



## Adjusted EBITDA of R\$211.2 millions for 9M12, with margin of 30%

**Porto Alegre, November 13, 2012** – SLC AGRÍCOLA S.A. (Bovespa: SLCE3; ADR: SLCJY; Bloomberg: SLCE3BZ; Reuters: S LCE3.SA), one of the largest landowners in Brazil and one of the largest agricultural producers in terms of cotton, soybean and corn planted area, discloses today its earnings for the third quarter of 2012. The following financial and operating information are presented in compliance with the international accounting norms (International Financial Reporting Standards – IFRS). Elaborated on a consolidated basis, the information is presented in thousands of Brazilian reais, except when otherwise stated.

### 3Q12 Highlights

(R\$ Thousand)	9M11	9M12	AH	3Q11	3Q12	AH
<b>Net revenue</b>	<b>682,063</b>	<b>819,850</b>	<b>20.2%</b>	<b>275,682</b>	<b>268,251</b>	<b>-2.7%</b>
<b>Gross income</b>	<b>275,091</b>	<b>180,573</b>	<b>-34.4%</b>	<b>126,127</b>	<b>72,999</b>	<b>-42.1%</b>
Gross margin	40.3%	22.0%	-18.3 p.p	45.8%	27.2%	-18.5 p.p
<b>Operating income</b>	<b>192,953</b>	<b>7,981</b>	<b>-95.9%</b>	<b>94,419</b>	<b>8,854</b>	<b>-90.6%</b>
Operating margin	28.3%	1.0%	-27.3 p.p	34.2%	3.3%	-30.9 p.p
<b>Net profit</b>	<b>126,989</b>	<b>(12,416)</b>	<b>-109.8%</b>	<b>62,609</b>	<b>(303)</b>	<b>-100.5%</b>
Net Margin	18.6%	-1.5%	-20.1 p.p	22.7%	-0.1%	-22.8 p.p
<b>Adjusted EBITDA</b>	<b>169,769</b>	<b>211,226</b>	<b>24.4%</b>	<b>67,991</b>	<b>55,461</b>	<b>-18.4%</b>
<b>Adjusted EBITDA Margin</b>	<b>35.1%</b>	<b>30.0%</b>	<b>-5.1 p.p</b>	<b>37.2%</b>	<b>25.2%</b>	<b>-12.0 p.p</b>
<b>Net debt</b>	<b>504,741</b>	<b>674,672</b>	<b>33.7%</b>	<b>504,741</b>	<b>674,672</b>	<b>33.7%</b>

Table of Contents	Page
Message from Management	2
Market Outlook	3
Operating Performance	11
Financial Analysis	13
Balance Sheet	26
Income Statement	28
Statement of Value Added	29
Cash Flow Statement	30
Agricultural weights and measures	31

**NOTE:** 3Q11 and 3Q12 refer to the three-month cumulative period, from July to September, for years 2011 and 2012, respectively. 9M11 and 9M12 refer to the nine-month cumulative period from January to September, for years 2011 and 2012, respectively. AH refers to the horizontal percentage variation between two periods and AV refers to a vertical percentage variation on a given total.



## Message from Management (Quarter Overview)

From the operational point of view, we began, in 3Q12 soybeans plantings for the new crop (2012/13 crop-year), for which we intend to increase our planted area to 280,400 hectares, an increase of 32,600 hectares - or 13.2% - compared to the previous crop (more details in the planted area section). Furthermore, we ended the harvest of the 2011/12 crop, for which the average production cost per hectare exceeded in 5.4% the initial estimates. Yields were set bellow projections in cotton (7%) and soybeans (5.4%). On the other side, corn performance was 3.7% above initially estimated. These variations occurred due to adverse climatic conditions during the 2011/12 crop, such as excessive rainfalls in the states of Mato Grosso and Mato Grosso do Sul and droughts in some regions of western Bahia. It is important to highlight that despite these factors, the Adjusted EBITDA margin for the year so far is 30%, in line with our historical averages. Besides that, we just began shipping cotton from the 2011/12 crop.

Financial results for the quarter and year had a negative impact of R\$26.2 million and R\$78 million, respectively, resulted from monetary variation related to the increased prices of soybean in Reais, which indexes our debts with land acquisitions. However, considering that these debt maturities are extended up to 2017, there is no immediate effect on the Company's cash flow. There was also a reduction in the net debt of R\$57.4 million compared to the previous quarter.

In 3Q12 was also held the first capital injection in SLC LandCo by Valiance, totaling R\$60,438 thousand. With this, SLC Agrícola had a capital gain of R\$7,259 thousand (after deducting operational costs) which was booked in Shareholder's Equity under "Other Comprehensive Income". Such capital gain is a result from the difference between the market value of the land (base of negotiation with Valiance) and its book value.

SLC LandCo	(R\$ Thousand)	SLC Agrícola's Share (%)	SLC Agrícola's Share (nominal) – R\$ thd
Shareholder's Equity in 06/30/2012	362,060	100.0%	362,060
Capital Injection by Valiance	60,438		
Operational costs	(8,580)		
Shareholder's Equity after Injection	413,918	89.2%	369,319
<b>Capital Gain</b>			<b>7,259</b>

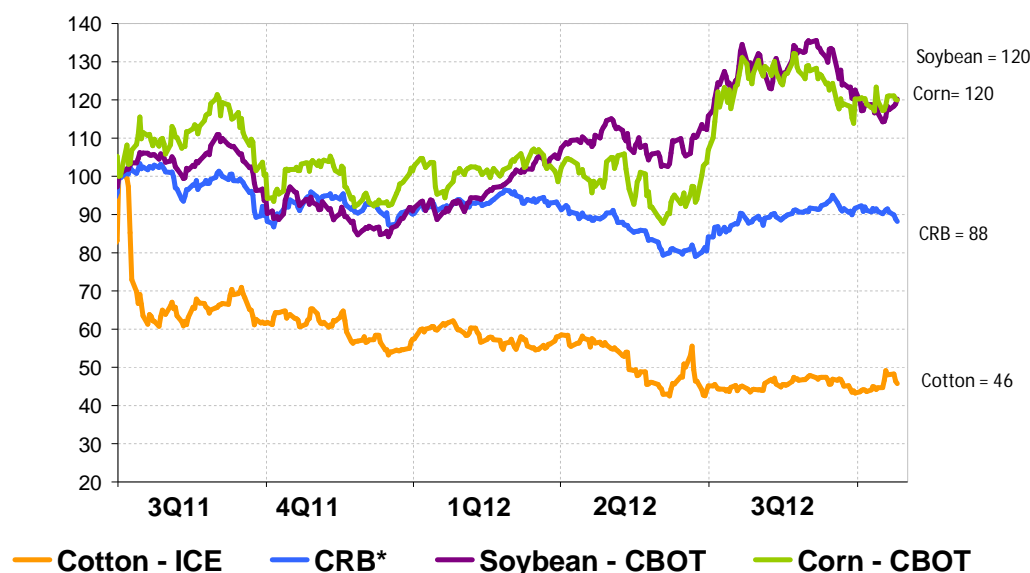
Furthermore, through this quarter, our company was congratulated with the following awards:

- "Top Cidadania 2012", awarded by *ABRH-RS* for the company's involvement in initiatives towards the community;
- "*Globo Rural*" Magazine: Best in Agribusiness (Grains), 1<sup>st</sup> place;
- *Institucional Investor* Magazine: In its Agribusiness ranking for Latin America, the magazine awarded SLC Agrícola in several categories, including "Best CEO", "Best CFO", "Best IR professional" and "Best IR program";
- Lide Agribusiness 2012 Award, at the "grains" category.
- "A Granja do Ano": Awarded by "A Granja" in the categories Soybean and Corn.

## Market Outlook

### Commodities Prices Variation

From June/2011 to October/2012 (1<sup>st</sup> Contract)



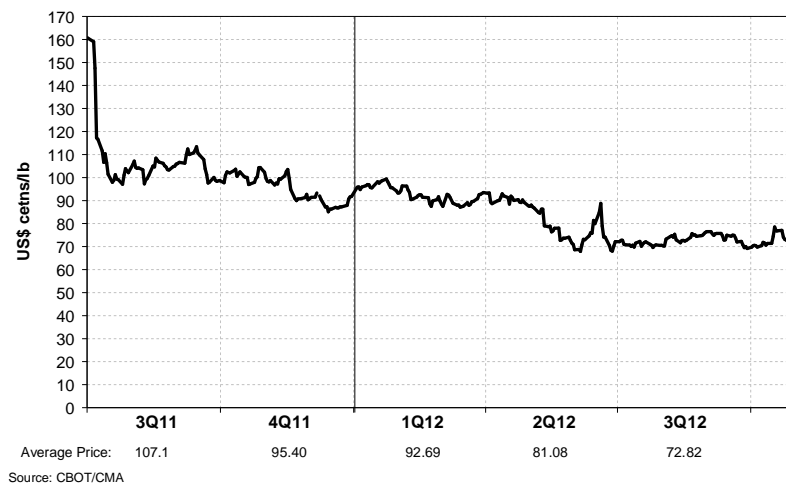
Source: CMA (30/06/2011 = 100)  
 Up to 24/10/2012.

\*Commodity Research Bureau

## Cotton

### Cotton Prices in the International Market

ICE - (1<sup>st</sup> Contract)



Cotton future prices traded on ICE/NYBOT (ICE Futures U.S) presented an average quotation of US¢ 72.82/lb in 3Q12, which represents a 32% decrease against 3Q11 (US¢ 168.3/lb) and a 10.9% decreased against 2Q12 (US¢ 81.08/lb).

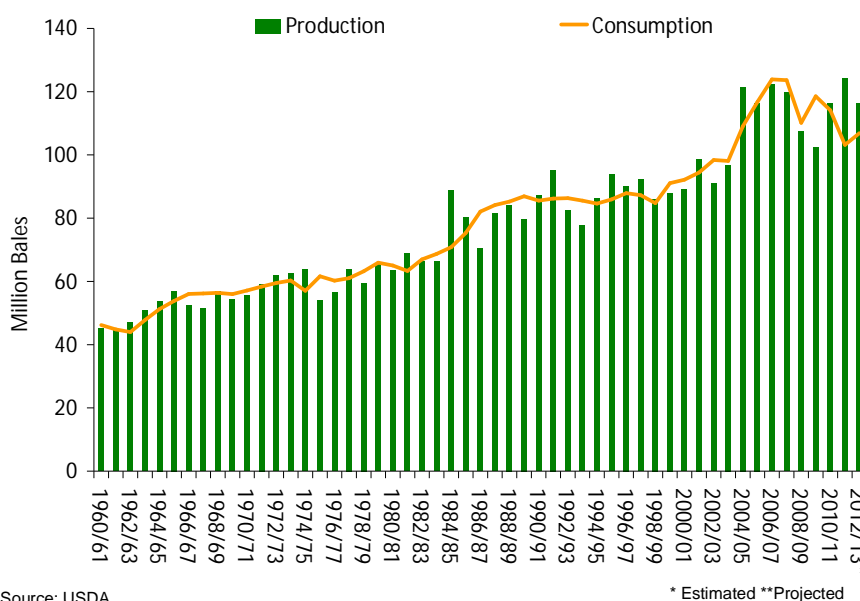
In 2011, cotton market reached historical price peaks, mainly due to cotton supply limitations in the 2009/10 and 2010/11 crop years.

Decreased cotton prices recorded in the last quarters are still related to price variations in 2011, which caused a strong reduction on cotton consumption in 2011 and still reflects in 2012, as well as an increment in planted area, production and world inventories, resulting in pressure in cotton prices in 3Q12.

In 2011, high cotton prices at the planting period compared to competing crops, such as soybean and corn, caused a planted area allocation from these crops to cotton, which raised the cotton planted area globally in the 2011/12 crop-year by 7.6%, the largest area since 1995, resulting in the biggest cotton production in history with 124.1 million bales.

### World – Cotton - Production and Consumption

Besides an increment in planted area and production, cotton prices caused a strong decrease in cotton consumption.



USDA ( United States Department of Agriculture) in its Supply&Demand report released in November, estimated that 2011/12 world consumption was set at 103.2 million bales, a 9.6% decrease compared to the previous crop (114.2 million bales). With a world record production and a decreasing consumption, the difference between production and consumption resulted

in an increment of 21 million bales to final stocks in the 2011/12 crop, increasing inventories to historical highs.

