



## Net income of R\$83.1 million in 1S13, with net margin of 14.5%

**Porto Alegre, August 7, 2013** – SLC AGRÍCOLA S.A. (Bovespa: SLCE3; ADR: SLCJY; Bloomberg: SLCE3BZ; Reuters: SLCE3.SA), one of Brazil's largest landowners and largest agricultural producers in terms of cotton, soybean and corn planted area, announces today its results for the second quarter of 2013. The following financial and operating information is presented in accordance with International Financial Reporting Standards (IFRS). The information was prepared on a consolidated basis and is presented in thousands of Brazilian real, except where stated otherwise.

### 2Q13 Highlights

(R\$ Thousand)	1S12	1S13	AH	2Q12	2Q13	AH
<b>Net revenue</b>	<b>551,599</b>	<b>574,164</b>	<b>4.1%</b>	<b>226,785</b>	<b>317,296</b>	<b>39.9%</b>
<b>Gross income</b>	<b>107,574</b>	<b>168,968</b>	<b>57.1%</b>	<b>3,605</b>	<b>96,684</b>	<b>n.m</b>
Gross margin	19.5%	29.4%	9.9 p.p	1.6%	30.5%	28.9 p.p
<b>Operating income</b>	<b>(873)</b>	<b>110,426</b>	<b>n.m</b>	<b>(57,769)</b>	<b>54,276</b>	<b>n.m</b>
Operating margin	-0.2%	19.2%	19.4 p.p	-25.5%	17.1%	42.6 p.p
<b>Net profit</b>	<b>(12,113)</b>	<b>83,127</b>	<b>n.m</b>	<b>(45,273)</b>	<b>36,692</b>	<b>n.m</b>
Net Margin	-2.2%	14.5%	16.7 p.p	-20.0%	11.6%	31.6 p.p
<b>Adjusted EBITDA <sup>(1)</sup></b>	<b>155,765</b>	<b>122,328</b>	<b>-21.5%</b>	<b>62,836</b>	<b>38,642</b>	<b>-38.5%</b>
<b>Adjusted EBITDA Margin <sup>(2)</sup></b>	<b>32.3%</b>	<b>24.4%</b>	<b>-7.8 p.p</b>	<b>27.6%</b>	<b>15.3%</b>	<b>-12.4 p.p</b>
<b>Net debt</b>	<b>732,116</b>	<b>683,064</b>	<b>-6.7%</b>	<b>732,116</b>	<b>683,064</b>	<b>-6.7%</b>

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

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

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**NOTE:** 2Q12 and 2Q13 refer to the cumulative three-month periods from April through June of the years 2012 and 2013, respectively. 1S12 and 1S13 refer to the cumulative 6-month periods from January through June of the years 2012 and 2013, respectively. HA refers to the horizontal percentage variation between two periods and VA refers to the vertical percentage variation of a given total.



### Message from Management (Quarterly Summary)

During the second quarter, as announced in the Material Fact notice published on July 8, we signed a term sheet with the Japanese multinational Mitsui & Co, Ltd. with the aim of forming a joint operation for the development of agricultural commodity production and trading activities.

The joint operation, in which SLC Agrícola will hold a 50.1% interest, will launch its activities with operations on a developed area located in São Desidério, Bahia that is owned by Agrícola Xingu. The area will receive the name Paladino Farm, which will plant 21,898 hectares in the 2013/14 crop year, of which 10,014 hectares with cotton and 11,884 hectares with soybean. We are excited with the launch of this new partnership with Mitsui, and over the next few months we will begin to design a plan for our joint growth.

Another important event in the quarter (which we announced in the Notice to the Market dated June 3) marked the first major land acquisition by SLC LandCo, which acquired 10,012 hectares in the state of Maranhão for R\$37.5 million. The acquisition brings the total land holdings already acquired by SLC LandCo to 13,692 hectares, for investment of R\$52 million.

On June 17, we announced to the market the execution of a lease agreement for an area of 19,189 hectares (with 23,189 hectares of planting potential including a second crop) in the state of Maranhão, which is in line with our strategy of expanding our planted area.

Today, the Company is also working on clearing 10,000 hectares of its own land. We also currently have an "undeveloped land bank" of 43,157 hectares, of which 25,073 hectares are owned by SLC Agrícola and 18,084 hectares are owned by SLC LandCo. These hectares will be converted into arable land over the coming years, which will expand our planted area and generate property gains for our shareholders.

Considering (i) the planted areas from the joint operation (in which SLC Agrícola holds a 50% stake in the profits), (ii) the area leased in Maranhão mentioned above, and (iii) the clearing of own land, we have surpassed the planted area target for the next fiscal year of 310,000 hectares.

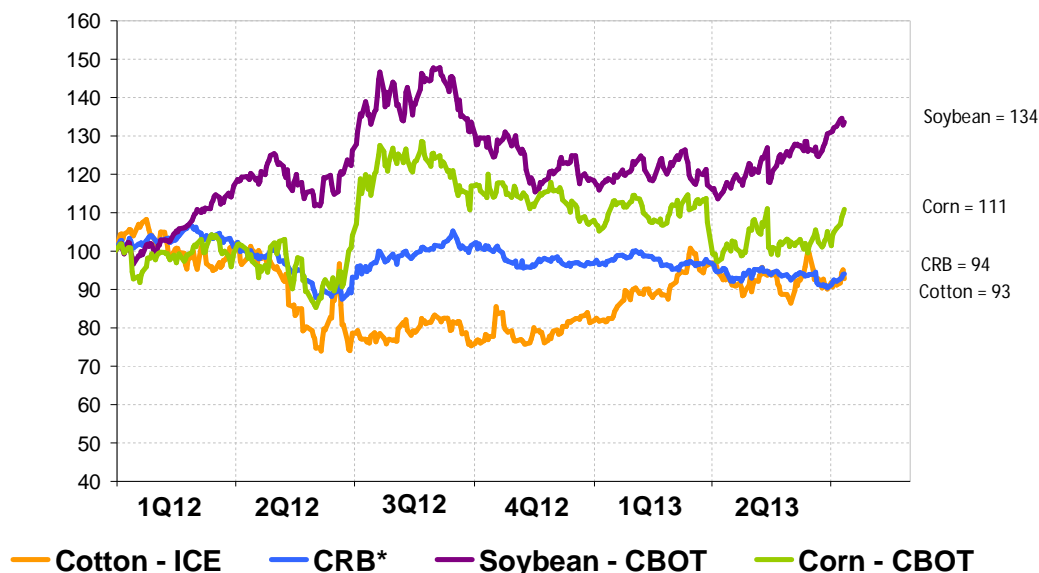
This quarter SLC Agrícola's Social Action Group (GAS) was awarded with the Furnishing Lives Project, on the 7th edition of the Volunteer Partners Award (Prêmio parceiros voluntários).



## Market Outlook

### Commodities Prices Variation

From Jan 2012 to Jul 2013 (1<sup>st</sup> Contract)



Source: CMA (01/01/2012 = 100)  
Up to 07/11/2013.

\*Commodity Research Bureau

## Cotton

### Cotton Prices in the International Market

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

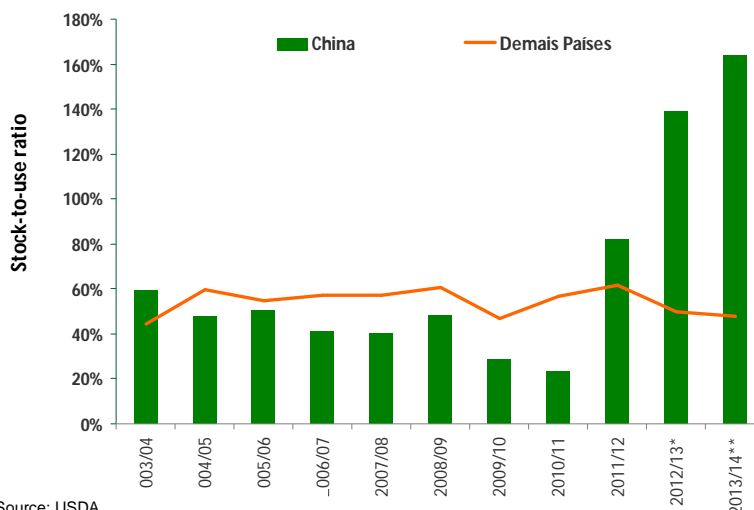


International cotton prices rose 2.8% in 2Q13 compared to the prior quarter and for most of the last few months have fluctuated in a clearly defined range between US¢/lb 80.00 and US¢/lb 90.00 for spot contracts on the ICE Futures US, as the chart on the left shows.

One of the main factors supporting international cotton prices is the policy adopted by the Chinese government to build its public cotton inventory. To support prices for local producers, the government

has absorbed the excess cotton produced over the last two crops, which reduced domestic supply and supported local prices and in turn provided support for international cotton prices.



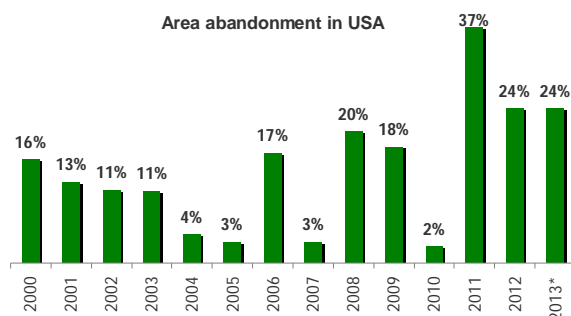


Source: USDA  
\*Estimated \*\*Projected

According to USDA estimates, in the last three years, China's cotton stocks have grown by 456% or 48.3 million bales, from 10.6 million bales in 2010/11 to 58.9 million bales in 2013/14. According to the official confirmation by the Chinese government itself, the government will continue to acquire cotton over the 2013/14 crop year in the same way as in previous years.

If we exclude China from the global supply and demand equation, elsewhere around the world cotton stocks have fallen by 8.8%, while the

stock/consumption ratio remains below the average of the last ten years. The USDA is forecasting a new reduction in the stock/consumption ratio (excluding China) for the 2013/14 crop year to 48%, which is another factor helping to prop up cotton prices.



Source: USDA \*Projection

Another factor supporting prices in 2013 was the renewed contraction in planted area in important producing countries, such as the United States and China. In the United States, according to the USDA, despite the lower forecast for stocks, the planted area contracted by 16.8% in the 2013/14 crop year compared to the previous crop year. This crop year, the higher prices of competing crops, such as soybean and corn, once again favored the migration to these commodities of areas previously allocated to cotton.

In the United States, in addition to the contraction in planted area, the harvested area also began to decline significantly due to adverse weather conditions. This is the third straight year in which important cotton producing areas have suffered significant losses due to low rainfall. For 2013/14, the USDA forecasts that 24% of areas planted with cotton will not be harvested due to adverse weather conditions.

Given the smaller planted area, U.S. cotton production should decrease to 13.5 million bales in 2013/14, which represents a reduction of 22% from the prior year. Ending stocks should fall to 2.9 million bales, which is the lowest level of the last three years.

