SLC Agrícola

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2Q08 Results Presentation

July 31, 2008







SLCE3 NOVO MERCADO BOVESPA BRASIL

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Índice de Ações com Tag Along Diferenciado

Esta companhia adota práticas do Manual de Controle e Divulgação de Informações Relevantes da Associação Brasileira das Companhias Abertas
abrasca companhia associada

Agenda

- ✓ Highlights
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- ✓ Financial Performance
- ✓ Growth Strategy
- ✓ SLCE3

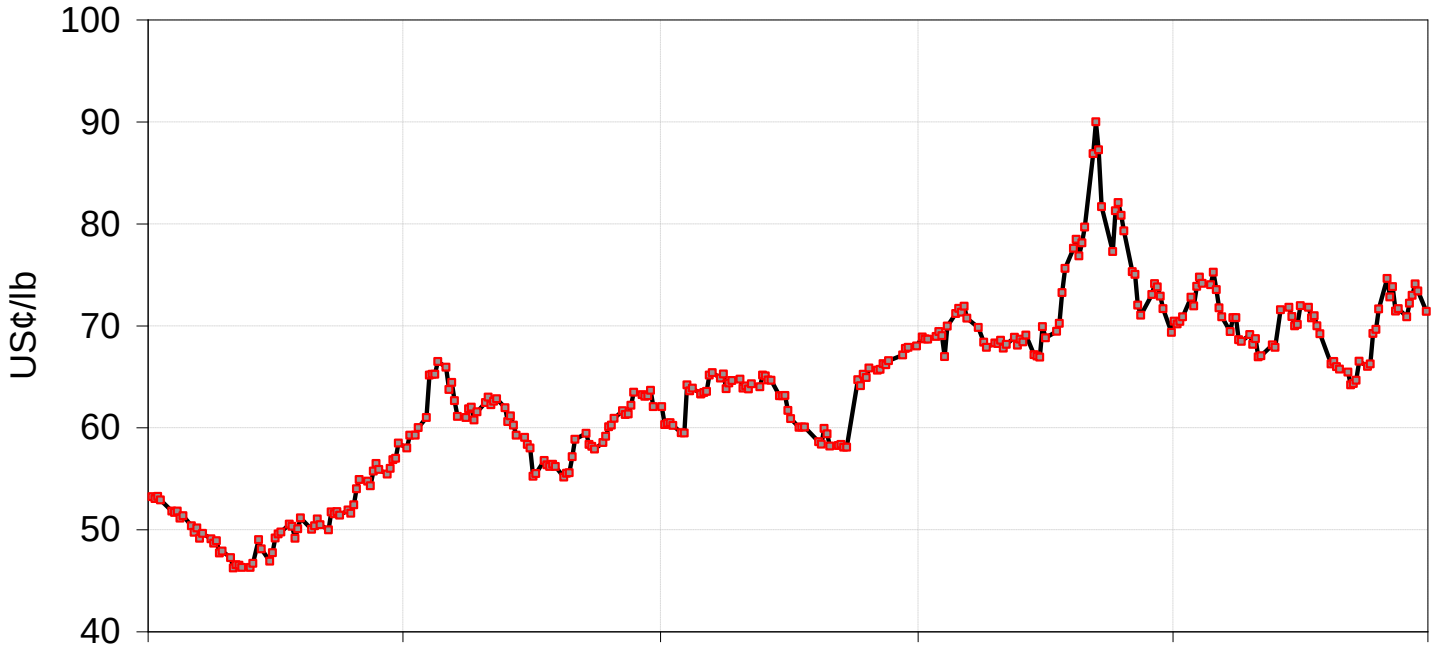


Highlights – 2Q08

- ✓ Net revenue growth of 44.3% to R$77.6 million, compared to the 2Q07.
- ✓ Adjusted EBITDA grew 95.6% to R$28.5 million, with Adjusted EBITDA margin of 36.7%, compared to the 2Q07.
- ✓ Acquisition of 10,635ha adjacent to the Planorte Farm.
- ✓ Start-up of 10th production unit, the Palmares Farm, through the acquition of 5,165ha and the lease of 23,730ha.
- ✓ Conclusion of Public Share Offering on June 27, 2008.

