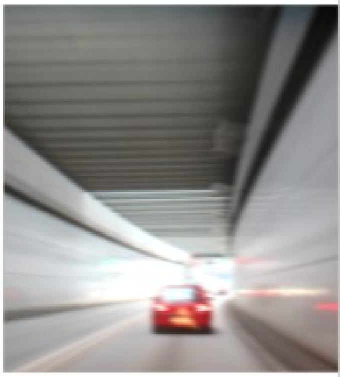


São Martinho

3Q09 Results
2008/09 Harvest

SÃO MARTINHO REPORTS 3Q09 ADJUSTED EBITDA OF R$64.4 MILLION WITH MARGIN OF 29.2%

Net Revenue grows 73.5% to R$ 221 million in 3Q09

São Paulo, February 13, 2009 – SÃO MARTINHO S.A. (Bovespa: SMTO3; Reuters SMTO3.SA and Bloomberg: SMTO3 BZ), one of the largest sugar and ethanol producers in Brazil, announces today its results for the third quarter of 2009 (3Q09) in the 2008/09 harvest year. The 3Q09 results are presented on a consolidated basis, in accordance with Brazilian Corporate Law, including the partial consolidation of 41.67% of Santa Luiza Mill. The results for 3Q08 are also presented on a consolidated basis, however, they consider eight months of the operations of Santa Luiza Mill and Agropecuária Aquidaban, since these companies were acquired in April 2007.

3Q09 Highlights

- Adjusted EBITDA in the quarter was R$64.4 million, up 182% against 3Q08, due to the combination of better prices and higher sales volume of sugar, anhydrous and hydrous ethanol.

- The São Martinho Group closed the 2008/09 harvest year with a 17.4% increase in total sugarcane crushing capacity to a record 12 million tons. In the consolidated result for the three units, we allocated approximately 67% of total recoverable sugar (TRS) to ethanol production and 33% to sugar production.

- In line with our strategy of concentrating sales in the period between harvests, our inventory of finished products in 3Q09 stood at 276,000 tons of sugar and 261,000 m^3 of ethanol. This volume is equivalent to 42% of the total 2008/09 crop (in TRS equivalent), with a large portion already contracted by our clients for delivery in the coming months. At current prices, the monetization of our inventories comes to approximately R$ 400 million.

- The 3Q09 result was adversely affected by foreign-exchange losses (with no cash impact) of approximately R$67.8 million, given the sharp depreciation in the Brazilian real against the U.S. dollar of approximately 22.1% in the period. Bear in mind that these losses will be offset once the exports are settled. The main transactions generating these expenses were foreign-denominated funding operations such as advances on export contracts (ACCs) and export prepayments, as well as non-deliverable forwards (NDFs).

- Our short-term debt stood at R$ 403 million in 3Q09, increasing by R$50 million in relation to 2Q09. The monetization of our inventory of finished products in 3Q09 (R$400 million) combined with our cash position (R$144.8 million) is sufficient to service our short-term debt.

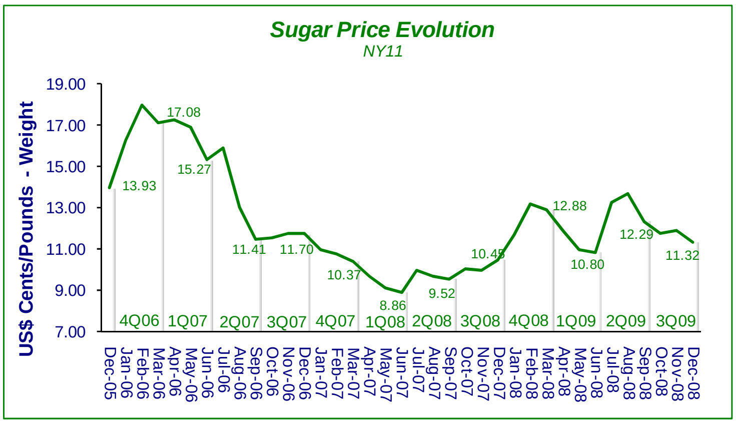
Industry Overview

Sugar

Average Sugar Prices	3Q09	2Q09	3Q08	Chg.% 3Q09 x 3Q08	Chg. 3Q09 x 2Q09	9M09	9M08	Chg.% 9M09 x 9M08
US$/R$ Exchange rate	2.28	1.67	1.79	27.5%	36.5%	1.87	1.89	-1.1%
NY11 US$ cents/pound	11.61	13.06	10.11	14.8%	-11.1%	11.96	9.66	23.8%
NY11 R$ / Ton	582.62	480.19	398.11	46.3%	21.3%	492.74	402.51	22.4%
Sugar ESALQ Net R$/50-kilogram sack	26.13	24.31	19.74	32.3%	7.5%	24.35	21.66	12.4%

The main highlight in 3Q09 was the 27.5% depreciation in the BRL against the US$ in relation to the average exchange rate in 3Q08. In the same period, the average sugar price quoted in New York (NY11) rose 14.8%.

Analysis of the combined impact of the exchange rate and the NY11 sugar price indicates an increase of 46.3% in BRL-denominated sugar prices for Brazilian producers.



In the first nine months of our fiscal year (9M09), the BRL-denominated sugar price was 22.4% higher than in 9M08, exclusively due to the recovery in international sugar prices (NY11), given the prospects for lower sugar production in India.

According to the latest estimates, India should produce approximately 19 million tons of sugar in the 2008/09 harvest, representing a 27% decrease in relation to 2007/08. The combination of a contraction in planted area (due to crop rotation) and drop in yields (due to floods in the Uttar Pradesh region) is the main reason for the decline in production.

Brazil's Center-South region should conclude the 2008/09 harvest year in February 2009 with approximately 500 million tons of sugarcane crushed in the period, an increase of 16% over 2007/08. Despite the strong increase in crushing, sugar production was up only 2%, totaling 26.7 million tons of sugar, in relation to the 2007/08 crop.

Mills opted to shift the production mix towards ethanol, since until October 2008 anhydrous and hydrous ethanol offered better operating margins compared with sugar.

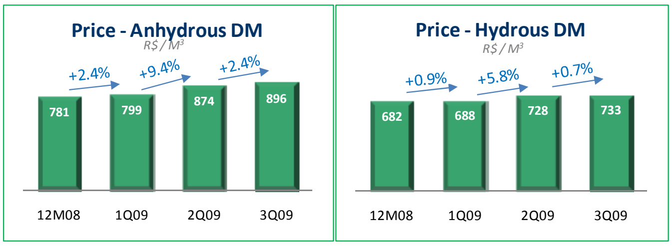
We believe that if the current scenario remains in place (NY11 sugar price above US$12 cents/pound and the exchange rate above R$2.20/US$), in the next harvest year (expected to start in April 2009) producers in the Center-South region will take advantage of their maximum sugar production capacity. This would represent an increase in sugar production of between 3 and 4 million tons, which still falls short of the estimated drop in India production volume.

