SLC Agrícola

FINANCIAL STATEMENTS 2015



SUMMARY

MANAGEMENT REPORT	**3**
BALANCE SHEET	**35**
STATEMENT OF INCOME	**37**
STATEMENT OF COMPREHENSIVE INCOME	**38**
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY	**39**
STATEMENT OF CASH FLOW	**40**
STATEMENT OF ADDED VALUE	**41**
NOTES TO THE FINANCIAL STATEMENTS	**42**
OTHER INFORMATION THE COMPANY DEEMS TO BE RELEVANT	**95**
INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS	**99**
OPINION OF STATUTORY AUDIT COMMITTEE	**101**
DECLARATIONS BOARD OF EXECUTIVE OFFICERS ON THE FINANCIAL STATEMENTS	**102**
DECLARATIONS BOARD OF EXECUTIVE OFFICERS ON THE REPORT OF INDEPENDENT AUDITORS	**103**

MESSAGE FROM MANAGEMENT

At the end of 2014, we envisioned a challenging 2015, given the scenario of falling commodity prices and Brazil's political and economic situation. Despite the headwinds, through disciplined execution of our hedge policy combined with meticulous cost management and operating control, we were able to set several new records in the year, including for soybean production volume (638,600 tons), net revenue (R$1.8 billion), EBITDA (R$339.7 million) and free cash flow (R$132.5 million). These results were partially driven by the sharp depreciation of 46.6% in the Brazilian real against the U.S. dollar in the period, which benefits our business and should have more clear impacts in 2016.

During the 2014/15 crop year, we planted 370,000 hectares, or 7.7% more than in the 2013/14 crop year. Our soybean yield increased 5% from the prior crop year, which, combined with the 13% expansion in soybean planted area, supported production of 638,600 tons. Yields for second-crop cotton and second-crop corn were also excellent, increasing 10.8% from the 2013/14 crop year and 2.16% above our projections, respectively.

In 2015, Net Revenue came to R$1.8 billion, up 17.5% on 2014, due to the higher volume invoiced and higher unit prices, with the latter also affected by the U.S. dollar appreciation during the year. We posted adjusted EBITDA of R$339.7 million, an increase of 6.1% from 2014, with margin of 23%. Net Income amounted to R$121 million, increasing 72.7% on the prior year, accompanied by margin expansion of 2.9 p.p., from 5.3% to 8.2%. This improvement is mainly explained by the growth in Gross Income, which was driven by margin expansion in virtually all crops, and by the reduction in General and Administrative Expenses. Another very important indicator was free cash flow (after capital expenditure), which came to R$132.5 million (see Exhibit 5 – Cash Flow Statement), in line with the Company's strategic focus on slowing its growth and prioritizing its financial solidity following the strong expansion cycle supported by the proceeds from the IPO and Follow-on offering (2007-2008).

The Net Debt/Adjusted EBITDA ratio ended the year at 3.2 times, accompanied by a longer debt maturity profile, with 50.4% of debt maturing in the long term (improving from only 41% at end-2014).

The continuous pursuit of higher yields and operating efficiency are strong drivers of results in our business. The following charts present a few more indicators that demonstrate the results achieved with this strategy:

Figure 1: General and Administrative Expenses (R$ per hectare planted)

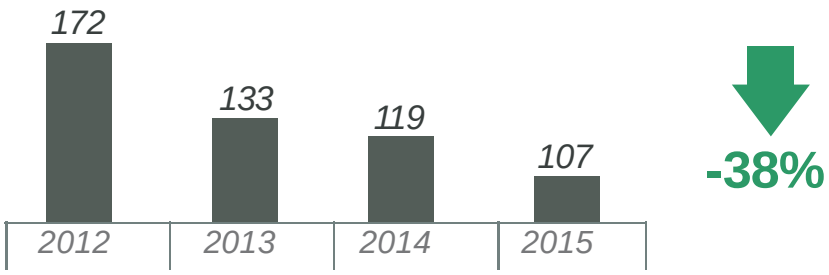


Figure 2: Hectares per employee (production, processing and administrative)

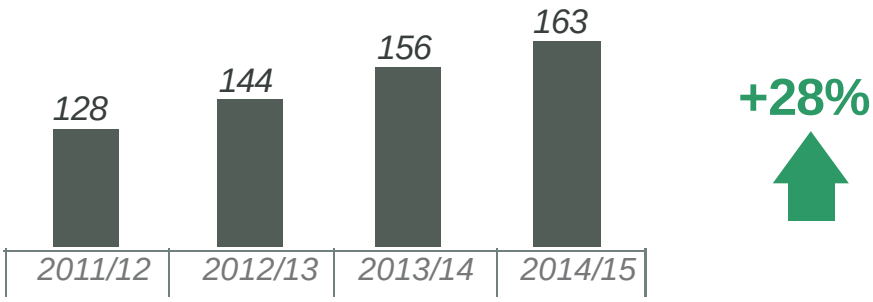


Figure 3: Area with precision agriculture ('000 hectares)

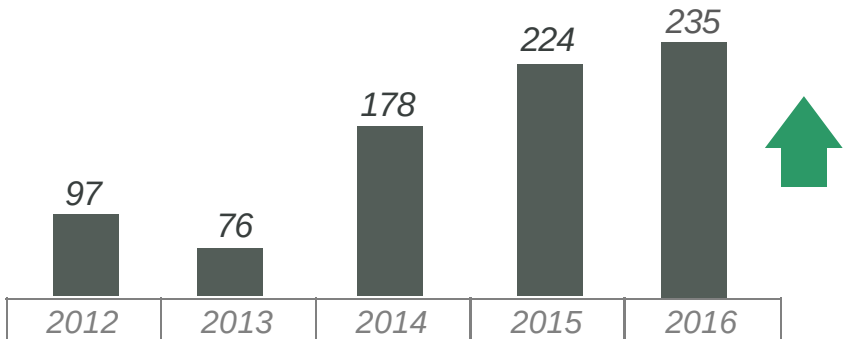
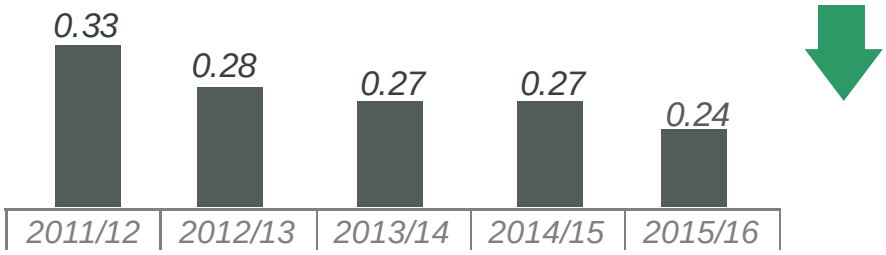


Figure 4: Tractors (hp/ha)



Our portfolio of owned land, according to the independent report issued by Deloitte Touche Tohmatsu in July 2015, was appraised at R$3.42 billion, which represents appreciation of 7% from the appraisal in 2014. This corroborates the theory that even in times of falling international commodity prices and economic slowdown, land prices in Brazil tend to accompany at least inflation (the IGP-DI inflation index measured inflation of 7.4% in the 12 months prior to the appraisal).

Our real estate subsidiary SLC LandCo, as informed in the Notice to the Market dated Sept. 24, acquired 13,288 hectares (5,445 arable and developed) in the state of Mato Grosso and another 542 hectares (434 arable and developed) in the state of Bahia. The area acquired in Mato Grosso will start production in the 2016/17 crop year and, due to its geographic proximity, will be managed by the Perdizes Farm unit. The area acquired in Bahia was already leased and operated by the Company and will continue to be managed by the Palmares Farm unit.

This year, two more farms (Pamplona and Planorte) were certified by the Integrated Management System (IMS), which comprises the international standards ISO 14001:2004 (environmental management), NBR 16001:2004 (social responsibility) and OHSAS 18001:2007 (health and safety

management). We now have five certified farms: Pamplona, Planalto, Paiaguás, Planorte and Panorama. We expect to obtain certification for all developed farms by 2020. These certifications allow us to standardize processes and to enhance our management.

We also hold certifications related to the sustainable production of soybean (RTRS – Round Table on Responsible Soy, ISCC – International Sustainability & Carbon Certification and CRS – Certified Responsible Soya) and cotton (BIC – Better Cotton Initiative and ABR – Sustainable Brazilian Cotton). Today, ten of our farms hold certifications of this kind. In the 2014/15 crop year, we received around US$700 thousand from the sale of credits linked to sustainable soybean production. These certifications reinforce our commitment to social and environmental responsibility, which are values incorporated in our Big Dream: “To positively impact future generations and be the world leader in agricultural efficiency and respect for the planet."

In 2015, we received various recognitions, which included:

- *Institutional Investor* magazine in the Agribusiness segment, in 2015, in the following categories:

- Best Investor Relations, first place, elected by buy-side and sell-side analysts
- Best CEO, first place, elected by sell-side analysts, and second place, elected by buy-side analysts
- Best CFO, second place, elected by buy-side and sell-side analysts
- Best IR Professional, first place, elected by sell-side analysts, and third place, elected by buy-side analysts.

- *Amanhã* magazine

- 500 Biggest in the South – Highest Net Revenue in the Agriculture sector 2015

- Rio Grande do Sul State Legislature

- Social Responsibility Award, a certificate given to companies that develop social investment projects. This marks the tenth straight year that the Company has received this distinction.

OUTLOOK FOR 2016

Our planted area for the 2014/15 crop year expanded 2.0% in relation to the 2014/15 crop year, to 377.5 thousand hectares, in line with the strategic deceleration in our growth pace to prioritize cash generation.

Our current expectation for yields in the crop year is positive, with the exception of soybean, which was impacted by drought. Despite an apprehensive start to the crop year (due to low rainfall), precipitation normalized in late December/early January, supporting a recovery in the production potential of our crops. At the second half of February, however, we suffered a new drought in the Northeastern region, which caused losses in soybean yields, causing reduction in our expected productivity for this crop, to 3,012 kg/ha. For the other crops, our expectation is to reach the initial target.

In the land development business, for 2016, we are planning development works at the Piratini, Paineira and Parceiro farms with the aim of obtaining gains from land price appreciation.

As you can see from the hedge table (Table 29), today (base date March. 07) we have 71,1% of the expected soybean volume for the year hedged (sold) at 10.0 US$/bushel, 78.3% of the cotton volume hedged/sold at 69.2 ¢/lb (with both these prices much higher than current quotes), and 75.3% of foreign

exchange exposure hedged at a rate of R$3.412/US$1.00. Compared to the amounts hedged in 2015, the price in BRL should increase by 16% for soybean and by 28% for cotton. We also expect a 17% increase in realized prices for corn for 2016 compared to 2015. A combined analysis of the increase in production costs and the expected improvement in yields (see Tables 5 and 21) show that the unit cost should register lower proportionate increases, which leads us to expect margin gains in 2016.

On the following tables compare production costs per hectare for our main crops in the 2015/16 crop year with the average cost in Brazil (based on CONAB data) and with the average cost in Mato Grosso (based on CONAB and IMEA data). The comparison clearly shows our Company's focus on managing costs and the resulting competitive advantage for the business, with the aim of obtaining the lowest average cost.

Cost Description	MT				
	SLC	CONAB	IMEA	SLC x Conab	SLC x IMEA
	R$/ha				
Soybean	2,289	2,890	2,380	-20.8%	-3.8%
Cotton	6,439	7,146	7,119	-9.9%	-9.6%
Corn 2nd crop	1,891	2,320	2,160	-18.5%	-12.5%

Cost Description	Brazil		
	SLC	CONAB*	SLC x CONAB
	R$/ha		
Soybean	2,229	2,488	-10.4%
Cotton	7,301	7,483	-2.4%
Corn 2nd crop	1,841	2,516	-26.8%

Lastly, we would like to leave an optimistic outlook in relation to the upcoming crop, 2016/17, which is currently on the agricultural planning and input acquisition phase. We see a scenario of stable prices in Reais, with a possibility of increase, depending on climatic and economic conditions, and a trend of cost decrease, chiefly on fertilizers and chemicals, given the current moment of lower prices for agricultural commodities and oil. We have already acquired virtually all of our fertilizers needs for the next crop, with significant reduction in prices in dollar terms, even considering the low comparison base of the previous crop, given we had purchased at the best moments, in terms of prices, at the international market.

Our constant efforts in cost reduction and yield increase reinforce our certainty that we are on the right track towards continuously improving operational efficiency.

To our shareholders, clients, suppliers and employees, we thank you for yet another year of dedication and confidence.

The Management

HIGHLIGHTS IN PERIOD

Record-high Free Cash Flow of R$132.5 million

Net Income of R$121.2 million, increasing 72.7% from 2014

Porto Alegre, March 9, 2016 – SLC AGRÍCOLA S.A. (Bovespa: SLCE3; ADR: SLCJY; Bloomberg: SLCE3BZ; Reuters: SLCE3.SA), one of Brazil's largest landowners and one of its largest agricultural producers in terms of cotton, soybean and corn planted area, announces today its results for 2015 and the fourth quarter of 2015 (4Q15). 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.

Table 1 Summarized Financial Results

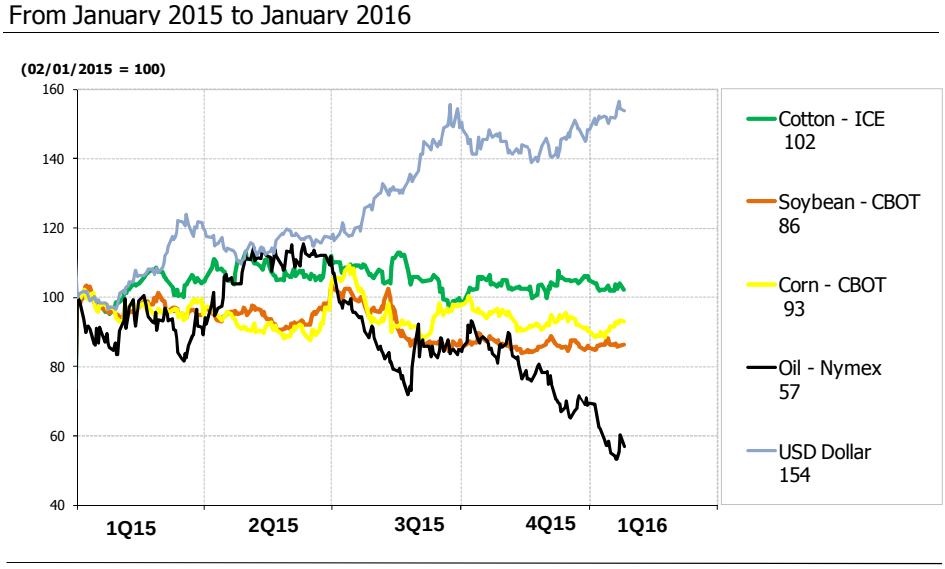
(R$ Thousand)	2014	2015	AH	4Q14	4Q15	AH
Net revenue	**1,499,175**	**1,761,581**	**17.5%**	**438,608**	**583,617**	**33.1%**
Gross income	**333,085**	**433,121**	**30.0%**	**110,848**	**117,750**	**6.2%**
Gross margin	*24.9%*	*29.2%*	*4.3 p.p*	*26.6%*	*21.3%*	*-5.3 p.p*
Operating income	**190,798**	**285,498**	**49.6%**	**60,204**	**69,648**	**15.7%**
Operating margin	*14.3%*	*19.3%*	*1.8 p.p*	*13.7%*	*12.6%*	*1.1 p.p*
Net profit	**70,143**	**121,170**	**72.7%**	**17,273**	**35,335**	**104.6%**
Net Margin	*5.3%*	*8.2%*	*5.0 p.p*	*4.2%*	*6.4%*	*2.2 p.p*
Adjusted EBITDA [(1)]	**320,146**	**339,740**	**6.1%**	**93,581**	**151,838**	**62.3%**
Adjusted EBITDA Margin [(2)]	**24.0%**	**22.9%**	***-1.1 p.p***	**22.5%**	**27.5%**	***5.0 p.p***
Net debt	**959,893**	**1,093,757**	**13.9%**	**959,893**	**1,093,757**	**13.9%**

[(1)] As a ratio of net revenue excluding the effects from Biological Assets.
[(2)] Excludes the effects from Biological Assets (revenue and cost), since they are noncash.
[(3)] Net Debt adjusted for gains and/or losses in derivative instruments linked to Investments and Debt.

NOTE: 4Q14 and 4Q15 refer to the cumulative three-month periods from October to December of fiscal years 2014 and 2015, respectively. 2014 and 2015 refer to the 12 months of the year. HA refers to the horizontal percentage variation between two periods and VA refers to the vertical percentage variation of a given total.

MARKET OUTLOOK

Figure 5: Commodity Price Variation



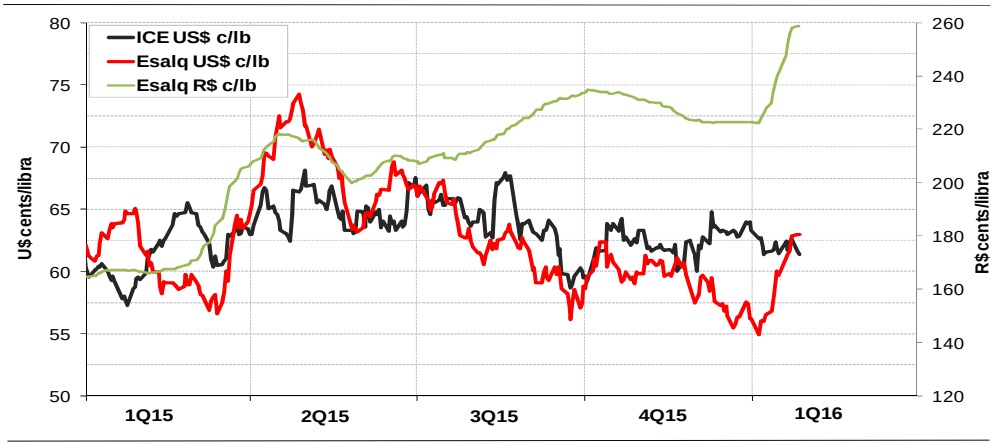
Source: CMA

COTTON

The international cotton market registered low price volatility in 2015. If, on the one hand, the contraction in planted area and adverse weather affected global production in the 2015/16 crop year and helped support prices, on the other hand, the market encountered resistance to more significant increases mainly due to the high level of Chinese stocks and uncertainties in the world economy.

In the Brazilian market, the depreciation in the BRL against the USD supported growth in export sales of 11.4% in the 2014/15 crop year compared to the prior season. This growth in exports reduced supply in the domestic market and led local prices in USD to converge with export parity prices, which substantially increased cotton lint prices in BRL.

Figure 6: Cotton Price in the International Market vs. Brazil



Source: ESALQ-USP, CBOT/CMA

According to CONAB, an agency of the Ministry of Agriculture, Brazil's cotton planted area for the 2015/16 crop year is estimated at 959,200 hectares, which represents contraction of 3.5% from the previous season. Production should reach 1,508,000 tons, or 3.5% less than last season. With the reduction in inventories, exports are expected to fall to 740,000 tons in 2015/16, according to CONAB.

Table 2: Supply and Demand in Brazil - CONAB

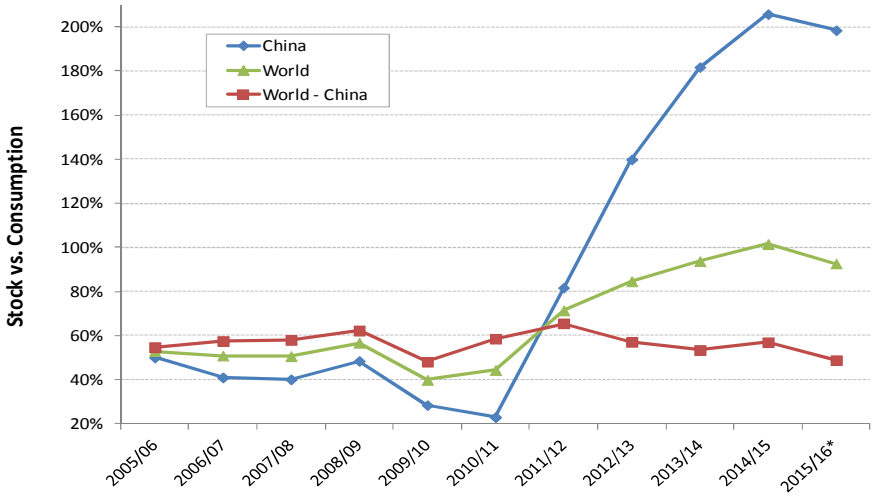
Year	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16*
Area-ha	835,700	1,400,300	1,393,400	894,270	1,121,600	993,900	959,200
Yield- Kg/ha	1,429	1,400	1,359	1,465	1,546	1,572	1,573
Initial Stock - tons	394,200	76,000	521,700	470,500	305,300	438,500	349,147
Production - Tons	1,194,100	1,959,800	1,893,300	1,310,300	1,734,000	1,562,800	1,508,400
Consumption - Tons	1,039,000	900,000	895,200	920,000	883,500	820,000	800,000
Imports - Tons	39,200	144,200	3,500	17,400	31,500	2,100	5,000
Export - Tons	512,500	758,300	1,052,800	572,900	748,600	834,253	740,000
Stock - Tons	76,000	521,700	470,500	305,300	438,500	349,147	322,547

*Estimated

China's policy has been one of the main factors affecting the cotton market, including its demand, since, after a cycle of several years building stocks that surpassed 200% of its annual consumption, the Chinese government should begin to drawdown its stockpiles, which affects both the domestic and international markets.

In 2015, sales volume was very low (only 6% of the amount offered, according to *Cotton Outlook*) and helped to reduce only marginally the size of the country's stocks at the close of the 2015/16 crop year.

Figure 7: Cotton Stock/Consumption Ratio – World/China



Source: USDA * Estimate

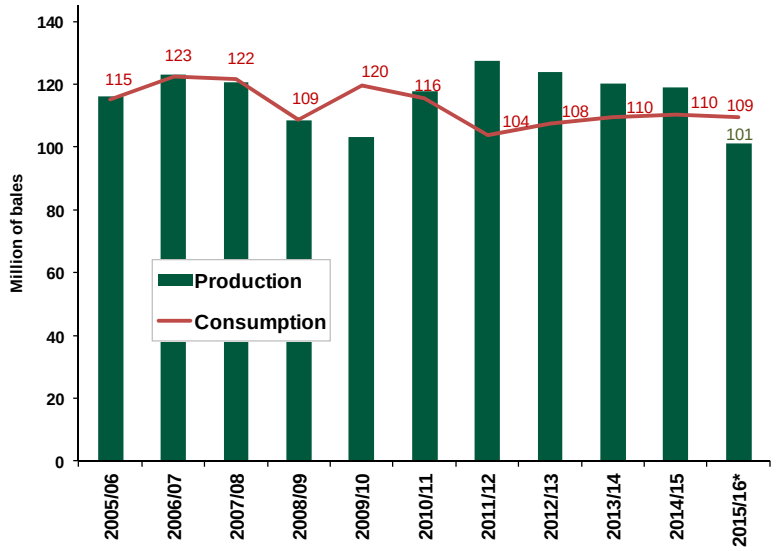
The Chinese government is expected to resume the sales of its public stocks in the coming months, during the country's off-season. If sales prices in 2016 are sufficiently low to fuel demand for Chinese yarns, despite the low quality of the stocks, there is the possibility of substituting yarn imports from the international market (a trend observed in the last two years) with domestic production, which should affect international demand for cotton.

On the other hand, the lower prices in recent years already have had a significant impact on world production and the cotton market is facing a significant reduction in inventories outside of China. Planted area suffered reductions in almost all cotton-producing countries in the 2015/16 crop year. According to the USDA, the world cotton harvested area is 30.9 million hectares, down 9.0% from the previous crop year. In addition to the contraction in area, the current crop year was affected by a sharp

drop in yields, with the most significant yield losses in Pakistan (-28.4%), Australia, (-25.0%) and the United States (-8.2%).

The reductions in area and yield led world cotton production to decline 14.8% in 2015/16, marking the fourth straight year of declines and the biggest annual decline in production of the last 40 years. For the first time in five years, production should significantly lag consumption, causing drawdowns in inventories, especially outside of China.

Figure 8: World Cotton Production

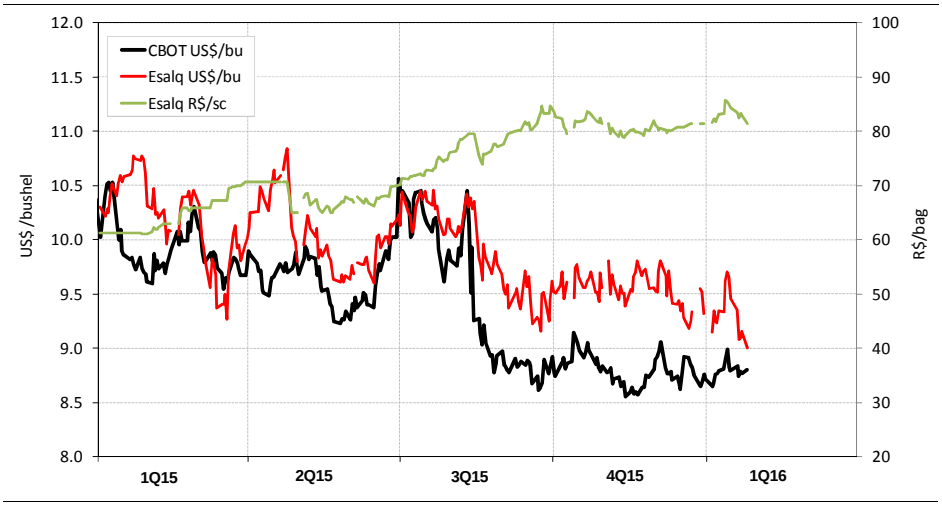


Source: USDA *Estimated

SOYBEAN

Soybean futures quoted on the Chicago Board of Trade (CBOT) fell in 2015. The decline is mainly associated with the growth in U.S. production and inventories in the 2015/16 crop year, the expansion in planted area in South America and the uncertainties regarding the world economy (especially falling oil prices), which left speculators less willing to hold short positions in commodities. Despite the weaker international market, in Brazil, prices increased, supported mainly by the depreciation in the BRL against the USD, which supported record exports, reduced domestic supply and intensified the off-season effect in the second half of 2015.

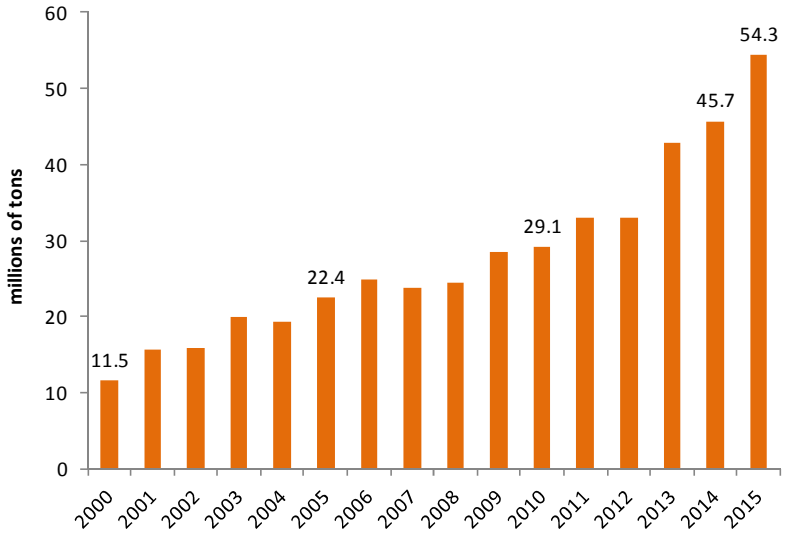
Figure 9: Soybean Price in International Market vs. Brazil



Source: ESALQ-USP, CBOT/CMA

Brazil exported a record 54.3 million tons of soybean in 2015, increasing 19% from the previous years.

Figure 10: Brazil: Soybean Exports



Source: Foreign Trade Department (Secex)

For the 2015/16 crop year, CONAB expects further expansion in planted area, to 33.2 million hectares, which represents an average variation of 3.4% from the previous year. Producers' intentions to expand planted area are influenced by the support provided by local-currency depreciation, which offsets the decline in international prices.

In Argentina, previous estimates indicated a reduction in planted area. However, with the victory of the opposition in the 2015 presidential elections, the new government adopted measures, such as a more favorable exchange rate parity for exporters and an annual reduction of 5 p.p. in export quotas (from 35% to 30% of the FOB port value in 2016), that renewed optimism among the country's producers. According to the Buenos Aires Cereal Exchange, the soybean planted area should reach 20.1 million hectares, expanding 0.5% on the prior year.

If the USDA's current estimates are confirmed, world production would reach 320.5 million tons, while world consumption would stand at 314.5 million tons. Despite the nominal increase in inventories, the stock-consumption ratio is expected to stable in 25.6% given the growth in world consumption of 4.5%, which is above the average of the last ten years of 3.9%.

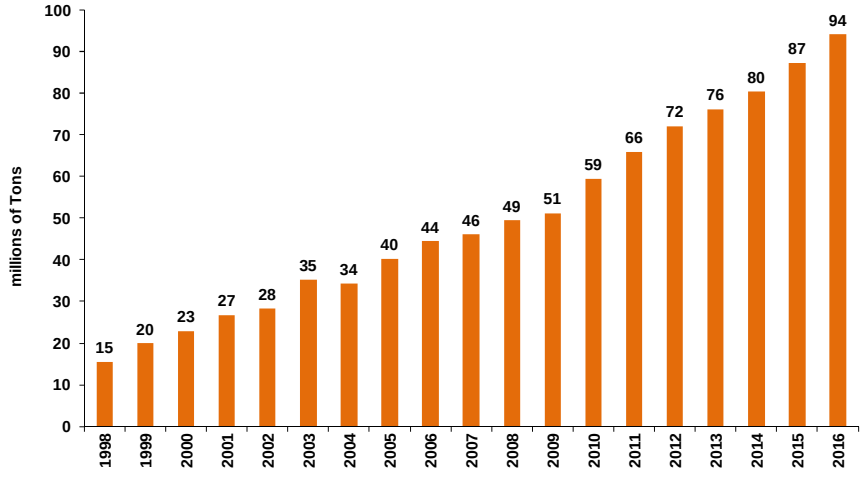
Table 3: World Soybean Supply and Demand

World		2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16**
Area (thd ha)		90,848	96,439	102,557	103,364	103,141	109,778	113,090	118,139	120,783
Prod (kg/ha)		2,411	2,199	2,541	2,557	2,331	2,449	2,504	2,687	2,698
Beginning Stocks	---Million of bales---	63,013	52,621	43,153	60,652	70,821	53,905	56,167	62,427	77,081
Production		219,011	212,081	260,555	264,345	240,427	268,824	283,145	318,798	320,508
Imports		78,395	77,450	86,863	88,781	93,469	95,926	111,284	122,234	127,193
Total Supply		360,419	342,152	390,571	413,778	404,717	418,655	450,596	503,459	524,782
Export		78,321	77,212	91,440	91,702	92,187	100,812	112,640	125,879	129,845
Consumptions		229,477	221,787	238,479	251,255	258,625	261,676	275,252	300,499	314,519
Ending Stocks		52,621	43,153	60,652	70,821	53,905	56,167	62,704	77,081	80,418
Stocks/Cons (%)		22.9%	19.5%	25.4%	28.2%	20.8%	21.5%	22.8%	25.7%	25.6%

** Estimated – Source: USDA

The main driver of consumption growth continues to be China, where the forecast for consumption in the 2015/16 crop year was revised upwards, despite the turmoil in its financial market and the lower prices for mineral commodities. According to the USA, China's soybean consumption should reach 94.1 million tons in 2015/16, which represents growth of 8% on the prior season and is in line with the average of the last ten years.

Figure 11: China: Soybean Consumption

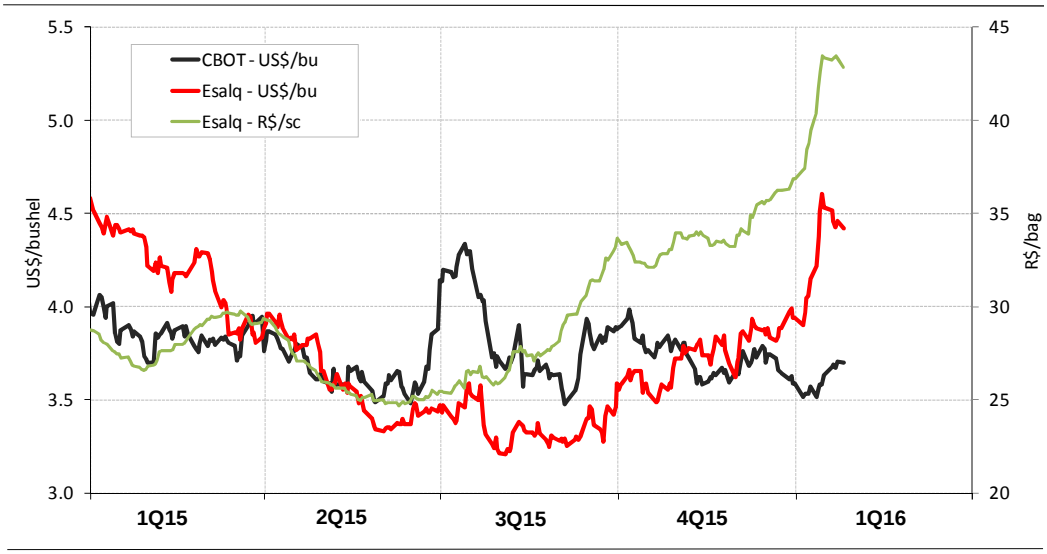


Source: USDA

CORN

International corn prices also fell in 2015. However, in Brazil, the depreciation in the BRL against the USD led to higher corn prices in local currency in the domestic market and supported strong sales volume, especially in the export market, where Brazil has become more competitive. In the last quarter of 2015 and early 2016, the market was already pricing in a decline in inventories caused by exports, and corn prices in the Brazilian market surpassed international prices, even in USD.

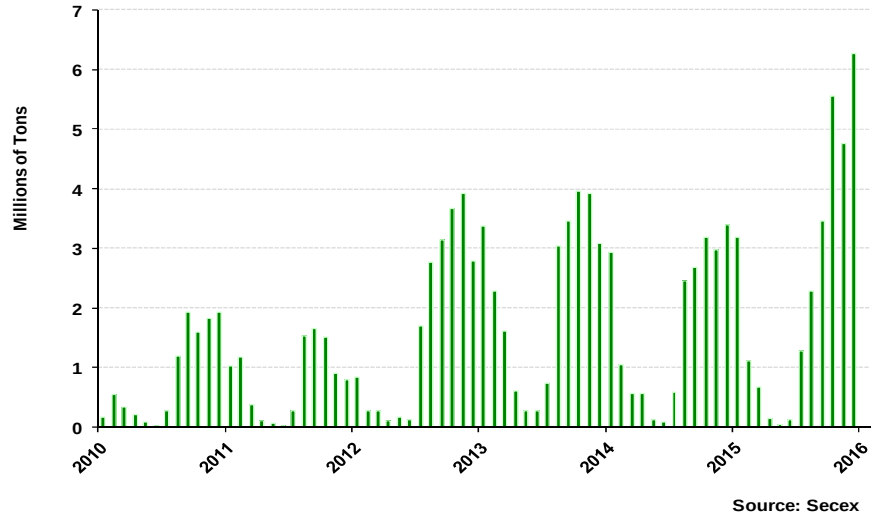
Figure 12: Corn Price in International Market vs. Brazil



Source: ESALQ-USP, CBOT/CMA

With higher prices in the international market and the stronger U.S. dollar, domestic prices reacted precisely at the moment when the largest corn crop in Brazilian history was being harvested. According to CONAB, the 2014/15 crop was 84.6 million tons, of which 30.9 million tons should be exported, or 47.6% more than in the previous season.

Figure 13: Monthly Corn Exports from Brazil



Source: Secex

World corn production fell 3.9% in the 2015/16 crop year and, according to the USDA, should amount to 970 million tons. World corn consumption should also continue to grow in 2015/16, to 976.3 million tons, or 1.6% higher than in the previous season.

