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Company information / Capital composition

Quantity of shares (Units)	Current quarter 09/30/2012	
Paid-in capital		
Common	98,897,500	
Preferred	0	
Total	98,897,500	
Treasury shares		
Common	645,185	
Preferred	0	
Total	645,185	

Individual financial statements / Balance sheet – Assets

(In thousands of reais)

Code of account	Account description	Current quarter 09/30/2012	Prior year 12/31/2011
1	Total assets	2,810,959	2,675,463
1.01	Current assets	651,950	657,866
01.1.01	Cash and cash equivalents	43,104	78,523
1.01.01.01	Cash and cash equivalents	20,297	75,426
1.01.01.02	Short-term interest earnings bank deposits	22,807	3,097
01.1.03	Accounts receivable	147,986	98,443
1.01.03.01	Trade accounts receivable	78,216	28,572
1.01.03.02	Other accounts receivable	69,770	69,871
1.01.03.02.01	Advances to suppliers	22,312	16,210
1.01.03.02.02	Operations with Derivatives	14,441	15,254
1.01.03.02.03	Securities and credits receivable	13,007	13,180
1.01.03.02.04	Other accounts receivable	20,008	25,227
1.01.03.02.05	Interest earnings bank deposits - pledged	2	0
01.1.04	Inventories	296,545	278,424
01.1.05	Biological assets	116,708	165,741
01.1.06	Recoverable taxes	43,589	30,095
1.01.06.01	Current taxes recoverable	43,589	30,095
1.01.06.01.01	Recoverable taxes	43,589	30,095
01.1.07	Prepaid expenses	4,018	6,640
1.02	Non-current assets	2,159,009	2,017,597
02.1.01	Long term assets	166,753	54,564
1.02.01.05	Biological assets	14,510	14,925
1.02.01.07	Prepaid expenses	7,524	2,710
1.02.01.08	Related party credits	15,084	17,370
1.02.01.08.01	Receivables with associated companies	15,084	17,370
1.02.01.09	Other non-current assets	129,635	19,559
1.02.01.09.03	Recoverable taxes	4,206	3,673
1.02.01.09.04	Operations with Derivatives	201	894
1.02.01.09.05	Advances for future capital increase	101,903	1,347
1.02.01.09.06	Accounts receivable	22,617	12,967
1.02.01.09.07	Other accounts receivable	708	678
02.1.02	Investments	1,533,636	1,523,784
1.02.02.01	Equity interest	1,533,636	1,523,784
1.02.02.01.01	Interest in associated companies	1,533,485	1,523,663
1.02.02.01.04	Other equity interest	151	121
02.1.03	Property, plant and equipment	450,063	429,271
1.02.03.01	Fixed assets in operation	431,492	417,385
1.02.03.03	Constructions in progress	18,571	11,886
02.1.04	Intangible assets	8,557	9,978
1.02.04.01	Intangible assets	8,557	9,978

Individual financial statements/ Balance sheet – Liabilities

(In thousands of reais)

Code of account	Account description	Current quarter 09/30/2012	Prior year 12/31/2011
2	Total Liabilities	2,810,959	2,675,463
2.01	Current liabilities	455,549	450,274
2.01.01	Social and labor obligations	1,897	2,070
2.01.01.01	Social charges	1,688	1,943
2.01.01.02	Labor obligations	209	127
2.01.02	Suppliers	46,660	75,640
2.01.02.01	Domestic suppliers	46,660	75,640
2.01.03	Tax liabilities	987	2,608
2.01.03.01	Federal tax liabilities	677	2,250
2.01.03.01.01	Income and social contribution tax payable	0	1,005
2.01.03.01.02	Taxes, rates, and sundry contributions	677	1,245
2.01.03.02	State tax liabilities	267	259
2.01.03.03	Municipal tax liabilities	43	99
2.01.04	Loans and financing	292,127	235,065
2.01.04.01	Loans and financing	292,127	235,065
2.01.04.01.01	In local currency	196,930	133,726
2.01.04.01.02	In foreign currency	95,197	101,339
2.01.05	Other liabilities	103,363	121,577
2.01.05.01	Liabilities with related parties	13,621	8,802
2.01.05.01.01	Debits with associated companies	13,621	8,802
2.01.05.02	Other	89,742	112,775
2.01.05.02.02	Minimum compulsory dividend payable	0	38,654
2.01.05.02.04	Securities payable	600	600
2.01.05.02.05	Advances from clients	40,972	42,174
2.01.05.02.06	Operations with Derivatives	36,415	23,808
2.01.05.02.07	Other debits	11,755	7,539
2.01.06	Provisions	10,515	13,314
2.01.06.01	Tax, social security, labor and civil provisions	10,515	13,314
2.01.06.01.01	Tax provisions	160	160
2.01.06.01.02	Social security and labor provisions	3,879	3,721
2.01.06.01.03	Provisions to employee benefits	2,743	8,773
2.01.06.01.05	Provision for labor contingencies	3,733	660
2.02	Non-current liabilities	468,136	304,953
2.02.01	Loans and financing	393,643	216,320
2.02.01.01	Loans and financing	393,643	216,320
2.02.01.01.01	In local currency	66,780	70,477
2.02.01.01.02	In foreign currency	326,863	145,843
2.02.02	Other liabilities	2,931	5,146
2.02.02.02	Other	2,931	5,146
2.02.02.02.04	Operations with Derivatives	2,383	4,598
2.02.02.02.06	Other debits	548	548
2.02.03	Deferred taxes	71,562	83,487
2.02.03.01	Deferred income and social contribution taxes	71,562	83,487
2.03	Shareholders' equity	1,887,274	1,920,236
2.03.01	Realized capital	557,434	557,434
2.03.02	Capital reserves	188,289	172,954

Individual financial statements/ Balance sheet – Liabilities

(In thousands of reais)

Code of account	Account description	Current quarter 09/30/2012	Prior year 12/31/2011
2.03.02.01	Goodwill in the issue of shares	177,421	176,534
2.03.02.04	Options granted	19,851	15,952
2.03.02.05	Treasury shares	-8,983	-19,532
2.03.04	Profit reserves	264,093	287,295
2.03.04.01	Legal reserve	2,851	2,851
2.03.04.02	Statutory reserve	255,614	278,816
2.03.04.05	Profit retention reserve	5,628	5,628
2.03.05	Retained Earnings/Losses	-924	0
2.03.08	Other comprehensive income	878,382	902,553

Individual financial statements / Statement of income

(In thousands of reais)

Code of account	Account description	Current quarter – From 07/01/2012 to 09/30/2012	Accumulated of the current year from 01/01/2012 to 09/30/2012	Same Quarter of the Prior Year – from 07/01/2011 to 09/30/2011	Accumulated of the prior year from 01/01/2011 to 09/30/2011
3.01	Income from sales of goods and/or services	153,757	440,422	183,611	430,208
3.02	Cost of goods and/or services sold	-128,725	-391,490	-96,993	-240,440
3.03	Gross income	25,032	48,932	86,618	189,768
3.04	Operating expenses/income	-14,049	-60,264	-3,615	-13,816
3.04.01	Sales expenses	-9,819	-27,893	-7,565	-18,246
3.04.02	General and administrative expenses	-9,035	-29,554	-12,755	-35,105
3.04.02.01	General and administrative	-8,009	-25,790	-10,681	-29,277
3.04.02.02	Management compensation	-1,026	-3,764	-2,074	-5,828
3.04.04	Other operating income	28	4,038	252	529
3.04.05	Other operating expenses	0	0	-2,776	-4,909
3.04.06	Equity income (loss)	4,777	-6,855	19,229	43,915
3.05	Income (loss) before financial income (loss) and taxes	10,983	-11,332	83,003	175,952
3.06	Financial income (loss)	-9,576	1,933	217	-9,586
3.06.01	Financial income	14,858	63,239	13,261	49,682
3.06.02	Financial expenses	-24,434	-61,306	-13,044	-59,268
3.07	Income (loss) before income tax	1,407	-9,399	83,220	166,366
3.08	Income and social contribution taxes	-1,128	-2,414	-23,344	-44,905
3.08.01	Current	0	0	-240	-240
3.08.02	Deferred assets	-1,128	-2,414	-23,104	-44,665
3.09	Net income (loss) of continued operations	279	-11,813	59,876	121,461
3.11	Net Income (loss) for the period	279	-11,813	59,876	121,461
3.99	Earnings per share - (Reais / Shares)				
3.99.01	Basic earnings per share				
3.99.01.01	ON	0.00284	-0.12023	0.61416	1.24585
3.99.02	Diluted earnings per share				
3.99.02.01	ON	0.00282	-0.11957	0.61273	1.24294

Individual financial statements / Statement of comprehensive income

(In thousands of reais)

Code of account	Account description	Current quarter – From 07/01/2012 to 09/30/2012	Accumulated of the current year from 01/01/2012 to 09/30/2012	Same Quarter of the Prior Year – from 07/01/2011 to 09/30/2011	Accumulated of the prior year from 01/01/2011 to 09/30/2011
4.01	Net income for the period	279	-11,813	59,876	121,461
4.02	Other comprehensive income	16,254	-22,381	-90,207	-69,076
4.02.01	Derivatives - Cash flow hedge	21,006	-34,803	-107,524	-81,456
4.02.02	Derivatives - Cash flow hedge - Reflex of the subsidiaries	2,390	589	-19,241	-15,315
4.02.03	Income tax and social contribution	-7,142	11,833	36,558	27,695
4.03	Comprehensive income for the period	16,533	-34,194	-30,331	52,385

Individual financial statements / Statement of cash flows – Indirect method

(In thousands of reais)

Code of account	Account description	Accumulated of the current year from 01/01/2012 to 09/30/2012	Accumulated of the prior year from 01/01/2011 to 09/30/2011
6.01	Net cash from operational activities	-65,756	-13,832
6.01.01	Cash generated in operations	93,220	150,637
6.01.01.01	Net income (loss) before income and social contribution taxes	-9,399	166,366
6.01.01.02	Depreciation	48,484	26,481
6.01.01.03	Result in property, plant and equipment write-offs	16,311	15,703
6.01.01.04	Investment capital gain (losses)	848	763
6.01.01.05	Equity in net income of subsidiaries and associated companies	6,855	-43,915
6.01.01.06	Interest, Foreign exchange variation and price-level restatement	-13,064	41,945
6.01.01.07	Variation in biological assets	37,327	-62,444
6.01.01.08	Provision (reversal) to inventory adjustments and onerous contracts	2,022	283
6.01.01.09	Provision (reversal) of profit sharing and labor contingencies	3,836	5,455
6.01.02	Changes in assets and liabilities	-158,976	-164,469
6.01.02.01	Trade accounts receivable	-49,644	-13,308
6.01.02.02	Inventories and biological assets	-1,555	-115,871
6.01.02.03	Recoverable taxes	-14,028	2,120
6.01.02.04	Accounts receivable	6,475	4,317
6.01.02.05	Pledged financial investments	-2	12,803
6.01.02.06	Other accounts receivable	-9,766	-24,654
6.01.02.07	Suppliers	-28,980	-15,710
6.01.02.08	Taxes and social payables	-4,208	-3,296
6.01.02.09	Obligations with associates and subsidiaries	-86,376	-5,598
6.01.02.10	Operations with Derivatives	33,734	-17,180
6.01.02.11	Advances from clients	-1,203	34,536
6.01.02.12	Other accounts payable	-3,423	-22,628
6.02	Net cash used in investment activities	-101,382	-84,088
6.02.01	In Investment	-2,967	-17,489
6.02.02	In fixed assets	-97,998	-65,861
6.02.03	In intangible assets	-417	-738
6.03	Net cash generated (consumed) in financing activities	131,719	58,514
6.03.02	Option plan	3,899	5,004
6.03.03	Loans and financing obtained	349,815	310,839
6.03.04	Loans and financing paid	-171,576	-235,575
6.03.05	Dividends paid	-61,855	-15,592
6.03.07	Share Sale or Repurchase	11,436	-6,162
6.05	Increase (decrease) in cash and cash equivalents	-35,419	-39,406
6.05.01	Opening balance of cash and cash equivalents	78,523	93,119
6.05.02	Closing balance of cash and cash equivalents	43,104	53,713

Individual financial statements / Statement of changes in shareholders' equity / DMPL – from 01/01/2012 to 09/30/2012

(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	15,335	-23,202	0	0	-7,867
5.04.03	Recognized options granted	0	3,899	0	0	0	3,899
5.04.05	Treasury shares sold	0	11,195	0	0	0	11,195
5.04.06	Dividends	0	0	-23,202	0	0	-23,202
5.04.08	Goodwill in the sale of treasury stock	0	241	0	0	0	241
5.05	Total comprehensive income	0	0	0	-924	-24,171	-25,095
5.05.01	Net income for the period	0	0	0	-11,813	0	-11,813
5.05.02	Other comprehensive income	0	0	0	10,889	-24,394	-13,505
5.05.02.01	Financial instruments' adjustments	0	0	0	0	-34,803	-34,803
5.05.02.02	Taxes on financial instruments' adjustments	0	0	0	0	11,833	11,833
5.05.02.03	Equity income (loss) on compreh. income Subsidiaries and associated companies:	0	0	0	0	590	590
5.05.02.06	Realization of deemed cost for the fixed assets – Depreciation	0	0	0	4,002	-4,002	0
5.05.02.07	Realization of deemed cost for the fixed assets – Sales	0	0	0	1,687	-1,687	0
5.05.02.08	Realization of deemed cost for the fixed assets - Subsidiaries	0	0	0	5,200	-5,200	0
5.05.02.09	Reduction Reflex Evaluation Adjustment due to Interest Variation	0	0	0	0	1,616	1,616
5.05.02.10	Gain on Interest Reduction	0	0	0	0	7,259	7,259
5.05.03	Reclassifications to income (loss)	0	0	0	0	223	223
5.05.03.01	Financial instruments' adjustments	0	0	0	0	223	223
5.07	Closing balances	557,434	188,289	264,093	-924	878,382	1,887,274

Individual financial statements / Statement of changes in shareholders' equity / DMPL – from 01/01/2011 to 09/30/2011

(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	174,015	138,672	0	1,004,872	1,874,993
5.03	Adjusted opening balances	557,434	174,015	138,672	0	1,004,872	1,874,993
5.04	Capital transactions with partners	0	-1,158	0	0	0	-1,158
5.04.03	Recognized options granted	0	5,004	0	0	0	5,004
5.04.04	Treasury shares acquired	0	-8,626	0	0	0	-8,626
5.04.05	Treasury shares sold	0	2,083	0	0	0	2,083
5.04.09	Goodwill in the issue of shares	0	381	0	0	0	381
5.05	Total comprehensive income	0	0	0	126,632	-74,247	52,385
5.05.01	Net income for the period	0	0	0	121,461	0	121,461
5.05.02	Other comprehensive income	0	0	0	5,171	-74,247	-69,076
5.05.02.01	Financial instruments' adjustments	0	0	0	0	-81,456	-81,456
5.05.02.02	Taxes on financial instruments' adjustments	0	0	0	0	27,695	27,695
5.05.02.03	Equity income (loss) on compreh. income	0	0	0	0	-15,315	-15,315
5.05.02.06	Subsidiaries and associated companies: Realization of deemed cost for the fixed assets – Depreciation	0	0	0	5,171	-5,171	0
5.07	Closing balances	557,434	172,857	138,672	126,632	930,625	1,926,220

Individual financial statements / Statement of added value

(In thousands of reais)

Code of account	Account description	Accumulated of the current year from 01/01/2012 to 09/30/2012	Accumulated of the prior year from 01/01/2011 to 09/30/2011
7.01	Revenues	522,601	463,681
7.01.01	Sale of merchandise, products and services	440,799	312,434
7.01.02	Other income	30,111	119,965
7.01.02.01	Variation of the fair value of biological assets	23,229	122,971
7.01.02.02	Other income	6,882	-3,006
7.01.03	Income from construction of own assets	51,691	31,282
7.02	Inputs acquired from third parties	-323,862	-221,654
7.02.01	Cost of goods, merchandise and services sold	-2,151	-1,319
7.02.02	Materials, Energy, Third-party services and	-123,137	-83,083
7.02.03	Loss/recovery of asset values	-2,341	-32
7.02.04	Other	-196,233	-137,220
7.02.04.01	Raw material used	-135,677	-76,692
7.02.04.02	Adjustment of fair value of biological assets	-60,556	-60,528
7.03	Gross added value	198,739	242,027
7.04	Retentions	-48,484	-26,481
7.04.01	Depreciation, amortization and depletion	-48,484	-26,481
7.05	Net added value produced	150,255	215,546
7.06	Added value received as transfer	50,148	112,806
7.06.01	Equity income (loss)	-6,854	43,915
7.06.02	Financial income	56,855	68,800
7.06.03	Other	147	91
7.07	Total added value payable	200,403	328,352
7.08	Distribution of added value	200,403	328,352
7.08.01	Personnel	60,584	45,278
7.08.01.01	Direct remuneration	37,536	24,301
7.08.01.02	Benefits	19,852	19,026
7.08.01.03	Severance Pay Fund (FGTS)	3,196	1,951
7.08.02	Taxes, duties and contributions	65,167	89,204
7.08.02.01	Federal	35,882	79,939
7.08.02.02	State	29,285	9,256
7.08.02.03	Municipal	0	9
7.08.03	Third-party capital remuneration	86,465	72,409
7.08.03.01	Interest	60,026	59,481
7.08.03.02	Rents	26,439	12,928
7.08.04	Remuneration of own capital	-11,813	121,461
7.08.04.03	Retained earnings / Loss for the period	-11,813	121,461

Consolidated financial statements / Balance sheet – Assets

(In thousands of reais)

Code of account	Account description	Current quarter 09/30/2012	Prior year 12/31/2011
1	Total assets	3,718,626	3,584,453
1.01	Current assets	1,057,424	987,095
01.1.01	Cash and cash equivalents	160,885	130,463
1.01.01.01	Cash and cash equivalents	138,078	127,357
1.01.01.02	Short-term interest earnings bank deposits	22,807	3,106
01.1.03	Accounts receivable	159,792	104,852
1.01.03.01	Trade accounts receivable	98,347	54,335
1.01.03.02	Other accounts receivable	61,445	50,517
1.01.03.02.01	Advances to suppliers	26,573	17,774
1.01.03.02.02	Operations with Derivatives	14,593	15,283
1.01.03.02.03	Securities and credits receivable	13,007	13,180
1.01.03.02.04	Other accounts receivable	7,270	4,280
1.01.03.02.05	Interest earnings bank deposits - pledged	2	0
01.1.04	Inventories	441,793	410,416
01.1.05	Biological assets	206,778	264,772
01.1.06	Recoverable taxes	83,842	69,701
1.01.06.01	Current taxes recoverable	83,842	69,701
1.01.06.01.01	Recoverable taxes	83,842	69,701
01.1.07	Prepaid expenses	4,334	6,891
1.02	Non-current assets	2,661,202	2,597,358
02.1.01	Long term assets	59,537	37,589
1.02.01.05	Biological assets	14,510	14,925
1.02.01.06	Deferred taxes	8,165	143
1.02.01.06.01	Deferred income and social contribution taxes	8,165	143
1.02.01.07	Prepaid expenses	7,524	2,710
1.02.01.09	Other non-current assets	29,338	19,811
1.02.01.09.03	Recoverable taxes	5,188	4,940
1.02.01.09.04	Operations with Derivatives	201	894
1.02.01.09.05	Accounts receivable	22,617	12,967
1.02.01.09.06	Other accounts receivable	1,332	1,010
02.1.02	Investments	415	367
1.02.02.01	Equity interest	415	367
1.02.02.01.04	Other equity interest	415	367
02.1.03	Property, plant and equipment	2,592,621	2,549,337
1.02.03.01	Fixed assets in operation	2,570,708	2,536,328
1.02.03.03	Constructions in progress	21,913	13,009
02.1.04	Intangible assets	8,629	10,065
1.02.04.01	Intangible assets	8,629	10,065

Consolidated financial statements / Balance sheet – Liabilities

(In thousands of reais)

Code of account	Account description	Current quarter 09/30/2012	Prior year 12/31/2011
2	Total Liabilities	3,718,626	3,584,453
2.01	Current liabilities	802,665	817,592
2.01.01	Social and labor obligations	3,794	3,226
2.01.01.01	Social charges	3,440	3,025
2.01.01.02	Labor obligations	354	201
2.01.02	Suppliers	92,094	117,919
2.01.02.01	Domestic suppliers	92,094	117,919
2.01.03	Tax liabilities	18,634	21,151
2.01.03.01	Federal tax liabilities	17,776	20,411
2.01.03.01.01	Income and social contribution tax payable	16,424	18,964
2.01.03.01.02	Taxes, rates, and sundry contributions	1,352	1,447
2.01.03.02	State tax liabilities	779	599
2.01.03.03	Municipal tax liabilities	79	141
2.01.04	Loans and financing	413,143	384,735
2.01.04.01	Loans and financing	413,143	384,735
2.01.04.01.01	In local currency	317,946	277,401
2.01.04.01.02	In foreign currency	95,197	107,334
2.01.05	Other liabilities	259,828	270,913
2.01.05.02	Other	259,828	270,913
2.01.05.02.02	Minimum compulsory dividend payable	0	38,654
2.01.05.02.04	Securities payable	133,471	113,876
2.01.05.02.05	Advances from clients	62,300	67,613
2.01.05.02.07	Operations with derivatives	48,677	37,349
2.01.05.02.09	Other debits	15,380	13,421
2.01.06	Provisions	15,172	19,648
2.01.06.01	Tax, social security, labor and civil provisions	15,172	19,648
2.01.06.01.01	Tax provisions	160	160
2.01.06.01.02	Social security and labor provisions	9,892	5,580
2.01.06.01.03	Provisions to employee benefits	3,742	12,570
2.01.06.01.05	Provision for labor contingencies	1,378	1,338
2.02	Non-current liabilities	982,938	846,625
2.02.01	Loans and financing	422,414	255,296
2.02.01.01	Loans and financing	422,414	255,296
2.02.01.01.01	In local currency	95,551	109,349
2.02.01.01.02	In foreign currency	326,863	145,947
2.02.02	Other liabilities	111,292	134,607
2.02.02.02	Other	111,292	134,607
2.02.02.02.03	Securities payable	108,155	128,505
2.02.02.02.04	Operations with Derivatives	2,589	5,554
2.02.02.02.05	Other debits	548	548
2.02.03	Deferred taxes	449,232	456,722
2.02.03.01	Deferred income and social contribution taxes	449,232	456,722
2.03	Consolidated shareholders' equity	1,933,023	1,920,236
2.03.01	Realized capital	557,434	557,434
2.03.02	Capital reserves	188,289	172,954
2.03.02.01	Goodwill in the issue of shares	177,421	176,534

Consolidated financial statements / Balance sheet – Liabilities

(In thousands of reais)

Code of account	Account description	Current quarter 09/30/2012	Prior year 12/31/2011
2.03.02.04	Options granted	19,851	15,952
2.03.02.05	Treasury shares	-8,983	-19,532
2.03.04	Profit reserves	264,093	287,295
2.03.04.01	Legal reserve	2,851	2,851
2.03.04.02	Statutory reserve	255,614	278,816
2.03.04.05	Profit retention reserve	5,628	5,628
2.03.05	Retained Earnings/Losses	-1,893	0
2.03.08	Other comprehensive income	879,351	902,553
2.03.09	Interest of non-controlling shareholders	45,749	0

Consolidated financial statements / Statement of income

(In thousands of reais)

Code of account	Account description	Current quarter – From 07/01/2012 to 09/30/2012	Accumulated of the current year from 01/01/2012 to 09/30/2012	Same Quarter of the Prior Year – from 07/01/2011 to 09/30/2011	Accumulated of the prior year from 01/01/2011 to 09/30/2011
3.01	Income from sales of goods and/or services	268,251	819,850	275,682	682,063
3.02	Cost of goods and/or services sold	-195,252	-639,277	-149,555	-406,972
3.03	Gross income	72,999	180,573	126,127	275,091
3.04	Operating expenses/income	-24,620	-74,498	-25,582	-69,596
3.04.01	Sales expenses	-14,577	-43,922	-11,057	-26,295
3.04.02	General and administrative expenses	-10,446	-34,802	-15,783	-43,205
3.04.02.01	General and administrative	-9,420	-31,038	-13,709	-37,377
3.04.02.02	Management compensation	-1,026	-3,764	-2,074	-5,828
3.04.04	Other operating income	403	4,226	564	884
3.04.05	Other operating expenses	0	0	694	-980
3.05	Income (loss) before financial income (loss) and taxes	48,379	106,075	100,545	205,495
3.06	Financial income (loss)	-39,525	-98,094	-6,126	-12,542
3.06.01	Financial income	28,764	94,605	18,604	74,013
3.06.02	Financial expenses	-68,289	-192,699	-24,730	-86,555
3.07	Income (loss) before income tax	8,854	7,981	94,419	192,953
3.08	Income and social contribution taxes	-9,157	-20,397	-31,810	-65,964
3.08.01	Current	-918	-16,505	-6,086	-11,467
3.08.02	Deferred assets	-8,239	-3,892	-25,724	-54,497
3.09	Net income (loss) of continued operations	-303	-12,416	62,609	126,989
3.11	Income/loss for the period	-303	-12,416	62,609	126,989
3.11.01	Attributed to the Parent company's partners	-670	-12,783	62,609	126,989
3.11.02	Attributed to non-controlling partners	367	367	0	0
3.99	Earnings per share - (Reais / Shares)				
3.99.01	Basic earnings per share				
3.99.01.01	ON	-0.00308	-0.12637	0.64219	1.30255
3.99.02	Diluted earnings per share				
3.99.02.01	ON	-0.00307	-0.12567	0.64070	1.29951

Consolidated financial statements / Statement of comprehensive income

(In thousands of reais)

Code of account	Account description	Current quarter – From 07/01/2012 to 09/30/2012	Accumulated of the current year from 01/01/2012 to 09/30/2012	Same Quarter of the Prior Year – from 07/01/2011 to 09/30/2011	Accumulated of the prior year from 01/01/2011 to 09/30/2011
4.01	Consolidated net income for the period	-303	-12,416	62,609	126,989
4.02	Other comprehensive income	-92,781	-21,409	45,213	-69,429
4.02.01	Derivatives of cash flow hedge	-72,073	-32,438	0	-105,196
4.02.02	Income tax and social contribution	-20,708	11,029	45,213	35,767
4.03	Consolidated comprehensive income for the period	-93,084	-33,825	107,822	57,560
4.03.01	Attributed to the Parent company's partners	-93,451	-34,192	107,822	57,560
4.03.02	Attributed to non-controlling partners	367	367	0	0