Ethanol

Average Ethanol / Oil Prices	3Q09	2Q09	3Q08	Chg.% 3Q09 x 3Q08	Chg. 3Q09 x 2Q09	9M09	9M08	Chg.% 9M09 x 9M08
Anhydrous ESALQ, Net DM R$ / M3	895.50	874.10	774.48	15.6%	2.4%	857.71	771.94	11.1%
Hydrous ESALQ, Net DM - R$ / M3	733.08	728.28	685.89	6.9%	0.7%	717.29	669.33	7.2%
Anhydrous ESALQ EM R$ / M3	969.30	767.51	658.83	47.1%	26.3%	842.46	715.80	17.7%
Hydrous ESALQ EM - R$ / M3	940.34	705.79	642.88	46.3%	33.2%	784.20	698.30	12.3%
Oil NY	59.08	117.98	90.50	-34.7%	-49.9%	100.37	76.96	30.4%

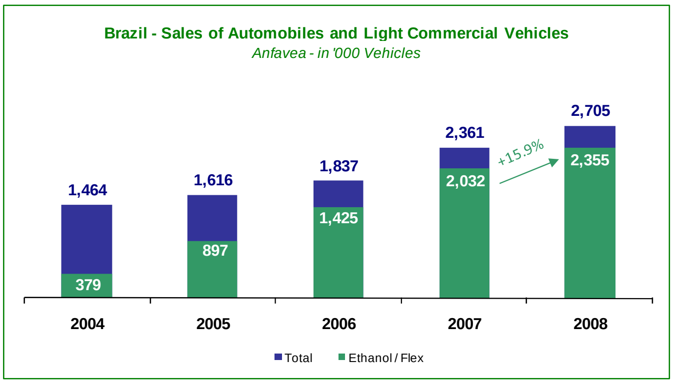
In 3Q09, domestic anhydrous and hydrous ethanol prices increased by 15.6% and 6.9%, respectively, versus 3Q08. In the same period, international market prices registered substantial improvement (47.1% and 46.3% for anhydrous and hydrous ethanol, respectively).

Chart 1



The growing demand for ethanol in Brazil, driven by the higher number of flex-fuel cars, was the main driver of the increase in domestic prices.

Chart 2



Meanwhile, the significant increase in international prices was mainly due to the sharp depreciation in 3Q09 in the Brazilian real against the U.S. dollar.

In the international market, this depreciation had a positive impact on prices for Brazilian producers, especially at the close of 2008. In addition, certain export windows at the beginning of the harvest also helped support better export prices.

We expect this recovery in domestic anhydrous and hydrous ethanol prices to continue over the coming months. The combination of strong demand and adjusted inventories should drive ethanol prices at the pump to parity with gasoline prices. Today, in Brazil's largest consumer market, São Paulo state, hydrous ethanol prices are at approximately 55% of gasoline prices, and considering the energy equivalence, figures below 70% are favorable for ethanol.

Today, more than 80% of Brazil's ethanol output is sold in the domestic market, where flex-fuel car owners can choose between filling up with either ethanol or gasoline. As a result, the gasoline price is an extremely important factor in the business models of ethanol producers, since it determines the upper limit of hydrous ethanol prices at the pump.

Due to the sharp drop in international oil prices in recent months, the gasoline price in the Brazilian market currently stands above international prices, since the last adjustment by Petrobrás was made in April 2008, when oil was above US$100/barrel. Note that at that time, gasoline prices at the pump remained unchanged, since the government lowered the tax burden on the fuel by lowering the CIDE tax rate. There is a possibility that if Petrobrás does in fact decide to lower gasoline prices, the government could move in the opposite direction, increasing the CIDE tax rate and keeping prices at the pump unchanged.

Operating Performance

Operating Highlights

Operating Data	9M09	9M08	Chg. %
Crushed Sugarcane (‘000 tons)	12,001	10,218	17.4%
Own	7,212	6,673	8.1%
Third Parties	4,789	3,545	35.1%
Mechanized Harvest (%)	81.4%	75.0%	6.4 p.p
Production			
Sugar (‘000 tons)	555	527	5.4%
Anhydrous Ethanol (‘000 m^3)	287	306	-6.1%
Hydrous Ethanol (‘000 m^3)	387	214	80.8%
Ribonucleic Acid (RNA) Sodium Salt ('000 Kg)	161	293	-54.5%
Energy ('000 MWh)	89.4	-	n.m.

Financial Performance

Operating Revenue

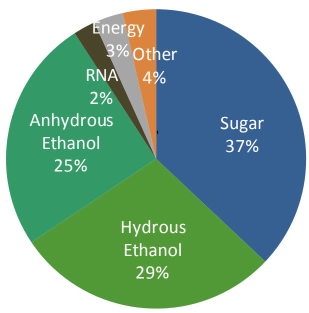
Net Revenues Breakdown R$ Thousand	3Q09	3Q08	Chg.% 3Q09 x 3Q08	9M09	9M08	Chg.% 9M09 x 9M08
Domestic Market	**133,551**	**95,432**	**39.9%**	**333,803**	**260,516**	**28.1%**
Sugar	6,941	22,663	-69.4%	15,421	61,904	-75.1%
Hydrous Ethanol	58,648	33,932	72.8%	155,417	82,503	88.4%
Anhydrous Ethanol	53,022	34,112	55.4%	123,109	94,724	30.0%
Energy	7,017	-	n.m.	16,035	-	n.m.
Other	7,921	4,725	67.6%	23,821	21,384	11.4%
Export Market	**87,265**	**31,854**	**174.0%**	**173,381**	**220,404**	**-21.3%**
Sugar	74,777	21,635	245.6%	124,991	137,346	-9.0%
Hydrous Ethanol	4,517	1,953	131.3%	8,621	19,409	-55.6%
Anhydrous Ethanol	2,691	6,419	-58.1%	29,098	56,160	-48.2%
RNA	5,279	1,847	185.8%	10,672	7,488	42.5%
Total Net Revenue	**220,816**	**127,286**	**73.5%**	**507,185**	**480,920**	**5.5%**
Sugar	81,719	44,298	84.5%	140,412	199,251	-29.5%
Hydrous Ethanol	63,165	35,885	76.0%	164,038	101,913	61.0%
Anhydrous Ethanol	55,714	40,530	37.5%	152,207	150,884	0.9%
RNA	5,279	1,847	185.8%	10,672	7,488	42.5%
Energy	7,017	-	n.m.	16,035	-	n.m.
Other	7,921	4,725	67.6%	23,821	21,384	11.4%

Net Revenue

In 3Q09, the São Martinho Group recorded net revenue growth of 73.5% year on year, mainly driven by the combination of higher sales volume of sugar and anhydrous and hydrous ethanol (+37.8% in TRS equivalent) and better average prices.

