A free translation from Portuguese into English of financial statements in accordance with accounting practices adopted in Brazil

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Company Information / Capital Composition

Number of Shares	Current Quarter
(Units)	06/30/2011
Paid-up Capital	
Common	98,897,500
Preferred	0
Total	98,897,500
Treasury	
Common	863,000
Preferred	0
Total	863,000

Event	Approval	Income	Start Pay	Share species	Share class	Distribution per Share (Reais/Ação)
General Assembly Ordinary	04/27/2011	Dividends	05/06/2011	Ordinary	-	0.15896

Individual Financial Statements / Balance Sheet – Assets

(In thousands of reais)

Account Code	Account Line	Current Quarter 06/30/2011	Prior Year 12/31/2010
1	Total Assets	2,551,071	2,430,073
1.01	Current Assets	585,109	512,197
1.01.01	Cash and Cash Equivalents	63,476	93,119
1.01.03	Accounts Receivable	104,212	117,188
1.01.03.01	Trade Accounts Receivable	15,530	28,529
1.01.03.02	Other Receivables	88,682	88,659
1.01.03.02.01	Advances to Suppliers	14,100	15,782
1.01.03.02.02	Derivative Operations	55,134	45,225
1.01.03.02.03	Notes and Amounts Receivable	9,398	12,043
1.01.03.02.04	Other Receivables	9,059	1,814
1.01.03.02.05	Dividends Receivable	991	992
1.01.03.02.06	Restricted Investments	0	12,803
1.01.04	Inventories	157,434	147,014
1.01.05	Biological Assets	226,515	119,351
1.01.06	Recoverable Taxes	22,493	28,657
1.01.06.01	Recoverable Current Taxes	22,493	28,657
1.01.07	Prepaid Expenses	10,979	6,868
1.02	Non-current assets	1,965,962	1,917,876
1.02.01	Long-Term Assets	154,965	136,388
1.02.01.03	Accounts Receivable	32,112	32,050
1.02.01.03.02	Other Receivables	32,112	32,050
1.02.01.05	Biological Assets	19,202	17,771
1.02.01.06	Deferred Taxes	45,126	59,400
1.02.01.06.01	Deferred Income and Social Contribution Taxes	45,126	59,400
1.02.01.07	Prepaid Expenses	4,061	4,475
1.02.01.08	Related Parties	19,116	4,512
1.02.01.08.02	Subsidiaries	19,116	4,512
1.02.01.09	Other Non-Current Assets	35,348	18,180
1.02.01.09.03	Advances for Future Capital Increase	35,348	18,180
1.02.02	Investments	1,392,065	1,364,205
1.02.02.01	Investments in Subsidiaries	1,392,065	1,364,205
1.02.02.01.02	Investments in Subsidiaries	1,391,955	1,364,105
1.02.02.01.04	Other Investments	110	100
1.02.03	Property, Plant and Equipment	408,127	406,849
1.02.03.01	Property, Plant and Equipment in Use	408,127	406,849
1.02.04	Intangible Assets	10,805	10,434
1.02.04.01	Intangible Assets	10,805	10,434

Individual Financial Statements / Balance Sheet – Liabilities

(In thousands of Reais)

Account Code	Account Line	Current Quarter 06/30/2011	Prior Year 12/31/2010
2	Total Liabilities	2,551,071	2,430,073
2.01	Current Liabilities	279,588	294,530
2.01.01	Social Security and Labor Liabilities	5,488	4,417
2.01.01.01	Social Security Liabilities	1,168	1,985
2.01.01.02	Labor Liabilities	4,320	2,432
2.01.02	Trade Accounts Payable	27,665	58,406
2.01.02.01	Trade Accounts Payable – Domestic	27,665	58,406
2.01.03	Taxes Payable	899	1,961
2.01.03.01	Federal Taxes Payable	324	1,794
2.01.03.01.01	Income and Social Contribution Taxes Payable	0	1,323
2.01.03.01.02	Taxes, Fees and Sundry Contributions	324	471
2.01.03.02	Fiscal and state obligations	473	120
2.01.03.03	Fiscal and municipal obligations	102	47
2.01.04	Loans and Financing	175,066	153,340
2.01.04.01	Loans and Financing	175,066	153,340
2.01.04.01.01	In Local Currency	175,066	153,340
2.01.05	Other Payables	66,719	71,980
2.01.05.01	Related Parties	12,992	5,350
2.01.05.01.02	Subsidiaries	12,992	5,350
2.01.05.02	Other	53,727	66,630
2.01.05.02.02	Mandatory Minimum Dividends Payable	0	15,592
2.01.05.02.04	Notes Payable	593	2,600
2.01.05.02.05	Advances from Customers	44,768	7,526
2.01.05.02.06	Lease	5,470	0
2.01.05.02.07	Derivative Operations	1,265	35,987
2.01.05.02.08	Other Liabilities	1,631	4,925
2.01.06	Provision	3,751	4,426
2.01.06.01	Provision Pension Tax labor and civil	3,751	4,426
2.01.06.01.01	Tx provisions	160	160
2.01.06.01.02	Unfunded social security and labor	77	602
2.01.06.01.03	Provisions for employee benefit	3,514	3,664
2.02	Non-Current Liabilities	308,233	260,550
2.02.01	Loans and Financing	170,470	138,784
2.02.01.01	Loans and Financing	170,470	138,784
2.02.01.01.01	In Local Currency	170,470	138,784
2.02.02	Other Payables	1,979	2,133
2.02.02.02	Other	1,979	2,133
2.02.02.02.03	Derivative Operations	1,431	1,585
2.02.02.02.04	Other Liabilities	548	548
2.02.03	Deferred Taxes	135,784	119,633
2.02.03.01	Deferred Income and Social Contribution Taxes	135,784	119,633
2.03	Equity	1,963,250	1,874,993
2.03.01	Paid-up Capital	557,434	557,434
2.03.02	Capital Reserves	179,557	174,015
2.03.02.01	Premium on Issue of Shares	176,483	176,103
2.03.02.04	Options Granted	13,128	9,690
2.03.02.05	Treasury Shares	-10,054	-11,778

2.03.04	Income Reserves	138,672	138,672
2.03.04.01	Legal Reserve	2,851	2,851
2.03.04.02	Statutory reserve	130,193	0
2.03.04.05	Profit Retention Reserve	5,628	5,628
2.03.04.10	Expansion Reserve	0	130,193
2.03.05	Retained Earnings/Accumulated Losses	62,499	0
2.03.08	Other Comprehensive Income	1,025,088	1,004,872

Individual Financial Statements / Income Statement

(In thousands of Reais, except per share information)

Account Code	Account Line	Three-month period 04/01/2011 to 06/30/2011	Accumulated for the current fiscal year 01/01/2011 to 06/30/2011	Same quarter of previous year 04/01/2010 to 06/30/2010	Accumulated over the previous year 01/01/2010 to 06/30/2010
3.01	Net operating revenue	123,326	246,597	100,841	215,879
3.02	Cost of Goods Sold and/or Services	-72,978	-143,447	-68,154	-183,109
3.03	Gross Profit	50,348	103,150	32,687	32,770
3.04	Operating Income (Expenses)	-6,371	-10,201	10,420	7,592
3.04.01	Selling Expenses	-4,842	-10,681	-5,300	-12,987
3.04.02	General and Administrative Expenses	-11,748	-22,350	-7,755	-13,365
3.04.02.01	General and Administrative	-9,611	-18,596	-6,716	-12,061
3.04.02.02	Management Fees	-2,137	-3,754	-1,039	-1,304
3.04.04	Other Operating Income	0	277	923	1,720
3.04.05	Other Operating Expenses	-868	-2,133	0	0
3.04.06	Equity Pickup	11,087	24,686	22,552	32,224
3.05	Income Before Financial Income (Expenses) and Taxes	43,977	92,949	43,107	40,362
3.06	Financial Income (Expenses)	10,395	-9,803	-5,264	-7,128
3.06.01	Financial Income	21,216	36,421	9,494	23,297
3.06.02	Financial Expenses	-10,821	-46,224	-14,758	-30,425
3.07	Income Before Taxes	54,372	83,146	37,843	33,234
3.08	Income and Social Contribution Taxes	-14,938	-21,561	-7,459	-2,795
3.08.02	Deferred taxes	-14,938	-21,561	-7,459	-2,795
3.09	Net Income from Continuing Operations	39,434	61,585	30,384	30,439
3.11	Net Income (Loss) for the Period	39,434	61,585	30,384	30,439
3.99	Earnings per Share - (Reais)	0.00040	0.00063	0.0000	0.0000

Individual Financial Statements / Comprehensive Income Statement

(In thousands of reais)

Account Code	Account Line	Three-month period	Accumulated for the current fiscal year	Same quarter of previous year	Accumulated over the previous year
		04/01/2011 to 06/30/2011	01/01/2011 to 06/30/2011	04/01/2010 to 06/30/2010	01/01/2010 to 06/30/2010
4.01	Net Income for the period	39,434	61,585	30,384	30,439
4.02	Other comprehensive income	18,063	21,131	4,988	4,116
4.02.01	Derivatives – cash flow hedge	22,125	26,068	7,141	6,237
4.02.02	Derivatives – cash flow hedge – subsidiaries	-7,282	-8,863	-2,153	-2,121
4.02.03	Income and social contribution taxes	3,220	3,926	0	0
4.03	Comprehensive Income for the Period	57,497	82,716	35,372	34,555

Individual Financial Statements / Cash Flow Statement – Indirect Method

(In thousands of reais)

Account Code	Account Line	Three-month period	Accumulated over the previous year
		01/01/2011 to 06/30/2011	01/01/2010 to 06/30/2010
6.01	Net Cash From Operating Activities	-25,732	40,809
6.01.01	Cash Flow From Operating Activities	77,276	47,722
6.01.01.01	Net Income (Loss) Before Taxes	83,146	33,234
6.01.01.02	Depreciation	27,939	24,523
6.01.01.03	Permanent Assets Write-off	11,909	1,018
6.01.01.04	Unrealized Gains on Hedge Instruments	17,203	0
6.01.01.05	Equity Pickup	-24,686	-32,224
6.01.01.06	Interest, Exchange Variation and Monetary Restatement	5,766	15,954
6.01.01.07	Fair Value Adjustments	0	2,725
6.01.01.09	Deferred Taxes	-21,561	2,011
6.01.01.10	Increase (Decrease) in Biological Assets	-23,203	481
6.01.01.11	Capital gains and losses on investments	763	0
6.01.02	Increase (Decrease) in Assets and Liabilities	-103,008	-6.913
6.01.02.01	Trade Accounts Receivable	12,999	11,946
6.01.02.02	Biological Assets	-95,812	7,322
6.01.02.03	Recoverable Taxes	5,891	-9,057
6.01.02.04	Related Parties	-31,772	-4,617
6.01.02.05	Derivative Operations	-13,443	-7,922
6.01.02.06	Other Receivables	11,405	3,018
6.01.02.07	Financial applications bound	12,803	0
6.01.02.08	Supplier	-30,741	-30,284
6.01.02.09	Taxes Payable and Social Security Liabilities	9	5,896
6.01.02.10	Related Parties	7,642	7,054
6.01.02.11	Derivative Operations	-34,876	1,087

6.01.02.13	Other Payables	52,887	8,644
6.02	Net Cash Used in Investing Activities	-41,507	-41,003
6.02.01	In Investments	-10	0
6.02.02	In Property, Plant and Equipment	-40,911	-40,742
6.02.03	In Intangible Assets	-586	-261
6.03	Net Cash from Financing Activities	37,596	934
6.03.01	Alienation of Shares	2,464	0
6.03.02	Buyback of Shares	-359	392
6.03.03	Stock Option Plans	3,437	889
6.03.04	Loans and Financing Obtained	90,522	83,607
6.03.05	Repayment of Loans and Financing	-42,876	-76,873
6.03.06	Dividends paid	-15,592	-7,081
6.05	Increase (Decrease) in Cash and Cash Equivalents	-29,643	740
6.05.01	Cash and Cash Equivalents – At Beginning of Period	93,119	95,851
6.05.02	Cash and Cash Equivalents – At End of Period	63,476	96,591

Individual Financial Statements / Statement of Changes in Equity from 01/01/2011 to 06/30/2011

(In thousands of reais)

Account Code	Account Line	Paid-up Capital	Capital Reserves, Options Granted and and Treasury Shares	Income Reserves	Retained Earnings or Accumulated Losses	Other Comprehensive Income	Equity
5.01	Initial Balances	557,434	174,015	138,672	0	1,004,872	1,874,993
5.03	Adjusted Initial Balances	557,434	174,015	138,672	0	1,004,872	1,874,993
5.04	Capital Transactions with Shareholders	0	5,542	0	0	0	5,542
5.04.03	Recognized Options Granted	0	3,437	0	0	0	3,437
5.04.04	Treasury Obtained	0	-359		0	0	-359
5.04.05	Treasury Shares Sold	0	2,083	0	0	0	2,083
5.04.08	Premium emission shares	0	381	0	0	0	381
5.05	Total Comprehensive Income	0	0	0	62,499	20,216	82,715
5.05.01	Net Income for the Period	0	0	0	61,585	0	61,585
5.05.02	Other Comprehensive Income	0	0	0	914	20,216	21,130
5.05.02.01	Adjustments of Financial Instruments	0	0	0	0	26,065	26,065
5.05.02.02	Taxes on Adjustments of Financial Instruments	0	0	0	0	-8,862	-8,862
5.05.02.03	Equity s/ result comprehensive subsidiaries and affiliated companies	0	0	0	0	3,927	3,927
5.05.02.06	Realization of Fair Value Depreciation	0	0	0	914	-914	0
5.07	Final Balances	557,434	179,557	138,672	62,499	1,025,088	1,963,250

Individual Financial Statements / Statement of Changes in Equity from 01/01/2010 to 06/30/2010

(In thousands of reais)

Account Code	Account Line	Paid-up Capital	Capital Reserves, Options Granted and and Treasury Shares	Income Reserves	Retained Earnings or Accumulated Losses	Other Comprehensive Income	Equity
5.01	Initial Balances	557,434	166,782	89,372	0	993,510	1,807,098
5.03	Adjusted Initial Balances	557,434	166,782	89,372	0	993,510	1,807,098
5.04	Capital Transactions with Shareholders	0	1,281	0	0	0	1,281
5.04.03	Recognized Options Granted	0	889	0	0	0	889
5.04.04	Treasury Obtained	0	334	0	0	0	334
5.04.05	Treasury Shares Sold	0	0	0	0	0	0
5.04.06	Premium emission shares	0	58	0	0	0	58
5.05	Total Comprehensive Income	0	0	0	30,751	1,692	32,443
5.05.01	Net Income for the Period	0	0	0	30,439	0	30,439
5.05.02	Other Comprehensive Income	0	0	0	312	1,692	2,004
5.05.02.01	Adjustments of Financial Instruments	0	0	0	0	4,127	4,127
5.05.02.02	Taxes on Adjustments of Financial Instruments	0	0	0	0	-1,403	-1,403
5.05.02.03	Equity s/ result comprehensive subsidiaries and affiliated companies	0		0	0	-720	-720
5.05.02.06	Realization of Fair Value Depreciation	0	0	0	312	-312	0
5.07	Final Balances	557,434	168,063	89,372	30,751	995,202	1,840,822

Individual Financial Statements / Value Added Statement
(In thousands of reais)

Account Code	Account Line	Three-month period	Prior Year
		01/01/2011to 06/30/2011	01/01/2010 to 06/30/2010
7.01	Revenues	267,560	250,777
7.01.01	Sales of Products and Services	194,062	203,510
7.01.02	Other Revenues	57,665	26,150
7.01.02.01	Change in Fair Value of Biological Assets	58,915	23,935
7.01.02.02	Other Revenues	-1,250	2,215
7.01.03	Revenues from Construction of Own Assets	15,833	21,117
7.02	Bought-in Materials and Services	-135,131	-165,062
7.02.01	Cost of Goods Sold and/or Services	-846	-1,199
7.02.02	Materials, Electricity, Outsourced Services and Other	-48,477	-65,784
7.02.03	Impairment/Recovery of Assets	-3,453	-1,070
7.02.04	Other	-82,355	-97,009
7.02.04.01	Raw Materials Consumed	-46,643	-81,429
7.02.04.02	Adjustment to Fair Value of Biological Assets	-35,712	-15,580
7.03	Gross Value Added	132,429	85,715
7.04	Retentions	-13,790	-17,987
7.04.01	Depreciation, Amortization and Depletion	-13,790	-17,987
7.05	Net Value Added Produced	118,639	67,728
7.06	Value Added Received in Transfer	72,890	57,873
7.06.01	Equity Pickup	24,686	32,224
7.06.02	Financial Income	48,150	25,589
7.06.03	Other	54	60
7.07	Total Value Added for Distribution	191,529	125,601
7.08	Distribution of Value Added	191,529	125,601
7.08.01	Personnel	26,119	25,534
7.08.01.01	Direct Compensation	21,449	18,565
7.08.01.02	Benefits	3,512	5,733
7.08.01.03	FGTS (Severance Pay Fund)	1,158	1,236
7.08.02	Taxes, Charges and Contributions	48,390	24,455
7.08.02.01	Federal	41,332	19,804
7.08.02.02	State	7,052	4,631
7.08.02.03	Municipal	6	20
7.08.03	Return on Borrowed Capital	55,435	45,173
7.08.03.01	Interest	47,298	31,023
7.08.03.02	Rental	8,137	14,150
7.08.04	Return on Own Capital	61,585	30,439
7.08.04.03	Retained Earnings/Accumulated Losses for the Period	61,585	30,439

Consolidated Financial Statements / Balance Sheet – Assets

(In thousands of reais)

Account Code	Account Line	Current Quarter 06/30/2011	Prior Year 12/31/2010
1	Total Assets	3,271,489	3,116,573
1.01	Current Assets	887,376	737,876
1.01.01	Cash and Cash Equivalents	119,996	110,219
1.01.03	Accounts Receivable	118,636	138,406
1.01.03.01	Trade Accounts Receivable	22,656	45,611
1.01.03.02	Other Receivables	95,980	92,795
1.01.03.02.01	Advances to Suppliers	14,838	16,511
1.01.03.02.02	Derivative Operations	65,647	50,012
1.01.03.02.03	Notes and Amounts Receivable	9,398	12,043
1.01.03.02.04	Other Receivables	6,097	1,426
1.01.03.02.05	Restricted Investments	0	12,803
1.01.04	Inventories	247,081	239,222
1.01.05	Biological Assets	338,149	191,212
1.01.06	Recoverable Taxes	50,947	51,753
1.01.06.01	Current taxes to recover	50,947	51,753
1.01.07	Prepaid Expenses	12,567	7,064
1.02	Non-Current Assets	2,384,113	2,378,697
1.02.01	Long-Term Assets	114,192	128,673
1.02.01.03	Accounts Receivable	34,236	34,453
1.02.01.03.02	Other Accounts Receivable	34,236	34,453
1.02.01.05	Biological Assets	19,202	17,771
1.02.01.06	Deferred Taxes	56,693	71,974
1.02.01.06.01	Deferred Income and Social Contribution Taxes	56,693	71,974
1.02.01.07	Prepaid Expenses	4,061	4,475
1.02.02	Investments	366	488
1.02.02.01	Investments in Subsidiaries	366	488
1.02.02.01.04	Other Investments in Subsidiaries	366	488
1.02.03	Property, Plant and Equipment	2,258,649	2,239,052
1.02.03.01	Property, Plant and Equipment In Use	2,258,649	2,239,052
1.02.04	Intangible Assets	10,906	10,484
1.02.04.01	Intangible Assets	10,906	10,484

Consolidated Financial Statements / Balance Sheet –Liabilities

(In thousands of Reais)

Account Code	Account Line	Current Quarter 06/30/2011	Prior Year 12/31/2010
2	Total Liabilities	3,271,489	3,116,573
2.01	Current Liabilities	485,218	493,030
2.01.01	Social Security and Labor Liabilities	8,211	6,399
2.01.01.01	Social Security Liabilities	1,894	2,752
2.01.01.02	Labor Liabilities	6,317	3,647
2.01.02	Trade Accounts Payable	43,042	94,974
2.01.02.01	Trade Accounts Payable – Domestic	43,042	94,974
2.01.03	Taxes Payable	8,000	4,838
2.01.03.01	Federal Taxes Payable	7,159	4,131
2.01.03.01.01	Income and Social Contribution Taxes Payable	6,687	3,529
2.01.03.01.02	Taxes, Fees and Sundry Contributions	472	602
2.01.03.02	Fiscal and state obligations	712	632
2.01.03.03	Fiscal and municipal obligations	129	75
2.01.04	Loans and Financing	280,080	260,117
2.01.04.01	Loans and Financing	280,080	260,117
2.01.04.01.01	In Local Currency	280,080	260,117
2.01.05	Other Payables	140,837	121,816
2.01.05.02	Other	140,837	121,816
2.01.05.02.02	Mandatory Minimum Dividends Payable	0	15,592
2.01.05.02.04	Notes Payable	57,155	50,077
2.01.05.02.05	Advances from Customers	73,369	10,875
2.01.05.02.06	Derivative Operations	1,265	35,987
2.01.05.02.07	Lease	6,663	4,983
2.01.05.02.08	Other Liabilities	2,385	4,302
2.01.06	Provision	5,048	4,886
2.01.06.01	Provision Pension Tax Labor and civil	5,048	4,886
2.01.06.01.01	Tx provisions	160	160
2.01.06.01.02	Unfunded social security and labor	319	694
2.01.06.01.03	Provisions for employee benefit	4,569	4,032
2.02	Non-Current Liabilities	823,021	748,551
2.02.01	Loans and Financing	259,866	189,476
2.02.01.01	Loans and Financing	259,866	189,476
2.02.01.01.01	In Local Currency	259,866	189,476
2.02.02	Other Payables	35,315	53,730
2.02.02.02	Other	35,315	53,730
2.02.02.02.03	Notes Payable	33,335	51,596
2.02.02.02.04	Derivative Operations	1,431	1,585
2.02.02.02.05	Other Liabilities	549	549
2.02.03	Deferred Taxes	527,840	505,345
2.02.03.01	Deferred Income and Social Contribution Taxes	527,840	505,345
2.03	Consolidated Equity	1,963,250	1,874,992
2.03.01	Paid-Up Capital	557,434	557,434
2.03.02	Capital Reserves	179,557	174,015
2.03.02.01	Premium on Issue of Shares	176,483	176,103
2.03.02.04	Options Granted	13,128	9,690

