



 **São Martinho**

Conference Call
3Q14/9M14



- 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.

Agenda



Harvest Conclusion ●

Financial Highlights ●

Adjusted EBITDA Analysis ●

Indebtedness ●

Hedge ●

Capex ●



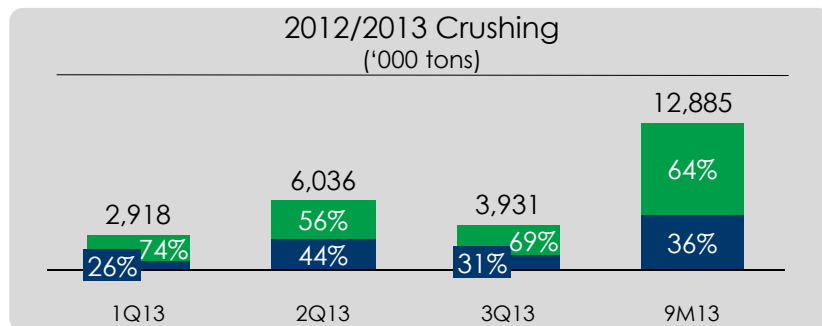
Crushing and Production



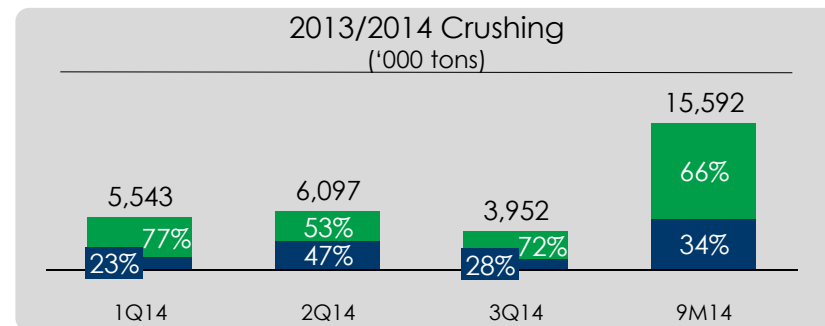
Table 1

OPERATIONAL DATA	9M13	9M14	Chg.(%)
São Martinho - Consolidated			
Sugarcane Crushed (MM tons)	12.9	15.6	21.0%
Own	8,206	10,315	25.7%
Third Parties	4,679	5,278	12.8%
Mechanized Harvest	88.8%	93.9%	5.08 p.p.
Production			
Sugar ('000 tons)	969	986	1.7%
Anhydrous Ethanol ('000 m³)	275	388	41.0%
Hydrous Ethanol ('000 m³)	176	252	43.3%
Cogeneration ('000 MWh)	176	442	151.6%
TRS Produced	1,793	2,135	19.1%
Mix Sugar - Ethanol	57% - 43%	48% - 52%	
Mix Anhydrous - Hydrous	62% - 38%	62% - 38%	

Graph 1



Graph 2



Financial Highlights

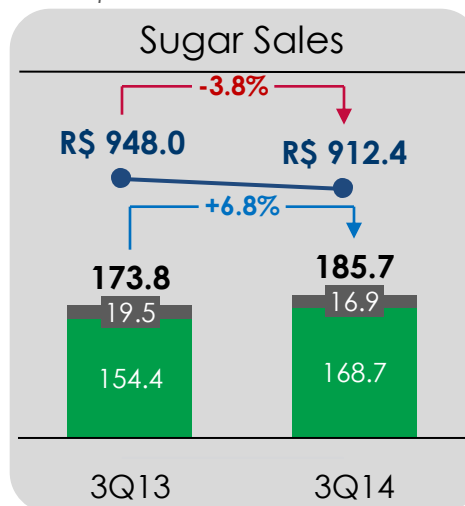


Table 1

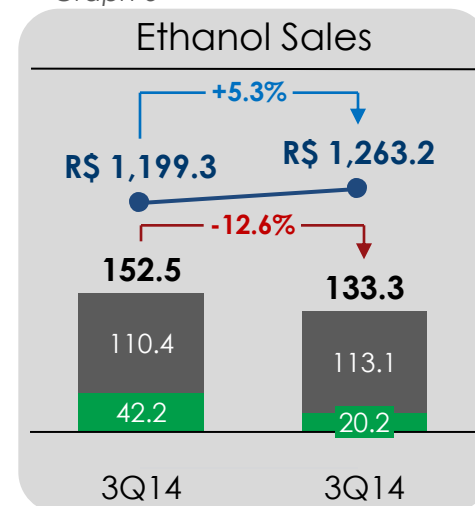
	3Q13	3Q14	Variation
Net Revenues	394,916	424,812	+7.6%
Adjusted EBITDA	161,053	168,426	+4.6%
Adjusted EBITDA Margin	40.8%	39.6%	-1.1 p.p
Depreciation and Amortization	(119,054)	(102,034)	-14.3%
Income Before Taxes	3,604	39,241	+988.8%
Net Income	7,310	32,958	+350.9%
TRS Sold ('000 tons)	446	423	-5.0%