Table 4: World Corn Supply and Demand

World		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16*
Area (thd ha)		158,386	164,592	171,993	177,445	181,463	178,591	177,024
Prod. (kg/ha)		5,208	5,076	5,164	4,899	5,460	5,647	5,480
Beginning Stocks	--thousand of tons--	145,351	144,126	127,692	132,394	137,179	174,790	206,179
Production		824,849	835,537	888,183	869,297	990,775	1,008,994	970,080
Imports		89,865	92,585	100,149	99,762	123,926	123,141	128,295
Exports		96,644	91,290	116,899	95,124	131,100	139,688	119,402
Consumption		819,295	853,266	866,731	869,150	945,813	961,058	976,345
Ending Stocks		144,126	127,692	132,394	137,179	174,967	206,179	208,807
Stocks/(Exp+Cons) (%)		17.6%	15.0%	15.3%	15.8%	18.5%	21.5%	21.4%

* Source: USDA - Estimate

OPERATING PERFORMANCE

2014/15 CROP YEAR

The fourth quarter of 2015 was marked by the conclusion of planting of soybean and first-crop corn.

Soybean

The soybean planted area comprised 212,000 hectares. The Northeast region registered low rainfall in February, with nearly 30 straight days without rain, which affected our production potential and led us to revise downward our yield estimate by 5.6% from the original projection, to 3,012 kg/ha.

Cotton 1st crop

Crops at the units in the states of Bahia and Goiás are currently in the flowering and cotton-boll development phase, while at the units in Mato Grosso, Mato Grosso do Sul and Maranhão crops are in

the onset of bud development. In general, the crop was well planted and presents excellent nutritional and sanitary aspects.

Cotton 2nd crop

The planting of the cotton 2nd crop began after the harvest of the super-early soybean varieties, which began in the last week of December and was concluded in early February. The crop is in full vegetative development and presents excellent production potential.

Corn 2nd crop

The planting of corn 2nd crop began in the first half of January 2016, as progress was made on harvesting the super-early and early soybean varieties. The production units in the states of Mato Grosso, Mato Grosso do Sul and Maranhão are currently in the crop planting phase, which is expected to be concluded on schedule.

YIELD

Table 5: Yield

Yield (kg/ha)	Achieved 2014/15	Initial Estimate 2015/16	Δ
Cotton Lint 1st crop	1,522	1,662	9.2
Cotton Lint 2nd crop	1,671	1,550	-7.2
Cotton Seed	1,783	2,152	20.7
Soybean	3,082	3,012	-2.3
Corn 1st crop	5,708	9,553	67.4
Corn 2nd crop	7,029	6,796	-3.3

PLANTED AREA

The following table presents the latest data on planted area for the 2015/16 crop year and a comparison with the previous season.

Table 6: Planted Area

Crop Mix	Planted Area 2014/15 ---------- ha ----------	Planted Area 2015/16(1)	Shares 2015/16 %	Δ%
Cotton	**98,563**	**93,670**	**24.8**	**-5.0**
Cotton 1st crop	83,680	74,627	19.8	-10.8
Cotton 2nd crop	14,882	19,043	5.0	28.0
Soybean	**208,693**	**212,359**	**56.3**	**1.8**
Corn	**43,407**	**66,855**	**17.7**	**54.0**
Corn 1st crop	5,127	1,345	0.4	73.8
Corn 2nd crop	38,280	65,510	17.4	71.1
Others crops(2)	**19,363**	**4,574**	**1.2**	**-76.4**
Total Area	**370,026**	**377,458**	**100.0**	**2.0**

(1) Weather factors may affect the planted area. (2) wheat, sunflower, sorghum, corn seed and sugarcane.

Table 7: Planted Area Mix

Area Mix	Planted Area 2014/15 ---------- ha ----------	Planted Area 2015/16[1] ---------- ha ----------	Shares 2015/16 %	Δ%
1st crop	**301,286**	**290,403**	**76.9**	**-3.6**
Owned Land	*129,929*	*124,855*	33.1	-3.9
Leased Area	*100,507*	*93,866*	24.9	-6.6
Joint Ventures Area [2]	*40,534*	*41,375*	11.0	2.1
SLC LandCo Area	*30,316*	*30,307*	8.0	-0.03
2nd crop	**68,740**	**87,055**	**23.1**	**26.6**
Owned Land	*43,583*	*49,720*	13.2	14.1
Leased Area	*15,754*	*24,976*	6.6	58.5
Joint Ventures Area [2]	*1,453*	*7,570*	2.0	421.0
SLC LandCo Area	*7,950*	*4,789*	1.3	-39.8
Total Area	**370,026**	**377,458**	**100.0**	**2.0**

[1] Weather factors may affect the planted area forecast. [2] Grupo Dois Vales and Mitsui

LAND DEVELOPMENT

During the 2015/16 crop year we concluded clearing operations on the 9,993 hectares of the Piratini Farm, where we will carry out first-year soil correction during the crop year.

Table 8: Land Development

SLC Agricola Farms	Areas in transformation (ha)	Areas in licensing process (ha)
Palmares	-	601
Parnaíba	-	1,464
Parnaguá	1,005	5,347
Parceiro	9,162	6,698
Paineira	2,553	-
Sub Total	**12,720**	**14,110**
SLC LandCo Farms	**Areas in transformation (ha)**	**Areas in licensing process (ha)**
Parnaíba [1]	-	4,749
Piratini	9,993	-
Parceiro [1]	1,115	1,530
Sub Total	**11,108**	**6,279**
Total	**23,828**	**20,389**

[1] Areas acquired by SLC LandCo to be developed jointly with these farms. Note: The estimate of areas in the licensing process could change due to georeferencing.

PROPERTY PORTFOLIO

The portfolio of properties under our management on March 9, 2016 is presented below:

Table 9: Property Portfolio

2015/16 Crop Year (ha)		Owned[1]	SLC LandCo[2]	Leased	Joint Ventures	Under Control	Total Planted Area[3]
Farm	State	ha					
Pamplona	GO	17,385		3,898		21,283	18,699
Planalto	MS	17,437		1,646		19,083	20,003
Planorte	MT	23,784				23,784	30,961
Paiaguás	MT	34,257		10,337		44,594	58,649
Perdizes[5]	MT	28,857	13,288			42,145	16,472
Pioneira[4]	MT				19,469	19,469	27,039
Panorama	BA		10,374	14,263		24,637	21,716
Paladino[5]	BA				21,898	21,898	21,906
Piratini	BA		25,355	4,901		30,256	13,347
Palmares	BA	16,168	543	16,073		32,784	30,090
Parnaíba	MA	37,180	10,200	26,402		73,782	57,998
Planeste	MA		23,325	15,606		38,931	45,364
Parceiro	BA	32,983	3,680	740		37,403	6,800
Paineira [6]	PI	12,040				12,040	-
Parnaguá	PI	24,603				24,603	8,415
Total	-	**244,694**	**86,765**	**93,866**	**41,367**	**466,692**	**377,458**

[1] Own property, includes Legal Reserve. [2] SLC Agrícola currently owns 81.23% of SLC LandCo, while the Valiance fund owns 18.77%. [3] Including the second crop. Weather factors may affect the planted area forecast. [4] The Pioneira Farm is part of the joint arrangement with Grupo Dois Vales. [5] The Perdizes and Paladino Farms are part of the joint arrangements with Mitsui in SLC-Mit. [6] Leased farm.

MACHINERY AND STORAGE CAPACITY

The following table presents the machinery owned by the Company.

Table 10: Machinery and Storage Capacity

Machinery	Quantity	
Tractors	192	
Grain Combines	184	
Cotton Pickers	88	
Planters	189	
Self-propelled sprayers	119	
Storage Capacity	Grains	Cotton
Tons	613,700	115,981
% Production[1]	56%	76%

[1] *Estimate based on the estimated planted area and yield for 2015/16.*

FINANCIAL ANALYSIS

EBITDA

Table 11: EBITDA Reconciliation

(R$ thousand)	2014	2015	AH	4Q14	4Q15	AH
Net revenue	**1,499,175**	**1,761,581**	**17.5%**	**438,608**	**583,617**	**33.1%**
(-) Cost of Goods and/or Services Sold	**(1,166,090)**	**(1,328,460)**	**13.9%**	**(327,760)**	**(465,867)**	**42.1%**
Gross Income	**333,085**	**433,121**	**30.0%**	**110,848**	**117,750**	**6.2%**
(-) Sales Expenses	**(85,335)**	**(92,070)**	**7.9%**	**(37,125)**	**(37,240)**	**0.3%**
(-) General and administrative expenses	**(53,735)**	**(58,438)**	**8.8%**	**(11,454)**	**(16,277)**	**42.1%**
(-)General and administrative	(38,080)	(39,770)	4.4%	(9,475)	(10,217)	7.8%
(-) Share Program	(6,184)	(7,940)	28.4%	(194)	(3,248)	n.m
(-) Management compensation	(9,471)	(10,728)	13.3%	(2,173)	(2,812)	29.4%
(-) Other operating revenues (loss)	(3,217)	2,884	n.m.	(2,065)	5,415	n.m.
(=) Income from Activity	**190,798**	**285,497**	**49.6%**	**60,204**	**69,648**	**15.7%**
(+) Depreciation and amortization	99,919	106,803	6.9%	23,337	31,984	37.1%
EBITDA	**290,717**	**392,300**	***34.9%***	**83,541**	**101,632**	***21.7%***
(-) Biological Assets on revenue (note 25*)	(163,171)	(279,830)	71.5%	(22,632)	(31,167)	37.7%
(+) Biological Assets on costs (note 26*)	192,600	227,270	18.0%	32,672	81,373	149.1%
Adjusted EBITDA [1]	**320,146**	**339,740**	**6.1%**	**93,581**	**151,838**	**62.3%**
Adjusted EBITDA Margin [2]	**24.0%**	**22.9%**	***-1.1 p.p***	**22.5%**	**27.5%**	***5.0 p.p***

[1] *Excludes the effects from Biological Assets, since they are noncash.*
[2] *As a ratio of net revenue excluding the effects from Biological Assets.*
** In the Financial Statements*

Adjusted EBITDA reached R$151,838 thousand in 4Q15, with margin of 27.5%, expanding 5.0 p.p. compared to 4Q14, or 62.3%, supported by the higher Gross Income from our main crops, especially soybean and corn (increases of R$30,182 thousand and R$7,954 thousand, respectively, between the quarters). As estimated in the 3Q15 Earnings Release, the volumes and prices projected for the quarter were confirmed, validating the expected margin expansion in relation to prior quarters.

Adjusted EBITDA in 2015 set a new record, of R$339,740 thousand, increasing 6.1% on 2014 (R$320,146 thousand). The main factor in the increase was the 30.0% increase in Gross Income, since all crops, except cotton, registered margin expansion.

NET REVENUE

Net revenue in 4Q15 advanced 33.1% on the year-ago period. Excluding the noncash effect from Biological Assets, net revenue advanced 32.8%.

In 2015, Net Revenue increased 17.5% from 2014. Excluding the effect from Biological Assets, the increase was 10.9%.

The growth in both periods is explained by the increases in volume invoiced and unit prices, with the latter supported by the depreciation in the BRL against the USD in 2015.

Table 12: Net Revenue

(R$ thousand)	2014	2015	AH	4Q14	4Q15	AH
Net Revenue	**1,499,175**	**1,761,581**	**17.5%**	**438,608**	**583,617**	**33.1%**
Cotton lint invoiced	652,524	812,693	24.5%	296,316	450,106	51.9%
Cotton seed invoiced	82,043	85,019	3.6%	30,761	35,464	15.3%
Soybean invoiced	478,022	634,055	32.6%	25,163	72,663	188.8%
Corn invoiced	111,950	121,877	8.9%	63,520	66,567	4.8%
Others (invoiced)	37,784	59,480	57.4%	5,896	19,898	237.5%
Hedge income	(26,319)	(231,373)	779.1%	(5,680)	(92,248)	n.m
Biological Assets	163,171	279,830	71.5%	22,632	31,167	37.7%

Table 13: Invoiced Volume

(Tons)	2014	2015	AH	4Q14	4Q15	AH
Volume Invoiced	**1,349,284**	**1,440,067**	**6.7%**	**472,436**	**418,516**	**-11.4%**
Cotton lint	152,796	158,183	3.5%	70,668	79,238	12.1%
Cotton seed	193,862	191,566	-1.2%	74,780	77,167	3.2%
Soybean	537,426	634,879	18.1%	28,457	61,414	115.8%
Corn	367,671	335,695	-8.7%	221,985	171,625	-22.7%
Others	97,529	119,744	22.8%	76,546	29,072	-62.0%

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

Table 14: Biological Assets in Revenue

(R$ thd)	2014	2015	AH	4Q14	4Q15	AH
Effect of Biological Asset on Net Revenue	**163,171**	**279,830**	**71.5%**	**22,632**	**31,167**	**37.7%**
Cotton lint	52,946	131,818	149.0%	1,596	(30)	n.m.
Cotton seed	6,516	12,657	94.2%	187	(4)	n.m.
Soybean	106,463	130,567	22.6%	18,219	31,201	71.3%
Corn	(4,001)	4,788	n.m.	9	-	-100.0%
Others	1,247	-	-100.0%	2,621	-	-100.0%

The amount of biological assets apportioned to net revenue in 4Q15 increased 37.7%, mainly due to the projection for the soybean harvest in January 2016, which incorporates the expectation of higher margins in relation to the 2014/15 crop year.

In the year, the amount of biological assets increased by 71.5%, or R$116,659 thousand, mainly in the soybean and cotton crops, reflecting the higher margins in the 2014/15 crop year compared to 2013/14.

COST OF GOODS SOLD

Cost of goods sold increased 42.1% in 4Q15 compared to 4Q14. The higher invoiced volumes of cotton and soybean (12.1% and 115.8%, respectively) and higher production costs were the main factors driving the increase. Excluding the impact from biological assets, cost of goods sold increased 30.3% in 4Q15 compared to 4Q14.

In 2015, cost of goods sold increased by 13.9% in relation to 2014. Excluding the impact from biological assets, cost of goods sold increased 13.1% compared to 2014. The increase was mainly due to the higher invoiced volumes of cotton and soybean, which were partly offset by lower unit production costs, except in the case of cotton.

Table 15: Cost of Goods Sold

(R$ thousand)	2014	2015	AH	4Q14	4Q15	AH
Cost of Goods Sold	**(1,166,090)**	**(1,328,460)**	**13.9%**	**(327,760)**	**(465,867)**	**42.1%**
Cotton lint	(424,043)	(501,326)	18.2%	(202,236)	(267,458)	32.3%
Cotton seed	(61,891)	(64,080)	3.5%	(21,935)	(28,403)	29.5%
Soybean	(366,835)	(419,781)	14.4%	(13,544)	(30,947)	128.5%
Corn	(90,674)	(81,088)	-10.6%	(49,579)	(40,483)	-18.3%
Other	(30,047)	(34,915)	16.2%	(7,794)	(17,203)	120.7%
Biological Assets Allocated at Cost	(192,600)	(227,270)	18.0%	(32,672)	(81,373)	149.1%

Table 16: Biological Assets in COGS

(R$ thousand)	2014	2015	AH	4Q14	4Q15	AH
Biological Assets Allocated at Cost	**(192,600)**	**(227,270)**	**18.0%**	**(32,672)**	**(81,373)**	**149.1%**
Cotton lint	(69,874)	(94,147)	34.7%	(24,139)	(59,307)	145.7%
Cotton seed	(9,495)	(11,358)	19.6%	(2,219)	(5,477)	146.8%
Soybean	(115,397)	(116,304)	0.8%	(7,982)	(12,502)	56.6%
Corn	4,196	(5,577)	n.m.	1,775	(4,087)	n.m.
Other	(2,030)	116	n.m.	(107)	-	-100.0%

ANALYSIS OF MARGINS BY CROP

We recommend conducting analyses of margins by crop on an annual basis, since quarterly margins may be influenced by farms with higher or lower prices and/or costs. In annual analyses, margins are considered on a consolidated basis, i.e., in relation to the average result of all production units.

To contribute to a better understanding of margins, in this section, hedge income (loss) is allocated among cotton, soybean and corn.

Cotton Lint and Cotton Seed

Of the cotton invoiced in 2015, 61% is related to the 2014/15 crop year and 39% to the 2013/14 crop year.

In 2015, cotton unit margin fell 26.9%, reflecting the 14.0% increase in unit cost, which was not offset by the 0.7% increase in unit price.

Factors contributing to the increase in unit cost include: (i) higher electricity costs; (ii) acquisition of materials for storing and conserving machinery, whose prices are pegged to the USD; (iii) lower yields; and (iv) inflation in the period.

In 2015, the unit margin of cotton seed increased 10.0% compared to 2014, since the 4.8% increase in prices outpaced the 3.1% increase in unit costs.

Table 17: Gross Margin of Cotton Lint and Cotton Seed

Cotton Invoiced		2014	2015	AH	4Q14	4Q15	AH
Cotton Lint Invoiced							
Volume Invoiced	Ton	152,796	158,183	3.5%	70,668	79,238	12.1%
Net Revenue	R$ thousand	652,524	812,693	24.5%	296,316	450,106	51.9%
Result of currency hedge	R$ thousand	(23,625)	(156,717)	563.4%	(5,815)	(88,279)	n.m.
Net income adjusted for the result of currency hedging	R$ thousand	628,899	655,976	4.3%	290,501	361,827	24.6%
Unit Price	R$ / Ton	4,120	4,150	0.7%	4,110	4,566	11.1%
Cost Total	R$ thousand	(424,043)	(501,326)	18.2%	(202,236)	267,458)	32.3%
nit Cost	R$ / Ton	(2,780)	(3,170)	14.0%	(2,860)	(3,380)	18.2%
Unitary Margin	R$ / Ton	1,340	980	-26.9%	1,250	1,186	-5.1%
Cotton Seed Invoiced							
Volume Invoiced	Ton	193,862	191,566	-1.2%	74,780	77,167	3.2%
Net Revenue	R$ thousand	82,043	85,019	3.6%	30,761	35,464	15.3%
Unit Price	R$ / Ton	420	440	4.8%	411	459	11.7%
Cost Total	R$ thousand	(61,891)	(64,080)	3.5%	(21,935)	(28,403)	29.5%
Unit Cost	R$ / Ton	(320)	(330)	3.1%	(290)	(370)	27.6%
Unitary Margin	R$ / Ton	100	110	10.0%	121	89	-26.4%

Soybean

In 2015, soybean margin expanded by 15.0% from the previous year, due to the 2.9% decrease in unit cost and the 1.1% increase in unit price. The Company has a commercial policy of selling a portion of production volume (30-40%) in the off-season period (July to October), when prices are higher than during the regular season.

Table 18: Soybean Gross Margin

Soybeans Invoiced		2014	2015	AH	4Q14	4Q15	AH
Volume Invoiced	Ton	537,426	634,879	18.1%	28,457	61,414	115.8%
Net Revenue	R$ thousand	478,022	634,055	32.6%	25,163	72,663	188.8%
Result of currency hedge	R$ / Ton	(2,610)	(69,398)	n.m.	-	85	100.0
Net income adjusted for the result of currency hedging	R$ thousand	475,412	564,657	18.8%	25,163	72,748	189.1%
Unit Price	R$ / Ton	880	890	1.1%	884	1,184	33.9%
Cost Total	R$ thousand	(366,835)	(419,781)	14.4%	(13,544)	(30,947)	128.5%
Unit Cost	R$ / Ton	(680,00)	(660)	-2.9%	(480,00)	(500)	4.2%
Unitary Margin	R$ / Ton	200	230	15.0%	404,25	684	69.2%

Corn

Corn margin increased 120.0% in 2015, explained by the 16.7% increase in unit price combined with 4.0% decrease in unit cost. The high volume of Brazilian corn exports, which benefitted from the depreciation in the BRL against the USD, affected the domestic market and led to higher prices.

Table 19: Corn Gross Margin

Corn Invoiced		2014	2015	AH	4Q14	4Q15	AH
Volume Invoiced	Ton	367,671	335,695	-8.7%	221,985	171,625	-22.7%
Net Revenue	R$ thousand	111,950	121,877	8.9%	63,520	66,567	4.8%
Result of currency hedge	R$ thousand	(84)	(5,258)	n.m.	135	(4,054)	n.m.
Net income adjusted for the result of currency hedging	R$ thousand	111,866	116,619	4.2%	63,655	62,513	-1.8%
Unit Price	R$ thd / Ton	300	350	16.7%	286	364	27.3%
Cost Total	R$ thousand	(90,674)	(81,088)	-10.6%	(49,579)	(40,483)	-18.3%
Unit Cost	R$ thd / Ton	(250)	(240)	-4.0%	(220)	(240)	9.1%
Unitary Margin	R$ thd / Ton	50	110	120.0%	66	124	87.9%

PRODUCTION COST

The breakdown of our total production costs is shown below:

Table 20: Breakdown of Production Cost by Crop

%	Cotton	Soybean	Corn	Average 2015/16	Average 2014/15
Variable Costs	81.0	70.7	81.1	77.2	76.1
Seeds	7.5	12.8	14.7	10.1	9.3
Fertilizers	19.8	19.4	39.4	21.4	18.8
Defensives	31.0	23.9	15.2	26.9	26.1
Air Spraying	1.6	1.5	1.5	1.6	1.8
Fuels and Lubrificants	3.6	4.5	3.6	3.8	4.3
Labor	1.1	0.8	0.4	0.8	1.0
Gining	7.8	1.9	2.1	5.0	5.9
Maintenance of machines and instruments	3.9	6.0	3.1	4.1	5.4
Others	4.7	2.3	1.1	3.4	3.2
Fixes Cost	19.0	29.3	18.9	22.8	23.9
Labor	8.2	10.6	7.4	9.0	9.1
Depreciation and Amortization	4.6	9.4	5.7	6.5	7.6
Leasing	4.6	7.1	4.3	5.5	4.5
Others	1.6	2.2	1.5	1.8	2.7

Our actual total production costs per hectare in the 2014/15 crop year and our total cost estimates for the 2015/16 crop year are presented below:

Table 21: Production Cost by Hectare

Total Production Cost (R$/ha)	Initial Estimated 2014/15 (A)	Achieved 2014/15 [1] (B)	(B) / (A)	Forecast 2015/16 (C)	(C) / (B)
Cotton 1st crop	5,865	6,274	7.0%	7.592	21.0%
Cotton 2nd crop	4,292	4,936	15.0%	6,157	24.7%
Soybean	2,025	2,008	-0.8%	2,229	11.0%
Corn 1st crop	2,712	2,513	-7.3%	2,910	15.8%
Corn 2nd crop	1,487	1,545	3.9%	1,841	19.2%

[1] *Based on the position at December 31, 2015. Figures may suffer changes by the end of cotton processing and the sale of grains.*

For the 2015/16 crop year, we estimate that the Company's total production cost per hectare will increase 17.2% in BRL, considering the average of all crops, in relation to the 2014/15 crop year. The increase is mainly attributed to the depreciation in the BRL against the USD throughout 2015, combined with inflation between the periods.

GROSS INCOME

Table 22: Gross Income

(R$ thd)	2014	2015	AH	4Q14	4Q15	AH
Gross Income	**333,085**	**433,121**	**30.0%**	**110,848**	**117,750**	**6.2%**
Cotton lint	204,856	154,650	-24.5%	88,265	94,369	6.9%
Cotton seed	20,152	20,939	3.9%	8,826	7,061	-20.0%
Soybean	108,577	144,876	33.4%	11,619	41,801	259.8%
Corn	21,192	35,531	67.7%	14,076	22,030	56.5%
Others	7,737	24,565	217.5%	(1,898)	2,695	n.m
Biological Assets	(29,429)	52,560	n.m.	(10,040)	(50,206)	400.1%

Gross Income in 4Q15 increased 6.2% from 4Q14. The main factor contributing to the increase was the increase in Gross Income from crops of R$47,068 thousand, which was offset by the negative variation of R$40,166 thousand in biological assets (revenue less cost) between the periods.

Gross Income increased 30.0% in 2015 compared to 2014. The increase is related to the expansion in crop margins in 2014/15 from 2013/14, which was reflected in the net attribution of biological assets (revenue less cost).

SELLING EXPENSES

Selling expenses increased 0.3% in 4Q15, virtually stable compared to 4Q14.

In 2015, selling expenses corresponded to 6.2% of Net Revenue (excluding the effect of Biological Assets), down 0.2 p.p. from 6.4% in 2014.

In 2015, expenses with storage and exports increased slightly, with the latter affected by the higher volume of cotton exports in the year in relation to 2014.

Table 23: Selling Expenses

(R$ thousand)	2014	2015	AH	4Q14	4Q15	AH
Freight	45,896	45,441	-1.0%	21,708	22,850	5.3%
Storage	15,728	17,559	11.6%	3,268	3,253	-0.5%
Commissions	5,397	6,951	28.8%	2,215	1,231	-44.4%
Classification of Goods	1,566	1,844	17.8%	967	907	-6.2%
Export Expenses	16,323	19,844	21.6%	8,756	8,875	1.4%
Others	425	431	1.4%	211	124	-41.2%
Total	**85,335**	**92,070**	**7.9%**	**37,125**	**37,240**	**0.3%**
% Net Revenue	**6.4%**	**6.2%**	***-0.2 p.p***	**8.9%**	**6.7%**	***-2.2 p.p***

GENERAL AND ADMINISTRATIVE EXPENSES

In 4Q15, excluding the impact from the Employee Profit Sharing Program, which varies in accordance with the Company's Net Income, general and administrative expenses increased 7.8% on the year-ago period.

In 2015, General and Administrative Expenses corresponded to 3.2% of Net Revenue (excluding the effect of Biological Assets), relatively stable (-0.1 p.p.) in relation to 3.3% in 2014.

In both periods, the increase in Personnel Expenses is explained by the wage increases under the collective bargaining agreement and the growth in headcount.

Table 24: General and Administrative Expenses

(R$ thousand)	2014	2015	AH	4Q14	4Q15	AH
Expenses with personnel	17,754	20,101	13.2%	3,530	5,460	54.7%
Fees	3,493	3,327	-4.8%	843	1,028	21.9%
Depreciations and amortizations	2,812	3,025	7.6%	717	772	7.7%
Expenses with travels	1,625	1,505	-7.4%	273	365	33.7%
Software maintenance	2,610	2,520	-3.4%	823	727	-11.7%
Marketing/Advertisement	1,612	1,668	3.5%	430	426	-0.9%
Expenses with Communications	2,247	2,437	8.5%	593	647	9.1%
Rentals	695	956	37.6%	226	212	-6.2%
Labor, Tax and Environmental Contingencies	203	(206)	n.m.	367	(473)	n.m.
Electricity	97	125	28.9%	21	33	57.1%
Taxes and other fees	628	464	-26.1%	113	83	-26.5%
Contribuitions and donations	1,877	1,332	-29.0%	1,131	313	-72.3%
Other	2,427	2,516	3.7%	408	624	52.9%
Subtotal	38,080	39,770	4.4%	9,475	10,217	7.8%
Provision for profit share program	6,184	7,940	28.4%	(194)	3,248	n.m.
Total	**44,264**	**47,710**	7.8%	**9,281**	**13,465**	45.1%
% Net Revenue	**3.3%**	**3.2%**	***-0.1 p.p***	**2.2%**	**2.4%**	***0.2 p.p***

NET FINANCIAL INCOME (EXPENSE)

In 4Q15, the net financial expense was R$23,751 thousand, compared to a net expense of R$42,056 thousand in 4Q15, which is due to the lower effect from exchange variation on dollar-denominated liabilities, which are mainly recorded in trade accounts payable (4Q14: exchange rate of R$2.6783, for appreciation of 9.22% from R$2.4522 in 3Q14; 4Q15: exchange rate of R$3.9048, for depreciation of 5.16% from R$4.1172 in 3Q15.)

Note that, since a portion of debt in USD was "swapped" to BRL and another portion was designated as hedge accounting, whose effects are recorded as Sales Revenue, when realized, the exchange variation on debt in USD does not affect Net Financial Income (Expense) in analyses of aggregate figures. For a better understanding of this impact, we suggest seeing below Table 27 - Adjusted Net Financial Income (Expense).

In 2015, we recorded a net financial expense of R$118,844 thousand, compared to the expense of R$101,726 thousand in 2014. The main variations were: (i) higher gross debt; (ii) higher interest rates; and (iii) BRL depreciation, which impacted Trade Accounts Payable pegged to USD variation.

Table 25: Net Financial Income (Expense)

(R$ thd)	2014	2015	AH	4Q14	4Q15	AH
Revenues (expenses) with derivatives	(2,264)	102,041	n.m.	3,057	(30,316)	n.m.
Interest	(65,834)	(66,182)	0.5%	(17,327)	(14,194)	-18.1%
Monetary variation	1,737	(1,219)	n.m	(586)	413	n.m.
FX variation	(32,255)	(145,583)	351.4%	(26,741)	21,885	n.m.
Other financial revenues (expenses)	(3,110)	(7,901)	154.1%	(459)	(1,539)	235.3%
Total	**(101,726)**	**(118,844)**	**16.8%**	**(42,056)**	**(23,751)**	**-43.5%**
% Net Revenue	**-7.60%**	**-8.00%**	***0.4 p.p***	**-10.11%**	**-4.30%**	***5.8 p.p***

Table 26: Derivative Gains (Losses)

(R$ mil)	2014	2015	AH	4T14	4T15	AH
Swap of debt in Dollar to Reais	(2,521)	92,268	n.m.	(1,386)	(21,388)	n.m.
Swap of Financial asset in Reais to Dollar	2,642	10,365	292.3%	4,106	(7,575)	n.m.
Commodities Hedge	(2,307)	(229)	90.1%	351	(1,353)	n.m.
FX Hedge (not designated as hedge accounting)	(78)	(363)	365.4%	(14)	0	n.m.
Total	**(2,264)**	**102,041**	**n.m.**	**3,057**	**(30,316)**	**n.m.**

Note: As per Note 22 (i) of the Financial Statements.

Table 27: Adjusted Net Financial Income (Expense)

(R$ thd)	2014	2015	AH	4T14	4T15	AH
Gain an Losses with derivatives	(65,834)	(66,182)	0.5%	(17,237)	(14,194)	-18.08%
Interest and FX variation net of swap operations	(34,519)	(43,542)	26.1%	(23,684)	(8,431)	-64.4%
Monetary Variation	1,737	(1,219)	n.m.	(586)	413	n.m.
Other financial revenues (expenses)	(3,110)	(7,901)	154.0%	(459)	(1,539)	235.2%
Total	**(101,726)**	**(118,844)**	**16.8%**	**(42,056)**	**(23,751)**	**-43.5%**
% Net Revenue	**-7.61%**	**-8.02%**	***-0.4p.p.***	**-10.1%**	**-4.3%**	***5.8p.p***

NET INCOME

Table 28: Net Income

(R$ thd)	2014	2015	AH	4T14	4T15	AH
Income before Income Tax	89,072	166,653	87.1%	18,148	45,897	152.9%
Income Tax and Social Contribution	(18,929)	(45,483)	140.3%	(875)	(10,563)	n.m.
Net Income for the period	70,143	121,170	72.7%	17.273	35,334	104.6%

In 4Q15, Net Income advanced 104.6% to R$35,334 thousand, compared to R$17,273 thousand in 4Q14. The improvement is attributed to the 6.2% increase in Gross Income related to the higher volume of cotton and soybean invoiced and the higher unit prices, combined with the lower Financial Expenses.
Net Income in 2015 increased 72.7% to R$121,170 thousand, compared to R$70,143 thousand in 2014, with net margin of 8.2%, expanding 2.9 p.p. from 5.3% in 2014.

The growth in the Company's Net Income is explained by the record volume of soybean invoiced in the period, combined with margin expansion, especially in grain crops. The result was also influenced by the increase of 49.6% or R$94,699 thousand in Operating Income, from R$190,798 thousand in 2014 to R$285,497 thousand, which reflects the disciplined execution of the hedge policy combined with rigorous cost management and operational control.

Furthermore, free cash flow in the period was a record R$132.5 million, reflecting Management's commitment to prioritizing financial solidity.

CURRENCY AND AGRICULTURAL COMMODITY HEDGE

The Company's sales revenues are generated mainly 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 basically comprising 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).

We also use futures and options contracts negotiated on the exchange and swap and option transactions contracted with financial institutions. The mark-to-market adjustments of future, swap and option transactions are recorded under financial income (expense).

The hedge position on March. 07, 2016 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:

Table 29: Currency and Agricultural Commodity Hedge

Fiscal Year	2016		2017	
FX Rate[1]	**Hedge (%)**	**R$ / US$**	**Hedge (%)**	**R$ / US$**
HX Hedge	68.2	3.5767	12.7	4.3712
Commitments[1]	7.1	1.8425	5.6	1.8790
Total	**75.3**	**3.4125**	**18.3**	**3.6112**
Cotton	**Hedge (%)**	**US¢ / pound[2]**	**Hedge (%)**	**US¢ / pound[2]**
Commercial Hedge	64.2	69.0	8.1	68,4
Financial Hedge[4]	14.1	70.2	-	-
Cotton – Total Hedge	**78.3**	**69.2**	**8.1**	**68,4**
Soybean	**Hedge (%)**	**US$ / bushel[2]**	**Hedge (%)**	**US$ / bushel[2]**
Commercial Hedge	64.2	10,0	4.5	9.35
Financial Hedge[4]	2.4	9.7	-	-
Commitments[3]	4.4	-	9.9	-
Soybean – Total Hedge	**71.1**	**10.0**	**14.3**	**9,35**

[1] Commitments with debt payments in U.S. dollar. [2] Based on FOB Port (prices at our production units are also influenced by transport expenses and possible quality discounts).[3] Natural hedge with payments related to land acquisitions and leasing agreements in soybean bags. [4] Includes transactions involving futures, swaps and accumulators. Reference price on 03/07/2016: Cotton ICE DEC/16 ¢/lb 57.26. Cotton ICE DEC/17 ¢/lb 60.78 - Soybean CBOT MAY/16 US$/bushel 8.81 Soybean CBOT MAY/17 US$/bushel 9.03

PROPERTY, PLANT AND EQUIPMENT / INTANGIBLE ASSETS

The main investments in 4Q15 were:

(i) Land clearing and soil correction in the amount of R$6,525 thousand and R$3,749 thousand, respectively, mainly at the Piratini, Parnaguá and Parnaíba farms;

(ii) Buildings and facilities in the amount of R$5,887 thousand, mainly at the Perdizes, Parceiro, Pioneira and Parnaguá farms.

The main investments in 2015 were in:

(iii) Acquisition of 13,288 hectares by the subsidiary SLC LandCo in the state of Mato Grosso for the amount of R$77,992 thousand;

(iv) Acquisition of agricultural machinery and tools in the amount of R$32,767 thousand (renovation of equipment for maintenance of planted area);

(v) Buildings and facilities in the amount of R$24,435 thousand, mainly at the Parceiro, Pioneira Planorte, Parnaíba and Paladino farms.

Table 30: CAPEX

CAPEX (R$ mil)	2014	AV	2015	AV	4Q15	AV
Machinery, implements and equipment	47,487	25.10%	32,767	16.40%	635	3.00%
Land Acquisition	1,321	0.70%	85,579	42.80%	-	0.00%
Soil Correction	54,414	28.80%	23,743	11.90%	6,525	30.60%
Building and facilities	24,270	12.80%	24,435	12.20%	5,887	27.60%
Cotton ginning plant	13,613	7.20%	4,313	2.20%	28	0.10%
Grain Storage	17,939	9.50%	10,954	5.50%	2,362	11.10%
Soil Cleaning	21,789	11.50%	11,742	5.90%	3,749	17.60%
Vehicles	3,511	1.90%	2,912	1.50%	1,326	6.20%
Others	4,803	2.54%	3,568	1.78%	791	3.71%
Total	**189,147**		**200,013**		**21,303**	

FINANCIAL NET DEBT

Adjusted net debt in 2015 increased 13.9% to R$1,093,756 thousand, from R$959,893 thousand in 2014. The main variations were:

(i) Noncash exchange variation on dollar-denominated operations (impact of R$201 million), with the variation designated as hedge accounting and thus recognized as Sales Revenue upon maturity;

(ii) Exchange variation on USD-denominated operations paid over the course of the year (impact of R$27 million), considering only the variation from Dec. 31, 2014 through the effective payment date;

(iii) Higher working capital needs due to the effect from exchange variation on inputs.

