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Company information / Capital composition

Number of shares (units)	Current quarter 03/31/2013
Paid-up capital	
Common shares	98.897.500
Preferred shares	-
Total	**98.897.500**
Treasury shares	
Common shares	470.085
Preferred shares	-
Total	**470.085**

Company information/dividends

Event	Date approved	Description	Initial date of payment	Type of share	Class of share	Amount per share (R$/share)
Annual General Meeting	04/17/2013	Dividends	05/02/2013	Common		0,15492

Individual financial statements / Balance sheet - Assets

(In thousands of Reais)

Code of account	Account description	Current quarter 03/31/2013	Prior year 12/31/2012
1	Total assets	2,952,606	2,827,020
1.01	Current assets	663,799	617,138
1.01.01	Cash and cash equivalents	110,050	44,157
1.01.01.01	Cash and cash equivalents	87,885	30,799
1.01.01.02	Short-term interest earnings bank deposits	22,165	13,358
1.01.03	Accounts receivable	74,845	91,065
1.01.03.01	Trade accounts receivable	19,489	36,549
1.01.03.02	Other accounts receivable	55,356	54,516
1.01.03.02.01	Advances to suppliers	21,878	21,323
1.01.03.02.02	Operations with derivatives	7,901	6,534
1.01.03.02.03	Securities and credits receivable	9,410	9,756
1.01.03.02.04	Related party credits	10,457	11,802
1.01.03.02.05	Other accounts receivable	5,710	5,101
1.01.04	Inventories	162,550	249,137
1.01.05	Biological assets	259,040	176,797
1.01.06	Recoverable taxes	47,307	45,972
1.01.06.01	Current taxes recoverable	47,307	45,972
1.01.06.01.01	Recoverable taxes	47,307	45,972
1.01.07	Prepaid expenses	10,007	10,010
1.02	Non-current assets	2,288,807	2,209,882
1.02.01	Long term assets	61,524	37,920
1.02.01.05	Biological assets	6,167	6,019
1.02.01.07	Prepaid expenses	6,009	6,757
1.02.01.08	Related party credits	9,294	1,784
1.02.01.08.02	Receivables with subsidiary companies	9,294	1,784
1.02.01.09	Other non-current assets	40,054	23,360
1.02.01.09.03	Recoverable taxes	3,647	3,956
1.02.01.09.04	Operations with derivatives	1,765	311
1.02.01.09.05	Advances for future capital increase	18,400	2,162
1.02.01.09.06	Securities and credits receivable	15,379	16,073
1.02.01.09.07	Other accounts receivable	863	858
1.02.02	Investments	1,772,094	1,702,954
1.02.02.01	Equity interest	1,772,094	1,702,954
1.02.02.01.02	Interest in subsidiaries	1,772,094	1,702,954
1.02.03	Property, plant and equipment	447,753	461,000
1.02.03.01	Fixed assets in operation	441,220	445,447
1.02.03.03	Constructions in progress	6,533	15,553
1.02.04	Intangible assets	7,436	8,008
1.02.04.01	Intangible assets	7,436	8,008

Individual financial statements/ Balance sheet - Liabilities

(In thousands of Reais)

Code of account	Account description	Current quarter 03/31/2013	Prior year 12/31/2012
2	Total liabilities	2,952,606	2,827,020
2.01	Current liabilities	506,786	453,571
2.01.01	Social and labor obligations	3,711	3,969
2.01.01.01	Social charges	3,528	3,771
2.01.01.02	Labor obligations	183	198
2.01.02	Suppliers	31,878	78,151
2.01.02.01	Domestic suppliers	31,878	78,151
2.01.03	Tax liabilities	1,337	1,009
2.01.03.01	Federal tax liabilities	317	800
2.01.03.01.01	Income and social contribution tax payable	93	0
2.01.03.01.02	Taxes, rates, and sundry contributions	224	800
2.01.03.02	State tax liabilities	972	147
2.01.03.03	Municipal tax liabilities	48	62
2.01.04	Loans and financing	330,852	290,100
2.01.04.01	Loans and financing	330,852	290,100
2.01.04.01.01	In local currency	236,968	195,034
2.01.04.01.02	In foreign currency	93,884	95,066
2.01.05	Other liabilities	131,237	71,959
2.01.05.01	Liabilities with related parties	23,023	18,522
2.01.05.01.01	Debits with associated companies	23,023	18,522
2.01.05.02	Other	108,214	53,437
2.01.05.02.02	Minimum compulsory dividend payable	9,526	9,526
2.01.05.02.04	Securities payable	600	600
2.01.05.02.05	Advances from clients	76,559	18,868
2.01.05.02.07	Operations with derivatives	14,588	17,601
2.01.05.02.10	Other debits	6,941	6,842
2.01.06	Provisions	7,771	8,383
2.01.06.01	Tax, social security, labor and civil provisions	7,771	8,383
2.01.06.01.01	Tax provisions	160	160
2.01.06.01.02	Social security and labor provisions	5,183	4,028
2.01.06.01.03	Provisions to employee benefits	1,368	2,884
2.01.06.01.05	Provisions for labor contingencies	1,060	1,311
2.02	Non-current liabilities	430,770	425,942
2.02.01	Loans and financing	356,700	348,619
2.02.01.01	Loans and financing	356,700	348,619
2.02.01.01.01	In local currency	97,323	54,825
2.02.01.01.02	In foreign currency	259,377	293,794
2.02.02	Other liabilities	714	1,323
2.02.02.02	Other	714	1,323
2.02.02.02.04	Operations with derivatives	166	775
2.02.02.02.06	Other debits	548	548
2.02.03	Deferred taxes	73,356	76,000
2.02.03.01	Deferred income and social contribution taxes	73,356	76,000
2.03	Shareholders' equity	2,015,050	1,947,507
2.03.01	Realized capital	557,434	557,434
2.03.02	Capital reserves	192,757	190,110

Individual financial statements/ Balance sheet - Liabilities

(In thousands of Reais)

Code of account	Account description	Current quarter 03/31/2013	Prior year 12/31/2012
2.03.02.01	Goodwill in the issue of shares	177,800	177,585
2.03.02.04	Options granted	21,649	20,274
2.03.02.05	Treasury shares	-6,692	-7,749
2.03.04	Profit reserves	307,129	307,129
2.03.04.01	Legal reserve	2,851	2,851
2.03.04.02	Statutory reserve	298,650	298,650
2.03.04.05	Profit retention reserved	5,628	5,628
2.03.05	Retained earnings/losses	50,339	0
2.03.08	Other comprehensive income	907,391	892,834

Individual financial statements / Statement of income

(In thousands of Reais)

Code of account	Account description	Accumulated of the current year 01/01/2013 to 03/31/2013	Accumulated of the prior year 01/01/2012 to 03/31/2012
3.01	Income from sales of goods and/or services	73,320	172,922
3.02	Cost of goods and/or services sold	-78,724	-126,027
3.03	Gross income	-5,404	46,895
3.04	Operating expenses/income	48,327	-3,906
3.04.01	Sales expenses	-8,336	-8,431
3.04.02	General and administrative expenses	-9,452	-10,785
3.04.02.01	General and administrative	-7,338	-9,096
3.04.02.02	Management compensation	-2,114	-1,689
3.04.04	Other operating income	0	901
3.04.05	Other operating expenses	-217	0
3.04.06	Equity income (loss)	66,332	14,409
3.05	Income (loss) before financial income (loss) and taxes	42,923	42,989
3.06	Financial income (loss)	-7,470	1,631
3.06.01	Financial income	10,749	18,319
3.06.02	Financial expenses	-18,219	-16,688
3.07	Income (loss) before income tax	35,453	44,620
3.08	Income and social contribution taxes	10,736	-10,775
3.08.01	Current	-93	0
3.08.02	Deferred	10,829	-10,775
3.09	Net income (loss) of continued operations	46,189	33,845
3.11	Net Income (loss) for the period	46,189	33,845
3.99	Earnings per share - (Reais / Shares)		
3.99.01	Basic earnings per share		
3.99.01.01	Common (ON)	0.46932	0.34716
3.99.02	Diluted earnings per share		
3.99.02.01	Common (ON)	0.46700	0.34716

Individual financial statements / Statement of Comprehensive Income

(In thousands of Reais)

Code of account	Account description	Accumulated of the current year 01/01/2013 to 03/31/2013	Accumulated of the prior year 01/01/2012 to 03/31/2012
4.01	Net income for the period	46,189	33,845
4.02	Other comprehensive income	18,681	15,035
4.02.01	Derivatives - Cash flow hedge	24,075	16,136
4.02.02	Derivatives - Cash flow hedge - Reflex of the subsidiaries	2,787	4,385
4.02.03	Income tax and social contribution	-8,181	-5,486
4.03	Comprehensive income (loss) for the period	64,870	48,880

Individual financial statements / Statement of cash flows - Indirect method

(In thousands of Reais)

Code of account	Account description	Accumulated of the current year 01/01/2013 to 03/31/2013	Accumulated of the prior year 01/01/2012 to 03/31/2012
6.01	Net cash from operational activities	17,899	44,994
6.01.01	Cash generated in operations	18,189	53,141
6.01.01.01	Net income (loss) before IRPJ/CSLL	35,453	44,620
6.01.01.02	Depreciation and amortization	19,676	16,908
6.01.01.03	Income from write-off of property, plant and equipment	6,156	2,782
6.01.01.04	Capital investment gain (loss)	0	757
6.01.01.05	Equity in net income of subsidiaries	-66,332	-14,409
6.01.01.06	Interest, exchange and monetary variation	11,084	-1,358
6.01.01.07	Interest paid	-4,992	-2,032
6.01.01.08	Share-based compensation	1,375	1,379
6.01.01.09	Variation in biological assets	16,522	2,889
6.01.01.10	Provision (reversal) for inventory adjustment	-1,735	-482
6.01.01.11	Provision (reversal) of profit sharing and labor contingencies	982	2,091
6.01.01.12	Income tax and social contribution tax on profit paid	0	-4
6.01.02	Changes in assets and liabilities	-290	-8,147
6.01.02.01	Trade accounts receivable	17,060	-3,507
6.01.02.02	Inventories and biological assets	-10,731	13,141
6.01.02.03	Recoverable taxes	-1,025	-257
6.01.02.04	Securities and credits receivable	0	661
6.01.02.05	Short-term interest earnings bank deposits	-8,807	0
6.01.02.06	Other accounts receivable	-568	1,375
6.01.02.07	Suppliers	-46,273	-49,170
6.01.02.08	Taxes and social payables	72	-4,224
6.01.02.09	Liabilities with related parties	-1,663	4,509
6.01.02.10	Operations with derivatives	-6,156	-1,124
6.01.02.12	Advances from clients	57,691	29,926
6.01.02.13	Other accounts payable	110	523
6.02	Net cash used in investment activities	-11,875	-26,068
6.02.01	In property, plant and equipment	-11,819	-25,929
6.02.02	In intangible assets	-56	-139
6.03	Net cash generated/(consumed) in financing activities	51,062	56,878
6.03.01	Loans and financing obtained	187,401	94,397
6.03.02	Loans and financing paid	-137,611	-37,519
6.03.03	Sale (repurchase) of shares	1,272	0
6.05	Increase (decrease) in cash and cash equivalents	57,086	75,804
6.05.01	Opening balance of cash and cash equivalents	30,799	78,523
6.05.02	Closing balance of cash and cash equivalents	87,885	154,327

Individual financial statements / Statement of changes in shareholders' equity / DMPL - 01/01/2013 to 03/31/2013

(In thousands of Reais)

Code of account	Account description	Paid-up capital	Capital reserves, Options granted and Treasury shares	Profit reserves	Retained earnings (loss)	Other comprehensive income	Shareholders' equity
5.01	Opening balances	557,434	190,110	307,129	0	892,834	1,947,507
5.03	Adjusted opening balances	557,434	190,110	307,129	0	892,834	1,947,507
5.04	Capital transactions with partners	0	2,647	0	0	0	2,647
5.04.03	Recognized options granted	0	1,375	0	0	0	1,375
5.04.04	Treasury shares acquired	0	-740	0	0	0	-740
5.04.05	Treasury shares sold	0	1,797	0	0	0	1,797
5.04.08	Goodwill in the sale of treasury stock	0	215	0	0	0	215
5.05	Total comprehensive income	0	0	0	50,339	14,557	64,896
5.05.01	Net income for the period	0	0	0	46,189	0	46,189
5.05.02	Other comprehensive income	0	0	0	4,150	14,557	18,707
5.05.02.01	Financial instruments' adjustments	0	0	0	39	24,075	24,114
5.05.02.02	Taxes on financial instruments' adjustments	0	0	0	-13	-8,181	-8,194
5.05.02.03	Equity income (loss) on compreh. income Subsidiaries and associated companies:	0	0	0	0	2,787	2,787
5.05.02.06	Realization of deemed cost for the fixed assets - Depreciation	0	0	0	1,334	-1,334	0
5.05.02.07	Realization of deemed cost for the fixed assets - Sales	0	0	0	906	-906	0
5.05.02.08	Realization of deemed cost for the fixed assets - Subsidiaries	0	0	0	1,884	-1,884	0
5.07	Closing balances	557,434	192,757	307,129	50,339	907,391	2,015,050

Individual financial statements / Statement of changes in shareholders' equity / DMPL - 01/01/2012 to 03/31/2012

(In thousands of Reais)

Code of account	Account description	Paid-up capital	Capital reserves, Options granted and Treasury shares	Profit reserves	Retained earnings (loss)	Other comprehensive income	Shareholders' equity
5.01	Opening balances	557,434	172,954	287,295	0	902,553	1,920,236
5.03	Adjusted opening balances	557,434	172,954	287,295	0	902,553	1,920,236
5.04	Capital transactions with partners	0	1,379	0	0	0	1,379
5.04.03	Recognized options granted	0	1,379	0	0	0	1,379
5.05	Total comprehensive income	0	0	0	37,828	11,052	48,880
5.05.01	Net income for the period	0	0	0	33,845	0	33,845
5.05.02	Other comprehensive income	0	0	0	3,983	11,052	15,035
5.05.02.01	Financial instruments' adjustments	0	0	0	0	16,136	16,136
5.05.02.02	Taxes on financial instruments' adjustments	0	0	0	0	-5,486	-5,486
5.05.02.03	Equity income (loss) on compreh. income Subsidiaries and associated companies:	0	0	0	0	4,385	4,385
5.05.02.06	Realization of fair value of fixed assets - Depreciation	0	0	0	1,137	-1,137	0
5.05.02.07	Realization of fair value of fixed assets - Sales	0	0	0	582	-582	0
5.05.02.08	Realization of fair value of fixed assets - Subsidiaries	0	0	0	2,264	-2,264	0
5.07	Closing balances	557,434	174,333	287,295	37,828	913,605	1,970,495

Individual financial statements / Statement of added value

(In thousands of Reais)

Code of account	Account description	Accumulated of the current year 01/01/2013 to 03/31/2013	Accumulated of the prior year 01/01/2012 to 03/31/2012
7.01	Revenues	93,179	190,311
7.01.01	Sale of merchandise, products and services	114,244	145,398
7.01.02	Other income	-22,346	30,615
7.01.02.01	Other income	402	1,532
7.01.02.02	Variation of the fair value of biological assets	-22,748	29,083
7.01.03	Income from Construction of own assets	1,281	14,298
7.02	Inputs acquired from third parties	-28,004	-113,515
7.02.01	Cost of goods, merchandise and services Sold	-509	-377
7.02.02	Materials, Energy, Third-party services and other	-10,316	-42,098
7.02.03	Loss/recovery of asset values	1,735	163
7.02.04	Other	-18,914	-71,203
7.02.04.01	Raw materials used	-25,140	-39,232
7.02.04.02	Adjustment to fair value of biological assets	6,226	-31,971
7.03	Gross added value	65,175	76,796
7.04	Retentions	-12,035	-14,289
7.04.01	Depreciation, amortization and depletion	-12,035	-14,289
7.05	Net added value produced	53,140	62,507
7.06	Added value received as transfer	66,151	36,593
7.06.01	Equity income (loss)	66,332	14,409
7.06.02	Financial income	-212	22,151
7.06.03	Other	31	33
7.07	Total added value payable	119,291	99,100
7.08	Distribution of added value	119,291	99,100
7.08.01	Personnel	18,526	18,570
7.08.01.01	Direct remuneration	11,666	9,951
7.08.01.02	Benefits	5,922	7,270
7.08.01.03	F.G.T.S.	938	1,349
7.08.02	Taxes, duties and contributions	29,287	23,008
7.08.02.01	Federal	-513	20,431
7.08.02.02	State	29,800	2,577
7.08.03	Third-party capital remuneration	25,289	23,677
7.08.03.01	Interest	18,104	16,402
7.08.03.02	Rents	7,185	7,275
7.08.04	Remuneration of own capital	46,189	33,845
7.08.04.03	Interest of non-controlling shareholders in retained earnings	46,189	33,845

Consolidated financial statements / Balance sheet - Assets

(In thousands of Reais)

Code of account	Account description	Current quarter 03/31/2013	Prior year 12/31/2012
1	Total assets	3,783,758	3,715,631
1.01	Current assets	1,157,055	1,074,941
1.01.01	Cash and cash equivalents	300,722	157,246
1.01.01.01	Cash and cash equivalents	278,557	143,888
1.01.01.02	Short-term interest earnings bank deposits	22,165	13,358
1.01.03	Accounts receivable	88,450	101,879
1.01.03.01	Trade accounts receivable	39,678	55,271
1.01.03.02	Other accounts receivable	48,772	46,608
1.01.03.02.01	Advances to suppliers	25,946	25,265
1.01.03.02.02	Operations with derivatives	8,111	6,912
1.01.03.02.03	Securities and credits receivable	9,410	9,756
1.01.03.02.04	Other accounts receivable	5,305	4,675
1.01.04	Inventories	288,029	407,819
1.01.05	Biological assets	388,817	303,404
1.01.06	Recoverable taxes	80,679	94,188
1.01.06.01	Current taxes recoverable	80,679	94,188
1.01.06.01.01	Recoverable taxes	80,679	94,188
1.01.07	Prepaid expenses	10,358	10,405
1.02	Noncurrent assets	2,626,703	2,640,690
1.02.01	Long term assets	37,571	38,008
1.02.01.05	Biological assets	6,322	6,174
1.02.01.06	Deferred taxes	2,103	2,291
1.02.01.06.01	Deferred income and social contribution taxes	2,103	2,291
1.02.01.07	Prepaid expenses	6,009	6,757
1.02.01.09	Other non-current assets	23,137	22,786
1.02.01.09.03	Recoverable taxes	4,487	4,919
1.02.01.09.04	Operations with derivatives	1,765	311
1.02.01.09.05	Securities and credits receivable	15,379	16,073
1.02.01.09.06	Other accounts receivable	1,506	1,483
1.02.03	Property, plant and equipment	2,581,548	2,594,571
1.02.03.01	Fixed assets in operation	2,572,935	2,577,135
1.02.03.03	Constructions in progress	8,613	17,436
1.02.04	Intangible assets	7,584	8,111
1.02.04.01	Intangible assets	7,584	8,111

Consolidated financial statements / Balance sheet - Liabilities

(In thousands of Reais)

Code of account	Account description	Current quarter 03/31/2013	Prior year 12/31/2012
2	Total liabilities	3,783,758	3,715,631
2.01	Current liabilities	815,233	800,331
2.01.01	Social and labor obligations	8,541	7,672
2.01.01.01	Social charges	8,196	7,358
2.01.01.02	Labor obligations	345	314
2.01.02	Suppliers	53,397	137,758
2.01.02.01	Domestic suppliers	53,397	137,758
2.01.03	Tax liabilities	23,676	30,381
2.01.03.01	Federal tax liabilities	22,066	29,795
2.01.03.01.01	Income and social contribution tax payable	21,704	28,301
2.01.03.01.02	Taxes, rates, and sundry contributions	362	1,494
2.01.03.02	State tax liabilities	1,511	487
2.01.03.03	Municipal tax liabilities	99	99
2.01.04	Loans and financing	460,339	435,498
2.01.04.01	Loans and financing	460,339	435,498
2.01.04.01.01	In local currency	366,455	340,432
2.01.04.01.02	In foreign currency	93,884	95,066
2.01.05	Other liabilities	257,680	176,773
2.01.05.02	Other	257,680	176,773
2.01.05.02.02	Minimum compulsory dividend payable	9,526	9,526
2.01.05.02.04	Securities payable	81,156	95,283
2.01.05.02.05	Advances from clients	139,220	39,814
2.01.05.02.07	Operations with derivatives	15,102	20,058
2.01.05.02.09	Other debits	12,676	12,092
2.01.06	Provisions	11,600	12,249
2.01.06.01	Tax, social security, labor and civil provisions	11,600	12,249
2.01.06.01.01	Tax provisions	160	160
2.01.06.01.02	Social security and labor provisions	7,737	6,130
2.01.06.01.03	Provisions to employee benefits	1,909	3,858
2.01.06.01.05	Provisions for labor contingencies	1,794	2,101
2.02	Non-current liabilities	907,111	921,675
2.02.01	Loans and financing	383,291	375,362
2.02.01.01	Loans and financing	383,291	375,362
2.02.01.01.01	In local currency	123,914	81,568
2.02.01.01.02	In foreign currency	259,377	293,794
2.02.02	Other liabilities	68,269	88,174
2.02.02.02	Other	68,269	88,174
2.02.02.02.03	Securities payable	67,555	86,851
2.02.02.02.04	Operations with derivatives	166	775
2.02.02.02.05	Other debits	548	548
2.02.03	Deferred taxes	455,551	458,139
2.02.03.01	Deferred income and social contribution taxes	455,551	458,139
2.03	Consolidated shareholders' equity	2,061,414	1,993,625
2.03.01	Realized capital	557,434	557,434
2.03.02	Capital reserves	192,757	190,110
2.03.02.01	Goodwill in the issue of shares	177,800	177,585

Consolidated financial statements / Balance sheet - Liabilities

(In thousands of Reais)

Code of account	Account description	Current quarter 03/31/2013	Prior year 12/31/2012
2.03.02.04	Options granted	21,649	20,274
2.03.02.05	Treasury shares	-6,692	-7,749
2.03.04	Profit reserves	307,129	307,129
2.03.04.01	Legal reserve	2,851	2,851
2.03.04.02	Statutory reserve	298,650	298,650
2.03.04.05	Profit retention reserved	5,628	5,628
2.03.05	Retained earnings/losses	50,339	0
2.03.08	Other comprehensive income	907,391	892,834
2.03.09	Interest of non-controlling shareholders	46,364	46,118

Consolidated financial statements / Statement of income

(In thousands of Reais)

Code of account	Account description	Accumulated of the current year 01/01/2013 to 03/31/2013	Accumulated of the prior year 01/01/2012 to 03/31/2012
3.01	Income from sales of goods and/or services	256,868	324,814
3.02	Cost of goods and/or services sold	-184,584	-220,845
3.03	Gross income	72,284	103,969
3.04	Operating expenses/income	-27,134	-28,733
3.04.01	Sales expenses	-16,362	-15,942
3.04.02	General and administrative expenses	-11,297	-13,416
3.04.02.01	General and administrative	-8,866	-11,601
3.04.02.02	Management compensation	-2,431	-1,815
3.04.04	Other operating income	525	625
3.05	Income (loss) before financial income (loss) and taxes	45,150	75,236
3.06	Financial income (loss)	11,000	-18,340
3.06.01	Financial income	40,623	28,370
3.06.02	Financial expenses	-29,623	-46,710
3.07	Income (loss) before income tax	56,150	56,896
3.08	Income and social contribution taxes	-9,715	-23,736
3.08.01	Current	-21,704	-9,969
3.08.02	Deferred	11,989	-13,767
3.09	Net income (loss) of continued operations	46,435	33,160
3.11	Income/loss for the period	46,435	33,160
3.11.01	Attributed to the Parent company's partners	46,189	33,160
3.11.02	Attributed to non-controlling partners	246	0
3.99	Earning per share - (Reais / Shares)		
3.99.01	Basic earnings per share		
3.99.01.01	Common (ON)	0.46932	0.34014
3.99.02	Diluted earning per share		
3.99.02.01	Common (ON)	0.46700	0.34014

