THE REGISTRATION WITH THE CVM DOES NOT IMPLY THAT ANY OPINION IS EXPRESSED ON THE COMPANY. THE INFORMATION PROVIDED IS THE RESPONSIBILITY OF THE COMPANY'S MANAGEMENT.

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - GENERAL TAXPAYERS' REGISTER
02074-5	**SLC AGRÍCOLA S.A.**	**89.096.457/0001-55**
4 – NIRE		
43300047521		

01.02 - HEAD OFFICE ADDRESS

1 - FULL ADDRESS (STREET, NUMBER AND COMPLEMENT)			2 - DISTRICT	
RUA BERNARDO PIRES, 128, 4º ANDAR			SANTANA	
3 - ZIP CODE		4 - CITY		5 - STATE
90620-010		PORTO ALEGRE		RS
6 - DDD (Long distance)	7 - TELEPHONE	8 - TELEPHONE	9 - TELEPHONE	10 - TELEX
51	3230-7799	9999-9999	9999-9999	9999999
11- DDD (Long distance)	12 - FAX	13 - FAX	14 - FAX	
51	3230-7750	3230-7774	9999-9999	
15 - E-MAIL				
ri@slcagricola.com.br				

01.03 - INVESTOR RELATIONS DIRECTOR (Address for correspondence with the company)

1 – NAME				
LAURENCE BELTRÃO GOMES				
2 - FULL ADDRESS (Place, Number and Complement)			3 - DISTRICT	
RUA BERNARDO PIRES, 128, 5º ANDAR			SANTANA	
4 - ZIP CODE		5 - CITY		6 - STATE
90620-010		PORTO ALEGRE		RS
7 - DDD (long distance)	8 - TELEPHONE	9 - TELEPHONE	10 - TELEPHONE	11 – TELEX
51	3230-7799	9999-9999	9999-9999	9999999
12 - DDD (long distance)	13 - FAX	14 - FAX	15 – FAX	
51	3230-7750	3230-7774	9999-9999	
16 - E-MAIL				
ri@slcagricola.com.br				

01.04 - REFERENCE / AUDITOR

CURRENT FISCAL YEAR		CURRENT QUARTER			PREVIOUS QUARTER		
1 – BEGIN	2 – END	3 - QUARTER	4 - BEGIN	5 - END	6 - QUARTER	7 - BEGIN	8 – END
01/01/2008	12/31/2008	2	04/01/2008	06/30/2008	1	01/01/2008	03/31/2008

9 - AUDITING COMPANY	10 - CVM CODE
ERNST & YOUNG AUDITORES INDEPENDENTES S.S.	00471-5
11 - TECHNICAL IN CHARGE	12 - TECHNICAL IN CHARGE TAXPAYERS' REGISTER
AMÉRICO F. FERREIRA NETO	045.379.898-58

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - GENERAL TAXPAYERS' REGISTER
02074-5	**SLC AGRÍCOLA S.A.**	**89.096.457/0001-55**

01.05 - CURRENT COMPOSITION OF CAPITAL

Number of Shares (units)	1 – CURRENT QUARTER 06/30/2008	2 – PREVIOUS QUARTER 03/31/2008	3 – SAME QUARTER PREVIOUS YEAR 06/30/2007
Paid-Up Capital			
1 – COMMON	98,897,500	89,500,000	89,500,000
2 - PREFERRED	0	0	0
3 – TOTAL	98,897,500	89,500,000	89,500,000
In Treasury			
4 - COMMON	0	0	0
5 - PREFERRED	0	0	0
6 – TOTAL	0	0	0

01.06 – COMPANY PROFILE

1 - TYPE OF COMPANY Commercial, Industrial and Others
2 – SITUATION Operational
3 - NATURE OF SHARE CONTROL National Private
4 - CODE OF ACTIVITY 1210 – Agriculture (Sugar, Alcohol and Sugarcane)
5 - MAIN ACTIVITY Production and sale of cotton, soybean, corn and coffee.
6 – CONSOLIDATED TYPE Total
7 – TYPE OF AUDITOR'S REPORT Unqualified

01.07- COMPANIES NOT INCLUDED IN CONSOLIDATED FINANCIAL STATEMENTS

1 - ITEM	2 - GENERAL TAXPAYERS' REGISTER	3 – NAME

01.08 – DECLARED AND/OR PAID DIVIDENDS DURING AND AFTER THE QUARTER

1 - ITEM	2 – EVENT	3 - APPROVAL DATE	4 - DIVIDENDS	5- BEGINNING OF PAYMENT	6- TYPE OF SHARE	7- AMOUNT PER SHARE

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - GENERAL TAXPAYERS' REGISTER
02074-5	**SLC AGRÍCOLA S.A.**	**89.096.457/0001-55**

01.09 – PAID-UP CAPITAL AND CHANGES IN THE CURRENT PERIOD

1 – ITEM	2 – DATE OF CHANGE	3 – CAPITAL STOCK (thousand reais)	4 – AMOUNT (thousand reais)	5 – SOURCE OF CHANGE	7 – QUANTITY OF ISSUED SHARES (thousand)	8 – PRICE OF SHARE IN THE ISSUANCE (reais)
01	06/25/2008	279,848	26,592	Public Subscription	9,397,500	27.50

01.10 – INVESTOR RELATIONS DIRECTOR

1 – DATE	2 – SIGNATURE
07/28/2008	

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - GENERAL TAXPAYERS' REGISTER
02074-5	**SLC AGRÍCOLA S.A.**	**89.096.457/0001-55**

02.01- BALANCE SHEET - ASSETS (in thousands of reais)

1 – CODE	2 – DESCRIPTION	3- 06/30/2008	4- 03/31/2008
1	Total Assets	768,332	703,400
1.01	Current Assets	336,770	312,847
1.01.01	Cash, Banks and Investments	101,856	139,024
1.01.01.01	Cash and Cash Equivalents	215	150
1.01.01.02	Short term Investments	101,641	138,874
1.01.02	Credits	21,544	17,168
1.01.02.01	Trade Accounts Receivable	1,277	5,757
1.01.02.02	Other credits	20,267	11,411
1.01.02.02.01	Advance from Suppliers	5,341	304
1.01.02.02.02	Recoverable taxes	14,882	11,063
1.01.02.02.03	Deferred income and social contribution taxes	44	44
1.01.03	Inventories	203,121	147,215
1.01.03.01	Inventories	85,223	33,639
1.01.03.02	Growing crops	117,898	113,576
1.01.04	Others	10,249	9,440
1.01.04.01	Notes receivable	3,438	2,886
1.01.04.03	Other accounts receivable	631	365
1.01.04.04	Credits with Related Parties	1,962	3,460
1.01.04.05	Dividends Receivable	1,500	1,500
1.01.04.06	Prepaid expenses	2,718	1,229
1.02	Non current Assets	431,562	390,553
1.02.01	Long term Assets	78,754	63,488
1.02.01.01	Credits	42,950	39,401
1.02.01.01.01	Recoverable taxes	2,762	1,940
1.02.01.01.02	Deferred income and social contribution Taxes	33,413	31,088
1.02.01.01.05	Prepaid expenses	6,122	5,720
1.02.01.01.05	Other credits	653	653
1.02.01.02	Credits with Related Parties	1,186	50
1.02.01.02.01	With Associates	0	0
1.02.01.02.02	With Subsidiaries	1,186	50
1.02.01.02.03	Others Related Parties	0	0
1.02.01.03	Others	34,618	24,037
1.02.01.03.01	Advance for future capital increase	27,741	16,822
1.02.01.01.02	Notes receivable	6,877	7,215
1.02.02	Permanent Assets	352,808	327,065
1.02.02.01	Investments	190,207	189,143
1.02.02.01.01	Equity in Associates	0	0
1.02.02.01.02	Equity in Associates – Goodwill	0	0
1.02.02.01.03	Equity in Subsidiaries	190,108	189,044
1.02.02.01.04	Equity in Subsidiaries – Goodwill	0	0
1.02.02.01.05	Other Investments	99	99
1.02.02.02	Fixed Assets	122,557	101,187
1.02.02.03	Intangible	779	760

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - GENERAL TAXPAYERS' REGISTER
02074-5	**SLC AGRÍCOLA S.A.**	**89.096.457/0001-55**

02.01- BALANCE SHEET - ASSETS (in thousands of reais) – (Continued)

1.02.02.04	Deferred	39,265	35,975

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - GENERAL TAXPAYERS' REGISTER
02074-5	**SLC AGRÍCOLA S.A.**	**89.096.457/0001-55**

02.02- BALANCE SHEET – LIABILITIES AND SHAREHOLDERS' EQUITY (in thousands of reais)

1 – CODE	2 – DESCRIPTION	3- 06/30/2008	4- 03/31/2008
2	Total Liabilities	768,332	703,400
2.01	Current Liabilities	129,189	100,379
2.01.01	Loans and financing	71,702	59,581
2.01.02	Debentures	0	0
2.01.03	Supplier	6,050	3,202
2.01.04	Taxes, Charges and Contributions	5,498	5,904
2.01.04.01	Taxes, fees and sundry contributions	1,077	1,751
2.01.04.02	Deferred income and social contribution taxes	4,421	4,153
2.01.05	Dividends Payable	0	7,504
2.01.06	Provisions	0	0
2.01.07	Debts with Related Parties	7,914	5,148
2.01.08	Other Obligations	38,025	19,040
2.01.08.01	Advances from customers	25,974	15,231
2.01.08.02	Vacation accrual and charges payable	2,274	1,848
2.01.08.03	Notes Payable	8,205	0
2.01.08.04	Other liabilities	1,572	1,961
2.02	Non current Liabilities	85,202	50,678
2.02.01	Long term Liabilities	85,202	50,678
2.02.01.01	Loans and financing	58,015	27,687
2.02.01.02	Debentures	0	0
2.02.01.03	Provisions	0	0
2.02.01.04	Debts with Related Parties	0	0
2.02.01.05	Advance for future capital increase	0	0
2.02.01.06	Others	27,187	22,991
2.02.01.06.01	Deferred income and social contribution taxes	25,499	22,443
2.02.01.06.02	Other liabilities	1,688	548
2.02.02	Deferred Income	0	0
2.04	Shareholder's Equity	553,941	552,343
2.04.01	Paid-in Capital	253,256	253,256
2.04.01.01	Subscribed Capital Stock	279,848	253,256
2.04.01.02	Capital Stock to be Paid	(26,592)	0
2.04.02	Capital Reserves	245,746	245,746
2.04.02.01	Goodwill in the Issuance of Shares	477,586	245,746
2.04.02.02	Goodwill in the Issuance of Shares to be Paid	(231,840)	0
2.04.03	Revaluation Reserves	0	0
2.04.03.01	Owned Assets	0	0
2.04.03.02	Subsidiaries/ Affiliates	0	0
2.04.04	Profit Reserves	24,093	24,093

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - GENERAL TAXPAYERS' REGISTER
02074-5	**SLC AGRÍCOLA S.A.**	**89.096.457/0001-55**

02.02- BALANCE SHEET – LIABILITIES AND SHAREHOLDERS' EQUITY (in thousands of reais) – (Continued)

2.04.04.01	Legal	1,580	1,580
2.04.04.02	Statutory	16,885	16,885
2.04.04.03	For Contingencies	0	0
2.04.04.04	Profits Realizable	0	0
2.04.04.05	Retained Earnings	5,628	5,628
2.04.04.06	Special for Non-distributed Dividends	0	0
2.04.04.07	Other profit Reserves	0	0
2.04.05	Accumulated Earnings/ Losses	30,846	29,248
2.04.06	Advance for future capital increase	0	0

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - GENERAL TAXPAYERS' REGISTER
02074-5	**SLC AGRÍCOLA S.A.**	**89.096.457/0001-55**

03.01 – STATEMENT OF OPERATIONS (in thousands of reais)

1 – CODE	2 – DESCRIPTION	3 - 04/01/2008 to 06/30/2008	4 - 01/01/2008 to 06/30/2008	5 – 04/01/2007 to 06/30/2007	6 - 01/01/2007 to 06/30/2007
3.01	Gross Sales	42,055	79,138	28,969	63,631
3.02	Sales Deductions	(1,992)	(4,742)	(1,019)	(3,622)
3.03	Net Sales	40,063	74,396	27,950	60,009
3.04	Cost of Sales	(38,935)	(8,663)	(27,461)	(52,723)
3.05	Gross Profit	1,128	15,733	489	7,286
3.06	Operating Income/Expenses	596	12,518	(17,860	(17,442)
3.06.01	Selling Expenses	(1,841)	(3,448)	(897)	(1,534)
3.06.02	General and Administrative Expenses	(4,506)	(7,944)	(22,752	(24,931)
3.06.02.01	General and Administrative Expenses	(2,994)	(5,837)	(2,209)	(4,280)
3.06.02.02	Management Fees	(300	(895)	(179)	(287)
3.06.02.03	Non-recurring expenses	(,212)	(1,212)	(20,364)	(20,364)
3.06.03	Financial	5,535	7,174	(81)	(2,642)
3.06.03.01	Financial Income	11,475	18,620	4,736	6,845
3.06.03.02	Financial Expenses	(,940)	(11,446)	(4,817)	(9,487)
3.06.04	Other Operating Income	309	365	0	444
3.06.05	Other Operating Expenses	0	0	(28)	0
3.06.06	Equity Pick-up	1,099	16,371	5,898	11,221
3.07	Operating Income (expenses)	1,724	28,251	(17,371)	(10,156)
3.08	Non-operating Result	158	10,098	160	337
3.08.01	Income	158	10,098	160	337
3.08.02	Expenses	0	0	0	0
3.09	Income Before Tax and Profit Minority Interest	1,882	38,349	(17,211)	(9,819)

01.01 - IDENTIFICATION

1 - CVM CODE	2 - COMPANY NAME	3 - GENERAL TAXPAYERS' REGISTER
02074-5	**SLC AGRÍCOLA S.A.**	**89.096.457/0001-55**

03.01 – STATEMENT OF OPERATIONS (in thousands of reais) – (Continued)

3.10	Provision for Income tax and social contribution	715	-137	0	0
3.11	Deferred Income Tax and Social Contribution	(999)	(7,366)	7,850	7,160
3.12	Statutory Participations / Contributions	0	0	0	0
3.12.01	Profit Sharing	0	0	0	0
3.12.02	Contribution	0	0	0	0
3.13	Reversion of Interest on Shareholders' Equity	0	0	0	0
3.15	Earnings / Losses in the Period	1,598	30,846	(9,361)	(2,659)
	NUMBER OF SHARES, EX-TREASURY (Units)	98,897,500	98,897,500	89,500,000	89,500,000
	EARNINGS PER SHARE (reais)	0.01616	0.31190		
	LOSS PER SHARE (reais)			(0.10459)	(0.02971)

In thousands of reais - R$, except where otherwise indicated

1. Operations and Issuance of New Shares

a) Operations

The corporate objective of SLC Agrícola S.A. (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 and consumption; 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, alcohol and its by-products; equity interest in other companies.

During the 2006/2007 crop the Company and its subsidiaries operated seven farms extending over a total area of approximately 117 thousand hectares. At the 2007/2008 crop, the Company is operating with eight farms, over a total cultivated area of approximately 170 thousand hectares (some 458 thousand acres), located in five Brazilian states within the "cerrado" region, which is suitable for grain cropping, especially soybean, cotton and corn.

The Company has leasing agreements neighboring its farms, which allows for a production increase through the use of existing infrastructure, with dilution of fixed costs and decrease in the unit cost of its products.

In the 2007/08 crop, the Company contracted 34,458.88 hectares of leasing from third parties, distributed as follows:

Farm	Leased area (in ha)	Maturity of agreements	Amount (in sacks of soybean/ha/year)	Type of leasing
Pamplona	3,427.99	2011 to 2013	3 to 12	Operational
Planalto	1,677.37	2008*	11	Operational
Planeste	7,039.81	2010 to 2022	1 to 8.25	Operational
Panorama	14,404.17	2015	8	Operational
Parnaíba	2,601.23	2012 to 2022	5.1 to 6	Operational
Planorte	3,594.31	2008	8	Operational
Paiaguás	1,714.00	2010	6	Operational
Total	**34,458.88**			

* annual renewal

1. Operations and Issuance of New Shares (Continued)

a) Operations – (Continued)

At June 30, 2008, the Company has contracted 64,588.60 hectares of leasing from third parties to operate in the 2008/09 crop, distributed as follows:

Farm	Leased area (in ha)	Maturity of agreements	Amount (in sacks of soybean/ha/year)	Type of leasing
Pamplona	4,079.99	2011 to 2013	3 to 12	Operational
Planalto	1,677.37	2009*	11	Operational
Planeste	7,939.81	2010 to 2023	1 to 8.25	Operational
Panorama	14,404.17	2015	8	Operational
Piratini	5,000.00	2021	-**	Operational
Palmares	20,430.00	2015	9	Operational
Parnaíba	5,862.26	2012 to 2023	1 to 6	Operational
Planorte	3,481.00	2008	5.5	Operational
Paiaguás	1,714.00	2010	6	Operational
Total	**64,588.60**			

* annual renewal.
** payment will begin in the 2011/12 crop.

b) Issuance of New Shares

At June 9, 2008, the Board of Directors approved and authorized a new primary public offering of 9,397,500 common shares and the secondary distribution of 4,027,499 common shares, all non-par registered book-entry shares, issued by the Company, simultaneously carried out in Brazil and abroad. The number of shares offered was 13,424,999 registered book-entry common shares.

At June 26, 2008, CVM approved the primary and secondary distribution of shares. The trading on the São Paulo Stock Exchange, under the same ticker “SLCE3”, in the special Corporate Governance level, started at June 27, 2008 and ended at July 1, 2008. As a result of the Primary Offering of 9,397,500 common shares at the price of R$27.50, the amount of R$258,431 (R$247,448 net of commissions and other expenses) was raised.

2. Basis of Preparation and Presentation of the Financial Statements

2.1 Basis of Preparation and Presentation of the Financial Statements

These financial statements were prepared in conformity with the accounting practices adopted in Brazil, following the accounting guidelines laid down in Brazil’s Corporation Law, and the standards issued by the Brazilian Securities Commission (CVM) and by the São Paulo State Stock Exchange for companies included in the so-called “New Market”.

2. Basis of Preparation and Presentation of the Financial Statements (Continued)

2.1 Basis of Preparation and Presentation of the Financial Statements (Continued)

The preparation of the financial statements involves the use of accounting estimates. Such estimates were based on objective and subjective aspects considering management's judgment to determine the adequate amount to be recorded in the financial statements. Significant items subject to these estimates and assumptions include the selection of useful lives of fixed assets and their recovery in operations, and the analyses of other risks to determine other provisions, including the provision for contingencies, and the valuation of financial instruments and other assets and liabilities at the balance sheet date.

The provision for income and social contribution taxes was computed based on legislation in effect at the balance sheet date.

Settlement amounts for transactions involving these estimates may significantly differ from those reported in the financial statements due to the underlying inaccuracy of the determination process. The Company reviews its estimates and assumptions on a quarterly basis.

Assets and liabilities are classified as current when these items are likely to be settled or realized within 12 months, or otherwise classified as noncurrent. Monetary assets and liabilities denominated in foreign currencies were translated into reais at the foreign exchange rate in effect at the balance sheet date. Foreign currency translation gains and losses were recognized in the statements of income.

Certain amounts in the financial statements for the period of three months ended June 30, 2007, presented for comparison purposes, have been reclassified due to the accounting allocation of the respective transactions at the period of three months ended June 30, 2008.

The consolidated financial statements include the operations carried out by SLC Agrícola S.A. and the following subsidiaries, in which equity interest, at June 30,2008, is held as follows:

Subsidiary	Direct subsidiary-%	Indirect subsidiary-%	Core business activity	Location
Fazenda Planorte S.A.	**100**	**-**	Cultivation of cotton, soybean and corn crops.	Mato Grosso – MT
Fazenda Paiaguás S.A.	**100**	**-**	Cultivation of cotton, soybean and corn crops.	Mato Grosso – MT
Fazenda Parnaíba S.A.	**100**	**-**	Cultivation of cotton, soybean and corn crops.	Maranhão – MA
SLC Empreendimentos e Agricultura Ltda.	**83.22**	**16.78**	Lease of arable land.	Rio Grande do Sul – RS

2. Basis of Preparation and Presentation of the Financial Statements (Continued)

2.1 Basis of Preparation and Presentation of the Financial Statements (Continued)

The fiscal years of subsidiaries included in consolidation are the same as those of the Company; also, accounting policies were consistently applied by the consolidated companies and are consistent with those used in prior years.

The main consolidation procedures are:

- Elimination of the balances of intercompany assets and liabilities;
- Elimination of equity interest, reserves and retained earnings of consolidated companies;
- Elimination of the balances of revenues, expenses and unrealized profits resulting from intercompany transactions.

The quarterly information includes as supplementary information in Note 27 and Note 28 the statement of cash flows (DCF) and statement of value added (DVA) – based on the guidelines issued by IBRACON – the Institute of Independent Auditors of Brazil and CFC - Federal Board of Accountancy.

2.2. Changes in the Brazilian Corporation Law – Law Nº 11638/07

Law No. 11638, approved on December 28, 2007, amends and sets aside provisions of Law No. 6404, dated December 15, 1976 and Law No. 6385, dated December 7, 1976. The main objective of these changes and amendments is to update Brazilian corporation law to allow convergence of accounting practices adopted in Brazil to international accounting practices defined by the standards issued by the International Accounting Standards Board – IASB.

The requirements of this new Law apply to the financial statements for the years beginning January 1, 2008. These requirements are not considered changes of circumstances or of estimates and, therefore, the adoption of new practices introduced by Law 11,638/07 must be, as a general rule, demonstrated retrospectively, i.e., upon the application of these new accounting practices as these practices had been in use during all periods presented, observing the rule about “Accounting Practices, Changes in the Accounting Estimates and Error Correction”, approved by the Brazilian Securities and Exchange Commission (CVM) by means of Resolution no. 506.