Table 31: Financial Net Debt

		Average Interest rates (%)		Consolidated	
(R$ thd)	Index	2015	2014	2015	2014
Applied in Fixed Assets					
Finame – BNDES	Pré and TJLP[1]	**6.21%**	5.37%	**175,494**	**151,126**
Constitutional Funds[2]	Pré	**7.34%**	7.39%	**11,137**	**22,339**
Financing of Investments	US$ + Libor[3]	**5.89%**	5.36%	**13,559**	**15,486**
				200,190	**188,951**
Applied in working capital					
Rural Credit	Pré	**9.45%**	7.47%	**325,424**	**277,993**
Constitutional Funds[2]	Pré	**9.44%**	7.51%	**263,952**	**276,866**
Working Capital	Pré	**15.53%**	10.38%	**20,447**	**34,784**
Working Capital	CDI	**15.05%**	12.41%	**518,445**	**201,594**
External Loans	CDI	**15.21%**	12.53%	**242,204**	**73,712**
External Loans	US$, Libor[3]+Pré	**4.91%**	4.19%	**308,215**	**278,076**
				1,678,687	**1,143,025**
Total Indebtedness		**10.72%**	7.63%	**1,878,877**	**1,331,976**
Gaind and losses with derivates connected with applications and debts				**83,661**	**121**
(=) Adjusted debt				**1,795,216**	**1,331,855**
(-) Cash				**701,460**	**371,962**
(=) Adjusted debt				**1,093,756**	**959,893**
EBITDA of last 12 months				**339,741**	**320,146**
Adjusted Net Debt/Adjusted EBITDA				**3.22x**	**3.00x**
Adjusted Net Debt/NAV				**30.6%**	**27.3%**

[1] Long-Term Interest Rate (TJLP) [2] To calculate the average cost of the Constitutional Funds, we considered a discount of 15% relative to the performance bonus applicable to these operations. [3] London Interbank Offer Rate (Libor): Interest rate charged by London banks used as a reference for most loans in the international financial system. [4] Adjusted EBITDA in the last 12 months. [5] Transactions with gains and losses from Derivatives (note 22 of the Financial Statements).

The Adjusted Net Debt/Adjusted EBITDA ratio increased slightly throughout 2015, from 3.00x in 2014 to 3.22x in 2015, since, despite the 6.1% increase in Adjusted EBITDA, Adjusted Net Debt increased 13.9%, mainly due to BRL depreciation.

The Adjusted Net Debt/Net Asset Value ratio ended the quarter at 30.6%, compared to 27.3% in 2014.

Figure 15: Gross Debt Profile in 4Q15

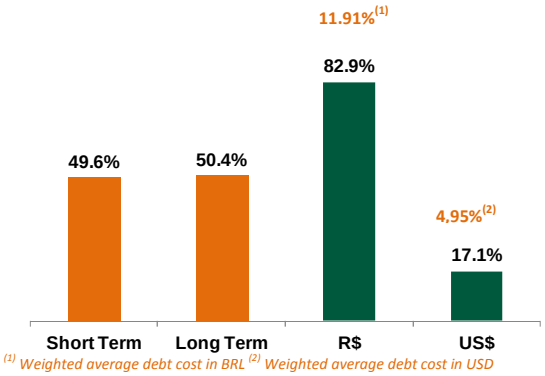
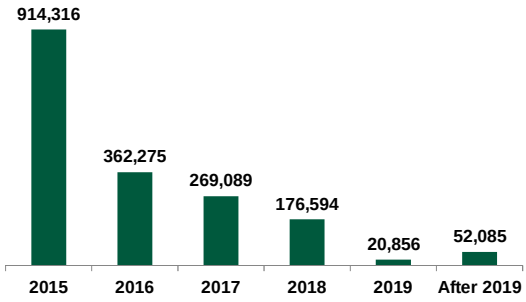


Figure 14: Adjusted Net Debt Amortization Schedule in 4Q15 (R$ '000)



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, the net annual appreciation (based on the report of an independent auditor prepared every year) in the value of its land.

Table 32: Return on Equity

(R$ million)	2010	2011	2012	2013	2014	2015
Net Profit	59	160	38	97	70	121
Net Land Appreciation SLC Agrícola[1]	-36	179	222	313	396	108
Net Land Appreciation LandCo [1][2]	-	-	48	61	32	32
Subtotal	23	339	308	471	498	261
Shareholder's Equity[3]	1,839	2,063	2,407	2,924	3,608	3,748
Return on Equity	**1.3%**	**16.4%**	**12.8%**	**16.1%**	**13.8%**	**7.0%**

[1] Based on the independent appraisal report (Deloitte), net of taxes, updated in July 2015.
[2] Adjusted by the interest of 81.23% held by SLC Agrícola in SLC LandCo.
[3] Adjusted by the appreciation in the value of land properties.

Table 33: Return on Net Assets

(R$ million)	2010	2011	2012	2013	2014	2015
Net Profit	59	160	38	97	70	121
Net Land Appreciation[1]	(36)	179	271	373	428	140
Subtotal	23	339	309	470	498	261
Invested Capital	2,598	3,196	3,635	4,113	4,696	4,906
Working Capital	395	504	626	641	733	628
Fixed Asset[2]	2,203	2,692	3,009	3,472	3,963	4,278
Return	**0.9%**	**10.6%**	**8.5%**	**11.4%**	**10.6%**	**5.3%**

[1] Based on the independent appraisal report (Deloitte), net of taxes, updated in July 2015.
[2] Adjusted by appreciation of land.

Table 34: Return on Invested Capital

(R$ million)	2010	2011	2012	2013	2014	2015
Operating Income	126	257	145	150	190	285
Taxes	30.1%	33.7%	49.8%	23.1%	21.3%	27.3%
Taxes Nominal	(38)	(87)	(72)	(35)	(40)	(78)
Adjusted Operating Income	88	170	73	116	150	207
Net Land Appreciation[1]	(36)	179	270	374	428	140
Operating Result	52	349	343	490	578	347
Invested Capital	2,110	2,527	2,987	3,753	4,329	4,788
Gross Debt[2]	*450*	*640*	*811*	*1,170*	*1,332*	*1,711*
Cash[2]	*110*	*131*	*157*	*376*	*355*	*671*
Net Debt [2]	*339*	*509*	*654*	*794*	*977*	*1,040*
Shareholder's Equity [3]	*1,771*	*2,018*	*2,333*	*2,781*	*3,352*	*3,748*
Return on Invested Capital	**2.5%**	**13.8%**	**11.5%**	**13.0%**	**13.3%**	**7.2%**

[1] Based on the independent appraisal report (Deloitte), net of taxes, updated in July 2015.
[2] Adjusted by the interest held in the subsidiaries.
[3] Adjusted by appreciation of land.

Table 35: Net Asset Value (NAV)

(R$ million)	2015
SLC Agrícola Farms [1]	2,535
SLC LandCo Farms [2]	518
Infrastructure (excl.land) [3]	800
Accounts Receivable (excl. derivates) [3]	193
Inventories [3]	636
Biological Assets[3]	382
Cash [3]	671
Subtotal	***5,734***
Suppliers[3]	389
Adjusted Gross Debt [3][4]	1,711
Outstanding debt related to land acquisitions [3]	65
Subtotal	***2,166***
Net Asset Value	**3,569**
Net Asset Value per share	**36,1**

[1] Based on the independent appraisal report (Deloitte), net of taxes, updated in July 2015. [2] Based on the independent appraisal report (Deloitte), net of taxes, updated in July 2015 and adjusted by the interest held by SLC Agrícola in the subsidiary. [3] Adjusted by the interest held by SLC Agrícola in the subsidiaries. [4] Gross Debt adjusted by operations with derivative instruments and the interest held by SLC Agrícola in the subsidiaries.

Table 36: Changes in Working Capital

Working Capital (R$ thd)	2013	2014	2015
Asset			
Trade Account Receivable	85,334	143,759	228,024
Hedge Accounting (Non-Cash)	*(5,278)*	*(8,936)*	*(26,639)*
Inventories	514,819	622,101	782,192
Biological Assets + (Non-Cash)	*(42,280)*	*(20,185)*	*(58,164)*
Recoverable Taxes	78,361	98,566	89,321
Biological Assets	378,481	374,372	423,705
Biological Assets + (Non-Cash)	*(27,009)*	*(17,684)*	*(31,200)*
Expenses incurred in advance	3,793	2,712	5,469
Subtotal	**986,221**	**1,194,705**	**1,412,708**
Liabilities			
Suppliers	236,217	312,759	398,860
Tax and Social Obligations	27,480	24,270	20,465
Others	223,444	207,794	376,498
Land Payables	(126,494)	(49,689)	(75,564)
Hedge Accounting (Non-Cash)	(31,433)	(51,651)	(120,544)
Provisions	16,187	17,724	34,196
Subtotal	**345,401**	**461,207**	**633,911**
Total	**640,820**	**733,498**	**778,797**
Change in WC	**10,017**	**92,678**	**45,299**

DIVIDENDS

A meeting of the Board of Directors held on this date (March 09, 2016) approved the Management Proposal to be submitted to the next Annual Shareholders' Meeting to be held on April 29, 2016.

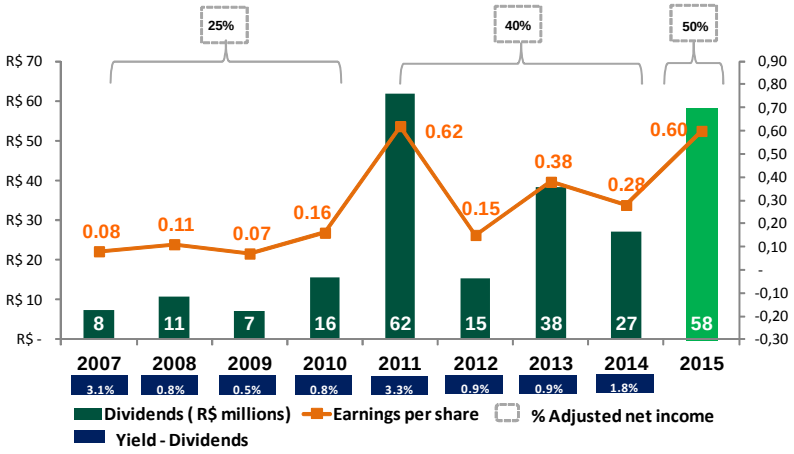
In accordance with Brazilian Corporation Law and with the Bylaws of the Company, management proposes the following distribution of net income for fiscal year 2015:

Table 37: Proposed Dividend Distribution

(R$)	2015	2014
Net Income for the year	**122,527,790,25**	67,897,833,21
Appropriation of Legal Reserve	**6,126,389,51**	-
Calculation base for the dividends proposed	**116,401,400,74**	67,897,833,21
Minimum Compulsory Dividend 25%	**29,100,350,19**	16,974,458,30
Additional Proposed Dividend 25%	**29,100,350,19**	10,184,674,98
Proposed Dividends	**58,200,700,38**	27,159,133,28
% on Net Income for the year	**50%**	40%
Balance of Net Income to Others Reserves	**58,200,700,38**	40,738,699,92
Others Comprehensive Income	**8,471,624,19**	51,131,902,15
Calculation Base for Expansion Reserve	**66,672,324,55**	91,870,602,07
Appropriation of Expansion Reserve	**66,672,324,55**	91,870,602,07

The following chart shows the historical distribution of dividends by the Company:

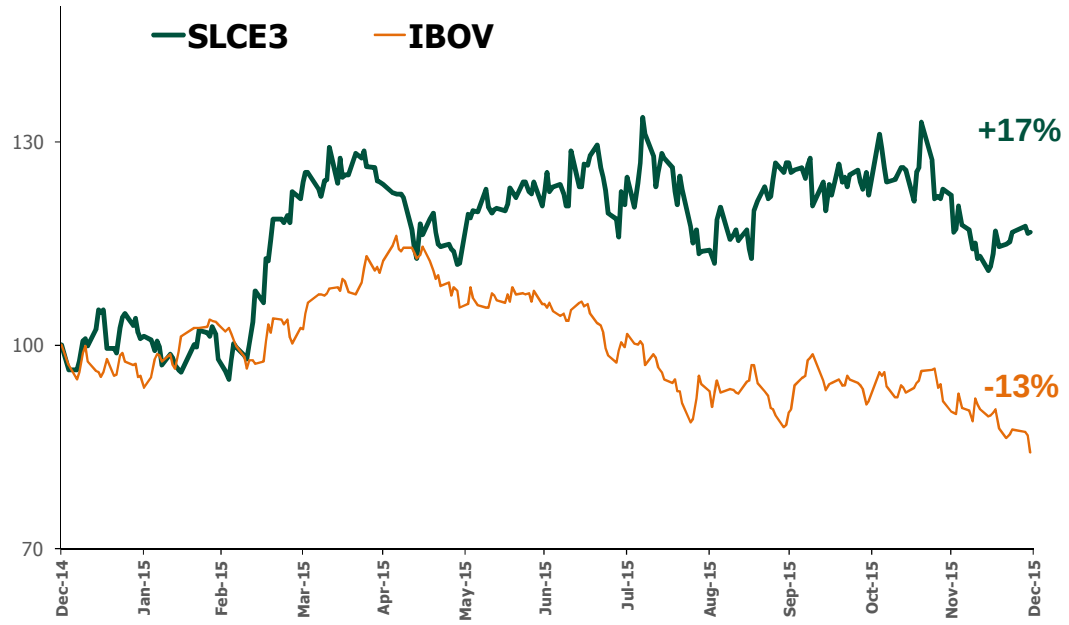
Figure 16: Historical and Proposed – Dividends



CAPITAL MARKETS

In 2015, the stock of SLC Agrícola (SLCE3) gained 17%, compared to the 13% decline in the Bovespa Index (Ibovespa). The Company has 98,897,500 thousand shares outstanding, of which 48.7% is free-float traded on the Novo Mercado segment of the São Paulo Stock Exchange (BM&FBOVESPA).

Figure 17:SLCE3 vs. IBOVESPA



Source: BM&FBOVESPA/ CMA

In the last four years, the company has been recognized by *Institutional Investor* magazine in the Agribusiness industry: In 2015, we were recognized in the following categories:

- Best Investor Relations, first place, elected by buy-side and sell-side analysts;
- Best CEO, first place, elected by sell-side analysts, and second place, elected by buy-side analysts;
- Best CFO, second place, elected by buy-side and sell-side analysts;
- Best IR Professional, first place, elected by sell-side analysts, and third place, elected by buy-side analysts.

HUMAN RESOURCES

As a company in constant evolution, engaging and developing people are part of the corporate DNA of SLC Agrícola. With over 3,300 employees, communication and trust are the foundation of good work performance. We value our employees by offering a comprehensive benefit package, profit sharing, a career and salary advancement plan, continuous education, workplace safety, recognition for years of service and encouraging workers to care for their quality of life. We also promote social responsibility through the Social and Environmental Action Group (GAS), which sponsors programs to foster citizenship and volunteer actions related to environmental and social topics in order to improve conditions in local communities.

SOCIAL INDICATORS 2015

SOCIAL RESPONSIBILITY

Social and Environmental Action Group (GAS)

Formed by volunteer employees, the Social and Environmental Action Group (GAS) was created to develop social projects and initiatives with organizations in need, seeking to contribute to growth and quality of life at these institutions. The company and its employees take part in social programs that aim to achieve these goals and provide the community with brighter prospects by contributing and fulfilling their social role.

Furnishing Lives Project:

The project consists of workshops on how to make bathing chairs for children from PVC. The project was sponsored by the **Social and Environmental Action Group (GAS) of SLC Agrícola** at **Kinder**, a philanthropic organization that educates, rehabilitates and trains more than 300 infants, children and teens with multiple handicaps. The following link shows more about the project: https://www.youtube.com/watch?v=vV0ZgfRR654.

INVESTMENTS IN TRAINING AND DEVELOPMENT OF CONTINUED EDUCATION

Figure 19: Manager Development **aining**

122h/f

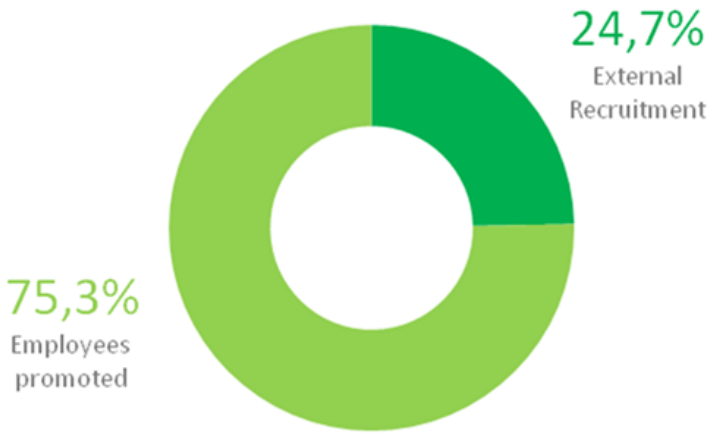




CAREER OPPORTUNITY AND DEVELOPMENT

More than 75% of leadership positions at SLC Agrícola are held by employees who were promoted.

Figure 20: Profile of Leadership Positions



SUSTAINABILITY

ENVIRONMENT AND SUSTAINABILITY

Sustainability Policy

SLC Agrícola is committed to preventing accidents, promoting ethical conduct and sustainable development and preserving the environment in all aspects, for which it works to continually improve its processes and products, raise awareness and adopt effective programs. To achieve this, it undertakes the following commitments to its stakeholders:

- To continuously improve our processes and systems.
- To ensure, as a minimum standard, the compliance of the activities of **SLC AGRÍCOLA S.A.** with applicable legal and other requirements related to the safety and health of employees and to the company's environmental and social aspects.
- To minimize risks and prevent pollution, accidents and other incidents by adopting appropriate practices for:
    - the efficient use of natural resources;
    - the reduction wastewater and gaseous effluents;
    - the reuse, recycling and proper disposal of solid waste generated;
    - the elimination of unsafe work conditions and the pursuit of "zero accidents";
- To promote ethics and sustainable development through:
    - stakeholder engagement;
    - tolerance of different opinions;
    - not discriminating and respecting human rights;
    - fair compensation;
    - fighting child and forced labor;
    - accountability, transparency and ethical behavior.
- To assume its leadership position in building a safe, environmentally adequate and socially responsible workplace.
- To thoroughly investigate all environmental and occupational accidents on the farms owned by **SLC AGRÍCOLA S.A.**

- To inform service providers that carry out any kind of activity in its facilities, of the need to comply with internal rules and those related to social responsibility, the environment and occupational safety and health.
- To maintain and implement projects to raise awareness on environmental, occupational and social responsibility issues across all levels of the organization, including professionals and other people acting on behalf of **SLC AGRÍCOLA S.A**.

Management and Certification Systems

For more than eight years, we have adopted the use of an Integrated Management System (IMS) that complies with the international standards ISO 14001 OHSAS 18001 and the Brazilian standard NBR 16001. The activities of the IMS include addressing issues that go beyond mere legal compliance to focus on aspects related to the Environment, Occupational Health and Safety and Social Responsibility. The system is implemented and certified at the Planalto (Mato Grosso do Sul), Paiaguás and Planorte (Mato Grosso), Panorama (Bahia) and Pamplona (Goiás) farms, and is in the final implementation stage at the Parnaíba and Planeste (Maranhão) farms. Practices linked to this management system are being complied with by the employees, suppliers and outsourced service providers at these units. The plan is to extend the implementation of this system to the other production units of the Company, with the process expected to be concluded at 10 units by year-end 2020. In 2012, the Planalto Farm became the first agricultural company to be simultaneously certified by the international standards 14001 and OHSAS 18001 and by the Brazilian standard NBR 16001. SLC Agrícola's sustainable production practices are also demonstrated by the agricultural production certifications that it holds, which include those for soybean (RTRS) and cotton (BCI and ABR).

5S Program

Actions to raise environmental awareness involve all of the Company's employees as well as their family members, and include lectures or seminars and environmental education classes at schools to encourage the adoption of the 5S phases along with the 3 Rs (Reduce, Reuse and Recycle waste). The purpose is to show the importance of preserving the environment, as well as the simplicity of the methods adopted and the returns generated by the project. 5S is a method for organizing the workplace. The letter "S" in 5S comes from Japanese and relates to the following words: SEIRI – Sort: eliminate all unused and obsolete objects; SEITON – Streamline: arrange things in their proper places with a view to increasing efficiency; SESIO – Cleanliness: keep the environment clean and conduct regular maintenance; SEIKETSU – Hygiene and Workplace Safety: practice safe acts and maintain good relationships in the work environment; SHITSUKE - Discipline: adopt the other S phases as a regular routine.

Sustainability: an Organizational Competency

Sustainability is one of the competencies required and developed in all leadership levels at the Company. It is attributed great importance because it is one of the main pillars of the Company's growth and perpetuity. Leaders are encouraged to increasingly consider sustainable development in the planning, implementation and operation of their projects or areas. This involves knowing legal, regulatory and technical aspects, minimizing social, economic and environmental impacts, using resources rationally and the interaction of their projects with society. Promoting sustainability helps to ensure the desired level of profitability, legal security, risk management and reductions in non-compliance and future losses.

Sustainability in the Organizational Climate Survey

Conducted every two years among all of the Company's employees, the Climate Survey is an excellent tool for assessing employee's perceptions and level of satisfaction with regard to various aspects of the Company, including Sustainability. The opportunities for improvement identified in areas related to Sustainability are addressed through action plans developed in cooperation with all areas of the Company.

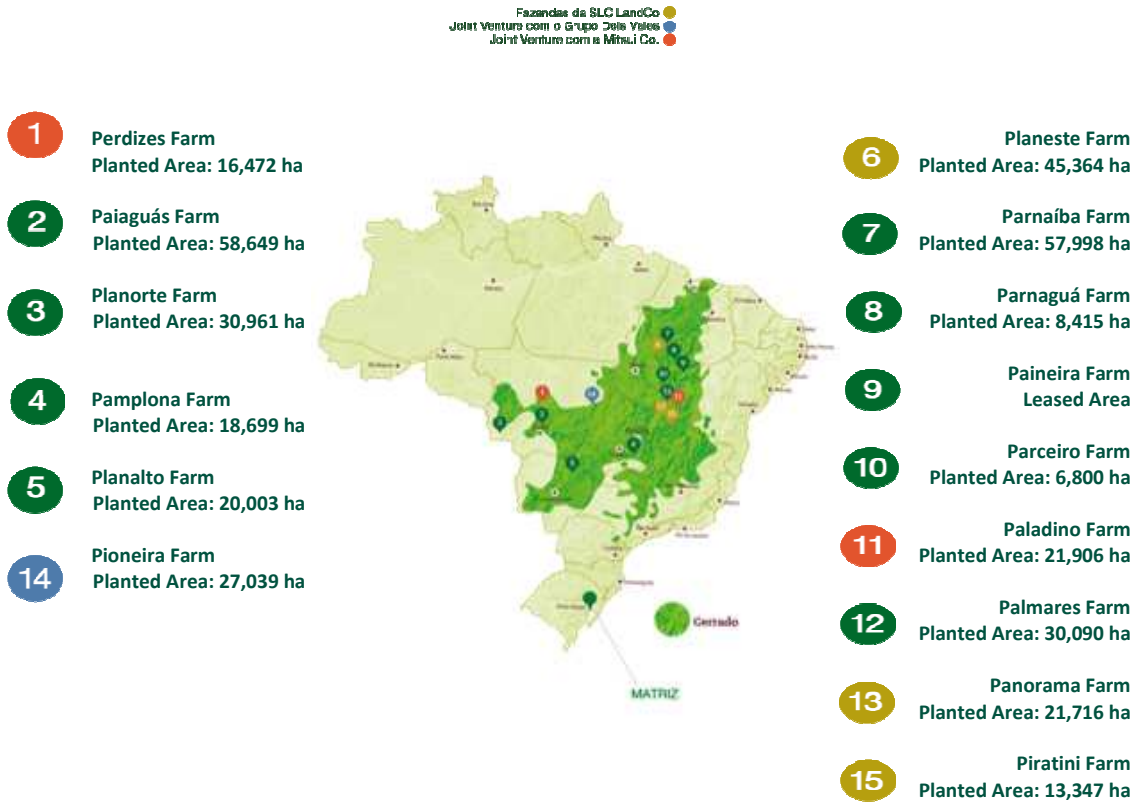
SUBMISSION TO THE ARBITRATION CHAMBER

The Company submits to arbitration by the Novo Mercado Arbitration Chamber, as per the arbitration clause in its Bylaws.

RELATIONSHIP WITH THE INDEPENDENT AUDITORS

KPMG Auditores Independentes was engaged by the Company to conduct the external audit of its financial statements. In compliance with CVM Instruction 381/03, we inform that in 2015 the audit firm did not provide services other than those related to the external audit whose fees exceeded 5% of the total fees received for this service.

LOCATION OF UNITS



4Q15 CONFERENCE CALL

Date: Thursday, March 10, 2016

Portuguese	English
March 10, 2016	March 10, 2016
10:00 a.m. (Brasília)	12:00 p.m. (Brasília)
8:00 a.m. (New York)	10:00 a.m. (New York)
1:00 p.m. (London)	3:00 p.m. (London)
Dial-in: +55 (11) 2188-0155	Dial-in: +1 (412) 317-5490
Code: SLC	Code: SLC
Replay: +55 (11) 2188-0400	Replay: +1 (412) 317-0088
Code: SLC	Code: 10081729

DISCLAIMER

This release makes statements concerning future events that are subject to risks and uncertainties. These 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 directors and officers. Forward-looking statements include information on potential or assumed operating results as well as statements that are preceded, followed by 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 Company's 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.

CONTACTS

Ivo Marcon Brum
Chief Financial and Investor Relations Officer

Frederico Logemann
Investor Relations Manager

Alisandra Matos
Investor Relations Analyst

ri@slcagricola.com.br
+55 51 3230-7799
+55 51 3230-7864
+55 51 3230-7797
www.slcagricola.com.br/ri

Rua Bernardo Pires, 128, 3º andar, Bairro Santana, Porto Alegre/RS CEP 90620-010

EXHIBIT 1: AGRICULTURAL WEIGHTS AND MEASURES

1 tonelada	1,000 kg	
1 kg	2.20462 libras	
1 libra	0.45359 kg	
1 acre	0.40469 hectares	
1 acre	0.1840 alqueire	
1 hectare (ha)	2.47105 acres	
1 hectare (ha)	10,000 m²	
1 alqueire	5.4363 acres	
Soja e Trigo		
1 bushel de soja	60 libras	27.2155 kg
1 saca de soja	60 kg	2.20462 bushels
1 bushel/acre	67.25 kg/ha	
1.00 US$/bushel	2.2046 US$/saca	
Milho		
1 bushel de milho	56 libras	25.4012 kg
1 saca de milho	60 kg	2.36210 bushels
1 bushel/acre	62.77 kg/ha	
1.00 US$/bushel	2.3621 US$/saca	
Algodão		
1 fardo	480 libras	217.72 kg
1 arroba	14.68 kg*	

SLC Agrícola S.A

Balance sheet at December 31, 2015 and 2014

(In thousands of Reais)

		Parent Company		Consolidated	
	Note	**12/31/15**	**12/31/14**	**12/31/15**	**12/31/14**
Assets					
Current assets					
Cash and cash equivalents	**6**	**518,284**	121,081	**623,608**	239,141
Short-term interest earning bank	**6**	**32,092**	38,840	**77,852**	132,821
Accounts receivable	**7**	**158,743**	62,407	**176,691**	120,663
Advances to suppliers		**3,562**	2,165	**4,438**	5,200
Inventories	**8**	**600,270**	330,135	**728,192**	622,101
Biological assets	**9**	**336,884**	210,136	**423,705**	374,372
Recoverable taxes	**10**	**63,944**	56,674	**89,321**	98,566
Securities and credits receivable		**4,444**	5,474	**4,444**	5,474
Operations with derivatives	**22**	**25,415**	6,752	**26,639**	8,936
Intercompany transactions	**14**	**2,815**	2,971	**-**	-
Other accouns receivable		**14,542**	4,664	**15,812**	3,456
Prepaid expenses		**5,057**	1,936	**5,469**	2,712
Assets held for sale	**12**	**677**	-	**677**	-
Total current assets		**1,766,729**	843,235	**2,176,848**	1,613,442
Non-current assets					
Recoverable taxes	**10**	**38,591**	16,646	**51,954**	31,576
Deferred inceome and social	**17**	**9,007**	-	**23,509**	8,358
Advances for future capital increase	**14**	**18,915**	7,389	**-**	-
Operations with derivatives	**22**	**101,852**	1,329	**101,852**	1,329
Intercompany transactions	**14**	**16,061**	-	**-**	-
Accounts receivable		**7,464**	7,956	**7,464**	7,956
Advances to suppliers		**51,602**	46,849	**76,430**	71,218
Prepaid expenses		**2,830**	1,665	**2,830**	1,665
Other credits		**6,548**	3,073	**7,752**	4,760
		252,870	84,907	**271,791**	126,862
Investiments	**11**	**1,977,551**	2,077,130	**-**	-
Biological assets	**9**	**4,239**	5,848	**4,239**	5,848
Investment Property	**13**	**-**	-	**93,350**	-
Property, plant and equipment	**12**	**545,350**	424,259	**2,760,438**	2,747,811
Intangible		**2,743**	4,305	**2,967**	4,671
		2,529,883	2,511,542	**2,860,994**	2,758,330
Total non-current assets		**2,782,753**	2,596,449	**3,132,785**	2,885,192
Total assets		**4,549,482**	3,439,684	**5,309,633**	4,498,634

SLC Agrícola S.A

Balance sheet at December 31, 2015 and 2014

(In thousands of Reais)

		Parent Company		Consolidated	
	Note	**12/31/15**	**12/31/14**	**12/31/15**	**12/31/14**
Liabilities					
Current liabilities					
Suppliers		**310,585**	154,568	**398,860**	312,759
Loans and financing	**15**	**831,822**	430,655	**931,732**	780,739
Taxes, rates and sundry contributions		**1,705**	736	**6,702**	13,926
Social charges and labor legislation obligations		**26,479**	15,274	**32,554**	26,079
Advances from clients		**94,201**	37,270	**110,401**	53,200
Debts with related parties	**14**	**22,059**	12,351	**-**	-
Operations with derivatives	**22**	**109,103**	33,360	**120,544**	51,651
Securities payable	**18**	**-**	-	**75,564**	49,689
Tax, social security, labor and civil provisions	**16**	**1,543**	1,390	**1,624**	1,989
Dividends payable		**29,100**	17,033	**29,100**	17,758
Others accounts payables		**35,071**	24,932	**40,889**	35,496
Total current liabilities		**1,461,668**	727,569	**1,747,970**	1,343,286
Non-current liabilities					
Loans and financing	**15**	**852,498**	491,282	**947,145**	551,237
Deferred taxes	**17**	**-**	7,381	**153,309**	183,511
Operations with derivatives	**22**	**29,005**	9,532	**31,624**	10,292
Securities payable	**18**	**-**	-	**36,700**	16,751
Other debits		**603**	550	**622**	549
Total non-current liabilities		**882,106**	508,745	**1,169,400**	762,340
Shareholders' equity					
Capital	**19.a**	**947,522**	557,434	**947,522**	557,434
Capital reserves	**19.b**	**107,403**	208,207	**107,403**	208,207
(-) Treasury shares	**19.c**	**(32,347)**	(32,847)	**(32,347)**	(32,847)
Profit reserves	**19.d.e.f.g**	**291,798**	484,936	**291,798**	484,936
Other comprehensive income		**891,332**	985,640	**891,332**	985,640
Total attributable to shareholders		**2,205,708**	2,203,370	**2,205,708**	2,203,370
Non-controlling shareholders in subsidiaries		**-**	-	**186,555**	189,638
Total liabilities and shareholders' equity		**4,549,482**	3,439,684	**5,309,633**	4,498,634

SLC Agrícola S.A

Statement of income

(in thousands Reais, except earning per share)

	Note	Parent Company		Consolidated	
		12/31/15	12/31/14	12/31/15	12/31/14
Income	27	**1,070,660**	779,957	**1,761,581**	1,499,175
Cost of goods sold		**(889,088)**	(674,351)	**(1,328,460)**	(1,166,090)
Gross income		**181,572**	105,606	**433,121**	333,085
Operating income (expenses)					
Sales expenses		**(58,740)**	(48,026)	**(92,070)**	(85,335)
General and administrative expenses		**(38,327)**	(32,376)	**(47,709)**	(44,264)
Management compensation	14.d	**(9,232)**	(7,977)	**(10,728)**	(9,471)
Financial income	20	**332,098**	69,835	**447,366**	138,545
Financial expenses	20	**(453,121)**	(150,853)	**(566,210)**	(240,271)
Equity income (loss)	11	**155,239**	114,063	**-**	-
Other operating (expenses) income		**4,230**	(1,020)	**2,884**	(3,217)
		(67,853)	(56,354)	**(266,467)**	(244,013)
Result before income and social contribution taxes		**113,719**	49,252	**166,654**	89,072
Income and social contribution taxes					
Corrente		**-**	(28)	**(33,038)**	(43,520)
Deferred assets	17	**8,809**	18,674	**(12,445)**	24,591
Net Income		**122,528**	67,898	**121,171**	70,143
Attributable to:					
Controlling shareholders		**122,528**	67,898	**122,528**	67,898
Not controlling interest in subsidiaries		**-**	-	**(1,357)**	2,245
		122,528	67,898	**121,171**	70,143
Basic earnings per share - R$	19.h	**1,262**	0,694	**1,262**	0,694
Diluted net income per share - R$	19.h	**1,265**	0,694	**1,265**	0,694

SLC Agrícola S.A

Statement of comprehensive income

(in thousands of Reais)

	Parent Company		Consolidated	
	12/31/15	**12/31/14**	**12/31/15**	**12/31/14**
Income (loss) for the year	**122,528**	67,898	**121,171**	70,143
Comprehensive income:				
Derivatives - cash flow hedge	**(170,625)**	(14,456)	**(170,625)**	(31,268)
Derivatives - cash flow hedge - subsidiaries	**1,889**	(9,399)	**164**	-
Income and social contribution taxes	**58,012**	4,915	**58,012**	10,631
Fair value adjustment to investment property	**19,037**	-	**19,037**	-
Others	**1,016**	-	**1,016**	-
Cost assigned fixed assets	**11,206**	-	**11,206**	-
Adjustment costs awarded fixed assets in subsidiary	**(7,200)**	-	**(7,200)**	-
Gain (loss) capital holding	**829**	-	**829**	-
Total comprehensive income	**36,692**	48,958	**33,610**	49,506
Attributable to:				
Controlling shareholders			**36,692**	48,958
Not controlling interest in subsidiaries			**(3,082)**	548
			33,610	49,506

SLC Agrícola S.A

Statements of changes in shareholders' equity

(Em milhares de Reais)

