

Earnings Release Conference Call

2Q15



São Martinho
14/15 Season

DISCLAIMER

- This presentation contains forward-looking statements relating to the business outlook, operating and financial projections, and the growth prospects of São Martinho S.A. These statements merely represent projections and as such are based exclusively on management's expectations about the future of the business.
- Forward-looking statements are no guarantee of performance. They involve risks, uncertainties and assumptions because they relate to future events and therefore depend on circumstances that may or may not occur in the future.
- Investors should understand that general economic conditions, industry conditions and other operating factors could also affect the future results and could cause results to differ materially from those expressed in such forward-looking statements.

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Main Events of the Quarter



- ✓ **In August 8th, 2014** – closing of the purchase of 56.05% of USC and sale of 34.29% of APBV as Material Fact published in May this year.
 - ✓ **Impact in the Financial Statements:**
 - ✓ Balance Sheet
 - ✓ Consolidation of 100% of USC's assets and liabilities.
 - ✓ Income Statement
 - ✓ Consolidation of 100% of USC's results (august and september);
 - ✓ Non-recurring revenue of R\$ 79 million before taxes.

Following events:

- ✓ **In October 31th, 2014** – approval, at the Extraordinary Shareholders Meeting, of the merger into São Martinho of Usina Santa Cruz S.A.
 - ✓ Issue of 329,207 new ordinary shares of São Martinho to be fully allotted to the non-controlling shareholders of Santa Cruz.

Operational Highlights



Table 1

	6M14 Production	6M15* Production	Chg.%	Guidance 12M15*	Percentage Achieved
Sugarcane Crushed ('000 tons)	11,640	15,158	30.2%	19,640	77.2%
Agricultural Yield (ton/ha)	100.00	87.56	-12.4%	-	-
Average TRS (kg/ton)	137.01	141.04	2.9%	-	-
Production					
Sugar ('000 tons)	763	987	29.4%	1,353	73.0%
Ethanol ('000 m³)	462	641	39.0%	740	86.7%
TRS Produced ('000 tons)	1,595	2,138	34.1%	2,693	79.4%
Cogeneration ('000 MWh)	281	507	80.4%	663	76.4%

*Consolidation of 50.95% from Nova Fronteira Bioenergia S.A. and 100% from Usina Santa Cruz S.A.

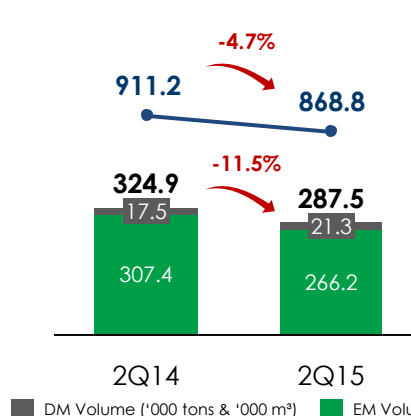
Financial Highlights



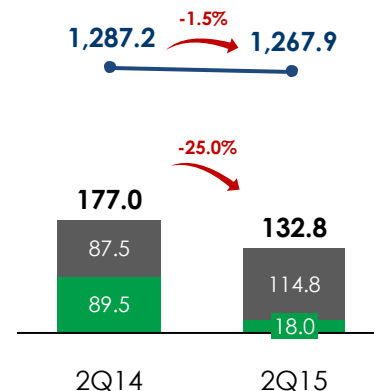
Table 1

	2Q14	2Q15	Chg.(%)
Net Revenue	614,494	526,227	-14.4%
COGS (cash)	(308,024)	(216,132)	-29.8%
Adjusted EBITDA	238,669	256,918	+7.6%
Adj. EBITDA Margin	38.8%	48.8%	+10.0 p.p.
Net Financial Result	(27,647)	(40,311)	+45.8%
Income Before Taxes	87,636	139,912	+59.7%
Taxes	(26,749)	(23,400)	-12.5%
Net Income	60,887	115,222	+89.2%
TRS Sold ('000 tons)	646	529	-18.0%

