



Adjusted EBITDA in 3Q13 of R\$161.0 million, with margin of 40.8%

São Paulo, February 6, 2013 – 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 fiscal year 2013 (3Q13).

3Q13 HIGHLIGHTS

/// The São Martinho Group ended the **2012/13 crop year with 12.9 million tons of sugarcane processed, up 21.7% from the 2011/12 crop year**. The volume of sugar and ethanol produced grew by **25.2% and 44.0% to 969,000 tons and 275,000 m3, respectively**;

/// In 3Q13, Adjusted EBITDA was **R\$161.0 million (adjusted EBITDA margin of 40.8%)**, increasing 4.4% from 3Q12. The improvement in EBITDA was due to the Net Revenue growth of 3.8% **driven by the high volume of anhydrous ethanol sales in the period**;

/// Supported by the strong growth in sugar production, our sugar inventories ended December 2012 at 265,000 tons, up 97.2% from December 2011. Based on the schedule of sugar shipments to our clients, we expect to invoice almost all of this volume during 4Q13;

/// **Net income in 3Q13 was R\$7.3 million, compared to R\$55.4 million in the same period a year ago. The lower net income reflects noncash accounting variations**, such as: 1) the R\$25.4 million increase in expenses with depreciation; 2) the nonrecurring gain of R\$13.7 million recognized in 3Q12 arising from the second capital injection made by Petrobrás Biocombustível (Pbio) at Nova Fronteira, in which the share issue price exceeded the book value; and 3) the gain of R\$11.2 million related to the acquisition of the interest in the capital of Usina Santa Cruz, which also occurred in 3Q12;

/// On December 31, 2012, sugar prices for the 2012/13 crop year were locked in at an **average price of USD 21.77 cents/pound for 220,000 tons, with this volume representing 83% of the sugar available for sale next quarter (4Q13)**. On the same date, **approximately 453,000 tons of sugar production in the 2013/14 crop year was locked in at a price of USD 22.07 cents/pound**. In addition to the sugar prices locked in, on December 31, 2012, the company had short dollar positions through NDFs amounting to US\$405 million, of which US\$150 million was related to the 2012/13 crop year and US\$255 million to the 2013/14 crop year, with average BRL/USD parity prices of R\$1.99/US\$ and R\$2.15/US\$, respectively.



FINANCIAL HIGHLIGHTS

FINANCIAL HIGHLIGHTS (R\$ Thousand)	3Q13	3Q12	Chg. (%)	9M13	9M12	Chg. (%)
São Martinho - Consolidated						
Gross Revenue	416,351	402,355	3.5%	1,288,277	1,167,565	10.3%
Net Revenue	394,916	380,448	3.8%	1,232,142	1,107,518	11.3%
Adjusted EBITDA	161,045	154,213	4.4%	503,693	464,381	8.5%
EBITDA Margin	40.8%	40.5%	0.2 p.p.	40.9%	41.9%	-1.1 p.p.
Consolidated Balance Sheet Indicators						
Total Assets	5,449,358	4,834,415	12.7%	5,449,358	4,834,415	12.7%
Shareholders' Equity	2,062,466	2,056,686	0.3%	2,062,466	2,056,686	0.3%
EBITDA (LTM)	568,467	595,026	-4.5%	568,467	595,026	-4.5%
Net Debt	1,353,814	912,814	48.3%	1,353,814	912,814	48.3%
Net Debt / EBITDA (LTM)	2.4 x	1.5 x		2.4 x	1.5 x	
Net Debt / Shareholders' Equity	66%	44%		66%	44%	

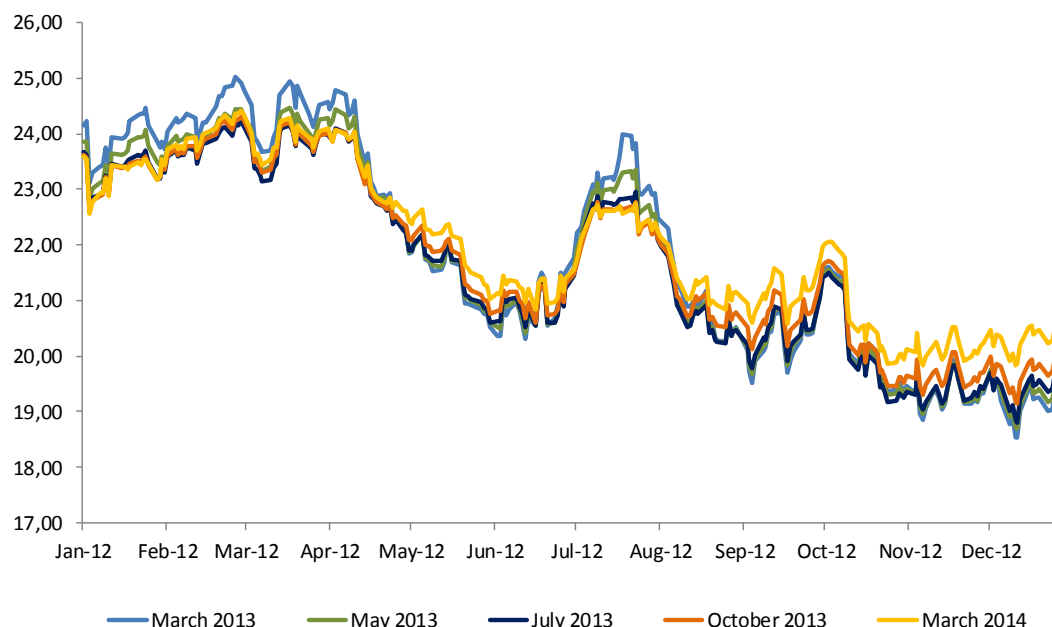
OPERATING DATA	9M12	9M13	Chg. (%)
São Martinho - Consolidated			
Crushed Sugarcane ('000 tons)	10,590	12,885	21.7%
Own	6,886	8,206	19.2%
Third Parties	3,704	4,679	26.3%
Mechanized Harvest	85.7%	88.8%	3.1 p.p
Production			
Sugar ('000 tons)	774	969	25.2%
Anhydrous Ethanol ('000 m ³)	191	275	44.0%
Hydrous Ethanol ('000 m ³)	188	176	-6.3%
Ribonucleic Acid (RNA) Sodium Salt ('000 Kg)	215	280	30.3%
Cogeneration ('000 MWh)	140	176	25.8%
TRS Produced	1,461	1,793	22.7%
Mix - Sugar - Ethanol	56% - 44%	57% - 43%	
Mix Anhydrous - Hydrous	51% - 49%	62% - 38%	

The volume of sugarcane crushed in the 2012/13 crop year to date totaled 12.9 million tons, representing growth of 21.7% on the previous crop year. The improvement in crushing volume was due to the recovery in sugarcane yields and to the consolidation of the figures from Santa Cruz S.A., since the unit was acquired in December 2011. In addition to the higher crushing volume, the São Martinho Group prioritized the production of sugar and anhydrous ethanol, which are products with higher contribution margins and more resilient demand compared to hydrous ethanol.

