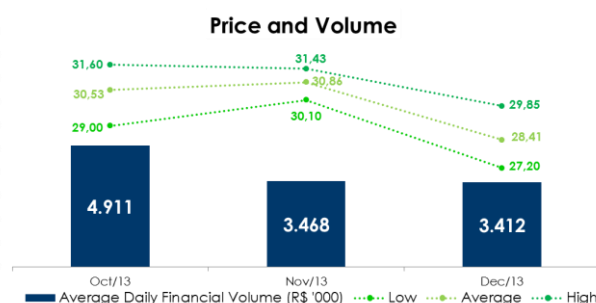
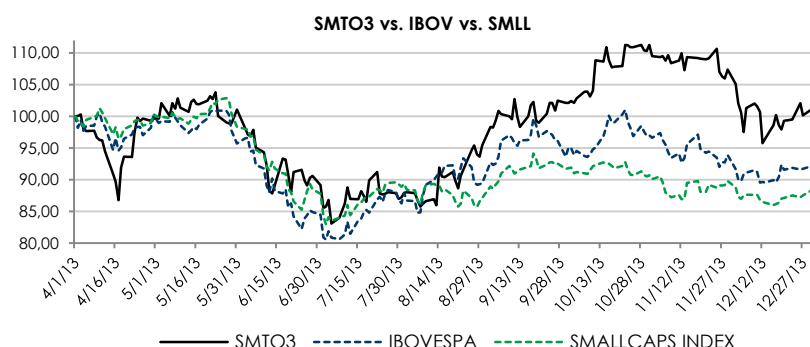


Net income in 3Q14 of R\$32.9 million, 4.5 times higher than in 3Q13

São Paulo, February 13, 2014 – 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 2013/14 crop year (3Q14).

3Q14 HIGHLIGHTS

- ✓ The São Martinho Group crushed 15.6 million tons in the 2013/14 crop year, or 21% more than in the previous season. The strong growth in the period is explained by the higher yields registered at our sugarcane fields (approximately 100 tons per hectare) and by the expansion in the area under our management due to the acquisition of sugarcane fields from São Carlos in December 2012;
- ✓ In 3Q14, the Company's Adjusted EBITDA amounted to R\$ 168.4 million (Adjusted EBITDA margin of 39.6%), increasing 4.6% from 3Q13. **In 9M14, Adjusted EBITDA was R\$ 618.9 million (with Adjusted EBITDA Margin of 40.4%), up 22.4% from 9M13.** The main drivers of EBITDA growth in the period were (i) the higher sales volume registered by all the Company's products due to the growth in crushing volume; and (ii) the better average ethanol prices;
- ✓ Net Income was **R\$32.9 million in 3Q14, 4.5 times higher than in the previous crop year (R\$7.3 million).** The improvement in net income in the period is mainly explained by (i) the lower financial expenses; and (ii) the reduction in depreciation in the period to more accurately reflect the lifespan of our assets and the average age of our sugarcane fields;
- ✓ On Dec. 31, 2013, sugar prices for the 2014/15 crop year were locked in at an average price of USD 18.34 cents/pound for 338,536 tons, **with this volume representing 44% of our net exposure (i.e., total sugar production excluding our natural hedge with Consecana).** In addition to the hedging of sugar prices, we also held short dollar positions of **US\$ 97.3 million with an average price of R\$ 2.39/US\$** for sugar exports. In addition, our hedge position for the sugar inventory remaining **from the 2013/14 crop year amounted to 174,541 tons at USD 18.39 cents/pound** and USD 91.3 million at an exchange rate of R\$ 2.18/USD, with this volume representing 100% of the net exposure of our sugar exports to be sold in 4Q13.





NEW ACCOUNTING STANDARD – IFRS 11 (CPC 19)

Given the adoption of the new accounting standard IFRS 11 (CPC 19) as of this fiscal year, São Martinho S.A. will no longer proportionally consolidate the results of its investees. In view of the materiality of the results of Nova Fronteira Bioenergia S.A. (50.95%) and Santa Cruz S.A. (32.18%) to the São Martinho Group, **the Company decided to continue to present 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. However, 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.

A summary of the results and the conciliation in accordance with CPC 19, including the breakdown of the main investees, is presented below:

	QUARTER			
	São Martinho S.A. (consolidated CPC 19)	UBV (50.95%)	USC (32.18%)	São Martinho S.A. (Pro forma)
R\$ '000				
Net Revenue	312,828	78,943	32,730	424,812
Adjusted EBITDA	111,581	38,306	13,906	168,426
Adjusted EBITDA Margin	35.7%	48.5%	42.5%	39.6%
Adjusted EBIT	44,576	15,650	1,594	66,392
Adjusted EBIT Margin	14.2%	19.8%	4.9%	15.6%
Biological Assets and Other	1,815	(1,502)	(1,146)	(5,032)
Equity Income	5,901	5	-	(30)
Financial Result	(11,348)	(7,563)	(2,744)	(22,089)
Income (Loss) Before taxes	40,944	6,590	(2,296)	39,241
Taxes	(7,986)	(221)	1,922	(6,283)
Net Income	32,958	6,370	(374)	32,958



ACUMULATED				
	São Martinho S.A. (consolidated CPC 19)	UBV (50.95%)	USC (32.18%)	São Martinho S.A. (Pro forma)
R\$ '000				
Net Revenue	1,213,327	206,333	112,804	1,533,054
Adjusted EBITDA	460,142	95,628	54,060	618,907
Adjusted EBITDA Margin	37.9%	46.3%	47.9%	40.4%
Adjusted EBIT	208,478	16,250	13,565	247,078
Adjusted EBIT Margin	17.2%	7.9%	12.0%	16.1%
Biological Assets and Other	10,177	(4,559)	(959)	(4,191)
Equity Income	(11,302)	1	46	(455)
Financial Result	(29,631)	(21,502)	(14,564)	(66,487)
Income (Loss) Before taxes	177,722	(9,810)	(1,911)	175,945
Taxes	(49,149)	(859)	2,629	(47,372)
Net Income	128,573	(10,669)	718	128,573
Cash	442,733	77,437	12,221	533,588
Gross Debt	1,494,440	383,157	238,641	2,137,406
Net Debt	1,051,707	305,720	226,420	1,603,818
EBITDA YTD	575,944	110,797	70,161	762,905
Net Debt / EBITDA	1.83 x	2.76 x	3.23 x	2.10 x

OVERVIEW - COMPANY

FINANCIAL HIGHLIGHTS (R\$ '000)	3Q14	3Q13	Chg. (%)	9M14	9M13	Chg. (%)
São Martinho - Consolidated						
Gross Revenue	444,445	416,351	6.7%	1,587,968	1,288,277	23.3%
Net Revenue	424,812	394,916	7.6%	1,533,054	1,232,142	24.4%
Adjusted EBITDA	168,426	161,054	4.6%	618,907	505,682	22.4%
EBITDA Margin	39.6%	40.8%	-1.1 p.p.	40.4%	41.0%	-0.7 p.p.
Consolidated Balance Sheet Indicators						
Total Assets	5,774,023	5,449,358	6.0%	5,774,023	5,449,358	6.0%
Shareholders' Equity	2,079,161	2,062,466	0.8%	2,079,161	2,062,466	0.8%
EBITDA (LTM)	762,905	574,474	32.8%	762,905	574,474	32.8%
Net Debt	1,603,818	1,353,814	18.5%	1,603,818	1,353,814	18.5%
Net Debt / EBITDA (LTM)	2.10 x	2.36 x		2.1 x	2.4 x	
Net Debt / Shareholders' Equity	77%	66%		77%	66%	