Graph 1 SUGAR

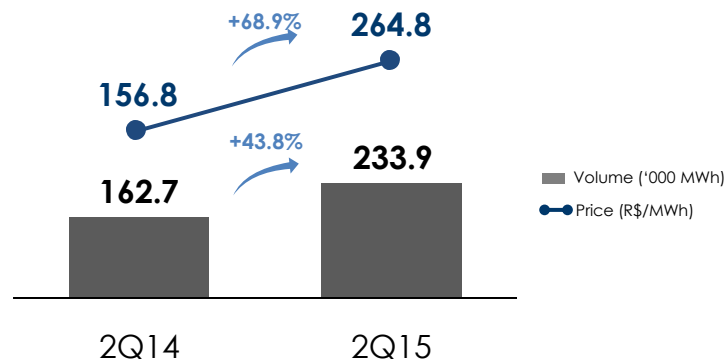


Graph 2 ETHANOL



Graph 3

COGEN



Real Estate Development



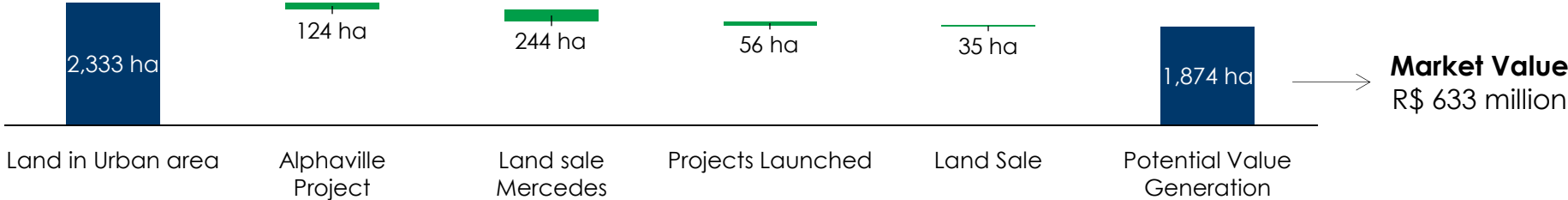
Real Estate Development in progress	Total project area	Potential sales Project Total	NPV for Vale do Mogi	Revenue Recognized in the Quarter 2Q15
	In m²	R\$ '000		R\$ '000
Property sales	41,600	-	-	4,534
Projects launched	556,866	123,000	43,959	13,210
Recanto das Paineiras	376,566	90,000	31,055	12,327
Park Empresarial de Iracemópolis	180,300	33,000	12,904	883
Future projects	1,240,928	277,000	67,000	-
Alphaville	1,240,928	277,000	67,000	-

TOTAL

184 hectares

R\$ 111 MM

R\$ 17.7 MM



Indebtedness



Table 1

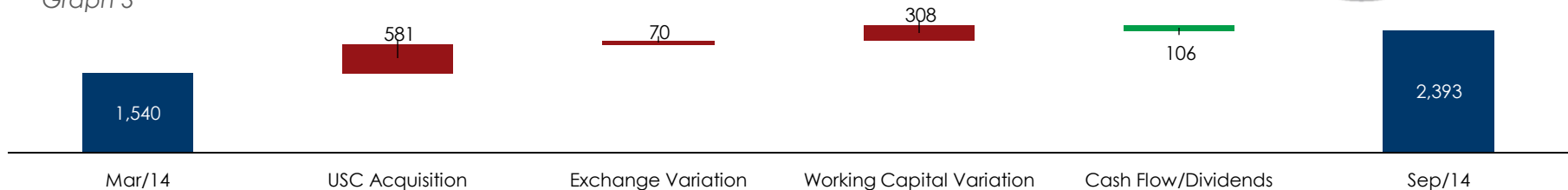
INDEBTEDNESS	Mar/14	Sep/14	Chg%.	Interest paid
R\$ '000				
PESA	70,616	55,435	-21.5%	
BNDES	697,593	822,166	17.9%	
Indebtedness in foreign exchange	1,122,978	1,438,570	28.1%	USD + 3,71% p.y.
Obligations from acquisitions - LOP	-	86,252	n.m.	CDI
Obligations from acquisitions - OTHERS	10,725	21,816	103.4%	
Working Capital	318,035	633,822	99.3%	10,78% p.y.
Gross Debt	2,219,947	3,058,061	37.8%	
Cash and Cash Equivalents	679,928	665,258	-2.2%	
Net Debt	1,540,019	2,392,803	55.4%	
Net Debt / EBITDA LTM	2.03 x	2.28 x		

Adj. EBITDA
LTM

757,169

1,051,022

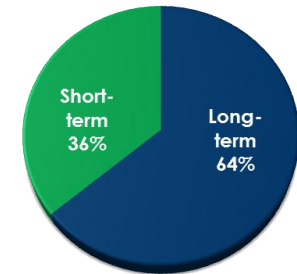
Graph 3



Graph 1
CURRENCY



Graph 2
TERM



14/15 Season

Table 1

	Volume Hedged ('000 tons)	Average Price (US\$ c/p)	Percentage of Own Sugarcane
Sugar			
Oct/14 (V14)	335,604	16.94	100.0%
Mar/15 (H15)	238,518	17.81	66.4%
2014/2015 Season	574,122	17.30	82.6%

→ **39%** of sugar hedge already contracted – (US\$ 85 million at 2.37 BRL/USD).

15/16 Season

Table 2

	Volume Hedged ('000 tons)	Average Price (US\$ c/p)	Percentage of Own Sugarcane
Sugar			
May/15 (K15)	31,497	17.59	12.6%
Jul/15 (N15)	99,573	18.21	48.8%
Oct/15 (V15)	5,080	17.95	2.2%
Mar/16 (H16)	-	-	-
2015/2016 Season	136,150	18.06	14.4%

→ **72%** of sugar hedge already contracted – (US\$ 39 million at 2.54 BRL/USD).

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