According to the USDA, world's cotton production should decrease to 116.8 million bales and consumption should increase to 106.3 million bales. Nevertheless, it will be the 3<sup>rd</sup> year in a row for which world production exceeds consumption and consequently inventories are expected to increase, projected by the USDA at 80.3 million bales, a new record which represent 75% of world consumption.

## World - China - Supply & Demand

World	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12*	2012/13**
Area (ha)	34,532	32,840	30,570	30,140	33,468	35,741	34,151
Yield (kg/ha)	771	793	764	738	757	757	745
Beginning Stocks	13.45	13.60	13.26	13.22	10.19	10.60	15.16
Production	26.61	26.05	23.36	22.26	25.34	27.06	25.44
Import	8.31	8.56	6.64	7.91	7.81	9.75	7.97
Total Supply	48.36	48.21	43.26	43.39	43.34	47.42	48.57
Export	8.18	8.50	6.62	7.75	7.95	9.86	7.97
Consumption	26.98	26.92	23.99	25.81	24.86	22.46	23.15
Ending Stocks	13.60	13.26	13.22	10.24	10.60	15.16	17.48
Stocks/Consumption (%)	38.7%	37.4%	43.2%	30.5%	32.3%	46.9%	56.2%

China	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12*	2012/13**
Area (ha)	5,950	6,200	6,050	5,300	5,250	5,400	5,000
Yield (kg/ha)	1,299	1,299	1,321	1,315	1,265	1,335	1,372
Beginning Stocks	4.91	4.47	4.46	4.87	3.10	2.31	6.57
Production	7.73	8.06	7.99	6.97	6.64	7.21	6.86
Import	2.31	2.51	1.52	2.37	2.61	5.34	2.39
Total Supply	14.94	15.04	13.98	14.21	12.35	14.86	15.82
Export	0.02	0.01	0.02	0.01	0.03	0.01	0.02
Consumption	10.89	11.10	9.58	10.89	10.02	8.27	7.73
Ending Stocks	4.47	4.46	4.87	3.32	2.31	6.57	8.08
Stocks/Consumption (%)	41.0%	40.2%	50.7%	30.5%	23.0%	79.3%	104.3%

nov/12

\*Estimated \*\*Projected

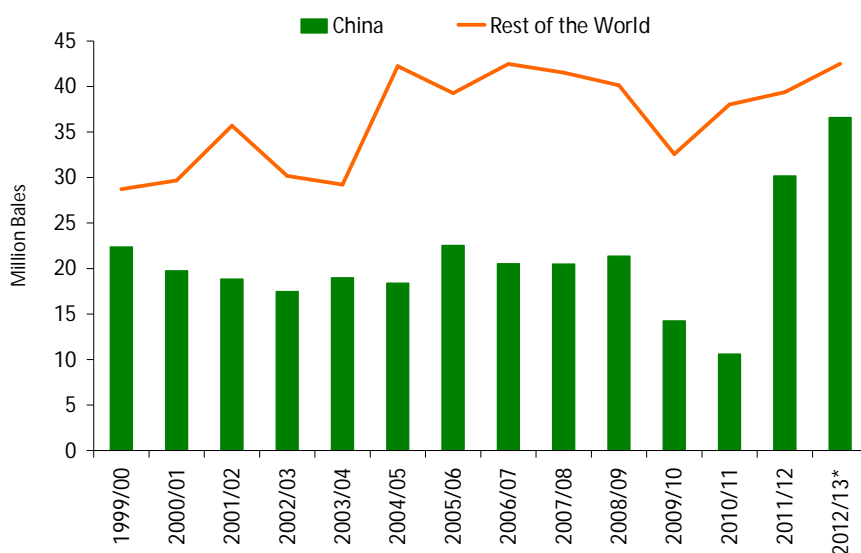
Despite the record in cotton inventories, prices remained relatively stable in the first semester of 2012, above US¢ 90.00/lb in 1Q12 and above US¢ 8000/lb in 2Q12 thanks to the Chinese government policy of purchasing cotton from Chinese producers and from the international market for the formation of government stocks, with the intention of: (i) ensuring cotton supply for the Chinese industry in the future; (ii) ensuring a minimum price for the local producers.

The Chinese government policy of purchasing cotton began in September 2011 and ensured a minimum price of 19,800 yuans per ton, equivalent to US¢ 1.40/lb at the time for the 2011/12 crop. This policy continues for the 2012/13 crop with the minimum price set at 20,500 yuans per ton, equivalent to US¢ 1.47/lb, prices the ones practiced in the international market.

Despite this absolute record in the world's inventories in 2011/12 and estimates of even bigger stocks for 2012/13, it is important to highlight that part of this significant growth in inventories occurred precisely in China as governmental stocks, and, as a consequence, they are not available immediately to the market.

According to the USDA, in the last 2 years (between the 2010/11 and 2012/13 crop year) Chinese inventories rose 26.5 million bales, while other countries' inventories only increased 5 million bales.

## World – Cotton Inventories



Source: USDA

\*Projected

However, the Chinese policy of high inventories, government imports and expectations of a lower industrial consumption – due to higher domestic prices compared to the international market – should decrease imports, estimated by the USDA at 11 million bales for the 2012/13 crop year, a 55% reduction compared to the previous crop.

Partly, the reduction of Chinese demand in 2012/13 should be compensated by an increased consumption by India, Pakistan, Turkey, Bangladesh and Indonesia, and other countries, which differently from the Chinese industrial sector, have access to cotton with more competitive prices in the international market.

The projection of another year with a higher production than consumption in 2012/13 and higher prices of competing crops such as soybean and corn should cause a reduction of the planted area in the southern hemisphere (2012/13 crop) and a new round of global planted area reduction in the 2013/14 crop.

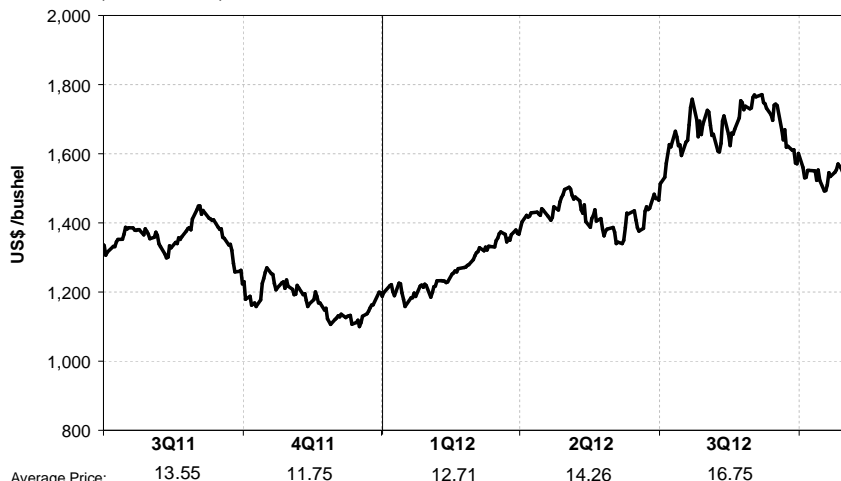
According to CONAB, in Brazil cotton planted area should decrease between 20.6% and 27.8%. Still according to CONAB, the main factors for this retraction are: low prices in the domestic and international market, lower comparative advantages compared to soybean, notably in the Mid-South region and mainly due to increased production costs.

Planted area should range between 1,006 and 1,106 thousand hectares, with an average decrease of 337 thousand hectares compared to the last crop. CONAB forecast a production of 1,551 tons, a 17.4% reduction compared to 2011/12, when production reached 1,877 thousand tons.

## Soybean

### Soybean Prices in the International Market

CBOT - (1<sup>st</sup> Contract)



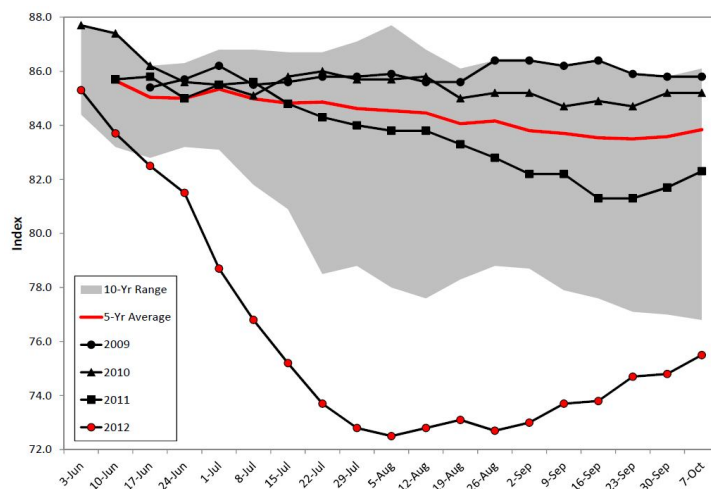
Average Price:  
Source: CBOT/CMA

Soybean future prices traded on CBOT (Chicago Board of Trade) presented an average quotation of US\$ 16.75/bu in 3Q12, representing a 19.1% increase against 3Q11, when the average price was US\$ 13.55/bu. The decreased production caused by climatic problems in Brazil, Argentina and recently the United States, respectively the global leading producers of soybean, lowered the world's inventories and

are the main reasons for the high prices of soybean recorded in the past 12 months. In 3Q12, soybean prices reached its historical high at US\$17.81/bu at the peak of the North American summer with problems caused by droughts.

In the United States, for the 2012/13 crop, despite an increase of 2.9% in the soybean planted area, yields are expected to decrease 10.5% compared to the initial projections, and production should reach 80.9 million tons, a 4% reduction compared to previous crop, according to the USDA.

### United States – Crop condition Index



Source: Usda/Informa

In 2012/13, another crop shortfall for the 3<sup>rd</sup> consecutive year caused production to decrease in the United States. In 2009/10 production reached 91.4 million tons compared to 80.9 million tons projected to 2012/13, an 11.5% reduction for the – so far – biggest producer and exporter of soybean.

With decreased production and consequent need of rationing demand through lowering domestic crush (-8.4%) and exports (-1.2%), physical prices tend to maintain stability in the United States for

at least the beginning of the North American 2013/14 crop, not before October 2013, according to the North American consultancy *Informa Economics*.

### United States – Soybean – Supply&Demand

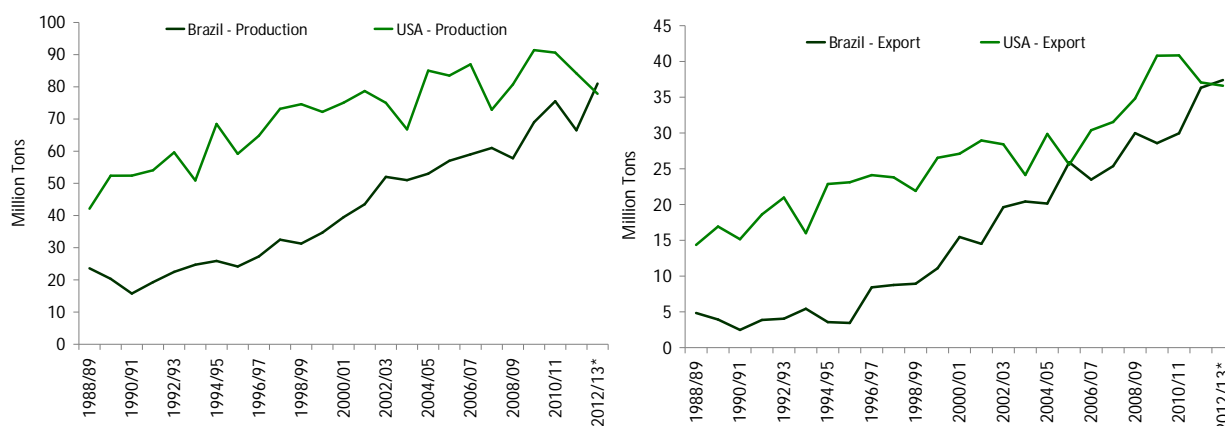
United States		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12*	2012/13**
Area (ha)		30,190	25,959	30,222	30,907	31,003	29,856	30,632
Yield (kg/ha)		2,882	2,807	2,672	2,958	2,922	2,820	2,640
Beginning Stocks		12,229	15,617	5,580	3,761	4,106	5,852	4,611
Production		87,001	72,859	80,749	91,417	90,605	84,192	80,858
Imports		246	269	361	397	393	439	544
Total Supply		99,476	88,745	86,690	95,575	95,104	90,483	86,013
Exports		30,386	31,538	34,817	40,798	40,849	37,063	36,605
Consumption		53,473	51,627	48,112	50,671	48,403	48,809	45,609
Ending Stocks		15,617	5,580	3,761	4,106	5,852	4,611	3,799
Stocks/Consumption (%)		29.2%	10.8%	7.8%	8.1%	12.1%	9.4%	8.3%

nov/12 \*Estimated \*\*Projected

With the crop shortfall in the United States and the high prices in the international market, stimulated Brazil and Argentina who are now planting for the 2012/13 crop, with strong incentive to expand area. According to USDA, Brazil and Argentina should plant 27.5 and 19.7 million hectares, a 10% and 12.6% increase, respectively.

