

Earnings Release Conference Call

1Q16



São Martinho

15/16 Harvest

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 weather 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.

AGENDA

1 Operational Highlights

2 Financial Highlights

3 Hedge

4 Inventories

5 Indebtedness

Operational Highlights



OPERATING DATA	1Q15	1Q16	Chg.(%)
São Martinho - Consolidated			
Crushed Sugarcane ('000 tons)	6,467	7,409	14.6%
Own	4,339	4,768	9.9%
Third Parties	2,128	2,641	24.1%
Mechanized Harvest	94.7%	98.0%	3.26 p.p.
Agricultural Yield (ton/ha)	93.3	83.2	-10.9%
Average TRS (kg/ton)	129.9	118.7	-8.6%
Production			
Sugar ('000 tons)	380	423	11.4%
Ethanol ('000 m ³)	256	254	-0.9%
Cogeneration ('000 MWh)	195	259	32.7%
TRs Produced	840	880	4.7%
Mix - Sugar - Ethanol	47% - 53%	51% - 49%	

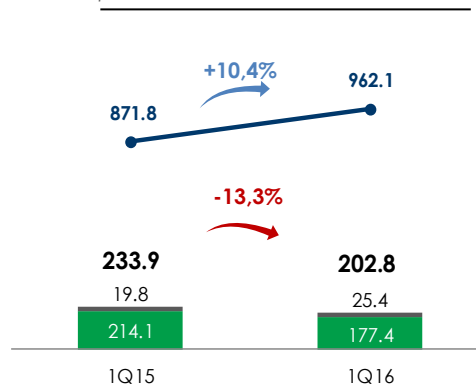
Financial Highlights



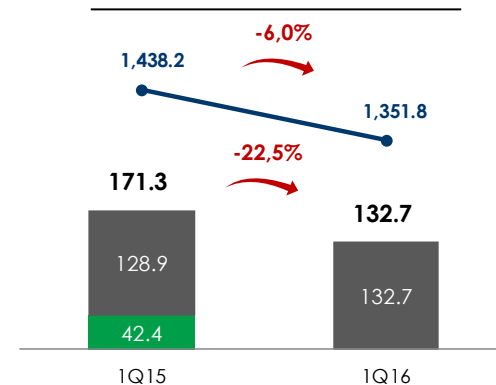
Table 1

	1Q15	1Q16	Chg. %
Net Revenue	511,021	476,706	-6.7%
COGS (cash)	(232,749)	(207,664)	-10.8%
Selling Expenses	(19,770)	(14,656)	-25.9%
G&A Expenses	(32,920)	(30,823)	-6.4%
Adjusted EBITDA	227,046	225,104	-0.9%
Adj. EBITDA Margin	44.4%	47.2%	2.8 p.p.
Adjusted EBIT	101,160	88,815	-12.2%
Adj. EBIT Margin	19.8%	18.6%	-1.2 p.p.
Net Financial Results	(26,470)	(58,570)	121.3%
Hedge Accounting (exchange variation)	(6,387)	(21,228)	232.4%
Net Income	60,726	28,295	-53.4%
TRS Sold ('000 tons)	542	442	-18.5%

Graph 1 SUGAR

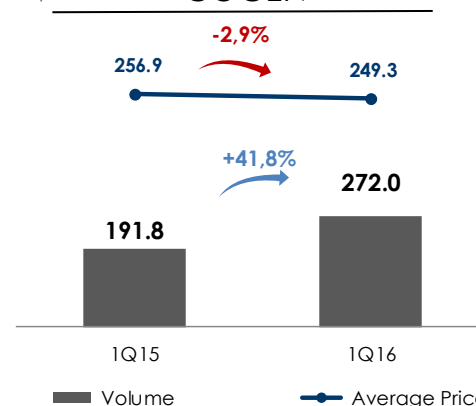


Graph 2 ETHANOL



■ DM Volume ('000 tons & '000 m³) ■ EM Volume ('000 tons & '000 m³) — Price (R\$/ton & R\$/m³)

Graph 3 COGEN



■ Volume — Average Price

Sugar

	Volume Hedged ('000 tons)	Avg. Price (US\$ c/p)
Sugar		
May/15 (K15)	6,476	14.11
Jul/15 (N15)	241,781	15.92
Oct/15 (V15)	291,251	16.78
Mar/16 (H16)	200,162	17.20
Total Fixed	739,670	16.59
(-) Consecana	76,909	
Own Sugarcane	662,761	16.59

Our hedge position corresponds approximately to 87% of own sugarcane and 68% of our total sugarcane.