OPERATING DATA	9M14	9M13	Chg.(%)
São Martinho - Consolidated			
Crushed Sugarcane ('000 tons)	15,592	12,885	21.0%
Own	10,315	8,206	25.7%
Third Parties	5,278	4,679	12.8%
Mechanized Harvest	93.9%	88.8%	508.4%
Agricultural Yield (ton/ha)	99.47	88.58	12.3%
Average TRS (kg/ton)	136.95	139.14	-1.6%
Production			
Sugar ('000 tons)	986	969	1.7%
Anhydrous Ethanol ('000 m3)	388	275	41.0%
Hydrous Ethanol ('000 m3)	252	176	43.3%
Ribonucleic Acid (RNA) Sodium Salt ('000 Kg)	284	280	1.4%
Cogeneration ('000 MWh)	442	176	151.6%
TRS Produced	2,135	1,793	19.1%
Mix - Sugar - Ethanol	48% - 52%	57% - 43%	
Mix Anhydrous - Hydrous	62% - 38%	62% - 38%	

The São Martinho Group crushed 15.6 million tons, increasing 21% from the previous crop year and surpassing the initial crushing guidance of 15.3 million tons. As mentioned above, the strong growth in the period is explained by the higher yields registered at our sugarcane fields (approximately 100 tons per hectare) and by the expansion in the area under our management due to the acquisition of sugarcane fields from São Carlos in December 2012.

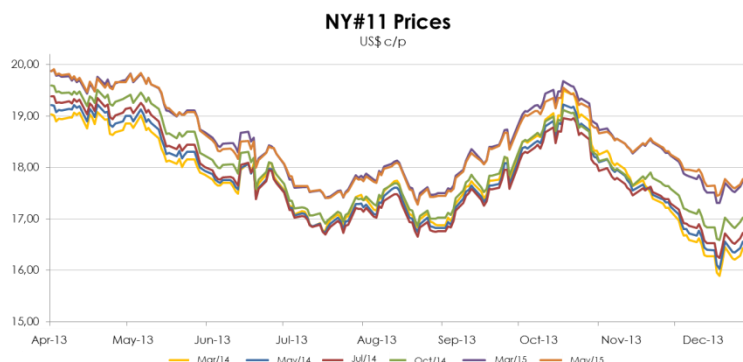
Note that the information in the above table already considers our proportional interests in Nova Fronteira (50.95%) and Santa Cruz (32.18%).

INDUSTRY OVERVIEW

Sugar

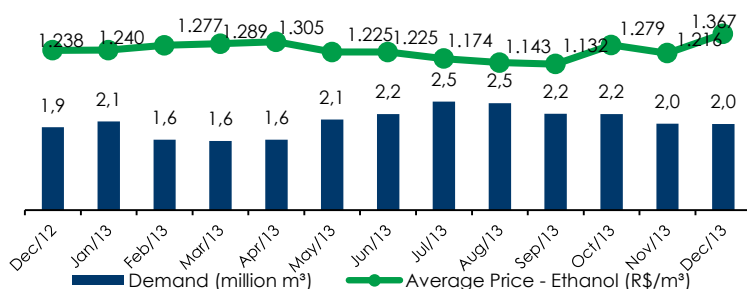
In the third quarter of the 2013/14 crop year, sugar prices (US\$ cents/pound) recovered through the second half of October, due to (i) rain in the Center-South of Brazil, which raised doubts with regard to the crushing volume expected for the 2013/14 crop year; (ii) higher demand (especially from Asia); and (iii) the fire at the Copersucar terminal, which could adversely affect the distribution

of Brazilian production. After this period, sugar prices suffered a sharp drop that lasted through end-December, due to (i) the dry weather at the end of the crop year, which led to a higher number of days that allowed sugarcane crushing operations in the Center-South; and (ii) expectations that India would increase its export volume this crop year.



On February 12th, 2014, the Sugarcane Industry Association (UNICA) revised its forecasts for the 2013/14 crop year. According to the revision, Brazil's Center-South region has processed 596.2 million tons of sugarcane so far in the 2013/14 crop year, or 12.0% more than in the 2012/13 crop year, with sugar production amounting to 34.3 million tons, in line with 2012/13.

Ethanol



In the third quarter of the 2013/14 crop year, prices for both anhydrous and hydrous ethanol were higher than a year earlier (+11.1% and +12.8%, respectively). The improvement in net prices is exclusively due to the reduction in the rate of PIS/Cofins taxes implemented in May 2013.

As shown in the graph, ethanol consumption in the domestic market remained above 2 billion liters/month, which was the main factor supporting average ethanol prices.

AVERAGE PRICES - ETHANOL	3Q14	3Q13	Chg. (%)	9M14	9M13	Chg. (%)
Market Prices						
Anhydrous ESALQ, Net DM R\$ / m3	1,370.06	1,233.55	11.1%	1,326.23	1,259.39	5.3%
Hydrous ESALQ, Net DM - R\$ / m3	1,217.12	1,078.75	12.8%	1,166.00	1,088.65	7.1%



FINANCIAL PERFORMANCE

NET REVENUE BREAKDOWN	3Q14	3Q13	Chg. (%)	9M14	9M13	Chg. (%)
R\$ '000						
Domestic Market	233,981	181,913	28.6%	645,477	448,045	44.1%
Sugar	14,434	17,625	-18.1%	46,763	44,193	5.8%
Hydrous Ethanol	61,130	48,308	26.5%	152,050	116,987	30.0%
Anhydrous Ethanol	85,293	81,160	5.1%	247,596	188,436	31.4%
Cogeneration	40,514	19,206	110.9%	74,885	39,177	91.1%
Other	32,610	15,614	108.9%	124,183	59,252	109.6%
Export Market	190,831	213,003	-10.4%	887,577	784,098	13.2%
Sugar	154,954	147,163	5.3%	647,778	673,782	-3.9%
Hydrous Ethanol	19,038	2,347	711.1%	67,638	22,875	195.7%
Anhydrous Ethanol	2,932	51,128	-94.3%	149,377	65,660	127.5%
Other	13,906	12,365	12.5%	22,784	21,781	4.6%
Net Revenue	424,812	394,916	7.6%	1,533,054	1,232,142	24.4%
Sugar	169,388	164,788	2.8%	694,541	717,974	-3.3%
Hydrous Ethanol	80,169	50,655	58.3%	219,688	139,862	57.1%
Anhydrous Ethanol	88,226	132,288	-33.3%	396,973	254,096	56.2%
Cogeneration	40,514	19,206	110.9%	74,885	39,177	91.1%
Other	46,516	27,979	66.3%	146,967	81,033	81.4%

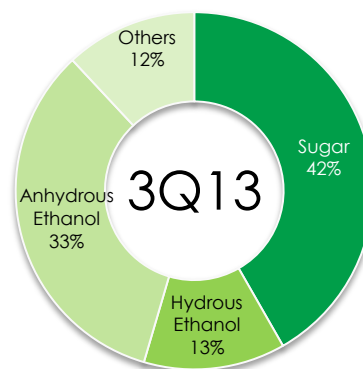
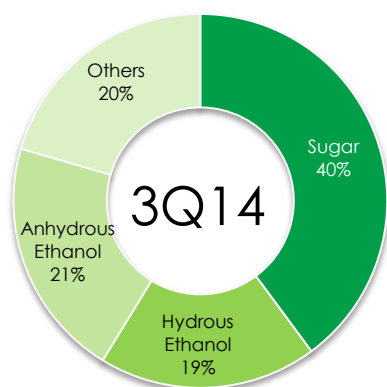
Net Revenue

In the third quarter of the 2013/14 crop year (3Q14), the Company's net revenue amounted to R\$424.8 million, increasing 7.6% from the same period of the previous crop year. This improvement was mainly driven by (i) the 35.8% increase in hydrous ethanol sales volume and the better sales price; and (ii) the 74.7% increase in cogeneration sales volume combined with the better sales price. The strong growth in energy sales volume was mainly due to the start of cogeneration activities at Usina São Martinho in the 2013/14 crop year.

