

EBITDA of R$ 204.3 million in 2010, a 193.3% increase against 2009

Porto Alegre, March 23rd, 2011 – SLC AGRÍCOLA S.A. (Bovespa: SLCE3; Bloomberg: SLCE3:BZ; Reuters: SLCE3.SA), one of the largest landowners in Brazil and one of the largest agricultural producers in terms of cotton, soybean and corn planted area, discloses today its earnings for the fiscal year 2010. The following financial and operating information are presented in compliance with the Financial accounting Standards (International Financial Reporting Standards – IFRS), as required by CVM [Brazilian Securities and Exchange Commission] instructions 457/07 and 485/10. The information was prepared on a consolidated basis and it is presented in thousand Brazilian Reais, unless otherwise stated.

2010 Highlights

(R$ thousand)	2009	2010	AH	4Q09	4Q10	AH
Net revenue	587,960	888,713	51.2%	166,038	281,736	69.7%
Gross Profit (Loss)	85,615	219,704	156.6%	81,786	28,640	-65.0%
Gross margin	*14.6%*	*24.7%*	*10.1.p.p.*	*49.3%*	*10.2%*	*-39.1p.p.*
Operating income	7,574	83,892	n.m.	68,440	(21,253)	n.m.
Operating margin	*1.3%*	*9.4%*	*8.1p.p.*	*41.2%*	*-7.5%*	*-48.7p.p.*
Net profit (loss)	9,124	58,613	542.3%	46,700	(31,627)	n.m.
Net margin	*1.6%*	*6.6%*	*5.0p.p.*	*28.1%*	*-11.2%*	*-39.3p.p.*
EBITDA	**69,664**	**204,339**	**193.3%**	**72,739**	**22,524**	**-69.0%**
EBITDA Margin	***11.8%***	***23.0%***	***11.2p.p.***	***43.8%***	***8.0%***	***-35.8p.p.***
Net debt	**318,400**	**339,374**	**6.6%**	**318,400**	**339,374**	**6.6%**

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NOTE: 4Q09 and 4Q10 refer to the cumulative three-month period, from October to December of the years 2009 and 2010, respectively. 2009 and 2010 refer to the cumulative twelve month period from January through December of the years 2009 and 2010, respectively. AH refers to the horizontal percentage variation between two periods and AV refers to the vertical percentage variation in relation to a certain total.

Message from the Management

To our Company, 2010 was a year of margin reconciliation. Already analyzing the figures in IFRS methodology, we find out that after 2009 - a year of less solid results (EBITDA Margin of 11.8%, Net Margin of 1.6%) and below our historical average – we closed last year with a 51.2% increase in Net Revenue, which was R$888,713 thousand (against R$587.9 thousand in 2009), EBITDA margin of 23.0% and Net Profit of R$58,613 thousand, with a margin of 6.6%.

In line with the global economic recovery examined in the year 2010, we noticed a quite significant recapturing (and aligned with the economic growth) in almost all agricultural commodities prices. In New York and Chicago (ICE/NYBOT and CBOT, respectively) , which serve as the main quotation reference, cotton price had a 109% increase throughout the year, soybean, 34%, and corn, 52%. The fundamentals of supply and demand support the quotation levels obtained, so that the upward movement will probably continue throughout 2011. An increasingly strong demand, combined with a response in production which is less guaranteed – towards the possibility of climate stress and the scarcity of new agricultural land – compose the perfect scenario for pressure on commodity prices.

In terms of yields, 2010 (2009/10 crop year) also presented a recovery against 2009 (2008/09 crop year). With soybeans we obtained an increase in average yield per hectare of 4%, from 2,831 kilos in 2009 to 2,946 kilos in 2010. With cotton lint, we had a 5.8% increase (1,503 kg/ha of cotton lint in 2008/09 to 1,590 kg/ha in 2010). And, lastly, we also had an increase in corn (with less proportion, however) in average yield, from 6,546 kg/ha in 2008/09 to 6,641 in 2009/10 (keeping in mind that 80% is corn 2nd crop). However, we would like to stress that the Company's yield in 2009/10 crop was still below the full productive potential of our units, because some regions were affected by climatic problems.

We would also like to point out that the 2009/10 crop was developed with a lower production cost per hectare, when compared to the cost of the previous crop. This occurred, chiefly, due to the decline in fertilizer prices (which represent about 25% of production cost) in the purchase period between these two crop-years.

As to the land market, we can state that there was a decrease in general liquidity of transactions, after the opinion issued by the AGU [Office of the General Counsel to the Federal Government], dated August 23rd, 2010, on account of inquiries regarding the document and the application of the new understanding of the legislation. We believe that further clarifications regarding the legal approach in this context shall arise throughout 2011. In spite of that, in line with the good crop projection that was approaching and the sustained increase in commodities prices, land prices continued to rise in 2010. In line with our expansion plans, we acquired 9,884 hectares throughout 2010, and in 2009/10 crop year we leased additional 7 thousand hectares when compared to 2008/09. For the current crop, 2010/11, we are leasing a total of 74.0 thousand hectares (against 70.1 thousand hectares in 2009/10 and 63.2 thousand hectares in 2008/09).

For the current year, the perspectives are even better. Even though we have fixed prices for part of the production to be traded this year, in line with our Hedging Policy – sales where we achieved pre-stablished margins by our strategic planning – we still have a surplus to be traded at current prices, which enables margins above our historical average.

Main Impacts for the Adoption of IFRS

The financial statements for the fiscal year ended on December 31st, 2010 are presented for the first time by our Company in compliance with IFRS standard, based on statements issued by the Accounting Standards Committee (CPC), and approved by the Brazilian Securities and Exchange Commission (CVM). The opening balance deliberated was the balance from January 1st, 2009, the date of transition to the new methodology.

The main differences between the practices previously adopted (BRGAAP) and the current ones are detailed below.

Biological Assets. Represented by crops about to be harvested (whose measurement occurs 30 days before harvest) these assets are brought forward at the Income Statement (under Net Revenues) where are accounted for by its fair value (selling price in each region, net of marketing expenses less cost incurred by the time of measurement). After the harvest, the value of biological assets is incorporated into the product cost, and appropriated to the Income Statement as they are invoiced.

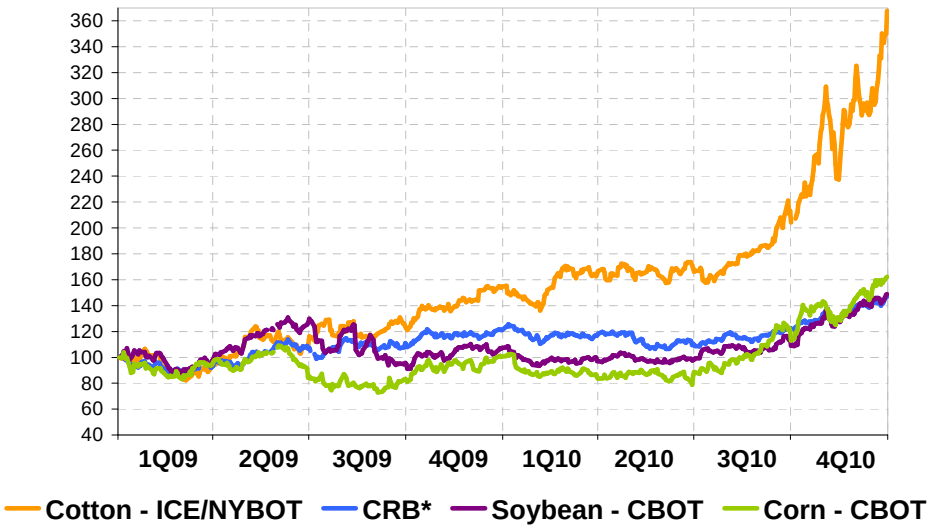
Fixed Assets at Fair Value. Also in line with the new accounting methodology, the Company appraised the fair value of its Property, Plant and Equipment, with base date January 01st, 2009. Such adjustment was reflected on account of an increase of R$1,367,873 thousand in Property, Plant and Equipment. Our land bank, specifically, presented an increase in its total value, from the historical R$312,016 thousand to the current value of R$1,449,010 thousand.

Review of useful life of assets. Taking advantage of the appraisal reports of Fixed Assets reports, the Company reviewed the useful life of goods (we present more details on this item in the Explanatory Notes).

Market Outlook

Commodities Prices Variation

From January 2009 to December 2010 (1st Contract)



Source: CMA (01/02/2009 = 100)
Up to 12/31/2010.

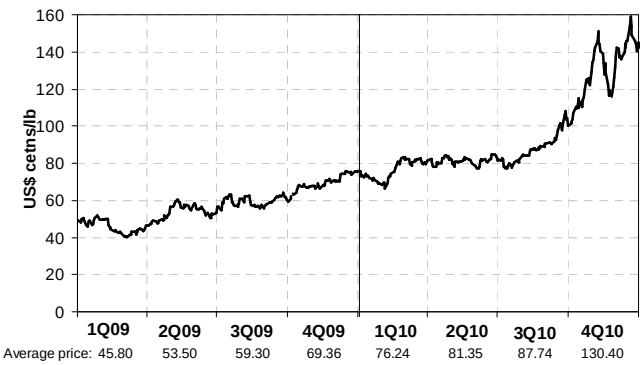
*Commodity Research Bureau

Cotton

Cotton future prices traded on ICE/NYBOT (ICE Futures U.S.) presented an average quotation of US¢ 94/lb in 2010, with appreciation of 64.6% against 2009, when the average price was US¢ 57.1/lb. The average cotton price was US¢ 130.4/lb in 4Q10, 88% higher than the value in 4Q09, which was US¢ 69.36/lb.

Cotton Prices in the International Market

ICE - (1st Contract)

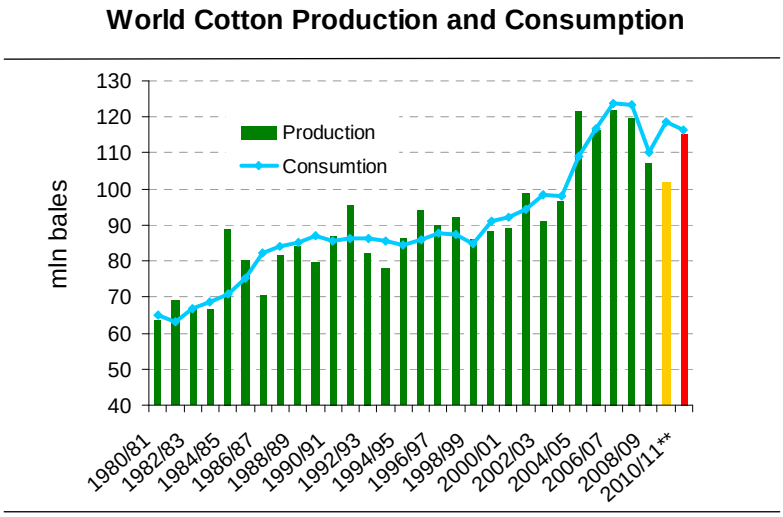


Source: CBOT/CMA

In the beginning of 2009 cotton prices were under heavy influence of global the economic-financial scenario. The world economic slowdown had a direct impact on consumer spending, causing a decrease in consumption, prices, and, accordingly, cotton planted area and supply throughout 2010.

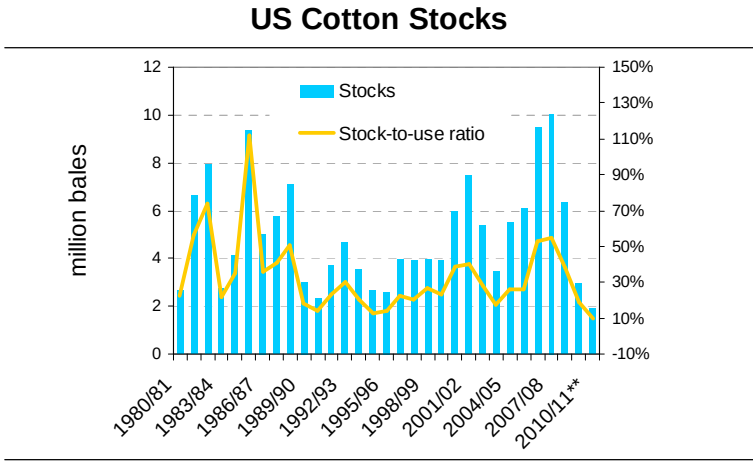
With supply shortage and global economy recovery underway resulted in significant improvement of cotton prices in 2010. With better prices, global cotton area recovered in 2010/11 crop year. According to USDA estimates, the total worldwide cotton planted area shall be 33.5 million hectares, an 11% increase against 2009/10. On the other hand, crop losses in China, Pakistan and, recently, in Australia, have reduced the potential of production for the current crop. And yet, 2010/11 production

shall achieve 115.0 million bales, a 13.5% increase against the previous year. Even with the increase in worldwide production, it was below the consumption, which is forecasted by USDA in 116.6 million bales.



Source: USDA * estimated; ** projected

With the worldwide production and consumption going to opposite directions, world inventories shall be lower for the fifth consecutive year in this crop year. According to USDA data, the production shortfall regarding the consumption has reached 27 million bales over the last 5 years (between crop years 2006/07 until 2010/11). With the consumption growing faster than the production, the worldwide inventory consumption ratio is 36.3% - the lowest in 17 years. The stock consumption ratio in the United States, world's largest exporter, is 9.8%, the lowest in history, which helps to explain high cotton prices in the end 2010 and beginning 2011.