Market Overview
Cotton

Cotton Prices on the International Market
ICE - 1st contract

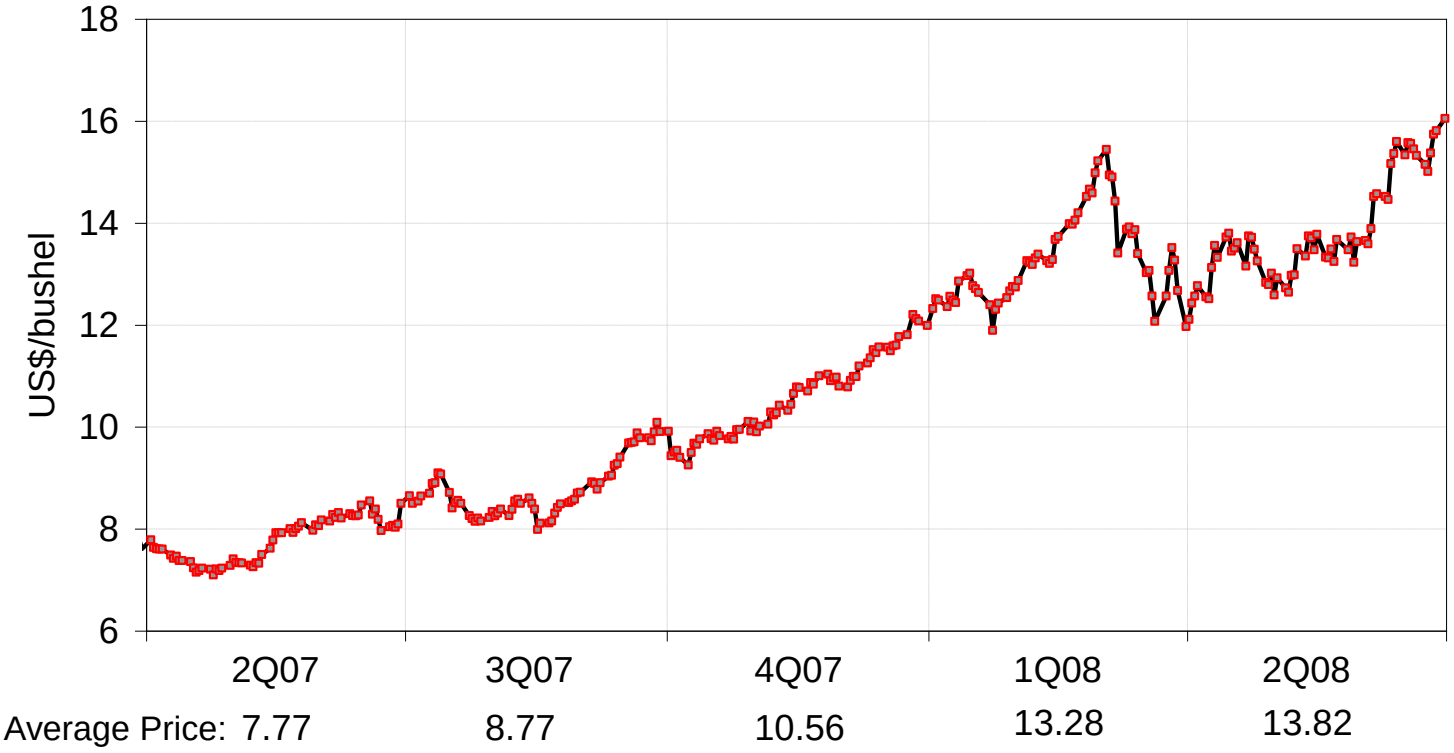


	2Q07	3Q07	4Q07	1Q08	2Q08
