

São Martinho Group reports Net Income of R\$39.7 million in 1Q17, 26.1% higher than in 1Q16

São Paulo, August 8, 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 first quarter of the 2016/17 crop year (1Q17).

1Q17 HIGHLIGHTS

- ✓ In 1Q17, Adjusted EBITDA amounted to R\$333.8 million (Adjusted EBITDA margin of 47.0%), increasing 48.3% in relation to 1Q16. EBITDA growth in the period was mainly supported by the higher sugar and ethanol sales volumes and better sales prices in the period;
- ✓ Adjusted EBIT in 1Q17 came to R\$176.7 million (EBIT margin of 24.9%), increasing 74.9% from 1Q16. Adjusted EBIT growth is explained by the same factors that positively impacted Adjusted EBITDA.
- ✓ On June 30, 2016, sugar prices for the 2016/17 crop year were hedged for 664,500 tons at US\$15.28 cents/lb, which represents the hedging of approximately 74.1% of own sugarcane and 64.7% of total sugarcane. In addition to the hedging of sugar prices, the Company also held U.S. dollar NDFs in the amount of US\$121.8 million with an average exchange rate of R\$3.89/US\$ for sugar exports in the 2016/17 crop year.
- ✓ In 1Q17, we began hedging sugar prices for the 2017/18 crop year at an average price of R\$1,565/ton for a total of 150,600 tons. This volume represents approximately 15% of the total hedge for own cane.

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.

As from this quarter, we have adopted the changes in accounting practices introduced by IAS 16 and IAS 41. Bearer biological assets are now recognized under property, plant and equipment. Consumable biological assets (standing cane) will be measured at fair value and remain under the scope of IAS 41.

Accordingly, the results for 1Q16 were restated to maintain comparability between periods, as required under IAS 8 (CPC 23).

A summary of the results and the reconciliation in accordance with CPC 19, including a 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* | 622,734 | 86,614 | 709,426 |
| Adjusted EBITDA | 283,979 | 50,028 | 333,750 |
| Adjusted EBITDA Margin | 45.6% | 57.8% | 47.0% |
| Adjusted EBIT | 152,544 | 24,522 | 176,702 |
| Adjusted EBIT Margin | 24.5% | 28.3% | 24.9% |
| Chg. in Biol. Assets & Others | 8,501 | 3,424 | 11,836 |
| Equity Income | 19,242 | 3 | 174 |
| Financial Result / PPE | (141,004) | (731) | (142,160) |
| Income (Loss) Before taxes | 39,283 | 27,217 | 46,552 |
| Taxes | 386 | (7,276) | (6,883) |
| Net Income | 39,669 | 19,941 | 39,669 |
| Cash | 520,530 | 109,313 | 630,381 |
| Gross Debt | 3,106,914 | 269,354 | 3,376,442 |
| Net Debt | 2,586,384 | 160,041 | 2,746,061 |
| EBITDA YTD | 1,174,512 | 236,347 | 1,410,859 |
| Net Debt / EBITDA | 2.20 x | 0.68 x | 1.95 x |

*Excludes the Hedge Accounting effect of foreign-denominated debt and USC PPA (R\$ 68.0 million).



SUMMARY OF PERFORMANCE IN THE 2016/17 CROP YEAR

| OPERATING DATA | 1Q17 | 1Q16 | Chg.(%) |
|------------------------------------------|--------------|--------------|--------------|
| São Martinho - Consolidated | | | |
| Crushed Sugarcane ('000 tons) | 8,186 | 7,409 | 10.5% |
| Own | 5,644 | 4,768 | 18.4% |
| Third Parties | 2,542 | 2,641 | -3.7% |
| Mechanized Harvest | 99.3% | 98.0% | 1.29 p.p. |
| Agricultural Yield (ton/ha) | 85.4 | 83.2 | 2.7% |
| Average TRS (kg/ton) | 122.4 | 118.7 | 3.1% |
| Production | | | |
| Sugar ('000 tons) | 480 | 423 | 13.3% |
| Anhydrous Ethanol ('000 m ³) | 154 | 135 | 14.5% |
| Hydrous Ethanol ('000 m ³) | 136 | 119 | 14.7% |
| Cogeneration ('000 MWh) | 241 | 259 | -7.1% |
| TRS Produced | 1,002 | 880 | 13.9% |
| Mix - Sugar - Ethanol | 50% - 50% | 51% - 49% | |
| Mix Anhydrous - Hydrous | 54% - 46% | 54% - 46% | |

The São Martinho Group processed 8.2 million tons of sugarcane in the first quarter of the 2016/17 crop year – or 39.8% of the production guidance for the season – for growth of 10.5% on the previous crop year. The higher production reflects the drier weather at the start of the crop year, which enabled the Company to accelerate its crushing activities in the period.

The following table shows our main financial highlights for the fourth quarter of the crop year and for the whole of the crop year.

| FINANCIAL HIGHLIGHTS (R\$ '000) | 1Q17 | 1Q16 | Chg. (%) |
|---------------------------------------|-----------|-----------|-----------|
| São Martinho - Consolidated | | | |
| Net Revenue ¹ | 709,426 | 476,706 | 48.8% |
| Adjusted EBITDA | 333,750 | 225,104 | 48.3% |
| Adjusted EBITDA Margin | 47.0% | 47.2% | -0.2 p.p. |
| Adjusted EBIT | 176,702 | 101,010 | 74.9% |
| Adjusted EBIT Margin | 24.9% | 21.2% | 3.7 p.p. |
| Consolidated Balance Sheet Indicators | | | |
| Total Assets | 7,553,915 | 7,760,631 | -2.7% |
| Shareholders' Equity | 2,802,798 | 2,716,802 | 3.2% |
| EBITDA (LTM) ² | 1,410,859 | 1,099,257 | 28.3% |
| Net Debt | 2,746,061 | 2,667,427 | 2.9% |
| Net Debt / EBITDA (LTM) | 1.95 x | 2.43 x | |
| Net Debt / Shareholders' Equity | 98% | 98% | |

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

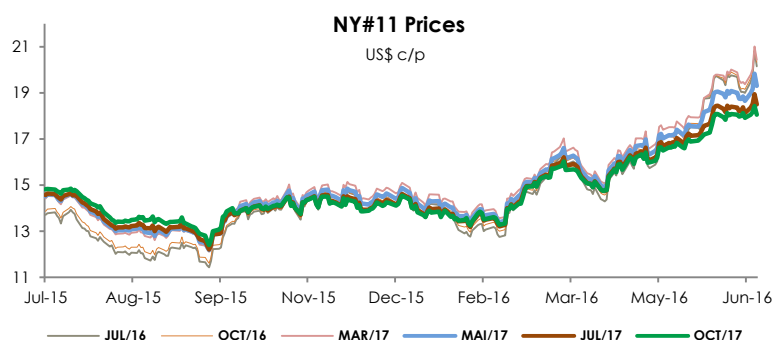
2 - Considers 100% of Adjusted EBITDA of USC in 1Q16.



INDUSTRY OVERVIEW

Sugar

According to data from the Sugarcane Industry Association (UNICA) until the first half of July, sugar production in Brazil's Center-South region increased 30.17% compared to the year-ago period. This production growth is mainly explained by the 16.07% higher crushing volume in the period, due to drier weather.



The first quarter of the 2016/17 crop year was marked by the start of a recovery in international sugar prices, reflecting the lower production in certain countries in the northern hemisphere, mainly India and China, due to adverse weather and the low prices of recent years.