	Capital reserves				Profit reserves								
	Capital	Goodwill in the issue of shares	Recognized options granted	Treasury shares	Legal reserve	Expansion reserve	Profit retention reserve	Additional dividend proposed	Other comprehensive income	Retained earnings	Total interest of controlling shareholders	Interest of non-controlling shareholders	Total shareholders' equity
Balances at December 31, 2013	**557,434**	**178,054**	**25,867**	**(7,019)**	**2,851**	**374,401**	**5,628**	**14,336**	**857,123**	**-**	**2,008,675**	**128,337**	**2,137,012**
Interest on own Capital	-	-	-	-	-	-	-	-	-	-	-	60,973	60,973
Goodwill on Sale of Shares	-	(68)	-	-	-	-	-	-	-	-	(68)	2,686	2,618
Share-based compensation recognized in the year	-	-	4,354	-	-	-	-	-	-	-	4,354	-	4,354
Share-based compensation exercized in the year	-	-	-	(25,828)	-	-	-	-	-	-	(25,828)	-	(25,828)
Unrealized gains (losses) with hedge instruments, net of tax effects	-	-	-	-	-	-	-	-	(9,541)	-	(9,541)	-	(9,541)
Unrealized gains (losses) with hedge instruments, net of tax effects for subsidiaries	-	-	-	-	-	-	-	-	(9,399)	-	(9,399)	(1,697)	(11,096)
Realization of depreciatio n of the deemed cost of the property, plant and equipment	-	-	-	-	-	-	-	-	(2,937)	2,937	-	-	-
Realization of deemed cost per sale	-	-	-	-	-	-	-	-	(6,856)	6,856	-	-	-
Adjusted cost of Property, plant and equipment	-	-	-	-	-	-	-	-	(30,202)	41,340	11,138	-	11,138
Tax adjustments in subsidiaries	-	-	-	-	-	-	-	-	184,530	-	184,530	-	184,530
Gain in the variation of interest	-	-	-	-	-	-	-	-	2,922	-	2,922	(2,182)	740
Net income for the year	-	-	-	-	-	-	-	-	-	67,898	67,898	2,245	70,143
Proposed allocation:													
Expansion reserve	-	-	-	-	-	91,870	-	10,186	-	(102,056)	-	-	-
Proposed dividends	-	-	-	-	-	-	-	(14,336)	-	(16,975)	(31,311)	(724)	(32,035)
Balances at December 31, 2014	**557,434**	**177,986**	**30,221**	**(32,847)**	**2,851**	**466,271**	**5,628**	**10,186**	**985,640**	**-**	**2,203,370**	**189,638**	**2,393,008**
Interest on own Capital	390,088	(105,238)	-	-	-	(284,850)	-	-	-	-	-	-	-
Goodwill on Sale of Shares	-	(466)	-	-	-	-	-	-	-	-	(466)	-	(466)
Share-based compensation recognized in the year	-	-	4,900	-	-	-	-	-	-	-	4,900	-	4,900
Share-based compensation exercized in the year	-	-	-	500	-	-	-	-	-	-	500	-	500
Unrealized gains (losses) with hedge instruments, net of tax effects	-	-	-	-	-	-	-	-	(112,613)	-	(112,613)	-	(112,613)
Unrealized gains (losses) with hedge instruments, net of tax effects for subsidiaries	-	-	-	-	-	-	-	-	1,889	-	1,889	(1,725)	164
Realizatio n of depreciation of the deemed cost of the property, plant and equipment	-	-	-	-	-	-	-	-	(6,642)	6,642	-	-	-
Realization of deemed cost per sale	-	-	-	-	-	-	-	-	(1,770)	1,770	-	-	-
Cost assigned fixed assets	-	-	-	-	-	-	-	-	11,206	-	11,206	-	11,206
Adjustment costs awarded fixed assets in subsidiary	-	-	-	-	-	-	-	-	(7,200)	-	(7,200)	-	(7,200)
Fair value adjustment property p / investments	-	-	-	-	-	-	-	-	19,037	-	19,037	-	19,037
Gain in the variation of interest	-	-	-	-	-	-	-	-	829	-	829	-	829
Others	-	-	-	-	-	-	-	-	956	60	1,016	-	1,016
Net income for the year	-	-	-	-	-	-	-	-	-	122,528	122,528	(1,358)	121,170
Proposed allocation:													
Expansion reserve	-	-	-	-	6,126	66,672	-	29,100	-	(101,898)	-	-	-
Proposed dividends	-	-	-	-	-	-	-	(10,186)	-	(29,102)	(39,288)	-	(39,288)
Balances at September 30, 2015	**947,522**	**72,282**	**35,121**	**(32,347)**	**8,977**	**248,093**	**5,628**	**29,100**	**891,332**	**-**	**2,205,708**	**186,555**	**2,392,263**

SLC Agrícola S.A

Statement of cash flow

(in thousands of Reais)

	Parent Company		Consolidated	
	12/31/15	**12/31/14**	**12/31/15**	**12/31/14**
Net cash from operational activities				
Net income (loss) before IRPJ/CSLL	**113,719**	49,252	**166,654**	89,072
Adjustments to reconcile net income to cash provided by operating activities:				
Depreciation and amortization	**68,613**	64,728	**106,803**	99,919
Depreciation and amortization - DVA	**68,613**	64,728	**106,803**	99,919
Income from write-off of property, plant and equipment	**5,196**	2,182	**6,230**	7,162
Equity in net income of subsidiaries	**(155,239)**	(114,063)	**-**	-
Interest, exchange and monetary variation	**198,835**	73,793	**241,705**	110,026
Interest paid	**(58,328)**	(67,565)	**(88,370)**	(91,519)
Share-based compensation	**4,898**	4,354	**4,898**	4,354
Variation in biological assets	**16,292**	22,987	**(52,560)**	29,429
Provision (reversal) for inventory adjustment	**767**	224	**736**	199
Provision (reversal) of profit sharing and labor contingencies	**6,035**	4,211	**7,733**	6,386
Income tax and social contribution tax on profit paid	**-**	-	**(26,208)**	(35,712)
Dividends	**36,823**	164,238	**-**	-
	237,611	204,341	**367,621**	219,316
Changes in assets and liabilities:				
Trade accounts receivable	**(68,654)**	(23,888)	**(56,029)**	(58,225)
Inventories and biological assets	**(84,992)**	(32,617)	**(106,010)**	(129,883)
Recoverable taxes	**(2,100)**	(8,600)	**(11,133)**	(31,055)
Securities and credits receivable	**3,961**	5,290	**3,961**	5,290
Short-term interest earnings bank deposits	**6,748**	24,524	**54,969**	27,802
Other accounts receivable	**(24,737)**	4,095	**(23,721)**	(1,850)
Suppliers	**104,699**	16,675	**86,101**	76,541
Taxes and social payables	**384**	(4,046)	**(18,367)**	(15,041)
Liabilities with related parties	**(2,001)**	12,757	**-**	-
Operations with derivatives	**(78,115)**	34,983	**(72,313)**	31,454
Notes payable	**-**	-	**(17,809)**	(98,020)
Advances from clients	**41,583**	21,196	**57,200**	28,171
Rentals payable	**9,289**	14,640	**5,744**	15,315
Other accounts payable	**2,658**	1,156	**4,618**	5,816
	(91,277)	66,165	**(92,789)**	(143,685)
Net cash provided by (applied to) operating activities	**146,334**	270,506	**274,832**	75,631
Net cash used in investment activities	**-**	-	**-**	-
In Investment	**(16,009)**	(74,584)	**-**	-
In Biological Assets	**-**	(28)	**-**	(28)
In property, plant and equipment	**(30,071)**	(53,532)	**(141,437)**	(181,072)
In intangible assets	**(834)**	(606)	**(911)**	(891)
Net cash used for investing activities	**(46,914)**	(128,750)	**(142,348)**	(181,991)
Net cash generated/(consumed) in financing activities				
Payment of capital in subsidiaries	**-**	-	**-**	61,923
Repurchase of shares	**35**	(25,896)	**35**	(25,896)
Dividends Paid	**(27,159)**	(38,171)	**(27,884)**	(38,200)
Loans and financing obtained	**804,561**	767,512	**1,321,100**	1,290,518
Loans and financing paid	**(562,843)**	(806,404)	**(1,041,268)**	(1,175,198)
Net cash provided by financing activities	**214,594**	(102,959)	**251,983**	113,147
Increase (decrease) in cash and cash equivalents	**314,014**	38,797	**384,467**	6,787
Increase (decrease) in cash and cash equivalents				
Net incorporation box	**83,189**	-	**-**	-
Opening balance of cash and cash equivalents	**121,081**	82,284	**239,141**	232,354
Closing balance of cash and cash equivalents	**518,284**	121,081	**623,608**	239,141
Increase (decrease) in cash and cash equivalents	**314,014**	38,797	**384,467**	6,787

SLC Agrícola S.A

Statement of added value

(in thousands of Reais)

	Parent Company			Consolidated		
	12/31/15	**12/31/14**		**12/31/15**	**12/31/14**	
Revenues						
Sale of merchandise, products and services	**1,153,011**	783,584		**1,776,804**	1,430,556	
Other income	**24,216**	21,254		**28,562**	22,273	
Income from construction of own assets	**25,886**	37,438		**61,483**	125,150	
Variation of the fair value of biological assets	**118,850**	57,174		**279,830**	163,171	
	1,321,963	899,450		**2,146,679**	1,741,150	
Inputs acquired from third parties						
Raw materials used	**(343,815)**	(268,982)		**(562,096)**	(497,007)	
Cost of goods, merchandise and services Sold	**(21,478)**	(21,492)		**(24,452)**	(20,667)	
Materials, Energy, Third-party services and other	**(206,833)**	(171,929)		**(341,337)**	(362,392)	
Loss/recovery of asset values	**(1,034)**	138		**(1,003)**	165	
Adjustment to fair value of biological assets	**(135,142)**	(80,161)		**(227,270)**	(192,600)	
	(708,302)	(542,426)		**(1,156,158)**	(1,072,501)	
Gross added value	**613,661**	357,024		**990,521**	668,649	
Retentions						
Depreciation, amortization and depletion	**(68,613)**	(64,728)		**(106,803)**	(99,919)	
Net added value produced	**545,048**	292,296		**883,718**	568,730	
Added value received as transfer						
Equity Income	**155,239**	114,063		**-**	-	
Financial income	**332,098**	69,834		**434,002**	139,012	
Other	**538**	202		**643**	365	
	487,875	184,099		**434,645**	139,377	
Total added value payable	**1,032,923**	476,395		**1,318,363**	708,107	
Distribution of added value	**1,032,923**	476,395	100%	**1,318,363**	708,107	100%
Taxes, duties and contributions	**92,131**	70,304	15%	**188,068**	167,882	24%
Federal	**50,841**	33,092		**138,639**	111,655	
State	**40,974**	36,826		**49,093**	55,800	
Municipal	**316**	386		**336**	427	
Personnel	**127,825**	102,431	22%	**188,094**	173,379	24%
Direct remuneration	**78,423**	62,689		**119,292**	110,890	
Benefits	**42,582**	34,317		**59,081**	53,773	
FGTS	**6,820**	5,425		**9,721**	8,716	
Third-party capital remuneration	**690,439**	235,762	49%	**821,031**	296,703	42%
Interest	**608,868**	171,241		**780,085**	268,055	
Rents	**81,571**	64,521		**40,946**	28,648	
Remuneration of own capital	**122,528**	67,898	14%	**121,170**	70,143	10%
Dividends	**-**	17,033		**-**	18,485	
Retained Earnings/Loss for the period	**122,528**	50,865		**122,528**	50,865	
Part. Interest of non-controlling shareholders in	**-**	-		**(1,358)**	793	

1 Operations

SLC Agrícola S.A., founded in 1977, hereinafter denominated as “parent company”, “SLC” or the “Company”, and its subsidiaries (jointly referred to as the “Group”) is engaged in agricultural activities; production and sales of seeds and saplings; processing and trading of its products, and is permitted to export and import assets for its own use and consumption; supply of primary agricultural assets and products and goods in general; provision of reception, cleaning, drying and storage services for third party cereals; provision to third parties of services using agricultural machinery and equipment; trade, import and export of agricultural products; industrial activities of sugarcane processing, alcohol and its byproducts; and investments in other companies.

The Company is headquartered at Rua Bernardo Pires, 128, Porto Alegre, Rio Grande do Sul.

On September 1, 2015, the Company started the cultivation of the 2015/2016 crop, operating with 14 production units, with a total planted area of 377 thousand hectares, including company-owned areas and areas leased from third parties, located in six Brazilian states: Mato Grosso, Mato Grosso do Sul, Goiás, Bahia, Piauí and Maranhão.

2 Preparation basis and presentation of the individual and consolidated financial statements

a. Conformity declaration

These financial statements include:

- The consolidated financial statements are prepared according to the International Financial Reporting Standards - IFRS issued by the International Accounting Standards Board (IASB) and also in accordance with accounting practices adopted in Brazil (BR GAAP); and
- The individual financial statements of the subsidiary are prepared according to the BR GAAP.

The issue of individual and consolidated financial statements was authorized by the Executive Board on March 09, 2016.

b. Measuring basis

The individual and consolidated financial statements were prepared based on the historical cost, except for the following material items recognized in the balance sheets:

- Derivative financial instruments measured at fair value;
- Biological assets measured at fair value less sales expenses.
- Investment properties measured at fair value less selling expenses;
- Share-based payment transactions.

c. Functional currency and presentation currency

These individual and consolidated financial statements are being presented in Reais, functional currency of the Company. All financial information presented in Brazilian Reais has been rounded to the nearest value, except otherwise indicated.

3 Accounting policies

The accounting policies described in detail below have been consistently applied to all the years presented in these individual and consolidated financial statements.

a. Foreign currency translation

Transactions in foreign currency are initially recorded at the exchange rate of the functional

currency in force on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are reconverted at the foreign exchange rate of the functional currency in force on the balance sheet date. Exchange gains and losses resulting from the settlement of those transactions and from the conversion at yearend exchange rates referring to monetary assets and liabilities in foreign currencies, are recognized in the statement of income as financial income or expense except when deferred in equity as qualified cash flow hedge operations.

b. Transactions eliminated in the consolidation

Intragroup balances and transactions, and any unrealized income or expenses derived from intragroup transactions, are eliminated in the preparation of the consolidated financial statements. Unrealized gains originating from transactions with investee recorded using the equity method, are eliminated against the investment in the proportion of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only up to the point where there is no evidence of loss due to impairment.

c. Revenue recognition

Revenue is recognized to the extent it is likely that economic benefits will be generated for the Company and when it can be measured reliably. The revenue is measured based on the fair value of the consideration received, excluding discounts, rebates, taxes or charges over sales. The Company assesses revenue transactions according to the specific criteria to determine whether it is acting as agent or principal and, at the end, concluded that it is acting as principal in all its revenue contracts. The following specific criteria should also be met before recognizing revenues:

Sale of goods

The operating income from sales of products in the normal course of business is measured by the fair value of the installment received or receivable. Operating income is recognized when there is convincing evidence that the risks and rewards inherent to the ownership of the assets have been transferred to the purchaser, it is probable that the financial economic benefits will flow to the Company, the related costs and potential return of goods can be reliably estimated, there is no continued involvement with the goods sold, and the amount of operating income can be reliably measured. In the event that it is probable that discounts will be granted and their amounts can be reliably measured, discounts are recognized as a reduction to sales.

Transfer of risks and rewards varies depending on the individual conditions of the sales agreement. However, transfer of risks and rewards occur mostly in delivery of the goods.

d. Inventories

Agricultural products from biological assets are measured at fair value less selling expenses at the point of harvest, when they are transferred from the group of biological assets to the group of inventories and measured at the weighted average of harvest fair values.

Inventories of seeds, composts, fertilizers, pesticides, fuels, lubricants, packaging material, replacement parts and other inventories were evaluated at average acquisition cost.

Provisions for slow-moving or obsolete inventories are formed when considered necessary by Management.

The provision for adjustment of agricultural products inventories to market value is recognized when fair value recorded in inventory is higher than realization value. Realization value is the estimated sales price on normal course of business less estimated costs necessary to sell them.

e. Biological assets

Biological assets correspond basically to the cultivation and planting of soybean, corn, cotton,

girassol, and coffee, whose agricultural products are sold to third parties. Biological assets are measured at fair value, less estimated cost of sales at harvest time. While there is only a small biological transformation and the impact of the transformation is not expected to be material, the cost incurred is deemed to be the fair value of biological assets.

The gain or loss in the variation of the fair value of the biological assets is recognized in income (loss) for the period in which they occur, as described in note 9, named "Biological assets".

The biological assets - soybean, corn and cotton - are maintained by the expenses incurred with the formation of crops up to the pre-harvest when they are evaluated at fair value, less estimated cost of sales. The Company believes that at this time there is a significant biological change and the impact of the transformation of biological assets on the price is material.

Biological asset “Sugar cane” is measured at fair value less costs necessary to prepare assets for sale. Since it is a permanent culture, the same is classified in the group of non-current assets.

The evaluation of biological assets at their fair value considers certain estimates, such as: price, necessary costs for sale condition, discount rate, plan to harvest crops and production volume, which are subject to uncertainties, leading to possible effects in future results due to its variations.

The following assumptions to recognize the fair value of biological assets are used:

i. Valuation*:*

- Soybean, corn and cotton crops are maintained at historic cost up to pre-harvest date, and then they are evaluated at fair value, which reflects the asset’s sales price less costs necessary to prepare the product for sale.

- Sugar cane - are valued at fair value based on its productivity forecast and price changes.

ii. Methodology used:

- Soybean, corn and cotton crops– Evaluation of each crop area on pre-harvest dates based on the area to be harvested and on expected productivity.

- Sugar cane – projection of future cash flows according to projected productivity cycle, taking into consideration price variations and growth of these biological assets.

iii. Futures prices were estimated based on Nybot and costs were based on the business plan of the Company. The average lifetime of the cane fields considered is 6 years

iv. Prices of biological assets are obtained through market price surveys disclosed by specialist companies, in addition to prices practiced by the Company in sales to third parties.

v. The expenses with planting refer to the costs of formation of biological assets.

f. Investments (parent company)

Investments in subsidiaries are determined by the equity method of accounting, as CPC18 (IAS28), for the purpose of the parent company's financial statements.

Once the equity method is used for the purpose of the parent company's financial statements, the Company determines whether it is necessary to recognize additional impairment on the Company's investment in each one of its subsidiaries. The Company determines, at each balance sheet closing date, if there is objective evidence that investment in the subsidiaries suffered impairment loss. If so, the Company calculates the amount of impairment loss as the difference

between the recoverable amount of the subsidiary and the book value and recognizes the amount in the parent company's statement of income.

g. Property, plant and equipment

i. *Recognition and measurement*

Property, plant and equipment items are stated at historical acquisition or construction cost, net of accumulated depreciation and impairment losses.

The cost includes expenditures that are directly attributable to the acquisition of assets. The cost of assets constructed by the Company itself include:

- The cost of materials and direct labor;
- Any other costs to bringing the assets to the location and condition required for them to operate in the manner intended by management;
- The costs for dismantling and restoration of the site where these assets are located;
- Borrowing costs on qualifying assets.

Purchased software that is integral to the functionality of a piece of equipment is capitalized as part of that equipment.

When parts of a property, plant and equipment item have different useful lives, they are accounted for as separate items (major components) of PP&E.

Gains and losses on disposal of a property, plant and equipment item (determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment) are recognized in Other operating income (expenses) in profit or loss.

ii. *Subsequent costs*

Subsequent expenditures are capitalized in accordance with the probability that associated future benefits may be earned by the Group. Maintenance expenses and recurring repairs are recorded in the income.

iii. *Depreciation*

Fixed assets items are depreciated using the straight-line method in the income for the year based on the estimated economic useful life of each component. Leased assets are depreciated over the shorter of the estimated useful life of the asset and the contractual term, unless it is certain that the Company will become the owner of the asset at the end of the lease. Land and land plots are not depreciated.

Items of property, plant and equipment are depreciated from the date they are installed and are available for use, or, in the case of assets constructed by the Company, as of the date the construction is concluded and the asset is available for use.

Estimated useful lives for current and comparative years are as follows:

	Useful life
Soil correction and development	13/14 years
Buildings and improvements	34.4 years
Furniture and fixtures	10 years
Equipment and facilities of the office	7.5 years
Agricultural equipment and industrial facilities	15 years
Vehicles	11 years

A property, plant and equipment item is written off when it is sold or when no future economic benefit was expected from its use or sale. Possible gain or loss resulting from asset write-off (calculated as the difference between net sales value and book value) is included in the statement of income for the year in which the asset was written off.

During the periods ended December 31, 2015 and December 31, 2014, the Company did not identified the existence of indicators that the value of certain property, plant and equipment items could be higher than recoverable value and, accordingly, no provision for impairment is necessary.

Assets' residual values and useful lives and depreciation methods are reviewed at yearend, and are adjusted on a prospective basis, if applicable.

h. Intangible assets

Intangible assets acquired separately are measured at cost upon initial recognition. After the initial recognition, the intangible assets are stated at cost, less accumulated amortization and impairment losses. Internally generated intangible assets, except capitalized development costs, are not capitalized and the expense is reflected in the statement of income for the year in which it was incurred.

Estimated useful life for the current and comparative period of software is five years.

Intangible assets with defined lives are amortized throughout their economic useful lives and evaluated in relation to impairment losses whenever there is any indication that the asset lost economic value. Amortization method and period of an intangible asset with defined life are reviewed at least at the end of each year. Changes in these assets' estimated useful lives or in expected consumption of future economic benefits are accounted for through changes in amortization method or period, as applicable, and are addressed as changes in bookkeeping. The amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. Amortization of intangible assets with defined lives is recognized in the statement of income under expenses, consistent with intangible asset use.

On December 31, 2015 and December 31, 2014, the Company did not have intangible assets with an undefined useful life.

i. Impairment

i. *Financial assets (including receivables)*

A financial asset not measured at fair value through profit or loss is assessed at each reporting date for objective evidence of impairment loss. An asset is impaired when there is objective evidence that a loss event has occurred after the initial recognition of the asset, and that such loss event had a negative effect on the projected future cash flows of that asset that can be reliably estimated.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of the amount due to the Group on terms that the Group would not consider otherwise, indication that the debtor or issuer will file for bankruptcy, or disappearance of an active market for a security. In addition, for an equity instrument, a significant or prolonged decrease in the fair value of the asset, below its cost, is objective evidence of impairment.

Financial assets measured by the amortized cost

The Group considers as evidence of impairment of assets measured by amortized cost both individually and on an aggregate basis. Individually significant receivables are assessed for impairment. All the receivables and investment securities held to maturity which are material on an individual basis, identified as non-impaired on an individual basis are collectively assessed

for any impairment loss not yet identified. Individually significant assets are assessed on an aggregate basis in relation to impairment by grouping the notes with similar risk characteristics.

When assessing impairment on an aggregate basis the Group makes use of historical trends of probability of default, the recovery term and the amounts of losses incurred, adjusted to reflect the management's judgment in relation to the assumptions, if the current economic and credit conditions are such that the actual losses will probably be higher or lower than those suggested by historical trends.

An impairment of a financial asset measured at amortized cost is calculated as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The losses are recognized in an allowance in the income statement against receivables or assets held to maturity. Interest on the impaired asset continues to be recognized. When a subsequent event causes the amount of the impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

ii. ***Non-financial assets***

The carrying amounts of the non-financial assets of the Group, except for biological assets, investment properties, inventories and deferred income and social contribution taxes are reviewed at each reporting date for indication of impairment. If such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognized when the carrying amount of an asset or CGU (cash generating unit or CGU) exceeds its recoverable value.

The recoverable value of an asset or cash-generating unit is the greater of its value in use and its fair value less selling expenses. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market conditions as to the recoverability period of capital and the risks specific to the asset or CGU. For the purpose of impairment testing, the assets that cannot be individually tested are grouped together into the smallest group of assets that generates cash inflows that are largely independent of the cash flows of other assets or group of assets.

Impairment losses are recognized in profit or loss. Losses recognized for CGUs are initially allocated to reduce other assets within the CGU (or group of CGUs) on a pro-rata basis.

Regarding other assets, impairment losses are reversed only with the condition that the book value of the asset does not exceed the book value that would have been calculated, net of depreciation or amortization, if the value loss had not been recognized.

On balance sheet dates, no indications of the need for recognizing a provision for impairment were identified.

j. Government subsidies

Government subsidies are recognized whenever there is reasonable certainty that the benefit will be received and all corresponding conditions will be met. When the benefit is related to an expense item it is recognized as revenue for the period the benefit was granted, on a systematic basis in relation to the costs offset by such benefit.

The governments of the states of Mato Grosso do Sul and Mato Grosso granted incentives for deferral of ICMS debts. The states allow opting for deferral or not deferral regime. In deferral regime, the Company is not allowed to record tax credits for purchase of raw materials and fixed assets. The other regime, however, allows the recording of credit for acquisitions, but the sales are taxed. Planalto, Paiaguás and Planorte farms made the option for deferral regime,

while Perdizes and Pioneira farms did not.

The Governments of the States of Mato Grosso do Sul, through Decree 9,716/99, and of Goiás, through the State Law No. 13,506/99, granted presumed credit incentives of ICMS in operations with cotton lint, with a reduction of ICMS payable from 70% to 75% through the inclusion of Planalto Farm in the PDAGRO program (Mato Grosso do Sul), and Pamplona Farm to PROALGO program (Goiás). The State of Mato Grosso granted presumed credit of 75% of ICMS on cotton sales lint, cottonseed and fibril. By opting for these programs, the Company is prevented from appropriating credit in purchases of raw materials, inputs and fixed assets. The presumed credits are recorded in income in sales tax item in a corresponding entry to recoverable taxes.

The Superintendent of the Amazon Development - SUDAM (nowadays known as Amazon Development Agency - ADA), through the Declaratory Act DCI/DAI/SUDAM No 025/2000 granted tax incentive of Income Tax to Planorte, reducing the corporate income tax and nonrefundable 75% of the operating profit from operations with cotton and cottonseed, to the stipulated limit production in the Declaratory Act. The amounts calculated as an incentive are recorded in the income tax payable against result in current income tax.

k. Taxes

Income and social contribution taxes

Current and deferred Income Tax and Social Contribution are calculated as 15%, with surtax of 10% on taxable income exceeding R$240 p.a. for income tax, and 9% on taxable income for social contribution on net income, and take into consideration tax losses offset. For rural activities, reaches up to 100% of annual taxable income and, for other activities, it is limited to 30% of annual taxable income.

The income and social contribution tax expense comprises current and deferred taxes on income. Current taxes and deferred taxes are recognized in profit or loss unless they are related to the business combination, or items directly recognized in shareholders' equity or other comprehensive income.

Current taxes are the taxes payable or receivable on the taxable income or loss for the year, at tax rates enacted or substantively enacted on the reporting date, and any adjustments to taxes payable in relation to prior years.

Deferred taxes are recognized in relation to the temporary differences between the carrying amounts of assets and liabilities for accounting purposes and the related amounts used for taxation purposes.

Deferred taxes are measured at tax rates expected to be applied to temporary differences when they are reversed, based on laws enacted or substantively decreed up to the reporting date of the financial statements.

To determine current and deferred income tax, the Company takes into consideration the impact of uncertainties on positions taken on taxes and if the additional income tax and interest payment has to be made. The Company believes that the provision for income tax recorded in liabilities is adequate for all outstanding tax periods, based on its evaluation of several factors, including interpretations of tax laws and past experience. This evaluation is based on estimates and assumptions that may involve several judgments on future events. New information may be provided, making the Company change its judgment on the existing provision adequacy; such changes will impact income tax expenses for the year in which they are made, if applicable.

Deferred tax assets and liabilities are offset when there is a legal enforceable right to set off current tax assets against tax liabilities, and the latter relate to income taxes levied by the same

tax authority on the same taxable entity.

A deferred asset for income and social contribution taxes is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable income will be available against which the unused tax losses and credits can be utilized.

Deferred income and social contribution tax assets are reviewed at each reporting date and reduced when their realization is no longer probable.

Sales tax

Income and assets not recognized, net of taxes levied on sales, except for:

- When taxes on sales for the purchase of assets or services are not recoverable from tax authorities, in which case, tax on sales is recognized as part of the acquisition cost of the asset or expense item, as applicable;
- When amounts receivable and payable are presented together with the value of taxes on sales;
- Net value of taxes on sales, recoverable or payable, is included as a component of amounts receivable or payable in the balance sheet.

Sales revenues are subject to the following taxes and contributions, and the following basic rates:

	Rates
	from 0% to
ICMS - Value-Added Tax on Sales and Services	18.00%
COFINS – Contribution for social security funding	7.60%
PIS - Social Integration Program	1.65%
Rural Worker Assistance – Funrural	2.85%

In the statement of income, revenues are presented net of these taxes.

l. Financial instruments

i. *Non-derivative financial assets*

The Group recognizes loans and receivables initially at the date of the transaction that originated them. All other financial assets (including assets designated at fair value through profit or loss) are initially recognized on the date of the negotiation under which the Group becomes a party to the contractual provisions of the instrument.

The Group writes-off a financial asset when the contractual rights to the cash flow of the asset expire, or when the Group transfers the rights to the reception of contractual cash flows over a financial asset in a transaction in which essentially all the risks and benefits of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount reported in the balance sheet only when there is a legally enforceable right of the Group to set off and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The Company classifies non-derivative financial assets in the following categories: financial assets recorded at fair value through profit or loss and loans and receivables, and cash and cash equivalents.

Financial assets recorded at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is designated as held for trading when initially recognized. Financial assets are stated at fair value through profit or loss if the Group manages these investments and makes decisions on investment and redemption based on fair value according to the risk management and strategy of investment documented by the Group. The transaction costs are recognized in income (loss) as incurred. Financial assets recorded at fair value through profit or loss are measured at fair value and changes in the fair value of such assets, which consider any gain with dividends, are recognized in profit or loss for the year.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments, but not quoted on any active market. Such assets are initially recognized at fair value plus any transaction costs directly assignable. After their initial recognition, loans and receivables are measured at amortized cost using the effective interest rate method, reduced by any impairment losses.

Loans and receivables comprise cash and cash equivalents and other credits.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and financial investments with the original maturity of three months or less as from the contracting date. Items classified as cash and cash equivalents are subject to an insignificant risk of change in value and are used to manage short-term obligations.

ii. ***Non-derivative financial liabilities***

The Group recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognized initially on the negotiation date on which the Group becomes a party to the contractual provisions of the instrument. The Group writes-off a financial liability when its contractual obligations are discharged or canceled or expire.

The Group classifies non-derivative financial liabilities in the category of other financial liabilities. Such financial liabilities are initially recognized at fair value plus any transaction costs directly assignable. After their initial recognition, these financial liabilities are measured at amortized cost using the effective interest rate method.

The Group has the following non-derivative financial liabilities: Loans and financing, suppliers, loan agreements and related party leases, securities payable and others accounts payable.

iii. ***Capital***

Common shares

Common shares are classified as shareholders' equity. Additional costs directly attributable to the issue of shares and share options are recognized as a deduction from shareholders' equity, net of any tax effects.

Dividends

The Company's bylaws and corporate law establish that a minimum of 25% of the adjusted annual net income must be distributed as dividends. Accordingly, the Company records, at the end of each year, a provision equivalent to the minimum mandatory dividend that has not been distributed yet.

Repurchase of shares (treasury shares)

When the capital recognized as shareholders' equity is repurchased, the amount of the remuneration paid, which includes directly attributable costs, net of any tax effects, is recorded as a deduction from shareholders' equity. The repurchased shares are classified as treasury stock

and presented as a deduction from total shareholders' equity.

When treasury stock is sold or reissued subsequently, the amount received is recognized as an increase in shareholders' equity, and the resulting surplus or deficit is transferred to/from Goodwill in the issue of shares, in Capital Reserves.

iv. ***Derivative financial instruments, including hedge accounting***

The Company uses derivative financial instruments, such as non-deliverable forwards, forward commodities contracts and interest rate swaps, to provide protection against the risk of variation of the foreign exchange rates, of the price of commodities and of the interest rates, respectively. Embedded derivatives are separated from their main contracts and recorded individually if the economic characteristics and risks of the main contract and the embedded derivative are not intrinsically related; or an individual instrument in the same conditions of the embedded derivative meets the definition of a derivative and the combined instrument is not measured at fair value through profit or loss.

Upon initial designation of the hedge, the Group formally documents the relationship between the hedge instruments and the hedgeable instruments, including the risk management goals and the strategy in the execution of the hedge transaction, together with the methods that will be used to assess the effectiveness of the hedge relationship. The Group evaluates the hedge relationship, initially and then continuously, to conclude if hedge instruments are expected to be "highly effective" in the offset of variations in fair value or cash flows of items subject to hedge during the year for which hedge is assigned whether the actual results of each hedge are within the range of 80–125%. For a cash flows hedge of a planned transaction, the transaction should have its occurrence as highly probable and should present exposure to variations in the cash flows that at the end could affect the reported net income.

Derivatives are initially recognized at fair value; attributable transaction costs are recognized in profit or loss as incurred. After the initial recognition, derivatives are measured at fair value and changes in fair value are accounted for as follows:

Cash flow hedge

When a derivative is designated as a hedge instrument for cash flow variability attributed to a specific risk associated with a recognized asset or liability or a highly probable foreseen transaction that could affect the net income, the effective portion of variation in the derivative's fair value is recognized in "other comprehensive income" and is presented under "equity valuation reserve" in shareholders' equity. Any non-effective portion of the variations in the fair value of the derivative is recognized immediately in net income.

When the item to be hedged is a non-financial asset, the amount recognized in "other comprehensive income" is transferred to the asset's book value when the asset is realized. The value recognized in other comprehensive income is reclassified to income in the same year in which the hedged cash flows affect income on the same line in the statement of income as a hedged item. If there are no more expectations regarding the occurrence of the planned transaction, then the balance in other comprehensive income is recognized immediately in the income (loss). In other cases, the amount recognized in other comprehensive income is transferred to the result, in the same year in which the hedgeable item affects the result.

If the hedge instrument no longer satisfies the hedge accounting criteria, expires or is sold, wound up, exercised or has its designation revoked, then the hedge accounting is discontinued prospectively. The accumulated results previously recognized in other comprehensive income and presented in the asset valuation reserve in shareholders' equity, remain there until the planned transaction affects the result.

For the periods ended December 31, 2015 and December 31, 2014, the Company and its subsidiaries only had transactions classified as cash flow hedging.

m. Leases

i. *Lease payments*

Payments for operating leasing are charged to income on the straight-line basis over the lease period. Lease incentives received are recognized as an integral part of total lease expenses, over the lease agreement period.

Minimum lease payments made under financial leasing are apportioned between financial expenses and reduction of the outstanding liability. Financial expenses are allocated in each period over the lease period in order to produce a continuous and periodic compounding interest rate over the remaining liability balance.

ii. *Determining whether an agreement contains a lease*

At the inception of an agreement, the Group defines whether the agreement is for or contains a lease. This is the case if the two conditions below are met:

a. Meeting the agreement depends on the use of said specified asset

b. The agreement has a right of use of the asset.

At the inception of an agreement or at the time of a possible revaluation thereof, the Group separates payments and other considerations required by said agreement between those for leasing and those for other components, taking as a basis their relative fair values. Should the Group conclude that, for a given financial lease, a reliable separation of the payments is impracticable, one asset and one liability are recognized for an amount equal to the fair value of the underlying asset. Subsequently, the minimum lease payments made under financial leases are apportioned between financial expense (based on the Group's incremental interest rate) and reduction of the outstanding liability.

n. Provisions

A provision is set up when the Group has a legal or constructive obligation as a result of a past event, which can be reliably estimated, and it is probable that an outflow of funds will be required to settle the obligation. Provisions are calculated by discounting the expected future cash flows at a pre-tax rate which reflects the current market evaluations as to the value of the cash over time and the specific risks of the liability. The financial costs incurred are recorded in the statements of income.

Provisions for tax, civil, environmental and labor risks

Provisions are recognized for all disputes referring to lawsuits for which a disbursement to settle the dispute/obligation is probable, and this disbursement may be reliably estimated. Determination of the likelihood of loss includes determination of evidences available, hierarchy of laws, jurisprudence available, more recent court decisions and relevance thereof in legal system, as well as evaluation of external attorneys. Provisions are revised and adjusted to take into account changes in circumstances, such as statute of limitations applicable, tax inspection conclusions or additional exposures identified based on new matters or court decisions.

o. Share-based payment

The Company has a Stock Option Plan for the officers and managers that is administrated by a management committee created by the Board of Directors. In the years ended December 31, 2015 and December 31, 2014, the Company measured and recognized these benefits as expenses, in accordance with CPC 10 (IFRS 2). Company's program details are described in

Note 24.

The fair value of share-based payment awards is recognized at the grant date, as personnel expenses, with a corresponding increase in shareholders' equity, over the period when employees become unconditionally entitled to the benefits. The amount recognized as an expense is adjusted to reflect the actual number of share options for which the related service and non-market vesting conditions are expected to be met, so that the amount ultimately recognized as an expense is based on the actual number of awards meeting these conditions at vesting date. For share-based payment awards with a non-market vesting condition, the fair value at grant date is measured to reflect such conditions and there is no change for differences between expected and actual benefits.

p. Financial income and expenses

Financial income include interest revenues, variations in exchange currency of trade accounting receivables and suppliers, monetary variation related to liabilities indexed to soybean, variations in financial assets' fair value measured at fair value through profit or loss, gains on hedge instruments that are recognized in income and reclassifications of gains previously recognized in other comprehensive income. Interest income is recognized in income (loss) under the effective interest method.

Financial expenses include loan, variations in fair value of financial assets measured at fair value by means of income, variations in exchange currency of trade accounting receivables and suppliers, monetary variation related to liabilities indexed to soybean, losses arising from a reduction in the recoverable value (impairment) recognized in financial assets, and losses in hedge instruments that are recognized in income. Borrowing costs which are not directly attributable to the acquisition, construction, or production of a qualifying asset are accounted for in profit or loss using the effective interest rate method.

q. Earnings per share

Profit per share is basically calculated by dividing net income for the year attributed to holders of the parent company’s common shares by the weighted average number of common shares available during the year, in accordance with technical pronouncement CPC 41 (IAS 33). The calculation of diluted earnings per share is performed by dividing adjusted net income for the year by any dividends or other items related to dilutive potential common shares which have been deducted in determining income or loss attributable to ordinary shareholders of the Company, any interest recognized in the period related to dilutive potential common shares, and any other changes in income or expenses that would result from the translation of dilutive potential common shares by the weighted average number of common shares that would be issued on conversion of all dilutive potential common shares into common shares. (Note 19.h)

r. Employee benefits

Benefits granted to employees and directors of the Company include, in addition to fixed pay (salaries and social security contributions (INSS), vacation pay, 13th month salary), variable pay such as profit sharing and stock option plan for officers and managers. These benefits are recorded as incurred in income for the year when the Company has an obligation based on the accrual regime.

s. Segment information

The Company’s activities focus on production and trading of agricultural products (soybean, corn, wheat, cotton, cana de açucar, girasol, sorgo e soja semente) and on acquisition and development of land for agriculture; accordingly, it is organized in two business segments: agricultural production and investimentos em land. The operating results are frequently reviewed by the main manager of the Company for decisions regarding the resources to be allocated to the segment to be taken and to assess their performance.