Thus, the changes in the accounting practices are recorded in the accounting books as adjustments of previous years, however, their impact is allocated to each one of the periods presented. In the specific case of SLC Agrícola S.A. and its subsidiaries, in which the financial statements for the year to be ended on December 31, 2008 will be presented comparatively with the 2007 amounts, the adjustments will be demonstrated at initial balances (January 1, 2007), so that the two years will be presented observing the same accounting practices.

2. Basis of Preparation and Presentation of the Financial Statements (Continued)

2.2. Changes in the Brazilian Corporation Law – Law Nº 11638/07- (Continued)

This procedure was not adopted in the preparation and presentation of the Quarterly Information (ITR) of 2008, so that the effects of the changes in the accounting practices are not being allocated in each one of the periods presented.

At May 2, 2008, CVM issued Instruction no. 469 which partially regulated Law no. 11638/07, establishing the minimum requirements to be observed in the presentation of the quarterly information (ITR) during 2008. This Instruction, upon certain conditions, allowed as option, the full adoption of the provisions of the referred Law. The Company's Management did not choose this alternative and, thus, applied Law no. 11638/07 in the minimum extension required by CVM Instruction no. 469 in the presentation of its ITR during 2008.

Among the main changes in the accounting rules introduced by the referred Law, we point out below those that, in a preliminary analysis carried out by the Management, may materially affect the accounting statements of the Company and its subsidiaries for the year to be ended at December 31, 2008:

- Requirements that investments in financial instruments, including derivatives, should be recorded: (i) at their market or equivalent value, whenever it involves investments for trading or available to sale; and (ii) at the cost acquisition or issuance value, updated in accordance with the legal or contractual provisions, adjusted to the probable realization value, whenever it is lower. Management of the Company and its subsidiaries believe that its short-term investments are in line with the CVM requirements, that is, no significant effect is expected to arise from the adoption of such standard. As regards the derivative financial instruments, in view of the volume of contracts with different deadlines and remuneration conditions, Management awaits the regulations and standards to be set for the amendments introduced by Law No 11638 to perform more detailed studies and thus enable adequate recording and disclosure of the matter.

- As mentioned in Note 24, the Company has a Stock Option Plan for Company's officers and managers, under the management of a Managing Committee, created by the Board of Directors. These benefits are recorded in the shareholders' equity only upon the exercise of the options, by the capital increase. As from December 31, 2008 these benefits will be recorded as expenses on the concession date. This issue has not been regulated yet by the CVM, therefore, taking as basis the criteria of IFRS 2 of IASB it is estimated that the result for the year to be ended on December 31,2008 will be reduced by R$2,707 and the Shareholders' Equity by R$3,158 by the adoption of the new accounting criterion.

2. Basis of Preparation and Presentation of the Financial Statements (Continued)

2.2. Changes in the Brazilian Corporation Law – Law Nº 11638/07- (Continued)

The other changes introduced by Law 11638/07 shall not cause material effects in the financial statements as of December 31, 2008 or are not applicable, namely:

- Non-current assets and liabilities shall be adjusted at present value. The other balances shall be adjusted at present value only in case of significant effect on the financial statements. The Management of the Company and of its subsidiaries understand that no significant effect shall be ascertained in the adoption of the referred rules, considering the management of its business and the amounts involved.
- Obligatory recording in fixed assets of rights intended for tangibles to support the Company's operations, including those arising from operations which transfer the Company the benefits, risks and control over assets, e.g. financial lease. The Company and its subsidiaries do not have financial assets included in this rule.
- Similarly, the changes in CVM Instruction 247 about investments in associated companies must not cause any effect, once the investments maintained by the Company in subsidiaries continue to be evaluated by the equity method of accounting.
- Tax incentives amounts must be temporarily presented in the group of Deferred Income, as determined by CVM Instruction 469. The Company's management understands that the amounts are not relevant in the half year and, therefore, they should not significantly affect the equity and financial position when recorded by the adoption of the new accounting practice.
- Business combination by means of mergers or spin-offs. In 2008 and 2007 no transaction was carried out and no transactions of these natures are estimated and, therefore, the changes in the accounting practices required by Law 11638/07 are not applicable to the Company.
- The Company and its subsidiaries already discloses as supplementary information the Statements of Cash Flows and Value Added, therefore, the change in the Law making them mandatory does not cause any effect in relation to what the Company had already been disclosing.

3. Summary of Principal Accounting Practices

a) Determination of net income

Revenues are determined on the accrual basis of accounting. Revenues from the sale of goods are recognized in the statement of income when all risks and rewards of ownership have been transferred to the buyer. No revenue is recognized if there are significant uncertainties regarding its realization.

3. Summary of Principal Accounting Practices (Continued)

b) Short-term investments

These are valued at the original investment value plus income earned to the balance sheet date, not exceeding realizable value.

c) Allowance for doubtful accounts

The Company and its subsidiaries do not include amounts requiring setting up of allowance for doubtful accounts once there are no expected losses on accounts receivable.

d) Growing crops

They are stated by the costs incurred until the balance sheet date and correspond to the crop formation in its respective fiscal year.

e) Inventories

Agricultural products are valued at their production cost, not exceeding realizable values.
Inventories of seeds, manure, fertilizers, pesticides, fuel, lubricants, stored and sundry materials were valued at their average acquisition cost, not exceeding market values.

f) Investments

Investments in subsidiaries are valued at the equity accounting method, as described in Note 10. Other investments are stated at acquisition cost less provision for losses, as applicable.

g) Property, plant and equipment

Property, plant and equipment are stated at acquisition, buildup or construction cost. Depreciation is calculated on the straight-line basis at the rates mentioned in Note 11 and takes into consideration the estimated useful life of the assets.

h) Intangible assets

These are recorded at acquisition cost, less amortization, calculated on the straight-line basis at 20% per annum.

i) Deferred charges

These are stated at cost incurred, and refer to expenses on soil amendment, deforestation and IT systems implementation. Amortization is expected to be concluded within 5 years.

3. Summary of Principal Accounting Practices (Continued)

j) Liabilities

Liabilities are recognized in the balance sheet when the Company has a legal or constructive obligation arising from past events, the settlement of which is expected to result in an outflow of economic benefits. Due to uncertainty with respect to the timing and amount of the outflow of economic benefits required for settlement, certain liabilities are estimated as incurred and recorded as a provision. Provisions are recorded reflecting the best estimates of the risk involved.

k) Taxation

Sales revenues are subject to the following taxes and mandatory contributions, at the following statutory tax rates:

	Rates
State VAT (ICMS)	0% to 17.00%
Social Contribution Tax on Gross Revenue for Social Security Financing (COFINS)	7.60%
Social Contribution Tax on Gross Revenue for Social Integration Program (PIS)	1.65%
Rural Workers' Assistance Fund Tax – FUNRURAL	2.85%

These expenses are stated as sales deductions in the statement of income. Credits deriving from non-cumulative PIS/COFINS are recorded as a deduction from the cost of sales in the statement of income.

Income taxes comprise both income and social contribution taxes. Income tax is calculated at a rate of 15%, plus a surtax of 10% on taxable income exceeding R$ 60 in the quarter and R$ 240 over the year, whereas social contribution tax is computed at a rate of 9% on taxable income, both recognized on an accrual basis; therefore, additions to book income deriving from temporarily non-deductible expenses or exclusions from temporarily non-taxable income upon determination of current taxable income generate deferred tax assets or liabilities.

Tax prepayments or tax loss carryforwards are shown under current or noncurrent assets, considering their expected realization.

Deferred tax credits stemming from corporate income tax and social contribution tax losses are shown at their estimated realizable value, as described in Note 16.

l) Investment grants

The subsidiaries Fazenda Parnaíba and Fazenda Planorte benefit from income tax incentives relating to the part of their operations located in the country's central-west and northeast regions, respectively. These incentives are granted in the form of a 100% exemption or a 50% to 75% reduction in income tax due, calculated considering results from activities covered by the benefit, recorded directly in shareholders' equity, under tax incentives. ADA Declaratory Acts granting income tax reductions will expire between calendar years 2008 and 2015.

3. Summary of Principal Accounting Practices (Continued)

m) Cost subsidies

The Governments of Mato Grosso do Sul and Mato Grosso states, through Decrees No. 9542/99 and No. 1261/00, respectively, granted incentives allowing deferral of ICMS debits through inclusion of Fazenda Planalto in the Fundersul Program (Fund for the Development of the Road System of Mato Grosso do Sul state) and the inclusion of Fazenda Planorte and Fazenda Paiaguás in the FETHAB Program (Fund for Transportation and Housing).

The Governments of Mato Grosso do Sul, Mato Grosso and Goiás states, through Decree No. 9716/99, Decree No 1589/97 and state Law No. 13506/99, granted ICMS matching credits for operations with cotton-feather, with reduction of ICMS payable by 50% to 75% through inclusion of Fazenda Planalto in the PDAGRO Program (Mato Grosso do Sul), of Fazenda Planorte and Fazenda Paiaguás in the PROALMAT Program (Mato Grosso) and Fazenda Pamplona in the PROALGO Program (Goiás). ICMS matching credits are recorded in the statement of income in the deductions-taxes and mandatory contributions account as a corresponding entry to recoverable taxes.

4.Short-term Investments

		Parent Company	
Type	Yield	06/30/2008	03/31/2008
Bank Deposit Certificates – Interbank Deposits (CDB–DI)	100.61% of CDI*	**78,028**	72,018
Repurchase and resale agreements**	100.96% of CDI*	**20,291**	64,514
Other investments	-	**3,322**	2,342
		101,641	138,874

		Consolidated	
Type	Yield	06/30/2008	03/31/2008
Bank Deposit Certificates – Interbank Deposits (CDB–DI)	100.66 % CDI*	**96,194**	87,769
Repurchase and resale agreements	101.60% CDI*	**43,607**	87,814
Other investments**	-	**3,427**	2,445
		143,228	178,028

* Average yield as of June 30, 2008.
** Balance consisting of guaranteed savings account and a foreign account to cover margins of commodity hedging transactions.

Short-term investments in Bank Deposit Certificates (CDB) and repurchase and resale agreements (debentures) are redeemable within 90 days as from the balance sheet date.

5. Trade Accounts Receivable

	Parent Company		Consolidated	
	06/30/2008	03/31/2008	06/30/2008	03/31/2008
Domestic market	**1,082**	4,867	**4,333**	14,004
Foreign market	**195**	890	**667**	1,636
Total	**1,277**	5,757	**5,000**	15,640

At June, 30 to March 31, 2008, the Company and its subsidiaries had no overdue notes receivable.

6. Inventories

	Parent Company		Consolidated	
	06/30/2008	03/31/2008	06/30/2008	03/31/2008
Agricultural products	**376**	3,698	**377**	6,317
Seeds, manure, fertilizers and pesticides	**44,953**	24,772	**80,071**	40,351
Advances to suppliers	**35,187**	2,722	**52,765**	4,435
Other inventories	**4,707**	2,452	**7,793**	4,295
Valuation allowance	**-**	(5)	**-**	(5)
	85,223	33,639	**141,006**	55,393

7. Growing Crops

	Parent Company		Consolidated	
	06/30/2008	03/31/2008	06/30/2008	03/31/2008
Soybean	**16,768**	35,657	**26,892**	56,125
Cotton	**83,158**	63,152	**112,043**	97,705
Corn	**10,530**	10,138	**39,804**	19,170
Coffee	**5,251**	3,791	**4,991**	3,650
Other crops	**2,191**	838	**1,875**	655
	117,898	113,576	**185,605**	177,305

Growing crops are substantially represented by costs incurred with crop formation, such as: seeds, fertilizers, pesticides, depreciation and labor used in the crops.

Crops of soybean, corn and cotton are usually as follows:

		Products		
Company	City	Soybean	Cotton	Corn
Fazenda Planalto	Costa Rica-MS	Oct 1 to Mar 20	Dec 5 to Aug 15	Jan 25 to Jul 10
Fazenda Paiaguás	Diamantino-MT	Sep 20 to Mar 15	Dec 10 to Aug 15	Jan 25 to Jul 10
Fazenda Planorte	Sapezal-MT	Sep 20 to Mar 10	Dec 15 to Aug 15	Jan 25 to Jul 10
Fazenda Pamplona	Cristalina-GO	Oct 25 to Apr 15	Nov 5 to Aug 15	Oct 20 to Apr 30
Fazenda Parnaíba	Tasso Fragoso-MA	Oct 25 to Apr 05	Dec 15 to Aug 10	Dec 1 to May 15
Fazenda Planeste	Balsas-MA	Oct 15 to Mar 30	Dec 20 to Aug 15	Dec 10 to Jul 10
Fazenda Palmeira	Buriti-MA	Jan 20 to Jun 5	N/A	Jan 20 to Jun 10
Fazenda Panorama	Correntina-BA	Nov 1 to Apr 25	Nov 20 to August 10	N/A

8. Recoverable Taxes

	Parent Company		Consolidated	
	06/30/2008	**03/31/2008**	**06/30/2008**	**03/31/2008**
Income tax	**3,524**	3,231	**5,129**	4,617
Social contribution tax	**636**	8	**1,542**	311
State VAT (ICMS)	**10,417**	8,342	**13,566**	10,670
Social Contribution Tax on Gross Revenue for Social Security Financing (COFINS)	**1,228**	664	**6,396**	5,345
Social Contribution Tax on Gross Revenue for Social Integration Program (PIS)	**258**	136	**1,579**	1,351
Recoverable Withholding Income Tax (IRRF)	**1,560**	601	**1,922**	752
Other	**21**	21	**31**	30
	17,644	13,003	**30,165**	23,076
(-) Current portion	**(14,882)**	(11,063)	**(26,363)**	(20,284)
Noncurrent portion	**2,762**	1,940	**3,802**	2,792

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 / recoverable

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 as of June 30, 2008 will be realized with no significant losses.

Recoverable Withholding Income Tax (IRRF)

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

9. Credits and Notes Receivable

At June 30, 2008, by means of a purchase and sale agreement, the Company sold the remaining area of Fazenda Paineira for the total amount of R$10,347, corresponding to 246,365 sacks of soybean.

This balance will be received in seven installments equivalent to 35,195 sacks of soybean each, adjusted by the price quotation of the soybean sack adopted by Cooperativa Tritícola Serrana Ltda. – COTRIJUI, on the receipt date, the maturities of which will take place in the period from May 2008 to May 2011.

The quarter position is shown in the table below:

	Date	Value R$ thousand	Soybean sack price in R$	Equivalent In soybean sacks
Sale Value	03/31/2008	10,347	42.00	246,365
Amortization	05/31/2008	(356)	42.00	(8,482)
Amortization	06/02/2008	(1,122)	42.00	(26,713)
Update	03/31/2008	1,446	48.85	-
		10,315		**211,170**
(-) Current portion		**(3,438)**		
Noncurrent portion		**6,877**		

10. Investments

	Parent Company		Consolidated	
	06/30/2008	**03/31/2008**	**06/30/2008**	**03/31/2008**
Investments in subsidiaries	**190,108**	189,044	**-**	-
Other investments	**99**	99	**182**	182
	190,207	189,143	**182**	182

The significant investments in subsidiaries and affiliated companies, valued by the equity accounting method, are shown in the table below:

	Fazenda Parnaíba S.A.	Fazenda Planorte S.A.	Fazenda Paiaguás S.A.	SLC Empreendimentos e Agricultura Ltda. (1)	06/30/2008	03/31/2008
Capital	20,650	16,400	20,009	83,984		
Shareholders' Equity	42,699	24,834	48,377	100,184		
Net income for the period	3,112	(6,721)	11,832	8,898		
Number of shares/units of interest						
Common Shares (thousand)	5,353	11,506	44,517	-		
Units of Interest	-	-	-	1		
Equity Interest Percentage (%)	100%	100%	100%	83.22%		
Net book value – opening balances	40,147	36,315	43,773	77.950	**198,185**	**182,913**
Payment of capital	-	-	-	-	**-**	**-**
Gain/loss on investment capital	-	-	-	-	**-**	**-**
Equity pickup	2,552	(11,481)	4,604	5,424	**1,099**	**15,272**
Dividends received	-	-	-	-	**-**	**-**
Net book value – ending balances	42,699	24,834	48,377	83,374	**199,284**	**198,185**
Goodwill (2)	-	-	12,980	-	**12,980**	12,980
Negative goodwill (3)	(22,156)	-	-	-	**(22,156)**	(22,121)
Ending balances	20,543	24,834	61,357	83,374	**190,108**	**189,044**

(1) Net equity at June 30, 2008 was adjusted in the amount of R$15,083, and net income for the period in the amount of R$5,053 refers to unrealized profit resulting from intercompany transactions.
(2) Represents the goodwill paid on the acquisition of Fazenda Paiaguás on July 20, 2000, with economic basis attributed to the appreciation of arable lands. Relevant amortization shall take place only upon its write-off or disposal.
(3) Represents the negative goodwill ascertained in the acquisitions, with third parties, of shares of the subsidiary Fazenda Parnaíba S.A., occurred during the year 2007.

11. Property, Plant and Equipment

	Parent Company				
	Average annual depreciation rate	06/30/2008			03/31/2008
		Cost	Accumulated depreciation	Net value	Net value
Arable land	-	186	-	**186**	186
Buildings and improvements	4.68%	17,475	(1,940)	**15,535**	15,237
Furniture and fixtures	10%	1,214	(556)	**658**	643
Office equipment and facilities	20%	1,915	(962)	**953**	890
Agricultural equipment and industrial facilities	11.50%	111,742	(39,508)	**72,234**	60,460
Vehicles	25.18%	5,679	(3,532)	**2,147**	2,184
Permanent crops	6.67%	4,673	(988)	**3,685**	3,651
Advances to suppliers	-	4,293	-	**4,293**	8,410
Construction in progress	-	8,205	-	**8,205**	-
Work and refurbishments in progress	-	14,661	-	**14,661**	9,526
		170,043	(47,486)	**122,557**	101,187

	Consolidated				
	Average annual depreciation rate	06/30/2008			03/31/2008
		Cost	Accumulated depreciation	Net value	Net value
Arable land	-	138,314	-	**138,314**	138,285
Goodwill – Appreciation of land value	-	12,980	-	**12,980**	12,980
Plots	-	42	-	**42**	42
Buildings and improvements	4.33%	60,834	(15,251)	**45,583**	42,270
Furniture and fixtures	10%	2,040	(907)	**1,133**	1,054
Office equipment and facilities	20%	2,801	(1,523)	**1,278**	1,218
Agricultural equipment and industrial facilities	15.49%	197,022	(81,263)	**115,759**	101,089
Vehicles	25.98%	9,073	(5,996)	**3,077**	3,019
Permanent crops	6.67%	8,333	(2,737)	**5,596**	5,646
Advances to suppliers	-	8,459	-	**8,459**	10,933
Construction in progress	-	126,155	-	**126,155**	-
Work and refurbishments in progress	-	16,393	-	**16,393**	13,737
		582,446	(107,677)	**474,769**	330,273

The balance related to the construction in progress account is related to the acquisitions of a new production unit (Fazenda Palmares) and a complementary area to Fazenda Planorte, with buildings, improvements, machinery and agricultural implements, according to purchase and sale agreements. These two areas had not started operating until the balance sheet date.

At June 30, 2008, work and refurbishments in progress, in the amount of R$16,393, were substantially represented by the expansion of functional buildings (accommodation modules, workers' cafeteria, etc.) in various farms, in the amount of R$1,491; and cotton machines' construction and expansion works in several farms, in the amount of R$9,035, all of them scheduled for completion over the next 6 months.

12. Deferred Charges

		Parent Company			
		06/30/2008			03/31/2008
	Average annual depreciation rate	Cost	Accumulated depreciation	Net value	Net value
Soil amendment	20%	43,067	(14,456)	**28,611**	27,532
Clearing and land leveling	20%	5,237	(2,008)	**3,229**	2,198
Pre-operating expenses	-	7,425	-	**7,425**	6,245
		55,729	(16,464)	**39,265**	35,975

		Consolidated			
		06/30/2008			03/31/2008
	Average annual depreciation rate	Cost	Accumulated depreciation	Net value	Net value
Soil amendment	20%	75,402	(33,030)	**42,372**	42,434
Clearing and land leveling	20%	8,415	(4,115)	**4,300**	3,401
Pre-operating expenses	-	7,425	-	**7,425**	6,245
		91,242	(37,145)	**54,097**	52,080

At June 30, 2008 and March 31, 2008, the balance of pre-operating expenses was substantially represented by implementation costs of the operational system acquired in 2005, whose start-up is estimated for the last quarter of 2008.

13. Balances and Transactions with Related Parties

	Fazenda Planorte S.A.	Fazenda Parnaíba S.A.	Fazenda Paiaguás S.A.	SLC Empreendimentos e Agricultura Ltda.	Ferramentas Gerais Com. Imp. S.A.	Total	
						06/30/2008	03/31/2008
Assets:							
Current assets							
Credits from subsidiaries	71	736	-	1,136	19	**1,962**	**3,460**
Noncurrent assets:							
Credits from subsidiaries	-	-	1,186	-	-	**1,186**	**50**
Advances for future capital increase	4,592	-	-	23,149	-	**27,741**	**16,822**
Liabilities:							
Current liabilities:							
Liabilities to subsidiaries (loans)	-	-	48	7,822	44	**7,914**	**5,148**
Sales:							
Goods	25	662	25	-	-	**712**	**693**
Purchases:							
Goods	-	25	923	-	-	**948**	**798**
Financial income:							
Interest	5	-	22	-	-	**27**	**5**
Financial expenses:							
Interest	-	3	1	-	-	**4**	**4**

13. Balances and Transactions with Related Parties (Continued)

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.