Consolidated financial statements / Statement of comprehensive income

(In thousands of Reais)

Code of account	Account description	Accumulated of the current year 01/01/2013 to 03/31/2013	Accumulated of the prior year 01/01/2012 to 03/31/2012
4.01	Consolidated net income for the period	46,435	33,160
4.02	Other comprehensive income	18,681	15,720
4.02.01	Derivatives - Cash flow hedge	28,304	23,818
4.02.02	Income tax and social contribution	-9,623	-8,098
4.03	Consolidated comprehensive income for the period	65,116	48,880
4.03.01	Attributed to the Parent company's partners	64,870	48,880
4.03.02	Attributed to non-controlling partners	246	0

Consolidated financial statements / Statement of cash flows - Indirect method

(In thousands of Reais)

Code of account	Account description	Accumulated of the current year 01/01/2013 to 03/31/2013	Accumulated of the prior year 01/01/2012 to 03/31/2012
6.01	Net cash from operational activities	119,827	64,189
6.01.01	Cash generated in operations	90,194	92,955
6.01.01.01	Net income (loss) before IRPJ/CSLL	56,150	56,896
6.01.01.02	Depreciation and amortization	27,681	23,633
6.01.01.03	Income from write-off of property, plant and equipment	6,230	2,381
6.01.01.04	Interest, exchange and monetary variation	-8,254	18,375
6.01.01.05	Interest paid	-7,335	-2,175
6.01.01.06	Share-based compensation	1,375	1,379
6.01.01.07	Variation in biological assets	19,386	-3,443
6.01.01.08	Provision (reversal) for inventory adjustments	-1,872	-780
6.01.01.09	Provision (reversal) of profit sharing and labor contingencies	1,556	2,730
6.01.01.10	Income and social contribution taxes paid	-4,723	-6,041
6.01.02	Changes in assets and liabilities	29,633	-28,766
6.01.02.01	Trade accounts receivable	15,594	-14,021
6.01.02.02	Inventory of biological assets	16,578	29,638
6.01.02.03	Recoverable taxes	13,943	13,417
6.01.02.04	Securities and credits receivable	0	661
6.01.02.05	Short-term interest earnings bank deposits	-8,807	0
6.01.02.06	Other accounts receivable	-954	-1,616
6.01.02.07	Suppliers	-84,361	-77,531
6.01.02.08	Taxes and social payables	-1,111	-5,034
6.01.02.09	Operations with derivatives	-8,143	-2,402
6.01.02.10	Securities payable	-12,158	-9,548
6.01.02.11	Advances from clients	99,406	46,228
6.01.02.12	Other accounts payable	-354	-8,558
6.02	Net cash used in investment activities	-20,362	-31,530
6.02.01	In property, plant and equipment	-20,252	-31,391
6.02.02	In intangible assets	-110	-139
6.03	Net cash generated/(consumed) in financing activities	35,204	54,605
6.03.01	Loans and financing obtained	209,201	96,586
6.03.02	Loans and financing paid	-175,269	-41,981
6.03.03	Sale (repurchase) of shares	1,272	0
6.05	Increase (decrease) in cash and cash equivalents	134,669	87,264
6.05.01	Opening balance of cash and cash equivalents	143,888	130,463
6.05.02	Closing balance of cash and cash equivalents	278,557	217,727

Consolidated financial statements / Statement of changes in shareholders' equity / DMPL - 01/01/2013 to 03/31/2013

(In thousands of Reais)

Code of account	Account description	Paid-up capital	Capital reserves, Options granted and Treasury shares	Profit reserves	Retained earnings (loss)	Other comprehensive income	Shareholders' equity	Interest of non-controlling shareholders	Consolidated shareholders' equity
5.01	Opening balances	557,434	190,110	307,129	0	892,834	1,947,507	46,118	1,993,625
5.03	Adjusted opening balances	557,434	190,110	307,129	0	892,834	1,947,507	46,118	1,993,625
5.04	Capital transactions with partners	0	2,647	0	0	0	2,647	0	2,647
5.04.03	Recognized options granted	0	1,375	0	0	0	1,375	0	1,375
5.04.04	Treasury shares acquired	0	-740	0	0	0	-740	0	-740
5.04.05	Treasury shares sold	0	1,797	0	0	0	1,797	0	1,797
5.04.08	Goodwill in the sale of treasury stock	0	215	0	0	0	215	0	215
5.05	Total comprehensive income	0	0	0	50,339	14,557	64,896	246	65,142
5.05.01	Net income for the period	0	0	0	46,189	0	46,189	246	46,435
5.05.02	Other comprehensive income	0	0	0	4,150	14,557	18,707	0	18,707
5.05.02.01	Financial instruments' adjustments	0	0	0	39	28,304	28,343	0	28,343
5.05.02.02	Taxes on financial instruments' adjustments	0	0	0	-13	-9,623	-9,636	0	-9,636
5.05.02.06	Realization of fair value of fixed assets - Depreciation	0	0	0	2,104	-2,104	0	0	0
5.05.02.07	Realization of fair value of fixed assets - Sales	0	0	0	2,020	-2,020	0	0	0
5.07	Closing balances	557,434	192,757	307,129	50,339	907,391	2,015,050	46,364	2,061,414

Consolidated financial statements / Statement of changes in shareholders' equity / DMPL - 01/01/2012 to 03/31/2012

(In thousands of Reais)

Code of account	Account description	Paid-up capital	Capital reserves, Options granted and Treasury shares	Profit reserves	Retained earnings (loss)	Other comprehensive income	Shareholders' equity	Interest of non-controlling shareholders	Consolidated shareholders' equity
5.01	Opening balances	557,434	172,954	287,295	0	902,553	1,920,236	0	1,920,236
5.03	Adjusted opening balances	557,434	172,954	287,295	0	902,553	1,920,236	0	1,920,236
5.04	Capital transactions with partners	0	1,379	0	0	0	1,379	0	1,379
5.04.03	Recognized options granted	0	1,379	0	0	0	1,379	0	1,379
5.05	Total comprehensive income	0	0	0	37,142	11,738	48,880	0	48,880
5.05.01	Net income for the period	0	0	0	33,160	0	33,160	0	33,160
5.05.02	Other comprehensive income	0	0	0	3,982	11,738	15,720	0	15,720
5.05.02.01	Financial instruments' adjustments	0	0	0	0	23,818	23,818	0	23,818
5.05.02.02	Taxes on financial instruments' adjustments	0	0	0	0	-8,098	-8,098	0	-8,098
5.05.02.06	Realization of fair value of fixed assets - Depreciation	0	0	0	2,269	-2,269	0	0	0
5.05.02.07	Realization of fair value of fixed assets - Sales	0	0	0	1,713	-1,713	0	0	0
5.07	Closing balances	557,434	174,333	287,295	37,142	914,291	1,970,495	0	1,970,495

Consolidated financial statements / Statement of added value

(In thousands of Reais)

Code of account	Account description	Accumulated of the current year 01/01/2013 to 03/31/2013	Accumulated of the prior year 01/01/2012 to 03/31/2012
7.01	Revenues	288,202	350,969
7.01.01	Sale of merchandise, products and services	273,216	263,114
7.01.02	Other income	12,210	71,912
7.01.02.01	Other income	2,967	2,540
7.01.02.02	Variation of the fair value of biological assets	9,243	69,372
7.01.03	Income from Construction of own assets	2,776	15,943
7.02	Inputs acquired from third parties	-131,567	-202,846
7.02.01	Cost of goods, merchandise and services Sold	-2,247	-1,639
7.02.02	Materials, Energy, Third-party services and other	-32,380	-64,095
7.02.03	Loss/recovery of asset values	1,872	166
7.02.04	Other	-98,812	-137,278
7.02.04.01	Raw materials used	-70,183	-71,349
7.02.04.02	Adjustment to fair value of biological assets	-28,629	-65,929
7.03	Gross added value	156,635	148,123
7.04	Retentions	-19,150	-21,135
7.04.01	Depreciation, amortization and depletion	-19,150	-21,135
7.05	Net added value produced	137,485	126,988
7.06	Added value received as transfer	31,745	32,937
7.06.02	Financial income	31,695	32,888
7.06.03	Other	50	49
7.07	Total added value payable	169,230	159,925
7.08	Distribution of added value	169,230	159,925
7.08.01	Personnel	30,277	29,003
7.08.01.01	Direct remuneration	19,483	16,992
7.08.01.02	Benefits	9,230	10,139
7.08.01.03	F.G.T.S.	1,564	1,872
7.08.02	Taxes, duties and contributions	58,955	46,386
7.08.02.01	Federal	26,602	40,426
7.08.02.02	State	32,353	5,960
7.08.03	Third-party capital remuneration	33,563	51,376
7.08.03.01	Interest	32,862	46,112
7.08.03.02	Rents	701	5,264
7.08.04	Remuneration of own capital	46,435	33,160
7.08.04.03	Interest of non-controlling shareholders in retained earnings	46,189	33,160
7.08.04.04	Part. Interest of non-controlling shareholders in retained earnings	246	0

Net income of R$46.4 million in 1Q13, with net margin of 18.1%

Porto Alegre, March 08, 2013 – SLC AGRÍCOLA S.A. (Bovespa: SLCE3; ADR: SLCJY; Bloomberg: SLCE3BZ; Reuters: SLCE3.SA), one of Brazil's largest landowners and largest agricultural producers in terms of cotton, soybean and corn planted area, announces today its results for the first quarter of 2013. The following financial and operating information is presented in accordance with International Financial Reporting Standards (IFRS). The information was prepared on a consolidated basis and is presented in thousands of Brazilian real, except when stated otherwise.

1Q13 Highlights

(R$ Thousand)	2011	2012	AH	1Q12	1Q13	AH
Net revenue	**1,005,640**	**1,118,743**	**11.2%**	**324,814**	**256,868**	**-20.9%**
Gross income	**364,277**	**253,787**	**-30.3%**	**103,969**	**72,284**	**-30.5%**
Gross margin	*36.20%*	*22.70%*	*-13.5p.p*	*32.00%*	*28.10%*	*-3.9p.p*
Operating income	**241,179**	**72,531**	**-69.9%**	**56,896**	**56,150**	**-1.3%**
Operating margin	*24.00%*	*6.50%*	*-17.5p.p*	*17.50%*	*21.90%*	*4.3p.p*
Net profit	**159,992**	**38,430**	**-76.0%**	**33,160**	**46,435**	**40.0%**
Net Margin	*15.90%*	*3.40%*	*-12.5p.p*	*10.20%*	*18.10%*	*7.9p.p*
Adjusted EBITDA [(1)]	**291,772**	**290,308**	**-0.5%**	**92,929**	**83,686**	**-9.9%**
Adjusted EBITDA Margin [(2)]	**36.70%**	**29.50%**	***-7.2p.p***	**36.40%**	**33.80%**	***-2.6p.p***
Net debt	**509,568**	**653,614**	**28.3%**	**480,398**	**542,908**	**13.0%**

(1) Excluding non-cash effects from biological assets
(2) Over net revenue excluding non-cash effects from biological assets

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NOTE: 1Q12 and 1Q13 refer to the cumulative three-month periods from January through March of the years 2012 and 2013, respectively. 2011 and 2012 refer to the cumulative 12-month periods from January through December of the years 2011 and 2012, respectively. HA refers to the horizontal percentage variation between two periods and VA refers to the vertical percentage variation of a given total.

Message from Management (Quarterly Summary)

During 1Q13, we concluded planting for the 2012/13 crop year and started harvesting first-crop soybean and corn. As a result of the drought that hit western Bahia state and the state of Piauí, we have revised downward our projected soybean yield from 3,150kg/ha (as disclosed in the 4Q12 release) to 2,820kg/ha. To date (05/03/2013), 89% of the soybean has been harvested. Part of the soybean planted area in the country's Northeast region consists of new areas (first or second year) and as such is more susceptible to weather impacts. However, in contrast to the downward revision for soybean, we are very optimistic on achieving the projected yield for cotton, a crop that to date has presented good development as well as a recovery in prices throughout the first quarter.

In relation to the total planted area disclosed in the 4Q12 release, we increased the corn and second-crop cotton areas by 2,138 hectares, due to the positive planting windows in the country's Midwest during January and February.

We also are continuing to clear 10,000 hectares of land in the states of Piauí and Bahia for subsequent agricultural activities. Excluding these 10,000 hectares, the Company's current land bank is estimated at 38,033 hectares that will be converted into crop production over the coming years, effectively supporting our growth plans and creating value through development.

On the financial front, net debt decreased in the quarter to end the period at R$542.9 million (1.9x cash generation in last 12 months), compared to R$653.6 million in 4Q12. Non-financial debt (related to land acquisitions) also decreased in the quarter, due to the reduction in the price of soybean bags in Brazilian real, the indicator to which this debt is pegged. The reduction amounted was of R$33.4 million.

Furthermore, in accordance with the Material Fact disclosed on March 8, SLC Agrícola signed a partnership with Grupo Soares Penido for the operation of 20,000 hectares of land (currently used as pasture) located in northeastern Mato Grosso state. The company to be created will pay the lease to Grupo Soares Penido (the land owner) and the profits from agricultural activities on the land will be divided in the proportion of 50% for each partner. We believe this new type of partnership represents a new growth front for the Company and effectively combines our know-how in agriculture with the assets of large landowners interested in this type of project in which the risks and returns are shared.

Another relevant event in the quarter was the first land acquisition by SLC LandCo, which purchased 1,663 hectares (1,115 hectares of planted area, already opened and windrowed) in the state of Bahia.

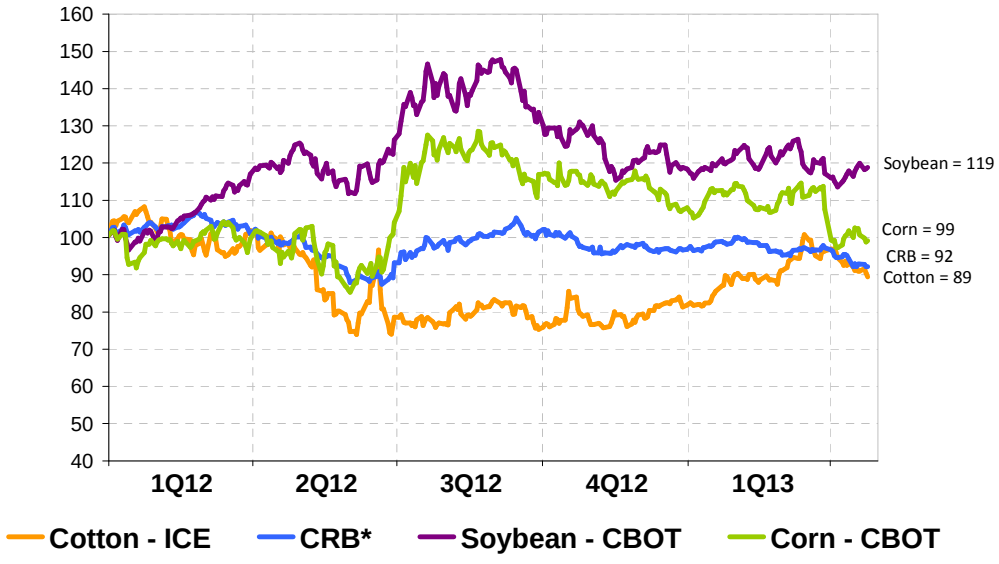
A point of concern and considerable discussion in the media at the start of the year was the increase in freight costs. Here we should point out that our Company locks in future commodity prices and began the year with more than 50% of its soybean freight costs locked with clients, i.e. trading companies (price locked in "at the farm"). On February 28, 62% of production had prices locked in. In addition, SLC Agrícola's geographic positioning also allows it to dilute the increase in freight costs, since prices did not rise as sharply in the Northeast as in the Midwest. Also, freight weights are much less significant for cotton and currently represent close to 10% of the product's value (compared to 20-25% for soybean, for instance).

SLC Agrícola was recognized in the quarter by the "Agricultural Property Management" award sponsored by the Crop Rally (Rally da Safra), which is a pioneering crop survey project that was launched in 2004 and has become a reference in agricultural operations in Brazil. The rally gave awards for the best agribusiness companies in Brazil over the last decade.

Market Outlook

Commodities Prices Variation

From January 2012 to April 2013 (1st Contract)



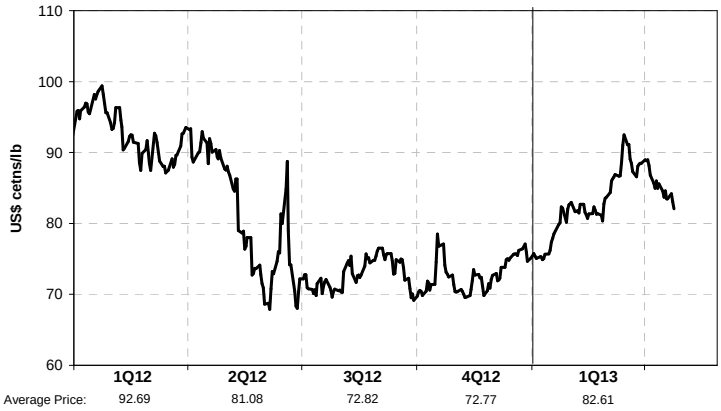
Source: CMA (01/01/2012 = 100)
Up to 04/24/2013.

*Commodity Research Bureau

Cotton

Cotton Prices in the International Market

ICE - (1st Contract)



Average Price:	92.69	81.08	72.82	72.77	82.61

Source: CBOT/CMA

International cotton prices increased 14% in 1Q13 from the prior quarter, based on data from ICE Futures US. In March 2013, prices surpassed the mark of US¢/lb 90.00, a level not seen since March 2012.

The recent price increase was driven by the lower production and higher consumption during the current crop year (2012/13) and by the expected significant reduction in planted area and production in the 2013/14 crop year, for which planting is currently in progress in the Northern Hemisphere. Another factor is the policy of building public stocks by the Chinese government, which acquired the surplus cotton produced in the last two harvests. Recently, the Chinese government stated that it would continue to purchase cotton during the 2013/14 crop year through its policy of buying cotton to build stocks.

World cotton output in 2012/13 is estimated at 119.7 million bales, down 3.5% on the previous year. The drop in output was due to the 4% contraction in cotton area, reflecting the crop's low prices as well as competition from other crops. On the other hand, world cotton consumption increased during the 2012/13 crop year and is estimated at 107.4 million bales by the USDA, increasing 4.3% from the previous crop year.

World Cotton Supply and Demand

World		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12*	2012/13**
Area		34,532	32,840	30,570	30,133	33,453	35,517	34,152
Yield (kg/ha)		771	793	764	738	757	761	763
Beginning Stocks	millions of bales	61.8	62.5	60.9	61.5	46.7	49.4	70.2
Production	millions of bales	122.2	119.6	107.3	102.2	116.3	124.1	119.7
Import	millions of bales	38.1	39.3	30.5	36.4	35.6	44.8	43.7
Total Supply	millions of bales	222.1	221.4	198.7	200.1	198.6	218.3	233.6
Export	millions of bales	37.6	39.1	30.4	35.6	35.5	46.0	43.7
Consumption	millions of bales	123.9	123.6	110.2	118.6	114.1	103.0	107.4
Ending Stocks	millions of bales	62.5	60.9	60.7	46.7	49.4	70.2	82.5
Stocks/Consumption (%)		50.4%	49.3%	55.1%	39.3%	43.4%	68.1%	76.7%

April, 2013 **Estimated* ***Projected*

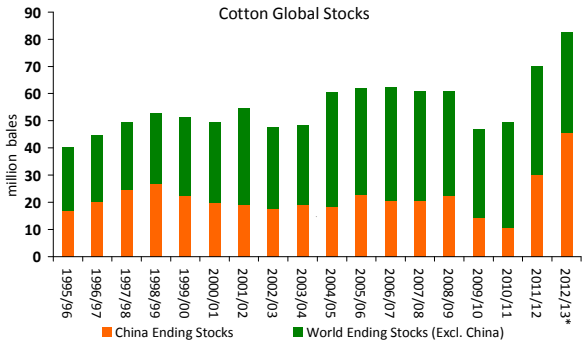
Change in global cotton consumption

Countries	2011/12	2012/13*	Variation
China	38	36	-5%
India	19.8	22	11%
Pakistan	10	11.5	15%
Turkey	5.6	6.1	9%
Bangladesh	3.3	3.7	12%
Indonesia	1.9	2.2	16%
Vietnam	1.7	2.2	33%
Thailand	1.3	1.6	23%
World	103	107.4	4%

Source: USDA *Estimated

China, the world's largest cotton consumer, is expected to consume 36 million bales in 2012/13, down 5% from the previous crop year. The decline in Chinese consumption is explained mainly by the high domestic cotton prices caused by the policy to support prices for producers and the higher regulatory stocks held by the government, which reduced the supply of cotton available for the Chinese yarn industry. The decrease in Chinese consumption is being offset by higher consumption in other countries, such as Pakistan, India, Indonesia, Turkey, Bangladesh, Vietnam and others.

Despite the growth in consumption in 2012/13, global stocks are expected to grow 18% to 82.5 million bales as a result of production growth outpacing consumption growth in the period. However, due to the Chinese government's policy, 55% of global cotton stocks for the 2012/13 crop year are located in China, most of which is controlled by the government, which means they are not readily available to the market.



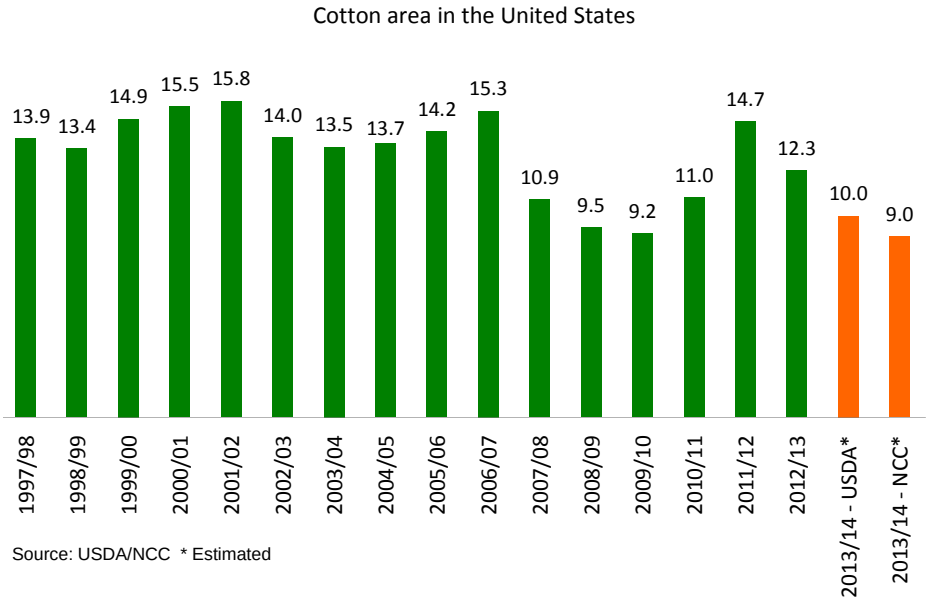
Source: USDA *Estimated

According to data from the USDA, in the last two years China's cotton stocks increased by 330%, from 10.6 to 45.6 million bales (increase of 35 million bales), while stocks in other countries dropped 4% , from 38.4 to 36.9 million bales (decrease of only 1.5 million bales), which helped support the recovery in prices observed in 1Q13.

In Brazil, according to *Companhia Nacional de Abastecimento* (CONAB), an agency of Brazil's Ministry of Agriculture, the cotton planted area for the 2012/13 crop year is estimated at 886,800 hectares, down 36.4% from the previous crop year. The main factors driving the decrease were the low cotton prices in domestic and foreign markets during 2012, the higher costs and the lower comparative advantage over competing crops like corn and soybean at time of planting. CONAB forecasts production of 1,263,400 tons, or 32.7% less than in the 2011/12 crop year.