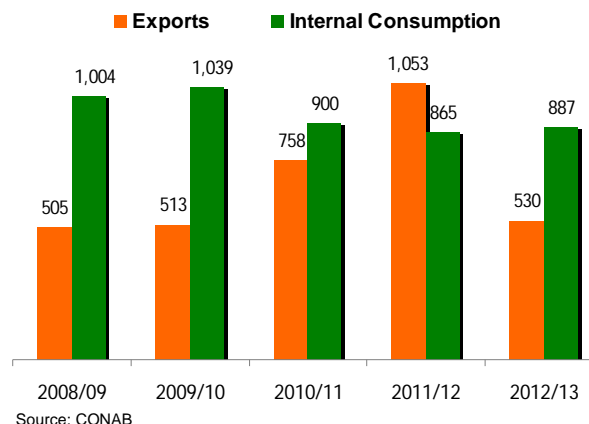
## USA Cotton Supply and Demand

United States	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13*	2013/14**
Area (ha)	5,152	4,245	3,063	3,047	4,330	3,829	3,793	3,157
Yield (kg/ha)	912	985	911	871	910	886	994	931
Beginning Stocks	6.1	9.5	10.1	6.3	2.9	2.6	3.4	3.9
Production	21.6	19.2	12.8	12.2	18.1	15.6	17.3	13.5
Import	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Supply	27.7	28.7	22.9	18.5	21.1	18.2	20.7	17.4
Export	13.0	13.6	13.3	12.0	14.4	11.7	13.30	11.00
Consumption	4.9	4.6	3.5	3.6	3.9	3.3	3.5	3.5
Ending Stocks	9.5	10.1	6.3	2.9	2.6	3.4	3.9	2.9
Stocks/Consumption (%)	53.0%	55.2%	37.7%	18.9%	14.2%	22.3%	23.3%	20.0%

Source: USDA Jul, 2013

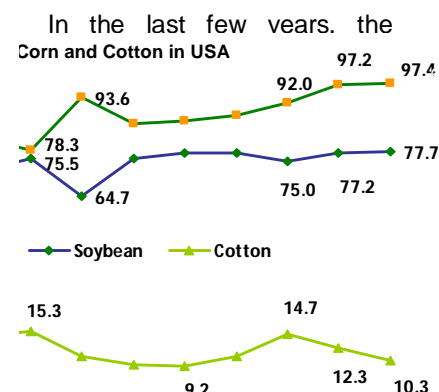
\*Estimated \*\*Projected

In Brazil, according to Companhia Nacional de Abastecimento (CONAB), an agency of Brazil's Ministry of Agriculture, the cotton planted area for the 2012/13 crop year is estimated at 895,000 hectares, a reduction of 35.8%. CONAB forecasts production of 1,262,000 tons, or 32.8% less than in the prior crop year. With lower production and slightly higher consumption, the market should remain tight, with reductions in exports required to prevent shortages in the domestic market. According to CONAB, Brazil's cotton exports should fall by 50%, from 1,053,000 tons in 2011/12 to 530,000 tons in 2012/13.



## Soybean

Quotes for soybean futures traded on the Chicago Board of Trade (CBOT) averaged US\$14.66/bu in the production shortfall in the United market. According to the USDA, it nine years in the United States, rest (2013/14), which is expected



2013/14 crop year, which would represent expansion of 0.6% from the 77.2 million acres cultivated in the previous crop year.

Source: USDA \*Prospective Planting

The 2013/14 soybean crop in the United States should be extremely important for determining soybean prices in 2013 and early 2014, especially during the period when crops reach their critical development stages, when the weather market moves into the spotlight and typically generates price volatility.



## USA Soybean Supply and Demand

United States		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13*	2013/14**
Area (1000t)		30,190	25,959	30,222	30,907	31,003	29,856	30,798	31,128
Yield (kg/ha)		2,882	2,807	2,672	2,958	2,922	2,820	2,664	2,990
Beginning Stocks	-----thousand of tons----	12,229	15,617	5,580	3,761	4,106	5,852	4,610	3,390
Production		87,001	72,859	80,749	91,417	90,605	84,192	82,055	93,077
Import		246	269	361	397	393	439	680	408
Total Supply		99,476	88,745	86,690	95,575	95,104	90,483	87,345	96,875
Export		30,386	31,538	34,817	40,798	40,849	37,063	36,196	39,463
Consumption		53,473	51,627	48,112	50,671	48,403	48,810	47,759	49,377
Ending Stocks		15,617	5,580	3,761	4,106	5,852	4,610	3,390	8,035
Stocks/(Exp.=Cons.) (%)		18.6%	6.7%	4.5%	4.5%	6.6%	5.4%	4.0%	9.0%

Source: USDA July 2013

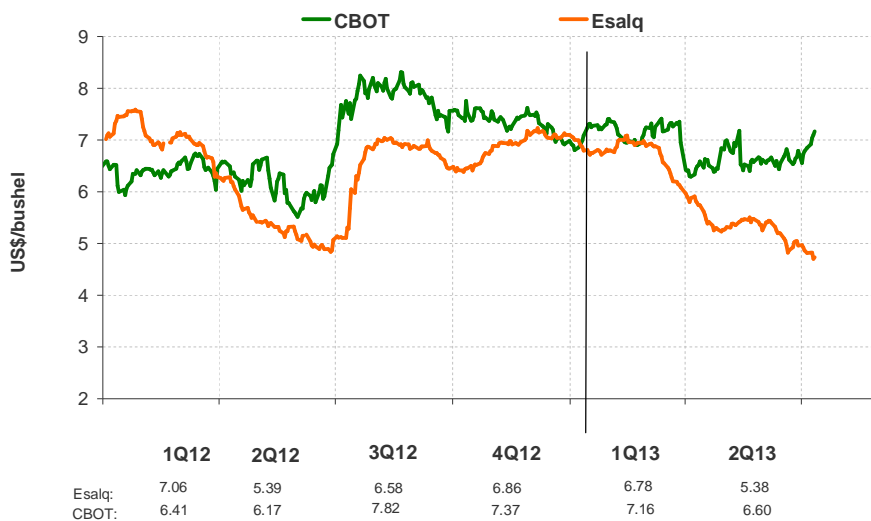
\*Estimated \*\*Projected

Given normal weather conditions, the USDA forecasts a recovery in soybean production and stocks in the United States, which should produce 93 million tons in 2013/14, representing growth of 13.4% on the prior year.

However, already during the planting phase, U.S. producers have faced difficulties with low temperatures and heavy spring rains, factors that could end up significantly delaying the planting of soybean and corn. Although in the case of soybean the delay does not directly jeopardize potential output, it ultimately lengthens the period to which the crops are exposed to potentially adverse weather conditions, such as low rainfall and high summer temperatures, as well as risking frost with the onset of fall. These risk factors could considerably reduce the size of the U.S. harvest and should help support prices over the coming months.

## Corn

### Corn Prices

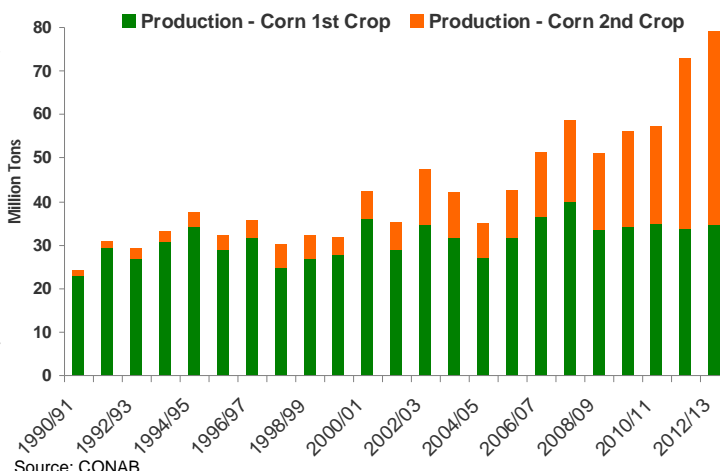


Corn prices closed 2013 lower in both domestic and international markets. In the external market, spot prices on the CBOT fell 7.8% from the previous quarter, but remained relatively high due to the limited supply in the U.S. domestic market.

In Brazil, given the higher supply and especially the

expectation of a record second crop, prices fell more sharply during 2Q13. According to the Cepea ESALQ Index, prices decreased by 20.6% from the prior quarter and by 0.2% from 2Q12.

In Brazil, producers responded to the highest prices of the last few years by expanding planted area and production. According to CONAB, in the 2012/13 crop year, the strongest growth will once again come from the second crop, whose area expanded by 17.5%, with production estimated at 44.2 million tons, which would represent growth of 13.1% on the previous season. Total corn production in the 2012/13 crop year should be a record 79 million tons, representing growth of 8.4% on the prior season.



The 2013/14 crop, which is currently in the development phase in the Northern Hemisphere, should also register significant growth on the prior year, when world production declined primarily due to the severe shortfall in the United States.

The USDA estimates global corn production in the 2013/14 crop year of 959.8 million metric tons, an increase of 12.3% from 2012/13. Global corn consumption should also continue to grow in 2013/14 to reach 927.6 million metric tons, up 6.5% on a year earlier. Despite four years of successive reductions in world corn stocks, the USDA projects a recovery in 2013/14, with ending stocks forecast at 151 million tons and a stock/consumption ratio of 16.3%.

**World Corn Supply and Demand**

World		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13*	2013/14**
Area (ha)		149,435	160,570	158,833	158,664	163,781	169,640	175,011	176,507
Yield (kg/ha)		4,787	4,948	5,041	5,194	5,078	5,207	4,886	5,438
Beginning Stocks	-----thousand of tons-----	124,356	110,618	131,649	147,679	146,098	128,279	132,423	123,567
Production		715,289	794,578	800,640	824,168	831,679	883,252	855,048	959,835
Import		90,294	98,276	82,559	89,795	92,313	99,871	96,701	99,057
Total Supply		929,939	1,003,472	1,014,848	1,061,642	1,070,090	1,111,402	1,084,172	1,182,459
Export		93,968	98,632	84,458	96,850	91,363	116,889	89,896	103,851
TY Exportações (1000t)		91,417	98,239	83,893	92,954	91,787	103,755	97,690	102,400
Consumption		725,353	773,191	782,711	818,823	850,448	862,090	870,709	927,636
Ending Stocks		110,618	131,649	147,679	145,969	128,279	132,423	123,567	150,972
Stocks/Consumption (%)		15.3%	17.0%	18.9%	17.8%	15.1%	15.4%	14.2%	16.3%

Source: USDA, July 2013

\*Estimated \*\*Projected

In the United States, the world's largest corn producer, due to the more attractive prices, producers once again dedicated most of their area to corn, and according to the USDA, planted area should set a new record of 97.4 million acres in the 2013/14 crop year, which would represents an increase of 0.2% on the previous season.

The low temperatures and high rainfall significantly delayed the planting of corn in the United States for the 2013/14 crop year. Due to this delay, the USDA has already revised downward its corn yield forecast to 156.5 bu/acre, or 1.5 bu/acre lower than its initial forecast.

The U.S. corn crop still depends on favorable weather over the next few months to consolidate the increase in production and rebuilding of stocks. The risk of adverse weather over the coming months remains relevant for the market and should help support prices over the coming months, since this factor could still considerably reduce the size of the U.S. crop.





## Operating Performance

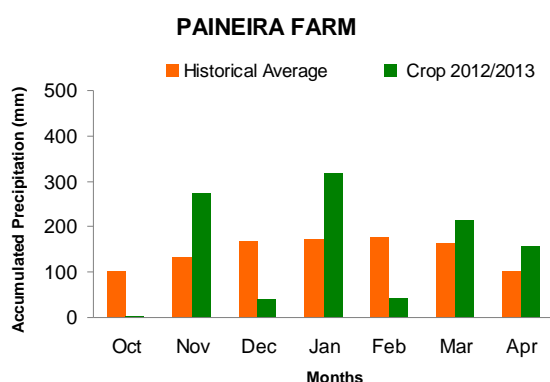
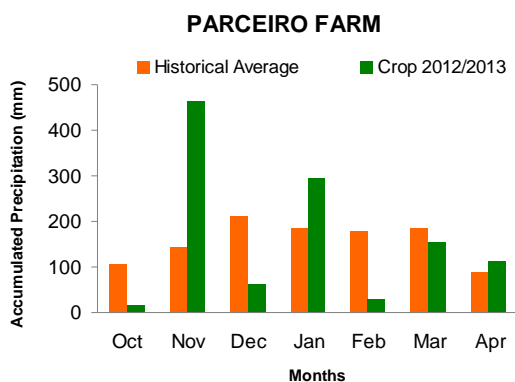
### 2012/13 Crop Year

The second quarter of 2Q13 was marked by the conclusion of harvesting operations on the 150,778 hectares planted with soybean and on the 14,521 hectares planted with the first crop corn. We also began harvesting operations on the 61,847 hectares of the cotton first crop and 34,752 hectares of the corn second crop. The final yields for cotton (first and second crop) and second corn crop will be disclosed in 3Q13.