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 one of the parties.

This agreement provides for the delivery of land, facilities and other assets by the leassor that allows the lessee to perform its agricultural activities by planting cotton, soybean, corn, and coffee, in consideration of an amount in the form of lease payments.

At June 30, 2008, the annual leasing amount may be demonstrated as follows:

	Total hectares leased	Annual leasing amount (a)	Soybean sack quotation in the region (b)	R$
Fazenda Planalto	13,157.78	11.0	50.50	7,309
Fazenda Pamplona	12,619.85	10.0	49.50	6,247
Fazenda Planeste	12,831.30	7.0	47.00	4,221
Fazenda Palmeira	4,515.00	5.0	51.00	1,151
Fazenda Panorama	6,570.00	8.0	47.00	2,470
Fazenda Paiaguás	24,197.42	8.5	45.50	9,358
Fazenda Piratini (c)	5,000.00	-	47.00	-
				30,756

(a) Equivalent in soybean sacks per hectare arable per crop year.
(b) Average price per soybean sack prevailing in the region of each farm obtained at June 30, 2008 in reais.
(c) As contractually provided for, leasing costs will be incurred as from crop year 2011/2012.

The leasing price will be paid annually based on the price of the over-the-counter quotation 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.

The balance of R$28 (R$44 in the parent company) not eliminated in the consolidation process refers to operations performed with affiliate Ferramentas Gerais Comércio e Importação S.A.

14. Loans and Financing

		Average annual interest rates (%)		Parent Company		Consolidated	
	Index	06/30/2008	03/31/2008	06/30/2008	03/31/2008	06/30/2008	03/31/2008
Used in property, plant and equipment:							
Finame – BNDES(3)	Prefixed and TJLP(1) and US$	9.72%	9.81 %	**19,290**	19,452	**31,074**	31,292
Constitutional Funds(4)	-	7.68%	7.58 %	**12,067**	18,574	**40,177**	49,829
Used in working capital:							
Advance on export contracts	US$	4.24%	5.89 %	**-**	-	**16,245**	835
Rural credit	-	6.75%	6.75 %	**16,323**	6,729	**76,153**	60,287
Constitutional Funds(4)	-	7.23%	7.23 %	**44,549**	36,833	**48,895**	40,323
Foreign loans	US$	5.21%	5.53 %	**37,488**	5,680	**37,488**	5,680
Rural savings	TR(2) + Prefixed	9.60%	8.50 %	**-**	**-**	**4,348**	3,491
				129,717	87,268	**254,380**	191,737
(-) Current portion				**(71,702)**	(59,581)	**(170,319)**	(134,395)
Noncurrent portion				**58,015**	27,687	**84,061**	57,342

(1) Long-Term Interest Rate (TJLP)
(2) Referential Rate (TR)
(3) R$ 1,118 and R$ 1,194, at June 30, 2008 and March 31, 2008, respectively, of the Finame – BNDES amounts are denominated in US$.
(4) Calculation of Constitutional Funds average cost considers a 15% discount relating to non-default bonus levied on these operations.

Finame – BNDES – Guaranteed by a statutory lien and pledges on financed assets by SLC Agrícola S.A. or SLC Participações S.A.. Amounts are amortized on a monthly, semiannual or annual basis, with maturity dates between April 15, 2008 and November 18, 2013.

Constitutional Funds – Guaranteed by sureties by SLC Agrícola S.A. or SLC Participações S.A. and, in some operations, by pledge and mortgage on land. Amounts are amortized annually, with maturities between April 1, 2008 and June 3, 2013.

Advance on Export Contracts - Guaranteed by sureties by SLC Participações S.A., and the frequency of payments depends on the receipt of credits in connection with foreign sales. Final maturity is scheduled for December 27, 2008.

Rural Credit – Guaranteed by sureties by SLC Agrícola S.A. 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 8, 2008 and January 30, 2009.

Rural Savings – Guaranteed by sureties by SLC Agrícola S.A. and/or SLC Participações S.A. Maturity is scheduled for November 10, 2008.

Foreign Loans – Funds raised with IFC – International Finance Corporation, with final maturity for January 14, 2018 and guaranteed by surety of subsidiaries and mortage of Fazenda Paiaguás. Additionally, funds according to Resolution no. 4131 of the Central Bank of Brazil, and with maturities estimated for August 9, 2008 and August 11,2008, guaranteed by surety of SLC Participações S.A.

14. Loans and Financing (Continued)

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

	Parent Company		Consolidated	
Maturity	06/30/2008	03/31/2008	06/30/2008	03/31/2008
2009	**8,740**	10,541	**17,532**	23,309
2010	**7,688**	7,674	**17,209**	17,061
2011	**9,619**	5,649	**15,046**	10,974
2012	**7,020**	3,004	**8,515**	4,400
2013	**4,857**	819	**5,668**	1,598
After 2013	**20,091**	-	**20,091**	-
	58,015	27,687	**84,061**	57,342

15. Provision for Contingencies

On June 30, 2008 the Company recorded a provision for labor contingencies in the amount of R$82, and its subsidiary Fazenda Planorte recorded R$450. The amounts provisioned are related to lawsuits filed by former employees, whose probability of loss was considered probable by its legal counsel

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

16. Deferred Income and Social Contribution Taxes

Deferred income and social contribution taxes were recognized as follows:

	Parent Company			
	06/30/2008			03/31/2008
Description	Income Tax	Social Contribution Tax	Total	Total
Assets:				
Temporary differences:				
Taxes on activities not entitled to tax benefits	138	-	**138**	138
Other	33	11	**44**	44
Income and social contribution tax losses	24,457	8,818	**33,275**	30,950
	24,628	8,829	**33,457**	31,132
(-) Total current assets			**(44)**	(44)
Noncurrent assets			**33,413**	31,088
Liabilities:				
Incentive depreciation for rural activities	20,511	7,384	**27,895**	24,234
Deferred capital gain	2,025	-	**2,025**	2,362
	22,536	7,384	**29,920**	26,596
(-) Total current liabilities			**(4,421)**	(4,153)
Noncurrent liabilities			**25,499**	22,443

16. Deferred Income and Social Contribution Taxes (Continued)

	Consolidated			
	06/30/2008			03/31/2008
Description	Income Tax	Social Contribution Tax	Total	Total
Assets:				
Temporary differences:				
Taxes on activities not entitled to tax benefits	138	-	**138**	138
Other	158	58	**216**	86
Income and social contribution tax losses	28,317	10,206	**38,523**	33,687
	28,613	10,264	**38,877**	33,911
(-) Total current assets			**(5,464)**	(2,823)
Noncurrent assets			**33,413**	31,088
Liabilities:				
Incentive depreciation for rural activities	36,524	12,959	**49,483**	44,703
Deferred capital gain	2,025	-	**2025**	2,362
Deferred exchange variation	821	295	**1,116**	651
	39,370	13,254	**52,624**	47,716
(-) Total current liabilities			**(8,700)**	(8,063)
Noncurrent liabilities			**43,924**	39,653

Pursuant to CVM Instruction No. 371/02, and based on expected generation of future taxable income, as determined in a technical study approved by management, the Company and its subsidiaries recognized tax credits on income and social contribution tax losses carryforward and temporary differences, which have no prescription period. The carrying value of deferred charges is reviewed annually by the Company, and the related

adjustments have not been significant in relation to management's initial estimate. The technical study considers the investments and the income tax reduction incentive of up to 75% on profits from tax incentive activities carried out at qualifying farms.

Based on this technical study of future taxable income, the Company expects to recover these tax credits in the following years:

	Parent Company		Consolidated	
	06/30/2008	03/31/2008	06/30/2008	03/31/2008
2008	**44**	44	**5,464**	2,823
2009	**16,367**	15,089	**16,367**	15,089
2010	**17,046**	15,999	**17,046**	15,999
	33,457	31,132	**38,877**	33,911

The expected recovery of the tax credits is based on the projections of future taxable income, taking into consideration various business and financial assumptions at the period ended at June 30, 2008 and March 31, 2008. Accordingly, these estimates may not materialize in the future due to the underlying uncertainties involved.

16. Deferred Income and Social Contribution Taxes (Continued)

Reconciliation of tax expenses at official rates

Income tax (IR) and social contribution tax (CS) calculated at their nominal rates are reconciled to the amount recorded as income and social contribution tax expenses, as follows:

	Parent Company			
	06/30/2008		06/30/2007	
	IR	CS	IR	CS
Income before income taxes	**38,349**	**38,349**	(9,819)	(9,819)
Income and social contribution taxes at nominal rates of 25% and 9%, respectively	**(9,587)**	**(3,451)**	2,455	884
Adjustments to reflect the effective rate				
Equity pickup	**4,093**	**1,473**	2,805	1,009
Permanent additions	**(23)**	**(8)**	(7)	(2)
Other	**-**	**-**	18	(2)
As per income statement	**(5,517)**	**(1,986)**	5,271	1,889

	Consolidated			
	06/30/2008		06/30/2007	
	IR	CS	IR	CS
Income before income taxes	**43,937**	**43,937**	(2,875)	(2,875)
Income and social contribution taxes at nominal rates of 25% and 9%, respectively	**(10,984)**	**(3,954)**	719	259
Adjustments to reflect the effective rate				
Calculation base taxed based on taxable income computed based on a percentage of gross sales (*)	**2,456**	**884**	2,342	834
Eliminations (unrealized profit)	**(1,263)**	**(455)**	(1,685)	(607)
Permanent additions	**(29)**	**(11)**	(32)	(12)
Other	**215**	**50**	195	57
As per income statement	**(9,605)**	**(3,486)**	1,539	531

(*) Referring to the financial statements of subsidiary SLC Empreendimentos e Agricultura Ltda., whose taxable income is computed based on a percentage of gross sales.

17. Notes Payable

	Parent Company		Consolidated	
	06/30/2008	03/31/2008	06/30/2008	03/31/2008
Jaques Valori Lima (a)	-	-	4,026	4,991
Floryl Florestadora Ypê S.A (b)	-	-	12,919	14,027
Agroparaná S.A, Agropecuária Lages Ltda and Leandro Volter Laurindo de Castilhos (c)	8,205	-	39,705	-
Agropecuária Vale do Juruena Ltda. and Other	-	-	99,185	-
Other	-	-	23	23
	8,205	-	155,858	19,041
(-) Current portion	(8,205)	-	(79,342)	(14,670)
Noncurrent portion	-	-	76,516	4,371

(a) Represented by the acquisition of 2,718 hectares of land for cultivation in the city of Correntina, Bahia, called Fazenda Panorama, by the subsidiary SLC Empreendimentos e Agricultura Ltda., in the amount of R$8,857, equivalent to US$4,447. The balance at June 30, 2008, equivalent to US$2,860, restated by the US dollar variation, is related to 4 annual remaining installments due as of May 31, 2009.

(b) Constituted by the acquisition of 25,000 hectares of land for cultivation in the city of Jaborandi, Bahia, called Fazenda Piratini, by the subsidiary SLC Empreendimentos e Agricultura Ltda. in the amount of R$30,472, equivalent to US$16,075. The balance at June 30, 2008, equivalent to US$8,038 thousand, restated by the US dollar variation, is related to the remaining installment with maturity at September 19, 2008.

(c) Represents the acquisition of 5,165 hectares of land for cultivation in the city of Barreiras, Bahia, called Fazenda Palmares, by the subsidiary SLC Empreendimentos e Agricultura Ltda, in the amount of R$35,000 and for the acquisition of equipment and agricultural implements in the amount of R$8,205 by the parent company. The balance at June 30, 2008 is related to: (i) an installment related to the land for cultivation to be paid in the drawing up and registration of the deed, estimated for August 2008; and (ii) 2 installments related to the acquisition of equipment and agricultural implements, the first one in the amount of R$6,000 paid in the day immediately after the execution of the agreement (July 1, 2008) and the second one in the amount of R$2,205 to be paid after the delivery of all assets purpose of the purchase and sale agreements, duly revised and in full operation, with estimate for August 2008.

(d) Acquisition of 10,635 hectares related to the supplementary area of land for cultivation in the subsidiary Fazenda Planorte S.A for the amount of R$82,950, equivalent to 2,370 soybean sacks. The balance at June 30, 2008 is related to 7 remaining installments in the amount of R$99,185, equivalent to 2,240 thousand soybean sacks, restated by the variation of the soybean sack, the first one with maturity until September 2008 and the subsequently annually installments, with final maturity at May 31, 2014.

18. Shareholders' Equity

a) Capital

At June 9, 2008, the Minutes of the Board of Directors' Meeting approved the public offering of 9,397,500 common shares issued by the Company.

At June 25, 2008, the Minutes of the Board of Directors' Meeting approved the price determination of the new shares and the allocation of funds from the public offering, with R$26,592 allocated to the capital stock account and R$231,840 allocated to the capital reserve account - goodwill in the issuance of shares. They also approved the capital stock increase, in the amount of R$26,592, due to the issuance of new shares.

At June 26, 2008, the Minutes of the Board of Directors' Meeting verified the subscription of all 9,397,500 common shares and the Company's capital stock increase was ratified.

At June 30, 2008, capital amounting to R$ 279,848 comprises 98,897,500 common, registered shares, without par value, distributed as follows:

	Number of Shares	
	06/30/2008	03/31/2008
SLC Participações S.A.	28,948,586	32,976,085
Evaux Participações S.A.	21,520,787	21,520,787
Board of Directors	3	3
Other	48,428,124	35,003,125
	98,897,500	89,500,000

b) Legal reserve

The legal reserve is set based on 5% of net income for the year up to 20% of share capital.

c) Dividends

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

The Annual Shareholders' Meeting held on April 3, 2008 approved and scheduled for April 11, 2008 payment to shareholders of year 2007 dividends amounting to R$7,504, equivalent to R$0.0838 per common share.

19. Management Fees

Management receives compensation in the form of estimated self-employment income, included in payroll. Related amounts are shown in a specific account in the statement of income.

20. Financial Income (Expenses), Net

	Parent Company		Consolidated	
	06/30/2008	06/30/2007	06/30/2008	06/30/2007
Financial expenses:				
Interest payable	**4,289**	6,182	**7,863**	7,283
Foreign exchange variation	**2,337**	289	**3,684**	457
Monetary variation	**-**	-	**20,827**	-
Loss on hedging transactions	**4,308**	937	**6,229**	1,039
Provisional Contribution Tax on Financial Transactions (CPMF)	**138**	1,434	**209**	1,760
Other	**374**	645	**672**	973
	11,446	9,487	**39,484**	11,512
Financial income:				
Gain on short-term investments	**6,762**	1,676	**8,739**	2,762
Foreign exchange variation	**2,347**	1,441	**5,869**	2,364
Gain on hedging transactions	**7,613**	3,364	**16,561**	7,439
Other	**1,898**	364	**2,065**	979
	18,620	6,845	**33,234**	13,544
Financial income (expenses), net	**7,174**	(2,642)	**(6,250)**	2,032

21. Commitments

The Company and its subsidiaries have entered into contracts of sale for future delivery with some customers, as follows:

	Parent Company				
Product	Delivery date	Volume	No. of Contracts	Unit	Unit price - US$
2006/2007 Crop year					
Coffee	July 2008	530	1	Sack	157
2007/2008 Crop year					
Cotton feather	July 2008 to January 2009	31,890	46	Ton	1,422
Soybean	July 2008	160,396	5	Sack	26
Corn	July 2008	40,000	4	Sack	19
Coffee	November to December 2008	7,740	9	Sack	147
Cotton pit	July to August 2008	47,500	13	Ton	212
2008/2009 Crop year					
Cotton feather	July 2009 to January 2010	25,125	18	Ton	1,539
Soybean	March 2009	281,866	2	Sack	18
2009/2010 Crop year					
Cotton feather	August to November 2010	600	1	Ton	1,411
Soybean	March 2010	24,600	1	Sack	12

21. Commitments (Continued)

		Consolidated			
Product	Delivery date	Volume	No. of Contracts	Unit	Unit price - US$
2006/2007 Crop year					
Coffee	July 2008	530	1	Sack	157
2007/2008 Crop year					
Cotton feather	July 2008 to January 2009	54,050	46	Ton	1,422
Soybean	July to August 2008	390,527	9	Sack	27
Corn	July to August 2008	842,250	14	Sack	10
Coffee	November to December 2008	7,740	9	Sack	147
Cotton pit	July to September 2008	82,014	24		203
2008/2009 Crop year					
Cotton feather	July 2009 to January 2010	37,500	18	Ton	1,539
Soybean	January to March 2009	648,532	5	Sack	20
2009/2010 Crop year					
Cotton feather	August to November 2010	1,000	1	Ton	1,411
Soybean	March 2010	24,600	1	Sack	12

22. Risk Management and Financial Instruments

The volatility of foreign exchange rates and commodity prices are the market risks to which the Company and its subsidiaries are exposed.

The Company and its subsidiaries carry out operations involving financial instruments with a view to meeting their operating requirements as well as reducing their exposure to market and currency risks. These risks and related instruments are managed through the definition of strategies, establishment of control systems and determination of limits for foreign exchange and price exposures.

The financial instruments are contracted for hedging purposes, which does not prevent their redemption at any time, although the Company actually intends to hold them until the maturity of operations to be hedged.

Short-term investments are made with prime banks and reflect the market conditions at balance sheet dates.

a) Price risk

The Company and its subsidiaries engage in derivatives operations in order to mitigate operating risks due to changes in the price of their products (soybean, cotton, corn etc.) in the foreign market. The Company and its subsidiaries involvement with this type of derivatives operations is made through the use of futures and options market, in order to reduce exposure to price risk, and not for speculative purposes. The financial income (expenses) from this type of transaction is recorded against product invoicing and recorded as financial income or expenses in the statement of income for the year.

22. Risk Management and Financial Instruments (Continued)

At June 30, 2008 the Company had the following operations:

Consolidated (in thousands of US dollars)

Operation	Contract type	Outstanding contracts (1)	Maturity	Market value at 06/30/2008 (2)	Market value at maturity (3)*
Soybean 07/08	Options and Futures	1,200	Nov/08	(1,628)	(318)
Total		**1,200**		**(1,628)**	**(318)**

* One contract is equivalent to 5,000 Bushels, and 1 Bushel corresponds to 27.2155 Kg. Standard soybean trading unit at CBOT/Chicago Exchange.
** Considering the reversion of positions at June 30, 2008.
*** Considering the corresponding futures contract closing price at June 30, 2008.

b) Foreign exchange risk

Income and expenses recorded by the Company are subject to significant variations, since a portion of its revenues and costs is affected by the foreign exchange rate fluctuation, particularly the U.S. dollar.

b) Foreign exchange risk (Continued)

In order to reduce certain effects of foreign exchange rate fluctuations, the Company has engaged in transactions involving derivatives. As of June 30, 2008, outstanding transactions are as follows:

Parent Company

Contracts	US$ thousand	Maturity	Book value at June 30, 2008	Market value at June 30, 2008
Currency futures – purchase	1,500	October/08	(547)	(545)
Currency futures – sale	119,900	August/08 to September/09	36,857	34,385
Options – call	7,000	October and November/08	(170)	6
Options –put	27,000	October/08 to October/09	1,545	(1,113)
	155,400		37,685	32,733

Consolidated

Contracts	US$ thousand	Maturity	Book value at June 30, 2008	Market value at June 30, 2008
Currency futures – purchase	2.500	October/08	(912)	(908)
Currency futures – sale	197.864	August/08 to October/09	62,240	58,505
Options – call	7.000	October and November/08	(223)	8
Options –put	42.000	October/08 to October/09	2,481	(1,385)
	249.364		63,586	56,220

Amounts resulting from liquidated derivatives transactions are recognized in the financial statements.

22. Risk Management and Financial Instruments (Continued)

c) Credit risk

A significant portion of sales made by the Company and its subsidiaries is intended for a selected group of highly qualified clients, i.e. trading companies, weaving companies etc., which usually acquire large volumes that 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.

d) Market values

At June 30, 2008, the market values of cash, financial investments, accounts receivable and payable approximate the respective amounts recorded in the financial statements due to their short-term nature. As for loans and financing, the characteristics of which are described in Note 14, the related market values substantially approximate the amounts recorded in the financial statements, since such financial instruments are subject to variable interest rates.

23. Employees' Profit Sharing

In conformity with Collective Labor Agreements entered into with the categories of its employees, and Minutes of the Board of Directors' Meeting, at April 29, 2008, the Company and its subsidiaries have a profit sharing program, based on the Company's net income.

The amount to be distributed to employees will be up to 9% of the Company's net profit, semiannually, and the payments will be made in July and January of each year.

The amount resulting from the application of 60% on 9% of the Company's net income will be distributed to employees with no limit, semiannually, with payments in July related to the result of the 1st half and in January related to the result of the 2nd half.

The amount resulting from the application of 40% on 9% of the Company's annual net income will be distributed to the employees upon the achievement of pre-established goals for each production unit, and the profit sharing amount is limited to 2 nominal salaries, with payment in January.

The profit sharing scheme is annually reviewed by the Company.

24. Stock Option Plan

At the Extraordinary Shareholders' Meeting held on May 23, 2007, Company shareholders 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 dilution by 3% of the Company's capital on the date each Annual Program is created. The Annual Program for 2007 will be limited to 1% of Company's capital. 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.

Stock Option Plan beneficiaries shall 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 may issue the shares within a one-month period as from the date of delivery of the Stock Option Exercise Instrument.

At the Board of Directors' Meeting held on October 31, 2007, Stock Option Program for 2007 was approved, whereby 640,000 stock options were granted.

The price for exercising stock options has been set at R$ 14.00 (fourteen reais) per share, equivalent to the distribution price per share established at the initial public offering, not including monetary restatement.