Average Price:	51.02	60.49	63.09	72.74	70.16

Source: ICE/CMA

Market Overview
Soybean

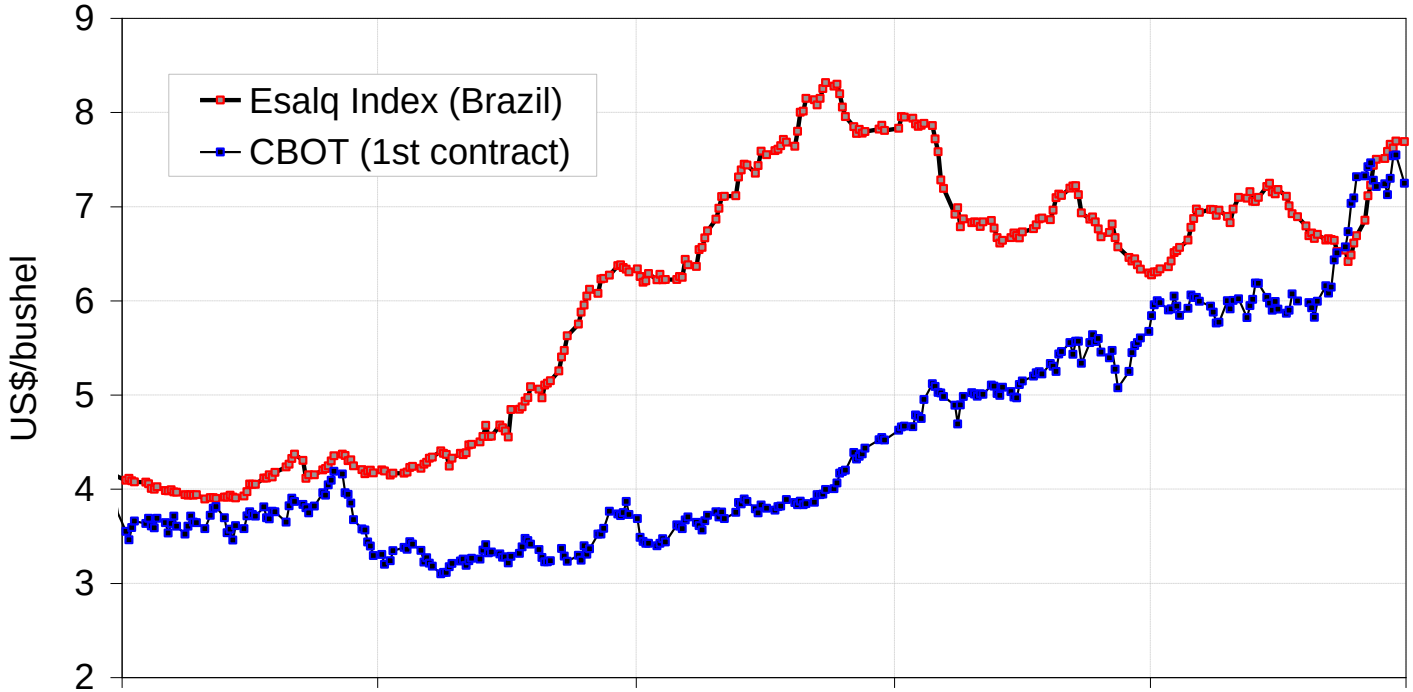
Soybean Prices on the International Market
CBOT - 1st contract