Note that the information in the above table already considers our proportional interests in Nova Fronteira (51.0%) and Santa Cruz (32.18%).



INDUSTRY OVERVIEW - SUGAR



The third quarter of fiscal year 2013 (Oct/12 to Dec/12) was marked by a decline in sugar prices, as the above chart shows. This reduction was due to (i) the higher volumes of sugarcane crushing in the Center-South region of Brazil at the close of the 2012/13 season; and (ii) the expectation that the next Brazilian crop will register growth in crushing volume of at least 8%.

According to the Sugarcane Industry Association (UNICA), in the 2012/13 crop year, the Center-South region processed 532.0 million tons of sugarcane (8% more than in the 2011/12 crop year), with sugar production of 34.1 million tons, or 9% more than in the previous crop year.

As mentioned in previous quarters, India is expected to conclude its sugarcane harvest by March 2013 with production of 23.0 million tons. Since this volume falls short of India's consumption, we expect the country to use its inventories to meet demand or to eventually resume imports.

Given this scenario of international sugar prices between USD 18.0 - 19.0 cents/pound through the end of the 2013/14 crop year, the São Martinho Group anticipated its hedge position. In December 2012, our sugar prices for the 2013/14 crop year were locked in at USD 22.07 cents/pound for a total of 453,000 tons. The decision to anticipate hedging was due to the combination of (i) the higher average sales prices in BRL/ton in relation to the current crop year; and (ii) the expectation that sugarcane crushing in the Center-South will reach 590 million tons, preventing any rally in sugar prices in the short term.

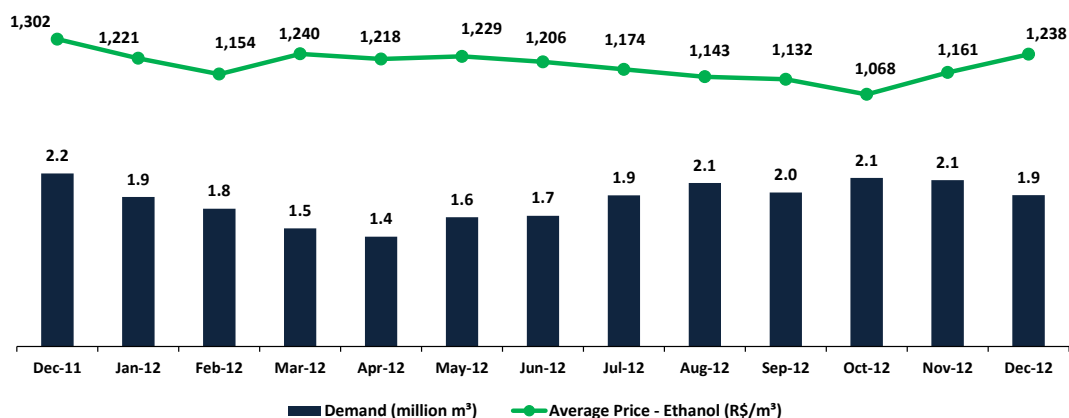
INDUSTRY OVERVIEW - ETHANOL

AVERAGE PRICES - ETHANOL	3Q13	3Q12	Chg. (%)	9M13	9M12	Chg. (%)
Market Prices						
Anhydrous ESALQ, Net DM R\$ / m ³	1,233.55	1,370.53	-10.0%	1,259.39	1,470.58	-14.4%
Hydrous ESALQ, Net DM - R\$ / m ³	1,078.75	1,251.62	-13.8%	1,088.65	1,204.71	-9.6%

In the 2012/13 crop year to date (9M13), prices for both anhydrous ethanol and hydrous ethanol were lower than in the previous crop year, registering declines in 3Q13 of 10.0% and 13.8%, respectively.

As already mentioned in previous quarters, this negative impact on ethanol prices was caused by the weaker demand for this biofuel, as the following chart shows.

We expect ethanol demand to recover as (i) gas prices at the pump are aligned with international prices, a situation that was already partially addressed in January 2013; and (ii) as of May 2013, the date on when the amount of anhydrous ethanol added to the type-A gasoline blend will increase from 20% to 25%.



FINANCIAL PERFORMANCE

NET REVENUE BREAKDOWN	3Q13	3Q12	Chg. (%)	9M13	9M12	Chg. (%)
R\$ Thousand						
Domestic Market	181,913	172,786	5.3%	448,045	436,411	2.7%
Sugar	17,625	19,946	-11.6%	44,193	44,363	-0.4%
Hydrous Ethanol	48,308	55,192	-12.5%	116,987	145,177	-19.4%
Anhydrous Ethanol	81,160	78,980	2.8%	188,436	179,543	5.0%
Energy	19,206	8,722	120.2%	39,177	22,967	70.6%
Other	15,612	9,934	57.2%	59,250	44,342	33.6%
Export Market	213,003	207,662	2.6%	784,098	671,126	16.8%
Sugar	147,163	170,779	-13.8%	673,782	616,379	9.3%
Hydrous Ethanol	2,347	21,503	-89.1%	22,875	30,181	-24.2%
Anhydrous Ethanol	51,128	10,454	389.1%	65,660	10,454	528.1%
RNA	11,987	4,780	150.8%	21,126	13,739	53.8%
Other	378	147	156.4%	655	373	75.6%
Net Revenue	394,916	380,448	3.8%	1,232,142	1,107,518	11.3%
Sugar	164,788	190,724	-13.6%	717,974	660,742	8.7%
Hydrous Ethanol	50,655	76,695	-34.0%	139,862	175,358	-20.2%
Anhydrous Ethanol	132,288	89,434	47.9%	254,096	189,997	33.7%
Energy	19,206	8,722	120.2%	39,177	22,967	70.6%
RNA	11,989	4,792	150.2%	21,128	13,739	53.8%
Other	15,990	10,081	58.6%	59,905	44,714	34.0%

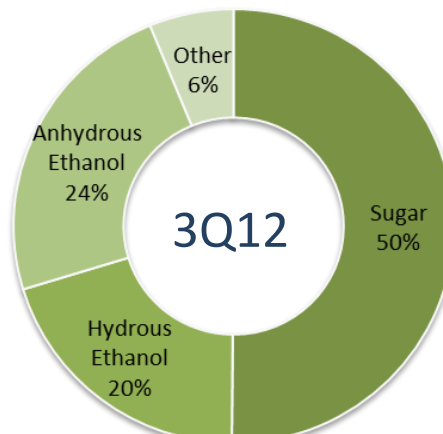
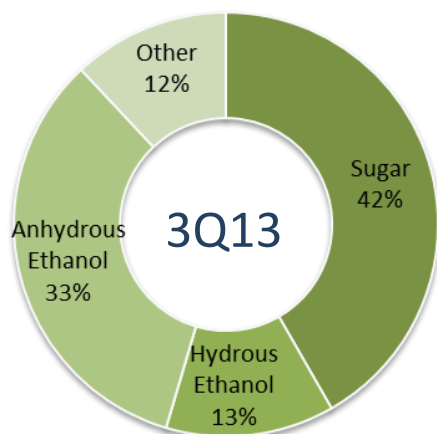
Net Revenue

The net revenue of the São Martinho Group grew 3.8% in 3Q13 compared to 3Q12, driven by the increase in anhydrous ethanol sales in the period (53.7%) and the higher volume of cogeneration sales (31.9%) at a higher average sales price. In 3Q13, ethanol sales accounted for 46.3% of net revenue, while sugar accounted for 41.7%.

