



2Q08 Results
Conference Call
2007/08 Harvest

November, 2007



Forward-Looking Statements

This presentation contains certain statements that are neither reported financial results or other historical information. They are forward-looking statements.

Because these forward-looking statements are subject to risks and uncertainties, actual future results may differ materially from those expressed in or implied by the statements. Many of these risks and uncertainties relate to factors that are beyond São Martinho's ability to control or estimate precisely, such as future market conditions, currency fluctuations, the behavior of other market participants, the actions of governmental regulators, the Company's ability to continue to obtain sufficient financing to meet its liquidity needs; and changes in the political, social and regulatory framework in which the Company operates or in economic or technological trends or conditions, inflation and consumer confidence, on a global, regional or national basis.

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Industry Overview



Average prices for anhydrous and hydrous ethanol in the domestic and international markets registered sharp declines this quarter

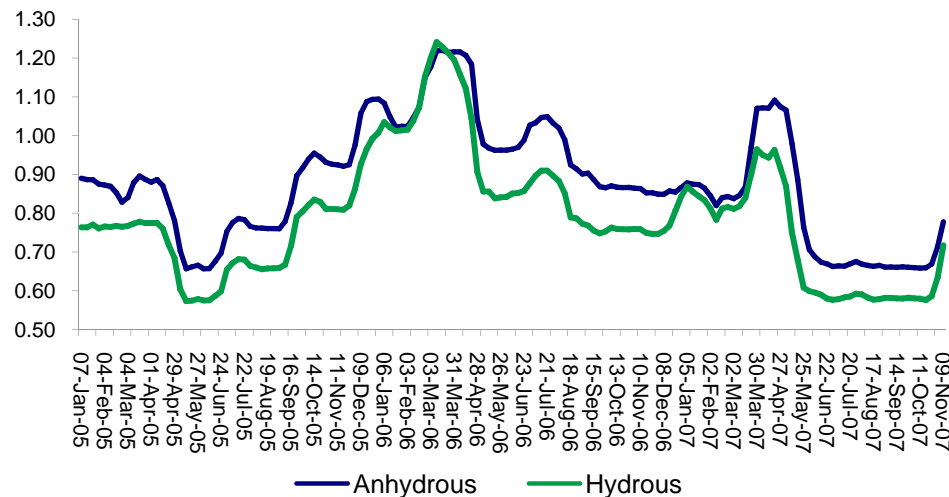


Sugar prices still low but with slight improvement

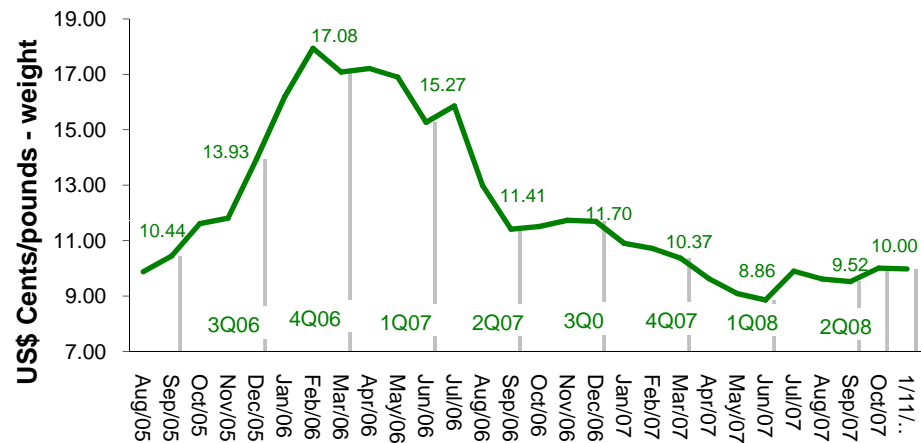


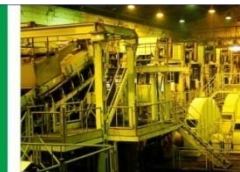
Dollar depreciation affected main players