2.03.02.05	Treasury Shares	-10,054	-11,778
2.03.04	Income Reserves	154,252	154,252
2.03.04.01	Legal Reserve	2,851	2,851
2.03.04.02	Bylaws reserve	145,773	145,773
2.03.04.05	Profit Retention Reserve	5,628	5,628
2.03.05	Retained Earnings/Accumulated Losses	66,758	0
2.03.08	Other Comprehensive Income	1,005,249	989,291

Consolidated Financial Statements / Income Statement

(In thousands of Reais, except per share information)

Account Code	Account Line	Three-month period	Accumulated for the current fiscal year	Same quarter of previous year	Accumulated over the previous year
		04/01/2011 to 06/30/2011	01/01/2011 to 06/30/2011	04/01/2010 to 06/30/2010	01/01/2010 to 06/30/2010
3.01	Net Operating Revenue	210,104	406,381	206,420	383,605
3.02	Cost of Goods Sold and/or Services	-135,876	-257,417	-131,610	-307,701
3.03	Gross Profit	74,228	148,964	74,810	75,904
3.04	Operating Income (Expenses)	-21,410	-44,014	-17,534	-34,444
3.04.01	Selling Expenses	-6,902	-15,238	-9,118	-20,826
3.04.02	General and Administrative Expenses	-13,937	-27,422	-9,613	-16,034
3.04.02.01	General and Administrative	-11,800	-23,668	-8,573	-14,729
3.04.02.02	Management Fees	-2,137	-3,754	-1,040	-1,305
3.04.04	Other Operating Income	0	320	-1,197	2,416
3.04.05	Other Operating Expenses	-571	-1,674	0	0
3.05	Income Before Financial Income (Expenses) and Taxes	52,818	104,950	57,276	41,460
3.06	Financial Income (Expenses)	11,519	-6,416	-13,890	-491
3.06.01	Financial Income	28,337	55,409	11,753	46,126
3.06.02	Financial Expenses	-16,818	-61,825	-25,643	-46,617
3.07	Income Before Taxes	64,337	98,534	43,386	40,969
3.08	Income and Social Contribution Taxes	-22,330	-34,154	-13,437	-11,362
3.08.01	Current	-540	-5,381	322	-5,710
3.08.02	Deferred	-21,790	-28,773	-13,759	-5,652
3.09	Net Income from Continuing Operations	42,007	64,380	29,949	29,607
3.11	Consolidated Net Income (Loss) for the Period	42,007	64,380	29,949	29,607
3.11.01	Attributable to Equity Holders of the Parent	42,007	64,380	29,949	29,607
3.99	Earnings per Share - (Reais)	0.00043	0.00066	0.00000	0.00000

Consolidated Financial Statements / Comprehensive Income Statement

(In thousands of reais)

Account Code	Account Line	Three-Month Period	Accumulated for the current fiscal year	Same quarter of previous year	Accumulated over the previous year
		04/01/2011 to 06/30/2011	01/01/2011to 06/30/2011	04/01/2010 to 06/30/2010	01/01/2010 to 06/30/2010
4.01	Consolidated Net Income for the Period	42,007	64,380	29,949	29,607
4.02	Other comprehensive income	15,268	18,336	5,216	4,699
4.02.01	Derivatives – cash flow hedge	23,133	27,782	7,904	7,120
4.02.03	Income and social contribution taxes	-7,865	-9,446	-2,688	-2,421
4.03	Consolidated Comprehensive Income for the Period	57,275	82,716	35,165	34,306
4.03.01	Attributable to Equity Holders of the Parent	57,275	82,716	35,165	34,306
4.03.02	Attributable to Non-Controlling Interests				

Consolidated Financial Statements / Cash Flow Statement – Indirect Method
(In thousands of reais)

Account Code	Account Line	Three-month period	Accumulated over the previous year
		01/01/2011 to 06/30/2011	01/01/2010 to 06/30/2010
6.01	Net Cash From Operating Activities	8,398	62,357
6.01.01	Cash Flow From Operating Activities	113,458	108,597
6.01.01.01	Net Income (Loss) Before Taxes	98,534	40,969
6.01.01.02	Depreciation	42,117	38,098
6.01.01.03	Permanent Assets Write-Off	7,808	1,936
6.01.01.04	Unrealized Gains on Hedge Instruments	18,336	0
6.01.01.05	Interest, exchange variation and monetary restatement	9,102	23,233
6.01.01.06	Fair Value Adjustments	0	2,836
6.01.01.07	Provision for Current Income and Social Contribution Taxes	-5,381	-5,710
6.01.01.08	Deferred Taxes	-28,773	9,901
6.01.01.09	Increase (Decrease) in Biological Assets	-28,285	-2,666
6.01.02	Increase (Decrease) in Assets and Liabilities	-105,060	-46,240
6.01.02.01	Accounts receivable	22,955	20,614
6.01.02.02	Biological Assets	-127,942	7,011
6.01.02.03	Taxes to recover	1,449	-8,297
6.01.02.04	Transactions with affiliates and subsidiaries	0	2
6.01.02.05	Derivative Operations	-19,810	-6,790
06.01.02.06	Other accounts receivable	13,750	-2,171
06.01.02.07	Financial applications bound	12,803	0
6.01.02.08	Suppliers	-51,932	-50,330
6.01.02.09	Fiscal and social obligations	4,974	10,130
6.01.02.10	Related Parties	0	5
6.01.02.11	Derivative Operations	-34,876	-103
6.01.02.12	Titles pay	-11,183	-18,689

6.01.02.13	Other accounts payable	84,752	2,378
6.02	Net Cash Used in Investing Activities	-69,822	-72,275
6.02.01	In Investments	122	0
6.02.02	In Property, Plant and Equipment	-69,300	-72,014
6.02.03	In Intangible Assets	-644	-261
6.03	Net Cash from Financing Activities	71,201	22,781
6.03.01	Alienation of shares	2,464	0
6.03.02	Buyback of Shares	-359	392
6.03.03	Stock Option Plan	3,437	889
6.03.04	Loans and financing taken	188,546	151,170
6.03.05	Loans and financing paid	-107,295	-122,589
06.03.06	Dividends paid	-15,592	-7,081
6.05	Increase (Decrease) in Cash and Cash Equivalents	9,777	12,863
6.05.01	Cash and Cash Equivalents – At Beginning of Period	110,219	142,251
6.05.02	Cash and Cash Equivalents – At End of Period	119,996	155,114

Consolidated Financial Statements / Statement of Changes in Equity from 01/01/2011 to 06/301/2011

(In thousands of reais)

Account Code	Account Line	Paid-up Capital	Capital Reserves, Options Granted and and Treasury	Income Reserves	Retained Earnings or Accumulated Losses	Other Comprehensive Income	Equity	Participation of the non-controlling	Equity Consolitdated
5.01	Initial Balances	557,434	174,015	154,252	0	989,291	1,874,992	0	1,874,992
5.03	Adjusted Initial Balances	557,434	174,015	154,252	0	989,291	1,874,992	0	1,874,992
5.04	Capital Transactions with Shareholders	0	5,542	0	0	0	5,542	0	5,542
5.04.03	Recognized Options Granted	0	3,437	0	0	0	3,437	0	3,437
5.04.04	Treasury Obtained	0	-359	0	0	0	-359	0	-359
5.04.08	Treasury Shares Sold	0	2,083	0	0	0	2,083	0	2,083
5.04.06	Premium emission shares	0	381	0	0	0	381	0	381
5.05	Total Comprehensive Income	0	0	0	66,758	15,958	82,716	0	82,716
5.05.01	Net Income for the Period	0	0	0	64,380	0	64,380	0	64,380
5.05.02	Other Comprehensive Income	0	0	0	2,378	15,958	18,336	0	18,336
5.05.02.01	Adjustments of Financial Instruments	0	0	0	0	27,782	27,782	0	27,782
5.05.02.02	Taxes on Adjustments of Financial Instruments	0	0	0	0	-9,446	-9,446	0	-9,446
5.05.02.03	Realization of Fair Value Depreciation	0	0	0	2,378	-2,378	0	0	0
5.07	Final Balances	557,434	179,557	154,252	66,758	1,005,249	1,963,250	0	1,963,250

Consolidated Financial Statements / Statement of Changes in Equity from 01/01/2010 to 06/30/2010
(In thousands of reais)

Account Code	Account Line	Paid-up Capital	Capital Reserves, Options Granted and Treasury	Income Reserves	Retained Earnings or Accumulated	Other Comprehensive Income	Equity	Participation of the non-controlling	Equity Consolitdated
5.01	Initial Balances	557,434	166,782	88,179	0	994,703	1,807,098	0	1,807,098
5.03	Adjusted Initial Balances	557,434	166,782	88,179	0	994,703	1,807,098	0	1,807,098
5.04	Capital Transactions with Shareholders	0	1,281	0	0	0	1,281	0	1,281
5.04.03	Recognized Options Granted	0	889	0	0	0	889	0	889
5.04.04	Treasury Obtained	0	334	0	0	0	334	0	334
5.04.05	Treasury Shares Sold	0	58	0	0	0	58	0	58
5.04.06	Premium emission shares	0	0	0	0	0	0	0	0
5.05	Total Comprehensive Income	0	0	0	29,919	2,524	32,443	0	32,443
5.05.01	Net Income for the Period	0	0	0	29,607	0	29,607	0	29,607
5.05.02	Other Comprehensive Income	0	0	0	312	-312	0	0	0
5.05.02.01	Adjustments of Financial Instruments	0	0	0	312	-312	0	0	0
5.05.02.02	Taxes on Adjustments of Financial Instruments	0	0	0	0	2,836	2,836	0	2,836
5.05.02.03	Realization of Fair Value Depreciation	0	0	0	0	2,836	2,836	0	2,836
5.07	Final Balances	557,434	168,063	88,179	29,919	997,227	1,840,822	0	1,840,822

Consolidated Financial Statements / Value Added Statement

(In thousands of reais)

Account Code	Account Line	Three-month period 01/01/2011 to 06/30/2011	Prior year 01/01/2010 to 06/30/2010
7.01	Revenues	435,048	426,325
7.01.01	Sales of Products and Services	307,516	343,294
7.01.02	Other Revenues	105,646	60,092
7.01.02.01	Other Revenues	-230	3,025
7.01.02.02	Change in Fair Value of Biological Assets	105,876	57,067
7.01.03	Revenues from Construction of Own Assets	21,886	22,939
7.02	Bought-in Materials and Services	-242,068	-280,315
7.02.01	Cost of Goods Sold and Services	-1,387	-418
7.02.02	Materials, Electricity, Outsourced Services and Other	-69,536	-94,388
7.02.03	Impairment/Recovery of Assets	-4,247	-2,237
7.02.04	Other	-166,898	-183,272
7.02.04.01	Raw Materials Consumed	-89,307	-150,727
7.02.04.02	Adjustment to Fair Value of Biological Assets	-77,591	-32,545
7.03	Gross Value Added	192,980	146,010
7.04	Retentions	-25,113	-32,036
7.04.01	Depreciation, Amortization and Depletion	-25,113	-32,036
7.05	Net Value Added Produced	167,867	113,974
7.06	Value Added Received in Transfer	74,468	50,605
7.06.02	Financial Income	74,381	50,518
7.06.03	Other	87	87
7.07	Total Value Added for Distribution	242,335	164,579
7.08	Distribution of Value Added	242,335	164,579
7.08.01	Personnel	36,828	37,641
7.08.01.01	Direct Compensation	27,903	26,067
7.08.01.02	Benefits	7,187	9,678
7.08.01.03	FGTS (Severance Pay Fund)	1,738	1,896
7.08.02	Taxes, Charges and Contributions	73,109	43,714
7.08.02.01	Federal	63,483	37,223
7.08.02.02	State	9,605	6,447
7.08.02.03	Municipal	21	44
7.08.03	Return on Borrowed Capital	68,018	53,617
7.08.03.01	Interest	62,421	47,174
7.08.03.02	Rental	5,597	6,443
7.08.04	Return on Own Capital	64,380	29,607
7.08.04.03	Retained Earnings/Accumulated Losses for the Period	64,380	29,607



Net Income of R$42.0 million in 2Q11, with margin of 20.0%

Porto Alegre, August 10th 2011 – SLC AGRÍCOLA S.A. (Bovespa: SLCE3; Bloomberg: SLCE3:BZ; Reuters: SLCE3.SA), one of the largest landowners in Brazil and one of the largest agricultural producers in terms of cotton, soybean and corn planted area, presents today its earnings for the second quarter 2011. The following financial and operating information is presented in compliance with the Financial accounting Standards (International Financial Reporting Standards – IFRS). The information was prepared on a consolidated basis and is presented in thousand Brazilian Reais, unless otherwise stated.

2Q11 Highlights

(R$ thousand)	1H10	1H11	AH	2Q10	2Q11	AH
Net revenue	383,605	406,381	5.9%	206,420	210,104	1.8%
Gross profit	75,904	148,964	96.3%	74,810	74,228	-0.8%
Gross margin	*19.8%*	*36.7%*	*16.9p.p.*	*36.2%*	*35.3%*	*-0.9p.p.*
Operating income	40,969	98,534	140.5%	43,386	64,337	48.3%
Operating margin	*10.7%*	*24.2%*	*13.5p.p.*	*21.0%*	*30.6%*	*9.6p.p*
Net Profit (Loss)	29,607	64,380	117.4%	29,949	42,007	40.3%
Net Margin	*7.7%*	*15.8%*	*8.1p.p.*	*14.5%*	*20.0%*	*5.5p.p.*
EBITDA	**73,496**	**130,063**	**77.0%**	**75,524**	**68,466**	**-9.3%**
EBITDA Margin	***19.2%***	***32.0%***	***12.8p.p.***	***36.6%***	***32.6%***	***-4.0p.p.***
Net debt	356,906	419,950	17.7%	356,906	419,950	17.7%

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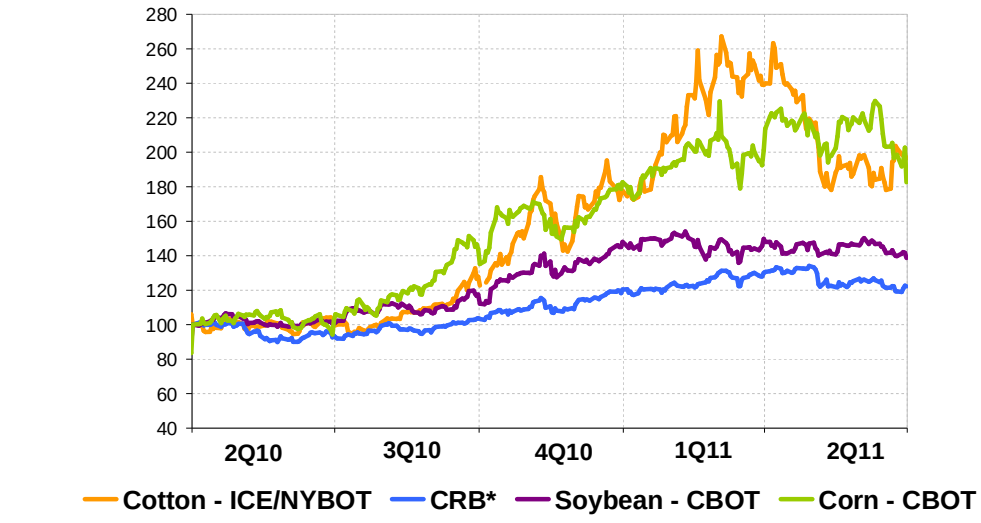
NOTE: 2Q10 and 2Q11 refer to the cumulative three-month period, from April to June, of years 2010 and 2011, respectively. 1H10 e 1H11 refer to the cumulative period, from January to June, of years 2010 and 2011, respectively. AH refers to the horizontal percentage variation between two periods and AV refers to the vertical percentage variation in relation to a certain total.

COMMENTS ON CONSOLIDA TED PERFORMANCE FOR THE QUARTER

Market Outlook

Commodities Prices Variation

From April 2010 to June 2011 (1st Contract)



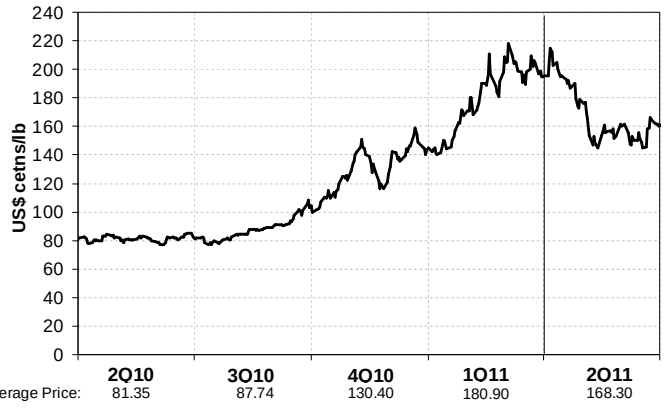
Source: CMA (04/01/2010 = 100)
Up to 06/31/2011

*Commodity Research Bureau

Cotton

Cotton Prices in the International Market

ICE - (1st Contract)



Source: ICE/CMA

Cotton future prices traded on ICE (1st contract) presented an average quotation of US¢ 168.3/lb in 2Q11, with 7% depreciation against 1Q11 and 106.9% appreciation as compared to 2Q10. The high variation recorded in cotton prices in the quarter, as well as in previous quarters has been directly impacted by an unbalance between supply and demand in 2010/11 crop year and the initial projections for 2011/12 crop year.

Due to a reduction in planted area and climatic problems, worldwide cotton production in 2009/10 crop (101.3 million bales) was the lowest in 6 years. On the other hand, a stronger demand with the after-crisis textile demand recovery have reduced inventories and led cotton prices to increase in 2010. In 2010/11 the cotton area recorded an increment in response to higher prices; however, once again, climatic problems in important producing countries as Pakistan and China have limited production to 114.6 million bales.

COMMENTS ON CONSOLIDA TED PERFORMANCE FOR THE QUARTER

Within a scenario of reduced inventories, cotton consumption had to adjust to the new production levels, and, together with restrictions to the exports of cotton lint in India, led prices to historical peaks in 2011. Higher prices have limited the demand and favored the substitution of cotton by synthetic fibers. Initial demand projections pointed to 119 million bales in 2010/11 crop, however, with the new reality of prices and production, USDA estimates consumption at 114.9 million bales in 2010/11.

World - Cotton Supply and Demand Table

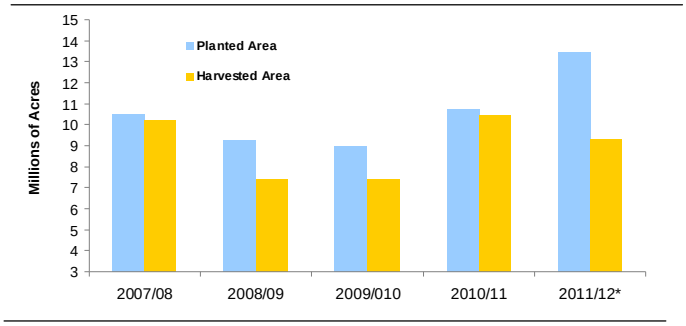
World		2006/07	2007/08	2008/09	2009/10	2010/11*	2011/12**
Area (ha)		34,562	32,898	30,591	30,114	33,502	35,557
Productivity(kg/ha)		767	792	762	733	744	754
Beginning Stocks	millions of bales	61.9	62.3	60.7	60.5	44.3	44.4
Production	millions of bales	121.8	119.7	107.1	101.4	114.6	123.2
Imports	millions of bales	38.0	38.9	30.2	36.2	35.8	38.3
Total Supply	millions of bales	221.7	220.9	198.0	198.2	194.6	205.8
Exports	millions of bales	37.5	39.0	30.1	35.6	35.4	38.3
Consumption	millions of bales	123.8	123.3	110.1	118.4	114.9	116.7
Ending Stocks	millions of bales	62.3	60.7	60.5	44.3	44.4	51.0
Stocks/Consumption (%)		50.3%	49.3%	55.0%	37.4%	38.6%	43.7%

Source: USDA jul/11 **Estimated* ***Projected*

International prices, still higher in the first half of 2011, have again raised the worldwide cotton area for the 2011/12 crop year. Better cotton prices by the time of crop plantation, as compared to competitive crops, such as soybean and corn, once again favored migration of these commodities to the cotton area. According to USDA the worldwide crop area should increase by 6.1% in 2011/12.

In the United States (the largest global cotton exporter) cotton area should present a 25% increment in 2011/12 crop, as compared to the previous year-crop. However, the dry weather in a large part of the production region should lead to losses and to a record area abandonment in that country, which should limit production to 16 million bales, according to USDA, a reduction of 11.6% against the previous year.