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

Distribution – Net Revenue

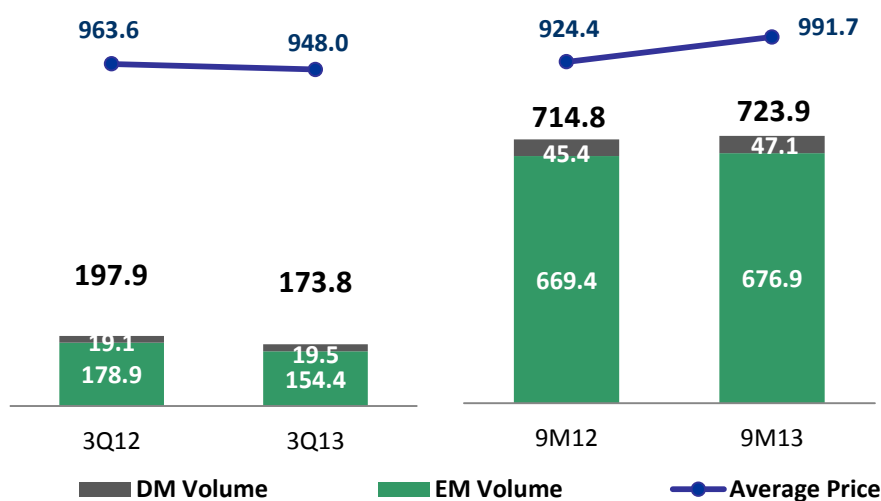
3Q13 x 3Q12



Sugar

Sugar

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



Net revenue from sugar sales came to R\$164.8 million in 3Q13, decreasing by 13.6% from the same quarter of the previous crop year. The 12.2% reduction in sugar sales volume was the main factor in the net revenue reduction.

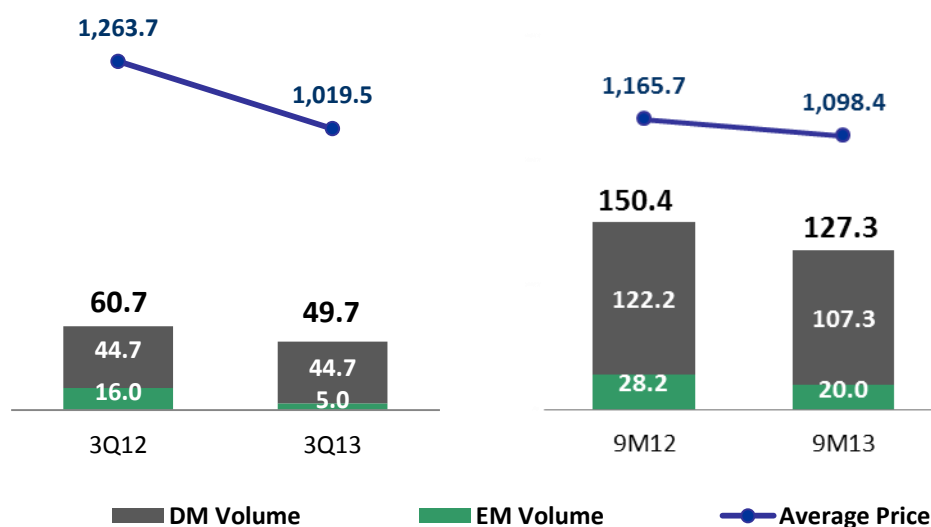
The reduction in sales volume was due to the anticipation of sugar shipments in the previous quarter. Considering our sugar inventories on December 31, 2012 of 265,000 tons, we project strong growth in sugar sales for 4Q13.



Ethanol

Hydrous Ethanol

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

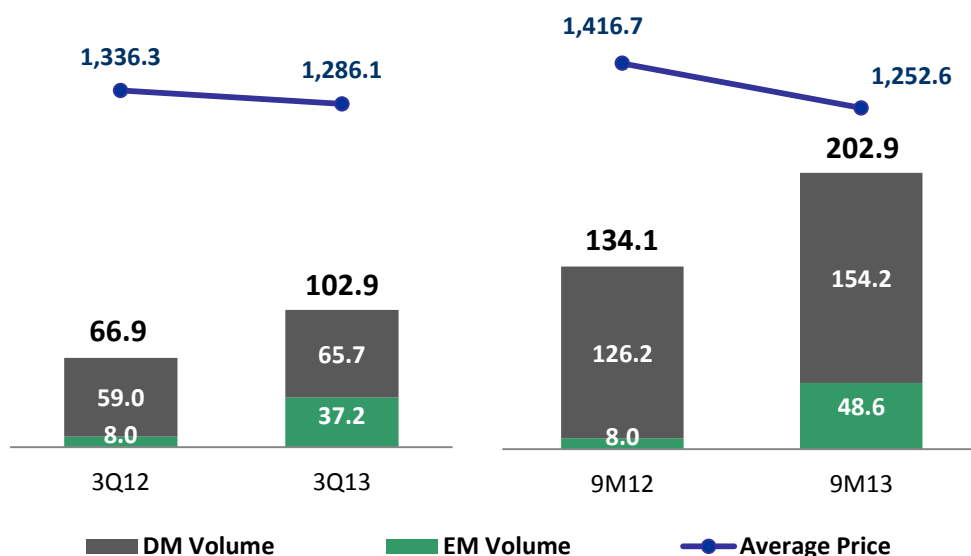


Net revenue from hydrous ethanol sales was R\$50.7 million in 3Q13, decreasing 34.0% from the same quarter of the previous crop year. The reduction was mainly due to the lower hydrous ethanol production this crop year, reflecting the strategy to prioritize anhydrous ethanol in the production mix combined with the weaker demand for the product, as detailed in the section "Industry Overview - Ethanol".