Vesting periods for the exercise of options are as follows:

Vesting periods as from option grant	% of options released for the year	Maximum number of shares
As from the first anniversary – 10/31/2008	20%	128,000
As from the second anniversary – 10/31/2009	40%	256,000
As from the third anniversary – 10/31/2010	100%	640,000

The weighted average fair value of stock options outstanding is R$22.46 at June 30, 2008 and was estimated using the Black-Scholes option pricing model, assuming the estimated volatility of 31.9%, weighted average risk free rate of 11.25% and 5-year maturity.

Had the Company recorded the expenses with remuneration through stock options, based on the fair value of options on the date of grant, net assets and income for the period would be reduced by R$1,805 and R$1,354, respectively.

25. Insurance

At June 30, 2008, the Company and its subsidiaries had retained business insurance to cover any losses considering the nature of their activities and risks involved in their operations. Insurance coverage was taken out at amounts considered sufficient by management to mitigate risks identified, and it is detailed as follows:

Policy No.	Nature	Period covered	Coverage
03.31.0953492	Vehicles of SLC Agrícola	09/10/07 to 09/10/08	100% Fipe* price list
03.31.0953515	Vehicles of Fazenda Parnaíba	09/10/07 to 09/10/08	100% Fipe price list
03.31.0954939	Vehicles of Fazenda Planorte	09/10/07 to 09/10/08	100% Fipe price list
03.31.0954938	Vehicles of Fazenda Paiaguás	09/10/07 to 09/10/08	100% Fipe price list
65.15.0000154	Pesticides used at Fazenda Pamplona. Theft and robbery.	10/01/07 to 10/01/08	R$330
65.18.0002138	Master business insurance, fire lightning, explosion of any kind, theft and robbery, windstorm, smoke and vehicle impact.	09/10/07 to 09/10/08	R$18,000

(*) Institute of Economic Research (FIPE)

The scope of our auditors' services does not include the issuance of an opinion on the effectiveness of the insurance coverage, which was determined by Company's management, who considers it as sufficient to cover any losses.

26. Nonoperating Income (Expenses)

At June 30, 2008, relevant balance is substantially represented by a capital gain in the amount of R$9,449, resulting from the sale of Fazenda Paineira remaining area of 821,225 hectares, at March 31, 2008.

27. Statements of Cash Flows – Additional Information

	Parent Company		Consolidated	
	06/30/2008	06/30/2007	06/30/2008	06/30/2007
CASH FLOW FROM OPERATING ACTIVITIES				
Net income (loss) for the period	**30,846**	(2,659)	**30,846**	(2,659)
Adjustments to reconcile net income to cash provided by operating activities				
Depreciation and amortization	**10,080**	5,556	**18,826**	13,230
Retirement of permanent assets	**1,412**	171	**1,807**	387
Equity pickup	**(16,371)**	(11,221)	**-**	-
Interest and monetary restatement on loans	**3,726**	1,855	**8,214**	6,322
Minority interests	**-**	-	**-**	1,521
Deferred income	**-**	-	**35**	95
Dividends payed by subsidiaries	**-**	13,133	**-**	-
	29,693	6,835	**59,728**	18,896
(Increase) decrease in assets:				
(Increase) decrease in accounts receivable	**4,785**	(2,672)	**8,240**	(3,904)
(Increase) decrease in inventories/growing crops	**(63,725)**	5,719	**(96,257)**	14,884
Decrease in recoverable taxes	**(6,485)**	(12,948)	**(4,294)**	(13,906)
(Increase) decrease in other accounts receivable	**(40,383)**	(7,396)	**(15,561)**	8,921
	(105,808)	(17,297)	**(107,872)**	5,995
Increase (decrease) in liabilities:				
Increase (decrease) in trade accounts payable	**3,861**	1,731	**2,968**	2,417
Increase in taxes and social charges	**8,048**	5,582	**6,247**	6,731
Increase (decrease) in liabilities to subsidiaries	**4,757**	(4,756)	**(487)**	-
Increases (decrease) in other accounts payable	**29,485**	(19,701)	**154,901**	(11,113)
	46,151	(17,144)	**163,629**	(1,965)
Net cash provided by (used in) operating activities	**(29,964)**	(27,606)	**115,485**	22,926
CASH FLOW FROM INVESTING ACTIVITIES				
Investments	**-**	(351)	**-**	(25)
Property, plant and equipment	**(43,509)**	(18,084)	**(178,054)**	(58,441)
Intangible	**(12)**	-	**(24)**	-
Deferred charges	**(8,954)**	(2,684)	**(10,895)**	(3,186)
Net cash used in investing activities	**(52,475)**	(21,119)	**(188,973)**	(61,652)
CASH FLOW FROM FINANCING ACTIVITIES				
Payment of capital	**-**	308,000	**-**	308,000
Payment of dividends	**(7,504)**	(880)	**(7,504)**	(880)
Loans and financing obtained	**55,120**	21,588	**86,706**	25,938
Payment of loans and financing	**(9,066)**	(9,018)	**(25,748)**	(18,594)
Increase (decrease) in cash	**38,550**	319,690	**53,454**	314,464
	(43,889)	270,965	**(20,034)**	275,738
Increase (decrease) in cash				
Cash - at beginning of period				
Cash - at end of period	**145,745**	12,400	**166,636**	31,444
Increase (decrease) in cash	**101,856**	283,365	**146,602**	307,182
	(43,889)	270,965	**(20,034)**	275,738

28. Statements of Value Added – Additional Information

	Parent Company		Consolidated	
	06/30/2008	06/30/2007	06/30/2008	06/30/2007
REVENUES				
Sales of products	**78,977**	63,425	**162,411**	121,930
Other operating revenues	**443**	422	**551**	1,149
Non-operating revenues	**10,098**	337	**11,455**	1.086
	89,518	64,184	**174,417**	124,165
RAW MATERIAL BOUGHT FROM THIRD PARTIES				
Raw Material Consumption	**(26,929)**	(24,637)	**(50,554)**	(45,984)
Cost of Goods sold	**(247)**	(263)	**(248)**	(181)
Material, Energy, Third Parties Services and Others	**(21,902)**	(36,763)	**(38,885)**	(50,001)
Assets Loss / Recovery	**49**	3,073	**49**	5,292
	(49,029)	(58,590)	**(89,638)**	(90,874)
GROSS ADDED VALUE	**40,489**	5,594	84,779	33,291
ADDED VALUE RECEVIED FROM THIRD PARTIES				
Equity Pickup Results	**16,371**	11,220	**-**	-
Financial Income	**18,620**	6,845	**33,234**	13,544
Rents	**195**	229	**219**	261
	35,186	18,294	33,453	13,805
RETENTION				
Depreciation, Amortization and Exhaustion	**(6,543)**	(6,918)	**(13,291)**	(16,394)
TOTAL ADDED VALUE TO DISTRIBUTE	**69,132**	16,970	**104,941**	30,702

DISTRIBUTION OF ADDED VALUE	**(69,132)**	**100%**	(16,970)	100%	**(104,941)**	**100%**	(30,702)	100%
Tax, Contribution, and Social Fees	**(8,346)**	**12%**	3,064	(18%)	**(16,121)**	**15%**	(4,510)	15%
Salaries, Benefits, Profit sharing and Training	**(10,369)**	**15%**	(10,386)	61%	**(16,693)**	**16%**	(17,044)	56%
Interest over Loans and Rents	**(19,571)**	**28%**	(12,307)	73%	**(41,281)**	**39%**	(9,953)	32%
Reinvestment of profits	**(30,846)**	**45%**	2,659	(16%)	**(30,846)**	**29%**	2,659	(9%)
Minority Interest	**-**	-	-	-	-	**-**	(1,854)	6%

1 - CVM CODE	2 - COMPANY NAME	3 - GENERAL TAXPAYERS' REGISTER
02074-5	**SLC AGRÍCOLA S.A.**	**89.096.457/0001-55**

05.01 – MANAGEMENT COMMENTS ON COMPANY'S PERFORMANCE FOR THE QUARTER

The Company is presenting only the comments on the consolidated performance in the quarter.

1 - CVM CODE	2 - COMPANY NAME	3 - GENERAL TAXPAYERS' REGISTER
02074-5	**SLC AGRÍCOLA S.A.**	**89.096.457/0001-55**

06.01- BALANCE SHEET – ASSETS – CONSOLIDATED (in thousands of reais)

1 – CODE	2 – DESCRIPTION	3 – 06/30/2008	4 – 03/31/2008
1	Total Assets	1,103,793	888,395
1.01	Current Assets	522,835	457,362
1.01.01	Cash, Banks and Investments	146,602	180,271
1.01.01.01	Cash and Cash Equivalents	3,374	2,243
1.01.01.02	Short term Investments	143,228	178,028
1.01.02	Credits	42,236	39,188
1.01.02.01	Trade Accounts Receivable	5,000	15,640
1.01.02.02	Other credits	37,236	23,548
1.01.02.02.01	Advance from Suppliers	5,409	441
1.01.02.02.02	Recoverable taxes	26,363	20,284
1.01.02.02.03	Deferred income and social contribution taxes	5,464	2,823
1.01.03	Inventories	326,611	232,698
1.01.03.01	Inventories	141,006	55,393
1.01.03.02	Growing crops	185,605	177,305
1.01.04	Others	7,386	5,205
1.01.04.01	Notes receivable	3,438	2,886
1.01.04.03	Other accounts receivable	845	792
1.01.04.04	Prepaid expenses	3,103	1,527
1.02	Non current Assets	580,958	431,033
1.02.01	Long Term Assets	51,115	47,720
1.02.01.01	Credits	51,115	47,720
1.02.01.01.01	Recoverable Taxes	3,802	2,792
1.02.01.01.02	Deferred income and social contribution taxes	33,413	31,088
1.02.01.01.03	Notes receivable	6,877	7,215
1.02.01.01.04	Prepaid expenses	6,122	5,720
1.02.01.01.05	Other credits	901	905
1.02.01.02	Credits with related parties	0	0
1.02.01.02.01	With Associates	0	0
1.02.01.02.02	With Subsidiaries	0	0
1.02.01.02.03	With Other related parties	0	0
1.02.01.03	Others	0	0
1.02.02	Permanent Assets	529,843	383,313
1.02.02.01	Investments	182	182
1.02.02.01.01	Equity in Associates	0	0
1.02.02.01.02	Equity in Associates – Goodwill	0	0
1.02.02.01.03	Equity in Subsidiaries	0	0
1.02.02.01.04	Equity in Subsidiaries – Goodwill	0	0
1.02.02.01.05	Other Investments	182	182
1.02.02.02	Fixed Assets	474,769	330,273
1.02.02.03	Intangible	795	778
1.02.02.04	Deferred	54,097	52,080

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02074-5	**SLC AGRÍCOLA S.A.**	**89.096.457/0001-55**

06.02- BALANCE SHEET – LIABILITIES AND SHAREHOLDERS' EQUITY – CONSOLIDATED (in thousands of reais)

1 – CODE	2 – DESCRIPTION	3 – 06/30/2008	4 – 03/31/2008
2	Total Liabilities	1,103,793	888,395
2.01	Current Liabilities	320,756	211,586
2.01.01	Short term Debt	170,319	134,395
2.01.02	Debentures	0	0
2.01.03	Suppliers	8,412	5,897
2.01.04	Taxes and Contribution	12,505	12,967
2.01.04.01	Taxes, fees and sundry contributions	3,805	4,904
2.01.04.02	Deferred income and social contributions taxes	8,700	8,063
2.01.05	Dividends Payable	0	7,504
2.01.06	Provisions	0	0
2.01.07	Debts with related parties	28	86
2.01.08	Others	129,492	50,737
2.01.08.01	Advances from customers	44,025	29,616
2.01.08.02	Vacations accrual and charges payable	3,909	3,349
2.01.08.03	Notes payable	79,342	14,670
2.01.08.04	Other liabilities	2,216	3,102
2.02	Non current Liabilities	229,096	124,466
2.02.01	Long term Liabilities	206,509	101,914
2.02.01.01	Short term Debt	84,061	57,342
2.02.01.02	Debentures	0	0
2.02.01.03	Provisions	0	0
2.02.01.04	Debts with related parties	0	0
2.02.01.05	Advance for future capital increase	0	0
2.02.01.06	Others	122,448	44,572
2.02.01.06.01	Deferred income and social contributions taxes	43,924	39,653
2.02.01.06.02	Notes payable	76,516	4,371
2.02.01.06.03	Other liabilities	2,008	548
2.02.02	Deferred income	22,587	22,552
2.02.01	Negative Goodwill in Subsidiaries	22,587	22,552
2.03	Minority Interest	0	0
2.04	Shareholders' equity	553,941	552,343
2.04.01	Paid-in Capital	253,256	253,256
2.4.01.01	Subscribed Capital Stock	279,848	253,256
2.4.01.02	Capital Stock to be Paid	(26,592)	0
2.04.02	Capital Reserves	245,746	245,746
2.04.02.01	Goodwill in the Issuance of Shares	477,586	245,746
2.04.02.02	Goodwill in the Issuance of Shares to be Paid	(231,840)	0
2.04.03	Revaluation Reserve	0	0
2.04.03.01	Owned Assets	0	0
2.04.03.02	Subsidiaries/ Affiliates	0	0
2.04.04	Profit Reserves	24,093	24,093
2.04.04.01	Legal	1,580	1,580
2.04.04.02	Statutory	16,885	16,885
2.04.04.03	For Contingencies	0	0

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06.02- BALANCE SHEET – LIABILITIES AND SHAREHOLDERS' EQUITY – CONSOLIDATED (in thousands of reais)

1 – CODE	2 – DESCRIPTION	3 – 06/30/2008	4 – 03/31/2008
2.04.04.04	Profits Realizable	0	0
2.04.04.05	Retained Earnings	5,628	5,628
2.04.04.06	Special for Non-distributed Dividends	0	0
2.04.04.07	Other profit Reserves	0	0
2.04.05	Accumulated Earnings/ Losses	30,846	29,248
2.04.06	Advance for future capital increase	0	0

1 - CVM CODE	2 - COMPANY NAME	3 - GENERAL TAXPAYERS' REGISTER
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07.01 – STATEMENT OF OPERATIONS (CONSOLIDATED) (in thousands of reais)

1 – CODE	2 – DESCRIPTION	3 - 04/01/2008 to 06/30/2008	4 - 01/01/2008 to 06/30/2008	5 – 04/01/2007 to 06/30/2007	6 - 01/01/2007 to 06/30/2007
3.01	Gross Sales	81,597	162,572	55,935	122,137
3.02	Sales Deductions	(4,038)	(9,195)	(2,196)	(7,196)
3.03	Net Sales	77,559	153,377	53,739	114,941
3.04	Cost of Sales	(57,543)	(98,451)	(47,824)	(91,900)
3.05	Gross Profit	20,016	54,926	5,915	23,041
3.06	Operating Income/Expenses	(19,152)	(22,444)	(20,359)	(27,002)
3.06.01	Selling Expenses	(3,873)	(7,316)	(1,496)	(3,433)
3.06.02	General and Administrative Expenses	(5,186)	(9,352)	(23,868)	(26,803)
3.06.02.01	General and Administrative Expenses	(3,674)	(7,245)	(3,325)	(6,152)
3.06.02.02	Management Fees	(300)	(895)	(179)	(287)
3.06.02.03	Others	(1,212)	(1,212)	(20,364)	(20,364)
3.06.03	Financial	(10,442)	(6,250)	4,331	2,032
3.06.03.01	Financial Income	20,255	33,234	10,405	13,544
3.06.03.02	Financial Expenses	(30,697)	(39,484)	(6,074)	(11,512)
3.06.04	Other Operating Income	349	474	674	1,202
3.06.05	Other Operating Expenses	0	0	0	0
3.06.06	Equity Pick-up	0	0	0	0
3.07	Operating Income	864	32,482	(14,444)	(3,961)
3.08	Non-operating Expenses	(101)	11,455	459	1,086
3.08.01	Income	0	11,455	459	1,086
3.08.02	Expenses	(101)	0	0	0

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07.01 - STATEMENT OF OPERATIONS (CONSOLIDATED) (in thousands of reais)

1 – CODE	2 – DESCRIPTION	3 - 04/01/2008 to 06/30/2008	4 - 01/01/2008 to 06/30/2008	5 – 04/01/2007 to 06/30/2007	6 - 01/01/2007 to 06/30/2007
3.09	Income Before Tax and Profit Minority Interest	763	43,937	(13,985)	(2,875)
3.10	Provision for Income tax and social contribution	777	-3,662	(1,900)	(5,276)
3.11	Deferred Income Tax and Social Contribution	58	-9,429	7,568	7,346
3.12	Statutory Participations / Contributions	0	0	0	0
3.12.01	Profit Sharing	0	0	0	0
3.12.02	Contribution	0	0	0	0
3.13	Reversion of Interest on Shareholders' Equity	0	0	0	0
3.14	Non-controlling Shareholders' Portion	0	0	(1,044)	(1,854)
3.15	Earnings / Losses in the Period	1,598	30,846	(9,361)	(2,659)
	NUMBER OF SHARES, EX-TREASURY (thousand)	98,897,500	98,897,500	89,500,000	89,500,000
	EARNINGS PER SHARE (reais)	0.01616	0.31190		
	LOSS PER SHARE (reais)			(0.10459)	(0.02971)

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08.01 COMMENTS ON CONSOLIDA TED PERFORMANCE FOR THE QUARTER

Net Revenue of R$77.6 million and Adjusted EBITDA(1) of R$28.5 million, with 36.7% of Margin in 2Q08

Porto Alegre, July 30, 2008 **– SLC AGRÍCOLA S.A. (Bovespa: SLCE3; Bloomberg: SLCE3:BZ; Reuters: SLCE3.SA), one of the largest agricultural producers in Brazil in terms of planted area, specializing in cotton, soybean, corn and coffee, announces today its results for 2Q08. Except where stated otherwise, the financial and operating data are presented on a consolidated basis, in accordance with Brazilian Corporate Law, and in thousands of Brazilian Real.**

2Q08 Highlights

(R$ thd)	1H07	1H08	AH	2Q07	2Q08	AH
Net revenue	114,941	153,377	33.4%	53,739	77,559	44.3%
Gross profit	23,041	54,926	138.4%	5,915	20,016	238.4%
Gross margin	*20.0%*	*35.8%*	*15.8p.p.*	*11.0%*	*25.8%*	*14.8p.p.*
Operating income (loss)	(3,961)	32,482	n.m.	(14,444)	864	n.m.
Operating margin	*-3.4%*	*21.2%*	*24.6p.p.*	*-26.9%*	*1.1%*	*28.0p.p.*
Net income (loss) for the period	(2,659)	30,846	n.m.	(9,361)	1,598	n.m.
Net margin	*-2.3%*	*20.1%*	*22.4p.p.*	*-17.4%*	*2.1%*	*19.5p.p.*
Net Debt	(132,477)	107,778	n.m.	-	-	-
Adjusted EBITDA(1)	33,995	69,102	103.3%	14,558	28,471	95.6%
Adjusted EBITDA margin(2)	29.6%	45.1%	15.5 p.p.	27.1%	36.7%	9.6 p.p.

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IR Website:
www.slcagricola.com.br/ri

2Q08 Conference Call

Date: Thursday, July 31, 2008

> Portuguese
9:00 a.m. (Brasília)
8:00 a.m. (U.S. ET)
01:00 p.m. (London)
Tel: +55 (11) 2188 0188
Replay: +55 (11) 2188 0188
Code: SLC

> English
11:00 a.m. (Brasília)
10:00 a.m. (U.S. ET)
3:00 p.m. (London)
Tel.: +1 (973) 935 8893
Replay: +1 (706) 645 9291
Código: 55836004

- ✓ ***Net revenue increase of 44.3%*** in the 2Q08 compared to the 2Q07.
- ✓ ***Adjusted EBITDA(1) grew 95.6%*** to R$28.5 million, with EBITDA margin of 36.7%, versus R$14.6 million and margin of 27.1% in 2Q07.
- ✓ ***Conclusion of new Public Offering:*** on June 27, we concluded the public offering of 13,424,499 common shares at R$27.50/share, increasing our free-float to 49%.

SLCE3	IPO	Jun/07	Dec/07	Mar/08	Jun/08
R$ / share	14.00	14.15	16.50	26.00	**32.00**
Δ% since IPO	n/a	1.1%	17.9%	85.7%	**128.6%**
Δ% quarter	n/a	n/a	16.6%	57.6%	**23.1%**

Source: BOVESPA

- ✓ ***Acquisition of 10,635 ha adjacent to the Planorte Farm.***
- ✓ ***Start-up of our 10th production unit, the Palmares Farm***, through the acquisition of 5,165ha and the lease of 23,730ha in the municipality of Barreiras, in the state of Bahia.
- ✓ ***Increase in the planted area estimate:*** we estimate a planted area of 220,000ha and 270,000ha in the 2008/09 and 2009/10 marketing years, respectively.
- ✓ ***Disbursement of the first installment of the IFC-International Finance Corporation loan:*** on June 23, 2008, the first installment of US$20 million of the total amount of US$40 million was disbursed. The loan has a term of 10 years and a grace period of 3 years.

(1) Adjusted EBITDA consists of EBITDA plus the net result from hedge operations and extraordinary expenses.
(2) Adjusted EBITDA Margin consists of Adjusted EBITDA divided by net revenue.