United States - Planted Area X Harvested Area



Source: USDA Jul/2011

For Brazil, in accordance with the latest survey for the 2010/11 crop disclosed by Conab (Brazilian Supply Company), it is estimated a record increase of the cotton area. According to the survey, the area should go to 1,400.2 thousand hectares, a 67.5% increase against the previous year. And cotton lint production should reach 1,953.1 thousand tons, a 63.6% increase.

COMMENTS ON CONSOLIDA TED PERFORMANCE FOR THE QUARTER

Soybean

Soybean Prices in the International Market

CBOT - (1st Contract)



Average Price:	9.58	10.35	12.45	13.80	13.60

Source: CBOT/CMA

Soybean 1st Contract average price at CBOT (*Chicago Board of Trade*) in 2Q11 was US$ 13.60/bu, a 1.4% drop against the previous quarter and 42% increase as compared to 2Q10.

According to USDA soybean worldwide production in 2010/11 crop year should reach 263.7 million tons, 1.1% higher, when compared to the previous crop, which was 260.8 million tons. The increase of production in Brazil and Paraguay offset the production reduction in the United States and Argentina.

United States- Soybean Supply and Demand Table

United States		2007/08	2008/09	2009/10	2010/11*	2011/12**
Beggining Stocks	thousand tons	15,617	5,580	3,761	4,106	5,438
Production		72,859	80,749	91,417	90,610	87,770
Imports		269	361	397	408	408
Exports		31,538	34,817	40,852	41,368	40,687
Crushing		49,081	45,230	47,669	44,906	45,042
Consumption		51,627	48,112	50,617	48,318	48,153
Final Stocks		5,580	3,761	4,106	5,438	4,776
Stocks/(Cons + Exp) (%)		6.7%	4.5%	4.5%	6.1%	5.4%

Source: USDA jul/11 **Estimated* ***Projected*

World - Soybean Supply and Demand Table

world		2007/08	2008/09	2009/10	2010/11*	2011/12**
Beggining Stocks	thousand tons	62,235	51,483	42,676	59,346	65,875
Production		220,469	211,960	260,838	263,693	261,453
Imports		78,111	77,376	86,801	89,820	94,866
Total Supply		360,815	340,819	390,315	412,859	422,194
Exports		78,775	76,842	92,649	92,792	97,576
Consumption		230,557	221,301	238,320	254,192	262,651
Final Stocks		51,483	42,676	59,346	65,875	61,967
Stocks/Consumption (%)		22.3%	19.3%	24.9%	25.9%	23.6%

Source: USDA jul/11 **Estimated* ***Projected*

Argentina - Soybean Supply and Demand Table

Argentina		2007/08	2008/09	2009/10	2010/11*	2011/12**
Beggining Stocks	thousand tons	22,606	21,760	16,588	22,277	22,850
Production		46,200	32,000	54,500	49,500	53,000
Total Supply(1000t)		71,760	55,001	71,088	71,777	75,850
Exports		13,839	5,590	13,088	8,500	11,300
Crushing		34,607	31,243	34,127	38,800	40,000
Consumption		36,161	32,823	35,723	40,427	41,650
Final Stocks		21,760	16,588	22,277	22,850	22,900
Stocks/(Cons + Exp) (%)		30.7%	25.9%	31.9%	28.8%	28.0%

Source: USDA jul/11 **Estimated* ***Projected*

Brazil - Soybean Supply and Demand Table

Brazil		2007/08	2008/09*	2009/10**	2010/11	2011/12
Beginning Stocks	thousand of tons	18,189	18,898	12,037	15,836	20,311
Production		61,000	57,800	69,000	74,500	72,500
Imports		150	44	174	25	50
Total Supply (1000t)		79,339	76,742	81,211	90,361	92,861
Exports		25,364	29,987	28,578	30,850	34,000
Crushing		32,117	31,868	33,700	35,900	37,100
Ending Stocks		18,898	12,037	15,836	20,311	18,361
Stocks/(Cons + Exp) (%)		28.1%	18.1%	22.5%	27.0%	23.7%

Source: USDA jul/11 **Estimated* ***Projected*

Despite higher soybean production worldwide in 2010/11 and inventory recomposition, prices showed good recovery, sustained by the strong world demand which also resumed growth in 2010/11. USDA estimates that consumption should reach 254.1 million tons, a 6.7% increase as compared to the previous period.

According to USDA, in its July 2011 report (Prospective Plantings Report), the soybean estimated planted area in the United States for the 2011/12 crop year, should decline by 2.8%, and reach 75.2 million acres (30.4 million hectares). US producers should migrate the soybean area to corn, due to the more attractive prices of this crop, which area should increase by 4.6%.

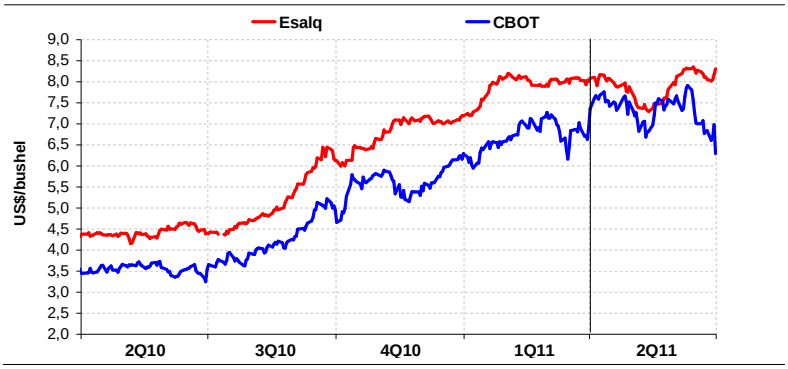
COMMENTS ON CONSOLIDA TED PERFORMANCE FOR THE QUARTER

The higher prices of grains and oleaginous should lead the combined soybean and corn area in the United States to reach 167.5 million acres in 2011, which area, if confirmed, should be the largest soybean and corn area ever planted in the United States.

With reduced soybean area and a well-adjusted supply and demand picture in USA in 2011/12 crop year, soybean crop in that country has low margin for productivity losses. Thus, the market may present price volatility, as the weather market is present, with the US crop in full plantation cycle and advancing to its critical development phase.

Corn

Corn Prices



Esalq Índex:	4.42	5.15	5.80	7.91	7.90
CBOT:	3.55	4.22	5.60	6.69	7.31

Source: CBOT/ Cepea (Esalq)/CMA

In 2Q11, the average price of the 1st contract corn at CBOT was US$ 7.31/bu, representing a 9.3% depreciation as compared to the previous quarter and 105.9% appreciation against 2Q10. In the internal market, the average price of corn, measured by the ESALQ Index (*Escola Superior de Agricultura Luiz de Queiroz*) was stable, at US$ 7.90/bu.

World - Corn Supply and Demand Table

World		2006/07	2007/08	2008/09	2009/10	2010/11*	2011/12**
Area (ha)		149,636	160,859	158,417	157,323	160,741	167,017
Yield (kg/ha)		4,769	4,939	5,043	5,164	5,070	5,223
Beginning Stocks	thousand tons	124,784	110,160	132,272	149,071	145,804	120,880
Production	thousand tons	713,571	794,472	798,824	812,427	814,941	872,393
Import	thousand tons	90,574	98,517	82,587	89,842	91,703	91,663
Imports US (1000t)	thousand tons	53,805	60,297	47,588	49,772	0	0
Total Supply (1000t)	thousand tons	928,929	1,003,149	1,013,683	1,051,340	1,052,448	1,084,936
Exports	thousand tons	94,057	98,632	84,467	96,983	90,797	94,917
Consumption	thousand tons	724,712	772,245	780,145	808,553	839,223	874,355
Ending Stocks	thousand tons	110,160	132,272	149,071	145,804	122,428	115,664
Stocks/(Exp+Cons) (%)		13.5%	15.2%	17.2%	16.1%	13.2%	11.9%

Source: USDA jul/11 **Estimated **Projected*

During the second half of 2011 corn prices recorded a significant appreciation, both in the international and in the internal market. According to USDA, in 2010/11 worldwide consumption was 839.2 million tons, 3% higher than the production (815 million tons).

Much of worldwide consumption of corn continues to be destined to the production of ethanol. According to USDA corn consumption for ethanol production in USA (128.2 million tons in 2010/11 and an estimated 130.8 million tons in 2011/12) already surpass the feed use in USA. USDA further estimates that the world demand should grow by 4.1% in 2011/12 reducing the inventory/consumption ratio to 11.9%, the lowest since 1973/74.

According to CONAB, total corn production in Brazil should reach 56.3 million tons in 2010/11, an increase of 300 thousand tons as compared to the 2009/10 crop. Out of this total, according to CONAB, 35.8 million tons are 1st crop corn production, and 20.5 million tons are 2nd crop corn.

COMMENTS ON CONSOLIDA TED PERFORMANCE FOR THE QUARTER

2nd crop corn can still have its estimated production reduced, since there was a delay in 2nd crop corn planting due to excessive rains, with most of the crop being planted after the ideal period. Mainly in the state of Mato Grosso, productivity could be impacted by losses resulting from drought over the part planted after the recommended period. In Paraná and Mato Grosso do Sul end of June frosts should also significantly harm productivity and production quality.

According to CONAB, exports should reach 8,0 million tons, while consumption should reach 48,8 million tons in 2011.

Operating Performance

2Q11 was marked by the end of the harvesting of the 118,134 ha planted with soybean and the 7,350 ha planted with 1st crop corn of 2010/11 crop year. In addition, we started to harvest the 72,451 ha of 1st crop cotton and 13,072 ha of 2nd crop cotton. Final yield of cotton (1st and 2nd crop) and 2nd crop corn shall be presented in 3Q11. The table below shows current expectations of yield for the 2010/11 crop.

Yield

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

(1)Soybean and corn 1st crop yield are already final. The others represent expected final yield considering what has already been harvested.

COMMENTS ON CONSOLIDA TED PERFORMANCE FOR THE QUARTER

Planted Area

Following is an updated chart with the estimated planted area for 2010/11 crop year.

Crop Mix	Achieved 2009/10 ha	Estimated[1] 2010/11 ha	Share %	Δ Absolute ha	Δ Percentage %
Cotton	**64,775**	**84,757**	**37.4%**	**19,982**	**30.8%**
Cotton 1st crop	*54,625*	*72,451*	*32.0%*	*17,826*	*32.6%*
Cotton 2nd crop	*10,150*	*12,306*	*5.4%*	*2,156*	*21.2%*
Soybean	***120,411***	***118,134***	***52.1%***	***(2,277)***	***-1.9%***
Corn	**34,826**	**20,422**	***9.0%***	***(14,404)***	***-41.4%***
Corn 1st crop	*7,140*	*7,350*	*3.2%*	*210*	*2.9%*
Corn 2nd crop	*27,686*	*13,072*	*5.8%*	*(14,614)*	*-52.8%*
Others[2]	**2,721**	**3,294**	***1.5%***	***572***	***21.0%***
Total	**222,733**	**226,607**	**100.0**	**3,873**	***1.7%***

Planted Area Mix	ha	Ha	%	ha	%
Physical area under control	**183,448**	**199,159**	**87.9**	**15,710**	**8.6%**
Own area	*120,279*	*127,334*	*56.2*	*7,054*	*5.9%*
Leased area	*63,169*	*71,825*	*31.7*	*8,656*	*13.7%*
2nd crop area	**39,285**	**27,448**	**12.1**	**(11,837)**	***-30.1%***
Total	**222,733**	**226,607**	**100.0**	**3,873**	***1.7%***

[1] The planted area may still be adjusted by the agricultural planning.
[2] Coffee, wheat, corn seed.

Property Portfolio

We currently have the following portfolio of properties under control:

Areas 2010/11 (ha) Farm	State	Owned	Leased	Under Control	Planted[1]
		---------- ha ----------			
Pamplona	GO	17,385	3,942	21,327	17,881
Planalto	MS	17,437	1,657	19,094	16,873
Planorte	MT	23,794	367	24,161	22,578
Paiaguás	MT	30,878	2,360	33,238	31,028
Parnaíba	MA	39,334	7,456	46,790	30,686
Planeste	MA	22,787	10,858	33,645	29,232
Panorama	BA	12,982	12,312	25,294	21,796
Piratini	BA	25,355	5,000	30,355	10,319
Palmares	BA	18,448	21,758	40,206	30,612
Parnaguá	PI	23,742	-	23,742	-
Pejuçara	MT	3,379	8,711	12,090	15,602
Total		**235,520**	**74,421**	**309,942**	**226,607**

[1] Estimate of SLC Agrícola, planted area may still be adjusted by the agricultural planning.

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Machinery and Storage Capacity

As of June 30, 2011 we had the following:

Machinery	Quantity
Tractors	**412**
Grain Combiners	**165**
Cotton Pickers	**97**
Planters	**169**
Self-propelled sprayers	**91**

2010/11 Storage Capacity	Grains	Cotton
Tons	412,040	86,925
% Production[1]	75.5	62.5

[1] Estimate of SLC Agrícola based on planted area and yields estimated for 2010/11 crop year.

COMMENTS ON CONSOLIDA TED PERFORMANCE FOR THE QUARTER

Financial Analysis

EBITDA

(R$ thd)	1H10	1H11	AH	2Q10	2Q11	AH
Net revenue	**383,605**	**406,381**	**5.9%**	**206,420**	**210,104**	**1.8%**
(-)Cost of Goods Sold	**(307,701)**	**(257,417)**	**-16.3%**	**(131,610)**	**(135,876)**	**3.2%**
Gross Profit	**75,904**	**148,964**	**96.3%**	**74,810**	**74,228**	**-0.8%**
(-)Selling expenses	(20,826)	(15,238)	-26.8%	(9,118)	(6,902)	-24.3%
(-)General and administrative	(14,729)	(23,668)	60.7%	(8,573)	(11,800)	37.6%
(-)Management fees	(1,305)	(3,754)	187.7%	(1,040)	(2,137)	105.5%
(-) Other operating revenues	2,416	(1,354)	n.m.	1,197	(571)	-147.7%
(=) Income from Activity	**41,460**	**104,950**	**n.m.**	**57,276**	**52,818**	**7,8%**
(+) Depreciation and amortization	32,036	25,113	-21.6%	18,247	15,648	-14,2%
EBITDA	**73,496**	**130,063**	**77.0%**	**75,524**	**68,466**	**-9.3%**
EBITDA Margin	**19.2%**	**32.0%**		**36.6%**	**32.6%**	

EBITDA for 2Q11 stood at R$ 68,466 thousand, a decline of 9.3% if compared to the R$75.524 thousand of 2Q10. The main variations between quarters, and that impacted EBITDA, were the increase in the invoicing price (in line with the increase in commodity prices during the period), as well as the reduction in the appropriation of biological assets for the cotton crop, due to lower area at point of harvest in the period, if compared to the situation on 2Q10. Furthermore, when comparing 2Q11 against 2Q10, there was a reduction in unitary cost of products invoiced.

Net revenue

(R$ thd)	1H10	1H11	AH	2Q10	2Q11	AH
Net revenue	**383,605**	**406,381**	**5.9%**	**206,420**	**210,104**	**1.8%**
Cotton lint invoiced	140,637	119,357	-15.1%	49,183	20,521	-58.3%
Cotton seed invoiced	4,864	5,011	3.0%	2,871	1,880	-34.5%
Soybean invoiced	130,196	130,444	0.2%	75,754	99,171	30.9%
Corn invoiced	12,762	19,823	55.3%	4,059	12,004	195.7%
Coffee invoiced	5,212	3,323	-36.2%	1,430	1,490	4.2%
Others (invoiced)	29,348	3,573	-87.8%	9,785	(1,384)	-114.1%
Hedge income	3,519	18,973	439.2%	3,605	11,984	232.4%
Biological assets	57,067	105,877	85.5%	59,733	64,438	7.9%

(Tons)	1H10	1H11	AH	2Q10	2Q11	AH
Volume Invoiced	**368,865**	**316,990**	**-14.1%**	**190,424**	**208,038**	**9.2%**
Cotton lint	49,760	27,743	-44.2%	16,916	4,260	-74.8%
Cotton seed	18,200	12,751	-29.9%	10,557	6,516	-38.3%
Soybean	249,419	224,393	-10.0%	149,012	171,717	15.2%
Corn	41,635	42,726	2.6%	12,873	21,674	68.4%
Coffee	2,701	628	-76.7%	368	400	8.7%
Others	7,150	8,749	22.4%	698	3,471	397.3%

Our net revenue increased 1.8% in 2Q11 against 2Q10, closing the period at R$210,104 thousand as compared to R$206,420 thousand in 2Q10, mainly due to the increase in unit price of cotton lint (65.6%) and soybean (13.7%) and increase in volume of grains invoiced, offset by the lower volume of cotton lint invoiced.

(R$ thd)	1H10	1H11	AH	2Q10	2Q11	AH
Effect of Biological Asset on Net Revenue	**57,067**	**105,877**	**85.5%**	**59,733**	**64,438**	7.9%
Cotton lint	68,932	37,703	-45.3%	68,932	37,703	-45.3%
Cotton seed	8,905	16,960	90.5%	8,905	16,960	90.5%
Soybean	(25,351)	47,771	n.m.	(23,509)	8,170	n.m.
Corn	3,666	2,587	-29.4%	4,940	1,605	-67.5%
Coffee	-	-	n.m.	-	-	n.m.
Others	915	856	-6.4%	465	-	n.m.

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

COMMENTS ON CONSOLIDA TED PERFORMANCE FOR THE QUARTER

Biological assets allocation value increased 7.9% in 2Q11 as compared to 2Q10. With respect to cotton, it is worth noting that in 2Q10, 63% of the planted area was harvested or ready to be harvested, while in 2Q11, only 37% of the planted area was harvested or ready to be harvested. In the case of soybean, the increased biological assets allocation value is explained by the improved price per bag of soybean and harvest delay, which increased the area of crop during 2Q11.

Cotton Invoiced		**1H10**	**1H11**	**AH**	**2Q10**	**2Q11**	**AH**
Cotton lint invoiced							
Volume invoiced	Ton	49,760	27,743	-44.2%	16,916	4,260	-74.8%
Net revenue	R$ thousand	140,637	119,357	-15.1%	49,183	20,521	-58.3%
Unit Price	R$ thousand / Ton	2.83	4.30	51.9%	2.91	4.82	65.6%
Cotton seed invoiced							
Volume invoiced	Ton	18,200	12,751	-29.9%	10,557	6,516	-38.3%
Net revenue	R$ thousand	4,864	5,011	3.0%	2,871	1,880	-34.5%
Unit Price	R$ thousand / Ton	0.27	0.39	44.4%	0.27	0.29	7.4%

The cotton lint invoiced in 2Q11 refers to 2009/10 crop year production. Our Net revenue from cotton lint dropped 58.3% in 2Q11 against 2Q10, mainly due to a drop in the volume invoiced, partially offset by an increase of 65.6% in the unit price invoiced.

Soybean Invoiced		**1H10**	**1H11**	**AH**	**2Q10**	**2Q11**	**AH**
Volume Invoiced	Tons	249,419	224,393	-10.0%	149,012	171,717	15.2%
Net revenue	R$ thousand	130,196	130,444	0.2%	75,754	99,171	30.9%
Unit Price	R$ thousand / Ton	0.52	0.58	11.5%	0.51	0.58	13.7%

The soybean invoiced in 2Q11 refers to 2010/11 crop year production. Our Net revenue from soybean increased 30.9% in 2Q11 as compared to 2Q10, mainly due to a 15.2% increase in volume invoiced and 13.7% in unit price.

Corn Invoiced		**1H10**	**1H11**	**AH**	**2Q10**	**2Q11**	**AH**
Volume invoiced	Tons	41,635	42,726	2.6%	12,873	21,674	68.4%
Net revenue	R$ thousand	12,762	19,823	55.3%	4,059	12,004	195.7%
Unit price	R$ thousand / Ton	0.31	0.46	48.4%	0.32	0.55	71.9%

The corn invoiced in 2Q11 refers to the 2010/11 crop. Our net revenue from corn increased 195.7% in 2Q11, mainly due to the higher volume invoiced and a 71.9% increase in unit price.

Other revenues (excluding the effects of Biological Assets). Our net revenue regarding other revenues recorded a reduction of 18.4% in 2Q11 against 2Q10, to R$12,090 thousand, as compared to R$14,820 thousand in 2Q10. The main impacts were:

- absence of revenues deriving from the government minimum price guarantee, against the R$9,845 thousand revenue in 2Q10;
- variation of R$3,605 thousand in the result of FX hedge in 2Q10 to R$11,984 thousand in 2Q11;
- allocation of onerous contracts in the amount of R$2,065 thousand (under “others invoiced”) in 2Q11, while in 2Q10 such allocation was not necessary. The allocation of onerous contracts is necessary whenever there are contracts for advanced sale (hedge), for which prices are set in a level lower than the inventory value (represented by production cost added to biological asset).