The following charts provide a breakdown of the Company's net revenue by product in the quarters:

Distribution – Net Revenues

3Q14 x 3Q13

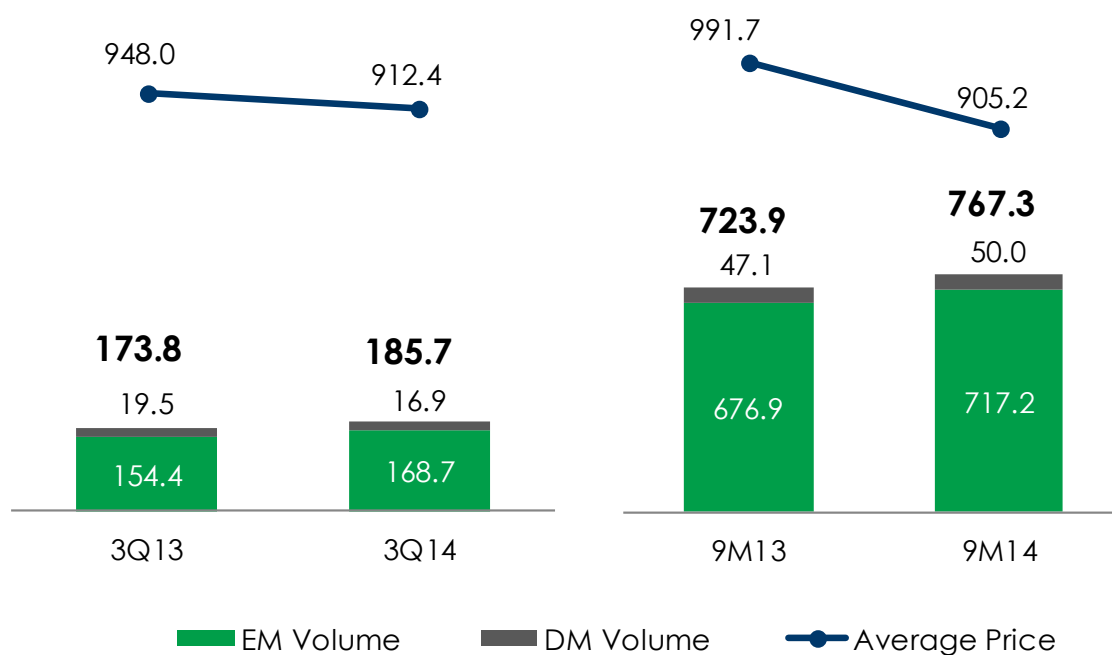




Sugar

Sugar

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

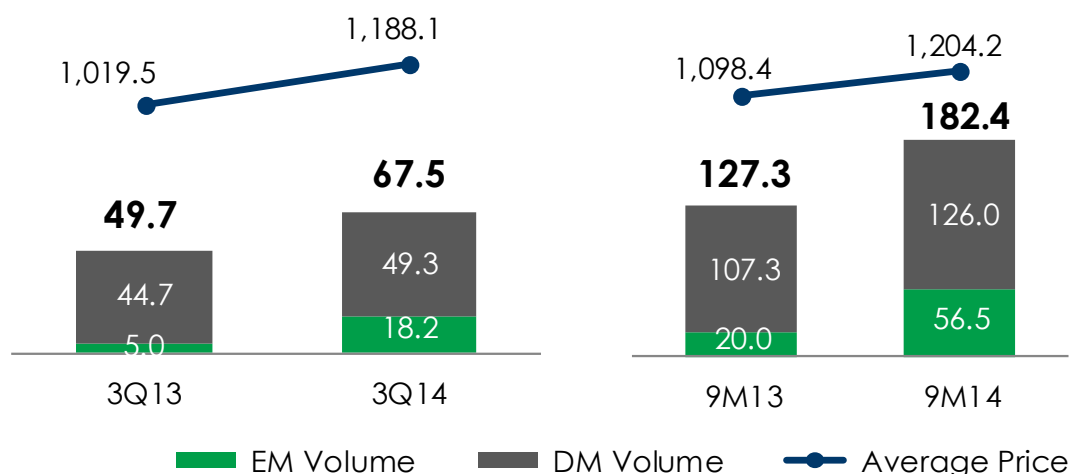


Net revenue from sugar sales amounted to R\$ 169.4 million in 3Q14, in line with the same period of the previous crop year. In 9M14, sugar sales registered net revenue of R\$ 694.5 million, down slightly from the revenue recorded in 9M13 due to the reduction in the average sales price.

Ethanol

Hydrous Ethanol

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



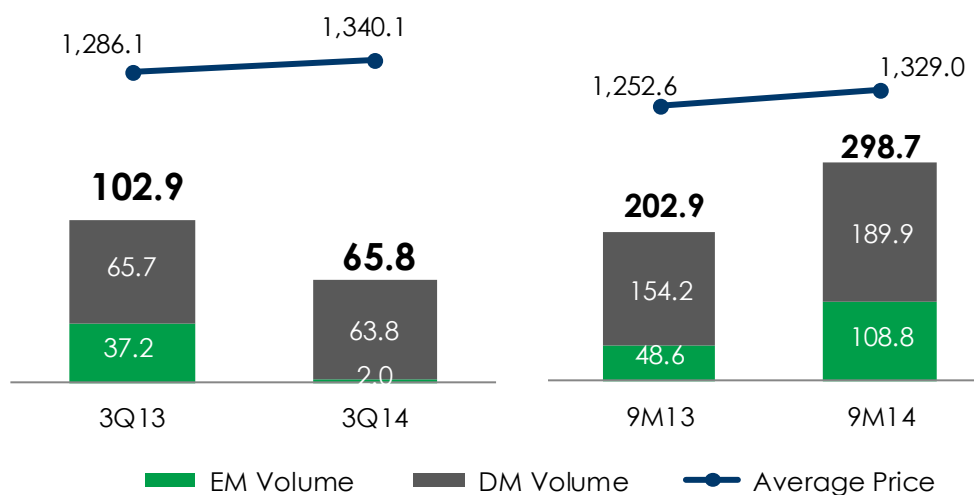
Net revenue from hydrous ethanol sales amounted to R\$ 80.2 million in 3Q14, increasing 58.3% from the same quarter of the previous crop year. The improvement was due to the 35.8% growth in hydrous ethanol sales volume, combined with the 16.5% increase in the average sales price.

The growth in sales volume is related to exports of hydrous ethanol for industrial purposes under a long-term contract we have with the Mitsubishi group. The improvement in the average sales price was driven by the stronger demand for hydrous ethanol, as mentioned in the section "Industry Overview – Ethanol."