Competition from other crops, such as cereals and oleaginous plants, should also lead to further reductions in cotton planted area in the Northern Hemisphere for the 2013/14 crop year. In the United States, the world's largest cotton exporter, the USDA report (Prospective Plantings Report of March

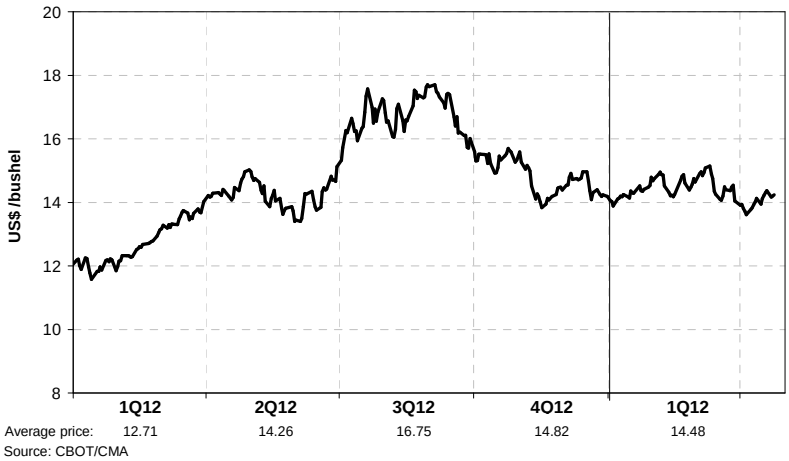
2013) indicated a reduction of 18.6% in the cotton planted area, from the current 12.3 million acres to 10.0 million acres in 2013/14. The National Cotton Council of America (NCC) estimates an even greater reduction, with planted area of 9.01 million acres, down 26.8% from the prior year. If the NCC's forecast is confirmed, the cotton planted area in the United States will be the smallest of the last 30 years.



Soja

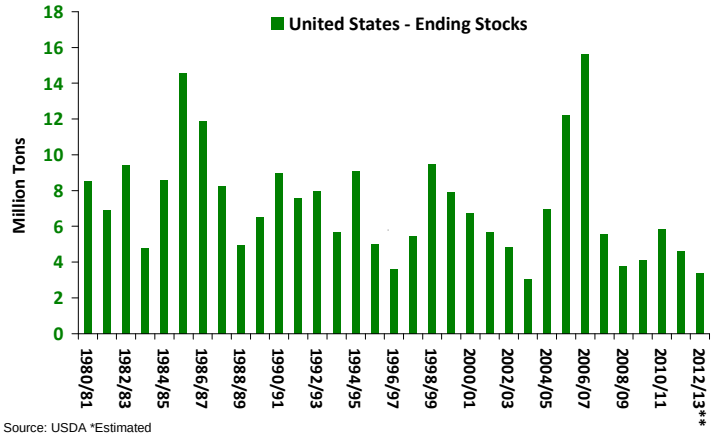
Soybean Prices in the International Market

CBOT - (1st Contract)



Quarterly stocks of soybean and corn in the United States, as disclosed by the USDA in March 2013, were higher than anticipated by the market, with a negative impact on prices, since it reduces the need to ration demand for the 2012/13 crop in the country.

Despite the higher-than-expected quarterly stocks, the United States will still have to ration consumption in order to avoid shortages in the domestic market until the next harvest begins, which is only in the second half of 2013. The lower production in the 2012/13 crop year and subsequent increase in soybean prices should lead to a 3.6% decrease in domestic consumption and a 1.0% decrease in U.S. exports for the 2012/13 crop year. Stocks at the end of the crop year are estimated at 3.4 million tons, the lowest of the last 9 years in the United States.



Source: USDA *Estimated

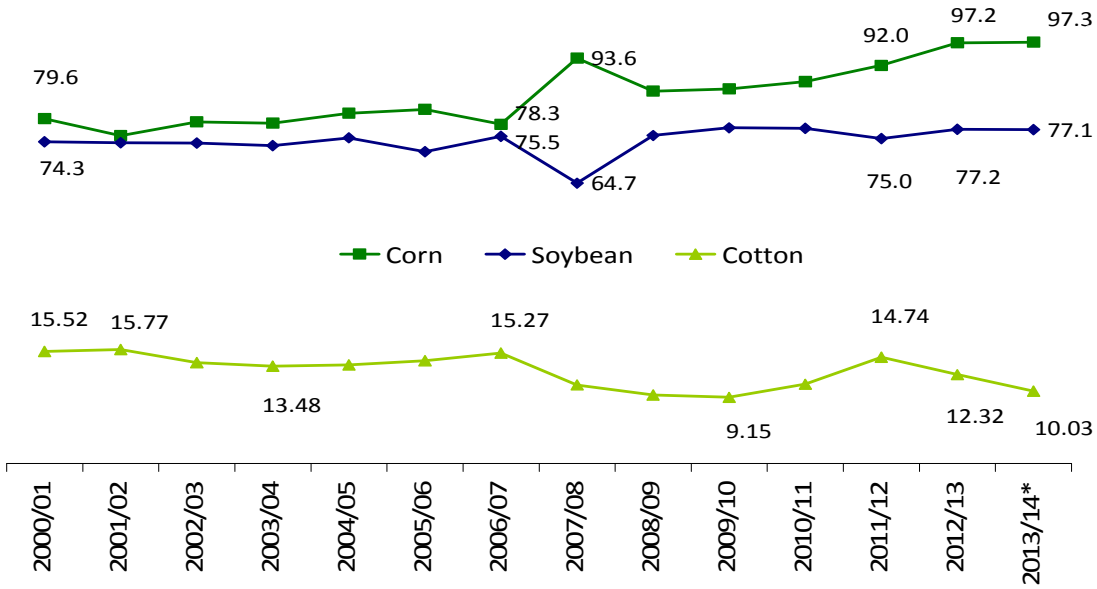
Tight stocks and record high soybean prices in 2012 served as strong incentives for expanding the planted area in Brazil and Argentina during the 2012/13 crop year. According to Argentina's Ministry of Agriculture (MINAGRI), the country's soybean planted area should reach 19.1 million hectares in the 2012/13 crop year, or 2.4% more than in the previous year. However, excess rainfall during the planting phase and more recently the lack of rainfall during the development phase are adversely affecting Argentina's potential yield. According to estimates from the Buenos Aires Grain Exchange, Argentina should produce 48.5 million tons of soybeans in the 2012/13 crop year, down from the initial estimate of 50 million tons.

In Brazil, according to CONAB, the soybean planted area was 10.7% larger in the 2012/13 crop year. With a total of 27.7 million hectares planted and estimated yield of 2,957 kg/ha, Brazil should produce 81.9 million tons of soybean, or 23.4% more than in the previous year. Also according to CONAB, the delay caused by weather conditions at the start of planting and rainfall during the harvest, particularly in the Midwest, the country's main producing region, combined with the drought that affected the Northeast region, are leading to downward revisions in yield forecasts from the survey in February, which estimated 3,018 kg/ha.

The reductions in yield and production from the initial estimates in the main producing countries during the 2012/13 crop year significantly increase the importance of the 2013/14 crop year for balancing the global soybean supply and demand situation.

The initial estimates of planting intentions in the United States for the 2013/14 crop year point to stability in the country's soybean and corn planted area, according to the USDA's Prospective Plantings Report of March 2013. The soybean planted area in the United States for the 2013/14 crop year should reach 77.1 million acres (compared to 77.2 million in 2012/13).

Soybean, corn and cotton planted area in the United States

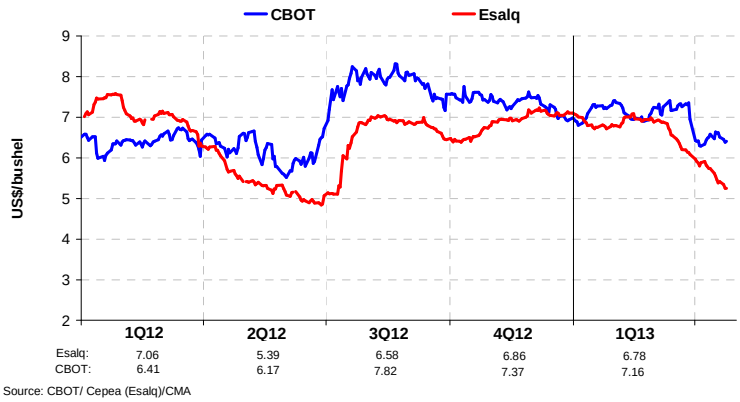


Source: USDA; *Prospective Planting 1 acre = 0,4046 ha

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

Corn

Corn Prices

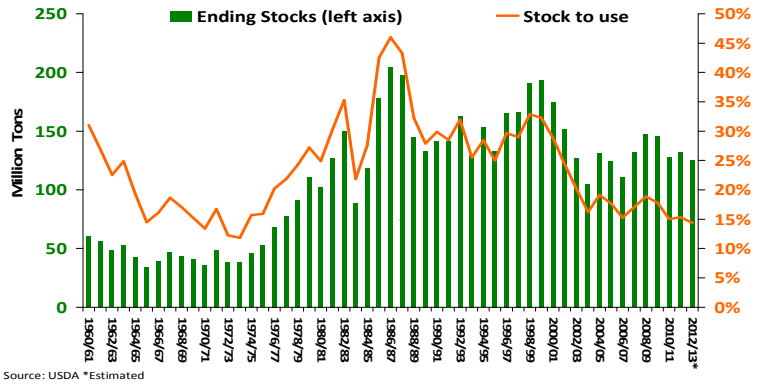


Source: CBOT/ Cepea (Esalq)/CMA

Corn prices closed 1Q13 lower in both domestic and international markets. The quarterly U.S. stocks disclosed by the USDA on March 28, 2013, were higher than expected by the market and had a negative impact on prices, driving corn futures lower on the CBOT by more than US$ 1 per bushel in the week of the report's publication.

In its April supply and demand report, the USDA estimated world corn production in the 2012/13 crop year at 855.9 million tons, down 3.0% from the 2011/12 crop year. The decrease in global production was mainly due to the record shortfall in U.S. production, which impacted world corn markets, including in Brazil, where the increased demand for exports drove prices higher, despite the country's record production in the 2011/12 crop year (72.9 million tons).

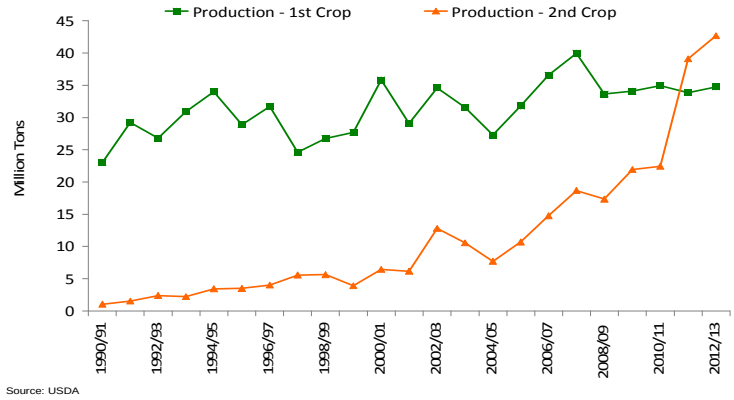
World - Corn stock/consumption ratio



Source: USDA *Estimated

Global corn consumption continued to rise, with the USDA forecasting demand of 870.0 million tons in the 2012/13 crop year, up 1.0% from 2011/12. Production being outstripped by consumption should lead to a reduction in the global corn stocks for the fourth straight year, driving the stock/consumption ratio to 14.5% (approximately 53 days of consumption), which is the lowest level of the last 30 years.

Corn production in Brazil



Source: USDA

In Brazil, producers responded to the higher prices in 2011 and 2012 with record production of 72.9 million tons in the 2011/12 crop year, and also expanded the planted area by 3% in the 2012/13 crop year, with the highlight the expansion in the second-crop area, which once again grew (by 13.4% to 8,642,000 hectares). Total corn production in the 2012/13 crop year should be a record 77.4 million tons (34.7 million tons in the first crop and 42.7 million tons in the second crop).

Initial estimates of planting intentions in the United States for the 2013/14 crop year point to stability in the country's corn planted area. According to the USDA's Prospective Plantings Report of March 2013, the corn planted area should expand by 0.1% on the prior year to 97.3 million acres.

Similar to soybean, the 2013/14 corn season in the United States should play a very important role in determining prices during the crop's development in the Northern Hemisphere's summer season, and the weather market for corn is already the focus of market attention, since the crop's planting in the country has already encountered problems. Due to the colder and rainier spring, corn planting reached only 12% completion by May 05, compared to 69% in 2012 and 47% in the average of the last 5 years. Corn planting in the United States has never been so far behind schedule as this year, and this delay is raising concerns that the corn harvest could be lower than expected, since delays in planting or planting outside the ideal period could reduce the total area and leave the crop more vulnerable to losses during the summer, which is corn's most critical period.

Operating Performance

2012/2013 Crop

The first quarter of 2013 was marked by the conclusion of planting operations for the 2012/13 crop year and the start of harvesting of soybean and first-crop corn. The planting of second-crop cotton and corn progressed normally on all farms, which are planted after the harvest of super-early and early soybean.

Soybean. The states of Bahia, Piauí and Goiás suffered droughts in December and February that affected the production potential of certain plots, especially in areas planted for the first year. The farms in Mato Grosso and Mato Grosso do Sul have already concluded harvesting on an area of 54,272 hectares. As of May 05, 2013, the company had harvested 133,589 hectares (89%). The main cause of the reduction in yield was the drought in the states of Bahia, Piauí and Goiás, with the yield currently projected at 2,820 kg/ha.

Cotton 1st crop. The majority of areas are in the flower and cotton-boll development phase and present good vegetative, nutritional and sanitary aspects. This crop year, the cotton yield on farms located in the state of Bahia was affected by drought in the months of December and February, though to a lesser extent than for soybean and corn. However, this reduction should be offset by the positive weather conditions enjoyed by the other farms. Therefore, we expect to reach the projected yield of 1,690 kg/ha for cotton lint, which is 12% higher than in the previous crop year.

Cotton 2nd crop. The sowing of second-crop cotton began in the first half of January and was completed during the first ten days of February 2013. The majority of fields are in the flower and cotton-boll development phase and present excellent vegetative aspects, high potential yields and excellent phytosanitary control.

Corn 1st crop. Corn harvesting began in the first half of March. In the states of Bahia and Goiás, the crop was impacted by low rainfall in December and February, which affected the potential yield in certain areas. As of May 03, 2013, a total of 3,616 hectares had been harvested (25%). The average yield expected for this crop is 9,100 kg/ha.

Corn 2nd crop. The planting of second-crop corn began in the second half of January and was completed in the first half of March. Weather conditions during January and February favored the harvesting of soybeans and subsequent sowing of second-crop corn. Most areas are in the vegetative phase and in full flowering and presenting excellent development.

Yields

Yields (kg/ha)	Initially estimated 2012/13	Estimated 2012/13(1)	Δ%
Cotton lint 1st crop	1,690	1,690	0.0%
Cotton lint 2nd crop	1,383	1,383	0.0%
Cotton Seeds	2,125	2,125	0.0%
Soybean	3,310	2,820	-14.8%
Corn 1st crop	10,344	9,100	-12.0%
Corn 2nd crop	6,126	6,126	0.0%

(1) 05/03/2013.

Land Development

The current estimate is to develop 10,000 hectares during the current year (2012/13 crop year) for planting in 2013/14. This forecast includes the estimated clearing of 4,000 hectares on the Parnaguá Farm and 6,000 hectares on the Parceiro Farm.

Given the estimated low profitability of soybean in the coming crop year, combined with the potentially lower yield on first-year areas, we have postponed until the next crop year the clearing of areas on the Parnaíba, Piratini and Palmares farms that was announced in the 3Q12 earnings release.

Farm	Areas Opened Crop 2011/12 (ha)	Areas to be Opened Crop 2012/13 (ha)	Areas to be Opened Next Crops (ha)
Parnaíba	-	-	1,464
Piratini	992	-	10,176
Palmares	-	-	420
Parnaguá	2,739	4,000	10,462
Parceiro	5,831	6,000	12,644
Paineira	1,333	-	2,867
Total	**10,895**	**10,000**	**38,033**

Joint-Ventures

SLC LandCo

During 1Q13, SLC LandCo made its first land acquisition, with the purchase of 1,663 hectares (1,115 hectares of planting, already opened and windrowed) in the state of Bahia, for R$7,484 thousand.

Grupo Soares Penido

As announced in the Material Fact dated March 8, 2013, SLC Agrícola entered into a memorandum of understanding with Grupo Soares Penido for the commercial exploration of 20,000 hectares of land in northeastern Mato Grosso state. The land is currently being used as pasture, which will be transformed into crop areas over the next two years (estimated). We expect to sign the final agreement by the end of May 2013.

Planted Area

Updated data on planted area for the 2012/13 crop year is presented in the table below. The highlight is the increase of 2,138 hectares in relation to the initial estimate of 280,400 hectares.

Crop Mix	Achieved 2011/12 ha	Achieved 2012/13 ha	Share %	Absolute Δ ha	Percentage Δ %
Cotton	**95,271**	**76,580**	**27.1**	**-18,691**	**-19.6**
Cotton 1st crop	*79,885*	*61,847*	*21.9*	*-18,038*	*-22.6*
Cotton 2nd crop	*15,386*	*14,733*	*5.2*	*-653*	*-4.2*
Soybean	***114,158***	***150,778***	***53.4***	***36,620***	***32.1***
Corn	**35,166**	**49,273**	***17.4***	***14,107***	***40.1***
Corn 1st crop	*12,723*	*14,521*	*5.1*	*1,798*	*14.1*
Corn 2nd crop	*22,443*	*34,752*	*12.3*	*12,309*	*54.8*
Others	**3,239**	**5,942**	***2.1***	***2,703***	***83.5***
Total	**247,834**	**282,573**	**100.0**	**34,739**	***14.0***

Planted Area Mix					
Physical Area under Control	**210,005**	**229,946**	**81.4**	**19,941**	**9.5**
Own Area	*134,147*	*154,075*	*54.5*	*19,928*	*14.9*
Leased Area	*75,858*	*75,871*	*26.9*	*13*	*0.0*
2nd crop area	**37,829**	**52,627**	**18.6**	**14,798**	***39.1***
Total	**247,834**	**282,573**	**100**	**34,658**	***14.0***

(1) Coffee, wheat, corn seed, sugarcane.

Property Portfolio

As of March 31, 2013, the portfolio of properties under our management was as follows:

2012/13 (ha) Areas		Own[1]	SLC LandCo[2]	Leased	Under control	Planted[1]
Farm	State	---------- ha ----------				
Pamplona	GO	17,385		3,941	21,325	17,834
Planalto	MS	17,437		1,657	19,094	19,040
Planorte	MT	23,797		367	24,164	26,202
Paiaguás	MT	30,878		2,361	33,239	36,352
Parnaíba	MA	38,418		10,359	48,777	35,156
Planeste	MA		23,325	10,858	34,183	31,552
Panorama	BA		12,983	12,312	25,295	21,801
Piratini	BA		25,356	5,000	30,356	13,327
Palmares	BA	16,948		14,878	31,826	30,369
Parnaguá	PI	23,742		-	23,742	2,673
Pejuçara	MT	3,379		8,711	12,090	17,209
Paineira	PI	12,873		-	12,873	5,541
Parceiro	PI	32,816	1,663	5,428	39,907	11,207
Perdizes	MT	28,837		-	28,837	14,210
Total		**246,510**	**63,327**	**75,871**	**385,708**	**282,573**

[1] Own area may change due to georeferencing process

[2] Nowadays SLC AGRÍCOLA owns 89.2% of LandCo and Valiance 10.8%.

Machinery and Storage Capacity

On March 31, 2013 our machinery and storage capacity was as follows:

Machinery	Quantity
Tractors	**427**
Grain Combiners	**163**
Cotton Pickers	**71**
Planters	**157**
Self-propelled sprayers	**96**

2012/13 Storage Capacity	Grains	Cotton
Toneladas	478,140	109,981
% Produção[1]	61%	88%

[1] Estimate of SLC Agrícola based on planted area and yields estimated for 2012/13 crop year.

Financial Analysis

EBITDA

(R$ mil)	1Q12	1Q13	AH
Net Revenue	**324,814**	**256,868**	**-20.9%**
(-) Cost of Goods Sold	**(220,845)**	**(184,584)**	**-16.4%**
Gross Profit	**103,969**	**72,284**	**-30.5%**
(-) Selling Expenses	(15,942)	(16,362)	2.6%
(-) General and administrative	(11,601)	(8,866)	-23.6%
(-) Management fees	(1,815)	(2,431)	33.9%
(-) Other operating revenues	625	525	-16.0%
(=) Income from Activity	**75,236**	**45,150**	**-40.0%**
(+) Depreciation and amortization	21,135	19,150	-9.4%
EBITDA	**96,371**	**64,300**	***-33.3%***
(-) Biological Assets on revenue (note 25*)	(69,372)	(9,243)	-86.7%
(+) Biological Assets on costs (note 26*)	65,930	28,629	-56.6%
Adjusted EBITDA [(1)]	**92,929**	**83,686**	**-9.9%**
Adjusted EBITDA Margin [(2)]	**36.4%**	**33.8%**	***-2,6p.p***

**Explanatory note: Financial Statements*
[(1)]Excluding non-cash effects from biological assets
[(2)]Over net revenue excluding non-cash effects from biological assets

In 1Q13, Adjusted EBITDA was R$83,686 thousand, down 9.9% from R$92,929 thousand in 1Q12. The reduction was mainly due to the lower invoice volume and unit margin for cotton lint and the decrease of R$17,075 thousand in currency hedge income, which was partially offset by the higher invoice volume and unit margin for soybean in the quarter.

Net Revenue

(R$ thousand)	1Q12	1Q13	AH
Net Revenue	**324,814**	**256,868**	**-20.9%**
Cotton lint invoiced	153,807	127,817	-16.9%
Cotton seed invoiced	7,499	12,036	60.5%
Soybean invoiced	77,451	102,958	32.9%
Corn invoiced	7,086	5,799	-18.2%
Coffee invoiced	1,307	2,924	123.7%
Others (invoiced)	3,774	8,648	129.1%
Hedge income	4,518	(12,557)	-377.9%
Biological Assets	69,372	9,243	-86.7%

(Tons)	1Q12	1Q13	AH
Volume Invoiced	**204,118**	**217,311**	**6.5%**
Cotton lint	42,286	33,983	-19.6%
Cotton seed	27,039	25,846	-4.4%
Soybean	112,123	133,431	19.0%
Corn	16,507	14,531	-12.0%
Coffee	192	601	213.0%
Others	5,971	8,919	49.4%

In 1Q13, net revenue decreased 20.9% from 1Q12 to end the period at R$256,868 thousand, compared to R$324,814 thousand in 1Q12, which was mainly due to the lower cotton invoice and reduction of R$17,075 thousand in currency hedge income between the quarters, which was partially offset by the higher soybean invoice and prices in the quarter.

(R$ thousand)	1Q12	1Q13	AH
Effect of Biological Asset on Net Revenue	**69,372**	**9,243**	**-86.7%**
Cotton lint	-	-	-
Cotton seed	-	-	-
Soybean	65,167	11,850	-81.8%
Corn	4,205	(2,607)	n.m.
Coffee	-	-	-
Others	-	-	-

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

The value attributed to biological assets decreased by R$60,129 thousand in 1Q13 compared to 1Q12. The main impact on the calculation of biological assets was the lower margins estimated for soybean due to the lower yields caused by adverse weather conditions (lack of rainfall in December and February) in the states of Bahia and Piauí.