COMMENTS ON CONSOLIDA TED PERFORMANCE FOR THE QUARTER

Cost of Goods Sold

(R$ thd)	1H10	1H11	AH	2Q10	2Q11	AH
Cost of Goods Sold	**(307,701)**	**(257,417)**	**-16.3%**	**(131,610)**	**(135,876)**	**3.2%**
Cotton lint	(115,881)	(56,683)	-51.1%	(30,280)	(6,546)	-78.4%
Cotton seed	(4,785)	(3,341)	-30.2%	(2,277)	(1,549)	-32.0%
Soybean	(133,136)	(106,902)	-19.7%	(82,293)	(86,026)	4.5%
Corn	(12,986)	(8,823)	-32.1%	(6,707)	(6,231)	-7.1%
Coffee	(5,588)	(1,951)	-65.1%	(1,742)	(729)	-58.2%
Others	(2,777)	(2,125)	-23.5%	(418)	(126)	-69.9%
Biological Assets Allocated at Cost	(32,548)	(77,592)	138.4%	(7,893)	(34,669)	339.2%

(R$ thd)	1H10	1H11	AH	2Q10	2Q11	AH
Biological Assets Allocated at Cost	**(32,548)**	**(77,592)**	**138.4%**	**(7,893)**	**(34,669)**	**339.2%**
Cotton lint	(36,407)	(31,968)	-12.2%	(13,808)	(3,788)	-72.6%
Cotton seed	(2,146)	(1,216)	-43.3%	(1,309)	(400)	-69.4%
Soybean	11,236	(40,381)	n.m.	7,752	(29,371)	n.m.
Corn	867	(1,586)	n.m.	213	(936)	n.m.
Coffee	(5,394)	(170)	n.m.	(736)	-	n.m.
Others	(704)	(2,271)	222.6%	(5)	(174)	n.m.

The cost of goods sold in 2Q11 increased 3.2% as compared to 2Q10. Such reduction was mainly due to allocation of biological assets at cost, notably in soybean plantation, since in 2011 soybean presents positive margins (recorded in 1Q11 biological assets); while in 2010 the allocation of soybean biological assets was negative.

Cotton lint. In 2Q11, cotton lint invoiced was relative to the 2009/2010 crop. The cost of cotton lint recorded a 78.4% reduction in 2Q11 as compared to 2Q10. The main impacts were:

- reduction of 74.8% in the volume invoiced ;
- reduction of 14.2% in unit cost.

Soybean. In 2Q11, soybean invoiced was relative to 2010/11 crop. Soybean cost in 2Q11 was 4.5% higher than that recorded in 2Q10. The main impacts were:

- increase of 15.2% in the volume invoiced;
- reduction of 9.3% in unit cost.

Corn. In 2Q11, corn invoiced was relative to 2010/11 crop. Corn cost in 2Q11 was 7.1% lower than that recorded in 2Q10. The main impacts were:

- increase of 68.4% in the volume invoiced;
- reduction of 44.8% in unit cost.

Other products. Our cost for the other products decreased by 60.4%, to R$855 thousand in 2Q11, as compared to R$2,160 thousand in 2Q10, mainly due to the drop in coffee cost in the period.

Gross Income

Our gross income totaled R$74,228 thousand in 2Q11, flat, as compared to 2Q10. In 2Q11 our gross income was mainly impacted by the increase in the volume of grains invoiced, offset by a reduction in the volume of cotton invoiced. In 2Q11 all products presented positive margins, while in 2Q10, grains presented negative margins.

COMMENTS ON CONSOLIDA TED PERFORMANCE FOR THE QUARTER

Selling Expenses

(R$ thd)	1H10	1H11	AH	2Q10	2Q11	AH
Freight	13,892	6,440	-53.6%	6,035	3,202	-46.9%
Storage	3,542	4,355	23.0%	1,776	2,114	19.0%
Commissions	1,247	1,290	3.4%	714	1,076	50.7%
Classification of Goods	737	38	-94.8%	694	11	-98.4%
Others	1,408	3,115	121.2%	(101)	499	-594.1%
Total	**20,826**	**15,238**	**-26.8%**	**9,118**	**6,902**	**-24.3%**
% Net revenue	**5.4%**	**3.7%**		**4.4%**	**3.3%**	

Our selling expenses in 2Q11 recorded a 24.3% reduction against 2Q10. Such variation was mainly due to a decrease in the volume of cotton lint invoiced, for which freight is under our responsibility.

General and Administrative Expenses

(R$ thd)	1H10	1H11	AH	2Q10	2Q11	AH
Expenses with personnel	7,657	13,928	81.9%	4,811	6,501	35.1%
Fees	1,901	2,023	6.4%	1,052	1,234	17.3%
Depreciations	639	578	-9.5%	487	302	-38.0%
Expenses with Travels	714	1,011	41.6%	408	754	84.8%
Software maintenance	1,148	1,132	-1.4%	661	871	31.8%
Marketing/Advertisement	677	825	21.9%	155	72	-53.5%
Expenses with Communications	456	526	15.4%	225	243	8.0%
Rentals	171	217	26.9%	104	30	-71.2%
Others	1,366	3,428	151.0%	670	1,793	167.6%
Total	**14,729**	**23,668**	**60.7%**	**8,573**	**11,800**	**37.6%**
% Net revenue	**3.8%**	**5.8%**		**4.2%**	**5.6%**	

Our general and administrative expenses increased 37.6% in 2Q11 against the 2Q10, mainly due to increased personnel expenses (impacted by the increase in provision for profit sharing and appropriation of stock options).

Net Financial Income

(R$ thd)	1H10	1H11	AH	2Q10	2Q11	AH
Revenues (expenses) with derivatives	1,776	(11,115)	725.8%	(1,900)	6,444	n.m.
Interest	(10,033)	(8,858)	-11.7%	(3,817)	(4,170)	9.2%
Monetary variation	11,150	6,399	-42.6%	(6,540)	4,543	n.m.
Exchange variation	(3,721)	8,787	n.m.	(1,168)	7,272	n.m.
Other financial revenues (expenses)	337	(1,629)	-583.4%	(465)	(2,570)	452.7%
Total	**(491)**	**(6,416)**	**n.m.**	**(13,890)**	**11,519**	**n.m.**
% Net revenue	**-0.1%**	**-1.6%**		**-6.7%**	**5.5%**	

Our net financial income in 2Q11 was R$11,519 thousand, as compared to R$13,890 thousand negative in 2Q10. This variation was mainly influenced by:

- mark-to-market of commodities derivative operations of R$1,655 thousand, with maturity in 2012;
- positive net income from monetary variation, against a negative income of R$6,540 in 2Q10, mainly due to a decline in the price per bag of soybean in Brazilian Reais during the quarter;
- 4.2% appreciation of the Brazilian Real during 2Q11, reducing indebtedness denominated in US dollar.

COMMENTS ON CONSOLIDA TED PERFORMANCE FOR THE QUARTER

Net Income

Net income of R$42,007 thousand in 2Q11 represented a nominal increase of R$12,058 thousand as compared to the R$29,949 thousand recorded in 2Q10, mainly impacted by the positive variation in the net financial income, of R$25,409 thousand in the period, offset by the increase in income and social contribution taxes.

In 2Q11 the Net Margin was 20.0%, against a Net Margin of 14.5% in 2Q10.

FX and Agricultural Commodities Hedges

Company's sales revenue is mainly generated by the trading of agricultural commodities, such as cotton, soybean and corn; products which are quoted in US Dollar in the following international stock exchanges: 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 Company's Risk Management Policy – which 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 swaps 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) – open into commercial hedge and financial hedge – in 2Q11:

Commercial (Physical Sales) and Forex Hedge

	FX Rate		Soybean		Cotton	
Fiscal Year	%	R$ / US$	%	US$ / bushel[1] [2] [3]	%	US¢ / pound[1] [2]
2011	68.3	1.93	62	11.9	96	106.0
2012	29.5	1.87	16	13.4	29	108.5

[1] FOB Port.
[2] Prices in our production units are still influenced by transportation expenses.
[3] The pledges with payments of properties and leasing that correspond to 14% and 16% of crop productions in 2010/11 and 2011/12, respectively, must be added to this hedge percentage.

Commodities Financial Hedge

	Cotton		
Fiscal Year	%	US¢ / pound	Base Price for MTM as of 06/30/2011
2012	8	114.5	104,0

NOTE: Unlike FX hedge operations, financial hedge operations for commodities, due to their nature, were not classified in hedge accounting methodology; therefore, they pass through the income even before their due date. The mark-to-market for such operations (which was based on the closing quotation prices of 06/30/2011 - 104.0 US¢/lb for cotton) 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 in financial income (gain or loss), offset in equal proportion, but in reverse, in net revenue (increase or decrease), that in this case will reflect the physical sale of the product at issue.

COMMENTS ON CONSOLIDA TED PERFORMANCE FOR THE QUARTER

Property, Plant and Equipment / Intangible

CAPEX (R$ thd)	1H11	AV	2Q11	AV
Machinery, implements and equipment	18,282	26.4%	5,584	12.9%
Land acquisition	18,227	26.3%	18,227	42.1%
Soil Correction	7,914	11.4%	5,582	12.9%
Buildings and Facilities	13,670	19.7%	5,790	13.4%
Cotton ginning plant	3,150	4.5%	2,678	6.2%
Soil Cleaning	1,841	2.7%	1,461	3.4%
Others	5,122	7.4%	3,135	7.2%
Advances to Suppliers	1,094	1.6%	865	2.0%
	69,300	**100%**	**43,322**	**100%**

The main investments in 2Q11 were:

- Acquisition of land for the amount of R$ 18,227 thousand, relative to 1,500 hectares of land for Palmares Farm and 291 hectares of land for Pamplona Farm;
- Acquisition of eight model 7185J John Deere tractors, besides machinery and equipment for the cotton ginning plant, further to equipment and tools, for a total of R$ 5,584 thousand;
- Buildings and facilities, in the amount of R$5,790 thousand, relative to the construction of silos in Bahia and expansion of cotton ginning and storage capacity.

Net debt

(R$ thd)	Currency	% a.a.	1Q11	2Q11	AH	AV
Constitutional Funds (1)	R$	7.29%	272,126	261,538	-3.9%	48.4%
Rural Credit	R$	6.75%	131,444	118,158	-10.1%	21.9%
BNDES	R$	6.13%	48,299	46,576	-3.6%	8.6%
Working Capital	R$	11.70%	10,043	2,510	-75.0%	0.5%
		7.04%	461,912	428,782	-7.2%	79.4%
IFC/Trade Finance	US$	2.96%	61,560	110,650	79.7%	20.5%
BNDES	US$	7.41%	562	515	-8.4%	0.1%
		2.98%	62,122	111,165	78.9%	20.6%
Total Indebtedness		6.20%	524,034	539,947	3.0%	100.0%
(-) Cash			199,818	119,997	-39.9%	
(=) Net debt			324,216	419,950	29.5%	
Net Debt/EBITDA			1.2x	1.6x	n.m.	-

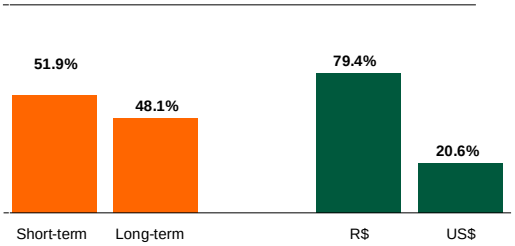
(1) For calculation of the average cost of Constitutional Funds, we consider a discount of 15% regarding the performance bonus applicable to these operations.

Cash position in 2Q11 increased 29.5%, as the cash generated during the period was not sufficient to offset disbursements for investment and acquisition of agricultural supplies during the quarter. Consequently, net indebtedness increased, to R$419,950 thousand in 2Q11 against R$ 324,216 thousand at the closing of 1Q11.

Gross debt increased 3.0% in the quarter. Outstanding balances of loans under Rural Credit line decreased, as compared to 1Q11, due to amortizations in the period.

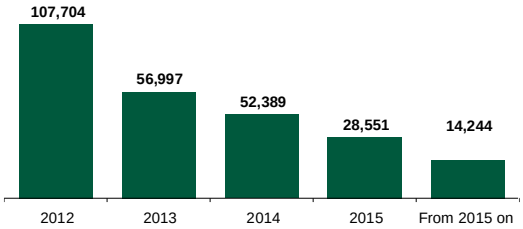
COMMENTS ON CONSOLIDA TED PERFORMANCE FOR THE QUARTER

2Q11 Debt Profile (%)



2Q11 Long-Term Debt Schedule

(R$ thd)



COMMENTS ON CONSOLIDA TED PERFORMANCE FOR THE QUARTER

Indicators

The Company believes that the calculation of Return on Equity for its business 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, as below:

Return on Equity (Adjusted)

(R$ million)	2010
Net Profit	59
Net Land appreciation [1]	207
Subtotal	**266**
Shareholder´s Equity	1,874
Return	**14.1%**

[1] Considering Deloitte's appraisal for 2011, net of income tax.

(R$ million)	2009
Net Profit	9
Net Land appreciation [1]	3
Subtotal	**12**
Shareholder´s Equity	1,807
Return	**0.7%**

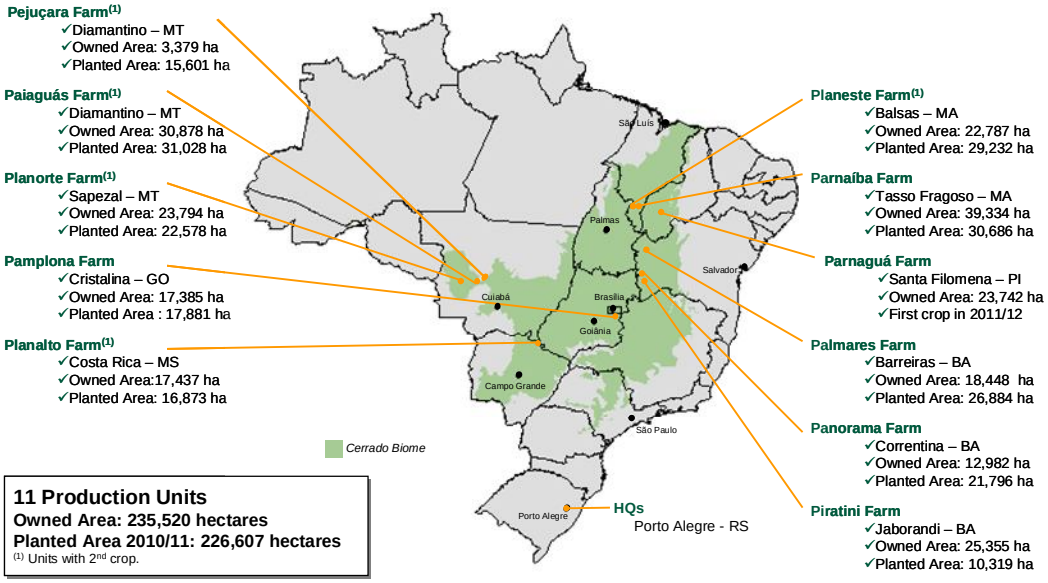
[1] Considering Deloitte's appraisal for 2010, net of income tax.

(R$ million)	2008
Net Profit	45
Net Land appreciation [1]	228
Subtotal	**273**
Shareholder´s Equity	1,712
Return	**15.9%**

[1] Considering Deloitte's appraisal for 2009, net of income tax.

COMMENTS ON CONSOLIDA TED PERFORMANCE FOR THE QUARTER

Location of Production Units



Adherence to Arbitration Chamber

The Company is bound to arbitration with Arbitration Chamber of New Market, in compliance with arbitration clause in the Company's Bylaws.

COMMENTS ON CONSOLIDA TED PERFORMANCE FOR THE QUARTER

Contacts

CNPJ no. 89.096.457/0001-55 - NIRE 43.300.047.521
Rua Bernardo Pires, no. 128 - 4th floor
CEP: 90.620 – 010 / Porto Alegre, RS

Ivo Marcon Brum
Chief Financial and Investor Relations Officer

Frederico Logemann
Investor Relations Coordinator

Alisandra Matos
IR Department

Mariana Pimentel
IR Department

Júlia Dal Pont de Azevedo
IR Department

Phone: + 55 (51) 3230.7864
www.slcagricola.com.br/ri
ri@slcagricola.com.br

We make forward-looking statements that are subject to risk and uncertainty. 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 2Q11

Date: Thursday, August 11th 2011

> Portuguese
10h00 (Brasília time)
09h00 (New York time)
14h00 (London time)
Phone: +55 (11) 2188-0155
Code: SLC Agrícola
Replay: +55 (11) 2188-0155
Code: SLC Agrícola
Webcast: Press here

> English
12h00 (Brasília time)
11h00 (New York time)
16h00 (London time)
Phone: +1 (412) 317-6776
Code: SLC Agrícola
Replay: +1 (412) 317-0088
Code: 10002553

COMMENTS ON CONSOLIDA TED PERFORMANCE FOR THE QUARTER

Agricultural weights and measures

1 ton	1 kg	
1 pound	1 acre	
1 acre	1 hectare (ha)	
1 hectare (ha)	1 bushel	
1,000 kg	2.20462 pounds	
0,45359 kg	0.40469 hectares	
0,1840 bushel	2.47105 acres	
10,000 m²	5.4363 acres	
Soybean and Wheat		
1 bushel of soybean	60 pounds	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 pounds	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 pounds	217.72 kg
1 arroba	14.68 kg*	
Coffee		
1 bag of coffee	60 kg	132.28 pounds
1.00 US¢/pound	1.3228 US$/bag	

* The market and our Company consider 15.00Kg.

ITR – Quarterly Information – 06/30/2011 - SLC AGRICOLA SA
Notes do Financial Statements

1. Operations

The corporate objective of SLC Agrícola S.A., founded in 1977 (hereinafter referred to as “parent company”, “SLC”, or the “Company”) and its subsidiaries involves agriculture and livestock activities; the production and sale of seeds and seedlings; the processing and sale of their products, also importing and exporting goods for their own use; the supply of primary agricultural and livestock commodities and products in general; the provision of services involving handling, cleaning, drying and storing third party’s cereal grains; the supply of services involving agricultural machinery and tools to third parties; the sale, import and export of agricultural products; agribusiness activities involving the processing of sugar cane, ethanol and its by-products; equity interest in other companies.

Company is headquartered in the city of Porto Alegre, state of Rio Grande do Sul.

During 2009/2010 crop, which started on September 1, 2009, the Company operated ten production units extending over a total planted area of 223.4 thousand acres, among own and leased areas located in five Brazilian states: Mato Grosso, Mato Grosso do Sul, Goiás, Bahia and Maranhão. Among the main crops, the Company is cultivating 120.8 thousand acres of soybean, 64.7 thousand acres of cotton and 34.8 thousand acres of corn. At September 30, 2010, soybean and corn harvest was completed and cotton processing was under way.

On September 1, 2010, the Company started growing its 2010/2011 crop, operating eleven production units over a total planted area of 226.6 thousand acres, among its own and leased areas located in five Brazilian states: Mato Grosso, Mato Grosso do Sul, Goiás, Bahia and Maranhão. Among the main crops, the Company is cultivating 118.1 thousand acres of soybean, 84.8 thousand acres of cotton, 20.4 thousand acres of corn.

This quarterly information was approved by the executive board on August 01, 2011.

ITR – Quarterly Information – 06/30/2011 - SLC AGRICOLA SA
Notes do Financial Statements

2. Summary of significant accounting practices

Basis of preparation and presentation of the quarterly financial statements

The quarterly information was prepared in accordance with the accounting practices adopted in Brazil and the standards of the Brazilian Securities and Exchange Commission (CVM), in light of accounting pronouncements, constructions and guidelines issued by the Brazilian FASB (CPC), especially CPC 21 – Interim Financial Reporting.

The consolidated financial statements were also prepared according to the IFRS, issued by the International Accounting Standards Board IASB, including IAS 34 – Interim Financial Reporting.

IAS 34, interim information.

The practices and calculation methods applied to this quarterly information are the same as for the preparation of the financial statements for the year ended December 31, 2010, as described in notes 2.2 to 2.25 to those financial statements. There are no changes in Company's operations, unusual items, changes in estimates, change in Company's shareholding or other event that would require special disclosure.

3. Significant judgments, estimates and assumptions

Judgments

Preparation of this quarterly information requires Company management to make judgments and estimates, as well as adopt assumptions that affect the amounts of revenues, expenses, assets and liabilities, as well as the contingent liabilities at financial statements base date. However, the uncertainty related to these assumptions and estimates may lead to results requiring material adjustments to the book value of assets or liabilities affected in future periods.

Estimates and assumptions

The main assumptions related to sources of uncertainties in future estimates and other significant sources of uncertainties in estimates at balance sheet date, which may lead to material adjustments to assets and liabilities book value in the next fiscal year are presented below.

a) Impairment of non-financial assets;
b) Definition and review of useful life of fixed and intangible assets;
c) Fair value of biological assets;
d) Fair value of financial instruments, including hedge accounting;
e) Share-based payment transactions;
f) Provision for tax, civil and labor risks.

ITR – Quarterly Information – 06/30/2011 - SLC AGRICOLA SA
Notes do Financial Statements

3. Significant judgments, estimates and assumptions (Continued)

Estimates and assumptions (Continued)

Following are our comments on the main estimates:

Share-based payment transactions

The Company measures the cost of transactions with employees – settled with shares – based on fair value of the equity instruments on the date they are granted. To estimate the fair value of share-based payments, it is necessary to determine the most adequate valuation model for granting equity instruments, which depends on the granting terms and conditions. It is also necessary to determine the most adequate data for the valuation model, including the estimate life of the stock option plans, volatility and profitability of dividends and corresponding assumptions. The assumptions and models used to estimate the fair value of share-based payments are presented in Note 23.

Taxation

There are uncertainties in relation to the construction of complex tax rules, as well as to the amount and time of future taxable profits. Given the comprehensive aspect of the international business relations, as well as the long-term nature and complexity of the existing contracts, differences between actual P&L and assumptions adopted or future changes in these assumptions, would require future adjustments in tax gains and losses already recorded. Company has set up provisions based on the applicable estimates for possible auditing consequences caused by tax authorities from the respective jurisdictions in which they operate. The amount of these provisions is based on various factors, such as previous fiscal audits and different constructions of the tax legislation by the taxable entity and by the responsible tax authority. These different constructions may arise from a wide range of subjects, depending on the effective conditions at the Company's and its branches' and subsidiaries' domicile.