Anhydrous and Hydrous Ethanol Quotation
ESALQ R\$/L



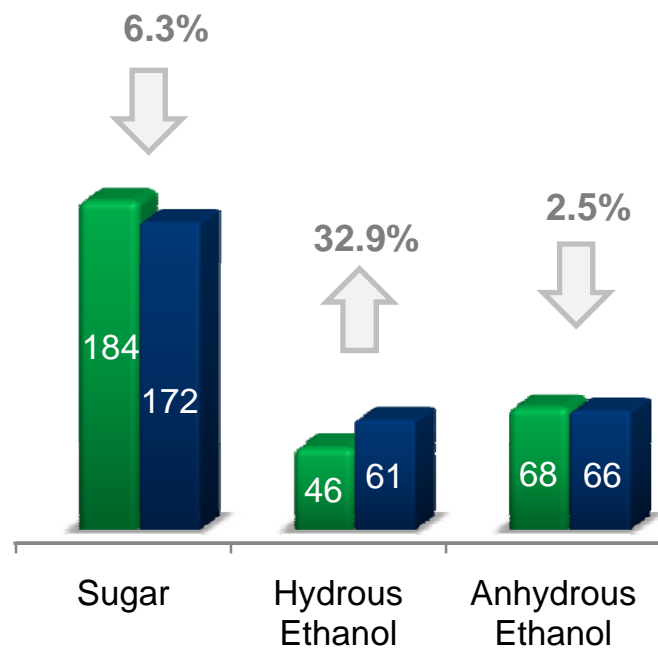
Sugar Price Evolution
NY11



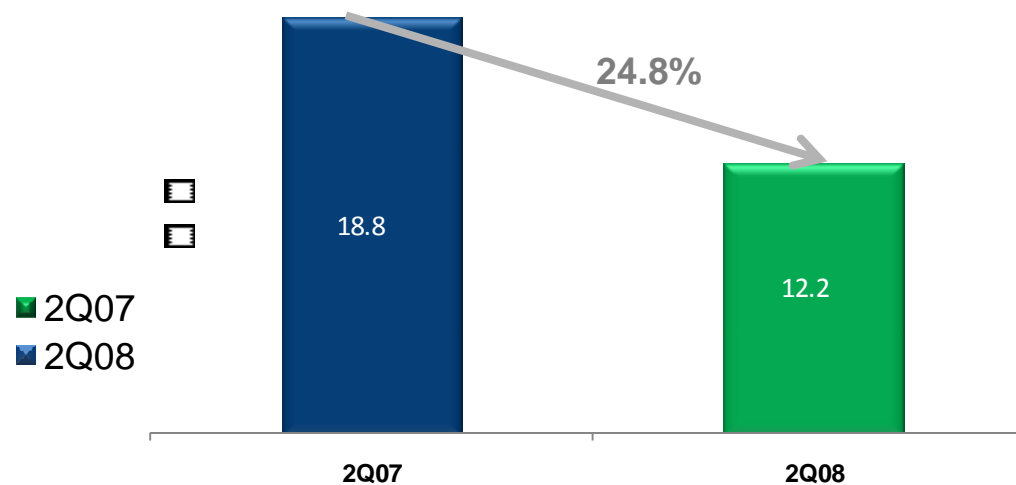


Financial Results

Sales Performance



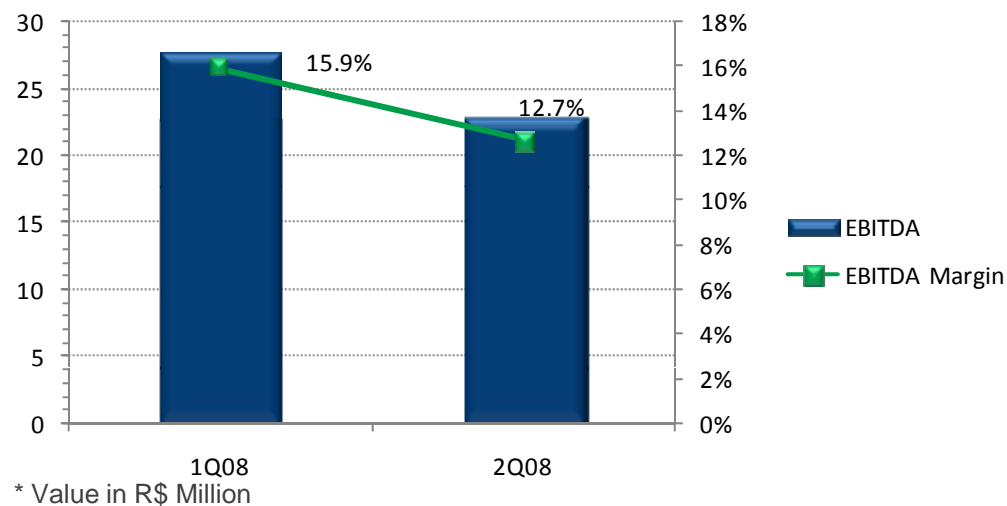
Selling Expense



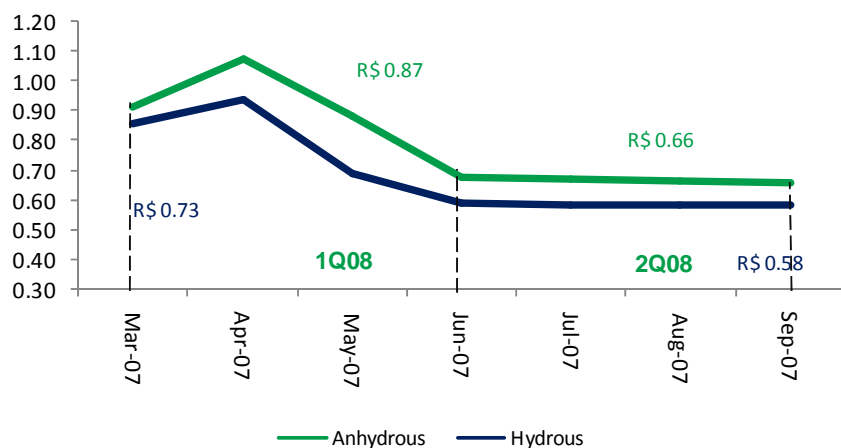


Financial Results

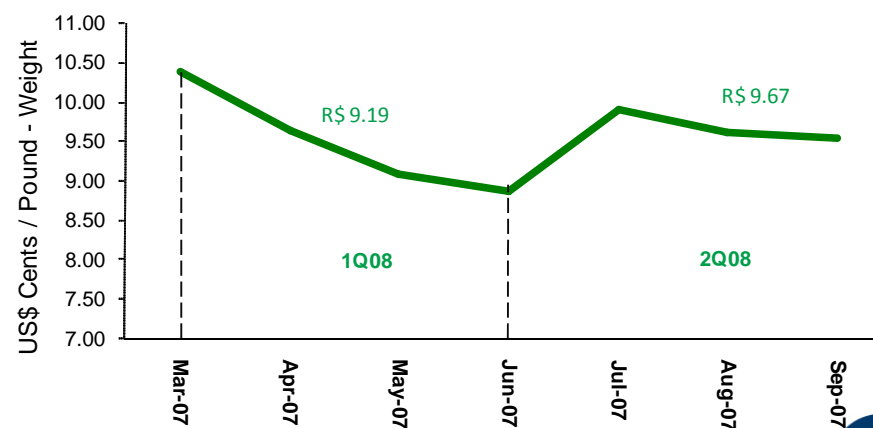
EBITDA and EBITDA Margin Evolution



Average Ethanol Price Evolution



Average Sugar Price Evolution