NOTE: 2Q07 and 2Q08 refer to the cumulative three-month periods from April through June of the years 2007 and 2008, respectively, and 1H07 and 1H08 refer to the cumulative 6-month periods from January through June of the years 2007 and 2008, respectively. AH refers to the horizontal percentage variation between two periods, and AV refers to the vertical percentage variation in relation to a certain

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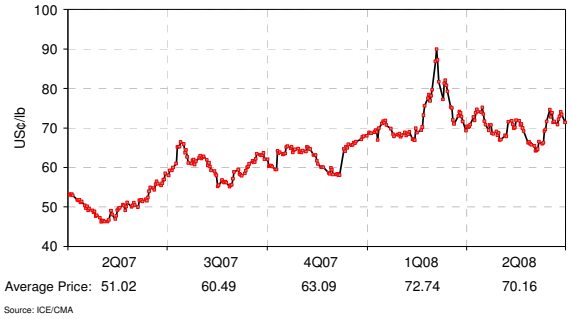
08.01 COMMENTS ON CONSOLIDA TED PERFORMANCE FOR THE QUARTER

Market Outlook

Cotton

The price of the first cotton future contract maturing on the ICE (ICE Futures U.S.) registered an average price of US¢70.16/lb in 2Q08, representing a decline of 3.5% in relation to 1Q08 and an increase of 37.5% compared to 2Q07. International cotton prices were mainly influenced by the competition for farmland between cotton and other agricultural commodities such as soybean and corn, the relationship between supply and demand, and the weather market.

Cotton Prices on the International Market
ICE - 1st contract



According to the United States Department of Agriculture (USDA), the cotton planted area in the United States has posted successive contractions. In the 2007/08 marketing year, the cotton area contracted by 29.1% in relation to the previous year. The USDA report on planted area for the 2008/09 marketing year published on June 30, 2008, showed a contraction in the cotton planted area of 14.6% year on year and of 39.4% compared to the 2006/07 marketing year. The higher prices of competing crops, such as soybean and corn, once again favored the migration of areas previously allocated to cotton to these commodities.

Successive contractions in planted area, and consequently in output, in the United States, the world's largest cotton exporter, are the main factors in the decline in world cotton stocks. In its latest monthly report on supply and demand, the USDA estimated U.S. cotton output at 14.0 million bales (3.05 million tons), representing a decline of 27.1% year on year. As a result of this lower output, ending stocks should decline by 48.0% to 5.3 million bales (1.1 million tons).

US		2004/05	2005/06	2006/07	2007/08*	2008/09**
Beginning stocks	-Millions of Bales-	3.5	5.5	6.1	9.5	10.2
Production		23.3	23.9	21.6	19.2	14.0
Imports		0.0	0.0	0.0	0.0	0.0
Exports		14.4	17.5	13.0	13.9	14.5
Consumption		6.7	5.9	4.9	4.6	4.4
Ending stocks		5.5	6.1	9.5	10.2	5.3
St/(Exp+Cons) (%)		26.0%	25.9%	52.8%	55.1%	28.0%

World		2004/05	2005/06	2006/07	2007/08*	2008/09**
Beginning stocks	-Millions of Bales-	48.2	60.7	62.4	63.0	61.3
Production		121.4	116.6	122.0	119.9	114.9
Imports		33.4	44.4	37.4	39.0	39.9
Exports		35.0	44.6	37.2	38.9	39.9
Consumption		108.6	116.2	123.3	124.3	125.9
Ending stocks		60.7	62.4	63.0	61.3	53.2
Stocks/Cons (%)		55.9%	53.7%	51.1%	49.3%	42.3%

Source: USDA Jul/08; *Estimates, **Projection

World cotton output in the 2008/09 marketing year is projected to total 114.9 million bales (25.0 million tons), down by 4.1% on the previous year.While U.S. and world cotton output contracts, global consumption is expected to increase again in the 2008/09 marketing year, with the USDA projecting consumption growth of 1.33% to 125.9 million bales (27.4 million tons). Although this estimate is higher than the actual growth in consumption of 0.8% recorded in the 2007/08 marketing year, the level of growth expected for 2008/09 is below the average of 3.67% of the last 10 years, mainly due to: (i) the

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08.01 COMMENTS ON CONSOLIDA TED PERFORMANCE FOR THE QUARTER

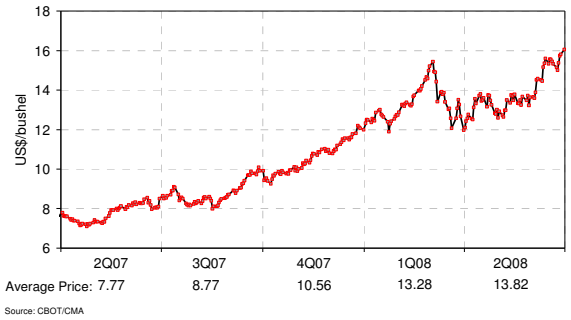
slowdown in the pace of global economic growth; and (ii) the relative increase in cotton prices in relation to the prices of competing fibers, such as polyester.
Given the decline in world output and the upturn in consumption, this will mark the third consecutive year of contraction in world cotton stocks. For the 2008/09 marketing year, the USDA projects ending stocks of 53.2 million bales (11.6 million tons), down 8.1 million bales (1.8 million tons) or 13.2% bellow, in relation to a year earlier.

For 2008/09, the USDA projects cotton planted area in Brazil of 980,000 hectares, representing contraction of 10.1% year on year.

Soybean

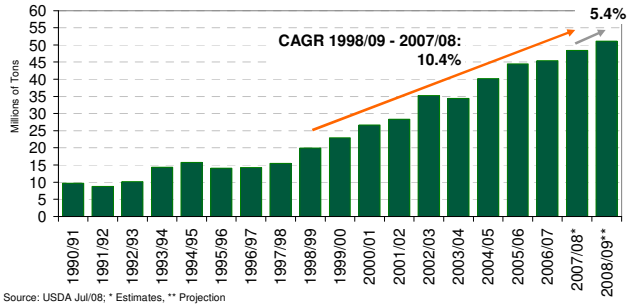
The average price of the first contract maturing on the Chicago Board of Trade (CBOT) in 2Q08 was US$13.82/bu, up 4% against the previous quarter and 77.8% higher year on year. Strong demand, especially from China, the competition for arable land between cereal crops and oil seed crops and the reduction in world and U.S. stocks were the main drivers of the increase in soybean prices over the past 12 months.

Soybean Prices on the International Market
CBOT - 1st contract



According to the USDA, China soybean consumption has grown at an annual average rate of 10.4% in the 10 years ended in the 2007/08 marketing year. For the 2008/09 marketing year, the USDA projects China consumption of 51.1 million tons, up 5.4% on the previous marketing year.

Evolution of China's Consumption



The sharp soybean price increase for 2007/08 encouraged U.S. farmers to increase the soybean planted area for 2008/09, following the substantial contraction in the previous marketing year.

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The USDA report on the U.S. planted area published on June 30, 2008 projects expansion in the soybean planted area to 74.5 million acres (30.1 million hectares) in the 2008/09 marketing year, up by 17.1% on the 63.6 million acres (25.7 million hectares) in the previous marketing year.

Despite the projected expansion in planted area and the increase in output in the United States in the 2008/09 marketing year, soybean ending stocks should remain at very low levels, as shown in the table below:

US	---millions de tons---	2004/05	2005/06	2006/07	2007/08*	2008/09**
Beginning stocks		3,059	6,960	12,229	15,617	3,411
Production		85,013	83,368	86,770	70,358	81,647
Imports		152	92	246	272	272
Exports		29,860	25,579	30,428	31,162	27,216
Crushings		46,160	47,324	49,198	50,077	49,805
Consumption		51,404	52,612	53,200	51,674	54,310
Ending stocks		6,960	12,229	15,617	3,411	3,804
St/(Exp+Cons) (%)		8.6%	15.6%	18.7%	4.1%	4.7%

World	---millions de tons---	2004/05	2005/06	2006/07	2007/08*	2008/09**
Beginning stocks		37,825	47,539	53,351	62,462	48,842
Production		215,758	220,531	236,561	218,796	237,797
Imports		63,491	64,046	69,077	75,969	76,379
Exports		64,774	63,583	71,266	76,195	76,282
Crushings		175,647	185,213	196,126	205,101	207,336
Consumption		204,761	215,182	225,261	232,190	237,869
Ending stocks		47,539	53,351	62,462	48,842	48,867
Stocks/Cons (%)		23.2%	24.8%	27.7%	21.0%	20.5%

Source: USDA Jul/08; *Estimates, **Projection

With the tight supply-demand scenario, there is no room for yield losses in the 2008/09 marketing year in the U.S. As a result, the market has been presenting high price volatility in recent weeks following the weather market that extends to September, with the progress of the crop cycle to its critical development phase.

Despite high international prices, growth in soybean output should be limited in South America in the 2008/09 marketing year. According to the USDA, Argentina should expand its planted area by 1.8% while Brazil's planted area should grow by 5.6%, to 22.5 million hectares. Given this scenario for global soybean production, world stocks should remain virtually unchanged in 2008/09, with a rebuilding of stocks only possible starting in 2009/10.

Corn

The average price of the first corn contract maturing on the CBOT in 2Q08 was US$6.29/bu, increasing by 21.7% quarter on quarter and 69.5% year on year due to the expected reduction of planted area and the probable yield loss due to rainfall and the consequent delay in the planting process for the 2008/09 marketing year in the United States. Corn prices in the domestic market, as measured by the ESALQ index published by the Luiz de Queiroz Higher Agricultural School (ESALQ), averaged US$6.90/bu in the quarter, declining by 1.4% quarter on quarter and increasing by 68.3% year on year.

The decline in 2Q08 of domestic corn prices as measured by the ESALQ Index is associated with the start of the harvest period in production regions and higher corn supplies in the market.

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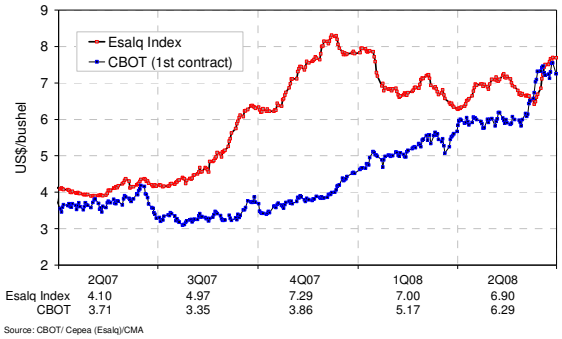
08.01 COMMENTS ON CONSOLIDA TED PERFORMANCE FOR THE QUARTER

Corn Prices



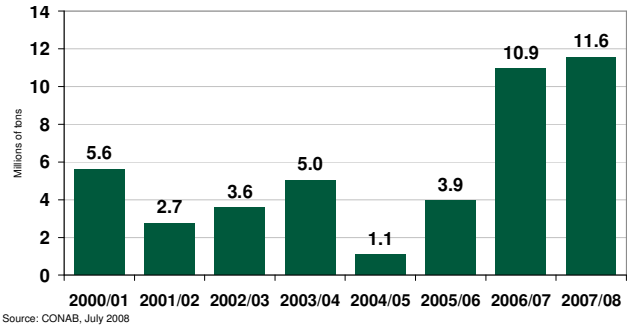
	2Q07	3Q07	4Q07	1Q08	2Q08
Esalq Index	4.10	4.97	7.29	7.00	6.90
CBOT	3.71	3.35	3.86	5.17	6.29

Source: CBOT/ Cepea (Esalq)/CMA

In the United States, the need to expand the soybean planted area to increase supply, combined with the outlook for greater balance between corn supply and demand, led to contraction in the corn planted area in the 2008/09 marketing year. The USDA Prospective Plantings Report projected a corn planted area of 87.3 million acres (35.3 million hectares) in the 2008/09 marketing year, down by 6.7% in relation to the 93.6 million acres (37.9 million hectares) in the previous marketing year.

More attractive prices and higher demand for corn in the international market significantly increased Brazil's corn export volumes last year. According to Conab, in the 2006/07 marketing year, Brazil exported 10.9 million tons of corn. For the 2007/08 marketing year, with international prices still at high levels, Conab projects Brazilian corn exports of 11.6 million tons, which should help establish Brazil as an important corn exporter and also help find markets for the country's record harvest.

Brazilian Corn Exports



Source: CONAB, July 2008

Conab projects Brazil corn output in the 2007/08 marketing year of 57.5 million tons, with 39.9 million tons coming from the first corn crop and 17.6 million tons from the second corn crop. Current corn output should be 11.9% higher than the 51.4 million tons recorded in the 2006/07 marketing year.

Coffee

As was the case with other commodity prices, coffee prices were highly volatile in 2Q08. The average price of the first coffee future contracts maturing on the ICE in 2Q08 was US¢135.54/lb, a decline of 5.6% compared to 1Q08 and an increase of 23.5% year on year. The high price volatility in the quarter

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was mainly due to the uncertainty concerning the size of the coffee harvest in Brazil in 2008 and to the actions by funds in the futures market.

According to Conab, Brazil's coffee output should total 45.5 million bags (2.7 million tons), up by 35% in relation to the previous marketing year. This increase was chiefly due to the favorable two-year period and to the partial recovery of coffee crops as a result of the normalization of rainfall.

Conab also projected for the 2008/09 marketing year Brazilian coffee exports of 28.6 million bags (1.7 million tons) and domestic coffee consumption of 17.0 million bags (1.0 million ton), representing an increase in consumption of 3% compared with the previous marketing year, pointing to a relatively balanced supply-demand scenario.

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Cotton

Gross operating revenue from cotton sales in the quarter rose by 483.2% to R$10,895 thousand, from R$1,868 thousand in 2Q07. The higher revenue was mainly driven by higher cotton lint volumes, which increased by 3,437 tons versus 2Q07, while the average unit sales price rose by 43% in 2Q08 to R$2.59 thousand per ton, from R$1.81 thousand per ton in 2Q07. Exports accounted for 59.9% of gross cotton revenue in 2Q08, compared with 54.2% in 2Q07.

Soybean

Gross operating revenue from soybean sales in the quarter rose by 7.3% to R$48,491 thousand, from R$45,211 thousand in 2Q07. The main driver of the higher soybean revenue was the 13.9% increase in the average soybean sales price practiced in 2Q08 in relation to 2Q07, which was partially offset by the year-on-year decline of 5.9% in sales volume in the quarter. The increase in the unit price reflects the variation in international soybean prices. Exports accounted for 69.9% of gross soybean sales revenue in the quarter, versus 90.4% in 2Q07.

Corn

Gross operating revenue from corn sales in the quarter rose by 523.7% to R$10,909 thousand, from R$1,749 thousand in 2Q07. The main driver of the higher corn revenue (i) was the growth of 343.9%, or 19,047 tons, in corn sales volume, and (ii) the year-on-year increase of 40.5% in the average corn sales price in the quarter, partially reflecting the higher price in the market. Exports sales accounted for 26.5% of total gross corn revenue in the quarter, compared with 99.7% in 2Q07.

Coffee

Gross operating revenue from coffee sales fell 81.2% to R$598 thousand, from R$3,188 thousand in 2Q07. This reduction was primarily due to the decline of 86.8% in coffee sales volume in the quarter to 115 tons, from 868 tons in 2Q07, due to low crop yield in 2006/07 marketing year. The gross revenue decrease was partially mitigated by the year-on-year increase of 41.6% in the average sales price. Exports accounted for 50.2% of gross coffee sales revenue in 2Q08, versus 91.4% in 2Q07.

Other revenue

Gross operating revenue from other sources rose by 173.1% in the quarter to R$10,704 thousand, from R$3,919 thousand in 2Q07, mainly due to the increase of R$5,596 thousand in the Equalization Premium Paid to the Producer (Prêmio Equalizador Pago ao Produtor, PEPRO), which guarantees a minimum price to producers and the increase of R$720 thousand in revenue from corn seed.

Cost of Goods Sold

(R$ thd)	1H07	1H08	AH	2Q07	2Q08	AH
Cost of goods sold	**(91,900)**	**(98,451)**	**7.1%**	**(47,824)**	**(57,543)**	**20.3%**
Cotton lint	(20,839)	(21,276)	2.1%	(375)	(5,192)	1284.5%
Cotton seed	(43)	(21)	-51.2%	(25)	(21)	-16.0%
Soybean	(62,393)	(64,606)	3.5%	(43,762)	(45,443)	3.8%
Corn	(1,116)	(5,877)	426.6%	(553)	(5,116)	825.1%
Coffee	(4,982)	(2,690)	-46.0%	(2,502)	(516)	-79.4%
Others	(2,527)	(3,981)	57.5%	(607)	(1,255)	106.8%

Cost of goods sold (COGS) in the quarter increased by 20.3% to R$57,543 thousand, from R$47,824 thousand in 2Q07. The increase in cotton lint and corn sales volumes were the main drivers of the higher COGS in the quarter.

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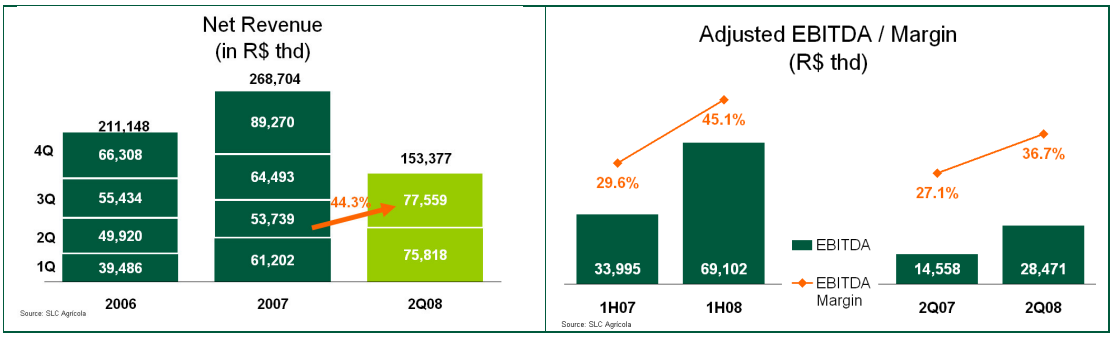
Operating Performance – Planted Area and Yields

The second quarter was marked by the conclusion of the 85,986ha harvest of soybean and corn 1st crop and the beginning of the harvest of 48,673ha planted with first-crop cotton. The first-crop cotton yield will be reported in the 3Q08.

We ended the harvest of the 82,558ha of soybean planted in the 2007/08 marketing year with an average yield of 3,140 kg/ha, down 4.6% in relation to the 2006/07 marketing year. We planted a significant area with short-cycle varieties (super-early soybean, with a cycle of 100 to 110 days) with lower potential yields, but which allow for the planting of a second crop. Moreover, the heavy rainfall in the period delayed the harvest at production units in Maranhão state (Planeste and Parnaíba Farms), which led to a reduction in the soybean grain weight.

In the 2007/08 marketing year, the average yield of our 3,428ha planted with corn 1st crop was 8,901/ha. The reduction of 11.6% in yield in relation to the 2006/07 marketing year was due to: (i) the reduction in corn 1st crop planted on irrigated farmland, which offers higher yields; and (ii) the low rainfall in the period.

2Q08 Financial Analysis



Gross Operating Revenue

(R$ thd)	1H07	1H08	AH	2Q07	2Q08	AH
Gross revenue	**122,137**	**162,572**	**33.1%**	**55,935**	**81,597**	**45.9%**
Cotton lint	27,804	38,562	38.7%	842	10,120	1101.9%
Cotton seed	1,026	787	-23.3%	1,026	775	-24.5%
Soybean	70,722	83,581	18.2%	45,211	48,491	7.3%
Corn	2,839	12,798	350.8%	1,749	10,909	523.7%
Coffee	7,076	3,324	-53.0%	3,188	598	-81.2%
Others	12,670	23,520	85.6%	3,919	10,704	173.1%

(Tons)	1H07	1H08	AH	2Q07	2Q08	AH
Volume sold						
Cotton lint	10,369	14,340	38.3%	464	3,901	740.7%
Cotton seed	6,403	2,017	-68.5%	6,403	1,984	-69.0%
Soybean	179,047	182,647	2.0%	113,509	106,857	-5.9%
Corn	8,810	28,981	229.0%	5,539	24,586	343.9%
Coffee	1,739	703	-59.6%	868	115	-86.8%
Others	7,329	10,806	47.4%	(4,688)	4,097	n.m.

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Gross operating revenue rose by 45.9% to R$81,597 thousand in the quarter, up from R$55,935 thousand in 2Q07, driven mainly by higher sales of cotton and corn as well as other revenue. Exports accounted for 60.8% of total gross revenue in the quarter, down from 86.2% in 2Q07.

Cotton

Gross operating revenue from cotton sales in the quarter rose by 483.2% to R$10,895 thousand, from R$1,868 thousand in 2Q07. The higher revenue was mainly driven by higher cotton lint volumes, which increased by 3,437 tons versus 2Q07, while the average unit sales price rose by 43% in 2Q08 to R$2.59 thousand per ton, from R$1.81 thousand per ton in 2Q07. Exports accounted for 59.9% of gross cotton revenue in 2Q08, compared with 54.2% in 2Q07.

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Gross operating revenue from corn sales in the quarter rose by 523.7% to R$10,909 thousand, from R$1,749 thousand in 2Q07. The main driver of the higher corn revenue (i) was the growth of 343.9%, or 19,047 tons, in corn sales volume, and (ii) the year-on-year increase of 40.5% in the average corn sales price in the quarter, partially reflecting the higher price in the market. Exports sales accounted for 26.5% of total gross corn revenue in the quarter, compared with 99.7% in 2Q07.

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Gross operating revenue from coffee sales fell 81.2% to R$598 thousand, from R$3,188 thousand in 2Q07. This reduction was primarily due to the decline of 86.8% in coffee sales volume in the quarter to 115 tons, from 868 tons in 2Q07, due to low crop yield in 2006/07 marketing year. The gross revenue decrease was partially mitigated by the year-on-year increase of 41.6% in the average sales price. Exports accounted for 50.2% of gross coffee sales revenue in 2Q08, versus 91.4% in 2Q07.