**Soybean.** We ended the harvest with an average yield of 2,640 kg/ha. The loss in productivity in relation to the previous crop-year was basically due to the droughts in December and February in the states of Bahia, Piauí and Goiás, which affected the production potential of certain fields, especially areas in the first to third year of planting, which are the most susceptible, as the following table and charts show. Of the Company's total soybean planted area, 33.5% corresponds to super-early and early varieties, which have lower potential yields, but allow for the planting of a second cotton or corn crop.

Soybean Yield (kg/ha)	Achieved 2011/12	Achieves 2012/13	Δ%
Plot of 1 <sup>st</sup> crops	1,590	987	-37.9%
Plot of 2 <sup>nd</sup> and 3 <sup>rd</sup> crops	1,928	1,036	-46.3%
Fully Developed Plot (4 years or more)	3,350	2,936	-12.4%
Overall Average of SLC	3,141	2,640	-15.9%

### Historical average rainfall versus the 2012/13 crop year at the farms Parceiro, located in northeastern Bahia, and Paineira, located in Serra do Quilombo, Piauí.



Source: National Water Agency (ANA) and Company's internal records (average of 10 years)

**Cotton 1<sup>st</sup> crop.** We began cotton harvesting in the second half of May in western Bahia, and in the second week of June at the farms in Mato Grosso, Mato Grosso do Sul and Goiás. As of August 02, 55% of areas had been harvested. Despite the impacts from low rainfall in western Bahia, we estimate a final yield of 1,626 kg/ha, which would represent an increase of 5.1% from the 2011/12 crop year.





**Cotton 2<sup>nd</sup> crop.** As of the close of 2Q13, we had not yet begun harvesting the cotton second crop. However, we estimate a yield of 1,544 kg/ha, which is in line with the yield of the first cotton crop. The second crop benefitted from the excellent rainfall in the months of May and June.

**Corn 1<sup>st</sup> crop.** During December and February in the regions of Bahia and Goiás, this crop suffered impacts from the low rainfall that significantly affected the potential yield, interfering with kernel development. We ended the harvest with an average yield of 7,200 kg/ha (down 25.4% from last year's yield).

**Corn 2<sup>nd</sup> crop.** In the first week of June, we began harvesting the corn second crop. Unlike the first corn crop, to date, the crop presents excellent performance, benefitting from the rains in May and June, with the harvest expected to end with a yield of 6,900 kg/ha.

#### Yields

Yields (kg/ha)	Achieved	Estimated	Δ%
	2011/12	2012/13 <sup>(1)</sup>	
Cotton lint 1 <sup>st</sup> crop	1,547	1,626	5.1%
Cotton lint 2 <sup>nd</sup> crop	1,524	1,544	1.3%
Cotton Seed	1,934	2,063	6.7%
Soybean	3,141	2,640	-15.9%
Corn 1 <sup>st</sup> crop	9,650	7,200	-25.4%
Corn 2 <sup>nd</sup> crop	6,891	6,900	0.1%

<sup>(1)</sup> 07/26/2013.

#### Land Development

During the 2012/13 crop year, we began the process of transforming 10,000 hectares of *Cerrado* into arable land at the farms Parceiro (Bahia state) and Paranaguá (Piauí state). The areas have already been harrowed twice, received the first application of limestone and roots were picked.

Farms of SLC Agrícola	Areas Opened Crop 2011/12 (ha)	Areas to be Opened Crop 2012/13 (ha)	Areas to be Opened Next Crops (ha)
Palmares	-	-	420
Parnaíba	-	-	1,464
Paranaguá	2,739	4,000	10,462
Parceiro	5,831	6,000	9,860
Paineira	1,333	-	2,867
<b>Sub Total</b>	<b>9,903</b>	<b>10,000</b>	<b>25,073</b>
Farms of SLC LandCo	Areas Opened Crop 2011/12 (ha)	Areas to be Opened Crop 2012/13 (ha)	Areas to be Opened Next Crops (ha)
Parnaíba <sup>(1)</sup>	-	-	5,263
Piratini	992	-	10,176
Parceiro <sup>(1)</sup>	-	-	2,645
<b>Sub Total</b>	<b>992</b>	<b>-</b>	<b>18,084</b>
<b>Total</b>	<b>10,895</b>	<b>10,000</b>	<b>43,157</b>

<sup>(1)</sup> Áreas adquired by SLC LandCO , that will be operated jointly with those farms.



## Planted Area

The latest data on planted area for the 2012/13 crop year is presented in the following table.

Crop Mix	Achieved 2011/12 ha	Achieved 2012/13 ha	Share %	Absolute Δ ha	Percentage Δ %
Cotton	95,271	76,580	27.1	-18,691	-19.6
Cotton 1 <sup>st</sup> crop	79,885	61,847	21.9	-18,038	-22.6
Cotton 2 <sup>nd</sup> crop	15,386	14,733	5.2	-653	-4.2
Soybean	114,158	150,778	53.4	36,620	32.1
Corn	35,166	49,273	17.4	14,107	40.1
Corn 1 <sup>st</sup> crop	12,723	14,521	5.1	1,798	14.1
Corn 2 <sup>nd</sup> crop	22,443	34,752	12.3	12,309	54.8
Others	3,239	5,842	2.1	2,603	80.4
<b>Total</b>	<b>247,834</b>	<b>282,473</b>	<b>100.0</b>	<b>34,639</b>	<b>14.0</b>

Planted Area Mix					
Physical Area under Control	210,005	230,896	81.7	20,891	9.9
Own Area	134,147	155,036	54.5	20,889	15.6
Leased Area	75,858	75,860	26.9	2	0.0
2 <sup>nd</sup> crop area	37,829	51,577	18.3	13,748	36.4
<b>Total</b>	<b>247,834</b>	<b>282,473</b>	<b>100.0</b>	<b>34,639</b>	<b>14.0</b>

<sup>(1)</sup> Coffee, wheat, corn seed, sugarcane and sorghum

## Property Portfolio

As of June 30, 2013, the portfolio of properties under our management was as follows:

2012/13 (ha) Areas		Own <sup>(1)</sup>	SLC LandCo <sup>(2)</sup>	Leased	Under control	Planted <sup>(1)</sup>
Farm	State	ha				
Pamplona	GO	17,385		3,941	21,326	17,834
Planalto	MS	17,437		1,657	19,094	19,040
Planorte	MT	23,797		367	24,164	26,202
Paiaguás	MT	30,878		2,361	33,239	36,352
Parnaíba	MA	38,418	10,012	10,359	58,789	35,156
Planeste	MA		23,325	10,858	34,183	31,552
Panorama	BA		10,374	12,312	22,686	21,801
Piratini	BA		25,356	5,000	30,356	13,327
Palmares	BA	16,948		14,878	31,826	30,369
Parnaguá	PI	24,603		-	24,603	2,673
Pejuçara	MT	3,379		8,711	12,090	17,209
Paineira	PI	12,317		-	12,317	5,541
Parceiro	PI	32,816	3,680	5,428	41,924	11,207
Perdizes	MT	28,837		-	28,837	14,210
<b>Total</b>		<b>246,815</b>	<b>72,747</b>	<b>75,872</b>	<b>395,434</b>	<b>282,473</b>

<sup>(1)</sup> Own area may change due to georeferencing process

<sup>(2)</sup> SLC AGRÍCOLA currently owns 89.2% of LandCo and Valiance 10.8%.



### Machinery and Storage Capacity

On June 30, 2013 our machinery and storage capacity was as follows:

Machinery	Quantity	
Tractors	427	
Grain Combiners	172	
Cotton Pickers	74	
Planters	162	
Self-propelled sprayers	100	

2012/13 Storage Capacity	Grains	Cotton
Tons	478,140	109,981
% Production <sup>(1)</sup>	64%	89%

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

### Joint Operations

#### SLC LandCo

During 2Q13, SLC LandCo carried out two acquisitions, which included:

- Acquisition of an area of 10,012 hectares in the state of Maranhão (announced in the Notice to the Market dated June 3). The price negotiated was R\$37,498 thousand. Given its proximity, the area will be operated jointly with the Parnaíba farm. The area has 641 hectares of developed farmland (with more than 15 years of cultivation) and 5,263 hectares of arable *Cerrado* savanna land, with the remainder (4,108 hectares) formed by legal reserves.
- Acquisition of an area of 2,017 hectares in the state of Bahia. The price negotiated was R\$7,060 thousand. Given its proximity, the area will be operated jointly with the Parceiro farm. The area has 1,530 hectares of arable *Cerrado* savanna land, with the remainder (487 hectares) formed by legal reserves.

The acquisitions bring the total land holdings already acquired by SLC LandCo to 13,692 hectares, which required investment of R\$52,042 thousand.

#### Pioneira Farm – Joint Operations with Grupo Soares Penido

As approved in the Board Meeting dated May 29, 2013, SLC Agrícola signed a creation contract of a joint operation with Soares Penido Group for the commercial exploration of 20,000 hectares of land in northeastern Mato Grosso state. The land is currently being used as pasture, which will be transformed into crop areas over the next two years (estimated).

During the quarter, we worked on land clearing and soil correction on 10,000 hectares of the Pioneira Farm. For the 2013/14 crop year, we will plant soybean on these 10,000 hectares while also clearing the remaining 10,000 hectares for planting in 2014/15.

#### Balance Sheet – Assets – Pioneira Joint Operations

(R\$ thd)	2Q13	AV
<b>Current assets</b>	<b>29,329</b>	<b>81.30%</b>
Cash and cash equivalents	21,703	60.20%
Accounts receivable	3	0.00%
Inventories	6,964	19.30%
Current taxes recoverable	652	1.80%
Prepaid expenses	7	0.00%
<b>Non-current assets</b>	<b>6,736</b>	<b>18.70%</b>
Property, plant and equipment	6,726	18.60%
Intangible assets	10	0.00%
<b>Total Assets</b>	<b>36,065</b>	<b>100%</b>





### Balance Sheet – Liabilities – Pioneira Joint Operations

(R\$ thd)	2Q13	AV
<b>Current liabilities</b>	<b>4,293</b>	<b>11.90%</b>
Social and labor obligations	178	0.50%
Suppliers	3,960	11.00%
Tax liabilities	140	0.40%
Others	15	0.00%
<b>Non-current liabilities</b>	<b>34</b>	<b>0.10%</b>
Deferred income and social contribution taxes	34	0.10%
<b>Shareholders' equity</b>	<b>31,738</b>	<b>88.00%</b>
<b>Total liabilities</b>	<b>36,065</b>	<b>100%</b>

### Income statement– Pioneira Joint Operations

(R\$ thd)	2Q13
Net Revenue	-
(-) Cost of goods sold	-
<b>Gross Income</b>	<b>-</b>
Administrative expenses	-
Other operating income (loss)	1
<b>Income (loss) before financial income (loss) and taxes</b>	<b>1</b>
Financial income	99
<b>Income (loss) before income tax</b>	<b>100</b>
Income and contribution taxes	-34
<b>Net profit (loss) for the period</b>	<b>66</b>

### CAPEX– Pioneira Joint Operations

CAPEX (R\$ thd)	1S13
Machinery, implements and equipment	3,359
Buildings and facilities	943
Grains storage	23
Soil cleaning	1,243
Vehicles	1,089
Software	11
Others	67
<b>Total</b>	<b>6,735</b>

### Paladino Farm – Joint Operations with Mitsui & Co LTD.

As approved on Board Meeting dated August 5 th, SLC Agrícola signed a contract with Mitsui & Co, Ltda. with the aim of forming a joint operation for the development of agricultural commodity production and trading activities.

The joint operation, in which SLC Agrícola will hold a 50.1% interest, will launch its activities with operations on a developed area located in São Desidério, Bahia that is owned by Agrícola Xingu. The area will receive the name Paladino Farm, which will plant 21,898 hectares in the 2013/14 crop year, of which 10,014 hectares with cotton and 11,884 hectares with soybean.