Year to date, net revenue grew by 5.5% against the same nine-month period a year earlier, due to higher average prices of sugar and ethanol in relation to the previous harvest year.

Revenues Breakdown 3Q09



Sales Performance Products	3Q09	3Q08	Chg.% 3Q09 x 3Q08	9M09	9M08	Chg.% 9M09 x 9M08
Domestic Market						
Sugar (tons)	13,988	57,802	-75.8%	34,451	146,762	-76.5%
Hydrous Ethanol (m^3)	85,309	49,372	72.8%	226,247	129,989	74.1%
Anhydrous Ethanol (m^3)	60,605	44,211	37.1%	146,727	123,866	18.5%
Energy (MWh)	50,442	-	n.m.	95,503	-	n.m.
Export Market						
Sugar (tons)	124,973	52,252	139.2%	249,885	299,841	-16.7%
Hydrous Ethanol (m^3)	4,000	2,710	47.6%	8,951	25,225	-64.5%
Anhydrous Ethanol (m^3)	1,984	7,941	-75.0%	35,302	69,515	-49.2%
RNA (Kg)	80,880	52,000	55.5%	217,590	195,000	11.6%
Total						
Sugar (tons)	138,961	110,054	26.3%	284,336	446,604	-36.3%
Hydrous Ethanol (m^3)	89,309	52,082	71.5%	235,198	155,214	51.5%
Anhydrous Ethanol (m^3)	62,589	52,152	20.0%	182,028	193,382	-5.9%
Energy (MWh)	50,442	-	n.m.	95,503	-	n.m.
RNA (Kg)	80,880	52,000	55.5%	217,590	195,000	11.6%

Average Prices	3Q09	3Q08	Chg.% 3Q09 x 3Q08	9M09	9M08	Chg.% 9M09 x 9M08
Domestic Market						
Sugar (R$/tons)	496.23	392.08	26.6%	447.62	421.80	6.1%
Hydrous Ethanol (R$/$m^3$)	687.48	687.27	0.0%	686.94	634.70	8.2%
Anhydrous Ethanol (R$/$m^3$)	874.88	771.56	13.4%	839.04	764.73	9.7%
Energy (R$/MWh)	139.11	-	n.m.	167.90	-	n.m.
Export Market						
Sugar (R$/tons)	598.35	414.06	44.5%	500.19	458.06	9.2%
Hydrous Ethanol (R$/$m^3$)	1,129.22	720.76	56.7%	963.14	769.46	25.2%
Anhydrous Ethanol (R$$m^3$)	1,356.67	808.32	67.8%	824.26	807.88	2.0%
RNA (R$/Kg)	65.27	35.52	83.8%	49.04	38.40	27.7%
Total						
Sugar (R$/tons)	588.07	402.52	46.1%	493.82	446.15	10.7%
Hydrous Ethanol (m^3)	707.27	689.01	2.6%	697.45	656.60	6.2%
Anhydrous Ethanol (m^3)	890.15	777.16	14.5%	836.17	780.24	7.2%
Energy (R$/MWh)	139.11	-	n.m.	167.90	-	n.m.
RNA (R$/Kg)	65.31	35.52	83.9%	49.09	38.40	27.9%

Sugar

Net revenue from sugar sales grew to R$ 81.7 million in 3Q09, up 84.5% on the R$ 44.3 million reported in the same quarter a year earlier, mainly driven by the combination of higher sugar export volumes and the improvement in sugar prices.

The 46.1% increase in sugar prices is due to the combination of the weaker local currency (improving prices in BRL for Brazilian producers) and the better international sugar prices (mainly given the prospects for lower India production).

Year to date, sugar net revenue fell by 29.5% in relation to 9M08, impacted primarily by the drop of 36.3% in sugar sales volume in the period. As highlighted in our 2Q09 earnings release, our commercial strategy was to concentrate sales in the second half of fiscal year 2009 (October 2008 to March 2009), during which we obtained better average sugar prices than in the first half of fiscal year 2009.

Ethanol

Hydrous

Net revenue from hydrous ethanol was R$ 63.1 million in 3Q09, up 76.0% on the R$ 35.9 million in 3Q08, fueled mainly by the increase of 72.8% year on year in domestic ethanol sales volume in the quarter. This variation was due to the combination of higher hydrous ethanol production (startup of Boa Vista Mill) and growing demand driven by expansion of the flex-fuel fleet.

Year to date, hydrous ethanol net revenue climbed 61.0% in relation to 9M08, due to the same reasons described above.

Anhydrous

Net revenue from anhydrous ethanol sales in 3Q09 was R$55.7 million, up 37.5% in relation to 3Q08, led by increases in both domestic prices and volumes.

The price increases are related to Brazil's export volume in the 2008/09 harvest year. The April-December 2008 period registered an increase of more than 100% in Brazilian anhydrous ethanol exports in relation to the same period in 2007, from 943,000 m^3 to 1,925,000 m^3.

Therefore, considering this additional demand, we identified greater discipline by producers in relation to the prices practiced in the domestic market during the harvest period.

Year to date, anhydrous ethanol net revenue remained virtually unchanged, moving up a slight 0.9% in relation to 9M08.

Ribonucleic Acid (RNA) Sodium Salt

Net revenue in 3Q09 from this product rose by 185.8% over 3Q08 to R$ 5.3 million. Both RNA volume and prices increased significantly year on year. The higher volume was due to the changes in the RNA shipment schedule agreed for this harvest year. Meanwhile, the higher price reflects the price increase in US$ established at the start of the harvest. In addition, the local currency depreciation ended up having a positive effect on revenue from RNA exports.

Year to date, RNA net revenue grew by 42.5% year on year, impacted by the combination of higher volumes and prices in relation to the previous harvest.

Electric Power

After the startup of crushing in our greenfield project (the Boa Vista Mill) and certain investments at the São Martinho Mill, starting in fiscal year 2009 we substantially increased electricity sales.

In 3Q09, electricity net revenue totaled R$7.0 million, generated by the delivery of 50,442 MWh at an average price of R$ 139.11/MWh. Year to date, electric power net revenue reached R$ 16.0 million, generated by the sale of 95,503 MWh at an average price of R$ 167.90/MWh.

Other Products and Services

Net Revenue from the "Other Products and Services" line totaled R$ 7.9 million in 3Q09, an increase of 67.6% year on year. This increase was led by higher sales of inputs to sugarcane suppliers. The São Martinho Group occasionally purchases higher quantities of inputs and resells them to suppliers, since it obtains better prices due to the larger scale.

Year to date, net revenue from this line increased by 11.4% in relation to the same nine months of 2008, boosted by the same factors described above.