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Gross operating revenue from other sources rose by 173.1% in the quarter to R$10,704 thousand, from R$3,919 thousand in 2Q07, mainly due to the increase of R$5,596 thousand in the Equalization Premium Paid to the Producer (Prêmio Equalizador Pago ao Produtor, PEPRO), which guarantees a minimum price to producers and the increase of R$720 thousand in revenue from corn seed.

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Cost of goods sold (COGS) in the quarter increased by 20.3% to R$57,543 thousand, from R$47,824 thousand in 2Q07. The increase in cotton lint and corn sales volumes were the main drivers of the higher COGS in the quarter.

Cotton lint

Cotton lint COGS increased to R$5,192 thousand in the quarter, from R$375 thousand in 2Q07. Cotton sales in 2Q08 are from the 2006/07 marketing year production. Cotton lint unit cost rose by 64.7% year on year in 2Q08, due to the sale of ending cotton stocks at substantially lower prices in the 2Q07 due to final volume adjustments after processing.

Soybean

Soybean COGS increased by 3.8%, from R$43,762 thousand in 2Q07 to R$45,443 thousand in 2Q08, driven by the year-on-year increase of 10.3% in soybean unit costs in the quarter, despite the drop of 5.9% in soybean sales volume in the period. Soybean unit cost rose due to the lower yields at some production units in 2Q08.

Corn

Corn COGS increased to R$5,116 thousand in 2Q08, from R$553 thousand in 2Q07, chiefly due to the year-on-year increase of 343.9% in corn sales volume in the quarter.

Coffee

Coffee COGS in the quarter declined by 79.4% to R$516 thousand, from R$2,502 thousand in 2Q07, primarily owing to the year-on-year decline in coffee sales volume in the quarter of 86.8%.

Other

COGS from other products and goods rose by 106.8% to R$1,255 thousand in the quarter, from R$607 thousand in 2Q07, due to the increase in costs with corn seed production between the two quarters.

Production Costs

A breakdown composition of our total production costs is shown below:

2007/08	Cotton(1)	Soybean(1)	Corn(1)	Average 2007/08(1)	Average 2006/07
Variable Costs	**82.4%**	**62.1%**	**74.8%**	**74.7%**	**72.7%**
Seeds	2.2%	3.9%	15.0%	4.1%	3.9%
Fertilizer	22.5%	23.3%	30.7%	23.7%	18.9%
Chemicals	33.8%	17.7%	14.7%	26.3%	28.2%
Fuel and lubricants	5.8%	6.2%	4.9%	5.8%	5.6%
Labor	2,4%	1.2%	0.7%	1.8%	1.5%
Processing	11.0%	1.5%	2.5%	6.9%	7.8%
Machine maintenance and implements	3.5%	6.4%	4.5%	4.6%	5.5%
Others	1.2%	1.9%	1.8%	1.5%	1.3%
Fixed Costs	**17.6%**	**37.9%**	**25.2%**	**25.3%**	**27.3%**
Labor	5.6%	12.9%	9.7%	8.5%	10.5%
Depreciation and amortization	7.5%	16.5%	9.5%	10.8%	12.1%
Leasing	1.9%	3.2%	1.8%	2.3%	0.4%
Others	2.6%	5.3%	4.2%	3.7%	4.3%

(1) SLC Agrícola percentage estimates, as of June, 30, 2008, to enable advance crop assessments.

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Our total cost per hectare in the 2006/07 marketing year and an estimate for the 2007/08 marketing year follows:

2006/07 (R$/ha)	Soybean	Cotton 1st crop	Corn 1st crop	Corn 2nd crop	Coffee
Production costs	**1,107**	**2,934**	**1,800**	**904**	**8,264**

2007/08 (R$/ha)	Soybean(1)	Cotton 1st crop(1)	Corn 1st crop(1)	Corn 2nd crop(1)	Coffee(1)
Production costs	**1,276**	**3,134**	**1,919**	**1,003**	**9,005**

(1) SLC Agrícola estimates as of June 30, 2008 to enable advance crop assessments.

We estimate production cost increase per hectare in the 2007/08 marketing year of 15.2%, 5.9% and 17.0% for the soybean, cotton and corn crops, respectively, in comparison with 2006/07 marketing year. These figures are estimates, since the allocation of costs to each crop will be finalized only after the crop processing is concluded. These variations were due to higher fertilizer costs as a result of the stronger global demand for raw materials. However, these increases were partially mitigated by lower chemicals prices this year.

For the 2008/09 marketing year, we estimate total production cost increase per hectare of approximately 30.2%, 20.6% and 19.3% for the soybean, cotton and corn crops, respectively, in comparison with 2007/08 marketing year which should be impacted by the higher cost of fertilizers, seeds and chemicals.

Selling Expenses

(R$ thd)	1H07	1H08	AH	2Q07	2Q08	AH
Freight	2,759	3,919	42.0%	488	2,173	345.3%
Storage	1,129	1,994	76.6%	612	1,106	80.7%
Commissions	279	469	68.1%	108	152	40.7%
Products classification	3	3	0.0%	3	(4)	n.m.
Others	(737)	931	n.m.	285	446	56.5%
Total	**3,433**	**7,316**	**113.1%**	**1,496**	**3,873**	**158.9%**
% Net revenue	**3.0%**	**4.8%**	**1.8p.p.**	**2.8%**	**5.0%**	**2.2p.p.**

Selling expenses rose by 158.9% to R$3,873 thousand in the quarter, from R$1,496 thousand in 2Q07. The main cause of the increase in selling expenses was the higher expenses with freight due to the significant year-on-year growth in cotton and corn sales volume in the quarter. We also experienced a significant rise in the storage account, since this was the first year of grain processing at the Panorama Farm and because of the expansion in the Company's planted area.

General and Administrative Expenses

(R$ thd)	1H07	1H08	AH	2Q07	2Q08	AH
Personnel	2,959	3,701	25.1%	1,636	1,963	20.0%
Fees	923	1,210	31.1%	338	692	104.7%
Depreciation	745	100	-86.6%	374	28	-92.5%
Travel expenses	331	632	90.9%	178	287	61.2%
Others	1,194	1,602	34.2%	799	704	-11.9%
Total	**6,152**	**7,245**	**17.8%**	**3,325**	**3,674**	**10.5%**
% Net revenue	**5.4%**	**4.7%**	**-0.7 p.p.**	**6.2%**	**4.7%**	**-1.5p.p.**

General and administrative expenses rose by 10.5% in the quarter to R$3,674 thousand, versus R$3,325 thousand in 2Q07. The increase in these expenses was primarily due to (i) the increase in advisory fees of R$354 thousand, as a result of as a result of the legal advisor hired in the process of foreign loan from IFC; and (ii) the increase in personnel expenses of R$327 thousand, as a result of

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the higher number of administrative employees at the new units in Bahia state and the higher real wages in 2Q08 in relation to 2Q07.

Financial Expenses

Our financial expenses in the quarter were strongly impacted for the updating of the debt related to the acquisition of the area adjacent to the Planorte Farm. The area was acquired on May 28, 2008 for R$82,950 thousand, equivalent to 2,370 thousand 60-kg bags of soybean (R$35.00/bag) to be paid in 7 annual installments until 2014. The balance of the debt, 2,240,000 bags of soybean, is linked to the price of a bag of soybean, which on June 30, 2008 was R$44.28/bag, leading to an increase in financial expenses in 2Q08 of R$20,785 thousand.

The variation of soybean market prices was not reflected in our assets since the lowest value between market value and cost is used in the assessment of inventories according to the Brazilian Accounting Rules.

Extraordinary Expenses

The extraordinary expenses in the quarter of R$1,212 thousand refer to the initial expenses with our public share offering, which basically involves expenses with external auditors and legal publications.

FX and Agricultural Commodity Hedging Policy

The following chart shows our foreign exchange and commodity hedge positions as of June 30, 2008.

	Cotton		Soybean		Corn		FX Rate	
	%	US¢ / lb[1] [4]	%	US$ / bushel[2] [4]	%	R$ / bag[3] [4]	%	R$ / US$
2008	65%	68.2	78%	10.53	44%	25.70	88%	2.08
2009	33%	73.3	8%	12.97	-	-	26%	1.97

[1] Reference price at ICE. It considers figures in crop-years (2007/08 and 2008/09).
[2] Reference price at CBOT.
[3] Reference price at BM&F.
[4] Production units prices are influenced by locations differential (port differential and transport, port basis and others)

In the 2Q08, the volume of exchange rate hedge operations for the fiscal year 2008 rose by 21 p.p. to 88% compared to the 1Q08, while the volume for the fiscal year 2009 increased by 7 p.p., accounting for 26% of estimated gross revenue. In the same period, the Brazilian Real rose by 4.77% against the U.S. dollar.

Most of the hedging against the variation of international commodity prices is made through direct forward contracts with our clients, defining gross revenue in U.S. dollars and avoiding eventual margin calls in commodity markets. Only a small share of the protection of commodity prices is made via Future and Option operations in international stock exchanges. In the 2Q08, the percentage of gross revenue protected by hedge operations for cotton, soybean and corn for 2008 climbed by 13 p.p., 11 p.p. and 15 p.p., respectively. In 2009, we began hedging soybean prices at the reference price of US$12.97/bu.

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Adjusted EBITDA[1]

(R$ thd)	1H07	1H08	AH	2Q07	2Q08	AH
Net revenue	114,941	153,377	33.4%	53,739	77,559	44.3%
Cost of goods sold	(91,900)	(98,451)	7.1%	(47,824)	(57,543)	20.3%
Selling expenses	(3,433)	(7,316)	113.1%	(1,496)	(3,873)	158.9%
General and administrative expenses	(6,152)	(7,245)	17.8%	(3,325)	(3,674)	10.5%
Board and directors payment	(287)	(895)	211.8%	(179)	(300)	67.6%
Other operating income	1,202	474	-60.6%	674	349	-48.2%
Depreciation and amortization	13,224	18,826	42.4%	6,781	9,822	44.8%
Non reccuring expenses	(20,364)	(1,212)	-94.0%	(20,364)	(1,212)	-94.0%
EBITDA	**7,231**	**57,558**	**696.0%**	**(11,994)**	**21,128**	**n.m.**
Hedge transactions	6,400	10,332	61.4%	6,188	6,131	-0.9%
Exchange rate	7,125	10,733	50.6%	6,196	6,397	3.2%
Commodities	(725)	(401)	-44.7%	(8)	(266)	3225.0%
Soybean	(711)	(401)	-43.6%	(3)	(266)	8766.7%
Cotton	5	-	n.m.	5	-	n.m.
Coffee	(19)	-	n.m.	(10)	-	n.m.
Non reccuring expenses	20,364	1,212	-94.0%	20,364	1,212	-94.0%
Adjusted EBITDA[1]	**33,995**	**69,102**	**103.3%**	**14,558**	**28,471**	**95.6%**
Adjusted EBITDA Margin[2]	**29.6%**	**45.1%**	**15.5 p.p.**	**27.1%**	**36.7%**	**9.6 p.p.**

[1] Adjusted EBITDA corresponds to EBITDA plus the net result of hedge operations and nonrecurring expenses.
[2] Adjusted EBITDA Margin corresponds to Adjusted EBITDA over net revenue

In the 2Q08, our Adjusted EBITDA jumped by 96.0%, from R$14,558 thousand in the 2Q07 to R$28,541 thousand. The increase of 44.3% in net revenue and the widening of the gross margin from 11.0% in the 2Q07 to 25.8% in the 2Q08 were the main drivers of the upturn in Adjusted EBITDA.

The result from exchange rate hedge increased by 3.2%, from R$6,196 thousand in the 2Q07 to R$6,397 thousand in the 2Q08. Although the volume of exchange rate hedge grew by 56%, from US$18,284 thousand in the 2Q07 to US$28,536 thousand, the results of these operations were similar due to the lower gains in exchange rate hedge in the 2Q08.

Cash, Bank and Investments

(R$ thd)	Average gain on 6/30/08	1Q08	2Q08	AH
Cash and cash equivalents	-	2,243	3,374	50.4%
CDB-DI	100.95% CDI	175,583	139,801	-20.4%
Money market	US$	2,341	3,101	32.5%
Others	% CDI monthly adjusted	104	326	213.5%
		180,271	**146,602**	**-18.7%**

Cash, bank and investments in 2Q08 declined by 18.7%, mainly owing to the payment of fertilizer and soil corrections suppliers relative to the 2008/09 marketing year, the acquisition of machinery, equipment and land.

Investments

CAPEX (R$ thd)	2007	2Q07	2Q08	Δ%
Land Acquisition	**65,674**	15,116	9,628	-36.3%
Machinery and Equipments	**41,483**	14,840	15,490	4.4%
Soil Correction	**23,879**	3,219	22,086	586.1%
Cotton Ginning	**11,410**	720	4,643	544.8%
Construtions	**4,917**	803	1,345	67.5%
Others	**12,853**	1,635	3,789	131.7%
	160,216	**36,333**	**56,981**	**56.8%**

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In 2Q08, our CAPEX totaled R$56.981 thousand. Of this amount, R$9,628 thousand was allocated to acquire new properties, R$15,490 thousand to invest in agricultural machinery and equipment and R$22,086 thousand for soil amendments. Land investments included the acquisition of land adjacent to the Planorte Farm in the state of Mato Grosso, comprising both cleared areas and areas already under cultivation. The total amount was R$82,950 thousand, of which R$4,592 thousand was paid in 2Q08 and the remainder will be paid in 7 annual installments by May 31, 2014, adjusted according to the price of the soybean bag.

We also acquired the Palmares Farm in Bahia state for R$35,000 thousand, of which R$3,500 thousand was paid in 2Q08 and the remainder will be paid upon the transfer and registration of the title deed.

Since June 15, 2007, when we carried out our initial public offering, we have made the following acquisitions, totalizing 54,687ha:

Acquired Land	Farm	Location	ha	R$thd	R$/ha
Additional area					
Jul/07	Palmeira	Buriti/MA	186	47	253
Aug/07	Paiaguás	Deciolândia/MT	3,380	14,380	4,254
Oct/07	Pamplona	Cristalina/GO	4,282	24,299	5,675
Dec/07	Planeste	Balsas/MA	315	271	860
May/08	Planorte	Sapezal/MT	10,635	82,950	7,800
New production units					
Jun/07	Panorama	Correntina/BA	5,722	20,233	3,536
Nov/07	Piratini	Jaborandi/BA	25,002	31,466	1,259
Jun/08	Palmares	Barreiras/BA	5,165	35,000	6,776
			54,687	**208,646**	**3,815**

Fixed Assets

Fixed assets increased by 43.8% to R$474,769 thousand in the quarter, from R$330,273 thousand in 1Q08, mainly due to: (i) the acquisition of two new production units (Palmares Farm and an area adjacent to the Planorte Farm) in the amount of R$117,950 thousand; (ii) the acquisition of agricultural machinery and equipments; (iii) the progress of the expansion works and the installation of cotton gins; and (iv) other infrastructure projects at our production units.

Net Debt

(R$ thd)	Currency	Interest rate % p.a.	1Q08	AV	2Q08	AV	AH
Constitutional Funds[1]	R$	7.4	90,152	47.0%	89,072	35.0%	-1.2%
Rural Credit Loan	R$	6.8	60,287	31.4%	76,153	29.9%	26.3%
BNDES	R$	9.8	30,098	15.7%	29,955	11.8%	-0.5%
Rural Savings	R$	9.6	3,491	1.8%	4,348	1.7%	24.5%
		7.6	**184,028**	**96.0%**	**199,528**	**78.4%**	**8.4%**
4131 Resolution	US$	5.5	5,680	3.0%	5,315	2.1%	-6.4%
ACC	US$	4.2	835	0.4%	16,245	6.4%	1845.5%
BNDES	US$	8.1	1,194	0.6%	1,118	0.4%	-6.3%
IFC	US$	5.2	-	0.0%	32,174	12.6%	n.m.
		5.0	**7,709**	**4.0%**	**54,852**	**21.6%**	**611.5%**
Total Debt			**191,737**	**100.0%**	**254,380**	**100.0%**	**32.7%**
(-) Cash			**180,271**		**146,602**		**-18.7%**
(=) Net Debt			**11,466**		**107,778**		**840.0%**

(1) Consider an addinplancy discount of 15%.

Bank debt increased by 32.7% to R$254,380 thousand in 2Q08, from R$191,737 thousand in 1Q08, mainly due to the R$32,174 thousand (equivalent to US$20,000 thousand) raised through the partial disbursement of the offshore loan with the International Finance Corporation (IFC) on June 23, 2008. The remaining balance (US$ 20,000 thousand) will be disbursed by the end of this year. Funds were

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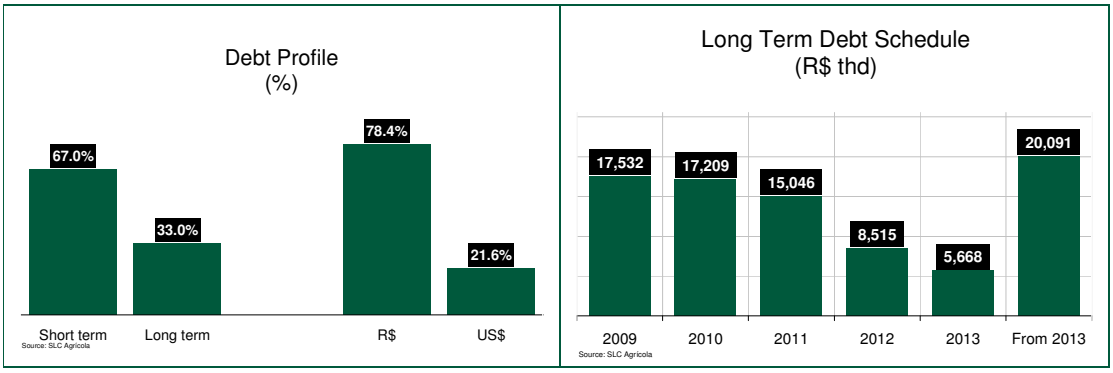
also raised through rural credit operations in the amount of R$15,866 thousand and through Advances on Export Contracts (ACC) in the amount of R$15,410 thousand (equivalent to US$10,000 thousand).

Net debt rose by 840.0% to R$107,778 thousand in 2Q08, from R$11,466 thousand in 1Q08, mainly as a result of the increase in debt and the reduction in short-term investments in the quarter. The proceeds from the Public Offering of June 2008 will be booked in the 3Q08.



Inventory and Growing Crops

Inventories (R$ thd)	1Q08	2Q08	AH
Agricultural products	6,317	377	-94.0%
Seeds, manure, fertilizers and chemicals	40,351	80,071	98.4%
Advances to suppliers	4,435	52,765	1089.7%
Other inventories	4,295	7,793	81.4%
Valuation allowance	(5)	-	n.m.
	55,393	**141,006**	**154.6%**

Our inventory was valued at R$141,006 thousand in 2Q08, increasing by 154.6% in relation to the R$55,393 thousand in 1Q08. This increase was due to: (i) the earlier negotiation of inputs (seeds, fertilizers and chemicals) to minimize the impact of prices increases; and (ii) the expansion in planted area as a result of the start of cultivation operations at new units for 2008/09 marketing year (Piratini Farm, Palmares Farm and area adjacent to the Planorte Farm).

Growing Crops (R$ thd)	1Q08	2Q08	AH
Soybean	56,125	26,892	-52.1%
Cotton	97,705	112,043	14.7%
Corn	19,170	39,804	107.6%
Coffee	3,650	4,991	36.7%
Others	655	1,875	186.3%
	177,305	**185,605**	**4.7%**

The balance of the growing crops account, of R$185,605 thousand in 2Q08, grew by 4.7% in relation to the R$117,305 thousand registered in 1Q08, mainly due to the conclusion of the cotton and corn production cycle. The reduction in the soybean account was due to the harvest and sale of a portion of the crop in the quarter.

The concept of growing crops is similar to the concept of work in process, used in the manufacturing industry. Included in this group are the costs incurred with crops in the production process that have not yet been harvested or processed.