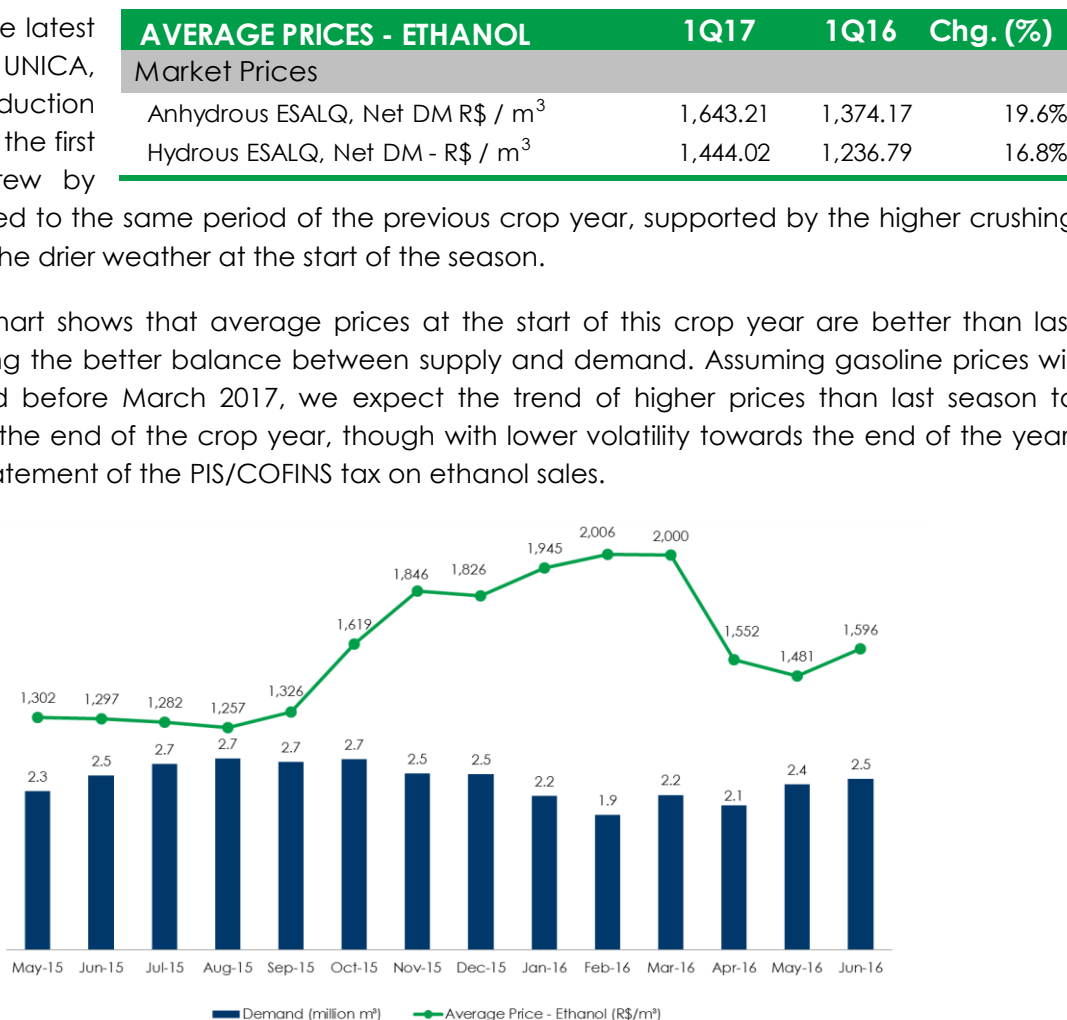
After four years of a surplus in sugar production, the 2016/17 crop year is expected to end with a deficit of at least 5 million tons. Considering the resilient growth in sugar demand of 3 to 4 million tons over the coming years, we expect this deficit to continue in the short and medium term. Brazil – a low-cost producer that is responsible for approximately 50% of world sugar trade flows – is unlikely to add significant new production volume in the coming years. The cost and scarcity of capital for projects, combined with the long maturation cycle of a greenfield project, will continue to postpone any investment decisions. We envisage one-off investments in bottlenecks on sugar production can happen in some mills in Brazil, however, without too many impact on the product offer.

Ethanol

According to the latest report from UNICA, ethanol production volume through the first half of July grew by

10.04% compared to the same period of the previous crop year, supported by the higher crushing volume due to the drier weather at the start of the season.

The following chart shows that average prices at the start of this crop year are better than last season, reflecting the better balance between supply and demand. Assuming gasoline prices will not be adjusted before March 2017, we expect the trend of higher prices than last season to prevail through the end of the crop year, though with lower volatility towards the end of the year, given the reinstatement of the PIS/COFINS tax on ethanol sales.





FINANCIAL PERFORMANCE

| NET REVENUE BREAKDOWN | 1Q17 | 1Q16 | Chg. (%) |
|-------------------------|----------------|----------------|---------------|
| R\$ '000 | | | |
| Domestic Market | 332,146 | 296,100 | 12.2% |
| Sugar | 27,500 | 22,961 | 19.8% |
| Hydrous Ethanol | 90,122 | 59,717 | 50.9% |
| Anhydrous Ethanol | 151,287 | 119,673 | 26.4% |
| Energy | 43,710 | 67,812 | -35.5% |
| Real Estate Development | 5,077 | 13,942 | -63.6% |
| Others | 14,450 | 11,995 | 20.5% |
| Export Market | 377,280 | 180,606 | 108.9% |
| Sugar | 359,910 | 172,175 | 109.0% |
| Hydrous Ethanol | 17,370 | - | n.m. |
| Anhydrous Ethanol | - | - | n.m. |
| Others | - | 8,431 | n.m. |
| Net Revenue* | 709,426 | 476,706 | 48.8% |
| Sugar | 387,410 | 195,136 | 98.5% |
| Hydrous Ethanol | 107,492 | 59,717 | 80.0% |
| Anhydrous Ethanol | 151,287 | 119,673 | 26.4% |
| Energy | 43,710 | 67,812 | -35.5% |
| Real Estate Development | 5,077 | 13,942 | -63.6% |
| Others | 14,450 | 20,426 | -29.3% |

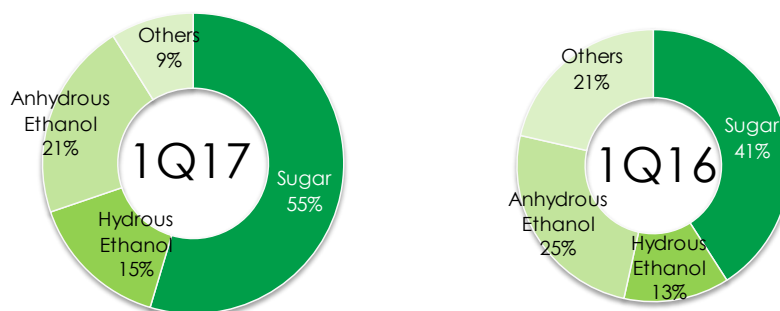
*Excludes the effects from Hedge Accounting of foreign-denominated debt and USC PPA.

Net Revenue

In the first quarter of the 2016/17 crop year (1Q17), the Company's net revenue amounted to R\$709.4 million, increasing 48.8% from the same period of the previous crop year. Net revenue growth in the period was driven by higher sugar and ethanol sales volumes and by the better sales prices in the period.