The Company's products are not controlled and managed by Management as independent segments, and the Company's results are followed, monitored and evaluated on an integrated basis. Não existem outros segmentos ou qualquer agregação de segmentos operacionais.

t. Statements of added value

The Group prepared individual and consolidated statements of added value in accordance with the rules of technical pronouncement CPC 09 - Statement of Added Value, which are presented as an integral part of the financial statements under BRGAAP applicable to publicly-held companies, whereas under IFRS they represent additional financial information.

u. New standards and interpretations not yet adopted

IFRS 9, "Financial Instruments", issued in July 2014, IFRS 9 introduces new requirements for classification and measurement of financial assets: amortized cost, fair value through other comprehensive income, and fair value through profit or loss. It also bring a new expected credit losses model to replace current incurred losses model. IFRS 9 gives greater flexibility to hedge effectiveness requirements, requires an economic relation between hedged asset and hedging instrument, and that hedging rate be the same as the one Management uses for risk management purposes. The standard is applicable as of January 1, 2018. The Company is evaluating impacts of application of this rule.

IFRS 15, "Income from contracts with clients", issued in May 2014. The purpose of this rule is to establish principles that a Company must apply to report information corresponding to nature, quantity, time and estimates of income and cash flows deriving from contract with the client. The standard is applicable as of January 1, 2017. The Company is evaluating impacts of application of this rule.

Agriculture Bearer Plants (amendments to CPC 27 / IAS 16 and CPC 29 / IAS 41) – These amendments require a bearer plant, defined as a living plant, to be accounted for as property, plant and equipment and included in the scope of CPC 27 / IAS 16 – Property, Plant and Equipment, instead of CPC 29 / IAS 41 – Agriculture. The amendments are effective for the reporting periods beginning on or after 1 January 2016.

IFRS 16, "Lease", issued in January 2016. The purpose of this rule is to unify lease accounting model, requiring lessees to recognize as asset or liability all lease contracts, unless the contract term is 12 months or contract has immaterial value. The standard is applicable as of January 1, 2019. The Company is evaluating impacts of application of this rule.

4 Significant judgments, estimates and assumptions

a. Judgments

The preparation of Company's financial statements requires Management to make judgments and estimates and adopt assumptions that affect the amounts presented for revenues, expenses, assets and liabilities, as well as the disclosures of contingent liabilities, in the base date of the financial statements. However, uncertainty on these assumptions and estimates could lead to results that require that assets' or liabilities' book values be significantly adjusted in future periods.

b. Estimates and assumptions

The main assumptions regarding sources of uncertainties in estimates for the future and other significant uncertainties related to the estimates in the balance sheet date, involving the risk of requiring significant adjustments in the book value of assets and liabilities in the next fiscal year are as follows:

i. Transactions with stock-based payments

The Group measures the cost of transactions settled with employees' shares based on the fair value of equity instruments at the date of their respective granting. Estimates of share-based payments' fair values require the most adequate evaluation method for the granting of equity instruments, which depends on grant terms and conditions. This also requires determining the most appropriate data for evaluation model, including the expected life of the option, volatility and dividend income yield and related assumptions. Assumptions and models used in fair value estimates of share-based payments are explained in note 24.

ii. Taxes

There are uncertainties in relation to the interpretation of complex tax regulations and the amount and timing of future taxable income. Considering the many issues involved in business relationships, as well as the long-term nature and the complexity of existing contractual instruments, differences between actual income and the adopted assumptions, or future changes in those assumptions, may lead to the necessity of future adjustments in already recorded tax expenses and income.

The deferred tax asset is recognized for all tax loss carryforwards not utilized to the extent that it is probable that there will be future taxable income against which they can be offset. Substantial judgment from Management is required to determine the amount of the deferred income tax and social contribution asset that can be recognized, based on the probable term and amount of future taxable income, along with future tax planning strategies.

iii. Fair value of financial instruments

When the fair value of the financial assets and liabilities presented in the balance sheet cannot be obtained from active markets, it is determined by using valuation techniques, including the discounted cash flow method. The data for these methods are based on those adopted by the market, when possible. However, when such data are not available, a certain level of judgment is required to establish the fair value. Judgment includes considerations on the data utilized, such as liquidity risk, credit risk and volatility. Changes in the assumptions related to these factors can affect the fair value presented for the financial instruments.

iv. Definition and review of useful life of fixed and intangible assets

Useful lives of property, plant and equipment items and intangible assets are established based on assumptions that take into consideration the history of assets and intangible assets that have already been depreciated or amortized and on future projections that are based on estimates that may not be realized as foreseen, and may significantly differ from the originally estimated amount.

i. Impairment loss for non-financial assets (note 3.i.i)

ii. Fair value of biological assets (note 3.e)

iii. Provisions for tax, civil and labor risks (note 3.n).

iv. Determining whether the Group controls investee (note 11).

5 Consolidated financial statements

Consolidated financial statements include operations of the Company and the following subsidiaries, whose equity interest as of the balance sheet date is as follows:

		Subsidiaries		
Main activity	**Companies**	**Directs %**	**Indirects %**	**Location (State)***
Culture of cotton, soybean and corn.	Fazenda Planorte Empreendimentos Agrícolas Ltda.	100.0	-	Mato Grosso - MT
Culture of soybean and corn.	Fazenda Pioneira Empreendimentos Agrícolas S.A.	50.0	-	
Culture of cotton and soybean .	SLC-MIT Empreendimentos Agrícolas S.A.	50.1	-	Rio Grande do Sul - RS
Investments in other companies or commercial ventures and leasing	SLC Investimentos Agrícolas Ltda	100.0	-	Rio Grande do Sul - RS
Cultura de algodão, soja e milho.	Fazenda Parnaíba Empreendimentos Agrícolas Ltda.			Maranhão - MA
Purchasing and sale, lease, construction and managing of real estate	Fazenda Pamplona Empreendimentos Agrícolas Ltda	100.0	-	Rio Grande do Sul - RS
	Fazenda Planalto Empreendimentos Agrícolas Ltda.	100.0	-	
	Fazenda Palmares Empreendimentos Agrícolas Ltda	100.0	-	
	Fazenda Parnaguá Empreendimentos Agrícolas Ltda.	100.0	-	
	SLC Paiaguas Empreendimentos Agrícolas S.A.	100.0	-	
	SLC Perdizes Empreendimentos Agrícolas S.A.	100.0	-	
	SLC LandCo Empreendimentos Agrícolas S.A.	-	81.2	
	Fazenda Planeste Empreendimentos Agrícolas Ltda.	-	81.2	
	Fazenda Piratini Empreendimentos Agrícolas Ltda	-	81.2	
	Fazenda Panorama Empreendimentos Agrícolas Ltda.	-	81.2	
	Catuaí Norte Participações S.A.	-	81.2	
	SOPER Agrícola Ltda		81.2	
	Fazenda Parceiro Empreendimentos Agrícolas Ltda.		100.0	
	Fazenda Paineira Empreendimentos Agrícolas Ltda.	-	93.9	

Subsidiaries' annual information period included in consolidation is the same of the parent company, and accounting policies were applied uniformly in consolidated companies and are consistent with those used in prior year.

6 Cash and cash equivalents and short-term interest earnings bank deposits

		Parent company		Consolidated	
Description	Yields	**12/31/15**	**12/31/14**	**12/31/15**	**12/31/14**
Cash and cash equivalents	-	**360**	240	**458**	411
CDB-DI	101.86% of CDI*	**35,670**	28,528	**42,699**	50,481
Repurchase and resale commitments	99.63% of CDI*	**511,805**	128,548	**654,163**	312,403
CP Investment Fund	98.84% of CDI*	**-**	136	**-**	270
Other investments	60.95 % of CDI	**2,541**	2,469	**4,140**	8,397
		550,376	159,921	**701,460**	371,962
Cash and cash equivalents		**518,284**	121,081	**623,608**	239,141
CP Interest earnings bank deposits		**32,092**	38,840	**77,852**	132,821

(*) Average yield On December 31, 2015.

Interest-earning bank deposits are represented by investments in bank deposit certificates, purchase and sale commitments (debentures) and short-term investment funds, at market prices and rates, restated by the income earned until December 31, 2015, not exceeding the trading value.

Short-term investments are composed of purchase and sale commitments maturing over more than 90 days and a grace period for redemption in September 2015, premium saving bonds and CDBs (Bank Deposit Certificates) with a redemption period of less than 365 days, tied to the reciprocity of maintenance of balances in counter entry to release of loans.

The Group's exposure to interest rate risks and a sensitivity analysis of financial assets and liabilities are disclosed in Note 22.

7 Trade accounts receivable

	Parent Company		Consolidated	
	12/31/15	**12/31/14**	**12/31/15**	**12/31/14**
Domestic market	**38,262**	13,986	**41,230**	22,580
Foreign market	**120,481**	48,421	**135,461**	98,083
Total	**158,743**	62,407	**176,691**	120,663

On December 31, 2015 and 2014, the Company and its subsidiaries did not have securities whose performance is uncertain and, overdue, therefore, did not recognize an allowance for doubtful accounts.

The group's exposure to credit and currency risk related to trade accounts receivable is disclosed in note 22.

8 Inventories

	Parent company		Consolidated	
	12/31/15	**12/31/14**	**12/31/15**	**12/31/14**
Agricultural products	**249,509**	124,296	**294,681**	209,714
Agricultural products - formation costs	**204,060**	118,053	**235,371**	189,434
Agricultural products – Adjustment at fair value for biological assets	**45,449**	6,243	**59,310**	20,280
Seeds, composts, fertilizers and pesticides	**314,031**	177,038	**385,692**	358,749
Packages and containerization material	**5,447**	2,892	**6,948**	4,632
Spare parts	**6,168**	3,651	**7,351**	6,132
Advances to suppliers	**16,421**	16,482	**22,140**	32,070
Other inventories	**9,840**	5,840	**12,526**	10,899
Provisions for inventory adjustment	**(1,146)**	(64)	**(1,146)**	(95)
	600,270	330,135	**728,192**	622,101

On December 31, 2015, the Company recorded provision for adjustment to market value, where the movement was as follows:

	Parent company	Consolidated
Balance at December 31, 2014	**(64)**	(95)
Formation of provision	**(5,660)**	(6,567)
(-) Reversal of provision	**4,578**	5,516
Balance at December 31, 2015	**(1,146)**	(1,146)

9 Biological assets

	Parent Company								
	Current						Non-current		
	Soybean	Cotton	Corn	Coffee	Other crops	Total	Coffee	Sugarcane	Total
Balances at December 31, 2014	**91,476**	**97,797**	**12,981**	**1,131**	**6,751**	**210,136**	**1,609**	**4,239**	**5,848**
Incorporation	3,934	45,205	8	-	-	49,147	-	-	-
Expenditures with planting	275,980	395,200	49,826	2,063	23,961	747,030	-	-	-
Variation of the fair value	76,595	40,146	2,109	-	-	118,850	-	-	-
Harvest of the agricultural product	(273,667)	(445,810)	(45,475)	(3,194)	(20,133)	**(788,279)**	(1,609)	-	(1,609)
Balances at December 31, 2015	**174,318**	**132,538**	**19,449**	**-**	**10,579**	**336,884**	**-**	**4,239**	**4,239**
Agricultural products – formation costs	155,434	132,538	19,449	-	10,579	318,000	-	4,239	4,239
Biological Assets – Adjustment at fair value	18,884	-	-	-	-	18,884	-	-	-

	Consolidated								
	Current						Non-current		
	Soybean	Cotton	Corn	Coffee	Other crops	Total	Coffee	Sugarcane	Total
Balances at December 31, 2014	**208,217**	**139,117**	**16,835**	**1,099**	**9,104**	**374,372**	**1,609**	**4,239**	**5,848**
Expenditures with planting	468,982	623,073	84,161	2,095	35,207	1,213,518	-	-	-
Variation of the fair value	130,567	144,475	4,788	-	-	279,830	-	-	-
Harvest of the agricultural product	(558,729)	(765,030)	(83,156)	(3,194)	(33,906)	(1,444,015)	(1,609)	-	(1,609)
Balances at December 31, 2015	**249,037**	**141,635**	**22,628**	**-**	**10,405**	**423,705**	**-**	**4,239**	**4,239**
Agricultural products – formation costs	217,837	141,635	22,628	-	10,405	392,505	-	4,239	4,239
Biological Assets – Adjustment at fair value	31,200	-	-	-	-	31,200	-	-	-

The balances of crops under formation are mostly represented by expenses incurred for the formation of the crops such as: seeds, fertilizers, pesticides, depreciations and labor applied in the plantations.

Soybean, corn and cotton crops normally occur in the following periods:

		Crops		
Unit	**Location**	**Soybean**	**Cotton**	**Corn**
Pamplona Farm	Cristalina-GO	October 15 to April 15	November 05 a August 30	October 15 a July 15
Planalto Farm	Costa Rica-MS	September 20 to March 25	December 05 a August 30	January 25 a July 10
Planorte Farm	Sapezal-MT	September 20 to March 15	December 15 a August 30	January 25 a July 10
Paiaguás Farm	Diamantino-MT	September 20 to March 15	December 10 a August 30	December 15 a July 15
Perdizes Farm	Porto dos Gaúchos - MT	September 20 to March 15	Does not plant	January 25 a July 10
Pioneira Farm	Querência - MT	October 15 to March 25	Does not plant	February 28 a July 15
Panorana Farm	Correntina-BA	October 15 to April 30	November 20 a August 30	Does not plant
Paladino Farm	São Desidério - BA	October 15 to April 30	November 20 a August 30	Does not plant
Piratini Farm	Jaborandi-BA	October 25 to April 30	November 20 a August 30	October 15 a July 15
Palmares Farm	Barreiras-BA	October 15 to April 30	November 20 a August 30	October 15 a July 15
Parceiro Farm	Formosa do Rio Preto -BA	October 25 to April 30	Does not plant	October 15 a July 15
Parnaíba Farm	Tasso Fragoso-MA	October 15 to April 15	December 15 a August 30	October 15 a July 15
Planeste Farm	Balsas-MA	October 20 to April 15	December 20 a August 30	September 20 a July 15
Parnaguá Farm	Santa Filomena-PI	November 05 to April 15	Does not plant	October 15 a July 15

The areas held in the crop year 2015/16 are as follows:

Crops	**Area**	**Provided 2015/16 [1]**	**Planted 2014/16**
Cotton	ha	93,670	98,562
Soybean	ha	212,359	206,930
Corn	ha	66,855	43,110
Other Crops[1]	ha	4,574	21,477
		377,458	**370,079**

[1] By the end of the planting, the area of agricultural planning can change the planting plan due to stormy weather.

[2] The other crops include the crops of coffee, wheat, corn (seed), sorghum, sunflower and sugarcane.

From the 2015/16 season, coffee company decided to discontinue the operation, since the culture is not significant and does not generate return on investment satisfactorily. Management assessed the effects on income and concluded as not significant for additional disclosures. Reclassifications of fixed assets occurred as described in Note 12.

10 Recoverable taxes

	Parent Company		Consolidated	
	12/31/15	12/31/14	12/31/15	12/31/14
Income tax	**3,197**	2,360	**4,536**	2,600
Social contribution	**1,193**	463	**1,259**	499
ICMS	**61,904**	38,544	**77,452**	64,097
COFINS	**22,996**	27,268	**37,998**	47,816
PIS	**5,999**	2,454	**9,215**	7,215
IRRF recoverable	**6,321**	1,394	**9,726**	6,734
Other	**925**	837	**1,089**	1,181
	102,535	73,320	**141,275**	130,142
(-) Portion classified in current assets	**(63,944)**	(56,674)	**(89,321)**	(98,566)
Portion classified in non-current assets	**38,591**	16,646	**51,954**	31,576

Income and social contribution taxes

Corresponding to the income tax and social contribution, which will be realized upon compensation with taxes and federal contributions.

ICMS, PIS and COFINS to offset/recover

These items refer to credits generated in the regular operations of the Company and its subsidiaries, and may be offset with taxes of the same nature. The estimate of taxes realization (ICMS, PIS and COFINS) is evaluated by management based on sales projections of agricultural products, sale of ICMS credits to other parties and compensation/refund of PIS and COFINS with other taxes generated by the operation of Group. The estimated realization period are described below:

	Parent Company			Consolidated		
Year of Maturity	**ICMS**	**COFINS**	**PIS**	**ICMS**	**COFINS**	**PIS**
2016	24,989	21,981	5,225	26,734	28,333	6,482
2017	25,000	1,015	774	27,000	9,665	2,733
2018	11,915	-	-	23,718	-	-
	61,904	**22,996**	**5,999**	**77,452**	**37,998**	**9,215**

IRRF recoverable

Corresponds to the income tax withheld on cash investments. These credits are realizable through offset against federal taxes and contributions.

11 Investments (Parent Company)

Relevant investments in subsidiaries, evaluated at the equity method, are as follows:

Investment	Capital Stock	Shareholders' equity	Unrealized gain in Equity	Net income (Loss) for the period	Unrealized profit for the period income	Quantity of shares/ quotas for the period	Percentage of interest	Equity in income of subsidiaries and associated companies	Equity participation
Fazenda Parnaíba Emp. Agr. Ltda.	20,000	171,717	-	21,391	-	20,000	100.00%	21,391	171,717
Fazenda Paiaguas Emp. Agr. Ltda.	-	-	-	49,247	-	-	100.00%	49,247	-
Fazenda Planorte Emp. Agr. Ltda.	57,050	256,123	-	37,230	-	57,050	100.00%	37,230	256,123
Fazenda Pioneira Emp. Agr. S.A.	91,672	68,700	-	(12,783)	-	45,836	50.00%	(6,392)	34,350
SLC-MIT Emp. Agr. S.A	109,934	106,859	-	(1,411)	-	55,077	50.10%	(707)	53,536
SLC Invest. Agrícolas Ltda.	-	612,152	(10,791)	21,991	(1,900)	-	100.00%	20,091	601,361
Fazenda Pamplona Emp. Agr. Ltda.	31,766	163,452	(2,837)	6,766	(669)	31,766	100.00%	6,097	160,615
Fazenda Planalto Emp. Agr. Ltda.	9,137	230,411	(5,132)	10,250	(1,231)	9,137	100.00%	9,019	225,279
Fazenda Palmares Emp. Agr. Ltda.	109,800	115,446	(3,587)	7,269	(1,266)	109,800	100.00%	6,003	111,859
Fazenda Parnaguá Emp. Agr. Ltda.	29,211	43,084	(174)	(1,280)	(19)	29,211	100.00%	(1,299)	42,910
Fazenda Paineira Emp. Agr. Ltda.	73,980	95,600	0	2,848	-	4,500	6.08%	173	5,815
SLC Paiaguás Emp. Agr. Ltda.	20,347	249,200	(7,696)	14,611	(2,649)	20,347	100.00%	11,962	241,504
SLC Perdizes Emp. Agr. Ltda.	71,263	74,282	(1,800)	2,812	(388)	71,263	100.00%	2,424	72,482
								155,239	**1,977,551**

The main movements in investments in direct permanent equity method On December 31, 2015 are as follows:

					Other comprehensive income		
Investiment	Balance on 12/31/14	Division total/Partial and input for incorporation	Distributed dividends	Equity accounting	Unrealized gain/(loss) with hedge instruments	Other adjustments	Balance on 12/31/15
Fazenda Parnaíba Emp. Agr. Ltda.[2]	232,857	(83,542)	-	21,391	1,011	-	171,717
Fazenda Planorte Emp. Agr. Ltda.	222,409	-	(3,700)	37,230	184	-	256,123
Fazenda Paiaguás Emp. Agr. Ltda. [2]	270,098	(317,066)	(4,800)	49,247	2,427	94	-
Fazenda Pioneira Emp. Agr. S.A. [1]	40,390	-	-	(6,392)	352	-	34,350
SLC-MIT Emp. Agr. S.A.[1]	56,328	-	-	(707)	(2,085)	-	53,536
SLC Invest. Agrícolas Ltda.	503,607	59,674	-	20,091	-	17,989	601,361
Fazenda Pamplona Emp. Agr. Ltda.	141,460	18,099	(5,080)	6,097	-	39	160,615
Fazenda Planalto Emp. Agr. Ltda.	198,692	25,129	(7,890)	9,019	-	329	225,279
Fazenda Palmares Emp. Agr. Ltda.	97,949	12,530	(4,653)	6,003	-	30	111,859
Fazenda Parnaguá Emp. Agr. Ltda.	39,254	4,955	-	(1,299)	-	-	42,910
Fazenda Paineira Emp. Agr. Ltda.	-	4,500		173	-	1,142	5,815
SLC Paiaguás Emp. Agr. Ltda.	212,318	27,321	(10,340)	11,962	-	243	241,504
SLC Perdizes Emp. Agr. Ltda.	61,768	8,290	-	2,424	-	-	72,482
Total on December 31, 2015	**2,077,130**	**(240,110)**	**(36,463)**	**155,239**	**1,889**	**19,866**	**1,977,551**

[1] The Company has control over the Fazenda Pioneira Empreendimentos Agrícolas S.A. and SLC-MIT Empreendimentos Agrícolas S.A. for being responsible for the management of the relevant activities of these companies and be exposed to the returns on investment in terms of its influence over them.

[2] On September 1, 2015, SLC Agrícola S.A. merged its subsidiary Fazenda Paiaguás Empreendimentos Agrícolas Ltda. and spun-off portion of its subsidiary Fazenda Parnaíba Empreendimentos Agrícolas Ltda. both 100% held by the Company, with no changes in capital. Spun-off portion of Fazenda Parnaíba refers to spun-off assets and liabilities that represent a significant portion of its operating activities. These assets were spun-off and assigned to SLC Agrícola, which will proceed with operating activities.

These mergers corroborate corporate reorganization project that is being developed. Corporate reorganization aims at higher operating, administrative and financial efficiency, as well as at reduction of these entities' operating costs, complying with interests of quotaholders and shareholders.

The table below summarizes the assets acquired and liabilities assumed at the acquisition date:

	Fazenda Parnaíba Empreend Agrícolas Ltda.	**Fazenda Parnaíba Empreend Agrícolas Ltda.**
Cash and cash equivalents	12,365	70,824
Accounts receivable	2,260	26,861
Inventories	97,265	171,124
Biological assets	46,829	18,673
Recoverable taxes	11,796	4,921
Prepaid expenses	137	272
Other accounts receivable	11,483	179
Credits with related parties	5	5,116
Investments	7	156,074
Property, plant and equipment	71,907	85,315
Intangible	46	74
Social and labor obligations	(1,005)	(2,495)
Suppliers	(16,850)	(34,469)
Tax obligations	(97)	(57)
Loans and financing	(117,057)	(138,373)

Other obligations	(10,659)	(15,457)
Tax, social security, labor and civil provisions	(1,771)	(2,593)
Deferred tax liabilities	(23,119)	(27,967)
Total identifiable assets , net	83,542	318,022

See below the main information about investments in direct and permanent subsidiaries, as at December 31, 2015:

Directly controlled

Investments	Current Assets	Non-current Assets	Current Liabilities	Non-current Liabilities	Equity	Income	Expenses
Fazenda Parnaíba Emp. Agr. Ltda.	142	237,148	589	64,984	171,717	182,034	160,643
Fazenda Planorte Emp. Agr. Ltda.	140,509	276,456	97,117	63,725	256,123	184,170	146,940
Fazenda Paiaguás Emp. Agr. Ltda.	-	-	-	-	-	222,553	173,306
Fazenda Pioneira Emp. Agr. S.A.	57,659	131,299	52,155	68,103	68,700	48,888	61,671
SLC-MIT Emp. Agr. S.A.	141,856	89,157	96,940	27,214	106,859	171,205	172,616
SLC Investimentos Agricolas Ltda	1,492	657,390	20,802	25,928	612,152	36,583	14,592
Fazenda Pamplona Emp. Agr. Ltda	537	167,967	107	4,945	163,452	8,359	1,593
Fazenda Planalto Emp. Agr. Ltda.	697	237,576	165	7,697	230,411	12,589	2,339
Fazenda Palmares Emp. Agr. Ltda	144	115,693	155	236	115,446	8,772	1,503
Fazenda Parnaguá Emp. Agr. Ltda.	480	50,606	7,518	484	43,084	2,533	3,813
SLC Paiaguás Emp. Agrícolas S.A.	1,531	256,132	238	8,225	249,200	17,860	3,249
SLC Perdizes Emp. Agrícolas S.A.	8,511	88,092	22,103	218	74,282	6,444	3,632

Indirectly controlled

Investments	Current Assets	Non-current Assets	Current Liabilities	Non-current Liabilities	Equity	Income	Expenses
SLC LandCo Emp. Agrícolas S.A.	71,904	509,737	24,943	29,787	526,911	51,170	20,595
Fazenda Planeste Emp. Agr. Ltda.	7,686	136,239	566	3,666	139,693	9,707	2,294
Fazenda Piratini Emp. Agr. Ltda	3,009	114,278	2,646	2,124	112,517	3,817	951
Fazenda Panorama Emp. Ag. Ltda.	7,016	117,378	272	2,028	122,094	7,127	1,980
Catuaí Norte Participações S.A.	17	2,324	17	2	2,321	-	60
SOPER Agrícola Ltda	216	2,109	5	9	2,310	-	-
Fazenda Parceiro Emp. Agr. Ltda.	32	117,770	23	39	117,740	878	374
Fazenda Paineira Emp. Agr. Ltda.	3,000	93,356	51	705	95,600	3,564	889

12 Property, plant and equipment

Parent Company

Cost of the gross fixed assets	Balance on 12/31/14	Acquisitions	Inputs for incorporation	Write-offs	Reclassifi-cations(*)	Transfers	**Balance on 12/31/15**
Soil correction and development	282,897	14,918	29,867	(5,927)	-	-	**321,755**
Buildings and improvements	93,789	-	25,502	(2,002)	-	6,700	**123,989**
Agricultural equipment and industrial facilities	364,919	7,242	194,992	(23,280)	(1,758)	183	**542,298**
Vehicles	21,354	1,803	8,182	(1,340)	-	122	**30,121**
Furniture and fixtures	9,569	495	1,736	(338)	-	(14)	**11,448**
Equipment and facilities of the office	6,168	1,200	1,713	(213)	-	39	**8,907**
Other	1,021	44	434	(46)	-	-	**1,453**
Advances to suppliers	518	-	-	-	-	(518)	-
Works in progress	17,647	15,132	160	(591)	-	(6,512)	25,836
Total	797,882	40,834	262,586	(33,737)	(1,758)	-	**1,065,807**

Depreciation	Balance on 12/31/14	Depreciation	Inputs for incorporation	Write-offs	Reclassifi-cations(*)	**Balance on 12/31/15**
Soil correction and development	178,303	20,128	25,948	(2,501)	-	**221,878**
Buildings and improvements	12,390	3,512	4,683	(60)	-	**20,525**
Agricultural equipment and industrial facilities	166,658	34,217	69,866	(13,882)	(1,712)	**255,147**
Vehicles	9,563	1,464	3,072	(902)	-	**13,197**
Furniture and fixtures	3,279	616	778	(219)	-	**4,454**
Equipment and facilities of the office	3,430	1,070	1,017	(261)	-	**5,256**
Total	373,623	61,007	105,364	(17,825)	(1,712)	**520,457**

Net residual value	12/31/14	12/31/15
Soil correction and development	104,594	**99,877**
Buildings and improvements	81,399	**103,464**
Agricultural equipment and industrial facilities	198,261	**287,151**
Vehicles	11,791	**16,924**
Furniture and fixtures	6,290	**6,993**
Equipment and facilities of the office	2,738	**3,651**
Other	1,021	**1,453**
Advances to suppliers	518	**-**
Works in progress	17,647	**25,836**
Total	424,259	**545,350**

Consolidated

Cost of the gross fixed assets	Balance on 12/31/14	Acquisitions	Write- offs	Reclassifica-tions(*)	Transfers	**Balance on 12/31/15**
Crop lands	1,846,737	85,579	-	(67,613)	-	**1,864,703**
Soil correction and development	470,377	35,514	(880)	(6,883)	97	**498,225**
Buildings and improvements	237,191	201	(17)	(2,015)	25,082	**260,442**
Agricultural equipment and industrial facilities	661,497	32,761	(27,329)	(1,758)	19,382	**684,553**
Vehicles	37,605	2,912	(1,902)	-	679	**39,294**
Furniture and fixtures	12,480	902	(434)	-	(28)	**12,920**
Equipment and facilities of the office	13,200	1,537	(304)	-	-	**14,469**
Other	5,396	233	(57)	-	-	**5,572**
Advances to suppliers	1,645	-	-	-	(1,645)	**-**
Works in progress	61,613	39,378	(591)	-	(43,603)	**56,797**
Total	3,347,741	199,017	(31,514)	(78,269)	-	**3,436,975**

Depreciation	Balance on 12/31/14	Depreciation	Write- offs	Reclassifica-tions(*)	**Balance on 12/31/15**
Soil correction and development	271,862	35,167	6	(2,742)	**304,281**
Buildings and improvements	47,384	7,610	(2)	(61)	**54,931**
Agricultural equipment and industrial facilities	256,277	54,222	(18,619)	(1,712)	**290,168**
Vehicles	14,566	2,264	(1,255)	-	**15,575**
Furniture and fixtures	4,349	800	(282)	-	**4,867**
Equipment and facilities of the office	5,298	1,546	(323)	-	**6,521**
Other	194	-	-	-	**194**
Total	599,930	101,609	(20,487)	(4,515)	**676,537**

Net residual value	12/31/14	12/31/15
Crop lands	1,846,737	**1,864,703**
Soil correction and development	198,515	**193,944**
Buildings and improvements	189,807	**205,511**
Agricultural equipment and industrial facilities	405,220	**394,385**
Vehicles	23,039	**23,719**
Furniture and fixtures	8,131	**8,053**
Equipment and facilities of the office	7,902	**7,948**
Other	5,202	**5,378**
Advances to suppliers	1,645	**-**
Works in progress	61,613	**56,797**
Total	2,747,811	**2,760,438**

(*)Reclassifications under “Property for investment and assets held for sale” account.

On 31 de Dezembro de 2015 the construction in progress was substantially represented by the construction and improvements in the grain storage units at Planeste, Paladino, Perdizes, Pioneira and Planorte farms in the amount of R$ 7,436, construction and improvements of the cotton gin at Planeste, Panorama, Pamplona, Palmares and Parnaíba farms in the amount of R$ 3,252 and infrastructure works (improvements, roads, depots, etc.) in the amount of R$ 40,337. Interest contributed to construction in progress in the period ended December 31, 2015 was R$ 3.778. The capitalization rate used to determine the capitalizable loan costs was 7.51% p.a.

On 31 de December de 2015, there were warranty fixed assets for bank loans and lawsuits in the

amount of R$ 785,128 (R$ 465,176 on December 31, 2014).

Assets held for sale

Assets held for sale are classified as held for sale if it is highly likely to be primarily recovered through sale rather than their continued use. Assets held for sale are measured at the lower of its carrying amount and fair value less selling expenses. Impairment losses determined on initial classification as held for sale and subsequent gains or losses are recognized in statement of income.

Beginning as of 2015/16 crop, the Company decided to discontinue coffee operation, as described in note 9 Biological Assets. As a result, the Company reclassified the amount of R$ 677 from Property, plant and equipment to Assets held for sale. Management is committed to selling these assets in up to 12 months.

Transfer from Property, plant and equipment to Investment Property

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified as an investment property. Any gain on such remeasurement is recognized in profit or loss to the extent the gain reverses a previous impairment loss on the specific property, with any remaining gain is recognized as other comprehensive income in shareholders' equity and presented in equity evaluation adjustments. Any loss is immediately recognized in income (loss).

13 Investment property

	Consolidado
	12/31/15
Balance at December 31, 2014	-
Reclassification of Property	
Crop lands	67,613
Buildings and improvements	1,954
Soil correction and development	4,142
Gain on fair value	19,641
Balance at December 31, 2015	**93,350**

Investment properties include cultivation land and its infrastructure that are leased to third parties. Investment properties are recorded at fair value determined based on evaluations made by independent appraisers located in São Paulo State, on July 31, 2015.
The fair value of real estate was determined at the Market Data Direct Comparison Method, which consists in determining the market value of an asset through the comparison with other similar assets, considering their similar characteristics. In this method, adjustments are carried out through the use of factors which seek to correct possible differences between the assets available in the market and the asset object of the evaluation.Annually, the Company evaluates fair value of assets recorded as Investment properties.

Income earned from rental of investment property

The income from investment property lease is recognized in income (loss) on a linear method basis, over the lease period. Granted lease incentives are recognized as an integral part of the total rental income, over the lease period. Income from the rental of other properties is recognized as other income.

14 Balances and transactions with related parties

On December 31, 2015 and December 31, 2014, the related party balances and transactions are comprised as follow:

a. Related party balances

Balances receivable with related parties

	Other accounts receivable		Loans receivable	Advances for future capital increase		Total accounts receivable	
	12/31/15	12/31/14	**12/31/15**	**12/31/15**	12/31/14	**12/31/15**	12/31/14
Direct subsidiaries							
Fazenda Planorte Empreendimentos Agrícolas Ltda	58	1,849	16,061	-	-	16,119	1,849
Fazenda Parnaíba Empreendimentos Agrícolas Ltda	20	-	-	387	-	407	-
Fazenda Paiaguás Empreendimentos Agrícolas Ltda	-	89	-	-	-	0	89
Fazenda Perdizes Empreendimentos Agrícolas Ltda	-	105	-	-	-	0	105
SLC Investimentos Agricolas ltda	5	4	-	18,528	7,389	18,533	7,393
Fazenda Pioneira Empreendimentos Agrícolas S.A	-	125	-	-	-	0	125
SLC - MIT Empreendimentos Agrícolas S.A	28	271	-	-	-	28	271
Fazenda Pamplona Empreendimentos Agrícolas Ltda	6	13	-	-	-	6	13
Fazenda Planalto Empreendimentos Agrícolas Ltda	6	13	-	-	-	6	13
Fazenda Parnaguá Empreendimentos Agrícolas Ltda	11	13	-	-	-	11	13
Fazenda Palmares Empreendimentos Agrícolas Ltda	6	267	-	-	-	6	267
Fazenda Piratini Empreendimentos Agrícolas Ltda	2,301	-				2,301	0
SLC Paiaguas Empreendimentos Agrícolas Ltda	6	4	-	-	-	6	4
SLC Perdizes Empreendimentos Agrícolas Ltda	6	13	-	-	-	6	13
Indirect subsidiaries							
Fazenda Paineira Empreendimentos Agrícolas Ltda	7	-	-	-	-	7	-
Fazenda Parceiro Empreendimentos Agrícolas Ltda	5	202	-	-	-	5	202
Parent company							
SLC Participações S.A.	3	3	-	-	-	3	3
Other related parties	347	-	-			347	-
Total	**2,815**	2,971	**16,061**	**18,915**	7,389	**37,791**	10,360
Portion classified as current	**2,815**	2,971	-	-	-	**2,815**	2,971
Portion classified as non-current	-	-	**16,061**	**18,915**	7,389	**34,976**	7,389

Balances payable with related parties

	Leases payable		Other accounts payable		Total payable	
	12/31/15	12/31/14	**12/31/15**	12/31/14	**12/31/15**	12/31/14
Direct subsidiaries						
Fazenda Parnaíba Empr. Agr. Ltda	-	-	-	99	-	99
SLC Investimentos Agricolas ltda	-	-	-	145	-	145
Indirect subsidiaries						
Fazenda Pamplona Empr. Agr. Ltda	2,778	1,953	-	-	2,778	1,953
Fazenda Planalto Empr. Agr. Ltda	4,364	3,352	-	-	4,364	3,352
Fazenda Palmares Empr. Agr. Ltda	2,098	-	-	-	2,098	-
Fazenda Panorama Empr. Agr. Ltda	2,045	1,936	-	-	2,045	1,936
Fazenda Planeste Empr. Agr. Ltda	2,807	2,755	-	-	2,807	2,755
Fazenda Piratini Empr. Agr. Ltda	1,204	1,081	-	-	1,204	1,081
Fazenda Parceiro Empr. Agr. Ltda	356	-	-	-	356	-
SLC Paiaguas Empr. Agr. Ltda	5,927	-	-	-	5,927	-
Fazenda Parnagua Empr. Agr. Ltda	196	-	-	-	196	-
Fazenda Paineira Empr. Agr. Ltda	-	899	-	68	-	967
Soper Agricola S.A.	53	-	-	-	53	-
SLC Landco Empr. Agr. Ltda	112	-	30	-	142	-
Other related parties	-	-	89	63	89	63
Total	**21,940**	11,976	**119**	375	**22,059**	12,351

SLC Participações S.A. is the Company's final controlling shareholder. There are no significant transactions with the final controlling shareholder, except for the payment of dividends.