Cost of Goods Sold

(R$ thousand)	1Q12	1Q13	AH
Cost of Goods Sold	**(220,845)**	**(184,584)**	**-16.4%**
Cotton lint	(100,172)	(91,878)	-8.3%
Cotton seed	(5,735)	(7,072)	23.3%
Soybean	(42,991)	(50,315)	17.0%
Corn	(3,183)	(2,001)	-37.1%
Coffee	(726)	(793)	9.2%
Others	(2,108)	(3,896)	84.8%
Biological Assets Allocated at Cost	(65,930)	(28,629)	-56.6%

(R$ thousand)	1Q12	1Q13	AH
Biological Assets Allocated at Cost	**(65,930)**	**(28,629)**	**-56.6%**
Cotton lint	(38,592)	(2,420)	-93.7%
Cotton seed	(2,505)	(1,759)	-29.8%
Soybean	(23,655)	(20,610)	-12.9%
Corn	(1,907)	(1,275)	-33.1%
Coffee	759	(2,571)	n.m.
Others	(30)	6	n.m.

Cost of goods sold in 1Q13 was 16.4% lower than in 1Q12, mainly due to the reduction in the accounting of biological assets. Excluding this item, costs were stable (increase of 0.7%), since the reduction in cotton invoiced volume was offset by the increase in soybean invoiced volume.

Crop Margin Analysis

Cotton Invoiced		1Q12	1Q13	AH
Cotton lint invoiced				
Volume invoiced	Ton	42,286	33,983	-19.6%
Net revenue	R$ thousand	153,807	127,817	-16.9%
Unit Price	R$ thousand / Ton	3,64	3,76	3.3%
Cost Total	R$ thousand	(100,172)	(91,878)	-8.3%
Unit Cost	R$ thousand / Ton	(2,37)	(2,70)	14.1%
Unitary Margin	R$ thousand / Ton	1,27	1,06	-16.9%
Cotton Seed Invoiced				
Volume invoiced	Ton	27,039	25,846	-4.4%
Net revenue	R$ thousand	7,499	12,036	60.5%
Unit Price	R$ thousand / Ton	0,28	0,47	67.9%
Total costs	R$ thousand	(5,735)	(7,072)	23.3%
Unit Cost	R$ thousand / Ton	(0,21)	(0,27)	29.0%
Unitary Margin	R$ thousand / Ton	0,07	0,20	189.2%

Cotton invoiced in 1Q13 refers to production in the 2011/12 crop year. Cotton unit margin in 1Q13 decreased 16.9% from same period last year, mainly due to the 14.1% increase in unit cost.
The unit margin of cotton seed invoiced in 1Q13 increased 189.2%, mainly due to the 67.9% price increase fueled by the higher cotton prices and shortage of cotton in domestic market.

Soybean Invoiced		1Q12	1Q13	AH
Volume invoiced	Ton	112,123	133,431	19.0%
Net revenue	R$ thousand	77,451	102,958	32.9%
Unit Price	R$ thousand / Ton	0,69	0,77	11.6%
Total costs	R$ thousand	(42,991)	(50,315)	17.0%
Unit Cost	R$ thousand / Ton	(0,38)	(0,38)	-1.7%
Unit Margin	R$ thousand / Ton	0,31	0,39	28.2%

Soybean invoiced in 1Q13 refers to production in the 2012/13 crop year. The unit margin of soybean invoiced in the quarter increased 28.2% from 1Q12, due to the increase in unit price (11.6%) combined with the 1.7% decrease in costs.

Corn Invoiced		1Q12	1Q13	AH
Volume invoiced	Ton	16,507	14,531	-12.0%
Net revenue	R$ thousand	7,086	5,799	-18.2%
Unit Price	R$ thousand / Ton	0,43	0,40	-7.0%
Total costs	R$ thousand	(3,183)	(2,001)	-37.1%
Unit Cost	R$ thousand / Ton	(0,19)	(0,14)	-28.6%
Unit Margin	R$ thousand / Ton	0,24	0,26	10.6%

The unit margin of corn invoiced in 1Q13 was 10.6% higher than in 1Q12, since the reduction in unit price was offset by a reduction in unit cost. Most of the corn invoiced in 1Q13 was (80.6%) related to the 2011/12 second crop.

Production Cost

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

%	Cotton[(1)]	Soybeans[(1)]	Corn[(1)]	Avg. 2012/13 [(1)]	Avg. 2011/12
Variable Costs	**76**	**65**	**76**	**71**	**72**
Seeds	4	6	19	7	5
Fertilizers	21	20	31	22	22
Defensives	25	20	11	21	19
Air Spraying	1	1	2	1	2
Fuels and lubricants	4	4	3	4	5
Labor	2	1	1	1	1
Ginning	10	5	5	7	7
Maintenance of machines and instruments	4	5	3	4	6
Others	5	3	1	4	5
Fixed Costs	**24**	**35**	**24**	**29**	**29**
Labor	10	11	8	10	10
Depreciations and amortizations	10	18	12	13	12
Leasing	2	3	2	3	2
Others	2	3	2	3	5

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

Total Production Cost (R$/ha)	Initially estimated 2012/13	Estimated 2012/13[(1)]	Δ%
Cotton 1st crop	5,282	5,282	0,0
Cotton 2nd crop	4,049	4,049	0,0
Soybeans	1,889	1,889	0,0
Corn 1st crop	2,868	2,868	0,0
Corn 2nd crop	1,403	1,403	0,0

[(1)] Amounts estimated by SLC Agrícola, as per position as of March 31, 2012, so as to allow previous evaluation of crops.

For the 2012/13 crop year, we maintain our initial cost estimate. The company will update the information throughout the crop year.

Gross Income

Gross income in 1Q13 decreased by 30.5% from 1Q12, for a nominal reduction of R$31,685 thousand, which was basically due to the change in the allocation of biological assets to net revenue. Excluding the effects from biological assets, gross income was mainly impacted by the variation in hedge income and the reduction in volume and margins of cotton invoiced, which was partially offset by the higher volumes and margins of soybean invoiced.

Selling Expenses

(R$ thousand)	1Q12	1Q13	AH
Freight	8,006	9,166	14.5%
Storage	2,862	2,793	-2.4%
Commissions	524	1,077	105.5%
Classification of Goods	374	194	-48.1%
Export Expenses	3,444	2,988	-13.2%
Others	732	144	-80.3%
Total	**15,942**	**16,362**	**2.6%**
% Net Revenue	**4.9%**	**6.4%**	***1.5p.p***

In 1Q13, selling expenses increased by 2.6% from 1Q12, due to the higher unit cost of cotton freight compared to 1Q12. The increase was due to higher freight costs, which in turn were due to the new driving laws (Federal Law 12,619/2012) and higher fuel prices.

General and Administrative Expenses

(R$ thousand)	1Q12	1Q13	AH
Expenses with personnel	4,422	3,474	-21.4%
Provision for profit share program	2,730	1,556	-43.0%
Fees	797	751	-5.8%
Depreciations and amortizations	713	690	-3.2%
Expenses with travels	315	201	-36.2%
Software maintenance	583	531	-8.9%
Marketing/Advertisement	119	647	443.7%
Expenses with Communications	498	515	3.4%
Rentals	113	130	15.0%
Labor Contingencies	257	-307	n.m.
Electricity	48	32	-33.3%
Taxes and other fees	261	199	-23.8%
Contributions and donations	152	61	-60.0%
Other	593	386	-34.9%
Total	**11,601**	**8,866**	-23.6%
% Net Revenue	**3.6%**	**3.5%**	**-0.1p.p**

In 1Q13, general and administrative expenses decreased by 23.6% from 1Q12, mainly due to the lower level of provisioning for profit sharing, which is based on the Company's net income. In 1Q13, there was a decrease of R$564 thousand in Tax and Labor Contingencies due to the reversal of provisions for labor lawsuits as a result of settlement agreements.

Financial Income (Expense)

(R$ thousand)	1Q12	1Q13	AH
Revenues (expenses) with derivatives	(1,581)	(81)	-94.9%
Interest	(6,023)	(8,811)	46.3%
Monetary variation	(12,740)	20,224	n.m.
FX variation	2,965	573	-80.7%
Other financial revenues (expenses)	(961)	(905)	-5.8%
Total	**(18,340)**	**11,000**	**n.m.**
% Net Revenue	**-5.6%**	**4.3%**	**9.9p.p**

In 1Q13, we recorded net financial income of R$11,000 thousand, compared to the net financial expense of R$18,340 thousand in the same quarter last year, mainly due to monetary variation, which in the quarter benefitted from the drop in soybean prices, which is the reference used for restating the debt arising from the acquisition of land properties.

Net Income

Net income in 1Q13 was R$46,435, increasing 40% from 1Q12, for a nominal increase of R$13,275 thousand from R$33,160 thousand in 1Q12. Net income was impacted by the reduction of R$31,685 thousand in gross income, which was offset by the decreases of R$29,340 thousand in financial expenses, R$2,735 in administrative expenses and R$14,021 in income tax.

The effective income tax rate was 17.3% in 1Q13, due to the recognition of the monetary variation gain (financial income) from the restatement of debt related to land acquisitions pegged to the price of the soybean bag at one of the Company's subsidiaries, which is taxed under the presumed profit tax regime, while income is recognized under the cash regime. Under this regime, monetary variation is only taxed upon settlement of the debt, with the taxable amount net of monetary variation gains and losses in the period.

In 1Q13, net margin was 18.1%, compared to 10.2% in 1Q12.

Currency and Agricultural Commodity Hedge

The Company's sales revenues are mainly generated by the trading of agricultural commodities such as cotton, soybean and corn, which are quoted in U.S. dollar on international exchanges, such as the Chicago Board of Trade (CBOT) and the Intercontinental Exchange Futures US (ICE). Therefore, we are actively exposed to variations in foreign exchange rates and in the prices of these commodities. To protect from currency variation we use derivative instruments, with the portfolio of these instruments comprised basically of non-deliverable forwards (NDFs) and option contracts.
In line with the Company's Risk Management Policy, whose purpose is to obtain a pre-established EBITDA margin with a combination of factors such as Price, Foreign Exchange and Cost, most of the instruments for protecting against commodity price variation are accomplished through advanced sales directly with our clients (forward contracts). Furthermore, we also use futures and options contracts negotiated on the exchange and swap and option transactions contracted with financial institutions. The marking to market of future, swap and option transactions are recorded under financial income (expense).

The hedge position on March 31, 2013 for commodities (in relation to the estimated total volume invoiced) and currency (in relation to the total estimated revenue in U.S. dollar) is shown below broken down by commercial hedge and financial hedge:

Commercial (Physical Sales) and Currency Hedge

		FX rate [4]		Soybean		Cotton
Civil Year	%	R$ / US$	%	US$ / bushel [1] [2] [3]	%	US¢ / lb [1] [2]
2013	60.6	2.0104	73.6	13.77	76.8	87.87
2014	6.4	2.1547	-	-	2.7	90.10

[1] FOB Port.
[2] Prices in our production units are still influenced by transportation expenses.
[3] The percentage hedged don't include pledges with payments of properties and leasing that correspond to 8.3% of 2012/13.
[4] The percentage hedged does not include pledges with FX payments that correspond to 24.1% of FX revenue in 2013.

Financial Hedge

		Cotton	Base Price for MTM		Soybean	Base Price for MTM
Civil Year	%	US¢ / lb	03/31/2013	%	US$/bushel	03/31/2013
2013	4.9	92.81	87.37	-	-	-
2014	-	-	-	1.1	14.00	12.59

NOTE: Unlike FX hedge operations, financial hedge operations for commodities, due to their nature, were not classified under the hedge accounting methodology; therefore, they pass through the income statement even before their due date. The mark-to-market for such operations (which was based on the closing quotation prices of 03/31/2013) is shown under Financial Income, in Gains and Losses with Derivatives. For projections of results related to these operations, it is important to stress that any additional price fluctuation will be recognized under financial income (gain or loss), offset in equal proportion, but in reverse, under net revenue (increase or decrease), that in this case will reflect the physical sale of the product at issue.

Property, Plant and Equipment / Intangible Assets

CAPEX (R$ mil)	1Q13	AV
Machinery, implements and equipment	4,536	22.3%
Land acquisition	7,647	37.6%
Soil correction	1,712	8.4%
Buildings and facilities	3,574	17.6%
Cotton ginning plant	-	-
Grains storage	-	-
Soil cleaning	1,997	9.8%
Vehicles	176	0.9%
Software	110	0.5%
Others	610	3.0%
Total	**20,362**	

The main investments in 1Q13 were:

- Acquisition of 4 grain harvesters;
- Acquisition of 1,633 hectares by SLC LandCo for R$7,484 thousand;
- Land clearing on the Parnaguá and Parceiro farms.

Financial Net Debt

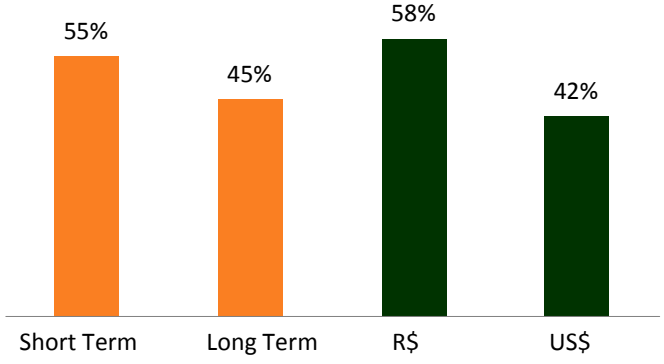
(R$ thousand)	Currency	Annual Average Interest Rate 1Q13	Annual Average Interest Rate 4Q12	Consolidated 1Q13	Consolidated 4Q12
Applied in Fixed Assets					
Finame – BNDES	Pré e TJLP	**6.48%**	6.31%	**82,056**	37,026
Constitutional Funds (1)	Pré	**7.29%**	7.29%	**92,864**	90,984
Financing Investments	US$ e Libor	**5.74%**	5.74%	**21,304**	21,276
				196,224	149,287
Applied in Working Capital					
Rural Credit	Pré	**6.07%**	6.11%	**205,424**	174,743
Constitutional Funds (1)	Pré	**7.23%**	7.23%	**51,869**	29,198
Working Capital	Pré e CDI	**9.90%**	8.31%	**58,246**	90,162
External Loans	US$, Libor + Pré	**4.03%**	4.05%	**331,867**	367,470
		5.77%	5.59%	**647,406**	661,573
Total Indebtedness				**843,630**	810,860
(-) Cash				**300,722**	157,246
(=) Net Debt				**542,908**	653,614
Net Debt/ Adjusted EBITDA				**1.93x**	2.26x
Net Debt/NAV				**19.0%**	24.40%

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

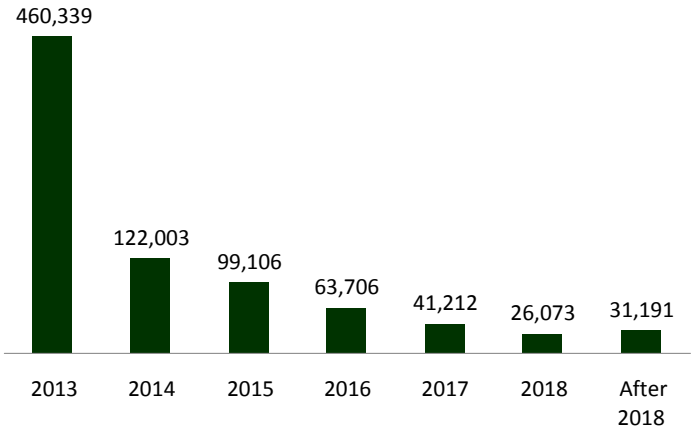
Gross debt in 1Q13 increased by 4.04% in relation to 4Q12, from R$810,860 thousand to R$843,630 thousand. The increase was mainly related to the loans contracted from the BNDES, the contracting of rural credit and the release of funds from FNE, which increased the balance of Constitutional Funds allocated to working capital. The Company also amortized export and working capital financing lines, which partially offset the increase in debt. Due to the positive operating cash flow, net debt decreased to R$542,908 thousand in 1Q13.

The net debt/Adjusted EBITDA ratio closed 1Q13 at 1.93x, compared to 2.26x in 4Q12.
The exchange variation relative to Trade Finance operations was booked in accordance with the hedge accounting methodology.

1Q13 Debit Profile (%)



1Q13 Long Term Debt Schedule (R$ Thousand)



Indicators

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

Return on Equity

(R$ million)	2009	2010	2011	2012	1Q13
Net Profit	9	59	160	38	46
Net Land Appreciation SLC Agricola[1]	163	(36)	179	222	348
Net Land Appreciation LandCo[2]	-	-	-	51	61
Subtotal	**172**	**23**	**338**	**312**	**456**
Shareholder's Equity[3]	1,807	1,839	2,063	2,358	2,774
Return-on-equity	**9.5%**	**1.3%**	**16.4%**	**13.2%**	**16.4%**

[1] Based on independent land appraisal (Deloitte), net of taxes. 1Q13: applying average appreciation of land in Brazil for the past 12 months based on Jan-Fev Informa Economics FNP report (16,5%). Net of taxes.
[2] SLC Agricola owns 89.23% of SLC LandCo shares
[3] Adjusted for land appreciation

Net Asset Value

(R$ million)	1Q13
Land[1]	1,448
LandCo Farms[2]	421
Acquisitions after Deloitte's Appraisal[3]	246
Infrastructure (excl. land)	748
Accounts Receivable (excl. derivatives)	81
Inventories (excl. non-cash)	258
Biological Assets (excl. non-cash)	403
Cash	301
Subtotal	**3,907**
Suppliers	53
Gross Debt	844
Outstanding debt related to land acquisitions	149
Subtotal	**1,046**
Net Asset Value	**2,861**
Net Asset Value per Share	**28.9**

[1] Based on independent land appraisal (Deloitte), net of taxes
[2] Considering negotiated value at LandCo transaction, net of taxes. Adjusted for SLC Agricola's share.
[3] Acquisition price, net of taxes

Return on Net Assets (RONA)

(R$ million)	2009	2010	2011	2012	1Q13
Net Profit	9	59	160	38	46
Net Land Appreciation [1]	163	(36)	179	273	409
Subtotal	**172**	**23**	**339**	**312**	**456**
Invested Capital	2,566	2,599	3,196	3,637	4,017
Working Capital	434	395	504	626	574
Net Assets[2]	2,132	2,203	2,692	3,011	3,443
Return	**6.7%**	**0.9%**	**10.6%**	**8.6%**	**11.3%**

[1] Based on independent land appraisal (Deloitte), net of taxes. 1Q13: applying average appreciation of land in Brazil for the past 12 months based on Jan-Fev Informa Economics FNP report (16,5%). Net of taxes.
[2] Adjusted for land appreciation

Changes in Working Capital

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

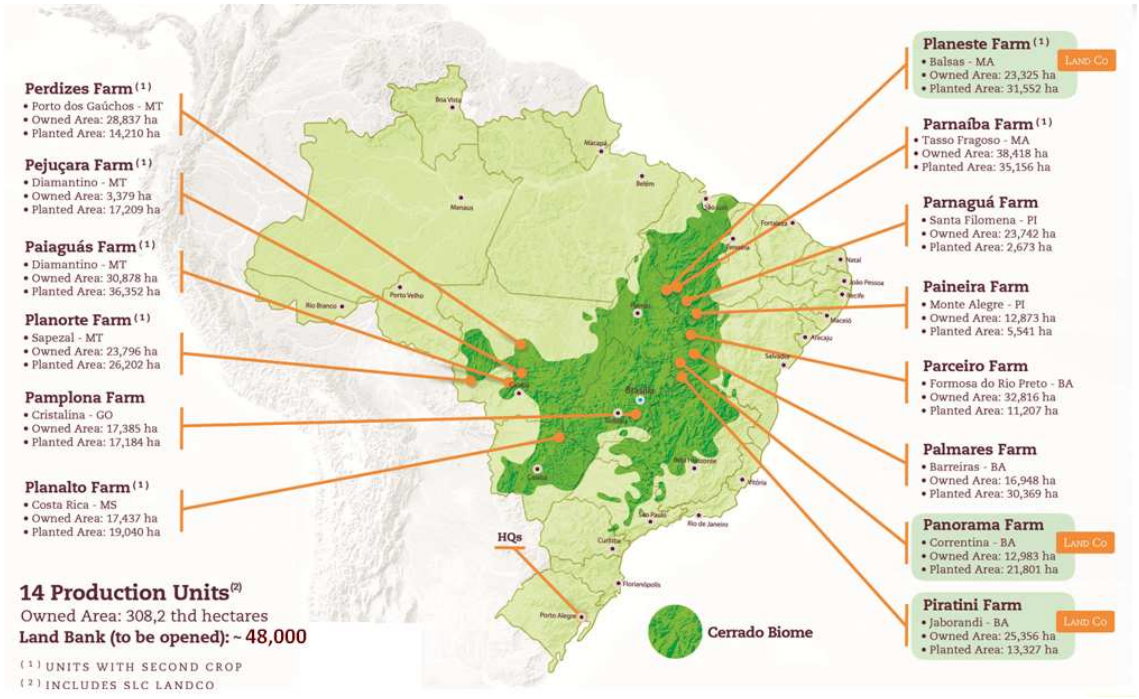
Return on Invested Capital

(R$ million)	2009	2010	2011	2012	1Q13
Operating Income	11	126	257	145	45
Taxes (%)	20.5%	30.1%	33.7%	49.8%	17.3%
Taxes (nominal)	(2)	(38)	(87)	(72)	(8)
Adjusted Operating Income	9	88	170	73	37
Net Land Appreciation[1]	163	(36)	179	273	409
Operating Income w/ land appreciation	**172**	**52**	**349**	**346**	**446**
Invested Capital	2,125	2,179	2,572	3,011	3,317
Gross Debt (short and long term)	*461*	*450*	*640*	*811*	*844*
Cash	*142*	*110*	*131*	*157*	*301*
Net Debt	*318*	*339*	*510*	*654*	*543*
Shareholder's Equity[2]	*1,807*	*1,839*	*2,063*	*2,358*	*2,774*
Return on Invested Capital	**8.1%**	**2.4%**	**13.6%**	**11.5%**	**13.5%**

[1] Based on independent land appraisal (Deloitte), net of taxes. 1Q13: applying average appreciation of land in Brazil for the past 12 months based on Jan-Fev Informa Economics FNP report (16,5%). Net of taxes.

[2] Adjusted for Land Appreciation

Location of Production Units



Adherence to Arbitration Chamber

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

Independent Auditors

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

Contacts

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Rakan Damra
IR Department

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We make forward-looking statements that are subject to risks and uncertainties. Such statements are based on the beliefs and assumptions of our Management and on the information currently available to the Company. Forward-looking statements include information on our current plans, beliefs or expectations, as well as those of the Company's Board of Directors and its Officers.
Forward-looking statements include information on potential or assumed operating results as well as statements that are preceded, followed or include the words "believe", "may", "will", "continue", "expect", "project", "intend", "plan", "estimate" or similar expressions.
Forward-looking statements and information provide no guarantee of performance. Because they refer to future events, they involve risks, uncertainties and assumptions and as such depend on circumstances that may or may not occur. The future results and creation of value for shareholders may differ significantly from the figures expressed or suggested in the forward-looking statements. Many factors that will determine these results and values are beyond our capacity to control or predict.

1Q13 Conference Call

Date: Thursday, May 9, 2013

> Portuguese
10:00 a.m. (Brasília)
9:00 a.m. (New York)
2:00 p.m. (London)
Dial-in: +55 (11) 2188-0155
Code: SLC Agrícola
Replay: +55 (11) 2188-0155
Code: SLC Agrícola

> English
12:00 p.m. (Brasília)
11:00 a.m. (New York)
4:00 p.m. (London)
Dial-in: +1 (412) 317-6776
Code: SLC Agrícola
Replay: +1 (412) 317-0088
Code: 10027396

Agricultural weights and measures

1 ton	1.000 kg	
1 kg	2.20462 lb	
1 lb	0.45359 kg	
1 acre	0.40469 hectares	
1 acre	0.1840 bushel	
1 hectare (ha)	2.47105 acres	
1 hectare (ha)	10.000 m²	
1 bushel	5.4363 acres	

Soybeans and Wheat

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

Corn

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

Cotton

1 bale	480 lb	217.72 kg
1 arroba	14.68 kg*	

Coffee

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

* The market and our Company consider 15.00Kg.