Deferred tax assets are recognized for all unused tax losses to the extent it is probable that there is taxable profit enabling the use of these losses. A significant judgment by Company management is necessary to determine the deferred tax assets which can be recognized based on probable term and level of future taxable profits, together with future strategies of tax planning.

ITR – Quarterly Information – 06/30/2011 - SLC AGRICOLA SA
Notes do Financial Statements

3. Significant judgments, estimates and assumptions (Continued)

Estimates and assumptions (Continued)

Fair value of financial instruments

When the fair value of financial assets and liabilities presented in the balance sheets cannot be obtained from active markets, it is determined by means of valuation techniques, including the discounted cash flow method. The data used for these methods is based on market conditions, whenever possible. However, in case it is not viable, a certain judgment level is required to determine the fair value. Judgment comprises considerations of the data used, such as liquidity risk, credit risk and volatility risk. Changes in the assumptions related to these factors would affect the fair value of the financial instruments.

Fair value of biological assets

The fair value of the biological assets presented in the balance sheets was determined by means of valuation techniques, including the discounted cash flow method. The data used for these methods is based on market conditions, whenever possible. However, in case it is not viable, a certain judgment level is required to determine the fair value. Judgment comprises considerations on price, production capacity, as well as planting and production costs. Changes in the assumptions related to these factors would affect the fair value of the biological assets.

4. Consolidated quarterly information

The consolidated quarterly information includes the operations of the Company and the following subsidiaries, whose percentage share at balance sheet date is as follows:

Companies	Direct subsidiarie %	Indirect subsidiaries %	Core activities	Location
Fazenda Planorte Ltda.	100.00	-	Cotton, soybean and corn.	Mato Grosso – MT
Fazenda Paiaguás Ltda.	100.00	-	Cotton, soybean and corn.	Mato Grosso – MT
Fazenda Parnaíba Ltda.	100.00	-	Cotton, soybean and corn.	Maranhão – MA
SLC Empreendimentos e Agricultura Ltda.	85.91	14.09	Lease of plantation fields.	Rio Grande do Sul – RS
SLC Agrícola Pejuçara Ltda.	76.59	23.41	Cotton, soybean and corn.	Mato Grosso – MT
SLC LandCo Empreendimentos Agrícolas Ltda.	-	100.00	Purchase and sale, lease, construction and administration of properties.	Rio Grande do Sul – RS
Fazenda Planeste Empreendimentos Agrícolas Ltda.	-	100.00	Purchase and sale, lease, construction and administration of properties.	Maranhão – MA
Fazenda Piratini Empreendimentos Agrícolas Ltda.	-	100.00	Purchase and sale, lease, construction and administration of properties.	Bahia – BA
Fazenda Panorama Empreendimentos Agrícolas Ltda.	-	100.00	Purchase and sale, lease, construction and administration of properties.	Bahia – BA

The subsidiaries' quarterly information period coincides with the Company's period and the accounting practices were uniformly applied to the consolidated companies and are consistent with those used in the previous year.

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Notes do Financial Statements

4. Consolidated quarterly information (Continued)

Main procedures for consolidation:

- Elimination of intercompany accounts;
- Elimination of interests in capital, reserves and retained earnings of consolidated companies;
- Elimination of balances and unrealized profits from intercompany transactions;
- Determination of taxes on unrealized profits, included as deferred taxes in the consolidated balance sheet.

Reconciliation of net income for the period (Company and Consolidated) is as follows:

	06/30/2011	06/30/2010
Net income for the period – Company	61,585	30,439
Unrealized gains (losses) on hedge instruments, net of tax effects	2,795	(832)
Net income for the period – Consolidated	64,380	29,607

The transactions that generate differences between Company net income and consolidated net income refer to unrealized gains or losses on hedge operations made by the Company or subsidiaries through NDF's (Non Deliverable Forwards), qualified as "Cash Flow Hedge" for the purpose of hedging future consolidated sales. These operations are made based on future consolidated sales forecasts with effectiveness between 80% and 125% and were recorded under the caption "Fair Value Adjustments" in consolidated equity.

5. Changes in accounting practices

Certain new IASB accounting practices and IFRIC interpretations were released and/or reviewed, and their adoption is mandatory or elective for the year starting on or after January 1, 2011. The Company management does measure, conclude that the adoption of these pronouncements and interpretation will have a significant impact on the Company's interim financial statements and the financial statements for the year ended December 31, 2011 during the first-time adoption period. Following is the Company's evaluation on the impacts of these new practices and interpretations:

ITR – Quarterly Information – 06/30/2011 - SLC AGRICOLA SA
Notes do Financial Statements

5. Changes in accounting practices (Continued)

- *IAS 24 Disclosure Requirements for Government-Held Entities and Related Party Definition (Reviewed)* – The reviewed version of IAS 24 simplifies the disclosure requirements for government-held companies and clarifies the definition of related party. The reviewed standard approaches aspects which, according to the prior disclosure requirements and related party definition, were too complex and not easily put into practice, especially in environments under government control, bringing forth partial exemptions to government-held entities and a reviewed definition of the related party concept. This change was issued in November 2009, and entered into effect for the years starting on or after January 1, 2011.

- *IFRS 9 Financial instruments – Classification and Measurement* – IFRS 9 Financial Instruments concludes the first phase of "IAS 39 Financial Instruments: Recognition and Measurement" replacement project. IFRS 9 has a simple approach to determine whether a financial asset is measured at amortized cost or fair value. The new approach is based on how an entity manages its financial instruments (its business model) and the characteristic contractual cash flows of the financial assets. This standard also requires the adoption of a single method to determine impairment of assets. This standard shall be in effect for the years starting on or after January 1, 2013. The Company does not believe that this change will cause an impact on its financial statements.

- *IFRIC 14 Prepayments of a Minimum Funding Requirement* – This change aims at rectifying an involuntary consequence of IFRIC 14. This change is only applicable when an entity is subject to minimum funding requirements and prepays contributions in order to meet these requirements. This change enables this entity to record the benefits from such prepayment as assets. This change enters into effect for the years starting on or after January 1, 2011. This change did not impact the Company's financial statements.

- Certain new IASB accounting practices and IFRIC interpretations were released and/or reviewed, and their adoption is mandatory or elective for the years starting on January 1, 2013. The Company has not adopted any of these standards in advance. Following is the Company's evaluation on the impacts of these new practices and interpretations:

- *IFRS 10 Consolidated Financial Statements* – It introduces a new definition of control, which is used to determine which entities are consolidated and describes the consolidation procedures. This standard does not modify the consolidation method, but introduces a new definition of control and, consequently, which investments shall be consolidated depending on new evaluation criteria (for instance control on relevant activity). This standard is not applicable to the Company.

ITR – Quarterly Information – 06/30/2011 - SLC AGRICOLA SA
Notes do Financial Statements

5. Changes in accounting practices (Continued)

● *IFRS 11 Joint Arrangements* – It describes the accounting of investments with common control; proportional consolidation is not allowed to joint ventures. Currently, the IFRS allow proportional consolidation – line by line – of joint ventures or their record by the equity method. The proportional consolidation will no longer be allowed with the IFRS 11 adoption. This change is not applicable to the Company.

● *IFRS 12 Disclosures of Investments in Other Entities:* It introduces new disclosure requirements related to investments in subsidiaries, joint-ventures, associated and "structured entities". This standard will not impact the record or measurement of the investments, but the Company expects that certain additional disclosures may be necessary in order to fully meet the disclosure requirements of this standard.

● *IFRS 13 Fair Value Measurement:* It provides a new guideline as to how to measure the fair value. This standard does not modify the current measurement requirements at fair value present in the IFRS, but introduces new disclosure requirements, guidelines as to the method of measuring assets and liabilities at fair value when permitted or required by the current IFRS. The management will evaluate the impact of this new IFRS in its fair value measurement and disclosure procedures and policies.

There are no other interpretations or norms under study by the IASB that are likely to have some impact at the interim statements of the Company..

ITR – Quarterly Information – 06/30/2011 - SLC AGRICOLA SA
Notes do Financial Statements

6. Cash and cash equivalents and short-term investments

a. Cash and cash equivalents

Type	Interest	Company		Consolidated	
		06/30/2011	**12/31/2010**	**06/30/2011**	**12/31/2010**
Cash and cash equivalents	-	**368**	537	**437**	725
Trading securities:					
CDB-DI	**100.84% of CDI***	**48,295**	61,366	**75,323**	67,368
Repurchase and resale agreements	**101.25% of CDI***	**14,095**	30,956	**43,198**	41,747
Short-term investment fund	**98,20% of CDI***	**449**	-	**644**	-
Other	-	**269**	260	**394**	379
		63,476	93,119	**119,996**	110,219

* Average interest at June 30, 2011.

** Agribusiness bill of exchange.

b. Short-term investments

Short-term investments are represented by Bank Deposit Certificates (CDB), repurchase and resale agreements (debentures) and Agribusiness Bills of Exchange at market prices and rates, restated at interest earned through June 30, 2011, not exceeding trading value.

7. Trade accounts receivable

	Company		Consolidated	
	06/30/2011	**12/31/2010**	**06/30/2011**	**12/31/2010**
Domestic market	**15,486**	11,635	**22,607**	14,288
Foreign market	**44**	16,894	**49**	31,323
Total	**15,530**	28,529	**22,656**	45,611

At June 30, 2011 and December 31, 2010, the Company and its subsidiaries had no overdue notes receivable.

ITR – Quarterly Information – 06/30/2011 - SLC AGRICOLA SA
Notes do Financial Statements

8. Inventories

	Company		Consolidated	
	06/30/2011	**12/31/2010**	**06/30/2011**	**12/31/2010**
Agricultural products	**57,775**	53,809	**80,530**	82,536
Seeds, manure, fertilizers and pesticides	**51,984**	78,946	**101,657**	132,819
Advances to suppliers	**40,946**	6,224	**51,004**	13,110
Other inventories	**12,499**	8,035	**20,454**	10,757
Provision for write-down to net realizable value	**(5,770)**	-	**(6,564)**	-
	157,434	147,014	**247,081**	239,222

At June 30, 2011, the Company recorded a provision for write-down to net realizable value in the amount of R$ 5,770 (R$ 6,564 – consolidated), and the transaction is as follows:

Company	
Balance at December 31, 2010	-
Recognition of provision	**(5,770)**
(-) Reversal of provision	-
Balance at June 30, 2011	**(5,770)**

Consolidated	
Balance at December 31, 2010	-
Recognition of provision	(6,564)
(-) Reversal of provision	-
Balance at June 30, 2011	**(6,564)**

ITR – Quarterly Information – 06/30/2011 - SLC AGRICOLA SA
Notes do Financial Statements

9. Biological assets

	COMPANY							
	Current							Non-current
	Soybean	Cotton	Corn	Corn seed	Coffee	Other	Total	Coffee
Balances at December 31, 2010	44,678	59,490	12,703	550	1,552	378	119,351	17,771
Crop expenses	32,329	135,997	8,279	132	3,075	1,411	181,223	1,431
Fair value variation	25,926	27,626	4,507	856	-	-	58,915	-
Harvest	(100,710)	(9,288)	(18,558)	(1,475)	(1,306)	(1,637)	(132,974)	-
Balances at June 30, 2011	**2,223**	**213,825**	**6,931**	**63**	**3,321**	**152**	**226,515**	**19,202**

	CONSOLIDATED							
	Current							Non-current
	Soybean	Cotton	Corn	Corn seed	Coffee	Other	Total	Coffee
Balances at December 31, 2010	101,259	74,306	13,358	505	1,455	329	191,212	17,771
Crop expenses	52,836	214,243	15,533	132	3,075	1,411	287,230	1,431
Fair value variation	47,771	54,663	2,587	856	-	-	105,877	-
Harvest	(198,808)	(24,673)	(18,381)	(1,430)	(1,288)	(1,590)	(246,170)	-
Balances at June 30, 2011	3,058	318,539	13,097	63	3,242	150	338,149	19,202

Crop in formation expenses are substantially represented by expenses with: seeds, fertilizers, pesticides, depreciation and work force.

Soybean, corn and cotton crops usually take place during the following periods:

		Crop		
Unit	**Location**	**Soybean**	**Cotton**	**Corn**
Planalto farm	Costa Rica-MS	10/01 to 03/20	12/05 to 08/15	01/25 to 07/10
Paiaguás farm	Diamantino-MT	09/20 to 03/15	12/10 to 08/15	01/25 to 07/10
Pejuçara farm	Diamantino-MT	09/20 to 03/15	12/10 to 08/15	01/25 to 07/10
Planorte farm	Sapezal -ME	09/20 to 03/10	12/15 to 08/15	01/25 to 07/10
Pamplona farm	Cristalina – GO	10/25 to 04/15	11/05 to 08/15	10/20 to 04/30
Parnaíba farm	Tasso Fragoso – MA	10/25 to 04/05	12/15 to 08/10	12/01 to 05/15
Planeste farm	Balsas – MA	10/15 to 03/30	12/20 to 08/15	12/10 to 07/10
Panorana farm	Correntina-BA	11/01 to 04/25	No plantation	No plantation
Piratini farm	Jaborandi-BA	11/01 to 04/25	11/20 to 08/10	No plantation
Palmares farm	Barreiras-BA	11/01 to 04/25	11/20 to 08/10	11/01 to 04/01
Parceiro farm	Coaceral –BA	11/01 to 04/25	No plantation	No plantation

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10. Recoverable taxes

	Company		Consolidated	
	06/30/2011	**12/31/2010**	**06/30/2011**	**12/31/2010**
Income tax	**9,817**	14,855	**20,051**	23,206
Social contribution tax	**12**	17	**3,492**	2,324
ICMS	**13,295**	12,808	**19,279**	17,539
COFINS	**1,305**	2,063	**8,453**	8,784
PIS	**206**	291	**2,104**	2,096
Withholding income tax (IRRF)	**1,220**	1,711	**1,723**	2,595
Other	**48**	49	**111**	118
	25,903	31,794	**55,213**	56,662
(-) Current	**(22,493)**	(28,657)	**(50,947)**	(51,753)
Non-current	**3,410**	3,137	**4,266**	4,909

Recoverable tax in a period longer than 12 months is classified to the item “other accounts receivable” in the non-current assets.

Income and social contribution taxes

These refer to income and social contribution tax prepayments that are realized through offset against federal taxes and contributions due.

ICMS, PIS and COFINS to be offset / to recover

These refer to credits generated in the normal course of operations of the Company and its subsidiaries, which may be offset against taxes of the same nature. The Company’s management expects that the balances existing on June 30, 2011 will be realized in the normal course of business with no losses.

Recoverable IRRF

This refers to withholding income tax on short-term investments. These credits are realizable through offset against federal taxes and contributions due.

11. Investments

	Company		Consolidated	
	06/30/2011	**12/31/2010**	**06/30/2011**	**12/31/2010**
Investments in subsidiaries	**1,391,955**	1,364,105	**-**	-
Other investments	**110**	100	**366**	488
	1,392,065	1,364,205	**366**	488

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11. **Investments** (Continued)

Significant investments in subsidiaries, valued by the equity method, are shown in the table below:

	Fazenda Parnaíba S.A.	**Fazenda Planorte S.A.**	**Fazenda Paiaguás S.A.**	**SLC Agrícola Pejuçara Ltda.** (3)	**SLC Empreendimentos e Agricultura Ltda.** (1) and (2)	**06/30/2011**	**12/31/2010**
Capital	45,650	57,050	40,010	14,896	215,474		
Equity	204,673	207,062	199,520	16,997	893,636		
Net income for the period	11,694	9,601	179	700	5,650		
Number of shares/units of interest							
Common shares (thousand)	5,353	11,506	44,517	46,542	-		
Units of interest	-	-	-				
Equity interest percentage (%)	100%	100%	100%	77%	85.91%		
Opening balances	191,156	196,511	198,187	12,453	765,798	**1,364,105**	1,294,221
Unrealized losses on hedge instruments	-	-	-	-	-	**-**	(640)
Payment of capital							40,470
Unrealized gains on hedge instruments	1,823	950	1,154	-	-	**3,927**	1,311
Capital gains on investments	-	-	-	-	(763)	**(763)**	1,398
Equity pickup	11,694	9,601	179	536	2,676	**24,686**	37,345
Dividends received	-	-	-	-	-	**-**	(10,000)
Ending balances	204,673	207,062	199,520	12,989	767,711	**1,391,955**	1,364,105

(1) The equity was adjusted by R$12,476 and net income by R$2,537, relating to intercompany unrealized profits, net of tax effects.
(2) The company controls 100% of Empreendimentos e Agricultura Ltda.'s stock through subsidiary Fazenda Paiaguás S.A.
(3) SLC Agrícola Pejuçara Ltda. was established on July 1, 2010 and its articles of association were filed with the Division of Corporations of the Mato Grosso State on July 30, 2010. It started operations in September 2010.

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12. Property, plant and equipment

Company

Gross cost of property, plant and equipment	Balance at 12/31/2010	Acquisitions	Write-offs	Transfers	Balance at 06/30/2011
Arable land	13,000	-	-	-	**13,000**
Soil development	148,023	6,867	(16)	-	**154,874**
Buildings and improvements	52,950	286	(35)	6,535	**59,736**
Agricultural equipment and industrial facilities	300,040	16,887	(5,512)	-243	**311,658**
Vehicles	14,605	1,940	(501)	-	**16,044**
Furniture and fixtures	6,673	274	(1)	103	**7,049**
Office equipment and facilities	2,665	877	(95)	-	**3,447**
Permanent crops	-	35	-	2	**37**
Advances to suppliers	9,527	3,861	(2,152)	-	**11,236**
Work in progress	21,232	9,884	(6,284)	(6,883)	**17,949**
Total	568,715	40,911	(14,596)	-	**595,030**

Depreciation	Balance at 12/31/2010	Depreciation	Write-offs	Transfers	Balance at 06/30/2011
Soil development	60,239	14,134	(538)	-	**73,835**
Buildings and improvements	992	160	(70)	-	**1,082**
Agricultural equipment and industrial facilities	91,933	12,383	(1,921)	-	**102,395**
Vehicles	5,956	694	(155)	-	**6,495**
Furniture and fixtures	1,519	142	-	-	**1,661**
Office equipment and facilities	1,227	211	(3)	-	**1,435**
Total	161,866	27,724	(2,687)	-	**186,903**

Net residual value	Balance at 12/31/2010	Balance at 06/30/2011
Arable land	13,000	**13,000**
Soil development	87,784	**81,039**
Buildings and improvements	51,958	**58,654**
Agricultural equipment and industrial facilities	208,107	**209,263**
Vehicles	8,649	**9,549**
Furniture and fixtures	5,154	**5,388**
Office equipment and facilities	1,438	**2,012**
Permanent crops	-	**37**
Advances to suppliers	9,527	**11,236**
Work in progress	21,232	**17,949**
Total	406,849	**408,127**

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12. Property, plant and equipment (Continued)

Consolidated

Gross cost of property, plant and equipment	Balance at 12/31/2010	Acquisitions	Write-offs	Transfers	Balance at 06/30/2011
Arable land	1,551,694	18,227	-	-	1,569,921
Soil development	225,592	9,756	(16)	-	235,332
Buildings and improvements	160,524	286	(35)	2,471	163,246
Agricultural equipment and industrial facilities	505,172	18,282	(940)	4,511	527,025
Vehicles	23,062	3,739	(589)	-	26,212
Furniture and fixtures	7,995	365	(1)	122	8,481
Office equipment and facilities	7,671	977	(99)	-	8,549
Permanent crops	4,255	40	(38)	2	4,259
Advances to suppliers	12,102	1,094	(2,669)	-	10,527
Work in progress	32,071	16,534	(3,763)	(7,106)	37,736
Total	2,530,138	69,300	(8,150)	-	2,591,288

Depreciation	Balance at 12/31/2010	Depreciation	Write-offs	Transfers	Balance at 06/30/2011
Soil development	101,466	19,654	-	-	121,120
Buildings and improvements	22,309	1,903	(43)	-	24,169
Agricultural equipment and industrial facilities	151,209	18,193	-	-	169,402
Vehicles	8,968	1,184	(273)	-	9,879
Furniture and fixtures	2,296	215	(1)	-	2,510
Office equipment and facilities	2,264	387	(25)	-	2,626
Permanent crops	2,574	359	-	-	2,933
Total	291,086	41,895	(342)	-	332,639

Net residual value	Balance at 12/31/2010	Balance at 06/30/2011
Arable land	1,551,694	1,569,921
Soil development	124,126	114,212
Buildings and improvements	138,215	139,077
Agricultural equipment and industrial facilities	353,963	357,623
Vehicles	14,094	16,333
Furniture and fixtures	5,699	5,971
Office equipment and facilities	5,407	5,923
Permanent crops	1,681	1,326
Advances to suppliers	12,102	10,527
Work in progress	32,071	37,736
Total	2,239,052	2,258,649

At June 30, 2011, work and fixed assets in progress were substantially represented by construction and refurbishment of warehouses at Pamplona, Planeste, Piratini and Planorte farms, construction of pesticide deposits at Planeste, Panorama, Piratini, Palmares, Parceiro, Planorte and Parnaíba farms, infrastructure works (improvements and construction of roads, etc.), refurbishment of the irrigation system (supply channel and center pivots), improvements of the cotton processing unit at Palmares farm and improvements (decontamination areas). All of these efforts are expected to be completed within the next 12 months.

