

São Martinho Group posts 3Q16 Net Income of R\$76.0 million, advancing 42.0% on 3Q15

São Paulo, February 12, 2016 – 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 2015/16 crop year (3Q16).

3Q16 HIGHLIGHTS

- ✓ Adjusted EBITDA amounted to R\$411.9 million in 3Q16 (Adjusted EBITDA margin of 48.3%), up 43.2% from 3Q15. The indicator improved this quarter benefiting from a combination of i) higher ethanol and sugar sales volumes; and ii) higher sugar and ethanol sales prices in the period;
- ✓ Adjusted EBIT in 3Q16 came to R\$201.6 million (EBIT margin of 23.6%), increasing 60.2% from 3Q15. Adjusted EBIT growth is explained by the same factors that benefitted Adjusted EBITDA in the period;
- ✓ At December 31, 2015, we had sugar prices hedged for the 2015/16 crop year for 418,584 tons at an average price of US\$ 15.74 cents/lb, effectively covering 100% of the sugar inventories to be sold in the coming quarter. On the same date, the Company had sugar prices for the 2016/17 crop year hedged for 433,497 tons at an average price of US\$ 13.96 cents/lb, with this volume representing 50.3% of its net exposure (i.e., total sugar production through the end of the crop year excluding our natural hedge with Consecana);
- ✓ In addition to the hedging of sugar prices, on December 31, 2015, the company held short dollar positions through NDFs amounting to US\$107.2 million (equivalent to 96% of the sugar volume hedged), with an average BRL/USD parity price of R\$3.40. On the same date, for the 2016/17 crop year, we held short dollar positions through NDFs in the amount of US\$63.7 million at BRL/USD 4.11, which represents 23.4% of the hedge of own cane allocated to sugar production.



NEW ACCOUNTING STANDARD – IFRS 11 (CPC 19)

With the adoption of the new accounting standard IFRS 11 (CPC 19) as of the 2013/14 fiscal year, São Martinho S.A. no longer proportionally consolidates the results of its investees. In view of the materiality of the results of Nova Fronteira Bioenergia S.A. (50.95%) 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. Therefore, 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 reconciliation 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%)	São Martinho S.A. (Pro forma)
R\$ '000			
Net Revenue*	745,303	107,359	852,673
Adjusted EBITDA	345,363	66,748	411,909
Adjusted EBITDA Margin	46.3%	62.2%	48.3%
Adjusted EBIT	160,565	41,363	201,620
Adjusted EBIT Margin	21.5%	38.5%	23.6%
Taxes	11,898	(5,419)	6,479
Net Income	31,082	(5)	(171)
Financial Result / PPE	(125,148)	(1,396)	(126,720)
Income (Loss) Before taxes	78,397	34,544	81,208
Taxes	(2,377)	(2,825)	(5,188)
Net Income	76,020	31,718	76,020

*Excludes the Hedge Accounting effect of foreign-denominated debt and USC PPA (R\$ 50.6 million).



YEAR TO DATE			
	São Martinho S.A. (consolidated CPC 19)	UBV (50.95%)	São Martinho S.A. (Pro forma)
R\$ '000			
Net Revenue*	1,748,576	264,022	2,012,978
Adjusted EBITDA	801,513	153,697	954,942
Adjusted EBITDA Margin	45.8%	58.2%	47.4%
Adjusted EBIT	401,880	53,518	454,808
Adjusted EBIT Margin	23.0%	20.3%	22.6%
Biological Assets and Other	(11,331)	13,038	1,707
Equity Income	41,093	-	19
Financial Result / PPE	(331,526)	(21,710)	(353,133)
Income (Loss) Before taxes	100,116	44,846	103,402
Taxes	25,253	(3,317)	21,967
Net Income	125,369	41,528	125,369
Cash	657,225	111,482	769,229
Gross Debt	3,653,376	385,324	4,038,934
Net Debt	2,996,151	273,842	3,269,705
EBITDA YTD	1,094,052	181,742	1,275,794
Net Debt / EBITDA	2.74 x	1.51 x	2.56 x

*Excludes the Hedge Accounting effect of foreign-denominated debt and USC PPA (R\$ 99.0 million).



OVERVIEW - COMPANY

OPERATING DATA	15/16 Crop Year	14/15 Crop Year	Chg.(%)
São Martinho - Consolidated			
Crushed Sugarcane ('000 tons)	20,024	18,718	7.0%
Own	12,985	12,326	5.3%
Third Parties	7,039	6,392	10.1%
Mechanized Harvest	97.4%	97.0%	0.43 p.p.
Agricultural Yield (ton/ha)	85.9	87.6	-1.9%
Average TRS (kg/ton)	128.9	141.6	-8.9%
Production			
Sugar ('000 tons)	1,230	1,231	-0.1%
Anhydrous Ethanol ('000 m ³)	445	438	1.5%
Hydrous Ethanol ('000 m ³)	306	353	-13.3%
Cogeneration ('000 MWh)	741	720	2.9%
TRS Produced	2,581	2,650	-2.6%
Mix - Sugar - Ethanol	50% - 50%	49% - 51%	
Mix Anhydrous - Hydrous	60% - 40%	56% - 44%	

In the 2015/16 crop year, the São Martinho Group processed 20.0 million tons of sugarcane, which represents a capacity utilization rate of approximately 97% in our mills.

Sugarcane processing in the 2015/16 crop year increased 7.0%, given the longer season. However, our average TRS fell 8.9% due to the high rainfall on our sugarcane fields, especially in November 2015, which led to a reduction of 2.6% in total TRS produced.

The following table shows our financial highlights, which we will discuss in further detail over the course of this release.

FINANCIAL HIGHLIGHTS (R\$ '000)	3Q16	3Q15	Chg. (%)	9M16	9M15	Var. (%)
São Martinho - Consolidated						
Net Revenue*	852,673	594,188	43.5%	2,012,978	1,631,436	23.4%
Adjusted EBITDA	411,909	287,612	43.2%	954,942	771,642	23.8%
Adjusted EBITDA Margin	48.3%	48.4%	-0.1 p.p.	47.4%	47.3%	0.1 p.p.
Adjusted EBIT	201,620	125,851	60.2%	454,808	363,155	25.2%
Adjusted EBIT Margin	23.6%	21.2%	2.5 p.p.	22.6%	22.3%	0.3 p.p.
Consolidated Balance Sheet Indicators						
Total Assets	7,585,261	7,250,564	4.6%	7,585,261	7,250,564	4.6%
Shareholders' Equity	2,485,795	2,246,685	10.6%	2,485,795	2,246,685	10.6%
EBITDA (LTM)	1,275,794	1,011,581	26.1%	1,275,794	1,011,581	26.1%
Net Debt	3,269,705	2,686,745	21.7%	3,269,705	2,686,745	21.7%
Net Debt / EBITDA (LTM)	2.6 x	2.7 x		2.6 x	2.7 x	
Net Debt / Shareholders' Equity	132%	120%		132%	120%	

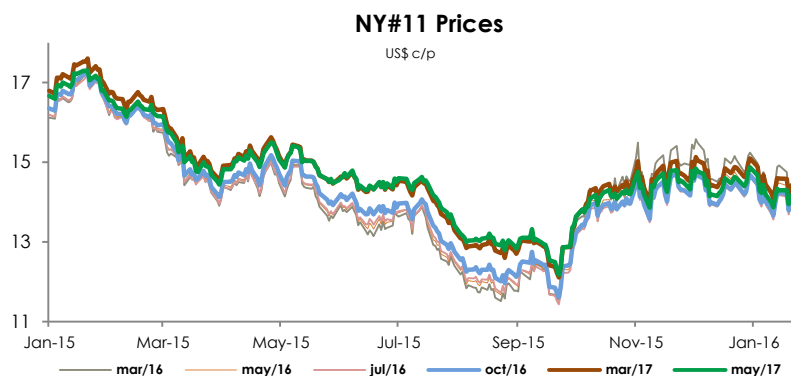
* Excludes the effects from Hedge Accounting of foreign-denominated debt and USC PPA.



INDUSTRY OVERVIEW

Sugar

According to data from the Sugarcane Industry Association (UNICA), Brazil's Center-South crushed 596.0 million tons of sugarcane through mid-January 2016, an increase of 4.7% from the previous crop year, although TRS/ton of cane was 3.7% lower in the same comparison.