With soybean planted area projections increasing 10% and taken yields be in line with average, Brazil is expected to produce 81 million tons according to USDA, a 21.8% increase compared to the previous year, boosting exports to 37.4 millions tons, making Brazil the leading producer and exporter of soybean in the 2012/13 crop.

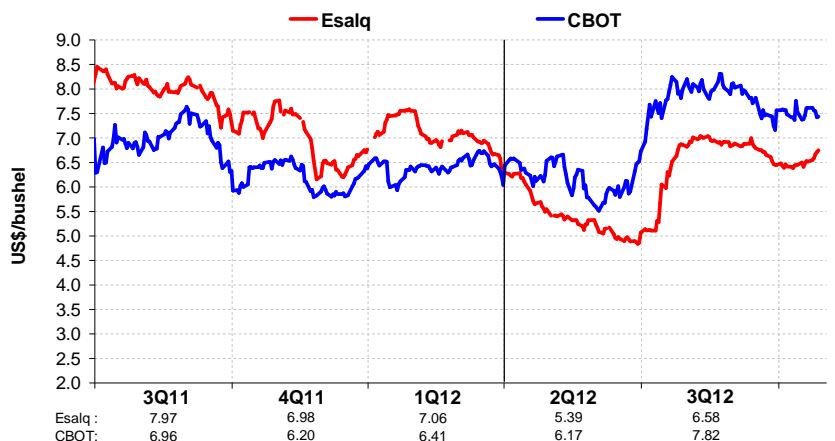
### Soybean - Production & Export



Source: USDA \*Projected

## Corn

### Corn Prices



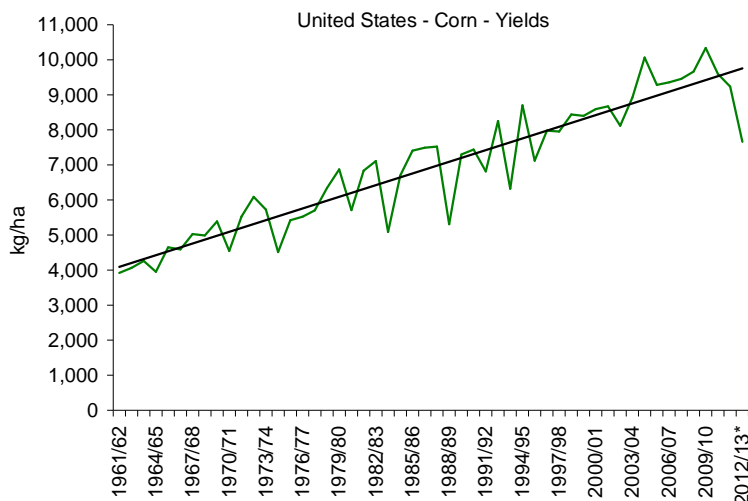
Source: CBOT/ Cepea (Esalq)/CMA

ESALQ (*Escola Superior de Agricultura Luiz de Queiroz*) index presented a 22.1% increase, from US\$ 5.39/bu to US\$ 6.58/bu compared to the last quarter.

Corn future prices traded on CBOT (Chicago Board of Trade) presented a 26.7% increase in 3Q12 compared to the previous quarter, from US\$ 6.17/bu to 7.82/bu. In 3Q12 corn prices reached its historical high -US\$8.27/bu - at the peak of the North American summer with problems caused by droughts. The average corn price in the domestic market, measured by the

In the last 12 months, corn prices remained relatively high, both in the international and domestic market, mainly due to a strong demand in feed and bioenergy sectors and more recently, due to a record crop shortfall in the United States, which impacted the global corn market, including Brazil where a higher demand for exports pushed prices to higher levels with a record production of 72.8 million tons in the 2011/12 crop, according to CONAB.

Adverse climatic conditions resulted in a significant yield decrease in the United States. According to USDA, for the 2012/13 crop, yields are expected to reach 122.3 bu/acre (7,680 kg/ha), a



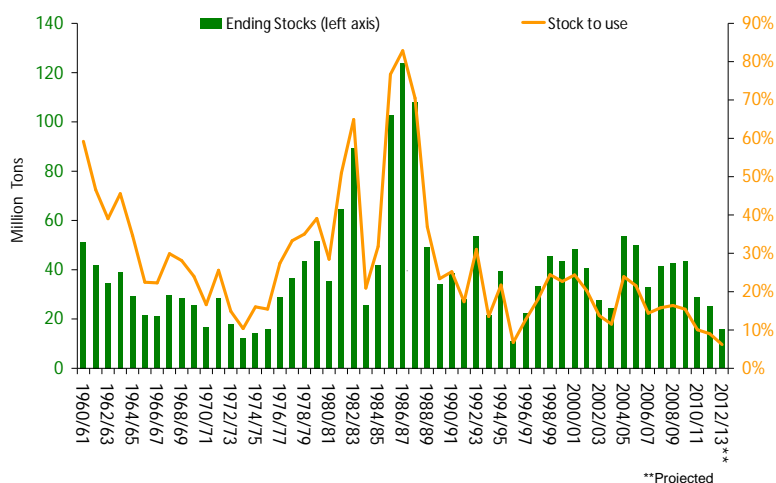
Source: USDA

\* Projected

reduction of 44 bu/acre (-26.5%) compared to the initial projection, which represent a reduction of 102.7 million tons, 1.5 times the size of the Brazilian 2011/12 crop, which was a record.

The strong reduction of production caused inventories of the 2012/13 crop in the United States to hit the lowest levels since 1995/96, projected by USDA at 647 million bushels (16.4 million tons) resulting in the lowest stock/consumption ratio in history.

### Corn Inventories – United States

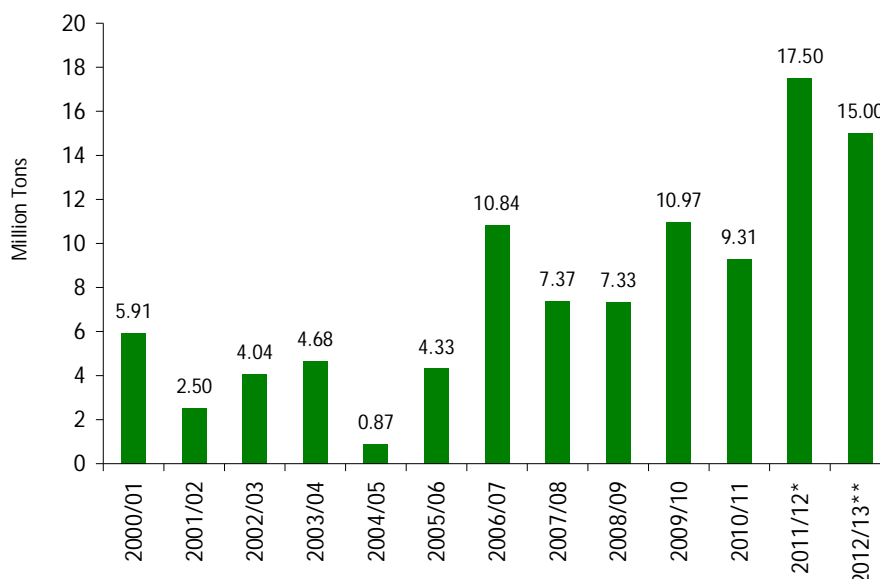


As well as in soybean, a strong reduction of production in North America, is resulting in a decrease of corn demand through higher prices. According to the USDA, domestic consumption and exports, for 2012/13, is expected to decrease 8.8% and 25.4% respectively, which should maintain high prices in the international market, at least until the beginning of next crop in September 2013, according to the North American consultancy

company *Informa Economics* and should allow other countries such as Brazil, Argentina and Ukraine to increase their share in the international market.

More attractive prices and an increasing demand for corn in the international market should significantly increase Brazilian corn exports in the current crop and 2012/13 crop. According to CONAB, in the 2011/12 crop year, Brazil is expected to export 19 million tons, an increase of 104% compared to the previous year. For 2012/13, for which planting has just began, CONAB projected Brazilian exports at 15 million tons.

### Brazil – Corn – Export



Source: Conab

\*Estimated \*\* Projected

## Operating Performance

### 2011/2012 Crop

In 3Q12 it was concluded the harvest of cotton 1<sup>st</sup> crop, cotton 2<sup>nd</sup> crop, as well as corn 2<sup>nd</sup> crop.

#### **Cotton 1<sup>st</sup> crop.**

The yield obtained in the 79,885 hectares planted was 1,515 kg/ha of cotton lint, a 9.8% decrease compared to the initial estimate. This reduction was mainly due to droughts which impacted the west of Bahia, and excess of rainfalls in the states of Mato Grosso and Mato Grosso do Sul, as already explained in the 2Q12 press release.

#### **Cotton 2<sup>nd</sup> crop.**

The yield obtained in the 15,386 hectares cultivated was 1,455 kg/ha of cotton lint, a 6.9% increase compared to the initial estimate, mainly due to prolonged rainfalls in the states of Mato Grosso and Mato Grosso do Sul, where precipitations remained until June.

#### **Corn 2<sup>nd</sup> crop.**

The yield obtained in the 22,443 hectares cultivated was 6,765 kg/ha, a 14% increase compared to the initial estimate, mainly due to prolonged rainfalls in the states of Mato Grosso and Mato Grosso do Sul.

### 2012/2013 Crop

The new agricultural calendar for 2012/13 crop year began in September, with the first plantings of soybeans (early and super-early varieties) in the states of Mato Grosso and Mato Grosso do Sul, following the onset of rainfalls in the region.

#### **Soybean.**

Plantings of soybeans, early and super-early varieties, which enables plantings of 2<sup>nd</sup> Crop (Cotton and Corn), began in the last week of September, and up to November, 8<sup>th</sup>, the Company had already planted a total area of 75,000 hectares, which represent 1/2 of the total forecasted area. Averagely, the crop presents a good development, the weather is relatively stable, accusing few hydric stress, only in some isolated regions.

### Yields

Yields (kg/ha)	Initially Estimated 2011/12	Achieved 2011/12 <sup>(1)</sup>	Δ%	Estimated 2012/13
Cotton Lint 1 <sup>st</sup> crop	1,679	1,515	-9.8	1,690
Cotton Lint 2 <sup>nd</sup> crop	1,361	1,455	6.9	1,383
Cotton Seed	2,158	1,928	-10.7	2,125
Soybean	3,297	3,118	-5.4	3,310
Corn 1 <sup>st</sup> Crop	10,209	9,579	-6.2	10,344
Corn 2 <sup>nd</sup> Crop	5,932	6,765	14.0	6,126

<sup>(1)</sup>09/30/2012.

## Land Development

For 2012/13 crop the company expects to clear and apply soil correction in 11,184 hectares that should be planted in the next crop year (2013/14).

Farm	Areas Opened Crop 2011/12 (ha)	Areas to be opened Crop 2012/13 (ha)	Areas to be opened Next Crops (ha)
Parnaíba	-	1,464	316
Piratini	992	2,000	8,176
Palmares	-	420	-
Parnagua	2,739	1,300	13,162
Parceiro	5,831	6,000	11,529
Paineira	1,333	-	2,867
<b>SLC</b>	<b>10,895</b>	<b>11,184</b>	<b>36,050</b>

## Planted Area

Following is an updated table with the initial expectation of planted area for the 2012/13 crop year.

