# SLC Agrícola

## 2Q11 Results Presentation

**August 11th, 2011**

# Agenda



Market Overview

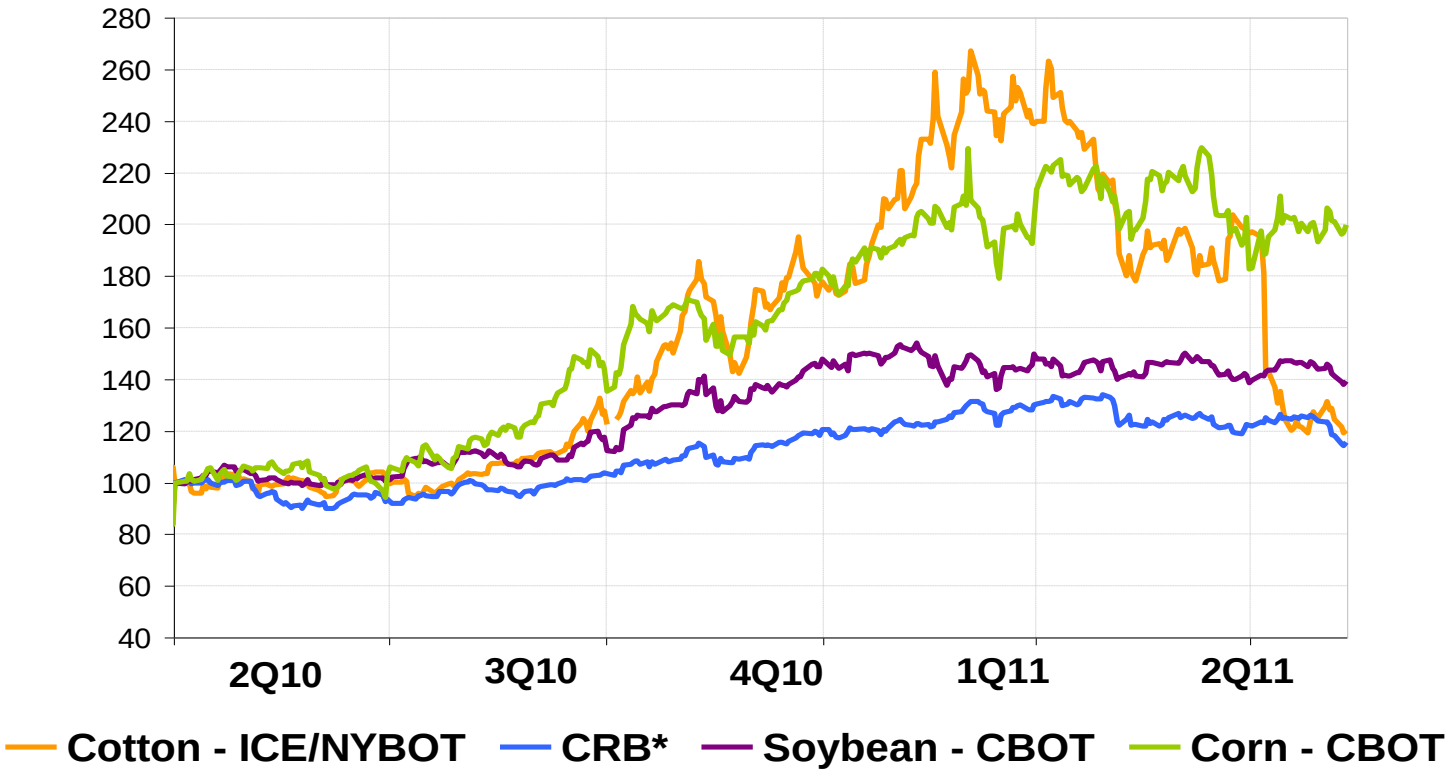
Operating Information

Financial Performance

SLC Agrícola

## Commodities Prices Variation

From April 2010 to August 2011 (1st Contract)