1 Operations

SLC Agrícola S.A. was 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, 2012, the Company started the cultivation of the 2012/2013 crop, operating with 14 production units, with a total planted area of 282.6 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 Accounting policies

a. Presentation basis of individual and consolidated quarterly information

Company’s Interim accounting information contained in Interim Financial Statements (ITR) for the quarter ended March 31, 2013:

- Consolidated interim accounting information prepared in accordance with CPC 21 – Interim Statement and IAS 34 – Interim Financial Reporting, issued by the International Accounting Standard Board (IASB) and presented consistently with standards issued by the Brazilian Securities and Exchange Commission applicable to the preparation of Quarterly Information (ITR).
- The Company’s interim individual accounting information prepared in accordance with CPC 21 – Interim Statement and presented consistently with standards issued by the Brazilian Securities and Exchange Commission (CVM), applicable to the preparation of Quarterly Information (ITR).

As of January 1, 2013, the Company adopted standards IFRS 10/CPC 36 (R3) – Consolidated financial statements”, IFRS 11/CPC 19 (R2) - “Joint arrangements” and IFRS 12/CPC 45 – “Disclosures of interests in other entities”, as determined by the respective IFRS.

The individual financial information of the Parent Company were prepared in accordance with BR GAAP, and, in the case of the Company, these practices differ from the IFRS applicable to separate financial statements due to the fact that investments in subsidiaries, are valued under the equity method in BR GAAP, whereas, for IFRS purposes, these investments would be carried at cost or fair value.

However, there is no difference between the consolidated shareholders' equity and the shareholders' equity of the parent company in the individual financial statements. Accordingly, the consolidated quarterly information and the Parent Company's quarterly information are being presented side by side in a single set of Quarterly information.

The closing of Quarterly Information was authorized in a Board of Directors meeting held on May 08, 2013.

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.

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.

d. Changes due to the adoption of IFRS 10 and 11 (CPC 36 – R3 and CPC 19 – R2)

- **IFRS 10/CPC 36 R3 – Consolidated financial statements**

With mandatory application since January 1, 2013, IFRS 10/CPC 36 R3 – "Consolidated financial statements", expands the concept of Control taking into account the power and the returns that a participant has over an investment. In this context, a scenario of equity interest with voting rights is analyzed together with substantive rights that can grant power over the material activities of the investee. If control is characterized, the subsidiary is fully consolidated from the date on which the controlling interest is transferred to the Company and the transactions with non-controlling interests such as transactions with owners of assets of the Group are presented in shareholders' equity as "non-controlling interests". The adoption of IFRS 10 did not affect the Company's quarterly information.

- **IFRS 11/CPC 19 R2 – Joint ventures**

With mandatory application since January 1, 2013, IFRS 11 – "Joint arrangements" establishes more realistic reflections of joint arrangements by focusing on the rights and obligations of the arrangement rather than its legal form, predicting two types of joint arrangement: (i) joint operations – which normally occurs when an operator has rights to the assets and obligations relating to the arrangement and hence will account for its interest in the assets, liabilities, revenues and expenses (proportional consolidation); and (ii) joint venture – occurs when an operator has rights to the net assets of the arrangement and accounts for the investment using the equity method of accounting. In this case proportional consolidation is no longer allowed. The adoption of IFRS 11 did not affect the Company's quarterly information.

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 translation at year-end 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.

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, wheat 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 26, named "change in fair value of the biological assets".

The biological assets - soybean, corn, cotton and wheat - 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 “coffee plantation” is measured at fair value less costs necessary to prepare assets for sale. The “sugarcane plantation” is in the initial stage of cultivation and planting, and is measured at the cost incurred for its formation. As they are permanent crops, they are classified in the group of noncurrent 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, cotton and wheat 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.
- Coffee plantations - are valued at fair value based on its productivity forecast and price changes.

ii. Methodology used:

- Soy bean, corn, cotton and wheat crops – Evaluation of each crop area on pre-harvest dates based on the area to be harvested and on expected productivity.
- Coffee crops – projection of future cash flows according to projected productivity cycle, taking into consideration price variations and growth of these biological assets.

iii. The discount rate used in the cash flows corresponds to the Weighted Average Cost of Capital (WACC) of about 8,03% p.a., which is periodically reviewed by the Management. Future prices were estimated based on future quotation (*Nybot*) and costs were estimated based on the Company’s business plan. The average lifespan of the coffee plants considered in the study is 15 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.

Property, plant and equipment items are depreciated from the date they are installed and become available for use, and, in case of internal constructions, from the date the construction has been completed and the asset is available for use.

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

Description	Useful life
Soil correction and development	5 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
Permanent crops	11.1 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 year ended March 31, 2013 and December 31, 2012, the Company did not verify the existence of indicators that certain property, plant and equipment may be above their recoverable values and, consequently none provision for impairment of property, plant and equipment is required.

Assets' residual values and useful lives and depreciation methods are reviewed at year-end, 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 June 31, 2013 and December 31, 2012, the Company did not have intangible assets with an undefined useful life, as well as intangible assets generated internally.

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 through Decree n° 9,542/99 and of Mato Grosso, through Decree ° 1261/00, granted incentives for deferral of ICMS debts through the adhesion of Fazenda Planalto to the Fundersul (Fund for Development of the Road System of Mato Grosso do Sul State) program and of Fazenda Planorte and Fazenda Paiaguás to the FETHAB (Transportation and Housing Fund) program.

The governments of the states of Mato Grosso do Sul through Decree 9716/99, and of Goiás through State Law 13506/99, granted deemed ICMS credit incentives in the operations with cotton fiber, with reduction in the amount of ICMS payable from 50% to 75% through adhesion by Fazenda Planalto to the PDAGRO program (Mato Grosso do Sul), and by Fazenda Pamplona to the PROALGO program (Goiás). Deemed credits are recorded in income under taxes on sales, as a contra entry to recoverable taxes.

The Superintendency for the Development of the Amazon Region - SUDAM (current Agency for Development of the Amazon Region - ADA), through Declaratory Act DCI/DAI/SUDAM no. 025/2000, granted IRPJ tax incentive of IRPJ to Parnaíba and Planorte farms, with reduction of IRPJ and nonreturnable additional sums of 75% on income from the exploration of operations with cotton and cottonseed, up to the production of limit stipulated in the Declaratory Act. Amounts calculated as incentives are recorded under Corporate Income Tax Payable, as a contra entry to caption current income tax in income.

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 not recognized for the following temporary differences:

- Initial recognition of assets and liabilities in a transaction that is not a business combination, and not affecting the accounts nor taxable profit or loss.
- Differences related to investments in subsidiaries, branches and associated companies and interest in joint ventures when they are not likely to change direction in the foreseeable future.
- Deferred taxes are not recognized for taxable temporary differences arising from the initial recognition of goodwill.

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
ICMS - Value-Added Tax on Sales and Services	0% to 17.00%
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 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 retained earnings.

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 March 31, 2013 and December 31, 2012, the Company and its subsidiaries had only transactions classified in “Cash flow hedge”.

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 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 periods ended March 31, 2013 and December 31, 2012, the Company measured and recognized these benefits as Expense in accordance with CPC 10 (IFRS 2). Company's program details are described in Note 23.

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 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, 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 18.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 and coffee) and on acquisition and development of land for agriculture; accordingly, it is organized in two business segments: agricultural production and 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. There is no aggregation of operating segments.

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.

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 23.

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.

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

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

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

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:

Companies	Direct subsidiaries %	Indirect subsidiaries %	Main activity	Location
Fazenda Planorte Empreendimentos Agrícolas Ltda.	100	-	Culture of cotton, soybean and corn.	Mato Grosso - MT
Fazenda Paiaguás Empreendimentos Agrícolas Ltda.	100	-	Culture of cotton, soybean and corn.	Mato Grosso - MT
Fazenda Parnaíba Empreendimentos Agrícolas Ltda.	100	-	Culture of cotton, soybean and corn.	Maranhão - MA
Fazenda Perdizes Empreendimentos Agrícolas Ltda.	100	-	Culture of cotton, soybean and corn.	Mato Grosso - MA
SLC Empreendimentos e Agricultura Ltda.	88.01	11.99	Leasing of crop land.	Rio Grande do Sul - RS
SLC Agrícola Pejuçara Ltda.	89.25	10.75	Culture of cotton, soybean and corn.	Mato Grosso - MT
SLC LandCo Empreendimentos Agrícolas Ltda.	-	89.23	Purchasing and sale, lease, construction and managing of real estate.	Rio Grande do Sul - RS
Fazenda Planeste Empreendimentos Agrícolas Ltda.	-	89.23	Purchasing and sale, lease, construction and managing of real estate.	Rio Grande do Sul - RS
Fazenda Piratini Empreendimentos Agrícolas Ltda	-	89.23	Purchasing and sale, lease, construction and managing of real estate.	Rio Grande do Sul - RS
Fazenda Panorama Empreendimentos Agrícolas Ltda.	-	89.23	Purchasing and sale, lease, construction and managing of real estate.	Rio Grande do Sul - RS
Fazenda Parceiro Empreendimentos Agrícolas Ltda.	-	100	Purchasing and sale, lease, construction and managing of real estate.	Rio Grande do Sul - RS
Fazenda Paineira Empreendimentos Agrícolas Ltda.	-	100	Purchasing and sale, lease, construction and managing of real estate.	Rio Grande do Sul - RS

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

Description	Yields	Parent company		Consolidated	
		03/31/13	12/31/12	**03/31/13**	12/31/12
Cash and cash equivalents	-	**466**	511	**537**	199
CDB-DI	100.37% of CDI*	**32,539**	28,273	**84,810**	82,930
Repurchase and resale commitments	100.46% of CDI*	**75,827**	14,590	**211,371**	73,196
CP Investment Fund	99.9% of CDI*	**917**	485	**3,562**	485
Other investments	-	**301**	298	**442**	436
		110,050	44,157	**300,722**	157,246
Cash and cash equivalents		**87,885**	30,799	**278,557**	143,888
CP Interest earnings bank deposits		**22,165**	13,358	**22,165**	13,358

(*) Average yield on March 31, 2013.

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 March 31, 2013, 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 March 2013, 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 21.

7 Trade accounts receivable

	Parent company		Consolidated	
	03/31/13	12/31/12	**03/31/13**	12/31/12
Domestic market	**9,363**	10,360	**14,992**	12,437
Foreign market	**10,126**	26,189	**24,686**	42,834
Total	**19,489**	36,549	**39,678**	55,271

On March 31, 2013 and December 31, 2012, the Company and its subsidiaries did not have securities with receipt considered uncertain and that are overdue, and therefore did not form allowance for doubtful accounts.

The group's exposure to credit and currency risk related to trade accounts receivable is disclosed in note 21.

8 Inventories

	Parent company		Consolidated	
	03/31/13	**12/31/12**	**03/31/13**	**12/31/12**
Agricultural products	**86,009**	103,604	**165,342**	166,531
Agricultural products - formation costs	**79,218**	106,150	**135,771**	156,581
Agricultural products – Adjustment at fair value for biological assets	**6,791**	(2,546)	**29,571**	9,950
Seeds, composts, fertilizers and pesticides	**59,400**	129,038	**96,446**	200,182
Packages and containerization material	**5,227**	5,227	**7,199**	7,199
Spare parts	**2,950**	2,950	**4,225**	4,225
Advances to suppliers	**8,014**	9,851	**11,594**	29,217
Other inventories	**3,501**	2,752	**5,787**	4,902
Provisions for inventory adjustment	**(2,551)**	(4,285)	**(2,564)**	(4,437)
	162,550	249,137	**288,029**	407,819

On March 31, 2013, the Company recorded provision for adjustment to market value, where the movement was as follows:

	Parent company	Consolidated
Balance at December 31, 2012	(4,285)	(4,437)
Formation of provision	(8,523)	(8,795)
(-) Reversal of provision	10,257	10,668
Balance at March 31, 2013	(2,551)	(2,564)

On March 31, 2013, the Company did not record allowance for inventory losses.

9 Biological assets

	Parent company							
	Current						Non-current	
	Soybean	Cotton	Corn	Coffee	Other crops	Total	Coffee	Sugarcane
Balances at December 31, 2012	69,969	78,910	22,741	1,710	3,467	176,797	6,019	-
Expenditures with planting	47,430	97,606	17,765	1,172	1,341	165,314	-	287
Variation of the fair value	(20,004)	-	(2,946)	-	-	(22,950)	-	-
Harvest of the agricultural product	(44,259)	(11,811)	(1,255)	32	(2,828)	(60,121)	(139)	-
Balances at March 31, 2013	**53,136**	**164,705**	**36,305**	**2,914**	**1,980**	**259,040**	**5,880**	**287**
Agricultural products – formation costs	75,162	164,705	39,125	2,914	1,980	283,886		
Biological Assets – Adjustment at fair value	(22,026)	-	(2,820)	-	-	(24,846)		

	Consolidated							
	Current						Non-current	
	Soybean	Cotton	Corn	Coffee	Other crops	Total	Coffee	Sugarcane
Balances at December 31, 2012	144,978	123,912	29,534	1,670	3,310	303,404	6,174	-
Expenditures with planting	75,504	155,573	36,274	1,152	1,793	270,296	-	287
Variation of the fair value	11,849	-	(2,606)	-	-	9,243	-	-
Harvest of the agricultural product	(146,108)	(43,983)	(1,239)	32	(2,828)	(194,126)	(139)	-
Balances at March 31, 2013	**86,223**	**235,502**	**61,963**	**2,854**	**2,275**	**388,817**	**6,035**	**287**
Agricultural products – formation costs	98,393	234,885	64,443	2,854	2,275	402,850		
Biological Assets – Adjustment at fair value	(12,170)	617	(2,480)	-	-	(14,033)		

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**
Fazenda Planalto	Costa Rica-MS	September 20 to March 25	December 5 to August 15	January 25 to July 10
Fazenda Paiaguás	Diamantino-MT	September 20 to March 15	December 10 to August 8	January 25 to July 10
Fazenda Pejuçara	Diamantino-MT	September 20 to March 15	December 10 to August 8	January 25 to July 10
Fazenda Planorte	Sapezal-MT	September 20 to March 10	December 15 to August 15	January 25 to July 10
Fazenda Pamplona	Cristalina-GO	October 15 to April 15	November 5 to August 15	October 15 to July 15
Fazenda Parnaíba	Tasso Fragoso-MA	October 15 to April 15	December 15 to August 10	October 15 to July 15
Fazenda Planeste	Balsas-MA	September 20 to April 15	December 20 to August 15	September 20 to July 15
Fazenda Panorana	Correntina-BA	October 15 to April 30	December 20 to October 5	October 15 to July 15
Fazenda Piratini	Jaborandi-BA	October 15 to April 30	November 20 to August 10	October 15 to July 15
Fazenda Palmares	Barreiras-BA	October 15 to April 30	November 20 to August 10	October 15 to July 15
Fazenda Parceiro	Formosa do Rio Preto -BA	October 15 to April 30	November 20 to August 15	October 15 to July 15
Fazenda Paineira	Monte Alegre do Piauí -PI	October 15 to April 30	Does not plant	October 15 to July 15
Fazenda Perdizes	Porto dos Gaúchos - MT	September 20 to March 15	Does not plant	January 25 to July 10
Fazenda Parnaguá	Santa Filomena-PI	October 15 to April 15	Does not plant	October 15 to July 15

The areas held in the crop year 2011/12 are as follows:

	Soybean	**Cotton**	**Corn**	**Other crops[2]**	**Total**
Area in hectares	114,158	95,271	35,166	3,239	247,834

Areas planned[1] for plantation for crop year 2012/13:

	Soybean	**Cotton**	**Corn**	**Other crops[2]**	**Total**
Area in hectares	150,778	76,580	49,273	5,942	282,573

(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 consist of coffee, wheat, seed corn and sugarcane.

10 Recoverable taxes

	Parent company		**Consolidated**	
	03/31/13	**12/31/12**	**03/31/13**	**12/31/12**
Income tax	**2,074**	2,034	**7,861**	15,102
Social contribution	**143**	31	**3,008**	8,057
ICMS	**31,264**	29,918	**39,386**	37,908
COFINS	**13,900**	13,229	**26,986**	28,832
PIS	**3,018**	2,873	**7,076**	6,606
IRRF recoverable	**144**	1,432	**361**	2,114
Other	**411**	411	**488**	488
	50,954	49,928	**85,166**	99,107
(-) Portion classified in current assets	**(47,307)**	(45,972)	**(80,679)**	(94,188)
Portion classified in non-current assets	**3,647**	3,956	**4,487**	4,919

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 Company's management estimates that the existing balances as of March 31, 2013 are realized in the normal course of its operations, without losses.

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	
	03/31/13	**12/31/12**
Interest in subsidiaries	**1,772,094**	1,702,954
	1,772,094	1,702,954

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

	Fazenda Parnaíba Emp. Agr. Ltda.	Fazenda Planorte Emp. Agr. Ltda.	Fazenda Paiaguás Emp. Agr. Ltda.	SLC Agrícola Pejuçara Ltda. (2)	Fazenda Perdizes Emp. Agr. Ltda.	SLC Empreend. e Agric. Ltda. (1) and (2)	03/31/13	12/31/12
Current assets	115,411	102,740	143,621	86,344	29,898	58,593		
Non-current assets	290,172	274,411	224,873	13,927	7,763	1,501,950		
Current liabilities	69,055	69,530	97,978	40,484	16,264	76,383		
Non-current liabilities	94,152	78,684	31,197	4,064	7,722	281,625		
Revenues	33,020	36,787	67,263	31,414	10,287	24,273		
Expenses	(20,389)	(27,349)	(51,013)	(24,979)	(8,144)	(1,405)		
Capital	45,650	57,050	40,010	26,456	-	373,285		
Shareholders' equity	242,376	228,936	239,319	55,723	13,675	1,134,026		
Net income (loss) for the period	12,631	9,438	16,250	6,435	2,143	22,868		
Quantity of shares/quotas of the capital								
Common shares (thousand)	5,353	11,506	44,517	46,542	100	-		
Percentage of interest (%)	100.0%	100.0%	100.0%	89.25%	100.0%	88.01%		
Opening balances	228,690	218,591	222,146	44,085	11,532	977,910	**1,702,954**	1,523,663
Paid-up capital	-	-	-	-	-	-	-	109,885
Gain in the variation in interest	-	-	-	-	-	-	-	10,666
Unrealized gain/(loss) with hedge instruments	1,055	907	932	(96)	-	-	**2,798**	6,521
Capital investment gain (loss)	-	-	(9)	-	-	19	**10**	(1,502)
Equity in income of subsidiaries and associated companies	12,631	9,438	16,250	5,744	2,143	20,126	**66,332**	53,721
Closing balances	242,376	228,936	239,319	49,733	13,675	998,055	**1,772,094**	1,702,954

(1) Shareholders' equity was adjusted in the amount of R$22,144 and net income in the amount of R$1,903, relating to unrealized results between the Companies, net of tax impacts.

(2) The Company controls 100% of SLC Empreendimentos e Agricultura Ltda. and SLC Agrícola Pejuçara Ltda through its subsidiary Fazenda Paiaguás Empreendimentos Agrícolas S.A.

(3) On May 1, 2012, a Contract for Subscription of Shares and Other Covenants was entered into with investment fund Valiance Asset Management Limited (Valiance) for the creation of a long-term partnership for investment in and development of arable land in Brazil. Raised funds will be used for acquisition, construction of infrastructure and transformation of soil usage. The Company will lease areas available for planting at terms normally practiced in the region where SLC Landco lands are located (Note 13.c).

12 Property, plant and equipment

Parent company

Cost of the gross fixed assets	Balance on 12/31/2012	Acquisitions	Write-offs	Transfers	**Balance on 03/31/2013**
Crop lands	6,069	-	-	-	**6,069**
Soil correction and development	227,085	3,449	(4,447)	58	**226,145**
Buildings and improvements	77,891	70	(2)	11,050	**89,009**
Agricultural equipment and industrial facilities	351,996	5,182	(3,358)	130	**353,950**
Vehicles	18,458	151	(113)	-	**18,496**
Furniture and fixtures	8,535	111	(2)	-	**8,644**
Equipment and facilities of the office	4,337	89	(10)	-	**4,416**
Permanent crops	1,247	96	(298)	-	**1,045**
Advances to suppliers	8,261	453	(4)	-	**8,710**
Works in progress	15,553	2,218	-	(11,238)	**6,533**
Total	719,432	11,819	(8,234)	-	**723,017**

Depreciation	Balance on 12/31/2012	Depreciation	Write-offs	Transfers	**Balance on 03/31/2013**
Soil correction and development	123,247	9,609	(190)	-	**132,666**
Buildings and improvements	7,307	682	-	-	**7,989**
Agricultural equipment and industrial facilities	114,800	7,979	(1,769)	-	**121,010**
Vehicles	8,496	357	(107)	-	**8,746**
Furniture and fixtures	2,019	176	(2)	-	**2,193**
Equipment and facilities of the office	2,563	107	(10)	-	**2,660**
Total	258,432	18,910	(2,078)	-	**275,264**

Net residual value	**12/31/2012**	**03/31/2013**
Crop lands	6,069	**6,069**
Soil correction and development	103,838	**93,479**
Buildings and improvements	70,584	**81,020**
Agricultural equipment and industrial facilities	237,196	**232,940**
Vehicles	9,962	**9,750**
Furniture and fixtures	6,516	**6,451**
Equipment and facilities of the office	1,774	**1,756**
Permanent crops	1,247	**1,045**
Advances to suppliers	8,261	**8,710**
Works in progress	15,553	**6,533**
Total	461,000	**447,753**

Consolidated

Cost of the gross fixed assets	Balance on 12/31/2012	Acquisitions	Write-offs	Transfers	**Balance on 03/31/2013**
Crop lands	1,825,873	7,647	-	-	**1,833,520**
Soil correction and development	336,045	3,710	(4,447)	58	**335,366**
Buildings and improvements	201,303	111	(16)	11,838	**213,236**
Agricultural equipment and industrial facilities	580,375	3,968	(6,247)	184	**578,280**
Vehicles	30,609	176	(146)	-	**30,639**
Furniture and fixtures	10,607	183	(44)	-	**10,746**
Equipment and facilities of the office	9,791	247	(162)	-	**9,876**
Permanent crops	5,085	174	(308)	15	**4,966**
Advances to suppliers	9,662	574	(10)	-	**10,226**
Works in progress	17,436	3,462	(190)	(12,095)	**8,613**
Total	3,026,786	20,252	(11,570)	-	**3,035,468**

Depreciation	Balance on 12/31/2012	Depreciation	Write-offs	Transfers	**Balance on 03/31/2013**
Soil correction and development	189,884	13,034	(190)	-	**202,728**
Buildings and improvements	35,646	1,473	(5)	-	**37,114**
Agricultural equipment and industrial facilities	186,695	11,602	(4,782)	-	**193,515**
Vehicles	13,211	499	(164)	-	**13,546**
Furniture and fixtures	2,812	217	(39)	-	**2,990**
Equipment and facilities of the office	3,773	220	(160)	-	**3,833**
Permanent crops	194	-	-	-	**194**
Total	432,215	27,045	(5,340)	-	**453,920**

Net residual value	12/31/2012	**03/31/2013**
Crop lands	1,825,873	**1,833,520**
Soil correction and development	146,161	**132,638**
Buildings and improvements	165,657	**176,122**
Agricultural equipment and industrial facilities	393,680	**384,765**
Vehicles	17,398	**17,093**
Furniture and fixtures	7,795	**7,756**
Equipment and facilities of the office	6,018	**6,043**
Permanent crops	4,891	**4,772**
Advances to suppliers	9,662	**10,226**
Works in progress	17,436	**8,613**
Total	2,594,571	**2,581,548**

On March 31, 2013, the construction in progress was substantially represented by improvements in the building of the cotton gin at Planeste, Panorama, Planalto and Palmares farms in the amount of R$337, grain storage unit at the Parnaíba, Planorte, Paineira and Pamplona farms in the amount of R$ 903 and infrastructure works (improvements, roads, depots, etc.) in the amount of R$7,372. The amount of interest that was capitalized to construction in progress in the period of March 31, 2013 was R$169 (R$225 on March 31, 2012). The capitalization rate used to determine the capitalizable loan costs was 2.5% p.a.