UNICA data also show that sugar production totaled 30.6 million tons, down 4.3% from the same period of the 2014/15 crop year. As mentioned in previous quarters, the lower production volume reflects: i) the high rainfall throughout the season, primarily in the state of São Paulo, which adversely affected sugar production; and ii) the higher allocation of sucrose to the production of ethanol, whose sale price improved sharply.

Ethanol

Ethanol production volume in the 2015/16 crop year advanced 4.9% to 27.3 billion liters. Production increased in response to the stronger demand for hydrous ethanol in the 2015/16 crop year, given the increased competitiveness of ethanol in relation to gasoline at the pump.



AVERAGE PRICES - ETHANOL	3Q16	3Q15	Chg. (%)	9M16	9M15	Chg. (%)
Market Prices						
Anhydrous ESALQ, Net DM R\$ / m ³	1,865.09	1,343.13	38.9%	1,543.04	1,368.69	12.7%
Hydrous ESALQ, Net DM - R\$ / m ³	1,650.66	1,202.66	37.3%	1,373.10	1,223.59	12.2%



FINANCIAL PERFORMANCE

NET REVENUE BREAKDOWN	3Q16	3Q15	Chg. (%)	9M16	9M15	Chg. (%)
R\$ '000						
Domestic Market	429,107	307,488	39.6%	1,004,332	825,166	21.7%
Sugar	26,596	21,965	21.1%	72,444	55,548	30.4%
Hydrous Ethanol	159,094	70,596	125.4%	254,684	188,828	34.9%
Anhydrous Ethanol	176,210	116,524	51.2%	427,609	327,408	30.6%
Energy	49,033	73,344	-33.1%	182,650	184,550	-1.0%
Real Estate Development	3,599	7,920	-54.6%	22,877	25,621	-10.7%
Others	14,575	17,139	-15.0%	44,068	43,211	2.0%
Export Market	423,566	286,700	47.7%	1,008,646	806,269	25.1%
Sugar	354,751	263,093	34.8%	794,096	683,155	16.2%
Hydrous Ethanol	24,370	14,237	71.2%	69,021	33,084	108.6%
Anhydrous Ethanol	44,380	-	n.m.	134,579	66,765	101.6%
Others	65	9,370	-99.3%	10,950	23,265	-52.9%
Net Revenue*	852,673	594,188	43.5%	2,012,978	1,631,435	23.4%
Sugar	381,347	285,058	33.8%	866,540	738,703	17.3%
Hydrous Ethanol	183,464	84,833	116.3%	323,705	221,912	45.9%
Anhydrous Ethanol	220,590	116,524	89.3%	562,188	394,173	42.6%
Energy	49,033	73,344	-33.1%	182,650	184,550	-1.0%
Real Estate Development	3,599	7,920	-54.6%	22,877	25,621	-10.7%
Others	14,640	26,509	-44.8%	55,018	66,476	-17.2%

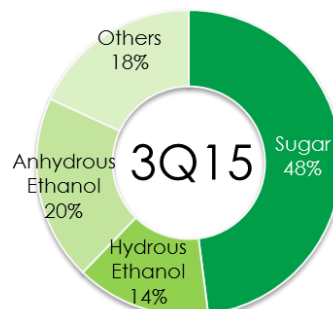
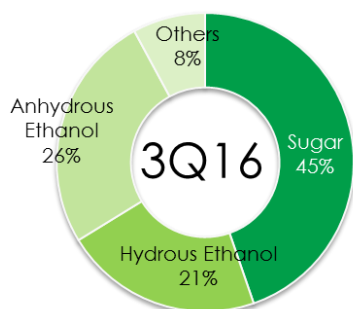
*Excludes the effects from Hedge Accounting of foreign-denominated debt and USC PPA.

Net Revenue

In the third quarter of the 2015/16 crop year (3Q16), the Company's net revenue amounted to R\$852.7 million, increasing 43.5% from the same period of the previous crop year. The increase reflects the growth in sugar and ethanol sales volume and the higher prices for both products compared to the year-ago period.

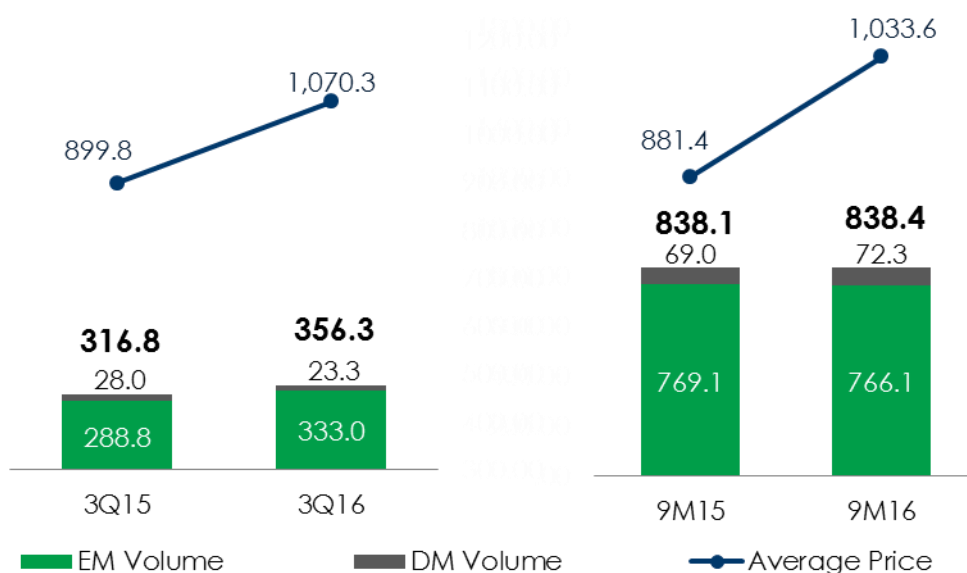
The following charts present a breakdown of the Company's net revenue by product in the quarters:

Net Revenue Breakdown 3Q16 vs. 3Q15



Sugar

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

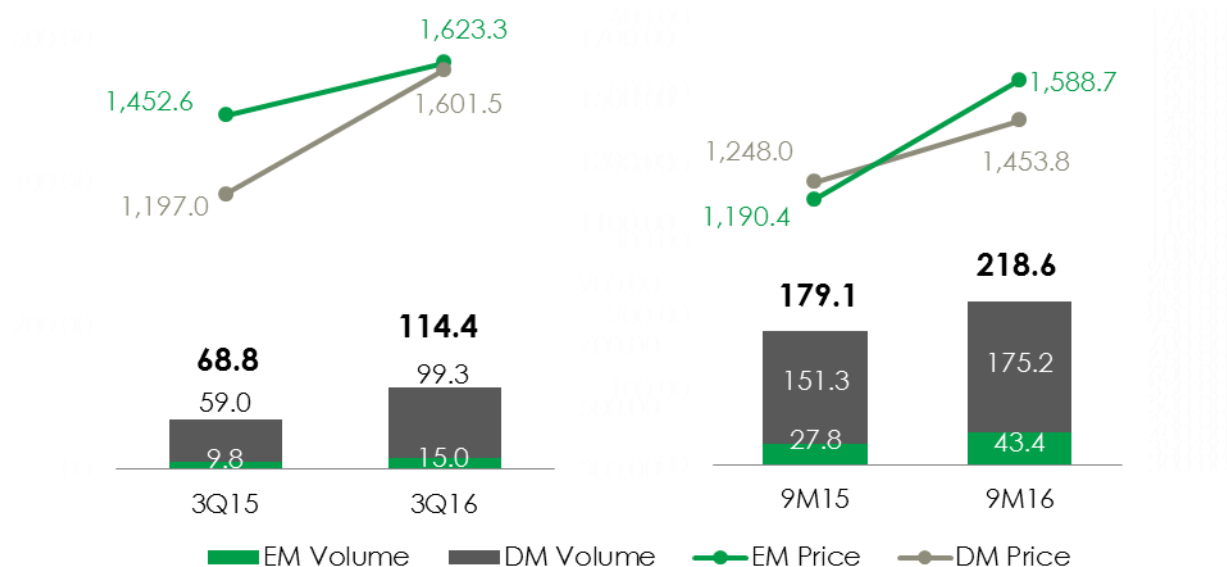


Net revenue from sugar sales amounted to R\$381.3 million in 3Q16, increasing 33.8% on the same period of the previous crop year. The improvement is explained by i) the 12.5% growth in sales volume; and ii) 18.9% increase in the average sugar price, driven primarily by the sharp BRL depreciation in the period.