Source: CBOT/CMA

Market Overview
Corn

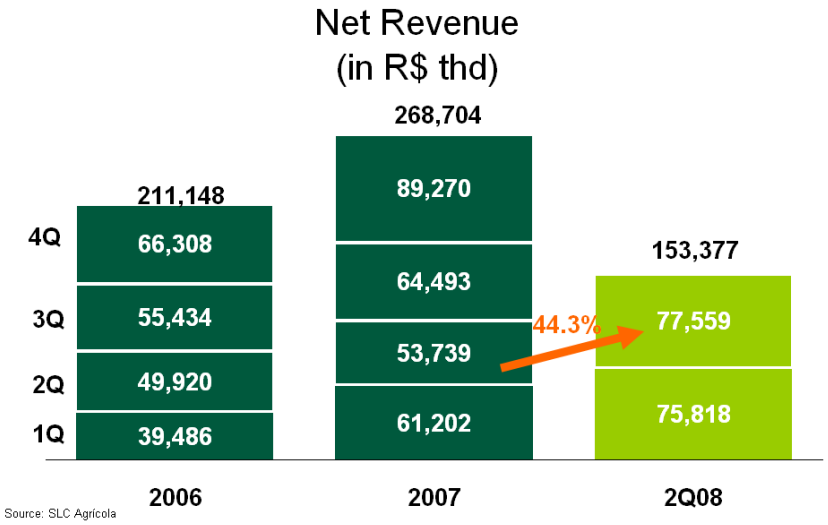
Corn Prices

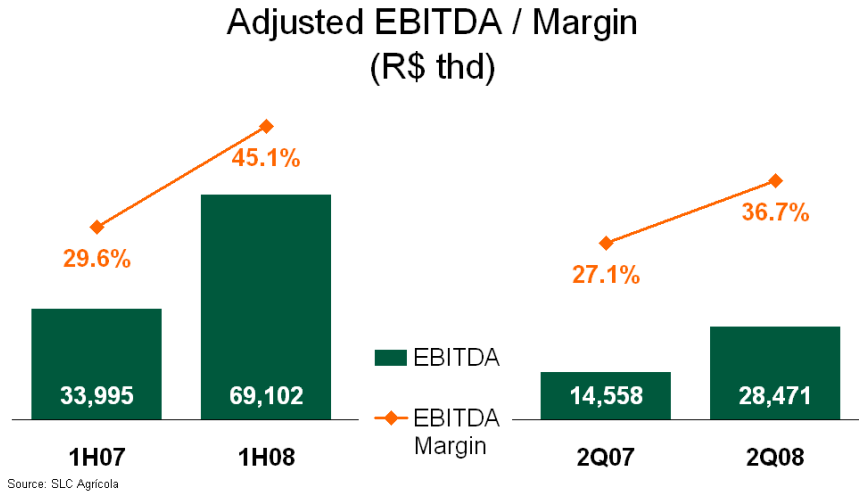


	2Q07	3Q07	4Q07	1Q08	2Q08
Esalq Index	4.10	4.97	7.29	7.00	6.90
CBOT	3.71	3.35	3.86	5.17	6.29

Source: CBOT/ Cepea (Esalq)/CMA

Financial Performance Summary





(R$ thd)	1H07	1H08	AH	2Q07	2Q08	AH
Net revenue	114,941	153,377	33.4%	53,739	77,559	44.3%
Gross profit	23,041	54,926	138.4%	5,915	20,016	238.4%
Gross margin	*20.0%*	*35.8%*	*15.8p.p.*	*11.0%*	*25.8%*	*14.8p.p.*
Operating income (loss)	(3,961)	32,482	n.m.	(14,444)	864	n.m.
Operating margin	*-3.4%*	*21.2%*	*24.6p.p.*	*-26.9%*	*1.1%*	*28.0p.p.*
Net income (loss) for the period	(2,659)	30,846	n.m.	(9,361)	1,598	n.m.
Net margin	*-2.3%*	*20.1%*	*22.4p.p.*	*-17.4%*	*2.1%*	*19.5p.p.*
Net Debt	(132,477)	107,778	n.m.	-	-	-
Adjusted EBITDA[(1)]	33,995	69,102	103.3%	14,558	28,471	95.6%
Adjusted EBITDA margin[(2)]	29.6%	45.1%	15.5 p.p.	27.1%	36.7%	9.6 p.p.

(1) Adjusted EBITDA consists of EBITDA plus the net result from hedge operations and extraordinary expenses.
(2) Adjusted EBITDA Margin consists of Adjusted EBITDA divided by net revenue.