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13. Transactions with related parties

a) Balances of transactions with related parties

	Fazenda Planorte S.A	Fazenda Parnaíba S.A.	Fazenda Paiaguás S.A.	SLC Empreendimentos e Agricultura Ltda.	Fazenda Pejucara S.A.	SLC LandCo Ltda.	SLC Empr Planeste Ltda.	SLC Emp. Panorama Ltda.	Ferramentas Gerais Com. Imp. S.A.	SLC Participações S.A.	06/30/2011	12/31/2010
ASSETS:												
Current assets:												
Receivables from subsidiaries	-	-	-	-	-	-	-	-	-	-	**-**	1,164
Non-current assets:												
Receivables from subsidiaries	9,526	16	9,501	-	-	70	-	1	2	1	**19,116**	4,512
Advance for future capital				35,348	-	-	-	-	-	-	**35,348**	18,180
Increase	-	-	-	-	-	-	-	-	-	-	**-**	-
											54,464	23,856
LIABILITIES:												
Current liabilities:												
Payables to subsidiaries (loans)	316	11	-	3					60	-	**390**	-
Lease transaction payable	-	-	-	10,146	-	-	1,608	848	-	-	**12,602**	5,350
											12,992	5,350
INCOME											**06/30/2011**	03/31/2010
SALES:												
Goods	-	-	-	-	-	-	-	-	-	-	**-**	
Lease transactions	-	-	-	10,378	-				-	-	**10,378**	-
PURCHASES:												
Goods	-	-	-	-	-				-	-	**-**	77
FINANCIAL INCOME												
Interest	22	-	-	-	-	-	-	-	-	-	**22**	13
FINANCIAL EXPENSES												
Interest	-	20	218	-	-	-	-	-	-	-	**238**	7

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Notes do Financial Statements

13. Transactions with related parties (Continued)

a) Balances of transactions with related parties

The Company and its subsidiaries have loan agreements represented by current accounts, indexed to 99% of the CDI-OVER rate nominal variation, maturing in indeterminate periods.

SLC Participações S.A. is the parent of the Company. There is no transaction held with the parent, except for payment of dividends.

b) Lease agreement

The Company has a rural lease agreement entered into on January 1, 2007, with subsidiary SLC Empreendimentos e Agricultura Ltda., effective for a period of 10 years maturing on December 31, 2016, which may be reviewed at any time in the event market changes take place that render it unfeasible to achieve balance and encumber excessively any of the parties thereto.

This agreement provides for the delivery of land, facilities and other assets by the lessor that allows the lessee to perform its agricultural activities by planting cotton, soybean, corn, sorghum, coffee, beans and peas in consideration for an amount in the form of lease payments. At June 30, 2011, the lease amount is as follows:

	Total acres leased	Annual lease amount (a)	Soybean sack quotation in the region (b)	Valor
Planalto farm	14,734.84	11.0	47.00	7,618
Pamplona farm	11,312.95	7.0	45.00	3,564
Planeste farm	13,305.37	6.0	43.50	3,473
Panorama farm	3,781.89	8.0	45.00	1,361
Paiaguás farm	21,292.70	6.0	42.90	5,481
Piratini farm (c)	5,000.00	2.0	45.50	455
Palmares farm	10,349.00	8.0	46.00	3,808
				25,760

(a) Equivalent in soybean bags per arable hectare per crop year.
(b) Average price per soybean sack prevailing in the region of each farm, obtained at September 30, 2010, in Reais.
(c) As contractually provided for, lease costs will be incurred as from crop year 2011/2012.

The leasing price will be paid annually based on the over-the-counter (OTC) price of the soybean sack for each region on the payment date, to be established by the lessor at least 15 days before maturity, with no provision for agreement resetting.

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13. Transactions with related parties (Continued)

c) Management fees

The Company considers that senior management comprises non-remunerated board members, remunerated independent board members and executive board members (whether statutory or non-statutory).

Management members receive compensation in the form of fees and salaries through payroll. Total management compensation, including bonus and other benefits, is stated in a specific statement of income account, and is summarized as follows:

	Company and Consolidated	
	06/30/2011	**06/30/2010**
Fees	**1,395**	1,010
Stock option plan – recognized in the period	**2,359**	878
Stock option plan – reversed in the period	**-**	(584)
	3,754	1,304

The Company does not offer post-employment, labor contract termination or other long-term benefits to its management.

14. Loans and financing

		Average annual interest rates (%)		Company		Consolidated	
	Index	**06/30/2011**	**12/31/2010**	**06/30/2011**	**12/31/2010**	**06/30/2011**	**12/31/2010**
Used in property, plant and equipment							
Finame – BNDES	Prefixed and TJLP*	6.14%	6.53%	**27,686**	29,579	**47,090**	47,943
Constitutional funds**	-	7.38%	7.31%	**68,670**	141,237	**111,573**	187,792
Used in working capital							
Rural credit	-	6.75%	6.75%	**16,440**	35,762	**118,158**	125,852
Constitutional funds**	-	7.23%	7.23%	**119,580**	-	**149,965**	2,460
Working capital - NCE	-	-	11.70%	**-**	17,575	**-**	17,575
Foreign loans	US$, Libor + Prefixed	3.15%	4.23%	**113,160**	67,971	**113,160**	67,971
				345,536	292,124	**539,946**	449,593
(-) par Current liabilities				**(175,066)**	(153,340)	**(280,080)**	(260,117)
PassivNon-current liabilities				**170,470**	138,784	**259,866**	189,476

* Long-term interest rate (TJLP)
** Calculation of Constitutional Funds average cost considers a 15% discount relating to non-default bonus.
***Libor (London interbank Offer Rate): Interest Rate charged by the London banks, used as a reference. For the majority of the loans of the international financing system.

Finame - BNDES – Guaranteed by a statutory lien and pledges on financed assets by the Company or SLC Participações S.A. Amounts are amortized on a monthly, quarterly, semiannual or annual basis, with maturity dates between July 15, 2011 and August 15, 2016.

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14. Loans and financing (Continued)

Constitutional Funds – Guaranteed by sureties by the Company or SLC Participações S.A. and, in some operations, by pledge and mortgage on land. Amounts are amortized annually or semiannually, with maturities between July 1, 2011 and July 1, 2016.

Rural Savings – Guaranteed by sureties by the Company and/or SLC Participações S.A.

Rural Credit – Guaranteed by sureties by the Company or SLC Participações S.A., and, in some transactions, by pledge on the crops. Amortization takes place on a monthly basis, with maturities between July 15, 2011 and September 21, 2011.

Foreign Loans – Funds obtained from IFC – International Finance Corporation, with final maturity on January 15, 2018, guaranteed by sureties by subsidiaries and mortgage on Fazenda Paiaguás S.A. This agreement provides for performance of certain covenants regarding current ratio, DEBT-EBITDA/Equity ratio and annual debt amortization in relation to operating cash generation.

Working Capital – NCE – Funds taken out through Export Credit Bill (NCE) to finance 2009/10 crop trading, being one operation with maturity of 24 months and 12-month shortage grace period and five operations with maturity of 1 month. These are collaterally signed by the Company or SLC Participações S.A. They are amortized on a monthly basis, maturing between April 18, 2011 and July 18, 2011.

Financing to Export – Funds taken out through NCE – Export Credit Bill to finance long-term exports, with final maturity on 01/15/2016, backed by collateral of the Company or SLC Participações S.A. and mortgage. This agreement sets forth the fulfillment of certain covenants approved by SLC Agrícola (Current Liquidity, Equity Capital of Third Parties, Net Financial Debt on Ebitda and Cash Liquidity).

The aging list of long-term loans and financing is as follows:

	Company		Consolidated	
Maturity	**06/30/2011**	**12/31/2010**	**06/30/2011**	**12/31/2010**
2012	44,013	34,419	107,704	50,930
2013	45,817	30,476	56,978	45,927
2014	43,057	27,456	52,389	39,792
2015	24,314	21,549	28,551	27,510
After 2015	13,269	24,884	14,244	25,317
	170,470	**138,784**	**259,866**	**189,476**

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15. Provision for contingencies

At June 30, 2011, the Company recorded a provision for labor and fiscal contingencies in the amount of R$ 237 (R$ 479 – consolidated), R$762 at December 31, 2010 (R$854 – consolidated), referring to legal claims filed by former employees, with respect to which an unfavorable outcome has been assessed as probable by the Company's legal advisors. The provision for contingencies is recorded under other liabilities account in current liabilities. The Company recorded the amount of R$ 410 (R$ 1,271 – consolidated) relating to labor claims whose likelihood of an unfavorable outcome was rated as possible by its legal advisors and, as a result, no provision was recorded for such claims.

The Company also identifies environmental claims whose likelihood of an unfavorable outcome was rated as possible by its legal advisors in the amount of R$ 13,000. Such proceedings relate to claims filed by The Brazilian Institute of the Environment and Natural Renewable Resources (IBAMA) and by Environment Military Police, Cassilândia City, Mato Grosso do Sul State.

Company

	Tax	Labor	Total
Balance at December 31, 2010	160	602	762
New proceedings/complements and monetary restatements	-	-	-
(-) Reversals	-	(525)	(525)
Balance at June 30, 2011	160	77	237

Consolidated

	Tax	Labor	Total
Balance at December 31, 2010	160	694	854
New proceedings/complements and monetary restatements	-	-	-
(-) Reversals	-	(375)	(375)
Balance at June 30, 2011	160	319	479

The Company respects and seeks to comply with all environmental matters, whether statutory or not, and makes respect for the environment, employees and other stakeholders one of the key commitments to the Company's work, combining the use of cutting-edge agricultural techniques with the adoption of sustainability-oriented practices. The proportion of such actions is greater than simply complying with legislation, and reinforced by the current implementation process of an Integrated Management System (SGI), pursuant to standards ISO 14001:2004 (Environmental Management), OHSAS 18001:2007 (Occupational Safety and Health Management) and NBR 16001:2004 (Social Responsibility Management).

In accordance with applicable legislation in Brazil, the federal, state and local taxes as well as social security contributions are subject to review by tax authorities for periods varying from 5 to 30 years.

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16. Deferred income and social contribution taxes

Deferred income and social contribution taxes were recognized as follows:

Company

	06/30/2011			12/31/2010		
Description	**Income Tax**	**Social Contribution**	**Total**	**Income Tax**	**Social Contribution**	**Total**
Assets:						
Temporary differences:						
Taxes of activity without incentive	**138**	**-**	**138**	138	-	138
Provision for inventory adjustment	**926**	**333**	**1,259**	916	330	1,246
Provision for Profit Sharing	**829**	**298**	**1,127**	20	7	27
Operations with derivatives	**11,700**	**4,212**	**15,912**	12,644	4,552	17,196
Fair value of biological assets	**-**	**-**	**-**	-	-	-
Others	**861**	**310**	**1,171**	400	144	544
Tax losses and negative basis	**18,626**	**6,893**	**25,519**	29,517	10,732	40,249
	33,080	**12,046**	**45,126**	43,635	15,765	59,400
Liabilities:						
Depreciation with incentive of rural activity*	**36,508**	**13,143**	**49,651**	31,787	11,443	43,230
Bargain gain in acquisition of shares	**5,539**	**1,994**	**7,533**	5,539	1,994	7,533
Cost attributed to property, plant and equipment	**29,264**	**10,535**	**39,799**	31,449	11,322	42,771
Fair value of biological assets	**11,129**	**4,006**	**15,135**	5,328	1,918	7,246
Capitalization of interest on loans	**1,041**	**375**	**1,416**	696	250	946
Deferred capital gain	**618**	**-**	**618**	844	-	844
Deferred foreign exchange variation	**-**	**-**	**-**	-	-	-
Operations with derivatives	**15,906**	**5,726**	**21,632**	12,546	4,517	17,063
	100,005	**35,779**	**135,784**	88,189	31,444	119,633

Consolidated

	06/30/2011			12/31/2010		
Description	**Income Tax**	**Social Contribution**	**Total**	**Income Tax**	**Social Contribution**	**Total**
Assets:						
Temporary differences:						
Taxes of activity without incentive	**138**	**-**	**138**	138	-	138
Provision for inventory adjustment	**1,037**	**373**	**1,410**	1,071	386	1,457
Provision for Profit Sharing	**1,170**	**420**	**1,590**	20	7	27
Operations with derivatives	**17,983**	**6,473**	**24,456**	19,044	6,855	25,899
Fair value of biological assets	**-**	**-**	**-**	-	-	-
Others	**2,556**	**373**	**2,929**	450	162	612
Tax losses and negative basis	**19,104**	**7,066**	**26,170**	32,157	11,684	43,841
	41,988	**14,705**	**56,693**	**52,880**	**19,094**	**71,974**
Liabilities:						
Depreciation with incentive of rural activity*	**61,933**	**22,154**	**84,087**	57,567	20,575	78,142
Bargain gain in acquisition of shares	**5,647**	**2,033**	**7,680**	5,647	2,033	7,680
Cost attributed to property, plant and equipment	**281,084**	**101,115**	**382,199**	281,432	102,246	383,678
Fair value of biological assets	**18,922**	**6,813**	**25,735**	10,947	3,941	14,888
Capitalization of interest on loans	**1,247**	**449**	**1,696**	901	324	1,225
Deferred capital gain	**618**	**-**	**618**	844	-	844
Deferred foreign exchange variation	**230**	**82**	**312**	81	29	110
Operations with derivatives	**18,760**	**6,753**	**25,513**	13,807	4,971	18,778
	388,441	**139,399**	**527,840**	**371,226**	**134,119**	**505,345**

* according to tax legislation, companies with agricultural activity can be benefitted from the accelerated depreciation with incentive of its investments in the agricultural activity.

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16. Deferred income and social contribution taxes (Continued)

Under CVM Rule No. 371/02, the Company and its subsidiaries, based on expected generation of future taxable profits, determined in a technical study approved by management, recognized tax credits on income and social contribution tax losses and temporary differences, which may be carried forward indefinitely. The book value of deferred tax assets is reviewed annually by the Company and the resulting adjustments have not been significant in relation to the initial management forecast. The technical study takes into consideration investments and the 75% income tax reduction incentive on profit from tax incentive operations of the farms located in regions benefitting from the incentives.

Based on expected generation of future taxable income, Company estimates recover tax credits as follows:

	Company		Consolidated	
	06/30/2011	12/31/2010	06/30/2011	12/31/2010
2011	-	47,449	-	51,234
2012	45,126	11,951	56,693	20,740
	45,126	59,400	56,693	71,974

Tax credit recovery estimates were based on projected taxable profits taking into consideration several financial and business assumptions. Consequently, these estimates may not materialize in the future due to uncertainty involved in these forecasts.

Reconciliation of tax expenses at official rates

Reconciliation of the amount that results from applying nominal tax rates with the amount recorded as income and social contribution tax expenses is as follows:

Reconciliation of tax expenses at official rates – Company:

	06/30/2011		06/30/2010	
	Income tax	Social contribution tax	Income tax	Social contribution tax
Income before taxes	**83,146**	**83,146**	33,234	33,234
Income and social contribution taxes at nominal rate of 25% and 9%, respectively	**(20,787)**	**(7,483)**	(8,309)	(2,991)
Adjustments to derive the effective rate				
Equity pickup	**6,001**	**2,160**	8,056	2,900
Permanent additions	**(1,069)**	**(384)**	(261)	(94)
Permanent exclusions	**1**	**-**	(1,541)	(555)
Amount recorded in P&L	**(15,854)**	**(5,707)**	**(2,055)**	**(740)**
Total income and social contribution taxes		**(21,561)**		**(2,795)**
Deferred taxes		**(21,561)**		**(2,795)**
Current taxes		**-**		**-**

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16. Deferred income and social contribution taxes (Continued)

Reconciliation of tax expenses at official rates – Consolidated:

	06/30/2011		06/30/2010	
	Income tax	**Social contribution tax**	**Income tax**	**Social contribution tax**
Income before taxes	**98,534**	**98,534**	40,969	40,969
Income and social contribution taxes at nominal rate of 25% and 9%, respectively	**(24,633)**	**(8,868)**	(10,242)	(3,687)
Adjustments to derive the effective rate	**-**	**-**	-	-
Permanent exclusions	**448**	**125**	1,823	615
Permanent additions	**(1,084)**	**(391)**	(295)	(106)
Subsidiaries' tax incentives	**833**	**-**	299	-
Other	**(379)**	**(205)**	61	170
Amount recorded in P&L	**(24,815)**	**(9,339)**	(8,354)	(3,008)
Total income and social contribution taxes		**(34,154)**		**11,362**
Deferred taxes		**(28,773)**		**(5,652)**
Current taxes		**(5,381)**		**(5,710)**

Reconciliation of variation in deferred income and social contribution taxes

Income and social contribution taxes recorded in the consolidated financial statements as assets and liabilities are reconciled as follows:

	12/31/2010	06/30/2011	Variation
Deferred tax assets	71,974	56,693	(15,281)
Deferred tax liabilities	(505,345)	(527,840)	(22,495)
			(37,776)
Taxes on fair value recorded in equity			14,727
Reversal of taxes recorded under equity			(5,724)
			-
Deferred taxes recorded in net income for the year			(28,773)

17. Notes payable – Consolidated

	06/30/2011	12/31/2010
Agropecuária Vale do Juruena Ltda. and Others (a)	**36,014**	53,288
Agropecuária Veloso de Araujo Ltda. and Others (b)	**8,202**	11,671
Solo Sagrado Colonizadora e Negócios Ltda.(c)	**9,732**	10,394
Espolio de Francisco Veloso de Araujo (d)	**4,895**	5,215
Jaques Valori Lima (e)	**1,137**	2,399
Victorio Mitsukaso obata and Others (f)	**8,708**	8,708
Agropecuária Tapera Ltda (g)	**15,450**	-
Other	**6,352**	9,998
	90,490	101,673
(-) Current portion	**(57,155)**	(50,077)
Non-current portion	**33,335**	51,596

The material balances at June 30, 2011 are composed of the following:

(a) Corresponds to purchase of 10,635 acres of arable land in the city of Campos de Julio, Mato Grosso State, adjoining the arable land of subsidiary Fazenda Planorte S.A., for the amount of R$82,950, equivalent to 2,370 thousand soybean bags. The balance at June 30, 2011 refers to 4 remaining installments of R$36,014, equivalent to 1,110 thousand soybean bags, restated by soybean sack price variation, considering that the installment with maturity for May 2011 was extended for the creditor's interest and the next installments with annual maturity between May 2012 and May 2014.

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17. Notes payable – Consolidated (Continued)

(b) Corresponds to purchase of 3,406.62 acres of arable land in the city of Tasso Fragoso, Maranhão State, adjoining the arable land of subsidiary Fazenda Parnaíba S.A., for R$14,000, equivalent to 350 thousand soybean bags. The balance at June 30, 2011, in the amount of R$8,202, refers to an initial installment referring to 2,015 soybean bags, with maturity extended for the creditor's interest, and 11 remaining annual installments with maturities from May 2012 to May 2022, equivalent to 20 thousand soybean bags each, totaling 220,000 soybean bags.

(c) Corresponds to purchase of 26,598 acres of arable land in the city of Santa Filomena, Piauí State, named Fazenda Parnaguá, by subsidiary SLC Empreendimentos e Agricultura Ltda., for R$34,969. The balance at June 30, 2011, in the amount of R$9,732, refers equivalent to 101,539 soybean bags, payable in December 2011.

(d) Corresponds to purchase of 1,237.74 acres of arable land in the city of Tasso Fragoso, Maranhão State, adjoining the arable land of subsidiary Fazenda Parnaíba S.A., for R$4,800, equivalent to 137,142 soybean bags. The balance at June 30, 2011, in the amount of R$4,895, refers to: R$2,700 payable upon deed transfer to the Company; and 4 remaining annual installments, maturing from July 2010 to May 2013, equivalent to 12 thousand soybean bags each, totaling 60 thousand soybean bags. The installments with maturity in the period from July 2010 to May 2011 had their maturity extended for the creditor's interest.

(e) Corresponds to purchase of 2,718 acres of arable land in the city of Correntina, Bahia State, denominated Fazenda Panorama, by subsidiary SLC Empreendimentos e Agricultura Ltda., in the amount of R$8,857, equivalent to US$4,447. The balance of R$1,137 at June 30, 2011, equivalent to US$720, restated by reference to US dollar variation, will be paid in 2 annual installments maturing as from May 31, 2012.

(f) Corresponds to the acquisition of 4,094 acres of arable land in the city of Barreiras, Bahia State, adjoining arable land of Fazenda Palmares, in the amount of R$30,318. The balance of at June 30, 2011, amount of R$8,708, refers to parcel that they will be paid upon deed transfer to the Company.

(g) Corresponds to purchase of 1,499.2183 hectares of arable land in the city of Formosa do Rio Preto, Bahia, adjoining arable land of Fazenda Palmares, in the amount of R$15,450. The balance at June 30, 2011, in the amount of R$15,450 refers to an installment of R$12.360 which will be paid in July 2011 and an installment of R$3,090 which will be paid upon deed transfer to the Company.

18. Equity

a) Capital

At June 30, 2011, subscribed capital, in the amount of R$557,434, comprises 98,897,500 registered common shares with no par value, held as follows:

	Number of shares	
Shareholder	**06/30/2011**	**12/31/2010**
SLC Participações S.A.	28,948,586	28,948,586
Evaux Participações S.A.	21,520,787	21,520,787
Board of Directors	5	5
Treasury shares	863,000	987,700
Other	47,565,122	47,440,422
Total paid-up shares	98,897,500	98,897,500
(-) Treasury shares	(863,000)	(987,700)
Total outstanding shares	98,034,500	97,909,800

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18. **Equity** (Continued)

b) Capital reserve – premium on issue of shares

Corresponds to premium received in public share offerings in June 2007 and June 2008, as well as premium on sale of treasury shares in connection with stock option plans, less share issue costs (commissions, fees and other expenses), net of tax effects, in conformity with CPC 10, in the amount of R$ 24,604.

c) Treasury shares

The Company bought back its shares to keep them in treasury, aiming a later stock option plan (Note 23), according the decision made in Board of Directors' meeting held on October 29, 2008.