In the first nine months of the crop year, net revenue from sugar sales amounted to R\$866.5 million, increasing 17.3% compared to 9M15, supported by the 17.3% increase in the average sales price.

Hydrous Ethanol

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



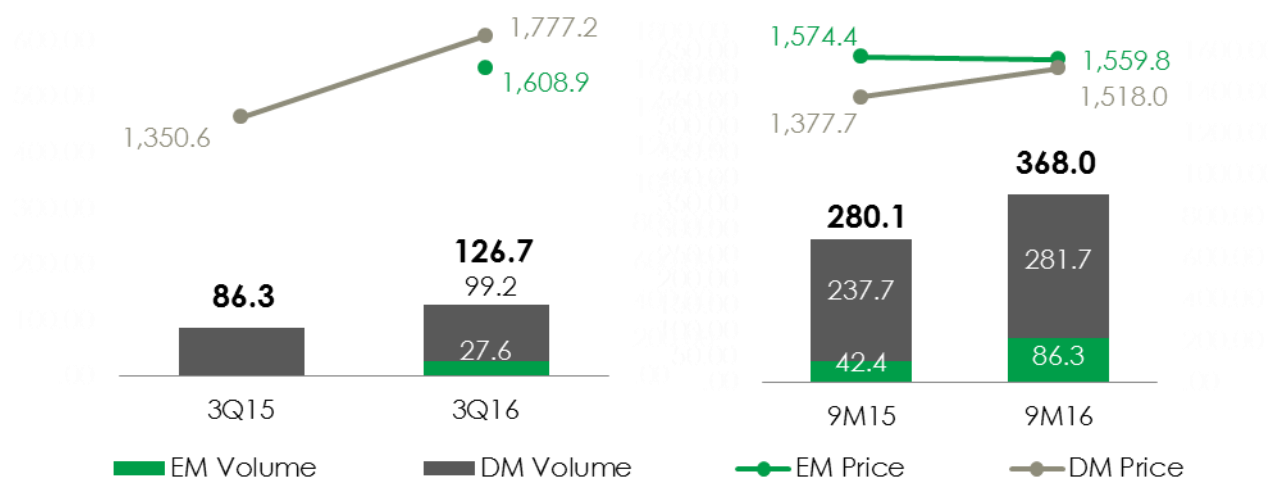
Net revenue from hydrous ethanol sales amounted to R\$183.5 million in 3Q16, increasing 116.3% from the same period of the previous crop year. The improvement is explained by i) the 66.3% increase in sales volume; and ii) the 30.1% increase in the average sales price, as commented in the section 'Industry Overview – Ethanol.' Sales volume growth was driven by the carryover of ethanol inventories.

In 9M16, net revenue from hydrous ethanol sales came to R\$323.7 million, up 45.9% from the same period of the previous crop year, supported by better prices and higher production, as commented above.



Anhydrous Ethanol

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



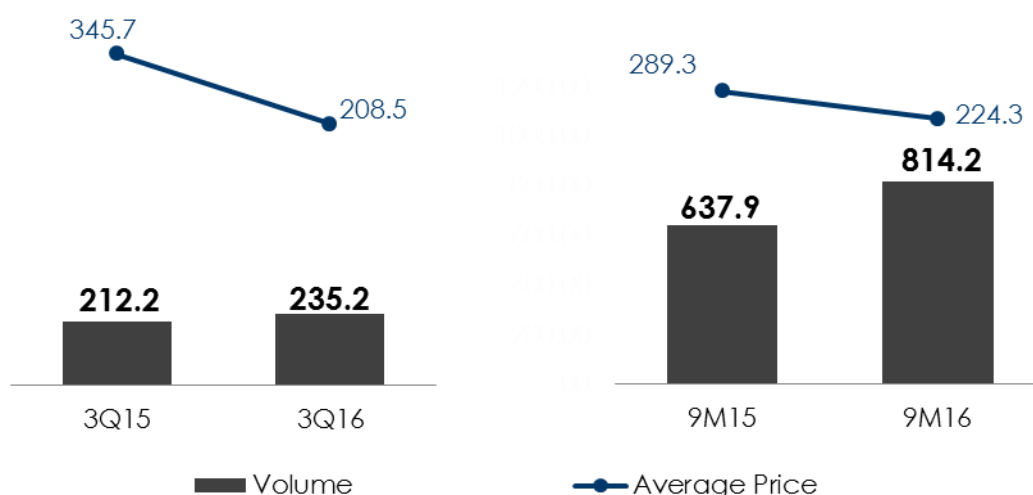
Net revenue from anhydrous ethanol sales amounted to R\$220.6 million in 3Q16, increasing 89.3% from the same quarter of the previous season. The improvement was due to the 46.9% growth in sales volume in the period, combined with the 28.9% increase in the average sales price.

In 9M16, net revenue from anhydrous ethanol sales increased 42.6% from the same period of the 2014/15 crop year to R\$562.2 million, reflecting the higher sales volume and better sales prices in the domestic market.



Cogeneration

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



Net revenue from cogeneration sales declined 33.1% in 3Q16 to R\$49.0 million compared to the same quarter of the prior crop year, reflecting primarily the 39.7% decrease in the average sales price following the decline in the spot energy prices to which the Company is exposed compared to the spot price in the third quarter of the 2014/15 crop year.

In 9M16, net revenue from cogeneration sales was R\$182.7 million, stable year over year, reflecting a combination of higher sales volume and lower average price, as commented above.

Real Estate Development

As reported previously, in the 2014/15 crop year we launched two real estate projects: Recanto das Paineiras and Park Empresarial de Iracemópolis, which are located in the Limeira region of the interior of São Paulo state.

The following table shows the evolution in terms of construction and sales of the projects launched so far this crop year.

Real Estate Development 9M16 Project Evolution	Recanto das Paineiras	Park Empresarial de Iracemópolis
POC (percentage-of-completion) position	99.8%	99.8%
Total lots sold (%)	99.8%	72.6%

In 9M16, we recognized revenue of R\$18.7 million (based on the percentage of completion method), as shown in the following table.

Real Estate Development in progress	Revenue Recognized in the Quarter 3Q16 R\$ '000	Revenue Recognized in the Period 9M16 R\$ '000
Property sales	1,908	4,171
Projects already launched in partnership	1,691	18,706
Recanto das Paineiras	1,386	13,980
Park Empresarial de Iracemópolis	305	4,726
Total revenue	3,599	22,877

Other Products and Services

Net revenue from the line "Other Products and Services" came to R\$14.6 million in 3Q16, decreasing 44.8% from the same quarter of the previous crop year. The decrease is explained mainly by the lower net revenue from RNA.



INVENTORIES

INVENTORIES	3Q16	3Q15	Chg. (%)
Sugar (tons)	397,699	350,410	13.5%
Hydrous (m³)	94,854	180,860	-47.6%
Anhydrous (m³)	148,643	154,985	-4.1%

At the end of 3Q16, we held sugar inventories amounting to 397,700 tons, an increase of 13.5% on the same period of the previous season. The build in inventories reflects the strategy to carry sugar inventories to sell at the end of the season at higher sales prices, as explained in the section 'Hedge – Sugar.'

Ethanol inventories (anhydrous and hydrous) fell 27.5%, reflecting the growth in sales volume in 3Q16 compared to 3Q15.



EBITDA AND EBITDA COST BY PRODUCT

EBITDA BY PRODUCT - 3Q16	SUGAR	ETHANOL	COGEN	REAL ESTATE	OTHERS	TOTAL
R\$ '000						
Net Revenues*	381,347	404,054	49,033	3,599	14,640	852,673
COGS (Cash)	(172,715)	(173,454)	(14,312)	(3,092)	(9,851)	(373,424)
Gross Profit (Cash)	208,632	230,600	34,721	507	4,789	479,249
Gross Margin (Cash)	54.7%	57.1%	70.8%	14.1%	32.7%	56.2%
Sales Expenses	(22,859)	(8,713)	(1,351)	-	-	(32,923)
G&A Expenses (Cash)	(14,769)	(16,404)	(2,637)	(1,136)	-	(34,947)
Other Revenues (Expenses)	-	-	-	-	530	530
Adjusted EBITDA	171,004	205,483	30,732	(629)	5,319	411,909
Adjusted EBITDA Margin	44.8%	50.9%	62.7%	-17.5%	36.3%	48.3%
EBITDA Cost**	(590.4)	(823.6)	(77.8)			

*Excludes Hedge Accounting effects of foreign-denominated debt and PPA USC (R\$ 50.6 million).