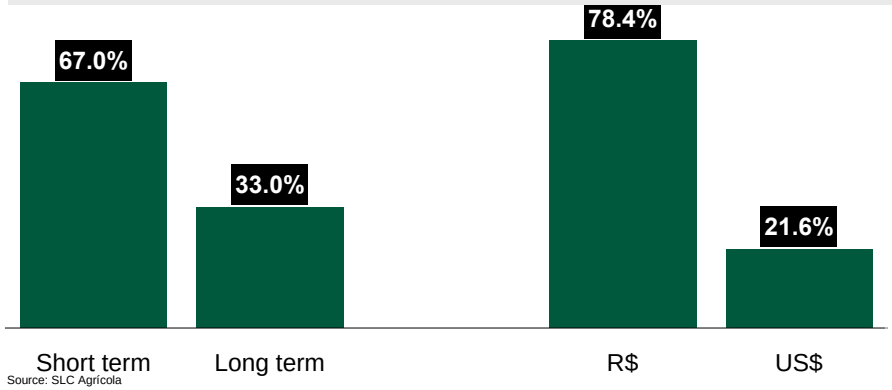
Net Debt

(R$ thd)	Currency	Interest rate % p.a.	1Q08	AV	2Q08	AV	AH
Constitutional Funds[1]	R$	7.4	90,152	47.0%	89,072	35.0%	-1.2%
Rural Credit Loan	R$	6.8	60,287	31.4%	76,153	29.9%	26.3%
BNDES	R$	9.8	30,098	15.7%	29,955	11.8%	-0.5%
Rural Savings	R$	9.6	3,491	1.8%	4,348	1.7%	24.5%
4131 Resolution	US$	5.5	5,680	3.0%	5,315	2.1%	-6.4%
ACC	US$	4.2	835	0.4%	16,245	6.4%	1845.5%
BNDES	US$	8.1	1,194	0.6%	1,118	0.4%	-6.3%
IFC	US$	5.2	-	0.0%	32,174	12.6%	n.m.
Total Debt			**191,737**	**100.0%**	**254,380**	**100.0%**	**32.7%**
(-) Cash			**180,271**		**146,602**		**-18.7%**
(=) Net Debt			**11,466**		**107,778**		**840.0%**

[1] Consider an addinplancy discount of 15%.

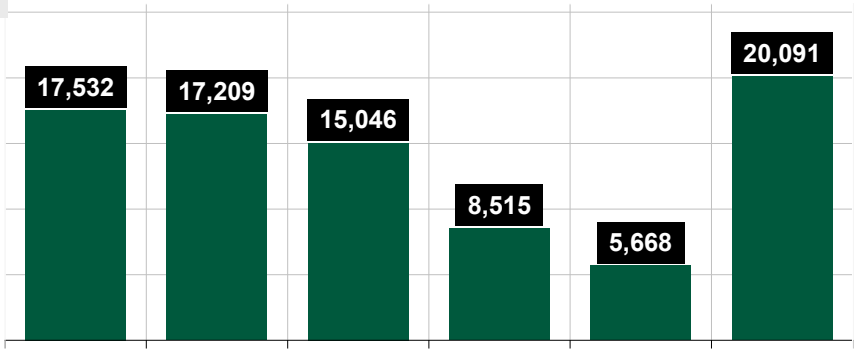
Average interest rate in R$: 7.6% p.a.

Average interest rate in US$: 5.0% p.a.



Source: SLC Agrícola

Long Term Debt Schedule
(R$ thd)



Source: SLC Agrícola

Production Costs

2007/08	Cotton[1]	Soybean[1]	Corn[1]	Average 2007/08[1]	Average 2006/07
Variable Costs	**82.4%**	**62.1%**	**74.8%**	**74.7%**	**72.7%**
Seeds	2.2%	3.9%	15.0%	4.1%	3.9%
Fertilizer	22.5%	23.3%	30.7%	23.7%	18.9%
Chemicals	33.8%	17.7%	14.7%	26.3%	28.2%
Fuel and lubricants	5.8%	6.2%	4.9%	5.8%	5.6%
Labor	2,4%	1.2%	0.7%	1.8%	1.5%
Processing	11.0%	1.5%	2.5%	6.9%	7.8%
Machine maintenance and implements	3.5%	6.4%	4.5%	4.6%	5.5%
Others	1.2%	1.9%	1.8%	1.5%	1.3%
Fixed Costs	**17.6%**	**37.9%**	**25.2%**	**25.3%**	**27.3%**
Labor	5.6%	12.9%	9.7%	8.5%	10.5%
Depreciation and amortization	7.5%	16.5%	9.5%	10.8%	12.1%
Leasing	1.9%	3.2%	1.8%	2.3%	0.4%
Others	2.6%	5.3%	4.2%	3.7%	4.3%

(1) SLC Agrícola percentage estimates, as of June, 30, 2008, to enable advance crop assessments.

Production Costs

2007/08 (R$/ha)	Soybean[1]	Cotton 1st crop[1]	Corn 1st crop[1]	Corn 2nd crop[1]	Coffee[1]
Production costs	1,276	3,134	1,919	1,003	9,005

[1] SLC Agrícola estimates as of June 30, 2008 to enable advance crop assessments.

	Soybean[1]	Cotton[1]	Corn[1]
Δ% 2008/09	+30.2%	+20.6%	+19.3%

[1] SLC Agrícola estimates as of June 30, 2008 to enable advance crop assessments.