Anhydrous Ethanol

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



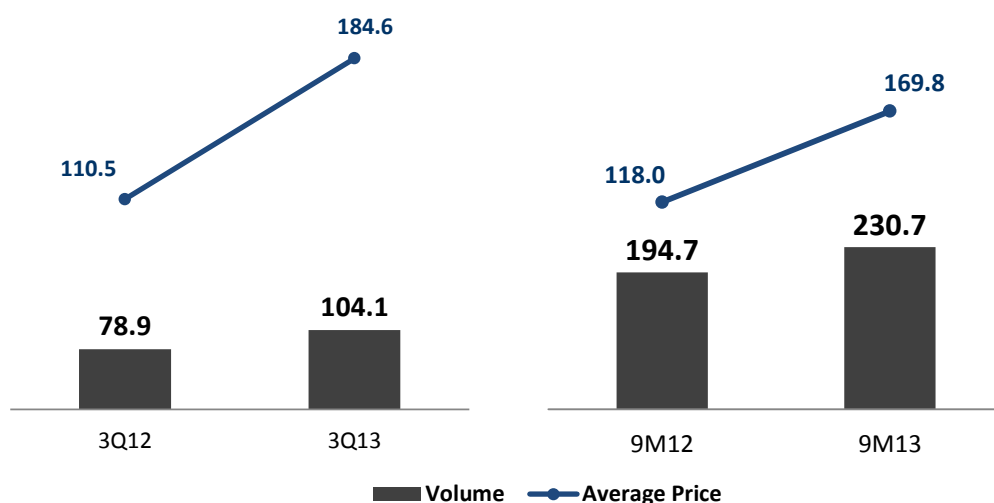
In 3Q13, net revenue from anhydrous ethanol sales increased 47.9% from 3Q12 to reach R\$132.3 million. This net revenue growth was driven by the 53.7% increase in anhydrous ethanol sales volume in the period, which offset the 3.8% drop in the average sales price (R\$1,286.1/m³).

The growth in anhydrous ethanol sales volume was due to the higher production of this product in the current crop year, since a large part of our ethanol production growth in the 2012/13 crop year occurred via anhydrous ethanol, as detailed in the section "Operating Data".

Cogen

Cogen

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



Net revenue from electricity sales increased by 120.2% to R\$19.2 million in 3Q13 compared to the same quarter of the previous crop year. The improvement is explained by the 67.0% increase in the average sales price due to (i) the incorporation of energy contracts with average prices above R\$170 MW/h from Usina Santa Cruz as from December 2011; and (ii) the recent increase in spot prices for electricity, which had a positive impact on our volume of un-contracted energy.

Other Products and Services

Net revenue from the line "Other Products and Services" was R\$16.0 million in 3Q13, increasing 58.6% from the same quarter of the previous crop year. Net revenue from RNA grew 150.2% in 3Q13 driven by higher sales prices as well as stronger sales volumes. In addition, due to the higher volume of sugarcane crushing this crop year, we temporarily increased the volume of our sugarcane bagasse sales to third parties.



INVENTORIES

INVENTORIES	3Q13	3Q12	Chg. (%)
Sugar (tons)	265,059	134,419	97.2%
Hydrous (m ³)	57,302	57,546	-0.4%
Anhydrous (m ³)	90,881	89,025	2.1%

The increase in sugar inventories in 3Q13 compared to 3Q12 was due to (i) the higher volume of sugar production in the current crop year; and (ii) the schedule of shipments, which were concentrated in the first few months of 2013.

EBITDA AND EBITDA COST BY PRODUCT

EBITDA BY PRODUCT - 9M13	SUGAR	ETHANOL	OTHER	TOTAL
R\$ Thousand				
Net Revenues	717,971	393,958	120,213	1,232,142
COGS (Cash)	(287,019)	(219,937)	(78,346)	(585,302)
Gross Profit (Cash)	430,952	174,021	41,867	646,840
Gross Margin (Cash)	60.0%	44.2%	34.8%	52.5%
Sales Expenses	(43,094)	(9,024)	(2,400)	(54,518)
G&A Expenses (Cash)	(46,761)	(34,998)	(9,084)	(90,844)
Other Revenues (Expenses)	-	-	2,215	2,215
Adjusted EBITDA	341,097	129,999	32,598	503,693
Adjusted EBITDA Margin	47.5%	33.0%	27.1%	40.9%
EBITDA Cost (*)	(520.6)	(799.4)	-	-

(*) Sugar in R\$/Ton

Ethanol in R\$/m³

EBITDA BY PRODUCT - 9M12	SUGAR	ETHANOL	OTHER	TOTAL
R\$ Thousand				
Net Revenues	660,742	365,355	81,421	1,107,518
COGS (Cash)	(275,028)	(188,228)	(59,603)	(522,859)
Gross Profit (Cash)	385,714	177,127	21,818	584,659
Gross Margin (Cash)	58.4%	48.5%	26.8%	52.8%
Sales Expenses	(39,185)	(4,836)	(2,215)	(46,236)
G&A Expenses (Cash)	(44,726)	(29,047)	(8,197)	(81,970)
Other Revenues (Expenses)	-	-	7,928	7,928
Adjusted EBITDA	301,803	143,244	19,334	464,381
Adjusted EBITDA Margin	45.7%	39.2%	23.7%	41.9%
EBITDA Cost (*)	(502.2)	(780.6)	-	-

(*) Sugar in R\$/Ton

Ethanol in R\$/m³



In 9M13, sugar accounted for 67.7% of the Group's consolidated EBITDA, while ethanol and other products accounted for 25.8% and 6.5%, respectively. Sugar EBITDA margin expanded by 1.8 p.p. in relation to 9M12, due to the higher average prices for the product. Ethanol EBITDA margin contracted by 6.2 p.p., mainly due to the drop in product prices in 9M13 compared to 9M12.

COST OF GOODS SOLD

BREAKDOWN OF COGS - CASH	3Q13	3Q12	Chg. (%)	9M13	9M12	Chg. (%)
R\$ Thousand						
Agricultural Costs	122,299	126,449	-1.1%	386,951	384,059	1.5%
Suppliers	78,440	62,563	25.4%	251,953	205,380	22.7%
Partnerships	14,988	17,622	-14.9%	50,504	53,744	-6.0%
Own Sugarcane	28,871	43,492	-33.6%	84,494	122,163	-30.8%
Industrial	19,030	23,849	-20.2%	55,355	60,496	-8.5%
Other Products	39,830	35,547	12.0%	105,160	77,873	35.0%
Total COGS - Santa Cruz	10,226	3,204	219.2%	37,836	3,204	1081.1%
Total COGS - Consolidated	191,385	186,276	2.7%	585,302	522,859	11.9%
TRS Sold (000 Tons)	446	427	4.5%	1,328	1,237	7.4%
TRS Sold)	342	355	-3.6%	362	360	0.4%

In 3Q13, cash COGS was R\$191.4 million, increasing 2.7% from the same quarter of the previous crop year.

The main drivers of the variation in COGS in 3Q13 were:

- (i) Santa Cruz (+ R\$7.2 million): the acquisition of a 32.18% interest in Santa Cruz occurred in November 2011, and, as a result, we began to partially consolidate its results as of December 2011;
- (ii) Other Products (+R\$4.3 million): as a result of the 50.2% increase in sales of RNA in the quarter, the associated costs were recorded as COGS.