** Sugar in R\$/Ton

Ethanol in R\$/m³

Cogeneration in R\$/MWh

EBITDA BY PRODUCT - 3Q15	SUGAR	ETHANOL	COGEN	REAL ESTATE	OTHERS	TOTAL
R\$ '000						
Net Revenues*	285,058	201,357	73,344	7,920	26,509	594,188
COGS (Cash)	(118,598)	(99,591)	(4,880)	(1,864)	(18,200)	(243,133)
Gross Profit (Cash)	166,460	101,766	68,464	6,056	8,309	351,055
Gross Margin (Cash)	58.4%	50.5%	93.3%	76.5%	31.3%	59.1%
Sales Expenses	(20,068)	(1,567)	(1,474)	-	(86)	(23,195)
G&A Expenses (Cash)	(19,776)	(16,112)	(3,629)	(713)	-	(40,229)
Other Revenues (Expenses)	-	-	-	-	(19)	(19)
Adjusted EBITDA	126,617	84,088	63,361	5,343	8,204	287,612
Adjusted EBITDA Margin	44.4%	41.8%	86.4%	67.5%	30.9%	48.4%
EBITDA Cost**	(500.1)	(756.3)	(47.0)			

*Excludes Hedge Accounting effects of foreign-denominated debt and PPA USC (R\$ 9.2 million).

** Sugar in R\$/Ton

Ethanol in R\$/m³

Cogeneration in R\$/MWh



EBITDA BY PRODUCT - 9M16	SUGAR	ETHANOL	COGEN	REAL ESTATE	OTHERS	TOTAL
R\$ '000						
Net Revenues*	866,540	885,893	182,650	22,877	55,018	2,012,978
COGS (Cash)	(387,283)	(412,192)	(44,672)	(6,581)	(29,241)	(879,969)
Gross Profit (Cash)	479,257	473,701	137,978	16,296	25,777	1,133,009
Gross Margin (Cash)	55.3%	53.5%	75.5%	71.2%	46.9%	56.3%
Sales Expenses	(50,592)	(20,413)	(4,405)	-	(69)	(75,479)
G&A Expenses (Cash)	(41,591)	(47,967)	(10,926)	(3,669)	-	(104,153)
Other Revenues (Expenses)	-	-	-	-	1,565	1,565
Adjusted EBITDA	387,074	405,321	122,647	12,627	27,273	954,942
Adjusted EBITDA Margin	44.7%	45.8%	67.1%	55.2%	49.6%	47.4%
EBITDA Cost**	(571.9)	(819.3)	(73.7)	-	-	-

*Excludes Hedge Accounting effects of foreign-denominated debt and PPA USC (R\$ 99.0 million).

** Sugar in R\$/Ton

Ethanol in R\$/m³

Cogeneration in R\$/MWh

EBITDA BY PRODUCT - 9M15	SUGAR	ETHANOL	COGEN	REAL ESTATE	OTHERS	TOTAL
R\$ '000						
Net Revenues*	738,703	616,085	184,551	25,621	66,476	1,631,436
COGS (Cash)	(332,798)	(299,008)	(13,813)	(4,331)	(42,062)	(692,012)
Gross Profit (Cash)	405,905	317,077	170,738	21,290	24,414	939,424
Gross Margin (Cash)	54.9%	51.5%	92.5%	83.1%	36.7%	57.6%
Sales Expenses	(52,668)	(9,223)	(4,073)	-	(204)	(66,168)
G&A Expenses (Cash)	(49,353)	(45,232)	(10,807)	(1,530)	-	(106,921)
Other Revenues (Expenses)	-	-	-	-	5,307	5,307
Adjusted EBITDA	303,884	262,623	155,858	19,760	29,517	771,642
Adjusted EBITDA Margin	41.1%	42.6%	84.5%	77.1%	44.4%	47.3%
EBITDA Cost**	(518.8)	(769.8)	(45.0)	-	-	-

*Excludes Hedge Accounting effects of foreign-denominated debt and PPA USC (R\$ 34.3 million).

** Sugar in R\$/Ton

Ethanol in R\$/m³

Cogeneration in R\$/MWh

In 3Q16, sugar accounted for 41.5% of the Group's consolidated Adjusted EBITDA, while ethanol accounted for 49.9% and cogeneration for 7.5%. Sugar EBITDA margin remained stable compared to the same period last season, while ethanol EBITDA margin expanded by 9.1 percentage points from 3Q15 due to better prices.



COST OF GOODS SOLD

BREAKDOWN OF COGS - CASH	3Q16	3Q15	Chg. (%)	9M16	9M15	Chg. (%)
R\$ '000						
Agricultural Costs	298,623	190,300	56.9%	689,861	538,018	28.2%
Suppliers	157,696	104,358	51.1%	379,340	301,021	26.0%
Partnerships	54,522	31,395	73.7%	128,281	101,436	26.5%
Own Sugarcane	86,405	54,547	58.4%	182,240	135,561	34.4%
Industrial	48,591	32,391	50.0%	111,283	86,230	29.1%
Other Products	28,844	28,306	1.9%	86,872	75,630	14.9%
Reintegra	(2,634)	(7,865)	-66.5%	(8,047)	(7,865)	2.3%
Total COGS	373,424	243,133	53.6%	879,969	692,012	27.2%
TRS Sold (000 Tons)	788	599	31.5%	1,891	1,670	13.2%
Unit Cost (Sugar and Ethanol Cash COGS / TRS Sold)	441	372	18.6%	424	374	13.4%

In 3Q16, Cash COGS came to R\$373.4 million, increasing 53.6% from the previous crop year. The increase in COGS is mainly due to i) the 31.5% growth in sales volume (in TRS equivalent) compared to the year-ago period; ii) the lower dilution of the Company's fixed costs given the lower TRS content this quarter compared to 3Q15; and iii) the higher Consecana price, which impacted third parties sugarcane and leasing costs.

In 9M16, Cash COGS came to R\$879.9 million, increasing 27.2% from the same period of the previous crop year, impacted by the same factors that affected the quarterly result.

The following table presents more details on this impact for both sugar and ethanol.

AVERAGE CASH COST PER UNIT	3Q16	3Q15	Chg. (%)	9M16	9M15	Chg. (%)
R\$ Thousand						
COGS	(346,169)	(218,189)	58.7%	(799,476)	(631,806)	26.5%
Sugar	(172,715)	(118,598)	45.6%	(387,283)	(332,798)	16.4%
Ethanol	(173,454)	(99,591)	74.2%	(412,192)	(299,008)	37.9%
Average Cash Cost Per Unit (*)						
Sugar Cash Cost	(484.8)	(374.4)	29.5%	(461.9)	(397.1)	16.3%
Ethanol Cash Cost	(719.5)	(642.3)	12.0%	(702.7)	(651.2)	7.9%

(*) Sugar in R\$/Ton
Ethanol in R\$/m³



SELLING EXPENSES

SELLING EXPENSES	3Q16	3Q15	Chg.%	9M16	9M15	Chg.%
R\$ '000						
Port Costs / Freight	28,357	21,341	32.9%	67,781	61,537	10.1%
Other - non-recurring	4,566	1,854	146.3%	7,698	4,631	66.2%
Selling Expenses	32,923	23,195	41.9%	75,479	66,168	14.1%
TRS Sold ('000 Tons)	788	599	31.5%	1,891	1,670	13.2%
% of Net Revenue	4.1%	4.0%	0.0 p.p.	3.9%	4.1%	-0.1 p.p.

In 3Q16, selling expenses amounted to R\$32.9 million, growing 41.9% from 3Q15, basically reflecting the higher freight expenses and port costs due to the growth in sugar and ethanol export volumes in the period.

In 9M16, selling expenses amounted to R\$75.5 million (+14.1%), mainly reflecting the same factors that impacted 3Q16, as cited above.