Consolidated financial statements / Statement of cash flows – Indirect method

(In thousands of reais)

Code of account	Account description	Accumulated of the current year from 01/01/2012 to 09/30/2012	Accumulated of the prior year from 01/01/2011 to 09/30/2011
6.01	Net cash from operational activities	17,370	67,080
6.01.01	Cash generated in operations	227,444	224,021
6.01.01.01	Net income (loss) before income and social contribution taxes	7,981	192,953
6.01.01.02	Depreciation	71,968	43,444
6.01.01.03	Result in property, plant and equipment write-offs	19,335	11,842
6.01.01.05	Interest, foreign exchange variation and price-level restatement	87,638	46,398
6.01.01.06	Variation in biological assets	33,181	-79,170
6.01.01.07	Provision (reversal) to inventory adjustments and onerous contracts	3,586	591
6.01.01.08	Provision (reversal) of profit sharing and labor contingencies	3,755	7,963
6.01.02	Changes in assets and liabilities	-210,074	-156,941
6.01.02.01	Trade accounts receivable	-44,012	-17,639
6.01.02.02	Inventories and biological assets	-9,770	-147,887
6.01.02.03	Recoverable taxes	-14,388	-5,404
6.01.02.04	Accounts receivable	6,475	4,317
6.01.02.05	Interest earnings bank deposits – pledged	-2	12,803
6.01.02.06	Other accounts receivable	-13,953	-20,388
6.01.02.08	Suppliers	-38,824	-32,667
6.01.02.09	Tax and social obligations	-18,455	19,855
6.01.02.10	Operations with derivatives	30,567	-8,414
6.01.02.11	Securities payable	-94,786	35,115
6.01.02.12	Advances from clients	-5,313	53,993
6.01.02.13	Other accounts payable	-7,613	-50,625
6.02	Net cash used in investment activities	-133,576	-170,448
6.02.01	In Investment	-49	122
6.02.02	In property, plant and equipment	-133,108	-169,926
6.02.03	In intangible assets	-419	-644
6.03	Net cash generated (consumed) in financing activities	146,628	81,438
6.03.01	Loans and financing obtained	433,300	444,842
6.03.02	Loans and financing paid	-300,590	-346,654
6.03.03	Option plan	3,899	5,004
6.03.04	Share Sale or Repurchase	11,436	-6,162
6.03.05	Dividends paid	-61,855	-15,592
6.03.06	Paid-up capital	60,438	0
6.05	Increase (decrease) in cash and cash equivalents	30,422	-21,930
6.05.01	Opening balance of cash and cash equivalents	130,463	110,219
6.05.02	Closing balance of cash and cash equivalents	160,885	88,289

Consolidated financial statements / Statement of changes in shareholders' equity / DMPL – from 01/01/2012 to 09/30/2012

(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	15,335	-23,202	0	0	-7,867	52,641	44,774
5.04.01	Capital increases	0	0	0	0	0	0	43,489	43,489
5.04.03	Recognized options granted	0	3,899	0	0	0	3,899	0	3,899
5.04.05	Treasury shares sold	0	11,195	0	0	0	11,195	0	11,195
5.04.06	Dividends	0	0	-23,202	0	0	-23,202	0	-23,202
5.04.08	Goodwill on Sale of Shares	0	241	0	0	0	241	9,152	9,393
5.05	Total comprehensive income	0	0	0	-1,893	-23,202	-25,095	-6,892	-31,987
5.05.01	Net income for the period	0	0	0	-12,783	0	-12,783	367	-12,416
5.05.02	Other comprehensive income	0	0	0	10,890	-23,424	-12,534	-7,259	-19,793
5.05.02.01	Financial instruments' adjustments	0	0	0	0	-32,438	-32,438	0	-32,438
5.05.02.02	Taxes on financial instruments' adjustments	0	0	0	0	11,029	11,029	0	11,029
5.05.02.06	Realization of deemed cost for the fixed assets – Depreciation	0	0	0	8,495	-8,495	0	0	0
5.05.02.07	Realization of deemed cost for the fixed assets – Sales	0	0	0	2,395	-2,395	0	0	0
5.05.02.08	Reduction Reflex Evaluation Adjustment due to Interest Variation	0	0	0	0	1,616	1,616	0	1,616
5.05.02.09	Gain in decrease of interest in subsidiary	0	0	0	0	7,259	7,259	-7,259	0
5.05.03	Reclassifications to income (loss)	0	0	0	0	222	222	0	222
5.05.03.01	Financial instruments' adjustments	0	0	0	0	222	222	0	222
5.07	Closing balances	557,434	188,289	264,093	-1,893	879,351	1,887,274	45,749	1,933,023

Consolidated financial statements / Statement of changes in shareholders' equity / DMPL – from 01/01/2011 to 09/30/2011

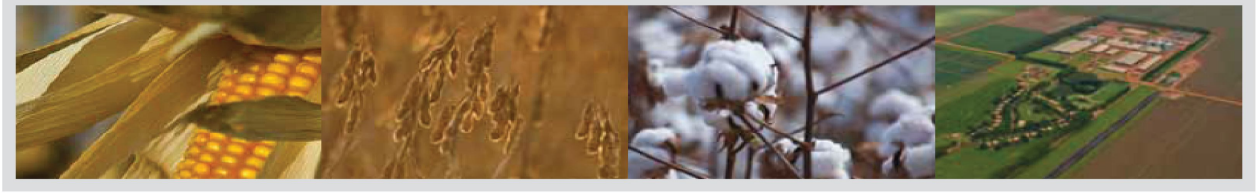
(In thousands of reais)

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	174,015	154,252	0	989,292	1,874,993	0	1,874,993
5.03	Adjusted opening balances	557,434	174,015	154,252	0	989,292	1,874,993	0	1,874,993
5.04	Capital transactions with partners	0	-1,158	0	0	0	-1,158	0	-1,158
5.04.03	Recognized options granted	0	5,004	0	0	0	5,004	0	5,004
5.04.04	Treasury shares acquired	0	-8,626	0	0	0	-8,626	0	-8,626
5.04.05	Treasury shares sold	0	2,083	0	0	0	2,083	0	2,083
5.04.08	Goodwill in the issue of shares	0	381	0	0	0	381	0	381
5.05	Total comprehensive income	0	0	-5,175	132,161	-74,601	52,385	0	52,385
5.05.01	Net income for the period	0	0	0	126,989	0	126,989	0	126,989
5.05.02	Other comprehensive income	0	0	-5,175	5,172	-74,601	-74,604	0	-74,604
5.05.02.01	Financial instruments' adjustments	0	0	-7,841	0	-105,196	-113,037	0	-113,037
5.05.02.02	Taxes on financial instruments' adjustments	0	0	2,666	0	35,767	38,433	0	38,433
5.05.02.06	Realization of deemed cost for the fixed assets	0	0	0	5,172	-5,172	0	0	0
5.07	Closing balances	557,434	172,857	149,077	132,161	914,691	1,926,220	0	1,926,220

Consolidated financial statements / Statement of added value

(In thousands of reais)

Code of account	Account description	Accumulated of the current year from 01/01/2012 to 09/30/2012	Accumulated of the prior year from 01/01/2011 to 09/30/2011
7.01	Revenues	938,089	729,635
7.01.01	Sale of merchandise, products and services	745,684	490,062
7.01.02	Other income	126,331	200,730
7.01.02.01	Other income	9,613	1,875
7.01.02.02	Variation of the fair value of biological assets	116,718	198,855
7.01.03	Income from construction of own assets	66,074	38,843
7.02	Inputs acquired from third parties	-564,943	-373,785
7.02.01	Cost of goods, merchandise and services sold	-4,659	-1,885
7.02.02	Materials, Energy, Third-party services and other	-186,528	-113,361
7.02.03	Loss/recovery of asset values	-4,102	9
7.02.04	Other	-369,654	-258,548
7.02.04.01	Raw material used	-219,754	-138,864
7.02.04.02	Adjustment to fair value of biological assets	-149,900	-119,684
7.03	Gross added value	373,146	355,850
7.04	Retentions	-71,968	-43,444
7.04.01	Depreciation, amortization and depletion	-71,968	-43,444
7.05	Net added value produced	301,178	312,406
7.06	Added value received as transfer	87,523	102,739
7.06.02	Financial income	87,305	102,596
7.06.03	Other	218	143
7.07	Total added value payable	388,701	415,145
7.08	Distribution of added value	388,701	415,145
7.08.01	Personnel	86,278	64,899
7.08.01.01	Direct remuneration	55,237	36,187
7.08.01.02	Benefits	26,545	25,817
7.08.01.03	Severance Pay Fund (FGTS)	4,496	2,895
7.08.02	Taxes, duties and contributions	110,726	129,371
7.08.02.01	Federal	73,271	116,669
7.08.02.02	State	37,448	12,678
7.08.02.03	Municipal	7	24
7.08.03	Third-party capital remuneration	204,113	93,886
7.08.03.01	Interest	192,853	87,153
7.08.03.02	Rents	11,260	6,733
7.08.04	Remuneration of own capital	-12,416	126,989
7.08.04.03	Retained earnings / Loss for the period	-12,783	126,989
7.08.04.04	Interest of non-controlling shareholders in retained earnings	367	0



Adjusted EBITDA of R$211.2 millions for 9M12, with margin of 30%

Porto Alegre, November 13, 2012 – SLC AGRÍCOLA S.A. (Bovespa: SLCE3; ADR: SLCJY; Bloomberg: SLCE3BZ; Reuters: S LCE3.SA), one of the largest landowners in Brazil and one of the largest agricultural producers in terms of cotton, soybean and corn planted area, discloses today its earnings for the third quarter of 2012. The following financial and operating information are presented in compliance with the international accounting norms (International Financial Reporting Standards – IFRS). Elaborated on a consolidated basis, the information is presented in thousands of Brazilian reais, except when otherwise stated.

3Q12 Highlights

(R$ Thousand)	9M11	9M12	AH	3Q11	3Q12	AH
Net revenue	**682,063**	**819,850**	**20.2%**	**275,682**	**268,251**	**-2.7%**
Gross income	**275,091**	**180,573**	**-34.4%**	**126,127**	**72,999**	**-42.1%**
Gross margin	*40.3%*	*22.0%*	*-18.3 p.p*	*45.8%*	*27.2%*	*-18.5 p.p*
Operating income	**192,953**	**7,981**	**-95.9%**	**94,419**	**8,854**	**-90.6%**
Operating margin	*28.3%*	*1.0%*	*-27.3 p.p*	*34.2%*	*3.3%*	*-30.9 p.p*
Net profit	**126,989**	**(12,416)**	**-109.8%**	**62,609**	**(303)**	**-100.5%**
Net Margin	*18.6%*	*-1.5%*	*-20.1 p.p*	*22.7%*	*-0.1%*	*-22.8 p.p*
Adjusted EBITDA	**169,769**	**211,226**	**24.4%**	**67,991**	**55,461**	**-18.4%**
Adjusted EBITDA Margin	**35.1%**	**30.0%**	***-5.1 p.p***	**37.2%**	**25.2%**	***-12.0 p.p***
Net debt	**504,741**	**674,672**	**33.7%**	**504,741**	**674,672**	**33.7%**

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NOTE: 3Q11 and 3Q12 refer to the three-month cumulative period, from July to September, for years 2011 and 2012, respectively. 9M11 and 9M12 refer to the nine-month cumulative period from January to September, for years 2011 and 2012, respectively. AH refers to the horizontal percentage variation between two periods and AV refers to a vertical percentage variation on a given total.

Message from Management (Quarter Overview)

From the operational point of view, we began, in 3Q12 soybeans plantings for the new crop (2012/13 crop-year), for which we intend to increase our planted area to 280,400 hectares, an increase of 32,600 hectares - or 13.2% - compared to the previous crop (more details in the planted area section). Furthermore, we ended the harvest of the 2011/12 crop, for which the average production cost per hectare exceeded in 5.4% the initial estimates. Yields were set bellow projections in cotton (7%) and soybeans (5.4%). On the other side, corn performance was 3.7% above initially estimated. These variations occurred due to adverse climatic conditions during the 2011/12 crop, such as excessive rainfalls in the states of Mato Grosso and Mato Grosso do Sul and droughts in some regions of western Bahia. It is important to highlight that despite these factors, the Adjusted EBITDA margin for the year so far is 30%, in line with our historical averages. Besides that, we just began shipping cotton from the 2011/12 crop.

Financial results for the quarter and year had a negative impact of R$26.2 million and R$78 million, respectively, resulted from monetary variation related to the increased prices of soybean in Reais, which indexes our debts with land acquisitions. However, considering that these debt maturities are extended up to 2017, there is no immediate effect on the Company's cash flow. There was also a reduction in the net debt of R$57.4 million compared to the previous quarter.

In 3Q12 was also held the first capital injection in SLC LandCo by Valiance, totaling R$60,438 thousand. With this, SLC Agricola had a capital gain of R$7,259 thousand (after deducting operational costs) which was booked in Shareholder's Equity under "Other Comprehensive Income". Such capital gain is a result from the difference between the market value of the land (base of negotiation with Valiance) and its book value.

SLC LandCo	(R$ Thousand)	SLC Agricola's Share (%)	SLC Agricola's Share (nominal) – R$ thd
Shareholder's Equity in 06/30/2012	362,060	100.0%	362,060
Capital Injection by Valiance	60,438		
Operational costs	(8,580)		
Shareholder's Equity after Injection	413,918	89.2%	369,319
Capital Gain			**7,259**

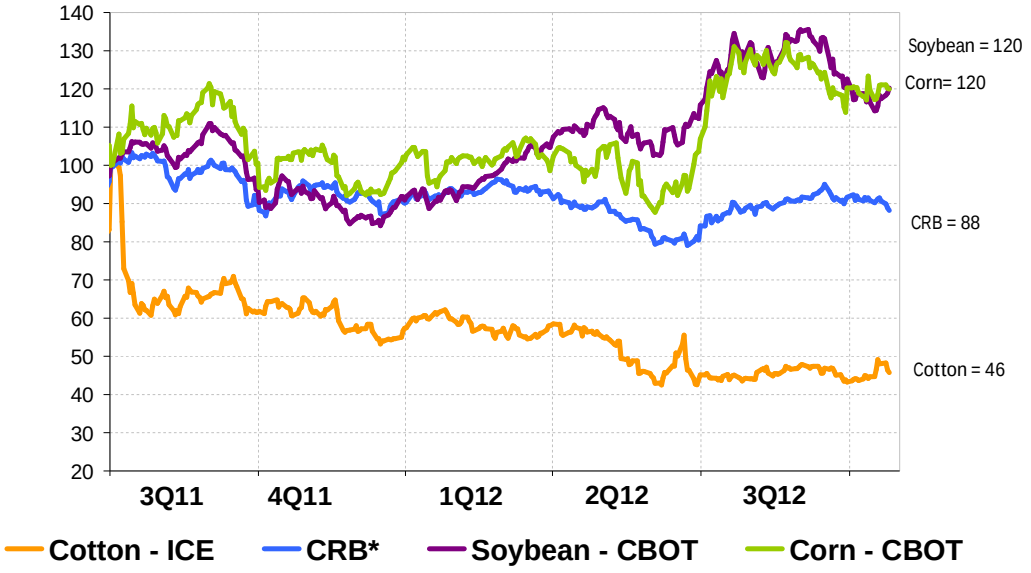
Furthermore, through this quarter, our company was congratulated with the following awards:

- "Top Cidadania 2012", awarded by *ABRH-RS* for the company's involvement in initiatives towards the community;
- "*Globo Rural*" Magazine: Best in Agribusiness (Grains), 1st place;
- *Institucional Investor* Magazine: In its Agribusiness ranking for Latin America, the magazine awarded SLC Agrícola in several categories, including "Best CEO", "Best CFO", "Best IR professional" and "Best IR program";
- Lide Agribusiness 2012 Award, at the "grains" category.
- "A Granja do Ano": Awarded by "A Granja" in the categories Soybean and Corn.

Market Outlook

Commodities Prices Variation

From June/2011 to October/2012 (1st Contract)



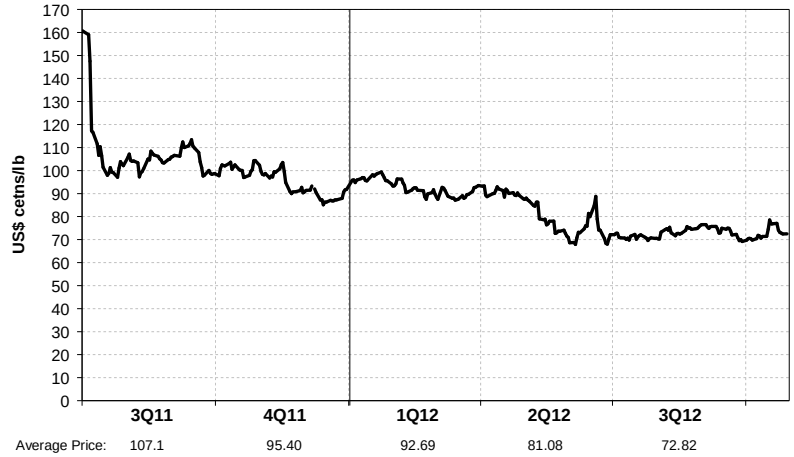
Source: CMA (30/06/2011 = 100)
Up to 24/10/2012.

*Commodity Research Bureau

Cotton

Cotton Prices in the International Market

ICE - (1st Contract)



	3Q11	4Q11	1Q12	2Q12	3Q12
Average Price:	107.1	95.40	92.69	81.08	72.82

Source: CBOT/CMA

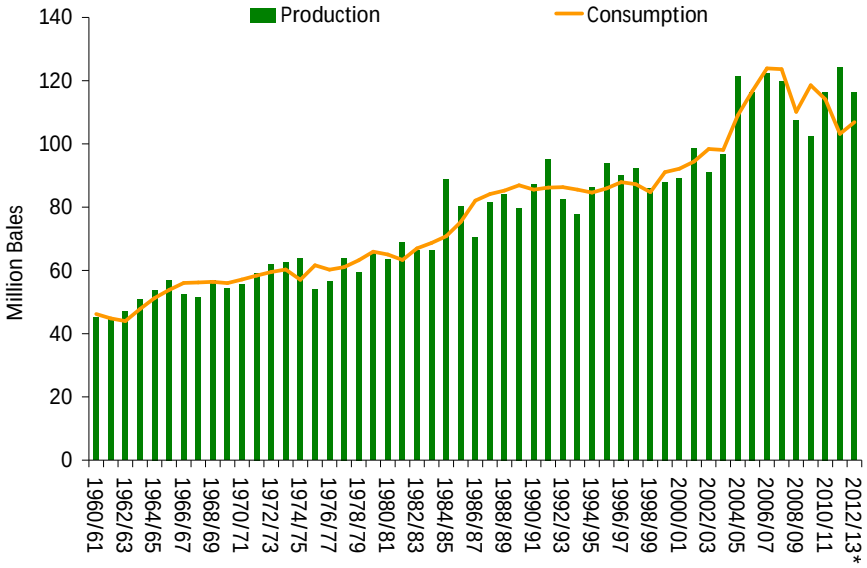
Cotton future prices traded on ICE/NYBOT (ICE Futures U.S) presented an average quotation of US¢ 72.82/lb in 3Q12, which represents a 32% decrease against 3Q11 (US¢ 168.3/lb) and a 10.9% decreased against 2Q12 (US¢ 81.08/lb).

In 2011, cotton market reached historical price peaks, mainly due to cotton supply limitations in the 2009/10 and 2010/11 crop years.

Decreased cotton prices recorded in the last quarters are still related to price variations in 2011, which caused a strong reduction on cotton consumption in 2011 and still reflects in 2012, as well as an increment in planted area, production and world inventories, resulting in pressure in cotton prices in 3Q12.

In 2011, high cotton prices at the planting period compared to competing crops, such as soybean and corn, caused a planted area allocation from these crops to cotton, which raised the cotton planted area globally in the 2011/12 crop-year by 7.6%, the largest area since 1995, resulting in the biggest cotton production in history with 124.1 million bales.

World – Cotton - Production and Consumption



Source: USDA

* Estimated **Projected

Besides an increment in planted area and production, cotton prices caused a strong decrease in cotton consumption. USDA (United States Department of Agriculture) in its Supply&Demand report released in November, estimated that 2011/12 world consumption was set at 103.2 million bales, a 9.6% decrease compared to the previous crop (114.2 million bales).

With a world record production and a decreasing consumption, the difference between production and consumption resulted in an increment of 21 million bales to final stocks in the 2011/12 crop, increasing inventories to historical highs.

According to the USDA, world's cotton production should decrease to 116.8 million bales and consumption should increase to 106.3 million bales. Nevertheless, it will be the 3rd year in a row for which world production exceeds consumption and consequently inventories are expected to increase, projected by the USDA at 80.3 million bales, a new record which represent 75% of world consumption.

World - China - Supply & Demand

World		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12*	2012/13**
Area (ha)		34,532	32,840	30,570	30,140	33,468	35,741	34,151
Yield (kg/ha)		771	793	764	738	757	757	745
Beginning Stocks	---thousand of tons---	13.45	13.60	13.26	13.22	10.19	10.60	15.16
Production		26.61	26.05	23.36	22.26	25.34	27.06	25.44
Import		8.31	8.56	6.64	7.91	7.81	9.75	7.97
Total Supply		48.36	48.21	43.26	43.39	43.34	47.42	48.57
Export		8.18	8.50	6.62	7.75	7.95	9.86	7.97
Consumption		26.98	26.92	23.99	25.81	24.86	22.46	23.15
Ending Stocks		13.60	13.26	13.22	10.24	10.60	15.16	17.48
Stocks/Consumption (%)		38.7%	37.4%	43.2%	30.5%	32.3%	46.9%	56.2%

China		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12*	2012/13**
Area (ha)		5,950	6,200	6,050	5,300	5,250	5,400	5,000
Yield (kg/ha)		1,299	1,299	1,321	1,315	1,265	1,335	1,372
Beginning Stocks	---thousand of tons---	4.91	4.47	4.46	4.87	3.10	2.31	6.57
Production		7.73	8.06	7.99	6.97	6.64	7.21	6.86
Import		2.31	2.51	1.52	2.37	2.61	5.34	2.39
Total Supply		14.94	15.04	13.98	14.21	12.35	14.86	15.82
Export		0.02	0.01	0.02	0.01	0.03	0.01	0.02
Consumption		10.89	11.10	9.58	10.89	10.02	8.27	7.73
Ending Stocks		4.47	4.46	4.87	3.32	2.31	6.57	8.08
Stocks/Consumption (%)		41.0%	40.2%	50.7%	30.5%	23.0%	79.3%	104.3%

nov/12

*Estimated **Projected

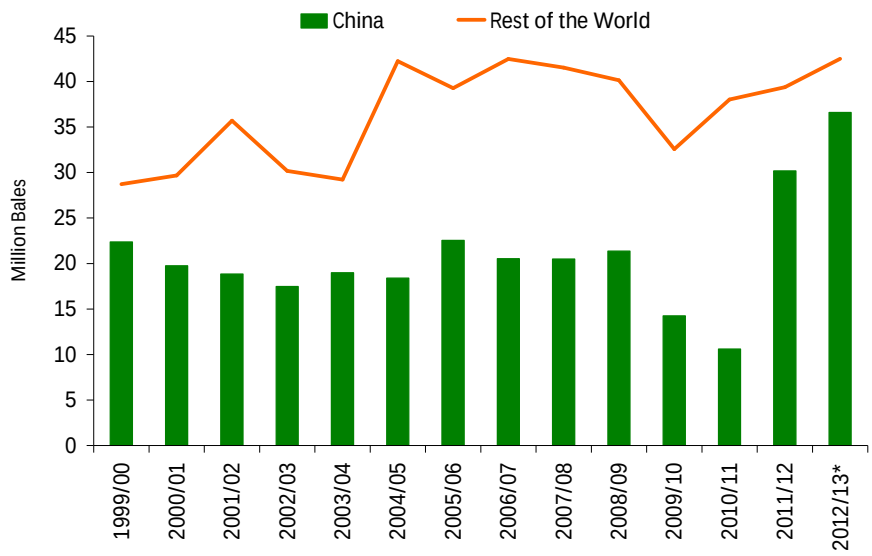
Despite the record in cotton inventories, prices remained relatively stable in the first semester of 2012, above US¢ 90.00/lb in 1Q12 and above US¢ 8000/lb in 2Q12 thanks to the Chinese government policy of purchasing cotton from Chinese producers and from the international market for the formation of government stocks, with the intention of: (i) ensuring cotton supply for the Chinese industry in the future; (ii) ensuring a minimum price for the local producers.

The Chinese government policy of purchasing cotton began in September 2011 and ensured a minimum price of 19,800 yuans per ton, equivalent to US¢ 1.40/lb at the time for the 2011/12 crop. This policy continues for the 2012/13 crop with the minimum price set at 20,500 yuans per ton, equivalent to US¢ 1.47/lb, prices the ones practiced in the international market.

Despite this absolute record in the world's inventories in 2011/12 and estimates of even bigger stocks for 2012/13, it is important to highlight that part of this significant growth in inventories occurred precisely in China as governmental stocks, and, as a consequence, they are not available immediately to the market.

According to the USDA, in the last 2 years (between the 2010/11 and 2012/13 crop year) Chinese inventories rose 26.5 million bales, while other countries' inventories only increased 5 million bales.

World – Cotton Inventories



Source: USDA

*Projected

However, the Chinese policy of high inventories, government imports and expectations of a lower industrial consumption – due to higher domestic prices compared to the international market – should decrease imports, estimated by the USDA at 11 million bales for the 2012/13 crop year, a 55% reduction compared to the previous crop.

Partly, the reduction of Chinese demand in 2012/13 should be compensated by an increased consumption by India, Pakistan, Turkey, Bangladesh and Indonesia, and other countries, which differently from the Chinese industrial sector, have access to cotton with more competitive prices in the international market.