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

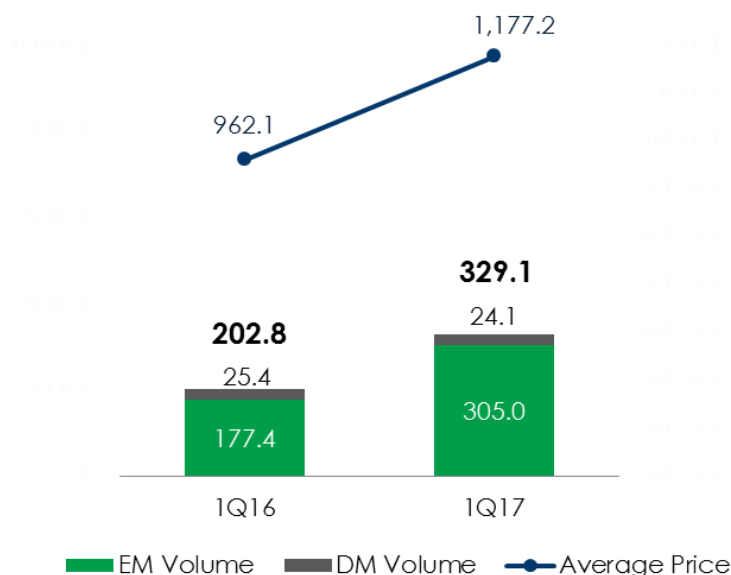
Net Revenue Breakdown 1Q17 vs. 1Q16





Sugar

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



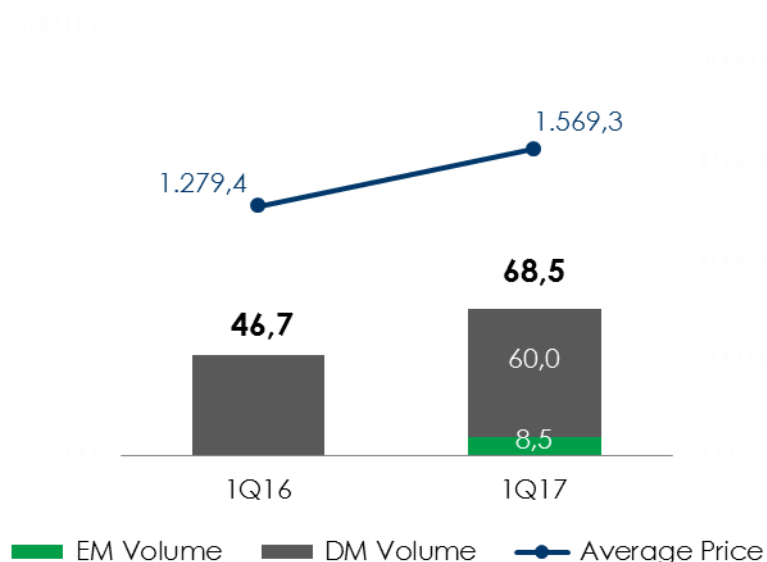
Net revenue from sugar sales amounted to R\$387.4 million in 1Q17, increasing 98.5% on the same period of the previous crop year. The improvement was due to i) the 62.3% growth in sales volume and ii) the 22.4% increase in the average sugar sales price in the quarter.

The higher sales volume was supported by the higher volume of sugar produced in the current crop year, as already anticipated in our production Guidance announced to the market at the beginning of the 2016/17 crop year.



Hydrous Ethanol

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

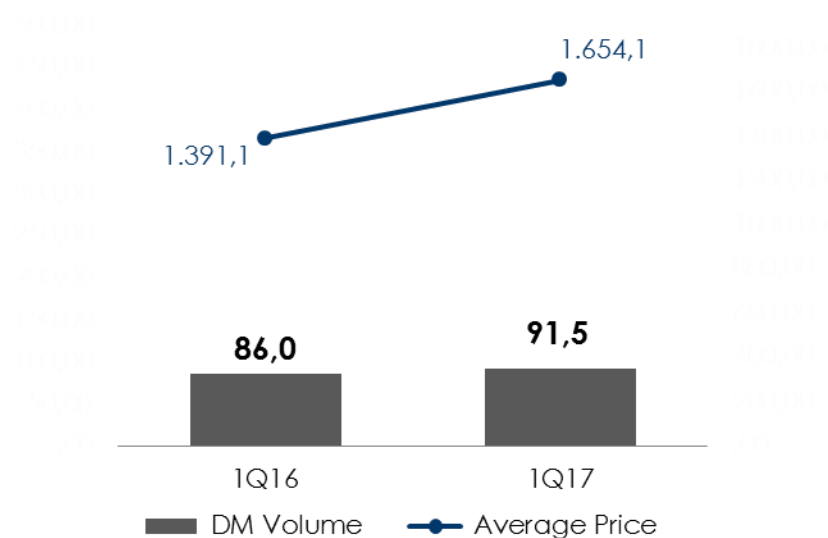


Net revenue from hydrous ethanol sales amounted to R\$107.5 million in 1Q17, increasing 80.0% from the same period of the previous crop year. The improvement reflects the 46.8% growth in sales volume in the period and the 22.7% increase in the average sales price.



Anhydrous Ethanol

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

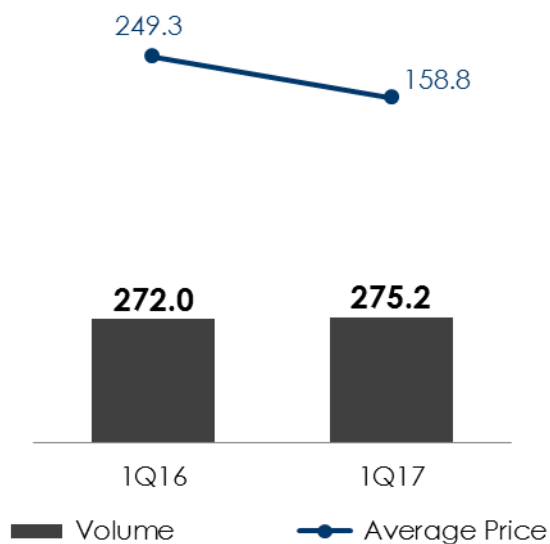


Net revenue from anhydrous ethanol sales amounted to R\$151.3 million in 1Q17, increasing 26.4% from the same quarter of the previous season. The improvement is explained by the 18.9% increase in the average sales price and the 6.3% growth in sales volume.



Cogeneration

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



In the first quarter of the 2016/17 crop year, net revenue from cogeneration amounted to R\$43.7 million, down 35.5% from the previous crop year, due to i) the decline in spot (PLD) electricity prices, and ii) the annual contracts closed at lower prices than in the same period last year.

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 1Q17 Project Evolution | Recanto das Paineiras | Park Empresarial de Iracemópolis | Residencial Pradópolis |
|---------------------------------------------------|-----------------------|----------------------------------|------------------------|
| POC (percentage-of-completion) position | 100.0% | 100.0% | 62.9% |
| Total lots sold (%) | 99.8% | 73.5% | 49.4% |

In 1Q17, we recognized revenue of R\$5.1 million (based on the percentage of completion method), as shown in the following table.

| Real Estate Development in progress | Revenue Recognized in the Quarter 1Q17 |
|-------------------------------------------------|----------------------------------------------|
| | R\$ '000 |
| Property sales | 226 |
| Projects already launched in partnership | 4,851 |
| Recanto das Paineiras | 68 |
| Park Empresarial de Iracemópolis | 18 |
| Nova Pradópolis | 4,765 |
| Total revenue | 5,077 |

INVENTORIES

| INVENTORIES | 1Q17 | 1Q16 | Chg. (%) |
|----------------|---------|---------|----------|
| Sugar (tons) | 180,164 | 227,044 | -20.6% |
| Hydrous (m³) | 76,336 | 91,505 | -16.6% |
| Anhydrous (m³) | 102,899 | 108,642 | -5.3% |



EBITDA AND EBITDA COST BY PRODUCT

| EBITDA BY PRODUCT - 1Q17 | SUGAR | ETHANOL | ETHANOL IMPORTED | COGEN | REAL ESTATE | OTHERS | TOTAL |
|-------------------------------|----------------|----------------|------------------|---------------|--------------|--------------|----------------|
| R\$ '000 | | | | | | | |
| Net Revenues* | 387,410 | 233,266 | 25,513 | 43,710 | 5,077 | 14,450 | 709,426 |
| COGS (Cash) | (154,676) | (111,951) | (26,785) | (7,290) | (285) | (7,450) | (308,438) |
| Gross Profit (Cash) | 232,734 | 121,315 | (1,272) | 36,420 | 4,792 | 7,000 | 400,988 |
| Gross Margin (Cash) | 60.1% | 52.0% | -5.0% | 83.3% | 94.4% | 48.4% | 56.5% |
| Sales Expenses | (21,581) | (1,961) | (2,160) | (1,429) | - | - | (27,131) |
| G&A Expenses (Cash) | (20,283) | (14,680) | - | (4,396) | (849) | - | (40,208) |
| Other Revenues (Expenses) | - | - | - | - | - | 102 | 102 |
| Adjusted EBITDA | 190,870 | 104,674 | -3,433 | 30,595 | 3,943 | 7,101 | 333,750 |
| Adjusted EBITDA Margin | 49.3% | 44.9% | -13.5% | 70.0% | 77.7% | 49.1% | 47.0% |
| EBITDA Cost** | (597.2) | (886.3) | (1,947.2) | (36.4) | | | |

*Excludes Hedge Accounting effects of foreign-denominated debt and PPA USC (R\$ 68.0 million).