## Financial Analysis

### EBITDA

	1S12	1S13	AH	2Q12	2Q13	AH
<b>Net revenue</b>	<b>551,599</b>	<b>574,164</b>	<b>4.1%</b>	<b>226,785</b>	<b>317,296</b>	<b>39.9%</b>
<b>(-) Cost of Goods and/or Services Sold</b>	<b>(444,025)</b>	<b>(405,196)</b>	<b>-8.7%</b>	<b>(223,180)</b>	<b>(220,612)</b>	<b>-1.2%</b>
<b>Gross Profit</b>	<b>107,574</b>	<b>168,968</b>	<b>57.1%</b>	<b>3,605</b>	<b>96,684</b>	<b>n.m</b>
(-) Sales Expenses	(29,345)	(31,811)	8.4%	(13,403)	(15,449)	15.3%
(-) General and administrative	(20,931)	(18,003)	-14.0%	(9,330)	(9,137)	-2.1%
(-) Management compensation	(3,425)	(4,070)	18.8%	(1,610)	(1,639)	1.8%
(-) Other operating revenues	3,823	2,162	-43.4%	3,198	1,637	-48.8%
<b>(=) Income from Activity</b>	<b>57,696</b>	<b>117,246</b>	<b>103.2%</b>	<b>(17,540)</b>	<b>72,096</b>	<b>n.m</b>
(+) Depreciation and amortization	44,293	53,225	20.2%	23,158	34,075	47.1%
<b>EBITDA</b>	<b>101,989</b>	<b>170,471</b>	<b>67.1%</b>	<b>5,618</b>	<b>106,171</b>	<b>n.m</b>
(-) Biological Assets on revenue (note 25*)	(68,778)	(73,715)	7.2%	594	(64,472)	n.m
(+) Biological Assets on costs (note 26*)	122,554	25,572	-79.1%	56,624	(3,057)	n.m
<b>Adjusted EBITDA <sup>(1)</sup></b>	<b>155,765</b>	<b>122,328</b>	<b>-21.5%</b>	<b>62,836</b>	<b>38,642</b>	<b>-38.5%</b>
<b>Adjusted EBITDA Margin <sup>(2)</sup></b>	<b>32.3%</b>	<b>24.4%</b>	<b>-7.9 p.p</b>	<b>27.6%</b>	<b>15.3%</b>	<b>-12.3 p.p</b>

\*Explanatory note: Financial Statements

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

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

In 2Q13, Adjusted EBITDA was R\$38,642 thousand, down 38.5% from R\$62,836 thousand in 2Q12. The reduction was mainly due to the lower volume of soybean invoiced and the lower unit margin of crops invoiced, with these impacts partially offset by the higher volume of cotton invoiced in the quarter.

### Net Revenue

(R\$ thousand)	1S12	1S13	AH	2Q12	2Q13	AH
<b>Net Revenue</b>	<b>551,599</b>	<b>574,164</b>	<b>4.1%</b>	<b>226,785</b>	<b>317,296</b>	<b>39.9%</b>
Cotton lint invoiced	239,833	242,667	1.2%	86,026	114,850	33.5%
Cotton seed invoiced	9,582	14,212	48.3%	2,083	2,176	4.5%
Soybean invoiced	204,176	216,687	6.1%	126,725	113,729	-10.3%
Corn invoiced	22,913	30,918	34.9%	15,827	25,119	58.7%
Coffee invoiced	3,434	5,821	69.5%	2,127	2,897	36.2%
Others (invoiced)	3,528	8,708	146.8%	(246)	60	n.m
Hedge income	(645)	(18,564)	n.m	(5,163)	(6,007)	16.3%
Biological Assets	68,778	73,715	7.2%	(594)	64,472	n.m

(Tons)	1S12	1S13	AH	2Q12	2Q13	AH
<b>Volume Invoiced</b>	<b>444,252</b>	<b>469,835</b>	<b>5.8%</b>	<b>240,134</b>	<b>252,524</b>	<b>5.2%</b>
Cotton lint	65,067	64,145	-1.4%	22,781	30,162	32.4%
Cotton seed	33,934	30,074	-11.4%	6,895	4,228	-38.7%
Soybean	282,519	277,911	-1.6%	170,396	144,480	-15.2%
Corn	54,120	85,555	58.1%	37,613	71,024	88.8%
Coffee	589	1,168	98.3%	397	567	42.8%
Other	8,023	10,982	36.9%	2,052	2,063	0.5%

In 2Q13, net revenue amounted to R\$317,296 thousand, increasing 39.9% from R\$226,785 thousand in 2Q12, with this growth reflecting primarily the higher volume of cotton invoiced, as well as the positive impact from biological assets (variation of R\$65,066 thousand between the quarters).



(R\$ thousand)	1S12	1S13	AH	2Q12	2Q13	AH
<b>Effect of Biological Asset on Net Revenue</b>	<b>68,778</b>	<b>73,715</b>	<b>7.2%</b>	<b>(594)</b>	<b>64,472</b>	<b>n.m</b>
Cotton lint	(16,922)	59,083	n.m	(16,922)	59,083	n.m
Cotton seed	(2,612)	9,493	n.m	(2,612)	9,493	n.m
Soybean	71,592	12,320	-82.8%	6,425	470	-92.7%
Corn	16,720	(7,536)	n.m	12,515	(4,929)	n.m
Coffee	-	-	n.m	-	-	n.m
Other	-	355	n.m	-	355	n.m

Biological assets are calculated as follows: market price at time of harvest, net of taxes and selling expenses (freight), less costs incurred.

The value attributed to biological assets increased by R\$65,066 thousand in 2Q13 compared to 2Q12. The main factor impacting the calculation of biological assets was the improvement in cotton margins due to the combination of higher prices and higher yields obtained this crop year compared to 2011/12.

#### Cost of Goods Sold

(R\$ thousand)	1S12	1S13	AH	2Q12	2Q13	AH
<b>Cost of Goods Sold</b>	<b>(444,025)</b>	<b>(405,196)</b>	<b>-8.7%</b>	<b>(223,180)</b>	<b>(220,612)</b>	<b>-1.2%</b>
Cotton lint	(144,421)	(168,592)	16.7%	(44,249)	(76,714)	73.4%
Cotton seed	(7,516)	(8,312)	10.6%	(1,781)	(1,240)	-30.4%
Soybean	(149,498)	(165,890)	11.0%	(106,507)	(115,575)	8.5%
Corn	(14,351)	(30,353)	111.5%	(11,168)	(28,352)	153.9%
Coffee	(2,231)	(1,226)	-45.0%	(1,505)	(433)	-71.2%
Other	(3,454)	(5,251)	52.0%	(1,346)	(1,355)	0.7%
Biological Assets Allocated at Cost	(122,554)	(25,572)	-79.1%	(56,624)	3,057	n.m

(R\$ thousand)	1S12	1S13	AH	2Q12	2Q13	AH
<b>Biological Assets Allocated at Cost</b>	<b>(122,554)</b>	<b>(25,572)</b>	<b>-79.1%</b>	<b>(56,624)</b>	<b>3,057</b>	<b>n.m</b>
Cotton lint	(58,541)	(4,475)	-92.4%	(19,949)	(2,055)	-89.7%
Cotton seed	(2,832)	(2,498)	-11.8%	(327)	(739)	126.0%
Soybean	(59,233)	(18,572)	-68.6%	(35,578)	2,038	n.m
Corn	(2,677)	4,915	n.m	(770)	6,190	n.m
Coffee	759	(4,948)	n.m	-	(2,377)	n.m
Other	(30)	6	n.m	-	-	n.m

Cost of goods sold in 2Q13 was 1.2% lower than in 2Q12, mainly due to the reduction in the accounting of biological assets. Excluding this item, costs increased by 34.3%, which is mainly explained by the higher volume of cotton and corn invoiced and the higher unit cost of crops.





### Analysis of Margins by Crop

<b>Cotton Invoiced</b>		<b>1S12</b>	<b>1S13</b>	<b>AH</b>	<b>2Q12</b>	<b>2Q13</b>	<b>AH</b>
<b>Cotton Lint Invoiced</b>							
Volume Invoiced	Ton	65,067	64,145	-1.4%	22,781	30,162	32.4%
Net Revenue	R\$ thousand	239,833	242,667	1.2%	86,026	114,850	33.5%
Unit Price	R\$ thd / Ton	3.69	3.78	2.4%	3.78	3.81	0.8%
Cost Total	R\$ thousand	(144,421)	(168,592)	16.7%	(44,249)	(76,714)	73.4%
Unit Cost	R\$ thd / Ton	(2.22)	(2.63)	18.4%	(1.94)	(2.54)	30.9%
Unitary Margin	R\$ thd / Ton	1.47	1.15	-21.8%	1.84	1.27	-31%
<b>Cotton Seed Invoiced</b>							
Volume Invoiced	Ton	33,934	30,074	-11.4%	6,895	4,228	-38.7%
Net Revenue	R\$ thousand	9,582	14,212	48.3%	2,083	2,176	4.5%
Unit Price	R\$ thd / Ton	0.28	0.47	67.9%	0.30	0.51	70.0%
Cost Total	R\$ thousand	(7,516)	(8,312)	10.6%	(1,781)	(1,240)	-30.4%
Unit Cost	R\$ thd / Ton	(0.22)	(0.28)	27.3%	(0.26)	(0.29)	11.5%
Unitary Margin	R\$ thd / Ton	0.06	0.19	216.7%	0.04	0.22	450%

Cotton invoiced in 2Q13 still refers to production from the 2011/12 crop year. Cotton unit margin in 2Q13 decreased 31% from same period last year, mainly due to the 30.9% increase in unit cost. The unit cost increased mainly due to the effect of higher yields achieved in 2010/11 which was shipped in 2Q12, as the cotton shipped in 2Q13 suffered from low yields obtained in the 2011/12 crop-year.

The unit margin of cotton seed invoiced in 2Q13 increased 450%, mainly due to the 70.0% price increase fueled by higher oilseed prices and the product shortage in the domestic market.

<b>Soybeans Invoiced</b>		<b>1S12</b>	<b>1S13</b>	<b>AH</b>	<b>2Q12</b>	<b>2Q13</b>	<b>AH</b>
Volume Invoiced	Ton	282,519	277,911	-1.6%	170,396	144,480	-15.2%
Net Revenue	R\$ thousand	204,176	216,687	6.1%	126,725	113,729	-10.3%
Unit Price	R\$ thd / Ton	0.72	0.78	8.3%	0.74	0.79	6.8%
Cost Total	R\$ thousand	(149,498)	(165,890)	11.0%	(106,507)	(115,575)	8.5%
Unit Cost	R\$ thd / Ton	(0.53)	(0.60)	13.2%	(0.63)	(0.80)	27.0%
Unitary Margin	R\$ thd / Ton	0.19	0.18	-5.3%	0.11	(0.01)	n.m.

Soybean invoiced in 2Q13 refers to production in the 2012/13 crop year, mainly from the farms located in the Northeast, which were severely impacted by drought this year (resulting in higher unit cost). As such, the unit margin of soybean invoiced in the quarter decreased in relation to 2Q12, due to the 27.0% increase in unit cost, which was partially offset by the 6.8% increase in unit price.

<b>Corn Invoiced</b>		<b>1S12</b>	<b>1S13</b>	<b>AH</b>	<b>2Q12</b>	<b>2Q13</b>	<b>AH</b>
Volume Invoiced	Ton	54,120	85,555	58.1%	37,613	71,024	88.8%
Net Revenue	R\$ thousand	22,913	30,918	34.9%	15,827	25,119	58.7%
Unit Price	R\$ thd / Ton	0.42	0.36	-14.3%	0.42	0.35	-16.7%
Cost Total	R\$ thousand	(14,351)	(30,353)	111.5%	(11,168)	(28,352)	153.9%
Unit Cost	R\$ thd / Ton	(0.27)	(0.35)	29.6%	(0.30)	(0.40)	33.3%
Unitary Margin	R\$ thd / Ton	0.15	0.01	-93.3%	0.12	(0.05)	n.m.

Corn unit margin in 2Q13 decreased in relation to 2Q12, mainly due to the 33.3% increase in unit cost. The bulk of the corn invoiced in 2Q13 refers to the first crop, which also originates from the farms in the Northeast that were impacted by drought this crop.