DM Revenues
EM Revenues

Graph 1

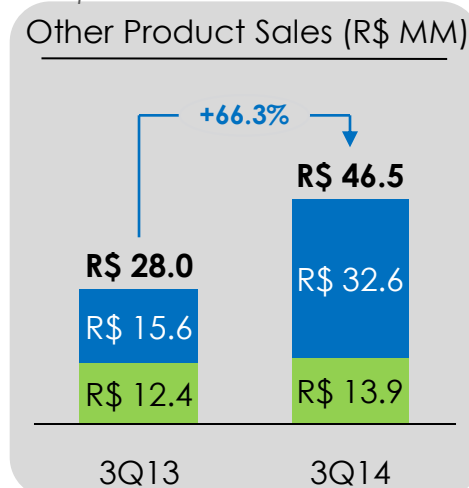


Graph 3

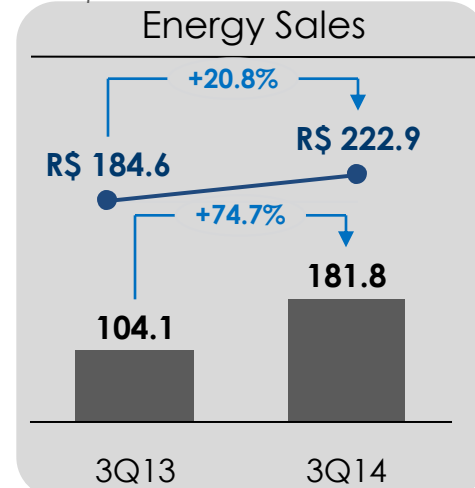


—●— Avg. price ■ DM Volume ■ EM Volume

Graph 3



Graph 4



Adjusted EBITDA Analysis - Quarter



Table 1

3Q14

Consolidated

S&E

Cogen

Others

Consolidated
- Ex Others

R\$ '000

Net Revenues	424,812	337,781	40,514	46,517	378,295
Adjusted EBITDA	168,426	124,132	35,673	8,621	159,805
Adjusted EBITDA Margin	39.6%	36.7%	88.0%	18.5%	42.2%

Var. EBITDA Margin

-4.4 p.p.

Table 2

3Q13

Consolidated

S&E

Cogen

Others

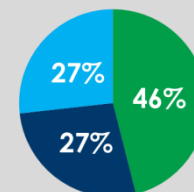
Consolidated
- Ex Others

R\$ '000

Net Revenues	394,916	347,730	19,206	27,980	366,936
Adjusted EBITDA	161,053	142,756	12,416	5,882	155,172
Adjusted EBITDA Margin	40.8%	41.1%	64.6%	21.0%	42.3%

Graph 1

3Q14 Sales
(in TRS)



- Sugar TRS
- Anhydrous TRS
- Hydrous TRS

Graph 2

Adjusted EBITDA
Composition

168,426

39%

35%

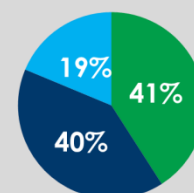
26%

3Q14

- Sugar
- Ethanol
- Others

Graph 3

3Q13 Sales
(in TRS)



Graph 4

Adjusted EBITDA
Composition

161,053

51%

38%

11%

3Q13

Adjusted EBITDA Analysis - Accumulated



Table 1

9M14

Consolidated

S&E

Cogen

Others

**Consolidated
- Ex Others**

R\$ '000

Net Revenues	1,533,054	1,311,198	74,885	146,971	1,386,083
Adjusted EBITDA	618,907	538,974	63,673	16,259	602,648
Adjusted EBITDA Margin	40.4%	41.1%	85.0%	11.1%	43.5%

Var. EBITDA Margin

-1.2 p.p.