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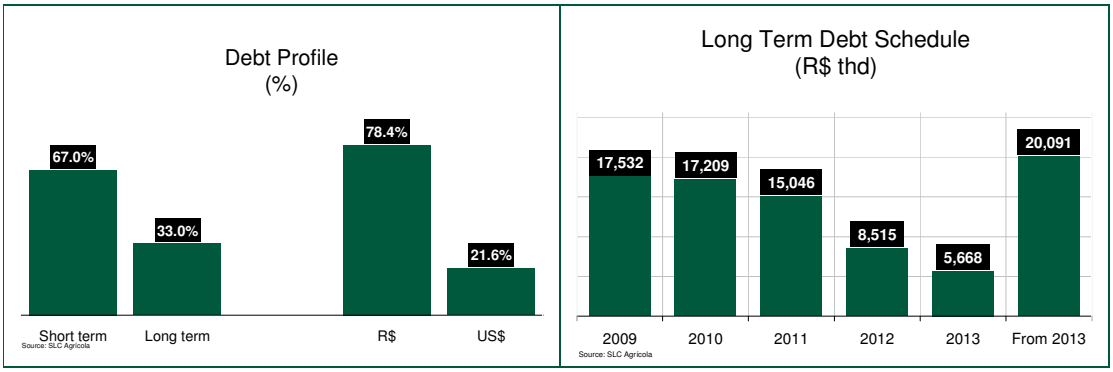

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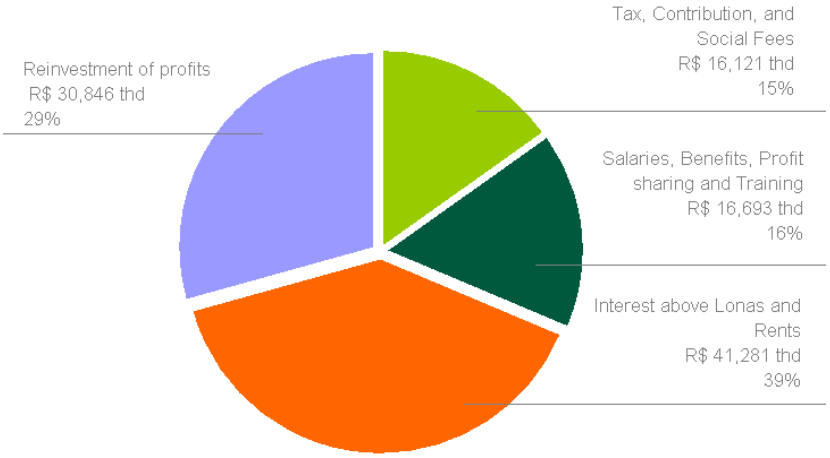
Value Added

In 1H08, SLC AGRÍCOLA generated net value added of R$104.9 million, 241.8% higher than in 1H07 (R$30.7 million), composed as shown below:

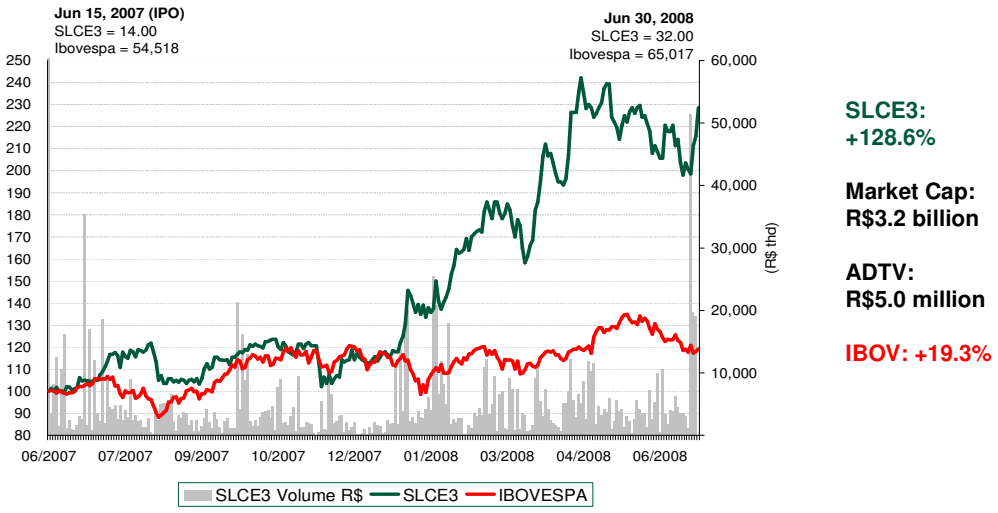


Performance of SLCE3

SLC Agrícola's share (SLCE3) has gained 128.6% since the IPO issue on June 15, 2007 until June 30, 2008, which compares with the increase in the Ibovespa index in the same period of 19.3%.

In 2Q08, SLCE3 gained 23.1%, rising from R$26.00 per share on March 31, 2008 to R$32.00 per share on June 30, 2008, while the Ibovespa index increased by 6.6%. A total of 8,851 trades were made in the quarter, with financial volume of R$353,212 thousand and average daily trading volume of R$5,697 thousand.

Since the IPO issue on June 15, 2007, SLCE3 has recorded the following performance:



SLCE3: +128.6%

Market Cap: R$3.2 billion

ADTV: R$5.0 million

IBOV: +19.3%

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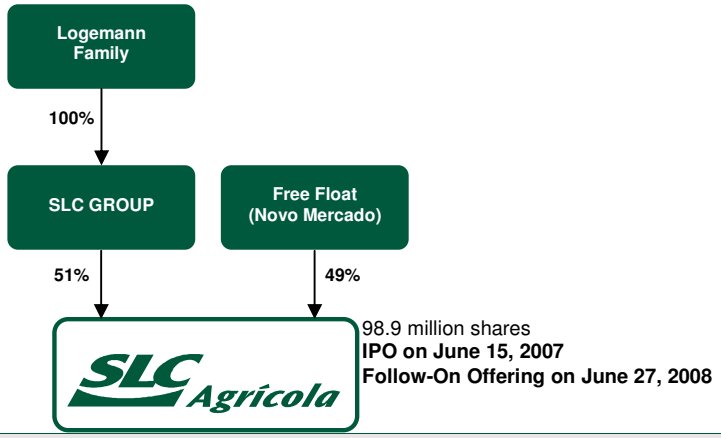
Ownership Structure



About SLC AGRÍCOLA

Founded in 1977, SLC AGRÍCOLA is an agricultural producer specializing in cotton, soybean, corn and coffee with ten production units located strategically in five Brazilian states. The business model is based on a modern production system with large scale, the latest technology, rigorous cost controls and social and environmental responsibility.

SLC AGRÍCOLA is one of the largest land owners in Brazil, and since its founding has developed solid expertise in prospecting and acquiring farm properties in regions of the country that only recently have opened up to large-scale agricultural activities. The objective of SLC AGRÍCOLA is to continually increase its planted area, production volumes and operating results through the acquisition of rural areas and a business model based on the use of standardized production units. Moreover, the land acquisition process also seeks to capture the potential price appreciation that rural properties in Brazil offer, given their structural comparative advantages in relation to leading agricultural countries worldwide, such as the United States, China, India and Argentina.

SLC AGRÍCOLA is part of the SLC Group, which is controlled by the Logemann Family. The Group was a pioneer in the use of mechanized agricultural practices in Brazil, founding the first mechanical combine harvesters in 1945, which years later resulted in a joint venture with the U.S. company John Deere up until 1999.

Company's Strategy

- ✓ Acquire or lease new farms. By carefully analyzing factors such as size, soil quality, location, regional climate, altitude, topography, price per hectare, potential for logistics development and quality of documentation, among other factors, the company seeks to identify, acquire or lease rural properties in the Brazilian *Cerrado* region that offer substantial potential for price appreciation;
- ✓ Expand production by leasing land. Leasing areas close to our farms, thereby boosting planted area, will enable us to expand production through the use of existing infrastructure, with a consequent dilution of and reduction in our fixed costs and unit production costs;
- ✓ Higher output from second crops. Weather conditions and our technological expertise have allowed us to obtain two crops of cotton and corn per season, in turn increasing planted area, reducing unit production costs and leading to technical benefits for crop management.

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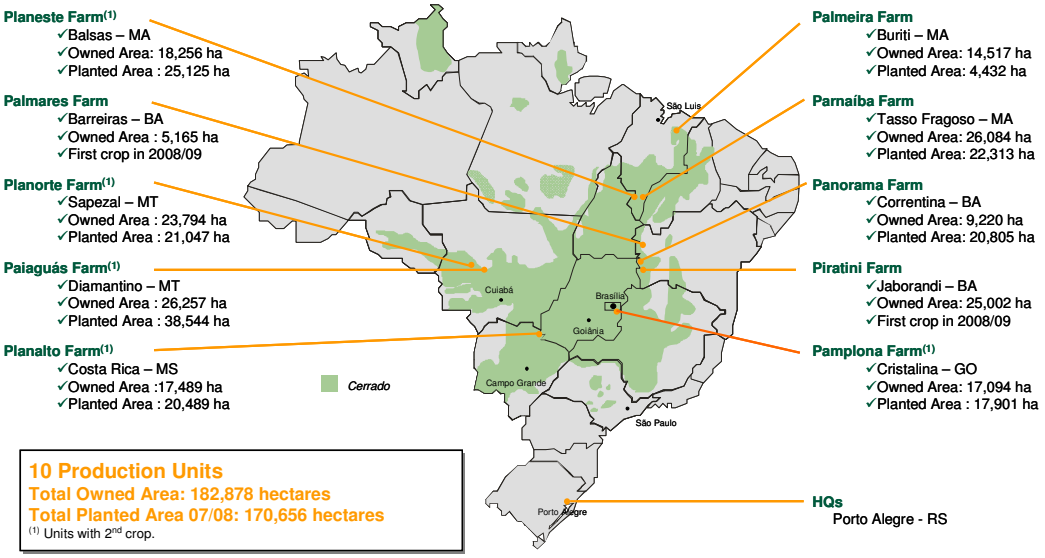
Adherence to Arbitration Chamber

SLC AGRÍCOLA is subject to arbitration under the Arbitration Chamber of the São Paulo Stock Exchange (Bovespa), in accordance with the arbitration clause in the Company's Bylaws.

Location of Production Units



Contacts

Corporate Taxpayer ID (CNPJ/MF) 89.096.457/0001-55
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We make forward-looking statements that are subject to risk and uncertainty. These statements are based on the beliefs and assumptions of our Management and on the information currently available to the Company. Forward-looking statements include information on our current plans, beliefs or expectations and also 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", "seek", "plan", "estimate" or similar expressions.
Forward-looking statements and information provide no guarantee of performance. Because they refer to future events, and as such depend on circumstances that may or may not occur, they involve risks, uncertainties and assumptions. Future results and the creation of value for shareholders may differ significantly from that 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.

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Appendix

Balance Sheet

(R$ thd)	1Q08	2Q08	AH
Current assets	**457,362**	**522,835**	**14.3%**
Cash, bank and investments	180,271	146,602	-18.7%
Trade accounts receivable	15,640	5,000	-68.0%
Recoverable taxes	20,284	26,363	30.0%
Deferred income and social contribution taxes	2,823	5,464	93.6%
Inventories	55,393	141,006	154.6%
Growing crops	177,305	185,605	4.7%
Notes receivable	2,886	3,438	19.1%
Other current assets	1,233	6,254	407.2%
Prepaid expenses	1,527	3,103	103.2%
Non current assets	**47,720**	**51,115**	**7.1%**
Recoverable taxes	2,792	3,802	36.2%
Deferred income and social contribution taxes	31,088	33,413	7.5%
Notes receivable	7,215	6,877	-4.7%
Other long-term assets	905	901	-0.4%
Prepaid expenses	5,720	6,122	7.0%
Permanent assets	**383,313**	**529,843**	**38.2%**
Investments	182	182	0.0%
Property, plant and equipment, net	330,273	474,769	43.8%
Intangible, net	778	795	2.2%
Deferred, net	52,080	54,097	3.9%
Total assets	**888,395**	**1,103,793**	**24.2%**

(R$ thd)	1Q08	2Q08	AH
Current liabilities	**211,586**	**320,756**	**51.6%**
Loans and financing	134,395	170,319	26.7%
Trade accounts payable	5,897	8,412	42.6%
Taxes, fees and sundry contributions	4,904	3,805	-22.4%
Deferred income and social contribution taxes	8,063	8,700	7.9%
Dividends payable	7,504	-	n.m.
Debt with related parties	86	28	-67.4%
Advances from customers	29,616	44,025	48.7%
Salaries, wages and benefits	3,349	3,909	16.7%
Notes payable	14,670	79,342	440.8%
Other liabilities	3,102	2,216	-28.6%
Non current liabilities	**101,914**	**206,509**	**102.6%**
Loans and financing	57,342	84,061	46.6%
Deferred income and social contribution taxes	39,653	43,924	10.8%
Notes payable	4,371	76,516	1650.5%
Other liabilities	548	2,008	266.4%
Deferred income	**22,552**	**22,587**	**0.2%**
Shareholders' equity	**552,343**	**553,941**	**0.3%**
Paid-in capital	253,256	253,256	0.0%
Capital reserves	245,746	245,746	0.0%
Profit reserves	24,093	24,093	0.0%
Retained earnings	29,248	30,846	5.5%

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Total liabilities and equity	**888,395**	**1,103,793**	**24.2%**

Income Statement

(R$ thd)	1H07	1H08	AV	AH	2Q07	2Q08	AV	AH
Gross revenue	**122,137**	**162,572**	**106.0%**	**33.1%**	**55,935**	**81,597**	**105.2%**	**45.9%**
Cotton lint	27,804	38,562	25.1%	38.7%	842	10,120	13.0%	1101.9%
Cotton seed	1,026	787	0.5%	-23.3%	1,026	775	1.0%	-24.5%
Soybean	70,722	83,581	54.5%	18.2%	45,211	48,491	62.5%	7.3%
Corn	2,839	12,798	8.3%	350.8%	1,749	10,909	14.1%	523.7%
Coffee	7,076	3,324	2.2%	-53.0%	3,188	598	0.8%	-81.2%
Others	12,670	23,520	15.3%	85.6%	3,919	10,704	13.8%	173.1%
Sales deductions	**(7,196)**	**(9,195)**	**-6.0%**	**27.8%**	**(2,196)**	**(4,038)**	**-5.2%**	**83.9%**
Net revenue	**114,941**	**153,377**	**100.0%**	**33.4%**	**53,739**	**77,559**	**100.0%**	**44.3%**
Cost of goods sold	**(91,900)**	**(98,451)**	**-64.2%**	**7.1%**	**(47,824)**	**(57,543)**	**-74.2%**	**20.3%**
Cotton lint	(20,839)	(21,276)	-13.9%	2.1%	(375)	(5,192)	-6.7%	1284.5%
Cotton seed	(43)	(21)	0.0%	-51.2%	(25)	(21)	0.0%	-16.0%
Soybean	(62,393)	(64,606)	-42.1%	3.5%	(43,762)	(45,443)	-58.6%	3.8%
Corn	(1,116)	(5,877)	-3.8%	426.6%	(553)	(5,116)	-6.6%	825.1%
Coffee	(4,982)	(2,690)	-1.8%	-46.0%	(2,502)	(516)	-0.7%	-79.4%
Others	(2,527)	(3,981)	-2.6%	57.5%	(607)	(1,255)	-1.6%	106.8%
Gross profit	**23,041**	**54,926**	**35.8%**	**138.4%**	**5,915**	**20,016**	**25.8%**	**238.4%**
Operating income (expenses)	(27,002)	(22,444)	-14.6%	-16.9%	(20,359)	(19,152)	-24.7%	-5.9%
Selling expenses	(3,433)	(7,316)	-4.8%	113.1%	(1,496)	(3,873)	-5.0%	158.9%
General and administrative expenses	(6,152)	(7,245)	-4.7%	17.8%	(3,325)	(3,674)	-4.7%	10.5%
Board and directors payment	(287)	(895)	-0.6%	211.8%	(179)	(300)	-0.4%	67.6%
Nonreccuring expenses	(20,364)	(1,212)	-0.8%	-94.0%	(20,364)	(1,212)	-1.6%	-94.0%
Financial income (expenses)	2,032	(6,250)	-4.1%	n.m.	4,331	(10,442)	-13.5%	n.m.
Other operating income	1,202	474	0.3%	-60.6%	674	349	0.4%	-48.2%
Operating income (loss)	**(3,961)**	**32,482**	**21.2%**	**n.m.**	**(14,444)**	**864**	**1.1%**	**n.m.**
Non operating income (expenses)	**1,086**	**11,455**	**7.5%**	**954.8%**	**459**	**(101)**	**-0.1%**	**n.m.**
Income (loss) before taxation	**(2,875)**	**43,937**	**28.6%**	**n.m.**	**(13,985)**	**763**	**1.0%**	**n.m.**
Income and social contribution taxes - current	(5,276)	(3,662)	-2.4%	-30.6%	(1,900)	777	1.0%	n.m.
Income and social contribution taxes - deferred	7,346	(9,429)	-6.1%	n.m.	7,568	58	0.1%	-99.2%
Minority interests	(1,854)	-	0.0%	n.m.	(1,044)	-	0.0%	n.m.
Net income (loss) for the period	**(2,659)**	**30,846**	**20.1%**	**n.m.**	**(9,361)**	**1,598**	**2.1%**	**n.m.**

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Cash Flow Statement

(R$ thd)	1H07	1H08	AH
OPERATIONS			
Net income (loss)	(2,659)	30,846	n.m.
Adjustments to reconcile net income to cash provided by operating activities			
Depreciation and amortization	13,230	18,826	42.3%
Retirement of permanent assets	387	1,807	366.9%
Interest and monetary restatement on loans	6,322	8,214	29.9%
Minority interests	1,521	-	n.m.
Deferred income	95	35	-63.2%
	18,896	59,728	216.1%
(Increase) decrease in assets:			
(Increase) decrease in accounts receivable	(3,904)	8,240	n.m.
(Increase) decrease in inventories/growing crops	14,884	(96,257)	n.m.
(Increase) decrease in recoverable taxes	(13,906)	(4,294)	-69.1%
(Increase) decrease in other accounts receivable	8,921	(15,561)	n.m.
	5,995	(107,872)	n.m.
Increase (decrease) in liabilities:			
Increase (decrease) in trade accounts payable	2,417	2,968	22.8%
Increase (decrease) in taxes and social charges	6,731	6,247	-7.2%
Increase (decrease) in liabilities to subsidiaries	-	(487)	n.m.
Increase (decrease) in other accounts payable	(11,113)	154,901	n.m.
	(1,965)	163,629	n.m.
Net cash from operations	**22,926**	**115,485**	**403.7%**
INVESTING			
Investments	(25)	-	n.m.
Property, plant and equipment	(58,441)	(178,054)	204.7%
Intangible	-	(24)	n.m.
Deferred charges	(3,186)	(10,895)	242.0%
Net cash from investing	**(61,652)**	**(188,973)**	**206.5%**
FINANCING			
Payment of capital	308,000	-	n.m.
Payment of dividends	(880)	(7,504)	752.7%
Loans and financing obtained	25,938	86,706	234.3%
Payment of loans and financing	(18,594)	(25,748)	38.5%
Net cash from financing	**314,464**	**53,454**	**-83.0%**
Net change in cash	**275,738**	**(20,034)**	**n.m.**
NET CHANGE IN CASH			
Cash - at beginning of period	31,444	166,636	429.9%
Cash - at end of period	307,182	146,602	-52.3%
Net change in cash	**275,738**	**(20,034)**	**n.m.**

1 - CVM CODE	2 - COMPANY NAME	3 - GENERAL TAXPAYERS' REGISTER
02074-5	**SLC AGRÍCOLA S.A.**	**89.096.457/0001-55**

08.01 COMMENTS ON CONSOLIDA TED PERFORMANCE FOR THE QUARTER

Statement of Value Added

(R$ thd)	1H07	1H08	Δ%
REVENUES			
Sales of products and Services	121,930	162,411	33.2%
Other operating Revenues	1,149	551	-52.0%
Non-operating Revenues	1,086	11,455	954.8%
	124,165	**174,417**	**40.5%**
RAW MATERIAL BOUGHT FROM THIRD PARTIES			
Raw Material Consumption	(45,984)	(50,554)	9.9%
Cost of Goods solds	(181)	(248)	37.0%
Material, Energy, Third Parties Services and Others	(50,001)	(38,885)	-22.2%
Assets Loss / Recovery	5,292	49	-99.1%
	(90,874)	**(89,638)**	**-1.4%**
GROSS ADDED VALUE	**33,291**	**84,779**	**154.7%**
ADDED VALUE RECEVIED OJ THIRD PARTIES			
Financial Income	13,544	33,234	145.4%
Rents	261	219	-16.1%
	13,805	**33,453**	**142.3%**
RETENTION			
Depreciation, Amortization e Exhaution	**(16,394)**	**(13,291)**	**-18.9%**
TOTAL ADDED VALUE TO DISTRIBUTE (WEALTH CREATED FOR THE COMPANY)	**30,702**	**104,941**	**241.8%**
DISTRIBUTION ADDED VALUE	**(30,702)**	**(104,941)**	**241.8%**
Tax, Contribution, and Social Fees	(4,510)	(16,121)	257.5%
Salaries, Benefits, Profit sharing and Training	(17,044)	(16,693)	-2.1%
Interest above Loans and Rents	(9,953)	(41,281)	314.8%
Reinvestment of profits	2,659	(30,846)	n.m.
Minority Interest	(1,854)	-	n.m.

1 - CVM CODE	2 - COMPANY NAME	3 - GENERAL TAXPAYERS' REGISTER
02074-5	**SLC AGRÍCOLA S.A.**	**89.096.457/0001-55**

08.01 COMMENTS ON CONSOLIDA TED PERFORMANCE FOR THE QUARTER

Agricultural weight units and measures

1 metric ton	1,000 kg	
1 kilogram (kg)	2.20462 pounds	
1 pound	0.45359 kg	
1 acre	0.40469 hectares	
1 acre	0.1840 *alqueire*	
1 hectare (ha)	2.47105 acres	
1 hectare (ha)	10,000 square meters	
1 *alqueire*	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 practice and our practice are to use 15.00 kg for this measure.

1 - CVM CODE	2 - COMPANY NAME	3 - GENERAL TAXPAYERS' REGISTER
02074-5	**SLC AGRÍCOLA S.A.**	**89.096.457/0001-55**

09.01 – INTERESTS IN SUBSIDIARIES AND/OR AFFILIATES

1 – ITEM	2 – COMPANY' NAME	3 – GENERAL TAXPAYERS' REGISTER	4 – TYPE OF INVESTMENT	5 - % OF CAPITAL OF SUBSIDIARY	6 - % OF THE SHAREHOLDER'S EQUITY OF SUBSIDIARY
7 – TYPE OF COMPANY		8 – SHARES OWNED IN CURRENT QUARTER (units)	8 – SHARES OWNED IN CURRENT QUARTER (units)		
01	FAZENDA PAIAGUÁS S.A.	02.144.795/0001-37	Private Subsidiary	100.00	11.08
COMMERCIAL, INDUSTRIAL AND OTHERS		44,517,189	44,517,189		
02	FAZENDA PLANORTE S.A.	00.337.109/0001-19	Private Subsidiary	100.00	4.48
COMMERCIAL, INDUSTRIAL AND OTHERS		11,506,271	11,506,271		
03	FAZENDA PARNAÍBA S.A.	12.147.930/0001-51	Private Subsidiary	100.00	3.71
COMMERCIAL, INDUSTRIAL AND OTHERS		5,352,793	5,352,793		
04	SLC EMPREENDIMENTOS E AGRIC. LTDA.	93.805.365/0001-48	Private Subsidiary	83.22	15.05
COMMERCIAL, INDUSTRIAL AND OTHERS		1	1		

02074-5	SLC AGRÍCOLA S.A.	89.096.457/0001-55

12.01 – COMENTS ON CORPORATE FORECASTS

SLC AGRÍCOLA S.A. (Bovespa: SLCE3; Bloomberg: SLCE3:BZ; Reuters: SLCE3.SA), one of Brazil's largest land-owners and agricultural producers in terms of planted area, whose production includes cotton and grains, adding up to 170.6 thd hectares of planted area in 2007/08 marketing year, announces the increase in the planted area estimate for the next marketing years, as shown in the chart below:

Marketing year	Planted area estimate – NOV/07 (hectares)	NEW planted area estimate – JUL/08 (hectares)
2008/09	193.000	**220.000**
2009/10	223.000	**270.000**

The planted area will be expanded through the acquisition or lease of properties, in addition to the expansion of the second crop.