Anhydrous Ethanol

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

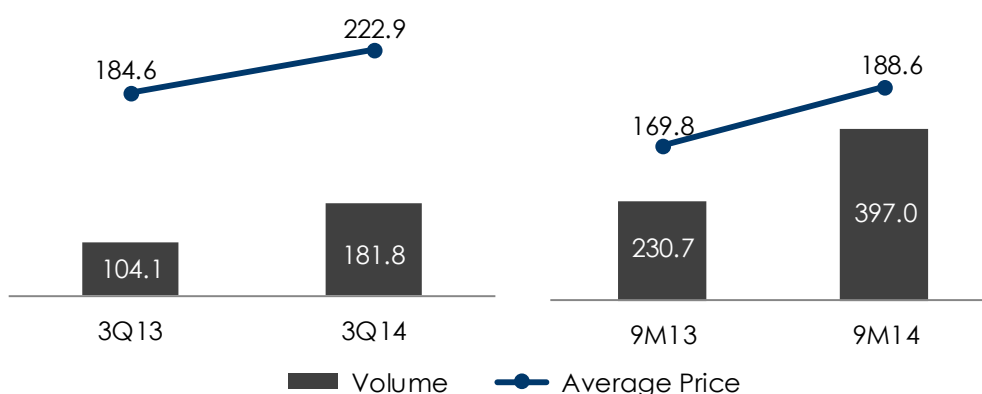


In 3Q14, net revenue from anhydrous ethanol sales decreased 33.3% from 3Q13 to R\$ 88.2 million. The decrease was due to the anticipation of sales, which became concentrated in previous quarters. In 9M14, revenue from anhydrous ethanol sales amounted to R\$ 396.9 million, 56.2% higher than in the same period of the previous crop year, reflecting the priority given to anhydrous ethanol in the Company's production mix during the 2013/14 crop year.

Cogen

Cogen

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



Net revenue from cogeneration sales in 3Q14 amounted to R\$ 40.5 million, increasing 110.9% from the same quarter of the previous crop year. In 9M14, net revenue from cogeneration sales amounted to R\$ 74.9 million, increasing 91.1% from the same period of the previous crop year. The improvement is explained by the increase of 74.7% in cogeneration sales volume in the quarter (+72.1% in 9M14), which basically reflects the output from the cogeneration operation at Usina São Martinho that was launched this crop year.

Other Products and Services

Net revenue from the line "Other Products and Services" was R\$ 46.5 million in 3Q14, increasing 66.3% from the same quarter of the previous crop year. In 9M14, net revenue amounted to R\$ 146.9 million, increasing 81.4% from 9M13. The higher revenue is mainly explained by the sale of sugarcane to Biosev under the agreement for the sale of 1,000,000 tons of sugarcane during the 2013/14 crop year related to Usina São Carlos.



INVENTORIES

INVENTORIES	3Q14	3Q13	Chg. (%)
Sugar (tons)	233,428	265,059	-11.9%
Hydrous (m3)	74,141	57,302	29.4%
Anhydrous (m3)	109,666	90,881	20.7%

EBITDA AND EBITDA COST BY PRODUCT

EBITDA BY PRODUCT - 9M14	SUGAR	ETHANOL	OTHER	TOTAL
R\$ '000				
Net Revenues	694,538	616,660	221,856	1,533,054
COGS (Cash)	(308,461)	(305,224)	(138,077)	(751,761)
Gross Profit (Cash)	386,077	311,436	83,779	781,293
Gross Margin (Cash)	55.6%	50.5%	37.8%	51.0%
Sales Expenses	(48,982)	(21,772)	(2,831)	(73,585)
G&A Expenses (Cash)	(43,260)	(44,526)	(9,754)	(97,539)
Other Revenues (Expenses)	-	-	8,738	8,738
Adjusted EBITDA	293,835	245,139	79,932	618,907
Adjusted EBITDA Margin	42.3%	39.8%	36.0%	40.4%
EBITDA Cost (*)	(522.2)	(772.2)	-	-

(*) Sugar in R\$/Ton

Ethanol in R\$/m³

EBITDA BY PRODUCT - 9M13	SUGAR	ETHANOL	OTHER	TOTAL
R\$ '000				
Net Revenues	717,971	393,958	120,213	1,232,142
COGS (Cash)	(287,019)	(225,515)	(72,767)	(585,302)
Gross Profit (Cash)	430,952	168,443	47,446	646,840
Gross Margin (Cash)	60.0%	42.8%	39.5%	52.5%
Sales Expenses	(43,093)	(9,024)	(2,400)	(54,518)
G&A Expenses (Cash)	(44,011)	(32,939)	(8,550)	(85,500)
Other Revenues (Expenses)	-	-	(1,140)	(1,140)
Adjusted EBITDA	343,848	126,479	35,356	505,682
Adjusted EBITDA Margin	47.9%	32.1%	29.4%	41.0%
EBITDA Cost (*)	(516.8)	(810.1)	-	-

(*) Sugar in R\$/Ton

Ethanol in R\$/m³

In 9M14, sugar accounted for 47.5% of the Group's consolidated Adjusted EBITDA, while ethanol and other products accounted for 39.6% and 12.9%, respectively. Sugar EBITDA margin decreased 5.6 p.p. from 9M13, reflecting the lower sugar prices and higher freight expenses (higher logistics costs due to strong competition for freight from other commodities). On the other hand, sugar



EBITDA cost was virtually unchanged from last year (increasing 1.1%), reflecting the dilution of fixed costs resulting from the higher crushing volume.

In the case of ethanol, in 9M14, Adjusted EBITDA margin expanded 7.6 p.p. from 9M13, reflecting the higher utilization of installed capacity (sharp increase in the share of ethanol in the production mix) and the higher average price (which reduced ethanol EBITDA cost by 4.7%).

AVERAGE CASH COST PER UNIT	3Q13	3Q12	Var.%	9M14	9M13	Var.%
R\$ '000						
COGS	(214,613)	(191,385)	12.1%	(751,761)	(585,302)	28.4%
Sugar	(80,104)	(63,805)	25.5%	(308,461)	(287,019)	7.5%
Ethanol	(91,536)	(103,274)	-11.4%	(305,224)	(225,515)	35.3%
Other Products	(42,973)	(24,306)	76.8%	(138,076)	(72,767)	89.8%
Average Cash Cost Per Unit (*)						
Sugar Cash Cost	(431.5)	(367.0)	17.5%	(402.0)	(396.5)	1.4%
Ethanol Cash Cost	(686.6)	(677.0)	1.4%	(634.4)	(683.0)	-7.1%

(*) Sugar in R\$/Ton

Ethanol in R\$/m³

COST OF GOODS SOLD

BREAKDOWN OF COGS - CASH - CAIXA	3Q14	3Q13	Chg. (%)	9M14	9M13	Chg. (%)
R\$ '000						
Agricultural Costs	138,692	130,842	6.0%	493,647	415,780	18.7%
Suppliers	78,858	81,486	-3.2%	276,776	259,993	6.5%
Partnerships	20,466	16,314	25.4%	80,232	56,833	41.2%
Own Sugarcane	39,368	33,042	19.1%	136,639	98,955	38.1%
Industrial	23,721	21,558	10.0%	89,235	64,548	38.2%
Other Products	52,200	38,986	33.9%	168,879	104,973	60.9%
Total COGS	214,613	191,385	12.1%	751,761	585,302	28.4%
TRS Sold ('000 Tons)	423	446	-5.0%	1,634	1,328	23.0%
Unit Cost (Sugar and Ethanol COGS/TRS)	384	342	12.2%	357	362	-1.3%

In 3Q14, Cash COGS was R\$ 214.6 million, increasing 12.1% from the same quarter of the previous crop year. The main driver of the cost increase was the line "Other Products," which reflects the sale of sugarcane to Biosev, as described in the section "Financial Performance – Other Products." Excluding the effect from the sale of sugarcane to Biosev, Cash COGS in 3Q14 was R\$ 196.2 million (increasing 2.5% from 3Q13).