The projection of another year with a higher production than consumption in 2012/13 and higher prices of competing crops such as soybean and corn should cause a reduction of the planted area in the southern hemisphere (2012/13 crop) and a new round of global planted area reduction in the 2013/14 crop.

According to CONAB, in Brazil cotton planted area should decrease between 20.6% and 27.8%. Still according to CONAB, the main factors for this retraction are: low prices in the domestic and international market, lower comparative advantages compared to soybean, notably in the Mid-South region and mainly due to increased production costs.

Planted area should range between 1,006 and 1,106 thousand hectares, with an average decrease of 337 thousand hectares compared to the last crop. CONAB forecast a production of 1,551 tons, a 17.4% reduction compared to 2011/12, when production reached 1,877 thousand tons.

Soybean

Soybean Prices in the International Market

CBOT - (1st Contract)



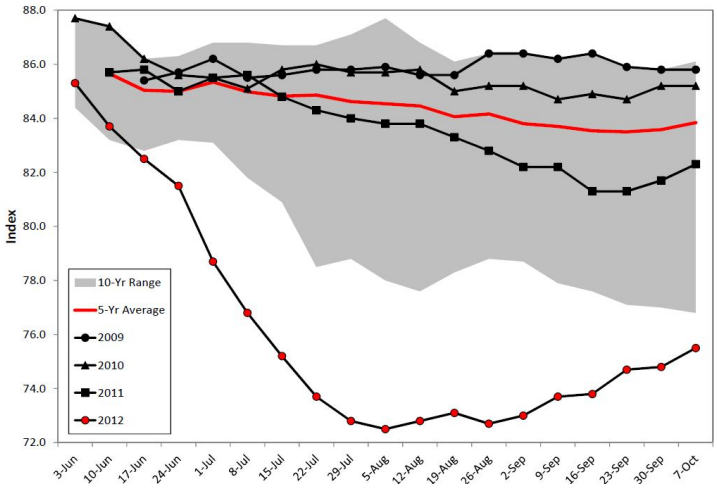
Average Price:	3Q11	4Q11	1Q12	2Q12	3Q12
	13.55	11.75	12.71	14.26	16.75

Source: CBOT/CMA

Soybean future prices traded on CBOT (Chicago Board of Trade) presented an average quotation of US$ 16.75/bu in 3Q12, representing a 19.1% increase against 3Q11, when the average price was US$ 13.55/bu. The decreased production caused by climatic problems in Brazil, Argentina and recently the United States, respectively the global leading producers of soybean, lowered the world's inventories and are the main reasons for the high prices of soybean recorded in the past 12 months. In 3Q12, soybean prices reached its historical high at US$17.81/bu at the peak of the North American summer with problems caused by droughts.

In the United States, for the 2012/13 crop, despite an increase of 2.9% in the soybean planted area, yields are expected to decrease 10.5% compared to the initial projections, and production should reach 80.9 million tons, a 4% reduction compared to previous crop, according to the USDA.

United States – Crop condition Index



Source:Usda/Informa

In 2012/13, another crop shortfall for the 3rd consecutive year caused production to decrease in the United States. In 2009/10 production reached 91.4 million tons compared to 80.9 million tons projected to 2012/13, an 11.5% reduction for the – so for – biggest producer and exporter of soybean.

With decreased production and consequent need of rationing demand through lowering domestic crush (-8.4%) and exports (-1.2%), physical prices tend to maintain stability in the United States for

at least the beginning of the North American 2013/14 crop, not before October 2013, according to the North American consultancy *Informa Economics.*

United States – Soybean – Supply&Demand

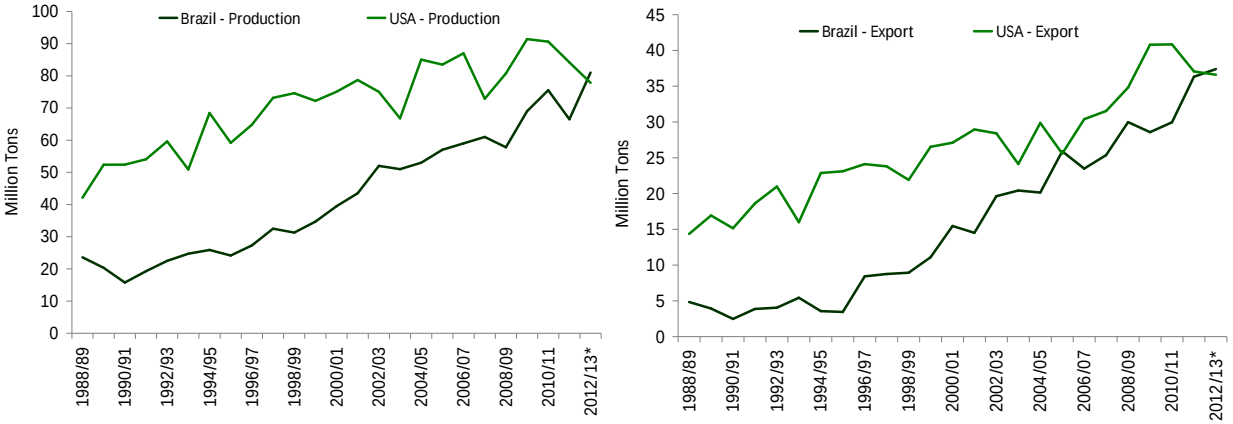
United States		2006/07	2007/08	2008/09	2009/10	2010/11	2011/12*	2012/13**
Area (ha)		30,190	25,959	30,222	30,907	31,003	29,856	30,632
Yield (kg/ha)		2,882	2,807	2,672	2,958	2,922	2,820	2,640
Beginning Stocks	Thd tons	12,229	15,617	5,580	3,761	4,106	5,852	4,611
Production	Thd tons	87,001	72,859	80,749	91,417	90,605	84,192	80,858
Imports	Thd tons	246	269	361	397	393	439	544
Total Supply	Thd tons	99,476	88,745	86,690	95,575	95,104	90,483	86,013
Exports	Thd tons	30,386	31,538	34,817	40,798	40,849	37,063	36,605
Consumption	Thd tons	53,473	51,627	48,112	50,671	48,403	48,809	45,609
Ending Stocks	Thd tons	15,617	5,580	3,761	4,106	5,852	4,611	3,799
Stocks/Consumption (%)		29.2%	10.8%	7.8%	8.1%	12.1%	9.4%	8.3%

nov/12 **Estimated* ***Projected*

With the crop shortfall in the United States and the high prices in the international market, stimulated Brazil and Argentina who are now planting for the 2012/13 crop, with strong incentive to expand area. According to USDA, Brazil and Argentina should plant 27.5 and 19.7 million hectares, a 10% and 12.6% increase, respectively.

With soybean planted area projections increasing 10% and taken yields be in line with average, Brazil is expected to produce 81 million tons according to USDA, a 21.8% increase compared to the previous year, boosting exports to 37.4 millions tons, making Brazil the leading producer and exporter of soybean in the 2012/13 crop.

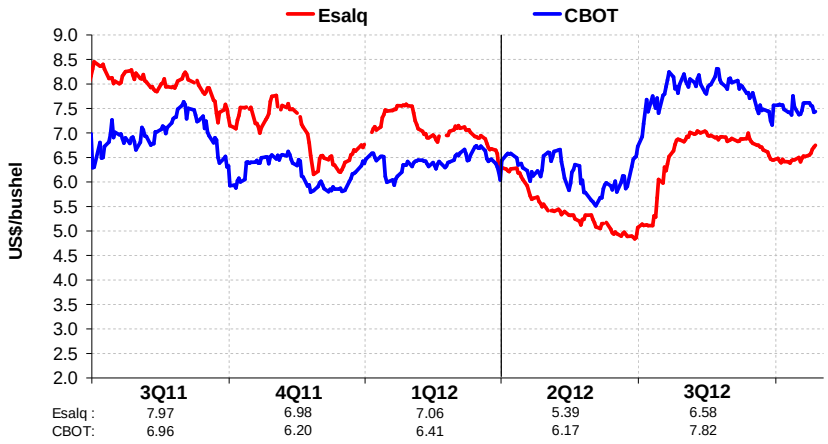
Soybean - Production & Export



*Source: USDA *Projected*

Corn

Corn Prices



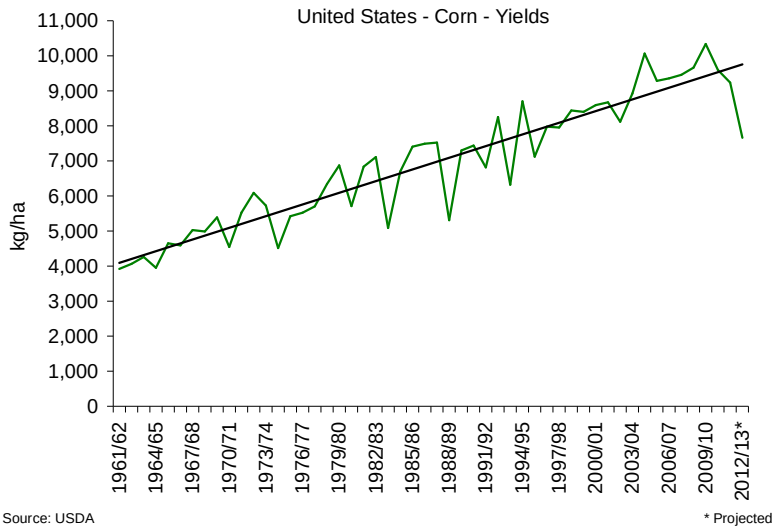
	3Q11	4Q11	1Q12	2Q12	3Q12
Esalq :	7.97	6.98	7.06	5.39	6.58
CBOT:	6.96	6.20	6.41	6.17	7.82

Source: CBOT/ Cepea (Esalq)/CMA

Corn future prices traded on CBOT (Chicago Board of Trade) presented a 26.7% increase in 3Q12 compared to the previous quarter, from US$ 6.17/bu to 7.82/bu. In 3Q12 corn prices reached its historical high -US$8.27/bu - at the peak of the North American summer with problems caused by droughts. The average corn price in the domestic market, measured by the ESALQ (*Escola Superior de Agricultura Luiz de Queiroz*) index presented a 22.1% increase, from US$ 5.39/bu to US$ 6.58/bu compared to the last quarter.

In the last 12 months, corn prices remained relatively high, both in the international and domestic market, mainly due to a strong demand in feed and bioenergy sectors and more recently, due to a record crop shortfall in the United States, which impacted the global corn market, including Brazil where a higher demand for exports pushed prices to higher levels with a record production of 72.8 million tons in the 2011/12 crop, according to CONAB.

Adverse climatic conditions resulted in a significant yield decrease in the United States. According to USDA, for the 2012/13 crop, yields are expected to reach 122.3 bu/acre (7,680 kg/ha), a reduction of 44 bu/acre (-26.5%) compared to the initial projection, which represent a reduction of 102.7 million tons, 1.5 times the size of the Brazilian 2011/12 crop, which was a record.

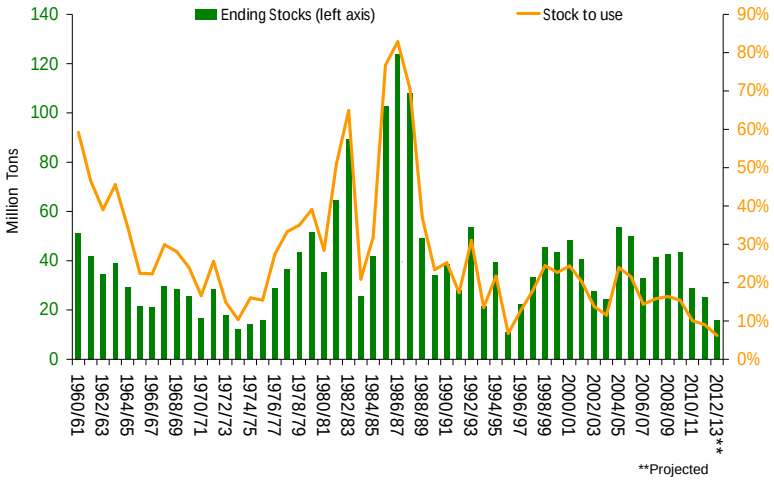


Source: USDA

* Projected

The strong reduction of production caused inventories of the 2012/13 crop in the United States to hit the lowest levels since 1995/96, projected by USDA at 647 million bushels (16.4 million tons) resulting in the lowest stock/consumption ratio in history.

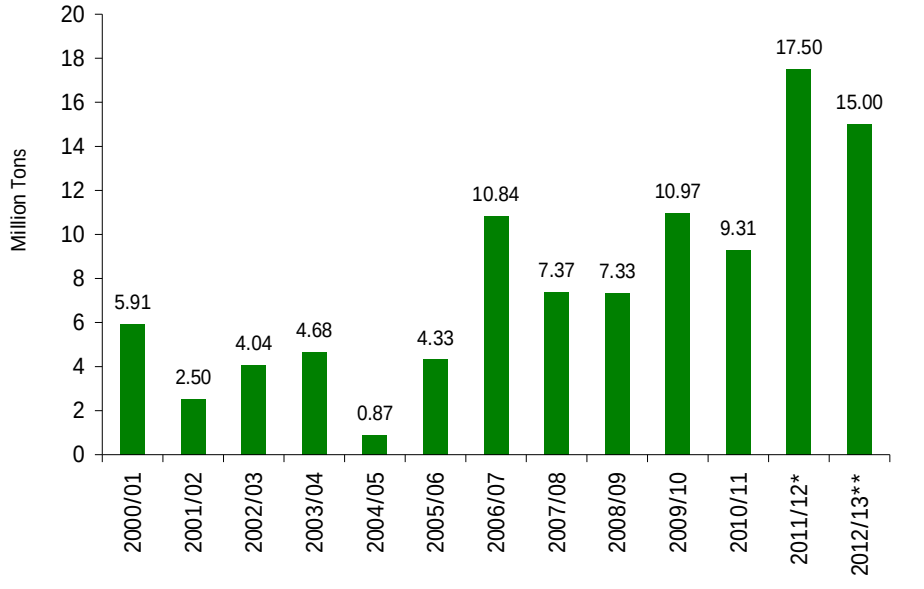
Corn Inventories – United States



As well as in soybean, a strong reduction of production in North America, is resulting in a decrease of corn demand through higher prices. According to the USDA, domestic consumption and exports, for 2012/13, is expected to decrease 8.8% and 25.4% respectively, which should maintain high prices in the international market, at least until the beginning of next crop in September 2013, according to the North American consultancy company *Informa Economics* and should allow other countries such as Brazil, Argentina and Ukraine to increase their share in the international market.

More attractive prices and an increasing demand for corn in the international market should significantly increase Brazilian corn exports in the current crop and 2012/13 crop. According to CONAB, in the 2011/12 crop year, Brazil is expected to export 19 million tons, an increase of 104% compared to the previous year. For 2012/13, for which planting has just began, CONAB projected Brazilian exports at 15 million tons.

Brazil – Corn – Export



Source: Conab

*Estimated ** Projected

Operating Performance

2011/2012 Crop

In 3Q12 it was concluded the harvest of cotton 1st crop, cotton 2nd crop, as well as corn 2nd crop.

Cotton 1st crop.
The yield obtained in the 79,885 hectares planted was 1,515 kg/ha of cotton lint, a 9.8% decrease compared to the initial estimate. This reduction was mainly due to droughts which impacted the west of Bahia, and excess of rainfalls in the states of Mato Grosso and Mato Grosso do Sul, as already explained in the 2Q12 press release.

Cotton 2nd crop.
The yield obtained in the 15,386 hectares cultivated was 1,455 kg/ha of cotton lint, a 6.9% increase compared to the initial estimate, mainly due to prolonged rainfalls in the states of Mato Grosso and Mato Grosso do Sul, where precipitations remained until June.

Corn 2nd crop.
The yield obtained in the 22,443 hectares cultivated was 6,765 kg/ha, a 14% increase compared to the initial estimate, mainly due to prolonged rainfalls in the states of Mato Grosso and Mato Grosso do Sul.

2012/2013 Crop

The new agricultural calendar for 2012/13 crop year began in September, with the first plantings of soybeans (early and super-early varieties) in the states of Mato Grosso and Mato Grosso do Sul, following the onset of rainfalls in the region.

Soybean.
Plantings of soybeans, early and super-early varieties, which enables plantings of 2nd Crop (Cotton and Corn), began in the last week of September, and up to November, 8th, the Company had already planted a total area of 75,000 hectares, which represent 1/2 of the total forecasted area. Averagely, the crop presents a good development, the weather is relatively stable, accusing few hydric stress, only in some isolated regions.

Yields

Yields (kg/ha)	Initially Estimated 2011/12	Achieved 2011/12(1)	Δ%	Estimated 2012/13
Cotton Lint 1st crop	1,679	1,515	-9.8	1,690
Cotton Lint 2nd crop	1,361	1,455	6.9	1,383
Cotton Seed	2,158	1,928	-10.7	2,125
Soybean	3,297	3,118	-5.4	3,310
Corn 1st Crop	10,209	9,579	-6.2	10,344
Corn 2nd Crop	5,932	6,765	14.0	6,126

(1)09/30/2012.

Land Development

For 2012/13 crop the company expects to clear and apply soil correction in 11,184 hectares that should be planted in the next crop year (2013/14).

Farm	Areas Opened Crop 2011/12 (ha)	Areas to be opened Crop 2012/13 (ha)	Areas to be opened Next Crops (ha)
Parnaiba	-	1,464	316
Piratini	992	2,000	8,176
Palmares	-	420	-
Parnagua	2,739	1,300	13,162
Parceiro	5,831	6,000	11,529
Paineira	1,333	-	2,867
SLC	**10,895**	**11,184**	**36,050**

Planted Area

Following is an updated table with the initial expectation of planted area for the 2012/13 crop year.

Crop Mix	Achieved 2011/12 ha	Initially Estimated 2012/13 ha	Share %	Absolute Δ ha	Percentage Δ %
Cotton	**95,271**	**76,288**	**27.2**	**-18,983**	**-19.9**
Cotton 1st crop	*79,885*	*61,747*	*22.0*	*-18,138*	*-22.7*
Cotton 2nd crop	*15,386*	*14,541*	*5.2*	*-845*	*-5.5*
Soybean	***114,158***	***150,955***	***53.8***	***36,797***	***32.2***
Corn	**35,166**	**47,598**	***17.0***	***12,432***	***35.4***
Corn 1st crop	*12,723*	*14,275*	*5.1*	*1,552*	*12.2*
Corn 2nd crop	*22,443*	*33,323*	*11.9*	*10,880*	*48.5*
Others[1]	**3,239**	**5,594**	***2.0***	***2,355***	***72.7***
Total	**247,834**	**280,435**	**100.0**	**32,601**	***13.2***

Planted Area Mix	ha	ha	%	Ha	%
Physical Area under Control	**210,005**	**232,571**	**82.9**	**22,566**	**10.7**
Own Area	*134,147*	*156,699*	*55.9*	*22,552*	*16.8*
Leased Area	*75,858*	*75,872*	*27.1*	*14*	*0.0*
2nd crop area	**37,829**	**47,864**	**17.1**	**10,035**	***26.5***
Total	**247,834**	**280,435**	**100.0**	**32,601**	***13.2***

(1) Planted area may be adjusted by agricultural planning.
(2) Coffee, wheat, corn seed and sugar cane.

Property Portfolio

As of September 30, 2012 our land portfolio under control was as follows:

2012/13 (ha) Areas Farm	State	Own	Leased	Under control	Planted [1]
		---------- ha ----------			
Pamplona	GO	17,385	3,941	21,325	17,658
Planalto	MS	17,437	1,657	19,094	19,001
Planorte	MT	23,797	367	24,161	26,194
Paiaguás	MT	30,878	2,360	33,238	36,335
Parnaíba	MA	38,418	10,359	48,777	32,812
Planeste	MA	23,325	10,858	34,213	32,407
Panorama	BA	12,983	12,312	25,294	21,801
Piratini	BA	25,356	5,000	30,355	13,324
Palmares	BA	16,948	14,878	31,826	29,865
Parnaguá	PI	23,742	-	23,742	2,761
Pejuçara	MT	3,379	8,711	12,090	17,175
Paineira	PI	12,873	-	12,872	5,626
Parceiro	PI	32,816	5,428	38,244	11,207
Perdizes	MT	28,837	-	28,837	14,269
Total		**308,174**	**75,871**	**384,045**	**280,435**

(1) Planted area may be adjusted by agricultural planning.
(2) Own area may change due to georeferencing process.

Machinery and Storage Capacity

As of September 30, 2012 we had the following:

Machinery	Quantity
Tractors	432
Grain Combiners	171
Cotton Pickers	71
Planters	163
Self-propelled sprayers	96

2012/13 Storage Capacity	Grains	Cotton
Tons	470,140	109,981
% Production[1]	55%	88%

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

Financial Analysis

EBITDA

(R$ thousand)	9M11	9M12	AH	3Q11	3Q12	AH
Net revenue	**682,063**	**819,850**	**20.2%**	**275,682**	**268,251**	**-2.7%**
(-) Cost of Goods and/or Services Sold	**(406,972)**	**(639,277)**	**57.1%**	**(149,555)**	**(195,252)**	**30.6%**
Gross Profit	**275,091**	**180,573**	**-34.4%**	**126,127**	**72,999**	**-42.1%**
(-) Sales Expenses	(26,295)	(43,922)	67.0%	(11,057)	(14,577)	31.8%
(-) General and administrative	(37,377)	(31,038)	-17.0%	(13,709)	(9,420)	-31.3%
(-) Management compensation	(5,828)	(3,764)	-35.4%	(2,074)	(1,026)	-50.5%
(-) Other operating revenues	(96)	4,226	n.m.	1,258	403	-68.0%
(=) Income from Activity	**205,495**	**106,075**	**-48.4%**	**100,545**	**48,379**	**-51.9%**
(+) Depreciation and amortization	43,444	71,968	65.7%	18,331	27,675	51.0%
EBITDA	**248,939**	**178,043**	***-0.3 p.p***	**118,876**	**76,054**	***-0.4 p.p***
(-) Biological Assets on revenue	(198,855)	(116,718)	-41.3%	(92,978)	(47,940)	-48.4%
(+) Biological Assets on costs	119,685	149,901	25.2%	42,093	27,347	-35.0%
Adjusted EBITDA [1]	**169,769**	**211,226**	**24.4%**	**67,991**	**55,461**	**-18.4%**
Adjusted EBITDA Margin [2]	**35.1%**	**30.0%**	***-5.1 p.p***	**37.2%**	**25.2%**	***-12.0 p.p***

[1] Excluding non-cash effects from biological assets
[2] Over net revenue excluding non-cash effects from biological assets

In 3Q12 the Adjusted EBITDA was R$55,461 thousand, a reduction of 18.4% against R$ 67,991 thousand in 3Q11. The main variation between quarters, that impacted the Adjusted EBITDA, was soybean and corn margin reduction, partially offset by improvement in cotton margins.

The Adjusted EBITDA accumulated in the year shows an increase of 24.4% over the previous year, with 30% margin.

Net Revenue

(R$ thousand)	9M11	9M12	AH	3Q11	3Q12	AH
Net Revenue	**682,063**	**819,850**	**20.2%**	**275,682**	**268,251**	**-2.7%**
Cotton lint invoiced	185,676	345,195	85.9%	66,319	105,362	58.9%
Cotton seed invoiced	26,350	37,020	40.5%	21,339	27,438	28.6%
Soybean invoiced	195,521	265,637	35.9%	65,077	61,461	-5.6%
Corn invoiced	37,765	57,855	53.2%	17,942	34,942	94.7%
Coffee invoiced	3,344	3,672	9.8%	21	238	n.m.
Other (invoiced)	5,970	3,343	-44.0%	2,396	(185)	n.m.
Hedge income	28,582	(9,590)	n.m.	9,610	(8,945)	n.m.
Biological Assets	198,855	116,718	-41.3%	92,978	47,940	-48.4%

(Tons)	9M11	9M12	AH	3Q11	3Q12	AH
Volume Invoiced	**560,454**	**729,153**	**30.1%**	**243,464**	**284,901**	**17.0%**
Cotton lint	47,985	89,841	87.2%	20,242	24,774	22.4%
Cotton seed	89,594	122,319	36.5%	76,843	88,385	15.0%
Soybean	319,161	349,891	9.6%	94,768	67,372	-28.9%
Corn	92,543	155,946	68.5%	49,817	101,826	104.4%
Coffee	634	643	1.4%	6	54	800.0%
Other	10,537	10,513	-0.2%	1,788	2,490	39.3%

Our net revenue decreased 2.7% in 3Q12 against 3Q11, closing the period at R$268,251 thousand, as compared to the R$275,682 thousand of 3Q11, mainly due to a reduction on biological assets appropriated to net revenue (48.4%) and the variation on FX hedge results (variation of R$18,555 thousand between quarters).

The net revenue accumulated in 2012 is R$819,850 thousand, an increase of 20.2% against the previous year. Excluding the effect of biological assets on Net Revenue, we have an increase of 45.5%, reflecting the increase in volume invoiced of 28.7% combined with higher prices of invoiced products.

(R$ thousand)	9M11	9M12	AH	3Q11	3Q12	AH
Effect of Biological Asset on Net Revenue	**198,855**	**116,718**	**-41.3%**	**92,978**	**47,940**	**-48.4%**
Cotton lint	120,191	17,428	-85.5%	82,488	34,350	-58.4%
Cotton seed	26,016	797	-96.9%	9,056	3,409	-62.4%
Soybean	47,771	71,721	50.1%	-	129	n.m
Corn	4,021	26,797	566.4%	1,434	10,077	602.7%
Coffee	-	-	n.m	-	-	n.m
Other	856	(25)	n.m.	-	(25)	n.m

Calculation of biological assets is performed as follows: market price at the harvest period, net of taxes and marketing expenses (freight), subtracted of cost incurred.

The value appropriated by biological assets decreased R$45,038 thousand in 3Q12 against 3Q11. The main issue which impacted the calculation of biological assets was the decrease of cotton prices between quarters.

Considering that the Company works with a hedging policy, when the cotton is invoiced in the next quarters there will be the recognition of the margins with the effective sales prices (see below commercial hedge table).

