



*1Q08 Results
Conference Call
2007/08 Harvest*

August 16, 2007



Forward-Looking Statements


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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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Recent Events

 Partial consolidation of Etanol Participações

 Capex acceleration and capacity expansion of Boa Vista Mill

 Dividend payment amounting to R\$ 20 million – R\$ 0.17699/share



Highlights for the Quarter

Operating and Market

- Decrease in sugar and ethanol prices (domestic/export) and Real appreciation in the quarter
- Expectation of better prices for sugar and ethanol
 - Current ethanol prices makes the product more attractive to low consumption Brazilian states
 - Recent increase in ethanol production in detriment of sugar: Brazil may reduce the projected sugar surplus in the 07/08 harvest



Highlights for the Quarter

Financial Results

- Sales rose by 9.1% (sugar equivalent)
- Increase of sugar and ethanol export volume
- The beginning of the crushing was postponed due to unfavorable weather conditions
- Delay in the beginning of crushing prejudiced the COGS dilution
- Adjusted EBITDA of R\$ 27.7 million, with 15.9% margin
- Net financial result reached R\$ 7.4 million boosted by gains obtained by Copersucar from derivative operations



Construction of Boa Vista Mill

Project Status:

- Currently 9,000 hectares have already been planted
- Total plantation is expected to reach 14,000 hectares until dec./07
- Works schedule is up to date (startup anticipated to 2008/09 harvest)
- Harvesting will be 100% mechanized as of the startup
- Mitsubishi agreement allows production to increase to above 86,000 m³ / year





Construction of Boa Vista Mill





Consolidation of Etanol Participações

- Consolidation of Etanol Participações in São Martinho's results as of 1Q08
- Space for synergy gains and cost reduction in administrative, agricultural and industrial operations
- Adapting agricultural operations and mechanized harvesting, aiming at increasing productivity and reducing sugarcane cost

IR contacts

João do Val
Investor Relations Officer

Felipe Vicchiato
Investor Relations

 **São Martinho**



Phone: +55 11 2105-4100

E-mail: ri@saomartinho.ind.br

IR Website: www.saomartinho.ind.br/ir