The Company and it subsidiarie Fazenda Planorte Empreendimentos Agricolas Ltda maintain loans for consumption with one another, represented by checking account, whose index is equivalent to 99% of the nominal variation of the CDI-OVER rate, maturing in indefinite periods.

b. Related party transactions that affected the results for the period

	Sales of goods/products/property, plant and equipment	Lease costs	Purchases of goods/products	Financial income - Interest and monetary variation	Financial expenses - Interest and monetary Variation
Fazenda Planorte Empr. Agr. Ltda					
Balance at 12/31/2015	495	-	531	790	-
Balance at 12/31/2014	1,987	-	305	-	-
					-
Fazenda Parnaíba Empr. Agr. Ltda					
Balance at 12/31/2015	424	153	2,066	289	-
Balance at 12/31/2014	2,318	-	1,604	1,203	78
				0	-
Fazenda Paiaguás Empr. Agr. Ltda					
Balance at 12/31/2015	1,875	-	82	-	474
Balance at 12/31/2014	3,465	-	203	5	13
SLC Agricola Pejuçara Ltda					
Balance at 12/31/2014	-		3	-	
			0		
Fazenda Parnagua Empr. Agr. Ltda					
Balance at 12/31/2015	-	196	-	-	-
Fazenda Perdizes Empr. Agr. Ltda					
Balance at 12/31/2015	1,378	-	2	79	-
Balance at 12/31/2014	450	-	-	-	-
Fazenda Pamplona Empr. Agr. Ltda					
Balance at 12/31/2015	-	8,276	-	-	-
Balance at 12/31/2014	-	7,547	-	185	-
Fazenda Planalto Empr. Agr. Ltda					
Balance at 12/31/2015	-	12,479	-	-	-
Balance at 12/31/2014	-	12,691	-	160	-
SLC Paiaguás Empr. Agr. Ltda					
Balance at 12/31/2015	-	17,655	-	-	-
Balance at 12/31/2014	-	18,379	-	-	-
Fazenda Palmares Empr. Agr. Ltda					
Balance at 12/31/2015	-	8,758	-	-	-
Balance at 12/31/2014	-	8,313	-	391	-
SLC Perdizes Empr. Agr. Ltda					
Balance at 12/31/2015	-	5,522	-	-	-
Balance at 12/31/2014	-	5,472	-	-	-
Fazenda Panorama Empr. Agr. Ltda					
Balance at 12/31/2015	-	5,901	-	-	-
Balance at 12/31/2014	-	5,512	-	-	-
Fazenda Planeste Empr. Agr. Ltda					
Balance at 12/31/2015	-	8,294	-	-	-
Balance at 12/31/2014	-	7,662	-	-	-
Fazenda Piratini Empr. Agr. Ltda					
Balance at 12/31/2015	2,586	3,358	-	-	-
Balance at 12/31/2014	315	2,957	-	-	-
Fazenda Parceiro Empr. Agr. Ltda					
Balance at 12/31/2015	-	853	-	-	-
Balance at 12/31/2014	-	(184)	-	-	-
Fazenda Paineira Empr. Agr. Ltda					
Balance at 12/31/2015	-	2,368	-	-	-
Balance at 12/31/2014	-	3,006	-	100	-
Fazenda Pioneira Empr. Agr. Ltda					
Balance at 12/31/2015	1,674	-	6	-	-
Balance at 12/31/2014	2,550	-	-	-	-
SLC-MIT Empr. Agr. Ltda					
Balance at 12/31/2015	3,466	-	-	-	-
Balance at 12/31/2014	15,693	-	-	-	-
Outras Empresas					
Balance at 12/31/2015	-	-	417	-	-
Balance at 12/31/2014	-	-	329	-	-
Balance at 12/31/2015	**11,898**	**73,813**	**3,104**	**1,158**	**474**
Balance at 12/31/2014	26,778	71,355	2,444	2,044	91

c. Lease contract payable

The object of the rural lease contract is the delivery of pieces of land, facilities and other assets by the lessor to the lessee, so that the latter explores agricultural activities such as planting of cotton, soybean, corn and other crops in exchange for an amount considered as lease price.

A rural lease agreement signed with the subsidiary SLC Empreendimentos e Agricultura Ltda and its subsidiaries for an indefinite period took effect on January 2nd, 2011, Due to split that occurred on January 2nd, 2014 the rights and obligations have been transferred to the new

Companies as follow: Fazenda Parnaguá Empreendimentos Agrícolas Ltda., Fazenda Pamplona Empreendimentos Agrícolas Ltda., Fazenda Planalto Empreendimentos Agrícolas Ltda., SLC Perdizes Empreendimentos Agrícolas Ltda.,SLC Paiaguás Empreendimentos Agrícolas Ltda., Fazenda Palmares Empreendimentos Agrícolas Ltda., SLC Investimentos Agrícolas Ltda. The lease agreement has a minimum term of 20 years, with renewal dependent on the will of the parties, however lessees have preference.

Beginning as of September 01, 2012, the rural lease contract entered into with the (indirect) subsidiary SLC Landco Empreendimentos Agrícolas S.A. and its subsidiaries for a minimum period of 20 years became effective.

A rural lease agreement with the (indirect) subsidiary SOPER Agrícola Ltda. with Fazenda Parnaiba Empreendimentos Agricolas Ltda, On September 1, 2015, Fazenda Parnaíba was partially merged into SLC Agrícola, and the rural lease was included in merged portion.

A rural lease agreement with the (indirect) parent company SLC Landco Empreendimentos Agrícolas S.A. with SLC Agrícola S.A., for a minimum period of 20 years, which became effective as of September 1, 2015.

On December 31, 2015, the annual value lease of R$75.303, referring to the 2015/16 crop, can be demonstrated as follows:

		Amount				Amount	
Farm	**Currency**	**2015**	**2014**	**Farm**	**Currency**	**2015**	**2014**
Planalto Farm	R$	13,057	10,660	Paiaguás Farm	R$	17,733	15,146
Pamplona Farm	R$	8,312	6,567	Parceiro Farm	R$	1,217	657
Planeste Farm	R$	8,398	8,241	Perdizes Farm	R$	5,990	5,172
Panorama Farm	R$	6,119	5,792	Parnaiba Farm	R$	159	151
Piratini Farm	R$	3,602	3,235	Parnaguá Farm	R$	586	-
Palmares Farm	R$	10,130	7,608				
				Total		**74,717**	**63,229**

Lease price is paid on an annual basis in Brazilian Reais or translated at over–the-counter quotation of soybean sack in each region on payment day, according to contract clause. Soybean sack price must be established by the lessor at least 15 days in advance, without provision for re-agreement.

d. Management compensation

The Company considers as key management personnel non-remunerated Board members, remunerated Independent Board members and Officers (statutory).

Officers are remunerated through management fees and salaries paid in payroll. Total management remuneration, including bonuses and other benefits, is presented in a specific caption of the statement of income, as follows:

	Parent company		Consolidated	
	12/31/15	**12/31/14**	**12/31/15**	**12/31/14**
Directors fee	**4,340**	3,533	**5,069**	4,360
Bonuses	**1,571**	1,328	**1,791**	1,457
Charges	**1,543**	1,309	**1,791**	1,560
Stock option plan	**1,741**	1,776	**2,034**	2,057
Other benefits	**37**	31	**43**	37
Total	**9,232**	7,977	**10,728**	9,471

The Company does not offer post-employment benefits, benefits on termination of employment contract or other long-term benefits to its managers.

15 Loans and financing

		Average annual interest rates (%)		Parent Company		Consolidated	
	Index	12/31/15	12/31/14	12/31/15	12/31/14	12/31/15	12/31/14
Used in the Property, plant and equipment							
Finame – BNDES	Fixed and long-term interest rate*	**6.21%**	5.37%	**113,993**	86,633	**175,494**	151,126
Constitutional Funds**	-	**7.34%**	7.39%	**10,124**	12,270	**11,137**	22,339
Investment funding	US$ and Libor***	**5.89%**	5.36%	**13,559**	15,487	**13,559**	15,486
				137,676	114,390	**200,190**	188,951
Invested in Working Capital							
Rural credit	-	**9.45%**	7.47%	**298,816**	105,218	**325,424**	277,993
Constitutional Funds**	-	**9.44%**	7.51%	**244,219**	166,254	**263,952**	276,866
Working Capital	-	**15.53%**	10.38%	**-**	-	**20,447**	45,244
Working Capital	Pré	**2.63%**	-	**92,022**	-	**148,761**	-
Export financing	CDI	**15.21%**	12.53%	**233,688**	66,865	**242,204**	73,712
Export financing	US$, Libor+Pré	**4.91%**	4.19%	**308,215**	278,076	**308,215**	278,076
Export financing	US$, Libor+Pré	**3.47%**	3.02%	**369,684**	191,134	**369,684**	191,134
				1,546,644	807,547	**1,678,687**	1,143,025
				1,684,320	921,937	**1,878,877**	1,331,976
Portion classified in current assets				**831,822**	430,655	**931,732**	780,739
Installment classified in non-current				**852,498**	491,282	**947,145**	551,237

(*) Long-term interest rate (TJLP)

(**) To calculate the average cost of the Constitutional Funds we considered a 15% discount relating to the compliance bonus levied on these operations.

(***) Libor (London Interbank Offer Rate): Interest rate charged by London banks used as reference for most loans of the international financial system.

Finame – BNDES – Investment facility of the Brazilian National Development Bank (BNDES). Guaranteed by financed assets and collateral signatures of the Company or SLC Participações S.A. Amortizations are performed on a monthly, quarterly, semiannual or annual basis, and will occur between the periods of 01/15/2016 to 07/15/2029.

Constitutional Funds – Investiment and working capital facility of the Northeast Fund (FNE) and Center-West Fund (FCO). Guaranteed by collateral signatures of the Company or SLC Participações S.A., and, in some transactions, by land pledge and mortgages. The periodicity of their amortizations is annual or semiannual, with maturities between 02/01/2016 and 02/01/2018.

Investment Financing - Investment line intended for machinery and equipment, where the periodicity of the amortizations is semiannual with final maturity on 04/15/2017. Guaranteed by collateral signatures of SLC Participações S.A. and by financed machines.

Rural Credit – Funds intended to cover crop costs and trading, whose rules, purposes and conditions are established in the Rural Credit Guide (MCR) prepared by the Brazilian Central Bank. Guaranteed by collateral signatures of the Company or SLC Participações S.A., and, in some transactions, by the crop. The periodicity of their amortizations is annual, with maturities between 04/27/2016 and 11/09/2016.

External trade funding - Funding related to external trade credit line with a short and long-term capitalized in six months LIBOR rate (London Interbank Offered Rate) plus fixed fee: ACC (Exchange Contracts), NCE (Export Note credit) and PPE (Export Prepayment), the amortization is annual, half-yearly or as negotiated term, with maturities between of 01.15.2016 and 12.19.2019. Guaranteed by the Company or SLC Participações SA with land mortgage. These contracts are related to certain commitments ("covenants") approved by Company (Current Ratio, Equity Capital Thirdly, net debt to EBITDA and cash liquidity).

Working Capital – very short-term credit facility intended to supply cash needs, with with maturities between 02/19/2016 and 05/05/2017. Guarantees not required.

The maturities of short and long-term loans and financing are as follow:

	Parent Company		Consolidated	
Years of maturity	**12/31/15**	**12/31/14**	**12/31/15**	**12/31/14**
2015	-	430,655	-	780,739
2016	**831,822**	183,611	**931,732**	194,922
2017	**321,828**	119,431	**371,715**	129,345
2018	**260,049**	85,416	**269,089**	95,311
2019	**227,367**	83,368	**233,399**	89,079
2020	**15,133**	9,423	**20,857**	14,805
After 2020	**28,121**	10,033	**52,086**	27,775
	1,684,320	921,937	**1,878,878**	1,331,976

The group's exposure to liquidity risk is disclosed in Note 22.

Financial covenants

Contracts classified as "External Loans", previously described, provide for compliance with financial obligations (covenants) at yearend base dates. They are described as follows:

i. Current Liquidity Index (AC/PC): current assets divided by consolidated current liabilities, equal to or higher than 1.2 times

ii. Total Consolidated liabilities/tangible Shareholders' equity: total liabilities divided by shareholders' equity less consolidated intangible assets, equal to or lower than 1.5 times.

iii. Net Leverage (Total Net Financial Debt/EBITDA): total loans and financing, less cash, bank and "cash equivalents" position, less short-term investments, divided by operating income before interest, income tax, depreciation and amortization of prior 12 months, equal to or lower than 4.0 times.

iv. Consolidated cash liquidity: cash, banks, and "cash equivalents" position plus short-term investments, equal to or higher than R$75,000.

The Company is compliant with agreement clauses.

16 Provision for tax, environmental and labor risks

On December 31, 2015, a provision for labor contingencies was recorded in the amount of R$1,543 in parent company and R$1,624 in consolidated. (R$830 as of December 31, 2014 for parent company and R$1,429 for consolidated). Refer to lawsuits filed by former employees and their probability of loss was considered as probable by our legal advisors. The reserve for labor contingency is recorded in the caption with such name in current liabilities. Amount referring to labor lawsuits whose loss was considered as possible by legal advisors – and, accordingly, no provision for them was recorded – was R$2,594 in parent company and R$2,818 in consolidated (R$2,084 and R$2,400, respectively, as of December 31, 2014).

The Company also identifies the existence of environmental contingency whose risk of loss processes, in accordance with its legal counsel, it is possible for the amount of approximately R$ 2,694 (R$ 3,010 in consolidated) at December 31, 2015 and December 31, 2014, for which no provision recorded. These processes refer to actions brought by the Brazilian Institute of Environment and Renewable Natural Resources - IBAMA and the Environmental Police in Cassilândia - MS.

There is a judicial deposit at tax value. Amount referring to tax lawsuits whose loss was considered as possible by legal advisors – and, accordingly, no provision for them was recorded

– was R$5,724 in parent company and R$11,202 in consolidated, (R$2,845 and R$8,716, respectively, as of December 31, 2014).

We present below the movement of provisions:

	Parent Company			
	Tax	**Labor**	**Environmental**	**Total**
Balance at December 31, 2014	160	830	400	1,390
Merger Balance at 9/01/2015	-	614	-	614
New lawsuits/ supplements	-	312	-	312
(-) Reversals	(160)	(213)	(400)	(773)
Balance at December 31, 2015	-	1,543	-	1,543

	Consolidated			
	Tax	**Labor**	**Environmental**	**Total**
Balance at December 31, 2014	160	1,429	400	1,989
New lawsuits/ supplements	-	451	-	451
(-) Reversals	(160)	(256)	(400)	(816)
Balance at December 31, 2015	-	1,624	-	1,624

The Company respects and tries to comply with all environmental matters, legal or otherwise, being environment, employees and other stakeholders one of the key commitments of its work, which combines the use of state of the art agricultural techniques with the adoption of sustainability practices. These actions are greater than mere compliance with law and are strengthened by the current process of implementing an Integrated Management System (SGI) supported by standards ISO 14001:2004 (Environmental Management), OHSAS 18001:2007 (Occupational Health and Safety) and NBR 16001:2004 (Social Responsibility Management).

In accordance with law in force in Brazil, federal, state and municipal taxes and payroll charges are subject to review by respective authorities over periods that vary from 5 to 30 years.

17 Deferred income and social contribution taxes

Deferred income tax and social contribution of the following nature were established:

	Parent Company					
	12/31/15			**12/31/14**		
Description	Income tax	Social contribution	Total	Income tax	Social contribuition	Total
Assets:						
Temporary differences:						
Taxes on non-benefitted activities	**138**	**-**	**138**	138	-	138
Provision for inventory adjustment	**286**	**103**	**389**	16	6	22
Provision for PPR	**1,839**	**662**	**2,501**	1,092	393	1,485
Provision for tax losses	**500**	**180**	**680**	500	180	680
Operations with derivatives	**54,626**	**19,665**	**74,291**	19,169	6,901	26,070
Provision for Senar	**1,864**	**671**	**2,535**	928	334	1,262
Others	**1,924**	**692**	**2,616**	1,087	391	1,478
Tax losses and negative basis	**51,520**	**18,745**	**70,265**	40,762	14,872	55,634
	112,697	**40,718**	**153,415**	63,692	23,077	86,769
Liabilities:						
Incentivized depreciation from rural activity	**68,641**	**24,711**	**93,352**	52,581	18,928	71,509
Bargain gain on acquisition of equity interest	**5,647**	**2,033**	**7,680**	5,539	1,994	7,533
Deemed cost from property, plant and equipment	**15,019**	**5,406**	**20,425**	8,044	2,896	10,940
Fair value of biological assets	**16,876**	**6,075**	**22,951**	3,065	1,103	4,168
	106,183	**38,225**	**144,408**	69,229	24,921	94,150
Total net	**6,514**	**2,493**	**9,007**	(5,537)	(1,844)	(7,381)
Classified as noncurrent liabilities	**6,514**	**2,493**	**9,007**	-	-	-
Classified in the non-current liabilities	**-**	**-**	**-**	(5,537)	(1,844)	(7,381)

	Consolidated					
	12/31/15			12/31/14		
Description	Income tax	Social contribution	Total	Incom tax	Social contribution	Total
Assets:						
Temporary differences:						
Taxes on non-benefitted activities	**138**	**-**	**138**	138	-	138
Provision for inventory adjustment	**286**	**103**	**389**	24	7	31
Provision for PPR	**2,166**	**780**	**2,946**	1,617	583	2,200
Provision to tax losses	**500**	**180**	**680**	500	180	680
Operations with derivatives	**59,267**	**21,334**	**80,601**	30,456	10,964	41,420
Provision for Senar	**2,188**	**787**	**2,975**	1,700	613	2,313
Others	**2,247**	**804**	**3,051**	2,515	905	3,420
Tax losses and negative basis	**85,624**	**31,024**	**116,648**	68,396	24,820	93,216
	152,416	**55,012**	**207,428**	105,346	38,072	143,418
Liabilities:						
Incentivized depreciation from rural activity	**101,437**	**36,418**	**137,855**	101,296	36,370	137,666
Bargain gain on acquisition of equity interest	**5,647**	**2,033**	**7,680**	5,647	2,033	7,680
Deemed cost from property, plant and equipment	**114,875**	**44,362**	**159,237**	114,809	44,336	159,145
Fair value for investment property	**393**	**212**	**605**	-	-	-
Fair value of biological assets	**23,420**	**8,431**	**31,851**	10,352	3,728	14,080
	245,772	**91,456**	**337,228**	232,104	86,467	318,571
Net total	**(93,356)**	**(36,444)**	**(129,800)**	(126,758)	(48,395)	(175,153)
Classified in non-current assets	**17,286**	**6,223**	**23,509**	6,145	2,213	8,358
Classified in the non-current liabilities	**(110,642)**	**(42,667)**	**(153,309)**	(132,903)	(50,608)	(183,511)

The Company and its subsidiaries, based on their expectations of generating future taxable income, based on a technical study prepared by the Management, recognized tax credits on tax losses, negative basis of social contribution and temporary differences, for which there is no statutory limitation period. The book value of deferred assets is reviewed annually by the Company, and the adjustments have not been significant as initially estimated by Management. The technical study considers investments and income tax reduction incentives of up 75% on income from exploration of farms located in benefited regions.

Based on the technical study regarding estimated generation of future taxable income, the Company foresees the recovery of tax credits in the following years:

	Parent Company		Consolidated	
	12/31/2015	12/31/14	12/31/2015	12/31/14
2015	**-**	41,760	**-**	53,364
2016	**87,259**	30,595	**104,149**	44,197
2017	**36,341**	8,433	**40,245**	16,161
2018	**15,541**	5,981	**25,098**	11,334
2019	**14,274**	-	**20,560**	4,373
2020	**-**	-	**6,442**	3,899
2021	**-**	-	**5,804**	5,356
2022	**-**	-	**5,130**	4,734
	153,415	86,769	**207,428**	143,418

The expected recoverability of the tax credits is based on the projections of future taxable income taking into consideration various business and financial assumptions. Accordingly, these estimates may differ from the effective taxable income in the future due to the inherent uncertainties involving these estimates.

Reconciliation of tax expenses with official rates

Income tax and social contribution calculated based on nominal rates of these taxes are reconciled for the amount recorded as income tax and social contribution expenses, as follows:

Reconcilement of the parent company's actual rate:

	Parent Company			
	12/31/15		12/31/14	
	IRPJ	CSLL	IRPJ	CSLL
Income before tax on profit	**113,719**	**113,719**	49,252	49,252
Income and social contribution taxes at the nominal rate				
from 25% to 9%, respectively	**(28,430)**	**(10,235)**	(12,313)	(4,433)
Adjustments for calculation of effective rate				
Equity income (loss)	**38,810**	**13,972**	28,516	10,266
Permanent additions	**(4,020)**	**(1,448)**	(2,502)	(900)
Other	**118**	**42**	12	-
Value recorded in the income	**6,478**	**2,331**	13,713	4,933
Total income and social contribution taxes		**8,809**		18,646
Deferred taxes		**8,809**		18,674
Current taxes		-		(28)
Effective rate		**-7,7%**		-37,9%

Reconciliation of the consolidated actual rate:

	Consolidated			
	12/31/15		12/31/14	
	IRPJ	CSLL	IRPJ	CSLL
Income before tax on profit	**166,653**	**166,653**	89,072	89,072
Income and social contribution taxes at the nominal rate of 25%				
25% and 9%, respectively	**(41,664)**	**(14,999)**	(22,268)	(8,016)
Adjustments for calculation of effective rate				
Permanent addtions and exclusions	**(8,861)**	**(3,190)**	(5,826)	(2,097)
Tax incentives of subsidiaries	**2,351**	**-**	2,785	-
Income and social contribution taxes in companies taxed by the				
deemed profit system	**16,149**	**5,814**	12,599	4,535
Elimination Unrealized profit	**(1,204)**	**(434)**	(1,203)	(433)
Other	**520**	**34**	1,003	(8)
Value recorded in the income	**(32,708)**	**(12,775)**	(12,910)	(6,019)
Total income and social contribution taxes		**(45,483)**		(18,929)
Deferred taxes		**(12,445)**		24,591
Current taxes		**(33,038)**		(43,520)
Effective rate		**27,3%**		21,3%

Reconciliation of deferred income tax and social contribution variation

Changes to income tax and social contribution recorded in asset and liability accounts, in consolidated, are as follows:

	Parent Company				
Description	Balance in 12/31/14	Active / Passive acquired in corporate restructuring (Note 11)	Recognized in income	Recognized in comprehensive income	Balance in 12/31/15
Taxes on non-benefitted activities	138	-	-	-	138
Provision for inventory adjustment	22	-	367	-	389
Provision for PPR	1,485	261	755	-	2,501
Provision to tax losses	680	-	-	-	680
Operations with derivatives	26,070	8,600	(18,391)	58,012	74,291
Provision for Senar	1,262	867	406	-	2,535
Others	1,478	422	716	-	2,616
Tax losses and negative basis	55,634	-	14,631	-	70,265
Incentivized depreciation from rural activity	(71,509)	(28,209)	6,366	-	(93,352)
Bargain gain on acquisition of equity interest	(7,533)	(146)	-	-	(7,680)
Deemed cost from property, plant and equipment	(10,940)	(10,523)	(1,677)	2,715	(20,425)
Fair value of biological assets	(4,168)	(24,420)	5,637	-	(22,951)
Total	**(7,381)**	**(53,148)**	**8,809**	**60,727**	**9,007**
Non-current assets	-				**9,007**
Non-current liabilities	**(7,381)**				-

	Consolidated			
Description	Balance in 12/31/14	Recognized in income	Recognized in comprehensive income	Balance in 12/31/15
Taxes on non-benefitted activities	138	-	-	138
Provision for inventory adjustment	31	358	-	389
Provision for PPR	2,200	746	-	2,946
Provision to tax losses	680	-	-	680
Operations with derivatives	41,420	(18,748)	57,929	80,601
Provision for Senar	2,313	662	-	2,975
Others	3,420	(369)	-	3,051

Tax losses and negative basis	93,216	23,432	-	116,648
Incentivized depreciation from rural activity	(137,666)	(189)	-	(137,855)
Bargain gain on acquisition of equity interest	(7,680)	0	-	(7,680)
Deemed cost from property, plant and equipment	(159,145)	(566)	474	(159,237)
Fair value for investment property	-	-	(605)	(605)
Fair value of biological assets	(14,080)	(17,771)	-	(31,851)
Total	**(175,153)**	**(12,445)**	**57,798**	**(129,800)**
Non-current assets	**8,358**			**23,509**
Non-current liabilities	**(183,511)**			**(153,309)**

18 Securities payable – Consolidated

The Company, through its subsidiaries, has contracts referring to the purchase of land to be used and explored by it. These acquisitions are normally indexed at soybean sack quotation in the region in which the property was acquired. Accordingly, future minimum amounts will be normally estimated in numbers of soybean sacks on each balance sheet date.

Changes to this caption are as follows:

	Indexed at Soybean bags	Fixed price	Indexed at IGP-M	Total
Balance at December 31, 2014	**42,073**	**20,871**	**3,496**	**66,440**
Additions by areas of acquisitions	-	-	83,992	83,992
Payments	(14,336)	(12)	(34,707)	(49,055)
Monetary variation	6,515	-	-	6,515
Interest	-	2,566	1,806	4,372
Balance at December 31, 2015	**34,252**	**23,425**	**54,587**	**112,264**
(-) Portion classified in current assets	**(27,337)**	**(23,425)**	**(24,802)**	**(75,564)**
Portion classified in non-current	**6,915**	**-**	**29,785**	**36,700**

19 Shareholders' equity

a. Capital

On December 31, 2015, the subscribed capital, in the amount of R$ 947,522 is represented by 98,897,500 nominative common shares, with no par value.

Nominative common shares are distributed among shareholders as follows:

	Quantity of shares	
Shareholder	**12/31/15**	**12/31/14**
SLC Participações S.A.	**50,469,371**	50,469,371
Management	**204**	204
Treasury shares	**1,844,101**	1,866,301
Other	**46,583,824**	46,561,624
Total shares of paid-in capital	**98,897,500**	98,897,500
(-) Treasury shares	**(1,844,101)**	(1,866,301)
Total shares - ex-treasury	**97,053,399**	97,031,199

On the Extraordinary Shareholders' Meeting held on December 01, 2015 was approved the destination of 60% of capital reserves and profit reserves existing as of December 31st, 2015 for capital increase, in the amount of R$390,088.

b. Capital reserve – goodwill in the issue of shares

Represented by goodwill received in public share offerings occurred in June 2007 and June 2008 and by goodwill on sale of treasury shares conducted in connection with stock option plans, less costs on issuance of these shares (commissions, fees and other expenses), net of tax effects and in conformity with CPC 10 (IFRS 2).

c. Treasury shares

The Company acquired shares of its own issuance to maintain them in treasury and to be later used in the Stock Option Plan (note 20), as decided by the Board of Directors in a meeting held on October 29, 2008.

The balance of treasury stock On December 31, 2015 is R$32,347 and is composed of 1,844,101 shares (R$32,847 on December 31, 2014, composed of 1,866,301 shares).

The market value of the treasury stock, calculated with a basis on the last exchange quote, prior to the closing date of the fiscal year, was R$30,335 (R$16.45 per share) On December 31, 2015 and R$26,315 (R$14.10 per share) on December 31, 2014.

d. Legal reserve

The reserve was recorded at the rate of 5% of the net profit for the year, up to the limit of 20% of the capital. The reserve was recorded at the rate of 5% of the net profit for the year, up to the limit of 20% of the capital. As provided for in Article 35, item a, of the Bylaws, in the year when legal reserve balance plus the value of capital reserve, addressed by Paragraph 1 of Article 182 of the Brazilian Corporate Law, exceeds 30% of capital, it will not be mandatory to assign a portion of net income for the year to the legal reserve. On December 31, 2015 the Company recorded Legal Reserve that mounts R$6,126.

e. Expansion reserve

In accordance with the provision of Article 194 of Law 6404/76 and Article 35 of the Company's Bylaws, a Reserve for Expansion, based on income remaining after legal and statutory deductions, will be formed to be invested in operating assets, and this reserve may not exceed capital value.

On April 29, 2015, the participants of an Ordinary General Meeting approved the allocation of the amount of R$91,871 to the Expansion Reserve.

f. Profit retention reserve

The balance On September 30, 2015 refers to the remaining balance of accumulated results of the year 2007, which was retained as a revenue retention reserve for the performance of new investments, provided for in a capital budget, in compliance with article 196 of Corporation Law.

g. Dividends

Pursuant to the Company's bylaws, the minimum compulsory dividend is calculated on 25% of remaining net income for the year after the recording of the reserves provided for by law.

On April 29, 2015, the participants of an Ordinary General Meeting approved the distribution of dividends, relating to the year ended December 31, 2014, in the total amount of R$27,160, equivalent to 40% of the adjusted net income, corresponding to R$0.27990 for each common share, based on the total number of shares (98,897,500) subtracted from the total number of treasury shares (1,866,301).

	2015	2014
Net income for the year	122,528	67,898
Appropriation of legal reserve	6,126	-
Calculation base for the dividends proposed	116,402	67,898
Minimum compulsory dividend	29,100	16,975
Additional dividend proposed - 15%	-	10,185
Additional dividend proposed - 25%	29,100	-
Proposed dividends	58,201	27,160
% on the basis	50%	40%

h. Net earnings per share

In accordance with IAS 33/CPC 31 - "Earnings per share", reconciliation of net income for the year of Consolidated and Parent Company with amounts used to calculate basic and diluted net earnings per share.

The Company has one category of dilutive potential ordinary shares that relate to stock option plans. For these plans, stock options a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market price of the Company's shares) based on the monetary value of the subscription rights attached plans of action adopted from 2007 options. The number of shares calculated as above is compared with the number of shares outstanding, assuming the exercise of stock options plans.

	12/31/15	12/31/14
Numerator		
Net income for the year (a)	**122,528**	67,898
Denominator		
Weighted average of common shares (b)	**97,059,880**	97,847,193
Weighted average of common shares considering dilutive effects (c)	**96,827,682**	98,037,670
Basic income (loss) per common share (a/b)	**1,262**	0,694
Diluted income (loss) per common share (a/c)	**1,265**	0,693

20 Financial income (loss)

	Parent company		Consolidated	
	12/31/15	12/31/14	**12/31/15**	12/31/14
Financial expenses:				
Interest paid	**(87,478)**	(64,231)	**(120,882)**	(99,137)
Foreign exchange	**(286,015)**	(52,434)	**(346,136)**	(88,448)
Monetary variation	**(7,799)**	(9,077)	**(25,722)**	(21,011)
Losses with derivative operations	**(67,821)**	(23,520)	**(65,190)**	(27,085)
Others	**(4,008)**	(1,591)	**(8,280)**	(4,590)
	(453,121)	(150,853)	**(566,210)**	(240,271)
Financial income:				
Income from interest-earning bank deposits	**30,320**	11,790	**54,700**	33,303
Foreign exchange	**154,237**	33,176	**200,552**	56,193
Monetary variation	**13,095**	11,274	**24,503**	22,748
Gains with derivative operations	**134,274**	13,138	**167,232**	24,821
Others	**172**	457	**379**	1,480
	332,098	69,835	**447,366**	138,545
Financial income (loss)	**(121,023)**	(81,018)	**(118,844)**	(101,726)

21 Commitments

21.1 Non-deliverable forward contracts

The parent company and its subsidiaries have sales contracts for future delivery with some clients, as follows:

Parent Company					
Product	**Delivery Date**	**Quantity**	**Agreements**	**Unit**	**Price**
2014/15 crop					
Cotton lint	Jan/16 - Jun/16	16,587	18	ton	USD 1,497.81
Corn	Jan/16	5,052	5	sc	R$ 35.47
2015/16 crop					
Soybean	Feb/16 - May/16	4,609,290	50	sc	USD 17.70
Corn	Aug/16 - Dec/16	133,864	33	sc	R$ 27.48
Cotton lint	Aug/16 - Mar/17	47,828	14	ton	USD 1,558.74

		Consolidated			
Product	**Delivery Date**	**Quantity**	**Agreements**	**Unit**	**Price**
2014/15 crop					
Cotton lint	Jan/16 - Jun/16	19,341	22	ton	USD 1,488.83
Corn	Jan/16	6,052	6	sc	R$ 32.56
2015/16 crop					
Soybean	Feb/16 - Mai/16	6,249,290	66	sc	USD 17.50
Corn	Aug/16 - Nov/16	189,664	43	sc	R$ 25.13
Cotton lint	Feb/16 - Mar/17	61,378	17	ton	USD 1,554.73

21.2 Leases of third parties

On December 31, 2015, the Company and its subsidiaries have contracted 122.631 hectares for leasing from third parties, distributed as follows:

Unit	Location	Leased area (in há)	Maturities of the contract	Value (in bags of soybeans/há/year)	Type of Lease
Pamplona Farm	Cristalina-GO	3,952	2023	10.33	Operational
Planalto Farm	Costa Rica-MS	1,603	2016	17.58	Operational
Planeste Farm	Balsas-MA	15,976	2023	1 to 11	Operational
Panorama Farm	Correntina-BA	14,404	2023	11	Operational
Piratini Farm	Jaborandi-BA	5,000	2021	3.72 to 8.00	Operational
Palmares Farm	Barreiras-BA	15,741	2023	10.83	Operational
Parnaíba Farm	Tasso Fragoso-MA	28,181	2025	4.15	Operational
Paiaguás Farm	Diamantino-MT	10,449	2020	8.5 to 9.5	Operational
Parceiro Farm	Formosa do Rio Preto – BA	5,428	2020	2 a 7.00	Operational
Paladino Farm	São Desidério – BA	21,897	2023	5	Operational
Total		122,631			

Future commitments related to these contracts are fixed in bags of soybeans according to the average price, in the region of each unit, on the date of their respective payment.

In addition to the lease of crop land, the Company contracted the operating lease of a cotton processing unit in Farm Palmares (in Barreiras, Bahia State (BA) for R$1,600 untill September 30, 2017).

The Company's minimum future payments for operating leases and rents (in Reais) are summarized as follows:

	Moeda	Parent Company	Moeda	Consolidated
Payments within one year	R$	59,891	R$	75,246
Payments in more than one year and up to 5 years	R$	277,625	R$	372,386
Payments in more than 5 years	R$	94,206	R$	200,810
Total future minimum payments of leases	R$	**431,722**	R$	**648,442**

Note that the Company's lease contracts with third parties are indexed at soybean sack quotation in each production unit region. For this reason, future minimum values will normally be estimated in numbers of soybean sacks, translated into Brazilian Reais at soybean quotation in each region, on balance sheet dates. Minimum payment values shown above may suffer significant variation up to payment time due to changes in soybean market value.

As regards lease contracts with third parties, we also inform that: (i) they have no contingent payment clauses; (ii) there are no renewal or purchase option clauses, except for the contract of Farm Planalto, referring to 1,603 ha, which is renewed on an annual basis; (iii) our contracts are indexed at soy bag price variation, as disclosed above, and there is no other adjustment clause;

(iv) there are no enforced restrictions, such as those related to dividends and interest on capital, additional debt or any other requiring additional disclosure.

22 Management of risks and financial instruments

Sales revenues of the Company and its subsidiaries are generated mainly by the trading of agricultural commodities like soybean, cotton, corn, all the products that are quoted in dollars on international exchanges, Chicago Board of Trade - CBOT and Intercontinental Exchange Futures US - ICE. Accordingly, volatility of the commodity international price and of foreign exchange rate are market risks to which the Company and its subsidiaries are exposed to.

In addition, the Company and its subsidiaries contract financing transactions in the financial market at fixed or floating rates. Therefore, the Company is exposed to interest rate variation risk in debts contracted at floating interest rates.

Fair values are determined based on market price quotations, when available or, in the absence of these values, on present values of expected cash flows. Fair values of cash and cash equivalents, trade accounts receivable, short-term debt and trade accounts payable are equivalent to book values. Fair values of other long-term assets and liabilities do not significantly differ from their carrying amounts.