NY11





Production

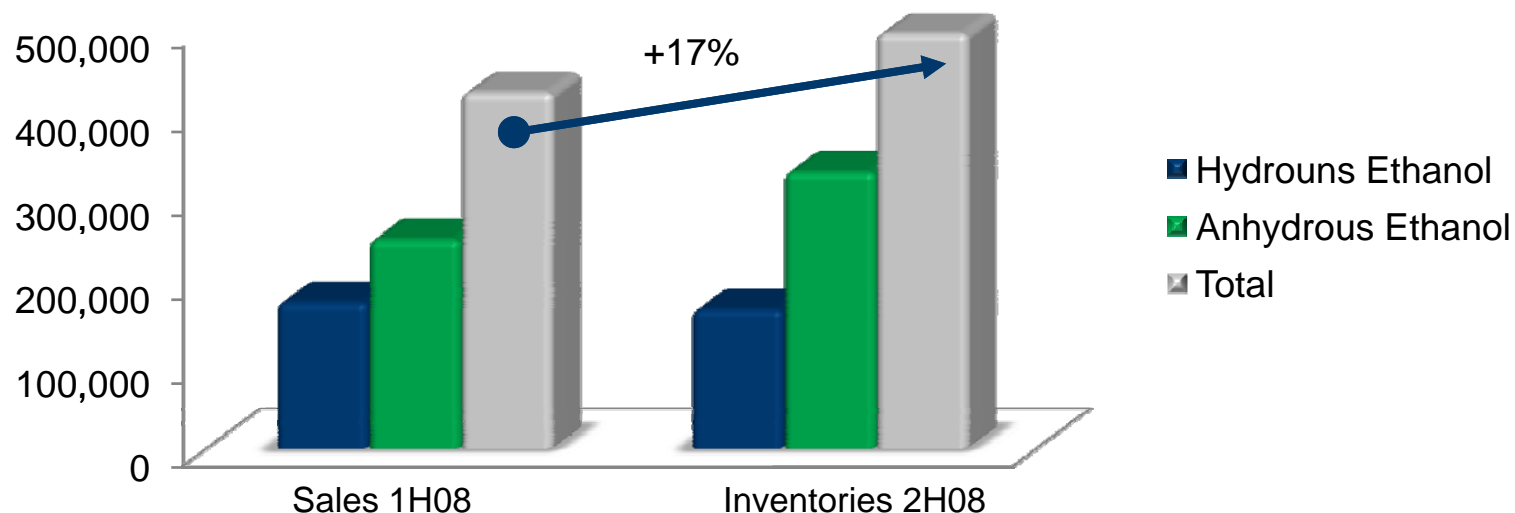


According to ESALQ, prices have already rebounded somewhat in the past 2 weeks. Average anhydrous and hydrous ethanol prices have already increased around 16% and 22%, respectively



Stronger fuel demand and lower ending stocks are expected to help support higher ethanol prices in the inter-harvest period, confirming our expectations

Ethanol Production (TRS Equivalent)





Boa Vista Mill Construction