** Sugar in R\$/Ton

Ethanol in R\$/m³

Cogeneration in R\$/MWh

| EBITDA BY PRODUCT - 1Q16 | SUGAR | ETHANOL | COGEN | REAL ESTATE | OTHERS | TOTAL |
|-------------------------------|----------------|----------------|---------------|---------------|---------------|----------------|
| R\$ '000 | | | | | | |
| Net Revenues* | 195,136 | 179,390 | 67,812 | 13,942 | 20,426 | 476,706 |
| COGS (Cash) | (88,647) | (95,686) | (12,354) | (2,779) | (8,198) | (207,664) |
| Gross Profit (Cash) | 106,489 | 83,704 | 55,458 | 11,163 | 12,228 | 269,042 |
| Gross Margin (Cash) | 54.6% | 46.7% | 81.8% | 80.1% | 59.9% | 56.4% |
| Sales Expenses | (11,652) | (1,390) | (1,589) | - | (25) | (14,656) |
| G&A Expenses (Cash) | (12,157) | (13,122) | (4,410) | (1,133) | - | (30,822) |
| Other Revenues (Expenses) | - | - | - | - | 1,540 | 1,540 |
| Adjusted EBITDA | 82,680 | 69,192 | 49,459 | 10,030 | 13,743 | 225,104 |
| Adjusted EBITDA Margin | 42.4% | 38.6% | 72.9% | 71.9% | 67.3% | 47.2% |
| EBITDA Cost** | (554.5) | (830.4) | (67.5) | | | |

*Excludes Hedge Accounting effects of foreign-denominated debt and PPA USC (R\$ 25.6 million).

** Sugar in R\$/Ton

Ethanol in R\$/m³

Cogeneration in R\$/MWh

In 1Q17, sugar accounted for 57.2% of the Group's consolidated Adjusted EBITDA, while ethanol accounted for 31.4% and cogeneration for 9.2%. Sugar EBITDA margin expanded by 6.9 p.p. on the same quarter last crop year, while ethanol, excluding anhydrous ethanol imports, registered EBITDA margin expansion of 6.3 p.p., supported by better product prices and sales volume growth. **In early 2016, São Martinho, jointly with other ethanol producers, decided to import anhydrous ethanol to supply the domestic market. Although the imports were used to guarantee supply in the inter-crop period, these sales were booked in 1Q17 and their impact on the result is described in the above table.**



COST OF GOODS SOLD

| BREAKDOWN OF COGS - CASH | 1Q17 | 1Q16 | Chg. (%) |
|-------------------------------------------------------------------|----------------|----------------|--------------|
| R\$ '000 | | | |
| Agricultural Costs | 233,452 | 158,816 | 47.0% |
| Suppliers | 118,919 | 86,194 | 38.0% |
| Partnerships | 53,137 | 32,094 | 65.6% |
| Own Sugarcane | 61,397 | 40,528 | 51.5% |
| Industrial | 33,438 | 26,072 | 28.3% |
| Other Products | 15,132 | 24,305 | -37.7% |
| Imported Ethanol | 26,785 | - | - |
| Reintegra | (369) | (1,528) | -75.8% |
| Total COGS | 308,438 | 207,665 | 48.5% |
| TRS Sold (000 Tons) | 620 | 442 | 40.4% |
| Unit Cost (Sugar and Ethanol Cash COGS / TRS Sold) | 473 | 419 | 13.1% |
| Total COGS ex-Importation | 281,653 | 207,665 | 35.6% |
| TRS Sold (000 Tons) ex-Importation | 594 | 442 | 34.6% |
| Unit Cost (Sugar and Ethanol Cash COGS / TRS Sold) ex-Importation | 449 | 419 | 7.3% |

In 1Q17, Cash COGS came to R\$308.4 million, increasing 48.5% from the previous crop year. If we exclude the cost incurred with anhydrous ethanol imports, Cash COGS increased 35.6%, reflecting the 34.6% higher sales volume (in TRS) compared to 1Q16.

The following table presents more details on this impact on costs for both sugar and ethanol, **excluding the impact from anhydrous ethanol imports**.

| AVERAGE CASH COST PER UNIT | 1Q17 | 1Q16 | Chg. (%) |
|---------------------------------------|------------------|------------------|--------------|
| R\$ '000 | | | |
| COGS | (266,628) | (184,333) | 44.6% |
| Sugar | (154,676) | (88,647) | 74.5% |
| Ethanol | (111,951) | (95,686) | 17.0% |
| Average Cash Cost Per Unit (*) | | | |
| Sugar Cash Cost | (470.0) | (437.1) | 7.5% |
| Ethanol Cash Cost | (771.6) | (721.1) | 7.0% |

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



SELLING EXPENSES

| SELLING EXPENSES | 1Q17 | 1Q16 | Chg. (%) |
|-------------------------|---------------|---------------|--------------|
| R\$ Thousand | | | |
| Port Costs / Freight | 23,142 | 13,082 | 76.9% |
| Ethanol Imported | 2,160 | - | n.m. |
| Other | 1,830 | 1,574 | 153.5% |
| Selling Expenses | 27,132 | 14,656 | 85.1% |
| TRS Sold ('000 Tons) | 620 | 442 | 40.4% |
| % of Net Revenues | 4.2% | 3.2% | 1.0 p.p. |

In 1Q17, selling expenses amounted to R\$27.1 million, increasing 85.1% from the same period of the previous season (1Q16), reflecting the higher sugar sales volume and the anhydrous ethanol imports described above.

GENERAL AND ADMINISTRATIVE EXPENSES

| G&A EXPENSES - (CASH) | 1Q17 | 1Q16 | Chg. (%) |
|------------------------------------------------------------|---------------|---------------|--------------|
| R\$ '000 | | | |
| Personnel and Management Fee | 24,917 | 22,932 | 8.7% |
| Taxes, Fees, Contributions and Contingencies | 1,371 | 1,086 | 26.2% |
| General Expenses and Third-Party Services | 5,732 | 5,938 | -3.5% |
| Stock Options Expenses | 988 | 866 | 14.1% |
| Total recurring General and Administrative Expenses | 33,008 | 30,822 | 7.1% |
| Non-recurring items | 7,200 | - | |
| Total General and Administrative Expenses | 40,208 | 30,822 | 30.5% |

G&A expenses, excluding non-recurring items, amounted to R\$33.0 million in 1Q17, increasing 7.1% - above 1Q16.

The non-recurring item was an increase in fees, as approved by the Annual Shareholders' Meeting of July 29, 2016. This expense occurred only on 1Q17, result of a company's key executives retention package.



EBITDA

| Pro-Forma EBITDA RECONCILIATION | 1Q17 | 1Q16 | Chg. (%) |
|-------------------------------------------|----------------|----------------|--------------|
| R\$ '000 | | | |
| Adjusted EBITDA | 333,750 | 225,104 | 48.3% |
| Adjusted EBITDA Margin | 47.0% | 47.2% | -0.2 p.p. |
| Adjustment to Maturity of Hedge /USC PPA | 67,988 | 25,586 | n.m. |
| Equity Income (Loss) | (174) | (24) | n.m. |
| Non Recurring Operating Income (Expenses) | (514) | (11) | n.m. |
| Biological Assets | (11,322) | 3,399 | n.m. |
| Book EBITDA | 277,772 | 196,154 | 41.6% |
| EBITDA Margin | 43.3% | 43.5% | -0.2 p.p. |
| (-) Depreciation and Amortization | (157,048) | (124,094) | 26.6% |
| (-) Net financial expense | (74,172) | (58,570) | 26.6% |
| (=) Net Operating Income (Loss) | 46,552 | 13,490 | n.m. |

Adjusted EBITDA

Adjusted EBITDA amounted to R\$333.8 million in 1Q17 (Adjusted EBITDA margin of 47.0%), advancing 48.3% from 1Q16. Adjusted EBITDA growth in the period was supported by higher sugar and ethanol sales volumes and by the better sales prices in the period.

Main Adjustments to EBITDA in 1Q17

1) Adjustment of Debt Maturity in Hedge Accounting: R\$ 64.3 million

Expense related to exchange variation on debt settled that was previously designated as Hedge Accounting. Considering that the exchange rate used for the purposes of cash flow in the period was R\$3.50/US\$1.00, we adjusted the amount of R\$64.3 million in net revenue and EBITDA to provide a better understanding of the Company's cash generation in the period;

2) Biological Assets

Non-cash provision at market value of biological assets in the amount of R\$11.3 million, which mainly reflects the increase in ethanol and sugar prices in the period.