## Production Cost

The percentage composition of our total production cost is shown below:

%	Cotton <sup>(1)</sup>	Soybean <sup>(1)</sup>	Corn <sup>(1)</sup>	Avg. 2012/13 <sup>(1)</sup>	Avg. 2011/12
<b>Variable Costs</b>	<b>75</b>	<b>64</b>	<b>80</b>	<b>71</b>	<b>72</b>
Seeds	4	6	20	6	5
Fertilizers	20	20	33	21	22
Defensives	26	18	11	22	19
Air Spraying	2	1	1	2	2
Fuels and lubricants	4	5	4	4	5
Labor	1	1	1	1	1
Ginning	10	5	5	7	7
Maintenance of machines and instruments	4	5	4	4	6
Others	4	3	1	4	5
<b>Fixed Costs</b>	<b>25</b>	<b>36</b>	<b>20</b>	<b>29</b>	<b>29</b>
Labor	10	11	8	10	9
Depreciations and amortizations	10	18	8	13	12
Leasing	3	4	2	3	2
Others	2	3	2	3	5

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

Total Production Cost (R\$/ha)	Initially estimated 2012/13	Estimated 2012/13 <sup>(1)</sup>	Δ%
Cotton 1 <sup>st</sup> crop	5,282	5,379	1.8
Cotton 2 <sup>nd</sup> crop	4,049	4,119	1.7
Soybeans	1,889	1,782	-5.7
Corn 1 <sup>st</sup> crop	2,868	2,715	-5.3
Corn 2 <sup>nd</sup> crop	1,403	1,407	0.3

<sup>(1)</sup> Amounts estimated by SLC Agrícola, as per position as of July 30, 2013, so as to allow previous evaluation of crops.

We have revised downwards our forecast for the 2012/13 crop year for the cost per hectare of soybean and first-crop corn. In the case of soybean, the reduction was due to the savings in the accounts seeds and chemicals (herbicides and insecticides), given the reduced need for applications. In the case of corn, the reduction was mainly due to the reduced need for soil fertilizer applications. The lower volume harvested compared to the forecast volume in the Northeast region and state of Goiás also impacted the cost of both crops, which led to a reduction in expenses with harvest operations.

## Gross Income

Gross income in 2Q13 increased by R\$ 93,079 thousand from 2Q12, which was basically due to the change in the allocation of biological assets to net revenue. Eliminating the effects of biological assets on revenue and costs, gross income registered a nominal decrease of R\$31,668 thousand and was basically impacted by the lower margins of products invoiced in the period, which were partially offset by the higher volume of cotton and corn invoiced.

## Selling Expenses

(R\$ thousand)	1S12	1S13	AH	2Q12	2Q13	AH
Freight	15,308	16,679	9.0%	7,302	7,513	2.9%
Storage	5,280	5,910	11.9%	2,418	3,117	28.9%
Commissions	1,963	2,329	18.6%	1,439	1,252	-13.0%
Classification of Goods	381	235	-38.3%	7	41	485.7%
Export Expenses	5,534	6,343	14.6%	2,090	3,355	60.5%
Others	879	315	-64.2%	147	171	16.3%
<b>Total</b>	<b>29,345</b>	<b>31,811</b>	<b>8.4%</b>	<b>13,403</b>	<b>15,449</b>	<b>15.3%</b>
<b>% Net Revenue</b>	<b>5.3%</b>	<b>5.5%</b>	<b>0.2 p.p</b>	<b>5.9%</b>	<b>4.9%</b>	<b>-1.0 p.p</b>





In 2Q13, selling expenses increased by 15.3% compared to 2Q12, mainly due to the higher volume of cotton invoiced in the period. Since SLC Agrícola exports cotton directly to its Asian clients, the Company is responsible for the freight and export expenses.

#### General and Administrative Expenses

(R\$ thousand)	1S12	1S13	AH	2Q12	2Q13	AH
Expenses with personnel	8,021	7,147	-10.9%	3,599	3,673	2.1%
Provision for profit share program	3,666	3,749	2.3%	936	2,193	134.3%
Fees	1,827	1,807	-1.1%	1,030	1,056	2.5%
Depreciations and amortizations	1,432	1,399	-2.3%	719	709	-1.4%
Expenses with travels	749	508	-32.2%	434	307	-29.3%
Software maintenance	1,101	1,118	1.5%	518	587	13.3%
Marketing/Advertisement	780	782	0.3%	661	135	-79.6%
Expenses with Communications	960	974	1.5%	462	459	-0.6%
Rentals	279	277	-0.7%	166	147	-11.4%
Labor Contingencies	40	(1,111)	n.m	(217)	(804)	270.5%
Electricity	98	53	-45.9%	50	21	-58.0%
Taxes and other fees	461	256	-44.5%	200	57	-71.5%
Contributions and donations	298	229	-23.2%	146	168	15.1%
Other	1,219	815	-33.1%	626	429	-31.5%
<b>Total</b>	<b>20,931</b>	<b>18,003</b>	<b>-14.0%</b>	<b>9,330</b>	<b>9,137</b>	<b>-2.1%</b>
<b>% Net Revenue</b>	<b>3.8%</b>	<b>3.1%</b>	<b>-0.7 p.p</b>	<b>4.1%</b>	<b>2.9%</b>	<b>-1.2 p.p</b>

In 2Q13, general and administrative expenses decreased by 2.1% from 2Q12, mainly due to the reduction of R\$587 thousand in the line Tax and Labor Contingencies due to the reversal of labor lawsuits due to settlements, which was partially offset by the increase in provisioning for profit sharing, which is based on the Company's estimated net income for the year.

#### Financial Income (Expense)

(R\$ thousand)	1S12	1S13	AH	2Q12	2Q13	AH
Revenues (expenses) with derivatives	5,142	1,038	-79.8%	6,723	1,119	-83.4%
Interest	(15,489)	(16,442)	6.2%	(9,466)	(7,631)	-19.4%
Monetary variation	(51,893)	9,419	n.m	(39,153)	(10,805)	-72.4%
FX variation	5,657	821	-85.5%	2,692	248	-90.8%
Other financial revenues (expenses)	(1,986)	(1,656)	-16.6%	(1,025)	(751)	-26.7%
<b>Total</b>	<b>(58,569)</b>	<b>(6,820)</b>	<b>-88.4%</b>	<b>(40,229)</b>	<b>(17,820)</b>	<b>-55.7%</b>
<b>% Net Revenue</b>	<b>-10.6%</b>	<b>-1.2%</b>	<b>9.4 p.p</b>	<b>-17.7%</b>	<b>-5.6%</b>	<b>12.1 p.p</b>

The net financial result in 2Q13 was an expense of R\$17,820 thousand, compared to the expense of R\$40,229 thousand in the prior year quarter. The main change was in the account of monetary variation, which this quarter suffered an impact of (R\$10,805) thousand, compared to (R\$39,153) thousand in 2Q12. The negative monetary variation refers to the increase in soybean prices over the quarter, which impacted the marking to market of the Company's debt indexed in soybean bags.

#### Net Income

Net income in 2Q13 was R\$36,692 thousand, a nominal increase of R\$81,965 thousand from the (R\$45,273) registered in 2Q12. Net income was impacted by the increase of R\$93,079 thousand in gross income and by the reduction of R\$22,409 thousand in financial expenses, with consequential increase of R\$30,080 thousand in income tax.

The effective income tax rate was 24.7% in 1S13, due to the recognition of the monetary variation gain (financial income) from the restatement of debt related to land acquisitions pegged to the price of the soybean bag at one of the Company's subsidiaries, which is taxed under the presumed profit tax regime, while income is recognized under the cash regime. Under this regime, monetary





variation is only taxed upon settlement of the debt, with the taxable amount net of monetary variation gains and losses in the period.

In 2Q13, net margin was 11.6%, compared to -20.0% in 2Q12.

#### Currency and Agricultural Commodity Hedge

The Company's sales revenues are mainly generated by the trading of agricultural commodities such as cotton, soybean and corn, which are quoted in U.S. dollar on international exchanges, such as the Chicago Board of Trade (CBOT) and the Intercontinental Exchange Futures US (ICE). Therefore, we are actively exposed to variations in foreign exchange rates and in the prices of these commodities. To protect from currency variation we use derivative instruments, with the portfolio of these instruments comprised basically of non-deliverable forwards (NDFs) and option contracts.

In line with the Company's Risk Management Policy, whose purpose is to obtain a pre-established EBITDA margin with a combination of factors such as Price, Foreign Exchange and Cost, most of the instruments for protecting against commodity price variation are accomplished through advanced sales directly with our clients (forward contracts). Furthermore, we also use futures and options contracts negotiated on the exchange and swap and option transactions contracted with financial institutions. The marking to market of future, swap and option transactions are recorded under financial income (expense).

The hedge position on July 30, 2013 for commodities (in relation to the estimated total volume invoiced) and currency (in relation to the total estimated revenue in U.S. dollar) is shown below broken down by commercial hedge and financial hedge:

#### Commercial and Currency Hedge

FX Rate	Hedge (%)	R\$ / US\$	Hedge (%)	R\$ / US\$
FX Hedge	73%	2,1098	28%	2,271
Commitments <sup>(1)</sup>	14%	-	16%	-
<b>Total</b>	<b>87%</b>	<b>-</b>	<b>44%</b>	<b>-</b>

Cotton	Hedge (%)	US¢ / libra <sup>(2)</sup>	Hedge (%)	US¢ / libra <sup>(2)</sup>
Comercial Hedge	91%	88,5	19%	89,14
Financial Hedge <sup>(4)</sup>	7%	94,20	1%	90,00
<b>Cotton - Total Hedge</b>	<b>98%</b>	<b>88,91</b>	<b>20%</b>	<b>89,18</b>

Soybean	Hedge (%)	US\$ / bushel <sup>(2)</sup>	Hedge (%)	US\$ / bushel <sup>(2)</sup>
Comercial Hedge	89%	13,88	18%	12,95
Financial Hedge <sup>(4)</sup>	-	-	3%	13,66
Commitments <sup>(3)</sup>	2%	-	13%	-
<b>Soybean - Total Hedge</b>	<b>91%</b>	<b>13,89</b>	<b>34%</b>	<b>13,05</b>

<sup>(1)</sup> Commitments with payments in US\$

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

<sup>(3)</sup> Natural Hedge with payments of properties and leasing

<sup>(4)</sup> Future reference price at 07/30/2013: Cotton 2013: 84.74; Cotton 2014: 77.46; Soybean 2014: 12.29



### Property, Plant and Equipment / Intangible Assets

CAPEX (R\$ thousand)	1S13	AV	2Q13	AV
Machinery, implements and equipment	34,339	41.40%	29,803	47.60%
Land acquisition	23,420	28.20%	15,773	25.20%
Soil correction	4,768	5.70%	3,056	4.90%
Buildings and facilities	6,920	8.30%	3,346	5.30%
Cotton ginning plant	135	0.20%	135	0.20%
Grains storage	2,433	2.90%	2,433	3.90%
Soil cleaning	5,647	6.80%	3,650	5.80%
Vehicles	3,373	4.10%	3,197	5.10%
Software	129	0.20%	19	0.00%
Biological assets	722	0.90%	722	1.20%
Others	1,104	1.30%	494	0.80%
<b>Total</b>	<b>82,990</b>		<b>62,628</b>	

The main investments in 2Q13 were:

- The acquisition of agricultural machinery and tools primarily for the new planted areas located on the farms Parnaíba, Planeste, Pioneira and Parceiro, which totaled: 22 tractors, 12 grain harvesters, 3 cotton harvesters, 5 planters and 10 sprayers;
- The payment of the first installments for the acquisitions carried out through LandCo in the quarter.