Cost of Goods Sold

(R$ thousand)	9M11	9M12	AH	3Q11	3Q12	AH
Cost of Goods Sold	**(406,972)**	**(639,277)**	**57.1%**	**(149,555)**	**(195,252)**	**30.6%**
Cotton lint	(95,049)	(210,900)	121.9%	(38,366)	(66,479)	73.3%
Cotton seed	(17,991)	(30,841)	71.4%	(14,650)	(23,325)	59.2%
Soybean	(149,610)	(198,615)	32.8%	(42,708)	(49,117)	15.0%
Corn	(19,717)	(41,738)	111.7%	(10,894)	(27,387)	151.4%
Coffee	(1,972)	(2,468)	25.2%	(21)	(237)	n.m.
Other	(2,948)	(4,814)	63.3%	(823)	(1,360)	65.2%
Biological Assets Allocated at Cost	(119,685)	(149,901)	25.2%	(42,093)	(27,347)	-35.0%

P.S: Rural land tax reclassified in 9M11 from administrative expenses to cost, on the value of R$1,511.

(R$ thousand)	9M11	9M12	AH	3Q11	3Q12	AH
Biological Assets Allocated at Cost	**(119,685)**	**(149,901)**	**25.2%**	**(42,093)**	**(27,347)**	**-35.0%**
Cotton lint	(50,831)	(59,209)	16.5%	(18,863)	(668)	-96.5%
Cotton seed	(5,799)	(3,995)	-31.1%	(4,583)	(1,163)	-74.6%
Soybean	(59,411)	(75,585)	27.2%	(19,030)	(16,352)	-14.1%
Corn	(1,203)	(11,841)	884.3%	383	(9,164)	n.m
Coffee	(170)	759	n.m	-	-	n.m
Other	(2,271)	(30)	-98.7%	-	-	n.m

In 3Q12, the cost of products sold increased 30.6% as compared to 3Q11. Such variation was mainly due to a higher volume invoiced of cotton and corn, combined with the increase of unitary costs in all crops, due to the higher cost of fertilizers, chemicals and seeds, and a decrease in yields on 2011/12 crop against 2010/11 crop.

Crop Margin Analysis

Cotton Invoiced		9M11	9M12	AH	3Q11	3Q12	AH
Cotton Lint Invoiced							
Volume Invoiced	Ton	47,985	89,841	87.2%	20,242	24,774	22.4%
Net Revenue	R$ thousand	185,676	345,195	85.9%	66,319	105,362	58.9%
Unit Price	R$ thd/ Ton	3.87	3.84	-0.8%	3.28	4.25	29.6%
Cost Total	R$ thousand	(95,049)	(210,900)	121.9%	(38,366)	(66,479)	73.3%
Unit Cost	R$ thd/ Ton	(1.98)	(2.35)	18.5%	(1.90)	(2.68)	41.6%
Unitary Margin	R$ thd/ Ton	1.89	1.49	-21.0%	1.38	1.57	13.1%
Cotton Seed Invoiced							
Volume Invoiced	Ton	89,594	122,319	36.5%	76,843	88,385	15.0%
Net Revenue	R$ thousand	26,350	37,020	40.5%	21,339	27,438	28.6%
Unit Price	R$ thd/ Ton	0.29	0.30	3.4%	0.28	0.31	10.7%
Cost Total	R$ thousand	(17,991)	(30,841)	71.4%	(14,650)	(23,325)	59.2%
Unit Cost	R$ thd/ Ton	(0.20)	(0.25)	25.6%	(0.19)	(0.26)	38.4%
Unitary Margin	R$ thd/ Ton	0.09	0.05	-46.3%	0.09	0.05	-48.4%

Cotton lint invoiced in 3Q12 refers to the 2011/12 crop year production. Cotton lint unitary margin on the quarter increased 13.1% against 3Q11, due to an increase on invoicing price, partially offset by cost increase. However, the year accumulated presents a unitary margin decrease of 21.0%, due to increased unitary cost. The year accumulated comparison contemplates the cost of 3 distinct crop years (2009/10, 2010/11 and 2011/12).

Soybeans Invoiced		9M11	9M12	AH	3Q11	3Q12	AH
Volume Invoiced	Ton	319,161	349,891	9.6%	94,768	67,372	-28.9%
Net Revenue	R$ thousand	195,521	265,637	35.9%	65,077	61,461	-5.6%
Unit Price	R$ thousand / Ton	0.61	0.78	24.6%	0.69	0.91	31.9%
Cost Total	R$ thousand	(149,610)	(198,615)	32.8%	(42,708)	(49,117)	15.0%
Unit Cost	R$ thousand / Ton	(0.47)	(0.57)	21.1%	(0.45)	(0.73)	61.8%
Unitary Margin	R$ thousand / Ton	0.14	0.19	36.2%	0.24	0.18	-24.4%

Soybeans invoiced in 3Q12 refer to 2011/12 crop year production. The soybean unitary margin in the year accumulated presents an increase of 36.2%, as result of a higher invoice price, partially offset by the increase of unitary cost.

Corn Invoiced		9M11	9M12	AH	3Q11	3Q12	AH
Volume Invoiced	Ton	92,543	155,946	68.5%	49,817	101,826	104.4%
Net Revenue	R$ thousand	37,765	57,855	53.2%	17,942	34,942	94.7%
Unit Price	R$ thd / Ton	0.41	0.37	-9.8%	0.36	0.34	-5.6%
Cost Total	R$ thousand	(19,717)	(41,738)	111.7%	(10,894)	(27,387)	151.4%
Unit Cost	R$ thd / Ton	(0.21)	(0.27)	25.6%	(0.22)	(0.27)	23.0%
Unitary Margin	R$ thd / Ton	0.20	0.10	-48.0%	0.14	0.07	-49.7%

Corn invoiced in 3Q12 refers to 2011/12 crop year. The corn unitary margin on the quarter decreased 49.7% against 3Q11, mainly due to the provision for inventory adjustment over market price that increased the cost in R$4,350 thousand (for this calculation is considered the cost incurred + appropriation of biological asset). This provision is necessary whenever the fair value of the product in stock outperforms the market price.

Of the corn invoiced this quarter, 60% came from farms located in the Mid-West, where prices are lower compared to the Northeast, for this reason the invoiced price didn't reflect the increased prices recorded in the market.

Production Cost

The composition of our total production cost is as follows (%):

	Cotton[(1)]	Soybeans[(1)]	Corn[(1)]	Avg. 2012/13 [(1)]	Avg. 2011/12
Variable Costs	**74**	**63**	**75**	**70**	**72**
Seeds	4	7	18	7	5
Fertilizers	21	20	32	22	23
Defensives	23	20	9	20	20
Air Spraying	2	1	1	2	2
Fuels and lubricants	4	4	4	4	4
Labor	2	1	1	1	1
Ginning	9	2	5	6	7
Maintenance of machines and instruments	4	5	3	4	5
Others	5	3	2	4	5
Fixed Costs	**26**	**37**	**25**	**30**	**28**
Labor	10	11	8	10	9
Depreciations and amortizations	11	20	13	14	12
Leasings	2	3	2	3	3
Other	3	3	2	3	4

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

Total Production Cost (R$/ha)	Realized 2011/12	Initially estimated 2012/13[1]	Δ%
Cotton 1st crop	*4,955*	*5,282*	6.6
Cotton 2nd crop	*3,725*	*4,049*	8.7
Soybeans	1,785	1,889	5.8
Corn 1st crop	*2,799*	*2,868*	2.5
Corn 2nd crop	*1,331*	*1,403*	5.4

[1] Amounts estimated by SLC Agrícola, as of September 30, 2012

For 2012/13, we estimate that the Company's total production cost per hectare should increase by 6.2%, as compared to 2011/12 crop year. Such variation is mainly influenced by higher fertilizers, chemicals and seed costs.

Gross Income

Gross Income totaled R$72,999 thousand in 3Q12, a nominal decrease of R$53,128 thousand as compared to 3Q11. Gross income in 3Q12 was mainly impacted by decreased biological asset appropriation in cotton, due to lower prices practiced in the market during harvest period between quarters. Excluding the effects of biological assets, gross income in the quarter totaled R$52,406, compared to R$75,242 in 3Q11, impacted by decreased unitary margins and lower volume invoiced of soybean in the quarter.

In the accumulated of the year, excluding the effects of biological assets, gross income totaled R$213,756 thousand, an increase of R$17,835 thousand compared to the same period of 2011.

Selling Expenses

(R$ thousand)	9M11	9M12	AH	3Q11	3Q12	AH
Freight	13,792	24,359	76.6%	7,352	9,051	23.1%
Storage	6,295	7,804	24.0%	1,940	2,524	30.1%
Commissions	1,387	2,404	73.3%	97	441	354.6%
Classification of Goods	477	828	73.6%	439	447	1.8%
Export Expenses	4,598	7,513	63.4%	566	1,979	249.6%
Others	(254)	1,014	n.m.	663	135	-79.6%
Total	**26,295**	**43,922**	**67.0%**	**11,057**	**14,577**	**31.8%**
% Net Revenue	**3.9%**	**5.4%**	***1.5 p.p***	**4.0%**	**5.4%**	***1.4 p.p***

Our selling expenses in 3Q12 showed an increase of 31.8% against 3Q11. Such variation was chiefly due to a rise in the cotton lint volume invoiced (with a considerable part of it destined to export) and corn at the period, for which freights are our responsibility. The same effect is recorded at the year accumulated analysis.

General and Administrative Expenses

(R$ thousand)	9M11	9M12	AH	3Q11	3Q12	AH
Expenses with personnel	13,906	12,331	-11.3%	4,652	3,623	-22.1%
Provision for profit share program	7,963	3,795	-52.3%	3,289	129	-96.1%
Fees	2,877	3,146	9.4%	854	1,319	54.4%
Depreciations and amortizations	1,082	2,439	125.4%	505	726	43.8%
Expenses with travels	1,465	1,199	-18.2%	454	450	-0.9%
Software maintenance	1,609	1,629	1.2%	477	528	10.7%
Marketing/Advertisement	901	883	-2.0%	76	103	35.5%
Expenses with Communications	949	1,442	51.9%	423	482	13.9%
Rentals	313	449	43.5%	96	170	77.1%
Labor Contingencies	866	606	-30.0%	760	566	-25.5%
Electricity	186	146	-21.5%	62	48	-22.6%
Taxes and other fees	963	603	-37.4%	183	142	-22.4%
Contribuitions and donations	1,399	361	-74.2%	951	209	-78.0%
Other	2,898	2,009	-30.7%	927	925	-0.2%
Total	**37,377**	**31,038**	-17.0%	**13,709**	**9,420**	-31.3%
% Net Revenue	**5.5%**	**3.8%**	***-1.7 p.p***	**5.0%**	**3.5%**	***-1.5 p.p***

Our general and administrative expenses decreased 31.3% in 3Q12 compared to 3Q11, mainly due to the reduction at the Profit Share Program appropriation in the period. The same effect is recorded at the year accumulated analysis.

Net Financial Income

(R$ thousand)	9M11	9M12	AH	3Q11	3Q12	AH
Revenues (expenses) with derivatives	(8,375)	2,499	n.m.	2,740	(2,643)	n.m.
Interest	(8,991)	(23,346)	159.7%	(1,808)	(7,857)	334.6%
Monetary variation	(1,150)	(78,079)	n.m.	(7,549)	(26,186)	246.9%
FX variation	8,086	3,833	-52.6%	(701)	(1,824)	160.2%
Other financial revenues (expenses)	(2,112)	(3,001)	42.1%	1,192	(1,015)	n.m.
Total	**(12,542)**	**(98,094)**	**682.1%**	**(6,126)**	**(39,525)**	**545.2%**
% Net Revenue	**-1.8%**	**-12.0%**	***-10.1 p.p***	**-2.2%**	**-14.7%**	***-12.5 p.p***

Our net financial income was (R$39,525) thousand in 3Q12, against (R$6,126) thousand at the same period of the previous year. Such variation was mainly influenced by:

- Monetary Variation: debt related to land purchase is linked to the soybean price in Reais, which, in 3Q12, had an average appreciation of 16%. This variation doesn't have cash effect, once it represents land payment due until 2017;
- Interest: R$ 242,527 thousand increase in net debt between quarters. Furthermore, in 3Q11 there was a 15% "Compliance Bonus" related to Northeast Constitutional funds, as the maturity occurred at that time of the year, while in 2012 this bonus is going to be partially recognized at 4Q12 when it matures.

Financial expenses in 9M12 increased R$85,552 thousand, mainly due to an approximate 74% variation in soybean prices, which impacted mark to market of the debt linked to land acquisitions, while net interest appropriation in 9M12 increased R$14,355 thousand due to increased debt.

Net Income

Our net income of (R$303) thousand in 3Q12 represents a nominal decrease of R$62,918 thousand compared to the R$62,609 thousand recorded in 3Q11, impacted mainly by the gross profit reduction and negative monetary variation.

The effective tax rate on net loss was 49.8% in 3Q12, mainly due to the fact that one of the company's subsidiaries, which is taxed by the presumed profit regime, presented a taxable income, but recorded a net operating loss. The net loss was due the recognition of negative monetary variation in financial expenses (which is not included under the base of calculation for the presumed profit methodology). Such variation came from adjustment of debt related to land acquisition, which is tied to the soybean bag price. This fact distorts the effective consolidated aliquot.

In the accumulated of year, net margin was (1.5%), against 18.6% in 9M11. The main impacts were monetary variation and biological asset appropriation.

FX and Agricultural Commodities Hedges

Company's sales revenues are mainly generated by the trading of agricultural commodities such as cotton, soybeans and corn; products which are quoted in US Dollar in international stock exchanges as the *Chicago Board of Trade* - CBOT and *Intercontinental Exchange Futures US* – ICE. Therefore, we are actively exposed to FX variation and to the prices of these commodities. For the purpose of protection against FX rate variation, financial derivative instruments are used, the portfolio of which basically comprises Non Deliverable Forward - NDF and Option agreements.

In line with the Company's Risk Management Policy – which the purpose is to obtain a pre-established EBITDA margin with a combination of factors such as Price, FX and Cost – most of the instruments for protection against commodity price variation are accomplished through advanced sales directly with our clients (forward contracts). Furthermore, futures and options contracts are used, traded within a stock exchange environment, and swap and options financial transactions with financial institutions. Future, swaps and options operations have their mark-to-market registered under financial income.

Following is our position in commodities hedge (in relation to the total sales volume) and FX hedges (in relation to total revenue in US Dollar) – divided into commercial hedge and financial hedge – on September 30, 2012:

Commercial (Physical Sales) and FX Hedge

		FX rate [4]		Soybeans		Cotton
Civil Year	%	R$ / US$	%	US$ / bushel [1] [2] [3]	%	US¢ / lb [1] [2]
2012	76.0	1.8240	73.9	14.22	92.5	99.9
2013	31.4	2.0016	39.9	13.39	27.2	86.0
2014	1.3	2.0295				

[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 24% of crop productions of 2011/2012 and 16.5% of the production of 2012/13.
[4] The percentage hedged does not include pledges with FX payments that correspond to 17.2% of FX revenue.

Commodities Financial Hedge

	Cotton			Soybean		
Civil Year	%	US¢ / lb	Base Price for MTM as of 09/28/2012	%	US$ / bushel	Base Price for MTM as of 09/28/2012
2012	5	91.5	70.65	-		
2013	3	87.1	71.68	-	-	-

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 09/28/2012) 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

CAPEX (R$ thousand)	9M12	AV	3Q12	AV
Machinery, implements and equipment	49,274	37.0%	15,136	28.9%
Land acquisition	1,950	1.5%	-	0.0%
Soil correction	40,095	30.1%	24,829	47.4%
Buildings and facilities	10,717	8.1%	4,954	9.5%
Cotton ginning plant	6,654	5.0%	1,016	1.9%
Grains storage	6,373	4.8%	161	0.3%
Soil cleaning	8,982	6.8%	4,907	9.4%
Vehicles	6,742	5.1%	848	1.6%
Others	2,321	1.7%	497	0.9%
Total	**133,108**	**100.0%**	**52,348**	**100.0%**

The main investments in 3Q12 were:

- Acquisition of 8 tractors, 8 harvesters, 8 planters and 3 sprayers totaling R$10,902 thousand;
- Soil correction totaling R$24,829 thousand related to the opening of new areas in Parnaíba, Parceiro, Piratini and Paineira Farms, as well as maintenance of soil corrections in some old areas.

Financial Net Debt

		Annual Average Interest Rate		Consolidated	
(R$ thousand)	Currency	3Q12	2Q12	3Q12	2Q12
Applied in Fixed Assets					
Finame – BNDES	Pré e TJLP	**6.3%**	6.4%	**43,119**	44,859
Constitutional Funds [1]	-	**7.3%**	7.3%	**89,164**	98,650
Financing Investments	US$ e Libor	**5.7%**	5.7%	**23,652**	23,993
				155,935	167,502
Applied in Working Capital					
Rural Credit	-	**5.7%**	6.8%	**120,020**	132,033
Constitutional Funds [1]	-	**7.3%**	7.3%	**106,399**	148,033
Working Capital		**8.2%**	0.0%	**55,012**	0
External Loans	US$, Libor + Pré	**4.1%**	4.0%	**398,191**	419,831
		5.4%	5.5%	**679,622**	699,896
Total Indebtedness				**835,557**	867,398
(-) Cash				**160,885**	135,280
(=) Net Debt				**674,672**	732,118
Net Debt/ Adjusted EBITDA				**2,0x**	2,1x
Net Debt/NAV				**25.2%**	27.9%

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

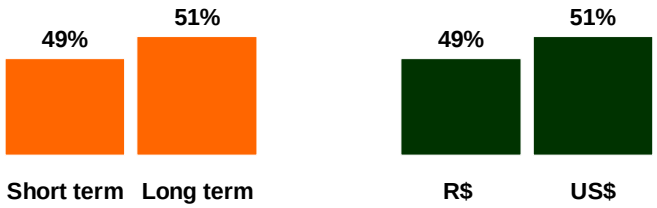
In 3Q12 net debt decreased 7.85%, from R$732,118 thousand in 2Q12 to R$674,672 thousand, mainly due to the capital injection in SLC LandCo by Valiance, totaling R$60,438 thousand.

There was a decrease in the debtor balance in all credit lines, especially in Constitutional funds, due to the delay in renewal of working capital operations in the Northeast.

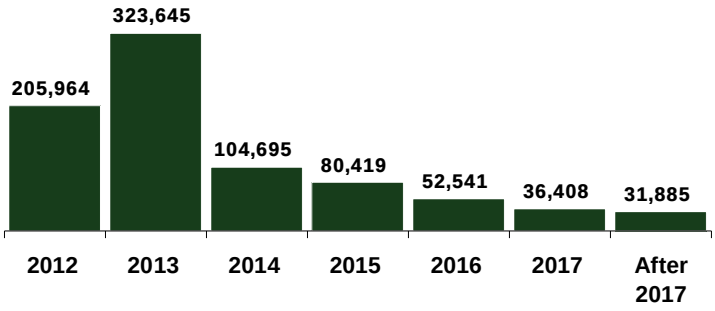
The exchange rate variation relative to Trade Finance operations was booked under the hedge accounting methodology.
accounting.

The net debt/Adjusted EBITDA ratio had a slight reduction in 3Q12 (compared to 2Q12) set at 2.0 times.

3Q12 Debt Profile (%)



3Q12 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 the earnings of the period, also net annual appreciation (based on the report of an independent auditor held every year) of the value of the land portfolio.

Return on Equity

(R$ million)	2009	2010	2011	9M12
Net Profit [1]	9	59	160	(12)
Net Land Appreciation[2]	163	(36)	179	279
Subtotal	**172**	**23**	**338**	**267**
Shareholder's Equity[3]	1,807	1,839	2,063	2,276
Return-on-equity	**9.5%**	**1.3%**	**16.4%**	**11.7%**

[1] Year-to-date for 2012
[2] Based on independent land appraisal (Deloitte), net of taxes
[3] Adjusted for land appreciation

Net Asset Value

(R$ million)	3Q12
Land[1]	1,448
LandCo Farms[2]	465
Acquisitions after Deloitte's Appraisal[3]	246
Infrastructure (excl. land)	767
Accounts Receivable (excl. derivatives)	145
Inventories (excl. non-cash)	418
Biological Assets (excl. non-cash)	196
Cash	161
Subtotal	**3,847**
Suppliers	92
Gross Debt	835
Outstanding debt related to land acquisitons	242
Subtotal	**1,169**
	-
Net Asset Value	**2,678**
Net Asset Value per Share	**27.1**

[1] Based on independent land appraisal (Deloitte), net of taxes
[2] Considering negotiated value at LandCo transaction, net of taxes
[3] Acquisition price, net of taxes

Return on Net Assets (RONA)

(R$ million)	2009	2010	2011	9M12
Net Profit [1]	9	59	160	(12)
Net Land Appreciation [2]	163	(36)	179	279
Subtotal	**172**	**23**	**339**	**267**
Invested Capital	2,566	2,599	3,196	3,656
Working Capital	434	395	504	640
Net Assets[3]	2,132	2,203	2,692	3,015
Return	**6.7%**	**0.9%**	**10.6%**	**7.3%**

[1] Year-to-date for 2012
[2] Based on independent land appraisal (Deloitte), net of taxes
[3] Adjusted for land appreciation

Indicators

Changes in Working Capital

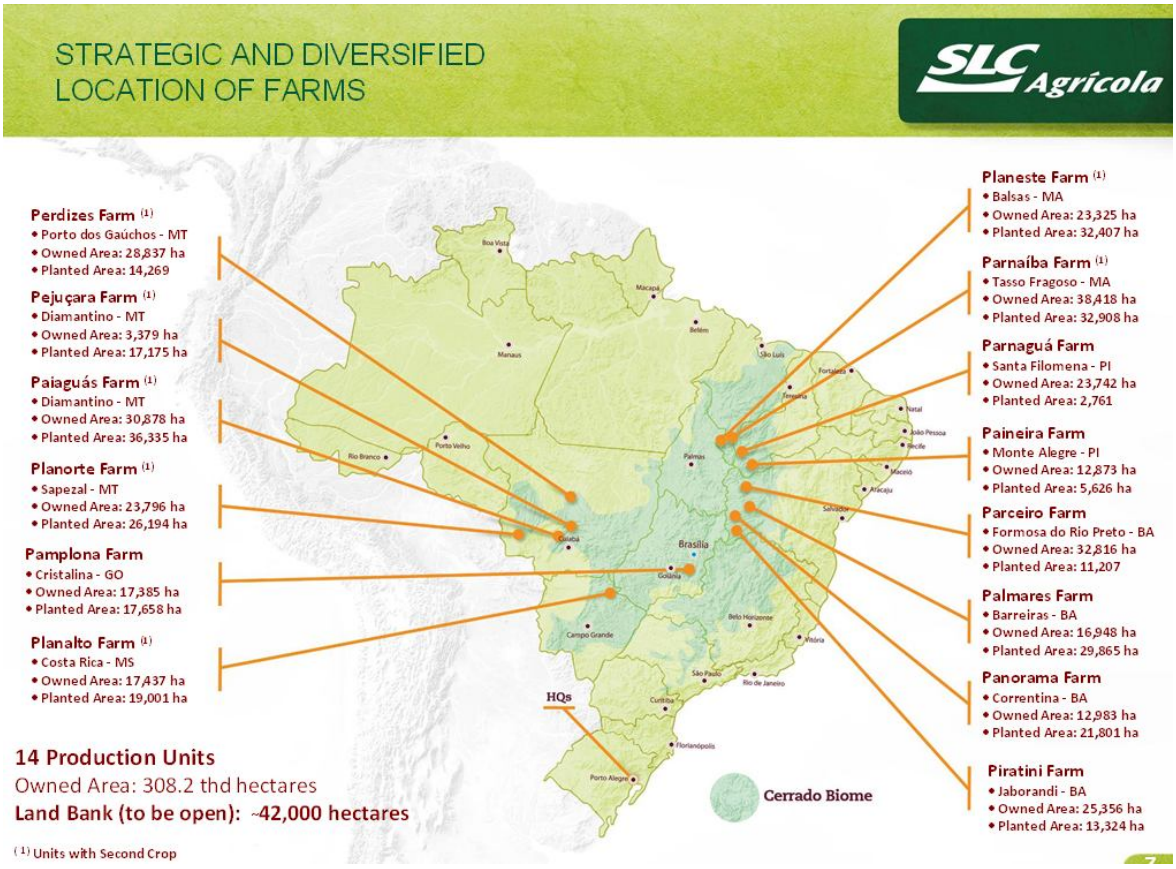
Changes in Working Capital (R$ thd)	4Q11	1Q12	2Q12	3Q12
Assets				
Trade accounts receivable	104,852	123,538	91,445	159,792
Hedge Accounting + Inventory Adjustment (non-cash)	(15,283)	(15,277)	(12,158)	(14,593)
Inventories	410,416	259,321	305,073	441,793
Biological Assets + (non-cash)	(48,666)	(52,768)	(24,789)	(23,363)
Recoverable Taxes	69,701	56,027	73,730	83,842
Biological Assets	264,772	390,452	365,041	206,778
Biological Assets (non-cash)	(7,129)	(64,648)	(4,870)	(10,989)
Expenses incurred in advance	6,891	5,834	6,677	4,334
Subtotal	**785,554**	**702,479**	**800,149**	**847,594**
Liabilities				
Suppliers	117,919	40,388	50,376	92,094
Tax and Social Obligations	24,377	16,033	19,538	22,428
Others	270,913	297,822	269,138	259,827
Land Payables	(113,876)	(109,804)	(127,345)	(133,471)
Hedge Accounting (non-cash)	(37,349)	(20,138)	(56,353)	(48,677)
Provisions	19,648	11,361	12,672	15,172
Subtotal	**281,632**	**235,662**	**168,026**	**207,373**
Total	**503,922**	**466,817**	**632,123**	**640,221**
Change in WC	**-46,917**	**-37,105**	**165,306**	**8,098**

Return on Invested Capital

(R$ million)	2009	2010	2011	9M12
Operating Income	11	126	257	8
Taxes (%)	20.5%	30.1%	33.7%	33.7%
Taxes (nominal)	(2)	(38)	(87)	(3)
Adjusted Operating Income	9	88	170	5
Net Land Appreciation	163	(36)	179	279
Operating Income w/ land appreciation	**172**	**52**	**349**	**285**
Invested Capital	2,125	2,179	2,572	2,950
Gross Debt (short and long term)	*461*	*450*	*640*	*835*
Cash	*142*	*110*	*131*	*161*
Net Debt	*318*	*339*	*510*	*674*
Shareholder's Equity[(1)]	*1,807*	*1,839*	*2,063*	*2,276*
Return on Invested Capital	**8.1%**	**2.4%**	**13.6%**	**9.6%**

[(1)] Adjusted for Land Appreciation

Location of Production Units



Adherence to Arbitration Chamber

The Company is subject to arbitration on the Market Arbitration Chamber as expressed in a compulsory clause included in its By-laws.