Inventories

Inventories	3Q09	3Q08	Chg.% 3Q09 x 3Q08
Sugar (Tons)	275,888	164,083	68.1%
Hydrous Ethanol (m^3)	151,106	58,760	157.2%
Anhydrous Ethanol (m^3)	109,902	135,180	-18.7%

As the table above shows, the main variations in inventories are related to the year-on-year increases in sugar and hydrous ethanol volumes in 3Q09 of 68.1% and 157.2%, respectively.

The higher sugar inventories are related to the commercial strategy of concentrating shipments in the second half of 2009 (October 2008 to March 2009) to obtain higher average prices.

The increase in hydrous ethanol inventories is related to the first harvest at the Boa Vista Mill, which boosted the Group's production of this product by 107,200 m^3.

Cost of Goods Sold

The composition of our Cost of Goods Sold (cash cost) is shown below:

Breakdown of Cost of Goods Sold (COGS) - Cash R$ Thousand	3Q09	3Q08	Chg.%	9M09	9M08	Chg.%
Agricultural Costs	**99,145**	**61,386**	**61.5%**	**230,502**	**228,077**	**1.1%**
Suppliers	*39,706*	*28,064*	*41.5%*	*94,209*	*98,110*	*-4.0%*
Partnerships	*9,056*	*5,253*	*72.4%*	*19,513*	*21,561*	*-9.5%*
Own Sugarcane	*50,383*	*28,069*	*79.5%*	*116,780*	*108,406*	*7.7%*
Industrial	**15,537**	**8,636**	**79.9%**	**36,545**	**35,878**	**1.9%**
Other Products	**12,955**	**5,838**	**121.9%**	**37,544**	**23,070**	**62.7%**
Total COGS (*)	***127,638***	***75,859***	***68.3%***	***304,591***	***287,025***	***6.1%***
Santa Luiza and Aquidaban Reconciliation	*-*	*6,454*	*n.m.*	*-*	*25,594*	*n.m.*
Total COGS	***127,638***	***82,313***	***55.1%***	***304,591***	***312,619***	***-2.6%***
TRS Sold (000 Tons)	*407*	*296*	*37.8%*	*1,017*	*1,073*	*-5.1%*
Unit Cost (Sugar and Ethanol Cash COGS / TRS Sold)	*282*	*259*	*8.8%*	*262*	*270*	*-2.8%*

(*) Excludes the partial consolidation of Santa Luiza Mill and Agropecuária Aquidaban.

As shown above, Cash COGS in 3Q09 was 55.1% higher than in 3Q08, mainly driven by the 37.8% increase in sales volume (in TRS equivalent) in 3Q09 over 3Q08.

Analysis of the trajectory of our unit costs per TRS sold indicated an increase of 8.8% between 3Q09 and 3Q08, very close to the inflation measured in the period.

Year to date, cash COGS fell by 2.6% in relation to 9M08, mainly led by the drop in sales volume (-5.1% in TRS equivalent).

Gross Profit and Gross Margin

Fueled by higher sugar and ethanol sales volumes and better prices, gross profit at the São Martinho Group in 3Q09 increased by 306.5% year on year.

Year to date, gross profit climbed 110.9% over 9M08, exclusively due to the improvement in sugar and ethanol prices.

Selling Expenses

Selling Expenses Breakdown						
R$ Thousand	**3Q09**	**3Q08**	**Chg.%**	**9M09**	**9M08**	**Chg.%**
Port Costs	1,463	1,554	-5.9%	2,948	8,990	-67.2%
Packaging	-	269	n.m.	-	1,200	n.m.
Freight	8,610	2,632	227.1%	20,462	18,091	13.1%
Sales Comission	633	-	n.m.	1,576	-	n.m.
Other- nonrecurring	-	-	n.m.	-	698	n.m.
Selling Expenses (*)	**10,706**	**4,455**	**140.3%**	**24,985**	**28,978**	**-13.8%**
TRS Sold ('000 Tons)	*407*	*271*	50.1%	*1,004*	*999*	0.5%
Santa Luiza and Aquidaban Reconciliation	-	494	n.m.	-	2,164	n.m.
Selling Expenses	**10,706**	**4,949**	**116.3%**	**24,985**	**31,142**	**-19.8%**
TRS Sold ('000 Tons)	*407*	*296*	37.8%	*1,017*	*1,073*	-5.1%
% of Net Revenues	*4.8%*	*3.9%*	*1.0 p.p.*	*4.9%*	*6.5%*	*-1.5 p.p.*

(*) Excludes the partial consolidation of Santa Luiza Mill and Agropecuária Aquidaban.

Selling expenses in 3Q09 decreased by 116.3% year on year, mainly reflecting the increase in sugar export volumes in the period of 139.2%, which had a direct impact on freight costs. Furthermore, in the first nine months, selling expenses fell by 19.8% in relation to 9M08, due to the reductions in sugar and ethanol export volumes of 16.7% and 53.3%, respectively.

General and Administrative Expenses

General and Administrative Expenses Breakdown (Excluding Depreciation)						
R$ Thousand	**3Q09**	**3Q08**	**Chg.%**	**9M09**	**9M08**	**Chg.%**
Personnel Expenses	6,090	5,710	6.7%	21,393	16,940	26.3%
Taxes, Fees and Contributions	3,241	1,416	128.8%	9,804	6,211	57.9%
Provisions for Contingencies	2,043	2,763	-26.1%	13,386	7,748	72.8%
General Expenses and Third-Party Services	5,730	2,620	118.7%	17,057	9,709	75.7%
Copersucar Share	-	3,016	n.m	-	9,090	n.m
Management Fee	1,766	1,795	-1.6%	6,678	6,377	4.7%
Total General and Administrative Expenses (*)	**18,870**	**17,320**	8.9%	**68,318**	**56,075**	21.8%
Santa Luiza and Aquidaban Reconciliation	-	3,220	n.m	-	**7,273**	n.m
Total General and Administrative Expenses	**18,870**	**20,540**	-8.1%	**68,318**	**63,348**	7.8%

(*) Excludes the partial consolidation of Santa Luiza Mill and Agropecuária Aquidaban.

G&A expenses totaled R$ 18.9 million in 3Q09, down 8.1% on 3Q08. This result was positively impacted by lower costs with the administrative structures of Copersucar and the Santa Luiza Mill. The main negative impact was due to a R$ 3 million increase in expenses with third-party services, given the nonrecurring expenditures with consulting services.

Year to date, G&A expenses increased 7.8% in relation to 9M08 as a result of labor contingencies primarily involving former employees of the Santa Luiza Mill and higher expenses with third-party services involving the nonrecurring expenditures with consulting services.