The balance of treasury shares at June 30, 2011, totaling R$ 10,054, comprises 863,000 shares (987,700 at December 31, 2010).

d) Legal reserve

The legal reserve is set based on 5% of net income for the year up to 20% of share capital. According to article 35, line a, of the Company's Bylaws, when the amount derived from sum of the legal reserve plus capital reserves, as defined in paragraph 1, article 182, of the Brazilian Corporate Law, exceeds share capital by 30% (thirty percent), no part of the net income for the year must be allocated to the legal reserve.

e) Expansion reserve

In accordance with the provisions of article 194 of Law No. 6404/76 and of article 35 of the Company's Bylaws, an expansion reserve will be set up based on the remaining net income for the year after the deductions set forth by relevant legal requirements and Bylaws. This reserve is intended to be used for investments in operating assets, and cannot exceed share capital.

At December 31, 2010, a proposal was made to allocate R$ 42,299 to the Expansion Reserve, which was approved by the General Shareholders' Meeting on April 27, 2011.

f) Profit retention reserve

The balance at June 30, 2011 refers to the remaining balance of accumulated earnings for year 2007, which has been retained and recorded under profit retention reserve, to be applied for new investments established in capital budget, according to article 196 of the Brazilian Corporate Law.

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18. Equity (Continued)

g) Dividends

The General Shareholder's Meeting held on April 27, 2011 approved the payment of dividends in the total amount of R$ 15,592, equivalent to 25% of the adjusted net income, corresponding to R$0.15896471 per common share, considering the total number of shares (98,897,500), less treasury shares (813,000). Dividends paid on May 6, 2011.

According to the Company's Bylaws, mandatory minimum dividends are established based on 25% of remaining net income for the year, after recognition of statutory reserves.

19. Financial income (expenses)

	Company		Consolidated	
	06/30/2011	06/30/2010	06/30/2011	06/30/2010
Financial expenses:				
Interest payable	10,533	12,888	16,335	18,889
Foreign exchange variation	2,240	10,730	3,093	13,488
Monetary restatement	3,920	788	11,252	7,308
Loss on derivative transactions	26,421	5,677	26,357	6,259
Other	3,110	342	4,788	673
	46,224	**30,425**	**61,825**	**46,617**
Financial income:				
Short-term investments income	6,503	5,792	8,371	7,992
Foreign exchange variation	10,862	7,411	11,880	9,767
Monetary restatement	150	86	17,651	18,458
Gain on derivative transactions	17,296	8,318	15,241	8,036
Other	1,610	1,690	2,266	1,873
	36,421	**23,297**	**55,409**	**46,126**
Financial income (expenses)	**(9,803)**	**(7,128)**	**(6,416)**	**(491)**

20. Commitments

20.1. Non-deliverable forward contracts

The Company and its subsidiaries have entered into NDF contracts with some customers, as follows:

		Company			
Commodity	Delivery date	Volume	No. of Contracts	Unit	Unit Price - US$
2010/2011 crop					
Cotton lint	Jul-Dec	51,944	12	Ton	2,109,58
Cotton lint	Jul-Dec	2,514	02	Ton	To define
Soybean	May	1,833,992	29	Sack	21,24
Cottonseed	Jul-Dec	87,400	13	Ton	156,01
Corn	Jan-Aug	607,922	20	Sack	18,33
2011/2012 crop					
Soybean	Feb-Mar	375,000	02	Sack	23,20
Cotton lint	Aug-Dec	10,570	07	Ton	2,391,61
Cotton lint	Aug-Dec	6,076	04	Ton	To define

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20. Commitments (Continued)

20.1. Non-deliverable forward contracts (Continued)

		Consolidated			
Commodity	**Delivery date**	**Volume**	**No. of Contracts**	**Unit**	**Unit Price - US$**
2010/2011 crop					
Cotton lint	Jul-Dec	92,758	22	Ton	2,109,58
Cotton lint	Jul-Dec	4,489	04	Ton	To define
Soybean	May	4,220,820	53	Sack	21,22
Cottonseed	Jul-Dec	127,900	21	Ton	162,59
Corn	Jan-Aug	107,922	24	Sack	14,73
2011/2012 crop					
Soybean	Feb-Mar	750,000	04	Sack	23,20
Cotton lint	Aug-Dec	18,875	12	Ton	2,391,61
Cotton lint	Aug-Dec	10,850	07	Ton	To define

20.2 Lease

At June 30, 2011, the Company and its subsidiaries have 68,766 acres of leased land, distributed as follows:

Farm/Unit	Location	Total acres leased	Maturity	Amount (in soybean bags/hectare/year)	Type of lease
Pamplona	Cristalina-GO	4,080	2011 to 2013	3 to 12	Operating
Planalto	Costa Rica-MS	1,657	2010 *	11	Operating
Planeste	Balsas-MA	10,838	2011 to 2023	1 to 8.3	Operating
Panorama	Correntina-BA	12,313	2015	8	Operating
Piratini	Jaborandi-BA	5,000	2021	2 **	Operating
Palmares	Barreiras-BA	15,814	2015	9	Operating
Parnaíba	Tasso Fragoso-MA	7,493	2023	2	Operating
Planorte	Sapezal-MT	367	2013	8	Operating
Paiaguás	Diamantino-MT	4,074	2011 and 2020	6 to 8.5	Operating
Pejuçara	Diamantino-MT	3,558	2020	9.5	Operating
Parceiro	Formosa do Rio Preto-BA	3,572	2020	2 to 7	Operating
Total		68,766			

* Annual renewal. The Company has leased this area since 1999.

** Beginning 2010/11 year-crop a payment will be made for 2,861 acres, the remaining shall be paid starting from 2011/12 year-crop.

The future commitments relating to these contracts are set forth based on the average soybean sack prices in the region of each production unit on the respective payment date.

In addition to plantation land leasing, the Company has operating leasing of cotton processing unit located at Palmares farm, in the city of Barreiras, state of Bahia, for R$ 1,500 per year, up to 2015.

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20. Commitments – (Continued)

20.2 Lease – (Continued)

Minimum future payments of the Company's operating lease contracts are as follows:

	Company	Consolidated
Payments with 1 year	7,258	12,762
Payments from 1 to 5 years	49,649	75,594
Payments over 5 years	21,149	45,098
Total minimum future lease payments	**78,056**	**133,454**

The Company's lease agreements with third parties are indexed by soybean sack prices in the region of each production unit. For this reason, minimum future amounts will be usually estimated considering the quantity of soybean bags, translated into Reais using the soybean price of each region, at the balance sheet date. The above minimum payments are subject to significant changes until the moment of the payment due to changes in soybean market value.

As for lease agreements with third parties it should also be noted that: (i) they do not contain contingent payment clauses; (ii) they do not have renewal or purchase option terms, except the agreement involving 1,657ha in Fazenda Planalto, which has annual renewal; (iii) our agreements are indexed to the variation of the soybean sack price, as referred to above, and there are no other adjustment clauses; (iv) there are no restrictions imposed, such as those related to dividends and interest on equity capital, additional debt or any other requiring additional disclosure.

21. Risk management and financial instruments

Revenue from sales of the Company and its subsidiaries is mainly generated by sale of agricultural commodities such as cotton, soybean and corn, and by sale of products that are quoted in US dollars on the Chicago Board of Trade (CBOT) and the Intercontinental Exchange Futures US (ICE). As such, volatility in international commodity price and exchange rates is a market risk to which the Company and its subsidiaries are exposed.

In addition, the Company and its subsidiaries contract financing operations in the financial market at fixed or floating interest rates. Accordingly, the Company is subject to the risk of fluctuation in interest rates applicable to loans contracted at variable rates.

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21. Risk management and financial instruments (Continued)

a) Utilization policy, objectives and strategies

The objective of the Company and its subsidiaries in using derivative financial instruments is to provide operating margin (EBITDA) hedge. The Company created an Executive Risk Management Committee in July 2008 and approved the Risk Management Policy in the Board of Directors' Meeting held on October 29, 2008. The Executive Risk Management Committee is the body linking the Company's Board of Directors and Executive Board. Its mission involves providing support for routine Executive Board decisions, monitoring compliance with risk limits established, and the preliminary analysis and evaluation of proposed adjustments or review of risk policies or limits for subsequently submitting it to the Board of Directors.

Derivative operations are carried out with prime financial institutions (national institutions assigned at least A rating level from at least one of the three major international rating agencies, to wit Moody's, S&P and/or Fitch), observing limits and exposures to the exchange rate, commodities and interest rate risks of counterparties on a regular basis.

b) Gain (losses) on non-derivative financial instruments in equity of Company and consolidated

Non-deliverable forward operations (NDFs) are carried out to provide hedge against exposure of future sales in US dollars. These operations are documented for registration purposes through hedge accounting method, pursuant to CPC 38, approved by CVM Resolution 604/09. The Company records in a specific equity account the unrealized effects from these instruments, which are entered into for the purpose of hedging its own operations or, on a consolidated basis, to hedge future sales.

Commodity operations, although also hedge instruments, are not recorded as hedge accounting, therefore their effects are recorded in the statement of income as financial income (expenses).

c) Foreign exchange risk

Contracting these derivative financial instruments has the objective of hedging the sales revenues of Company and its subsidiaries subject to currency volatility. The portfolio of these instruments is represented, basically, by currency futures contracts, through non-deliverable forwards (NDFs), and option contracts.

These over-the-counter (OTC) transactions are carried out directly with financial institutions, there being no need for margin calls. The impact on the cash flow of Company and its subsidiaries occurs at the contract settlement date. Yet, the settlement of these financial transactions is associated with receipt of sales, which are likewise associated with currency fluctuation, therefore offsetting gains or losses, if any, on the hedging derivative instruments due to foreign exchange rate fluctuation.

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21. Risk management and financial instruments (Continued)

c) Foreign exchange risk - (Continued)

To analyze the currency risk exposure, the Business Plan is constantly updated, considering the following assumptions: (i) planted area forecast; (ii) expected productivity; (iii) commodity prices, quoted in dollar, considering the volume-weighted average of prices for the sales made, and the market prices of the volume to be sold; and (iv) the sales distribution over the periods under analysis. After the Business Plan definition and measurement of the items previously mentioned, we obtain the total currency exposure.

Based on the cost already built up with anticipated purchase of main inputs (fertilizers, agrochemicals and seeds) and the fixed cost estimate, the expected operating margin is arrived at. Thus, the risk management committee will apply the parameters specified in the Risk Management Policy, with a view to reducing the standard deviation from the target operating margin.

The table below sets out the positions of Company and its subsidiaries, at nominal and fair values of each instrument contracted:

Description	Notional Value			Fair Value (MTM)			Accumulated Effect		
	Currency	06/30/11	12/31/2010	Currency	06/30/2011	12/31/2010	Currency	06/30/2011	12/31/2010
Maturing in 2011									
Forward contracts (NDF):									
Short Position									
Foreign Currency	**USD**	**173,292**	155,355	**R$**	**52,694**	41,296	**R$**	**51,669**	42,081
Subtotal – Maturing in 2011	**USD**	**173,292**	155,355	**R$**	**52,694**	41,296	**R$**	**51,669**	42,081
Maturing in 2012									
Forward contracts (NDF):									
Short Position									
Foreign Currency	**USD**	**141,991**	26,500	**R$**	**19,911**	5,202	**R$**	**24,855**	4,779
Subtotal – Maturing in 2012	**USD**	**141,991**	26,500	**R$**	**19,911**	5,202	**R$**	**24,855**	4,779
Maturing in 2013									
Forward contracts (NDF):									
Short Position									
Foreign Currency	**USD**	**9,606**	-	**R$**	**599**	-	**R$**	**522**	-
Subtotal – Maturing in 2013	**USD**	**9,606**	-	**R$**	**599**	-	**R$**	**522**	-
TOTAL	**USD**	**324,889**	181,855	**R$**	**73,204**	46,498	**R$**	**77,046**	46,860

The table below sets out the breakdown of currency derivatives per counterparty (of Company and its subsidiaries):

Description	Notional Value			Fair Value		
	Currency	06/30/2011	12/31/2010	Currency	06/30/2011	12/31/2010
Banco Itaú BBA	**USD**	**54,750**	60,291	**R$**	**18,502**	15,762
Citibank	**USD**	**52,125**	40,401	**R$**	**14,938**	10,422
Deutsche Bank	**USD**	**34,350**	22,579	**R$**	**4,725**	6,406
HSBC Bank	**USD**	**57,841**	22,165	**R$**	**12,210**	4,711
Banco Bradesco	**USD**	**68,610**	16,960	**R$**	**10,563**	4,031
Votorantim	**USD**	**48,758**	16,983	**R$**	**10,743**	4,592
Santander Brasil	**USD**	**8,455**	2,476	**R$**	**1,523**	574
Total	**USD**	**324,889**	181,855	**R$**	**73,204**	46,498

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21. Risk management and financial instruments (Continued)

c) Foreign exchange risk - (Continued)

The following criteria were used to determine the fair value of these operations:

- Non-deliverable forwards (NDF) – the future dollar curve published by the Brazilian Mercantile and Futures Exchange (BM&F) (www.bmf.com.br) at each year end was taken into consideration. Based on this information, the forecast adjustment at the maturity of each transaction is discounted at the interest curve between Ptax at year end and future quote at the maturity of the derivative published by the BM&F.
- Options contracts – the fair value of transactions for issuing call options is equivalent to the market value of reversal of such transactions confirmed by the financial institutions with which the Company has entered into these transactions.

d) Price risk

Commodity price volatility is mostly hedged through advance sales made directly with our customers (forward contracts). In addition, there is also use of futures and option contracts, traded on exchanges, and financial transactions under swap and option contracts, traded with financial institutions on OTC market. These transactions are negotiated based on the commodity prices on the futures market. All transactions are related to the net exposure of the production of Company and its subsidiaries, so that every transaction is backed by a physical commodity. Exchange-traded transactions require available initial margin funds and daily adjustments are made according to changes in notional prices. In turn, initial margin funds are not required for transactions performed with financial institutions, since these transactions are backed by a credit limit previously approved by the financial institutions.

The table below shows the derivative transactions contracted to hedge against commodities price volatility:

Description	Reference (notional) value			Fair value			Accumulated effect (current period)		
	Currency	6/30/2011	12/31/2010	Currency	6/30/2011	12/31/2010	Currency	Value receivable/ (received)	Value payable/ (paid)
With Maturity in 2011									
Financial Operations									
Commodities – Cotton	**US$**	**-**	19,460	**R$**	**-**	(16,627)	**R$**	**407**	**19,877**
Commodities – Soybean	**US$**	**-**	40,072	**R$**	**-**	(9,302)	**R$**	**2,048**	**11,092**
Subtotal – Maturities in 2011	**US$**	**-**	59,532	**R$**	**-**	(25,929)	**R$**	**2,455**	**30,969**
With Maturity in 2012									
Financial Operations									
Commodities – Cotton	**US$**	**25,190**	**-**	**R$**	**1,820**		**R$**	**-**	**39.324**
Commodities – Soybean	**US$**	**-**	**-**	**R$**	**-**	**-**	**R$**	**-**	**-**
Subtotal – Maturities in 2012	**US$**	**25,190**	**-**	**R$**	**1,820**	**-**	**R$**	**-**	**39,324**
General total	**US$**	**25,190**	**59,532**	**R$**	**1,820**	**(25,929)**	**R$**	**2,455**	**70,293**

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21. Risk management and financial instruments (Continued)

All operations with agricultural commodities were traded in the OTC market and the counterparties are Morgan Stanley Capital Group Inc, Cargill Financial Service International Inc, Macquarie Group Limited and Citibank N.A. In addition, there are exchange-traded positions with broker MF Global. The fair value of these operations was provided by the financial institution.

e) Interest rate risk

A portion of the Company's debt is subject to floating interest rates. Such floating interest rates are the TJLP (Long-Term Interest Rate) on BNDES financing and Libor (London Interbank Offered Rate) on international loans.

In order to hedge against changes in interest rates, the Company carries out interest rate swap operations with prime financial institutions. These operations involve floating-for-fixed rate swap where the Company receives a floating rate (TJLP or Libor) and pays a fixed rate. The notional principal amount and maturities of the swap operation are identical to the hedged debt amount. Thus, the risk of fluctuation in floating interest rate on the debt is eliminated.

Information on the swap operation (interest rate x Libor indexed debt) is set out below:

			Swap Balance (Contract Curve)		Swap Balance (MTM)		Adjustment
Counterparty	Hedge Instrument	Hedged item	Asset	Liability	Asset	Liability	Financial Income (expense)
Santander	Swap contract of USD37,334 (Asset- Libor 6 months +2%p.a. / Liability 4.68%pa.)	Debt of USD40,000 - Libor 6 months + 2.8%p.a.	59,391	59,993	58,181	(60,877)	(2,696)
Total			**59,391**	**59,993**	**58,181**	**(60,877)**	**(2,696)**

Below are the Company's consolidated derivative instruments that are disclosed in balance sheet accounts:

	Notional Value			Fair value recorded in assets			Fair value recorded in liabilities	
Description	Currency	06/30/2011	12/31/2010	Currency	06/30/2011	12/31/2010	06/30/2011	12/31/2010
Foreign exchange hedge operations								
NDF (*Non Deliverable Forwards*) contracts	**USD**	**324,889**	181,855	**R$**	**73,204**	46,498	**-**	-
Subtotal	**USD**	**324,889**	181,855	**R$**	**73,204**	46,498	**-**	-
Commodity hedge operations								
Cotton – Financial Operations	**USD**	**25,190**	19,460	**R$**	**1,820**	286	**-**	16,913
Soybean – Financial Operations	**USD**	**-**	40,072	**R$**	**-**	8,430	**-**	17,732
Subtotal	**USD**	**25,190**	59,532	**R$**	**1,820**	8,716	**-**	34,645
Interest rate hedge operations								
Swap Libor vs. Fixed Rate	**USD**	**37,334**	40,000	**R$**	**-**	-	**2,696**	2,927
Subtotal	**USD**	**37,334**	40,000	**R$**	**-**	-	**2,696**	2,927
Total	**USD**	**387,413**	281,387	**R$**	**75,024**	55,214	**2,696**	37,572
(-) Current portion	**USD**			**R$**	**(65,647)**	(50,012)	**(1,265)**	(35,987)
Non-current portion	**USD**			**R$**	**9,377**	5,202	**1,431**	1,585

Below is the fair value of consolidated gains or losses for the period, segregated by the main risk categories:

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21. Risk management and financial instruments (Continued)

f) Interest rate

		Gains and losses recorded in P&L					
		Allocated to Gross Revenue at		Allocated to Financial Income (expenses) at		Gains and losses recorded in equity*	
Description	Currency	06/30/2011	06/30/2010	06/30/2011	06/30/2010	06/30/2011	12/31/2010
Foreign exchange rate hedge operations							
NDF (Non Deliverable Forwards) contracts	**R$**	**18,973**	3,519	**(323)**	(231)	**73,195**	44,728
Option contracts	**R$**	**-**	-	**-**	480	-	
Sub-total	**R$**	**18,973**	3,519	**(323)**	249	**73,195**	44,728
Commodity hedge operations							
Agricultural commodity swap							
Cotton	**R$**	-	-	**(16,514)**	(129)	-	-
Soybean	**R$**	-	-	**6,160**	5,079	-	-
Coffee	**R$**	-	-	**-**	(825)	-	-
Fertilizers Swap					-		
Urea	**R$**	-	-	**-**	(12)	-	-
Other	**R$**	-	-	**-**	-	-	-
	R$	**-**	**-**	**(10,353)**	**4,113**	**-**	**-**
Swap Libor vs. Fixed Rate	**R$**	-	-	**(439)**	(2,585)	-	-
Sub-total	**R$**	-	-	**-**	(2,585)	**-**	-
TOTAL	**R$**	**18,973**	3,519	**(11,116)**	1,777	**73,195**	44,728

***** Amount without tax effects, represented by R$ 48,309 and R$ 29,520 in consolidated equity, respectively, net of tax effects.

The effect on foreign exchange, commodities and interest hedge operations totaled (R$ 11,116).

g) Credit risk

A significant portion of sales of the Company and its subsidiaries is made to a selected group of prime clients, i.e. trading companies, weaving companies etc., which usually acquire large volumes to guarantee local and international deals. Credit risk is managed through specific rules of client acceptance, credit rating and setting of limits for customer exposure. The Company and its subsidiaries historically do not record material losses on trade accounts receivable.

h) Market values

At June 30, 2011, the market values of cash, short-term investments, accounts receivable and payable, as well as loans and financing approximate the respective carrying amounts due to their short-term nature, or also because they are subject to floating interest rates.

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21. Risk management and financial instruments (Continued)

i) Sensitivity analysis

The Company carries out operations with derivative instruments solely to hedge against fluctuation in foreign exchange rates and commodities sales price, which are linked to US dollar rate and the soybean and cotton prices in the international market.

We prepared a sensitivity analysis for derivative instruments according to CVM Rule No. 550, of October 17, 2008, segregating them based on the following risk factors: exchange variation, commodities price and interest rate fluctuation (CDI, TJLP, Libor).