Crop Mix	Achieved 2011/12 ha	Initially Estimated 2012/13 ha	Share %	Absolute Δ ha	Percentage Δ %
Cotton	95,271	76,288	27.2	-18,983	-19.9
Cotton 1 <sup>st</sup> crop	79,885	61,747	22.0	-18,138	-22.7
Cotton 2 <sup>nd</sup> crop	15,386	14,541	5.2	-845	-5.5
Soybean	114,158	150,955	53.8	36,797	32.2
Corn	35,166	47,598	17.0	12,432	35.4
Corn 1 <sup>st</sup> crop	12,723	14,275	5.1	1,552	12.2
Corn 2 <sup>nd</sup> crop	22,443	33,323	11.9	10,880	48.5
Others <sup>(1)</sup>	3,239	5,594	2.0	2,355	72.7
<b>Total</b>	<b>247,834</b>	<b>280,435</b>	<b>100.0</b>	<b>32,601</b>	<b>13.2</b>

Planted Area Mix	ha	ha	%	Ha	%
Physical Area under Control	210,005	232,571	82.9	22,566	10.7
Own Area	134,147	156,699	55.9	22,552	16.8
Leased Area	75,858	75,872	27.1	14	0.0
2 <sup>nd</sup> crop area	37,829	47,864	17.1	10,035	26.5
<b>Total</b>	<b>247,834</b>	<b>280,435</b>	<b>100.0</b>	<b>32,601</b>	<b>13.2</b>

<sup>(1)</sup> Planted area may be adjusted by agricultural planning.

<sup>(2)</sup> Coffee, wheat, corn seed and sugar cane.

## Property Portfolio

As of September 30, 2012 our land portfolio under control was as follows:

2012/13 (ha) Areas		Own	Leased	Under control	Planted <sup>(1)</sup>
Farm	State	ha			
Pamplona	GO	17,385	3,941	21,325	17,658
Planalto	MS	17,437	1,657	19,094	19,001
Planorte	MT	23,797	367	24,161	26,194
Paiguás	MT	30,878	2,360	33,238	36,335
Parnaíba	MA	38,418	10,359	48,777	32,812
Planeste	MA	23,325	10,858	34,213	32,407
Panorama	BA	12,983	12,312	25,294	21,801
Piratini	BA	25,356	5,000	30,355	13,324
Palmares	BA	16,948	14,878	31,826	29,865
Parnaguá	PI	23,742	-	23,742	2,761
Pejuçara	MT	3,379	8,711	12,090	17,175
Paineira	PI	12,873	-	12,872	5,626
Parceiro	PI	32,816	5,428	38,244	11,207
Perdizes	MT	28,837	-	28,837	14,269
<b>Total</b>		<b>308,174</b>	<b>75,871</b>	<b>384,045</b>	<b>280,435</b>

<sup>(1)</sup> Planted area may be adjusted by agricultural planning.

<sup>(2)</sup> Own area may change due to georeferencing process.

## Machinery and Storage Capacity

As of September 30, 2012 we had the following:

Machinery	Quantity
Tractors	432
Grain Combiners	171
Cotton Pickers	71
Planters	163
Self-propelled sprayers	96

2012/13 Storage Capacity	Grains	Cotton
Tons	470,140	109,981
% Production <sup>(1)</sup>	55%	88%

<sup>(1)</sup> Estimate of SLC Agrícola based on planted area and yields estimated for 2012/13 crop year.

## Financial Analysis

### EBITDA

(R\$ thousand)	9M11	9M12	AH	3Q11	3Q12	AH
<b>Net revenue</b>	<b>682,063</b>	<b>819,850</b>	<b>20.2%</b>	<b>275,682</b>	<b>268,251</b>	<b>-2.7%</b>
<b>(-) Cost of Goods and/or Services Sold</b>	<b>(406,972)</b>	<b>(639,277)</b>	<b>57.1%</b>	<b>(149,555)</b>	<b>(195,252)</b>	<b>30.6%</b>
<b>Gross Profit</b>	<b>275,091</b>	<b>180,573</b>	<b>-34.4%</b>	<b>126,127</b>	<b>72,999</b>	<b>-42.1%</b>
(-) Sales Expenses	(26,295)	(43,922)	67.0%	(11,057)	(14,577)	31.8%
(-) General and administrative	(37,377)	(31,038)	-17.0%	(13,709)	(9,420)	-31.3%
(-) Management compensation	(5,828)	(3,764)	-35.4%	(2,074)	(1,026)	-50.5%
(-) Other operating revenues	(96)	4,226	n.m.	1,258	403	-68.0%
<b>(=) Income from Activity</b>	<b>205,495</b>	<b>106,075</b>	<b>-48.4%</b>	<b>100,545</b>	<b>48,379</b>	<b>-51.9%</b>
(+) Depreciation and amortization	43,444	71,968	65.7%	18,331	27,675	51.0%
<b>EBITDA</b>	<b>248,939</b>	<b>178,043</b>	<b>-0.3 p.p</b>	<b>118,876</b>	<b>76,054</b>	<b>-0.4 p.p</b>
(-) Biological Assets on revenue	(198,855)	(116,718)	-41.3%	(92,978)	(47,940)	-48.4%
(+) Biological Assets on costs	119,685	149,901	25.2%	42,093	27,347	-35.0%
<b>Adjusted EBITDA<sup>(1)</sup></b>	<b>169,769</b>	<b>211,226</b>	<b>24.4%</b>	<b>67,991</b>	<b>55,461</b>	<b>-18.4%</b>
<b>Adjusted EBITDA Margin<sup>(2)</sup></b>	<b>35.1%</b>	<b>30.0%</b>	<b>-5.1 p.p</b>	<b>37.2%</b>	<b>25.2%</b>	<b>-12.0 p.p</b>

<sup>(1)</sup> Excluding non-cash effects from biological assets

<sup>(2)</sup> Over net revenue excluding non-cash effects from biological assets

In 3Q12 the Adjusted EBITDA was R\$55,461 thousand, a reduction of 18.4% against R\$ 67,991 thousand in 3Q11. The main variation between quarters, that impacted the Adjusted EBITDA, was soybean and corn margin reduction, partially offset by improvement in cotton margins.

The Adjusted EBITDA accumulated in the year shows an increase of 24.4% over the previous year, with 30% margin.

## Net Revenue

(R\$ thousand)	9M11	9M12	AH	3Q11	3Q12	AH
<b>Net Revenue</b>	<b>682,063</b>	<b>819,850</b>	<b>20.2%</b>	<b>275,682</b>	<b>268,251</b>	<b>-2.7%</b>
Cotton lint invoiced	185,676	345,195	85.9%	66,319	105,362	58.9%
Cotton seed invoiced	26,350	37,020	40.5%	21,339	27,438	28.6%
Soybean invoiced	195,521	265,637	35.9%	65,077	61,461	-5.6%
Corn invoiced	37,765	57,855	53.2%	17,942	34,942	94.7%
Coffee invoiced	3,344	3,672	9.8%	21	238	n.m.
Other (invoiced)	5,970	3,343	-44.0%	2,396	(185)	n.m.
Hedge income	28,582	(9,590)	n.m.	9,610	(8,945)	n.m.
Biological Assets	198,855	116,718	-41.3%	92,978	47,940	-48.4%

(Tons)	9M11	9M12	AH	3Q11	3Q12	AH
<b>Volume Invoiced</b>	<b>560,454</b>	<b>729,153</b>	<b>30.1%</b>	<b>243,464</b>	<b>284,901</b>	<b>17.0%</b>
Cotton lint	47,985	89,841	87.2%	20,242	24,774	22.4%
Cotton seed	89,594	122,319	36.5%	76,843	88,385	15.0%
Soybean	319,161	349,891	9.6%	94,768	67,372	-28.9%
Corn	92,543	155,946	68.5%	49,817	101,826	104.4%
Coffee	634	643	1.4%	6	54	800.0%
Other	10,537	10,513	-0.2%	1,788	2,490	39.3%

Our net revenue decreased 2.7% in 3Q12 against 3Q11, closing the period at R\$268,251 thousand, as compared to the R\$275,682 thousand of 3Q11, mainly due to a reduction on biological assets appropriated to net revenue (48.4%) and the variation on FX hedge results (variation of R\$18,555 thousand between quarters).

The net revenue accumulated in 2012 is R\$819,850 thousand, an increase of 20.2% against the previous year. Excluding the effect of biological assets on Net Revenue, we have an increase of 45.5%, reflecting the increase in volume invoiced of 28.7% combined with higher prices of invoiced products.

(R\$ thousand)	9M11	9M12	AH	3Q11	3Q12	AH
<b>Effect of Biological Asset on Net Revenue</b>	<b>198,855</b>	<b>116,718</b>	<b>-41.3%</b>	<b>92,978</b>	<b>47,940</b>	<b>-48.4%</b>
Cotton lint	120,191	17,428	-85.5%	82,488	34,350	-58.4%
Cotton seed	26,016	797	-96.9%	9,056	3,409	-62.4%
Soybean	47,771	71,721	50.1%	-	129	n.m.
Corn	4,021	26,797	566.4%	1,434	10,077	602.7%
Coffee	-	-	n.m.	-	-	n.m.
Other	856	(25)	n.m.	-	(25)	n.m.

Calculation of biological assets is performed as follows: market price at the harvest period, net of taxes and marketing expenses (freight), subtracted of cost incurred.

The value appropriated by biological assets decreased R\$45,038 thousand in 3Q12 against 3Q11. The main issue which impacted the calculation of biological assets was the decrease of cotton prices between quarters.

Considering that the Company works with a hedging policy, when the cotton is invoiced in the next quarters there will be the recognition of the margins with the effective sales prices (see below commercial hedge table).

## Cost of Goods Sold

(R\$ thousand)	9M11	9M12	AH	3Q11	3Q12	AH
<b>Cost of Goods Sold</b>	<b>(406,972)</b>	<b>(639,277)</b>	<b>57.1%</b>	<b>(149,555)</b>	<b>(195,252)</b>	<b>30.6%</b>
Cotton lint	(95,049)	(210,900)	121.9%	(38,366)	(66,479)	73.3%
Cotton seed	(17,991)	(30,841)	71.4%	(14,650)	(23,325)	59.2%
Soybean	(149,610)	(198,615)	32.8%	(42,708)	(49,117)	15.0%
Corn	(19,717)	(41,738)	111.7%	(10,894)	(27,387)	151.4%
Coffee	(1,972)	(2,468)	25.2%	(21)	(237)	n.m.
Other	(2,948)	(4,814)	63.3%	(823)	(1,360)	65.2%
Biological Assets Allocated at Cost	(119,685)	(149,901)	25.2%	(42,093)	(27,347)	-35.0%

P.S.: Rural land tax reclassified in 9M11 from administrative expenses to cost, on the value of R\$1,511.

(R\$ thousand)	9M11	9M12	AH	3Q11	3Q12	AH
<b>Biological Assets Allocated at Cost</b>	<b>(119,685)</b>	<b>(149,901)</b>	<b>25.2%</b>	<b>(42,093)</b>	<b>(27,347)</b>	<b>-35.0%</b>
Cotton lint	(50,831)	(59,209)	16.5%	(18,863)	(668)	-96.5%
Cotton seed	(5,799)	(3,995)	-31.1%	(4,583)	(1,163)	-74.6%
Soybean	(59,411)	(75,585)	27.2%	(19,030)	(16,352)	-14.1%
Corn	(1,203)	(11,841)	884.3%	383	(9,164)	n.m.
Coffee	(170)	759	n.m.	-	-	n.m.
Other	(2,271)	(30)	-98.7%	-	-	n.m.

In 3Q12, the cost of products sold increased 30.6% as compared to 3Q11. Such variation was mainly due to a higher volume invoiced of cotton and corn, combined with the increase of unitary costs in all crops, due to the higher cost of fertilizers, chemicals and seeds, and a decrease in yields on 2011/12 crop against 2010/11 crop.