Δ% 2008/09: +24.0%

Investments

- ✓ Since the IPO in June 2007, we have acquired approximately 54.687 thousand hectares, representing an increase of 43% in our owned land and an investment of R$208,6 million. During this period we created two new production units in the state of Bahia – the Piratini and Palmares Farms

Acquired Land	Farm	Location	ha	R$thd	R$/ha
Additional area					
Jul/07	Palmeira	Buriti/MA	186	47	253
Aug/07	Paiaguás	Deciolândia/MT	3,380	14,380	4,254
Oct/07	Pamplona	Cristalina/GO	4,282	24,299	5,675
Dec/07	Planeste	Balsas/MA	315	271	860
May/08	Planorte	Sapezal/MT	10,635	82,950	7,800
New production units					
Jun/07	Panorama	Correntina/BA	5,722	20,233	3,536
Nov/07	Piratini	Jaborandi/BA	25,002	31,466	1,259
Jun/08	Palmares	Barreiras/BA	5,165	35,000	6,776
			54,687	**208,646**	**3,815**

Financial Results

(R$ thd)	1H07	1H08	AH	2Q07	2Q08	AH
Gain with hedge transactions	7,439	16,561	122.6%	6,276	10,947	74.4%
Short term investments income	2,762	8,739	216.4%	2,067	4,678	126.3%
Others	3,343	7,934	137.3%	2,062	4,630	124.5%
Financial income	**13,544**	**33,234**	**145.4%**	**10,405**	**20,255**	**94.7%**
Loss with hedge transactions	(1,039)	(6,229)	499.5%	(88)	(4,816)	5372.7%
Interest	(7,283)	(7,863)	8.0%	(3,773)	(3,804)	0.8%
Monetary variation[1]	-	(20,827)	n.m.	-	(20,827)	n.m.
Others	(3,190)	(4,565)	43.1%	(2,213)	(1,250)	-43.5%
Financial expenses	**(11,512)**	**(39,484)**	**243.0%**	**(6,074)**	**(30,697)**	**405.4%**
Financial income (expenses)	**2,032**	**(6,250)**	**-407.6%**	**4,331**	**(10,442)**	**-341.1%**
%Net revenue	**1.8%**	**-4.1%**	**-5.8p.p.**	**8.1%**	**-13.5%**	**-21.5p.p.**

[1] Mark-to-market of the debt related to the acquisition of the area adjacent to the Planorte Farm, equivalent to 2,240 thousand bags of soybean.

Financial Results

(R$ thd)	2Q08	AV
Gross revenue	**81,597**	**105.2%**
Sales deductions	(4,038)	-5.2%
Net revenue	**77,559**	**100.0%**
COGS	(57,543)	-74.2%
Gross Profit	**20,016**	**25.8%**
Selling expenses	(3,873)	-5.0%
General and administrative expenses	(5,186)	-6.7%
Financial income (expenses)	***(10,442)***	***-13.5%***
Other operating income	349	0.4%
Operating income	**864**	**1.1%**
Non operating income	(101)	-0.1%
Income before taxation	**763**	**1.0%**
Income and social contribution taxes – current	777	1.0%
Income and social contribution taxes – deferred	58	0.1%
Net income	**1,598**	**2.1%**

Hedge

	Cotton		Soybean		Corn		FX Rate	
	%	US¢ / lb[1] [4]	%	US$ / bushel[2] [4]	%	R$ / bag[3] [4]	%	R$ / US$
2008	65%	68.2	78%	10.53	44%	25.70	88%	2.08
2009	33%	73.3	8%	12.97	-	-	26%	1.97

[1] Reference price at ICE. It considers figures in crop-years (2007/08 and 2008/09).

[2] Reference price at CBOT.

[3] Reference price at BM&F.