GENERAL AND ADMINISTRATIVE EXPENSES

G&A EXPENSES - (CASH)	3Q16	3Q15	Chg. (%)	9M16	9M15	Chg. (%)
R\$ Thousand						
Personnel and Management Fee	22,886	21,516	6.4%	71,202	64,804	9.9%
Taxes, Fees, Contributions and Contingencies	3,707	12,310	-69.9%	11,070	19,828	-44.2%
General Expenses and Third-Party Services	7,949	10,893	-27.0%	19,744	25,359	-22.1%
Stock Options Expenses	405	710	-43.0%	2,137	2,130	0.3%
Total recurring General and Administrative Expenses	34,947	45,429	-23.1%	104,153	112,121	-7.1%
Non-recurring items		(5,200)			(5,200)	
Total General and Administrative Expenses	34,947	40,229	-13.1%	104,153	106,921	-2.6%

G&A expenses amounted to R\$34.9 million in 3Q16, down 13.1% from the same period of the previous crop year. The decline reflects mainly the reduction in labor contingencies involving the Company.



EBITDA

Pro-Forma EBITDA RECONCILIATION	3Q16	3Q15	Chg. (%)	9M16	9M15	Chg. (%)
R\$ '000						
Adjusted EBITDA	411,909	287,612	43.2%	954,942	771,642	23.8%
Adjusted EBITDA Margin	48.3%	48.4%	-0.1 p.p.	47.4%	47.3%	0.1 p.p.
Adjustment to Maturity of Hedge /USC PPA	50,616	9,202	n.m.	99,045	34,311	n.m.
Equity Income	171	22	n.m.	(19)	(591)	-96.8%
Non Recurring Operating Revenues (Expenses)	231	(1,981)	n.m.	(3,313)	(73,955)	-95.5%
Biological Assets	8,847	1,668	n.m.	(35,531)	183	n.m.
Book EBITDA	352,044	278,700	26.3%	894,762	811,694	10.2%
EBITDA Margin	43.9%	47.6%	-3.7 p.p.	46.7%	50.8%	-4.1 p.p.
(-) Depreciation and Amortization	(210,288)	(161,761)	30.0%	(500,134)	(408,487)	22.4%
(-) Depreciation of Agricultural Product	15,556	(2,263)	n.m.	(37,137)	(9,957)	n.m.
(-) Financial Revenue (Expense), net	(76,104)	(67,392)	12.9%	(254,088)	(134,173)	89.4%
(=) Operating Income	81,208	47,284	71.7%	103,402	259,077	-60.1%

Adjusted EBITDA

Adjusted EBITDA amounted to R\$411.9 million in 3Q16 (Adjusted EBITDA margin of 48.3%), up 43.2% from 3Q15. The indicator improved this quarter benefiting from a combination of i) higher ethanol and sugar sales volumes; and ii) higher sugar and ethanol sales prices in the period;

Main Adjustments to EBITDA in 3Q16

1) Adjustment of Debt Maturity in Hedge Accounting / PPA Santa Cruz: R\$50.6 million

- Expense related to exchange variation on debt settled in 3Q16 that was previously designated as Hedge Accounting. Considering that the exchange rate used for the purposes of cash flow in the period was R\$3.1/US\$1.00, we adjusted the amount of R\$48.2 million in net revenue and EBITDA to provide a better understanding of the Company's cash generation in the period;
- Noncash expense of R\$2.4 million, reflecting the amortization of goodwill paid for the future profitability of the cogeneration volume of Santa Cruz Mill (*purchase price allocation* - PPA).

2) Biological Assets

Expense related to the noncash accrual of a provision for the fair value adjustment of biological assets in the amount of R\$8.8 million, which mainly reflects the increase in WACC.



The following tables provide a breakdown of Adjusted EBITDA by business:

3Q16						
EBITDA BY SEGMENT	Consolidated	S&E	Cogen	Real Estate	Others	Consolidated - ex others
R\$ '000						
Net Revenue*	852,673	785,401	49,033	3,599	14,640	838,033
Adjusted EBITDA	411,909	376,487	30,733	(629)	5,318	406,591
Adjusted EBITDA Margin	48.3%	47.9%	62.7%	-17.5%	36.3%	48.5%

*Excludes hedge accounting effect of foreign denominated debt.

3Q15						
EBITDA BY SEGMENT	Consolidated	S&E	Cogen	Real Estate	Others	Consolidated - ex others
R\$ '000						
Net Revenue*	594,188	486,415	73,344	7,920	26,509	567,679
Adjusted EBITDA	287,612	210,705	63,361	5,343	8,203	279,409
Adjusted EBITDA Margin	48.4%	43.3%	86.4%	67.5%	30.9%	49.2%

*Excludes hedge accounting effect of foreign denominated debt.

9M16						
EBITDA BY SEGMENT	Consolidated	S&E	Cogen	Real Estate	Others	Consolidated - ex others
R\$ '000						
Net Revenue*	2,012,978	1,752,433	182,650	22,877	55,018	1,957,960
Adjusted EBITDA	954,942	792,395	122,647	12,627	27,274	927,669
Adjusted EBITDA Margin	47.4%	45.2%	67.1%	55.2%	49.6%	47.4%

*Excludes hedge accounting effect of foreign denominated debt.

9M15						
EBITDA BY SEGMENT	Consolidated	S&E	Cogen	Real Estate	Others	Consolidated - ex others
R\$ '000						
Net Revenue*	1,631,436	1,354,788	184,551	25,621	66,476	1,564,960
Adjusted EBITDA	771,642	566,508	155,858	19,760	29,516	742,126
Adjusted EBITDA Margin	47.3%	41.8%	84.5%	77.1%	44.4%	47.4%

*Excludes hedge accounting effect of foreign denominated debt.

CPC 19						
EBITDA RECONCILIATION	3Q16	3Q15	Chg.%	9M16	9M15	Chg.%
R\$ '000						
Book EBITDA	318,445	243,057	31.0%	775,019	671,337	15.4%
EBITDA Margin	45.8%	48.9%	-3.1 p.p.	47.0%	52.7%	-5.8 p.p.
(-) Depreciation and Amortization	(165,516)	(138,866)	19.2%	(442,422)	(310,382)	42.5%
(-) Net Financial Expense	(74,532)	(59,158)	26.0%	(232,481)	(108,210)	114.8%
(=) Operating Income (Loss)	78,397	45,033	74.1%	100,116	252,745	-60.4%

With the adoption of the new accounting standard IFRS 11 (CPC 19) as of fiscal year 2013/14, São Martinho S.A. no longer proportionately consolidates the results of its investees. Adjusted by IFRS 11, the table above includes only the EBITDA of São Martinho S.A., excluding the proportionate consolidation of Nova Fronteira Bioenergia S.A. (50.95%).



Operating Cash Generation (Adjusted EBIT)

Adjusted EBIT in 3Q16 came to R\$201.6 million (EBIT margin of 23.6%), increasing 60.2% from 3Q15. Adjusted EBIT growth is explained by the same factors that benefitted Adjusted EBITDA in the period.

R\$ '000	3Q16	3Q15	Chg.%	9M16	9M15	Chg.%
Adjusted EBIT	201,620	125,851	60.2%	454,808	363,155	25.2%
Adjusted EBIT Margin	23.6%	21.2%	2.5 p.p.	22.6%	22.3%	0.3 p.p.
(-) Depreciation of Agricultural Product	15,556	(2,263)	n.m.	(37,137)	(9,957)	n.m.
Book EBIT	217,177	123,588	75.7%	417,671	353,198	18.3%
EBIT Margin	25.5%	20.8%	4.7 p.p.	20.7%	21.6%	-0.9 p.p.
(-) Depreciation and Amortization	(210,288)	(161,761)	30.0%	(500,134)	(408,487)	22.4%
Adjusted EBITDA	411,909	287,612	43.2%	954,942	771,642	23.8%
Adjusted EBITDA Margin	48.3%	48.4%	-0.1 p.p.	47.4%	47.3%	0.1 p.p.
Adjustment to Maturity of Hedge /USC PPA	50,616	9,202	n.m.	99,045	34,311	n.m.
Equity Income	171	22	n.m.	(19)	(591)	-96.8%
Non Recurring Operating Revenues (Expenses)	231	(1,981)	n.m.	(3,313)	(73,955)	-95.5%
Biological Assets	8,847	1,668	n.m.	(35,531)	183	n.m.
Book EBITDA	352,044	278,700	26.3%	894,762	811,694	10.2%
EBITDA Margin	43.9%	47.6%	-3.7 p.p.	46.7%	50.8%	-4.1 p.p.

HEDGING

A summary of our sugar and U.S. dollar hedge positions on December 31, 2015 follows.

