503)	-98.8%	3,952	(108,671)	n.m.
Derivatives Results	(44,526)	(6,019)	n.m.	(48,722)	(2,461)	n.m.
Income (Loss) Before Income and Social Contribution Taxes	168,384	114,697	46.8%	196,869	117,737	67.2%
Income Tax and Social Contribution - Current	(12,515)	(18,980)	-34.1%	(27,308)	(21,562)	26.6%
Income Tax and Social Contribution - Deferred	8,557	39,113	-78.1%	(5,135)	38,655	n.m.
Net Income (Loss) Before Minority Interest	164,426	134,830	22.0%	164,426	134,830	22.0%
Net Income	164,426	134,830	22.0%	164,426	134,830	22.0%
Net Margin (%)	9.3%	8.2%	1.1 p.p	7.8%	7.0%	0.8 p.p



BALANCE SHEET (ASSETS)

SÃO MARTINHO S.A. CONSOLIDATED - ASSETS		CPC 19		Pro-forma	
R\$ Thousand					
ASSETS		dec/16	mar/16	dec/16	mar/16
SHORT-TERM ASSETS					
Cash and Cash Equivalents		230,412	266,659	231,177	267,315
Marketable Securities		482,949	706,487	648,728	839,127
Trade Receivables		207,494	86,419	249,257	116,965
Derivative Financial Instruments		127,790	145,701	127,790	145,701
Inventories		693,590	229,250	784,946	270,352
Biological Assets		433,531	470,241	510,314	554,186
Taxes Recoverable		102,586	58,423	108,819	64,274
Income Tax and Social Contribution		-	113,758	79	119,781
Other Assets		25,373	15,548	27,099	17,066
TOTAL SHORT-TERM ASSETS		2,303,725	2,092,486	2,688,209	2,394,767
LONG-TERM ASSETS					
Long-term Receivables					
Marketable Securities		5,858	5,423	15,076	13,770
Inventories		67,489	62,309	74,199	71,030
Related Parties		2,867	1,000	-	-
Deferred Income Tax and Social Contribution		-	-	28,334	43,752
Derivative Financial Instruments		15,776	43,243	15,776	43,243
Trade Receivables		27,333	21,855	27,616	22,246
Trade Receivables from Copersucar		9,488	6,324	10,162	6,772
Taxes Recoverable		82,559	110,195	85,846	119,525
Income Tax and Social Contribution		124,672		124,672	
Judicial Deposits		29,019	30,300	31,325	32,257
Other Assets		439	498	439	498
		365,500	281,147	413,445	353,093
Investments		593,645	513,233	26,669	25,629
Property, plant and equipment		3,972,578	4,004,469	4,429,728	4,492,462
Intangible Assets		473,745	489,557	473,793	489,639
TOTAL LONG-TERM ASSETS		5,405,468	5,288,406	5,343,635	5,360,823
TOTAL ASSETS		7,709,193	7,380,892	8,031,844	7,755,590



BALANCE SHEET (LIABILITIES)

SÃO MARTINHO S.A. CONSOLIDATED- LIABILITIES	CPC 19		Pro-forma	
R\$ Thousand				
LIABILITIES AND SHAREHOLDERS' EQUITY	dec/16	mar/16	dec/16	mar/16
SHORT-TERM LIABILITIES				
Borrowings	911,414	670,559	1,038,428	776,532
Derivative Financial Instruments	151,064	196,664	151,064	197,238
Trade Payables	185,882	113,907	208,661	137,711
Payables to Copersucar	10,623	21,875	11,394	23,188
Salaries and Social Contributions	86,416	98,231	97,416	110,252
Taxes Payable	13,103	15,570	15,590	19,615
Income Tax and Social Contribution	4,732	916	7,023	916
Dividends Payable	1	53,164	1	53,164
Advances from Customers	795	1,298	1,267	1,606
Aquisition of Investment	12,030	17,937	12,030	17,937
Other Liabilities	32,338	26,591	39,026	32,099
TOTAL SHORT-TERM LIABILITIES	1,408,398	1,216,712	1,581,900	1,370,258
LONG-TERM LIABILITIES				
Borrowings	2,538,806	2,836,628	2,685,800	3,048,948
Derivative Financial Instruments	12,217	65,625	12,217	65,625
Payables to Copersucar	238,654	237,166	249,435	247,862
Taxes Payable in Installments	14,691	15,419	14,691	17,878
Deferred Income Tax and Social Contribution	334,535	230,173	334,743	232,104
Provision for Contingencies	66,239	60,643	70,142	64,383
Aquisition of Investment	61,750	61,750	61,750	61,750
Other Liabilities	13,026	10,179	289	185
TOTAL LONG-TERM LIABILITIES	3,279,918	3,517,583	3,429,067	3,738,735
SHAREHOLDERS' EQUITY				
Share Capital	1,064,972	931,340	1,064,972	931,340
Capital Reserves	10,120	10,531	10,120	10,531
Treasury Shares	(40,771)	(26,613)	(40,771)	(26,613)
Stock options granted	7,468	4,753	7,468	4,753
Adjustments to Book Value	1,508,177	1,295,698	1,508,177	1,295,698
Profit Reserves	296,804	432,656	296,804	432,656
Retained Earnings	174,107	(1,768)	174,107	(1,768)
TOTAL SHAREHOLDERS' EQUITY	3,020,877	2,646,597	3,020,877	2,646,597
Total Asset	7,709,193	7,380,892	8,031,844	7,755,590



