



2Q12 Results

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.

2Q12 HIGHLIGHTS



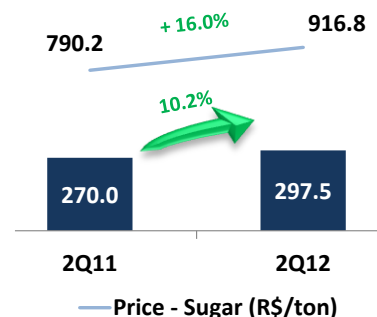
Table 1

Operational Highlights – 2Q12

	2Q11	2Q12	Change
Net Revenue	338,752	398,122	+ 17.5 %
Adjusted EBITDA	150,915	163,075	+ 8.1 %
Adjusted EBITDA Margin	44.6%	41.0%	- 3.6 p.p.
Biological Assets Results	-9,132	28,226	n.m.
EBITDA	145,491	188,537	+ 29.6 %
EBITDA Margin	42.9%	47.4%	+ 4.4 p.p.
Net Profit	41,676	48,667	+ 16.8 %

Chart 2

Sales Volume – Sugar ('000 tons) 2Q12



Sales Volume – Ethanol ('000 m³) 2Q12

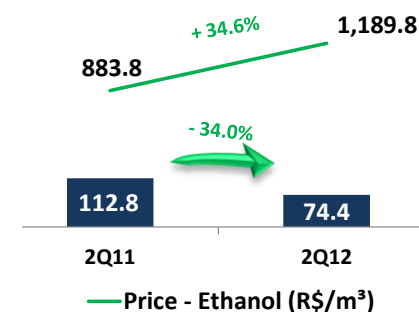


Table 3

Guidance Review of Production

	São Martinho S.A. (*) Previous Guidance	São Martinho S.A. (*) Latest Guidance	%
Crushed Sugarcane ('000 tons)	12,128	10,692	-11.8%
Sugar ('000 tons)	860	771	-10.3%
Ethanol ('000 m³)	486	379	-22.0%
Anhydrous ('000 m³)	221	199	-10.0%
Hydrous ('000 m³)	265	180	-32.1%

(*) Considers 62.89% stake in Nova Fronteira Bioenergia S.A.

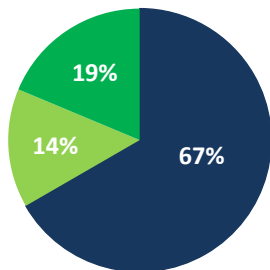
HEDGE ON PRODUCTION - 2Q12



Chart 1

Sales Volume 6M12 (TRS)

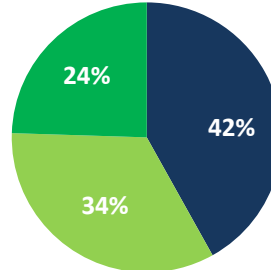
* 813 million of TRS



■ Sugar ■ Anhydrous ■ Hydrous

Available for Sale (TRS)

* 783 million of TRS (3.8 % less of TRS)



■ Sugar ■ Anhydrous ■ Hydrous

Table 1

Products Availability – 2Q12

	2Q12 Inventories	2011/12 Remaining Production (*)	Volume Available for Sale
Hydrous Ethanol (m ³)	72,432	41,000	113,432
Anhydrous Ethanol (m ³)	111,103	38,000	149,103
Total Ethanol (m³)	183,534	79,000	262,534
Sugar (tons)	169,584	143,000	312,584

(*) Production estimate from october/2011 until the end of 2011/2012 harvest

Table 2

Hedge on Sugar – 2Q12

Maturity	Volume (Tons)	Average Price (USD cents/pound)	% of Fixed Production
Sugar			
2011/2012 Harvest	194,000	25.8	62%
2012/2013 Harvest	126,000	25.9	22%