In 9M14, Cash COGS was R\$ 751.8 million, increasing 28.4% from 9M13. The higher COGS in 9M14 is explained by (i) the higher sales volume in the period (+23% in TRS equivalent); and (ii) the sale of sugarcane to Biosev, as mentioned above. Excluding the effect from the sale of sugarcane to Biosev, Cash COGS in 9M14 was R\$ 666.7 million, increasing 12.7% from 9M13.



SELLING EXPENSES

SELLING EXPENSES	3Q14	3Q13	Chg. (%)	9M14	9M13	Chg. (%)
R\$ '000						
Port / Freight Costs	16,340	16,161	1.1%	70,965	51,485	37.8%
Sales Commission	-	22	n.m.	78	77	0.8%
Other - non-recurring	1,138	1,162	-2.1%	2,542	2,956	-14.0%
Selling Expenses	17,478	17,345	0.8%	73,585	54,518	35.0%
TRS Sold ('000 Tons)	423	446	-5.0%	1,634	1,328	23.0%
% of Net Revenues	4.1%	4.4%	-0.4 p.p.	4.8%	4.4%	0.5 p.p.

In 3Q14, selling expenses amounted to R\$ 17.5 million, in line with 3Q13.

In 9M14, selling expenses increased 35%, mainly due to the higher volume of ethanol sales in the export market, especially in the previous quarter (2Q14).

GENERAL AND ADMINISTRATIVE EXPENSES

G&A EXPENSES - (CASH)	3Q14	3Q13	Chg. (%)	9M14	9M13	Chg. (%)
R\$ '000						
Personnel and Management Fee	17,135	13,445	27.5%	50,669	42,173	20.1%
Taxes, Fees, Contributions and Contingencies	3,354	2,949	13.7%	21,204	21,278	-0.3%
General Expenses and Third-Party Services	7,332	7,021	4.4%	24,079	20,789	15.8%
Stock Options Expenses	529	315	67.8%	1,587	1,261	25.9%
Total General and Administrative Expenses	28,350	23,730	19.5%	97,539	85,500	14.1%

G&A expenses amounted to R\$ 28.3 million in 3Q14, increasing 19.5% from the same quarter of the previous crop year. The main impact in the period was related to the expenses with personnel and fees, due to the 25% provision for variable compensation and the wage increases under the collective bargaining agreement, which last year were allocated 100% in the fourth quarter.



EBITDA

EBITDA RECONCILIATION	Pro-Forma			9M14	9M13	
	3Q14	3Q13	Chg. (%)			Chg. (%)
R\$ Thousand						
Adjusted EBITDA	168,426	161,054	4.6%	618,907	505,682	22.4%
Adjusted EBITDA Margin	39.6%	40.8%	-1.1 p.p.	40.4%	41.0%	-0.7 p.p.
Equity Income	30	2,015	n.m.	455	5,194	-91.2%
Non Recurring Operating Revenues (Expenses)	1,282	(1,225)	n.m.	(945)	(2,444)	n.m.
Biological Assets	3,750	2,364	58.6%	5,135	(6,821)	n.m.
Non Cash Items Launched in the COGS	-	1,405	n.m.	-	1,078	n.m.
Book EBITDA	163,364	156,495	4.4%	614,261	508,676	20.8%
EBITDA Margin	38.5%	39.6%	-1.2 p.p.	40.1%	41.3%	-1.2 p.p.
(-) Depreciation and Amortization	(102,034)	(119,054)	-14.3%	(371,829)	(344,060)	8.1%
(-) Financial Revenue (Expense), net	(22,089)	(33,837)	-34.7%	(66,487)	(86,190)	-22.9%
(=) Operating Income	39,241	3,604	988.8%	175,945	78,426	124.3%

Adjusted EBITDA

In 3Q14, the São Martinho Group recorded EBITDA of R\$ 168.4 million (Adjusted EBITDA Margin of 39.6%), increasing 4.6% from 3Q13. The decrease of 1.1 p.p. in EBITDA margin was mainly due to the higher share of other non-recurring revenue (see the comparative table below), in particular the sale of sugarcane to Biosev, in accordance with the Material Fact notice disclosed in December 2012.

A breakdown by business line of Adjusted EBITDA follows:

3Q14					
EBITDA BY SEGMENT	Consolidated	S&E	Cogen	Other	Consolidated - ex other
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%	88.1%	18.5%	42.2%

3Q13					
EBITDA BY SEGMENT	Consolidated	S&E	Cogen	Other	Consolidated - ex other
R\$ '000					
Net Revenues	394,916	347,730	19,206	27,980	366,936
Adjusted EBITDA	161,054	142,756	12,416	5,882	155,172
Adjusted EBITDA Margin	40.8%	41.1%	64.6%	21.0%	42.3%



9M14					
EBITDA BY SEGMENT	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%

9M13					
EBITDA BY SEGMENT	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%

In 9M14, Adjusted EBITDA amounted to R\$ 618.9 million (Adjusted EBITDA margin of 40.4%), increasing 22.4% from 9M13 (R\$ 505.7 million with Adjusted EBITDA margin of 41.0%). The main drivers of EBITDA growth in the period were (i) the higher sales volume by all the Company's products due to the growth in crushing volume, and (ii) the better average ethanol prices, as mentioned above.

CPC 19						
EBITDA RECONCILIATION	3Q14	3Q13	Chg. (%)	9M14	9M13	Chg. (%)
R\$ '000						
Book EBITDA	119,297	119,985	-0.6%	459,016	394,849	16.3%
EBITDA Margin	38.1%	39.5%	-1.3 p.p.	37.8%	40.3%	-2.4 p.p.
(-) Depreciation and Amortization	(67,005)	(84,253)	-20.5%	(251,663)	(252,431)	-0.3%
(-) Financial Expense, net	(11,348)	(25,487)	-55.5%	(29,631)	(48,612)	-39.0%
(=) Operating Income (Loss)	40,944	10,245	299.6%	177,722	93,806	89.5%

*Includes the impacts from Nova Fronteira (50.95%) and Santa Cruz (32.18%) only through equity accounting **

HEDGING

Sugar

A summary of our sugar and U.S. dollar hedge positions on December 31, 2013 follows.

	Volume (Tons)	Average Price (US\$ c/p)	USD - Average Price (R\$/US\$)
Sugar			
2013/2014 Harvest	174,541	18.39	2.18
2014/2015 Harvest	338,536	18.34	2.39



Our sugar prices for the 2014/15 crop year were locked in at an average price of USD 18.34 cents/pound for 338,536 tons, with this volume representing 44% of our net exposure (i.e., total sugar production excluding our natural hedge with Consecana). In addition, our hedge position for the sugar inventory remaining from the 2013/14 crop year amounted to 174,541 tons at USD 18.39 cents/pound and USD 91.3 million with an exchange rate of R\$ 2.18/USD, with this volume representing 100% of the net exposure of our sugar exports to be sold in 4Q13.

U.S. Dollar

On December 31, 2013, the São Martinho Group held open positions through non-deliverable forwards (NDFs), which are used to hedge its exports, with maturities through the 2015/16 crop year as follows:

Maturity	TOTAL		SUGAR		Other	
Dólar	US\$ '000	Average Price (R\$/US\$)	US\$ '000	Average Price (R\$/US\$)	US\$ '000	Average Price (R\$/US\$)
2013/2014 Crop Year	92,486	2.18	91,316	2.18	1,170	2.25
2014/2015 Crop Year	114,573	2.36	97,353	2.39	17,220	2.19
2015/2016 Crop Year	15,114	2.30	-	-	15,114	2.30

In addition, on the same date the Company held **US\$ 38.6 million** in cash, **with our net exposure in U.S. dollar for the 2013/14 crop year amounting to US\$ 52.7 million.**

Hedge Accounting - 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, with their potential results recorded under equity ("Adjustments to book value"), net of deferred income tax and social contribution tax (potential loss of R\$122.9 million in December 2013).