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

| 1Q17 | | | | | | |
|-------------------------------|--------------|--------------|--------------|--------------|--------------------------|--------------------------|
| EBITDA BY SEGMENT | Consolidated | S&E | Cogen | Real Estate | Others / Ethanol Imports | Consolidated - ex others |
| R\$ '000 | | | | | | |
| Net Revenue* | 709,426 | 620,676 | 43,710 | 5,077 | 39,963 | 669,463 |
| Adjusted EBITDA | 333,750 | 295,544 | 30,595 | 3,943 | 3,669 | 330,082 |
| Adjusted EBITDA Margin | 47.0% | 47.6% | 70.0% | 77.7% | 9.2% | 49.3% |

*Excludes hedge accounting effect of foreign denominated debt.

| 1Q16 | | | | | | |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|--------------------------|
| EBITDA BY SEGMENT | Consolidated | S&E | Cogen | Real Estate | Others | Consolidated - ex others |
| R\$ '000 | | | | | | |
| Net Revenue* | 476,706 | 374,526 | 67,812 | 13,942 | 20,426 | 456,280 |
| Adjusted EBITDA | 225,104 | 151,872 | 49,459 | 10,030 | 13,742 | 211,361 |
| Adjusted EBITDA Margin | 47.2% | 40.6% | 72.9% | 71.9% | 67.3% | 46.3% |

| CPC 19 | | | | |
|-----------------------------------|--|-----------|----------|-----------|
| EBITDA RECONCILIATION | | 1Q17 | 1Q16 | Chg.% |
| R\$ '000 | | | | |
| Book EBITDA | | 243,734 | 162,553 | 49.9% |
| EBITDA Margin | | 43.9% | 44.3% | -0.3 p.p. |
| (-) Depreciation and Amortization | | (131,435) | (93,198) | 41.0% |
| (-) Net Financial Expense | | (73,016) | (56,031) | 30.3% |
| (=) Net Operating Income (Loss) | | 39,283 | 13,324 | 194.8% |

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 proportional consolidation of Nova Fronteira Bioenergia S.A. (50.95%).



Operating Cash Generation (Adjusted EBIT)

Adjusted EBIT in 1Q17 came to R\$176.7 million (EBIT margin of 24.9%), increasing 74.9% from 1Q16. Adjusted EBIT growth is explained by the same factors that impacted Adjusted EBITDA.

| R\$ '000 | 1Q17 | 1Q16 | Chg.% |
|---------------------------------------------|----------------|----------------|--------------|
| Adjusted EBIT | 176,702 | 101,010 | 74.9% |
| Adjusted EBIT Margin | 24.9% | 21.2% | 3.7 p.p. |
| (-) Depreciation and Amortization | (157,048) | (124,094) | 26.6% |
| Adjusted EBITDA | 333,750 | 225,104 | 48.3% |
| Adjusted EBITDA Margin | 47.0% | 47.2% | -0.2 p.p. |
| Adjustment to Maturity of Hedge /USC PPA | 67,988 | 25,586 | 165.7% |
| Equity Income | (174) | (24) | n.m. |
| Non Recurring Operating Revenues (Expenses) | (514) | (11) | n.m. |
| Biological Assets | (11,322) | 3,399 | n.m. |
| Book EBITDA | 277,772 | 196,154 | 41.6% |
| EBITDA Margin | 43.3% | 43.5% | -0.2 p.p. |

HEDGING

A summary of our sugar and U.S. dollar hedge positions on June 30, 2016 follows.

Sugar

| | Volume Hedged ('000 tons) | Avg. Price (US\$ c/p) |
|----------------------------|------------------------------|--------------------------|
| Sugar | | |
| Jul/16 (N16) | 258,660 | 14.83 |
| Oct/16 (V16) | 201,331 | 15.13 |
| Mar/17 (H17) | 136,202 | 16.39 |
| Consecana | 68,278 | |
| 2016/2017 crop year | 664,471 | 15.28 |
| May/17 (K17) | 57,661 | 19.81 |
| Jul/17 (N17) | 73,409 | 19.09 |
| Oct/17 (V17) | 19,559 | 18.81 |
| 2017/2018 crop year | 150,629 | 19.33 |

On June 30, 2016, our hedge position for the 2016/17 crop year amounted to 664,471 tons at an average price of US\$15.28 cents/pound, which corresponds to approximately 74.1% of own sugarcane and 64.7% of total sugarcane.

For the 2017/18 crop year, on the same date, 150,629 tons of sugar was hedged at a price of US\$19.33 cents/lb. If we consider the same production volume of the current crop year (1,356,000 tons), approximately 15% of own cane and 11% of total cane would be hedged.

U.S. Dollar

On June 30, 2015, the São Martinho Group held outstanding positions in Non-Deliverable Forwards (NDFs) and derivative instruments, which are used to hedge its exports, with maturities in the 2016/17 and 2017/18 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\$) |
| 2016/2017 crop year | 127,775 | 3.88 | 121,775 | 3.89 | 6,000 | 3.65 |
| 2017/2018 crop year | 62,722 | 3.68 | 62,722 | 3.68 | | |

For the 2016/17 crop year, the amount of NDF hedge corresponds to approximately 60.7% of own sugarcane and 54.4% of total sugar hedged. For the 2017/18 crop year, the amount of NDF hedge corresponds to approximately 15% of the total.



Net Exposure to the Dollar

| | 16/17 Crop Year | % | 17/18 Crop year | % |
|----------------------------------------|--------------------|------------|--------------------|------------|
| | 9M | | 12M | |
| Estimated sugar sales ('000 ton) | 1,026,912 | | 1,356,000 | |
| CONSECANA ('000 ton) | 222,224 | | 300,000 | |
| Exposure('000 ton) | 804,688 | | 1,056,000 | |
| Hedged Volume ('000 ton) | 596,193 | 74% | 150,629 | 15% |
| Volume to Hedge ('000 ton) | 208,495 | | 905,371 | |
| Average Price(Fixed + market) US\$ c/p | 16.43 | | 19.65 | |
| Exposure to USD (US\$ '000) | 291,389 | | 457,403 | |
| Hedged USD (US\$ '000) | (121.775) | | (62.722) | |
| Debt in USD (US\$ '000) | (102.000) | | (202.000) | |
| Supplies (US\$ '000) | (25.000) | | (50.000) | |
| USD Committed (US\$ '000) | (248.775) | 85% | (314.772) | 69% |
| Net exposure to USD (US\$ '000) | 42,614 | 15% | 142,681 | 31% |

Follows above the details of the company's dollar exposure, for the current and the next harvest.

Considering we don't have expectation to carry our debt this year, we will use part of our exportation of sugar to settle the debt in foreign currency.

For next harvest, so far, we opted to fix the dollar together with sugar.

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 from April to June 2016, we recorded a gain in shareholders' equity of R\$126.2 million.

Effect on Income Statement

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

In 1Q17, a total of US\$45.3 million in debt was recognized, with the exchange rate of R\$2.10/US\$1.00 adopted for the translation of net revenue. Since the rate considered for the purposes of cash flow in the period was R\$3.50/US\$1.00, we adjusted the amount of R\$64.3 million in net revenue and EBITDA to provide a better understanding of the Company's cash generation.

NET FINANCIAL RESULT

| FINANCIAL RESULT | 1Q17 | 1Q16 | Chg.% |
|---------------------------------|-----------------|-----------------|--------------|
| R\$ '000 | | | |
| Financial Income | 36,890 | 36,471 | 1.1% |
| Financial Expense | (76,847) | (75,273) | 2.1% |
| Hedge Result/Exchange Variation | (34,215) | (19,767) | 73.1% |
| Net Financial Result | (74,172) | (58,570) | 26.6% |

The São Martinho Group registered a net financial expense of R\$74.2 million in 1Q17, which represents an increase of 26.6% from 1Q16. The deterioration is directly related to the impact of the Company's derivate transactions.



NET INCOME (LOSS)

Net Income in 1Q17 amounted to R\$39.7 million, advancing 26.1% compared to 1Q16. Net income growth was driven by EBITDA growth in the period, as mentioned above.