## Crop Margin Analysis

<b>Cotton Invoiced</b>		9M11	9M12	AH	3Q11	3Q12	AH
<b>Cotton Lint Invoiced</b>							
Volume Invoiced	Ton	47,985	89,841	87.2%	20,242	24,774	22.4%
Net Revenue	R\$ thousand	185,676	345,195	85.9%	66,319	105,362	58.9%
Unit Price	R\$ thd/ Ton	3.87	3.84	-0.8%	3.28	4.25	29.6%
Cost Total	R\$ thousand	(95,049)	(210,900)	121.9%	(38,366)	(66,479)	73.3%
Unit Cost	R\$ thd/ Ton	(1.98)	(2.35)	18.5%	(1.90)	(2.68)	41.6%
Unitary Margin	R\$ thd/ Ton	1.89	1.49	-21.0%	1.38	1.57	13.1%
<b>Cotton Seed Invoiced</b>							
Volume Invoiced	Ton	89,594	122,319	36.5%	76,843	88,385	15.0%
Net Revenue	R\$ thousand	26,350	37,020	40.5%	21,339	27,438	28.6%
Unit Price	R\$ thd/ Ton	0.29	0.30	3.4%	0.28	0.31	10.7%
Cost Total	R\$ thousand	(17,991)	(30,841)	71.4%	(14,650)	(23,325)	59.2%
Unit Cost	R\$ thd/ Ton	(0.20)	(0.25)	25.6%	(0.19)	(0.26)	38.4%
Unitary Margin	R\$ thd/ Ton	0.09	0.05	-46.3%	0.09	0.05	-48.4%

Cotton lint invoiced in 3Q12 refers to the 2011/12 crop year production. Cotton lint unitary margin on the quarter increased 13.1% against 3Q11, due to an increase on invoicing price, partially offset by cost increase. However, the year accumulated presents a unitary margin decrease of 21.0%, due to increased unitary cost. The year accumulated comparison contemplates the cost of 3 distinct crop years (2009/10, 2010/11 and 2011/12).

<b>Soybeans Invoiced</b>		<b>9M11</b>	<b>9M12</b>	<b>AH</b>	<b>3Q11</b>	<b>3Q12</b>	<b>AH</b>
Volume Invoiced	Ton	319,161	349,891	9.6%	94,768	67,372	-28.9%
Net Revenue	R\$ thousand	195,521	265,637	35.9%	65,077	61,461	-5.6%
Unit Price	R\$ thousand / Ton	0.61	0.78	24.6%	0.69	0.91	31.9%
Cost Total	R\$ thousand	(149,610)	(198,615)	32.8%	(42,708)	(49,117)	15.0%
Unit Cost	R\$ thousand / Ton	(0.47)	(0.57)	21.1%	(0.45)	(0.73)	61.8%
Unitary Margin	R\$ thousand / Ton	0.14	0.19	36.2%	0.24	0.18	-24.4%

Soybeans invoiced in 3Q12 refer to 2011/12 crop year production. The soybean unitary margin in the year accumulated presents an increase of 36.2%, as result of a higher invoice price, partially offset by the increase of unitary cost.

<b>Corn Invoiced</b>		<b>9M11</b>	<b>9M12</b>	<b>AH</b>	<b>3Q11</b>	<b>3Q12</b>	<b>AH</b>
Volume Invoiced	Ton	92,543	155,946	68.5%	49,817	101,826	104.4%
Net Revenue	R\$ thousand	37,765	57,855	53.2%	17,942	34,942	94.7%
Unit Price	R\$ thd / Ton	0.41	0.37	-9.8%	0.36	0.34	-5.6%
Cost Total	R\$ thousand	(19,717)	(41,738)	111.7%	(10,894)	(27,387)	151.4%
Unit Cost	R\$ thd / Ton	(0.21)	(0.27)	25.6%	(0.22)	(0.27)	23.0%
Unitary Margin	R\$ thd / Ton	0.20	0.10	-48.0%	0.14	0.07	-49.7%

Corn invoiced in 3Q12 refers to 2011/12 crop year. The corn unitary margin on the quarter decreased 49.7% against 3Q11, mainly due to the provision for inventory adjustment over market price that increased the cost in R\$4,350 thousand (for this calculation is considered the cost incurred + appropriation of biological asset). This provision is necessary whenever the fair value of the product in stock outperforms the market price.

Of the corn invoiced this quarter, 60% came from farms located in the Mid-West, where prices are lower compared to the Northeast, for this reason the invoiced price didn't reflect the increased prices recorded in the market.

### Production Cost

The composition of our total production cost is as follows (%):

	<b>Cotton<sup>(1)</sup></b>	<b>Soybeans<sup>(1)</sup></b>	<b>Corn<sup>(1)</sup></b>	<b>Avg. 2012/13 <sup>(1)</sup></b>	<b>Avg. 2011/12</b>
<b>Variable Costs</b>	<b>74</b>	<b>63</b>	<b>75</b>	<b>70</b>	<b>72</b>
Seeds	4	7	18	7	5
Fertilizers	21	20	32	22	23
Defensives	23	20	9	20	20
Air Spraying	2	1	1	2	2
Fuels and lubricants	4	4	4	4	4
Labor	2	1	1	1	1
Ginning	9	2	5	6	7
Maintenance of machines and instruments	4	5	3	4	5
Others	5	3	2	4	5
<b>Fixed Costs</b>	<b>26</b>	<b>37</b>	<b>25</b>	<b>30</b>	<b>28</b>
Labor	10	11	8	10	9
Depreciations and amortizations	11	20	13	14	12
Leasings	2	3	2	3	3
Other	3	3	2	3	4

Our estimated total production cost per hectare in 2012/13 crop year is:

Total Production Cost (R\$/ha)	Realized 2011/12	Initially estimated 2012/13 <sup>(1)</sup>	Δ%
Cotton 1 <sup>st</sup> crop	4,955	5,282	6.6
Cotton 2 <sup>nd</sup> crop	3,725	4,049	8.7
Soybeans	1,785	1,889	5.8
Corn 1 <sup>st</sup> crop	2,799	2,868	2.5
Corn 2 <sup>nd</sup> crop	1,331	1,403	5.4

<sup>(1)</sup> Amounts estimated by SLC Agrícola, as of September 30, 2012

For 2012/13, we estimate that the Company's total production cost per hectare should increase by 6.2%, as compared to 2011/12 crop year. Such variation is mainly influenced by higher fertilizers, chemicals and seed costs.

### Gross Income

Gross Income totaled R\$72,999 thousand in 3Q12, a nominal decrease of R\$53,128 thousand as compared to 3Q11. Gross income in 3Q12 was mainly impacted by decreased biological asset appropriation in cotton, due to lower prices practiced in the market during harvest period between quarters. Excluding the effects of biological assets, gross income in the quarter totaled R\$52,406, compared to R\$75,242 in 3Q11, impacted by decreased unitary margins and lower volume invoiced of soybean in the quarter.

In the accumulated of the year, excluding the effects of biological assets, gross income totaled R\$213,756 thousand, an increase of R\$17,835 thousand compared to the same period of 2011.

### Selling Expenses

(R\$ thousand)	9M11	9M12	AH	3Q11	3Q12	AH
Freight	13,792	24,359	76.6%	7,352	9,051	23.1%
Storage	6,295	7,804	24.0%	1,940	2,524	30.1%
Commissions	1,387	2,404	73.3%	97	441	354.6%
Classification of Goods	477	828	73.6%	439	447	1.8%
Export Expenses	4,598	7,513	63.4%	566	1,979	249.6%
Others	(254)	1,014	n.m.	663	135	-79.6%
<b>Total</b>	<b>26,295</b>	<b>43,922</b>	<b>67.0%</b>	<b>11,057</b>	<b>14,577</b>	<b>31.8%</b>
<b>% Net Revenue</b>	<b>3.9%</b>	<b>5.4%</b>	<b>1.5 p.p</b>	<b>4.0%</b>	<b>5.4%</b>	<b>1.4 p.p</b>

Our selling expenses in 3Q12 showed an increase of 31.8% against 3Q11. Such variation was chiefly due to a rise in the cotton lint volume invoiced (with a considerable part of it destined to export) and corn at the period, for which freights are our responsibility. The same effect is recorded at the year accumulated analysis.

### General and Administrative Expenses

(R\$ thousand)	9M11	9M12	AH	3Q11	3Q12	AH
Expenses with personnel	13,906	12,331	-11.3%	4,652	3,623	-22.1%
Provision for profit share program	7,963	3,795	-52.3%	3,289	129	-96.1%
Fees	2,877	3,146	9.4%	854	1,319	54.4%
Depreciations and amortizations	1,082	2,439	125.4%	505	726	43.8%
Expenses with travels	1,465	1,199	-18.2%	454	450	-0.9%
Software maintenance	1,609	1,629	1.2%	477	528	10.7%
Marketing/Advertisement	901	883	-2.0%	76	103	35.5%
Expenses with Communications	949	1,442	51.9%	423	482	13.9%
Rentals	313	449	43.5%	96	170	77.1%
Labor Contingencies	866	606	-30.0%	760	566	-25.5%
Electricity	186	146	-21.5%	62	48	-22.6%
Taxes and other fees	963	603	-37.4%	183	142	-22.4%
Contributions and donations	1,399	361	-74.2%	951	209	-78.0%
Other	2,898	2,009	-30.7%	927	925	-0.2%
<b>Total</b>	<b>37,377</b>	<b>31,038</b>	<b>-17.0%</b>	<b>13,709</b>	<b>9,420</b>	<b>-31.3%</b>
<b>% Net Revenue</b>	<b>5.5%</b>	<b>3.8%</b>	<b>-1.7 p.p</b>	<b>5.0%</b>	<b>3.5%</b>	<b>-1.5 p.p</b>

Our general and administrative expenses decreased 31.3% in 3Q12 compared to 3Q11, mainly due to the reduction at the Profit Share Program appropriation in the period. The same effect is recorded at the year accumulated analysis.

### Net Financial Income

(R\$ thousand)	9M11	9M12	AH	3Q11	3Q12	AH
Revenues (expenses) with derivatives	(8,375)	2,499	n.m.	2,740	(2,643)	n.m.
Interest	(8,991)	(23,346)	159.7%	(1,808)	(7,857)	334.6%
Monetary variation	(1,150)	(78,079)	n.m.	(7,549)	(26,186)	246.9%
FX variation	8,086	3,833	-52.6%	(701)	(1,824)	160.2%
Other financial revenues (expenses)	(2,112)	(3,001)	42.1%	1,192	(1,015)	n.m.
<b>Total</b>	<b>(12,542)</b>	<b>(98,094)</b>	<b>682.1%</b>	<b>(6,126)</b>	<b>(39,525)</b>	<b>545.2%</b>
<b>% Net Revenue</b>	<b>-1.8%</b>	<b>-12.0%</b>	<b>-10.1 p.p</b>	<b>-2.2%</b>	<b>-14.7%</b>	<b>-12.5 p.p</b>

Our net financial income was (R\$39,525) thousand in 3Q12, against (R\$6,126) thousand at the same period of the previous year. Such variation was mainly influenced by:

- Monetary Variation: debt related to land purchase is linked to the soybean price in Reais, which, in 3Q12, had an average appreciation of 16%. This variation doesn't have cash effect, once it represents land payment due until 2017;
- Interest: R\$ 242,527 thousand increase in net debt between quarters. Furthermore, in 3Q11 there was a 15% "Compliance Bonus" related to Northeast Constitutional funds, as the maturity occurred at that time of the year, while in 2012 this bonus is going to be partially recognized at 4Q12 when it matures.

Financial expenses in 9M12 increased R\$85,552 thousand, mainly due to an approximate 74% variation in soybean prices, which impacted mark to market of the debt linked to land acquisitions, while net interest appropriation in 9M12 increased R\$14,355 thousand due to increased debt.

## Net Income

Our net income of (R\$303) thousand in 3Q12 represents a nominal decrease of R\$62,918 thousand compared to the R\$62,609 thousand recorded in 3Q11, impacted mainly by the gross profit reduction and negative monetary variation.

The effective tax rate on net loss was 49.8% in 3Q12, mainly due to the fact that one of the company's subsidiaries, which is taxed by the presumed profit regime, presented a taxable income, but recorded a net operating loss. The net loss was due the recognition of negative monetary variation in financial expenses (which is not included under the base of calculation for the presumed profit methodology). Such variation came from adjustment of debt related to land acquisition, which is tied to the soybean bag price. This fact distorts the effective consolidated aliquot.

In the accumulated of year, net margin was (1.5%), against 18.6% in 9M11. The main impacts were monetary variation and biological asset appropriation.

## FX and Agricultural Commodities Hedges

Company's sales revenues are mainly generated by the trading of agricultural commodities such as cotton, soybeans and corn; products which are quoted in US Dollar in international stock exchanges as the *Chicago Board of Trade - CBOT* and *Intercontinental Exchange Futures US - ICE*. Therefore, we are actively exposed to FX variation and to the prices of these commodities. For the purpose of protection against FX rate variation, financial derivative instruments are used, the portfolio of which basically comprises Non Deliverable Forward - NDF and Option agreements.