NET FINANCIAL RESULT

FINANCIAL RESULT	3Q14	3Q13	Chg.%	9M14	9M13	Chg.%
R\$ '000						
Financial Revenues	10,140	21,061	-51.9%	41,455	51,133	-18.9%
Financial Expenses	(38,950)	(51,796)	-24.8%	(124,506)	(113,059)	10.1%
Hedge Result	1,592	751	112.0%	(5,594)	3,558	n.m.
Exchange Variation	7,359	(2,209)	n.m.	28,340	(21,746)	n.m.
Copersucar Monetary Variation	(2,230)	(1,644)	35.6%	(6,182)	(6,077)	1.7%
Net Financial Result	(22,089)	(33,837)	-34.7%	(66,487)	(86,190)	-22.9%

The net financial result in 3Q14 was an expense of R\$ 22.1 million, which represents a 34.7% reduction from the net financial expense in 3Q13. The main impact on this result was from the exchange variation gain in the period arising from the exposure to the U.S. dollar of our cash balance (in the same currency).



NET INCOME

Net income in 3Q14 amounted to R\$ 32.9 million, compared to net income of R\$ 7.3 million in the same period last year. The improvement in net income in the period is mainly explained by (i) the decrease in financial expenses; and (ii) the reduction in depreciation in the period to more accurately reflect the lifespan of our assets and the average age of our sugarcane fields.

DEBT WITH COPERSUCAR

On December 31, 2013, the São Martinho Group recognized on its balance sheet debt of R\$ 222.5 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\$ 169.5 million on a consolidated basis.

INDEBTEDNESS

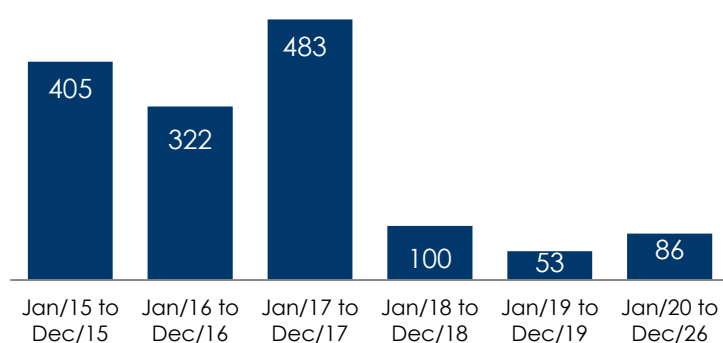
DEBT	Dec/13	Mar/13	Chg. (%)
R\$ '000			
PESA	63,188	69,599	-9.2%
Rural Credit	179,820	161,662	11.2%
BNDES / FINAME	538,616	546,570	-1.5%
Working Capital	173,611	144,896	19.8%
ACC (Advances on Foreign Exchange Contracts)	49,583	40,662	n.m.
PPE (Export prepayment)	402,112	429,611	-6.4%
NCE (Export Credit Note)	468,591	378,905	23.7%
Other	2,298	3,108	-26.1%
Obligations from Acquisitions	20,946	81,657	-74.3%
Gross Debt	1,898,765	1,856,670	2.3%
Cash and Cash Equivalents	533,588	634,290	-15.9%
Net Debt	1,365,177	1,222,380	11.7%
(+) Proportional Gross Debt at Santa Cruz	238,641	206,913	15.3%
Consolidated Net Debt	1,603,818	1,429,293	12.2%
Net Debt / YTD EBITDA	2.10 x	2.22 x	



In 9M14, the net debt of the São Martinho Group increased by 12.2% to R\$ 1.6 billion, ending the period with a Net Debt/EBITDA ratio of 2.10 times. The main factor in the debt increase was the local currency depreciation in the period, which increased our dollar-denominated debt by approximately R\$ 120 million. Considering that all dollar-denominated debt is linked to the Company's future export volumes, these losses will be fully offset once the exports are realized.

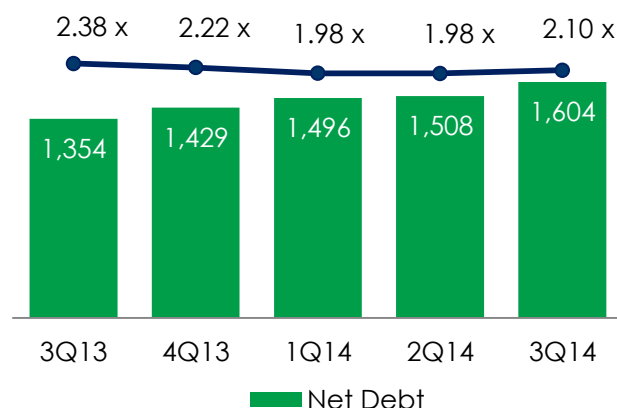
Amortization Schedule – Long-term Debt

R\$ - Million



Net Debt/ LTM EBITDA

Evolution



CAPITAL EXPENDITURE

SÃO MARTINHO - CONSOLIDATED	3Q14	3Q13	Var%.	9M14	9M13	Var%.
Maintenance Capex						
Sugarcane Planting	33,005	30,348	8.8%	91,431	84,001	8.8%
Off-Season Maintenance / Industrial / Agricultural	29,571	23,557	25.5%	39,963	49,108	-18.6%
Crop Treatment	53,751	47,241	13.8%	151,880	130,492	16.4%
Sub Total	116,327	101,146	15.0%	283,274	263,602	7.5%

Upgrading / Expansion Capex

São Martinho S.A.

Industrial / Agricultural	43,373	8,196	429.2%	94,920	83,583	13.6%
Sub Total	43,373	8,196	429.2%	94,920	83,583	13.6%

Boa Vista Mill (50,95%)

Sugarcane Planting	-	9,657	-100.0%	7,455	33,698	-77.9%
Industrial / Agricultural	6,302	14,405	-56.3%	11,266	26,408	-57.3%
Crop Treatment	-	3,121	-100.0%	2,121	8,291	-74.4%
Sub Total	6,302	27,183	-76.8%	20,843	68,398	-69.5%

Santa Cruz Mill (32,18%)

Industrial / Agricultural	926	1,010	-8.3%	2,999	2,921	2.7%
Sub Total	926	1,010	-8.3%	2,999	2,921	2.7%

TOTAL	166,929	137,536	21.4%	402,036	418,504	-3.9%
--------------	----------------	----------------	--------------	----------------	----------------	--------------

The maintenance capex of the São Martinho Group(*) amounted to R\$ 116.3 million in 3Q14, increasing 15.0% from 3Q13, mainly due to the expansion in the line crop treatments as a result of the expansion in the area under our management following the acquisition of sugarcane fields



from São Carlos in December 2012. In 9M14, maintenance capex was R\$ 283.3 million, increasing 7.5% from the same period of the previous crop year.

The main increase in modernization and expansion investments in 3Q14 (+R\$ 35.2 million) was at São Martinho S.A., which is explained by the project to increase crushing capacity at Usina São Martinho to 10.5 million tons, with this factor reflected in the year-to-date period (9M14).

(*) Maintenance capex consists of the maintenance activities at all our mills: Usina São Martinho, Usina Iracema, Usina Boa Vista (50.95%) and Usina Santa Cruz (32.18%).