Sugar

	Volume Hedged ('000 tons)	Avg. Price (US\$ c/p)
Sugar		
May/16 (K16)	112,019	13.93
Jul/15 (N15)	144,584	13.93
Oct/15 (V15)	129,140	13.95
Mar/16 (H16)	47,754	14.12
2016/2017 crop year	433,497	13.96

On December 31, 2015, our hedge position for the 2015/16 crop year totaled 418,584 tons at the price of 15.74 ¢/lb, representing 100% of the sugar volume to be sold in 4Q16.

For the 2016/17 crop year, on the same date, 433,497 tons of sugar was hedged at a price of US\$13.96 ¢/lb. If we consider the same production volume of the current crop year (1,230,000 tons), approximately 50.3% of own cane and 35.2% of total cane would be hedged.

U.S. Dollar

On December 31, 2015, the São Martinho Group held open positions through Non-Deliverable Forwards (NDFs) and derivative instruments, which are used to hedge its exports, with maturities in the 2015/16 and 2016/17 crop years, as follows:

	TOTAL		SUGAR		ETHANOL	
Dollar	US '000	Average Price (R\$/US\$)	US '000	Average Price (R\$/US\$)	US '000	Average Price (R\$/US\$)
2015/2016 crop year	113,675	3.43	107,245	3.40	6,430	3.92
2016/2017 crop year	63,700	4.11	63,700	4.11		

Hedge Accounting

Effect on Shareholders' Equity

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.

The quarterly results are recorded in shareholders' equity ("Adjustments to Book Value"), net of deferred income and social contribution taxes. In the period between March 2015 and December 2015, we recorded a loss in shareholders' equity of R\$250.3 million, mainly related to the depreciation in the Brazilian real against the U.S. dollar.

Impact on Income Statement

As previously mentioned, certain foreign currency-denominated debts that had been designated as Hedge Accounting will mature in the future, which will impact our net revenue.

In 3Q16, a total of US\$39.8 million in debt matured, with the exchange rate of R\$1.9/US\$1.00 adopted for the translation of net revenue. Considering that the rate considered for the purposes of cash flow in the period was R\$3.1/US\$1.00, we adjusted the amount of R\$48.2 million in net revenue and EBITDA to provide a better understanding of the Company's cash generation.



NET FINANCIAL RESULT

FINANCIAL RESULT	3Q16	3Q15	Chg.%	9M16	9M15	Chg.%
R\$ '000						
Financial Income	27,086	26,644	1.7%	89,990	69,742	29.0%
Financial Expenses	(85,321)	(78,248)	9.0%	(232,947)	(193,610)	20.3%
Hedge Result/Exchange Variation	(17,870)	(15,787)	13.2%	(111,132)	(10,305)	n.m.
Net Financial Result	(76,105)	(67,392)	12.9%	(254,089)	(134,173)	89.4%

The Company registered a net financial expense of R\$76.1 million in 3Q16, increasing 12.9% compared to 3Q15, which mainly reflects higher interest expenses under financial expenses. In 9M16, the financial result increased 89.4%, due to i) the depreciation in the Brazilian real in the period; and ii) the increase in the Company's net debt.

NET INCOME

In 3Q16, Net Income amounted to R\$76.0 million, increasing 42.0% on the year-ago quarter. Net income growth was driven by EBITDA growth in the period, as mentioned above.

DEBT WITH COPERSUCAR

On December 31, 2015, the São Martinho Group recognized on its balance sheet debt of R\$276.5 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 the legal counsels at Copersucar. These obligations continue to be secured by suretyships in the amount of R\$213.5 million on a consolidated basis.



INDEBTEDNESS

DEBT	dec/15	mar/15	Chg.%
R\$ Thousand			
PESA	50,101	57,755	-13.3%
Rural Credit	197,340	163,907	20.4%
BNDES / FINAME	734,419	877,296	-16.3%
Working Capital	824,822	533,283	54.7%
ACC (Advances on Foreign Exchange Contracts)	197,067	160,475	22.8%
PPE (Export prepayment)	1,176,197	981,525	19.8%
NCE (Export Credit Note)	767,727	838,463	-8.4%
Others	-	897	-100.0%
Obligations from Acquisitions - LOP	85,483	85,432	0.1%
Obligations from Acquisitions - Other	5,778	10,891	-46.9%
Gross Debt	4,038,934	3,709,923	8.9%
Cash and Cash Equivalents	769,229	1,140,538	-32.6%
Consolidated Net Debt	3,269,705	2,569,385	27.3%
Net Debt / Acum. EBITDA	2.6 x	2.2 x	
Net Debt / Acum. EBITDA - USD*	2.2 x	1.7 x	

* Net Debt PTAX:
Mar/15: R\$ 3.20
Dec/15: R\$ 3.90

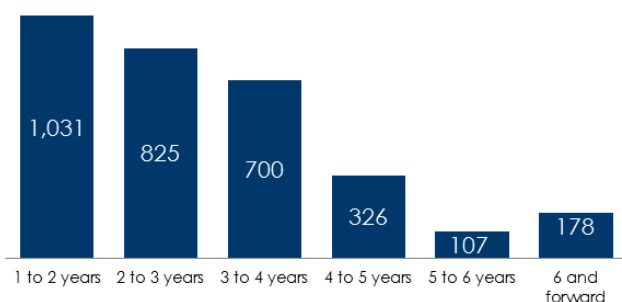
Cumulative EBITDA average 12M daily PTAX rate:
Mar/15: R\$ 2.48
De/15: R\$ 3.34

In 3Q16, the net debt of the São Martinho Group increased 27.3% to approximately R\$3.3 billion, to end the period with a Net Debt to EBITDA ratio of 2.6 times. The increase in the Company's net debt is explained mainly by i) higher working capital needs due to the higher sugar and ethanol inventories in the period (+ R\$474 million) and ii) long-term exchange variation in the amount of approximately R\$258.0 million.

Note that the market value of our inventories of finished products amounted to approximately R\$955 million at December 31, 2015. Considering that we expect to sell the entire inventory by March 2016, the Company's Net Debt to EBITDA ratio should return to the same level of March 2015.

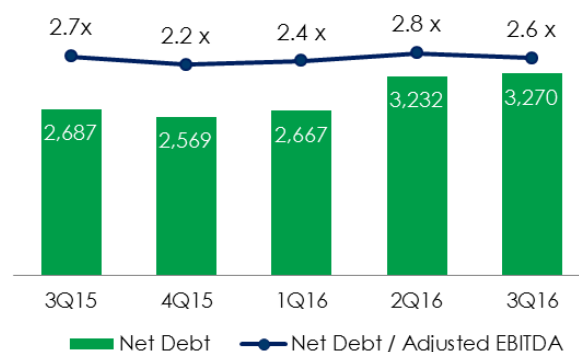
Dent Amortization Schedule

R\$ million



Net Debt / EBITDA LTM

Evolution





CAPITAL EXPENDITURE

(Maintenance)	3Q16	3Q15	Chg.%	9M16	9M15	Var%.
R\$ '000						
Sugarcane Planting	47,079	39,380	19.6%	132,506	109,396	21.1%
Off-Season Maintenance / Industrial / Agricultural	19,651	45,136	-56.5%	25,370	48,446	-47.6%
Crop Treatment	87,173	82,845	5.2%	244,479	211,762	15.5%
Total	153,903	167,360	-8.0%	402,356	369,604	8.9%
(Operational Improvements)	3Q16	3Q15	Chg.%	9M16	9M15	Chg.%
R\$ '000						
Equipment/Projects/Replacements	25,582	26,711	-4.2%	55,272	45,113	22.5%
Total	25,582	26,711	-4.2%	55,272	45,113	22.5%
(Upgrading/Expansion)	3Q16	3Q15	Chg.%	9M16	9M15	Chg.%
R\$ '000						
Industrial/Agricultural	30,069	26,650	12.8%	64,480	73,758	-12.6%
Total	30,069	26,650	12.8%	64,480	73,758	-12.6%
Total	209,555	220,721	-5.1%	522,108	488,475	6.9%

The maintenance CAPEX of the São Martinho Group amounted to R\$153.9 million in 3Q16, decreasing 8.0% from the year-ago period. The main factor in the reduction was the schedule of inter-crop maintenance, since in 3Q16 we finished crushing activities in December, which is practically one month later than in 3Q15, when we finished crushing for the crop year in November 2015.

Operational improvement capex (investments in replacing agricultural and industrial equipment to boost yields) amounted to R\$25.6 million in 3Q16, down 4.2% from 3Q15, reflecting the lower need to replace equipment this quarter.