Source: USDA * estimated; ** projected

An important factor for the reduction in inventories in the United States was the export restriction in India, one of the world's largest exporters of cotton. India restricted its exports to 935 thousand tons for

2010/11 crop, until its domestic supply is guaranteed. According to the first survey for 2010/11 crop year published by CONAB (Brazilian Supply Company), a record increase in cotton area in Brazil is estimated. According to the survey, the area shall be as large as 1,304.7 thousand hectares, a

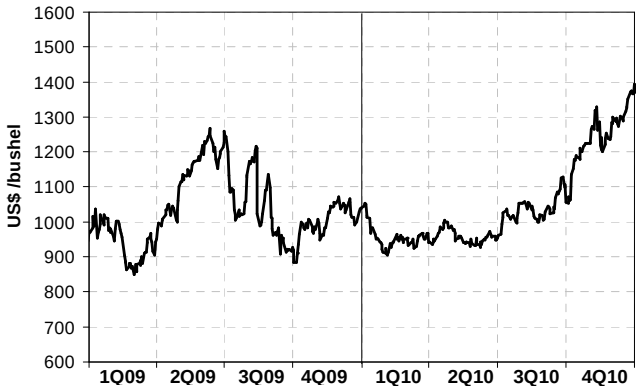
56.1% increase against the previous year. And cotton lint production is expected to reach 1,950 thousand tons, a 63.3% increase.

Soybean

Future soybean contracts traded on CBOT (Chicago Board of Trade) presented an average quotation of US$ 10.49/bu in 2010, an appreciation of 1.75% against 2009, when the average price was US$ 10.31/bu. In 4Q10 the soybean average price was US$ 12.45/bu, a 24.1% increase in its amount against the one in 4Q09, which was US$ 10.03/bu.

Soybean Prices in the International Market

CBOT - (1st Contract)

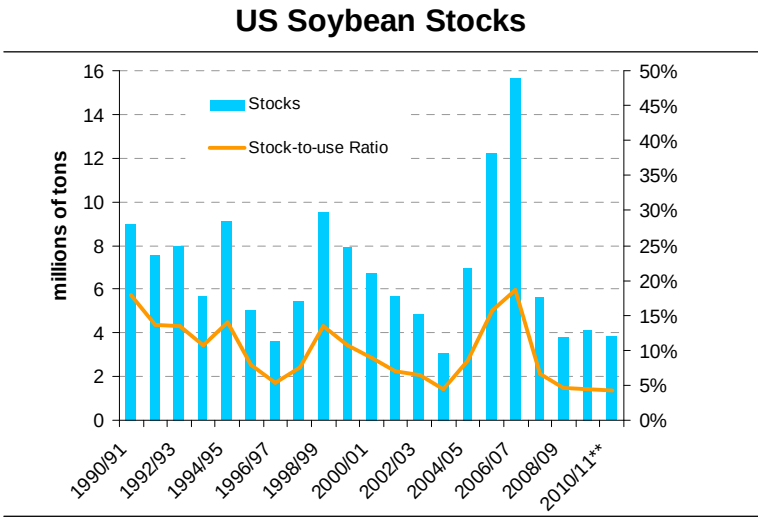


Average price:	9.42	11.28	10.50	10.03	9.55	9.58	10.35	12.45

Source: CBOT/CMA

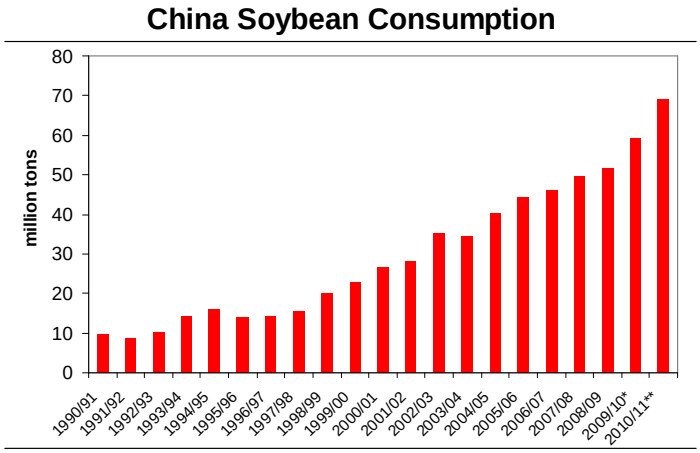
According to USDA the soybean worldwide production is expected to reach 258.4 million tons in 2010/11 crop, a 0.7% decrease against the previous crop, which was 260.0 million tons. Despite the 1.2% increase in the area, the decrease in productivity for the world's three leading soybean producers – United States, Brazil and Argentina – resulted in a smaller production.

In the United States, soybean production in 2010/11 crop year is estimated by USDA in 90.6 million tons, and the domestic consumption is expected to be 48.0 million tons. The American exports, which had a 5.9% increase against the previous year – on account of strong Chinese demand for soybean – are expected to be 43.3 million tons. The domestic consumption, in addition to the exports, will cause the lowest inventory/consumption ratio (4.2%) over the last 45 years in the United States.



Source: USDA *estimated; **projected;

The main highlight in worldwide soybean consumption is China, which increased its imports and its soybean consumption in 2010/11 crop year to 57 million tons (+13.2% against 2009/10) and 68.9 (+15.9% against 2009/10) million tons, respectively. The increasing demand for food, as well as the local policy of increase in inventory in order to control the inflation, made China increase its share in worldwide soybean trading. In the agricultural year 2010/11, USDA estimates that Chinese imports will be responsible for 57.8% of worldwide soybean trading. China represented only 24.6% out of this total in 2000/01.



Source: USDA * estimated; **projected;

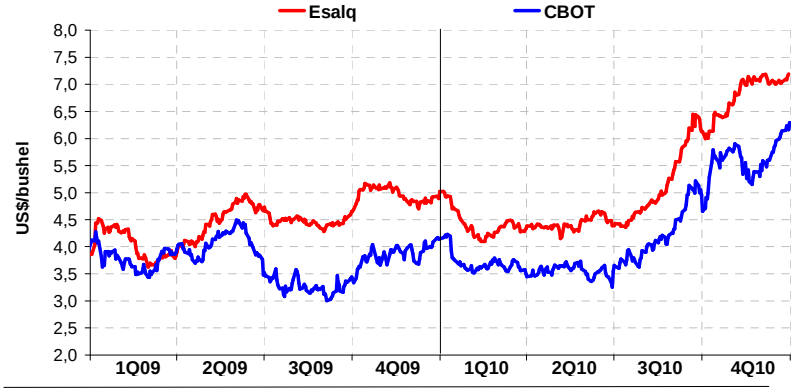
In Brazil, CONAB expects a 2.4% increase in soybean area in 2010/11 crop, which is 24.1 million hectares, against 23.5 million hectares in 2009/10 crop. The production is estimated in 70 million tons, a 2.1% increase against 2009/10 crop year.

Argentina, according to SAGPyA (Argentine Department of Agriculture, Animal Husbandry, Fishery and Foods) is expected to achieve a planted area of 18.7 million hectares of soybean in 2010/11, with a 1.7% increase against 2009/10. Despite the effects of La Niña (rainfall below the average in December and January), rainfalls were beneficial to the crops in the country, especially in early February, thus allowing a stabilization of the productive potential that had suffered deterioration in recent months.

Corn

Future corn contracts traded on CBOT presented an average appreciation of 14.7% in 2010 against the previous year. Average price in 2010 was US$ 4.28/bu against US$ 3.73/bu in 2009. In domestic market, the prices measured by ESALQ (*Escola Superior de Agricultura Luiz de Queiroz* - Luiz de Queiroz Higher Agricultural School) presented an average appreciation of 15.4% in the same period, from US$ 4.49/bu (in 2009) to US$ 5.18/bu.

Corn Prices



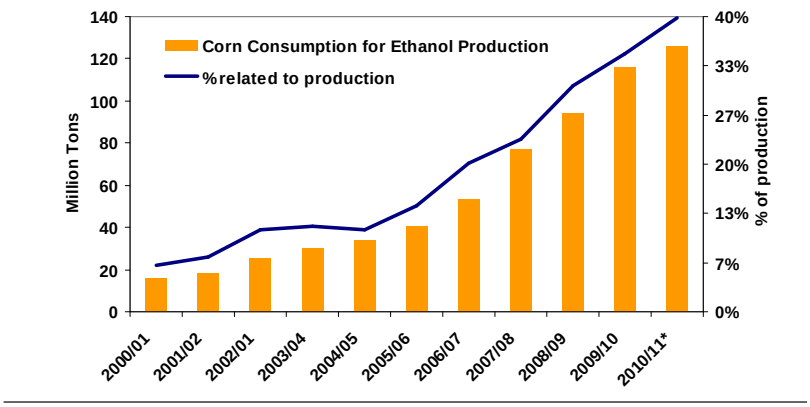
Esalq Índex:	4.05	4.49	4.47	4.96	4.42	4.42	5.15	6.80
CBOT:	3.76	4.06	3.28	3.86	3.70	3.55	4.21	5.60

Source: CBOT/ Cepea (Esalq)/CMA

In its supply and demand monthly report for March, USDA estimated the worldwide corn production in crop year 2010/11 in 813.8 million tons, with a 0.2% increase against 2009/10, when 812.3 million tons were produced. Worldwide consumption in crop year 2010/11 was projected by USDA in 835.9 million tons, with a 3.4% increase against 2009/10, when 808.6 million tons were consumed.

Much of the growth in worldwide consumption is still destined to ethanol production. According to USDA, the consumption of corn for ethanol production in the United States is expected to increase 8.4% in 2010/11, which is 125.7 million tons against 116 million tons in 2009/10.

US - Corn Consumption for Ethanol Production

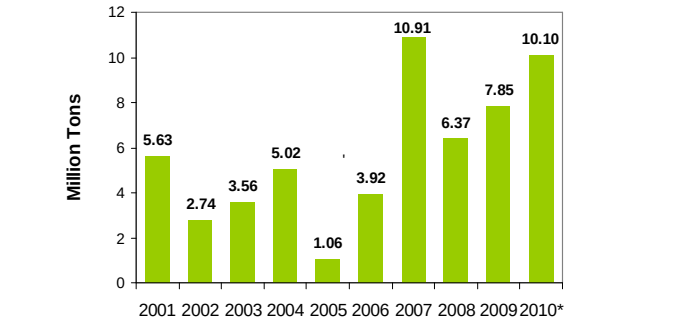


Source: USDA; *projected;

In Brazil, for 2010/11, CONAB estimates planted corn 1st crop area in 7,695.9 thousand hectares, a 0.47% decrease against planted area in 2009/10 1st crop, which was 7,724.0 thousand hectares. For corn 2nd crop, which has been gaining increasing importance in the country, the planted area is expected to be 5,410.7 thousand hectares. Total planted area with corn, however, shall reach 13,106.6 thousand hectares – a result from the sum between the first and second crop – presenting a 1.1% increase against previous crop. The Brazilian corn production expected for 2010/11 crop is 54.50 million tons (32.9 million tons from the 1st crop and 21.6 million tons for the 2nd crop).

The Brazilian corn exports in 2010 presented a 29% increase against 2009, according to SECEX (Foreign Trade Department), totaling 10.1 million tons, when compared to 7.85 million tons exported in 2009. The major exports helped to market the surplus in production derived from 2009 and 2010 crops, allowing a price recovery in the domestic market during the last half year 2010.

Brazilian Corn Exports



Source: Secex *estimated;

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Operating Performance

In 4Q10 occurred the final soybean and corn 1st crop planting, as well as the planting for 84% of projected area for cotton 1st crop for the year 2010/11.

In Mato Grosso, soybean planting was delayed and its area was reduced on account of low humidity conditions resulting from the influence of the climate phenomenon "La Niña". As of the 2nd fortnight of October, however, moisture conditions returned to normal, being within the proposed timetable, with the exception of super-early soybean in Mato Grosso, which had a delay in planting and its planted area presented a reduction, causing the migration to cotton 1st crop area (as already explained in detail in release 3Q10).

Soybean. Out of 118,166 hectares of soybean planted by the Company, 29,836 hectares – or 25% - were destined to the planting of super-early and early soybeans varieties, with the purpose of using these areas for planting cotton 2nd crop and corn 2nd crop. Overall, In November and December, the climate was regular, presenting rainfalls below the average only in the states of Mato Grosso, Mato Grosso do Sul and Goiás, where *veranicos* (small out-of-season drought periods) occured at Planalto, Paiaguás, and, specially, at Planorte farm, affecting the productive potential of some plots In the last week of December the rainfall was regular in all farms.

Cotton 1st crop. Up to the end of 4Q10, 84% of cotton 1st crop had already been planted, which fitted the cultivation within the planting timetable. At Pamplona and Planalto farms, which started planting cotton 1st crop in October and November, this crop is presenting an excellent development so far.

Cotton 2nd crop. Cotton 2nd crop planting has begun from the harvest of super-early soybean, in the 1st week of January 2011. We will have more comments on the evolution of this operation on release 1Q11.

Corn 1st crop. Corn 1st crop planting was regular during November, and the cultivation presents great development with high productive potential. The cultivation harvest begun in February 2011.

Corn 2nd crop. Corn 2nd crop planting began in early 2nd fortnight in January 2011, as the super-early and early soybean harvest went forward.

Yield

Yield (kg/ha)	Obtained 2009/10[(1)]	Estimated 2010/11	Δ%
Cotton lint 1st crop	1,613	1,645	2.0
Cotton lint 2nd crop	1,467	1,378	-6.1
Soybean	2,946	3,286	11.5
Corn 1st crop	10,134	10,447	3.1
Corn 2nd crop	5,740	6,452	12.4

(1) Yield Estimate to SLC Agrícola, updated until 12/31/2010.

Planted Area

We present below an updated chart with the estimated planted area for 2010/11 crop year.