On March 31, 2013, there were fixed assets provided as guarantee against bank loans in the amount of R$ 389,755 (R$ 340,039 on December 31, 2012).

13 Balances and transactions with related parties

On March 31, 2013 and December 31, 2012, the balances and transactions with related parties are as follow:

a. Related party balances

Balances receivable with related parties

	Other accounts receivable		Loans receivable		Advances for future capital increase		Total accounts receivable	
	03/31/13	12/31/12	**03/31/13**	12/31/12	**03/31/13**	12/31/12	**03/31/13**	12/31/12
Direct subsidiaries								
Fazenda Planorte Emprendimentos Agrícolas Ltda	-	-	-	3	-	-	-	3
Fazenda Parnaíba Empreendimentos Agrícolas Ltda	-	345	9,294	739	-	-	9,294	1,084
Fazenda Paiaguás Emprendimentos Agrícolas Ltda	995	2,153	-	31	-	-	995	2,184
SLC Agrícola Pejuçara Ltda	1,773	1,691	-	1,011	-	-	1,773	2,702
SLC Agrícola Perdizes Ltda	696	616	-	-	6,598	-	7,294	616
SLC Empreendimentos e Agricultura Ltda	6,989	6,989	-	-	11,802	2,162	18,791	9,151
Indirect subsidiaries								
SLC LandCo Empreendimentos Agrícolas Ltda	-	4	-	-	-	-	-	4
Fazenda Panorama Empreendimentos Agrícolas Ltda	-	-	-	-	-	-	-	-
Parent company								
SLC Participações S.A.	4	4	-	-	-	-	4	4
Total	**10,457**	11,802	**9,294**	1,784	**18,400**	2,162	38,151	15,748

Balances payable with related parties

	Leases payable		Other accounts payable		Loans payable		Total payable	
	03/31/13	12/31/12	**03/31/13**	12/31/12	**03/31/13**	12/31/12	**03/31/13**	12/31/12
Direct subsidiaries								
Fazenda Planorte Emprendimentos Agrícolas Ltda	-	-	404	228	1	-	405	228
Fazenda Parnaíba Emprendimentos Agrícolas Ltda	-	-	1,092	-	-	-	1,092	-
Indirect subsidiaries								
SLC Empreendimentos e Agricultura Ltda	10,469	7,415	-	-	-	-	10,469	7,415
Fazenda Panorama Empreendimentos Agrícolas Ltda	3,641	3,502	-	-	-	-	3,641	3,502
Fazenda Planeste Empreendimentos Agrícolas Ltda	4,045	4,456	-	-	-	-	4,045	4,456
Fazenda Piratini Empreendimentos Agrícolas Ltda	1,262	1,446	-	-	-	-	1,262	1,446
Fazenda Parceiro Empreendimentos Agrícolas Ltda	1,110	751	-	-	-	-	1,110	751
Fazenda Paineira Empreendimentos Agrícolas Ltda	858	585	-	-	-	-	858	585
							-	-
Other related parties	-	-	141	139	-	-	141	139
Total	**21,385**	18,155	**1,637**	367	**1**	-	**23,023**	18,522

The Company and its subsidiaries 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. These loans for consumption are used as a means of managing the Company's working capital.

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.

b. Related party transactions

	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 Emprendimentos Agrícolas Ltda					
Balance at 03/31/2013	-	-	380	-	-
Balance at 03/31/2012	1,203	-	-	1	-
Fazenda Parnaíba Emprendimentos Agrícolas Ltda					
Balance at 03/31/2013	907	-	47	293	-
Balance at 03/31/2012	141	-	153	229	-
Fazenda Paiaguás Emprendimentos Agrícolas Ltda					
Balance at 03/31/2013	987	-	718	-	-
Balance at 03/31/2012	340	-	-	-	-
SLC Agrícola Pejuçara Ltda					
Balance at 03/31/2013	15	-	30	-	-
Balance at 03/31/2012	121	-	-	-	-
SLC Empreendimentos e Agricultura Ltda					
Balance at 03/31/2013	-	5,168	-	281	-
Balance at 03/31/2012	-	3,569	-	12	-
SLC LandCo Empreendimentos Agrícolas Ltda					
Balance at 03/31/2013	-	-	-	-	-
Balance at 03/31/2012	-	-	-	2	-
Fazenda Panorama Empreendimentos Agrícolas Ltda					
Balance at 03/31/2013	-	1,546	-	307	-
Balance at 03/31/2012	-	461	-	-	-
Fazenda Planeste Empreendimentos Agrícolas Ltda					
Balance at 03/31/2013	-	1,717	-	514	-
Balance at 03/31/2012	-	670	-	-	-
Fazenda Piratini Empreendimentos Agrícolas Ltda					
Balance at 03/31/2013	-	536	-	173	-
Balance at 03/31/2012	-	230	-	-	-
Fazenda Parceiro Empreendimentos Agrícolas Ltda					
Balance at 03/31/2013	-	359	-	-	-
Fazenda Paineira Empreendimentos Agrícolas Ltda					
Balance at 03/31/2013	-	273	-	-	-
Total					
Balance at 03/31/2013	**1,909**	**9,599**	**1,175**	**1,568**	**-**
Balance at 03/31/2012	1,805	4,930	153	244	-

c. Lease contract

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, sorghum, coffee, beans and peas in exchange for an amount considered as lease price.

A rural lease signed with the subsidiary SLC Empreendimentos e Agricultura Ltda and its subsidiaries for an indefinite period took effect on January 2, 2011. This lease can be reviewed at any time, if market changes occur that render its balance unviable and cause an excessive burden on one of the parties.

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.

On March 31, 2013, the annual price of the lease, referring to the 2012/13 crop, can be demonstrated as follows:

Revenue Service		**Amount**
Fazenda Planalto	R$	5,306
Fazenda Pamplona	R$	4,270
Fazenda Planeste	R$	6,964
Fazenda Panorama	R$	6,268
Fazenda Piratini	R$	2,173
Fazenda Palmares	R$	5,628
Fazenda Paiaguás	R$	5,832
Fazenda Pejuçara	R$	811
Fazenda Paineira	R$	1,664
Fazenda Parceiro	R$	2,038
Fazenda Perdizes	R$	3,084
	R$	**44,038**

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 and non-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**	
	03/31/13	**03/31/12**	**03/31/13**	**03/31/12**
Directors fee	**1,228**	515	**1,370**	589
Bonuses	**-**	330	**107**	355
Compensation	**294**	236	**362**	263
Stock option plan - allocated in the period	**590**	608	**590**	608
Other benefits	**2**	-	**2**	-
	2,114	1,689	**2,431**	1,815

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

14 Loans and financing

		Average annual interest rates (%)		Parent company		Consolidated	
	Index	**03/31/13**	**12/31/12**	**03/31/13**	**12/31/12**	**03/31/13**	**12/31/12**
Used in the Property, plant and equipment							
Finame - BNDES	Fixed and long-term interest rate*	**6.48%**	6.31%	**71,134**	25,499	**82,056**	37,026
Constitutional Funds**	-	**7.29%**	7.29%	**59,120**	57,916	**92,864**	90,984
Investment financing	US$ and Libor***	**5.74%**	5.74%	**21,304**	21,276	**21,304**	21,276
				151,558	104,691	**196,224**	149,286
Invested in Working Capital							
Rural credit	-	**6.07%**	6.11%	**94,012**	86,406	**205,424**	174,743
Constitutional Funds**	-	**7.23%**	7.23%	**51,869**	-	**51,869**	29,198
Working Capital	-	**9.90%**	8.31%	**58,246**	80,151	**58,246**	90,162
Foreign investments	US$, Libor + Pre	**4.03%**	4.05%	**331,867**	367,471	**331,867**	367,471
				535,994	534,028	**647,406**	661,574
				687,552	638,719	**843,630**	810,860
Portion classified in current assets				**330,852**	290,100	**460,339**	435,498
Installment classified in non-current				**356,700**	348,619	**383,291**	375,362

(*) 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 04/15/2013 to 11/15/2022.

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 04/01/2013 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 4/15/2017. 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 04/24/2013 and 10/30/2013.

External Loans – Financing of long-term exports: NCE (Export Credit Note) and PPE (Export prepayment), the periodicity of their amortizations is annual or six-month period, final maturity on 04/09/2019. Guaranteed by collateral signatures of the Company or SLC Participações S.A. with land mortgage or "*clean*". These contracts provide for compliance with certain commitments *(covenants*) approved by SLC Agrícola (Current Liquidity, Third parties' Interest,

Net Financial Debt over Ebitda and Cash Liquidity).

Working Capital – very short-term credit facility intended to supply cash needs, with final maturity on November 16, 2012. Guarantees not required.

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

	Parent company		Consolidated	
Years of maturity	**03/31/13**	**12/31/12**	**03/31/13**	**12/31/12**
2013	**330,852**	290,100	**460,339**	435,498
2014	**106,850**	109,633	**122,003**	124,793
2015	**91,203**	94,085	**99,106**	102,022
2016	**61,698**	64,112	**63,706**	66,249
2017	**40,529**	43,679	**41,212**	44,345
2018	**25,391**	19,109	**26,073**	19,775
After 2018	**31,029**	18,001	**31,191**	18,178
	687,552	638,719	**843,630**	810,860

The group's exposure to liquidity risk is disclosed in Note 21.

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$75,000,000.00.

15 Provision for tax, civil and labor risks

On March 31, 2013, the Company recorded provision for labor contingencies in the amount of R$1,060 (R$1,794 in the consolidated statement) and R$1,311 on December 31, 2012 (R$2,101 consolidated), which refer to lawsuits filed by former employees, whose likelihood of loss was indicated as probable by our legal advisors. The provision for contingencies is recorded in caption labor and social security provisions in current liabilities. The Company has the amount of R$1,744 (R$2,931 in the consolidated statement), relating to labor proceedings whose loss was considered possibly by the legal advisors, and consequently, no provision was recorded for these lawsuits.

The Company also identifies the existence of environmental lawsuits whose likelihood of loss is possible, according to legal advisors, for the approximate amount of R$8,131 in the parent company and R$8,447 in consolidated (R$8,131 as of December 31, 2012 in the parent company and R$8,447 in consolidated), for which no provision was recognized. These refer to lawsuits

filed by the Brazilian Institute of Environment and Renewable Natural Resources (IBAMA) and the Environmental Military Police of Cassilândia, Mato Grosso do Sul State (MS).

We present below the movement of provisions:

	Parent company		
	Tax	**Labor**	**Total**
Balance at December 31, 2012	160	1,311	1,471
New lawsuits/ supplements and inflation adjustments	-	53	53
(-) Reversals	-	(304)	(304)
Balance at March 31, 2013	160	1,060	1,220

	Consolidated		
	Tax	**Labor**	**Total**
Balance at December 31, 2012	160	2,101	2,261
New lawsuits/ supplements and inflation adjustments	-	161	161
(-) Reversals	-	(468)	(468)
Balance at March 31, 2013	160	1,794	1,954

As of December 31, 2009, the Company recorded a reserve for tax contingencies in the amount of R$160 (parent company and consolidated), as defeated party's fees, referring to a lawsuit against the Union to declare the right of considering BTNF value adjusted at IPC variation over 1990, for the adjustment its financial statements for inflation in 1990, whose likelihood of loss is probable, according to legal advisors. Tax value was deposited in escrow.

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.

16 Deferred income and social contribution taxes

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

	Parent company					
	03/31/13			**12/31/12**		
Description	Income tax	Social contribution	Total	Income tax	Social contribution	Total
Assets:						
Temporary differences:						
Taxes on non-benefitted activities	**138**	**-**	**138**	138	-	138
Provision for inventory adjustment	**638**	**230**	**868**	1,071	386	1,457
Provision for PPR	**342**	**123**	**465**	721	260	981
Provision for tax losses	**500**	**180**	**680**	500	180	680
Operations with derivatives	**7,662**	**2,759**	**10,421**	9,333	3,359	12,692
Biological assets	**3,601**	**1,296**	**4,897**	-	-	-
Others	**1,704**	**612**	**2,316**	1,798	647	2,445
Tax losses and negative basis	**17,063**	**6,340**	**23,403**	15,829	5,896	21,725
	31,648	**11,540**	**43,188**	29,390	10,728	40,118

	Parent company					
	03/31/13			12/31/12		
Description	Income tax	Social contribution	Total	Income tax	Social contribution	Total
Liabilities:						
Incentivized depreciation from rural activity*	**53,366**	**19,212**	**72,578**	51,423	18,512	69,935
Bargain gain on acquisition of equity interest	**5,539**	**1,994**	**7,533**	5,539	1,994	7,533
Deemed cost from property, plant and equipment	**25,625**	**9,225**	**34,850**	26,172	9,421	35,593
Fair value of biological assets	**-**	**-**	**-**	1,122	404	1,526
Capitalization of interest on borrowings	**1,164**	**419**	**1,583**	1,126	405	1,531
	85,694	**30,850**	**116,544**	85,382	30,736	116,118
Net total	**(54,046)**	**(19,310)**	**(73,356)**	(55,992)	(20,008)	(76,000)

	Consolidated					
	03/31/13			12/31/12		
Description	Income tax	Social contribution	Total	Income tax	Social contribution	Total
Assets:						
Temporary differences:						
Taxes on non-benefitted activities	**138**	**-**	**138**	138	-	138
Provision for inventory adjustment	**641**	**231**	**872**	1,109	400	1,509
Provision for PPR	**478**	**171**	**649**	963	347	1,310
Provision to tax losses	**500**	**180**	**680**	500	180	680
Provision for transaction cost share issuance	**387**	**139**	**526**	1,549	557	2,106
Operations with derivatives	**14,353**	**5,168**	**19,521**	16,430	5,914	22,344
Others	**2,531**	**909**	**3,440**	2,595	934	3,529
Tax losses and negative basis	**19,289**	**7,141**	**26,430**	17,979	6,670	24,649
	38,317	**13,939**	**52,256**	41,263	15,002	56,265
Liabilities:						
Incentivized depreciation from rural activity*	**81,996**	**29,403**	**111,399**	80,841	28,985	109,826
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	**276,054**	**100,228**	**376,282**	277,300	100,568	377,868
Fair value of biological assets	**4,798**	**1,726**	**6,524**	10,237	3,686	13,923
Capitalization of interest on borrowings	**1,717**	**619**	**2,336**	1,674	602	2,276
Others	**1,091**	**392**	**1,483**	397	143	540
	371,303	**134,401**	**505,704**	376,096	136,017	512,113
Net total	**(332,986)**	**(120,462)**	**(453,448)**	(334,833)	(121,015)	(455,848)
Classified in non-current assets	**1,547**	**556**	**2,103**	1,684	607	2,291
Classified in the non-current liabilities	**(334,533)**	**(121,018)**	**(455,551)**	(336,517)	(121,622)	(458,139)

(*) According to tax law, agricultural companies may benefit from early depreciation of its investments in agriculture.

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	
	03/31/13	**12/31/12**	**03/31/13**	**12/31/12**
2013	**39,787**	37,449	**44,943**	49,984
2014	**1,680**	978	**4,508**	3,545
2015	**1,721**	1,691	**2,805**	2,736
	43,188	40,118	**52,256**	56,265

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:

Reconciliation of the parent company's actual rate:

	Parent company			
	03/31/13		**03/31/12**	
	IRPJ	**CSLL**	**IRPJ**	**CSLL**
Income before tax on profit	**35,453**	**35,453**	44,620	44,620
Income and social contribution taxes at the nominal rate from 25% to 9%, respectively	**(8,863)**	**(3,191)**	(11,155)	(4,016)
Adjustments for calculation of effective rate				
Equity income (loss)	**16,583**	**5,970**	3,602	1,297
Permanent additions	**(472)**	**(170)**	(451)	(162)
Other	**648**	**231**	81	29
Value recorded in the income	**7,896**	**2,840**	(7,923)	(2,852)
Total income and social contribution taxes		**10,736**		(10,775)
Deferred taxes		**10,829**		(10,775)
Current taxes		**(93)**		-
Effective rate		**-30.3%**		24.1%

Reconciliation of the consolidated actual rate :

	Consolidated			
	03/31/13		**03/31/12**	
	IRPJ	**CSLL**	**IRPJ**	**CSLL**
Income before tax on profit	**56,150**	**56,150**	56,896	56,896
Income and social contribution taxes at the nominal rate from 25% to 9%, respectively	**(14,038)**	**(5,054)**	(14,224)	(5,121)
Adjustments for calculation of effective rate				
Permanent exclusions	**108**	**39**	129	47
Permanent additions	**(1,111)**	**(400)**	(946)	(342)
Tax incentives of subsidiaries	**2,005**	**-**	848	-
Income and social contribution taxes in companies on deemed income regime	**5,194**	**1,867**	(2,375)	(859)
Elimination of unrealized profit	**534**	**192**	(791)	(284)
Other	**736**	**213**	182	-
Value recorded in the income	**(6,572)**	**(3,143)**	(17,177)	(6,559)
Total income and social contribution taxes		**(9,715)**		(23,736)
Deferred taxes		**11,989**		(13,767)
Current taxes		**(21,704)**		(9,969)
Effective rate		**17.3%**		41.7%

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			Consolidated		
	12/31/12	**03/31/13**	**Variation**	**12/31/12**	**03/31/13**	**Variation**
Deferred assets	-	-	-	2,291	2,103	(188)
Deferred liabilities	(76,000)	(73,356)	2,644	(458,139)	(455,551)	2,588
			2,644			2,400
Effects in the shareholders' equity						
Operations with derivatives			(8,181)			(9,623)
Deemed cost from property, plant and equipment			743			1,586
			(7,438)			(8,037)
Effects in the income						
Operations with derivatives			5,910			6,800
Tax loss/negative calculation basis			1,678			1,781
Incentivized accelerated depreciation			(2,643)			(1,573)
Fair value of biological assets			6,423			7,399
Other			(1,286)			(3,970)
			10,082			10,437

17 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 sacks	**Fixed price**	**Total**
Balance at December 31, 2012	**142,770**	**39,364**	**182,134**
Additions for acquisitions of areas	-	7,484	7,484
Payments	(5,050)	(14,592)	(19,642)
Monetary variation	(21,265)	-	(21,265)
Balance at March 31, 2013	**116,455**	**32,256**	**148,711**
(-) Portion classified in current assets	**(48,900)**	**(32,256)**	**(81,156)**
Installment classified in non-current	**67,555**	-	**67,555**

Accounts payable future minimum payments are summarized as follows:

	Consolidated
Fixed price payment	32,256
Payments within one year	32,256
Payments indexed to the bag of soybeans	116,455
Payments within one year	48,900
Payments in more than one year and up to 2 years	42,815
Payments in more than two years and up to 3 years	9,929
Payments in more than three years and up to 4 years	9,929
Payments in more than 4 years	4,882
	148,711

Commitments in soybean sacks are as follows:

	Consolidated
Payments within one year	1,039,404
Payments in more than one year and up to 2 years	932,426
Payments in more than two years and up to 3 years	216,081
Payments in more than three years and up to 4 years	216,081
Payments in more than 4 years	106,202
	2,510,194

18 Shareholders' equity

a. Capital

On March 31, 2013, the subscribed capital, in the amount of R$557,434 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	**03/31/13**	**12/31/12**
SLC Participações S.A.	**50,469,371**	50,469,371
Management	**4**	5
Treasury shares	**470,085**	558,785
Other	**47,958,040**	47,869,339
Total shares of paid-in capital	**98,897,500**	98,897,500
(-) Treasury shares	**(470,085)**	(558,785)
Total shares - ex-treasury	**98,427,415**	98,338,715

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 23), as decided by the Board of Directors in a meeting held on October 29, 2008.

The balance of treasury stock on March 31, 2013 is R$6,692 and is composed of 470,085 shares (R$7,749 on December 31, 2012, composed of 558,785 shares).

The net goodwill in the realization of the treasury stock for the year ended March 31, 2013 was R$215 (R$1,051 on December 31, 2012). 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$8,762 (R$18.64 per share) on March 31, 2013 and R$10,924 (R$19.55 per share) on December 31, 2012.

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. Thus, the Company did not form legal reserve for the year ended December 31, 2012.

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 17, 2013, the participants of an Ordinary General Meeting approved the allocation of the amount of R$37,320 to the Expansion Reserve.

f. Profit retention reserve

The balance on March 31, 2013 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 17, 2013, the participants of an Ordinary General Meeting approved the distribution of dividends, relating to the year ended December 31, 2012, in the total amount of R$15,242, equivalent to 40% of the adjusted net income, corresponding to R$0.154921 for each common share, based on the total number of shares (98,897,500) subtracted from the total number of treasury shares (470,085).

Dividends were calculated as follows:

	12/31/12	**12/31/11**
Net income for the year	**38,105**	154,617
Appropriation of legal reserve	-	-
Calculation base for the dividends proposed	**38,105**	154,617
Minimum compulsory dividend	**9,526**	38,654
Additional dividend proposed	**5,716**	38,654
Proposed dividends	**15,242**	77,308
Decrease of approved and proposed dividends	-	(15,452)
% on the basis	**40%**	40%

h. Net earning 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, is as follows:

	Parent company		Consolidated	
	03/31/2013	**03/31/2012**	**03/31/2013**	**03/31/2012**
Numerator				
Net income for the year (a)	**46,189**	33,845	**46,189**	33,160
Denominator				
Weighted average of common shares (b)	**98,417,137**	97,489,915	**98,417,137**	97,489,915
Weighted average of common shares considering dilutive effects (c)	**98,906,527**	97,489,915	**98,906,527**	97,489,915
Basic income (loss) per common share (a/b)	**0,469**	0,347	**0,469**	0,340
Diluted income (loss) per common share (a/c)	**0,467**	0,347	**0,467**	0,340

19 Financial income (loss)

	Parent company		Consolidated	
	03/31/13	03/31/12	**03/31/13**	03/31/12
Financial expenses:				
Interest paid	**(9,715)**	(6,541)	**(12,765)**	(9,786)
Foreign exchange	**(2,736)**	(3,673)	**(5,388)**	(5,490)
Monetary variation	**(2,103)**	-	**(7,198)**	(25,838)
Losses with derivative operations	**(2,916)**	(5,889)	**(3,177)**	(4,619)
Others	**(749)**	(585)	**(1,095)**	(977)
	(18,219)	(16,688)	**(29,623)**	(46,710)
Financial income:				
Income from interest-earning bank deposits	**2,222**	2,994	**3,954**	3,763
Foreign exchange	**3,403**	5,449	**5,961**	8,455
Monetary variation	**2,315**	4,066	**27,422**	13,098
Gains with derivative operations	**2,623**	5,801	**3,096**	3,038
Others	**186**	9	**190**	16
	10,749	18,319	**40,623**	28,370
Financial income (loss)	**(7,470)**	1,631	**11,000**	(18,340)

20 Commitments

20.1 Non-deliverable forward contracts

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

		Company			
Product	**Delivery date**	**Quantity**	**Agreements**	**Unit**	**Price**
11/12 crop					
Cotton fiber	Apr/13	5,319	8	Ton	$ 1,948.43
12/13 crop					
Cotton fiber	Aug-Dec/13	25,000	7	Ton	$1,953.05
Soybean	Apr-May/13	1,836,601	25	sc	$25.33
Soybean	Apr/13	75,000	2	sc	To be fixed
Corn	Apr-Dec/13	101,200	16	Ton	$24.97
13/14 crop					
Cotton fiber	Aug-Dec/14	2,000	2	Ton	$2,077.83

		Consolidated			
Product	**Delivery date**	**Quantity**	**Agreements**	**Unit**	**Price**
11/12 crop					
Cotton fiber	Apr-Jun/13	11,007	16	Ton	$ 1,948.43
12/13 crop					
Cotton fiber	Aug/13-Jan/14	54,275	16	Ton	$1,953.05
Soybean	Apr-May/13	2,493,074	29	sc	$25.16
Soybean	Apr/13	75,000	2	sc	To be fixed
Corn	Apr-Dec/13	132,400	21	Ton	$23.31
13/14 crop					
Cotton fiber	Aug-Dec/14	2,000	2	Ton	$2,077.83

20.2 Leases of third parties

On December 31, 2012, the Company and its subsidiaries have contracted 75,820 hectares for leasing from third parties, distributed as follows:

Unit	Location	Leased area (in ha)	Maturities of the contracts	Value (in bags of soybeans/ha/year)	Type of Lease
Pamplona	Cristalina-GO	3,942	2012 to 2014	6 to 12	Operational
Planalto	Costa Rica-MS	1,603	2013*	15.51	Operational
Planeste	Balsas-MA	10,858	2012 to 2023	4 to 8.9	Operational
Panorama	Correntina-BA	12,313	2015	6.8	Operational
Piratini	Jaborandi-BA	5,000	2021	2.7	Operational
Palmares	Barreiras-BA	14,878	2015	9 to 10.1	Operational
Parnaíba	Tasso Fragoso-MA	10,360	2023	3 to 5	Operational
Planorte	Sapezal-MT	367	2013	8	Operational
Paiaguás	Diamantino-MT	2,360	2011 and 2020	8.5	Operational
Pejuçara	Diamantino-MT	8,711	2020	9 to 9.5	Operational
Partner:	Formosa do Rio Preto – BA	5,428	2020	2 a 7	Operational
Total		75,820			

(*) Annual renewal. The Company leases this area since 1999.