Expansion of crushing capacity: 3.4 million tonnes in the 2010/11 harvest

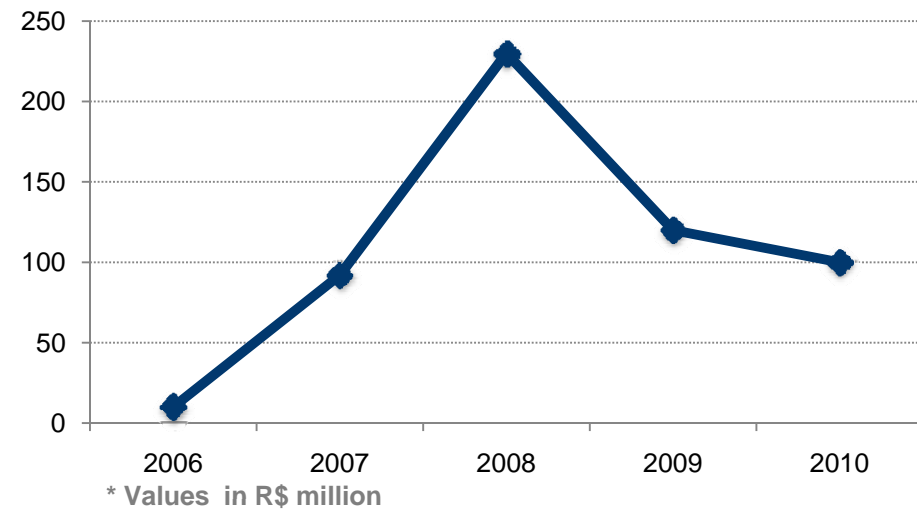


Future disbursements to the Boa Vista Mill will total R\$ 230 million in current harvest, R\$ 120 million in 2008/09 and R\$ 100 million in 2009/10



São Martinho Group will reach a total crushing capacity of 20 million tonnes until the 2012/13 harvest

Investments - Boa Vista Mill





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