Source: CMA (04/01/2010 = 100)
Bureau
Up to 08/10/2011

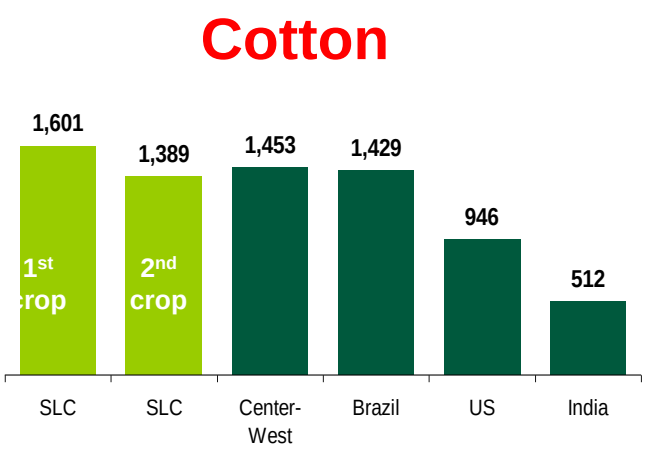
*Commodity Research

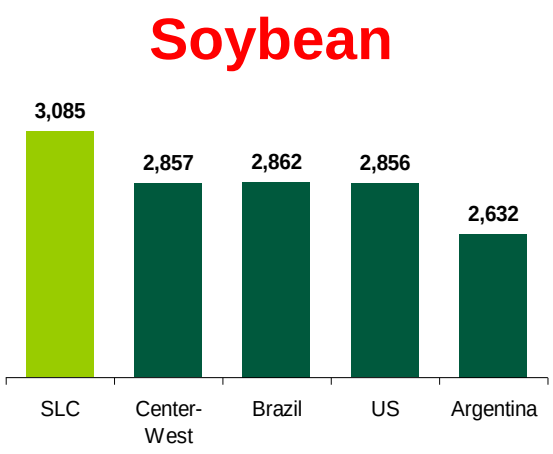
# Operating Information
## 2010/11 Estimated Yields

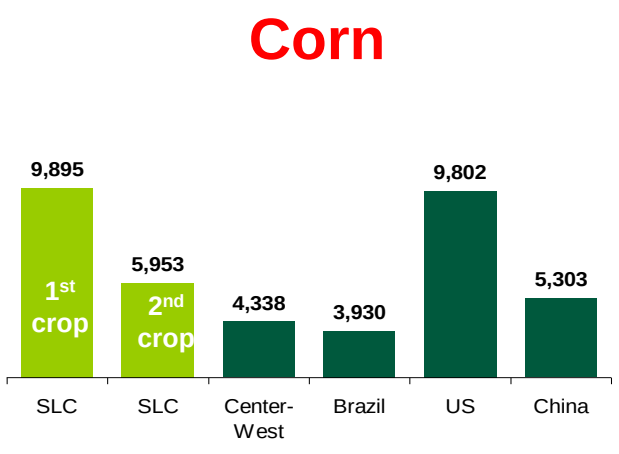
| Yield (kg/ha) | Obtained 2009/10 | Initial Plan 2010/2011 | Estimated 2010/11(1) | Δ% |
|---|---|---|---|---|
| Cotton lint 1st crop | 1,619 | 1,643 | 1,719 | 6.2 |
| Cotton lint 2nd crop | 1,456 | 1,376 | 1,388 | -4.7 |
| Soybean | 2,946 | 3,303 | 3,300 | 12 |
| Corn 1st crop | 10,134 | 10,450 | 10,994 | 8.5 |
| Corn 2nd crop | 5,740 | 6,472 | 5,786 | 0.8 |