Independent Auditors

KPMG Independent Auditors was hired by the Company to provide services of external auditor related to the examination of the Company's quarter financial reports from July to September, 2012. In compliance with CVM Instruction 381/03, we hereby inform that this auditing company did not proceed, in 2012, services non-related to external auditor for which fees were higher than 5% of the amount paid for the external auditor service.

Contacts

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We make forward-looking statements that are subject to risks and uncertainties. Such statements are based on beliefs and assumptions of our Management and on information currently available to the Company. Forward-looking statements include information on our current intentions, beliefs or expectations, as well as those of the Company's Board of Directors and its Officers.
Disclaimers involving 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. They involve risks, uncertainties and assumptions because they refer to future events. Therefore, they depend on circumstances that may or may not occur. Future results and the creation of value for shareholders may differ significantly from the ones 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.

Teleconference 3Q12

Date: Wednesday, November 14, 2012

> Portuguese
10h00 (Brasília time)
07h00 (New York time)
12h00 (London time)
Phone.: +55 (11) 2188-0155
Code: SLC Agrícola
Replay: +55 (11) 2188-0155
Code: SLC Agrícola

>English
12h00 (Brasília time)
09h00 (New York time)
14h00 (London time)
Phone.: +1 (412) 317-6776
Code: SLC Agrícola
Replay: +1 (412) 317-0088
Code: 10019000

Appendix

Balance Sheet - Assets

(R$ thd)	2011	AV	3Q12	AV	AH
Current Assets	**987,095**	**27.5%**	**1,057,424**	**28.4%**	**7.1%**
Cash and cash equivalents	130,463	3.6%	160,885	4.3%	23.3%
Cash and cash equivalents	130,463	3.6%	160,885	4.3%	23.3%
Accounts receivable	104,852	2.9%	159,792	4.3%	52.4%
Trade accounts receivable	54,335	1.5%	98,347	2.6%	81.0%
Other accounts receivable	50,517	1.4%	61,445	1.7%	21.6%
Advances to suppliers	17,774	0.5%	26,573	0.7%	49.5%
Operations with derivatives	15,283	0.4%	14,593	0.4%	-4.5%
Securities and credits receivable	13,180	0.4%	13,007	0.3%	-1.3%
Other accounts receivable	4,280	0.1%	7,272	0.2%	69.9%
Inventories	410,416	11.4%	441,793	11.9%	7.6%
Biological assets	264,772	7.4%	206,778	5.6%	-21.9%
Cotton Lint	142,603	4.0%	182,025	4.9%	27.6%
Soybean	96,273	2.7%	16,368	0.4%	-83.0%
Corn	20,308	0.6%	4,243	0.1%	-79.1%
Coffee	3,221	0.1%	1,556	0.0%	-51.7%
Others	2,367	0.1%	2,586	0.1%	9.3%
Current taxes recoverable	69,701	1.9%	83,842	2.3%	20.3%
Prepaid expenses	6,891	0.2%	4,334	0.1%	-37.1%
Non-current assets	**2,597,358**	**72.5%**	**2,661,202**	**71.6%**	**2.5%**
Long term assets	37,589	1.0%	59,537	1.6%	58.4%
Biological assets	14,925	0.4%	14,510	0.4%	-2.8%
Deferred taxes	143	0.0%	8,165	0.2%	n.m.
Other non-current assets	19,811	0.6%	29,338	0.8%	48.1%
Operations with derivatives	894	0.0%	201	0.0%	-77.5%
Accounts receivable	12,967	0.4%	22,617	0.6%	74.4%
Recoverable taxes	4,940	0.1%	5,188	0.1%	5.0%
Other accounts receivable	1,010	0.0%	1,332	0.0%	31.9%
Prepaid expenses	2,710	0.1%	7,524	0.2%	177.6%
Investments	367	0.0%	415	0.0%	13.1%
Equity interest	367	0.0%	415	0.0%	13.1%
Other equity interest	367	0.0%	415	0.0%	13.1%
Property, plant and equipment	2,549,337	71.1%	2,592,621	69.7%	1.7%
Fixed assets in operation	2,536,328	70.8%	2,570,708	69.1%	1.4%
Constructions in progress	13,009	0.4%	21,913	0.6%	68.4%
Intangible assets	10,065	0.3%	8,629	0.2%	-14.3%
Intangible assets	10,065	0.3%	8,629	0.2%	-14.3%
Other	10,065	0.3%	8,629	0.2%	-14.3%
Total Assets	**3,584,453**	**100.0%**	**3,718,626**	**100.0%**	**3.7%**

Appendix

Balance Sheet - Liabilities

(R$ thd)	2011	AV	3Q12	AV	AH
Current liabilities	**817,592**	**22.8%**	**802,665**	**21.6%**	**-1.8%**
Social and labor obligations	3,226	0.1%	3,794	0.1%	17.6%
Social charges	3,025	0.1%	3,440	0.1%	13.7%
Labor obligations	201	0.0%	354	0.0%	76.1%
Suppliers	117,919	3.3%	92,094	2.5%	-21.9%
Domestic suppliers	117,919	3.3%	92,094	2.5%	-21.9%
Tax liabilities	21,151	0.6%	18,634	0.5%	-11.9%
Federal tax liabilities	20,411	0.6%	17,776	0.5%	-12.9%
Income and social contribution tax payable	18,964	0.5%	16,424	0.4%	-13.4%
Taxes, fees and sundry contributions	1,447	0.0%	1,352	0.0%	-6.6%
State tax liabilities	599	0.0%	779	0.0%	30.1%
Municipal tax liabilities	141	0.0%	79	0.0%	-44.0%
Loans and financing	384,735	10.7%	413,143	11.1%	7.4%
Loans and financing	384,735	10.7%	413,143	11.1%	7.4%
In local currency	277,401	7.7%	317,946	8.6%	14.6%
In foreign currency	107,334	3.0%	95,197	2.6%	-11.3%
Others	270,913	7.6%	259,828	7.0%	-4.1%
Others	270,913	7.6%	259,828	7.0%	-4.1%
Securities payable	113,876	3.2%	133,471	3.6%	17.2%
Advances from clients	67,613	1.9%	62,300	1.7%	-7.9%
Operations with derivatives	37,349	1.0%	48,677	1.3%	30.3%
Minimum compulsory dividend payable	38,654	1.1%	-	0.0%	n.m
Lease	4,704	0.1%	4,068	0.1%	-13.5%
Other debits	8,717	0.2%	11,312	0.3%	29.8%
Provisions	19,648	0.5%	15,172	0.4%	-22.8%
Tax, social security, labor and civil provisions	19,648	0.5%	15,172	0.4%	-22.8%
Tax provisions	160	0.0%	160	0.0%	0.0%
Social security and labor provisions	5,580	0.2%	9,892	0.3%	77.3%
Provisions to employee benefits	12,570	0.4%	3,742	0.1%	-70.2%
Provision for labor contingencies	1,338	0.0%	1,378	0.0%	3.0%
Non-current liabilities	**846,625**	**23.6%**	**982,938**	**26.4%**	**16.1%**
Loans and financing	255,296	7.1%	422,414	11.4%	65.5%
Loans and financing	255,296	7.1%	422,414	11.4%	65.5%
In local currency	109,349	3.1%	95,551	2.6%	-12.6%
In foreign currency	145,947	4.1%	326,863	8.8%	124.0%
Other liabilities	134,607	3.8%	111,292	3.0%	-17.3%
Securities payable	128,505	3.6%	108,155	2.9%	-15.8%
Operations with derivatives	5,554	0.2%	2,589	0.1%	-53.4%
Other debits	548	0.0%	548	0.0%	0.0%
Deferred income and social contribution taxes	456,722	12.7%	449,232	12.1%	-1.6%
Shareholders' equity	**1,920,236**	**53.6%**	**1,933,023**	**52.0%**	**0.7%**
Realized capital	557,434	15.6%	557,434	15.0%	0.0%
Capital reserves	172,954	4.8%	188,289	5.1%	8.9%
Goodwill in the issue of shares	176,534	4.9%	177,421	4.8%	0.5%
Options granted	15,952	0.4%	19,851	0.5%	24.4%
Profit reserves	(19,532)	-0.5%	(8,983)	-0.2%	-54.0%
Profit reserves	287,295	8.0%	264,093	7.1%	-8.1%
Legal reserve	2,851	0.1%	2,851	0.1%	0.0%
Profit retention reserve	5,628	0.2%	5,628	0.2%	0.0%
Statutory reserve	278,816	7.8%	255,614	6.9%	-8.3%
Retained Earnings/Losses	-	0.0%	(1,893)	-0.1%	n.m
Other comprehensive income	902,553	25.2%	879,351	23.7%	-2.6%
Non-controlling interests	-	-	45,749	1.2%	n.m.
Total Liabilities	**3,584,453**	**100.0%**	**3,718,626**	**100.0%**	**3.7%**

Income Statement

(R$ thd)	3Q11	3Q12	AV	AH	9M11	9M12	AV	AH
Net Revenue	**275,682**	**268,251**	**100.0%**	**-2.7%**	**682,063**	**819,850**	**100.0%**	**20.2%**
Cotton lint	66,319	105,362	39.3%	58.9%	185,676	345,195	42.1%	85.9%
Cotton seed	21,339	27,438	10.2%	28.6%	26,350	37,020	4.5%	40.5%
Soybean	65,077	61,461	22.9%	-5.6%	195,521	265,637	32.4%	35.9%
Corn	17,942	34,942	13.0%	94.7%	37,765	57,855	7.1%	53.2%
Coffee	21	238	0.1%	n.m.	3,344	3,672	0.4%	9.8%
Others	2,396	(185)	-0.1%	-107.7%	5,970	3,343	0.4%	-44.0%
Hedge revenue	9,610	(8,945)	-3.3%	-193.1%	28,582	(9,590)	-1.2%	-133.6%
Biological assets	92,978	47,940	17.9%	-48.4%	198,855	116,718	14.2%	-41.3%
Cost of good sold	**(149,555)**	**(195,252)**	**-72.8%**	**30.6%**	**(406,972)**	**(639,277)**	**-78.0%**	**57.1%**
Cotton lint	(38,366)	(66,479)	-24.8%	73.3%	(95,049)	(210,900)	-25.7%	121.9%
Cotton seed	(14,650)	(23,325)	-8.7%	59.2%	(17,991)	(30,841)	-3.8%	71.4%
Soybean	(42,708)	(49,117)	-18.3%	15.0%	(149,610)	(198,615)	-24.2%	32.8%
Corn	(10,894)	(27,387)	-10.2%	151.4%	(19,717)	(41,738)	-5.1%	111.7%
Coffee	(21)	(237)	-0.1%	n.m.	(1,972)	(2,468)	-0.3%	25.2%
Others	(823)	(1,360)	-0.5%	65.2%	(2,948)	(4,814)	-0.6%	63.3%
Biological assets	(42,093)	(27,347)	-10.2%	-35.0%	(119,685)	(149,901)	-18.3%	25.2%
Gross Income	**126,127**	**72,999**	**27.2%**	**-42.1%**	**275,091**	**180,573**	**22.0%**	**-34.4%**
Operating expenses/income	**(25,582)**	**(24,620)**	**-9.2%**	**-3.8%**	**(69,596)**	**(74,498)**	**-9.1%**	**7.0%**
Sales expenses	(11,057)	(14,577)	-5.4%	31.8%	(26,295)	(43,922)	-5.4%	67.0%
General and administrative expenses	(13,709)	(9,420)	-3.5%	-31.3%	(37,377)	(31,038)	-3.8%	-17.0%
Management compensation	(2,074)	(1,026)	-0.4%	-50.5%	(5,828)	(3,764)	-0.5%	-35.4%
Other operating income	564	403	0.2%	n.m.	884	4,226	0.5%	n.m
Other operating expenses	694	-	0.0%	n.m.	(980)	-	0.0%	n.m.
Income (loss) before financial income (loss) and taxes	**100,545**	**48,379**	**18.0%**	**-51.9%**	**205,495**	**106,075**	**12.9%**	**-48.4%**
Financial income (loss)	**(6,126)**	**(39,525)**	**-14.7%**	**545.2%**	**(12,542)**	**(98,094)**	**-12.0%**	**682.1%**
Financial income	18,604	28,764	10.7%	54.6%	74,013	94,605	11.5%	27.8%
Financial expenses	(24,730)	(68,289)	-25.5%	176.1%	(86,555)	(192,699)	-23.5%	122.6%
Income (loss) before income tax	**94,419**	**8,854**	**3.3%**	**-90.6%**	**192,953**	**7,981**	**1.0%**	**-95.9%**
Income and social contribution taxes	**(31,810)**	**(9,157)**	**-3.4%**	**-71.2%**	**(65,964)**	**(20,397)**	**-2.5%**	**-69.1%**
Current	(6,086)	(918)	-0.3%	-84.9%	(11,467)	(16,505)	-2.0%	43.9%
Deferred	(25,724)	(8,239)	-3.1%	-68.0%	(54,497)	(3,892)	-0.5%	-92.9%
Net Profit/loss consolidated período	**62,609**	**(303)**	**-0.1%**	**n.m.**	**126,989**	**(12,416)**	**-1.5%**	**-109.8%**
Attributable to owners of the parent		(670)	n.m.	n.m.	-	(12,783)	n.m.	n.m.
Attributable to non-controlling interests	-	367	n.m.	n.m.	-	367	n.m.	n.m.

Statement of Value Added

(R$ thd)	9M11	9M12	AH
Revenues	**729,635**	**938,089**	**28.6%**
Sale of merchandise, products and services	490,062	745,684	52.2%
Other income	200,730	126,331	-37.1%
Income from construction of own assets	1,875	9,613	412.7%
Variation of the fair value of biological assets	198,855	116,718	-41.3%
Other income	38,843	66,074	70.1%
Inputs acquired from third parties	**(373,785)**	**(564,943)**	**51.1%**
Cost of goods, merchandise and services sold	(1,885)	(4,659)	147.2%
Materials, Energy, Third-party services and other	(113,361)	(186,528)	64.5%
Loss/recovery of asset values	9	(4,102)	n.m
Others	(258,548)	(369,654)	43.0%
Raw material used	(138,864)	(219,754)	58.3%
Adjustment of fair value of biological assets	(119,684)	(149,900)	25.2%
Gross added value	**355,850**	**373,146**	**4.9%**
Retentions	**(43,444)**	**(71,968)**	**65.7%**
Depreciation, amortization and depletion	(43,444)	(71,968)	65.7%
Net added value produced	**312,406**	**301,178**	**-3.6%**
Added value received as transfer	**102,739**	**87,523**	**-14.8%**
Financial income	102,596	87,305	-14.9%
Others	143	218	52.4%
Total added value payable	**415,145**	**388,701**	**-6.4%**
Distribution of added value	**415,145**	**388,701**	**-6.4%**
Personnel	**64,899**	**86,278**	**32.9%**
Direct remuneration	36,187	55,237	52.6%
Benefits	25,817	26,545	2.8%
F.G.T.S.	2,895	4,496	55.3%
Taxes, rates and contributions	**129,371**	**110,726**	**-14.4%**
Federal	116,669	73,271	-37.2%
State	12,678	37,448	195.4%
Municipal	24	7	-70.8%
Third-party capital remuneration	**93,886**	**204,113**	**117.4%**
Interest	87,153	192,853	121.3%
Rents	6,733	11,260	67.2%
Remuneration of own capital	**126,989**	**(12,416)**	**n.m.**
Retained earnings/loss for the period	126,989	(12,416)	n.m.

Cash Flow Statement

(R$ thd)	9M11	9M12	AH
Net cash from operational activities	**67,080**	**17,370**	**-74.1%**
Cash generated in operations	**224,021**	**227,444**	**1.5%**
Net income (loss) before income and social contribution taxes	192,953	7,981	-95.9%
Depreciation and amortization	43,444	71,968	65.7%
Income from write-off of permanent assets	11,842	19,335	63.3%
Interest, foreign exchange variation and price-level restatement	46,398	87,638	88.9%
Variation in biological assets	(79,170)	33,181	n.m.
Provision (reversal) of inventory adjustments and onerous contracts	591	3,586	506.8%
Provision (reversal) of profit sharing and labor contingencies	7,963	3,755	n.m
Changes in assets and liabilities	**(156,941)**	**(210,074)**	**33.9%**
Trade accounts receivable	(17,639)	(44,012)	149.5%
Inventories and biological assets	(147,887)	(9,770)	-93.4%
Recoverable taxes	(5,404)	(14,388)	166.2%
Accounts receivable	4,317	6,475	50.0%
Interest earnings bank deposits-pledged	12,803	(2)	n.m.
Other accounts receivable	(20,388)	(13,953)	-31.6%
Suppliers	(32,667)	(38,824)	18.8%
Taxes and social payables	19,855	(18,455)	n.m.
Operations with derivatives	(8,414)	30,567	n.m.
Securities payable	35,115	(94,786)	n.m.
Advances from clients	53,993	(5,313)	n.m.
Other accounts payable	(50,625)	(7,613)	-85.0%
Net cash used in investment activities	**(170,448)**	**(133,576)**	**-21.6%**
In Investment	122	(49)	n.m
In Fixed assets	(169,926)	(133,108)	-21.7%
In Intangible assets	(644)	(419)	-34.9%
Net cash generated/(consumed) in financing activities	**81,438**	**146,628**	**80.0%**
Sale (repurchase) of shares	(6,162)	11,436	-285.6%
Option plan	5,004	3,899	-22.1%
Loans and financing obtained	444,842	433,300	-2.6%
Loans and financing paid	(346,654)	(300,590)	-13.3%
Dividends paid	(15,592)	(61,855)	296.7%
Payment of capital	-	60,438	n.m
Increase (decrease) in cash and cash equivalents	**(21,930)**	**30,422**	**n.m.**
Opening balance of cash and cash equivalents	110,219	130,463	18.4%
Closing balance of cash and cash equivalents	**88,289**	**160,885**	**82.2%**

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.

Notes to the financial statements

(In thousands of Reais)

1 Operations

SLC Agrícola S.A., founded in 1977, hereinafter denominated as "parent company", "SLC" or the "Company", and its subsidiaries (jointly referred to as the "Group") is engaged in agricultural activities; production and sales of seeds and saplings; processing and trading of its products, and is permitted to export and import assets for its own use and consumption; supply of primary agricultural assets and products and goods in general; provision of reception, cleaning, drying and storage services for third party cereals; provision to third parties of services using agricultural machinery and equipment; trade, import and export of agricultural products; industrial activities of sugarcane processing, alcohol and its by-products ; 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 twelve production units, with a total planted area of 280.4 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. Preparation basis and presentation of quarterly information

The Company's Interim accounting information contained in the Quarterly Information Form (ITR) for the quarter ended September 30, 2012, includes:

- 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).

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 shareholders' equity and consolidated 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.

Closing of Quarterly Information was authorized in a Board of Directors meeting held on November 9, 2012.

b. Measuring basis

The individual and consolidated quarterly information 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;
- Non-derivative financial instruments measured at fair value through profit or loss;
- Biological assets measured at fair value less sales expenses;
- The liabilities for share-based payment transactions measured by the fair value.

c. Functional currency and presentation currency

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

3 Accounting policies

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

a. Foreign currency translation

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

b. Transactions eliminated in the consolidation

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

c. Revenue recognition

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

Sale of goods

The operating income from sales of products in the normal course of business is measured by the fair value of the installment received or receivable. Operating revenue 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 revenue can be reliably measured. In the event it is probable that discounts will be granted and their amounts can be reliably measured, the discounts are recognized as to deduction from operating revenue as the related sales are recognized.

The correct moment for the transfer of risks and benefits varies depending on the individual conditions of the sales agreement.

Interest income

For all financial instruments evaluated at amortized cost and financial assets that earn interest, financial income or expense is accounted for at the effective interest rate that discounts exactly future estimated cash payments or receipts over estimated life of the financial instrument or over a shorter period, when applicable, from the financial asset or liability net book value. The Interest income is included in "financial income" in the statement of income.

d. Inventories

Inventories of agricultural products are measured at fair value when they reach harvest time, also denominated “pre-harvest”. Until now, incurred costs are considered as the best and most reliable basis to determine the biological asset fair value.

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. Up to this date, the incurred cost is considered as the fair value of the biological asset.

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, in a specific line of the statement of income, 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. Biological asset “coffee plantation” is comprised of crop formation costs and of the difference between fair value and formation costs, so that this biological asset balance is recorded at fair value less costs necessary to prepare assets for sale.

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. Values:

- Coffee crops are evaluated at fair value, which reflects the asset’s sales price less costs necessary to prepare the product for sale.
- Soy bean, 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.

ii. Methodology used:

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

iii. The discount rate used in the cash flows corresponds to about 9% 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.

Other investments that do not fit into the category above are stated at cost of acquisition, less the provision for devaluation, when applicable.

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 attributable to bringing the assets to the location and condition required for them to operate in the manner intended by the Management;
- The costs for dismantling and restoration of the site where these assets are located;
- Loan costs on qualifiable 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 lease term or the estimated useful life of the asset, unless it is reasonably certain that the Company will obtain ownership at the end of the lease term. Land is 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:

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 periods ended September 30, 2012 and December 31, 2011, the Company did not verify the existence of indicators that the value of certain property, plant and equipment items could be higher than recoverable value and, accordingly, no provision for impairment is necessary.

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

h. Intangible assets

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

The estimated useful life for the current period and comparative are presented below:

Software	5 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. Amortization methods, useful lives and residual values are reviewed at yearend and adjusted as applicable. Amortization of intangible assets with defined lives is recognized in the statement of income under expenses, consistent with intangible asset use.

On September 30, 2012 and December 31, 2011, 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 and recorded in the income (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. For goodwill recoverable value testing purposes, the goodwill amount calculated in a business combination is allocated to the cash generating unit or group of units to which the benefit of the combination synergies is expected. That allocation reflects the lowest level in which the goodwill is monitored for internal purposes and is not greater than an operating segment determined under IFRS 8 and CPC 22.

Impairment losses are recognized in profit or loss. Losses recognized for CGUs are initially allocated to reduce any goodwill attributed to the CGUs (or group of CGUs) and then 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.

Until December 2011, the state of Mato Grosso, through Decree 1589/97, granted deemed ICMS credit incentive in operations with cotton fiber, with a 75% reduction in the amount of ICMS payable through the adhesion of Fazenda Planorte and Fazenda Paiaguás to the PROALMAT program. Deemed credits were recorded in income under taxes on sales, as a contra entry to recoverable taxes. As from January 2012, in compliance with Decree 899/11, the farms can no longer enjoy this incentive.

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.

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, this offset 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 income unless they are related to the business combination, or items directly recognized in Shareholders' equity or in 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 date of presentation of the financial statements, 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.

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 income and social contribution tax asset 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, expenses and assets not recognized, net of taxes levied on sales, except for:

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

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

	Rates
	from 0% to
ICMS - Value-Added Tax on Sales and Services	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 fails to recognize 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 held for trading, or stated as such 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, taking into account any gain with dividends, are recognized in the income 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 short-term investments with original maturity in three months or less after contracting date. Which 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, related parties, 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 oris 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 September 30, 2012 and December 31, 2011, the Company and its subsidiaries only had transactions classified as cash flow hedging.

m. Leases

i. Lease payments
Payments for operating leases 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 leases 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 Company’s officers and managers that is administrated by a management committee created by the Board of Directors. In the years ended September 30, 2012 and September 30, 2011, the Company measured and recognized these benefits as expenses, 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.

The fair value of the amount payable to the employees in relation to stock appreciation rights, which are payable in cash, is recognized as an expense, with a corresponding increase in liabilities, over the period the employees become unconditionally entitled to the benefits. The liability is measured again at each reporting date and at settlement date. Any changes in the fair value of the liability are recognized as personnel expenses in the income statement.

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) (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 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.

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.	85.15	14.85	Leasing of crop land.	Rio Grande do Sul - RS
SLC Agrícola Pejuçara Ltda.	86.93	13.07	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.	-	89.23	Purchasing and sale, lease, construction and managing of real estate.	Rio Grande do Sul - RS
Fazenda Paineira Empreendimentos Agrícolas Ltda.	-	89.23	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.

The reconciliation of the net income for the year between the parent company and consolidated is as follows:

	09/30/12	09/30/11
Net income for the period – Parent company	(11,813)	121,461
Unrealized gains (loss) with hedge instruments, net of tax effects.	(603)	5,528
Net income for the period – consolidated	(12,416)	126,989

Transactions that generate differences between the parent company's net income and consolidated net income refer to unrealized gains or losses in hedging transactions contracted by the parent company or subsidiaries for the purpose of hedging consolidated transactions that are not necessarily of the Company that contracted the instrument. In view of this situation, the result of ineffectiveness is recorded against the contracting Company's income for the year; however, the analysis made in consolidated terms shows the transaction as hedge accounting and its effects are recorded under caption "Valuation Adjustments to Equity" in consolidated

shareholders' equity. Contracted instruments are NDF's (Non Deliverable Forwards) classified as "Cash Flow Hedge" for the purpose of hedging consolidated future sales. These operations are contracted with a basis on future projects of consolidated sales that present effectiveness between 80% and 125%.

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

		Parent company		Consolidated	
Description	Earnings	**09/30/12**	12/31/11	**09/30/12**	12/31/11
Cash and Cash Equivalents	-	**39**	23,110	**135**	46,314
CDB-DI	100.5% of CDI*	**24,458**	20,092	**86,020**	39,819
Repurchase and resale commitments	99.11% of CDI*	**17,499**	34,072	**73,387**	42,952
CP Investment Fund	99.7% of CDI*	**814**	969	**913**	969
Other investments	-	**294**	280	**430**	409
		43,104	78,523	**160,885**	130,463
Cash and cash equivalents		**20,297**	75,426	**138,078**	127,357
CP Financial Investments		**22,807**	3,097	**22,807**	3,106

(*) Average income on September 30, 2012.