The fair value estimated for the long-term loans of the Parent Company and of the Consolidated Statement, On December 31, 2015, was, respectively, R$699,634 and R$769,769, calculated at current market rates, considering nature, term and risks similar to those of the registered contracts, and can be compared with the book value of R$852,498 and R$947,145 (note 15).

	Parent Company			
	Book Value		Fair Value	
	12/31/15	12/31/14	12/31/15	12/31/14
Assets				
Loans and receivables				
Cash and cash equivalents	518,284	121,081	-	-
CP Financial Investments	32,092	38,840	-	-
Trade accounts receivable	158,743	62,407	-	-
Loans and leases	2,815	2,971	-	-
Securities and credits receivable	11,908	13,430	11,029	12,210
Subtotal	**723,842**	**238,729**	**11,029**	**12,210**
Fair value of hedge instruments				
Operations with Derivatives	127,267	8,081	127,267	8,081
Subtotal	**127,267**	**8,081**	**127,267**	**8,081**
Total assets	**851,109**	**246,810**	**138,296**	**20,291**
Liabilities				
Liabilities at the amortized cost				
Loans and financing	1,684,320	921,937	1,507,584	896,331
Suppliers	310,585	154,568	-	-
Related party transactions	22,059	12,351	-	-
Other payable	64,774	79,785	-	-
Subtotal	**2,081,738**	**1,168,641**	**1,507,584**	**896,331**
Fair value of hedge instruments				
Derivatives payable	138,108	42,892	138,108	42,892
Subtotal	**138,108**	**42,892**	**138,108**	**42,892**
Total liabilities	**2,219,846**	**1,211,533**	**1,645,692**	**939,223**

	Consolidated			
	Book Value		Fair Value	
	12/31/15	12/31/14	12/31/15	12/31/14
Assets				
Loans and receivables				
Cash and cash equivalents	623,608	239,141	-	-
CP Financial Investments	77,852	132,821	-	-
Trade accounts receivable	176,691	120,663	-	-
Securities and credits receivable	11,908	13,430	11,029	12,210
Subtotal	**890,059**	**506,055**	**11,029**	**12,210**
Fair value of hedge instruments				
Operations with Derivatives	128,491	10,265	128,491	10,265
Subtotal	**128,491**	**10,265**	**128,491**	**10,265**
Total Assets	**1,018,550**	**516,320**	**139,520**	**22,475**
Liabilities				
Liabilities at the amortized cost				
Loans and financing	1,878,877	1,331,976	1,675,237	1,286,218
Suppliers	398,860	312,759	-	-
Other payable	181,012	107,003	-	-
Securities payable	112,264	66,440	111,707	62,410
Subtotal	**2,571,013**	**1,818,178**	**1,786,944**	**1,348,628**
Fair value of hedge instruments				
Derivatives payable	152,168	61,943	152,168	61,943
Subtotal	**152,168**	**61,943**	**152,168**	**61,943**
Total liabilities	**2,723,181**	**1,880,121**	**1,939,112**	**1,410,571**

Hierarchy of financial assets and liabilities' fair values recorded at fair value on a recurring basis used the following criterion:

- Level 1 – Prices quoted (not adjusted) in active markets for identical assets and liabilities
- Level 2 – Inputs, except for quoted prices, included in Level 1 which are observable for assets or liabilities, directly (prices) or indirectly (derived from prices)
- Level 3 – Assumptions, for assets or liabilities, which are not based on observable market data (non-observable inputs).

Chart below presents the hierarchy of financial assets and liabilities' fair values recorded at fair value on a recurring basis.

	Parent Company			
	12/31/15		12/31/14	
	Level 1	Level 2	Level 1	Level 2
Assets				
Loans and receivables				
Cash and cash equivalents	518,284	-	121,081	-
CP Financial Investments	32,092	-	38,840	-
Trade accounts receivable	-	158,743	-	62,407
Loans and leases	-	2,815	-	2,971
Securities and credits receivable	-	11,029	-	12,210
Subtotal	**550,376**	**172,587**	**159,921**	**77,588**

Fair value of hedge instruments				
Operations with Derivatives	-	127,267	-	8,081
Subtotal	**-**	**127,267**	**-**	**8,081**
Total Assets	**550,376**	**299,854**	**159,921**	**85,669**

	Parent Company			
	12/31/15		12/31/14	
	Level 1	**Level 2**	**Level 1**	**Level 2**
Liabilities				
Liabilities at the amortized cost				
Loans and financing	1,201,338	306,246	609,849	286,482
Suppliers	-	310,585	-	154,568
Related party transactions	-	22,059	-	12,351
Other payable	-	64,774	-	79,785
Subtotal	**1,201,338**	**703,664**	**609,849**	**533,186**
Fair value of hedge instruments				
Derivatives payable	-	138,108	-	42,892
Subtotal	**-**	**138,108**	**-**	**42,892**
Total Liabilities	**1,201,338**	**841,772**	**609,849**	**576,078**

	Consolidated			
	12/31/2015		12/31/14	
	Level 1	**Level 2**	**Level 1**	**Level 2**
Assets				
Loans and receivables				
Cash and cash equivalents	623,608	-	239,141	-
CP Financial Investments	77,852	-	132,821	-
Trade accounts receivable	-	176,691	-	120,663
Loans and leases	-	11,029	-	12,210
Subtotal	**701,460**	**187,720**	**371,962**	**132,873**
Fair value of hedge instruments				
Operations with Derivatives	-	128,491	-	10,265
Subtotal	**-**	**128,491**	**-**	**10,265**
Total Assets	**701,460**	**316,211**	**371,962**	**143,138**

	Consolidated			
	12/31/2015		12/31/14	
	Level 1	**Level 2**	**Level 1**	**Level 2**
Liabilities				
Liabilities at the amortized cost				
Loans and financing	1,368,990	306,247	999,736	286,482
Suppliers	-	398,860	-	312,759
Related party transactions	-	181,012	-	107,003
Other payable	-	111,707	-	62,410
Subtotal	**1,368,990**	**997,826**	**999,736**	**768,654**
Fair value of hedge instruments				
Derivatives payable	-	152,168	-	61,943
Subtotal	**-**	**152,168**	**-**	**61,943**
Total Liabilities	**1,368,990**	**1,149,994**	**999,736**	**830,597**

a. Policy of use, objectives and strategies

The purpose of the Company and its subsidiaries using financial derivative instruments is to hedge operating margins (EBITDA). The Company created a Risk Management Executive Committee in July 2008 and approved the Risk Management Policy in the Board of Directors meeting held on October 29, 2008. Risk Management Executive Committee is the body that links the Company's Board of Directors and Executive Board. Its mission is to daily support Executive Board's decisions, monitor compliance with established risk limits and, when applicable, analyze and evaluate adjustment proposals or risk policies or limits reformulation, which will be then submitted to the Board of Directors' decision.

Financial derivative transactions are performed with prime financial institutions - domestic institutions rated "A" in at least one of the three main international risk classifying agencies, namely: Mood's, S&P and/or Fitch), respecting limits and exposure to foreign exchange, commodities and interest risks of its counterparties, on a regular basis.

b. Gains (losses) in financial instruments in the parent company and consolidated shareholders' equity

Forward contract transactions (NDF) and Trade Finance transactions (PPE / NCE / Res. 2770) are fixed to hedge exposure in future sales in dollar. These transactions are documented to be recorded using the hedge accounting methodology, in conformity with CPC 38. The Company records, in a shareholders' equity specific account, unrealized effects of these instruments contracted for own transactions or contracted in the consolidated sphere to cover future sales.
Financial transactions with commodities, although also being hedge instruments, are not recorded as hedge accounting and, therefore, their effects are recognized in income for the year under financial revenues or expenses.

c. Exchange risk

With the objective of protecting the sales revenues of the Company and its subsidiaries, which are subject to the volatility of the exchange rate quote, the Company uses financial derivative instruments with a portfolio that basically consists of non-deliverable forward (NDF) and options contracts.

These transactions are directly conducted with financial institutions, over the counter, where there are no margin calls. The impact on the cash flow of the Company and its subsidiaries only occurs on the settlement date of the contracts. However, it should be considered that the settlement of these financial operations is associated with the receipt of sales, which are also associated with exchange variation, hence offsetting any gains or losses in the hedging derivative instruments due to variations in the foreign exchange.

The Business Plan is updated constantly for analysis of exposure to the exchange rate risk, considering the following assumptions: (I) projection of planted area; (II) expected productivity; (III) commodities' prices quoted in dollar, considering weighted average per sales prices volume and market prices of volume to be sold; and (IV) sales distribution in analyzed periods. After the definition of the Business Plan and the measurement of the items presented previously, we arrive at the total foreign exchange exposure.

Based on the cost already formed with the advance purchase of the main inputs (fertilizers, agrochemicals and seeds) and estimate of fixed costs, the expected operating margin is obtained. Accordingly, the risk management committee will perform parameters described in the risk management policy in order to reduce standard deviation of the operating margin defined as the goal.

In the chart below we show the positions of the Company and its subsidiaries, with the nominal and fair values of each instrument contracted, to wit:

	Reference value (notional)			Fair Value (MTM)			Value in curve (Accrual)		
Description	**Currency**	**12/31/2015**	**12/31/14**	**Currency**	**12/31/2015**	**12/31/14**	**Currency**	**12/31/2015**	**12/31/14**
Forward Contracts (NDF):									
Foreign currency - Short position									
Maturity in 2015	USD	-	219,993	R$	-	(49,216)	R$	-	(50,658)
Maturity in 2016	USD	210,989	25,290	R$	(103,991)	(6,344)	R$	(94,706)	(6,223)
Maturity in 2017	USD	31,600	-	R$	(7,035)	-	R$	(3,548)	-
TOTAL	**USD**	**242,589**	**245,283**	**R$**	**(111,026)**	**(55,560)**	**R$**	**(98,254)**	**(56,881)**

Detailed foreign currency (US dollar) debt is as follows:

Counterparty	Type	Contracting rate	Notional US$	Fair Value 12/31/15	Foreign exchange variation [1]	Book value
Banco Itaú BBA S/A	NCE	R$1.5611	5,000	19,524	(11,344)	20,221
Banco Itaú BBA S/A	NCE	R$1.7800	20,000	78,096	(42,496)	79,194
Banco Itaú BBA S/A	NCE	R$1.9418	50,000	195,240	(98,150)	208,801
John Deere	Resolução 2770	R$2.0691	3,428	13,386	(6,294)	13,559
Total			**78,428**	**306,246**	**(158,284)**	**321,775**

[1] Deferred value in shareholders' equity ("hedge accounting") as a contra entry to accounts of loans and financing group.

Detailed maturities schedule of derivative transactions and deferred foreign exchange variation classified in hedge accounting methodology is as follows:

Maturity	Currency	Forward Contracts (NDF)	Export credit notes (NCE)*	Res 2770*	Total
Up to 03/31/2016	USD	(57,542)	(11,344)	-	(68,886)
Up to 06/30/2016	USD	(7,976)	-	-	(7,976)
Up to 09/30/2016	USD	(11,816)	-	-	(11,816)
Up to 12/31/2016	USD	(26,657)	-	-	(26,657)
Up to 03/31/2017	USD	(6,037)	(42,496)	-	(48,533)
Up to 06/30/2017	USD	(998)	-	(6,294)	(7,292)
Up to 06/30/2019	USD	-	(98,150)	-	(98,150)
TOTAL	**USD**	**(111,026)**	**(151,990)**	**(6,294)**	**(269,310)**

(*)Amounts referring to foreign exchange variation classified as hedge accounting. Reference (Notional) value maturity is presented in note 15.

In the chart below we present the opening of foreign exchange derivatives by counterparty (of the Company and its subsidiaries):

	Reference value (notional)			Fair Value		
Description	**Currency**	**12/31/2015**	**12/31/14**	**Currency**	**12/31/2015**	**12/31/14**
Itaú BBA S/A	**USD**	22,655	53,898	**R$**	(22,794)	(12,133)
Citibank S/A	**USD**	30,570	16,560	**R$**	(16,569)	(2,815)
Deutsche Bank Suiss S/A	**USD**	9,330	3,060	**R$**	(336)	(523)
HSBC Bank Brasil S/A	**USD**	33,840	14,995	**R$**	(5,125)	(3,913)
Bradesco S/A	**USD**	20,590	44,630	**R$**	(19,160)	(10,470)
Votorantim S/A	**USD**	60	20,995	**R$**	(51)	(4,599)
Morgan Stanley S/A	**USD**	8,750	160	**R$**	(1,130)	(21)
J.P. Morgan S/A	**USD**	33,940	41,435	**R$**	(14,368)	(12,130)
Santander Brasil S/A	**USD**	47,664	44,470	**R$**	(25,315)	(8,242)
ABC Brasil S.A.	**USD**	10,470	3,400	**R$**	(4,358)	(488)
Indusval & Partners	**USD**	-	1,680	**R$**	-	(226)
BTG Pactual S.A.	**USD**	950	-	**R$**	(17)	-
Rabobank International Brasil S.A.	**USD**	23,770	-	**R$**	(1,803)	-
Total	**USD**	**242,589**	**245,283**	**R$**	**(111,026)**	**(55,560)**

The following criteria were used for determination of the fair value of operations:

- Forward Contracts (NDF) - the future curve of the dollar published by BM&F (www.bmf.com.br), upon the closing of each was considered for each period. Based on this information, the adjustment projected in the maturity of each operation is discounted by the interest curve between the yearly closing Ptax and the future quotation upon maturity of the derivative published by BM&F.

Foreign exchange rate variation risks

The Company projected possible impact of transactions intended to hedge foreign exchange and indebtedness in dollars in 5 different scenarios for 2015 and 2016, as follows:

- Probable scenario: Based on FOCUS (BACEN) report disclosed on December 31, 2015, we defined the probable scenario with dollar quotation of R$4.2100 with currency variation of day December 31, 2015 approximately R$ 3.9048
- 25% decrease in foreign exchange rate: in this scenario, transactions would be settled at quotation of R$ 3.1575, which is 25% lower than Probable Scenario Quotation.
- 50% decrease in foreign exchange rate: in this scenario, transactions would be settled at quotation of R$ 2.1050, which is 50% lower than Probable Scenario Quotation.
- 25% increase in foreign exchange rate: in this scenario, transactions would be settled at quotation of R$ 5.2625, which is 25% higher than Probable Scenario Quotation.
- 50% increase in foreign exchange rate: in this scenario, transactions would be settled at quotation of R$ 6.3150, which is 50% higher than Probable Scenario Quotation.
-

The summary of impacts on each parent company and consolidated scenario is as follows:

Parent Company

	Remote scenario *Quotation R$*	**Possible scenario** *Quotation R$*	**Probable scenario** Quotation *R$*	**Possible scenario** Quotation *R$*	**Remote scenario** Quotation *R$*
Description	*2.1050*	*3.1575*	*4.2100*	*5.2625*	*6.3150*
Year 2016					
Highly probable estimated revenue in USD (1)	(628,764)	(314,382)	(91,163)	314,382	628,764
Estimated commitments in USD (2)	231,771	115,886	33,604	(115,886)	(231,771)
Forward Contracts (NDF) (3)	161,843	80,921	23,465	(80,921)	(161,843)
Trade Finance (Indebtedness in Dollars) (4)	62,700	31,350	9,091	(31,350)	(62,700)
Net exposure in USD (1)-(2)-(3)-(4)	**(172,450)**	**(86,225)**	**(25,003)**	**86,225**	**172,450**
Year 2017					
Highly probable estimated revenue in USD (1)	(698,115)	(349,057)	(101,218)	349,057	698,115
Estimated commitments in USD (2)	49,341	24,671	7,154	(24,671)	(49,341)
Forward Contracts (NDF) (3)	12,735	6,368	1,846	(6,368)	(12,735)
Trade Finance (Indebtedness in Dollars) (4)	49,769	24,884	7,216	(24,884)	(49,769)
Net exposure in USD (1)-(2)-(3)-(4)	**(586,270)**	**(293,134)**	**(85,002)**	**293,134**	**586,270**
Year 2018					
Highly probable estimated revenue in USD (1)	(768,211)	(384,106)	(111,382)	384,106	768,211
Trade Finance (Indebtedness in Dollars) (4)	26,313	13,156	3,815	(13,156)	(26,313)
Net exposure in USD (1)-(4)	**(741,898)**	**(370,950)**	**(107,567)**	**370,950**	**741,898**
Total	**(1,500,618)**	**(750,309)**	**(217,572)**	**750,309**	**1,500,618**

Consolidated

	Remote scenario *Quotation R$*	**Possible scenario** *Quotation R$*	**Probable scenario** Quotation *R$*	**Possible scenario** Quotation *R$*	**Remote scenario** Quotation *R$*
Description	*2.1050*	*3.1575*	*4.2100*	*5.2625*	*6.3150*
Year 2016					
Highly probable estimated revenue in USD (1)	(712,336)	(356,168)	(103,280)	356,168	712,336
Estimated commitments in USD (2)	268,143	134,072	38,878	(134,072)	(268,143)
Forward Contracts (NDF) (3)	175,989	87,994	25,516	(87,994)	(175,989)
Trade Finance (Indebtedness in Dollars) (4)	62,700	31,350	9,091	(31,350)	(62,700)
Net exposure in USD (1)-(2)-(3)-(4)	**(205,504)**	**(102,752)**	**(29,795)**	**102,752**	**205,504**
Year 2017					
Highly probable estimated revenue in USD (1)	(895,473)	(447,737)	(129,833)	447,737	895,473
Estimated commitments in USD (2)	51,825	25,913	7,514	(25,913)	(51,825)
Forward Contracts (NDF) (3)	14,693	7,346	2,130	(7,346)	(14,693)
Trade Finance (Indebtedness in Dollars) (4)	49,769	24,884	7,216	(24,884)	(49,769)
Net exposure in USD (1)-(2)-(3)-(4)	**(779,186)**	**(389,594)**	**(112,973)**	**389,594**	**779,186**

Year 2018					
Highly probable estimated revenue in USD (1)	(901,759)	(450,879)	(130,744)	450,879	901,759
Trade Finance (Indebtedness in Dollars) (4)	26,313	13,156	3,815	(13,156)	(26,313)
Net exposure in USD (1)-(4)	**(875,446)**	**(437,723)**	**(126,929)**	**437,723**	**875,446**
Total	**(1,860,136)**	**(930,069)**	**(269,697)**	**930,069**	**1,860,136**

Net foreign exchange exposure is as follows:

	Parent Company			
	12/31/2015		12/31/14	
	Amount in Reais (R$)	**Amount in Dólares (USD)**	**Amount in Reais (R$)**	**Amount in Dólares (USD)**
Trade accounts receivable (note 7)	120,481	30,855	48,421	18,229
Suppliers	(258,779)	(66,274)	(126,711)	(47,310)
Trade Finance (Indebtedness in Dollars)	(306,246)	(78,428)	(284,118)	(106,964)
Net exposure of the shareholders' equity	**(444,544)**	**(113,847)**	(362,408)	(136,045)

	Parent Company			
	12/31/2015		12/31/14	
	Amount in Reais (R$)	**Amount in Dólares (USD)**	**Amount in Reais (R$)**	**Amount in Dólares (USD)**
Trade accounts receivable (note 7)	135,461	34,691	98,083	36,926
Suppliers	(325,913)	(83,467)	(255,933)	(95,558)
Trade Finance (Indebtedness in Dollars)	(306,246)	(78,428)	(284,118)	(106,964)
Net exposure of the shareholders' equity	**(496,698)**	**(127,204)**	(441,968)	(165,596)

d. Price risk

Most of the protection against the variation of commodity prices is performed through advanced sales directly with our forward contract clients. In addition, futures and options contracts are also used, traded in stock exchange environment, as well as financial transactions with swap and options contracts with financial institutions in the over-the-counter market. These operations are negotiated with reference in prices of commodities quoted in the futures market. All the operations are related to the net exposure of the production of the Company and its subsidiaries, so that every operation is guaranteed by a physical product. Transactions conducted in stock exchange environment need to have initial margins available and adjustments are made on a daily basis. While transactions conducted with financial institutions do not need initial margins, as these transactions are backed by a credit limit pre-approved by financial institutions.

We show, in the chart below, derivative financial instruments contracted to hedge against commodities prices variation, that effects were recorded in equity because the financial instrument was trated as hedge accounting.

	Reference value (notional)			Fair value		
Description	**Currency**	**12/31/2015**	**12/31/14**	**Currency**	**12/31/2015**	**12/31/14**
Year of Maturity at 2015						
Financial operations						
Commodities – Cotton	**USD**	-	35,755	**R$**	-	5,928
Commodities - Corn	**USD**	-	10,427	**R$**	-	(1,034)
Commodities – Soybean	**USD**	-	3,424	**R$**	-	61
Subtotal	**USD**	-	49,606	**R$**	-	4,955

Year of Maturity at 2016						
Financial operations						
Commodities – Cotton	**USD**	58,995	-	**R$**	2,643	-
Commodities - Corn	**USD**	6,155	-	**R$**	1,044	-
Subtotal	**USD**	**65,150**	-	**R$**	**3,687**	-
Total	**USD**	**65,150**	49,606	**R$**	**3,687**	4,955

Derivative financial instruments not recognized as hedge accounting:

	Reference value (notional)			Fair value		
Description	**Currency**	**12/31/2015**	**12/31/14**	**Currency**	**12/31/2015**	**12/31/14**
Financial operations						
Commodities – Cotton	**USD**	-	15,146	**R$**	-	763
Subtotal	**USD**	-	15,146	**R$**	-	763

Variation risks for the commodities' price

The Company projected potential impact of soybean and cotton prices variation in five scenarios for years 2015 and 2016, as follows:

• Probable scenario: Based on closing price of December 31, 2015 of future reference contract in stock exchange where production is priced.

• Decrease of 25% in price of future reference contract in stock exchange in which production is priced.

• Decrease of 50% in price of future reference contract in stock exchange in which production is priced.

• Increase of 25% in price of future reference contract in stock exchange in which production is priced.

• Increase of 50% in price of future reference contract in stock exchange in which production is priced.

Evaluation of price sensitivity considers as exposure total estimated revenues (highly probable sales revenue) and total contracted hedging instruments - normally represented by future sales of agricultural products - in relation to exposure of these same items sold (highly probable hedged revenue).

Summary of impacts in each projected scenario translated into R$ at closing PTAX on December 31, 2015:

Income Variation highly to price scenarios - R$ 1,000.00

Description	Remote scenario - 50%	Possible scenario - 25%	Probable scenario	Possible scenario + 25%	Remote scenario +50%
Cotton - Year 2016					
Highly probable income	764,663	813,640	862,617	911,594	960,571
Highly probble income protected	666,709	666,709	666,709	666,709	666,709
Net exposure	97,954	146,931	195,908	244,885	293,862
Change in net exposure	(97,954)	(48,977)	-	48,977	97,954
Soyben - Year 2016					
Highly probable income	556,864	628,965	694,505	763,326	832,146
Highly probble income protected	419,223	419,223	419,223	419,223	419,223

Net exposure	137,641	206,462	275,282	344,102	412,923
Change in net exposure	(137,641)	(68,820)	-	68,821	137,641
Cotton - Year 2017					
Highly probable income	456,462	678,237	900,013	1,121,788	1,343,564
Highly probble income protected	12,911	12,911	12,911	12,911	12,911
Net exposure	443,551	665,326	887,102	1,108,877	1,330,653
Change in net exposure	(443,551)	(221,775)	-	221,775	443,551
Soyben - Year 2017					
Highly probable income	338,835	508,252	677,669	847,086	1,016,504
Net exposure	338,835	508,252	677,669	847,086	1,016,504
Change in net exposure	(338,835)	(169,147)	-	169,417	338,835

*Ptax final sale of the year R$ 3.9045

(*) Current contracts provide for a minimum fixed remuneration that is higher than estimated price for remote scenario on balance sheet date.

The Company has a balance of R$112,264 of securities payable, linked to land purchase contracts and indexed by soybean quotation, as described in Note 18. The Company believes that potential gains or losses relating to variation of soybean for 2015 are not significant, considering the sensitivity of possible scenarios and remote and potential future sales soybeans, which outweigh these potential effects on income.

e. Interest rate risk

A portion of the Company's indebtedness is linked to floating interest rates. Floating interest rates on our indebtedness are TJLP (long-term interest rate), present in BNDES financing transactions, and LIBOR (*London Interbank Offered Rate*), which is the interest rate used for international loans.

To protect against variation in these interest rates, the Company conducts hedge transactions through interest rate swap transactions with prime financial institutions. These transactions consist in exchanging floating interest rates by fixed interest rates, therefore, the Company has long position on floating interest rates (TJLP or Libor) and, simultaneously, short position on fixed interest rate. Principal (notional) value and maturities of swap transactions are identical to debt flow, which is the object of hedge. Accordingly, debt floating interest rate fluctuation risk is eliminated.

Detailed swap transaction for interest rates and debts indexed to Libor rate is as follows:

			Adjustment
Counterparty	**Hedge instrument**	**Hedged object**	**Financial income**
Santander	Swap of R$ 30MM (Assets VC / Liability CDI)	Debit of USD 11.3MM a interest of 2.95 aa.	6,665
Santander	Swap of R$ 50MM (Assets VC / Liability CDI)	Debit of USD 17.6MM a interest of 1.85 aa.	14,057
Tokio-Mitsubishi	Swap of R$ 159MM (Assets VC / Liability CDI)	Debit of USD 60MM a interest of 3.12 aa.	66,563
Rabobank	Swap of R$ 17MM (Assets VC / Liability CDI)	Debit of USD 4,5MM a interest of 3.90 aa.	(127)
Rabobank	Swap of R$ 117MM (Assets VC / Liability CDI)	Debit of USD 30MM a interest of 4.10 aa.	(2,839)
Santander	Swap of R$ 14MM (Assets VC / Liability Pre)	Debit of USD 4MM a interest of 3.47 aa.	1,117
Rabobank	Swap of R$ 40MM	Debit of USD 4MM a	(1,776)

	(Assets VC / Liability CDI)	interest of 3.90 aa.	
Total			**83,660**

Variation risks of Interest rate

For the purpose of verifying sensitivity of indices for the Company's debts, based on position at December 31, 2015, five different scenarios were defined. Based on FOCUS (Bacen) report of December 31, 2015, we defined indices for CDI and foreign exchange, while for Libor rate, we considered BM&F also On December 31, 2015, and for TJLP, rate valid on yearend was considered. Based on this information, we defined Probable Scenario for analysis and, based on it, variations of 25% and 50% were calculated.

For each scenario the Company considered the financial expense or gross financial expense, not taking into account the taxes levied and the flow of maturities of debts and redemptions for interest earning bank deposits scheduled to 2016. The portfolio's base date was December 31, 2015, projecting indices for one year and verifying their:

	Interest rate *	Balance in 12/31/15	Decrease of 50%	Decrease of 25%	Probable Scenario	Increase of 25%	Increase of 50%
Debt in Reais - Prefixed rate							
Rural credit	9.45%	325,424	N/A	N/A	N/A	N/A	N/A
Constitutional Funds	9.35%	275,089	N/A	N/A	N/A	N/A	N/A
BNDES	5.23%	126,340	N/A	N/A	N/A	N/A	N/A
Working Capital	15.53%	20,447	N/A	N/A	N/A	N/A	N/A
Export financing	15.41%	8,516	N/A	N/A	N/A	N/A	N/A
Debt in Reais – Post-fixed rate							
BNDES	TJLP	27,261	(1,735)	(2,212)	(2,689)	(3,166)	(3,643)
BNDES	UMBNDES	21,893	(1,075)	(1,299)	(1,522)	(1,745)	(1,968)
Export financing	CDI + 0.93% (média)	233,688	(18,702)	(26,963)	(35,224)	(43,485)	(51,746)
Debits in Dólares							
NCE	Libor 6M + 2.48 a.a.(average)	308,215	(13,595)	(14,182)	(14,391)	(15,355)	(15,942)
Contrato NCE Itaú 106301110456070	Libor 6M + 2.8% a.a.	44,807	N/A	N/A	N/A	N/A	N/A
Contrato NCE Itaú 106311030900080	Libor 6M + 3.95% a.a.	66,850	N/A	N/A	N/A	N/A	N/A
Contrato NCE Itaú 106312005874020	Libor 6M + 4.18% a.a.	112,736	N/A	N/A	N/A	N/A	N/A
Contrato PPE Bradesco	Libor 6M + 2.80% a.a.	27,528	N/A	N/A	N/A	N/A	N/A
Contrato PPE HSBC	Libor 6M + 2.95% a.a.	4,417	N/A	N/A	N/A	N/A	N/A
PPE	3.12% a.a.	234,485	N/A	N/A	N/A	N/A	N/A
Investment financing	Libor 6M + 5% a.a.	13,559	(742)	(774)	(806)	(837)	(869)
Working Capital	3.32%	283,961	N/A	N/A	N/A	N/A	N/A
Swaps - Debits in Dólares							
Swap VC x CDI + PRÉ**	Assets: 3.12% a.a. Liability: CDI + 0.921% a.a.	66,563	(5,319)	(7,672)	(10,025)	(12,378)	(14,731)
Swap VC x CDI + PRÉ**	Assets: 2.9500 % a.a. Liability: CDI + 1.1% a.a.	6,665	(545)	(780)	(1,016)	(1,251)	(1,487)
Swap VC x CDI**	Assets: 2.1760 % a.a. Liability: CDI+ 99.55 % a.a.	14,057	(985)	(1,482)	(1,979)	(2,476)	(2,973)
Swap VC x PRÉ**	Assets: 3.47 % a.a. Liability: 15.35 % (advance)	1,117	N/A	N/A	N/A	N/A	N/A
Swap VC x CDI + PRÉ**	Assets: 3.90 % a.a. Liability: CDI+1% a.a.	(1,776)	143	206	269	332	394
Swap VC x CDI + PRÉ**	Ativo: 3.90 % a.a. Passivo: CDI + 1%	(127)	10	15	19	24	28
Swap VC x CDI + PRÉ**	Ativo: 4.10 % a.a. Passivo: CDI + 1%	(2,839)	229	329	430	530	631
Interest earnings bank deposits							
CDB and Debentures	99.54% CDI	700,994	49,716	74,574	99,432	124,290	149,148

(*) Average annual rates

(**) Amounts referred to determination of the adjustment of operation On December 31,2015.

f. Credit risk

A substantial portion of the Company and its subsidiaries sales is made to selected and highly qualified clients: trading companies and weaving companies, among others that regularly acquire large volumes to guarantee local and international negotiation. The credit risk is managed by specific customer acceptance rules, credit analysis and setting of limits of exposure by the client. Historically, the Company and its subsidiaries have not recorded significant losses in trade accounts receivable.

Related to above mentioned, the credit risk is not relevant. The Company consider the trade receivables amount for this risk. On December 31, 2015 that amount is R$ 158,743 in the parent company and consolidated R$ 176,691. (R$ 62,407 in the parent company and R$ 120,663 in the consolidated as of December 31,2014).

g. Liquidity risk

Gross outgoing flows disclosed in the table below represent undiscounted contract cash flows related to derivative and non-derivative financial liabilities held to hedge against risks and that are normally not closed before contract maturity. This chart presents net cash flows for cash derived settled by net exposure and gross outbound cash flows for cash derived with gross simultaneous settlement.

	Parent Company							
December 31, 2015	**Book Value**	**Contractual cash flow**	**up to 1 year**	**1 to 2 years**	**2 to 3 years**	**3 to 4 years**	**4 to 5 years**	**over 5 years**
Financial liabilities								
Non Derivatives								
Loans and financing	1,684,320	1,896,848	867,186	358,884	318,123	290,888	20,933	40,834
Suppliers	310,585	310,585	310,585	-	-	-	-	-
	1,994,905	**2,207,433**	**1,177,771**	**358,884**	**318,123**	**290,888**	**20,933**	**40,834**
Derivatives								
Operations with Derivatives	10,841	(10,841)	(83,688)	2,419	28,446	41,982	-	-
	2,005,746	**2,196,592**	**1,094,083**	**361,303**	**346,569**	**332,870**	**20,933**	**40,834**

	Consolidated							
December 31, 2015	**Book Value**	**Contractual cash flow**	**up to 1 year**	**1 to 2 years**	**2 to 3 years**	**3 to 4 years**	**4 to 5 years**	**over 5 years**
Financial liabilities								
Non Derivatives								
Loans and financing	1,878,877	2,108,726	971,772	411,753	328,133	297,973	27,952	71,143
Suppliers	398,860	398,860	398,860	-	-	-	-	-
Securities payable	112,264	116,059	81,807	27,337	6,915	-	-	-
	2,390,001	**2,623,645**	**1,452,439**	**439,090**	**335,048**	**297,973**	**27,952**	**71,143**
Derivatives								
Operations with Derivatives	23,677	(23,677)	(93,905)	(200)	28,446	41,982	-	-
	2,413,678	**2,599,968**	**1,358,534**	**438,890**	**363,494**	**339,955**	**27,952**	**71,143**

	Parent Company							
December 31, 2014	**Book Value**	**Contractual cash flow**	**up to 1 year**	**1 to 2 years**	**2 to 3 years**	**3 to 4 years**	**4 to 5 years**	**over 5 years**
Financial liabilities								
Non Derivatives								
Loans and financing	921,937	1,000,722	446,205	198,917	132,162	98,105	99,193	26,140
Suppliers	154,568	154,568	154,568	-	-	-	-	-
	1,076,505	1,155,290	600,773	198,917	132,162	98,105	99,193	26,140
Derivatives								
Operations with Derivatives	34,811	(34,811)	(26,608)	(4,255)	-	-	(3,948)	-
	1,111,316	**1,120,479**	**574,165**	**194,662**	**132,162**	**98,105**	**95,245**	**26,140**

December 31, 2014 Financial liabilities	Consolidated							
	Book Value	Contractual cash flow	up to 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	over 5 years
Não Derivatives								
Loans and financing	1,331,976	1,437,371	810,949	211,099	143,262	109,703	106,271	56,087
Suppliers	312,759	312,759	312,759	-	-	-	-	-
Securities payable	66,440	66,440	49,689	11,231	5,520	-	-	-
	1,711,175	1,816,570	1,173,397	222,330	148,782	109,703	106,271	56,087
Derivatives								
Operations with Derivatives	51,678	(51,678)	(42,715)	(5,015)	-	-	(3,948)	-
	1,762,853	**1,764,892**	**1,130,682**	**217,315**	**148,782**	**109,703**	**102,323**	**56,087**

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or different values.

h. Summary of the derivative transactions outstanding

We present, below, the derivative financial instruments of the Company consolidated and that are reflected in assets and liabilities:

Description	Reference value (notional)				Fair value recorded in assets		Fair value recorded in liabilities	
	Currency	12/31/2015	12/31/14	Currency	12/31/2015	12/31/14	12/31/2015	12/31/14
Hedge operations for exchange rates								
Non Deliverable Forwards - 21.c	USD	242,589	245,283	R$	988	166	112,014	55,726
Trade Finance Contracts[1] - 21.c	USD	78,428	106,964	R$	-	-	158,284	90,562
Subtotal	**USD**	**321,017**	**352,247**	**R$**	**988**	**166**	**270,298**	**146,288**
Hedge operations for products								
Cotton - Financial operations 21.d	USD	58,995	50,901	R$	2,766	6,691	123	-
Corn - Financial operations21.d	USD	6,155	10,427	R$	1,044	-	-	1,034
Soybean - Financial operations 21.d	USD	-	3,424	R$	-	61	-	-
Subtotal	**USD**	**65,150**	**64,752**	**R$**	**3,810**	**6,752**	**123**	**1,034**
Hedge operations for inputs								
Swap VC x Pré	**USD**	4,000	-	R$	1,117	-	-	-
Swap VC x CDI+Pré	USD	104,500	63,800	R$	66,563	430	4,742	3,948
Swap VC+1 x CDI	USD	23,300	11,300	R$	20,722	1,329	-	1,234
Swap CDI x VC+Pré	USD	-	22,137	R$	-	1,587	-	-
Subtotal	USD	**131,800**	**97,237**	**R$**	**88,402**	**3,346**	**4,742**	**5,182**
Total	USD	**517,967**	**514,236**		**93,200**	**10,264**	**275,163**	**152,504**
(-) Portion classified in current assets					**(26,639)**	**(8,936)**	**(42,966)**	**(58,570)**
Portion in noncurrent liabilities					**66,561**	**1,328**	**232,197**	**93,934**

[1] Deferred value in shareholders' equity ("hedge accounting") as a contra entry to accounts of loans group.

i. Financial income with derivative operations

We present, at their fair value, the consolidated gains and losses in the period, grouped by the

Description	Currency	Gains and Losses recorded in the income				Gains and Losses recorded in Shareholders' equity	
		Allocated in the gross income at		Allocated in the financial income at			
		12/31/2015	12/31/14	12/31/2015	12/31/14	12/31/2015	12/31/14
Foreign exchange hedge operations							
Non Deliverable Forwards	**R$**	(194,040)	(15,304)	(363)	(78)	(134,840)	(55,250)
Trade Finance Contracts	**R$**	(54,829)	(25,096)	-	-	(158,284)	(90,562)
Sub-total	**R$**	**(248,869)**	**(40,400)**	**(363)**	**(78)**	**(293,124)**	**(145,812)**
Hedge operations for commodities							
Agricultural commodities swap							
Cotton	**R$**	17,495	14,080	(230)	484	3,815	5,433

Corn		-	-	-	-	-	463
Soybean		-	-	-	(2,791)	-	-
Sub-total	**R$**	**17,495**	**14,080**	**(230)**	**(2,307)**	**3,815**	**5,896**
Interest Hedge Transactions							
Swap Libor x Pré	**R$**	-	-	-	(2,024)	-	-
Swap VC x Pré	**R$**	-	-	254	430	-	-
Swap VC x CDI	**R$**	-	-	92,014	(927)	(15,840)	-
Swap CDI x VC+Pré	**R$**	-	-	10,365	2,642	-	-
Sub-total	**R$**	**-**	**-**	**102,633**	**121**	**(15,840)**	**-**
TOTAL	**R$**	**(231,374)**	**(26,320)**	**102,040**	**(2,264)**	**(305,149)**	**(139,916)**

j. Capital management

Main purpose of capital management is to ensure continuity of the company's business by maintaining a low leverage level policy, thus hedging its capital against government economic policy fluctuations, and maximizing value for shareholder.