In terms of expansion CAPEX, the Company invested a total of R\$30.1 million, or 12.8% more than in the same period of the previous season, mainly due to the carryover of projects started during the previous crop year, and the start of the expansion project at Santa Cruz, which will increase capacity to 5.2 million tons by the 2017/18 crop year.

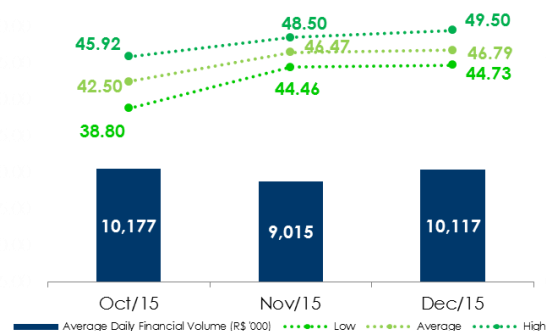


CAPITAL MARKETS AND INVESTOR RELATIONS

Performance SMT03 – 12 months



Price and Volume



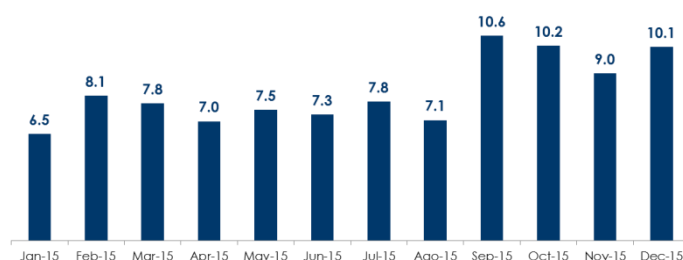
SMT03 vs. Stock Indexes

Base 100



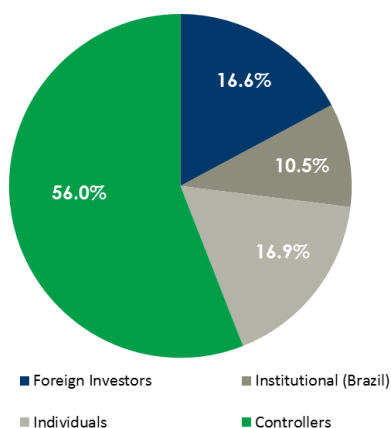
Average Daily Trading Volume

R\$ million

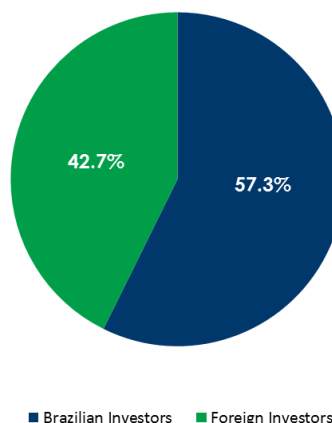


Ownership Structure

Base: Dec. 31, 2015



Free Float Composition





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.



INCOME STATEMENT

Quarter

SÃO MARTINHO S.A. - CONSOLIDATED	CPC 19			Pro-forma		
	3Q16	3Q15	Chg. (%)	3Q16	3Q15	Chg. (%)
R\$ Thousand						
Gross Revenue	726,025	514,569	41.1%	840,996	608,121	38.3%
Deductions from Gross Revenue	(31,338)	(17,453)	79.6%	(38,939)	(23,134)	68.3%
Net Revenue	694,687	497,116	39.7%	802,057	584,987	37.1%
Cost of Goods Sold (COGS)	(508,349)	(347,346)	46.4%	(574,251)	(406,544)	41.3%
Gross Profit	186,338	149,770	24.4%	227,806	178,443	27.7%
Gross Margin (%)	26.8%	30.1%	-3.3 p.p	28.4%	30.5%	-2.1 p.p
Operating Expenses	(33,409)	(45,579)	-26.7%	(70,494)	(63,767)	10.5%
Selling Expenses	(31,260)	(21,470)	45.6%	(32,923)	(23,195)	41.9%
General and Administrative Expenses	(33,505)	(43,164)	-22.4%	(37,699)	(47,710)	-21.0%
Equity Income	31,082	10,160	n.m.	(171)	(22)	n.m.
Other Operating Expenses, Net	274	8,895	-96.9%	299	7,160	-95.8%
Operating Profit, Before Financial Effects	152,929	104,191	46.8%	157,312	114,676	37.2%
Financial Result, Net	(74,532)	(59,158)	26.0%	(76,104)	(67,392)	12.9%
Financial Revenues	22,529	22,689	-0.7%	27,086	26,643	1.7%
Financial Expenses	(76,534)	(69,641)	9.9%	(85,320)	(78,248)	9.0%
Monetary and Exchange Variations - Net	865	(21,104)	n.m.	4,416	(24,236)	n.m.
Derivatives Results	(21,392)	8,898	n.m.	(22,286)	8,449	n.m.
Income (Loss) Before Income and Social Contribution Taxes	78,397	45,033	74.1%	81,208	47,284	71.7%
Income Tax and Social Contribution - Current	(26,866)	(2,379)	n.m.	(29,442)	(4,425)	n.m.
Income Tax and Social Contribution - Deferred	24,489	11,855	106.6%	24,254	11,650	108.2%
Net Income (Loss) Before Minority Interest	76,020	54,509	39.5%	76,020	54,509	39.5%
Minority Interest	-	(969)	n.m.	-	(969)	n.m.
Net Income	76,020	53,540	42.0%	76,020	53,540	42.0%
Net Margin (%)	10.9%	10.8%	0.2 p.p	9.5%	9.2%	0.3 p.p



Year to date

SÃO MARTINHO S.A. - CONSOLIDATED	CPC 19			Pro-forma		
	9M16	9M15	Chg. (%)	9M16	9M15	Chg. (%)
R\$ Thousand						
Gross Revenue	1,710,412	1,315,651	30.0%	1,993,574	1,660,470	20.1%
Deductions from Gross Revenue	(60,881)	(42,819)	42.2%	(79,641)	(63,342)	25.7%
Net Revenue	1,649,531	1,272,832	29.6%	1,913,933	1,597,128	19.8%
Cost of Goods Sold (COGS)	(1,191,960)	(875,695)	36.1%	(1,373,526)	(1,104,126)	24.4%
Gross Profit	457,571	397,137	15.2%	540,407	493,002	9.6%
Gross Margin (%)	27.7%	31.2%	-3.5 p.p	28.2%	30.9%	-2.6 p.p
Operating Expenses	(124,974)	(36,182)	245.4%	(182,917)	(99,752)	83.4%
Selling Expenses	(70,879)	(58,797)	20.5%	(75,479)	(66,168)	14.1%
General and Administrative Expenses	(99,388)	(103,411)	-3.9%	(112,336)	(118,635)	-5.3%
Equity Income	41,093	39,454	4.2%	19	591	-96.8%
Other Operating Expenses, Net	4,200	86,572	-95.1%	4,879	84,460	-94.2%
Operating Profit, Before Financial Effects	332,597	360,955	-7.9%	357,490	393,250	-9.1%
Financial Result, Net	(232,481)	(108,210)	114.8%	(254,088)	(134,173)	89.4%
Financial Revenues	79,296	59,402	33.5%	89,990	69,742	29.0%
Financial Expenses	(210,255)	(161,387)	30.3%	(232,946)	(193,610)	20.3%
Monetary and Exchange Variations - Net	(95,503)	(21,983)	n.m.	(108,671)	(28,484)	n.m.
Derivatives Results	(6,019)	15,758	n.m.	(2,461)	18,179	n.m.
Income (Loss) Before Income and Social Contribution Taxes	100,116	252,745	-60.4%	103,402	259,077	-60.1%
Income Tax and Social Contribution - Current	(18,980)	(6,679)	184.2%	(21,562)	(11,104)	94.2%
Income Tax and Social Contribution - Deferred	44,233	(14,319)	n.m.	43,529	(16,226)	n.m.
Net Income (Loss) Before Minority Interest	125,369	231,747	-45.9%	125,369	231,747	-45.9%
Minority Interest	-	(2,259)	n.m.	-	(2,259)	n.m.
Net Income	125,369	229,488	-45.4%	125,369	229,488	-45.4%
Net Margin (%)	7.6%	18.0%	-10.4 p.p	6.6%	14.4%	-7.8 p.p



BALANCE SHEET (ASSETS)