Other Operating Revenues (Expenses)

Other Operating Revenues (Expenses) Reconciliation R$ Thousand	3Q09	3Q08	Chg.%	9M09	9M08	Chg.%
Provision Reversal (Copersucar)	-	7,389	n.m.	-	7,389	n.m.
Sale of Real Estate (Copersucar)	-	1,813	n.m.	-	1,813	n.m.
Provision Reversal of PIS/COFINS (Copersucar)	23,771	-	n.m.	23,771	-	n.m.
ICMS Installment	-	-	n.m.	-	(17,607)	n.m.
IPO Expenses	-	-	n.m.	-	(206)	n.m.
Goodwill Amortization	(1,901)	(700)	171.4%	(6,040)	(1,052)	474.3%
Others	(2,045)	1,164	n.m.	2,108	1,902	10.8%
Other Operating Revenues (Expenses)	**19,826**	**9,667**	**105.1%**	**19,839**	**(7,761)**	**n.m.**

The main impact on the "Other Operating Revenues (Expenses)" line in 3Q09 versus 3Q08 relates to the reversal of the provisions for contingencies made by Copersucar and transferred to São Martinho and its subsidiaries (with no cash impact, since they will be offset in the future by previously booked liabilities) for the PIS and Cofins tax levied on financial revenue generated at the time when the São Martinho Group mills were members of Copersucar.

The reversal was made by Copersucar and passed on to cooperative members given the high probability of favorable rulings in higher courts, given the precedent in similar cases, according to the legal counsel for the proceedings.

In addition, we sold a portion of Santa Luiza's fixed assets, which generated an accounting loss of R$ 2.8 million (see details in the "Other" section above).

EBITDA

EBITDA Reconciliation R$ Thousand	3Q09	3Q08	Chg.%	9M09	9M08	Chg.%
Adjusted EBITDA	**64,412**	**22,843**	**182.0%**	**112,768**	**78,088**	**44.4%**
Adjusted EBITDA Margin	*29.2%*	*17.9%*	*11.2 p.p.*	*22.2%*	*16.2%*	*6.0 p.p.*
Pricing Adjustment Sales Expenses	-	-	n.m.	-	698	n.m.
Operating Revenues (Expenses) - Nonrecurring	*(25,564)*	*(7,007)*	264.8%	(30,928)	*10,289*	n.m.
Non Cash Itens Launched in the COGS	*(4,804)*	*2,668*	n.m.	1,817	*7,225*	-74.8%
EBITDA	**94,779**	**27,182**	**248.7%**	**141,879**	**59,876**	**137.0%**
EBITDA Margin	*42.9%*	*21.4%*	*21.6 p.p.*	*28.0%*	*12.5%*	*15.5 p.p.*
(-) Depreciation and Amortization	(56,369)	(32,914)	71.3%	(138,285)	(131,250)	5.4%
(-) Financial Expense, net	(90,793)	(1,336)	n.m.	(160,644)	(1,100)	n.m.
(=) Operating Income (Loss)	**(52,383)**	**(7,068)**	**641.1%**	**(157,050)**	**-72,474**	**116.7%**

Adjusted EBITDA

The São Martinho Group recorded Adjusted EBITDA in 3Q09 of R$ 64.4 million, up 182% in relation to 3Q08. The main reasons for this strong growth were: 1) increases in sugar and ethanol sales volume of 26.3% and 45.7%, respectively; and 2) increases in sugar and anhydrous ethanol sales prices of 46.1% and 14.5%, respectively.

Year to date, adjusted EBITDA grew 44.4% in relation to 9M08, fueled by higher ethanol sales volumes (19.68%) and higher average prices for all products (sugar, anhydrous and hydrous ethanol). Note that sales volumes (in TRS equivalent) in 9M09 fell by 5.1% in relation to 9M08, due to our strategy of concentrating sales in the last two quarters of the fiscal year.

EBITDA (Adjustment for non-cash items)

EBITDA was impacted positively in 3Q09 by the R$ 4.8 million partial reversal of a provision for the reduction of inventories to market value (with no cash impact) carried out in 1Q09.

As mentioned in our 1Q09 earnings release, we expect this provision to be fully reversed by the end of 2009, given the combination of greater dilution of fixed costs and higher sugar and ethanol prices. The adjustment is explained by the fact that at the close of 1Q09 the volume of finished products in inventory is typically very low (we produce on average 25% of the total harvest year in this period), while a large portion of our fixed costs (depreciation, labor, etc.) is already allocated to inventories.

In addition, as detailed in the section “Other Operating Revenue (Expenses)”, Copersucar passed on to the São Martinho Group a reversal of provisions for PIS and Cofins levied on financial revenue. Since this is a non-recurring item with no cash impact, it was excluded from our adjusted EBITDA calculation.

Exposure to Currency and Sugar Derivatives

The São Martinho group adopts a conservative financial management policy. Our objective is to contract derivative financial instruments to protect our cash flow from fluctuations in the U.S. dollar and in international sugar prices.

Our hedge policy, which was approved by the Risk Committee and ratified by the Board of Directors, enables us to protect our exposure to the U.S. dollar as well as to sugar prices, limiting the maximum term of these hedges to the end of the subsequent harvest year.

In addition, in compliance with CPC 14 policy, 100% of our sugar and U.S. dollar derivative exposure was booked in our 3Q09 results. This adjustment was the main reason for the sharp increase in financial expenses, as detailed in the section “Net Financial Result.” Our exposure to derivatives on December 31, 2008 was as follows:

U.S. Dollar

On December 31, 2008, the São Martinho Group held a US$ 72.6 million short position in US$ currency futures through non-deliverable forwards (NDFs) at an average price of R$ 2.19/US$, with maturities through March 2010.

Sugar

On December 31, 2008, the São Martinho Group held positions in derivatives and prices fixed with clients and in the futures market in the following volumes:

1) Long puts for 11,430 tons of sugar at an average price of US$ 13.50 cents/pound, with maturity in March 2009;

2) Short puts for 508 tons of sugar at an average price of US$ 13.00 cents/pound, with maturity in March 2009;

3) Acquisition of sugar futures contracts equivalent to 27,940 tons at an average price of US$ 11.58 cents/pound, with maturity between March and May 2009;

4) Approximately 171,140 tons of sugar were hedged through sales contracts for future delivery between January and March 2009, with prices fixed with clients or through the exchange at an average price of US$ 12.57 cents/pound.

Net Financial Result

Net Financial Result Breakdown R$ Thousand	3Q09	3Q08	Chg.%	9M09	9M08	Chg.%
Financial Revenue	5,354	19,113	-72.0%	10,991	58,574	-81.2%
Financial Expense	(32,569)	(18,933)	72.0%	(75,196)	(53,669)	40.1%
Hedge Result - Sugar	6,884	-	n.m.	10,964	-	n.m.
Exchange Variation	(67,833)	210	n.m.	(99,706)	306	n.m.
Copersucar Monetary Restatement	(2,629)	(1,623)	62.0%	(7,697)	(5,693)	35.2%
Net Financial Result (*)	**(90,793)**	**(1,232)**	**n.m.**	**(160,644)**	**(482)**	**n.m.**
Santa Luiza and Aquidaban Reconciliation	-	(103)	n.m.	-	(617)	n.m.
Net Financial Result	**(90,793)**	**(1,336)**	**n.m.**	**(160,644)**	**(1,100)**	**n.m.**

(*) Excludes the partial consolidation of Santa Luiza Mill and Agropecuária Aquidaban.