If any of the scenarios projected by the Company's management materialize, resulting in gain or loss, these will be fully offset by an opposite effect on the realization of Company sales revenue.

The estimated fair value of derivative financial instruments contracted by the Company and its subsidiaries was determined based on information available in the market and specific valuation methodologies. However, significant judgment was required in the interpretation of market data in order to estimate the fair value of each operation. Consequently, the estimates below do not necessarily indicate the amounts that will effectively be realized upon the financial settlement of the operations.

Foreign exchange risks

The Company projected the impact of foreign exchange hedge operations and its US debt in the following 5 scenarios for the years 2011, 2012 and 2013, as follows:

- Probable Scenario: Based on the FOCUS report (Bacen) of June 24, 2011, we defined this scenario considering an average exchange rate to US dollar of R$ 1.6000.

- A 25% fall in the currency rate: in this scenario the transactions would be settled considering an exchange rate to US dollar of R$ 1.2000, the equivalent to a 25% fall in relation to the Probable Scenario.

- A 50% fall in the currency rate: in this scenario the transactions would be settled considering an exchange rate to US dollar of R$ 0.8000, the equivalent to a 50% fall in relation to the Probable Scenario.

- A 25% rise in the currency rate: in this scenario the transactions would be settled considering an exchange rate to US dollar of R$ 2.000, the equivalent to a 25% rise in relation to the Probable Scenario.

- A 50% rise in the currency rate: in this scenario the transactions would be settled considering an exchange rate to US dollar of R$ 2.4000, the equivalent to a 50% rise in relation to the Probable Scenario.

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21. Risk management and financial instruments (Continued)

h) Sensitivity analysis (Continued)

The summary below sets out the projected impacts on each scenario:

Description	Risk	Remote Scenario *USD = R$ 0.8000*	Possible Scenario *USD = R$ 1.2000*	Probable Scenario *USD = R$ 1.6000*	Possible Scenario *USD = R$ 2.0000*	Remote Scenario *USD = R$ 2.4000*
Year 2011						
Revenues from sales (hedged item)*	US$ rate change	(233,346)	(144,192)	(55,038)	34,116	123,270
Non-deliverable forwards (NDF)	US$ rate change	193,672	124,355	55,038	(14,279)	(83,595)
Subtotal		**(39,674)**	**(19,837)**	**-**	**19,837**	**39,675**
Year 2012						
Revenues from sales (underlying item)*	US$ rate change	(423,948)	(231,373)	(38,797)	153,778	346,354
Non-deliverable forwards (NDF)	US$ rate change	152,390	95,594	38,797	(17,999)	(74,795)
Subtotal		**(271,558)**	**(135,779)**	**-**	**135,779**	**271,559**
Year 2013						
Revenues from sales (underlying item)*	US$ rate change	(367,332)	(184,904)	(2,477)	179,951	362,379
Non-deliverable forwards (NDF)	US$ rate change	10,161	6,319	2,477	(1,366)	(5,208)
Subtotal		**(357,171)**	**(178,585)**	**-**	**178,585**	**357,171**
US$ debt						
Subtotal	US$ rate change	**61,631**	**28,811**	**(4,009)**	**(36,828)**	**(69,648)**
Total		**(606,772)**	**(305,391)**	**(4,009)**	**297,373**	**598,757**

Commodity price risks

The Company projected the impact of commodity price hedging operations in the following 3 scenarios for 2012:

Probable Scenario: In this scenario the following prices were considered, with expiration at CBOT (Chigago Board of Ttrade) and ICE (Icet Futures US):

Cotton: US$/Pound 1.0415 – maturity in July/12;

- Possible Scenario with a 25% fall: We considered in this scenario that the cotton price would have a 25% fall compared to the Probable Scenario:

Cotton: US$/Pound 0.7812 – maturity in July/12;

- Remote Scenario with a 50% fall: We considered in this scenario that the cotton price would have a 50% fall compared to the Probable Scenario:

Cotton: US$/Pound 0.5208 – maturity in July/12;

- Possible Scenario with a 25% rise: We considered in this scenario that the cotton price would have a 25% rise compared to the Probable Scenario:

Cotton: US$/Pound 1.3019 – maturity in July/12;

- Remote Scenario with a 50% rise: We considered in this scenario that the cotton and soybean prices would have a 50% rise compared to the Probable Scenario:
Cotton: US$/Pound 1.5623 – maturity in July/12;

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21. Risk management and financial instruments (Continued)

h) Sensitivity analysis (Continued)

The summary below sets out the projected impacts on each scenario:

Amounts in R$ 1,000

Description	Risk	Remote Scenario - 50%	Possible Scenario - 25%	Probable Scenario	Possible Scenario + 25%	Remote Scenario + 50%
Year 2011						
Cotton – Financial Operations	Price Change	8,414	8,414	3,555	(1,996)	(10,939)
Total		**8,414**	**8,414**	**3,555**	**(1,996)**	**(10,939)**

**** Current agreements foresee a minimum fixed remuneration which is higher than the price estimated in the remote scenario of this quarter.***

Interest rate risks

With a view to analyzing interest rate sensitivity on the Company's debts and short-term investments, at March 31, 2011, 5 different scenarios were defined. Based on the FOCUS report (Bacen) of March 25, 2011, we defined the index rates for Interbank Deposit Certificates (CDI) and FOREX; concerning Libor, we considered the BM&F curve at June 30, 2011, and for the Long-term Interest Rate (TJLP), we considered the rate valid on the year-closing date. Based on this information, we defined the Probable Scenario to be analyzed, and arrived at a variation between 25% and 50% therefrom.

Gross financial income or expenses were considered in analyzing each scenario, not including taxes or debt maturity terms and redemption of short-term investments scheduled for 2011. The portfolio base date was June 30, 2011, and the interest rates were projected over a one-year period, their sensitivity being analyzed in each one of the 5 scenarios.

Following is a summary of the 12-month impacts on each scenario:

	Interest Rate*	Balance on 06/30/2011	50% Fall	25% Fall	Probable Scenario	25% Rise	50% Rise
Debts in Brazilian Reais Pre-Fixed Rate							
Rural Credit	6.75%	118,158	N/A	N/A	N/A	N/A	N/A
Constitutional Funds	7.29%	261,538	N/A	N/A	N/A	N/A	N/A
BNDES	4.93%	31,440	N/A	N/A	N/A	N/A	N/A
NCE	11.70%	2,510	N/A	N/A	N/A	N/A	N/A
Debts in Brazilian Reais Post-Fixed Rate							
BNDES	TJLP + 2.61%	15,272	(857)	(1,086)	(1,315)	(1,544)	(1,773)
Debs in Dollars							
NCE	Libor 6M + 2.52%	110,650	(3,063)	(3,148)	(3,232)	(3,317)	(3,402)
BNDES	Currency Basket + 2.78%	379	(21)	(24)	(28)	(32)	(35)
Swap Libor x Pre	Assets: Libor + 2% Liabilities: 4.68%	58,281	(1,440)	(1,384)	(1,329)	(1,273)	(1,217)
Financial Investments							
CDB and Debentures	101.29% w/o CDI	119,559	7,569	11,353	15,137	18,921	22,706

* Average annual rates

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22. Employees' profit sharing

Under Collective Labor Agreements executed with their employees' professional associations, the Company and its subsidiaries have established a profit sharing program covering all its employees.

The amounts payable in the form of profit sharing is calculated based on the Company's consolidated net income. Part of this amount is freely distributed to the beneficiaries and the other part is paid subject to the fulfillment of goals set by each production unit.

Profit sharing is equivalent to 9% of the consolidated net income. 60% of this amount will be shared among the beneficiaries and the remaining 40% will depend on the fulfillment of goals set by each production unit. The amount corresponding to goals achieved is limited to two (02) nominal salaries per beneficiary employee.

23. Stock option plan

The Extraordinary Shareholders' Meeting held on May 23, 2007 approved the stock option plan, effective as from June 15, 2007, designed for the Company's officers and managers. The Plan is managed by a Managing Committee created by the Board of Directors on the same date.

The Stock Option Plan is limited to a maximum number of options resulting in the dilution of 3% of the Company's capital on the date each Annual Plan is created. The dilution corresponds to the percentage represented by the number of shares considered for the options in relation to the total number of shares issued by the Company.

The Plan's beneficiaries may exercise their options within 5 years from the respective grant date. Vesting period shall be up to 3 years, with releases corresponding to 20% as from the first anniversary, 40% as from the second anniversary and 100% as from the third anniversary. The Company has 30 days from the date of delivery of the Stock Option Exercise Instrument to issue the shares.

In meetings of the Board of Directors held on October 31, 2007, December 16, 2008, November 11, 2009 and November 10, 2010, the Annual Programs of the years 2007, 2008, 2009 and 2010 were passed, granting 640,000, 720,000, 488,000 and 805,000 stock options, respectively.

Transactions of the shares granted in the Annual Program of 2007, 2008, 2009 and 2010 and the respective exercise prices, in Brazilian reais, are presented as follows:

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23. Stock option plan (Continued)

						Quantity of shares
Grant Year	Exercise prices - R$	Initial balance on 01/01/2011	Granted	Cancelled	Exercised	Final balance on 06/30/2011
2007	R$ 14.00	224,300	-	-	(153,100)	71,200
2008	R$ 14.80	523,000	-	(20,000)	(16,000)	487,000
2009	R$ 15.00	423,400	-	(14,000)	(5,600)	403,800
2010	R$ 16.87	805,000	-	-	-	805,000
		1,975,700	-	(34,000)	(174,700)	1,767,000

The exercise price under the 2007 Annual Program was established at R$ 14.00 (fourteen reais) per share, equivalent to the distribution price per share established in the initial public offering, with no monetary adjustment.

The exercise price under the 2008 Annual Program was established at R$ 14.80 (fourteen reais and eighty centavos) per share, corresponding to the average price of the Company shares on the latest 90 trading sessions on the São Paulo State Stock Exchange (Bovespa) prior to the approval of the plan, with a discount of 19.97%.

The exercise price under the 2009 Annual Program was established at R$15.00 (fifteen reais) per share, corresponding to the average price of the Company shares on the latest 90 trading sessions on Bovespa prior to the approval of the plan, with a discount of 7.98%.

The exercise price under the 2010 Annual Program was established at R$16.87 (sixteen reais and eighty-seven centavos) per share, corresponding to the average price of the Company shares on the latest 90 trading sessions on Bovespa prior to the approval of the plan.

The vesting periods after the granting date are as follows:

Vesting periods from granting	% of stock options released for exercise	Maximum number of shares
As from 11/ 10/2011	9%	161,000
As from 11/11/2011	14%	245,400
As from 12/16/2011	49%	869,800
As from 11/12/2012	73%	1,284,000
As from 11/12/2013	100%	1,767,000

The Company recognizes the cost with the option plan based on the fair value of the granted shares, considering their fair value on the grant date. The model used to price the fair value of the options is the Black-Scholes. The weighted average fair value, the premiums considered and the economic premises used for the calculation in the model are presented below:

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23. Stock option plan (Continued)

	2007 Grant	2008 Grant	2009 Grant	2010 Grant
Weighted average fair value	R$ 21.2528	R$ 23.8985	R$ 21.3870	R$ 28.7330
Premiums	R$ 7.2528	R$ 9.0985	R$ 6.3870	R$ 11.8630
Dividend	1.00%	1.00%	1.00%	1.00%
Volatility of the share price	32.03%	76.05%	67.59%	60.40%
Return rate Free of Risk				
1st Maturity	11.65%	13.70%	9.91%	11.40%
2nd Maturity	11.65%	13.87%	11.41%	11.92%
3rd Maturity	11.64%	14.01%	12.13%	11.88%
Period expected until maturity				
1st Maturity	1,097	1,096	365	365
2nd Maturity	1,279	1,278	730	730
3rd Maturity	1,462	1,461	1,097	1,097

In compliance with the CPC 10, based on the grace periods presented, the values with the stock option plan were recognized in the results due to the elapse of the vesting period, with consideration in the shareholders' equity in specific capital reserve account, the value of R$ 3,393 (expense) on June 30, 2011 (R$ 2,769 on December 31, 2010).

24. Government grants and assistance

a) ICMS deferral and deemed credit

The Company has incentives allowing deferral of ICMS on soybean, corn and whole cottonseed operations through the participation of Fazenda Planalto in the Fundersul (Fund for Development of Highway System of Mato Grosso do Sul State) program and Fazenda Planorte and Fazenda Paiaguás in the FETHAB (Transportation and Housing Fund) program. To use the ICMS deferral incentive, the Company has to file an application with the relevant state authorities, waive ICMS credits on entries to which it would be entitled and pay Fundersul charge to Mato do Grosso do Sul state and FETHAB charge to Mato Grosso state.

The state government of Mato Grosso do Sul, Mato Grosso and Goiás, granted deemed ICMS credits on operations with cotton lint, with ICMS reduction between 50% and 75% through the participation of Fazenda Planalto in the Program for Development of Agricultural Production in Mato Grosso do Sul State (PDAGRO), the participation of Fazenda Planorte and Fazenda Paiaguás in the Cotton Culture Incentive Program of Mato Grosso State (PROALMAT) and Fazenda Pamplona's participation in the Cotton Producer Incentive Program of Goiás State (PROALGO).

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24. Government grants and assistance (Continued)

In order to participate in these programs the Company must file an application with the relevant state authorities, waive ICMS credits to which it would be entitled upon entries, provide accessory information about this tax waiver and pay Facual and IMA/MT charges to Mato Grosso state, PDAgro charge to Mato Grosso do Sul state and Fialgo charge to Goiás state.

Deemed credits are credited to taxes on sales account in the statement of income, with a corresponding entry to taxes payable. In the six-month period ended June 30, 2011, deemed ICMS credits were recognized in the amount of R$2,348 – Company, and R$3,895 - consolidated.

b) Income tax reduction incentive

The Company enjoys income tax reduction incentive for subsidiaries Fazendas Parnaíba S.A. and Fazenda Planorte S.A., located in Maranhão state and Mato Grosso state, respectively, granted by SUDAM (Agency for Development of the Amazon Region). This incentive involves 75% income tax reduction and non-refundable surtax.

Fazenda Planorte enjoys this benefit until the production and sale limit of 13,478 tons of cotton lint and 18,533 tons of whole cottonseed per year. This incentive expires in 2015. Fazenda Parnaíba enjoys this benefit until the production and sale limit of 5,528 tons of cotton lint and 8,292 tons of whole cottonseed per year. This incentive expires in 2013.

The amounts of income tax reduction incentive are debited to taxes payable account, in current liabilities, and credited to income and social contribution taxes in the statement of income for the year. The income tax reduction incentive amount may not be distributed to shareholders as dividends, reason why the annual incentive amount is transferred from retained earnings to capital reserve, in equity. This reserve may only be used to increase the capital or absorb losses.

The subsidiaries Fazenda Planorte S.A. and Fazenda Parnaíba S.A., in the period ended on June 30, 2011 obtained gains with income tax reduction incentive in the amounts of R$610 and R$222, respectively.

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25. Insurance coverage

At June 30, 2010, the Company and its subsidiaries had retained business insurance to cover losses considering the nature of their activities and the risks involved in their operations. The insurance coverage was contracted at amounts considered sufficient by management to mitigate risks identified.

Insurance coverage contracted is detailed below:

Policy No.	Nature	Period covered	Coverage
01.004.131.038971	Vehicles of SLC Agrícola	10/10/10 to 10/10/11	Third parties - 100% FIPE
01.004.131.038960	Vehicles of Fazenda Parnaíba	10/10/10 to 10/10/11	Third parties - 100% FIPE
01.004.131.038961	Vehicles of Fazenda Planorte	10/10/10 to 10/10/11	Third parties - 100% FIPE
01.004.131.039004	Vehicles of Fazenda Paiaguás	10/10/10 to 10/10/11	Third parties - 100% FIPE
3.235.741	Machinery	10/08/10 to 10/08/11	2,000,000.00
03.30.0023699.000000	Rural properties / Master	11/10/10 to 11/10/11	25,000,000.00
03.18.0452169	Management	11/10/10 to 11/10/11	750,000.00
6.833.492	Civil liability	12/02/10 to 12/02/11	1,000,000.00
20.0000007	Cotton and grains inventories – including uncovered areas	03/25/2011 to 03/24/2012	60,000,000.00

The scope of our auditor's work does not include expressing an opinion on the sufficiency of the insurance coverage, whose adequacy was determined and assessed by the Company's management.

26. Gross revenue from sales

	Company		Consolidated	
	06/30/2011	06/30/2010	06/30/2011	06/30/2010
Gross operating revenue	**266,355**	229,102	**436,582**	403,880
Sale of goods	**207,440**	205,167	**330,705**	346,813
Change in fair value of biological assets	**58,915**	23,935	**105,877**	57,067
Deductions, taxes and contributions	**(19,758)**	(13,223)	**(30,201)**	(20,275)
Net operating revenue	**246,597**	215,879	**406,381**	383,605

27. Expenses by nature

	Company		Consolidated	
	06/30/2011	06/30/2010	06/30/2011	06/30/2010
Expenses by function				
Cost of goods sold and or services	**143,447**	183,109	**257,417**	307,701
Selling expenses	**10,681**	12,987	**15,238**	20,826
General and administrative expenses	**22,350**	13,365	**27,422**	16,034
Other operating expenses	**2,133**	-	**1,674**	-
	178,611	209,461	**301,751**	344,561
Expenses by nature				
Depreciation and amortization	**13,790**	18,054	**25,113**	30,924
Personnel expenses	**25,291**	25,524	**35,931**	37,641
Raw material and other materials	**46,676**	81,429	**89,313**	139,935
Change in fair value of biological assets	**35,712**	15,580	**77,591**	32,548
Freight	**5,322**	8,943	**6,171**	13,901
Other expenses	**51,820**	59,931	**67,632**	89,612
	178,611	209,461	**301,751**	344,561

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28. Information by segment

As the Company produces solely grains, for accounting and managerial purposes, it is organized at a single business unit. Even though the Company operates with various types of grains, the Company's management does not controls or manages its activities as independent segments, and the Company's results are subject to integrated monitoring and assessment. Its operating assets and personnel structure are the same for all products.

The consolidated sales in domestic and foreign markets are as follows:

	06/30/2011	06/30/2010
Gross sales		
Domestic market	**179,651**	167,769
Foreign market	**129,551**	178,004
Gains with Biological Assets	**105,877**	57,067
Other	**21,503**	1,040
	436,582	403,880

Information on consolidated gross sales by product is as follows:

	06/30/2011	06/30/2010
Consolidated gross sales:		
Cotton	**136,361**	150,222
Soybean	**138,936**	136,684
Corn	**22,878**	14,601
Cottonseed	**5,031**	5,702
Coffee	**3,476**	5,385
Other	**24,023**	34,219
Biological Asset	**105,877**	57,067
	436,582	**403,880**

There are no customers individually representing over 6% of sales in domestic or foreign markets.

A free translation from Portuguese into English of Independent Auditor's Review Report on financial statements prepared in accordance with accounting practices adopted in Brazil

REVIEW REPORT ON THE QUARTERLY INFORMATION

To the Shareholders, Directors and Officers of
SLC Agrícola S.A.
Porto Alegre – RS

Introduction

We have reviewed the individual and consolidated interim accounting information of Companhia SLC Agrícola S.A., contained in the Quarterly Information Form – ITR for the quarter ended June 30, 2011, which comprises the balance sheet on June 30, 2011 and the respective statements of income and comprehensive income for the quarter and semester then ended, as well as changes in shareholders' equity and cash flows for the semester then ended, including the summary of the main accounting practices and other explanatory notes.

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

Scope of the review

We conducted our review in accordance with the Brazilian and international interim information review standards (NBC TR 2410 - Revisão de Informações Intermediárias Executada pelo Auditor da Entidade and ISRE 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity, respectively). A review of interim information consists of making inquiries primarily of the management responsible for financial and accounting matters and applying analytical procedures and other review procedures. The scope of a review is significantly less than an audit conducted in accordance with auditing standards and, accordingly, it did not enable us to obtain assurance that we were aware of all material matters that would have been identified in an audit. Therefore, we do not express an audit opinion.

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Conclusion on the individual interim accounting information

Based on our review, we are not aware of any fact that might lead us to believe that the individual interim accounting information included in the aforementioned quarterly information was not prepared, in all material respects, in accordance with CPC 21 applicable to the preparation of the Quarterly Information - ITR, and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission.

Conclusion on the consolidated interim accounting information

Based on our review, we are not aware of any fact that might lead us to believe that the consolidated interim accounting information included in the aforementioned quarterly information was not prepared, in all material respects, in accordance with CPC 21 and IAS 34 applicable to the preparation of the Quarterly Information - ITR, and presented in accordance with the standards issued by the Brazilian Securities and Exchange Commission.

Other matters

Interim information of added value

We also reviewed the individual and consolidated interim information of added value (DVA) for the semester ended June 30, 2011, prepared under management's responsibility, for which presentation is required in the interim information in accordance with the standards issued by CVM - the Brazilian Securities and Exchange Commission applicable to the preparation of Quarterly Information - ITR and considered as supplementary information by IFRS, which does not require the presentation of the statements of added value. These statements were submitted to the same review procedures described previously and, based on our review, we are not aware of any fact that might lead us to believe that they were not prepared, in all material respects, in accordance with the individual and consolidated interim accounting information taken as a whole.

Porto Alegre (RS), August 08, 2011.

ERNST & YOUNG TERCO
Auditores Independentes S.S.
CRC-2SP15199/O-6/S/RS

Luis Carlos de Souza
Accountant CRC-1SC021585/O-4 S-RS