Crop Mix	Achieved 2009/10 ha	Estimated[1] 2010/11 ha	Share %	Δ Absolute ha	Δ Percentage %
Cotton	**64,775**	**84,794**	**36.8**	**20,019**	30.9
Cotton 1st crop	*54,625*	*72,467*	*31.5*	*17,842*	*32.7*
Cotton 2nd crop	*10,150*	*12,327*	*5.4*	*2,177*	*21.4*
Soybean	***120,410***	***118,166***	***51.3***	***(2,244)***	*-1.9*
Corn	**34,826**	**24,820**	**10.8**	**(10,006)**	-28.7
Corn 1st crop	*7,140*	*7,333*	*3.2*	*193*	*2.7*
Corn 2nd crop	*27,686*	*17,487*	*7.6*	*(10,199)*	*-36.8*
Others[2]	**2,722**	**2,624**	**1.1**	**(98)**	**-3.6**
Total	**222,733**	**230,404**	**100.0**	**7,671**	**3.4**

Planted area mix	ha	ha	%	ha	%
Physical area under control	**183,449**	**199,298**	**86.5**	**15,849**	**8.6**
Owned area	*120,280*	*125,147*	*54.3*	*4,867*	*4.0*
Leased area	*63,169*	*71,825*	*31.2*	*8,656*	*13.7*
2nd crop area	**39,284**	**31,106**	**13.5**	**(8,178)**	**-20.8**
Total	**222,733**	**230,404**	**100.0**	**7,671**	**3.4**

(1) Estimate of SLC Agrícola, planted area still may be adjusted by the agricultural planning.
(2) Coffee, wheat, corn seed.

Property Portfolio

Currently we hold the following portfolio of properties under control:

Areas 2009/10 (ha) Farm	State	Owned	Leased	Under Control	Planted[1]
		---------- ha ----------			
Pamplona	GO	17,094	4,080	**21,174**	17,711
Planalto	MS	17,437	1,657	**19,094**	16,864
Planorte	MT	23,794	367	**24,161**	24,116
Paiaguás	MT	31,581	4,074	**35,655**	33,444
Parnaíba	MA	39,334	7,492	**46,826**	30,686
Planeste	MA	22,787	10,837	**33,624**	29,712
Panorama	BA	12,982	12,313	**25,295**	21,796
Piratini	BA	25,355	5,000	**30,355**	10,319
Palmares	BA	16,948	20,082	**37,030**	30,144
Parnaguá	PI	26,611	0	**26,611**	-
Pejuçara	MT	3,379	8,088	**11,467**	15,612
Total		**237,302**	**73,990**	**311,292**	**230,404**

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

Machinery and Storage Capacity

On December 31st, 2010 we had the following:

Machinery for 2010/11 crop year	Quantity
Tractors	**412**
Grains Combines	**165**
Cotton Pickers	**97**
Planters	**169**
Self-propelled sprayers	**91**

2010/11 Storage Capacity	Grains	Cotton
Tons	378,740	93,925
% Production[1]	65.5	69.0

(1) Estimate of SLC Agrícola based on planted area and yields estimated to 2009/10 crop year.

Financial Analysis

EBITDA

(R$ thousand)	2009	2010	AH	4Q09	4Q10	AH
Net Revenue	**587,960**	**888,713**	**51.2%**	**166,038**	**281,736**	**69.7%**
(-) Cost of Goods Sold	**(502,345)**	**(669,009)**	**33.2%**	**(84,252)**	**(253,096)**	**200.4%**
Gross Profit	**85,615**	**219,704**	**156.6%**	**81,786**	**28,640**	**-65.0%**
(-) Selling expenses	(43,147)	(56,644)	31.3%	(15,088)	(22,440)	48.7%
(-) General and administrative	(29,099)	(34,807)	19.6%	(7,345)	(11,121)	51.4%
(-) Management fee	(4,586)	(3,814)	-16.8%	(1,316)	(1,591)	20.9%
(-) Other operating income	2,671	1,604	-39.9%	1,252	1,573	25,6%
(=) Income for the Activity	**11,454**	**126,043**	**n.m.**	**59,289**	**(4,939)**	**n.m.**
(+) Depreciation and amortization	58,210	78,296	34.5%	13,450	27,464	104.2%
EBITDA	**69,664**	**204,339**	**193.3%**	**72,739**	**22,524**	**-69.0%**
EBITDA Margin	**11.8%**	**23.0%**	**11.2p,p,**	**43.8%**	**8.0%**	**-35.8p,p,**

The 193.3% increase in EBITDA for 2010 was mainly influenced by the increase in gross profit, from R$85,615 thousand in 2009 to R$219,704 thousand in 2010. This increase in gross profit occurred mainly due to the growth in unit price of 13.3% and in volume, of 30.6% for cotton lint invoiced in the period and the positive net impact caused by biological assets, of R$43,787 thousand in 2010 against (R$12,631) thousand in 2009.

For net impact of Biological Assets one can understand value added to net revenue by the valuation of biological asset determined in the year, subtracted by the amount of biological asset allocated to the cost of goods sold, which is recognized in the Income Statement at the time of sale.

Net Revenue

(R$ thousand)	2009	2010	AH	4Q09	4Q10	AH
Net revenue	**587,960**	**888,713**	**51.2%**	**166,038**	**281,736**	**69.7%**
Cotton lint invoiced	242,294	358,631	48.0%	92,643	160,937	73.7%
Cotton seed invoiced	33,498	38,403	14.6%	13,693	11,439	-16.5%
Soybean invoiced	223,076	192,576	-13.7%	9,913	34,803	251.1%
Corn invoiced	59,027	80,258	36.0%	19,230	42,335	120.2%
Coffee invoiced	7,366	12,808	73.9%	2,028	7,043	247.3%
Others (invoiced)	37,822	43,230	14.3%	9,022	4,453	-50.6%
Hedge Income	(6,111)	23,583	n.m.	3,915	13,982	257.1%
Biological Assets	(9,012)	139,224	n.m.	15,594	6,744	-56.8%

(Tons)	2009	2010	AH	4Q09	4Q10	AH
Volume invoiced	**786,385**	**877,278**	**11.6%**	**182,173**	**278,679**	**53.0%**
Cotton lint	95,114	124,208	30.6%	39,405	53,897	36.8%
Cotton seed	129,659	127,657	-1.5%	49,882	34,328	-31.2%
Soybean	332,119	350,350	5.5%	15,444	53,288	245.0%
Corn	214,916	259,648	20.8%	74,473	132,058	77.3%
Coffee	1,662	2,868	72.6%	442	1,394	215.4%
Others	12,915	12,547	-2.8%	2,527	3,714	47.0%

Our net revenue increased 51.2% in 2010, concluding the year at R$888,713 thousand against R$587,960 thousand in 2009, mainly due to the increase in volume invoiced and unit price for cotton lint and to the impact of biological assets.

Excluding the impact of biological assets, the increase in net revenue was 25.5% (from R$596,972 thousand in 2009 to R$749,789 thousand in 2010). In 2010, cotton lint and soybean crops represented, respectively, 47.9% and 25.7% out of the total net revenue, under the same scope.

(R$ thousand)	2009	2010	AH	4Q09	4Q10	AH
Effect of Biological Asset in Net Revenue	**(9,012)**	**139,224**	**n.m.**	**15,594**	**6,744**	**56.8%**
Cotton lint	(25,008)	132,842	n.m.	(48)	0	n.m.
Cotton seed	(3,431)	17,163	n.m.	0	0	n.m.
Soybean	23,419	(16,558)	n.m.	16,324	6,081	n.m.
Corn	(1,361)	1,504	n.m.	(139)	663	n.m.
Coffee	491	1,861	279.0%	0	0	n.m.
Others	(3,122)	2,412	n.m.	(543)	0	n.m.

The determination of biological assets is performed as follows: selling price at the harvest period, net of taxes and marketing expenses (freight), subtracted from incurred cost. In 2009, which reflected 2008/09 crop – whose costs of fertilizers and chemicals had been composed before 2008 crisis - commodities prices were at depressed levels, if compared to 2008 prices. Thus, the valuation of biological assets was negative, mainly in cotton lint and corn crops.

In 2010, the reverse scenario occurred, since the cost of the technological package – fertilizers and chemicals – presented a 31.9% and 21.6% decrease, respectively, against 2008/09. On the other hand, the prices (except for soybean) presented a recovery at the harvest period, generating a valuation of Biological Assets of R$139,224 thousand throughout the year.

Cotton Invoiced		2009	2010	AH	4Q09	4Q10	AH
Cotton Lint invoiced							
Volume invoiced	Ton	95,114	124,208	30.6%	39,405	53,897	36.8%
Gross Revenue	R$ thd	242,294	358,631	48.0%	92,643	160,937	73.7%
Unit Price	R$ thd / Ton	2.55	2.89	13.3%	2.35	2.99	27.2%
Cotton seed invoiced							
Volume invoiced	Ton	129,659	127,657	-1.5%	49,882	34,328	-31.2%
Gross Revenue	R$ thd	33,498	38,403	14.6%	13,693	11,439	-16.5%
Unit Price	R$ thd / Ton	0.26	0.30	15.4%	0.27	0.33	22.2%

Cotton lint traded in 2010 refers to the production of 2008/09 and 2009/10 crop years. Our gross revenue for cotton lint had a 48.0% increase in 2010 against 2009, due to the 30.6% increase in volume traded and a 13.3% increase in unit price.

Soybean Invoiced		2009	2010	AH	4T09	4T10	AH
Volume Invoiced	Ton	332,119	350,350	5.5%	15,444	53,288	245.0%
Gross Revenue	R$ thd	223,076	192,576	-13.7%	9,913	34,803	251,1%
Unit Price	R$ thd / Ton	0.67	0.55	-17.9%	0.64	0.65	1.6%

Our net revenue for soybean had a 13.7% decrease in 2010 against 2009. The main impacts were:

- A 17.9% decrease in average unit price, due to the variation of foreign commodity prices and, mainly, to the appreciation of Brazilian Real against US Dollar;
- 5.5% increase in volume invoiced.

Corn Invoiced		2009	2010	AH	4T09	4T10	AH
Quantity invoiced	Ton	214,916	259,648	20.8%	74,473	132,058	77.3%
Gross Revenue	R$ thd	59,027	80,258	36.0%	19,230	42,335	120.2%
Unit Price	R$ thd / Ton	0.27	0.31	14.8%	0.26	0.32	23.1%

Our net revenue for corn had a 36.0% increase in 2010 against 2009, mainly impacted by:

- A 20.8% increase in quantity invoiced, due to the Company´s trading policy;
- A 14.8% increase in unit price, derived from the variation of commodity market price.

Other revenue (excluding the effects of Biological Assets). Our net revenue regarding other revenue had a 103.8% increase to R$79,621 thousand in 2010 against R$39,077 thousand in 2009. The main impacts were:

- Foreign exchange hedge income, from (R$6,111 thousand) in 2009 to R$23,583 thousand in 2010;
- The increase in revenue derived from the government minimum price guarantee, from R$36,481 thousand in 2010 against R$30,391 thousand in 2009;
- Increase in coffee revenue in 73.9%, from R$12,808 thousand in 2010 against R$7,366 thousand in 2009.

Cost of Goods Sold

(R$ thousand)	2009	2010	AH	4Q09	4Q10	AH
Cost of goods sold	**(502,345)**	**(669,009)**	**33.2%**	**(84,252)**	**(253,096)**	**200.4%**
Cotton lint	(192,712)	(270,843)	40.5%	(68,911)	(119,200)	73.0%
Cotton seed	(35,643)	(29,003)	-18.6%	(13,271)	(6,264)	-52.8%
Soybean	(212,305)	(200,510)	-5.6%	(8,712)	(30,550)	250.7%
Corn	(44,562)	(57,133)	28.2%	(15,047)	(24,664)	63.9%
Coffee	(7,220)	(11,266)	56.0%	(1,894)	(5,373)	183.5%
Others	(6,284)	(4,817)	-23.4%	(1,314)	(1,541)	17.2%
Biological Assets Allocated at Cost	(3,619)	(95,437)	n.m.	24,897	(65,504)	n.m.

(R$ thousand)	2009	2010	AH	4Q09	4Q10	AH
Biological Assets Allocated at Cost	**(3,619)**	**(95,437)**	**n.m.**	**24,897**	**(65,504)**	**n.m.**
Cotton lint	20,246	(88,634)	n.m.	18,843	(63,613)	n.m.
Cotton seed	3,337	(15,752)	n.m.	3,319	(11,266)	n.m.
Soybean	(22,172)	18,014	n.m.	1,129	8,795	679.0%
Corn	(155)	436	n.m.	1,366	2,378	74.1%
Coffee	(7,060)	(8,378)	18.7%	238	(788)	n.m.
Others	2,185	(1,123)	n.m.	2	(1,010)	n.m.

In 2010, the cost of goods sold had a 33.2% increase against 2009. Such increase mainly occurred on account of a higher volume of cotton lint and corn invoiced, and also due to the effect of biological assets allocated at cost, of R$3,619 thousand in 2009 and (R$95,437) thousand in 2010.

Cotton lint. In 2010, cotton invoiced was related to 2008/09 (39.8%) and 2009/2010 (60.2%) crops. Excluding the effects of biological assets, cotton lint cost in 2010 had a 40.5% increase against 2009, due to:

- The increase in quantity invoiced of 30.6%;
- Increase of unit cost of 7.6%, due to the amount of cotton from 2007/08 crop invoiced in 2009, which had a lower cost base.

Soybean. In 2010, soybean invoiced was related to 2009/10 crop. Excluded the impacts of biological assets, soybean cost in 2010 was 5.6% lower than the one examined in 2009. The main impacts were:

- A 10% decrease in unit cost;
- Partially offset by the 5.5% increase in quantity invoiced.