São Martinho's net financial result in 3Q09 was an expense of R$90.8 million, compared with an expense of R$1.3 million in 3Q08. The main negative impacts were: 1) R$ 67.8 million in foreign exchange losses (with no cash impact in 3Q09) generated by US$-denominated debt and short positions in dollar futures, 2) total financial expenses of R$ 32.6 million from the interest on our gross debt, which stood at R$ 1,143 million in December 2008.

Note that the São Martinho Group's short US$ position through short-term debt (ACCs) and non-deliverable forwards (NDFs) is equivalent to our sugar inventory in 3Q09 plus approximately six months of sugar exports in the next harvest. Therefore, when exports are effectively settled, these foreign exchange losses will be fully offset.

In addition, the item "Copersucar Monetary Restatement" refers exclusively to the monetary restatement with no cash effect of the liabilities related to the contingencies currently involved in legal disputes filed by legal counsel at Copersucar.

Financial income was higher in 9M08 than in 9M09, due to the high financial investments in the period. At that time, we had just concluded our IPO and were beginning our investments in the Boa Vista Mill.

Note: Due to the adoption on December 31, 2008 of the criteria determined by CPC 14, the São Martinho Group adjusted on September 30, 2008 the opening balances of its assets and liabilities involving derivative financial instruments to provide better comparability with the quarter ended December 31, 2008. Prior to September 30, 2008, the Company adopted the procedure of booking the effects of derivative financial instruments at the time of their respective maturity.

Working Capital

Working Capital R$ Thousand	3Q08	2Q09	3Q09	Chg. 3Q09 x 2Q09	Chg. 3Q09 x 3Q08
ASSETS	**377,546**	**504,032**	**552,405**	**-48,373**	**-174,859**
Accounts Receivable	26,902	48,983	35,476	**13,507**	**-8,574**
Inventories	313,151	405,112	467,776	**-62,664**	**-154,625**
Tax Receivable	37,493	49,937	49,153	**784**	**-11,660**
LIABILITIES	**86,212**	**147,349**	**123,950**	**-23,399**	**37,738**
Suppliers	58,615	97,386	88,341	**-9,045**	**29,726**
Payroll and Social Contribution	21,074	40,334	26,506	**-13,828**	**5,432**
Tax Payable	6,523	9,629	9,103	**-526**	**2,580**
WORKING CAPITAL	**291,334**	**356,683**	**428,455**	**-71,772**	**-137,121**

As shown above, the São Martinho Group invested working capital of R$ 428.4 million in its operations in 3Q09, an increase of R$ 137.1 million in relation to 3Q08.

This increase in working capital is basically due to the build in inventories, given our commercial strategy of concentrating sales in the second half of fiscal year 2009 (October 2008 to March 2009). Next quarter, we should already see a substantial improvement in this indicator, since we will continue to make sales, although without an increase in product inventories, since the 2009/10 harvest year will begin only in April 2009. Note that a large portion of inventories is already contracted with clients for delivery in the coming months. Our finished products in inventory are depicted below, based on current sugar and ethanol prices.

Market Value – Finished Products in Inventory

Inventories / Revenues Estimate					Revenues (E) R$ million (*)
Product	**Inventories 3Q09**	**Price 9M09**	**Current Price (*)**	**Change %**	
Sugar	275.888 tons	R$ 493 / Ton	R$ 659 / Ton	33.6%	R$ 182.0
Hydrous Ethanol	151.106 m^3	R$ 697 / m^3	R$ 805 / m^3	15.5%	R$ 121.7
Anhydrous Ethanol	109.902 m^3	R$ 836 / m^3	R$ 876 / m^3	4.8%	R$ 96.3
TOTAL					**R$ 400.1**

(*) Considering prices of the first week in February/2009.

Income Tax and Social Contribution

At the close of 3Q09, the Company booked a loss before income tax and social contribution tax of approximately R$ 52.4 million, which generated a tax credit of R$ 12.2 million. The Company will use these credits to offset its tax payable in future periods in which it records taxable income.

Net Income (Loss)

The São Martinho Group posted a net loss of R$ 36.3 million in 3Q09, compared to a net loss of R$ 5.8 million in 3Q08. The main factor contributing to this higher loss was the net financial expenses in the quarter of R$ 90.8 million, as detailed in the section “Net Financial Result.”

Year to date, São Martinho posted a net loss of R$ 105.0 million, primarily due to the net financial expenses in the period of R$ 160.7 million, as detailed in the section “Net Financial Result.”

Debt with Copersucar

On December 31, 2008, the Company recognized debt of R$ 243.8 million with Copersucar. In view of the terms negotiated in the process to terminate the membership at Copersucar, we will continue to book under long-term liabilities in the line “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 sureties in the amount of R$ 140.2 million on a consolidated basis.

Indebtedness

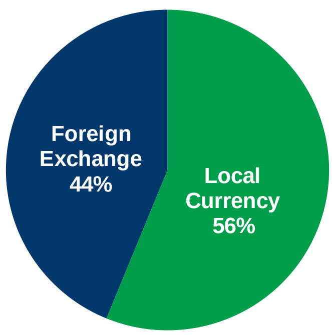
Debt R$ Thousand	Dec/08	Dec/07	Chg. %
PESA	80,376	117,419	-31.5%
Rural Credit	48,019	68,102	-29.5%
BNDES / FINAME	520,007	362,596	43.4%
Working Capital	51,927	20,629	151.7%
ACC (Advances on Foreign Exchange Contracts)	204,899	-	n.m.
PPE (Export Prepayment)	237,174	-	n.m.
Others	921	1,252	-26.4%
Total Gross Debt (Market)	**1,143,323**	**569,998**	100.6%
Other Financial Liabilities - Copersucar			
Copersucar's Financial Liabilities	-	98,224	n.m.
Total Copersucar's Debt	**-**	**98,224**	n.m.
Gross Debt	**1,143,323**	**668,222**	**71.1%**
Cash and Cash Equivalents	144,780	148,696	-2.6%
Net Debt	**998,543**	**519,526**	**92.2%**
Net Debt ex. PESA	**918,167**	**402,107**	**128.3%**

On December 31, 2008, São Martinho's consolidated gross debt totaled R$ 1,143 million, up 71.1% from a year earlier.