Financial investments are represented by investment in bank deposit certificates, repurchase and resale agreements (debentures) and short-term Investment Funds at market prices and rates, adjusted at earnings through September 30, 2012, not exceeding negotiation value.

Short-term investments are comprised of repurchase and resale commitments valid for more than 90 days and with redemption grace period until November 2012, capitalization bonds and CDB's with redemption period lower than 365 days and linked to the reciprocity of maintaining balances in exchange for the 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 Accounts receivable

	Parent company		Consolidated	
	09/30/12	12/31/11	**09/30/12**	12/31/11
Domestic market	**19,777**	7,561	**22,881**	15,246
Foreign market	**58,439**	21,011	**75,466**	39,089
Total	**78,216**	28,572	**98,347**	54,335

On September 30, 2012 and December 31, 2011, the Company and its subsidiaries did not have securities whose performance is uncertain and, therefore, did not recognize an allowance for doubtful accounts.

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

8 Inventories

	Parent company		Consolidated	
	09/30/12	12/31/11	**09/30/12**	12/31/11
Agricultural products	**164,564**	119,533	**232,883**	173,895
Agricultural products – formation costs	**154,758**	88,025	**204,516**	125,229
Agricultural products – adjustment of biological assets	**9,806**	31,508	**28,367**	48,666
Seeds, composts, fertilizers and pesticides	**109,541**	138,195	**173,310**	200,671
Packages and containerization material	**5,227**	3,441	**7,199**	5,861
Spare parts	**2,950**	4,056	**4,225**	5,349
Advances to suppliers	**13,467**	11,015	**23,133**	22,361
Other inventories	**3,938**	3,304	**6,047**	3,697
Provisions for inventory adjustment	**(3,142)**	(801)	**(5,004)**	(804)
Inventory losses	**-**	(319)	**-**	(614)
	296,545	278,424	**441,793**	410,416

On September 30, 2012, the Company recorded a provision for adjustment to market value and reversed a provision for inventory losses. Changes are as follows:

Provision for adjustment to market value:

	Parent company	Consolidated
Balance at December 31, 2011	(801)	(804)
Formation of provision	(35,895)	(41,278)
(-) Reversal of provision	33,554	37,078
Balance at September 30, 2012	(3,142)	(5,004)

Inventory losses:

	Parent company	Consolidated
Balance at December 31, 2011	(319)	(614)
Formation of provision	-	-
(-) Reversal of provision	319	614
Balance at September 30, 2012	-	-

9 Biological assets

	Parent company						
	Current						Non Current
	Soybean	Cotton	Corn	Coffee	Others Crops	Total	Coffee
Balances at December 31, 2011	44,849	96,984	18,198	3,270	2,440	165,741	14,925
Expenditures with planting	75,563	244,286	31,141	4,056	4,475	359,521	-
Variation of the fair value	25,050	(13,685)	11,531	-	(25)	22,871	-
Agricultural product harvest	(133,526)	(230,630)	(57,347)	(5,757)	(4,165)	(431,425)	(415)
Balances at September 30, 2012	**11,936**	**96,955**	**3,523**	**1,569**	**2,725**	**116,708**	**14,510**
Agricultural products – formation costs	11,936	105,492	3,523	1,569	2,734	125,254	
Biological Assets – Adjustment at fair value	-	(8,538)	-	-	(8)	(8,546)	

	Consolidated						
	Current						Non Current
	Soybean	Cotton	Corn	Coffee	Others crops	Total	Coffee
Balances at December 31, 2011	96,273	142,603	20,308	3,221	2,368	264,773	14,925
Expenditures with planting	116,427	344,330	49,809	4,092	4,408	519,066	-
Variation of the fair value	62,422	17,866	26,794	-	(25)	107,057	-
Agricultural product harvest	(258,754)	(322,774)	(92,668)	(5,757)	(4,165)	(684,118)	(415)
Balances at September 30, 2012	**16,368**	**182,025**	**4,243**	**1,556**	**2,586**	**206,778**	**14,510**
Agricultural products – formation costs	16,368	171,028	4,243	1,556	2,594	195,789	
Biological Assets – Adjustment at fair value	-	10,997	-	-	(8)	10,989	

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	20/ 09 to 25/03	from 12/05 to 08/15	25/01 to 10/07
Fazenda Paiaguás	Diamantino-MT	20/ 09 to 15/03	10/12 to 15/08	25/01 to 10/07
Fazenda Pejuçara	Diamantino-MT	20/ 09 to 15/03	10/12 to 15/08	25/01 to 10/07
Fazenda Planorte	Sapezal-MT	20/ 09 to 10/03	15/12 to 15/08	25/01 to 10/07
Fazenda Pamplona	Cristalina-GO	15/ 10 to 15/04	from 11/05 to 08/15	15/10 to 15/07
Fazenda Parnaíba	Tasso Fragoso-MA	15/ 10 to 15/04	15/12 to 10/08	15/10 to 15/07
Fazenda Planeste	Balsas-MA	20/ 09 to 15/04	20/12 to 15/08	20/09 to 15/07
Fazenda Panorana	Correntina-BA	15/ 10 to 30/04	20/12 to 05/10	15/10 to 15/07
Fazenda Piratini	Jaborandi-BA	15/ 10 to 30/04	20/11 to 10/08	15/10 to 15/07
Fazenda Palmares	Barreiras-BA	15/ 10 to 30/04	20/11 to 10/08	15/10 to 15/07
Fazenda Parceiro	Formosa do Rio Preto – BA	15/ 10 to 30/04	20/11 to 15/08	15/10 to 15/07
Fazenda Paineira	Monte Alegre do Piauí -PI	15/ 10 to 15/04	Does not sow	15/10 to 15/07
Perdizes Farm	Porto dos Gaúchos - MT	20/ 09 to 15/03	Does not sow	25/01 to 10/07
Fazenda Parnaguá	Santa Filomena-PI	15/ 10 to 15/04	Does not sow	15/10 to 15/07

10 Recoverable taxes

	Parent company		Consolidated	
	09/30/12	**12/31/11**	**09/30/12**	**12/31/11**
Income tax	**3,142**	7,310	**12,925**	21,725
Social contribution	**31**	19	**6,758**	6,913
ICMS	**27,632**	21,007	**34,217**	27,990
COFINS	**12,524**	2,765	**26,428**	12,612
PIS	**2,719**	601	**6,084**	3,085
IRRF recoverable	**1,336**	1,655	**2,102**	1,839
Other	**411**	411	**516**	477
	47,795	33,768	**89,030**	74,641
(-) Portion classified in current assets	**(43,589)**	(30,095)	**(83,842)**	(69,701)
Portion classified in noncurrent assets	**4,206**	3,673	**5,188**	4,940

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 September 30, 2012 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		Consolidated	
	09/30/12	**12/31/11**	**09/30/12**	**12/31/11**
Interest in subsidiaries	**1,533,485**	1,523,663	**-**	-
Other interests	**151**	121	**415**	367
	1,533,636	1,523,784	**415**	367

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) e (2)	09/30/12	12/31/11
Capital	45,650	57,050	40,010	26,456	100	373,285		
Shareholders' equity	227,595	198,005	223,417	39,431	(626)	999,197		
Net income (loss) for the period	21,642	(7,118)	8,218	8,165	(726)	(42,241)		
Number of shares Common shares (thousand)	5,353	11,506	44,517	46,542	100	-		
Percentage of interest (%)	100%	100%	100%	86.93%	100%	85.15%		
Opening balances	206,706	205,460	212,178	27,290	-	872,029	**1,523,663**	1,364,105
Paid-up capital	-	-	-	-	100	2,837	**2,937**	115,027
Fair value attributed	-	-	77	-	-	91	**168**	-
Unrealized gains (loss) with hedge instruments	(753)	(337)	1,789	(111)	-	-	**588**	(12,501)
Capital investment gain (loss)	-	-	1,155	-	-	11,829	**12,984**	(238)
Equity in income of subsidiaries and associated companies	21,642	(7,118)	8,218	7,098	(726)	(35,969)	**(6,855)**	57,270
Closing balances	227,595	198,005	223,417	34,277	(626)	850,817	**1,533,485**	1,523,663

(1) Shareholders' equity was adjusted by R$26,664 and net income by R$12,878, referring to unrealized results between the Company, net of tax effects.

(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.

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).

On August 2, 2012, indirect subsidiary SLC Landco Empreendimentos Agrícolas S.A. held an Extraordinary Shareholders' Meeting for the issuance of 16,813,619 preferred shares as capital contribution to Valiance. With this contribution, (indirect) interest of the Company in SLC LandCo became 89.23%. Contribution portion expected to be made in September 30, 2012, according to a communication published to the market in August 2, 2012, was postponed, with the agreement of contracting parties, due to land market conditions in Brazil, which made it impossible to acquire new areas until September 30, 2012.

12 Property, plant and equipment

Parent company

Cost of the gross fixed assets	Balance at 12/31/11	Acquisitions	Write-offs	Transfers	**Balance at 09/30/12**
Crop lands	6,069	-	-	-	**6,069**
Soil correction and development	181,319	36,741	(4,771)	(3)	**213,286**
Buildings and improvements	68,465	1,238	(7,465)	2,751	**64,989**
Agricultural equipment and industrial facilities	320,528	45,407	(16,092)	3,254	**353,097**
Vehicles	16,347	3,822	(1,026)	(513)	**18,630**
Furniture and fixtures	7,437	814	(28)	-	**8,223**
Equipment and facilities of the office	3,625	452	(56)	-	**4,021**
Permanent crops	142	76	(60)	539	**697**
Advances to suppliers	13,113	-	(4,809)	-	**8,304**
Works in progress	11,886	14,256	(1,543)	(6,028)	**18,571**
Total	628,931	102,806	(35,850)	-	**695,887**

Depreciation	Balance at 12/31/11	Depreciation	Write-offs	Transfers	**Balance at 09/30/12**
Soil correction and development	90,012	27,118	(532)	-	**116,598**
Buildings and improvements	4,965	1,719	(2)	-	**6,682**
Agricultural equipment and industrial facilities	93,508	22,461	(5,923)	-	**110,046**
Vehicles	7,598	1,421	(836)	-	**8,183**
Furniture and fixtures	1,378	482	(8)	-	**1,852**
Equipment and facilities of the office	2,199	324	(60)	-	**2,463**
Total	199,660	53,525	(7,361)	-	**245,824**

Net residual value	12/31/11	**09/30/12**
Crop lands	6,069	**6,069**
Soil correction and development	91,307	**96,688**
Buildings and improvements	63,500	**58,307**
Agricultural equipment and industrial facilities	227,020	**243,051**
Vehicles	8,749	**10,447**
Furniture and fixtures	6,059	**6,371**
Equipment and facilities of the office	1,426	**1,558**
Permanent crops	142	**697**
Advances to suppliers	13,113	**8,304**
Works in progress	11,886	**18,571**
Total	429,271	**450,063**

Consolidated

Cost of the gross fixed assets	Balance at 12/31/11	Acquisitions	Write-offs	Transfers	**Balance at 09/30/12**
Crop lands	1,828,195	1,950	(4,274)	2	**1,825,873**
Soil correction and development	271,616	49,079	(2,206)	(2)	**318,487**
Buildings and improvements	186,470	2,080	(5)	3,755	**192,300**
Agricultural equipment and industrial facilities	535,841	58,875	(13,194)	3,081	**584,603**
Vehicles	25,708	6,741	(1,329)	(342)	**30,778**
Furniture and fixtures	8,992	1,226	(42)	24	**10,200**
Equipment and facilities of the office	8,658	704	(59)	-	**9,303**
Permanent crops	4,347	84	(279)	541	**4,693**
Advances to suppliers	15,191	-	(5,135)	-	**10,056**
Works in progress	13,009	17,504	(1,541)	(7,059)	**21,913**
Total	2,898,027	138,243	(28,064)	-	**3,008,206**

Depreciation	Balance at 12/31/11	Depreciation	Write-offs	Transfers	**Balance at 09/30/12**
Soil correction and development	143,071	37,517	(533)	-	**180,055**
Buildings and improvements	30,341	3,829	(2)	-	**34,168**
Agricultural equipment and industrial facilities	158,510	26,137	(2,368)	-	**182,279**
Vehicles	11,720	1,612	(613)	-	**12,719**
Furniture and fixtures	2,032	586	(15)	-	**2,603**
Equipment and facilities of the office	3,016	614	(63)	-	**3,567**
Permanent crops	-	194	-	-	**194**
Total	348,690	70,489	(3,594)	-	**415,585**

Net residual value	12/31/11	**09/30/12**
Crop lands	1,828,195	**1,825,873**
Soil correction and development	128,545	**138,432**
Buildings and improvements	156,129	**158,132**
Agricultural equipment and industrial facilities	377,331	**402,324**
Vehicles	13,988	**18,059**
Furniture and fixtures	6,960	**7,597**
Equipment and facilities of the office	5,642	**5,736**
Permanent crops	4,347	**4,499**
Advances to suppliers	15,191	**10,056**
Works in progress	13,009	**21,913**
Total	2,549,337	**2,592,621**

On September 30, 2012, construction in progress was substantially represented by the construction of storage units in farms Parnaíba, Planeste, Paiaguás and Panorama, in the amount of R$10,748, improvements in cotton buildings of Parnaíba, Planorte, Planeste, Paiaguás, Pamplona, Pejuçara, Palmares and Panorama farms, in the amount of R$2,064, and infrastructure construction work (improvements, roads, warehouses, etc.), in the amount of R$7,095. Interest contributed to construction in progress in the period ended September 30, 2012 was R$545 (R$2,022 as of December 31, 2011).

13 Balances and transactions with related parties

a. Balances of transaction with related parties

	Other accounts receivable	Loans receivable	Advances for future capital increase	Leases payable	Other accounts payable	Loans payable
Fazenda Planorte Emprendimentos Agrícolas Ltda						
Balance at 09/30/2012	-	4,706	-	-	284	4
Balance at 12/31/2011	-	-	-	-	-	2,728
Fazenda Parnaíba Empreendimentos Agrícolas Ltda						
Balance at 09/30/2012	2,198	1,171	-	-	-	-
Balance at 12/31/2011	3,610	17,289	-	-	-	-
Fazenda Paiaguás Emprendimentos Agrícolas Ltda						
Balance at 09/30/2012	1,910	9,206	-	-	-	-
Balance at 12/31/2011	142	5	-	-	-	-
SLC Agrícola Pejuçara Ltda						
Balance at 09/30/2012	1,621	-	-	-	-	-
Balance at 12/31/2011	186	-	-	-	-	4
SLC Agrícola Perdizes Ltda						
Balance at 09/30/2012	540	-	-	-	-	-
Balance at 12/31/2011	-	-	-	-	-	-
SLC Empreendimentos e Agricultura Ltda						
Balance at 09/30/2012	6,989	1	101,903	3,539	-	-
Balance at 12/31/2011	16,399	-	1,347	-	-	-
SLC LandCo Empreendimentos Agrícolas Ltda						
Balance at 09/30/2012	4	-	-	-	-	-
Balance at 12/31/2011	-	75	-	-	-	-
Fazenda Panorama Empreendimentos Agrícolas Ltda						
Balance at 09/30/2012	-	-	-	3,171	-	-
Balance at 12/31/2011	-	1	-	2,267	-	-
Fazenda Planeste Empreendimentos Agrícolas Ltda						
Balance at 09/30/2012	-	-	-	4,572	-	-
Balance at 12/31/2011	-	-	-	3,195	-	-
Fazenda Piratini Empreendimentos Agrícolas Ltda						
Balance at 09/30/2012	-	-	-	1,528	-	-
Balance at 12/31/2011	-	-	-	467	-	-
Fazenda Parceiro Empreendimentos Agrícolas Ltda.						
Balance at 09/30/2012	-	-	-	212	-	-
Balance at 12/31/2011	-	-	-	-	-	-
Fazenda Paineira Empreendimentos Agrícolas Ltda.						
Balance at 09/30/2012	-	-	-	165	-	-
Balance at 12/31/2011	-	-	-	-	-	-
Other related parties						
Balance at 09/30/2012	4	-	-	-	146	-
Balance at 12/31/2011	2	-	-	-	141	-
Total						
Balance at 09/30/2012	**13,266**	**15,084**	**101,903**	**13,187**	**430**	**4**
Balance at 12/31/2011	20,339	17,370	1,347	5,929	141	2,732

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.

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

Related-party transactions are as follows.

	Sales of goods/ products/ property, plant and equipment	Lease costs	Purchases of goods/ products	Financial income - Interest	Financial expenses – Interest
Fazenda Planorte Emprendimentos Agrícolas Ltda					
Balance at 09/30/2012	-	-	15	16	-
Balance at 12/31/2011	-	-	-	13	-
Fazenda Parnaíba Emprendimentos Agrícolas Ltda					
Balance at 09/30/2012	713	-	274	266	-
Balance at 12/31/2011	-	-	-	-	20
Fazenda Paiaguás Emprendimentos Agrícolas Ltda					
Balance at 09/30/2012	1,006	-	208	25	2
Balance at 12/31/2011	-	-	-	-	126
SLC Agrícola Pejuçara Ltda					
Balance at 09/30/2012	15	-	12	-	-
Balance at 12/31/2011	-	-	-	-	-
SLC Empreendimentos e Agricultura Ltda					
Balance at 09/30/2012	-	23,160	-	26	-
Balance at 12/31/2011	-	21,485	-	-	-
SLC LandCo Empreendimentos Agrícolas Ltda					
Balance at 09/30/2012	-	-	-	4	-
Balance at 12/31/2011	-	-	-	-	-
Fazenda Panorama Empreendimentos Agrícolas Ltda					
Balance at 09/30/2012	-	4,904	-	-	-
Balance at 12/31/2011	-	-	-	-	-
Fazenda Planeste Empreendimentos Agrícolas Ltda					
Balance at 09/30/2012	-	6,932	-	-	-
Balance at 12/31/2011	-	-	-	-	-
Fazenda Piratini Empreendimentos Agrícolas Ltda					
Balance at 09/30/2012	-	2,370	-	-	-
Balance at 12/31/2011	-	-	-	-	-
Fazenda Parceiro Empreendimentos Agrícolas Ltda.					
Balance at 09/30/2012	-	243	-	-	-
Balance at 12/31/2011	-	-	-	-	-
Fazenda Paineira Empreendimentos Agrícolas Ltda.					
Balance at 09/30/2012	-	208	-	-	-
Balance at 12/31/2011	-	-	-	-	-
Total					
Balance at 09/30/2012	**1,734**	**37,817**	**509**	**337**	**2**
Balance at 12/31/2011	-	21,485	-	13	146

b. Lease agreement

The object of the rural lease agreement 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.

Beginning as of January 2, 2011, a rural lease agreement entered into with subsidiary SLC Empreendimentos e Agricultura Ltda and its subsidiaries became effective for an indefinite period, and may be reviewed at any time in case market changes hinder its equilibrium and excessively burden one of the parties.

Beginning as of September 1, 2012, the rural lease agreement entered into with the (indirect) subsidiary and its subsidiaries for a minimum period of 20 years became effective.

On September 30, 2012, lease price is as follows:

Revenue Service	Fair value
Fazenda Planalto	R$ 7,795
Fazenda Pamplona	R$ 6,522
Fazenda Planeste	R$ 9,821
Fazenda Panorama	R$ 7,989
Fazenda Piratini	R$ 3,466
Fazenda Palmares	R$ 7,902
Fazenda Paiaguás	R$ 9,251
Fazenda Pejuçara	R$ 1,287
Fazenda Paineira	R$ 2,533
Fazenda Parceiro	R$ 2,962
Perdizes Farm	R$ 5,276
	R$ 64,804

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.

c. 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 and Consolidated	
	09/30/12	09/30/11
Directors fee	**1,826**	1,902
Bonuses	**330**	-
Stock option plan – allocated in the period	**1,608**	3,926
	3,764	5,828

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	**09/30/12**	12/31/11	**09/30/12**	12/31/11	**09/30/12**	12/31/11
Used in the Property, plant and equipment							
Finame - BNDES	Fixed and long-term interest rate*	**6.33%**	6.42%	**28,624**	32,115	**43,119**	48,318
Constitutional Funds**	-	**7.26%**	6.75%	**56,773**	66,301	**89,164**	105,980
Investment financing	US$ and Libor	**5.74%**	-	**23,652**	-	**23,652**	-
				109,049	98,416	**155,935**	154,298
Applied to Working Capital							
Rural credit	-	**5.72%**	6.75%	**45,715**	18,259	**120,020**	122,229
Constitutional Funds**	-	**7.26%**	6.75%	**77,803**	87,527	**106,399**	110,693
Working Capital	-	**8.24%**	-	**55,012**	-	**55,012**	-
Foreign investments	US$, Libor + Pre	**4.06%**	2.80%	**398,191**	247,183	**398,191**	252,811
				576,721	352,969	**679,622**	485,733
				685,770	451,385	**835,557**	640,031
Portion classified in current assets				**292,127**	235,065	**413,143**	384,735
Installment classified in non-current				**393,643**	216,320	**422,414**	255,296

(*) 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 10/15/2012 to 05/15/2022.

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 10/01/2012 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 10/31/2012 and 10/30/2013.

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

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).

	Parent company		**Consolidated**	
Years of maturity	**09/30/12**	12/31/11	**09/30/12**	12/31/11
2012	**292,127**	235,065	**413,143**	384,735
2013	**106,147**	77,184	**116,466**	94,244
2014	**95,161**	74,482	**104,695**	88,344
2015	**74,422**	45,181	**80,419**	52,050
2016	**50,876**	18,270	**52,541**	19,453
2017	**35,860**	247	**36,408**	247
After 2017	**31,177**	956	**31,885**	958
	685,770	451,385	**835,557**	640,031

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

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 current liabilities, equal to or higher than 1.2 times

ii. Total 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. Cash Liquidity: cash, banks, and "cash equivalents" position plus short-term investments, equal to or higher than R$75,000,000.00.

The Company is compliant with agreement clauses.

15 Provision for tax, civil and labor risks

On September 30, 2012, the Company recorded a provision for labor contingencies of R$1,110 (R$1,944 in consolidated), R$660 as of December 31, 2011 (R$1,338 consolidated), that refers to lawsuits filed by former employees and whose likelihood of loss was considered 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 R$2,032 (R$3,666 in consolidated) referring to labor lawsuits whose loss was considered as possible by legal advisors and, accordingly, no provision for these lawsuits was recorded.

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, 2011 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, 2010	160	602	762
Balance at December 31, 2011	160	660	820
New lawsuits/ supplements and inflation adjustments	-	464	464
(-) Reversals	-	(14)	(14)
Balance at September 30, 2012	160	1,110	1,270

	Consolidated		
	Tax	**Labor**	**Total**
Balance at December 31, 2011	160	1,338	1,498
New lawsuits/ supplements and inflation adjustments	-	1,261	1,261
(-) Reversals	-	(655)	(655)
Balance at September 30, 2012	160	1,944	2,104

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					
	09/30/12			12/31/11		
Description	Income tax	Social contribution	Total	Income tax	Social contribution	Total
Assets:						
Temporary differences:						
Taxes on non-benefited activities	**138**	**-**	**138**	138	-	138
Provision for inventory adjustment	**785**	**283**	**1,068**	200	72	272
Provision for PPR	**686**	**247**	**933**	2,193	790	2,983
Provision to tax losses	**500**	**180**	**680**	500	180	680
Operations with derivatives	**14,802**	**5,328**	**20,130**	16,817	6,054	22,871
Others	**1,145**	**412**	**1,557**	635	228	863
Tax losses and negative basis	**15,179**	**5,662**	**20,841**	13,200	4,950	18,150
	33,235	**12,112**	**45,347**	33,683	12,274	45,957

	Parent company					
	09/30/12			12/31/11		
Description	Income tax	Social contribution	Total	Income tax	Social contribution	Total
Liabilities:						
Incentivized depreciation from rural activity*	**50,212**	**18,076**	**68,288**	45,391	16,342	61,733
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	**25,143**	**9,052**	**34,195**	28,823	10,376	39,199
Fair value of biological assets	**3,605**	**1,298**	**4,903**	11,889	4,280	16,169
Capitalization of interest on borrowings	**1,068**	**384**	**1,452**	898	324	1,222
Operations with derivatives	**396**	**142**	**538**	2,639	949	3,588
	85,963	**30,946**	**116,909**	95,179	34,265	129,444
Net total	**(52,728)**	**(18,834)**	**(71,562)**	(61,496)	(21,991)	(83,487)
Classified in the non-current liabilities	**(52,728)**	**(18,834)**	**(71,562)**	(61,496)	(21,991)	(83,487)

	Consolidated					
	09/30/12			12/31/11		
Description	Income tax	Social contribution	Total	Income tax	Social contribution	Total
Assets:						
Temporary differences:						
Taxes on non-benefited activities	**138**	**-**	**138**	138	-	138
Provision for inventory adjustment	**1,250**	**451**	**1,701**	201	72	273
Provision for PPR	**935**	**337**	**1,272**	3,142	1,133	4,275
Provision to tax losses	**500**	**180**	**680**	500	180	680
Provision for transaction cost share issuance	**3,250**	**1,170**	**4,420**	-	-	-
Operations with derivatives	**24,461**	**8,805**	**33,266**	26,993	9,717	36,710

Others	**3,933**	**1,416**	**5,349**	3,359	376	3,735
Tax losses and negative basis	**19,886**	**7,356**	**27,242**	13,305	4,988	18,293
	54,353	**19,715**	**74,068**	47,638	16,466	64,104
Liabilities:						
Incentivized depreciation from rural activity*	**79,498**	**28,498**	**107,996**	72,161	25,845	98,006
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	**275,894**	**100,203**	**376,097**	279,618	101,517	381,135
Fair value of biological assets	**13,129**	**4,727**	**17,856**	20,376	7,335	27,711
Capitalization of interest on borrowings	**1,602**	**575**	**2,177**	1,406	507	1,913
Operations with derivatives	**396**	**142**	**538**	478	172	650
Others	**2,052**	**739**	**2,791**	2,639	949	3,588
	378,218	**136,917**	**515,135**	382,325	138,358	520,683
Net total	**(323,865)**	**(117,202)**	**(441,067)**	(334,687)	(121,892)	(456,579)
Classified in non-current assets	**6,004**	**2,161**	**8,165**	105	38	143
Classified in the non-current liabilities	**(329,869)**	**(119,363)**	**(449,232)**	(334,792)	(121,930)	(456,722)

(*) 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**	
	09/30/12	12/31/11	**09/30/12**	12/31/11
2012	**8,232**	33,615	**33,681**	49,054
2013	**21,797**	12,342	**39,871**	15,050
2014	**15,318**	-	**516**	-
	45,347	45,957	**74,068**	64,104

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			
	09/30/12		09/30/11	
	IRPJ	**CSLL**	**IRPJ**	**CSLL**
Income before tax on profit	**(9,399)**	**(9,399)**	166,366	166,366
Income and social contribution taxes at the rate of 25% and 9%, respectively	**2,350**	**846**	(41,592)	(14,973)
Adjustments for calculation of effective rate				
Equity income (loss)	**(1,714)**	**(617)**	10,979	3,952
Permanent additions	**(1,362)**	**(490)**	(1,622)	(584)
Other	**(1,049)**	**(378)**	(777)	(288)
Value recorded in the income	**(1,775)**	**(639)**	(33,012)	(11,893)
Total income and social contribution taxes		**(2,414)**		(44,905)
Deferred taxes		**(2,414)**		(44,665)
Current taxes		**-**		(240)

Reconciliation of the Consolidated actual rate:

	Consolidated			
	09/30/12		09/30/11	
	IRPJ	**CSLL**	**IRPJ**	**CSLL**
Income before tax on profit	**7,981**	**7,981**	192,953	192,953
Income and social contribution taxes at the nominal rate from 25% to 9%, respectively	**(1,995)**	**(718)**	(48,238)	(17,366)
Adjustments for calculation of effective rate				
Permanent exclusions	**117**	**42**	782	282
Permanent additions	**(4,033)**	**(1,451)**	(1,765)	(635)
Tax incentives of subsidiaries	**1,195**	**-**	1,773	-
Income and social contribution taxes in companies on deemed income regime	**(4,206)**	**(1,514)**	855	308
Other	**(5,637)**	**(2,197)**	(1,415)	(545)
Value recorded in the income	**(14,559)**	**(5,838)**	(48,008)	(17,956)
Total income and social contribution taxes		**(20,397)**		(65,964)
Deferred taxes		**(3,892)**		(54,497)
Current taxes		**(16,505)**		(11,467)

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:

	12/31/11	**09/30/12**	**Variation**
Deferred assets	143	8,165	8,022
Deferred liabilities	(456,722)	(449,232)	7,490
			(15,512)
Effects in the shareholders' equity			
Operations with derivatives			14,366
Deemed cost from property, plant and equipment			5,038

	19,404
Effects in the income	
Operations with derivatives	(17,698)
Tax loss/negative calculation basis	8,949
Incentivized accelerated depreciation	(9,990)
Fair value of biological assets	9,855
Other	4,992
	(3,892)

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 dollar	**Indexed at Soybean sacks**	**Total**
Balance at December 31, 2011	1,351	241,030	242,381
Additions for acquisitions of areas	-	-	-
Payments	(1,407)	(93,586)	(94,993)
Monetary or exchange variation	56	94,182	94,238
Balance at September 30, 2012	**-**	**241,626**	**241,626**
(-) Portion classified in current assets	**-**	**(133,471)**	**(133,471)**
Installment classified in non-current	**-**	**108,155**	**108,155**

Accounts payable future minimum payments are summarized as follows:

	Consolidated
Payments within one year*	133,471
Payments in more than one year and up to 5 years	108,155
Payments in more than 5 years	-
	241,626

(*) Some owed amounts are not quoted in soybean sacks.