Corn. In 2010, corn invoiced was related to 2008/09 (13.6%) and 2009/10 (86.4%) crops. Excluded the impacts of biological assets, corn cost in 2010 was 28.2% higher than the one registered in 2009. The main impacts were:

- A 20.8% increase in quantity invoiced;
- A 6.1% increase in unit cost.

Others. Our cost for the other products, including coffee, increased 19.1%, or R$16,083 thousand in 2010 against R$13,504 thousand in 2009, mainly due to the increase in quantity of coffee invoiced in the period.

Production Cost

We state below the percentage composition of our cash cost of production per hectare:

	Cotton[(1)]	Soybean[(1)]	Corn[(1)]	Average 2010/11 [(1)]	Average 2009/10 [(1)]	Average 2008/09
Variable Costs	**82**	**78**	**85**	**81**	**83**	**84**
Seeds	3	7	16	5	6	5
Fertilizers	20	27	35	23	27	31
Chemicals	28	19	10	24	22	22
Aerial Spray Application	3	2	1	2	3	3
Fuels and lubricant	6	7	6	7	6	5
Manpower	2	1	1	2	2	2
Improvement	11	3	7	8	7	6
Maintenance of machinery and equipment	6	8	5	6	6	6
Others	3	4	4	4	4	4
Fixed Costs	**18**	**22**	**15**	**19**	**17**	**16**
Manpower	11	13	9	12	10	9
Leasing	3	4	3	3	3	3
Others	4	5	3	4	4	4

[(1)] Percentage estimated by SLC Agrícola, as per position as of December 31st, 2010, in order to allow the previous cultivation evaluation.

Our estimate for cash cost of production per hectare in 2010/11 crop year is:

Cash Cost (R$/ha)	2009/10	2010/11[(1)]	Δ%
Cotton 1st crop	*3,912*	*3,731*	-4.6
Cotton 2nd crop	*3,024*	*3,187*	5.4
Soybean	1,273	1,217	-4.4
Corn 1st crop	*1,990*	*1,981*	-0.5
Corn 2nd crop	*939*	*1,008*	7.3

[(1)] Percentage estimated by SLC Agrícola, as per position as of December 31st, 2010, in order to allow the previous cultivation evaluation.

In cash cost 2010/11, the decrease we had in fertilizers (31.9%) and chemicals (26.7%) packages was partially offset (i) by the necessity of complementary applications on account of climate issues and (ii) by the increase in shares of leased area within total planting area (from 28.3% in 2009/10 to 32.0% in 2010/11).

Gross Income

Gross profit totaled R$219,704 thousand in 2010, representing a significant increase of 156.6% against the R$85,615 thousand registered in 2009. In 2010, gross margin was 24.7%, against 14.6% in 2009. The increase in gross profit is explained by the event of commodities prices recovery throughout 2010 with a lower production cost in 2009/10 crop against 2008/09 crop.

Selling Expenses

(R$ thousand)	2009	2010	AH	4Q09	4Q10	AH
Freight	29,395	41,175	40.1%	11,198	17,589	57.1%
Storage	5,627	6,689	18.9%	1,253	1,593	27.1%
Commissions	1,849	2,142	15.8%	512	438	-14.5%
Classification of Goods	1,513	820	-45.8%	455	353	-22.4%
Others	4,763	5,818	22.1%	1,670	2,467	47.7%
Total	**43,147**	**56,644**	**31.3%**	**15,088**	**22,440**	**48.7%**
% Net Revenue	**7.4%**	**6.4%**	**-1.0p,p,**	**9.2%**	**8.2%**	**-1.0p,p,**

Our selling expenses in 2010 increased 31.3% against 2009. Such variation occurred especially by the increase in the shipment of cotton and corn volume, whose freight is under our responsibility.

General and Administrative Expenses

(R$ thousand)	2009	2010	AH	4Q09	4Q10	AH
Expenses with personnel	15,666	19,143	22.2%	4,295	7,283	69.6%
Fees	2,881	3,493	21.2%	691	865	25.2%
Depreciations	1,864	2,077	11.4%	475	630	32.6%
Expenses with travels	1,618	1,478	-8.7%	417	390	-6.5%
Software Maintenance	2,071	2,088	0.8%	764	490	-35.9%
Marketing/Advertisements	382	904	136.6%	8	164	n.m.
Expenses with Communication	986	893	9.4%	270	214	-20.8%
Rentals	232	337	45.3%	66	85	28.0%
Others	3,399	4,394	29.3%	359	1,000	178.6%
Total	**29,099**	**34,807**	**19.6%**	**7,345**	**11,121**	**51.4%**
% Net Revenue	**4.9%**	**3.9%**	**-1.0p,p,**	**4.2%**	**3.9%**	**-0.3p,p,**

Our general and administrative expenses had a 19.6% increase in 2010, mainly due to the increase in expenses with personnel (increase in profit share value from R$2,225 thousand in 2009 to R$4,904 thousand in 2010) third party's fees (increase of R$612 thousand), Marketing/Advertisements (increase of R$522 thousand) besides an increase of R$955 thousand in other SG&A. As a percentage of net revenue, our general and administrative expenses had a reduction of 1.0 percentage point.

Net Financial Income

(R$ thousand)	2009	2010	AH	4Q09	4Q10	AH
Gains (losses) with derivatives	(27,577)	(23,221)	-15.8%	(109)	(8,883)	n.m.
Interests	(5,646)	(20,471)	262.6%	(2,599)	(4,211)	62.0%
Monetary Variation	(1,352)	(1,143)	-15.5%	4,792	(4,313)	n.m.
Exchange Variation	29,677	1,203	-95.9%	6,795	1,353	-80.1%
Other financial income (expenses)	1,018	1,479	45.4%	272	(259)	n.m.
Total	**(3,880)**	**(42,151)**	**986.4%**	**9,151**	**(16,313)**	**n.m.**
% Net Revenue	**-0.7%**	**-4.7%**	**-4.0p,p,**	**5.51%**	**-5.79%**	**-11.3p,p,**

Our net financial income for 2010 was (R$42,151) thousand against (R$3,880) thousand in 2009. This variation was mainly influenced:

- By the 262.6% increase in net interest account in 2010, impacted by the growth in net indebtedness in first semester against 2009;
- By the 95.9% decrease in FX variation income.

Net Income

Net income was R$58,613 thousand in 2010, representing a nominal increase of R$49,489 thousand against the R$9,124 thousand registered in 2009, mainly impacted:

- By the increase in gross profit of R$134,089 thousand, explained by the event of commodities prices recovery throughout 2010 with a lower production cost in 2009/10 crop against 2008/09 crop;
- By the variation in net financial income of (R$38,271) thousand;
- By the variation in tax collection over income of (R$26,829) thousand;

In 2010, net margin was 6.6%, against 1.1% in 2009.

FX and Agricultural Commodities Hedges

Company's sales revenue is mainly generated by the trading of agricultural commodities, such as cotton, soybean and corn; products quoted in US Dollar in the following international stock exchanges Chicago Board of Trade - CBOT and Intercontinental Exchange Futures US – ICE. Therefore, we have an active exposure to foreign exchange variation and to the prices of these commodities. With protection purposes against the variation of foreign exchange rate, financial derivative instruments are used, whose portfolio is comprised by non deliverable forward and option agreements.

In line with the Company's Risk Management Policy – whose purpose is to obtain an EBITDA margin pre-established with the conjunction of factors Price, FX and Cost – most of the instruments of protection against the variation of commodities prices are accomplished through advanced sales directly with our clients (forward contracts). Furthermore, futures and options contracts are used, traded in a stock exchange environment, and swaps and options financial transactions with financial institutions. Future, swaps and options operations had their mark-to-market registered in financial income.

Our position in commodities hedge (in connection with total sales volume) and FX hedges (in connection with total revenue in US Dollar) – open in commercial hedge and financial hedge – in 4Q10 is disclosed below:

Commercial (Physical Sales) and FX Hedge

	FX Rate		Soybean		Cotton	
Fiscal Year	%	R$ / US$	%	US$ / bushel[1] [2] [3]		US¢ / pound[1] [2]
2011	47	2.03	41	10.76	71	84.1
2012	6	2.05	7	12.90	4	76.0

[1] FOB Port.
[2] Prices in our production units are still influenced by transportation expenses.
[3] The pledges with payments of properties and leasing that correspond to 9.3% of the crop productions in 2010/11, respectively, should be added to this hedge percentage.

Commodities Financial Hedge

	Cotton			Soybean		
Fiscal Year	%	US¢ / pound	Base price for MTM on 12/31/2010	%	US$/bushel	Base price for MTM on 12/31/2010
2011	5	79.40	129.30	5	11.16	14.09

NOTE: Unlike FX hedge operations, financial hedge operations for commodities, due to their nature, were not classified in hedge accounting methodology, therefore, they pass through the income even before its due date. The mark-to-market for such operations (which was based on the closing quotation prices of 12/31/2010 - $ 14.09 USD/bu for soybeans and 129.30 US¢ /lb for cotton) is shown in the item of Financial Income, in Gains and Losses with Derivatives. For projections related to these operations, it is important to stress that any additional price fluctuation will be recognized in financial income (gain or loss), offset in equal proportion, but in reverse, in net revenue (increase or decrease), that in this case reflects the physical sale of the product at issue.

Hedge Accounting

Open positions in non-deliverable forwards on December 31st, 2010 and with maturities in 2011 and 2012, stated in the table below, were accounted using the Hedge Accounting methodology, pursuant to CPC14, approved by CVM Resolution 566/08. This methodology results in accounting impacts from hedge operations that are identical to the economic impacts, in accordance with the accrual accounting method.

The company's hedge operations are categorized as cash flow hedge, which is the hedge of exposure to variations in cash flow that is attributable to a particular risk, associated with a highly probable transaction that could impact the entity's profitability.

In the cash flow hedge category, the appreciation or depreciation of the hedge should be accounted as follows: (i) for open positions, the effective gain or loss installment with the hedge instrument should directly accounted for in Shareholder's equity, under the item Adjustment to Equity Method; and (ii) the ineffective gain or loss with the hedge instrument should be accounted for under the item financial income or expense for the fiscal year.

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FX Derivatives, Commodities and Interests Position

Description	Notional Reference Value (US$ thousand)	Fair Value (R$ mil)	Fair Value (accumulated) allocated in Shareholder's equity (R$ thousand)	Fair Value (accumulated) distributed in Financial Income (R$ thousand)*
FX				
Open positions				
With maturity in 2011	**155,355**	**41,296**	**39,527**	**1,769**
Short position - NDF	155,355	41,296	39,527	1,769
With maturity in 2012	**26,500**	**5,202**	**5,201**	**1**
Short position - NDF	26,500	5,202	5,201	1
TOTAL FX	**181,855**	**46,498**	**44,728**	**1,770**
Commodities				
Open positions				
With maturity in 2011	**59,532**	**(25,929)**	**-**	**(25,929)**
Cotton – Swap with accumulators	19,460	(16,627)	-	(16,627)
Soybean – Swap with accumulators	40,072	(9,302)	-	(9,302)
TOTAL Commodities	**59,532**	**(25,929)**	**-**	**(25,929)**
Interests				
Open positions				
With maturity as of 2011	**40,000**	**(2,927)**	**-**	**(2,927)**
Swap Libor x Pré	40,000	(2,927)	-	(2,927)
TOTAL Interests	**40,000**	**(2,927)**	**-**	**(2,927)**
TOTAL	**281,387**	**17,642**	**44,728**	**(27,086)**

*Figures regarding fair value on December 31st, 2010. The total value of R$27,086 thousand (negative) is not comparable to R$23,221 thousand (expense) allocated in Net Financial Income, since the first one is related to the cumulative balance of mark-to-market operations and the second one is specifically related to the variation in the year of this marking, added to the receipts or payments derived from FX hedge operations that do not fit in hedge accounting methodology and which may be due throughout the year.

Fair value of FX Derivatives operations in the end of 2010 was R$46,498 thousand. The market value was composed once the average strike of NDF operations is higher than the future FX curve on due dates.

Commodities operations closed the year with fair value of (R$25,929) thousand. The market value of these operations was directly affected by the constant rise in quotation of agricultural commodities.

(R$2,927) thousand was the fair value registered in LIBOR interest swap. This amount is justified by the low expectations of interest growth in foreign market.

Inventories and Biological Assets

Inventories (R$ thousand)	2009	2010	AH
Agricultural products	110.448	82.618	-25,2%
Seeds, fertilizers and chemicals	118.659	132.819	11,9%
Advance to suppliers	3.408	13.110	284,7%
Other inventories	7.146	10.675	49,4%
	239.671	**239.222**	**-0,2%**

In 2010 our inventories presented a 0.2% decrease against the fiscal year ended in 2009, due to:

- A 25.2% decrease in inventories of agricultural products, on account of cotton lint and corn trading from 2008/09 crop year;
- A 284.7% increase in advance to suppliers, especially relating to the acquisition of fertilizers.

Biological Assets (R$ thousand)	2009	2010	AH
Soybean	117,314	101,259	-13.7%
Cotton	62,587	74,306	18.7%
Corn	17,710	13,358	-24.6%
Coffee	3,036	1,455	-52.1%
Others	1,142	834	-26.9%
	201,789	**191,212**	**-5.2%**

The Biological Assets account incorporates the former concept of “Growing Crops” (costs incurred with crops in the production process that have not yet been harvested and/or processed) to the fair value of the Biological Assets.

The balance of growing crops account presented a 5.2% reduction against the fiscal year ended in 2009.