02074-5	SLC AGRÍCOLA S.A.	89.096.457/0001-55

13.01 –CORPORATE FORECASTS

SLC AGRÍCOLA S.A. (Bovespa: SLCE3; Bloomberg: SLCE3:BZ; Reuters: SLCE3.SA), one of Brazil's largest land-owners and agricultural producers in terms of planted area, whose production includes cotton and grains, adding up to 170.6 thd hectares of planted area in 2007/08 marketing year, announces the increase in the planted area estimate for the next marketing years, as shown in the chart below:

Marketing year	Planted area estimate – NOV/07 (hectares)	NEW planted area estimate – JUL/08 (hectares)
2008/09	193.000	**220.000**
2009/10	223.000	**270.000**

The planted area will be expanded through the acquisition or lease of properties, in addition to the expansion of the second crop.

02074-5 SLC AGRÍCOLA S.A. 89.096.457/0001-55

16.01 –OTHER INFORMATION DEEMED RELEVANT BY THE COMPANY

The Company is subject to arbitration in the Market Arbitration Chamber, pursuant to Compromissory Clause included in its bylaws.

CONSOLIDATED SHAREHOLDING OF THE CONTROLLING PARTIES AND MANAGEMENT AND OUTSTANDING SHARES HOLDINGS AS OF				
06/30/2008				
Shareholder	Total Common Shares (Units)	%	Total Shares (Units)	%
Controlling Parties	**50,469,373**	**51.03**	**50,469,373**	**51.03**
SLC Participações S.A.	28,948,586	29.27	28,948,586	29.27
Evaux Participações S.A.	21,520,787	21.76	21,520,787	21.76
Management	**3**	**-**	**3**	**-**
Board of Directors	3	-	3	-
Shareholder with more than 5%	**4,692,600**	**4.74**	**4,692,600**	**4.74**
Blackrock, INC	4,692,600	4.74	4,692,600	4.74
In Treasury	**-**	**-**	**-**	**-**
Other Shareholders	**43,735,524**	**44.23**	**43,735,524**	**44.23**
Total	**98,897,500**	**100**	**98,897,500**	**100**
Free Float	***48,428,124***	***48.97***	***48,428,124***	***48.97***

There was no Fiscal or Technical Council installed during the reference period

16.01 – OTHER INFORMATION DEEMED RELEVANT BY THE COMPANY

Consolidated Shareholding of the Controlling Parties and Management and Outstanding Shares Holdings as of 10/31/200

CONSOLIDATED SHAREHOLDING OF THE CONTROLLING PARTIES AND MANAGEMENT AND OUTSTANDING SHARES HOLDINGS AS OF 06/30/2007[1]				
Shareholder	Total Common Shares (Units)	%	Total Shares (Units)	%
Controlling Parties	59.062.497	66,0	59.062.497	66,0
SLC Participações S.A.	37.541.710	42,0	37.541.710	42,0
Evaux Participações S.A.	21.520.787	24,0	21.520.787	24,0
Management	3	-	3	-
Board of Executive Officers	3	-	3	-
Board of Directors	-	-	-	-
Fiscal Council	-	-	-	-
Treasury Shares	-	-	-	-
Other Shareholders	30.437.500	34,0	30.437.500	34,0
Total	89.500.000	100	89.500.000	100
Free Float	***30.437.500***	***39,1***	***30.437.500***	***39,1***

(1) Excluding the additional common shares which were offered pursuant to overallotment option in July, 2007.

There was no Fiscal or Technical Council installed during the reference period

16.01 –OTHER INFORMATION DEEMED RELEVANT BY THE COMPANY

SHARE POSITION OF SHAREHOLDERS OWNING MORE THAN 5% OF COMPANY SHARES OF EACH TYPE AND CLASS UNTIL THE INDIVIDUAL LEVEL

COMPANY: EVAUX PARTICIPAÇÕES S.A. CNPJ: 02.699.849/0001-20					**Position at 06/31/2008**	
Shareholder	Quantity of common shares (in units)	%	Quantity of preferred shares (in unit)	%	Total quantity of shares (in unit)	%
SLC Participações S.A.	621,321,924	100	-	-	621,321,924	100
Eduardo Silva Logemann	1	-	-	-	1	-
Total	**621,321,925**	**100**	**-**	**-**	**621,321,925**	**100**

SHARE POSITION OF SHAREHOLDERS OWNING MORE THAN 5% OF COMPANY SHARES OF EACH TYPE AND CLASS UNTIL THE INDIVIDUAL LEVEL

COMPANY: SLC PARTICIPAÇÕES S.A. CNPJ: 90.522.921/0001-07					**Position at 06/31/2008**	
Shareholder	Quantity of common shares (in units)	%	Quantity of preferred shares (in unit)	%	Total quantity of shares (in unit)	%
Zaira Elisabeth Silva Logemann	127,409,638	43.19	-	-	127,409,638	43.19
Eduardo Silva Logemann	22,565,422	7.65	-	-	22,565,422	7.65
Jorge Luiz Silva Logemann	34,509,818	11.70	-	-	34,509,818	11.70
Marcelo Silva Logemann	34,509,818	11.70	-	-	34,509,818	11.70
Elisabeth Silva Logemann	34,509,818	11.70	-	-	34,509,818	11.70
Ana Beatriz Logemann de Almeida	34,509,818	11.70	-	-	34,509,818	11.70
Sonia Maria Bertuol Logemann	6,985,668	2.36	-	-	6,985,668	2.36
Treasury stock	-	-	-	-	-	-
Other shareholders	-	-	-	-	-	-
Total	**295,000,000**	**100**	**-**	**-**	**295,000,000**	**100**

A free translation from Portuguese into English of Special Review Report of Independent Auditors on quarterly information prepared in accordance with accounting practices adopted in Brazil

SPECIAL REVIEW REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Shareholders
SLC Agrícola S.A.

1. We have performed a special review of the unconsolidated and consolidated Quarterly Financial Information (ITR) of SLC Agrícola S.A. and its subsidiaries related to the quarter ended June 30, 2008, including the balance sheets, the related statements of income changes in cash flow and value added and footnotes, prepared in accordance with accounting practices adopted in Brazil. These financial information are the responsibility of the Company's management.

2. Our review was conducted in accordance with the specific procedures determined by the Institute of Independent Auditors of Brazil (IBRACON) and the Brazilian Federal Board of Accountancy (CFC), and mainly comprised: (a) applying analytical review procedures to the financial data and inquiries of the professionals responsible for the accounting, financial and operating areas of the Company and its subsidiaries, about the main criteria adopted to prepare the financial information; and (b) review of the information and subsequent events which have or might have significant effects on the financial position and operations of the Company and its subsidiaries.

4. Based on our special review, we are not aware of any significant modification that should be made to the Financial Statements contained in the abovementioned Quarterly Information for it be in conformity with standards established by the Brazilian Securities Commission (CVM), specifically applied in the preparation of mandatory Quarterly Financial Information, including CVM Ruling Nº 469/08.

5. As mentioned in Note 2, Law Nº 11638 enacted on December 28, 2007 went into force on January 1, 2008. This law changed, set aside and introduced new provisions in Law Nº 6404/76 (Corporation Law) and changed the accounting practices adopted in Brazil. While such Law has already gone into effect, a few changes introduced by it depend on standards to be set by regulators to be applied by the companies. Accordingly, in this transition phase, the Brazilian Securities and Exchange Commission (CVM) through CVM Ruling Nº 469/08, allowed the non-application of all provisions of Law Nº 11638/07 when preparing the Quarterly Information (ITR). Therefore, the accounting information contained in the ITRs for the quarter ended June 30, 2008 was prepared in accordance with specific CVM instructions, and does not address all changes to the accounting practices

introduced by Law Nº 11638/07. Information related to previous periods, presented for comparison purposes, were adjusted to included changes to the accounting practices introduced in 2008.

Porto Alegre, July 28, 2008

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

Américo F. Ferreira Neto
Accountant CRC-1SP192685/O-9/S/RS

1 - CVM CODE	2 - COMPANY NAME	3 - GENERAL TAXPAYERS' REGISTER
02074-5	**SLC AGRÍCOLA S.A.**	**89.096.457/0001-55**

SUBSIDIARY

COMPANY NAME
FAZENDA PAIAGUÁS S.A.

18.01 - SUBSIDIARY'S STATEMENT OF OPERATIONS (in thousands of reais)

1 – CODE	2 – DESCRIPTION	3 - 04/01/2008 to 06/30/2008	4 - 01/01/2008 to 06/30/2008	5 – 04/01/2007 to 06/30/2007	6 - 01/01/2007 to 06/30/2007
3.01	Gross Sales	14,673	37,098	10,724	20,176
3.02	Sales Deductions	(596)	(1,430)	(780)	(1,889)
3.03	Net Sales	14,077	35,668	9,944	18,287
3.04	Cost of Sales	(9,614)	(21,750)	(9,492)	(16,743)
3.05	Gross Profit	4,463	13,918	452	1,544
3.06	Operating Income/Expenses	1,921	2,654	(231)	(1,704)
3.06.01	Selling Expenses	(544)	(1,503)	(298)	(956
3.06.02	General And Administrative Expenses	(205)	(424)	(271)	(445)
3.06.03	Financial	1,562	3,050	(385)	(1,459)
3.06.03.01	Financial Income	2,812	5,823	1,122	1,503
3.06.03.02	Financial Expenses	(1,250)	(2,773)	(1,507)	(2,962)
3.06.04	Other Operating Income	15	38	21	76
3.06.05	Other Operating Expenses	0	0	0	0
3.06.06	Equity Pick-up	1,093	1,493	702	1,080
3.07	Operating Income	6,384	16,572	221	(160)
3.08	Non-operating Expenses	29	574	1	13
3.08.01	Income	29	574	1	13
3.08.02	Expenses	0	0	0	0
3.09	Income Before Tax and Profit Minority Interest	6,413	17,146	222	(147)
3.10	Provision for Income tax and social contribution	(1)	(122)	0	0

1 - CVM CODE	2 - COMPANY NAME	3 - GENERAL TAXPAYERS' REGISTER
02074-5	**SLC AGRÍCOLA S.A.**	**89.096.457/0001-55**

SUBSIDIARY

COMPANY NAME
FAZENDA PAIAGUÁS S.A.

18.01 SUBSIDIARY'S STATEMENT OF OPERATIONS (in thousands of reais)

3.11	Deferred Income Tax and Social Contribution	(1,808)	(5,192)	116	361
3.12	Statutory Participations / Contributions	0	0	0	0
3.12.01	Profit Sharing	0	0	0	0
3.12.02	Contribution	0	0	0	0
3.13	Reversion of Interest on Shareholders' Equity	0	0	0	0
3.15	Earnings / Losses in the Period	4,604	11,832	338	214
	NUMBER OF SHARES, EX-TREASURY (units)				
	EARNINGS PER SHARE (reais)	44,517,189	44,517,189	44,517,189	44,517,189
	LOSS PER SHARE (reais)	0.10342	0.26578	0.00759	0.00481

18.02 MANEGEMENT COMMENTS ON PERFORMANCE PF SUBSIDIARES AND/FOR AFFILIATES

1 - CVM CODE	2 - COMPANY NAME	3 - GENERAL TAXPAYERS' REGISTER
02074-5	**SLC AGRÍCOLA S.A.**	**89.096.457/0001-55**

SUBSIDIARY

COMPANY NAME
FAZENDA PLANORTE S.A.

18.01 - SUBSIDIARY'S STATEMENT OF INCOME (in thousands of reais)

1 – CODE	2 – DESCRIPTION	3 - 04/01/2008 to 06/30/2008	4 - 01/01/2008 to 06/30/2008	5 – 04/01/2007 to 06/30/2007	6 - 01/01/2007 to 06/30/2007
3.01	Gross Sales	8,495	25,842	3,093	14,269
3.02	Sales Deductions	(464)	(1,291)	(538)	(843)
3.03	Net Sales	8,031	24,551	2,555	13,426
3.04	Cost of Sales	(4,258)	-(4,300)	(2,349)	(9,353)
3.05	Gross Profit	3,773	10,251	206	4,073
3.06	Operating Income/Expenses	(19,877)	(20,445)	358	(361)
3.06.01	Selling Expenses	(561)	(1,171)	(151)	(579)
3.06.02	General And Administrative Expenses	(241)	(527)	(195)	(356)
3.06.03	Financial	(19,082)	(18,785)	638	495
3.06.03.01	Financial Income	2,197	2,940	1,133	1,469
3.06.03.02	Financial Expenses	(21,279)	(21,725)	(495)	(974)
3.06.04	Other Operating Income	7	38	66	79
3.06.05	Other Operating Expenses	0	0	0	0
3.06.06	Equity Pick-up	0	0	0	0
3.07	Operating Income	(16,104)	(10,194)	564	3,712
3.08	Non-operating Expenses	14	11	150	153
3.08.01	Income	14	11	150	153
3.08.02	Expenses	0	0	0	0
3.09	Income Before Tax and Profit Minority Interest	(16,090)	(10,183)	714	3,865
3.10	Provision for Income tax and social contribution	2,054	0	228	(911)

1 - CVM CODE	2 - COMPANY NAME	3 - GENERAL TAXPAYERS' REGISTER
02074-5	**SLC AGRÍCOLA S.A.**	**89.096.457/0001-55**

SUBSIDIARY

COMPANY NAME
FAZENDA PLANORTE S.A.

18.01 - SUBSIDIARY'S STATEMENT OF INCOME (in thousands of reais)

3.11	Deferred Income Tax And Social Contribution	3,378	3,461	(459)	(403)
3.12	Statutory Participations / Contributions	0	0	0	0
3.12.01	Profit Sharing	0	0	0	0
3.12.02	Contribution	0	0	0	0
3.13	Reversion of Interest on Shareholders' Equity	0	0	0	0
3.15	Earnings / Losses in the Period	(10,658)	(6,722)	483	2,551
	NUMBER OF SHARES, EX-TREASURY (thousand)	11,506,271	11,506,271	11,506,271	11,506,271
	EARNINGS PER SHARE (reais)			0.04198	0.22171
	LOSS PER SHARE (reais)	(0.92628)	(0.58420)	0	0

18.02 MANEGEMENT COMMENTS ON PERFORMANCE PF SUBSIDIARES AND/FOR AFFILIATES

1 - CVM CODE	2 - COMPANY NAME	3 - GENERAL TAXPAYERS' REGISTER
02074-5	**SLC AGRÍCOLA S.A.**	**89.096.457/0001-55**

SUBSIDIARY

COMPANY NAME
FAZENDA PARNAÍBA S.A.

18.01 - SUBSIDIARY'S STATEMENT OF INCOME (in thousands of reais)

1 – CODE	2 – DESCRIPTION	3 - 04/01/2008 to 06/30/2008	4 - 01/01/2008 to 06/30/2008	5 – 04/01/2007 to 06/30/2007	6 - 01/01/2007 to 06/30/2007
3.01	Gross Sales	16,349	20,494	14,162	22,440
3.02	Sales Deductions	(603)	(1,167)	(730)	(1,228)
3.03	Net Sales	15,746	19,327	13,432	21,212
3.04	Cost of Sales	(11,649)	(13,518)	(12,866)	(18,739)
3.05	Gross Profit	4,097	5,809	566	2,473
3.06	Operating Income/Expenses	(1,056)	(1,176)	2,833	3,601
3.06.01	Selling Expenses	(928)	(1,195)	(150)	(217)
3.06.02	General And Administrative Expenses	(199)	(394)	(187)	(295)
3.06.03	Financial	53	381	3,052	3,678
3.06.03.01	Financial Income	2,631	3,914	4,094	5,796
3.06.03.02	Financial Expenses	(2,578)	(3,533)	(1,042)	(2,118)
3.06.04	Other Operating Income	18	32	118	435
3.06.05	Other Operating Expenses	0	0	0	0
3.06.06	Equity Pick-up	0	0	0	0
3.07	Operating Income	3,041	4,633	3,399	6,074
3.08	Non-operating Expenses	0	30	0	(6)
3.08.01	Income	0	30	0	0
3.08.02	Expenses	0	0	0	(6)
3.09	Income Before Tax and Profit Minority Interest	3,041	4,663	3,399	6,068
3.10	Provision for Income tax and social contribution	(890)	(1,270)	(1,215)	(2,246)

1 - CVM CODE	2 - COMPANY NAME	3 - GENERAL TAXPAYERS' REGISTER
02074-5	**SLC AGRÍCOLA S.A.**	**89.096.457/0001-55**

SUBSIDIARY

COMPANY NAME
FAZENDA PARNAÍBA S.A.

18.01 - SUBSIDIARY'S STATEMENT OF INCOME (in thousands of reais)

3.11	Deferred Income Tax And Social Contribution	(122)	(281)	91	210
3.12	Statutory Participations / Contributions	0	0	0	0
3.12.01	Profit Sharing	0	0	0	0
3.12.02	Contribution	0	0	0	0
3.13	Reversion of Interest on Shareholders' Equity	0	0	0	0
3.15	Earnings / Losses in the Period	2,029	3,112	2,275	4,032
	NUMBER OF SHARES, EX-TREASURY (thousand)	5,352,793	5,352,793	5,352,793	5,352,793
	EARNINGS PER SHARE (reais)	0.37905	0.58138	0.42501	0.75325
	LOSS PER SHARE (reais)				

18.02 MANEGEMENT COMMENTS ON PERFORMANCE PF SUBSIDIARES AND/FOR AFFILIATES

1 - CVM CODE	2 - COMPANY NAME	3 - GENERAL TAXPAYERS' REGISTER
02074-5	**SLC AGRÍCOLA S.A.**	**89.096.457/0001-55**

SUBSIDIARY

COMPANY NAME
SLC EMPREENDIMENTOS E AGRICULTURA LTDA.

18.01 - SUBSIDIARY'S STATEMENT OF INCOME (in thousands of reais)

1 – CODE	2 – DESCRIPTION	3 - 04/01/2008 to 06/30/2008	4 - 01/01/2008 to 06/30/2008	5 – 04/01/2007 to 06/30/2007	6 - 01/01/2007 to 06/30/2007
3.01	Gross Sales	9,802	15,445	4,475	14,656
3.02	Sales Deductions	(358)	(564)	(191)	(674)
3.03	Net Sales	9,444	14,881	4,284	13,982
3.04	Cost of Sales	(306)	(612)	0	(34)
3.05	Gross Profit	9,138	14,269	4,284	13,948
3.06	Operating Income/Expenses	1,455	1,867	1,257	1,660
3.06.01	Selling Expenses	0	0	0	(148)
3.06.02	General And Administrative Expenses	(34)	(62)	(462)	(775)
3.06.03	Financial	1,489	1,929	1,104	1,959
3.06.03.01	Financial Income	1,489	2,873	1,186	2,097
3.06.03.02	Financial Expenses	0	(944)	(82)	(138)
3.06.04	Other Operating Income	0	0	615	624
3.06.05	Other Operating Expenses	0	0	0	0
3.06.06	Equity Pick-up	0	0	0	0
3.07	Operating Income	10,593	16,136	5,541	15,608
3.08	Non-operating Expenses	0	(1)	0	0
3.08.01	Income	0	0	0	0
3.08.02	Expenses	0	(1)	0	0
3.09	Income Before Tax and Profit Minority Interest	10,593	16,135	5,541	15,608
3.10	Provision for Income tax and social contribution	(1,102)	(2,133)	(913)	(2,119)

1 - CVM CODE	2 - COMPANY NAME	3 - GENERAL TAXPAYERS' REGISTER
02074-5	**SLC AGRÍCOLA S.A.**	**89.096.457/0001-55**

SUBSIDIARY

COMPANY NAME
SLC EMPREENDIMENTOS E AGRICULTURA LTDA.

18.01 - SUBSIDIARY'S STATEMENT OF INCOME (in thousands of reais)

3.11	Deferred Income Tax And Social Contribution	(391)	(51)	(30)	18
3.12	Statutory Participations / Contributions	0	0	0	0
3.12.01	Profit Sharing	0	0	0	0
3.12.02	Contribution	0	0	0	0
3.13	Reversion of Interest on Shareholders' Equity	0	0	0	0
3.15	Earnings / Losses in the Period	9,100	13,951	4,598	13,507
	NUMBER OF SHARES, EX-TREASURY (thousand)	2	2	2	2
	EARNINGS PER SHARE (reais)	4,550,000.00000	6,975,500.00000	2,299,000.00000	6,753,500.00000
	LOSS PER SHARE (reais)				

18.02 MANEGEMENT COMMENTS ON PERFORMANCE PF SUBSIDIARES AND/FOR AFFILIATES