INDEBTEDNESS / INVESTMENTS

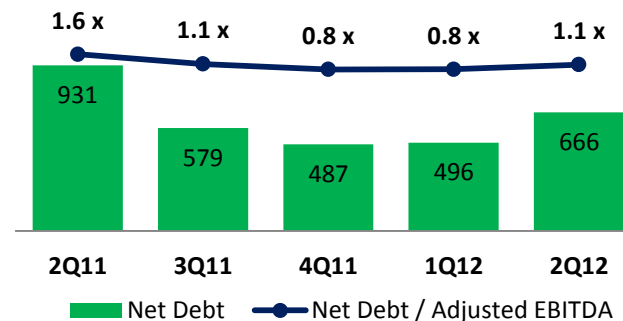
Table 1

Indebtedness Evolution

DEBT	Sep-11	Mar-11	Chg. (%)
R\$ Thousand			
BNDES / FINAME	408,886	358,540	14.0%
Working Capital	104,041	-	n.m.
PPE (Export prepayment)	279,535	245,527	13.9%
Others	148,405	107,626	37.9%
GROSS DEBT	940,867	711,693	32.2%
Cash and Cash Equivalents	274,626	225,067	22.0%
NET DEBT	666,241	486,626	36.9%
Net Debt / Acum. EBITDA	1.1 x	1.6 x	

Chart 1

Net Debt / EBITDA (LTM)



- 1) The second tranche of Petrobras Biocombustível (amount of R\$ 173 million) was concluded on Nov, 1st;
- 2) Net Debt will not surpass R\$ 650 MM until the end of this harvest, even considering the money spent in Santa Cruz Acquisition

VALUATION – DEAL SANTA CRUZ S.A.



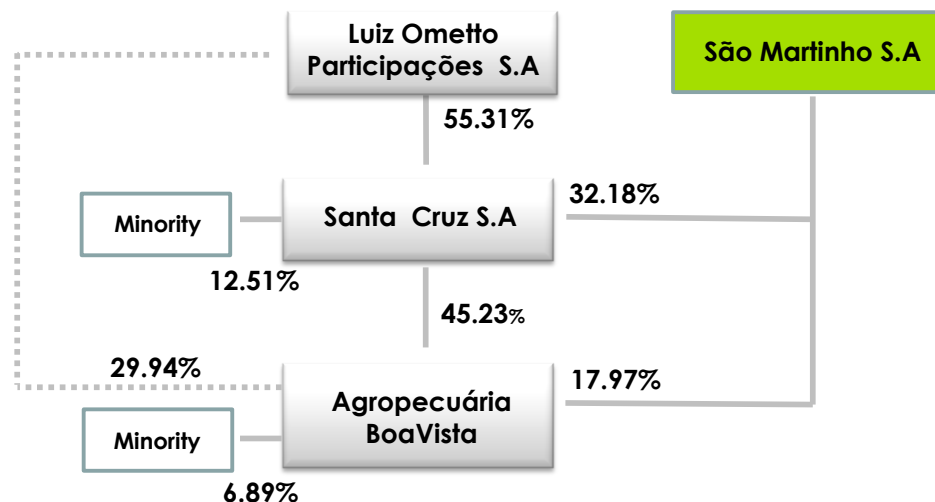
Table 1

Valuation – Santa Cruz S.A. e Agropecuária Boa Vista

USINA SANTA CRUZ S.A.	
Crushing Capacity (MM ton) (a)	4.0
Value (USD/ton) (b)	100
FX (c)	1.73
Equity Value R\$ MM (a*b*c) = (d)	691
Net Debt R\$ MM (e)	519
Equity Value of Usina Santa Cruz R\$ MM (d-e) = (f)	172
Present Value of Sold Cogeneration (USD/ton) (g)	20
EV/Ton without Cogen (USD/ton): b-c = (h)	80.0

Chart 1

Organogram of Aquisiton – Santa Cruz S.A.



CORPORATE GOVERNANCE ACQUISITION OF SANTA CRUZ S.A.



- **Creation of a Board of Directors:**
 - 3 members appointed by Luiz Ometto Participações S.A.;
 - 2 members appointed by São Martinho S.A.;
- **São Martinho S.A. will have special majority vote for the decisions involving strategic matters as business and investments plans, strategic partnerships, acquisitions etc.;**
- **The main synergies will be allocated in the agricultural operations areas;**
- **Agricultural teams at São Martinho and Santa Cruz are analysing and quantifying the costs reduction (75% of cash costs of sugar and ethanol production are concentrated in these areas).**

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