The Company administrates capital structure and adjusts it considering changes in economic conditions of the country. To maintain or adjust the capital structure, the Company may adjust the policy for payment of dividends to shareholders.

There was no change in the Company's dividends policy, objectives, policies or capital management processes in the years ended December 31, 2015 and December 31, 2014.

	Parent Company		**Consolidated**	
	12/31/2015	**12/31/14**	**12/31/2015**	**12/31/14**
Short and long-term loans and financing	1,684,320	921,937	1,878,877	1,331,976
(-) Cash and cash equivalents and short-term interest earnings bank deposits	(550,376)	(159,921)	(701,460)	(371,962)
Net debt	**1,133,944**	762,016	**1,177,417**	960,014
Shareholders' equity	**2,205,708**	2,203,370	**2,392,263**	2,393,008
Financial leverage index	**51.4%**	34.6%	**49.2%**	40.1%

23 Gain-sharing program

In conformity with Collective Work Agreements entered into with employee's categories, the Company and its subsidiaries have a profit sharing plan for all its employees.

The amount to be distributed as profit sharing is calculated based on the Company's consolidated net income; part of the amount is freely distributed to beneficiaries, and the other part is linked to goals established for each production unit.

Interest is calculated by applying 9% to consolidated net income. Of this amount, 60% will be distributed to beneficiaries and 40% will depend on compliance with goals established for each production unit. Goal value is limited to 2 nominal salaries for each employee that is beneficiary of the plan.

The value provision in the income for the period in the administrative expenses' group is as follows:

	Parent Company		**Consolidated**	
	12/31/15	12/31/14	**12/31/15**	12/31/14
Profit sharing	**6,337**	4,174	**7,940**	6,184

24 Share-based payment

a. Stock option plan

In the Special Shareholders' Meeting held on May 23, 2007, the Company's shareholders approved a stock option plan that will be effective beginning as of June 15, 2007, for the Company's officers and managers. The plan is managed by the Management Committee, created by the Board of Directors on May 23, 2007.

The stock option plan is limited to a maximum of options that result in dilution of 3% of the Company's capital on creation date of each Annual Program. Dilution is the percentage represented by the number of shares underlying the options by the total number of shares issued by the Company.

Stock Option Plan beneficiaries may exercise their options within 5 years counted as of respective grant. Grace period (Vesting) will be up to 3 years, with releases of 30% counted as of the first birthday, 60% counted as of the second birthday and 100% counted as of the third birthday. The Company has a 30-day period to issue shares, counted as of date of delivery of the Stock Option Plan Exercise Term.

In Board of Directors meetings held on November 10, 2010, November 9, 2011, November 13, 2012 and November 13, 2013, May 06, 2015 and November 11,2015, Annual Programs for 2010, 2011, 2012 ,2013, 2014 and 2015 were approved, with granting of 805,000, 899,000, 809,000, 933,000, 770,000 and 393,000 options for purchase of shares, respectively.

Movement of shares granted in the Annual Program for 2010, 2011, 2012 , 2013 ,2014 and 2015, respective exercise prices, in Reais, are as follows:

		Quantity of shares				
Grant year	Strike price - R$	Balance in 12/31/14	Granted	Canceled	Exercised	Balance in 12/31/15
2010	R$ 16.87	427,400	-	-	(427,400)	0
2011	R$ 16.24	604,400	-	-	(81,800)	522,600
2012	R$ 17.09	744,000	-	(27,000)	(19,000)	698,000
2013	R$ 17.32	888,000	-	(27,000)	(12,000)	849,000
2015	R$ 12.31	-	770,000	(20,000)	-	750,000
2015	R$ 13.79	-	393,000	-	-	393,000
		2,663,800	1,163,000	(74.000)	(540,200)	3,212,600

		Quantity of shares			
Grant year	Strike price - R$	Balance in 12/31/13	Canceled	Exercised	Balance in 12/31/14
2009	R$ 15,00	8,700	-	(8,700)	-
2010	R$ 16.87	463,400	(36,000)	-	427,400
2011	R$ 16.24	680,700	(31,401)	(44,899)	604,400
2012	R$ 17.09	801,000	(57,000)	-	744,000
2013	R$ 17.32	933,000	(45,000)	-	888,000
		2,886,800	(169,401)	(53,599)	2,663,800

Exercise price of Annual Programs for 2012, 2013, 2014 and 2015 were defined based on average of 90 quotations of the Company's share at Bovespa, prior to plan approval, with discounts of 20%, 15% and 20% respectively.

Exercise price of Annual Programs for 2010 and 2011 were also defined based on average of 90 quotations of the Company's shares at Bovespa, prior to plan approval, but without discounts.

Grace periods counted as of grant date are as follows:

Grace periods beginning as of grant date	% of options released to be exercised	Maximum quantity of shares
As from – 11/08/2012	2%	65,200
As from– 11/09/2012	2%	65,200
As from– 11/02/2012	2%	65,200
As from– 11/08/2013	5%	163,800
As from– 11/11/2013	5%	163,800
As from– 11/13/2013	9%	297,400
As from– 11/10/2014	20%	656,200
As from– 11/13/2014	30%	957,000
As from– 11/13/2015	48%	1,553,000
As from– 05/06/2016	55%	1,778,000
As from– 11/10/2016	59%	1,895,900
As from– 11/13/2016	75%	2,412,500
As from– 05/08/2017	82%	2,637,500
As from– 11/11/2017	86%	2,755,400
As from– 05/07/2018	95%	3,055,400
As from– 11/11/2018	100%	3,212,600

The Company recognizes stock option plan costs based on fair value of granted shares, considering their fair value on grant date. Model used to measure options fair values is the Black-Scholes method. Weighted average fair value, considered premiums and economic assumptions used to calculate using the model are as follows:

	2010	2011	2012	2013	2014	2015
Weighted average fair value	R$ 28.73	R$ 21.75	R$ 23.66	R$ 24.47	R$ 19.94	R$ 21.36
Awards	R$ 11.86	R$ 5.51	R$ 6.57	R$ 7.15	R$ 7.63	R$ 7.57
Dividends	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Volatility of share price	60.40%	39.90%	36.56%	31.05%	31.80%	33.44%
Risk-free rate of return						
1st maturity	11.40%	9.98%	7.31%	10.78%	13.70%	15.41%
2nd maturity	11.92%	10.16%	7.90%	11.64%	13.41%	15.72%
3rd maturity	11.88%	10.46%	8.38%	11.95%	13.20%	15.78%
Period expected up to the maturity						
1st maturity	365	365	365	365	366	366
2nd maturity	730	730	730	730	733	731
3rd maturity	1,097	1,097	1,095	1,096	1,097	1,096

In compliance with CPC 10 (R1), based on the grace periods presented, the company recognized in net income the amounts arising from the stock option plan according to the duration of the vesting period, with a contra entry in shareholders' equity in a specific capital reserve account in the amount of R$4,898 (expense) On December 31, 2015 (R$4,354 on December 31, 2014).

Reconciliation of share options outstanding

The number and weighted average of exercise prices of stock options that are under the stock option program are the following:

	Weighted average of the exercise	Number of options	Weighted average of the exercise	Number of options
	12/31/15	12/31/15	12/31/14	12/31/14
Outstanding at January 1	R$18.01	2,663,800	R$16.92	2,886,800
Granted during the period	R$12.81	1,163,000	R$17.32	-
Exercised during the period	R$16.79	(540,200)	R$16.04	(53,599)
Canceled during the period	R$15.88	(74,000)	R$16.95	(169,401)
Outstanding	R$16.75	3,212,600	R$18.01	2,663,800
Exercisable	R$16.85	1,553,000	R$16.71	1,503,400

The options outstanding at December 31, 2015 have an exercise price in the range of R$ 16.24 to R$ 13.79 (R$ 15.00 to R$ 17.32 at December 31, 2014) and weighted average contractual life of 3.2 years (2.8 years at December 31, 2014).

The weighted average share price on the vesting date for stock options exercised in the period ended December 31, 2015 was R$16.85 (R$16.04 in the period ended December 31, 2014).

b. Share-based restricted plan

In the Special Shareholders' Meeting held on April 29, 2015, the Company's shareholders approved a share-based restricted plan that will be effective beginning as of November 11, 2015, for the Company's officers and managers. The Management Committee, created by the Board of Directors on May 23, 2007, manages the plan.

The total number of Restricted Shares that may be granted each year under the Plan, considering the sum of all active programs, shall not exceed 1% (one percent) of the shares representing the total share capital of the Company.

The beneficiaries of the Share-based restricted plan acquired the rights to the Restricted Shares to the extent that remain continuously as an administrator or employee of the Company or subsidiary, for the period between the Grant Date and the specified dates. The vesting period is up to three years, with releases of 30% from the first anniversary, 60% from second year and 100% after the third anniversary.

The beneficiaries may not engage, sell, assign, sell or transfer directly or indirectly, the Restricted Shares before the acquisitions of the rights abovementioned. Once the conditions and the compliance with the legal and regulatory requirements are set, including but not limited to, obtaining Brazilian Securities Commission - CVM approval for private transfer of shares, the Company will transfer to the beneficiary their Shares.

		Quantity of shares				
Grant year	Strike price - R$	Balance in 12/31/14	Granted	Canceled	Exercised	Balance in 12/31/15
2015	R$ 17.79	-	98,250	-	-	98,250
		-	98,250	-	-	98,250

25 Government subsidy and assistance

a. Deferral and deemed credit ICMS

The Company receives incentives for the deferral of ICMS debts in soybean, corn and cotton seed transactions through adhesion of Farm Planalto to Fundersul program (Mato Grosso do Sul State Road System Development Fund) and Farm Planorte and Farm Paiaguás to program FETHAB (Transportation and Housing Fund). To enjoy deferral incentive, the Company must make a request to State Departments, waive ICMS credits on entries to which it would be entitled and pay Fundersul to Mato Grosso do Sul State and FETHAB to Mato Grosso State and FACS (Support Fund for Soybean).

Governments of Mato Grosso do Sul and Goiás, by law nunber 9.716/99, of Goias state, and by law number 13.506/99, granted ICMS deemed credit incentives in transactions with cotton fiber, a reduction 70% to 75% in ICMS payable through the adhesion of Farm Planalto to PDAGRO (Mato Grosso do Sul State) program and of Farm Pamplona to PROALGO (Goiás State) program. The Mato Grosso State grants presumed credit of 75% of ICMS on cotton sales, cotton seed and fibril. By opting for these programs the Company is prevented from appropriate credit for purchases of raw materials, inputs and fixed assets

In order to be entitled to participate in these incentives, the Company must forward an option term to State Departments, waive ICMS credits to which it would be entitled for procurement of inputs, raw materials and fixed assets provide accessory information on this tax waive and pay PDAgro to Mato Grosso do Sul State and Fialgo to Goiás State.

Deemed credits are credited to income in caption taxes on sales, as a contra entry to caption taxes payable. The amount of R$1,699 of deemed ICMS credit was recognized at the parent company and R$2,291 in the consolidated statement in the year ended December 31, 2015.

b. Incentive of Corporate Income Tax (IRPJ) Reductions

The Company receives incentives in the subsiriary Planorte Farm, located in Mato Grosso States, which IRPJ tax incentives granted by SUDAM (Amazon Development Authority). The incentive comprises of the decrease of 75% of IRPJ and nonrefundable additional amounts.

Farm Planorte enjoys this incentive up to production and trading limit of 13,478 tons of cotton fiber and 18,533 tons of cotton seed per year. This incentive expired in 2015.

IRPJ reduction incentive amounts are charged to IRPJ Payable in current liabilities, and credited to current taxes in income for the year. IRPJ reduction incentive amount may not be distributed to shareholders as dividends and, for this reason, the annual incentive amount is transferred from caption accumulated income to capital reserve, in Shareholders' Equity This reserve may only be used to be incorporated to capital or to absorb losses

The subsidiary Planorte Farm had earnings with IRPJ (Corporate Income Tax) reduction incentive in the amount of R$2,351 in the period ended December 31, 2015.

26 Insurance coverage

The detailing of the insurances contracted and the coverage are as follows:

Policy	Nature	Maturity	Coverage
33.31.16542817.0	Vehicles of SLC Agrícola	10/10/15 à 10/10/16	Against third parties
33.31.16543101.0	Vehicles of Fazenda Planorte	10/10/15 à 10/10/16	Against third parties
33.31.16577161.0	Vehicles of Fazenda Perdizes	10/10/15 à 10/10/16	Against third parties
33.31.16543063.0	Vehicles of Fazenda Pioneira	10/10/15 à 10/10/16	Against third parties
33.31.16542947.0	Vehicles of SLC-Mit	10/10/15 à 10/10/16	Against third parties
1078/0000154/30	Machinery and equipment [1]	10/09/15 à 10/09/16	R$ 330,857,807.71
N/A	Fixed assets - Fazendas [2]	01/11/16 à 01/11/17	R$ 36,496,553.26
08737.2016.01.0118.000152	Administration	01/12/16 à 01/10/17	R$ 2,200,000.00
25.51.8150069.12	General liabilities	12/02/15 à 12/02/16	R$ 5,000,000.00
20.96.000031	Inventory	03/24/15 à 03/24/16	R$ 40,000,000.00
37.10.4000459.0	General liabilities - SLC Agrícola	06/28/15 à 06/28/16	R$ 30,000,000.00
37.10.4000459.0 (Endosso: 25.10.8100313.12)	General liabilities - Fazenda Pioneira [3]	09/14/15 à 06/28/16	R$ 30,000,000.00
37.10.4000461.0	General liabilities - Landco	06/28/15 à 06/28/16	R$ 30,000,000.00

[1] Total covered. Each machine/equipament has been covered up to the limit of its value.

[2] Not yet issued.

[3] Included in SLC Agrícola.

O Grupo adota a política de contratar cobertura de seguros para os bens sujeitos a riscos por montantes considerados suficientes para cobrir eventuais sinistros, considerando a natureza de sua atividade.

27 Net sales

	Controladora		Consolidado	
	12/31/15	12/31/14	12/31/15	12/31/14
Gross operating income	**1,113,637**	821,263	**1,825,622**	1,567,503
Sale of goods	**1,153,372**	783,639	**1,777,165**	1,430,651
Change in fair value of the biological assets	**118,850**	57,175	**279,830**	163,171
Income (loss) from hedge operations	**(158,585)**	(19,551)	**(231,373)**	(26,319)
Deductions, taxes and contributions	**(42,977)**	(41,306)	**(64,041)**	(68,328)
Net operating income	**1,070,660**	779,957	**1,761,581**	1,499,175

28 Expenses per type

	Parent company		Consolidated	
	12/31/15	12/31/14	12/31/15	12/31/14
Expenses according to the role				
Cost of goods sold	**889,088**	674,351	**1,328,460**	1,166,090
Sales expenses	**58,740**	48,026	**92,070**	85,335
General and administrative expenses	**47,559**	40,353	**58,437**	53,735
Other operating expenses	**19,037**	21,393	**24,562**	22,859
	1,014,424	784,123	**1,503,530**	1,328,019
Expenses per type				
Depreciation and amortization	**68,613**	64,728	**106,803**	99,919
Personnel expenses	**129,564**	101,767	**189,928**	169,637
Raw material and material	**627,140**	488,739	**909,635**	800,740
CPV biological asset variation	**135,142**	80,161	**227,270**	192,600
Freight	**32,490**	27,236	**45,441**	45,896
Other expenses	**21,475**	21,492	**24,452**	19,227
	1,014,424	784,123	**1,503,530**	1,328,019

29 Segment information

Two (2) reportable segments are the Company's strategic business units. Strategic business units offer different products and services. For each strategic business unit, Management analyses internal reports at least once in the quarter. The Group's reportable segment operations can be detailed as follows:

- Agricultural production segment: plantation of cotton, soybean, corn, wheat and coffee.
- Land portfolio segment: acquisition and development of land for agriculture.

Information referring to each reportable segment results are included below. Performance is evaluated based on segment results before income tax and social contribution, and is included in internal reports analyzed by the Group's management. The segment income is used to evaluate performance, as management believes that this information is the most relevant for evaluating segments' results.

	Agricultural Production		Land		Eliminations		Consolidated	
	12/31/15	12/31/14	12/31/15	12/31/14	12/31/15	12/31/14	12/31/15	12/31/14
Net revenue	1,761,581	1,499,175	82,830	80,325	(82,830)	(80,325)	1,761,581	1,499,175
Products Costs	(1,259,353)	(1,099,365)	-	-	(69,107)	(66,725)	(1,328,460)	(1,166,090)
Gross income	**502,228**	**399,810**	**82,830**	**80,325**	**(151,937)**	**(147,050)**	**433,121**	**333,085**
Operating expenses/ income	**(145,007)**	**(139,486)**	**(2,616)**	**(2,801)**	-	-	**(147,623)**	**(142,287)**
Sales expenses	(92,070)	(85,335)	-	-	-	-	(92,070)	(85,335)
General and administrative expenses	(46,462)	(42,913)	(1,247)	(1,351)	-	-	(47,709)	(44,264)
Management compensation	(9,361)	(8,098)	(1,367)	(1,373)	-	-	(10,728)	(9,471)
Other operating income (expenses)	2,886	(3,140)	(2)	(77)	-	-	2,884	(3,217)
Income (loss) before financial income (loss) and taxes	**357,221**	**260,324**	**80,214**	**77,524**	**(151,937)**	**(147,050)**	**285,498**	**190,798**
Net financial income (loss)	(138,593)	(102,776)	19,749	1,050	-	-	(118,844)	(101,726)
Income (loss) before income tax	**218,628**	**157,548**	**99,963**	**78,574**	**(151,937)**	**(147,050)**	**166,654**	**89,072**
Income and social contribution taxes	(27,992)	(8,009)	(17,491)	(10,920)	-	-	(45,483)	(18,929)
Consolidated Income / Loss for the Period	**190,636**	**149,539**	**82,472**	**67,654**	**(151,937)**	**(147,050)**	**121,171**	**70,143**

	Agricultural Production		Land		Eliminations		Consolidated	
	12/31/15	12/31/14	**12/31/15**	12/31/14	**12/31/15**	12/31/14	**12/31/15**	12/31/14
Total assets								
Land	-	-	1,180,793	1,205,121	-	-	1,180,793	1,205,121
Adjustment to Fair Value – Land	-	-	683,910	641,616	(683,910)	(641,616)	-	-
Other assets	3,322,450	2,433,767	806,390	859,746	-	-	4,128,840	3,293,513
Total assets	**3,322,450**	2,433,767	**2,671,093**	2,706,483	**(683,910)**	(641,616)	**5,309,633**	4,498,634
Total liabilities	3,546,090	2,647,952	1,763,543	1,850,682	-	-	5,309,633	4,498,634
Tax effects on Fair Value – Land	-	-	451,381	423,467	(451,381)	(423,467)	-	-
Total liabilities	**3,546,090**	2,647,952	**2,214,924**	2,274,149	**(451,381)**	(423,467)	**5,309,633**	4,498,634

The Company evaluates, on an annual basis, those pieces of land it owns. Therefore, amounts referring to adjustment of land to fair value were realized based on this evaluation, only for disclosure purposes.

The Group trades its goods in the domestic and foreign market. Sales to foreign markets are considered direct sales having with the Group as operator, and indirectly, sales to commercial exporters based in Brazil.

The sales consolidated in the domestic and foreign market are represented as follow:

	12/31/15	**12/31/14**
Domestic market	**410,897**	651,052
Sale of goods	**362,440**	514,200
Change in fair value of the biological assets	**279,830**	163,171
Income (loss) from hedge operations	**(231,373)**	(26,319)
Foreign market	**1,414,725**	916,451
Sale of goods - indirect export	**624,925**	338,349
Sale of goods - direct export	**789,800**	578,102
Gross operating income	**1,825,622**	1,567,503
Deductions, taxes and contributions	**(64,041)**	(68,328)
Net operating income	**1,761,581**	1,499,175

Information on gross sales of products by geographic segment were prepared based on the country of origin of revenue and can be presented as follows:

	12/31/15	**12/31/14**
Asia	**772,180**	562,801
Latin America	**12,525**	10,708
Europe	**2,067**	4,593
	789,800	578,102

The Company has Cargill Agricola S.A. and Bunge Alimentos S.A. as clients responsible for more than 19.8% of net revenues. The amount of income from these customers, representing sales of cotton, corn and soybean, is: Cargill Agrícola SA: R$ 241,450 (13.8%) and Bunge Alimentos S.A. R$ 104,790 (6%).

OTHER INFORMATION THE COMPANY DEEMS TO BE RELEVANT

OWNERSHIP BREAKDOW Balance on: 12/31/2015						
Shareholders	**Commom Shares Unit**	**%**	**Preferred Shares Unit**	**%**	**Total Shares Unit**	**%**
Controllers	**50,469,371**	**51.03%**	**-**	**-**	**50,469,371**	**51.03%**
SLC Participações S.A.	50,469,371	51.03%	-	-	50,469,371	51.03%
Board of Directors	**204**	**0.00%**	**-**	**-**	**204**	**0.00%**
Board	204	0.00%	-	-	**204**	0.00%
Directors	-	-	-	-	-	-
Shareholders over 5%	**0**	**0.00%**	**-**	**-**	**0**	**0.00%**
			-	-		
Treasury Shares	**1,844,101**	**1.86%**	**-**	**-**	**1,844,101**	**1.86%**
Others Shareholders	**46,583,824**	**47.10%**	**-**	**-**	**46,583,824**	**47.10%**
Total	**98,897,500**	**100.00%**	**-**	**-**	**98,897,500**	**100.00%**
Free Float	**46,583,824**	**47.10%**	**-**	**-**	**46,583,824**	**47.10%**

OWNERSHIP BREAKDOW Balance on: 09/30/2015						
Shareholders	**Commom Shares Unit**	**%**	**Preferred Shares Unit**	**%**	**Total Shares Unit**	**%**
Controllers	**50,469,371**	**51.03%**	**-**	**-**	**50,469,371**	**51.03%**
SLC Participações S.A.	50,469,371	51.03%	-	-	50,469,371	51.03%
Board of Directors	**204**	**0.00%**	**-**	**-**	**204**	**0.00%**
Board	204	0.00%	-	-	**204**	0.00%
Directors	-	-	-	-	-	-
Shareholders over 5%	**11,929,596**	**12.06%**	**-**	**-**	**11,929,596**	**12.06%**
Deutsche Bank	6,214,721	6.28%	-	-	6,214,821	6.28%
Verde Fundo de Investimento	5,624,100	5.69%			5,624,100	5.69%
Neuberger Berman	4,977,920	5.03%			4.977.920	5.03%
Treasury Shares	**1,787,301**	**1.81%**	**-**	**-**	**1,787,301**	**1.81%**
Others Shareholders	**34,801,803**	**35.19%**	**-**	**-**	**34,801,803**	**35.19%**
Total	**98,897,500**	**100.00%**	**-**	**-**	**98,897,500**	**100.00%**
Free Float	**46,640,624**	**47.16%**	**-**	**-**	**46,640,624**	**47.16%**

OWNERSHIP BREAKDOW Balance on: 06/30/2015						
Shareholders	**Commom Shares Unit**	**%**	**Preferred Shares Unit**	**%**	**Total Shares Unit**	**%**
Controllers	**50,469,371**	**51.03%**	**-**	**-**	**50,469,371**	**51.03%**
SLC Participações S.A.	50,469,371	51.03%	-	-	50,469,371	51.03%
Board of Directors	**204**	**0.00%**	**-**	**-**	**204**	**0.00%**
Board	204	0.00%	-	-	**204**	0.00%
Directors	-	-	-	-	-	-
Shareholders over 5%	**11,929,596**	**12.06%**	**-**	**-**	**11,929,596**	**12.06%**
Deutsche Bank	6,462,144	6.53%	-	-	6,462,144	6.53%
Verde Fundo de Investimento	5,467,452	5.53%			5,467,452	5.53%
Neuberger Berman	4,977,920	5.03%			4.977.920	5.03%
Treasury Shares	**1,863,401**	**1.88%**	**-**	**-**	**1,863,401**	**1.88%**
Others Shareholders	**34,634,928**	**35.02%**	**-**	**-**	**34,634,928**	**35.02%**
Total	**98,897,500**	**100.00%**	**-**	**-**	**98,897,500**	**100.00%**
Free Float	**46,564,524**	**47.08%**	**-**	**-**	**46,564,524**	**47.08%**

OWNERSHIP BREAKDOW Balance on: 03/31/2015						
Shareholders	**Commom Shares Unit**	**%**	**Preferred Shares Unit**	**%**	**Total Shares Unit**	**%**
Controllers	**50,469,371**	**51.03%**	**-**	**-**	**50,469,371**	**51.03%**
SLC Participações S.A.	50,469,371	51.03%	-	-	50,469,371	51.03%
Board of Directors	**43,204**	**0.04%**	**-**	**-**	**43,204**	**0.04%**
Board	43,204	0.04%	-	-	**43,204**	0.04%
Directors	-	-	-	-	-	-
Shareholders over 5%	**12,059,265**	**12.19%**	**-**	**-**	**12,059,265**	**12.19%**
Deutsche Bank	6,602,265	6.68%	-	-	6,602,265	6.68%
Verde Fundo de Investimento	5,457,000	5.52%			5,457,000	5.52%
Treasury Shares	**1,823,301**	**1.84%**	**-**	**-**	**1,823,301**	**1.84%**
Others Shareholders	**34,502,359**	**34.89%**	**-**	**-**	**34,502,359**	**34.89%**
Total	**98,897,500**	**100.00%**	**-**	**-**	**98,897,500**	**100.00%**
Free Float	**46,561,624**	**47.08%**	**-**	**-**	**46,561,624**	**47.08%**

OWNERSHIP BREAKDOW Balance on: 12/31/2014						
Shareholders	**Commom Shares Unit**	**%**	**Preferred Shares Unit**	**%**	**Total Shares Unit**	**%**
Controllers	**50,469,371**	**51.03%**	**-**	**-**	**50,469,371**	**51.03%**
SLC Participações S.A.	50,469,371	51.03%	-	-	50,469,371	51.03%
Board of Directors	**204**	**0.00%**	**-**	**-**	**204**	**0.00%**
Board	204	0.00%	-	-	**204**	0.00%
Directors	-	-	-	-	-	-
Shareholders over 5%	**12,190,760**	**12.33%**	**-**	**-**	**12,190,760**	**12.33%**
Deutsche Bank	6,694,980	6.77%	-	-	6,694,980	6.77%
Credit Suisse Hedging Griffo	5,495,780	5.56%			5,495,780	5.56%
Treasury Shares	**1,866,301**	**1.89%**	**-**	**-**	**1,866,301**	**1.89%**
Others Shareholders	**34,370,864**	**34.75%**	**-**	**-**	**34,370,864**	**34.75%**
Total	**98,897,500**	**100.00%**	**-**	**-**	**98,897,500**	**100.00%**
Free Float	**46,561,624**	**47.08%**	**-**	**-**	**46,561,624**	**47.08%**

OWNERSHIP BREAKDOW Balance on: 09/30/2014						
Shareholders	**Commom Shares Unit**	**%**	**Preferred Shares Unit**	**%**	**Total Shares Unit**	**%**
Controllers	**50,469,371**	**51.03%**	**-**	**-**	**50,469,371**	**51.03%**
SLC Participações S.A.	50,469,371	51.03%	-	-	50,469,371	51.03%
Board of Directors	**204**	**0.00%**	**-**	**-**	**204**	**0.00%**
Board	204	0.00%	-	-	**204**	0.00%
Directors	-	0.00%	-	-	-	0.00%
Shareholders over 5%	**12,640,093**	**12.78%**	**-**	**-**	**12,640,093**	**12.78%**
Deutsche Bank	6,739,191	6.81%	-	-	6,739,191	6.81%
Credit Suisse Hedging Griffo	5,900,902	5.97%			5,900,902	5.97%
Treasury Shares	**1,628,686**	**1.65%**	**-**	**-**	**1,628,686**	**1.65%**
Others Shareholders	**34,159,146**	**34.54%**	**-**	**-**	**34,159,146**	**34.54%**
Total	**98,897,500**	**100.00%**	**-**	**-**	**98,897,500**	**100.00%**
Free Float	**46,799,239**	**47.32%**	**-**	**-**	**46,799,239**	**47.32%**

OWNERSHIP BREAKDOW Balance:06/30/2014						
Shareholders	**Commom Shares Unit**	**%**	**Preferred Shares Unit**	**%**	**Total Shares Unit**	**%**
Controllers	**50,469,371**	**51.03%**	**-**	**-**	**50,469,371**	**51.03%**
SLC Participações S.A.	50,469,371	51.03%	-	-	50,469,371	51.03%
Board of Directors	**204**	**0.00%**	**-**	**-**	**204**	**0.00%**
Board	204	0.00%	-	-	**204**	0.00%
Directors	-	0.00%	-	-	-	0.00%
Shareholders over 5%	**12,524,676**	**12.66%**	**-**	**-**	**12,524,676**	**12.66%**
Deutsche Bank	6,722,521	6.80%	-	-	6,722,521	6.80%
Credit Suisse Hedging Griffo	5,802,155	5.87%			5,802,155	5.87%
Treasury Shares	**955,786**	**0.97%**	**-**	**-**	**955,786**	**0.97%**
Others Shareholders	**34,947,463**	**35.34%**	**-**	**-**	**34,947,463**	**35.34%**
Total	**98,897,500**	**100.00%**	**-**	**-**	**98,897,500**	**100.00%**
Free Float	**47,472,139**	**48.00%**	**-**	**-**	**47,472,139**	**48.00%**

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

To the Shareholders, Board Members and Directors of

SLC Agrícola S.A.

Porto Alegre - RS

We have examined the individual and consolidated financial statements of SLC Agrícola S.A. ("Company"), identified as Parent Company and Consolidated, respectively, comprising the balance sheet as of December 31, 2015 and the related statements of income, comprehensive income, changes in shareholders' equity and cash flows, for the year then ended, as well as the summary of the significant accounting practices and other explanatory notes.

Responsibility of management for the financial statements

The Company's management is responsible for the preparation and adequate presentation of the individual financial statements in accordance with the accounting practices adopted in Brazil and of the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board - IASB, and in accordance with the accounting practices adopted in Brazil as well as for the internal controls that it deemed necessary to enable the preparation of these financial statements free of significant distortions, regardless of whether the latter were caused by fraud or error.

Responsibility of the Independent auditors

Our responsibility is to express an opinion on these financial statements based on our auditing, carried out in accordance with the Brazilian auditing and international accounting standards. These standards require the fulfillment of ethical requirements by the auditors and that the audit be planned and performed for the purpose of obtaining reasonable assurance that the financial statements are free of significant distortions.

An audit involves the carrying out of procedures selected to obtain evidence related to the amounts and disclosures presented in the financial statements. The procedures selected depend on the auditor's judgment, including an assessment of the risks of significant distortion in the financial statements, regardless of whether the latter are caused by fraud or error. In this risk assessment, according to auditing standards, the auditor considers relevant internal controls for the preparation and adequate presentation of the financial statements of the Company, to plan the audit procedures that are appropriate in the circumstances, but not for purposes of expressing an opinion on the efficacy of these internal controls of the Company. An audit also includes the evaluation of the adequacy of adopted accounting practices and reasonability of accounting estimates made by Management, as well as an assessment of the presentation of financial statements taken as a whole.

We believe that the audit evidence obtained is sufficient and appropriate to support our opinion.

Opinion on the individual financial statements

In our opinion, the individual and consolidated aforementioned financial statements present fairly, in all material respects, the financial position of SLC Agrícola S.A. as of December 31, 2015, the performance of its operations and its cash flows, for the year then ended, in accordance with the accounting practices adopted in Brazil.

Opinion on the consolidated financial statements

In our opinion, the individual aforementioned financial statements present fairly, in all material respects, the financial position of SLC Agrícola S.A. as of December 31, 2015, the performance of its operations and its cash flows, consolidated for the year then ended, in conformity with International Financial Reporting Standards - IFRS issued by the International Accounting Standards Board (IASB) and the accounting practices adopted in Brazil.

Statements of added value

We have also examined the individual and consolidated statements of value added (DVA) for the year ended December 31, 2015, prepared under responsibility of Company's management, whose presentation is required by Brazilian Corporate Law for publicly-held companies and as supplementary information under IFRS that do not require the presentation of a statement of value added. These statements were submitted to the same audit procedures previously described and, in our opinion, these supplementary statements are adequately presented, in all material respects, in relation to the basic financial statements taken as a whole.

Porto Alegre, March 09, 2016

KPMG Auditores Independentes
CRC 2SP014428/F-7-RS

Cristiano Jardim Seguecio
Accountant CRC 1SP244525/O-9-T-RS

OPINION OF STATUTORY AUDIT COMMITTEE

The Statutory Audit Committee of SLC Agrícola SA , in compliance with legal and statutory provisions, examined the Management Report and the Financial Statements of SLC Agrícola SA prepared in accordance with accounting practices adopted in Brazil and the Consolidated Financial Statements prepared in accordance with standards International financial Reporting Standards (IFRS) issued by the International accounting Standards Board - IASB and the accounting practices adopted in Brazil, for the fiscal year ended December 31, 2016.

Based on the procedures executed, and also considering the report of KPMG Auditores Independentes, dated March 9, 2016, and the information and explanations received during the fiscal year, opines that these documents are able to be assessed and approved the Annual General Meeting of Shareholders.

Porto Alegre, State of Rio Grande do Sul, March 9, 2016.

João Carlos Sfreddo
Chairman of Statutory Audit Committee

Paulo Roberto Kruse
Counselor

Mauricio Rocha Alves de Carvalho
Counselor

DECLARATIONS BOARD OF EXECUTIVE OFFICERS ON THE FINANCIAL STATEMENTS

In compliance with the established in Article 25 of CVM Instruction No. 480/09 of 7 December 2009, the Board declares that reviewed, discussed and agreed with the Financial Statements (Parent Company and Consolidated) for the year ended December 31, 2015.

Porto Alegre, State of Rio Grande do Sul, March 9, 2016.

Aurelio Pavinato

Chief Executive Officer

Ivo Brum

CFO and Investor Relations

Gerson Trenhago

Director of Production

Aldo Roberto Tisott

Director of Sales

DECLARATIONS BOARD OF EXECUTIVE OFFICERS ON THE REPORT OF INDEPENDENT AUDITORS

In compliance with the established in Article 25 of CVM Instruction No. 480/09 of 7 December 2009, the Board declares that reviewed, discussed and agreed with the opinion expressed in the Independent Auditors' Report, dated on March 9, 2016, on to the Financial Statements (Parent Company and Consolidated) for the year ended December 31, 2015.

Porto Alegre, State of Rio Grande do Sul, March 9, 2016.

Aurelio Pavinato

Chief Executive Officer

Ivo Brum

CFO and Investor Relations

Gerson Trenhago

Director of Production

Aldo Roberto Tisott

Director of Sales