

Earnings Release Conference Call

1Q17



São Martinho
16/17 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, climate 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 Indebtedness

4 Sugar and Dollar Exposure

Operational Highlights



Table 1

OPERATING DATA			
	14/15	15/16	YoY (%)
São Martinho - Consolidated			
Crushing ('000 tons)	7,409	8,186	10.5%
Own	4,768	5,644	18.4%
Third Parties	2,641	2,542	-3.7%
Production			
Sugar ('000 tons)	423	480	13.3%
Anhydrous ('000 m3)	135	154	14.5%
Hydrous ('000 m3)	119	136	14.7%
Cogeneration ('000 MWh)	259	241	-7.1%
Average TRS (Kg/Ton)	119	122	3.1%
Total TRS Produced ('000 tons)	880	1,002	13.9%
Mix Sugar - Ethanol	51% - 49%	50% - 50%	

Financial Highlights



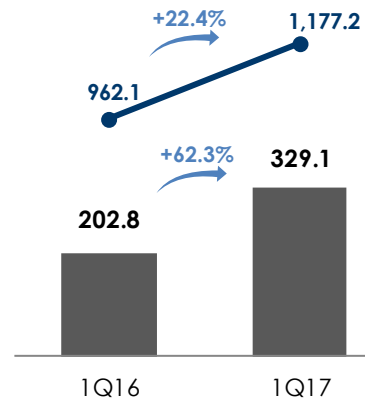
Table 1

	1Q16	1Q17	Chg. %
Net Revenue*	476,706	683,913	43.5%
COGS (cash)*	207,665	281,653	35.6%
Selling Expenses*	14,656	24,972	70.4%
G&A Expenses	30,822	40,208	30.5%
Adjusted EBITDA	225,104	333,750	48.3%
Adj. EBITDA Margin	47.2%	47.0%	-0.2 p.p.
Adjusted EBIT	101,010	176,702	74.9%
Adj. EBIT Margin	21.2%	24.9%	3.7 p.p.
Net Financial Results	(58,570)	(74,172)	26.6%
Hedge Accounting	(21,228)	(64,294)	202.9%
Net Income before Taxes	13,490	46,552	245.1%
Income Taxes	17,958	(6,883)	-138.3%
Net Income	31,448	39,669	26.1%
TRS Sold ('000 Tons)*	442	594	34.6%

* Doesn't consider the ethanol imported.

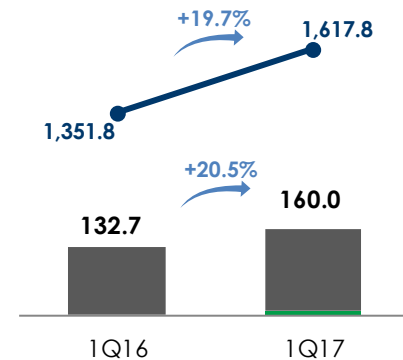
Graph 1

SUGAR

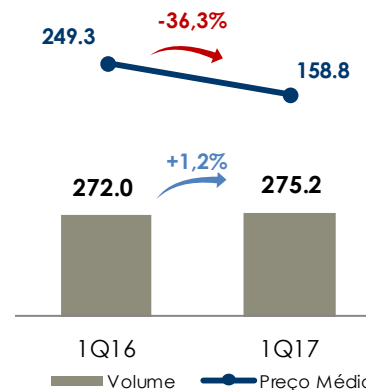


Graph 2

ETHANOL



Graph 3



Indebtedness



Table 1

INDEBTEDNESS	Mar/16	Jun/16	Chg%.
R\$ '000			
Indebtedness in foreign exchange	1,759,149	1,511,683	-14.1%
BNDES / Rural Credit	799,041	759,401	-5.0%
Working Capital	1,215,533	984,098	-19.0%
Obligations from acquisitions	79,687	73,795	-7.4%
PESA	51,757	47,465	-8.3%
Gross Debt	3,905,167	3,376,442	-13.5%
Cash and Cash Equivalents	1,120,212	630,381	-43.7%
Net Debt	2,784,955	2,746,061	-1.4%
Net Debt / EBITDA LTM	2.14 x	1.95 x	
Net Debt / EBITDA LTM - USD *	2.16 x	2.24 x	