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.

ABOUT SÃO MARTINHO GROUP

The São Martinho Group is one of the largest groups in Brazil's sugar and ethanol industry, with three mills in operation: São Martinho in Pradópolis (in the Ribeirão Preto region of São Paulo state), Iracema in Iracemápolis (in the Limeira region of São Paulo) and Boa Vista (in Quirinópolis, Goiás). In addition to these mills, we also consolidate 32.18% of the Santa Cruz mill located in Américo Brasiliense (in the Ribeirão Preto region). For more information please go to www.saomartinho.com.br.



INCOME STATEMENT

Quarter

SÃO MARTINHO S.A. - CONSOLIDATED	CPC 19			Pro-forma		
	3Q14	3Q13	Var %	3Q14	3Q13	Chg. (%)
R\$ '000						
Gross Revenue	323,880	317,722	1.9%	444,445	416,351	6.7%
Deductions from Gross Revenue	(11,052)	(13,721)	-19.5%	(19,633)	(21,435)	-8.4%
Net Revenue	312,828	304,001	2.9%	424,812	394,916	7.6%
Cost of Goods Sold (COGS)	(229,205)	(231,824)	-1.1%	(317,090)	(312,882)	1.3%
Gross Profit	83,623	72,177	15.9%	107,722	82,034	31.3%
Gross Margin (%)	26.7%	23.7%	3.0 p.p	25.4%	20.8%	4.6 p.p
Operating Expenses	(31,331)	(36,445)	-14.0%	(46,392)	(44,593)	4.0%
Selling Expenses	(14,812)	(13,743)	7.8%	(17,478)	(17,345)	0.8%
General and Administrative Expenses	(25,469)	(20,909)	21.8%	(31,678)	(26,458)	19.7%
Equity Income	5,901	(3,894)	n.m.	(30)	(2,015)	n.m.
Other Operating Expenses, Net	3,049	2,101	45.1%	2,794	1,225	128.1%
Operating Profit, Before Financial Effects	52,292	35,732	46.3%	61,330	37,441	63.8%
Financial Result, Net	(11,348)	(25,487)	-55.5%	(22,089)	(33,837)	-34.7%
Financial Income	17,685	24,333	-27.3%	22,130	28,160	-21.4%
Financial Expenses	(38,101)	(48,941)	-22.1%	(51,578)	(59,788)	-13.7%
Monetary and Exchange Variations - Net	9,068	(879)	n.m.	7,359	(2,209)	n.m.
Income (Loss) Before Income and Social Contribution Taxes	40,944	10,245	299.6%	39,241	3,604	988.8%
Income Tax and Social Contribution - Current	11,472	2,339	390.5%	11,233	2,481	352.8%
Income Tax and Social Contribution - Deferred	(19,458)	(5,274)	268.9%	(17,516)	1,225	n.m.
Net Income	32,958	7,310	350.9%	32,958	7,310	350.9%
Net Margin (%)	10.5%	2.4%	8.1 p.p	7.8%	1.9%	5.9 p.p



Year to Date

SÃO MARTINHO S.A. - CONSOLIDATED	CPC 19			Pro-forma		
	9M14	9M13	Var %	9M14	9M13	Chg. (%)
R\$ '000						
Gross Revenue	1,246,711	1,018,216	22.4%	1,587,968	1,288,277	23.3%
Deductions from Gross Revenue	(33,384)	(37,776)	-11.6%	(54,914)	(56,135)	-2.2%
Net Revenue	1,213,327	980,440	23.8%	1,533,054	1,232,142	24.4%
Cost of Goods Sold (COGS)	(856,021)	(702,562)	21.8%	(1,121,719)	(918,097)	22.2%
Gross Profit	357,306	277,878	28.6%	411,335	314,045	31.0%
Gross Margin (%)	29.4%	28.3%	1.1 p.p	26.8%	25.5%	1.3 p.p
Operating Expenses	(149,953)	(135,460)	10.7%	(168,903)	(149,429)	13.0%
Selling Expenses	(62,208)	(44,476)	39.9%	(73,585)	(54,518)	35.0%
General and Administrative Expenses	(86,573)	(75,317)	14.9%	(104,520)	(92,161)	13.4%
Equity Income	(11,302)	(20,169)	-44.0%	(455)	(5,194)	-91.2%
Other Operating Expenses, Net	10,130	4,502	125.0%	9,657	2,444	295.1%
Operating Profit, Before Financial Effects	207,353	142,418	45.6%	242,432	164,616	47.3%
Financial Result, Net	(29,631)	(48,612)	-39.0%	(66,487)	(86,190)	-22.9%
Financial Revenues	73,073	66,666	9.6%	90,294	82,878	8.9%
Financial Expenses	(138,371)	(115,258)	20.1%	(185,120)	(147,323)	25.7%
Monetary and Exchange Variations - Net	35,667	(20)	n.m.	28,339	(21,745)	n.m.
Income (Loss) Before Income and Social Contribution Taxes	177,722	93,806	89.5%	175,945	78,426	124.3%
Income Tax and Social Contribution - Current	(5,547)	(9,202)	-39.7%	(6,164)	(9,608)	-35.8%
Income Tax and Social Contribution - Deferred	(43,602)	(24,393)	78.7%	(41,208)	(8,607)	378.8%
Net Income	128,573	60,211	113.5%	128,573	60,211	113.5%
Net Margin (%)	10.6%	6.1%	4.5 p.p	8.4%	4.9%	3.5 p.p



BALANCE SHEET (ASSETS)

SÃO MARTINHO S.A. CONSOLIDATED - ASSETS	CPC 19		Pro-forma	
R\$ '000				
ASSETS	Dec/13	Mar/13	Dec/13	Mar/13
SHORT-TERM ASSETS				
Cash and Cash Equivalents	442,733	531,142	533,588	634,290
Trade Receivables	126,265	51,739	154,026	62,667
Derivative Financial Instruments	17,603	79,232	20,228	84,998
Inventories	313,298	101,503	422,709	148,661
Taxes Recoverable	63,960	43,313	77,286	57,085
Income Tax and Social Contribution	34,856	33,370	38,004	36,655
Dividends receivable	-	353	-	-
Other Assets	6,648	6,422	13,811	7,610
TOTAL SHORT-TERM ASSETS	1,005,363	847,074	1,259,652	1,031,966
LONG-TERM ASSETS				
Long-term Receivables				
Marketable Securities	-	-	9,005	9,037
Inventories	26,369	13,196	59,493	35,592
Related Parties	1,925	2,013	11	10
Deferred Income Tax and Social Contribution	-	6,968	49,054	56,785
Trade Receivables from Copersucar	1,361	1,228	1,546	1,398
Taxes Recoverable	68,349	47,834	91,834	67,438
Judicial Deposits	28,516	35,654	31,395	38,769
Other Assets	120	250	321	395
	126,640	107,143	242,659	209,424
Investments	576,604	600,280	10,534	11,488
Biological Assets	520,305	544,167	763,484	797,400
Property, plant and equipment	2,614,698	2,627,129	3,296,092	3,339,886
Intangible Assets	140,398	179,119	201,602	242,946
TOTAL LONG-TERM ASSETS	3,978,645	4,057,838	4,514,371	4,601,144
TOTAL ASSETS	4,984,008	4,904,912	5,774,023	5,633,110



BALANCE SHEET (LIABILITIES)