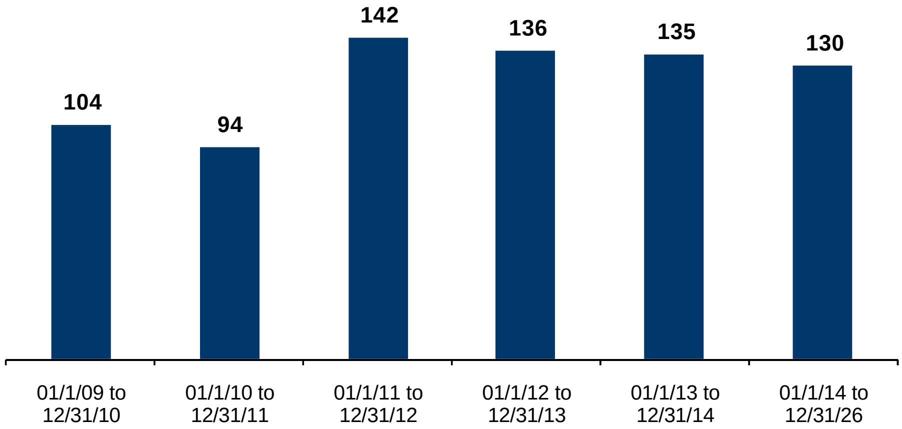
On December 31, 2008, cash and cash equivalents amounted to R$ 144.8 million, down 2.6% on the balance of R$ 148.7 million recorded on December 31, 2007. The main reasons for this R$ 520.6 million increase in net debt (excluding loans restructured under the PESA program) were: 1) the investment of R$ 329 million in the Boa Vista Mill in the last 12 months, and 2) additional investments in working capital of approximately R$ 142.6 million, mainly related to the increase in our sugar and ethanol inventories.

In addition, the decline of R$ 37.0 million in the debt item "PESA" was due to compliance with the provisions of Law 11,638/08 and CVM Deliberation 469/08, which mandates the adjustment to present value of all debt not subject to market interest rates. Accordingly, after these adjustments, debt under this line fell by 31.5% in 3Q09 versus 3Q08.

3Q09 Debt Breakdown



Long Term Debt repayment Schedule - R$ MM



The above schedule includes all our PESA bank Debt

Capex

In R$ Thousand						
Capex (maintenance)	**3Q09**	**3Q08**	**Chg.%**	**9M09**	**9M08**	**Chg.%**
Sugarcane Planting	16,398	15,146	8.3%	51,620	38,775	33.1%
Industrial / Agricultural	18,311	27,537	-33.5%	39,076	45,709	-14.5%
Sub Total	**34,710**	**42,683**	**-18.7%**	**90,696**	**84,484**	**7.4%**
Upgrading / Mechanization / Expansion						
Industrial / Agricultural	-	3,494	n.m.	3,374	10,790	-68.7%
Other	5,580	-	n.m.	10,997	863	1174.3%
Sub Total	**5,580**	**3,494**	**59.7%**	**14,372**	**11,653**	**23.3%**
Boa Vista Mill (Greenfield)						
Sugarcane Planting	12,478	9,324	33.8%	50,059	45,442	10.2%
Industrial / Agricultural	30,556	84,399	-63.8%	167,069	205,102	-18.5%
Sub Total	**43,034**	**93,723**	**-54.1%**	**217,128**	**250,544**	**-13.3%**
Total	**83,324**	**139,900**	**-40.4%**	**322,196**	**346,681**	**-7.1%**

In 3Q09, we continued our investments in the Boa Vista Mill, which totaled R$ 43 million, down 54.1% in relation to 3Q08.

Through March 2009, we expect to invest approximately R$ 60 million in the Boa Vista Mill, the acquisition of industrial and agricultural equipment and the planting of sugarcane. After these investments, the Boa Vista Mill will be ready to crush 2.2 million tons of sugarcane in the 2009/10 harvest year.

Recent Events

Conclusion of 2008/09 Harvest: The São Martinho Group closed the 2008/09 harvest year with a 17.4% increase in total sugarcane crushing capacity to a record 12 million tons. In the consolidated result for the three units, we allocated approximately 67% of total recoverable sugar (TRS) to ethanol production and 33% to sugar production.

Upcoming Events

3Q09 Earnings Conference Call	
Portuguese	**English**
Date: 02/17/2009	Date: 02/17/2009
Time: 2:00 p.m. (Brasília) / 12:00 p.m. (U.S. ET)	Time: 3:30 p.m. (Brasília) / 1:30 p.m. (U.S. ET)
Dial-in: +55 (11) 2188-0188	Dial-in: +1 (412) 858-4600
Code: São Martinho	Code: São Martinho
Replay: +55 (11) 2188-0188	Replay: +1 (412) 317-0088
Code: São Martinho	Code: 427556#
Webcast with Slides: www.saomartinho.ind.br/ri	Webcast with Slides: www.saomartinho.ind.br/ir

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Disclaimer

This presentation 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 about 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

São Martinho S.A. is one of the largest sugar and ethanol producers in Brazil. The group has annual crushing capacity of approximately 12.7 million tons. São Martinho produces sugar and ethanol at three mills: Iracema, São Martinho and Boa Vista. www.saomartinho.ind.br/ir

Income Statement

São Martinho S.A. - Income Statement R$ Thousand	3Q09 Oct/08 - Dec/08	3Q08 Oct/07 - Dec/07	Chg. %	9M09 Apr/08 a Dec/08	9M08 Apr/07 a Dec/07	Chg. %
Gross Revenue	**246,766**	**145,164**	**70.0%**	**567,444**	**530,188**	**7.0%**
Deductions from Gross Revenue	(25,950)	(17,878)	45.2%	(60,259)	(49,268)	22.3%
Net Revenue	**220,816**	**127,286**	**73.5%**	**507,185**	**480,920**	**5.5%**
Cost of Goods Sold (COGS)	(168,642)	(114,451)	47.3%	(417,236)	(438,269)	-4.8%
Gross Profit	**52,174**	**12,835**	**306.5%**	**89,949**	**42,651**	**110.9%**
Gross Margin (%)	*23.6%*	*10.1%*	13.5 p.p	*17.7%*	*8.9%*	8.9 p.p
Operating Expenses	**(13,764)**	**(18,567)**	**-25.9%**	**(86,355)**	**(114,025)**	**-24.3%**
Selling Expenses	(10,706)	(4,949)	116.3%	(24,985)	(31,142)	-19.8%
General and Administrative Expenses	(21,118)	(21,490)	-1.7%	(74,531)	(68,745)	8.4%
Management Fees	(1,766)	(1,795)	-1.6%	(6,678)	(6,377)	4.7%
Other Operating Revenues (Expenses), Net	19,826	9,667	105.1%	19,839	(7,761)	n.m.
Operating Profit (Loss), before financial effects	**38,410**	**(5,732)**	**n.m.**	**3,594**	**(71,374)**	**n.m.**
Financial Result, Net	**(90,793)**	**(1,336)**	**n.m.**	**(160,644)**	**(1,100)**	**n.m.**
Financial Revenue	13,459	20,340	-33.8%	35,455	62,398	-43.2%
Financial Expenses	(56,776)	(21,886)	159.4%	(122,700)	(63,804)	92.3%
Monetary and Exchange Variation - Assets	17,280	998	n.m.	25,326	8,160	210.4%
Monetary and Exchange Variation - Liabilitties	(64,756)	(788)	n.m.	(98,725)	(7,854)	n.m.
Income (Loss) Before Income and Social Contribution Taxes	**(52,383)**	**(7,068)**	**641.1%**	**(157,050)**	**(72,474)**	**116.7%**
Income Tax and Social Contribution - Current	(954)	(1,688)	n.m.	(954)	(1,688)	n.m.
Income Tax and Social Contribution - Deferred	13,191	2,979	342.8%	47,194	24,653	91.4%
Net Income (Loss) Before Minority Interest	**(40,146)**	**(5,777)**	**594.9%**	**(110,810)**	**(49,509)**	**123.8%**
Minority Interest	**3,785**	**-**	**n.m.**	**5,791**	-	**n.m.**
Net Income (Loss)	**(36,361)**	**(5,777)**	**529.4%**	**(105,019)**	**(49,509)**	**112.1%**
Net Margin (%)	*-16.5%*	*-4.5%*	-11.9 p.p	*-20.7%*	*-10.3%*	-10.4 p.p
Net Income (Loss) per Share (in R$)	**(0.32)**	**(0.05)**	**529.4%**	**(0.93)**	**(0.44)**	**112.1%**