SÃO MARTINHO S.A. CONSOLIDATED - ASSETS	CPC 19		Pro-forma	
R\$ '000				
ASSETS	Dec/15	Mar/15	Dec/15	Mar/15
SHORT-TERM ASSETS				
Cash and Cash Equivalents	345,548	1,020,112	346,532	1,126,517
Marketable Securities	306,407	-	409,343	-
Trade Receivables	197,108	156,317	249,094	168,031
Derivative Financial Instruments	66,147	221,797	70,132	222,226
Inventories	657,410	177,443	759,499	212,975
Taxes Recoverable	102,255	102,821	109,305	116,363
Income and Social Contribution Taxes	80,862	64,633	89,763	68,718
Dividends receivable	14,509	6,476	17,287	7,661
TOTAL SHORT-TERM ASSETS	1,770,246	1,749,599	2,050,955	1,922,491
LONG-TERM ASSETS				
Long-term Receivables				
Marketable Securities	5,270	5,723	13,354	14,021
Inventories	19,275	49,607	29,149	72,288
Related Parties	-	34	-	34
Deferred Income and Social Contribution Taxes	-	-	47,318	48,031
Trade Receivables	22,269	8,049	22,725	8,049
Trade Receivables from Copersucar	4,425	1,669	4,738	1,784
Taxes Recoverable	99,771	75,860	110,601	87,127
Judicial Deposits	31,655	27,927	33,498	29,553
Other Assets	498	518	498	518
	183,163	169,387	261,881	261,405
Investments	471,328	429,780	20,935	20,902
Biological Assets	942,556	936,241	1,098,457	1,116,783
Property, plant and equipment	3,268,061	3,383,376	3,664,659	3,796,775
Intangible Assets	488,286	500,541	488,374	500,676
TOTAL LONG-TERM ASSETS	5,353,394	5,419,325	5,534,306	5,696,541
TOTAL ASSETS	7,123,640	7,168,924	7,585,261	7,619,032



BALANCE SHEET (LIABILITIES)

São Martinho S.A. - LIABILITIES	CPC 19		Pro-forma	
R\$ '000				
LIABILITIES AND SHAREHOLDERS' EQUITY	Dec/15	Mar/15	Dec/15	Mar/15
SHORT-TERM ASSETS				
Borrowings	694,514	872,419	856,240	978,828
Derivative Financial Instruments	191,782	232,711	191,782	232,711
Trade Payables	152,547	95,476	172,230	115,727
Payables to Copersucar	26,929	2,040	28,966	2,300
Payroll and Social Contributions	88,173	84,373	100,320	95,953
Taxes Payable	15,588	13,235	17,612	14,531
Income and Social Contribution Taxes	1,994	1,511	1,994	1,540
Dividends Payable	1	67,939	1	67,939
Advances from Customers	12,607	3,197	13,431	4,321
Acquisition of Investment	17,891	17,507	17,891	17,507
Other Liabilities	21,296	29,484	25,854	34,079
TOTAL SHORT-TERM LIABILITIES	1,223,322	1,419,892	1,426,321	1,565,436
LONG-TERM ASSETS				
Borrowings	2,867,601	2,367,660	3,091,418	2,634,773
Payables to Copersucar	237,153	279,584	247,556	292,945
Taxes Payable in Installments	15,664	16,267	15,664	16,267
Deferred Income and Social Contribution Taxes	150,490	323,811	150,736	324,064
Provision for Contingencies	58,678	55,430	62,507	58,702
Acquisition of Investment	73,370	78,815	73,370	78,815
Advances for future capital increase	-	-	31,709	31,492
Other Liabilities	11,567	11,380	185	453
TOTAL LONG-TERM LIABILITIES	3,414,523	3,132,947	3,673,145	3,437,511
SHAREHOLDERS' EQUITY				
Share Capital	931,340	812,992	931,340	812,992
Capital reserves	10,706	9,119	10,706	9,119
Treasury Shares	(8,226)	(7,375)	(8,226)	(7,375)
Stock options granted	4,911	5,079	4,911	5,079
Adjustments to Book Value	1,133,337	1,405,708	1,133,337	1,405,708
Profits Reserves	272,214	390,562	272,214	390,562
Retained earnings	141,513	-	141,513	-
TOTAL SHAREHOLDERS' EQUITY	2,485,795	2,616,085	2,485,795	2,616,085
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	7,123,640	7,168,924	7,585,261	7,619,032



CONSOLIDATED CASH FLOW

SÃO MARTINHO S.A.	CPC 19		Pro Forma	
R\$ '000	9M16	9M15	9M16	9M15
CASH FLOWS FROM OPERATING ACTIVITIES				
Net Income in the period	125,369	229,488	125,369	229,488
Adjustments				
Depreciation and amortization	156,931	117,057	182,931	148,350
Harvested biological assets (depreciation)	285,491	193,325	354,341	270,097
Change in fair value of biological assets	(28,705)	2,602	(35,531)	177
Amortization of intangible assets	9,937	6,748	9,937	7,214
Equity income	(41,093)	(39,454)	(19)	(591)
Capital gain in investment in joint venture	-	(7,055)	-	(7,235)
Result of investment and property, plant and equipment disposals	1,433	(6,879)	1,596	(7,352)
Interest, monetary and foreign exchange variations, net	282,628	158,120	313,213	190,526
Derivative financial instruments	27,373	57,055	27,373	60,315
Accrual (reversal) of provision for contingencies, net	8,310	8,943	10,362	10,348
Deferred income tax and social contribution taxes	(44,233)	14,319	(43,529)	16,226
Adjustments to present value and others	2,715	4,938	2,278	4,553
Income (loss) from ownership divestment	-	(79,717)	-	(79,717)
	786,156	659,490	948,321	842,399
Changes in assets and liabilities				
Trade receivables	(70,902)	(109,093)	(113,858)	(124,915)
Inventories	(308,616)	(237,220)	(337,419)	(278,468)
Taxes recoverable	(33,358)	(51,327)	(30,553)	(48,788)
Marketable securities	963	(1,128)	1,948	(1,065)
Other assets	(9,683)	10,495	(11,360)	9,834
Trade payables	53,187	26,824	53,985	35,219
Salaries and social charges	3,800	(13,342)	4,368	(11,640)
Taxes payable	2,310	11,027	2,551	9,577
Payables to Copersucar	(26,833)	14,569	(28,799)	15,627
Taxes paid in installments	(1,411)	(29,759)	(1,411)	(29,731)
Provision for contingencies - settlements	(14,698)	(25,649)	(16,685)	(28,093)
Other liabilities	3,081	(9,413)	2,745	(12,822)
	383,996	245,474	473,833	377,134
Cash provided by operations	383,996	245,474	473,833	377,134
Interest paid	(158,610)	(95,778)	(175,981)	(121,805)
Income tax and social contribution paid	(4,849)	(3,424)	(4,890)	(3,496)
Net cash provided by operating activities	220,537	146,272	292,962	251,833
CASH FLOW FROM INVESTING ACTIVITIES				
Financial resources used in investments	(13,681)	(51,953)	(13,681)	(51,953)
Change due to acquisition and sale of equity interest	-	44,860	-	25,273
Additions to property, plant and equipment and intangible assets	(121,671)	(146,300)	(142,562)	(179,493)
Additions to biological assets (planting and crop treatment)	(325,587)	(259,740)	(376,985)	(333,556)
Marketable securities	(306,407)	-	(409,344)	-
Proceeds from sale of property, plant and equipment	12,253	8,436	12,503	9,135
Advance for future capital increase	-	3,127	-	(32)
Dividends received	-	-	-	443
Net cash used in investing activities	(755,093)	(401,570)	(930,069)	(530,183)
CASH FLOW FROM FINANCING ACTIVITIES				
New borrowings - third parties	632,717	930,098	674,221	1,036,589
Repayment of borrowings - third parties	(703,219)	(656,142)	(747,809)	(746,865)
Advance for future capital increase	-	2,259	216	637
Change in noncontrolling interest	(8,734)	-	-	2,259
Acquisition of treasury shares	7,166	3,098	(8,734)	-
Sale of treasury shares	(67,938)	(43,089)	7,166	3,098
Payment of dividends	-	-	(67,938)	(40,405)
Net cash provided by (used in) financing activities	(140,008)	236,224	(142,878)	255,313
Increase (decrease) in cash and cash equivalents, net	(674,564)	(19,074)	(779,985)	(23,037)
Cash and cash equivalents at the beginning of the period	1,020,112	551,359	1,126,517	670,741
Cash and cash equivalents at the end of the period	345,548	532,285	346,532	647,704