### Financial Net Debt

(R\$ thousand)	Annual Average Interest Rate			Consolidated	
	Currency	2Q13	1Q13	2Q13	1Q13
Applied in Fixed Assets					
Finame – BNDES	Pré e TJLP	6.37%	6.48%	86,202	82,056
Constitutional Funds <sup>(1)</sup>	Pré	7.32%	7.29%	71,381	92,864
Financing Investments	US\$ e Libor	5.74%	5.74%	20,195	21,304
				177,778	196,224
Applied in Working Capital					
Rural Credit	Pré	6.06%	6.07%	195,096	205,424
Constitutional Funds <sup>(1)</sup>	Pré	7.23%	7.23%	52,949	51,869
Working Capital	Pré e CDI	9.90%	9.90%	59,653	58,246
External Loans	CDI	8.65%	-	80,106	-
External Loans	US\$ + Libor	4.09%	4.03%	345,692	331,867
		5.98%	5.77%	733,496	647,406
Total Indebtedness				911,274	843,630
(-) Cash				228,210	300,722
(=) Net Debt				683,064	542,908
Net Debt/ Adjusted EBITDA				2.38x	1.93x
Net Debt/NAV				25.3%	19.0%

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

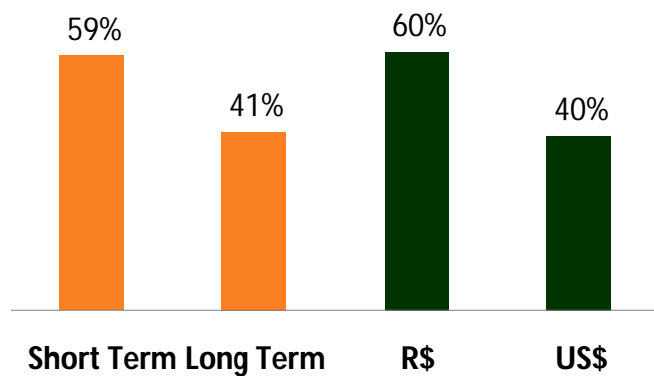
Gross debt in 2Q13 increased by 8.0% to R\$911,274 thousand, from R\$843,630 thousand in the prior quarter. The increase basically reflects the effects of exchange variation on dollar-denominated debt (nominal impact of R\$29,962 thousand) and the contracting of an Export Credit Note – Production Chain in Brazilian real to cover cash during the renewal of the Constitutional Funds and rural credit lines.

The net debt/Adjusted EBITDA ratio closed 2Q13 at 2.4 times, compared to 1.9 times in 1Q13.

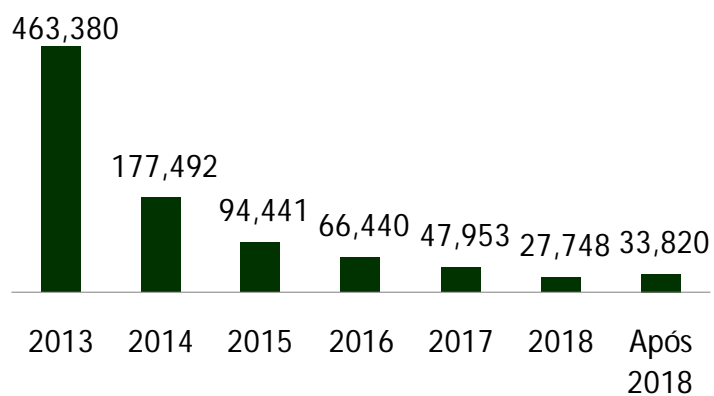


The exchange variation associated with dollar-denominated debt was booked in accordance with the hedge accounting methodology.

**2Q13 Debit Profile (%)**



**2Q13 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 operating income in the period, also the net annual appreciation (based on the report of an independent auditor prepared every year) in the value of its land.

## Return on Equity

(R\$ million)	2009	2010	2011	2012	1S13
Net Profit	9	59	160	38	83
Net Land Appreciation SLC Agrícola <sup>(1)</sup>	163	-36	179	222	250
Net Land Appreciation LandCo <sup>(2)</sup>	-	-	-	51	56
<b>Subtotal</b>	<b>172</b>	<b>23</b>	<b>338</b>	<b>312</b>	<b>389</b>
Shareholder's Equity <sup>(3)</sup>	1,807	1,839	2,063	2,409	2,792
<b>Return-on-equity</b>	<b>9.5%</b>	<b>1.3%</b>	<b>16.4%</b>	<b>12.9%</b>	<b>13.9%</b>

<sup>(1)</sup> Based on independent land appraisal (Deloitte), net of taxes. 2Q13: applying average appreciation of land in Brazil for the past 12 months based on May-June Informa Economics FNP report. Net of taxes.

<sup>(2)</sup> SLC Agrícola owns 89.23% of SLC LandCo shares

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

## Net Asset Value

(R\$ million)	2Q13
Land <sup>(1)</sup>	1,448
LandCo Farms <sup>(2)</sup>	421
Acquisitions not included in the Deloitte's report	246
Infrastructure (excl. land)	748
Accounts Receivable (excl. derivatives)	91
Inventories (excl. non-cash)	300
Biological Assets (excl. non-cash)	369
Cash	228
<b>Subtotal</b>	<b>3,851</b>
Suppliers	100
Gross Debt	911
Outstanding debt related to land acquisitions	136
<b>Subtotal</b>	<b>1,147</b>
<b>Net Asset Value</b>	<b>2,704</b>
<b>Net Asset Value per Share</b>	<b>27.3</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. Adjusted for SLC Agrícola's share.

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



### Return on Net Assets

(R\$ million)	2009	2010	2011	2012	1S13
Net Profit	9	59	160	38	83
Net Land Appreciation <sup>(1)</sup>	163	(36)	179	273	306
<b>Subtotal</b>	<b>172</b>	<b>23</b>	<b>339</b>	<b>312</b>	<b>389</b>
Invested Capital	2,566	2,599	3,196	3,637	4,040
Working Capital	434	395	504	626	618
Net Assets <sup>(2)</sup>	2,132	2,203	2,692	3,011	3,422
<b>Return</b>	<b>6.7%</b>	<b>0.9%</b>	<b>10.6%</b>	<b>8.6%</b>	<b>9.6%</b>

<sup>1)</sup> Based on independent land appraisal (Deloitte), net of taxes. 2Q13: applying average appreciation of land in Brazil for the past 12 months based on May-June Informa Economics FNP report. Net of taxes.

<sup>2)</sup> Adjusted for land appreciation

### Changes in Working Capital

Changes in Working Capital (R\$ thd)	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13
<b>Assets</b>						
Trade accounts receivable	123,538	91,445	159,792	101,879	88,753	97,054
<i>Hedge Accounting + Inventory Adjustment (non-cash)</i>	<i>(15,277)</i>	<i>(12,158)</i>	<i>(14,593)</i>	<i>(6,912)</i>	<i>(8,111)</i>	<i>(6,096)</i>
Inventories	259,321	305,073	441,793	407,819	288,029	319,916
<i>Biological Assets + (non-cash)</i>	<i>(52,768)</i>	<i>(24,789)</i>	<i>(28,367)</i>	<i>(9,950)</i>	<i>(29,571)</i>	<i>(19,697)</i>
Recoverable Taxes	56,027	73,730	83,842	94,188	80,376	92,185
Biological Assets	390,452	365,041	206,778	303,404	388,817	431,887
<i>Biological Assets (non-cash)</i>	<i>(64,648)</i>	<i>4,869</i>	<i>(10,989)</i>	<i>(24,975)</i>	<i>14,033</i>	<i>(63,369)</i>
Expenses incurred in advance	5,834	6,677	4,334	10,405	10,358	16,685
<b>Subtotal</b>	<b>702,479</b>	<b>809,888</b>	<b>842,590</b>	<b>875,858</b>	<b>832,684</b>	<b>868,565</b>
<b>Liabilities</b>						
Suppliers	40,388	50,376	92,094	137,758	53,397	99,773
Tax and Social Obligations	16,033	19,538	22,428	38,053	32,217	44,010
Others	297,822	269,138	259,827	176,773	257,680	230,078
<i>Land Payables</i>	<i>(109,804)</i>	<i>(127,345)</i>	<i>(133,471)</i>	<i>(95,283)</i>	<i>(81,156)</i>	<i>(101,894)</i>
<i>Hedge Accounting (non-cash)</i>	<i>(20,138)</i>	<i>(56,353)</i>	<i>(48,677)</i>	<i>(20,058)</i>	<i>(15,102)</i>	<i>(32,633)</i>
Provisions	11,361	12,672	15,172	12,249	11,600	13,868
<b>Subtotal</b>	<b>235,662</b>	<b>168,026</b>	<b>207,373</b>	<b>249,492</b>	<b>258,636</b>	<b>250,202</b>
<b>Total</b>	<b>466,817</b>	<b>641,862</b>	<b>635,217</b>	<b>626,366</b>	<b>574,048</b>	<b>618,363</b>
<b>Change in WC</b>	<b>-37,105</b>	<b>175,045</b>	<b>-6,645</b>	<b>-8,851</b>	<b>-52,318</b>	<b>44,315</b>



## Return on Invested Capital

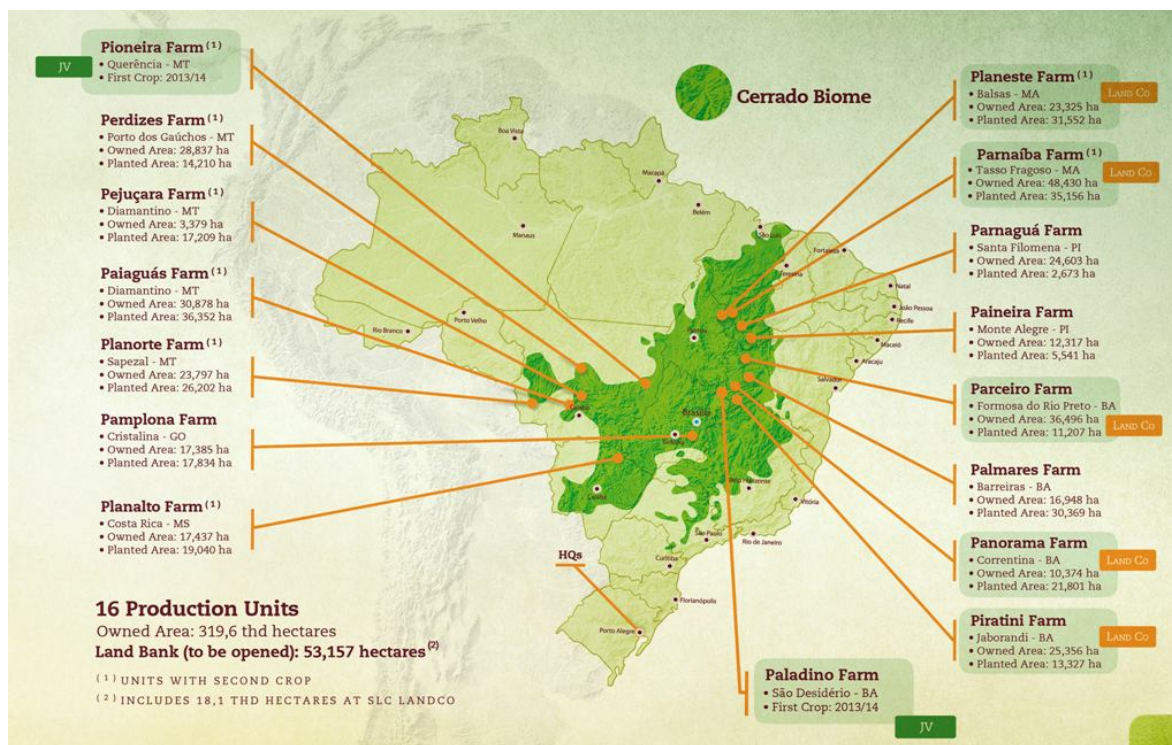
(R\$ million)	2009	2010	2011	2012	1S13
Operating Income	11	126	257	145	117
Taxes (%)	20.5%	30.1%	33.7%	49.8%	24.7%
Taxes (nominal)	(2)	(38)	(87)	(72)	(29)
Adjusted Operating Income	9	88	170	73	88
Net Land Appreciation <sup>(1)</sup>	163	(36)	179	273	306
<b>Operating Income w/ land appreciation</b>	<b>172</b>	<b>52</b>	<b>349</b>	<b>346</b>	<b>394</b>
Invested Capital	2.125	2.179	2.572	3.011	3.385
Gross Debt (short and long term)	461	450	640	811	911
Cash	142	110	131	157	228
Net Debt	318	339	510	654	683
Shareholder's Equity <sup>(2)</sup>	1,807	1,839	2,063	2,358	2,792
<b>Return on Invested Capital</b>	<b>8.1%</b>	<b>2.4%</b>	<b>13.6%</b>	<b>11.5%</b>	<b>11.3%</b>

<sup>(1)</sup> Based on independent land appraisal (Deloitte), net of taxes. 2Q13: applying average appreciation of land in Brazil for the past 12 months based on May-June Informa Economics FNP report. Net of taxes.