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 Fazenda Palmares (in Barreiras, Bahia State (BA) for R$1,500 per annum until 2015) and in Fazenda Planorte (in Campos de Júlio, Mato Grosso State, (MT) for 10,416 bags of soybeans per annum until 2013).

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

	Parent company	Consolidated
Payments within one year	13,659	20,402
Payments in more than one year and up to 5 years	38,845	71,896
Payments in more than 5 years	11,431	37,546
Total future minimum payments of leases	**63,935**	**129,844**

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 Fazenda Planalto, referring to 1,657 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.

21 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 March 31, 2013, was, respectively, R$469,737 and R$504,755, 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$356,700 and R$383,291 (note 14).

	Parent company			
	Book value		Fair value	
	03/31/13	12/31/12	03/31/13	12/31/12
Assets				
Loans and receivables				
Cash and cash equivalents	87,885	30,799	87,885	30,799
CP Interest earnings bank deposits	22,165	13,358	22,165	13,358
Trade accounts receivable	19,489	36,549	19,489	36,549
Loans and leases	19,751	13,586	19,751	13,586
Securities and credits receivable	24,789	25,829	23,615	23,941
Subtotal	**174,079**	120,121	**172,905**	118,233
Fair value of hedge instruments				
Operations with derivatives	9,666	6,845	9,666	6,845
Subtotal	**9,666**	6,845	**9,666**	6,845
Total assets	**183,745**	**126,966**	**182,571**	**125,078**

	Parent company			
	Book value		Fair value	
	03/31/13	12/31/12	03/31/13	12/31/12
Liabilities at the amortized cost				
Loans and financing	687,552	638,719	673,427	674,738
Suppliers	31,878	78,151	31,878	78,151
Related party transactions	23,023	18,522	23,023	18,522
Other payable	93,574	35,784	93,574	35,784
Securities payable	600	600	600	600
Subtotal	**836,627**	771,776	**822,502**	807,795
Fair value of hedge instruments				
Derivatives payable	14,754	18,376	14,754	18,376
Subtotal	**14,754**	18,376	**14,754**	18,376
Total liabilities	**851,381**	**790,152**	**837,256**	**826,171**

	Consolidated			
	Book value		Fair value	
	03/31/13	12/31/12	03/31/13	12/31/12
Assets				
Loans and receivables				
Cash and cash equivalents	278,557	143,888	278,557	143,888
CP Interest earnings bank deposits	22,165	13,358	22,165	13,358
Trade accounts receivable	39,678	55,271	39,678	55,271
Securities and credits receivable	24,789	25,829	23,615	23,941
Subtotal	**365,189**	238,346	**364,015**	236,458
Fair value of hedge instruments				
Operations with derivatives	9,876	7,223	9,876	7,223
Subtotal	**9,876**	7,223	**9,876**	7,223
Total assets	**375,065**	**245,569**	**373,891**	**243,681**
Liabilities				
Liabilities at the amortized cost				
Loans and financing	843,630	810,860	827,738	848,465
Suppliers	53,397	137,758	53,397	137,758
Other payable	161,970	61,980	161,970	61,980
Securities payable	148,711	182,134	150,944	156,914
Subtotal	**1,207,708**	1,192,732	**1,194,049**	1,205,117
Fair value of hedge instruments				
Derivatives payable	15,268	20,833	15,268	20,833
Subtotal	**15,268**	20,833	**15,268**	20,833
Total liabilities	**1,222,976**	**1,213,565**	**1,209,317**	**1,225,950**

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					
	03/31/13			12/31/12		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Loans and receivables						
Cash and cash equivalents	87,885	-	-	30,799	-	-
CP Interest earnings bank deposits	22,165	-	-	13,358	-	-
Trade accounts receivable	19,489	-	-	36,549	-	-
Loans and leases	19,751	-	-	13,586	-	-
Securities and credits receivable	23,615	-	-	23,941	-	-
Subtotal	172,905	-	-	118,233	-	-
Fair value of hedge instruments						
Operations with derivatives	-	9,666	-	-	6,845	-
	-	9,666	-	-	6,845	-
Total assets	**172,905**	**9,666**	**-**	**118,233**	**6,845**	**-**
Liabilities						
Liabilities at the amortized cost						
Loans and financing	324,968	348,459	-	289,584	385,154	-
Suppliers	31,878	-	-	78,151	-	-
Related party transactions	23,023	-	-	18,522	-	-
Other payable	93,574	-	-	35,784	-	-
Securities payable	600	-	-	600	-	-
Subtotal	474,043	348,459	-	422,641	385,154	-
Fair value of hedge instruments						
Derivatives payable	-	14,754	-	-	18,376	-
Subtotal	-	14,754	-	-	18,376	-
Total liabilities	**474,043**	**363,213**	**-**	**422,641**	**403,530**	**-**

	Consolidated					
	03/31/13			12/31/12		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Loans and receivables						
Cash and cash equivalents	278,557	-	-	143,888	-	-
CP Interest earnings bank deposits	22,165	-	-	13,358	-	-
Trade accounts receivable	39,678	-	-	55,271	-	-
Securities and credits receivable	23,615	-	-	23,941	-	-
Subtotal	364,015	-	-	236,458	-	-
Fair value of hedge instruments						
Operations with derivatives	-	9,876	-	-	7,223	-
Subtotal	-	9,876	-	-	7,223	-
Total assets	**364,015**	**9,876**	**-**	**236,458**	**7,223**	**-**

	Consolidated					
	03/31/13			12/31/12		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Liabilities						
Liabilities at the amortized cost						
Loans and financing	479,279	348,459	-	463,311	385,154	-
Suppliers	53,397	-	-	137,758	-	-
Other payable	161,970	-	-	61,980	-	-
Securities payable	150,944	-	-	156,914	-	-
Subtotal	845,590	348,459	-	819,963	385,154	-
Fair value of hedge instruments						
Derivatives payable	-	15,268	-	-	20,833	-
Subtotal	-	15,268	-	-	20,833	-
Total liabilities	**845,590**	**363,727**	**-**	**819,963**	**405,987**	**-**

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: Moody's, S&P and/or Fitch), observing limits and exposure to the foreign exchange, commodity and interest risk of its counterparties, regularly.

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) prices of commodities, which are quoted in dollars, considering the weighted average by volume of the prices of sales made and the market prices of the volume to be sold; and, (IV) distribution of sales in the periods analyzed. 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**	**03/31/13**	**12/31/12**	**Currency**	**03/31/13**	**12/31/12**	**Currency**	**03/31/13**	**12/31/12**
Forward Contracts (NDF):									
Foreign currency - Short position									
Maturity in 2013	US$	134,550	203,626	R$	958	(9,390)	R$	859	(6,629)
Maturity in 2014	US$	27,538	13,818	R$	889	265	R$	934	326
Maturity in 2015	US$	900	-	R$	(32)	-	R$	(29)	-
TOTAL	**US$**	**162,988**	**217,444**	**R$**	**1,815**	**(9,125)**	**R$**	**1,764**	**(6,303)**

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

Counterparty	**Type**	**Contracting rate**	**Notional (US$)**	**Fair Value 03/31/13**	**Fair Value 12/31/12**	**Foreign exchange variation [1]**	**Book value**
Banco Itaú BBA S/A	NCE	R$1.7800	**40,000**	**80,552**	102,415	9,540	81,044
Banco Itaú BBA S/A	NCE	R$1.9418	**50,000**	**100,690**	102,415	3,835	102,763
Banco Itaú BBA S/A	NCE	R$1.5611	**30,000**	**60,414**	71,691	13,246	61,002
Banco Bradesco S/A	PPE	R$1.5713	**18,750**	**37,759**	38,406	8,385	38,243
Citibank S/A	NCE	R$1.5611	**18,000**	**36,248**	36,869	7,876	36,599
Banco John Deere	Res 2770	R$2.0588	**10,286**	**20,713**	21,068	(425)	21,304
HSBC Bank Brasil S/A	PPE	R$1.8210	**6,000**	**12,083**	12,290	1,185	12,215
Total			**173,036**	**348,459**	**385,154**	**43,642**	**353,170**

(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 prepayments (PPE)*	Export credit notes (CCE)*	Res 2770	Total
Up to 06/30/2013	US$	(601)	-	-	-	(601)
Up to 09/30/2013	US$	44	-	-	-	44
Up to 12/31/2013	US$	1,515	-	-	-	1,515
Up to 03/31/2014	US$	445	-	-	-	445
Up to 06/30/2014	US$	556	-	(7,876)	-	(7,320)
Up to 09/30/2014	US$	(13)	-	-	-	(13)
Up to 12/31/2014	US$	(98)	(1,185)	-	-	(1,283)
Up to 03/31/2015	US$	(33)	-	-	-	(33)
Up to 12/31/2015	US$	-	(8,385)	-	-	(8,385)
Up to 03/31/2016	US$	-	-	(13,246)	-	(13,246)
Up to 03/31/2017	US$	-	-	(9,540)	-	(9,540)
Up to 06/30/2017	US$	-	-	-	425	425
Up to 06/30/2019	US$	-	-	(3,835)	-	(3,835)
TOTAL	**US$**	**1,815**	**(9,570)**	**(34,497)**	**425**	**(41,827)**

(*)Amounts referring to foreign exchange variation classified as hedge accounting. Reference (Notional) value maturity is presented in note 14.

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**	**03/31/13**	**12/31/12**	**Currency**	**03/31/13**	**12/31/12**
Banco Itaú BBA S/A	**US$**	17,780	15,600	**R$**	770	(551)
Citibank S/A	**US$**	6,900	27,923	**R$**	311	95
Deutsche Bank Suiss S/A	**US$**	26,185	23,620	**R$**	1,153	431
HSBC Bank Brasil S/A	**US$**	14,450	16,614	**R$**	180	(2,535)
Banco Bradesco S/A	**US$**	16,720	28,059	**R$**	(559)	(1,218)
Votorantim S/A	**US$**	17,990	29,113	**R$**	262	(1,027)
Morgan Stanley S/A	**US$**	9,750	10,750	**R$**	(929)	(1,637)
BofA Merrill Lynch S/A	**US$**	13,400	35,100	**R$**	859	(1,392)
Banco J.P. Morgan S/A	**US$**	11,970	6,903	**R$**	60	18
Santander Brasil S/A	**US$**	27,843	23,762	**R$**	(292)	(1,309)
Total	**US$**	**162,988**	**217,444**	**R$**	**1,815**	**(9,125)**

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 2013 and 2014, as follows:

- Probable scenario: Based on FOCUS (BACEN) report disclosed on December 31, 2012, we defined the probable scenario with dollar quotation of R$2.0000.
- 25% decrease in foreign exchange rate: in this scenario, transactions would be settled at quotation of R$ 1.5000, 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$ 1.0000, 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$ 2.5000, 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$ 3.0000, which is 50% higher than Probable Scenario Quotation.

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

Parent company

Description	Risk	**Remote scenario** *Quotation - R$* *1.0000*	**Possible scenario** *Quotation - R$* *1.5000*	**Probable scenario** *Quotation - R$* *2.0000*	**Possible scenario** *Quotation - R$* *2.5000*	**Remote scenario** *Quotation - R$* *3.0000*
Year 2013						
Sales revenues (hedge object)	US dollar variation	(157,548)	(78,774)	-	78,774	157,548
Forward Contracts (NDF):	US dollar variation	121,385	60,693	-	(60,693)	(121,385)
Subtotal		**(36,163)**	**(18,082)**	**-**	**18,082**	**36,163**
Year 2014						
Sales revenues (hedge object)	US dollar variation	(13,085)	(6,542)	-	6,542	13,085
Forward Contracts (NDF):	US dollar variation	21,128	10,564	-	(10,564)	(21,128)
Subtotal		**8,043**	**4,022**	**-**	**(4,022)**	**(8,043)**
Year 2015						
Sales revenues (hedge object)	US dollar variation	(939)	(469)	-	469	939
Forward Contracts (NDF):	US dollar variation	900	450	-	(450)	(900)
Subtotal		**(39)**	**(19)**	**-**	**19**	**39**
Indebtedness in dollars						
Sales revenues (hedge object)	US dollar variation	(94,607)	(47,304)	-	47,304	94,607
Trade Finance (Indebtedness in Dollars)	US dollar variation	94,607	47,304	-	(47,304)	(94,607)
Subtotal		-	-	-	-	-
Total		**(28,159)**	**(14,079)**	**-**	**14,079**	**28,159**

Consolidated

Description	Risk	**Remote scenario** *Quotation - R$* *1.0000*	**Possible scenario** *Quotation - R$* *1.5000*	**Probable scenario** *Quotation - R$* *2.0000*	**Possible scenario** *Quotation - R$* *2.5000*	**Remote scenario** *Quotation - R$* *3.0000*
Year 2013						
Sales revenues (hedge object)	US dollar variation	(181,089)	(90,545)	-	90,545	181,089
Forward Contracts (NDF):	US dollar variation	134,550	67,275	-	(67,275)	(134,550)
Subtotal		**(46,539)**	**(23,270)**	**-**	**23,270**	**46,539**
Year 2014						
Sales revenues (hedge object)	US dollar variation	(30,220)	(15,110)	-	15,110	30,220
Forward Contracts (NDF):	US dollar variation	27,538	13,769	-	(13,769)	(27,538)
Subtotal		**(2,682)**	**(1,341)**	**-**	**1,341**	**2,682**
Year 2015						
Sales revenues (hedge object)	US dollar variation	(939)	(469)	-	469	939
Forward Contracts (NDF):	US dollar variation	900	450	-	(450)	(900)
Subtotal		**(39)**	**(19)**	**-**	**19**	**39**
Indebtedness in dollars						
Sales revenues (hedge object)	US dollar variation	(94,607)	(47,304)	-	47,304	94,607
Trade Finance (Indebtedness in Dollars)	US dollar variation	94,607	47,304	-	(47,304)	(94,607)
Subtotal		-	-	-	-	-
Total		**(49,260)**	**(24,630)**	**-**	**24,630**	**49,260**

Net foreign exchange exposure is as follows:

	Parent company			
	03/31/13		12/31/12	
	Balance in Reais (R$)	**Balance in Reais (R$) representing the amounts in Dollars (USD)**	**Balance in Reais (R$)**	**Balance in Reais (R$) representing the amounts in Dollars (USD)**
Trade accounts receivable (Note 7)	**10,126**	**5,030**	26,189	12,820
Trade Finance (Indebtedness in Dollars)	**(353,170)**	**(175,375)**	(388,747)	(190,236)
Net exposure of the shareholders' equity	**(343,044)**	**(170,345)**	(362,558)	(177,416)
Estimated exports	**698,681**	**346,946**	685,243	332,100
Forward Contracts (NDF):	**(288,719)**	**(143,413)**	(371,937)	(177,960)
Net exposure for exports	**409,962**	**203,533**	313,306	154,140
Net exposure	**66,918**	**33,188**	(49,252)	(23,276)

	Consolidated			
	03/31/13		12/31/12	
	Balance in Reais (R$)	**Balance in Reais (R$) representing the amounts in Dollars (USD)**	**Balance in Reais (R$)**	**Balance in Reais (R$) representing the amounts in Dollars (USD)**
Trade accounts receivable (Note 7)	**24,686**	**12,262**	42,834	20,967
Trade Finance (Indebtedness in Dollars)	**(353,170)**	**(175,375)**	(388,747)	(190,236)
Net exposure of the shareholders' equity	**(328,484)**	**(163,113)**	(345,913)	(169,269)
Estimated exports	**780,595**	**387,623**	831,576	406,937
Forward Contracts (NDF):	**(328,127)**	**(162,988)**	(444,347)	(217,444)
Net exposure for exports	**452,468**	**224,635**	387,229	189,493
Net exposure	**123,984**	**61,522**	41,316	20,224

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.

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.
We show, in the chart below, derivative financial instruments contracted to hedge against commodities prices variation:

	Reference value (notional)			Fair value			Accumulated effect (current period)		
Description	**Currency**	**03/31/13**	**12/31/12**	**Currency**	**03/31/13**	**12/31/12**	**Currency**	**Amount receivable/ (received)**	**Amount payable (paid)**
With maturity in 2013									
Financial operations									
Commodities - Cotton	**US$**	**42,849**	16,658	**R$**	**(2,877)**	2,530	**R$**	**2,196**	(5,073)
Commodities - Soybean	**US$**	**50,512**	50,512	**R$**	**(4,144)**	(4,911)	**R$**	**963**	(5,107)
Subtotal – Maturities in 2013	**US$**	**93,361**	67,170	**R$**	**(7,021)**	(2,381)	**R$**	**3,159**	(10,180)
With maturity in 2014									
Financial operations									
Commodities - Cotton	**US$**	**2,371**	-	**R$**	**(317)**	-	**R$**	**-**	(317)
Commodities - Soybean	**US$**	**12,536**	12,536	**R$**	**1,187**	(348)	**R$**	**1,187**	-
Subtotal - Maturities in 2014	**US$**	**14,907**	12,536	**R$**	**870**	(348)	**R$**	**1,187**	(317)
Overall total	**US$**	**108,268**	79,706	**R$**	**(6,151)**	(2,729)	**R$**	**4,346**	(10,497)

* Final Ptax sale of the year R$2.0306

All the transactions with agricultural commodities were carried out in an exchange or over-the-counter environment with the following counterparties: Cargill Financial Service International Inc, Deutsche Bank, Morgan Stanley, Macquarie Group Limited, Barclays Capital and J.P. Morgan. Morgan The fair value of these operations was provided by the institution.

Variation risks for the commodities' price

The Company projected the impact of transactions intended to hedge commodities prices in 4 different scenarios for 2013 and 2014, in dollars per pound (USD/pound) cotton and in dollars per bushel (USD/Bushel) soy, as in the chart below:

Description	**Risk**	**Remote scenario -50%**	**Possible scenario -25%**	**Current Scenario (CBOT and ICE)**	**Possible scenario +25%**	**Remote scenario +50%**
Agreements						
CTK3 (Cotton - May/13)*	Price variation	44.23	66.35	88.46	110.58	132.69
CTN3 (Cotton - July/13)*	Price variation	44.91	67.36	89.81	112.26	134.72
CTZ3 (Cotton - December/13)*	Price variation	43.69	65.53	87.37	109.21	131.06
CTZ3 (Cotton - December/13)*	Price variation	43.59	65.39	87.18	108.98	130.77
SYK3 (Cotton - May/13)**	Price variation	7.02	10.54	14.05	17.56	21.07
SYK4 (Soy - May/14)**	Price variation	6.59	9.89	12.59	16.48	19.77

*Values in USD/Pound sterling
*Values in USD/Bushel

Impacts on each projected scenario, in Brazilian Reais per Pound (R$/Libra), is summarized as follows:

Description	Risk	Remote scenario -50%	Possible scenario -25%	Probable scenario	Possible scenario +25%	Remote scenario +50%
Year 2013						
Cotton - Financial operations	Price variation	21,384	9,441	(2,503)	(14,447)	(26,390)
Soybean - Financial operations	Price variation	(7,988)	(5,207)	(3,743)	(2,889)	(2,035)
Year 2014						
Cotton - Financial operations	Price variation	2,229	956	(317)	(1,590)	(2,863)
Soybean - Financial operations	Price variation	4,487	3,739	2,414	(4,119)	(13,681)
Total		**20,112**	**8,929**	**(4,149)**	**(23,045)**	**(44,969)**

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

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:

			Swap Balance (Contract Curve)		Swap balance (MTM)		Adjustment
Counterparty	Hedge instrument	Hedged object	Asset	Liability	Asset	Liability	Financial income (loss)
Santander	Swap of USD26,667 (Long Libor 6 months +2% p.a. / Short 4.68% p.a.)	Debt of USD30,000 at interest of Libor 6 months + 2,8% p.a.	54,095	54,330	54,570	55,624	(1,054)

Variation risks of Interest rate

In order to verify the sensitivity of the index in the debts to which the Company is exposed on the base date March 31, 2013, 5 different scenarios were defined. Based on the FOCUS report (Bacen) of March 28, 2013, we defined the indices for the CDI (Interbank Deposit Certificate) and foreign exchange rate, while for the Libor rate we considered the future curve of BM&F of the same date and for the TJLP (long-term interest rate) the valid rate on the closing date of the year. 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 gross financial expense/(financial income), not taking into account the taxes levied and the flow of maturities of debts and redemptions for interest earning bank deposits scheduled to 2013. The base date used in the portfolio was March 31, 2013, with a one-year projection and checking the sensitivity in each scenario.

We show the summary of the next 12 months of each scenario:

	Interest rate*	Balance on 03/31/13	Decrease of 50%	Decrease of 25%	Probable scenario	Increase of 25%	Increase of 50%
Debt in Reais - Prefixed rate							
Rural credit	6.07%	205,425	N/A	N/A	N/A	N/A	N/A
Constitutional Funds	7.27%	144,733	N/A	N/A	N/A	N/A	N/A
BNDES	5.28%	39,335	N/A	N/A	N/A	N/A	N/A
Working Capital	9.90%	58,246	N/A	N/A	N/A	N/A	N/A
Debt in Reais – Post-fixed rate							
BNDES	Long Term Interest Rate (TJLP)	35,160	(1,816)	(2,299)	(2,783)	(3,266)	(3,750)
BNDES	UMBNDES	7,470	(594)	(594)	(594)	(594)	(594)
Debt in Dollars							
NCE	Libor 6M + 2.48 p.a. (average)	281,409	(10,747)	(10,993)	(11,104)	(11,661)	(11,995)
PPE	Libor 6M + 2.87% p.a. (average)	50,458	(1,649)	(1,604)	(1,661)	(1,719)	(1,776)
Agreement - Res. 2770 - Banco John Deere	Libor 6M + 5% p.a.	21,304	(1,116)	(1,141)	(1,166)	(1,191)	(1,216)
BNDES	Basket of currencies + 2.73%	90	(5)	(5)	(6)	(7)	(8)
Swap Libor x Pre**	Assets: Libor + 2% Short: 4.68%	53,701	(853)	(796)	(739)	(681)	(624)
Interest earnings bank deposits							
CDB and Debentures	100.28% w/CDI	300,722	10,932	16,398	21,863	27,329	32,795

(*) Average annual rates

(**) The amount of R$ 53,701 is related to the translation of USD 26,667 (amount of loan balance whose fluctuation in the Libor rate is being hedged) by the US dollar quote on March 31, 2013 – R$2,0138

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.