US\$

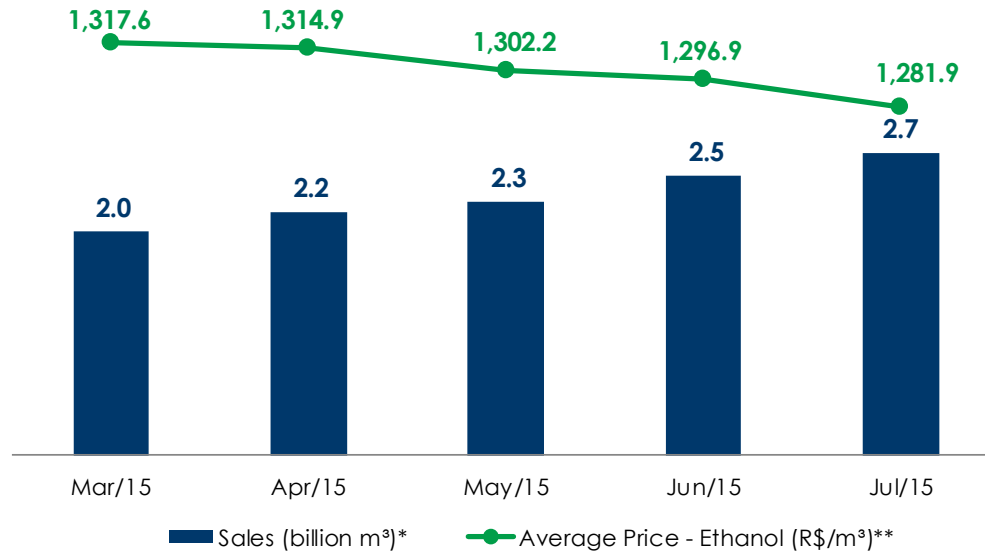
TOTAL			SUGAR		OTHERS	
	US\$ '000	Average Price (R\$/US\$)	US\$ '000	Average Price (R\$/US\$)	US\$ '000	Average Price
2015/2016 crop year	206.3	3.03	174.0	3.01	32.3	3.10

The volume of NDFs in U.S. dollar on this date represented approximately 66.8% of own sugarcane or 46.8% of the total.

Inventories



INVENTORIES	1Q15	1Q16	Chg. (%)
Sugar (tons)	153,184	227,044	48.2%
Hydrous (m³)	59,350	91,505	54.2%
Anhydrous (m³)	52,777	108,642	105.9%



* Source: Unica

** Average Price Anhydrous and Hydrous CEPEA/ESALQ

Indebtedness



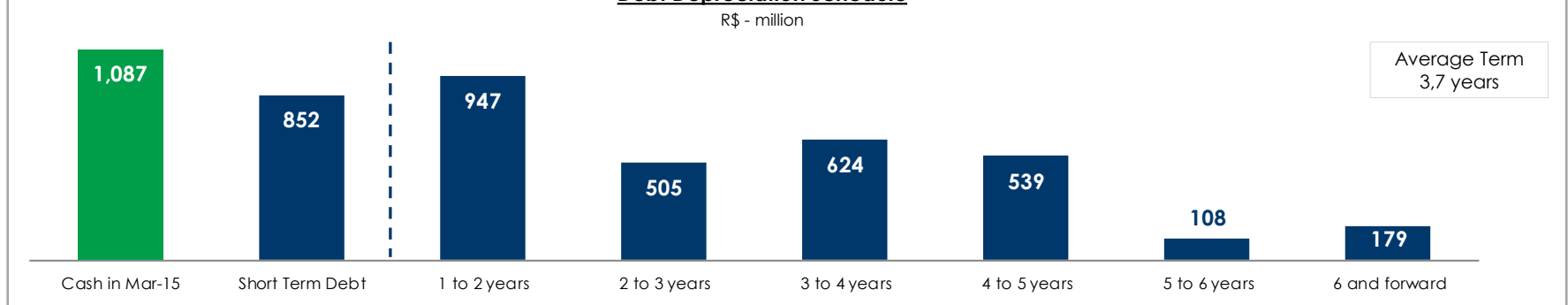
Table 1

INDEBTEDNESS	Mar/15	Jun/15	Chg%.
R\$ '000			
Indebtedness in foreign exchange	1,819,988	1,620,761	-10.9%
BNDES	877,296	830,540	-5.3%
Working Capital	858,561	1,157,664	34.8%
Obligations from acquisitions	96,323	91,013	-5.5%
PESA	57,755	54,133	-6.3%
Gross Debt	3,709,923	3,754,111	1.2%
Cash and Cash Equivalents	1,140,538	1,086,684	-4.7%
Net Debt	2,569,385	2,667,427	3.8%
Net Debt / EBITDA LTM	2.2 x	2.4 x	
Adj. EBITDA LTM	1,145,934	1,099,257	

Graph 4

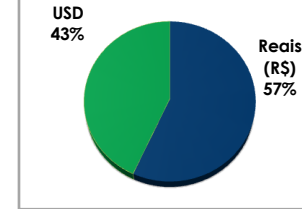
Debt Depreciation Schedule

R\$ - million



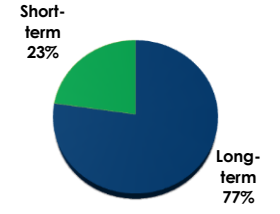
Graph 1

CURRENCY



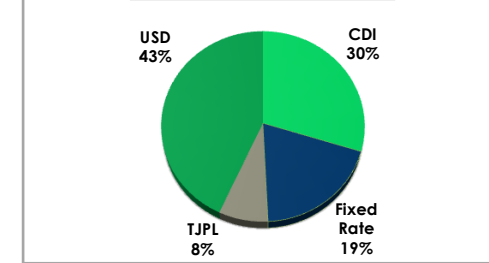
Graph 2

TERM



Graph 3

Gross Debt Breakdown



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