Adj. EBITDA LTM

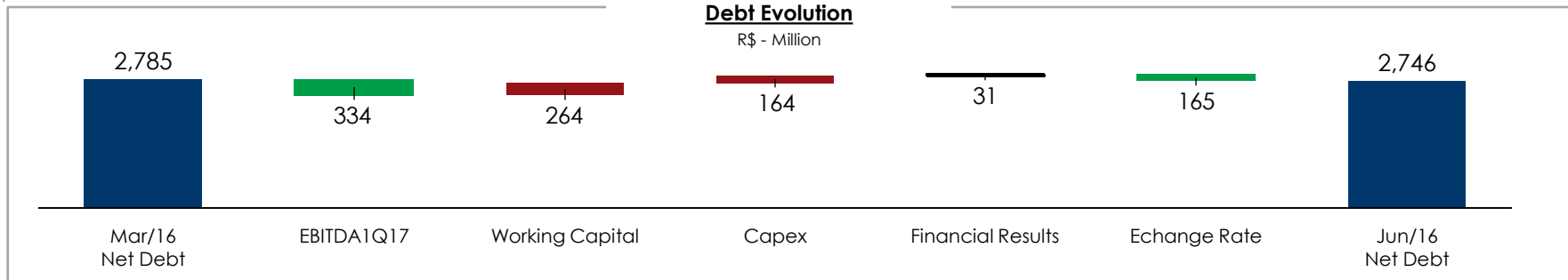
1,301,214

1,410,859

Graph 3

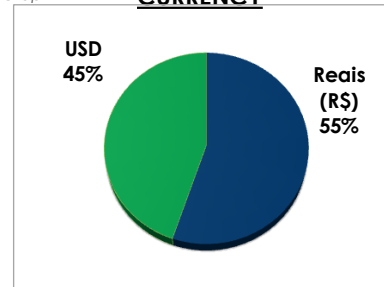
Debt Evolution

R\$ - Million



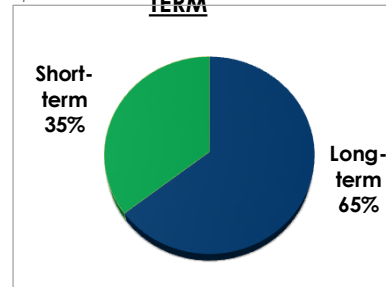
Graph 1

CURRENCY



Graph 2

TERM



* Net Debt PTAX:
March/16: R\$ 3.58
June/16: R\$ 3.21

EBITDA LTM Average daily PTAX 12 months:
March/16: R\$3.58
June/16: R\$3.70

Sugar and Dollar Exposure



Table 1

	Volume Hedged (^{'000} tons)	Avg. Price (US\$ c/p)	% own sugarcane
Sugar			
2016/2017 crop year	664,471	15.28	74.1%
2017/2018 crop year	150,629	19.33	15.0%

Table 2

	16/17 Crop Year	%	17/18 Crop year	%
	9M		12M	
Exposure(^{'000} ton)	804,688		1,056,000	
Average Price(Fixed + market) US\$ c/p	16.43		19.65	
Exposure to USD (US\$ '000)	291,389		457,403	
Hedged USD (US\$ '000)	(121.775)		(62.722)	
Debt in USD (US\$ '000)	(102.000)		(202.000)	
Supplies (US\$ '000)	(25.000)		(50.000)	
USD Committed (US\$ '000)	(248.775)	85%	(314.772)	69%
Net exposure to USD (US\$ '000)	42,614	15%	142,681	31%

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