(1) Current Yield Estimate for SLC Agrícola

**Yields Comparison – Five-year average ending 2010/11(kg/ha)**



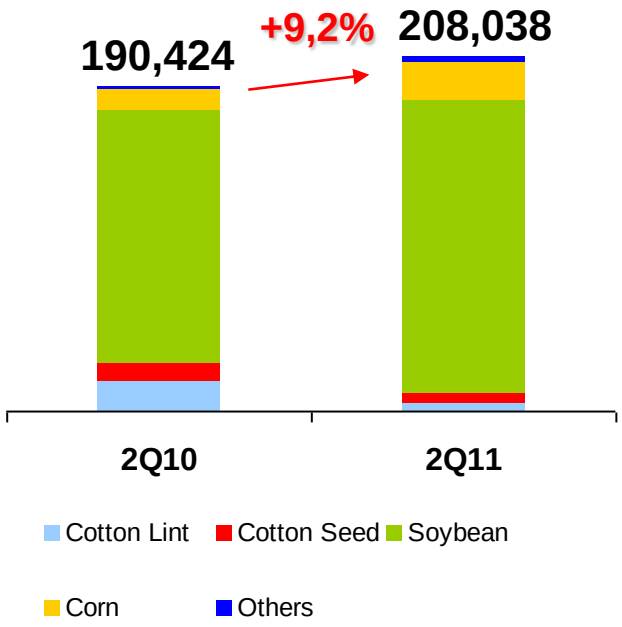





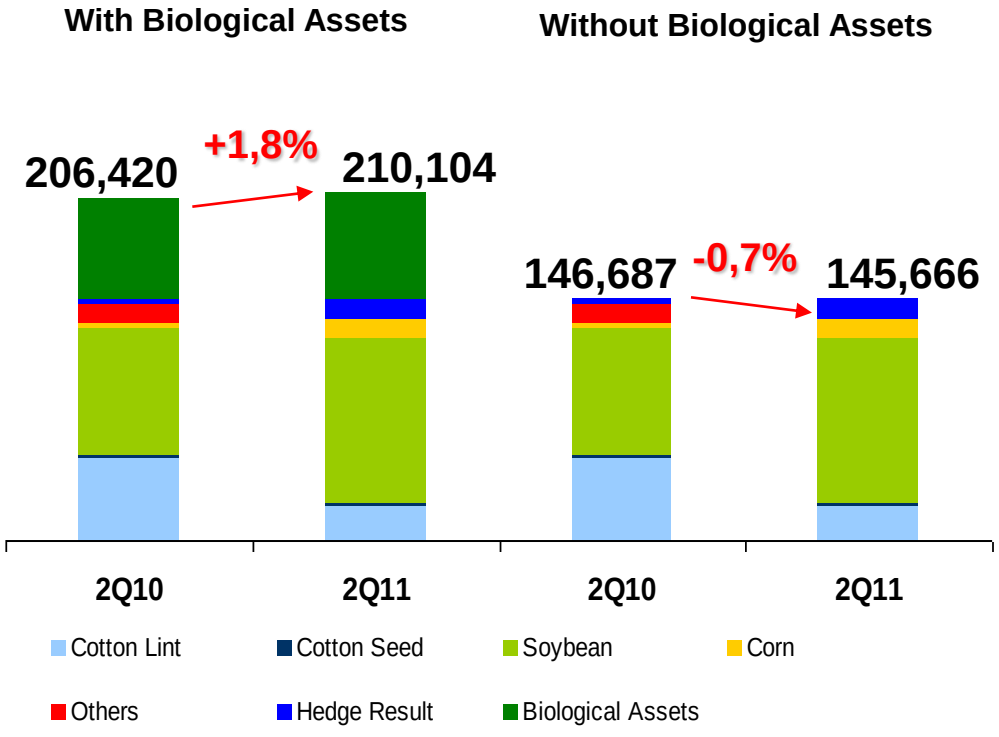

Source: SLC Agrícola (estimate). Brazil and Center-West (Conab august/11) . USA, Argentina, India and China (USDA. july/11)

# Volume Sold and Net Revenue

## Volume Sold (tons)




## Net Revenue (R$ thd)



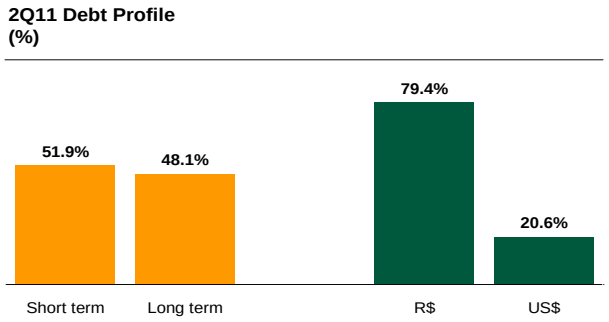
# Summary of Results

| (R$ thd) | 1S2010 | 1S2011 | AH | 2Q10 | 2Q11 | AH |
|---|---|---|---|---|---|---|
| **Net Revenue** | **383,605** | **406,381** | **5.9%** | **206,420** | **210,104** | **1.8%** |
| **(-)COGS** | **(307,701)** | **(257,417)** | **-16.3%** | **(131,610)** | **(135,876)** | **3.2%** |
| **Gross Income** | **75,904** | **148,964** | **96.3%** | **74,810** | **74,228** | **-0.8%** |
| *Gross Margin* | *19.8%* | *36.7%* | *16.9p.p.* | *36.2%* | *35.3%* | *-0.9p.p.* |
| Depreciation and amortization | 32.036 | 25.113 | 21,6% | 18.247 | 15.648 | -14,2% |
| **EBITDA** | **73,496** | **130,063** | **77.0%** | **75,523** | **68,466** | **-9.3%** |
| ***EBITDA Margin*** | ***19.2%*** | ***32.0%*** | ***12.8 p.p.*** | ***36.6%*** | ***32.6%*** | ***-4.0 p.p.*** |
| Net Financial Result | (491) | (6.416) | n.m. | (13.890) | 11.519 | n.m. |
| Operating income | 40,969 | 98,534 | 140.5% | 43,386 | 64,337 | 48.3% |
| *Operating margin* | *10.7%* | *24.2%* | *13.5 p.p.* | *21.0%* | *30.6%* | *9.6p.p.* |
| Net income | 29,607 | 64,380 | 117.4% | 29,949 | 42,007 | 40.3% |
| *Net margin* | 7.7% | *15.8%* | *8.1p.p.* | *14.5%* | *20.0%* | *5.5 p.p.* |
| **Net Debt** | **356,906** | **419,950** | **17.7%** | **359,906** | **419,950** | **17.7%** |