CONSOLIDATED CASH FLOW

SÃO MARTINHO S.A.	CPC 19		Pro Forma	
R\$ Thousand	9M17	9M16	9M17	9M16
CASH FLOWS FROM OPERATING ACTIVITIES				
Net Income in the period	164,426	134,830	164,426	134,830
Adjustments				
Depreciation and amortization	159,711	156,931	190,168	182,931
Harvested biological assets (depreciation)	269,072	254,005	328,984	317,204
Variation in fair value of biological assets	7,809	(12,277)	6,560	(12,729)
Amortization of intangible assets	9,596	9,937	9,596	9,937
Equity Income	(77,666)	(40,616)	(949)	(19)
Interest, monetary and foreign exchange variations, net	-	-	(91)	-
Result of investment and property, plant and equipment disposals	969	1,433	1,228	1,596
Interest, monetary and foreign exchange variations, net	131,158	304,790	133,006	335,375
Derivatives Financial Instruments	225,519	51,434	229,716	51,434
Constitution of provision for contingencies, net	4,249	8,310	6,089	10,362
Deferred income tax and social contribution	3,958	(39,113)	32,444	(38,655)
Adjustments to present value and others	3,156	2,715	2,888	2,278
	901,957	832,379	1,104,065	994,544
Trade receivables	(133,651)	(70,902)	(146,252)	(113,858)
Inventories	(280,853)	(308,616)	(305,367)	(337,419)
Taxes recoverable	(20,600)	(33,358)	(8,466)	(30,553)
Derivatives Financial Instruments	(86,606)	(46,223)	(91,377)	(46,223)
Marketable Securities	(58)	963	(58)	1,948
Other assets	(7,593)	(9,683)	(8,189)	(11,360)
Trade payables	69,026	53,187	68,272	53,985
Salaries and social charges	(11,814)	3,800	(12,837)	4,368
Taxes payable	(7,609)	2,310	(21,685)	2,551
Obligations with Copersucar	(19,975)	(26,833)	(21,456)	(28,799)
Taxes payable in installments	(1,010)	(1,411)	(3,470)	(1,411)
Provision for contingencies - settlements	(6,836)	(14,698)	(9,165)	(16,685)
Other liabilities	5,343	3,081	6,688	2,745
Cash provided by operations	399,721	383,996	550,703	473,833
Interest paid	(154,847)	(158,610)	(172,861)	(175,981)
Income tax and social contribution paid	(4,484)	(4,849)	(4,484)	(4,890)
Net cash provided by operating activities	240,390	220,537	373,358	292,962
CASH FLOW FROM FINANCING ACTIVITIES				
Financial resources used in investments	(13,256)	(13,681)	(13,256)	(13,681)
Additions to property, plant and equipments, intangible assets and deferred charges	(182,315)	(121,671)	(200,486)	(142,562)
Additions to biological assets (planting and crop treatment)	(373,192)	(325,587)	(430,565)	(376,985)
Marketable Securities	269,415	(306,407)	247,660	(409,344)
Proceeds from sale of property, plant and equipment	1,517	12,253	1,889	12,503
Advance for future capital increase	(1,867)	-	-	-
Net cash used in investing activities	(299,698)	(755,093)	(394,758)	(930,069)
CASH FLOW FROM FINANCING ACTIVITIES				
New borrowing - third parties	725,271	632,717	779,876	674,221
Repayment of borrowing - third parties	(632,006)	(703,219)	(724,410)	(747,809)
Advance for future capital increase	-	-	-	216
Purchase of treasury shares	(15,577)	(8,734)	(15,577)	(8,734)
Sale of treasury shares	757	7,166	757	7,166
Payment of dividends	(55,384)	(67,938)	(55,384)	(67,938)
Net cash provided by financing activities	23,061	(140,008)	(14,738)	(142,878)
Increase (decrease) in cash and cash equivalents	(36,247)	(674,564)	(36,138)	(779,985)
Cash and cash equivalents at the beginning of the period	266,659	1,020,112	267,315	1,126,517
Cash and cash equivalents at the end of the period	230,412	345,548	231,177	346,532