Balance Statement (Assets)

São Martinho S.A. - Consolidated Balance Sheet - ASSETS		
R$ Thousand		
ASSETS	**Dec/08**	**Sep/08**
SHORT-TERM ASSETS		
Cash and Cash Equivalents	69,088	84,962
Financial Investments	75,692	121,344
Accounts Receivable	35,476	48,983
Derivatives Financial Instruments	5,798	11,699
Inventories	467,776	405,112
Tax Receivable	49,153	49,937
Other Assets	8,916	12,942
TOTAL SHORT-TERM ASSETS	**711,899**	**734,979**
LONG-TERM ASSETS		
Related Companies	259	116
Fixed Assets Destined for Sale	16,117	26,581
Deferred Income Tax and Social Contribution	122,809	116,703
Accounts Receivable - Copersucar	23,037	-
Recoverable Taxes	66,290	24,508
Other Assets	6,853	7,764
Property Plant and Equipment		
Investments	3,547	3,547
Fixed assets	2,358,800	2,384,571
Intangible	35,762	36,998
Deferred	44,454	44,936
TOTAL LONG-TERM ASSETS	**2,677,928**	**2,645,724**
TOTAL ASSETS	**3,389,827**	**3,380,703**

Balance Statement (Liabilities)

São Martinho S.A. - Consolidated Balance Sheet - LIABILITIES R$ Thousand		
LIABILITIES	**Dec/08**	**Sep/08**
SHORT TERM		
Loans and Financing	403,017	352,858
Derivatives Financial Instruments	17,194	4,625
Suppliers	88,341	97,386
Accounts Payable - Copersucar	2,203	-
Payroll and Social Contribution	26,506	40,334
Tax Payable	9,103	9,629
Related Companies	-	113
Other Liabilities	8,309	17,276
TOTAL	**554,673**	**522,221**
LONG TERM LIABILITIES		
Loans and Financing	740,306	717,003
Accounts Payable - Copersucar	241,627	238,975
Tax Installments	9,039	9,066
Deferred Income Tax and Social Contribution	206,690	213,156
Provision for Contingencies	72,885	73,736
Other Liabilities	3,635	3,893
TOTAL	**1,274,182**	**1,255,829**
MINORITY SHAREHOLDERS	**18,847**	**22,632**
SHAREHOLDERS' EQUITY		
Capital Stock	360,000	360,000
Capital Reserve	1,131,580	1,141,391
Legal Reserve	5,079	5,079
Capital Budget Reserve	97,656	97,656
Treasury Shares	(1,821)	(286)
Accumulated Profit (Losses)	(50,369)	(23,819)
TOTAL	**1,542,125**	**1,580,021**
TOTAL LIABILITIES	**3,389,827**	**3,380,703**

Cash Flow

São Martinho S.A. - Statement of Cash Flows		
In R$ Thousand	**3Q09**	**9M09**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income (Loss) in the period	**(36,361)**	**(105,019)**
Adjustments to reconcile net income to the cash generated		
on operating activities:		
Depreciation and amortization	56,369	138,285
Residual cost of fixed assets - write off	362	14,438
Financial expenses and exchange variation - related parties, loans and financing and long-term tax payable	104,928	185,173
Provision for contingencies	543	10,184
Provision for losses on investments	4,684	4,684
Write-off (provision) for deferred income tax and social contribution	(13,191)	(47,193)
Adjustment to present value	1,150	3,073
Minority interest	(3,785)	(5,791)
(Increase) decrease in operating assets:		
Accounts receivable	13,507	58,749
Inventories	(40,318)	(204,713)
Tax receivable	(40,998)	(55,451)
Related parties	(143)	(51)
Derivative financial instruments	5,901	(5,798)
Other short-term assets	4,026	6,434
Other long-term assets	(22,126)	(22,714)
Increase (decrease) in operating liabilities:		
Suppliers	(9,044)	32,386
Wages and social contribution	(13,828)	3,348
Tax payable	(849)	(1,601)
Tax installments	(663)	(1,490)
Related parties	(113)	(153)
Provision for contingencies	(3,117)	(12,926)
Derivative financial instruments	12,569	17,194
Other short-term liabilities	(8,967)	6,689
Other long-term liabilities	(258)	2,078
Cash flows from operating activities	**10,278**	**19,815**
CASH FLOWS FROM INVESTMENT ACTIVIITES		
Investments	-	(3,380)
Fixed assets and deferred acquisition	(43,908)	(298,990)
Cash flows from investment activities	**(43,908)**	**(302,370)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Financing - third parties	126,565	751,314
Financing (payments) - Copersucar	202	(76,506)
Financing payments - third parties	(149,343)	(329,422)
Acquisition of own stock for holding in treasury	(1,535)	(1,821)
Minority interest	(3,785)	11,236
Cash flows from financing activities	**(27,896)**	**354,801**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BALANCE	**(61,526)**	**72,246**
CASH AND CASH EQUIVALENTS (including financial investments)		
Initial balance	206,306	72,534
Final balance	144,780	144,780
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BALANCE	**(61,526)**	**72,246**
ADDITIONAL INFORMATION		
Interest paid during the period	(17,572)	(37,289)
Suppliers paybable related to fixed assets acquisition	12,483	12,483