Property, Plant and Equipment / Intangible

CAPEX (R$ thousand)	2009	2010	AH
Machinery and equipment	**38,060**	**52,017**	36.7%
Property acquisition	**42,957**	**73,322**	70.7%
Soil Correction	**42,706**	**48,160**	12.8%
Buildings and Facilities	**39,268**	**38,121**	-2.9%
Cotton ginning plant	**7,391**	**3,820**	-48.3%
Soil Cleaning	**7,549**	**3,741**	-50.4%
Others	**0**	**2,982**	n.m.
	177,931	**222,163**	**24.9%**

There was a 24.9% increase in CAPEX in 2010 against 2009. The main investments were:

- R$52,017 thousand in acquisition of agricultural machinery and equipment, totaling an increase in investment of 36.7% against 2009;
- An investment of R$73,322 thousand related to the acquisition of lands, totaling an increase of 70.7%;
- An investment of R$48,160 thousand in soil correction, totaling an increase of 12.8%;

Net Debt

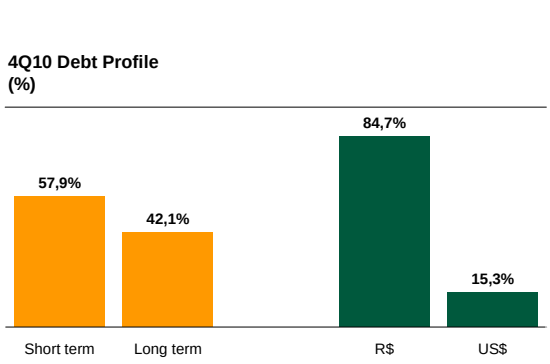
(R$ thousand)	Currency	% p.a.	2009	2010	AH	AV
Constitutional Funds [1]	R$	7.31%	155,977	190,251	22.0%	42.3%
Rural Credit	R$	6.75%	126,577	125,852	-0.6%	28.0%
BNDES	R$	6.53%	35,499	47,186	32.9%	10.5%
Working Capital	R$	11.70%	47,263	17,576	-62.8%	3.9%
Rural Savings Account	R$	-	23,563	-	-100.0%	0.0%
		7.23%	**388,879**	**380,865**	**-2.1%**	**84.7%**
IFC	US$	4.23%	70,628	67,971	-3.8%	15.1%
BNDES	US$	6.69%	1,144	757	-33.8%	0.2%
		4.26%	**71,772**	**68,728**	**-4.2%**	**15.3%**
Total Indebtedness		**6.78%**	**460,651**	**449,593**	**-2.4%**	**100.0%**
(-) Cash			**142,251**	**110,219**	**-22.5%**	
(=) Net Debt			**318,400**	**339,374**	**6.6%**	

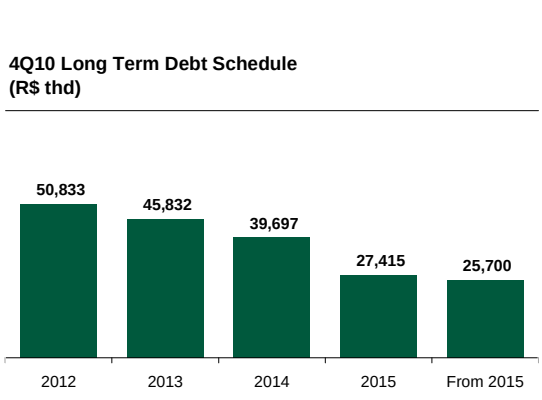
[1] For the determination of average cost of Constitutional Funds, we consider a discount of 15% regarding the performance bonus applicable to these operations.

Net debt in the end of 2010 had a 6.6% increase against the end of fiscal year 2009, from R$318,400 thousand to R$339,374 thousand. Despite the decrease in total debt (of 2.4% in the period), there was a reduction in great proportion in the Company's cash position, from R$142,251 thousand in 2009 to R$110,219 thousand in 2010. Such reduction occurred on account of a volume of amortization of financing agreements greater than the captation of new lines. Net debt/EBITDA ratio in the end of 2010 was 1.7 times.

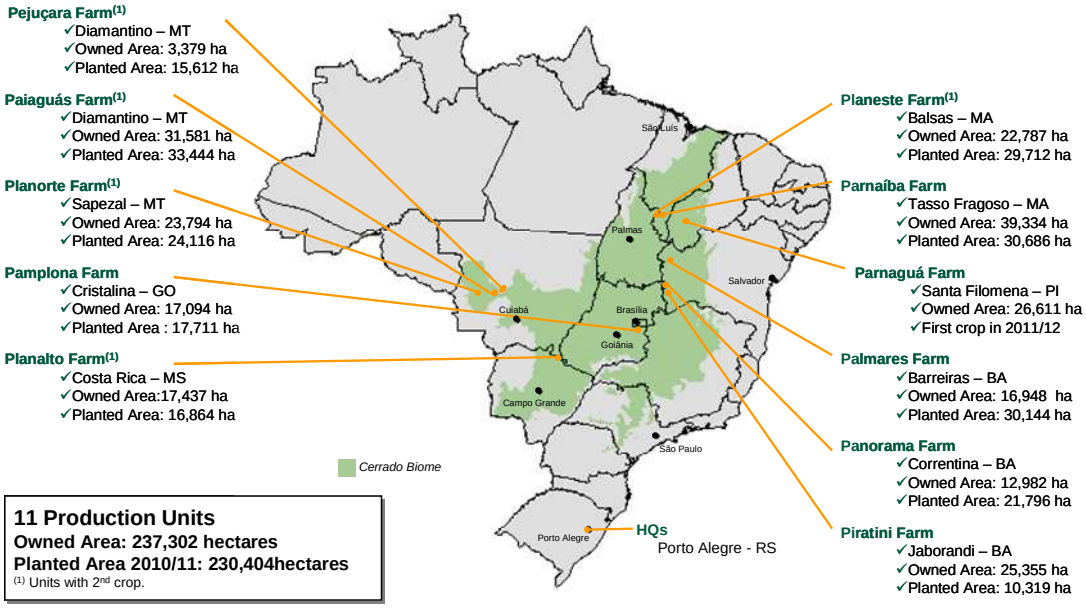
The main changes in financing portfolio were the following:

- A 22.0% increase in Constitutional Funds lines in the end of 2010 against 2009. This increase is justified by the higher necessity of funds for the agricultural costing of 2010/2011 crop (larger in terms of area than 2009/10 crop) and also due to the substitution of Rural Savings Account line for Constitutional Funds;
- Partial settlement of Working Capital lines (NCE – Export Credit Note), which present a 62.8% decrease in debt balance against the previous year;
- A 32.9% increase in BNDES lines. Taking advantage of attractive fees of the Investment Sustaining Program (PSI) the Company chose to anticipate the acquisition of machinery and equipment;
- A 3.8% decrease in IFC loan debt balance, registered due to the appreciation of Brazilian Real against US Dollar.





Location of Production Units



Adherence to Arbitration Chamber

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

Contacts

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

4Q10 Conference Call

Date: Thursday, March 24th, 2011

> Portuguese
10:00 a.m. (Brasília time)
09:00 a.m. (NY time)
01:00 p.m. (London time)
Phone: +55 (11) 31274971
Password: SLC Agrícola
Replay: +55 (11) 31274999
Password: 46544790

> English
12:00 p.m. (Brasília time)
11:00 a.m. (NY time)
03:00 p.m. (London time)
Tel: + 1 (412) 3176776
Password: SLC Agrícola
Replay: +1 (412) 3170088
Password: 449066 #

Appendix

Balance Sheet - Assets

R$ thd	12/31/2010	AV	12/31/2009	AV	AH
Current Assets					
Cash and cash equivalents	110,219	3.5%	142,251	4.8%	-22.5%
Accounts receivable	45,611	1.5%	36,805	1.2%	23.9%
Advance to suppliers	16,511	0.5%	16,164	0.5%	2.1%
Products inventory	239,222	7.7%	239,671	8.1%	-0.2%
Biological assets	191,212	6.1%	201,789	6.8%	-5.2%
Recoverable taxes	51,753	1.7%	40,380	1.4%	28.2%
Dividens receivable	-	-	-	-	0.0%
Credits receivable	12,043	0.4%	3,829	0.1%	214.5%
Operations with derivatives	50,012	1.6%	16,570	0.6%	201.8%
Credits with related parties	263	-	2	0.0%	0.0%
Restricted Cash Investments	12,803	0.4%	-	-	n.m.
Others accounts receivable	1,163	0.0%	886	0.0%	31.3%
Expenses for the following fiscal year	7,064	0.2%	3,221	0.1%	119.3%
Total Current Assets	**737,876**	**23.7%**	**701,568**	**23.8%**	**5.2%**
Non-current Assets					
Recoverable taxes	4,909	0.2%	6,434	0.2%	-23.7%
Deferred Income Tax and Social Contribution	71,974	2.3%	70,931	2.4%	1.5%
Advance for future Capital Expansions	-	-	-	-	-
Operations with derivatives	5,202	0.2%	4,192	0.1%	24.1%
Credits with related parties	0	0.0%	0	0.0%	-
Credits receivable	22,249	0.7%	2,751	0.1%	708.8%
Expenses for the following fiscal year	4,475	0.1%	5,809	0.2%	-23.0%
Other credits	2,093	0.1%	913	0.0%	129.2%
Total Non-current Assets	**110,902**	**3.6%**	**91,030**	**3.1%**	**21.8%**
Investments	488	0.0%	292	0.0%	67.1%
Biological Assets	17,771	0.6%	17,094	0.6%	4.0%
Property, plant and equipment	2,239,052	71.8%	2,132,258	72.2%	5.0%
Intangible	10,484	0.3%	10,312	0.3%	1.7%
	2,267,795	**72.8%**	**2,159,956**	**73.2%**	**5.0%**
Total Non-current Assets	**2,378,697**	**76.3%**	**2,250,986**	**76.2%**	**5.7%**
Total Assets	**3,116,573**	**100.0%**	**2,952,554**	**100.0%**	**5.6%**

Balance Sheet - Liabilities

R$ thd	12/31/2010	AV	12/31/2009	AV	AH
Current Liabilities					
Suppliers	94,974	3.0%	63,104	2.1%	50.5%
Loans and financings	260,117	8.3%	232,263	7.9%	12.0%
Miscellaneous Taxes, Fees and Contributions	7,591	0.2%	3,528	0.1%	115.2%
Labor bonds	8,372	0.3%	5,533	0.2%	51.3%
Advance from customers	10,875	0.3%	6,824	0.2%	59.4%
Credits with related parties	-	-	-	-	-
Operations with derivatives	35,987	1.2%	3,954	0.1%	810.1%
Securities payable	50,077	1.6%	38,769	1.3%	29.2%
Dividens payable	15,592	-	7,081	0.2%	-
Other accounts payable	9,444	0.3%	18,976	0.6%	-50.2%
Total Current Liabilities	**493,029**	**15.8%**	**380,032**	**12.9%**	**29.7%**
Non-current Liabilities					
Loans and financing	189,476	6.1%	228,388	7.7%	-17.0%
Deferred IRPJ and CSSL	505,345	16.2%	476,652	16.1%	6.0%
Operations with derivatives	1,585	0.1%	1,765	0.1%	-10.2%
Securities payable	51,596	1.7%	58,071	2.0%	-11.2%
Other obligations	549	0.0%	548	0.0%	0.2%
Total Non-current Assets	**748,551**	**24.0%**	**765,424**	**25.9%**	**-2.2%**
Shareholder's equity					
Capital stock	557,434	17.9%	557,434	18.9%	0.0%
Capital reserves	185,793	6.0%	182,331	6.2%	1.9%
(-) Stocks in treasury	-11,778	-0.4%	-15,549	-0.5%	-24.3%
Profits reserve	154,253	4.9%	88,179	3.0%	74.9%
Other broad results	989,291	31.7%	994,704	33.7%	-0.5%
Accumulated profits	-	-	-	-	-
Total Liabilities and Shareholder's equity	**1,874,993**	**60.2%**	**1,807,099**	**61.2%**	**3.8%**
Total Liabilities and Shareholder's equity	**3,116,573**	**100.0%**	**2,952,554**	**100.0%**	**5.6%**

Income Statement

R$ thd	12/31/2010	AV	12/31/2009	AV	AH
Net Revenue	**888,713**	**100.0%**	**587,960**	**100.0%**	**51.2%**
Cost of Goods Sold	**(669,009)**	**-75.3%**	**(502,345)**	**-85.4%**	**33.2%**
Gross Added Value	**219,704**	**24.7%**	**85,615**	**14.6%**	**156.6%**
Operational Revenues (expenses)	**(135,812)**	**-15.3%**	**(78,041)**	**-13.3%**	**74.0%**
Selling expenses	(56,644)	-6.4%	(43,147)	-7.3%	31.3%
General and administrative	(34,523)	-3.9%	(29,099)	-4.9%	19.6%
Management fees	(4,098)	-0.4%	(4,586)	-0.8%	-16.8%
Financial revenues	91,236	10.3%	155,677	26.5%	-41.4%
Financial expenses	(133,387)	-15.0%	(159,557)	-27.1%	-16.4%
Other operating income	1,604	0.2%	2,671	0.5%	-39.9%
Income before taxation	**83,892**	**9.4%**	**7,574**	**1.3%**	**n.m.**
Income Tax and Social Contribution	**(25,279)**	**-2.8%**	**1,550**	**0.3%**	**n.m.**
Current	(7,061)	-0.8%	(7,466)	-1.3%	-5.4%
Deferred	(18,218)	-2.0%	9,016	1.5%	-302.1%
Net Profit	**58,613**	**6.6%**	**9,124**	**1.6%**	**542.4%**