In line with the Company's Risk Management Policy – which the purpose is to obtain a pre-established EBITDA margin with a combination of factors such as Price, FX and Cost – most of the instruments for protection against commodity price variation are accomplished through advanced sales directly with our clients (forward contracts). Furthermore, futures and options contracts are used, traded within a stock exchange environment, and swap and options financial transactions with financial institutions. Future, swaps and options operations have their mark-to-market registered under financial income.

Following is our position in commodities hedge (in relation to the total sales volume) and FX hedges (in relation to total revenue in US Dollar) – divided into commercial hedge and financial hedge – on September 30, 2012:

## Commercial (Physical Sales) and FX Hedge

Civil Year	%	FX rate <sup>(4)</sup>		Soybeans		Cotton	
		R\$ / US\$	%	US\$ / bushel <sup>(1) (2) (3)</sup>	%	US¢ / lb <sup>(1) (2)</sup>	
2012	76.0	1.8240	73.9	14.22	92.5	99.9	
2013	31.4	2.0016	39.9	13.39	27.2	86.0	
2014	1.3	2.0295					

<sup>(1)</sup> FOB Port.

<sup>(2)</sup> Prices in our production units are still influenced by transportation expenses.

<sup>(3)</sup> The percentage hedged don't include pledges with payments of properties and leasing that correspond to 24% of crop productions of 2011/2012 and 16.5% of the production of 2012/13.

<sup>(4)</sup> The percentage hedged does not include pledges with FX payments that correspond to 17.2% of FX revenue.

## Commodities Financial Hedge

Civil Year	%	Cotton		%	Soybean	
		US¢ / lb	Base Price for MTM as of 09/28/2012		US\$ / bushel	Base Price for MTM as of 09/28/2012
2012	5	91.5	70.65	-	-	-
2013	3	87.1	71.68	-	-	-

**NOTE:** Unlike FX hedge operations, financial hedge operations for commodities, due to their nature, were not classified under the hedge accounting methodology; therefore, they pass through the income statement even before their due date. The mark-to-market for such operations (which was based on the closing quotation prices of 09/28/2012) is shown under Financial Income, in Gains and Losses with Derivatives. For projections of results related to these operations, it is important to stress that any additional price fluctuation will be recognized under financial income (gain or loss), offset in equal proportion, but in reverse, under net revenue (increase or decrease), that in this case will reflect the physical sale of the product at issue.

## Property, Plant and Equipment / Intangible

CAPEX (R\$ thousand)	9M12	AV	3Q12	AV
Machinery, implements and equipment	49,274	37.0%	15,136	28.9%
Land acquisition	1,950	1.5%	-	0.0%
Soil correction	40,095	30.1%	24,829	47.4%
Buildings and facilities	10,717	8.1%	4,954	9.5%
Cotton ginning plant	6,654	5.0%	1,016	1.9%
Grains storage	6,373	4.8%	161	0.3%
Soil cleaning	8,982	6.8%	4,907	9.4%
Vehicles	6,742	5.1%	848	1.6%
Others	2,321	1.7%	497	0.9%
<b>Total</b>	<b>133,108</b>	<b>100.0%</b>	<b>52,348</b>	<b>100.0%</b>

The main investments in 3Q12 were:

- Acquisition of 8 tractors, 8 harvesters, 8 planters and 3 sprayers totaling R\$10,902 thousand;
- Soil correction totaling R\$24,829 thousand related to the opening of new areas in Parnaíba, Parceiro, Piratini and Paineira Farms, as well as maintenance of soil corrections in some old areas.

## Financial Net Debt

(R\$ thousand)	Annual Average Interest Rate			Consolidated	
	Currency	3Q12	2Q12	3Q12	2Q12
Applied in Fixed Assets					
Finame – BNDES	Pré e TJLP	6.3%	6.4%	43,119	44,859
Constitutional Funds <sup>(1)</sup>	-	7.3%	7.3%	89,164	98,650
Financing Investments	US\$ e Libor	5.7%	5.7%	23,652	23,993
				155,935	167,502
Applied in Working Capital					
Rural Credit	-	5.7%	6.8%	120,020	132,033
Constitutional Funds <sup>(1)</sup>	-	7.3%	7.3%	106,399	148,033
Working Capital		8.2%	0.0%	55,012	0
External Loans	US\$, Libor + Pré	4.1%	4.0%	398,191	419,831
		5.4%	5.5%	679,622	699,896
Total Indebtedness				835,557	867,398
(-) Cash				160,885	135,280
(=) Net Debt				674,672	732,118
Net Debt/ Adjusted EBITDA				2,0x	2,1x
Net Debt/NAV				25.2%	27.9%

(1) For calculation of the average cost of Constitutional Funds, we consider a discount of 15% regarding the performance bonus applicable to these operations.

In 3Q12 net debt decreased 7.85%, from R\$732,118 thousand in 2Q12 to R\$674,672 thousand, mainly due to the capital injection in SLC LandCo by Valiance, totaling R\$60,438 thousand.

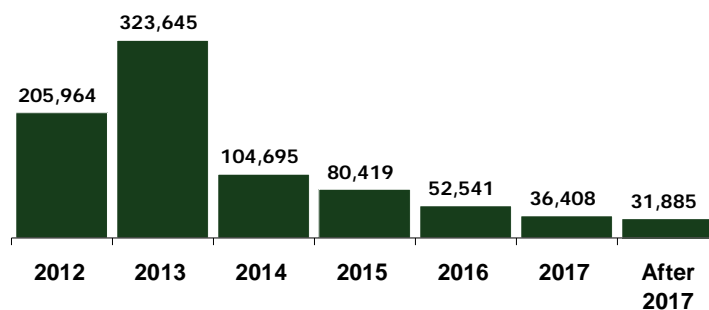
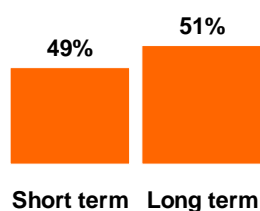
There was a decrease in the debtor balance in all credit lines, especially in Constitutional funds, due to the delay in renewal of working capital operations in the Northeast.

The exchange rate variation relative to Trade Finance operations was booked under the hedge accounting methodology.

The net debt/Adjusted EBITDA ratio had a slight reduction in 3Q12 (compared to 2Q12) set at 2.0 times.

**3Q12 Debt Profile (%)**

**3Q12 Long-term Debt Schedule  
(R\$ thousand)**



## Indicators

The Company believes that the calculation of Return on Equity, Return on Net Assets and Return on Invested Capital should consider, in addition to the earnings of the period, also net annual appreciation (based on the report of an independent auditor held every year) of the value of the land portfolio.

## Return on Equity

(R\$ million)	2009	2010	2011	9M12
Net Profit <sup>(1)</sup>	9	59	160	(12)
Net Land Appreciation <sup>(2)</sup>	163	(36)	179	279
<b>Subtotal</b>	<b>172</b>	<b>23</b>	<b>338</b>	<b>267</b>
Shareholder's Equity <sup>(3)</sup>	1,807	1,839	2,063	2,276
<b>Return-on-equity</b>	<b>9.5%</b>	<b>1.3%</b>	<b>16.4%</b>	<b>11.7%</b>

<sup>(1)</sup> Year-to-date for 2012

<sup>(2)</sup> Based on independent land appraisal (Deloitte), net of taxes

<sup>(3)</sup> Adjusted for land appreciation

## Net Asset Value

(R\$ million)	3Q12
Land <sup>(1)</sup>	1,448
LandCo Farms <sup>(2)</sup>	465
Acquisitions after Deloitte's Appraisal <sup>(3)</sup>	246
Infrastructure (excl. land)	767
Accounts Receivable (excl. derivatives)	145
Inventories (excl. non-cash)	418
Biological Assets (excl. non-cash)	196
Cash	161
<b>Subtotal</b>	<b>3,847</b>
Suppliers	92
Gross Debt	835
Outstanding debt related to land acquisitions	242
<b>Subtotal</b>	<b>1,169</b>
<b>Net Asset Value</b>	<b>2,678</b>
<b>Net Asset Value per Share</b>	<b>27.1</b>

<sup>(1)</sup> Based on independent land appraisal (Deloitte), net of taxes

<sup>(2)</sup> Considering negotiated value at LandCo transaction, net of taxes

<sup>(3)</sup> Acquisition price, net of taxes

## Return on Net Assets (RONA)

(R\$ million)	2009	2010	2011	9M12
Net Profit <sup>(1)</sup>	9	59	160	(12)
Net Land Appreciation <sup>(2)</sup>	163	(36)	179	279
<b>Subtotal</b>	<b>172</b>	<b>23</b>	<b>339</b>	<b>267</b>
Invested Capital	2,566	2,599	3,196	3,656
Working Capital	434	395	504	640
Net Assets <sup>(3)</sup>	2,132	2,203	2,692	3,015
<b>Return</b>	<b>6.7%</b>	<b>0.9%</b>	<b>10.6%</b>	<b>7.3%</b>

<sup>(1)</sup> Year-to-date for 2012

<sup>(2)</sup> Based on independent land appraisal (Deloitte), net of taxes

<sup>(3)</sup> Adjusted for land appreciation

## Indicators

### Changes in Working Capital

Changes in Working Capital (R\$ thd)	4Q11	1Q12	2Q12	3Q12
<b>Assets</b>				
Trade accounts receivable	104,852	123,538	91,445	159,792
<i>Hedge Accounting + Inventory Adjustment (non-cash)</i>	(15,283)	(15,277)	(12,158)	(14,593)
Inventories	410,416	259,321	305,073	441,793
<i>Biological Assets + (non-cash)</i>	(48,666)	(52,768)	(24,789)	(23,363)
Recoverable Taxes	69,701	56,027	73,730	83,842
Biological Assets	264,772	390,452	365,041	206,778
<i>Biological Assets (non-cash)</i>	(7,129)	(64,648)	(4,870)	(10,989)
Expenses incurred in advance	6,891	5,834	6,677	4,334
<b>Subtotal</b>	<b>785,554</b>	<b>702,479</b>	<b>800,149</b>	<b>847,594</b>
<b>Liabilities</b>				
Suppliers	117,919	40,388	50,376	92,094
Tax and Social Obligations	24,377	16,033	19,538	22,428
Others	270,913	297,822	269,138	259,827
<i>Land Payables</i>	(113,876)	(109,804)	(127,345)	(133,471)
<i>Hedge Accounting (non-cash)</i>	(37,349)	(20,138)	(56,353)	(48,677)
Provisions	19,648	11,361	12,672	15,172
<b>Subtotal</b>	<b>281,632</b>	<b>235,662</b>	<b>168,026</b>	<b>207,373</b>
<b>Total</b>	<b>503,922</b>	<b>466,817</b>	<b>632,123</b>	<b>640,221</b>
<b>Change in WC</b>	<b>-46,917</b>	<b>-37,105</b>	<b>165,306</b>	<b>8,098</b>