AVERAGE CASH COST PER UNIT	3Q13	3Q12	Var. %	9M13	9M12	Var. %
R\$ Thousand						
COGS	(191,385)	(186,276)	2.7%	(585,302)	(522,859)	11.9%
Sugar	(63,806)	(74,041)	-13.8%	(287,019)	(275,028)	4.4%
Ethanol	(101,150)	(96,507)	4.8%	(219,937)	(188,228)	16.8%
Other Products	(26,429)	(15,728)	68.0%	(78,346)	(59,603)	31.4%
Average Cash Cost Per Unit (*)						
Sugar Cash Cost	(367.0)	(374.1)	-1.9%	(396.5)	(384.8)	3.0%
Ethanol Cash Cost	(663.1)	(756.2)	-12.3%	(666.1)	(661.5)	0.7%

(*) Sugar in R\$/Ton

Ethanol in R\$/m³



SELLING EXPENSES

SELLING EXPENSES	3Q13	3Q12	Chg. (%)	9M13	9M12	Chg. (%)
R\$ Thousand						
Port Costs / Freight	14,232	12,536	13.5%	45,681	43,260	5.6%
Sales Commission	22	652	-96.6%	77	845	-90.9%
Other	1,147	931	23.2%	2,669	2,131	25.3%
Selling Expenses - Santa Cruz	1,944	-	n.m.	6,091	-	n.m.
Selling Expenses - Consolidated	17,345	14,119	22.8%	54,518	46,236	17.9%
TRS Sold ('000 Tons)	446	427	4.5%	1,328	1,237	7.4%
% of Net Revenues	4.4%	3.7%	0.7 p.p.	4.4%	4.2%	0.2 p.p.

In 3Q13, selling expenses were R\$17.3 million, increasing 22.8% from 3Q12, due to the increase in freight expenses caused by the higher volume of anhydrous ethanol exports in the period.

GENERAL AND ADMINISTRATIVE EXPENSES

G&A EXPENSES - (CASH)	3Q13	3Q12	Var.%	9M13	9M12	Var.%
R\$ Thousand						
Personnel	10,798	10,660	1.3%	34,480	31,607	9.1%
Taxes, Fees and Contributions	757	2,079	-63.6%	6,591	8,071	-18.3%
Provisions for Contingencies	3,517	4,314	-18.5%	19,988	14,260	40.2%
General Expenses and Third-Party Services	5,535	8,104	-31.7%	15,900	16,894	-5.9%
Management Fee	2,759	940	193.4%	8,651	7,156	20.9%
Total General and Administrative Expenses - Santa Cruz	2,009	660	204.2%	5,233	660	692.4%
Total recurring General and Administrative Expenses - Consolidated	25,375	26,758	-5.2%	90,844	78,648	15.5%
Non-recurring items	-	-	n.m.	-	3,322	n.m.
Total non-recurring General and Administrative Expenses - Consolidated	25,375	26,758	-5.2%	90,844	81,970	10.8%

G&A expenses were R\$25.4 million in 3Q13, decreasing 5.2% from the same quarter of the previous crop year. The quarter was marked by a significant reduction in general expenses and expenses with third-party services of approximately R\$2.6 million, which occurred in 3Q12.



EBITDA

EBITDA RECONCILIATION	3Q13	3Q12	Chg. (%)	9M13	9M12	Chg. (%)
R\$ Thousand						
Adjusted EBITDA	161,045	154,213	4.4%	503,693	464,381	8.5%
Adjusted EBITDA Margin	40.8%	40.5%	0.2 p.p.	40.9%	41.9%	-1.1 p.p.
Non Recurring Operating Revenues (Expenses)	410	(23,421)	n.m.	911	(21,467)	n.m.
Biological Assets	2,364	(801)	n.m.	(6,821)	(28,232)	-75.8%
Non Cash Items Launched in the COGS	1,405	1,277	10.1%	1,078	1,277	-15.6%
EBITDA	156,865	177,158	-11.5%	508,526	512,804	-0.8%
EBITDA Margin	39.7%	46.6%	-6.8 p.p.	41.3%	46.3%	-5.0 p.p.
(-) Depreciation and Amortization	(119,054)	(96,994)	22.7%	(344,060)	(271,108)	26.9%
(-) Financial Revenue (Expense), net	(32,192)	(16,437)	95.9%	(80,846)	(51,056)	58.3%
(-) Equity Income	(2,015)	2,365	n.m.	(5,194)	(418)	1142.6%
(=) Operating Income	3,604	66,092	-94.5%	78,426	190,222	-58.8%

Adjusted EBITDA

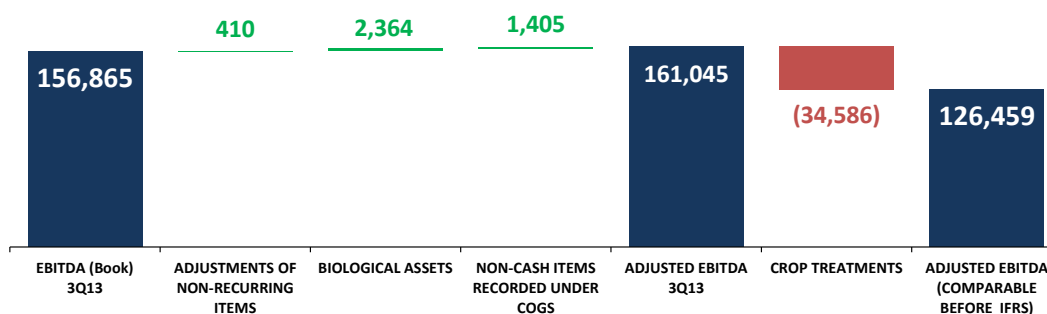
In 3Q13, Adjusted EBITDA was R\$161.0 million (adjusted EBITDA margin of 40.8%), representing a 4.4% increase from 3Q12. The improvement in EBITDA was due to the net revenue growth of 3.8% driven by the high volume of anhydrous ethanol sales in the period.

In 9M13, Adjusted EBITDA was R\$503.7 million, increasing 8.5% from the same period of the previous crop year.

Reconciliation of EBITDA to Adjusted EBITDA

Reconciliation of 3Q13 EBITDA

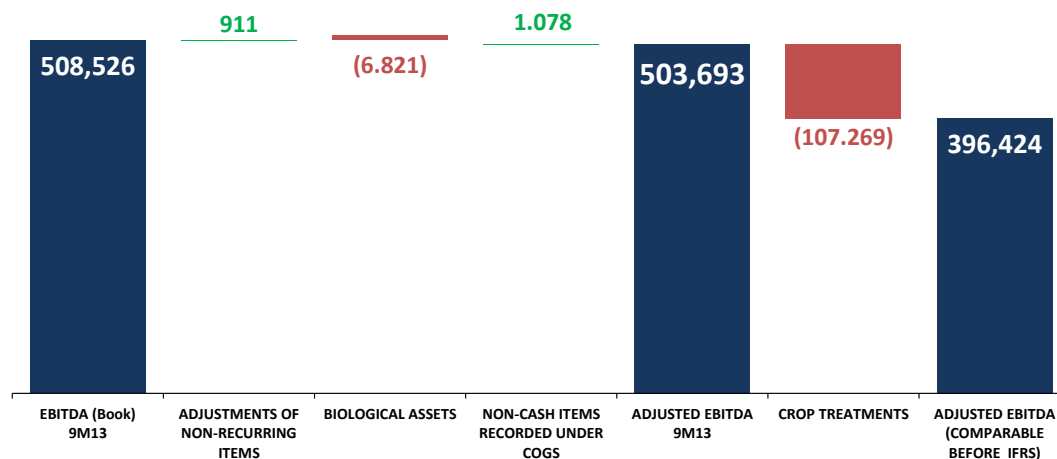
R\$ '000





Reconciliation of 9M13 EBITDA

R\$ '000



HEDGING

U.S. Dollar

On December 31, 2012, the São Martinho Group held a short position in USD currency futures through non-deliverable forwards (NDFs) with maturities through the 2015/16 crop year, as follows:

Maturity	US\$ thousand	Average Price (R\$/US\$)
US Dollar		
2012/2013 Crop Year	150,492	1.9934
2013/2014 Crop Year	254,186	2.1462
2014/2015 Crop Year	15,926	2.1652
2015/2016 Crop Year	14,880	2.2955
	435,484	2.0992

Sugar

On December 31, 2012, the São Martinho Group held positions in derivatives and prices locked in with clients and in the future market in the following amounts:

	Volume (Tons)	Average Price (US\$ c/p)
Sugar		
2012/2013 Harvest	219,619	21.77
2013/2014 Harvest	453,583	22.07
	673,202	21.97

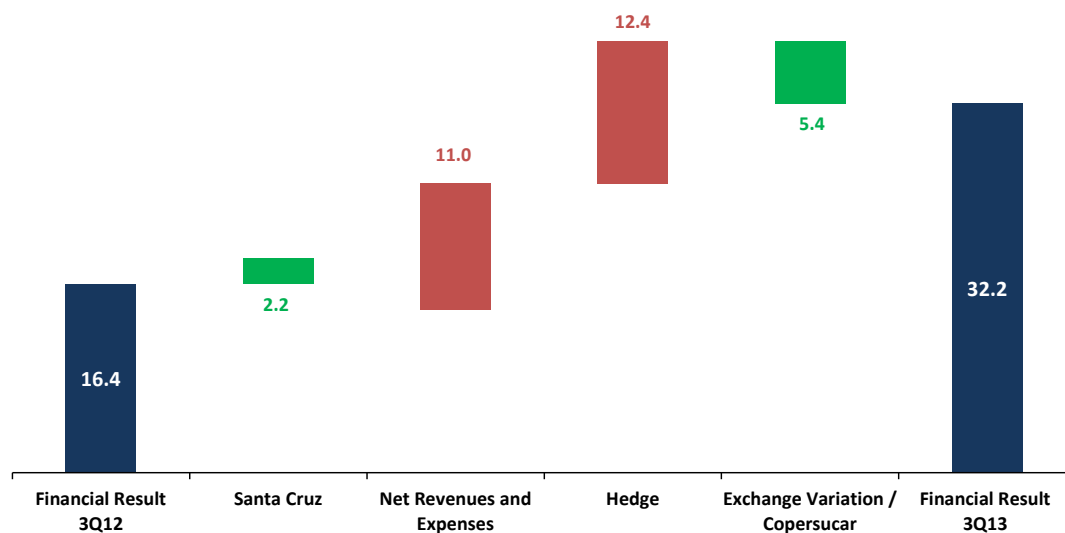
Hedge Accounting - In March 2010, inclusive, the Company began adopting hedge accounting for derivatives designated as hedge instruments, with their potential results recorded in equity ("Adjustments to book value"), net of deferred income tax and social contribution tax (potential loss of R\$25.4 million in December 2012).

NET FINANCIAL RESULT

FINANCIAL RESULT	3Q13	3Q12	Chg. (%)	9M13	9M12	Chg. (%)
R\$ Thousand						
Financial Revenues	20,669	7,432	178.1%	50,458	33,919	48.8%
Financial Expenses	(36,005)	(11,765)	206.0%	(86,000)	(45,062)	90.8%
Hedge Result	(11,051)	1,327	n.m.	(13,379)	(7,647)	75.0%
Exchange Variation	(1,025)	(5,268)	-80.5%	(4,352)	(17,911)	-75.7%
Copersucar Monetary Variation	(1,644)	(2,791)	-41.1%	(6,077)	(8,982)	-32.3%
Net Financial Result - Santa Cruz	(3,136)	(5,374)	-41.7%	(21,496)	(5,374)	300.0%
Net Financial Result	(32,192)	(16,437)	95.9%	(80,846)	(51,056)	58.3%

The São Martinho Group registered a net financial expense of R\$32.2 million in 3Q13, which represents an increase in the expense of 95.9% from 3Q12.

The following chart shows the composition of the increase in these costs in 3Q13 compared to 3Q12:



- (i) Net Financial Expense (+ R\$ 11.0 million): due to the higher net debt as a result of the group's expansion projects implemented over the last 12 months, as already mentioned in previous quarters;
- (ii) Hedge (+ R\$12.4 million): marking to market of currency hedge operations (NDFs) not designated as Hedge Accounting.



OPERATING WORKING CAPITAL

OPERATING WORKING CAPITAL	4Q12	3Q12	3Q13	3Q13 x 4Q13	3Q13 x 3Q12
R\$ Thousand					
ASSETS	242,352	486,200	680,020	(437,668)	(193,820)
Trade Receivables	38,399	63,686	117,805	(79,406)	(54,119)
Inventories - Short Term	137,375	384,006	478,630	(341,255)	(94,624)
Inventories - Long Term	26,877		34,354	(7,477)	(34,354)
Taxes Recoverable	39,701	38,508	49,231	(9,530)	(10,723)
LIABILITIES	146,151	177,612	207,762	61,611	(30,150)
Trade Payables	76,655	122,309	146,575	69,920	(24,266)
Salaries and social contribution	57,297	41,228	47,672	(9,625)	(6,444)
Taxes payable	12,199	14,075	13,515	1,316	560
WORKING CAPITAL	96,201	308,588	472,258	(376,057)	(163,670)

In 3Q13, the São Martinho Group invested R\$472.3 million in working capital in its operations, an increase of R\$163.7 million from the same period of the previous crop year. This increase is basically explained by (i) the increase in the line "Trade Receivables"; and (ii) the increase in our inventories, mainly for sugar, due to the higher production this crop year.

NET INCOME

Net income in 3Q13 was R\$7.3 million, compared to R\$55.4 million in the same period of last year. The reduction in net income reflects noncash accounting variations, such as: 1) the R\$25.4 million increase in expenses with depreciation; 2) the nonrecurring gain of R\$13.7 million recognized in 3Q12 arising from the second capital injection made by Petrobrás Biocombustível (Pbio) at Nova Fronteira, in which the share issue price exceeded the book value; and 3) the gain of R\$11.2 million related to the acquisition of the interest in the capital of Usina Santa Cruz, which also occurred in 3Q12;

DEBT WITH COPERSUCAR

On December 31, 2012, the São Martinho Group recognized on its balance sheet debt of R\$218.3 million with Copersucar. In view of the terms negotiated in the process to terminate the membership at Copersucar, we will continue to book under "Payables to 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\$177.7 million on a consolidated basis.