DEBT WITH COPERSUCAR

On June 30, 2016, the São Martinho Group recognized the amount of R\$264.2 million in obligations payable to Copersucar under Liabilities on its balance sheet. 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\$201.1 million on a consolidated basis.

INDEBTEDNESS

| DEBT | Jun/16 | Mar/16 | Chg.% |
|----------------------------------------------|------------------|------------------|---------------|
| R\$ '000 | | | |
| PESA | 47,465 | 51,757 | -8.3% |
| Rural Credit | 121,403 | 147,229 | -17.5% |
| BNDES / FINAME | 716,280 | 734,472 | -2.5% |
| Working Capital | 776,643 | 990,353 | -21.6% |
| ACC (Advances on Foreign Exchange Contracts) | 129,173 | 142,520 | -9.4% |
| PPE (Export prepayment) | 887,220 | 1,024,853 | -13.4% |
| NCE (Export Credit Note) | 624,463 | 734,296 | -15.0% |
| Obligations from Acquisitions - LOP | 73,795 | 73,794 | 0.0% |
| Obligations from Acquisitions - Other | - | 5,893 | n.m. |
| Gross Debt | 3,376,442 | 3,905,167 | -13.5% |
| Cash and Cash Equivalents | 630,381 | 1,120,212 | -43.7% |
| Consolidated Net Debt | 2,746,061 | 2,784,955 | -1.4% |
| Net Debt / Cum. EBITDA | 1.95 x | 2.14 x | |
| Net Debt / Cum. EBITDA - USD* | 2.24 x | 2.16 x | |

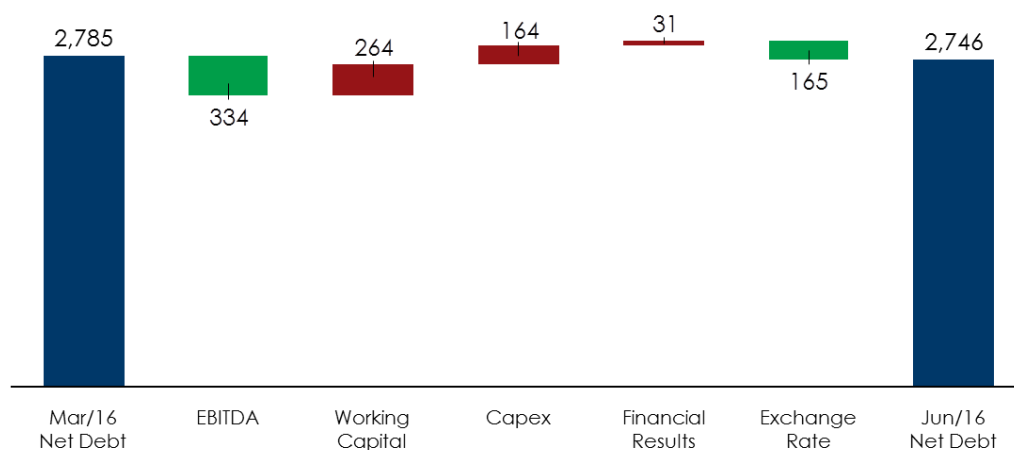
* Net Debt PTAX:
March/16: R\$ 3.56
June/16: R\$ 3.21

Cum. EBITDA based on average daily PTAX in the last 12 months:
March/16: R\$ 3.58
June/16: R\$ 3.70

In 1Q17, the net debt of the São Martinho Group was stable in relation to 1Q16, amounting to approximately R\$2.7 billion and ending the period with a Net Debt/EBITDA ratio of 1.95 times.

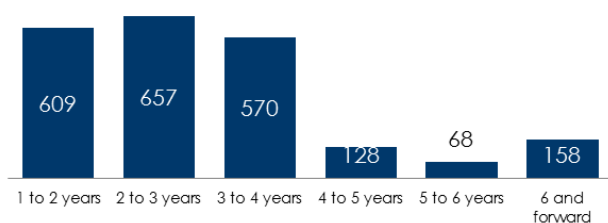


The factors impacting net debt were as follows:



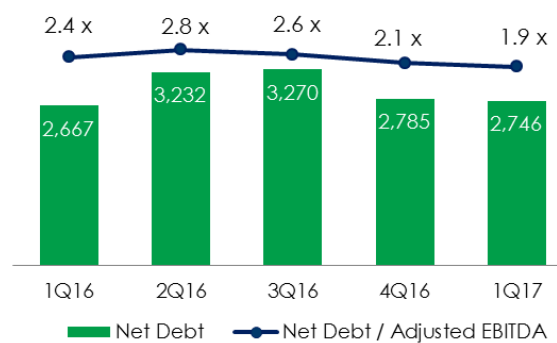
Debt Amortization Schedule

R\$ - Million



Net Debt / EBITDA LTM

Evolution





CAPEX

| (Maintenance) | 1Q17 | 1Q16 | Chg.% |
|----------------------------------------------------|----------------|----------------|-------------|
| R\$ '000 | | | |
| Sugarcane Planting | 42,463 | 43,269 | -1.9% |
| Off-Season Maintenance / Industrial / Agricultural | 391 | 5,719 | -93.2% |
| Crop Treatment | 88,327 | 74,810 | 18.1% |
| Total | 131,181 | 123,798 | 6.0% |

| (Operational Improvements) | 1Q17 | 1Q16 | Chg.% |
|---------------------------------|---------------|---------------|---------------|
| R\$ '000 | | | |
| Equipment/Projects/Replacements | 14,517 | 18,482 | -21.5% |
| Total | 14,517 | 18,482 | -21.5% |

| (Upgrading/Expansion) | 1Q17 | 1Q16 | Chg.% |
|-------------------------|---------------|---------------|-------------|
| R\$ '000 | | | |
| Industrial/Agricultural | 17,873 | 17,532 | 1.9% |
| Total | 17,873 | 17,532 | 1.9% |

| | | | |
|--------------|----------------|----------------|-------------|
| Total | 163,571 | 159,813 | 2.4% |
|--------------|----------------|----------------|-------------|

The sustaining capex of the São Martinho Group amounted to R\$131.2 million in 1Q17, increasing 6.0% from the year-ago period, due to the expansion in the crop treatment area.

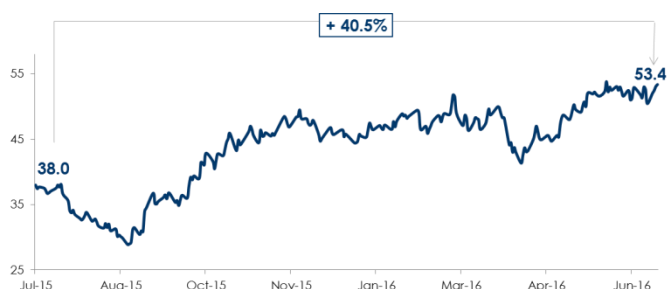
Operational improvement capex (investments in replacing agricultural and industrial equipment to boost yields) amounted to R\$14.5 million in 1Q17, down 21.5% from 1Q16, reflecting the lower need to replace equipment this quarter.

In terms of expansion capex, the Company invested a total of R\$17.9 million, or 1.9% more than in the same period of the previous season, mainly due to the expansion project at Santa Cruz to increase capacity to 5.2 million tons by the 2017/18 crop year.