Commitments in soybean sacks are as follows:

	Consolidated
Payments within one year	1,389,186
Payments in more than one year and up to 5 years	1,558,633
Payments in more than 5 years	-
	2,947,819

18 Shareholders' equity

a. Capital

On September 30, 2012, 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	**09/30/12**	**12/31/11**
SLC Participações S.A.	**28.948.584**	28.948.584
Evaux Participações S.A.	**21.520.787**	21.520.787
Management	**5**	5
Treasury shares	**645,185**	1,407,585
Other	**47,782,939**	47,020,539
Total shares of paid-in capital	**98,897,500**	98,897,500
(-) Treasury shares	**(645,185)**	(1,407,585)
Total shares - ex-treasury	**98,252,315**	97,489,915

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 shares on September 30, 2012 is R$8,983 and is comprised of 645,185 shares (R$19,532 as of December 31, 2011, comprised of 1,407,585 shares).

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. 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.

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 30, 2012, the Annual General Meeting approved the assignment of R$125,431 to the Expansion Reserve (R$49,299 as of December 31, 2010).

f. Profit retention reserve

As of September 30, 2012, this balance refers to remaining accumulated income in 2007, which was retained as earnings retention reserve for new investments, provided for in capital budget, in conformity with Article 196 of the Brazilian Corporate 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 30, 2012, the Annual Shareholders Meeting approved the distribution of dividends for the year ended December 31, 2011, in the total amount of R$61,855, equivalent to 40% of adjusted net income and corresponding to R$0.634390 per each common share, based on total number of shares (98,897,500) less total number of treasury shares (1,393,309), which were paid on May 15, 2012.

h. Net earnings per share

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

	Parent company		Consolidated	
	09/30/12	**09/30/11**	**09/30/12**	**09/30/11**
Numerator				
Net income for the year (a)	(11,813)	121,461	(12,416)	126,989
Denominator				
Weighted average of common shares (b)	98,252,315	97,492,800	98,252,315	97,492,800
Weighted average of common shares considering dilutive effects (c)	**98,798,898**	97,720,435	**98,798,898**	97,720,435
Basic earning (loss) per common share (a/b)	**(0.12023)**	1.24585	**(0.12637)**	1.30255
Diluted earning (loss) per common share (a/c)	**(0.11957)**	1.24294	**(0.12567)**	1.29951

19 Financial income (loss)

	Parent company		Consolidated	
	09/30/12	09/30/11	**09/30/12**	09/30/11
Financial expenses:				
Interest paid	**(24,324)**	(16,690)	**(34,351)**	(22,985)
Foreign exchange	**(14,159)**	(6,706)	**(19,099)**	(8,446)
Monetary variation	**(5,322)**	(3,920)	**(121,014)**	(21,032)
Losses with derivative operations	**(15,423)**	(31,006)	**(15,129)**	(31,392)
Others	**(2,078)**	(946)	**(3,106)**	(2,700)
	(61,306)	(59,268)	**(192,699)**	(86,555)
Financial income:				
Income from interest-earning bank deposits	**7,021**	10,794	**11,005**	13,994
Foreign exchange	**14,583**	14,960	**22,932**	16,532
Monetary variation	**21,273**	318	**42,935**	19,882
Gains with derivative operations	**20,321**	23,483	**17,628**	23,017
Others	**41**	127	**105**	588
	63,239	49,682	**94,605**	74,013

Financial income (loss)	**1,933**	(9,586)	**(98,094)**	(12,542)

20 Commitments

19.1 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**	
11/12 crop					
Cotton fiber	Oct/12-Jun/13	32,003	22	ton	$2,159.63
Cotton fiber	Oct/12-Jun/13	2,405	2	ton	To be fixed
Corn	Oct-Dec/12	32,700	5	ton	$29.35
12/13 crop					
Cotton fiber	Ago-Dec/13	12320	3.36	ton	$1,944.01
Cotton fiber	Ago-Dec/13	12880	1.68	ton	To be fixed
Soybean	Feb-May/13	1,806,601	23	sc	$25.22
Soybean	Feb-May/13	250,000	7	sc	To be fixed
Corn	April-Jun/13	27,000	4	ton	$25.54

Consolidated					
Product	**Delivery Date**	**Quantity**	**Agreements**	**Unit**	
11/12 crop					
Cotton fiber	Oct/12-Jun/13	57,149	39	ton	$ 2,159.63
Cotton fiber	Oct/12-Jun/13	4,294	4	ton	To be fixed
Corn	Oct/12-Dec/13	96,000	18	ton	$ 24.58
12/13 crop					
Cotton fiber	Ago-Dec/13	22,000	6	ton	$1,944.01
Cotton fiber	Ago-Dec/13	23,000	3	ton	To be fixed
Soybean	Feb-May/13	3,900,457	38	sc	$24.42
Soybean	Feb-May/13	585,000	14	sc	To be fixed
Corn	April-Jun/13	27,000	4	ton	$25.54

19.2 Third party lease agreements

On September 30, 2012, the Company and its subsidiaries have contracted 75,819 hectares for third party leasing, 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	From 2012 to 2014	From 6 to 12	Operational
Planalto	Costa Rica-MS	1,603	2013*	15.51	Operational
Planeste	Balsas-MA	10,858	From 2012 to 2023	From 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	From 9 to 10.1	Operational
Parnaíba	Tasso Fragoso-MA	10,360	2023	From 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	From 9 to 9.5	Operational
Partner:	Formosa do Rio Preto – BA	5,428	2020	From 2 to 7	Operational
Total		75,820			

(*) 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 R$10,416 per annum until 2013).

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

	Parent company	Consolidated
Payments within one year	19,089	29,648
Payments in more than one year and up to 5 years	51,375	103,087
Payments in more than 5 years	16,746	57,252
Total future minimum payments of leases	**87,210**	**189,987**

Note that the Company's lease agreements 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 agreements 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.

On September 30, 2012, estimated fair value of the Parent company and consolidated long-term loans were, respectively, R$385,461 and R$413,634, calculated at prevailing market rates, considering nature, period and risks similar to those of recorded contracts, and may be compared to book values of R$393,643 and R$422,414.

		Parent company			
		Book value		Fair value	
	Currency	09/30/12	12/31/11	09/30/12	12/31/11
Assets					
Loans and receivables					
Cash and cash equivalents	R$	20,297	75,426	20,297	75,426
CP Financial Investments	R$	22,807	3,097	22,807	3,097
Trade accounts receivable	R$	78,216	28,572	78,216	28,572
Related party transactions	R$	130,252	39,056	130,252	39,056
Advances to suppliers	R$	22,312	16,210	22,312	16,210
Subtotal		**273,884**	**162,361**	**273,884**	**162,361**
Fair value of hedge instruments					
Operations with Derivatives	R$	14,642	16,148	14,642	16,148
Fair value through profit or loss					
Securities and credits receivable	R$	35,624	26,147	35,624	26,147
Subtotal		**50,266**	**42,295**	**50,266**	**42,295**
Total assets		**324,150**	**204,656**	**324,150**	**204,656**
Liabilities					
Liabilities at the amortized cost					
Loans and financing	R$	685,770	451,385	678,905	451,385
Suppliers	R$	46,660	75,640	46,660	75,640
Related party transactions	R$	13,621	8,802	13,621	8,802
Other payable	R$	53,275	88,915	53,275	88,915
Subtotal		**799,326**	**624,742**	**792,461**	**624,742**
Fair value of hedge instruments					
Derivatives payable	R$	38,798	28,406	38,798	28,406
Fair value through profit or loss					
Securities payable	R$	600	600	600	600
Subtotal		**39,398**	**29,006**	**39,398**	**29,006**
Total liabilities		**838,724**	**653,748**	**831,859**	**653,748**

		Consolidated			
		Book value		Fair value	
	Currency	09/30/12	12/31/11	09/30/12	12/31/11
Assets					
Loans and receivables					
Cash and cash equivalents	R$	138,078	127,357	138,078	127,357
CP Financial Investments	R$	22,807	3,106	22,807	3,106
Trade accounts receivable	R$	98,347	54,335	98,347	54,335
Advances to suppliers	R$	26,573	17,774	26,573	17,774
Subtotal		**285,805**	**202,572**	**285,805**	**202,572**
Fair value of hedge instruments					
Operations with Derivatives	R$	14,794	16,177	14,794	16,177
Fair value through profit or loss					
Securities and credits receivable	R$	35,624	26,147	35,624	26,147
Subtotal		**50,418**	**42,324**	**50,418**	**42,324**
Total assets		**336,223**	**244,896**	**336,223**	**244,896**
Liabilities					
Liabilities at the amortized cost					
Loans and financing	R$	835,557	640,031	828,641	640,031
Suppliers	R$	92,094	117,919	92,094	117,919
Other payable	R$	78,228	120,236	78,228	120,236
Subtotal		**1,005,879**	**878,186**	**998,963**	**878,186**
Fair value of hedge instruments					
Derivatives payable	R$	51,266	42,903	51,266	42,903
Fair value through profit or loss					
Securities payable	R$	241,626	242,381	241,626	242,381
Subtotal		**292,892**	**285,284**	**292,892**	**285,284**
Total liabilities		**1,298,771**	**1,163,470**	**1,291,855**	**1,163,470**

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.

	Fair value hierarchy					
	Parent company					
	09/30/12			12/31/11		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Classified as loans and receivables	273,884	-	-	162,361	-	-
Operations with Derivatives	-	14,642	-	-	16,148	-
Securities and credits receivable	35,624	-	-	26,147	-	-
Total assets	**309,508**	**14,642**	**-**	**188,508**	**16,148**	**-**
Liabilities						
Classified as loans and receivables	113,556	678,905	-	173,357	451,385	-
Derivatives payable	-	38,798	-	-	28,406	-
Securities payable	600	-	-	600	-	-
Total liabilities	**114,156**	**717,703**	**-**	**173,957**	**479,791**	**-**

	Hierarchy of fair value					
	Consolidated					
	09/30/12			12/30/11		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Classified as loans and receivables	285,805	-	-	202,572	-	-
Operations with Derivatives	-	14,794	-	-	16,177	-
Securities and credits receivable	35,624	-	-	26,147	-	-
Total assets	**321,429**	**14,794**	**-**	**228,719**	**16,177**	**-**
Liabilities						
Classified as loans and receivables	170,322	828,641	-	238,155	640,031	-
Derivatives payable	-	51,266	-	-	42,903	-
Securities payable	241,626	-	-	242,381	-	-
Total liabilities	**411,948**	**879,907**	**-**	**480,536**	**682,934**	**-**

a. Policy of use, objectives and strategies

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

Financial derivative transactions are performed with prime financial institutions - domestic institutions rated "A" in at least one of the three main international risk classifying agencies,

namely: Mood’s, S&P and/or Fitch), respecting limits and exposure to foreign exchange, commodities and interest risks of its counterparties, on a regular basis.

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

Forward contract transactions (NDF) and Trade Finance transactions (PPE / NCE / Res. 2770) are fixed to hedge exposure in future sales in dollar. These transactions are documented to be recorded using the hedge accounting methodology, in conformity with CPC 38. The Company records, in a shareholders' equity specific account, unrealized effects of these instruments contracted for own transactions or contracted in the consolidated sphere to cover future sales.

Financial transactions with commodities, although also being hedge instruments, are not recorded as hedge accounting and, therefore, their effects are recognized in income for the year under financial revenues or expenses.

c. Exchange risk

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

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

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

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

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

Description	Reference value (notional)		Fair value (MTM)		Value in curve *(Accrual)*	
	Currency	09/30/12	Currency	09/30/12	Currency	09/30/12
With maturity in 2012						
Forward Contracts (NDF):						
Short position						
Foreign currency	USD	122,933	R$	(26,417)	R$	(26,782)
Subtotal - Maturities in 2012	**USD**	**122,933**	**R$**	**(26,417)**	**R$**	**(26,782)**
With maturity in 2013						
Forward Contracts (NDF):						
Short position						
Foreign currency	USD	150,946	R$	(11,993)	R$	(12,835)
Subtotal - Maturities in 2013	**USD**	**150,946**	**R$**	**(11,993)**	**R$**	**(12,835)**
With maturity in 2014						
Forward Contracts (NDF):						
Short position						
Foreign currency	USD	5,418	R$	(56)	R$	(58)
Subtotal - Maturities in 2014	**USD**	**5,418**	**R$**	**(56)**	**R$**	**(58)**
TOTAL	**USD**	**279,297**	**R$**	**(38,466)**	**R$**	**(39,675)**

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

					Fair value		
Counterparty	**Type**	**Contracting rate**		**Notional (US$)**	**09/30/12**	**12/31/11**	**Foreign exchange i**
Banco Itaú BBA S/A	NCE	R$	1.7800	**50,000**	**101,555**	-	12,555
Banco Itaú BBA S/A	NCE	R$	1.9418	**50,000**	**101,555**	-	4,465
Banco Itaú BBA S/A	NCE	R$	1.5611	**35,000**	**71,089**	75,032	15,974
Banco Bradesco S/A	PPE	R$	1.5713	**25,000**	**50,778**	46,895	11,495
Citibank S/A	NCE	R$	1.5611	**24,000**	**48,746**	56,274	10,923
Banco John Deere	Res 2770	R$	2.0588	**11,428**	**23,212**	-	(316)
HSBC Bank Brasil S/A	PPE	R$	1.8210	**10,000**	**20,311**	18,758	2,101
J.P. Morgan	ACC	R$	1.8120	-	-	15,006	-
Banco Itaú BBA S/A	ACC	R$	1.8567	-	-	2,814	-
Total				**205,428**	**417,246**	214,779	57,197

(1) Deferred value in shareholders' equity ("*hedge accounting*") as a contra entry to ACC, NCE and PPE accounts, in the 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 12/31/2012	USD	(26,417)	-	-	-	(26,417)
Up to 03/31/2013	USD	(7,414)	-	-	-	(7,414)
Up to 06/30/2013	USD	(1,363)	-	-	-	(1,363)
Up to 09/30/2013	USD	(1,356)	-	-	-	(1,356)
Up to 12/31/2013	USD	(1,860)	-	-	-	(1,860)
Up to 03/31/2014	USD	(56)	-	-	-	(56)
Up to 06/30/2014	USD	-	-	10,923	-	10,923
Up to 12/31/2014	USD	-	2,101	-	-	2,101
Up to 12/31/2015	USD	-	11,495	-	-	11,495
Up to 03/31/2016	USD	-	-	15,974	-	15,974
Up to 03/31/2017	USD	-	-	12,555	-	12,555
Up to 06/30/2017	USD	-	-	-	(316)	(316)
Up to 06/30/2019	USD	-	-	4,465	-	4,465
TOTAL	**USD**	**(38,466)**	**13,596**	**43,917**	**(316)**	**18,731**

(*) 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):

Description	Reference value (notional)			Fair value		
	Currency	09/30/12	12/31/11	Currency	09/30/12	12/31/11
Banco Itaú BBA S/A	USD	28,694	53,078	R$	(5,381)	(8,391)
Citibank S/A	USD	30,127	48,709	R$	(2,875)	(4,340)
Deutsche Bank Suiss S/A	USD	4,645	16,210	R$	(1,261)	(3,175)
HSBC Bank Brasil S/A	USD	31,497	51,267	R$	(6,863)	(7,254)
Banco Bradesco S/A	USD	47,704	51,773	R$	(6,431)	(6,168)
Votorantim S/A	USD	46,197	46,931	R$	(5,655)	(750)
Morgan Stanley S/A	USD	30,470	24,360	R$	(6,298)	(4,188)
BofA Merrill Lynch S/A	USD	35,100	-	R$	(1,850)	-
Santander Brasil S/A	USD	24,863	5,650	R$	(1,852)	(1,161)
Total	**USD**	**279,297**	297,978	**R$**	**(38,466)**	(35,427)

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.
- Options Transactions – fair values of options transactions are equivalent to market values for reversal of such transactions, as confirmed by financial institutions with which the Company

contracts its transactions.

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 2012, 2013 and 2014, as follows:

- Probable scenario: Based on FOCUS (BACEN) report disclosed on September 30, 2012, we defined the probable scenario with dollar quotation of R$2.0000.
- Fall of 25% in foreign exchange rate: in this scenario, transactions would be settled at the quotation of
R$1.5000, equivalent to 25% lower than Probable Scenario quotation.
- Fall of 50% in foreign exchange rate: in this scenario, transactions would be settled at the quotation of
R$1.0000, equivalent to 50% lower than Probable Scenario quotation.
- 25% increase in foreign exchange rate: in this scenario, transactions would be settled at quotation of R$ 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 projected scenario is as follows:

Description	**Risk**	**Remote scenario**	**Possible scenario**	**Probable scenario**	**Possible scenario**	**Remote scenario**
		Quotation – R$ 1,0000	*Quotation - R$ 1,5000*	*Quotation - R$ 2,0000*	*Quotation - R$ 2,5000*	*Quotation - R$ 3,0000*
Year 2012						
Sales revenues (hedge object)*	US dollar variation	(116,607)	(47,834)	20,940	89,713	158,486
Forward Contracts (NDF):	US dollar variation	101,993	40,526	(20,940)	(82,406)	(143,872)
Subtotal		**(14,614)**	**(7,308)**	**-**	**7,307**	**14,614**
Year 2013						
Sales revenues (hedge object)*	US dollar variation	(485,677)	(244,938)	(4,200)	236,539	477,278
Forward Contracts (NDF):	US dollar variation	155,146	79,673	4,200	(71,273)	(146,747)
Subtotal		**(330,531)**	**(165,265)**	**-**	**165,266**	**330,531**
Year 2014						
Sales revenues (hedge object)*	US dollar variation	(420,922)	(210,627)	(331)	209,964	420,259
Forward Contracts (NDF):	US dollar variation	2,149	1,240	331	(578)	(1,487)
Subtotal		**(418,773)**	**(209,387)**	**-**	**209,386**	**418,772**
Indebtedness in dollars						
Subtotal	US dollar variation	**214,210**	**110,285**	**6,360**	**(97,565)**	**(201,490)**
Total		**(549,708)**	**(271,675)**	**6,360**	**284,394**	**562,427**

Net foreign exchange exposure is as follows:

	Parent company			
	September 30, 2012		December 31, 2011	
	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)	19,777	58,439	7,561	21,011
Loans and financing (note 14)	(263,710)	(422,060)	698,568	(247,183)
Net exposure of the shareholders' equity (except for derivative financial instruments)	(243,933)	(363,621)	706,129	(226,172)

	Consolidated			
	September 30, 2012		December 31, 2011	
	Balance at	Balance in reais (R$) representing the amounts in Dollars (USD)	Balance at	Balance in reais (R$) representing the amounts in Dollars (USD)
	Reais (RS)	USD	Reais (RS)	USD
Trade accounts receivable (note 7)	22,881	75,466	15,246	39,089
Loans and financing (note 14)	(413,497)	(422,060)	(387,220)	(252,811)
Hedge derivative financial instruments at fair value)	-	(38,466)	-	(35,427)
Net exposure of the shareholders' equity (except for derivative financial instruments)	(390,616)	(385,060)	(371,974)	(249,149)

d. Price risk

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

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

Description	Reference value (notional)			Fair value			Accumulated effect (current period)	
	Currency	09/30/12	12/31/11	Currency	09/30/12	12/31/11	Currency	Amount receivable / (received)	Amount payable (paid)
With maturity in 2012									
Financial operations									
Commodities - Cotton	USD	23,967	53,474	R$	6,351	10,481	R$	6,604	(253)
Commodities - Soybean	USD	-	-	R$	-	-	R$	-	-
Subtotal - Maturities in 2012	**USD**	**23,967**	53,474	**R$**	**6,351**	10,481	**R$**	**6,604**	**(253)**
With maturity in 2013									
Financial operations									
Commodities - Cotton	USD	8,112	5,803	R$	2,540	880	R$	2,540	-
Commodities - Soybean	USD	53,102	-	R$	(5,405)	-	R$	4,717	(10,122)
Subtotal – Maturities in 2013	**USD**	**61,214**	5,803	**R$**	**(2,865)**	880	**R$**	**7,257**	**(10,122)**
Overall total	**USD**	**85,181**	59,277	**R$**	**3,486**	11,361	**R$**	**13,861**	**(10,375)**

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. 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 2012 and 2013, 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						
CTZ2 (Cotton - December/12)*	Price variation	35.67	53.50	71.33	89.16	107.00
CTH3 (Cotton - March/13)*	Price variation	36.21	54.31	72.41	90.51	108.62
SYK3 (Soy - May/13)**	Price variation	6.77	10.16	13.55	16.93	20.32

*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 2012						
Cotton - Financial operations	Price variation	14,320	11,604	8,888	4,823	(5,197)
Year 2013						
Cotton - Financial operations	Price variation	2,718	2,718	2,718	1,749	(745)
Soybean - Financial operations	Price variation	8,235	3,774	(2,064)	(11,544)	(21,025)
Total		**25,273**	**18,096**	**9,542**	**(4,972)**	**(26,967)**

(*) 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)		Sap Balance (MTM)		Adjustment
Counterparty	**Hedge instrument**	**Hedged object**	**Asset**	**Liability**	**Asset**	**Liability**	**Financial income (loss)**
Santander	Swap of USD29,333 (Long Libor 6 months+2%pa. / Short 4.68% p.a.)	Deb t of USD35,000 a libor 6 months + 2.8% p.a.	59,918	60,160	60,588	62,079	**(1,491)**
Total			**59,918**	**60,160**	**60,588**	**62,079**	**(1,491)**

Variation risks of Interest rate

For the purpose of verifying sensitivity of indices for the Company's debts, based on position at September 30, 2012, five different scenarios were defined. Based on FOCUS (Bacen) report of September 30, 2012, we defined indices for CDI and foreign exchange, while for Libor rate, we considered BM&F also on September 30, 2012, and for TJLP, rate valid on yearend was considered. Based on this information, we defined Probable Scenario for analysis and, based on it, variations of 25% and 50% were calculated.

For each scenario the Company considered the financial expense or gross financial expense, not taking into account the taxes levied and the flow of maturities of debts and redemptions for interest earning bank deposits scheduled to 2012. The portfolio's base date was September 30, 2012 , projecting indices for one year and verifying their sensitivity in each scenario.