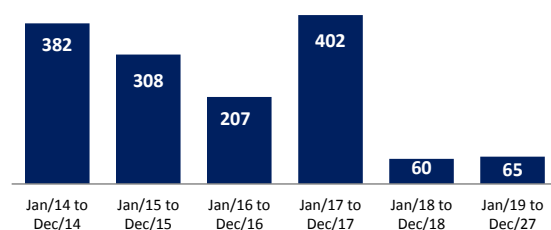
INDEBTEDNESS

DEBT	Dec/12	Mar/12	Chg. (%)
R\$ Thousand			
PESA	68,055	72,509	-6.1%
Rural Credit	116,246	20,139	477.2%
BNDES / FINAME	422,933	388,726	8.8%
Working Capital	105,775	109,392	-3.3%
ACC (Advances on Foreign Exchange Contracts)	82,259	-	n.m.
PPE (Export prepayment)	463,261	437,376	5.9%
NCE (Export Credit Note)	379,168	-	n.m.
Others	3,419	733	366.4%
Obligations from Santa Cruz	60,319	113,475	-46.8%
Gross Debt	1,701,435	1,142,350	48.9%
Cash and Cash Equivalents	574,013	410,567	39.8%
Net Debt	1,127,422	731,783	54.1%
(+) Proportional Gross Debt at Santa Cruz	226,392	203,494	11.3%
Consolidated Net Debt	1,353,814	935,277	44.8%
Net Debt / Acum. EBITDA	2.4 x	1.6 x	

The net debt of the São Martinho Group stood at R\$1.35 billion in December 2012, which represents an increase of 44.8% from March 2012. The main factors contributing to the increase in net debt were (i) the higher working capital used in the Company's operations (+ R\$376.1 million), especially in the item Inventory, which will be reversed by the end of the fiscal year; (ii) investments in the cogeneration project at the São Martinho unit; and (iii) the expansion in the sugarcane planted area, especially at the Boa Vista Unit.

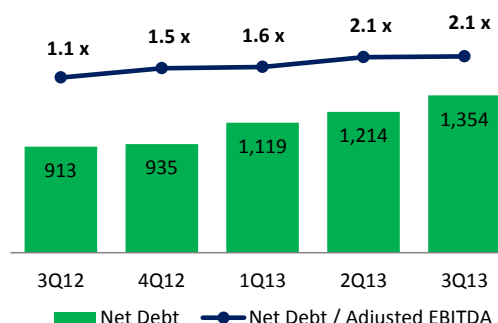
Amortization Schedule – Long-term Debt

R\$ - Million



Net Debt/ LTM EBITDA

Evolution





CAPITAL EXPENDITURE

SÃO MARTINHO - CONSOLIDATED	3Q13	3Q12	Chg. (%)	9M13	9M12	Chg. (%)
Capex (maintenance)						
Sugarcane Planting	22,250	23,404	-4.9%	61,187	55,273	10.7%
Industrial / Agricultural	23,492	29,569	-20.6%	44,165	51,336	-14.0%
Crop Treatment	33,097	36,375	-9.0%	89,195	91,124	-2.1%
Sub Total	78,839	89,348	-11.8%	194,547	197,733	-1.6%
Upgrading, Mechanization and Expansion						
Industrial / Agricultural	8,196	47,844	-82.9%	83,582	118,730	-29.6%
Sub Total	8,196	47,844	-82.9%	83,582	118,730	-29.6%
Boa Vista Mill (Greenfield)						
Sugarcane Planting	14,250	13,819	3.1%	42,760	43,172	-1.0%
Industrial / Agricultural	14,405	6,388	125.5%	29,077	18,663	55.8%
Crop Treatment	11,563	12,226	-5.4%	33,409	30,742	8.7%
Sub Total	40,218	32,434	24.0%	105,246	92,577	13.7%
Capex - Santa Cruz						
Sugarcane Planting	3,506	1,342	161.2%	13,751	1,342	924.5%
Industrial / Agricultural	1,075	4,050	-73.4%	5,197	4,050	28.3%
Crop Treatment	5,701	2,040	179.5%	16,180	2,040	693.2%
Sub Total	10,282	7,432	38.4%	35,128	7,432	372.7%
Total	137,536	177,058	-22.3%	418,503	416,472	0.5%

The maintenance CAPEX of the São Martinho Group totaled R\$194.5 million in 9M13, in line with the investments made in the same period of the previous crop year. Investments in expansion and modernization totaled R\$83.6 million in 9M13, decreasing 29.6%. The decrease is due to the schedule of investments in the cogeneration project at the São Martinho Unit, which will be concluded by March 2013, with cogeneration operations starting in the coming crop year.

In addition, the investments in the expansion of the Boa Vista Unit (UBV) totaled R\$105.2 million, up 13.7% from the same quarter of the previous crop year. The increase in these investments reflects (i) the expansion in planted area at the Boa Vista Unit; and (ii) the expansion in industrial capacity to 4.0 million tons in the 2013/14 crop year.

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 consolidated 32.18% of Santa Cruz, a mill located in Américo Brasiliense (in the Ribeirão Preto region of São Paulo state). For more information please go to www.saomartinho.ind.br.



INCOME STATEMENT

SÃO MARTINHO S.A. - CONSOLIDATED	3Q13	3Q12	Chg. (%)	9M13	9M12	Chg. (%)
R\$ Thousand						
Gross Revenue	416,351	402,355	3.5%	1,288,277	1,167,565	10.3%
Deductions from Gross Revenue	(21,435)	(21,907)	-2.2%	(56,135)	(60,047)	-6.5%
Net Revenue	394,916	380,448	3.8%	1,232,142	1,107,518	11.3%
Cost of Goods Sold (COGS)	(312,882)	(282,825)	10.6%	(918,097)	(759,484)	20.9%
Gross Profit	82,034	97,623	-16.0%	314,045	348,034	-9.8%
Gross Margin (%)	20.8%	25.7%	-4.9 p.p	25.5%	31.4%	-5.9 p.p
Operating Expenses	(46,238)	(15,094)	206.3%	(154,773)	(106,756)	45.0%
Selling Expenses	(17,345)	(14,119)	22.8%	(54,518)	(46,236)	17.9%
General and Administrative Expenses	(28,103)	(28,278)	-0.6%	(97,505)	(86,281)	13.0%
Equity Income	(2,015)	2,365	n.m.	(5,194)	(418)	1142.6%
Other Operating Expenses, Net	1,225	24,938	-95.1%	2,444	26,179	-90.7%
Operating Profit, Before Financial Effects	35,796	82,529	-56.6%	159,272	241,278	-34.0%
Financial Result, Net	(32,192)	(16,437)	95.9%	(80,846)	(51,056)	58.3%
Financial Revenues	28,160	18,166	55.0%	82,878	58,619	41.4%
Financial Expenses	(58,143)	(21,980)	164.5%	(141,979)	(85,597)	65.9%
Monetary and Exchange Variations - Net	(2,209)	(12,623)	-82.5%	(21,745)	(24,078)	-9.7%
Income (Loss) Before Income and Social Contribution Taxes	3,604	66,092	-94.5%	78,426	190,222	-58.8%
Income Tax and Social Contribution - Current	2,481	626	296.3%	(9,608)	(16,192)	-40.7%
Income Tax and Social Contribution - Deferred	1,225	(11,262)	n.m.	(8,607)	(31,943)	-73.1%
Net Income	7,310	55,456	-86.8%	60,211	142,087	-57.6%
Net Margin (%)	1.9%	14.6%	-12.7 p.p	4.9%	12.8%	-7.9 p.p