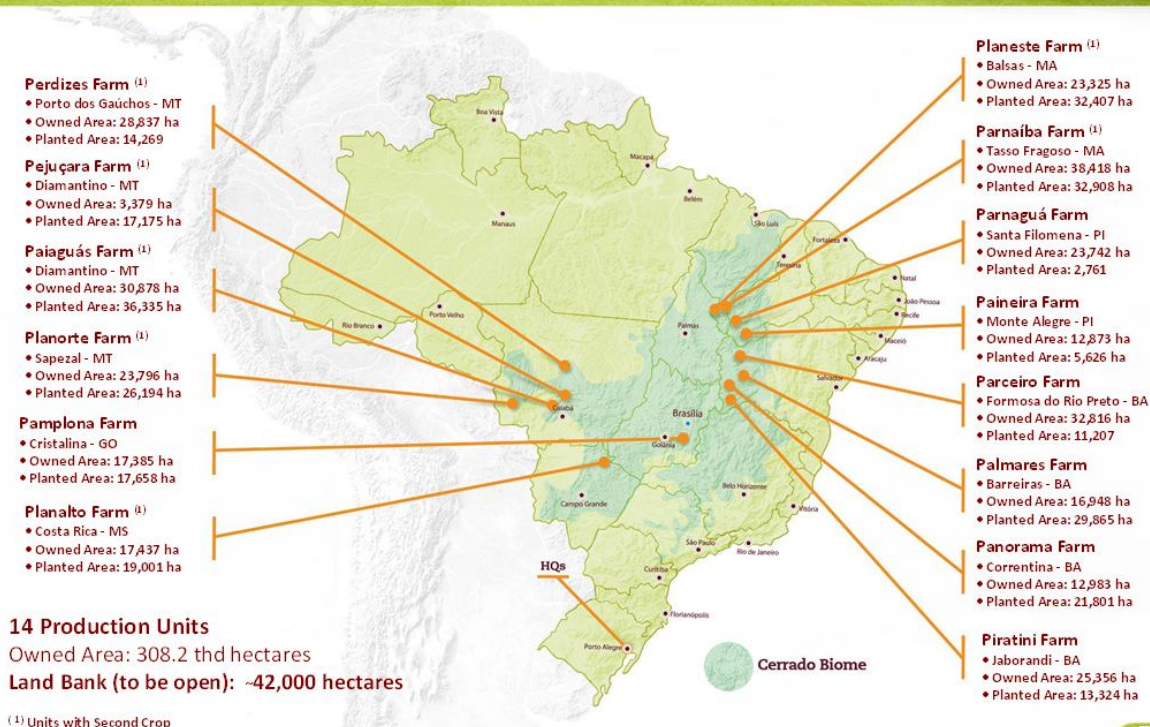
### Return on Invested Capital

(R\$ million)	2009	2010	2011	9M12
Operating Income	11	126	257	8
Taxes (%)	20.5%	30.1%	33.7%	33.7%
Taxes (nominal)	(2)	(38)	(87)	(3)
Adjusted Operating Income	9	88	170	5
Net Land Appreciation	163	(36)	179	279
<b>Operating Income w/ land appreciation</b>	<b>172</b>	<b>52</b>	<b>349</b>	<b>285</b>
Invested Capital	2,125	2,179	2,572	2,950
Gross Debt (short and long term)	461	450	640	835
Cash	142	110	131	161
Net Debt	318	339	510	674
Shareholder's Equity <sup>(1)</sup>	1,807	1,839	2,063	2,276
<b>Return on Invested Capital</b>	<b>8.1%</b>	<b>2.4%</b>	<b>13.6%</b>	<b>9.6%</b>

<sup>(1)</sup> Adjusted for Land Appreciation

## Location of Production Units

### STRATEGIC AND DIVERSIFIED LOCATION OF FARMS



### **Adherence to Arbitration Chamber**

The Company is subject to arbitration on the Market Arbitration Chamber as expressed in a compulsory clause included in its By-laws.

### **Independent Auditors**

KPMG Independent Auditors was hired by the Company to provide services of external auditor related to the examination of the Company's quarter financial reports from July to September, 2012. In compliance with CVM Instruction 381/03, we hereby inform that this auditing company did not proceed, in 2012, services non-related to external auditor for which fees were higher than 5% of the amount paid for the external auditor service.

## Contacts



CNPJ no. 89.096.457/0001-55 - NIRE 43.300.047.521

Rua Bernardo Pires, no. 128 - 4<sup>th</sup> floor

CEP: 90.620 – 010 / Porto Alegre, RS

**Ivo Marcon Brum**

Chief Financial and Investor Relations Officer

**Frederico Logemann**

Investor Relations Manager

**Mariana Pimentel**

IR Department

**Rakan Damra**

IR Department

Phone: + 55 (51) 3230.7864

[www.slcagricola.com.br/ri](http://www.slcagricola.com.br/ri)

[ri@slcagricola.com.br](mailto:ri@slcagricola.com.br)

*We make forward-looking statements that are subject to risks and uncertainties. Such statements are based on beliefs and assumptions of our Management and on information currently available to the Company. Forward-looking statements include information on our current intentions, beliefs or expectations, as well as those of the Company's Board of Directors and its Officers.*

*Disclaimers involving forward-looking statements include information on potential or assumed operating results as well as statements that are preceded, followed or include the words "believe", "may", "will", "continue", "expect", "project", "intend", "plan", "estimate" or similar expressions.*

*Forward-looking statements and information provide no guarantee of performance. They involve risks, uncertainties and assumptions because they refer to future events. Therefore, they depend on circumstances that may or may not occur. Future results and the creation of value for shareholders may differ significantly from the ones expressed or suggested in the forward-looking statements. Many factors that will determine these results and values are beyond our capacity to control or predict.*

### Teleconference 3Q12

Date: Wednesday, November 14, 2012

#### > Portuguese

10h00 (Brasília time)

07h00 (New York time)

12h00 (London time)

Phone.: +55 (11) 2188-0155

Code: SLC Agrícola

Replay: +55 (11) 2188-0155

Code: SLC Agrícola

#### >English

12h00 (Brasília time)

09h00 (New York time)

14h00 (London time)

Phone.: +1 (412) 317-6776

Code: SLC Agrícola

Replay: +1 (412) 317-0088

Code: 10019000

## Appendix

### Balance Sheet - Assets

(R\$ thd)	2011	AV	3Q12	AV	AH
<b>Current Assets</b>	<b>987,095</b>	<b>27.5%</b>	<b>1,057,424</b>	<b>28.4%</b>	<b>7.1%</b>
Cash and cash equivalents	130,463	3.6%	160,885	4.3%	23.3%
Cash and cash equivalents	130,463	3.6%	160,885	4.3%	23.3%
Accounts receivable	104,852	2.9%	159,792	4.3%	52.4%
Trade accounts receivable	54,335	1.5%	98,347	2.6%	81.0%
Other accounts receivable	50,517	1.4%	61,445	1.7%	21.6%
Advances to suppliers	17,774	0.5%	26,573	0.7%	49.5%
Operations with derivatives	15,283	0.4%	14,593	0.4%	-4.5%
Securities and credits receivable	13,180	0.4%	13,007	0.3%	-1.3%
Other accounts receivable	4,280	0.1%	7,272	0.2%	69.9%
Inventories	410,416	11.4%	441,793	11.9%	7.6%
Biological assets	264,772	7.4%	206,778	5.6%	-21.9%
Cotton Lint	142,603	4.0%	182,025	4.9%	27.6%
Soybean	96,273	2.7%	16,368	0.4%	-83.0%
Corn	20,308	0.6%	4,243	0.1%	-79.1%
Coffee	3,221	0.1%	1,556	0.0%	-51.7%
Others	2,367	0.1%	2,586	0.1%	9.3%
Current taxes recoverable	69,701	1.9%	83,842	2.3%	20.3%
Prepaid expenses	6,891	0.2%	4,334	0.1%	-37.1%
<b>Non-current assets</b>	<b>2,597,358</b>	<b>72.5%</b>	<b>2,661,202</b>	<b>71.6%</b>	<b>2.5%</b>
Long term assets	37,589	1.0%	59,537	1.6%	58.4%
Biological assets	14,925	0.4%	14,510	0.4%	-2.8%
Deferred taxes	143	0.0%	8,165	0.2%	n.m.
Other non-current assets	19,811	0.6%	29,338	0.8%	48.1%
Operations with derivatives	894	0.0%	201	0.0%	-77.5%
Accounts receivable	12,967	0.4%	22,617	0.6%	74.4%
Recoverable taxes	4,940	0.1%	5,188	0.1%	5.0%
Other accounts receivable	1,010	0.0%	1,332	0.0%	31.9%
Prepaid expenses	2,710	0.1%	7,524	0.2%	177.6%
Investments	367	0.0%	415	0.0%	13.1%
Equity interest	367	0.0%	415	0.0%	13.1%
Other equity interest	367	0.0%	415	0.0%	13.1%
Property, plant and equipment	2,549,337	71.1%	2,592,621	69.7%	1.7%
Fixed assets in operation	2,536,328	70.8%	2,570,708	69.1%	1.4%
Constructions in progress	13,009	0.4%	21,913	0.6%	68.4%
Intangible assets	10,065	0.3%	8,629	0.2%	-14.3%
Intangible assets	10,065	0.3%	8,629	0.2%	-14.3%
Other	10,065	0.3%	8,629	0.2%	-14.3%
<b>Total Assets</b>	<b>3,584,453</b>	<b>100.0%</b>	<b>3,718,626</b>	<b>100.0%</b>	<b>3.7%</b>

## Appendix

### Balance Sheet - Liabilities

(R\$ thd)	2011	AV	3Q12	AV	AH
<b>Current liabilities</b>	<b>817,592</b>	<b>22.8%</b>	<b>802,665</b>	<b>21.6%</b>	<b>-1.8%</b>
Social and labor obligations	3,226	0.1%	3,794	0.1%	17.6%
Social charges	3,025	0.1%	3,440	0.1%	13.7%
Labor obligations	201	0.0%	354	0.0%	76.1%
Suppliers	117,919	3.3%	92,094	2.5%	-21.9%
Domestic suppliers	117,919	3.3%	92,094	2.5%	-21.9%
Tax liabilities	21,151	0.6%	18,634	0.5%	-11.9%
Federal tax liabilities	20,411	0.6%	17,776	0.5%	-12.9%
Income and social contribution tax payable	18,964	0.5%	16,424	0.4%	-13.4%
Taxes, fees and sundry contributions	1,447	0.0%	1,352	0.0%	-6.6%
State tax liabilities	599	0.0%	779	0.0%	30.1%
Municipal tax liabilities	141	0.0%	79	0.0%	-44.0%
Loans and financing	384,735	10.7%	413,143	11.1%	7.4%
Loans and financing	384,735	10.7%	413,143	11.1%	7.4%
In local currency	277,401	7.7%	317,946	8.6%	14.6%
In foreign currency	107,334	3.0%	95,197	2.6%	-11.3%
Others	270,913	7.6%	259,828	7.0%	-4.1%
Others	270,913	7.6%	259,828	7.0%	-4.1%
Securities payable	113,876	3.2%	133,471	3.6%	17.2%
Advances from clients	67,613	1.9%	62,300	1.7%	-7.9%
Operations with derivatives	37,349	1.0%	48,677	1.3%	30.3%
Minimum compulsory dividend payable	38,654	1.1%	-	0.0%	n.m
Lease	4,704	0.1%	4,068	0.1%	-13.5%
Other debits	8,717	0.2%	11,312	0.3%	29.8%
Provisions	19,648	0.5%	15,172	0.4%	-22.8%
Tax, social security, labor and civil provisions	19,648	0.5%	15,172	0.4%	-22.8%
Tax provisions	160	0.0%	160	0.0%	0.0%
Social security and labor provisions	5,580	0.2%	9,892	0.3%	77.3%
Provisions to employee benefits	12,570	0.4%	3,742	0.1%	-70.2%
Provision for labor contingencies	1,338	0.0%	1,378	0.0%	3.0%
<b>Non-current liabilities</b>	<b>846,625</b>	<b>23.6%</b>	<b>982,938</b>	<b>26.4%</b>	<b>16.1%</b>
Loans and financing	255,296	7.1%	422,414	11.4%	65.5%
Loans and financing	255,296	7.1%	422,414	11.4%	65.5%
In local currency	109,349	3.1%	95,551	2.6%	-12.6%
In foreign currency	145,947	4.1%	326,863	8.8%	124.0%
Other liabilities	134,607	3.8%	111,292	3.0%	-17.3%
Securities payable	128,505	3.6%	108,155	2.9%	-15.8%
Operations with derivatives	5,554	0.2%	2,589	0.1%	-53.4%
Other debits	548	0.0%	548	0.0%	0.0%
Deferred income and social contribution taxes	456,722	12.7%	449,232	12.1%	-1.6%
<b>Shareholders' equity</b>	<b>1,920,236</b>	<b>53.6%</b>	<b>1,933,023</b>	<b>52.0%</b>	<b>0.7%</b>
Realized capital	557,434	15.6%	557,434	15.0%	0.0%
Capital reserves	172,954	4.8%	188,289	5.1%	8.9%
Goodwill in the issue of shares	176,534	4.9%	177,421	4.8%	0.5%
Options granted	15,952	0.4%	19,851	0.5%	24.4%
Profit reserves	(19,532)	-0.5%	(8,983)	-0.2%	-54.0%
Profit reserves	287,295	8.0%	264,093	7.1%	-8.1%
Legal reserve	2,851	0.1%	2,851	0.1%	0.0%
Profit retention reserve	5,628	0.2%	5,628	0.2%	0.0%
Statutory reserve	278,816	7.8%	255,614	6.9%	-8.3%
Retained Earnings/Losses	-	0.0%	(1,893)	-0.1%	n.m
Other comprehensive income	902,553	25.2%	879,351	23.7%	-2.6%
Non-controlling interests	-	-	45,749	1.2%	n.m
<b>Total Liabilities</b>	<b>3,584,453</b>	<b>100.0%</b>	<b>3,718,626</b>	<b>100.0%</b>	<b>3.7%</b>