<sup>(2)</sup> Adjusted for Land Appreciation



## Location of Production Units



## Adherence to Arbitration Chamber

The Company is subject to arbitration on the Market Arbitration Chamber as per the arbitration clause in its Bylaws.

## Independent Auditors

KPMG Independent Auditors was hired by the Company to provide external audit services related to the examination of the financial statements of the Company. In compliance with CVM Instruction 381/03, we hereby inform that in 2013, this audit firm did not provide services unrelated to the external audit for which the fees exceeded 5% of the amount received for this service.



## Contacts



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CEP: 90.620 – 010 / Porto Alegre, RS

**Ivo Marcon Brum**

Chief Financial and Investor Relations Officer

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Investor Relations Manager

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

*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. Because they refer to future events, they involve risks, uncertainties and assumptions and as such depend on circumstances that may or may not occur. The future results and creation of value for shareholders may differ significantly from the figures 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.*

### 2Q13 Conference Call

Date: Thursday, August 8, 2013

**> Portuguese**

10 a.m. (Brasília time)

09h00 (horário de Nova York)

14h00 (horário de Londres)

Tel.: +55 (11) 2188-0155

Código: SLC Agrícola

Replay: +55 (11) 2188-0155

Código: SLC Agrícola

**> English**

12 p.m. (Brasília time)

11h00 (horário de Nova York)

16h00 (horário de Londres)

Tel.: +1 (412) 317-6776

Código: SLC Agrícola

Replay: +1 (412) 317-0088

Código: 10031604





## Appendix

### Balance Sheet – Assets - Consolidated

(R\$ thd)	2012	AV	2Q13	AV	AH
<b>Current assets</b>	<b>1,074,941</b>	<b>28.9%</b>	<b>1,185,937</b>	<b>30.8%</b>	<b>10.3%</b>
Cash and cash equivalents	143,888	3.9%	211,971	5.5%	47.3%
Short-term interest earnings bank deposits	13,358	0.4%	16,239	0.4%	21.6%
Accounts receivable	101,879	2.7%	97,054	2.5%	-4.7%
Trade accounts receivable	55,271	1.5%	50,297	1.3%	-9.0%
Other accounts receivable	46,608	1.3%	46,757	1.2%	0.3%
Advances to suppliers	25,265	0.7%	26,359	0.7%	4.3%
Operations with derivatives	6,912	0.2%	6,096	0.2%	-11.8%
Securities and credits receivable	9,756	0.3%	9,114	0.2%	-6.6%
Other accounts receivable	4,675	0.1%	5,188	0.1%	11.0%
Inventories	407,819	11.0%	319,916	8.3%	-21.6%
Biological assets	303,404	8.2%	431,887	11.2%	42.3%
Cotton Lint	123,912	3.3%	384,368	10.0%	210.2%
Soybean	144,978	3.9%	1,759	0.0%	-98.8%
Corn	29,534	0.8%	35,648	0.9%	20.7%
Coffee	1,670	0.0%	3,702	0.1%	121.7%
Others	3,310	0.1%	6,410	0.2%	93.7%
Current taxes recoverable	94,188	2.5%	92,185	2.4%	-2.1%
Prepaid expenses	10,405	0.3%	16,685	0.4%	60.4%
<b>Non-current assets</b>	<b>2,640,690</b>	<b>71.1%</b>	<b>2,664,684</b>	<b>69.2%</b>	<b>0.9%</b>
Long term assets	38,008	1.0%	41,768	1.1%	9.9%
Biological assets	6,174	0.2%	6,907	0.2%	11.9%
Deferred taxes	2,291	0.1%	2,685	0.1%	17.2%
Other non-current assets	22,786	0.6%	23,794	0.6%	4.4%
Operations with derivatives	311	0.0%	-	0.0%	-100.0%
Accounts receivable	16,073	0.4%	17,339	0.5%	7.9%
Recoverable taxes	4,919	0.1%	4,918	0.1%	0.0%
Other accounts receivable	1,483	0.0%	1,537	0.0%	3.6%
Prepaid expenses	6,757	0.2%	8,382	0.2%	24.0%
Property, plant and equipment	2,594,571	69.8%	2,615,953	67.9%	0.8%
Fixed assets in operation	2,577,135	69.4%	2,604,506	67.6%	1.1%
Constructions in progress	17,436	0.5%	11,447	0.3%	-34.3%
Intangible assets	8,111	0.2%	6,963	0.2%	-14.2%
Intangible assets	8,111	0.2%	6,963	0.2%	-14.2%
Others	8,111	0.2%	6,963	0.2%	-14.2%
<b>Total Assests</b>	<b>3,715,631</b>	<b>100.0%</b>	<b>3,850,621</b>	<b>100.0%</b>	<b>3.6%</b>





## Appendix

### Balance Sheet – Liabilities - Consolidated

(R\$ thd)	2012	AV	2Q13	AV	AH
<b>Current liabilities</b>	<b>800,331</b>	<b>21.5%</b>	<b>921,211</b>	<b>23.9%</b>	<b>15.1%</b>
Social and labor obligations	7,672	0.2%	7,559	0.2%	-1.5%
Social charges	7,358	0.2%	7,244	0.2%	-1.5%
Labor obligations	314	0.0%	315	0.0%	0.3%
Suppliers	137,758	3.7%	99,773	2.6%	-27.6%
Domestic suppliers	137,758	3.7%	99,773	2.6%	-27.6%
Tax liabilities	30,381	0.8%	33,451	0.9%	10.1%
Federal tax liabilities	29,795	0.8%	32,390	0.8%	8.7%
Income and social contribution tax payable	28,301	0.8%	31,966	0.8%	13.0%
Taxes, fees and sundry contributions	1,494	0.0%	424	0.0%	-71.6%
State tax liabilities	487	0.0%	942	0.0%	93.4%
Municipal tax liabilities	99	0.0%	119	0.0%	20.2%
Loans and financing	435,498	11.7%	536,482	13.9%	23.2%
Loans and financing	435,498	11.7%	536,482	13.9%	23.2%
In local currency	340,432	9.2%	435,622	11.3%	28.0%
In foreign currency	95,066	2.6%	100,860	2.6%	6.1%
Others	176,773	4.8%	230,078	6.0%	30.2%
Others	176,773	4.8%	230,078	6.0%	30.2%
Securities payable	95,283	2.6%	101,894	2.6%	6.9%
Advances from clients	39,814	1.1%	89,758	2.3%	125.4%
Operations with derivatives	20,058	0.5%	32,633	0.8%	62.7%
Minimum compulsory dividend payable	9,526	0.3%	-	0.0%	n.m
Lease	6,828	0.2%	3,093	0.1%	-54.7%
Other debits	5,264	0.1%	2,700	0.1%	-48.7%
Provisions	12,249	0.3%	13,868	0.4%	13.2%
Tax, social security, labor and civil provisions	12,249	0.3%	13,868	0.4%	13.2%
Tax provisions	160	0.0%	160	0.0%	0.0%
Social security and labor provisions	6,130	0.2%	8,580	0.2%	40.0%
Provisions to employee benefits	3,858	0.1%	4,138	0.1%	7.3%
Provision for labor contingencies	2,101	0.1%	990	0.0%	-52.9%
<b>Non-current liabilities</b>	<b>921,675</b>	<b>24.8%</b>	<b>859,322</b>	<b>22.3%</b>	<b>-6.8%</b>
Loans and financing	375,362	10.1%	374,792	9.7%	-0.2%
Loans and financing	375,362	10.1%	374,792	9.7%	-0.2%
In local currency	81,568	2.2%	109,675	2.8%	34.5%
In foreign currency	293,794	7.9%	265,117	6.9%	-9.8%
Other liabilities	88,174	2.4%	41,438	1.1%	-53.0%
Securities payable	86,851	2.3%	34,535	0.9%	-60.2%
Operations with derivatives	775	0.0%	6,355	0.2%	720.0%
Other debits	548	0.0%	548	0.0%	0.0%
Deferred income and social contribution taxes	458,139	12.3%	443,092	11.5%	-3.3%
<b>Shareholders' equity</b>	<b>1,993,625</b>	<b>53.7%</b>	<b>2,070,088</b>	<b>53.8%</b>	<b>3.8%</b>
Realized capital	557,434	15.0%	557,434	14.5%	0.0%
Capital reserves	190,110	5.1%	193,186	5.0%	1.6%
Goodwill in the issue of shares	177,585	4.8%	177,831	4.6%	0.1%
Options granted	20,274	0.5%	23,040	0.6%	13.6%
Treasury shares	(7,749)	-0.2%	(7,685)	-0.2%	-0.8%
Profit reserves	307,129	8.3%	301,439	7.8%	-1.9%
Legal reserve	2,851	0.1%	2,851	0.1%	0.0%
Profit retention reserve	5,628	0.2%	5,628	0.1%	0.0%
Statutory reserve	298,650	8.0%	292,960	7.6%	-1.9%
Retained Earnings/Losses	-	0.0%	89,677	2.3%	n.m
Other comprehensive income	892,834	24.0%	865,760	22.5%	-3.0%
Interest of non-controlling shareholders	46,118	1.2%	62,592	1.6%	35.7%
<b>Total Liabilities</b>	<b>3,715,631</b>	<b>100.0%</b>	<b>3,850,621</b>	<b>100.0%</b>	<b>3.6%</b>