As a result of above-mentioned factors, assumed credit risk is not relevant. However, book balances below are exposed to this risk:

	Parent company			Consolidated		
	Currency	03/31/13	12/31/12	Currency	03/31/13	12/31/12
Assets						
Cash and cash equivalents	**R$**	**87,885**	30,799	**R$**	**278,557**	143,888
CP Interest earnings bank deposits	**R$**	**22,165**	13,358	**R$**	**22,165**	13,358
Trade accounts receivable	**R$**	**19,489**	36,549	**R$**	**39,678**	55,271
Derivatives receivable	**R$**	**9,666**	6,845	**R$**	**9,876**	7,223
Total	**R$**	**139,205**	87,551	**R$**	**350,276**	219,740

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							
March 31, 2013	**Book value**	**Contractual cash flow**	**up to 1 year**	**from 1 to 2 years**	**from 2 to 3 years**	**from 3 to 4 years**	**from 4 to 5 years**	**over 5 years**
Financial liabilities								
Non-derivative								
Loans and financing	687,552	673,427	331,651	71,044	69,859	68,414	66,991	65,468
Suppliers	31,878	31,878	31,878	-	-	-	-	-
Securities payable	600	600	600	-	-	-	-	-
	720,030	705,905	364,129	71,044	69,859	68,414	66,991	65,468
Derivatives								
Operations with derivatives	5,088	5,088	6,687	(1,631)	32	-	-	-
	5,088	5,088	6,687	(1,631)	32	-	-	-
	725,118	**710,993**	**370,816**	**69,413**	**69,891**	**68,414**	**66,991**	**65,468**

	Consolidated							
March 31, 2013	**Book value**	**Contractual cash flow**	**up to 1 year**	**from 1 to 2 years**	**from 2 to 3 years**	**from 3 to 4 years**	**from 4 to 5 years**	**over 5 years**
Financial liabilities								
Non-derivative								
Loans and financing	843,630	827,738	461,445	76,337	74,820	73,272	71,748	70,116
Suppliers	53,397	53,397	53,397	-	-	-	-	-
Securities payable	148,711	148,711	81,156	42,815	9,929	9,929	4,882	-
	1,045,738	1,029,846	595,998	119,152	84,749	83,201	76,630	70,116
Derivatives								
Operations with derivatives	5,392	5,392	6,991	(1,631)	32	-	-	-
	5,392	5,392	6,991	(1,631)	32	-	-	-
	1,051,130	**1,035,238**	**602,989**	**117,521**	**84,781**	**83,201**	**76,630**	**70,116**

	Parent company							
December 31, 2012	**Book value**	**Contractual cash flow**	**up to 1 year**	**from 1 to 2 years**	**from 2 to 3 years**	**from 3 to 4 years**	**from 4 to 5 years**	**over 5 years**
Financial liabilities								
Non-derivative								
Loans and financing	638,719	674,768	290,100	69,724	78,729	78,729	78,729	78,757
Suppliers	78,151	78,151	78,151	-	-	-	-	-
Securities payable	600	600	600	-	-	-	-	-
	717,470	753,519	368,851	69,724	78,729	78,729	78,729	78,757
Derivatives								
Operations with derivatives	11,531	11,531	11,066	465	-	-	-	-
	11,531	11,531	11,066	465	-	-	-	-
	729,001	**765,050**	**379,917**	**70,189**	**78,729**	**78,729**	**78,729**	**78,757**

	Consolidated							
December 31, 2012	**Book value**	**Contractual cash flow**	**up to 1 year**	**from 1 to 2 years**	**from 2 to 3 years**	**from 3 to 4 years**	**from 4 to 5 years**	**over 5 years**
Financial liabilities								
Non-derivative								
Loans and financing	810,860	848,465	435,498	75,072	84,474	84,474	84,474	84,473
Suppliers	137,758	137,758	137,758	-	-	-	-	-
Securities payable	182,134	182,134	95,283	56,693	12,152	12,152	5,854	-
	1,130,752	1,168,357	668,539	131,765	96,626	96,626	90,328	84,473
Derivatives								
Operations with derivatives	13,610	13,610	13,146	464	-	-	-	-
	13,610	13,610	13,146	464	-	-	-	-
	1,144,362	**1,181,967**	**681,685**	**132,229**	**96,626**	**96,626**	**90,328**	**84,473**

Except for these financial liabilities, cash flows included in the maturity analysis are not expected to occur significantly earlier, or at different amounts.

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:

	Reference value (notional)				Fair value recorded in assets		Fair Value Recorded in Liabilities	
Description	**Currency**	**03/31/13**	**12/31/12**	**Currency**	**03/31/13**	**12/31/12**	**03/31/13**	**12/31/12**
Foreign exchange hedge operations								
Non Deliverable Forwards - 21.c	US$	162,988	217,444	R$	5,530	2,677	3,715	11,802
Trade Finance[1] Contracts - 21.c	US$	173,036	188,036	R$	425	168	44,067	53,830
Subtotal	**US$**	**336,024**	**405,480**	**R$**	**5,955**	**2,845**	**47,782**	**65,632**
Hedge operations for products								
Cotton - Financial operations - 21.d	US$	45,220	16,658	R$	2,196	3,647	5,391	1,116
Soybean - Financial operations - 21.d	US$	63,048	63,048	R$	2,150	899	5,108	6,158
Subtotal	**US$**	**108,268**	**79,706**	**R$**	**4,346**	**4,546**	**10,499**	**7,274**
Hedge operations for inputs								
Swap MAP	US$	-	1,750	R$	-	-	-	200
Subtotal	**US$**	**-**	**1,750**	**R$**	**-**	**-**	**-**	**200**
Interest Hedge Transactions								
Swap Libor x Pre - 21.e	US$	26,667	29,333	R$	-	-	1,054	1,557
Subtotal	**US$**	**26,667**	**29,333**	**R$**	**-**	**-**	**1,054**	**1,557**
Total	**US$**	**470,959**	**516,269**	**R$**	**10,301**	**7,391**	**59,335**	**74,663**
(-) Portion classified in current assets				**R$**	**(8,111)**	**(6,912)**	**(15,102)**	**(20,058)**
Portion in non-current liabilities				**R$**	**2,190**	**479**	**44,233**	**54,605**

(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 main risk categories;

		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			
Description	**Currency**	**03/31/13**	**03/31/12**	**03/31/13**	**03/31/12**	**03/31/13**	**03/31/12**
Foreign exchange hedge operations							
Non Deliverable Forwards	**R$**	(8,178)	4,518	214	(133)	(309)	(17,339)
Trade Finance Contracts	**R$**	(4,379)	-	-	-	(43,642)	(27,709)
Sub-total	**R$**	**(12,557)**	**4,518**	**214**	**(133)**	**(43,951)**	**(45,048)**
Hedge operations for commodities							
Agricultural commodities swap							
Cotton	**R$**	-	-	(2,390)	649	(1,877)	-
Soybean	**R$**	-	-	2,187	(2,084)	-	-
Swap of fertilizers							
Urea	**R$**	-	-	-	-	-	1,045
Sub-total	**R$**	**-**	**-**	**(203)**	**(1,435)**	**(1,877)**	**1,045**
Interest Hedge Transactions							
Swap Libor x Pre	**R$**	-	-	(92)	(13)	-	-
Sub-total	**R$**	**-**	**-**	**(92)**	**(13)**	**-**	**-**
TOTAL	**R$**	**(12,557)**	**4,518**	**(81)**	**(1,581)**	**(45,828)**	**(44,003)**

j. Market values

On June 31, 2013, the market values of cash and cash equivalents, interest earning bank deposits, accounts receivable and payable, loans and financings are close to the book values due to their short-term nature or because they are subject to variable interest rates, respectively.

k. 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 dividend policy, in the goals, policies or capital management processes of the Company in the years ended March 31, 2013 and December 31, 2012.

	Parent company		Consolidated	
	03/31/13	**12/31/12**	**03/31/13**	**12/31/12**
Short and long-term loans and financing	**687,552**	638,719	**843,630**	810,860
(-) Cash and cash equivalents and financial investment - short-term	**(110,050)**	(44,157)	**(300,722)**	(157,246)
Net debt	**577,502**	594,562	**542,908**	653,614
Shareholders' equity	**2,015,050**	1,947,507	**2,061,414**	1,993,625
Financial leverage index	**28.7%**	30.5%	**26.3%**	32.8%

22 Profit 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	
	03/31/13	**03/31/12**	**03/31/13**	03/31/12
Profit sharing	**982**	2,091	**1,556**	2,730
Total	**982**	2,091	**1,556**	2,730

23 Stock option plan

At an Extraordinary General Meeting held on May 23, 2007, the Company's shareholders approved a stock option plan, to take effect as of June 15, 2007, for Company 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 20% counted as of the first birthday, 40% 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 October 31, 2007, December 16, 2008, November 11, 2009, November 10, 2010 and November 9, 2011, Annual Programs for 2007, 2008, 2009, 2010 and 2011 were approved, with granting of 640,000, 720,000, 488,000, 805,000 and 899,000 options for purchase of shares, respectively.

Movement of shares granted in the Annual Program for 2007, 2008, 2009, 2010 and 2011 and respective exercise prices, in Reais, are as follows:

		Quantity of shares				
Grant year	**Strike price - R$**	**Balance in 2012**	**Granted**	**Canceled**	**Exercised**	**Balance in 2013**
2007	R$ 14.00	-	-	-	-	-
2008	R$ 14.80	-	-	-	-	-
2009	R$ 15.00	203,600	-	-	(84,800)	118,800
2010	R$ 16.87	549,400	-	-	(20,000)	529,400
2011	R$ 16.24	777,400	-	-	(24,800)	752,600
2012	R$ 17.09	809,000	-	-	-	809,000
		2,339,400	-	-	(129,600)	2,209,800

		Quantity of shares				
Grant year	**Strike price - R$**	**Balance in 2011**	**Granted**	**Canceled**	**Exercised**	**Balance in 2012**
2007	R$ 14.00	71,200	-	-	(71,200)	-
2008	R$ 14.80	466,000	-	(6,000)	(460,000)	-
2009	R$ 15.00	384,600	-	(12,000)	(169,000)	203,600
2010	R$ 16.87	785,000	-	(107,000)	(128,600)	549,400
2011	R$ 16.24	899,000	-	(101,600)	(20,000)	777,400
2012	R$ 17.09	-	809,000	-	-	809,000
		2,605,800	809,000	(226,600)	(848,800)	2,339,400

Exercise price of the Annual Program for 2007 is fixed as R$14.00 per share, equivalent to distribution price per share fixed upon initial public offering of the Company's shares.

Exercise price of Annual Programs for 2008 and 2009 were defined based on average of 90 quotations of the Company's share at Bovespa, prior to plan approval, with discounts of 19.97% and 7.98%, 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 number of shares
As from - 11/08/2012	7%	135,000
As from - 11/09/2012	9%	172,400
As from - 11/12/2012	23%	405,200
As from - 11/08/2013	29%	559,600
As from - 11/11/2013	46%	937,600
As from - 11/13/2013	53%	1,099,400
As from - 11/10/2014	72%	1,562,600
As from - 11/13/2014	79%	1,724,400
As from - 11/13/2015	100%	2,209,800

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:

	Grant					
	2007	**2008**	**2009**	**2010**	**2011**	**2012**
Weighted average fair value	R$ 21.25	R$ 23.90	R$ 21.39	R$ 28.73	R$ 21.75	R$ 23.66
Awards	R$ 7.25	R$ 9.10	R$ 6.39	R$ 11.86	R$ 5.51	R$ 6.57
Dividends	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Volatility of share price	32.03%	76.05%	67.59%	60.40%	39.90%	36.56%
Risk-free rate of return						
1st maturity	11.65%	13.70%	9.91%	11.40%	9.98%	7.31%
2nd maturity	11.65%	13.87%	11.41%	11.92%	10.16%	7.90%
3rd maturity	11.64%	14.01%	12.13%	11.88%	10.46%	8.38%
Period expected up to the maturity						
1st maturity	1,097	1,096	365	365	365	365
2nd maturity	1,279	1,278	730	730	730	730
3rd maturity	1,462	1,461	1,097	1,097	1,097	1,095

In compliance with CPC 10, 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$1,375 (expense) on March 31, 2013 (R$1,379 on March 31, 2012).

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 exercize	Number of options	Weighted average of the exercize	Number of options
	03/31/13	**03/31/13**	**12/31/12**	**12/31/12**
Outstanding at January 1	R$16.57	2,339,400	R$15.93	2,605,800
Granted during the period	-	-	R$17.09	809,000
Exercized during the period	R$15.53	(129,600)	R$15.12	(848,800)
Canceled during the period	-	-	R$16.43	(226,600)
Outstanding	R$16.64	2,209,800	R$16.57	2,339,400
Exercisable	R$16.11	405,200	R$15.97	534,800

The outstanding options on March 31, 2013 have a strike price o ranging between R$15 and R$17.09 (R$14.00 and R$16.24 on March 31, 2012) and weighted average contractual life of 3.9 years (2.4 years on March 31, 2012).

The weighted average share price on the vesting date for stock options exercised in the period ended March 31, 2013 was R$15.12 (no shares were exercised in the period ended March 31, 2012).

24 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 Fazenda Planalto to Fundersul program (Mato Grosso do Sul State Road System Development Fund) and Fazenda Planorte and Fazenda 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.

Governments of Mato Grosso do Sul and Goiás States granted ICMS deemed credit incentives in transactions with cotton fiber, a reduction 50% to 75% in ICMS payable through the adhesion of Fazenda Planalto to PDAGRO (Mato Grosso do Sul State) program and of Fazenda Pamplona to PROALGO (Goiás State) program.

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 on entries, 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$1,218 of deemed ICMS credit was recognized at the parent company and in the consolidated statement in the year ended March 31, 2013.

b. Incentive of Corporate Income Tax (IRPJ) reduction

The Company receives incentives for subsidiaries Fazenda Parnaíba and Fazenda Planorte, located in Maranhão and Mato Grosso States, respectively, which enjoy IRPJ tax incentives granted by SUDAM (Amazon Development Authority). The incentive comprises of the decrease of 75% of IRPJ and nonrefundable additional amounts:

Fazenda 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 expires in 2015. Fazenda Parnaíba enjoys this incentive up to production and trading limit of 5,528 tons of cotton fiber and 8,292 tons of cotton seed per year. This incentive expires in 2013.

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 subsidiaries Fazenda Parnaíba and Fazenda Planorte had earnings with IRPJ (Corporate Income Tax) reduction incentive in the amount of R$2,005 in the period ended March 31, 2013.

25 Insurance coverage

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

Policy	Nature	Maturity	Coverage
13368302	Vehicles of SLC Agrícola	10/10/12 to 10/10/13	Against third parties - 100% FIPE
13343105	Vehicles of SLC Agrícola	10/10/12 to 10/10/13	Against third parties - 100% FIPE
13442631	Vehicles of Fazenda Parnaíba	10/10/12 to 10/10/13	Against third parties - 100% FIPE
13441777	Vehicles of Fazenda Planorte	10/10/12 to 10/10/13	Against third parties - 100% FIPE
13343053	Vehicles of Fazenda Paiaguás	10/10/12 to 10/10/13	Against third parties - 100% FIPE
13343064	Vehicles of Fazenda Pejuçara	10/10/12 to 10/10/13	Against third parties - 100% FIPE
13343068	Vehicles of Fazenda Perdizes	10/10/12 to 10/10/13	Against third parties - 100% FIPE
2309186115	Machinery and equipment	10/08/12 to 10/08/13	R$ 80,070,125.86
20,000,014	Improvements - Fazendas	01/10/13 to 01/10/14	R$ 24,000,000.00
03.18.0631893	Management	11/10/12 to 11/10/13	R$ 750,000.00
10351000466	General liability	12/02/12 to 12/02/13	R$ 1,000,000.00
20,000,017	Inventory of grains and cotton - including outdoor	03/24/13 to 03/24/14	R$ 40,000,000.00

Our auditor's scope does not include an opinion on the sufficiency of the insurance coverage, which was determined by the Company's management, which considers it to be sufficient to cover possible events.

26 Net sales

	Parent company		Consolidated	
	03/31/13	03/31/12	03/31/13	03/31/12
Gross operating income	**80,536**	178,313	**269,904**	337,005
Sale of goods	**114,245**	145,398	**273,218**	263,115
Change in fair value of the biological assets	**(22,748)**	29,083	**9,243**	69,372
Income (loss) from hedge operations	**(10,961)**	3,832	**(12,557)**	4,518
Deductions, taxes and contributions	**(7,216)**	(5,391)	**(13,036)**	(12,191)
Net operating income	**73,320**	172,922	**256,868**	324,814

27 Expenses per type

	Parent company		Consolidated	
	03/31/13	03/31/12	03/31/13	03/31/12
Expenses according to the role				
Cost of goods sold	**78,724**	126,027	**184,584**	220,845
Sales expenses	**8,336**	8,431	**16,362**	15,942
Administrative and general expenses	**9,452**	10,785	**11,297**	13,416
Other operating expenses	**509**	377	**2,248**	1,639
	97,021	145,620	**214,491**	251,842
Expenses per type				
Depreciation and amortization	**12,035**	14,289	**19,150**	21,135
Personnel expenses	**18,470**	18,739	**30,395**	29,233
Raw material and material	**67,538**	67,403	**124,903**	119,977
CPV biological asset variation	**(6,226)**	31,971	**28,629**	65,930
Freight	**4,695**	4,332	**9,166**	8,006
Other expenses	**509**	8,886	**2,248**	7,463
	97,021	145,620	**214,491**	251,744

28 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.

Information on reportable segments

	Agricultural Production		Land		Eliminations		Consolidated	
	03/31/13	03/31/12	**03/31/13**	03/31/12	**03/31/13**	03/31/12	**03/31/13**	03/31/12
Net revenue	256,868	324,814	9,598	7,800	(9,598)	(7,800)	256,868	324,814
Products Costs	(184,584)	(220,341)	-	(504)	-	-	(184,584)	(220,845)
Gross income	72,284	104,473	9,598	7,296	(9,598)	(7,800)	72,284	103,969
Operating expenses/ income	(27,134)	(28,531)	-	(202)	-	-	(27,134)	(28,733)
Sales expenses	(16,362)	(15,942)	-	-	-	-	(16,362)	(15,942)
General and administrative expenses	(8,866)	(11,399)	-	(202)	-	-	(8,866)	(11,601)
Management compensation	(2,431)	(1,815)	-	-	-	-	(2,431)	(1,815)
Other operating income (expenses)	525	625	-	-	-	-	525	625
Income (loss) before financial income (loss) and taxes	**45,150**	**75,942**	**9,598**	**7,094**	**(9,598)**	**(7,800)**	**45,150**	**75,236**
Net financial income (loss)	11,000	(8,742)	-	(9,598)	-	-	11,000	(18,340)
Income (loss) before income tax	**56,150**	**67,200**	**9,598**	**(2,504)**	**(9,598)**	**(7,800)**	**56,150**	**56,896**
Income and social contribution taxes	(9,715)	697	-	(24,433)	-	-	(9,715)	(23,736)
Consolidated Income / Loss for the Period	**46,435**	**67,897**	**9,598**	**(26,937)**	**(9,598)**	**(7,800)**	**46,435**	**33,160**

	Agricultural Production		Land		Eliminations		Consolidated	
	03/31/13	12/31/12	**03/31/13**	12/31/12	**03/31/13**	12/31/12	**03/31/13**	12/31/12
Total assets								
Land	-	-	1,333,560	1,325,913	-	-	1,333,560	1,325,913
Adjustment to Fair Value - Land*	-	-	499,960	499,960	(499,960)	(499,960)	-	-
Other assets	1,827,650	2,056,758	622,548	332,960	-	-	2,450,198	2,389,718
Total assets	**1,827,650**	2,056,758	**2,456,068**	2,158,833	**(499,960)**	(499,960)	**3,783,758**	3,715,631
Total liabilities	2,001,644	1,999,558	1,782,114	1,716,073	-	-	3,783,758	3,715,631
Tax effects on Fair Value - Land	-	-	329,974	329,974	(329,974)	(329,974)	-	-
Total liabilities	**2,001,644**	1,999,558	**2,112,088**	2,046,047	**(329,974)**	(329,974)	**3,783,758**	3,715,631

* 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:

	03/31/13	03/31/12
Domestic market	**57,140**	155,663
Sale of goods	**60,454**	81,773
Change in fair value of the biological assets	**9,243**	69,372
Income (loss) from hedge operations	**(12,557)**	4,518
Foreign market	**212,764**	181,342
Sale of goods - indirect export	**104,646**	49,786
Sale of goods - direct export	**108,118**	131,556
Gross operating income	**269,904**	337,005

The information on gross sales of products, by geographical segment, was prepared going from the country of origin of the revenue and can be presented as follows:

	03/31/13	03/31/12
Asia	**103,504**	128,331
Latin America	**2,696**	3,225
Europe	**1,266**	-
Africa	**652**	-
	108,118	131,556

The Company has Cargill Agricola S.A. as the client accounting for more than 10% of net revenue. The amount of revenue from client Cargill Agricola S.A. is R$ 250,614 thousand, representing sales of soybeans and cotton.

Report on the review of quarterly information

To the Shareholders, Board Members and Directors of
SLC Agrícola S.A.
Porto Alegre - RS

Introduction
We have reviewed the interim, individual and consolidated accounting information of SLC Agrícola S.A. ("Company"), included in the quarterly financial information – ITR, for the quarter ended March 31, 2013, which comprises the balance sheet as of March 31, 2013, and related statements of income, comprehensive income for the three month periods then ended, changes in shareholders' equity and cash flows for the quarter then ended, including the explanatory notes.

Management is responsible for the preparation of the individual interim accounting information in accordance with Technical Pronouncement CPC 21 (R1) – Interim Statement and of the consolidated interim accounting information in accordance with CPC 21 (R1) and with international standard IAS 34 – Interim Financial Reporting, issued by the International Accounting Standards Board – IASB, as well as for the presentation of this information in a manner consistent with the standards issued by the Securities Commission, applicable to the preparation of the Quarterly Information – ITR. Our responsibility is to express a conclusion on this interim information based on our review.

Scope of the review
Our review was carried out in accordance with the Brazilian and international review standards for interim information (NBC TR 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity and ISRE 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists in asking questions, chiefly to the persons in charge of financial and accounting affairs, and in applying analytical procedures and other review procedures. The scope of a review is significantly lower than that of an audit held in accordance with auditing rules, and as a result we were unable to ascertain whether we became aware of all the significant matters likely to be detected in an audit. Therefore, we do not express an opinion on the information disclosed.

Conclusion on the individual interim accounting information
Based on our review, we are not aware of any facts that would lead us to believe that the individual interim accounting information included in the quarterly information referred to above was not prepared, in all material respects, in accordance with CPC 21 (R1) applicable to the preparation of Quarterly Information - ITR, and presented in a manner consistent with the standards issued by the Securities Commission.

Conclusion on the consolidated interim accounting information
Based on our review, we are not aware of any facts that would lead us to believe that the consolidated interim accounting information included in the quarterly information referred to above was not prepared, in all material respects, in accordance with CPC 21 (R1) and IAS 34 applicable to the preparation of Quarterly Information - ITR, and presented in a manner consistent with the standards issued by the Securities Commission.

Other issues
Statements of added value
We also reviewed the individual and consolidated statement of added value for the three-month period ended March 31, 2013, prepared by the Company's management, whose presentation in the interim information is required according to the standards issued by the CVM - Securities and Exchange Commission, applicable to the preparation of Quarterly Information – ITR and considered supplementary information by the IFRS, which do not require the presentation of the statement of added value. These statements were subjected to the review procedures previously described and, based on our review, we are not aware of any other event that make us believe that those were not prepared, in all material respects, in accordance with the individual and consolidated financial interim information taken as a whole.

Review of prior quarterly information amounts
The individual and consolidated interim accounting information corresponding to the quarter ended March 31, 2012, submitted for comparative purposes was previously reviewed by other independent auditors that issued reports dated May 02, 2012, which did not contain any modification.

Porto Alegre, May 08, 2013

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

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