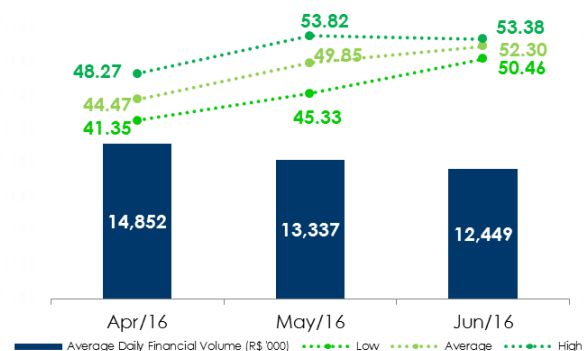


CAPITAL MARKETS AND INVESTOR RELATIONS

Performance SMT03 – 12 months

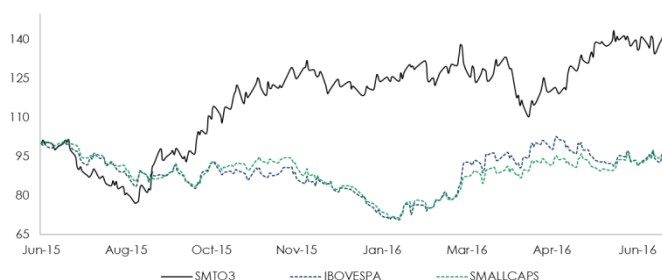


Price and Volume



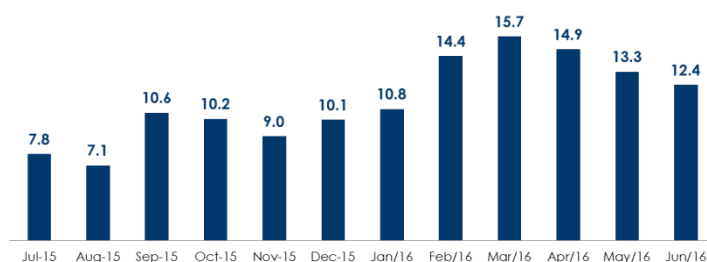
SMT03 vs. Stock Indexes

Base=100



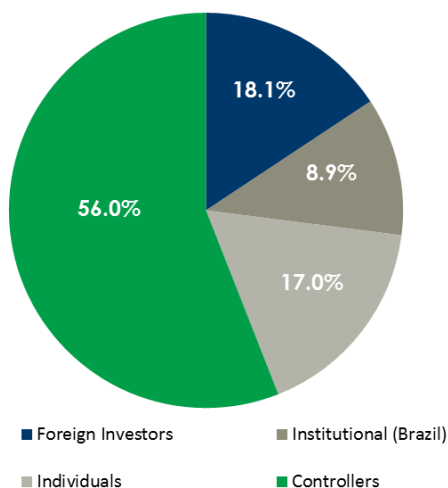
Average Daily Trading Volume

R\$ million

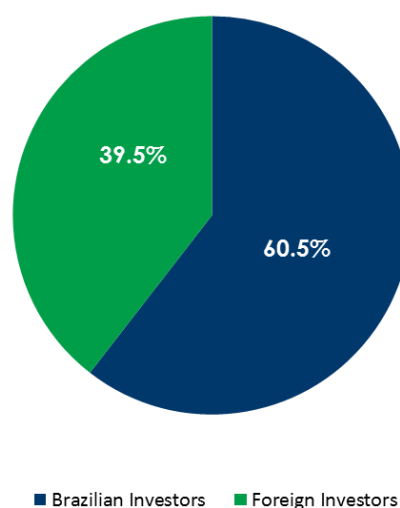


Ownership Structure

Base: June 30, 2016



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 | | |
|------------------------------------------------------------------|-----------------|-----------------|---------------|-----------------|-----------------|---------------|
| | 1Q17 | 1Q16 | Chg. (%) | 1Q17 | 1Q16 | Chg. (%) |
| R\$ '000 | | | | | | |
| Gross Revenue | 575,033 | 381,028 | 50.9% | 667,889 | 472,044 | 41.5% |
| Deductions from Gross Revenue | (20,287) | (13,848) | 46.5% | (26,451) | (20,924) | 26.4% |
| Net Revenue | 554,746 | 367,180 | 51.1% | 641,438 | 451,120 | 42.2% |
| Cost of Goods Sold (COGS) | (397,767) | (269,082) | 47.8% | (451,429) | (332,553) | 35.7% |
| Gross Profit | 156,979 | 98,098 | 60.0% | 190,009 | 118,567 | 60.3% |
| Gross Margin (%) | 28.3% | 26.7% | 1.6 p.p | 29.6% | 26.3% | 3.3 p.p |
| Operating Expenses | (44,680) | (28,743) | 55.4% | (69,285) | (46,507) | 49.0% |
| Selling Expenses | (26,156) | (12,863) | 103.3% | (27,132) | (14,656) | 85.1% |
| General and Administrative Expenses | (38,355) | (29,322) | 30.8% | (42,943) | (33,426) | 28.5% |
| Equity Income | 19,242 | 12,293 | n.m. | 174 | 24 | n.m. |
| Other Operating Expenses, Net | 589 | 1,149 | -48.7% | 616 | 1,551 | -60.3% |
| Operating Profit, Before Financial Effects | 112,299 | 69,355 | 61.9% | 120,724 | 72,060 | 67.5% |
| Financial Result, Net | (73,016) | (56,031) | 30.3% | (74,172) | (58,570) | 26.6% |
| Financial Income | 32,848 | 33,190 | -1.0% | 36,890 | 36,470 | 1.2% |
| Financial Expenses | (70,005) | (68,279) | 2.5% | (76,847) | (75,273) | 2.1% |
| Monetary and Exchange Variations - Net | 10,731 | 6,230 | n.m. | 16,452 | 8,898 | 84.9% |
| Derivative Income (Loss) | (46,590) | (27,172) | n.m. | (50,667) | (28,665) | 76.8% |
| Income (Loss) Before Income and Social Contribution Taxes | 39,283 | 13,324 | 194.8% | 46,552 | 13,490 | 245.1% |
| Income Tax and Social Contribution - Current | (2,626) | 8,285 | n.m. | (7,916) | 8,271 | n.m. |
| Income Tax and Social Contribution - Deferred | 3,012 | 9,839 | -69.4% | 1,033 | 9,687 | -89.3% |
| Net Income (Loss) Before Minority Interest | 39,669 | 31,448 | 26.1% | 39,669 | 31,448 | 26.1% |
| Net Income | 39,669 | 31,448 | 26.1% | 39,669 | 31,448 | 26.1% |
| Net Margin (%) | 7.2% | 8.6% | -1.4 p.p | 6.2% | 7.0% | -0.8 p.p |



BALANCE SHEET (ASSETS)

| São Martinho S.A. - ASSETS | CPC 19 | | Pro-forma | |
|-----------------------------------------------|------------------|------------------|------------------|------------------|
| R\$ '000 | | | | |
| ASSETS | Jun/16 | Mar/16 | Jun/16 | Mar/16 |
| SHORT-TERM ASSETS | | | | |
| Cash and Cash Equivalents | 170,197 | 266,659 | 173,494 | 267,315 |
| Marketable Securities | 344,794 | 706,487 | 442,720 | 839,127 |
| Trade Receivables | 142,494 | 86,419 | 160,380 | 116,965 |
| Derivative Financial Instruments | 207,378 | 145,701 | 207,378 | 145,701 |
| Inventories | 468,582 | 229,250 | 556,527 | 270,352 |
| Biological Assets | 454,763 | 470,241 | 532,761 | 554,186 |
| Taxes Recoverable | 67,139 | 58,423 | 75,197 | 64,274 |
| Income and Social Contribution Taxes | 119,743 | 113,758 | 121,256 | 119,781 |
| Other Assets | 13,784 | 15,548 | 15,617 | 17,066 |
| TOTAL SHORT-TERM ASSETS | 1,988,874 | 2,092,486 | 2,285,330 | 2,394,767 |
| LONG-TERM ASSETS | | | | |
| Long-term Receivables | | | | |
| Marketable Securities | 5,539 | 5,423 | 14,167 | 13,770 |
| Inventories and advances to suppliers | 53,350 | 62,309 | 64,253 | 71,030 |
| Related Parties | 2,000 | 1,000 | - | - |
| Deferred Income and Social Contribution Taxes | - | - | 40,074 | 43,752 |
| Derivative Financial Instruments | 24,466 | 43,243 | 24,466 | 43,243 |
| Accounts receivable | 24,623 | 21,855 | 24,957 | 22,246 |
| Trade Receivables from Copersucar | 8,224 | 6,324 | 8,807 | 6,772 |
| Taxes Recoverable | 115,508 | 110,195 | 123,060 | 119,525 |
| Judicial Deposits | 30,083 | 30,300 | 32,586 | 32,257 |
| Other Assets | 498 | 498 | 498 | 498 |
| | 264,291 | 281,147 | 332,868 | 353,093 |
| Investments | 533,330 | 513,233 | 25,895 | 25,629 |
| Property, plant and equipment | 3,952,099 | 4,004,469 | 4,426,008 | 4,492,462 |
| Intangible Assets | 483,745 | 489,557 | 483,814 | 489,639 |
| TOTAL LONG-TERM ASSETS | 5,233,465 | 5,288,406 | 5,268,585 | 5,360,823 |
| TOTAL ASSETS | 7,222,339 | 7,380,892 | 7,553,915 | 7,755,590 |