## Income Statement - Consolidated

(R\$ thd)	2Q12	2Q13	AV	AH	1S12	1S13	AV	AH
<b>Net Revenue</b>	<b>226,785</b>	<b>317,296</b>	<b>100.0%</b>	<b>39.9%</b>	<b>551,599</b>	<b>574,164</b>	<b>100.0%</b>	<b>4.1%</b>
Cotton lint	86,026	114,850	36.2%	33.5%	239,833	242,667	42.3%	1.2%
Cotton seed	2,083	2,176	0.7%	4.5%	9,582	14,212	2.5%	48.3%
Soybean	126,725	113,729	35.8%	-10.3%	204,176	216,687	37.7%	6.1%
Corn	15,827	25,119	7.9%	58.7%	22,913	30,918	5.4%	34.9%
Coffe	2,127	2,897	0.9%	36.2%	3,434	5,821	1.0%	69.5%
Others	(246)	60	0.0%	124.4%	3,528	8,708	1.5%	146.8%
Hedge revenue	(5,163)	(6,007)	-1.9%	16.3%	(645)	(18,564)	-3.2%	n.m
Biological assets	(594)	64,472	20.3%	n.m	68,778	73,715	12.8%	7.2%
<b>Cost of goods sold</b>	<b>(223,180)</b>	<b>(220,612)</b>	<b>-69.5%</b>	<b>-1.2%</b>	<b>(444,025)</b>	<b>(405,196)</b>	<b>-70.6%</b>	<b>-8.7%</b>
Cotton lint	(44,249)	(76,714)	-24.2%	73.4%	(144,421)	(168,592)	-29.4%	16.7%
Cotton seed	(1,781)	(1,240)	-0.4%	-30.4%	(7,516)	(8,312)	-1.4%	10.6%
Soybean	(106,507)	(115,575)	-36.4%	8.5%	(149,498)	(165,890)	-28.9%	11.0%
Corn	(11,168)	(28,352)	-8.9%	153.9%	(14,351)	(30,353)	-5.3%	111.5%
Coffe	(1,505)	(433)	-0.1%	-71.2%	(2,231)	(1,226)	-0.2%	-45.0%
Others	(1,346)	(1,355)	-0.4%	0.7%	(3,454)	(5,251)	-0.9%	52.0%
Biological assets	(56,624)	3,057	1.0%	105.4%	(122,554)	(25,572)	-4.5%	-79.1%
<b>Gross Income</b>	<b>3,605</b>	<b>96,684</b>	<b>30.5%</b>	<b>n.m</b>	<b>107,574</b>	<b>168,968</b>	<b>29.4%</b>	<b>57.1%</b>
<b>Operating expenses/income</b>	<b>(21,145)</b>	<b>(24,588)</b>	<b>-7.7%</b>	<b>16.3%</b>	<b>(49,878)</b>	<b>(51,722)</b>	<b>-9.0%</b>	<b>3.7%</b>
Sales expenses	(13,403)	(15,449)	-4.9%	15.3%	(29,345)	(31,811)	-5.5%	8.4%
General and administrative expenses	(9,330)	(9,137)	-2.9%	-2.1%	(20,931)	(18,003)	-3.1%	-14.0%
Management compensation	(1,610)	(1,639)	-0.5%	1.8%	(3,425)	(4,070)	-0.7%	18.8%
Other operating income	3,198	1,637	0.5%	n.m	3,823	2,162	0.4%	n.m
<b>Income (loss) before financial income (loss) and taxes</b>	<b>(17,540)</b>	<b>72,096</b>	<b>22.7%</b>	<b>-n.m</b>	<b>57,696</b>	<b>117,246</b>	<b>20.4%</b>	<b>103.2%</b>
<b>Financial income (loss)</b>	<b>(40,229)</b>	<b>(17,820)</b>	<b>-5.6%</b>	<b>-55.7%</b>	<b>(58,569)</b>	<b>(6,820)</b>	<b>-1.2%</b>	<b>-88.4%</b>
Financial income	37,471	21,629	6.8%	-42.3%	65,841	62,252	10.8%	-5.5%
Financial expenses	(77,700)	(39,449)	-12.4%	-49.2%	(124,410)	(69,072)	-12.0%	-44.5%
<b>Income (loss) before income tax</b>	<b>(57,769)</b>	<b>54,276</b>	<b>17.1%</b>	<b>n.m</b>	<b>(873)</b>	<b>110,426</b>	<b>n.m</b>	<b>n.m</b>
<b>Income and social contribution taxes</b>	<b>12,496</b>	<b>(17,584)</b>	<b>-5.5%</b>	<b>n.m</b>	<b>(11,240)</b>	<b>(27,299)</b>	<b>-4.8%</b>	<b>142.9%</b>
Current	(5,618)	(10,756)	-3.4%	91.5%	(15,587)	(32,460)	-5.7%	108.3%
Deferred	18,114	(6,828)	-2.2%	n.m	4,347	5,161	0.9%	18.7%
<b>Net Income (loss) for the period</b>	<b>(45,273)</b>	<b>36,692</b>	<b>11.6%</b>	<b>n.m</b>	<b>(12,113)</b>	<b>83,127</b>	<b>n.m</b>	<b>n.m</b>
Attributed to the Parent company's partners	(45,273)	36,300	11.4%	n.m	(12,113)	82,489	n.m	n.m
Attributed to non-controlling partners	-	392	0.1%	n.m	-	638	n.m	n.m





## Value Added Statement - Consolidated

(R\$ thd)	2Q12	2Q13	AH	1S12	1S13	AH
<b>Revenues</b>	<b>261,916</b>	<b>342,396</b>	<b>30.70%</b>	<b>612,885</b>	<b>630,598</b>	<b>2.90%</b>
Sale of merchandise, products and services	242,555	269,990	11.30%	505,669	543,206	7.40%
Other income	4,121	67,446	n.m	76,033	79,656	4.80%
Variation of the fair value of biological assets	(594)	64,472	n.m	68,778	73,715	7.20%
Other income	4,715	2,974	-36.90%	7,255	5,941	-18.10%
Income from construction of own assets	15,240	4,960	-67.50%	31,183	7,736	-75.20%
<b>Inputs acquired from third parties</b>	<b>(191,882)</b>	<b>(153,575)</b>	<b>-20.00%</b>	<b>(394,728)</b>	<b>(285,142)</b>	<b>-27.80%</b>
Cost of goods, merchandise and services sold	(1,327)	914	n.m	(2,966)	(1,333)	-55.10%
Materials, Energy, Third-party services and other	(49,916)	(51,066)	2.30%	(114,011)	(83,446)	-26.80%
Loss/recovery of asset values	(2,403)	(2,778)	15.60%	(2,237)	(906)	-59.50%
Others	(138,236)	(100,645)	-27.20%	(275,514)	(199,457)	-27.60%
Raw material used	(81,610)	(103,702)	27.10%	(152,959)	(173,885)	13.70%
Adjustment of fair value of biological assets	(56,626)	3,057	n.m	(122,555)	(25,572)	-79.10%
<b>Gross added value</b>	<b>70,034</b>	<b>188,821</b>	<b>169.60%</b>	<b>218,157</b>	<b>345,456</b>	<b>58.40%</b>
<b>Retentions</b>	<b>(23,158)</b>	<b>(34,075)</b>	<b>47.10%</b>	<b>(44,293)</b>	<b>(53,225)</b>	<b>20.20%</b>
Depreciation, amortization and depletion	(23,158)	(34,075)	47.10%	(44,293)	(53,225)	20.20%
<b>Net added value produced</b>	<b>46,876</b>	<b>154,746</b>	<b>230.10%</b>	<b>173,864</b>	<b>292,231</b>	<b>68.10%</b>
<b>Added value received as transfer</b>	<b>32,359</b>	<b>16,345</b>	<b>-49.50%</b>	<b>65,296</b>	<b>48,090</b>	<b>-26.40%</b>
Financial income	32,309	16,067	-50.30%	65,197	47,762	-26.70%
Others	50	278	456.00%	99	328	231.30%
<b>Total added value payable</b>	<b>79,235</b>	<b>171,091</b>	<b>115.90%</b>	<b>239,160</b>	<b>340,321</b>	<b>42.30%</b>
<b>Distribution of added value</b>	<b>79,235</b>	<b>171,091</b>	<b>115.90%</b>	<b>239,160</b>	<b>340,321</b>	<b>42.30%</b>
<b>Personnel</b>	<b>27,589</b>	<b>38,653</b>	<b>40.10%</b>	<b>56,592</b>	<b>68,930</b>	<b>21.80%</b>
Direct remuneration	17,819	23,742	33.20%	34,811	43,225	24.20%
Benefits	8,769	12,939	47.60%	18,908	22,169	17.20%
F.G.T.S.	1,001	1,972	97.00%	2,873	3,536	23.10%
<b>Taxes, rates and contributions</b>	<b>18,911</b>	<b>48,261</b>	<b>155.20%</b>	<b>65,297</b>	<b>107,216</b>	<b>64.20%</b>
Federal	7,514	38,860	417.20%	47,940	65,462	36.50%
State	11,397	9,381	-17.70%	17,357	41,734	140.40%
Municipal	-	20	n.m	-	20	n.m
<b>Third-party capital remuneration</b>	<b>78,008</b>	<b>47,485</b>	<b>-39.10%</b>	<b>129,384</b>	<b>81,048</b>	<b>-37.40%</b>
Interest	76,930	39,731	-48.40%	123,042	72,593	-41.00%
Rents	1,078	7,754	619.30%	6,342	8,455	33.30%
<b>Remuneration of own capital</b>	<b>(45,273)</b>	<b>36,692</b>	<b>n.m</b>	<b>(12,113)</b>	<b>83,127</b>	<b>n.m</b>
Retained earnings/Loss for the period	(45,273)	36,300	n.m	(12,113)	82,489	n.m
Interest of non-controlling shareholders in retained earnings	-	392	n.m	-	638	n.m





## Cash Flow Statement - Consolidated

(R\$ thd)	2Q12	2Q13	AH	1S12	1S13	AH
<b>Net cash from operational activities</b>	<b>(131,224)</b>	<b>(42,219)</b>	<b>-67.8%</b>	<b>(63,929)</b>	<b>77,608</b>	<b>n.m</b>
<b>Cash generated in operations</b>	<b>67,221</b>	<b>18,075</b>	<b>-73.1%</b>	<b>160,176</b>	<b>108,269</b>	<b>-32.4%</b>
Net income (loss) before income and social contribution taxes	(57,769)	54,276	n.m	(873)	110,426	n.m
Depreciation and amortization	22,301	27,109	21.6%	45,934	54,790	19.3%
Depreciation and amortization recorded in the income	23,158	34,075	47.1%	44,293	53,225	20.2%
Depreciation and amortization recorded in the inventories and biological assets	(857)	(6,966)	712.8%	1,641	1,565	-4.6%
Income from write-off of permanent assets	4,640	1,014	-78.1%	7,021	7,244	3.2%
Interest, foreign exchange variation and price-level restatement	48,921	23,647	-51.7%	67,296	15,393	-77.1%
Interest paid	(7,965)	(13,401)	68.2%	(10,140)	(20,736)	104.5%
Share-based compensation	1,508	1,391	-7.8%	2,887	2,766	-4.2%
Variation in biological assets	57,219	(67,528)	n.m	53,776	(48,142)	nm
Provision (reversal) of inventory adjustments and onerous contracts	2,501	2,122	-15.2%	1,721	250	-85.5%
Provision (reversal) of profit sharing and labor contingencies	895	1,081	20.8%	3,625	2,637	-27.3%
Income tax and social contribution paid	(5,030)	(11,636)	131.3%	(11,071)	(16,359)	47.8%
<b>Changes in assets and liabilities</b>	<b>(198,445)</b>	<b>(60,294)</b>	<b>-69.6%</b>	<b>(224,105)</b>	<b>(30,661)</b>	<b>-86.3%</b>
Trade accounts receivable	42,662	(10,620)	n.m	28,641	4,974	-82.6%
Inventories and biological assets	(77,106)	(9,552)	-87.6%	(47,468)	7,026	n.m
Recoverable taxes	(19,190)	(11,938)	-37.8%	(5,773)	2,005	n.m
Accounts receivable	-	197	n.m	661	197	-70.2%
Interest earnings bank deposits-pledged	(36,116)	5,926	n.m	(33,010)	(2,881)	-91.3%
Other accounts receivable	(7,446)	(9,027)	21.2%	(9,062)	(9,981)	10.1%
Suppliers	9,988	46,376	364.3%	(67,543)	(37,985)	-43.8%
Taxes and social payables	(4,321)	(14,669)	239.5%	(9,355)	(15,780)	68.7%
Operations with derivatives	12,771	21,535	68.6%	10,369	13,392	29.2%
Securities payable	(75,553)	(25,486)	-66.3%	(85,101)	(37,644)	-55.8%
Advances from clients	(33,875)	(49,462)	46.0%	12,353	49,944	304.3%
Other accounts payable	(10,259)	(3,574)	-65.2%	(18,817)	(3,928)	-79.1%
<b>Net cash used in investment activities</b>	<b>(49,443)</b>	<b>(62,628)</b>	<b>26.7%</b>	<b>(80,973)</b>	<b>(82,990)</b>	<b>2.5%</b>
In biological assets	-	(722)	n.m	-	(722)	n.m
In Fixed assets	(49,369)	(61,887)	25.4%	(80,760)	(82,139)	1.7%
In Intangible assets	(74)	(19)	-74.3%	(213)	(129)	-39.4%
<b>Net cash generated/(consumed) in financing activities</b>	<b>62,979</b>	<b>38,261</b>	<b>-39.2%</b>	<b>117,584</b>	<b>73,465</b>	<b>-37.5%</b>
Sale (repurchase) of shares	4,627	(962)	n.m	4,627	310	-93.3%
Loans and financing obtained	172,867	168,446	-2.6%	269,453	377,647	40.2%
Loans and financing paid	(52,660)	(129,817)	14.5%	(94,641)	(305,086)	222.4%
Dividends paid	(61,855)	(15,242)	-75.4%	(61,855)	(15,242)	-75.4%
Payment of capital	-	15,836	n.m	-	15,836	n.m
	-	-	-	-	-	-
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(117,688)</b>	<b>(66,586)</b>	<b>-43.4%</b>	<b>(27,318)</b>	<b>68,083</b>	<b>n.m</b>
Opening balance of cash and cash equivalents	217,727	278,557	27.9%	127,357	143,888	13.0%
Closing balance of cash and cash equivalents	100,039	211,971	111.9%	100,039	211,971	111.9%



### 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