Cash Flow Statement

R$ mil	12/31/2010	12/31/2009	AH
Operational Activities Cash Flow			
Net profit (loss) for the fiscal year before IRPJ and CSSL	**83,892**	**7,574**	**n.m.**
Adjustment to reconcile net income to cash generated by operating activities			
Depreciation and amortization	79,824	67,800	17.7%
Income in write-off of permanent assets	40,543	2,251	n.m.
Capital gain with investments	-	-	-
Patrimonial Equivalency	-	-	-
Interests and monetary adjustment on loans	32,440	7,580	328.0%
Adjustment to equity method	17,591	90,590	-80.6%
Provision for Income Tax and Social Contribution	(7,061)	(7,466)	-5.4%
Deferred taxes	(18,218)	9,016	n.m.
	229,011	**177,345**	**29.1%**
(Increase) decrease in assets:			
(Increase) decrease in accounts receivable	(8,806)	(24,830)	-64.5%
(Increase) decrease in inventories/growing crops	9,471	15,453	-38.7%
(Increase) decrease in recoverable taxes	(10,891)	24,972	n.m.
(Increase) decrease in related parties transactions	(261)	2	n.m.
(Increase) decrease in derivative transactions	(34,452)	(20,030)	72.0%
(Increase) decrease in other accounts receivable	(44,828)	(8,376)	435.2%
	(89,767)	**(12,809)**	**600.8%**
Increase (decrease) in liabilities:			
Increase (decrease) in trade accounts payable	31,870	52,569	-39.4%
Increase (decrease) in taxes and social charges	32,756	8,497	285.5%
Increase (decrease) in liabilities to subsidiaries	-	-	-
Increase (decrease) in derivative transactions	31,853	(136,424)	n.m.
Increase (decrease) in notes payable	4,833	(23,972)	n.m.
Increase (decrease) in other accounts payable	(2,640)	(20,982)	-87.4%
	98,672	**(120,312)**	**n.m.**
Net cash from operations	**237,916**	**44,223**	**438.0%**
Investments	(196)	(63)	211.1%
Property, plant and equipment	(224,195)	(175,736)	27.6%
Intangible	(479)	(2,132)	-77.5%
Net cash from investing	**(224,870)**	**(177,931)**	**26.4%**
Net cash from financing			
Stock alienation	4,465	85	n.m.
Stock repurchasings	-	(1,727)	n.m.
Stock options	2,769	4,431	-37.5%
Payment of dividends	(7,081)	(10,595)	-33.2%
Controlled dividends payment	-	-	-
Loans and financing obtained	362,964	309,821	17.2%
Payment of loans and financing	(408,197)	(251,265)	62.5%
Net cash from financing	**(45,078)**	**50,750**	**n.m.**
Increase (decrease) in cash and cash equivalents	**(32,032)**	**(82,956)**	**-61.4%**
Increase (decrease) in cash and cash equivalents			
Cash and cash equivalents - at beginning of fiscal year	142,251	225,207	-36.8%
Cash and cash equivalents - at end of fiscal year	110,219	142,251	-22.5%
Increase (decrease) in cash and cash equivalents	**(32,032)**	**(82,956)**	**-61.4%**

Statement of Value Added

R$ thd	12/31/2010	AV	12/31/2009	AV	AH
Revenue					
Sales of goods, products and services	781,781		649,819		20.3%
Other Operating Income	7,215		3,072		134.6%
Revenue construction of own assets	79,883		57,786		38.2%
Change in Fair Value of Biological Assets	139,224		(9,012)		n.m.
	1,008,103		**701,665**		**43.7%**
Raw material acquired from third parties					
Raw material consumption	(290,716)		(259,388)		12.1%
Cost of goods and services sold	(7,658)		(720)		963.6%
Materials, energy services from third parties and others	(239,512)		(247,038)		-3.0%
Asset loss/recovery	(208)		-		n.m.
Fair value adjustment of biological assets	(95,437)		(3,619)		n.m.
	(633,532)		**(510,765)**		**24.0%**
Gross Value Added	**374,572**		**190,900**		**96.2%**
Retentions					
Depreciatiion and amortization	**(78,297)**		**(58.651)**		33.5%
Net value added generated	**296,275**		**132,249**		**124.0%**
Value added received in transfer					
Equity pickup	-		-		-
Interest income	115,692		156,758		-26.2%
Rentals	214		194		10.3%
	115,906		**156,952**		**-26.2%**
Total value added to distribute	**412,181**		**289,201**		**42.5%**
Distribution of value added	**412,181**	**100%**	**289,201**	**100%**	**42.5%**
Tax, Contribution, and Social Fees	**203,985**	**50%**	**22,969**	**8%**	**788.1%**
Federal	174,075		10,048		n.m.
State	29,823		12,900		131.2%
City	87		21		314.3%
Staff	**91,925**	**22%**	**77,029**	**27%**	**19.3%**
Direct payment	61,472		51,552		19.2%
Benefits	25,368		21,903		15.8%
Social security	5,085		3,574		42.3%
Third parties' financial compensation	**57,658**	**14%**	**180,079**	**62%**	**-68.0%**
Interest	43,932		165,288		-73.4%
Rentals	13,726		14,791		-7.2%
Other	-		-		-
Shareholders' financial compensation	**58,613**	**14%**	**9,124**	**3%**	**542.4%**
Reinvestment of profits	-		-		-
Dividend	15,592		7,081		120.2%
Retained earnings	43,021		2,043		n.m.

Agricultural weights and measures

1 ton	1,000 kg
1 kg	2.20462 pounds
1 pound	0.45359 kg
1 acre	0.40469 hectares
1 acre	0.1840 bushel
1 hectare (ha)	2.47105 acres
1 hectare (ha)	10.000 m²
1 bushel	5.4363 acres

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$/nag	

* The market and our Company consider 15.00Kg.

Financial statements

SLC Agrícola S.A.

December 31, 2010 and 2009
with Independent Auditor's Report

The Individual Financial Statements (Company) were prepared according to the accounting practices adopted in Brazil and, the Consolidated Financial Statements were prepared according to the IFRS.

SLC Agrícola S.A.

Financial statements

December 31, 2010 and 2009

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Independent auditor's report on financial statements

The Shareholders, Board of Directors and Officers
SLC Agrícola S.A.
Porto Alegre - RS

We have audited the accompanying individual and consolidated financial statements of SLC Agrícola S.A. ("Company"), identified as Company and Consolidated, respectively, which comprise the balance sheet as at December 31, 2010, and the related income statements, statements of changes in equity and cash flow statements for the year then ended, and a summary of significant accounting practices and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of the individual financial statements in accordance with the accounting practices adopted in Brazil, and of the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and in conformity with the accounting practices adopted in Brazil, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Brazilian and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Company's financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting practices used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion on the individual financial statements

In our opinion, the individual financial statements referred to above present fairly, in all material respects, the financial position of SLC Agrícola S.A. as at December 31, 2010, and its financial performance and its cash flows for the year then ended in accordance with the accounting practices adopted in Brazil.

Opinion on the consolidated financial statements

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of SLC Agrícola S.A. as at December 31, 2010, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the accounting practices adopted in Brazil.

Emphasis of a matter

As mentioned in Note. 2.12, the individual financial statements were prepared in accordance with the accounting practices adopted in Brazil. In the case of SLC Agrícola S.A., these practices differ from the IFRS - applicable to the separate financial statements - solely with respect to the measurement of investments in subsidiaries, affiliates and jointly owned subsidiaries, under the equity method, while such investments would be measured at cost or fair value for IFRS purposes.

Other matters

Statements of value added

We have also audited the individual and consolidated statements of value added for the year ended December 31, 2010, the presentation of which is required by Brazilian corporation law for publicly-held companies, and as supplementary information under the IFRS, whereby no statement of value added presentation is required. These statements have been subject to the same auditing procedures previously described and, in our opinion, are presented fairly, in all material respects, in relation to the overall financial statements.

Porto Alegre March 18, 2011.

ERNST & YOUNG TERCO
Auditores Independentes S.S.
CRC-2SP15199/0-6/F-RS

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

SLC Agrícola S.A.

Balance sheets
December 31, 2010 and 2009 and January 1, 2009
(In thousands of reais)

		Company			Consolidated		
	Note	**12/31/2010**	**12/31/2009**	**01/01/2009**	**12/31/2010**	**12/31/2009**	**01/01/2009**
Assets			(Restated - Note 5)	(Note 5)		(Restated - Nota e)	(Note 5)
Current assets							
Cash and cash equivalents	**7**	**93,119**	95,851	216,308	**110,219**	142,251	225,207
Trade accounts receivable	**8**	**28,529**	18,997	9,044	**45,611**	36,805	11,975
Advances to suppliers		**15,782**	14,595	6,239	**16,511**	16,164	6,409
Inventories	**9**	**147,014**	154,047	171,436	**239,222**	239,671	253,963
Biological assets	**10**	**119,351**	135,902	132,366	**191,212**	201,789	204,238
Recoverable taxes	**11**	**28,657**	26,469	22,636	**51,753**	40,380	37,803
Dividends receivable		**992**	28,353	2,134	**-**	-	-
Notes and amounts receivable		**12,043**	3,829	3,060	**12,043**	3,829	3,060
Derivative operations	**22**	**45,225**	12,259	732	**50,012**	16,570	732
Receivables from related parties	**14**	**1,164**	1,199	610	**263**	2	4
Short-term investments	**7**	**12,803**	-	-	**12,803**	-	-
Other accounts receivable		**650**	360	261	**1,163**	886	441
Prepaid expenses		**6,868**	2,986	2,051	**7,064**	3,221	2,132
Total current assets		**512,197**	494,847	566,877	**737,876**	701,568	745,964
Non-current assets							
Recoverable taxes	**11**	**3,137**	4,706	4,358	**4,909**	6,434	5,986
Deferred income and social contribution taxes	**17**	**59,400**	55,546	71,908	**71,974**	70,931	98,928
Advances for future capital increase		**18,180**	-	-	**-**	-	-
Derivative operations	**22**	**4,945**	4,187	-	**5,202**	4,192	-
Transactions with related parties	**14**	**4,512**	10,177	56,512	**-**	-	-
Notes and amounts receivable		**22,209**	2,751	6,121	**22,249**	2,751	6,121
Next period expenses		**4,475**	5,809	5,890	**4,475**	5,809	5,890
Other accounts receivable		**1,759**	655	652	**2,093**	913	1,144
		118,617	83,831	145,441	**110,902**	91,030	118,069
Investments	**12**	**1,364,205**	1,294,320	1,161,168	**488**	292	229
Biological assets	**10**	**17,771**	17,094	14,761	**17,771**	17,094	14,761
Property, plant and equipment	**13**	**406,849**	384,274	346,612	**2,239,052**	2,132,258	2,025,434
Intangible assets		**10,434**	10,302	8,525	**10,484**	10,312	8,539
		1,799,259	1,705,990	1,531,066	**2,267,795**	2,159,956	2,048,963
Total non-current assets		**1,917,876**	1,789,821	1,676,507	**2,378,697**	2,250,986	2,167,032
Total assets		**2,430,073**	2,284,668	2,243,384	**3,116,573**	2,952,554	2,912,996

		Company			Consolidated		
	Note	12/31/2010	12/31/2009	01/01/2009	12/31/2010	12/31/2009	01/01/2009
Liabilities			(Restated - Nota 5)	(Note 5)		(Restated - Note 5)	(Note 5)
Current liabilities							
Trade accounts payable		**58,406**	40,361	8,697	**94,974**	63,104	10,535
Loans and financing	**15**	**153,340**	119,974	118,365	**260,117**	232,263	180,790
Taxes, fees and sundry contributions		**3,946**	1,414	2,203	**7,591**	3,528	4,751
Labor liabilities	**16**	**6,499**	3,775	3,880	**8,372**	5,533	6,336
Advances from customers		**7,526**	5,050	28,607	**10,875**	6,824	37,220
Transactions with related parties	**14**	**5,350**	6,154	6,485	**-**	-	-
Derivative operations	**22**	**35,987**	2,764	68,326	**35,987**	3,954	120,207
Notes payable	**18**	**2,600**	-	-	**50,077**	38,769	43,549
Dividends payable	**19.9**	**15,592**	7,081	10,595	**15,592**	7,081	10,595
Other payables		**5,284**	10,957	6,916	**9,444**	18,976	8,758
Total current liabilities		**294,530**	197,530	254,074	**493,029**	380,032	422,741
Non-current liabilities							
Loans and financing	**15**	**138,784**	181,283	172,856	**189,476**	228,388	211,898
Deferred income and social contribution taxes	**17**	**119,633**	96,444	94,595	**505,345**	476,652	466,932
Derivative operations	**22**	**1,585**	1,765	9,633	**1,585**	1,765	21,936
Notes payable	**18**	**-**	-	-	**51,596**	58,071	77,263
Other payables		**548**	548	548	**549**	548	548
Total non-current liabilities		**260,550**	280,040	277,632	**748,551**	765,424	778,577
Equity							
Capital	**19.a**	**557,434**	557,434	557,434	**557,434**	557,434	557,434
Capital reserve	**19.b**	**185,793**	182,331	177,887	**185,793**	182,331	177,887
(-) Treasury shares	**19.c**	**(11,778)**	(15,549)	(13,894)	**(11,778)**	(15,549)	(13,894)
Income reserves	**19.e; f**	**138,672**	89,372	56,486	**154,253**	88,179	73,484
Other comprehensive income		**1,004,872**	993,510	921,112	**989,291**	994,703	904,114
Retained earnings		**-**	-	12,653	**-**	-	12,653
Total equity		**1,874,993**	1,807,098	1,711,678	**1,874,993**	1,807,098	1,711,678
Total liabilities and equity		**2,430,073**	2,284,668	2.243.384	**3,116,573**	2,952,554	2,912,996

See accompanying notes.