SÃO MARTINHO S.A. CONSOLIDATED- LIABILITIES	CPC 19		Pro-forma	
R\$ '000				
LIABILITIES AND SHAREHOLDERS' EQUITY	Dec/13	Mar/13	Dec/13	Mar/13
SHORT-TERM LIABILITIES				
Borrowings	496,535	240,405	665,954	363,529
Derivative Financial Instruments	71,513	14,297	74,223	15,149
Trade Payables	135,122	77,059	166,047	98,235
Payables to Copersucar	2,040	2,040	2,234	2,263
Salaries and Social Contributions	58,605	50,153	74,996	66,523
Taxes Payable	12,871	10,225	15,966	12,485
Income Tax and Social Contribution	791	314	995	484
Related Parties	-	-	-	398
Dividends Payable	-	17,326	-	17,326
Advances from Customers	1,692	957	3,873	3,341
Acquisition of Investment	10,473	71,808	10,473	71,808
Other Liabilities	22,547	16,393	21,277	12,405
TOTAL SHORT-TERM LIABILITIES	812,189	500,977	1,036,038	663,946
LONG-TERM LIABILITIES				
Borrowings	997,905	1,176,045	1,450,506	1,618,397
Payables to Copersucar	198,615	194,440	220,305	215,478
Taxes Payable in Installments	46,737	48,436	53,636	55,758
Deferred Income Tax and Social Contribution	780,572	810,465	828,863	867,891
Provision for Contingencies	55,663	60,171	61,195	66,331
Acquisition of Investment	10,473	9,849	10,473	9,849
Advances for future capital increase	-	-	31,153	30,931
Other Liabilities	2,693	3,912	2,693	3,912
TOTAL LONG-TERM LIABILITIES	2,092,658	2,303,318	2,658,824	2,868,547
SHAREHOLDERS' EQUITY				
Share Capital	737,200	614,150	737,200	614,150
Adjustments to Book Value	1,099,791	1,265,869	1,099,791	1,265,869
Profits Reserves	96,832	232,556	96,832	232,556
Treasury Shares	(13,184)	(13,811)	(13,184)	(13,811)
Stock options granted	3,268	1,853	3,268	1,853
Retained Earnings	155,254	-	155,254	-
TOTAL SHAREHOLDERS' EQUITY	2,079,161	2,100,617	2,079,161	2,100,617
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	4,984,008	4,904,912	5,774,023	5,633,110



CONSOLIDATED CASH FLOW

SÃO MARTINHO S.A.	CPC 19		Pro Forma	
R\$ '000	9M14	9M13	9M14	9M13
CASH FLOWS FROM OPERATING ACTIVITIES				
Net Income in the period	128,573	60,211	128,573	60,211
Adjustments				
Depreciation and amortization	98,260	115,724	134,095	157,406
Harvested biological assets (depreciation)	153,403	136,707	237,735	186,654
Variation in fair value of biological assets	(47)	(10,536)	5,146	(6,822)
Amortization of intangible assets	-	-	1,942	-
Equity income	11,302	20,169	455	5,194
Result of investment and property, plant and equipment disposals	(2,234)	(2,127)	(2,557)	(2,045)
Interest, monetary and foreign exchange variations, net	59,463	62,732	104,350	111,695
Accrual of provision for contingencies, net	13,394	14,113	14,597	14,375
Deferred income tax and social contribution taxes	43,602	24,393	41,208	8,607
Accrual (reversal) of provision for inventory losses	-	(526)	-	(527)
Adjustments to present value and others	11,310	11,353	12,853	11,103
	517,026	432,213	678,397	545,851
Changes in assets and liabilities				
Trade receivables	(64,253)	(60,044)	(80,413)	(77,157)
Inventories	(169,262)	(171,797)	(221,907)	(237,825)
Taxes recoverable	(39,956)	(36,052)	(42,793)	(34,855)
Marketable securities	-	-	624	(543)
Related parties	-	-	-	(2)
Other assets	7,044	(1,472)	2,090	(2,583)
Trade payables	73,935	44,976	87,547	49,061
Salaries and social charges	8,452	(7,906)	8,607	(9,626)
Taxes payable	5,111	2,607	5,740	2,911
Taxes payable in installments	(3,990)	(5,194)	(4,428)	(5,693)
Provision for contingencies - settlements	(22,510)	(25,919)	(24,815)	(27,470)
Other liabilities	5,173	(5,665)	6,373	(3,137)
	316,770	165,747	415,022	198,932
Cash provided by operations	316,770	165,747	415,022	198,932
Interest paid	(52,451)	(21,340)	(79,181)	(41,548)
Income tax and social contribution paid	(2,151)	(1,025)	(2,248)	(1,281)
Net cash provided by operating activities	262,168	143,382	333,593	156,103
CASH FLOW FROM INVESTING ACTIVITIES				
Financial resources used in investments	(66,398)	(66,237)	(66,398)	(66,374)
Additions to property, plant and equipments and intangible assets	(146,022)	(123,619)	(169,358)	(163,391)
Additions to biological assets (planting and crop treatment)	(167,068)	(150,382)	(252,910)	(256,483)
Proceeds from sale of property, plant and equipment	11,553	3,710	12,207	3,958
Receivable from sale of biological assets and rights	47,500	-	47,500	-
Cash and cash equivalents acquired from subsidiary	1	-	1	-
Advance for future capital increase	(1,414)	(2,663)	-	(1,202)
Dividends and interest on equity received	1,330	1,216	-	4,213
Net cash used in investing activities	(320,518)	(337,975)	(428,958)	(479,279)
CASH FLOW FROM FINANCING ACTIVITIES				
Derivative financial instruments	33,320	4,025	38,242	1,359
New borrowings - third parties	207,109	574,437	314,575	699,781
Repayment of borrowings - Copersucar	(5,644)	(10,755)	(6,621)	(12,617)
Repayment of borrowings - third parties	(235,516)	(85,330)	(322,530)	(172,033)
Advance for future capital increase	-	-	223	7,338
Payment of dividends and interest on equity	(30,000)	(36,084)	(29,898)	(36,084)
Purchase of treasury shares	-	(1,785)	-	(1,785)
Sale of shares from exercised options	672	663	672	663
	(30,059)	445,171	(5,337)	486,622
Net cash provided by (used in) financing activities	(30,059)	445,171	(5,337)	486,622
Increase (decrease) in cash and cash equivalents, net	(88,409)	250,578	(100,702)	163,446
Cash and cash equivalents at the beginning of the period	531,142	295,776	634,290	410,567
Cash and cash equivalents at the end of the period	442,733	546,354	533,588	574,013

YOUR OPINION ON THE EARNINGS RELEASE

Help us to improve our earnings release! This space is dedicated to getting your feedback on the **quality**, **layout** and **ease of use** of the information available in it.

Who are you

Sell-side Analyst

Buy-side Analyst

Asset Manager

Individual Investor

Journalist

Student

Employee of
São Martinho

S&E Industry
Professional

Financial Markets
Professional

General Public

Where are you from

Brazil

South America

North America

Europe

Africa /
Middle East

Asia

Australia

QUALITY

QUALITY OF CHARTS

Excellent Good Average Bad Very Bad

QUALITY OF TABLES

Excellent Good Average Bad Very Bad

EASE OF USE

EASE OF FINDING INFORMATION

Excellent Good Average Bad Very Bad

EASE OF UNDERSTANDING THE INFORMATION

Excellent Good Average Bad Very Bad

LAYOUT

ORGANIZATION OF CHARTS

Excellent Good Average Bad Very Bad

LAYOUT OF TABLES

Excellent Good Average Bad Very Bad

ORGANIZATION OF EXPLANATIONS

Excellent Good Average Bad Very Bad

Overall, what is your opinion about the earnings release?

Excellent

Good

Average

Bad

Very Bad