Table 2

9M13

Consolidated

S&E

Cogen

Others

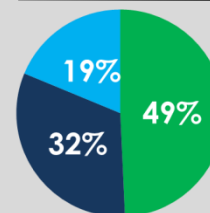
**Consolidated
- Ex Others**

R\$ '000

Net Revenues	1,232,142	1,111,929	39,177	81,036	1,151,106
Adjusted EBITDA	505,682	470,327	27,844	7,511	498,171
Adjusted EBITDA Margin	41.0%	42.3%	71.1%	9.3%	43.3%

Graph 1

9M14 Sales
(in TRS)

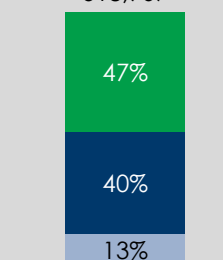


- Sugar TRS
- Anhydrous TRS
- Hydrous TRS

Graph 2

Adjusted EBITDA
Composition

618,907

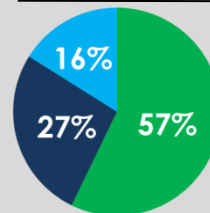


9M14

- Sugar
- Ethanol
- Others

Graph 3

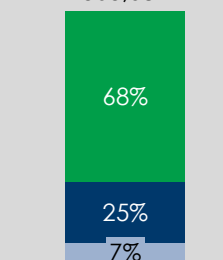
9M13
(em ATR)



Graph 4

Adjusted EBITDA
Composition

505,682



9M13

Indebtedness



Table 1

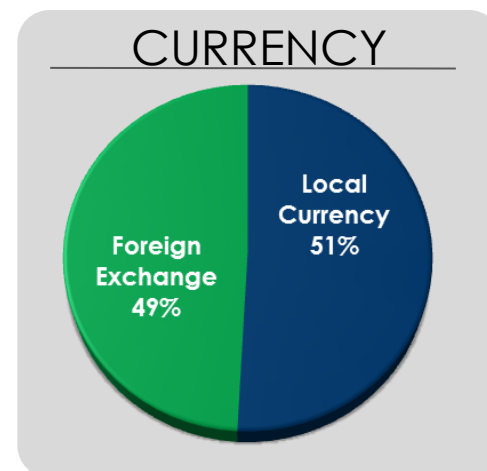
INDEBTEDNESS	Mar/13	Dec/13	Chg.(%)
R\$ '000			
PESA	69,599	63,188	-9.2%
BNDES	546,570	538,616	-1.5%
Indebtedness in Foreign Exchange	808,516	870,703	7.7%
Obligations from Acquisitions	81,657	20,946	-74.3%
Others	350,328	405,312	15.7%
Gross Debt	1,856,670	1,898,765	2.3%
Cash and Cash Equivalentes	634,290	533,588	-15.9%
Net Debt	1,222,380	1,365,177	11.7%
(+) Proportional Gross Debt at Santa Cruz	206,913	238,641	15.3%
Consolidated Net Debt	1,429,293	1,603,818	12.2%
Net Debt / Adj. EBITDA LTM	2.22 x	2.10 x	

Adjusted EBITDA LTM

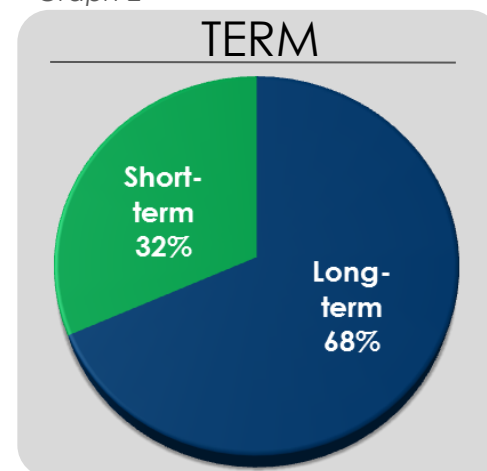
651,915

762,905

Graph 1



Graph 2





SUGAR HEDGE – 3Q14

	Volume (tons)	Avg. Price (US\$ c/p)	Avg. FX (R\$/US\$)	Avg. Price (R\$/ton)	% of Own Sugarcane	% of Total Sugarcane
Sugar						
2013/2014 Season	174,541	18.39	2.18	885.05	100%	75%
2014/2015 Season	338,536	18.34	2.39	964.28	44%	31%

CAPEX			
	9M14	4Q14 (e)	12M14
R\$ '000			
Maintenance	283,274	116,726	400,000
Expansion	118,762	31,238	150,000
Total	402,036	147,964	550,000

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São Martinho