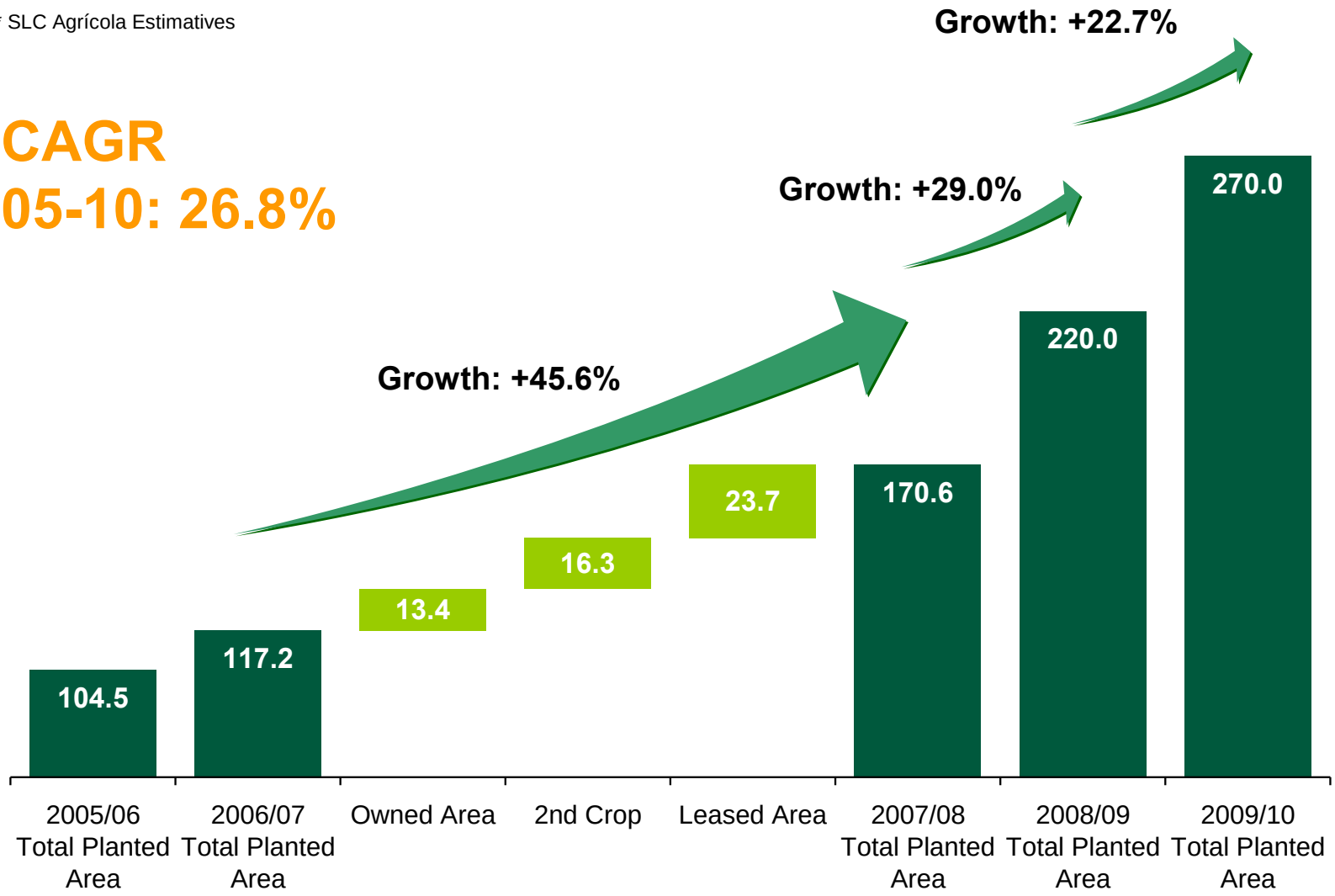
[4] Production units prices are influenced by locations differential (port differential and transport, port basis and others)