BALANCE SHEET (ASSETS)

SÃO MARTINHO S.A. CONSOLIDATED - ASSETS

R\$ Thousand

ASSETS	Dec/12	Mar/12
SHORT-TERM ASSETS		
Cash and Cash Equivalents	574,013	410,567
Trade Receivables	117,805	38,399
Derivative Financial Instruments	42,592	11,063
Inventories	478,630	137,375
Taxes Recoverable	49,231	39,701
Income Tax and Social Contribution	27,986	20,550
Other Assets	13,131	5,551
TOTAL SHORT-TERM ASSETS	1,303,388	663,206
LONG-TERM ASSETS		
Long-term Receivables		
Marketable Securities	7,430	6,541
Inventories	34,354	26,877
Related Parties	11	3,788
Deferred Income Tax and Social Contribution	46,971	38,227
Trade Receivables from Copersucar	1,398	1,737
Taxes Recoverable	66,760	46,581
Judicial Deposits	40,831	44,972
Other Assets	395	395
	198,150	169,118
Investments	12,143	8,262
Biological Assets	656,739	632,904
Property, plant and equipment	3,192,411	3,244,267
Intangible Assets	86,527	69,410
TOTAL LONG-TERM ASSETS	4,145,970	4,123,961
TOTAL ASSETS	5,449,358	4,787,167



BALANCE SHEET (LIABILITIES)

SÃO MARTINHO S.A. CONSOLIDATED- LIABILITIES

R\$ Thousand

LIABILITIES AND SHAREHOLDERS' EQUITY	Dec/12	Mar/12
SHORT-TERM LIABILITIES		
Borrowings	444,385	247,504
Derivative Financial Instruments	23,954	14,269
Trade Payables	146,575	76,655
Payables to Copersucar	2,292	2,356
Salaries and Social Contributions	47,672	57,297
Taxes Payable	13,515	12,199
Income Tax and Social Contribution	1,071	240
Related Parties	4,213	224
Dividends Payable	-	30,070
Advances from Customers	3,658	8,418
Aquisition of Investment	60,319	57,906
Other Liabilities	15,216	10,215
TOTAL SHORT-TERM LIABILITIES	762,870	517,353
LONG-TERM LIABILITIES		
Borrowings	1,423,123	984,865
Payables to Copersucar	215,975	222,007
Taxes Payable in Installments	54,777	57,873
Deferred Income Tax and Social Contribution	829,027	820,201
Provision for Contingencies	66,508	74,259
Aquisition of Investment	-	55,569
Advances for future capital increase	30,882	23,543
Other Liabilities	3,730	6,819
TOTAL LONG-TERM LIABILITIES	2,624,022	2,245,136
SHAREHOLDERS' EQUITY		
Share Capital	614,150	455,900
Adjustments to Book Value	1,230,658	1,272,558
Revenues Reserves	144,758	308,867
Treasury Shares	(13,920)	(12,753)
Stock options granted	1,257	106
Retained Earnings	85,563	-
TOTAL SHAREHOLDERS' EQUITY	2,062,466	2,024,678
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	5,449,358	4,787,167



CONSOLIDATED CASH FLOW

SÃO MARTINHO S.A.	9M13	9M12
R\$ Thousand		
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income in the period	60,211	142,087
Adjustments		
Depreciation and amortization	157,406	139,093
Harvested biological assets (depreciation)	186,654	132,015
Variation in fair value of biological assets	(6,822)	(28,232)
Residual cost of investments and property, plant and equipment disposals	5,194	418
Capital gain from the change in equity interest	-	(13,720)
Interest, monetary and foreign exchange variations, net	-	(11,259)
Result of investment and property, plant and equipment disposals	(2,045)	(465)
Interest, monetary and foreign exchange variations, net	111,695	101,063
Constitution of provision for contingencies, net	14,375	7,165
Deferred income tax and social contribution	8,607	31,943
Constitution of provision for inventory losses	(527)	(3,076)
Adjustments to present value and others	11,103	875
	545,851	497,907
Changes in assets and liabilities		
Trade receivables	(77,157)	(5,168)
Inventories	(237,825)	(141,834)
Taxes recoverable	(34,855)	(15,294)
Financial Investments	(543)	(245)
Related parties	4,211	283
Other assets	(2,583)	(12,130)
Trade payables	49,061	39,311
Salaries and social charges	(9,626)	(6,266)
Taxes payable	2,911	3,558
Taxes payable in installments	(5,693)	(4,348)
Provision for contingencies - settlements	(27,470)	(14,297)
Other liabilities	(3,137)	(12,709)
	203,145	328,768
Cash provided by operations		
Interest paid	(41,548)	(26,305)
Income tax and social contribution paid	(1,281)	(13,421)
Net cash provided by operating activities	160,316	289,042
CASH FLOW FROM INVESTMENT ACTIVITIES		
Financial resources used in investments	(66,374)	(59,010)
Additions to property, plant and equipments, intangible assets and deferred charges	(163,391)	(184,848)
Additions to biological assets (planting and crop treatment)	(256,483)	(223,693)
Proceeds from sale of property, plant and equipment	3,958	1,897
Increase in cash and cash equivalents from charge in equity interest	-	100,588
Advance for future capital increase	(1,202)	(4,340)
Dividends and interest on own capital	-	-
Net cash used in investing activities	(483,492)	(369,406)
CASH FLOW FROM FINANCING ACTIVITIES		
Derivatives Financial Instruments	1,359	1,099
New borrowing - third parties	699,781	569,521
Repayment of borrowing- Copersucar	(12,617)	(3,708)
Repayment of borrowing - third parties	(172,033)	(230,430)
Advance for future capital increase	7,338	17,480
Payment of dividends and interest on capital	(36,084)	(30,243)
Payment of dividends and interest on capital	(1,785)	(4,189)
Purchase of treasury shares	663	-
Net cash provided by financing activities	486,622	319,530
Increase (decrease) in cash and cash equivalents	163,446	239,166
Cash and cash equivalents at the beginning of the period	410,567	222,219
Cash and cash equivalents at the end of the period	574,013	461,385