## Income Statement

(R\$ thd)	3Q11	3Q12	AV	AH	9M11	9M12	AV	AH
<b>Net Revenue</b>	<b>275,682</b>	<b>268,251</b>	<b>100.0%</b>	<b>-2.7%</b>	<b>682,063</b>	<b>819,850</b>	<b>100.0%</b>	<b>20.2%</b>
Cotton lint	66,319	105,362	39.3%	58.9%	185,676	345,195	42.1%	85.9%
Cotton seed	21,339	27,438	10.2%	28.6%	26,350	37,020	4.5%	40.5%
Soybean	65,077	61,461	22.9%	-5.6%	195,521	265,637	32.4%	35.9%
Corn	17,942	34,942	13.0%	94.7%	37,765	57,855	7.1%	53.2%
Coffee	21	238	0.1%	n.m.	3,344	3,672	0.4%	9.8%
Others	2,396	(185)	-0.1%	-107.7%	5,970	3,343	0.4%	-44.0%
Hedge revenue	9,610	(8,945)	-3.3%	-193.1%	28,582	(9,590)	-1.2%	-133.6%
Biological assets	92,978	47,940	17.9%	-48.4%	198,855	116,718	14.2%	-41.3%
<b>Cost of good sold</b>	<b>(149,555)</b>	<b>(195,252)</b>	<b>-72.8%</b>	<b>30.6%</b>	<b>(406,972)</b>	<b>(639,277)</b>	<b>-78.0%</b>	<b>57.1%</b>
Cotton lint	(38,366)	(66,479)	-24.8%	73.3%	(95,049)	(210,900)	-25.7%	121.9%
Cotton seed	(14,650)	(23,325)	-8.7%	59.2%	(17,991)	(30,841)	-3.8%	71.4%
Soybean	(42,708)	(49,117)	-18.3%	15.0%	(149,610)	(198,615)	-24.2%	32.8%
Corn	(10,894)	(27,387)	-10.2%	151.4%	(19,717)	(41,738)	-5.1%	111.7%
Coffee	(21)	(237)	-0.1%	n.m.	(1,972)	(2,468)	-0.3%	25.2%
Others	(823)	(1,360)	-0.5%	65.2%	(2,948)	(4,814)	-0.6%	63.3%
Biological assets	(42,093)	(27,347)	-10.2%	-35.0%	(119,685)	(149,901)	-18.3%	25.2%
<b>Gross Income</b>	<b>126,127</b>	<b>72,999</b>	<b>27.2%</b>	<b>-42.1%</b>	<b>275,091</b>	<b>180,573</b>	<b>22.0%</b>	<b>-34.4%</b>
<b>Operating expenses/income</b>	<b>(25,582)</b>	<b>(24,620)</b>	<b>-9.2%</b>	<b>-3.8%</b>	<b>(69,596)</b>	<b>(74,498)</b>	<b>-9.1%</b>	<b>7.0%</b>
Sales expenses	(11,057)	(14,577)	-5.4%	31.8%	(26,295)	(43,922)	-5.4%	67.0%
General and administrative expenses	(13,709)	(9,420)	-3.5%	-31.3%	(37,377)	(31,038)	-3.8%	-17.0%
Management compensation	(2,074)	(1,026)	-0.4%	-50.5%	(5,828)	(3,764)	-0.5%	-35.4%
Other operating income	564	403	0.2%	n.m.	884	4,226	0.5%	n.m.
Other operating expenses	694	-	0.0%	n.m.	(980)	-	0.0%	n.m.
<b>Income (loss) before financial income (loss) and taxes</b>	<b>100,545</b>	<b>48,379</b>	<b>18.0%</b>	<b>-51.9%</b>	<b>205,495</b>	<b>106,075</b>	<b>12.9%</b>	<b>-48.4%</b>
<b>Financial income (loss)</b>	<b>(6,126)</b>	<b>(39,525)</b>	<b>-14.7%</b>	<b>545.2%</b>	<b>(12,542)</b>	<b>(98,094)</b>	<b>-12.0%</b>	<b>682.1%</b>
Financial income	18,604	28,764	10.7%	54.6%	74,013	94,605	11.5%	27.8%
Financial expenses	(24,730)	(68,289)	-25.5%	176.1%	(86,555)	(192,699)	-23.5%	122.6%
<b>Income (loss) before income tax</b>	<b>94,419</b>	<b>8,854</b>	<b>3.3%</b>	<b>-90.6%</b>	<b>192,953</b>	<b>7,981</b>	<b>1.0%</b>	<b>-95.9%</b>
<b>Income and social contribution taxes</b>	<b>(31,810)</b>	<b>(9,157)</b>	<b>-3.4%</b>	<b>-71.2%</b>	<b>(65,964)</b>	<b>(20,397)</b>	<b>-2.5%</b>	<b>-69.1%</b>
Current	(6,086)	(918)	-0.3%	-84.9%	(11,467)	(16,505)	-2.0%	43.9%
Deferred	(25,724)	(8,239)	-3.1%	-68.0%	(54,497)	(3,892)	-0.5%	-92.9%
<b>Net Profit/loss consolidated period</b>	<b>62,609</b>	<b>(303)</b>	<b>-0.1%</b>	<b>n.m.</b>	<b>126,989</b>	<b>(12,416)</b>	<b>-1.5%</b>	<b>-109.8%</b>
Attributable to owners of the parent		(670)	n.m.	n.m.	-	(12,783)	n.m.	n.m.
Attributable to non-controlling interests	-	367	n.m.	n.m.	-	367	n.m.	n.m.

## Statement of Value Added

(R\$ thd)	9M11	9M12	AH
<b>Revenues</b>	<b>729,635</b>	<b>938,089</b>	<b>28.6%</b>
Sale of merchandise, products and services	490,062	745,684	52.2%
Other income	200,730	126,331	-37.1%
Income from construction of own assets	1,875	9,613	412.7%
Variation of the fair value of biological assets	198,855	116,718	-41.3%
Other income	38,843	66,074	70.1%
<b>Inputs acquired from third parties</b>	<b>(373,785)</b>	<b>(564,943)</b>	<b>51.1%</b>
Cost of goods, merchandise and services sold	(1,885)	(4,659)	147.2%
Materials, Energy, Third-party services and other	(113,361)	(186,528)	64.5%
Loss/recovery of asset values	9	(4,102)	n.m
Others	(258,548)	(369,654)	43.0%
Raw material used	(138,864)	(219,754)	58.3%
Adjustment of fair value of biological assets	(119,684)	(149,900)	25.2%
<b>Gross added value</b>	<b>355,850</b>	<b>373,146</b>	<b>4.9%</b>
<b>Retentions</b>	<b>(43,444)</b>	<b>(71,968)</b>	<b>65.7%</b>
Depreciation, amortization and depletion	(43,444)	(71,968)	65.7%
<b>Net added value produced</b>	<b>312,406</b>	<b>301,178</b>	<b>-3.6%</b>
<b>Added value received as transfer</b>	<b>102,739</b>	<b>87,523</b>	<b>-14.8%</b>
Financial income	102,596	87,305	-14.9%
Others	143	218	52.4%
<b>Total added value payable</b>	<b>415,145</b>	<b>388,701</b>	<b>-6.4%</b>
<b>Distribution of added value</b>	<b>415,145</b>	<b>388,701</b>	<b>-6.4%</b>
<b>Personnel</b>	<b>64,899</b>	<b>86,278</b>	<b>32.9%</b>
Direct remuneration	36,187	55,237	52.6%
Benefits	25,817	26,545	2.8%
F.G.T.S.	2,895	4,496	55.3%
<b>Taxes, rates and contributions</b>	<b>129,371</b>	<b>110,726</b>	<b>-14.4%</b>
Federal	116,669	73,271	-37.2%
State	12,678	37,448	195.4%
Municipal	24	7	-70.8%
<b>Third-party capital remuneration</b>	<b>93,886</b>	<b>204,113</b>	<b>117.4%</b>
Interest	87,153	192,853	121.3%
Rents	6,733	11,260	67.2%
<b>Remuneration of own capital</b>	<b>126,989</b>	<b>(12,416)</b>	<b>n.m.</b>
Retained earnings/loss for the period	126,989	(12,416)	n.m.

## Cash Flow Statement

(R\$ thd)	9M11	9M12	AH
<b>Net cash from operational activities</b>	<b>67,080</b>	<b>17,370</b>	<b>-74.1%</b>
<b>Cash generated in operations</b>	<b>224,021</b>	<b>227,444</b>	<b>1.5%</b>
Net income (loss) before income and social contribution taxes	192,953	7,981	-95.9%
Depreciation and amortization	43,444	71,968	65.7%
Income from write-off of permanent assets	11,842	19,335	63.3%
Interest, foreign exchange variation and price-level restatement	46,398	87,638	88.9%
Variation in biological assets	(79,170)	33,181	n.m.
Provision (reversal) of inventory adjustments and onerous contracts	591	3,586	506.8%
Provision (reversal) of profit sharing and labor contingencies	7,963	3,755	n.m.
<b>Changes in assets and liabilities</b>	<b>(156,941)</b>	<b>(210,074)</b>	<b>33.9%</b>
Trade accounts receivable	(17,639)	(44,012)	149.5%
Inventories and biological assets	(147,887)	(9,770)	-93.4%
Recoverable taxes	(5,404)	(14,388)	166.2%
Accounts receivable	4,317	6,475	50.0%
Interest earnings bank deposits-pledged	12,803	(2)	n.m.
Other accounts receivable	(20,388)	(13,953)	-31.6%
Suppliers	(32,667)	(38,824)	18.8%
Taxes and social payables	19,855	(18,455)	n.m.
Operations with derivatives	(8,414)	30,567	n.m.
Securities payable	35,115	(94,786)	n.m.
Advances from clients	53,993	(5,313)	n.m.
Other accounts payable	(50,625)	(7,613)	-85.0%
<b>Net cash used in investment activities</b>	<b>(170,448)</b>	<b>(133,576)</b>	<b>-21.6%</b>
In Investment	122	(49)	n.m.
In Fixed assets	(169,926)	(133,108)	-21.7%
In Intangible assets	(644)	(419)	-34.9%
<b>Net cash generated/(consumed) in financing activities</b>	<b>81,438</b>	<b>146,628</b>	<b>80.0%</b>
Sale (repurchase) of shares	(6,162)	11,436	-285.6%
Option plan	5,004	3,899	-22.1%
Loans and financing obtained	444,842	433,300	-2.6%
Loans and financing paid	(346,654)	(300,590)	-13.3%
Dividends paid	(15,592)	(61,855)	296.7%
Payment of capital	-	60,438	n.m.
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(21,930)</b>	<b>30,422</b>	<b>n.m.</b>
Opening balance of cash and cash equivalents	110,219	130,463	18.4%
Closing balance of cash and cash equivalents	<b>88,289</b>	<b>160,885</b>	<b>82.2%</b>

## Agricultural weights and measures

1 ton	1.000 kg
1 kg	2.20462 lb
1 lb	0.45359 kg
1 acre	0.40469 hectares
1 acre	0.1840 bushel
1 hectare (ha)	2.47105 acres
1 hectare (ha)	10.000 m <sup>2</sup>
1 bushel	5.4363 acres

### Soybeans and Wheat

1 bushel of soybean	60 lb	27.2155 kg
1 bag of soybean	60 kg	2.20462 bushels
1 bushel/acre	67.25 kg/ha	
1.00 US\$/bushel	2.2046 US\$/bag	

### Corn

1 bushel of corn	56 lb	25.4012 kg
1 bag of corn	60 kg	2.36210 bushels
1 bushel/acre	62.77 kg/ha	
1.00 US\$/bushel	2.3621 US\$/bag	

### Cotton

1 bale	480 lb	217.72 kg
1 arroba	14.68 kg*	

### Coffee

1 bag of coffee	60 kg	132.28 lb
1.00 US\$/lb	1.3228 US\$/bag	

\* The market and our Company consider 15.00Kg.