BALANCE SHEET (LIABILITIES)

| São Martinho S.A. - LIABILITIES | CPC 19 | | Pro-forma | |
|---------------------------------------------------|------------------|------------------|------------------|------------------|
| R\$ '000 | | | | |
| LIABILITIES AND SHAREHOLDERS' EQUITY | Jun/16 | Mar/16 | Jun/16 | Mar/16 |
| SHORT-TERM ASSETS | | | | |
| Borrowings | 1,041,037 | 670,559 | 1,185,033 | 776,532 |
| Derivative Financial Instruments | 255,296 | 196,664 | 262,388 | 197,238 |
| Trade Payables | 162,489 | 113,907 | 186,658 | 137,711 |
| Payables to Copersucar | 15,396 | 21,875 | 16,247 | 23,188 |
| Payroll and Social Contributions | 125,234 | 98,231 | 140,682 | 110,252 |
| Taxes Payable | 13,153 | 15,570 | 16,477 | 19,615 |
| Income and Social Contribution Taxes | 4,372 | 916 | 4,372 | 916 |
| Dividends Payable | 55,385 | 53,164 | 55,385 | 53,164 |
| Advances from Customers | 12,006 | 1,298 | 13,331 | 1,606 |
| Acquisition of Investment | 12,045 | 17,937 | 12,045 | 17,937 |
| Other Liabilities | 20,525 | 26,591 | 23,929 | 32,099 |
| TOTAL SHORT-TERM LIABILITIES | 1,716,938 | 1,216,712 | 1,916,547 | 1,370,258 |
| LONG-TERM ASSETS | | | | |
| Borrowings | 1,992,082 | 2,836,628 | 2,117,614 | 3,048,948 |
| Derivative Financial Instruments | 32,278 | 65,625 | 32,278 | 65,625 |
| Payables to Copersucar | 237,209 | 237,166 | 247,939 | 247,862 |
| Taxes Payable in Installments | 15,162 | 15,419 | 17,517 | 17,878 |
| Deferred Income and Social Contribution Taxes | 291,766 | 230,173 | 291,998 | 232,104 |
| Provision for Contingencies | 61,324 | 60,643 | 65,289 | 64,383 |
| Acquisition of Investment | 61,750 | 61,750 | 61,750 | 61,750 |
| Other Liabilities | 11,032 | 10,179 | 185 | 185 |
| TOTAL LONG-TERM LIABILITIES | 2,702,603 | 3,517,583 | 2,834,570 | 3,738,735 |
| SHAREHOLDERS' EQUITY | | | | |
| Share Capital | 931,340 | 931,340 | 931,340 | 931,340 |
| Capital reserves | 10,237 | 10,531 | 10,237 | 10,531 |
| Treasury Shares | (33,049) | (26,613) | (33,049) | (26,613) |
| Stock options granted | 5,566 | 4,753 | 5,566 | 4,753 |
| Adjustments to Book Value | 1,417,001 | 1,295,698 | 1,417,001 | 1,295,698 |
| Profits Reserves | 428,668 | 430,888 | 430,436 | 432,656 |
| Retained earnings | 43,035 | - | 41,267 | (1,768) |
| TOTAL SHAREHOLDERS' EQUITY | 2,802,798 | 2,646,597 | 2,802,798 | 2,646,597 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 7,222,339 | 7,380,892 | 7,553,915 | 7,755,590 |



CONSOLIDATED CASH FLOW STATEMENT

| SÃO MARTINHO S.A. | CPC 19 | | Pro Forma | |
|------------------------------------------------------------------|------------------|------------------|------------------|------------------|
| R\$ '000 | 1Q17 | 1Q16 | 1Q17 | 1Q16 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Net Income in the period | 39,669 | 31,448 | 39,669 | 31,448 |
| Adjustments | | | | |
| Depreciation and amortization | 47,395 | 35,629 | 56,061 | 43,989 |
| Harvested biological assets (depreciation) | 84,040 | 57,569 | 100,987 | 80,105 |
| Change in fair value of biological assets | (7,943) | 2,147 | (11,322) | 3,399 |
| Amortization of intangible assets | 3,694 | 4,906 | 3,694 | 4,906 |
| Equity income | (19,242) | (12,293) | (174) | (24) |
| Capital gain in investment in joint venture | - | - | (91) | - |
| Result of investment and property, plant and equipment disposals | (76) | 1,306 | 66 | 1,319 |
| Interest, monetary and foreign exchange variations, net | 23,374 | 48,822 | 20,121 | 53,823 |
| Derivative financial instruments | 102,540 | 27,852 | 106,617 | 27,852 |
| Accrual (reversal) of provision for contingencies, net | (37) | 662 | 924 | 1,261 |
| Deferred income tax and social contribution taxes | (3,012) | (9,839) | (1,033) | (9,687) |
| Adjustments to present value and others | 1,183 | 983 | 1,097 | 862 |
| | 271,585 | 189,192 | 316,616 | 239,253 |
| Changes in assets and liabilities | | | | |
| Trade receivables | (69,556) | 21,792 | (57,506) | (5,663) |
| Inventories | (143,028) | (219,909) | (173,254) | (237,570) |
| Taxes recoverable | (18,145) | (29,597) | (13,778) | (28,804) |
| Derivative financial instruments | (92,618) | 13,582 | (90,178) | 13,582 |
| Marketable securities | - | 941 | - | 941 |
| Other assets | 3,370 | (5,424) | 2,569 | (6,105) |
| Trade payables | 48,225 | 63,481 | 48,495 | 61,942 |
| Salaries and social charges | 27,003 | 20,391 | 30,430 | 24,305 |
| Taxes payable | 2,089 | (1,103) | 1,208 | (981) |
| Payables to Copersucar | (9,527) | (4,251) | (10,225) | (4,641) |
| Taxes paid in installments | (613) | (241) | (718) | (241) |
| Provision for contingencies - settlements | (2,820) | (4,884) | (3,837) | (5,257) |
| Other liabilities | 4,637 | (2,892) | 3,555 | 588 |
| | 20,602 | 41,078 | 53,377 | 51,349 |
| Cash provided by operations | 20,602 | 41,078 | 53,377 | 51,349 |
| Interest paid | (74,386) | (66,682) | (86,643) | (78,188) |
| Income tax and social contribution paid | (1,154) | (785) | (1,154) | (811) |
| Net cash provided by operating activities | (54,938) | (26,389) | (34,420) | (27,650) |
| CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Financial resources used in investments | (8,372) | (7,990) | (8,372) | (7,990) |
| Additions to property, plant and equipment and intangible assets | (29,690) | (41,497) | (33,589) | (45,097) |
| Additions to biological assets (planting and crop treatment) | (113,607) | (101,398) | (130,789) | (118,079) |
| Marketable securities | 376,621 | - | 414,698 | - |
| Proceeds from sale of property, plant and equipment | 64 | 10,382 | 166 | 10,414 |
| Advance for future capital increase | (1,000) | - | - | - |
| Net cash used in investing activities | 224,016 | (140,503) | 242,114 | (160,752) |
| CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| New borrowings - third parties | 16,284 | 461,966 | 24,292 | 461,966 |
| Repayment of borrowings - third parties | (274,919) | (308,864) | (318,902) | (328,502) |
| Advance for future capital increase | - | - | - | 67 |
| Acquisition of treasury shares | (7,423) | - | (7,423) | - |
| Sale of treasury shares | 518 | 1,491 | 518 | 1,491 |
| Net cash provided by (used in) financing activities | (265,540) | 154,593 | (301,515) | 135,022 |
| Increase (decrease) in cash and cash equivalents, net | (96,462) | (12,299) | (93,821) | (53,380) |
| Cash and cash equivalents at the beginning of the period | 266,659 | 1,020,112 | 267,315 | 1,126,517 |
| Cash and cash equivalents at the end of the period | 170,197 | 1,007,813 | 173,494 | 1,073,137 |