# Net Debt

| (R$ thd) | Currency | %y.y. | 4Q10 | 1Q11 | AH | AV |
|---|---|---|---|---|---|---|
| Constitutional Funds [1] | R$ | 7.29% | | 272,126 | 261,538 | -3.9% |
| Rural Credit | R$ | 6.75% | | 131,444 | 118,158 | -10.1% |
| BNDES | R$ | 6.13% | | 48,299 | 46,576 | -3.6% |
| Working Capital | R$ | 11.70% | | 10,043 | 2,510 | -75.0 % |
| | | **7.04%** | | **461,912** | **428,782** | **-7.2%** |
| IFC | | | | | | |
| BNDES | US$ | 2.96% | | 61,560 | 110,650 | 79.7% |
| | US$ | 7.41% | | 562 | 515 | -8.4% |
| **Total Debt** | | **2.98%** | | **62,122** | **111,165** | **78.9%** |
| **(-) Cash** | | **6.20%** | | **524,034** | **539,947** | **3.0%** |
| **(=) Net Debt** | | | | **199,818** | **119,997** | **-39.9%** |
| **Net Debt/EBITDA** | | | | **1.2x** | **1.6x** | **n.m.** |

[1] To calculate the average cost of the Constitutional Funds, we considered a discount of 15% relative to the performance bonus applicable to these operations.

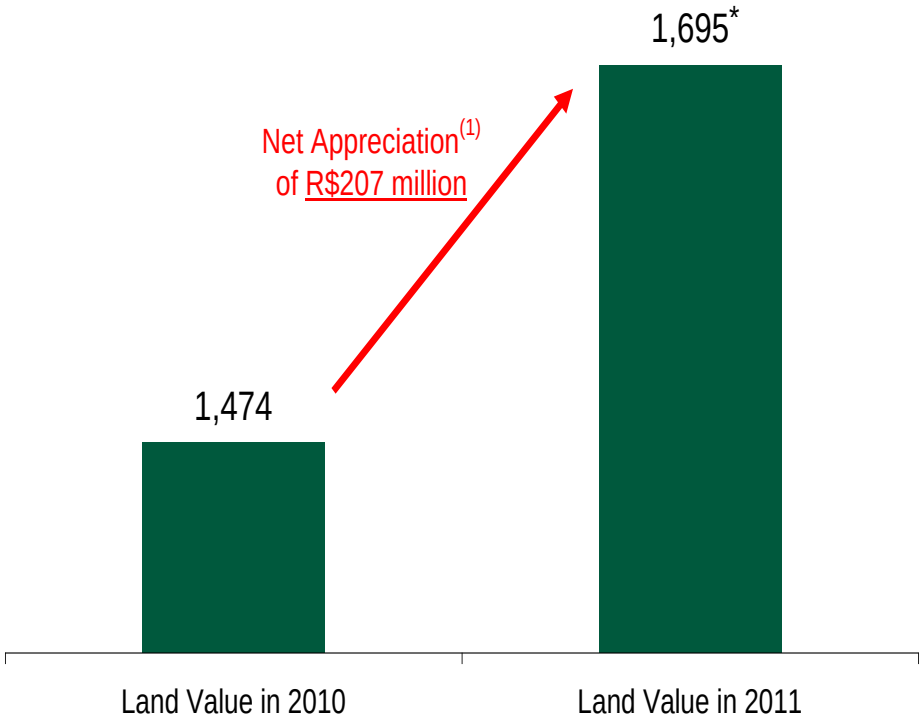



**Nominal average interest rate in R$: 7.04% p.a.**

**Nominal average interest rate in US$: 2.98% p.a.**

**Average duration: 746 days**

# Return on Equity
(R$ million)




| Return on Equity 2010 | |
|---|---|
| Net Profit | 59 |
| Net Land Appreciation (1) | 207 |
| **Total** | **266** |
| Shareholder's Equity | 1,874 |
| **Return** | **14.1%** |

*Considers the same land bank of 2010, for comparison reasons

(1) Considering “presumed tax” regime

# IR Contacts

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# Disclaimer

*We make forward-looking statements that are subject to risks and uncertainties. These statements are based on the beliefs and assumptions of our management. and on information currently available to us. Forward-looking statements include statements regarding our intent. belief or current expectations or that of our directors or executive officer,*

*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. 2Q10 and 2Q11 refer to the cumulative three-month periods from April through June of the years 2010 and 2011, respectively.*