SLC Agrícola S.A.

Income statements
Years ended December 31, 2010 and 2009
(In thousands of reais, except per share information)

	Note	Company		Consolidated	
		12/31/2010	12/31/2009 (Restated - Note 5)	12/31/2010	12/31/2009 (Restated - Note 5)
Net operating revenue	27	**567,791**	306,062	**888,713**	587,960
Cost of goods sold		**(444,956)**	(310,797)	**(669,009)**	(502,345)
Gross profit		**122,835**	(4,735)	**219,704**	85,615
Operating revenues (expenses)					
Selling expenses		**(38,084)**	(26,232)	**(56,644)**	(43,147)
General and administrative expenses		**(26,766)**	(21,548)	**(34,523)**	(29,099)
Management fees	14	**(4,098)**	(4,586)	**(4,098)**	(4,586)
Financial income	20	**69,124**	88,780	**91,236**	155,677
Financial expenses	20	**(86,375)**	(67,738)	**(133,387)**	(159,557)
Equity pickup	12	**37,345**	58,472	**-**	-
Other operating revenue		**2,238**	(6,252)	**1,604**	2,671
		(46,616)	20,896	**(135,812)**	(78,041)
Income before taxes		**76,219**	16,161	**83,892**	7,574
Income and social contribution expenses					
Current		**(1,323)**	-	**(7,061)**	(7,466)
Deferred		**(12,528)**	10,052	**(18,218)**	9,016
Net income for the year		**62,368**	26,213	**58,613**	9,124
Basic and diluted net income per share		**0.64**	0.27		
Number of shares – in thousands		**97,909,800**	97,593,500		

See accompanying notes.

SLC Agrícola S.A.

Comprehensive income statements
Years ended December 31, 2010 and 2009
(In thousands of reais)

	Company		Consolidated	
	2010	**2009**	**2010**	**2009**
Net income for the year	**62,368**	26,213	**58,613**	9,124
Other comprehensive income:				
Derivatives – cash flows hedge	**34,571**	14,550	**44,860**	18,208
Derivatives –cash flows hedge - subsidiaries	**2,992**	2,321	**-**	-
Income and social contribution taxes	**(11,754)**	(4,947)	**(15,253)**	(6,191)
Comprehensive income for the year (net of taxes)	**88,177**	38,137	**88,220**	21,141

See accompanying notes.

SLC Agrícola S.A.

Statements of changes in equity
Years ended December 31, 2010 and 2009
(In thousands of reais)

	Capital reserves				Income reserves					
	Capital	Premium on the issue of shares	Granted options recognized	Treasury shares	Legal reserve	Expansion reserve	Profit retention reserve	Other comprehensive income	Retained earnings	Total
Balances at January 1, 2009 – previously disclosed	557,434	175,396	2,491	(13,894)	2,851	48,007	5,628	(61,575)	-	716,338
Adjustments due to adoption of CPC and IFRS – Note 5								982,687	12,653	995,340
Balances at January 1, 2009 – Restated	557,434	175,396	2,491	(13,894)	2,851	48,007	5,628	921,112	12,653	1,711,678
Net income for the prior year									28,324	28,324
Adjustments due to adoption of CPC and IFRS – Note 5									(2,111)	(2,111)
Net income for the restated year									26,213	26,213
Acquisition of own shares	-	-	-	(1,727)	-	-	-	-	-	(1,727)
Share-based payment recognized in the year	-	-	4,431	-	-	-	-	-	-	4,431
Exercise of stock options	-	13	-	72	-	-	-	-	-	85
Equity adjustment										-
Unrealized gains on hedge instruments, net of tax effects	-	-	-	-	-	-	-	54,864	-	54,864
Unrealized gains on hedge instruments, net of tax effects of subsidiaries	-	-	-	-	-	-	-	18,635	-	18,635
Realization of fair value depreciation						-		(1,102)	1,102	-
Proposed allocation:										-
Expansion reserve	-	-	-	-	-	32,887	-	-	(32,887)	-
Dividends proposed	-	-	-	-	-	-	-	-	(7,081)	(7,081)
Balances on December 31, 2009 - restated	**557,434**	**175,409**	**6,922**	**(15,549)**	**2,851**	**80,894**	**5,628**	**993,509**	**-**	**1,807,098**
Share-based payments recognized in the year	**-**	**-**	**2,769**	**-**	**-**	**-**	**-**	**-**	**-**	**2,769**
Exercise of stock options	**-**	**694**	**-**	**3,771**	**-**	**-**	**-**	**-**	**-**	**4,464**
Equity adjustment	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Realization fair value on sale of lands	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(1,900)**	**1,900**	**-**
Unrealized gains on hedge instruments, net of tax effects	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**13,214**	**-**	**13,214**
Unrealized gains on hedge instruments, net of tax effects of subsidiaries	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**671**	**-**	**671**
Realization of fair value depreciation	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(623)**	**623**	**-**
Net income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**62,368**	**62,368**
Proposed allocation:									-	-
Expansion reserve	**-**	**-**	**-**	**-**	**-**	**49,299**	**-**	**-**	**(49,299)**	**-**
Dividends proposed	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(15,592)**	**(15,592)**
Balances at December 31, 2010	**557,434**	**176,103**	**9,691**	**(11,778)**	**2,851**	**130,193**	**5,628**	**1,004,871**	**-**	**1,874,993**

See accompanying notes.

SLC Agrícola S.A.

Cash flow statements
Years ended December 31, 2010 and 2009
(In thousands of reais)

	Company		Consolidated	
	12/31/2010	12/31/2009	12/31/2010	12/31/2009
Cash flow from operating activities		(Restated - Note 5)		(Restated - Note 5)
Net income for the year before taxes	**76,219**	16,161	**83,892**	7,574
Adjustments to reconcile net income to cash provided from operating activities:				
Depreciation and amortization	**55,451**	47,025	**79,824**	67,800
Permanent assets write-off	**37,385**	1,719	**40,543**	2,251
Capital gains (losses) on investments	**(1,398)**	7,669	**-**	-
Equity pickup	**(37,345)**	(58,472)	**-**	-
Interest and monetary restatements on loans	**19,749**	(2,171)	**32,440**	7,580
Unrealized gains on hedge instruments	**13,214**	54,864	**17,591**	90,590
Provision for income and social contribution taxes	**(1,323)**	-	**(7,061)**	(7,466)
Deferred taxes	**(12,528)**	10,052	**(18,218)**	9,016
	149,424	76,847	**229,011**	177,345
(Increase) decrease in assets:				
(Increase) decrease in accounts receivable	**(9,532)**	(9,953)	**(8,806)**	(24,830)
(Increase) decrease in inventories and growing crops	**22,029**	12,565	**9,471**	15,453
(Increase) decrease in recoverable taxes	**(4,473)**	12,181	**(10,891)**	24,972
(Increase) decrease in operations with subsidiaries	**(12,480)**	45,746	**(261)**	2
(Increase) decrease in derivative operations	**(33,724)**	(15,714)	**(34,452)**	(20,030)
(Increase) decrease in other accounts receivable	**(18,243)**	(32,930)	**(44,828)**	(8,376)
	(56,423)	11,895	**(89,767)**	(12,809)
Increase (decrease) in liabilities:				
Increase in trade accounts payable	**18,045**	31,664	**31,870**	52,569
Increase in tax and social security obligations	**25,721**	1,060	**32,756**	8,497
Increase (decrease) in liabilities to subsidiaries	**(804)**	(331)	**-**	-
Increase (decrease) in derivative operations	**33,043**	(73,430)	**31,853**	(136,424)
Increase (decrease) in notes payable	**2,600**	-	**4,833**	(23,972)
Increase (decrease) in other accounts payable	**(473)**	(19,621)	**(2,640)**	(20,982)
	78,132	(60,658)	**98,672**	(120,312)
Net cash from operating activities	**171,133**	28,084	**237,916**	44,223
Cash flow from investing activities				
Investments	**(40,470)**	(104,483)	**(196)**	(63)
Property, plant and equipment	**(112,766)**	(85,732)	**(224,195)**	(175,736)
Intangible assets	**(479)**	(2,132)	**(479)**	(2,132)
Net cash used in investing activities	**(153,715)**	(192,347)	**(224,870)**	(177,931)
Cash flow from financing activities				
Disposal of shares	**4,465**	85	**4,465**	85
Buyback of shares	**-**	(1,727)	**-**	(1,727)
Stock option plans	**2,769**	4,431	**2,769**	4,431
Payment of dividends	**(7,081)**	(10,595)	**(7,081)**	(10,595)
Dividends received from subsidiaries	**10,000**	40,768	**-**	-
Loans and financing obtained	**232,684**	180,242	**362,964**	309,821
Payment of loans and financing	**(262,987)**	(169,398)	**(408,197)**	(251,265)
Net cash from (used in) financing activities	**(20,150)**	43,806	**(45,078)**	50,750
Decrease in cash and cash equivalents	**(2,732)**	(120,457)	**(32,032)**	(82,956)
Decrease in cash and cash equivalents				
Cash and cash equivalents – at the beginning of the year	**95,851**	216,308	**142,251**	225,207
Cash and cash equivalents – at the end of the year	**93,119**	95,851	**110,219**	142,251
Decrease in cash and cash equivalents	**(2,732)**	(120,457)	**(32,032)**	(82,956)
Items which do not affect cash and cash equivalents:				
Interest capitalized in property, plant and equipment	**1,420**	1,363	**1,778**	1,825

See accompanying notes.

SLC Agrícola S.A.

Value added statements
Years ended December 31, 2010 and 2009
(In thousands of reais)

	Company				Consolidated			
	12/31/2010		**12/31/2009**		**12/31/2010**		**12/31/2009**	
			(Restated - Note 5)				(Restated - Note 5)	
Revenue								
Sales of products and services	**513,885**		386,438		**781,781**		649,819	
Other revenue	**3,178**		(5,947)		**7,215**		3,072	
Revenues from construction of own assets	**60,513**		31,076		**79,883**		57,786	
Changes in fair value of biological assets	**78,203**		(46,330)		**139,224**		(9,012)	
	655,779		365,237		**1,008,103**		701,665	
Bought-in materials and services								
Raw materials	**(176,387)**		(159,724)		**(290,716)**		(259,388)	
Cost of sale of products and services	**(834)**		(435)		**(7,658)**		(720)	
Materials, electricity, outsourced services and others	**(173,632)**		(148,915)		**(239,512)**		(247,038)	
Impairment/recovery of assets	**9,798**		-		**(208)**		-	
Adjustment to fair value of biological assets	**(57,875)**		25,631		**(95,437)**		(3,619)	
	(398,930)		(283,443)		**(633,532)**		(510,765)	
Gross value added	**256,849**		**81,794**		**374,572**		**190,900**	
Retentions								
Depreciation and amortization	**(53,592)**		(39,052)		**(78,297)**		(58,651)	
Net value added produced	**203,257**		**42,742**		**296,275**		**132,249**	
Value added received in transfer								
Equity pickup	**37,345**		58,472		**-**		-	
Financial income	**85,354**		88,780		**115,692**		156,758	
Lease	**113**		126		**214**		194	
	122,812		147,378		**115,906**		156,952	
Total value added for distribution	**326,069**		**190,120**		**412,181**		**289,201**	
Distribution of value added	**326,069**	**100%**	**190,120**	**100%**	**412,181**	**100%**	**289,201**	**100%**
Taxes, charges and compulsory contributions	**165,519**	51%	2,521	1%	**203,985**	50%	22,969	8%
Federal	**142,525**		(5,449)		**174,075**		10,048	
State	**22,960**		7,963		**29,823**		12,900	
Municipal	**34**		7		**87**		21	
Personnel	**64,613**	20%	55,152	29%	**91,925**	22%	77,029	27%
Direct compensation	**43,088**		36,516		**61,472**		51,552	
Benefits	**17,994**		16,206		**25,368**		21,903	
FGTS	**3,531**		2,430		**5,085**		3,574	
Returned on borrowed capital	**33,568**	10%	106,234	56%	**57,658**	14%	180,079	62%
Interest	**(418)**		71,771		**43,932**		165,288	
Rental	**33,986**		34,463		**13,726**		14,791	
Other	**-**		-		**-**		-	
Return on own capital	**62,368**	19%	26,213	14%	**58,613**	14%	9,124	3%
Interest on equity	**-**		-		**-**		-	
Dividends	**15,592**		7,081		**15,592**		7,081	
Retained earnings/accumulated losses for the year	**46,776**		19,132		**43,021**		2,043	

See accompanying notes.

1. Operations

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

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

During 2009/2010 crop, which stated on September 1, 2009, the Company operated ten production units extending over a total planted area of 223.4 thousand hectares, among own and leased areas located in five Brazilian states: Mato Grosso, Mato Grosso do Sul, Goiás, Bahia and Maranhão. 120.4 thousand hectares of soybean, 64.7 thousand hectares of cotton, 34.8 thousand hectares of corn and 2.7 thousand hectares of other cultures.

On September 1, 2010, the Company started growing its 2010/2011 harvest, operating with eleven production units over a total planted area of 230.4 thousand, among its own and leased areas located in five Brazilian states: Mato Grosso, Mato Grosso do Sul, Goiás, Bahia and Maranhão. Among the main crops, the Company is cultivating 118.2 thousand hectares of soybean, 84.8 thousand hectares of cotton, 24.8 thousand hectares of corn and 2.6 thousand hectares of other cultures.