Growth Strategy
Planted Area Expansion

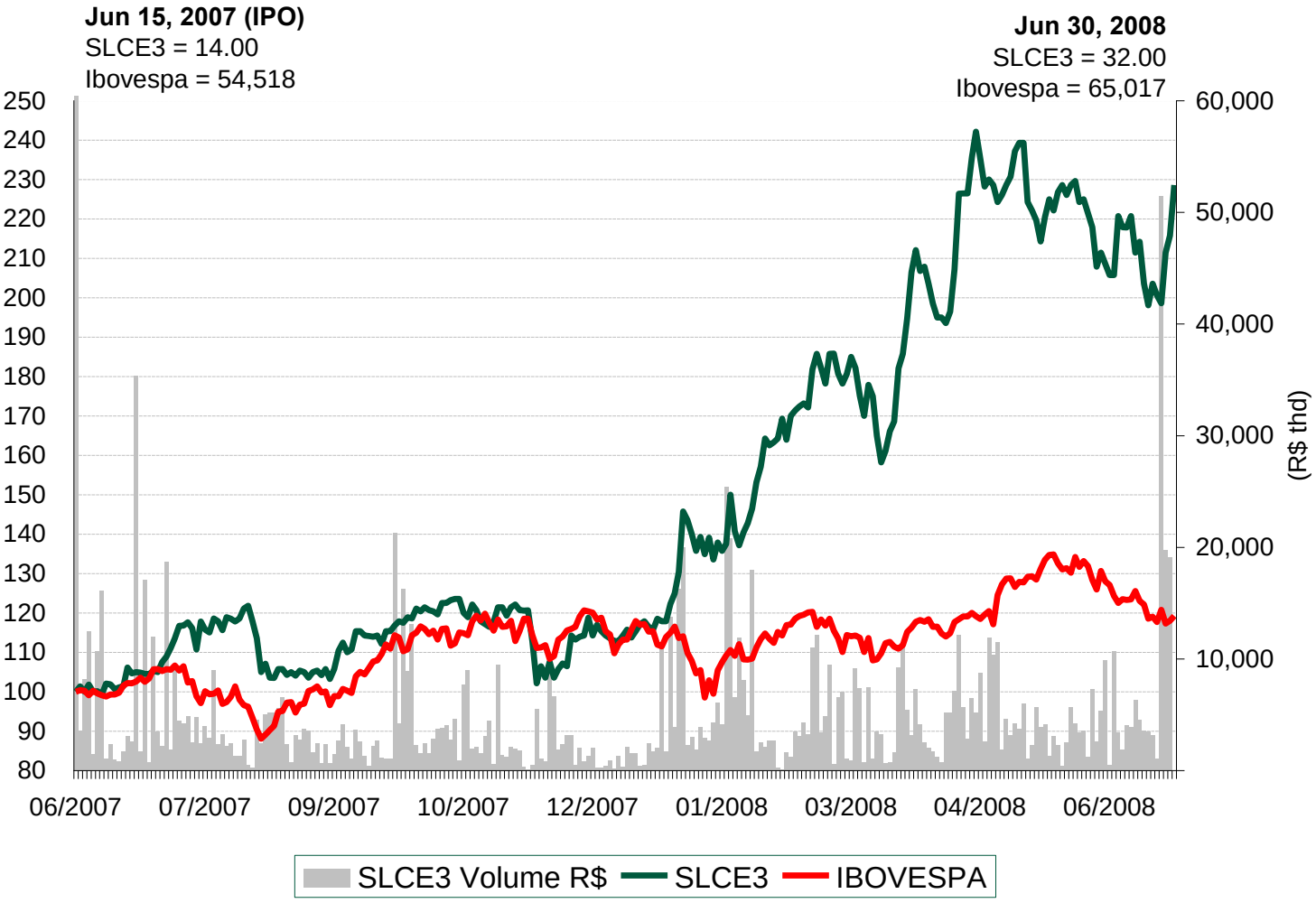
In thd hectares

* SLC Agrícola Estimatives

CAGR
05-10: 26.8%



SLCE3: Performance and Volume (Jun 15, 2007 – Jun 30, 2008)



SLCE3: +128.6%

Market Cap: R$3.2 billlion

ADTV: R$5.0 million

IBOV: +19.3%

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Forward-looking statements also include information concerning our possible or assumed future results of operations. as well as statements preceded by. followed by. or that include the words "believes." "may." "will." "continues." "expects." "anticipates." "intends." "plans." "estimates" or similar expressions,

Forward-looking statements are not guarantees of performance. They involve risks. uncertainties and assumptions because they relate to future events and therefore depend on circumstances that may or may not occur. Our future results and shareholder values may differ materially from those expressed in or suggested by these forward-looking statements. Many of the factors that will determine these results and values are beyond our ability to control or predict,

Except where stated otherwise, the financial and operating data are presented on a consolidated basis, in accordance with Brazilian Corporate Law, and in thousands of Brazilian Real. 2Q07 and 2Q08 refer to the cumulative three-month periods from April through June of the years 2007 and 2008, respectively, and 1H07 and 1H08 refer to the cumulative six-month periods from January through June of the years 2007 and 2008, respectively.