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

			Balance on Fall		Probable	Increase	Increase
	Interest rate*	**09/30/12**	**50%**	**25%**	**scenario**	**of 25%**	**of 50%**
Debt in reais – prefixed rate							
Rural credit	5.72%	120,020	N/A	N/A	N/A	N/A	N/A
Constitutional Funds	7.26%	195,563	N/A	N/A	N/A	N/A	N/A
BNDES	5.88%	35,038	N/A	N/A	N/A	N/A	N/A

Debt in reais – Post-fixed rate							
BNDES	Long Term Interest Rate (TJLP) + 2.64%	7,863	(440)	(548)	(656)	(764)	(872)
NCE	113.66% CDI	55,012	(2,267)	(3,400)	(4,533)	(5,666)	(6,800)
Debts in Dollars							
NCE	Libor 6M + 2.48 p.a. (average)	326,212	(12,680)	(13,070)	(13,361)	(14,173)	(14,724)
PPE	Libor 6M + 2.87% p.a. (average)	71,979	(2,469)	(2,398)	(2,516)	(2,633)	(2,750)
Contract Res. 2770 John Deere Bank	Libor 6M + 5% p.a.	23,652	(1,264)	(1,305)	(1,345)	(1,386)	(1,427)
BNDES	Basket of currencies + 2.73%	217	(11)	(13)	(15)	(17)	(19)
Swap Libor x Pre**	Assets: Libor + 2% Short: 4.68%	59,564	(654)	(587)	(521)	(454)	(388)
Interest earnings bank deposits							
CDB and Debentures	99.86% w/CDI	160,750	5,819	8,729	11,638	14,548	17,457

(*) Average annual rates

(**) The amount of R$59,564 refers to the translation of USD29,333 (Loan balance whose fluctuation on Libor rate is being covered) by dollar quotation on May 29, 2012 – R$2.0306

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. Credit risk is managed with the use of specific client acceptance standards, credit analysis and establishment of exposure limits per 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	**09/30/12**	12/31/11	**09/30/12**	12/31/11
Assets					
Cash and cash equivalents	**R$**	**20,297**	75,426	**138,078**	127,357
CP Financial Investments	**R$**	**22,807**	3,097	**22,807**	3,106
Trade accounts receivable	**R$**	**78,216**	28,572	**98,347**	54,335
Related party transactions	**R$**	**15,084**	17,370	**-**	-
Derivatives receivable	**R$**	**14,642**	16,148	**14,794**	16,177
Total	**R$**	**151,046**	140,613	**274,026**	200,975

g. Liquidity risk

Gross incoming (outgoing) flows disclosed in table below represent undiscounted contract cash flows related to derivative financial liabilities held for risk management purposes and that are normally terminated before contract maturity. This chart presents net cash flows for cash derived settled by net exposure and gross inbound and outbound cash flows for cash derived with gross simultaneous settlement, for example, derivative transactions.

	Parent company							
September 30, 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								
Loans and financing	685,770	826,536	303,924	88,657	95,963	103,870	112,429	121,693
Suppliers	46,660	46,660	46,660	-	-	-	-	-
Securities payable	600	600	600	-	-	-	-	-
Operations with Derivatives	24,156	24,156	22,103	2,053	-	-	-	-
	757,186	897,952	373,287	90,710	95,963	103,870	112,429	121,693

	Consolidated							
September 30, 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								
Loans and financing	835,557	990,637	429,828	95,137	102,976	111,462	120,646	130,587
Suppliers	92,094	92,094	92,094	-	-	-	-	-
Securities payable	241,626	241,626	133,471	71,352	14,830	14,830	7,143	
Operations with Derivatives	51,266	51,266	51,266	-	-	-	-	-
	1,220,543	1,375,623	706,659	166,489	117,806	126,292	127,789	130,587

	Parent company							
December 31, 2011	**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								
Loans and financing	451,385	698,048	396,729	76,924	82,047	74,691	53,945	13,712
Suppliers	75,640	75,640	75,640	-	-	-	-	-
Securities payable	600	600	600	-	-	-	-	-
Operations with Derivatives	30,969	30,969	28,337	2,632	-	-	-	-
Total	558,594	805,257	501,306	79,556	82,047	74,691	53,945	13,712

	Consolidated							
December 31, 2011	**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								
Loans and financing	640,031	698,048	396,729	76,924	82,047	74,691	53,945	13,712
Suppliers	117,919	117,919	117,919	-	-	-	-	-
Securities payable	242,381	242,381	113,876	52,503	51,827	9,222	9,222	5,731
Operations with Derivatives	26,726	26,726	24,454	2,272	-	-	-	-
Total	1,027,057	1,085,074	652,978	131,699	133,874	83,913	63,167	19,443

	Parent company							
December 31, 2011	**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								
Loans and financing	451,385	698,048	396,729	76,924	82,047	74,691	53,945	13,712
Suppliers	75,640	75,640	75,640	-	-	-	-	-
Securities payable	600	600	600	-	-	-	-	-
Operations with Derivatives	30,969	30,969	28,337	2,632	-	-	-	-
Total	558,594	805,257	501,306	79,556	82,047	74,691	53,945	13,712

	Consolidated							
December 31, 2011	**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								
Loans and financing	640,031	698,048	396,729	76,924	82,047	74,691	53,945	13,712
Suppliers	117,919	117,919	117,919	-	-	-	-	-
Securities payable	242,381	242,381	113,876	52,503	51,827	9,222	9,222	5,731
Operations with Derivatives	26,726	26,726	24,454	2,272	-	-	-	-
Total	1,027,057	1,085,074	652,978	131,699	133,874	83,913	63,167	19,443

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**	**09/30/12**	**12/31/11**	**Currency**	**09/30/12**	**12/31/11**	**Currency**	**09/30/12**	**12/31/11**
Foreign exchange hedge operations									
Non Deliverable Forwards	**USD**	279,297	297,978	**R$**	934	4,816	**R$**	39,400	40,243
Trade Finance Contracts[1]	**USD**	205,428	134,000	**R$**	316	-	**R$**	57,513	31,021
Subtotal	**USD**	**484,725**	**431,978**	**R$**	**1,250**	**4,816**	**R$**	**96,913**	**71,264**
Hedge operations for products									
Cotton - Financial operations	**USD**	32,080	59,277	**R$**	9,143	11,361	**R$**	253	-
Soybean - Financial operations	**USD**	53,102	-	**R$**	4,717	-	**R$**	10,122	-
Subtotal	**USD**	**85,182**	**59,277**	**R$**	**13,860**	**11,361**	**R$**	**10,375**	**-**
Interest Hedge Transactions									
Swap Libor x Pre	**USD**	29,333	34,667	**R$**	-	-	**R$**	1,491	2,660
Subtotal	**USD**	**29,333**	**34,667**	**R$**	**-**	**-**	**R$**	**1,491**	**2,660**
Total	**USD**	**599,240**	**525,922**	**R$**	**15,110**	**16,177**	**R$**	**108,779**	**73,924**
(-) Portion classified in current assets				**R$**	(14,686)	(15,283)	**R$**	(72,518)	(37,349)
Portion in noncurrent liabilities				**R$**	**424**	**894**	**R$**	**36,261**	**36,575**

(1) Deferred value in shareholders' equity (hedge accounting), as contra entry to ACC, NCE and PPE accounts, in the 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	
		Allocated in gross income on		Allocated in financial income (loss) on		recorded in Shareholders' equity	
Description	**Currency**	**09/30/12**	**09/30/11**	**09/30/12**	**09/30/11**	**09/30/12**	**09/30/11**
Foreign exchange hedge operations							
NDF Contracts (Non Deliverable	**R$**	(6,480)	28,583	(218)	(2,124)	43,172	(46,136)
Trade Finance Contracts	**R$**	(3,110)	-	(1,431)	-	57,197	(24,372)
Subtotal	**R$**	**(9,590)**	**28,583**	**(1,649)**	**(2,124)**	**100,369**	**(70,508)**
Hedge operations for commodities							
Agricultural commodities swap							
Cotton	**R$**	-	-	9,259	(11,169)	-	-
Soybean	**R$**	-	-	(4,944)	6,161	-	-
	R$	-	-	**4,315**	**(5,008)**	-	-
Interest Hedge Transactions							
Swap Libor x Pre	**R$**	-	-	(167)	**(1,243)**	-	-
Subtotal	**R$**	-	-	**(167)**	**(1,243)**	-	-
TOTAL	**R$**	**(9,590)**	**28,583**	**2,499**	**(8,375)**	**100,369**	**(70,508)**

j. Market values

On September 30, 2012, 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 Company's dividends policy, objectives, policies or capital management processes in the years ended September 30, 2012 and December 31, 2011.

	Parent company		Consolidated	
	09/30/12	**12/31/11**	**09/30/12**	**12/31/11**
Short and long-term loans and financing	**685,770**	451,385	**835,557**	640,031
(-) Cash and cash equivalents and investment short-term financial	**(43,104)**	(78,523)	**(160,885)**	(130,463)
Net debt	**642,666**	372,862	**674,672**	509,568
Shareholders' equity	**1,887,274**	1,920,236	**1,933,023**	1,920,236
Financial leverage index	**34.1%**	19.4%	**34.9%**	26.5%

22 Gain-sharing program

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

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

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

The value provision in the income for the period is as follows:

	Parent company		Consolidated	
	09/30/12	09/30/11	**09/30/12**	09/30/11
Profit sharing	**2,915**	5,455	**3,795**	7,963
Total	**2,915**	5,455	**3,795**	7,963

23 Stock option plan

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

The stock option plan is limited to a maximum of options that result in dilution of 3% of the Company's capital on creation date of each Annual Program.

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$**	**Balance at 12/31/11**	**Granted**	**Canceled**	**Exercised**	**Balance at 09/30/12**
2007	R$ 14.00	71,200	-	-	(71,200)	-

2008	R$ 14.80	466,000	-	(6,000)	(460,000)	-
2009	R$ 15.00	384,600	-	(12,000)	(124,000)	248,600
2010	R$ 16.87	785,000	-	(35,000)	(105,000)	645,000
2011	R$ 16.24	899,000	-	-	-	899,000
		2,605,800	-	(53,000)	(760,200)	1,792,600

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 quantity of shares
As from - 11/08/2012	8%	179,800
As from - 11/09/2012	15%	224,800
As from - 11/12/2012	48%	623,400
As from - 11/08/2013	56%	803,200
As from - 11/11/2013	76%	1,253,200
As from - 11/10/2014	100%	1,792,600

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

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

In compliance with CPC 10, based on presented grace periods, stock option plan amounts were recognized the amount of R$1,012 (expenses) in income, considering the elapsing of vesting period, with contra entry in a specific capital reserve account in shareholders' equity, on September 30, 2012 (R$6,261 as of December 31, 2011).

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. In the year ended September 30, 2012, the amount of R$756 of ICMS deemed credit was recognized in the parent company and consolidated.

Until December 2011, the state of Mato Grosso, through Decree 1589/97, granted deemed ICMS credit incentive in operations with cotton fiber, with a 75% reduction in the amount of ICMS payable through the adhesion of Fazenda Planorte and Fazenda Paiaguás to the PROALMAT program. As from January 2012, in compliance with Decree 899/11, the farms can no longer enjoy this incentive.

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.

In the period ended September 30, 2012, subsidiary Fazenda Parnaíba had gains from IRPJ reduction incentive amounting to R$1,194. In this period, Fazenda Planorte had tax losses.

25 Insurance coverage

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

Policy	Nature	Maturity	Coverage
20301974	Vehicles of SLC Agrícola	10/10/11 to 10/10/12	Against third parties - 100% FIPE
20305460	Vehicles of SLC Agrícola	10/10/11 to 10/10/12	Against third parties - 100% FIPE
20304346	Vehicles of SLC Agrícola	10/10/11 to 10/10/12	Against third parties - 100% FIPE
20301820	Vehicles of Fazenda Parnaíba	10/10/11 to 10/10/12	Against third parties - 100% FIPE
20305792	Vehicles of Fazenda Parnaíba	10/10/11 to 10/10/12	Against third parties - 100% FIPE
20301825	Vehicles of Fazenda Planorte	10/10/11 to 10/10/12	Against third parties - 100% FIPE
20305797	Vehicles of Fazenda Planorte	10/10/11 to 10/10/12	Against third parties - 100% FIPE
20301813	Vehicles of Fazenda Paiaguás	10/10/11 to 10/10/12	Against third parties - 100% FIPE
20305466	Vehicles of Fazenda Paiaguás	10/10/11 to 10/10/12	Against third parties - 100% FIPE
20312327	Vehicles of SLC Agrícola	10/10/11 to 10/10/12	Against third parties - 100% FIPE
20.002.589	Machinery and equipment	10/08/11 to 10/08/12	R$ 226,175,314.65
03.30.32818	Improvements - Fazendas	11/10/11 to 11/10/12	R$ 20,000,000.00
03.18.0540752	Administration	11/10/11 to 11/10/12	R$ 750,000.00
25.51.0018766.12	General Civil Liabilities – Grain and Cotton Inventories	12/02/11 to 12/02/12	$ 1,000,000.00
20.96.000011.00	including in open air	03/24/12 to 03/24/13	R$ 60,000,000.00

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

Gross operating income	Parent company		Consolidated	
	09/30/12	09/30/11	**09/30/12**	09/30/11
	457,691	454,527	**852,745**	717,502
Sale of goods	**434,462**	331,556	**736,027**	518,647
Change in fair value of the biological assets	**23,229**	122,971	**116,718**	198,855
Deductions, taxes and contributions	**(17,269)**	(24,319)	**(32,895)**	(35,439)
Net operating income	**440,422**	430,208	**819,850**	682,063

27 Expenses per type

	Parent company		Consolidated	
	09/30/12	09/30/11	**09/30/12**	09/30/11
Expenses according to the role				
Cost of goods sold	**391,490**	240,440	**639,277**	406,972
Sales expenses	**27,893**	18,246	**43,922**	26,295
Administrative and general expenses	**29,554**	35,105	**34,802**	43,205
Other operating expenses	**2,151**	4,909	**4,591**	980
	451,088	298,700	**722,592**	477,452
Expenses per type				
Depreciation and amortization	**48,484**	26,481	**71,968**	43,444
Personnel expenses	**58,613**	45,280	**84,352**	64,901
Raw material and material	**265,025**	121,276	**387,352**	205,376
CPV biological asset variation	**60,556**	60,527	**149,901**	119,685
Freight	**16,259**	10,719	**24,359**	13,792
Other expenses	**2,151**	34,417	**4,660**	30,254
	451,088	298,700	**722,592**	477,452

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	
	09/30/12	09/30/11	**09/30/12**	09/30/11	**09/30/12**	09/30/11	**09/30/12**	09/30/11
Net revenue	821,233	683,520	36,434	16,416	(37,817)	(17,873)	819,850	682,063
Products Costs	(639,277)	(406,972)	-	-	-	-	(639,277)	(406,972)
Gross income	181,956	276,548	36,434	16,416	(37,817)	(17,873)	180,573	275,091
Operating expenses/income	(71,246)	(66,467)	(3,252)	(3,129)	-	-	(74,498)	(69,596)
Sales expenses	(43,922)	(26,295)			-	-	(43,922)	(26,295)
General and administrative expenses	(27,996)	(34,219)	(3,042)	(3,158)	-	-	(31,038)	(37,377)
Management compensation	(3,764)	(5,828)	-	-	-	-	(3,764)	(5,828)
Other operating income (expenses)	4,436	(125)	(210)	29	-	-	4,226	(96)
Income (loss) before financial income (loss) and taxes	**110,710**	**210,081**	**33,182**	**13,287**	**(37,817)**	**(17,873)**	**106,075**	**205,495**
Net financial income (loss)	(40,093)	(12,022)	(58,001)	(520)	-	-	(98,094)	(12,542)
Income (loss) before income tax	**70,617**	**198,059**	**(24,819)**	**12,767**	**(37,817)**	**(17,873)**	**7,981**	**192,953**
Income and social contribution taxes	(16,221)	(62,264)	(4,176)	(3,700)			(20,397)	(65,964)
Consolidated Income / Loss for the Period	**54,396**	**135,795**	**(28,995)**	**9,067**	**(37,817)**	**(17,873)**	**(12,416)**	**126,989**

	Agricultural Production		Land		Eliminations		Consolidated	
	09/30/12	12/31/11	09/30/12	12/31/11	09/30/12	12/31/11	09/30/12	12/31/11
Total assets								
Land	-	-	1,825,873	1,828,195	-	-	1,825,873	1,828,195
Adjustment to Fair Value - Land*	-	-	499,960	192,978	(499,960)	(192,978)	-	-
Other assets	1,691,010	1,659,309	201,743	96,949	-	-	1,892,753	1,756,258
Total assets	**1,691,010**	**1,659,309**	**2,527,576**	**2,118,122**	**(499,960)**	**(192,978)**	**3,718,626**	**3,584,453**
Total liabilities	1,853,510	1,836,377	1,865,116	1,748,076	-	-	3,718,626	3,584,453
Tax effects on Fair Value - Land	-	-	329,974	127,365	(329,974)	(127,365)	-	-
Total liabilities	**1,853,510**	**1,836,377**	**2,195,090**	**1,875,441**	**(329,974)**	**(127,365)**	**3,718,626**	**3,584,453**

* 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.

OWNERSHIP BREAKDOWN Balance on: 09/30/2012						
Shareholders	**Commom Shares (Unit)**	**%**	**Preferred Shares (Unit)**	**%**	**Total Shares (Unit)**	**%**
Controllers	**50,469,371**	**51.03%**	**-**	**-**	**50,469,371**	**51.03%**
SLC Participações S.A.	28,948,584	29.27%	-	-	28,948,584	29.27%
Evaux Participações S.A.	21,520,787	21.76%	-	-	21,520,787	21.76%
Board of Directors	**5**	**0.00%**	**-**	**-**	**5**	**0.00%**
Board	5	0.00%	-	-	**5**	0.00%
Directors	0	0.00%	-	-	0	0.00%
Shareholders over 5%	**9,572,500**	**9.68%**	**-**	**-**	**9,572,500**	**9.68%**
Blackrock, INC	4,692,600	4.74%	-	-	4,692,600	4.74%
Credit Suisse Hedging Griffo	4,879,900	4.93%			4,879,900	4.93%
Treasury Shares	**645,185**	**0.65%**	**-**	**-**	**645,185**	**0.65%**
Others Shareholders	**38,210,439**	**38.64%**	**-**	**-**	**38,210,439**	**38.64%**
Total	**98,897,500**	**100.00%**	**-**	**-**	**98,897,500**	**100.00%**
Free Flot	**47,782,939**	**48.32%**	**-**	**-**	**47,782,939**	**48.32%**

OWNERSHIP BREAKDOWN Balance on: 06/30/2012						
Shareholders	**Commom Shares (Unit)**	**%**	**Preferred Shares (Unit)**	**%**	**Total Shares (Unit)**	**%**
Controllers	**50,469,371**	**51.03%**	**-**	**-**	**50,469,371**	**51.03%**
SLC Participações S.A.	28,948,584	29.27%	-	-	28,948,584	29.27%
Evaux Participações S.A.	21,520,787	21.76%	-	-	21,520,787	21.76%
Board of Directors	**5**	**0.00%**	**-**	**-**	**5**	**0.00%**
Board	5	0.00%	-	-	**5**	0.00%
Directors	0	0.00%	-	-	0	0.00%
Shareholders over 5%	**9,641,600**	**9.75%**	**-**	**-**	**9,641,600**	**9.75%**
Blackrock, INC	4,692,600	4.74%	-	-	4,692,600	4.74%
Credit Suisse Hedging Griffo	4,949,000	5.00%			4,949,000	5.00%
Treasury Shares	**1,025,585**	**1.04%**	**-**	**-**	**1,025,585**	**1.04%**
Others Shareholders	**37,760,939**	**38.18%**	**-**	**-**	**37,760,939**	**38.18%**
Total	**98,897,500**	**100.00%**	**-**	**-**	**98,897,500**	**100.00%**
Free Flot	**47,402,539**	**47.93%**	**-**	**-**	**47,402,539**	**47.93%**

OWNERSHIP BREAKDOWN Balance on: 03/31/2012						
Shareholders	**Commom Shares (Unit)**	**%**	**Preferred Shares (Unit)**	**%**	**Total Shares (Unit)**	**%**
Controllers	**50,469,371**	**51.03%**	**-**	**-**	**50,469,371**	**51.03%**
SLC Participações S.A.	28,948,584	29.27%	-	-	28,948,584	29.27%
Evaux Participações S.A.	21,520,787	21.76%	-	-	21,520,787	21.76%
Board of Directors	**505**	**0.00%**	**-**	**-**	**505**	**0.00%**
Board	5	0.00%	-	-	**5**	0.00%
Directors	500	0.00%	-	-	500	0.00%
Shareholders over 5%	**9,641,600**	**9.75%**	**-**	**-**	**9,641,600**	**9.75%**
Blackrock, INC	4,692,600	4.74%	-	-	4,692,600	4.74%
Credit Suisse Hedging Griffo	4,949,000	5.00%			4,949,000	5.00%
Treasury Shares	**1,407,585**	**1.42%**	**-**	**-**	**1,407,585**	**1.42%**
Others Shareholders	**37,378,439**	**37.80%**	**-**	**-**	**37,378,439**	**37.80%**
Total	**98,897,500**	**100.00%**	**-**	**-**	**98,897,500**	**100.00%**
Free Flot	**47,020,039**	**47.54%**	**-**	**-**	**47,020,039**	**47.54%**

OWNERSHIP BREAKDOWN Balance on: 12/31/2011						
Shareholders	**Commom Shares (Unit)**	**%**	**Preferred Shares (Unit)**	**%**	**Total Shares (Unit)**	**%**
Controllers	**50,469,371**	**51.03%**	**-**	**-**	**50,469,371**	**51.03%**
SLC Participações S.A.	28,948,584	29.27%	-	-	28,948,584	29.27%
Evaux Participações S.A.	21,520,787	21.76%	-	-	21,520,787	21.76%
Board of Directors	**5**	**0.00%**	**-**	**-**	**5**	**0.00%**
Board	5	0.00%	-	-	**5**	0.00%
Directors	0	0.00%	-	-	0	0.00%
Shareholders over 5%	**4,692,600**	**4.74%**	**-**	**-**	**4,692,600**	**4.74%**
Blackrock, INC	4,692,600	4.74%	-	-	4,692,600	4.74%
Treasury Shares	**1,407,585**	**1.42%**	**-**	**-**	**1,407,585**	**1.42%**
Others Shareholders	**42,327,939**	**42.80%**	**-**	**-**	**42,327,939**	**42.80%**
Total	**98,897,500**	**100.00%**	**-**	**-**	**98,897,500**	**100.00%**
Free Flot	**47,020,539**	**47.54%**	**-**	**-**	**47,020,539**	**47.54%**

OWNERSHIP BREAKDOWN Balance on: 12/31/2010						
Shareholders	**Commom Shares (Unit)**	**%**	**Preferred Shares (Unit)**	**%**	**Total Shares (Unit)**	**%**
Controllers	**50,469,371**	**51.03%**	**-**	**-**	**50,469,371**	**51.03%**
SLC Participações S.A.	28,948,584	29.27%	-	-	28,948,584	29.27%
Evaux Participações S.A.	21,520,787	21.76%	-	-	21,520,787	21.76%
Board of Directors	**5**	**0.00%**	**-**	**-**	**5**	**0.00%**
Board	5	0.00%	-	-	**5**	0.00%
Directors	0	0.00%	-	-	0	0.00%
Shareholders over 5%	**4,692,600**	**4.74%**	**-**	**-**	**4,692,600**	**4.74%**
Blackrock, INC	4,692,600	4.74%	-	-	4,692,600	4.74%
Treasury Shares	**987,700**	**1.00%**	**-**	**-**	**987,700**	**1.00%**
Others Shareholders	**42,747,824**	**43.22%**	**-**	**-**	**42,747,824**	**43.22%**
Total	**98,897,500**	**100.00%**	**-**	**-**	**98,897,500**	**100.00%**
Free Flot	**47,440,424**	**47.97%**	**-**	**-**	**47,440,424**	**47.97%**

OWNERSHIP BREAKDOWN Balance on: 12/31/2009						
Shareholders	**Commom Shares (Unit)**	**%**	**Preferred Shares (Unit)**	**%**	**Total Shares (Unit)**	**%**
Controllers	**50,469,371**	**51.03%**	**-**	**-**	**50,469,371**	**51.03%**
SLC Participações S.A.	28,948,584	29.27%	-	-	28,948,584	29.27%
Evaux Participações S.A.	21,520,787	21.76%	-	-	21,520,787	21.76%
Board of Directors	**5**	**0.00%**	**-**	**-**	**5**	**0.00%**
Board	5	0.00%	-	-	**5**	0.00%
Directors	0	0.00%	-	-	0	0.00%
Shareholders over 5%	**4,692,600**	**4.74%**	**-**	**-**	**4,692,600**	**4.74%**
Blackrock, INC	4,692,600	4.74%	-	-	4,692,600	4.74%
Treasury Shares	**1,304,000**	**1.32%**	**-**	**-**	**1,304,000**	**1.32%**
Others Shareholders	**42,431,524**	**42.91%**	**-**	**-**	**42,431,524**	**42.91%**
Total	**98,897,500**	**100.00%**	**-**	**-**	**98,897,500**	**100.00%**
Free Flot	**47,124,124**	**47.65%**	**-**	**-**	**47,124,124**	**47.65%**

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 financial information of SLC Agrícola S.A. ("Company"), contained in the Quarterly Information – ITR Form for the quarter ended September 30, 2012, which comprise the balance sheet as of September 30, 2012 and related statements of income, of comprehensive income for the 3 and 9-month periods then ended, of changes in shareholders' equity and of cash flows for the quarter then ended, including the explanatory notes.

The Company's Management is responsible for the preparation of the individual interim accounting information in accordance with Technical Pronouncement CPC 21(RI) - 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 financial information based on our review.

Scope of review

We conducted our review 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. Accordingly, we do not express an audit opinion.

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 financial 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 1

applicable to the preparation of Quarterly Information - ITR, and presented in a manner consistent with the standards issued by the Securities Commission.

Other matters

Statements of added value

We also reviewed the individual and consolidated value-added statements for the nine-month period ended on September 30, 2012, 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 statements 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 interim accounting information taken as a whole.

Review of prior-year amounts

The individual and consolidated interim accounting information corresponding to the year ended December 31, 2011 and to the three and nine-month periods ended September 30, 2011 submitted for comparative purposes was previously audited and reviewed, respectively, by other independent auditors that issued reports dated March 19, 2012 and November 08, 2011, respectively, which did not contain any modification.

Porto Alegre, November 9, 2012

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

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