







**1Q11 Earnings
Conference Call**
2010/2011 Harvest

This presentation contains forward-looking statements relating to the business outlook, operating and financial projections, and the growth prospects of São Martinho S.A. These statements merely represent projections and as such are based exclusively on management's expectations about the future of the business.

Forward-looking statements are no guarantee of performance. They involve risks, uncertainties and assumptions because they relate to future events and therefore depend on circumstances that may or may not occur in the future.

Investors should understand that general economic conditions, industry conditions and other operating factors could also affect the future results and could cause results to differ materially from those expressed in such forward-looking statements.

-  Increase in sugar and anhydrous ethanol production by 32.5% and 37.7%, respectively;
-  Strong growth in Adjusted EBITDA and EBITDA Margin, reaching R\$ 118.5 million and 41.5%, respectively;
-  Reduction in EBITDA costs from 4Q10, to R\$ 420/ton for sugar and R\$ 550 / m³ for ethanol;
-  Approval of R\$ 173 million investment in a cogeneration project at Usina São Martinho S.A. for the generation of surplus power for sale of 244,000 MWh.

- Start of hedge accounting as of March 2010, with sugar price and USD hedging for volumes sold impacting net revenue as of 1Q11;
- Firmer recovery in ethanol prices as of June 2010, at the start of the second quarter of the 2010/11 harvest year.

Chart 1

Average Price

2010/11 Harvest

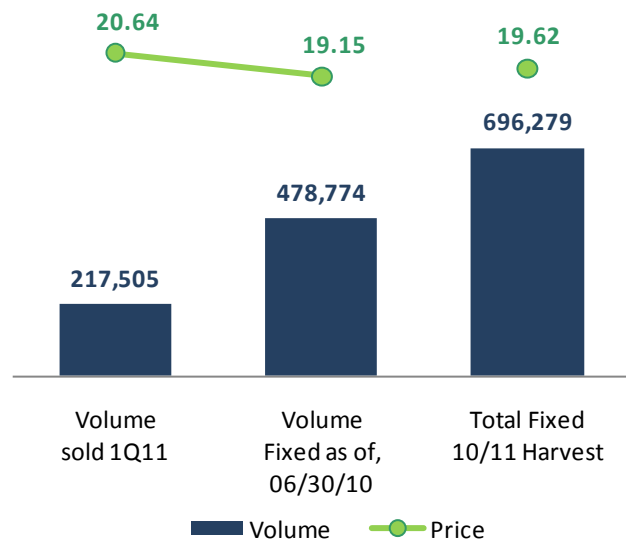


Table 1

INVENTORIES	1Q11	1Q10	Chg. (%)
Hydrous (m ³)	83,419	72,871	14%
Anhydrous (m ³)	54,751	33,836	62%
Total Ethanol (m³)	138,171	106,707	30%

Alcohol Weekly Indicator

CEPEA / ESALQ - São Paulo

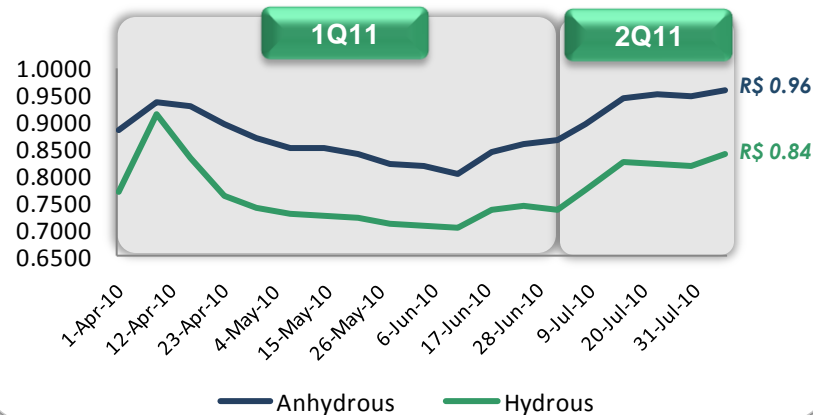


Chart 2

Selling Expenses

R\$ - Million

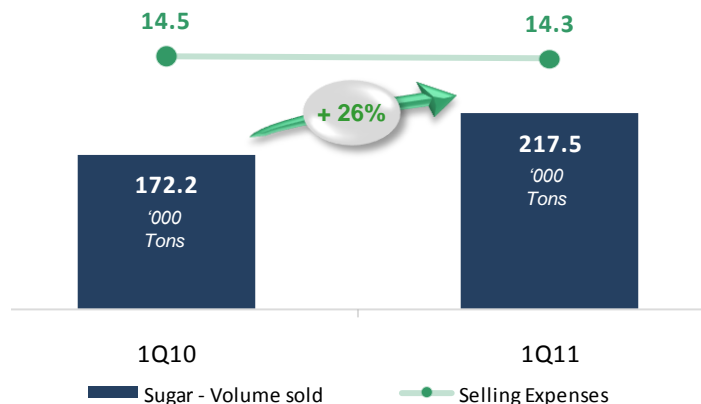
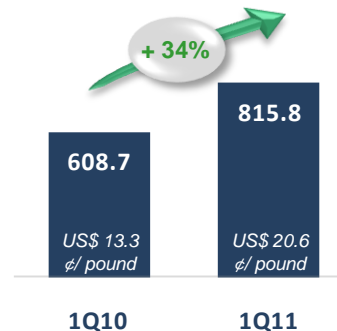


Chart 3

Sugar Price

R\$ / Ton



Ethanol Price

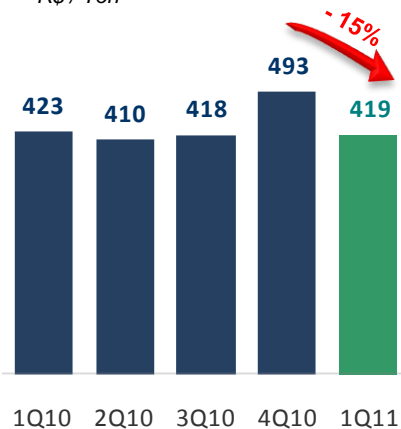
R\$ / M³



Chart 4

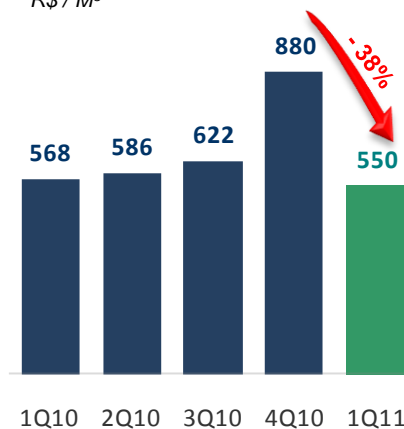
Sugar EBITDA Cost

R\$ / Ton



Ethanol EBITDA Cost

R\$ / M³



Cash Cost 1Q11

Cash COGS
Sugar

R\$ 322 / ton

Cash COGS
Ethanol

R\$ 453 / m³

IR Contacts

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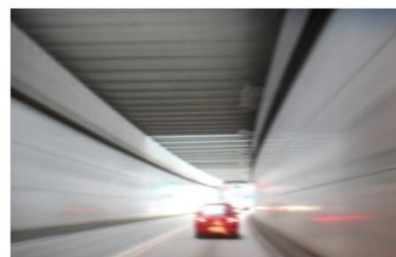
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