On September 24, 2010, the Company entered into a Private Rural Property Purchase and Sale Agreement, selling 14,625 hectares (Palmeira Farm) located in the city of Buriti (MA) for the amount of R$ 27,160 – i.e. R$ 1,857 reais per hectare. Out of the total area, 4,466 comprehended plantation fields (already open) and the remaining non-developed and reserve areas. Palmeira Farm (where 2,735 hectares of soybean were planted in 2009/2010 crop) will no longer be exploited by SLC Agrícola as from the abovementioned agreement execution date.

The authorization for preparation of these financial statements was granted on the Board of Directors' meeting held on March 11, 2011.

2. Summary of significant accounting practices

2.1 Basis of preparation and presentation of the financial statements

The individual and consolidated financial statements were prepared in accordance with the accounting practices adopted in Brazil and the standards of the Brazilian Securities and Exchange Commission (CVM), in light of accounting pronouncements, constructions and guidelines issued by the Brazilian FASB (CPC).

The consolidated financial statements were also prepared according to the IFRS, issued by the International Accounting Standards Board IASB.

The financial statements for the year ended December 31, 2009, originally prepared according to the accounting practices adopted in Brazil (former BRGAAP), are being restated for comparison purposes and observe the necessary adjustments to meet the international accounting standards.

Equity and income reconciliation, as well as the effects of transition from accounting practices adopted in Brazil to CPC/IFRS, are presented in Note 5.

For preparation and disclosure purposes, transition date shall be January 1, 2009, given that this is the date for initial measurement and presentation of the Company's financial statements.

2.2 Foreign currency translation

The financial statements are presented in Reais (R$), which is the Company's functional currency.

Transactions in foreign currency are initially recorded at functional currency exchange rate in effect on transition date. Foreign currency-denominated monetary assets and liabilities are translated into the Company's functional currency in effect at balance sheet date. All differences are recorded in P&L.

2. Summary of significant accounting practices (Continued)

2.3 Revenue recognition

Revenue is recognized when it is likely that economic benefits will flow into the Company and these economic benefits can be reliably measured. Revenue is measured based on the fair value of the amount received, excluding discounts, rebates and taxes or selling charges. The Company evaluated revenue transactions in accordance with specific criteria in order to determine whether it is acting as an agent or the principal, and concluded that it is acting as the principal in all its revenue agreements. The following specific criteria shall also be met before revenue is recognized:

Sale of goods

Revenues from sale of goods re recognized when the significant risks and rewards inherent to these goods are transferred to buyer, which usually happens when goods are delivered.

Revenue from interest

For all financial instruments valued at amortized cost and financial assets generating interest, classified as “available for sale”, financial income or expenses are recorded at the effective interest rate, less the estimate future cash receivables or payables during the estimate life of the financial instrument or a shorter period, where applicable, at the net book value of the financial assets or liabilities. Revenues from interest are recorded under Financial income account in P&L.

2.4 Taxation

Current income and social contribution taxes

These are recorded as current or non-current based on when they are settled. The amount of taxes is calculated based on the statutory rates and tax legislation in effect at balance sheet date.

2. Summary of significant accounting practices (Continued)

2.4 Taxation (Continued)

Deferred income and social contribution taxes

Deferred taxes arise from temporary differences between assets and liabilities tax bases and their book value at balance sheet date. Deferred income tax liabilities are recorded for all temporary tax differences, except:

- When deferred income tax liabilities arise from goodwill at initial recognition or from assets and liabilities in a transaction which is not a business combination and, on transaction date, it does not affect book income or tax gains or losses; and

- On temporary differences related to investments in subsidiaries, when the reversal period of temporary differences can be controlled and it is likely that the temporary differences are reversed in the near future.

Deferred tax assets are recognized for all deductible temporary differences, unused tax gains and losses, to the extent it is likely that tax profit is available so that all deductible temporary differences can be realized, and unused tax gains and losses can be used, except when the deferred tax assets related to the temporary deductible differences are generated at the initial recognition of assets or liabilities in a transaction which is not a business combination and, on transaction date, they do not affect the book income or tax gains or losses.

The book value of deferred taxes is reviewed at every balance sheet date and written off when it is no longer probable that taxable profits will enable the use of all or part of the deferred tax assets. Deferred tax assets written off are reviewed at every balance sheet date and recognized when it is likely that future taxable profit will enable the recovery of deferred tax assets.

2. Summary of significant accounting practices (Continued)

2.4 Taxation (Continued)

Deferred income and social contribution taxes (Continued)

Deferred tax assets and liabilities are recognized in non-current assets and liabilities and measured at the estimate tax rate for the year when the asset is realized or the liability settled, based on tax rates (and tax legislation) in effect at balance sheet date.

Deferred taxes related to items directly recognized in equity are also recognized in equity, and not in P&L. Deferred tax items are recognized in the comprehensive income statements or directly in equity according to the transaction which originated the deferred tax. Deferred tax assets and liabilities are recorded net in the event that there is a legal or contractual right to offset the tax assets against tax liabilities, and the deferred taxes are related to the same taxed entity subject to the same tax authority.

Deferred tax assets arising from income and social contribution tax losses and temporary differences were set up, and take into consideration the estimate taxable profit generation, as well as a feasibility technical study approved by the Board of Directors.

Taxes on sales

Revenues, expenses and assets are recognized net of tax on sales, except:

- When taxes on sales incurred upon purchase of goods or services are not recoverable from tax authorities. In this case, tax on sales is recognized as part of the cost of acquisition of assets or expense items, as the case may be;
- When amounts receivable and payable are presented together with the amount of taxes on sales; and
- The net amount of taxes on sales – whether recoverable or payable – is added as a component of the amounts receivable or payable in balance sheets.

2. Summary of significant accounting practices (Continued)

2.4 Taxation (Continued)

Taxes on sales (Continued)

Revenues from sales are subject to the following taxes and contributions at the following statutory rates:

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

Revenues are stated net of these taxes on income statements.

2.5 Financial instruments – Initial recognition and subsequent measurement

(i) Financial assets

Initial recognition and measurement

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, investments held to maturity, financial assets available for sale or derivatives classified as efficient hedge instruments, as the case may be. Company classifies its financial assets at their initial recognition, when they become part of financial instrument contractual provisions.

Financial assets are initially recognized at fair value plus – in case of investments not determined at fair value through profit or loss – transaction costs directly attributable to the acquisition of financial assets.

Financial assets comprise cash and cash equivalents, trade accounts receivable and other accounts receivable, loans and other non-quoted receivables and derivative financial instruments.

2. Summary of significant accounting practices (Continued)

2.5 Financial instruments – Initial recognition and subsequent measurement (Continued)

(i) Financial assets (Continued)

Subsequent measurement

The Company classifies its financial assets as "fair value through profit or loss" and "loans and receivables". Subsequent measurement of financial assets depends on their classification, which may be as follows:

Financial assets at fair value though profit or loss

These include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. They are classified as held for trading if originated for sale or repurchase within the short term. Financial assets at fair value though profit or loss are recorded in balance sheet at their fair value, with the corresponding gains or losses recognized in P&L.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments not quoted in an active market. After initial measurements, these financial assets are accounted at amortized cost, using the effective interest method (effective interest rate), less impairment. Amortized cost calculated considering any discount or "premium" on acquisition, as well as the incurred taxes and costs. Amortization of effective interest method is recorded in Financial income account of P&L. Losses due to impairment are recognized as financial expenses in P&L.

2. Summary of significant accounting practices (Continued)

2.5 Financial instruments – initial recognition and subsequent measurement (Continued)

(i) Financial assets (Continued)

Derecognition (write-off)

Financial assets (or, as the case may be, a part of a financial asset or part of a set of similar financial assets) are written off when:

- The rights to receive cash flows from assets expire;
- Company assigned its rights to receive cash flows from assets or fully paid the cash flows received, without a significant delay, to a third party due to an "onlending" agreement; and (a) Company transferred substantially all risks and rewards of an asset, or (b) Company did not transfer or keep substantially all risks and rewards related to the asset, but assigned its control.

When Company has transferred its rights to receive cash flows from a certain asset or executed an onlending agreement and has not substantially transferred or retained all risks and rewards related to the underlying asset, the asset is recognized according to the continuous involvement of Company with the asset.

(ii) Impairment of financial assets

Company tests, at balance sheet dates, whether there is objective evidence of impairment of a financial asset or group of financial assets. A financial asset or group of financial assets is considered impaired when – and only when – there is objective evidence of impairment as a consequence of one or more events that took place after their initial recognition ("impairment event") and this impairment event has an impact on the future estimate cash flows of a financial asset or group of financial assets which can be reasonably estimated. Impairment evidence may include indications that the borrowing parties are going through significant financial difficulties, and it is likely that they are going bankrupt or undergoing financial restructuring, or in the event of a default related to payment of interest or the principal amount, as well as when there are indications of a material decrease in future estimate cash flows, such as changes in maturity dates or economic conditions related to defaults.

2. Summary of significant accounting practices (Continued)

2.5 Financial instruments – Initial recognition and subsequent measurement (Continued)

(iii) Financial liabilities

Initial recognition and measurement

These are classified as financial liabilities at fair value through profit or loss, loans and financing, or derivatives classified as hedge instruments, as the case may be. Company classifies its financial liabilities at initial recognition.

Financial liabilities are initially recognized at fair value and, in case of loans and financing, they include directly related transaction costs.

The Company's financial liabilities include trade accounts payable and other accounts payable, loans and financing, in addition to derivative financial instruments.

Subsequent measurement

Financial liabilities measurement depends on their classification, which may be as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss. Financial liabilities are classified as held for trading if originated for the purpose of sale in the short term. This category includes derivative financial instruments contracted by the Company which do not meet the hedge accounting criteria defined by CPC 38.

Loans and financing

Following their initial recognition, loans and financing subject to interest are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in P&L when liabilities are written off, as well as when liabilities are amortized under the effective interest rate method.

2. Summary of significant accounting practices (Continued)

2.5 Financial instruments – Initial recognition and subsequent measurement (Continued)

(iii) Financial liabilities

Derecognition (write-off)

Financial liabilities are written off when revoked, cancelled or expired.

When an existing financial liability is replaced by another one from the same lender under substantially different terms, or the terms of an existing liability are materially amended, this replacement or amendment is considered a write-off of the original liability and recognition of a new one, given that the difference between their book value is recorded in P&L.

(iv) Fair value of financial instruments

The fair value of financial instruments actively traded in an organized financial market is determined based on their observable market price at balance sheet date, with no deduction of transaction costs.

The fair value of financial instruments for which there is no active market is calculated according to valuation techniques. These techniques may include the use of recent transactions (with exemption of interests); reference to current fair value of other similar instrument; analysis of discounted cash flows or *other valuation models.*

2. Summary of significant accounting practices (Continued)

2.5 Derivative financial instruments and hedge accounting

Initial recognition and measurement

The Company uses derivative financial instruments such as currency forward contracts, commodity forward contracts, and interest rate swaps to hedge against fluctuations in exchange rates and risks stemming from variation in commodity prices and interest rates, respectively.

Derivative financial instruments designated in hedge operations are initially recognized at fair value on their execution date, and subsequently revalued at fair value. Derivatives are recorded as financial assets when their fair value is positive and financial liabilities when their value is negative.

Any gains or losses arising from changes in fair value of derivative instruments during the year are directly recorded in P&L, except for the effective portion of cash flow hedges, which is directly recorded in equity and other comprehensive income.

2. Summary of significant accounting practices (Continued)

2.5 Derivative financial instruments and hedge accounting (Continued)

These are the following classifications for hedge accounting purposes: fair value hedge, cash flows and offshore investment hedge.

For the years ended December 31, 2010 and 2009, and January 1, 2009, Company and its subsidiaries were only engage in cash flow hedge operations. Cash flow hedges are derivative financial instruments that aim to offset the entity's estimate cash flow variation. Hedge items and their respective derivative financial instruments are accounted as follows: (i) the effective portion of gains or losses arising from a hedge instrument is directly recorded in equity under other comprehensive income; and (ii) the ineffective portion of gains or losses arising from a hedge instrument is directly recorded in P&L for the year.

At initial recognition of a hedge operation, the Company formally classifies and records the hedge operation to which the hedge accounting shall be applied, as well as the objective and risk management strategy to effectively carry out this operation. The documentation comprises the identification of the hedge instruments, the hedge operations, the nature of the risk of a hedge operation, the nature of the excluded risks of a hedge operation, the prospective statement of a hedge operation efficiency and how the Company will assess the efficiency of the hedge instrument in order to offset the exposure to changes in fair value of the object of a hedge operation or cash flows related to the object of a hedge operation. As for the cash flow hedges, the highly probable character of a hedge operation, as well as the foreseen period of transfer of gains or losses arising from equity hedge instrument to P&L, are also included in hedge documentation. These hedges should be highly efficient to offset changes in fair value or cash flows, and are constantly evaluated in order to test their efficiency.

2. Summary of significant accounting practices (Continued)

2.6 Cash and cash equivalents

These include cash, bank account credit balances and short-term investments redeemable within 90 days from transaction date with immaterial risk of changes in market value. Short-term investments included in cash and cash equivalents are classified under "financial assets at fair value through profit or loss". These investments are presented, according to their classification, in Note 7.

2.7 Trade accounts receivable

Trade accounts receivable are recorded at billed amounts, adjusted to present value where applicable, plus the respective taxes under the responsibility of the Company, less withholding taxes, considered as tax credits. Trade accounts receivable from foreign market are restated as shown in Note 2.2.

In case the amount is collectible within a year, it is recorded as current assets; otherwise it is recorded as non-current assets.

2.8 Allowance for doubtful accounts

The Company and its subsidiaries do not present amounts requiring the set up of allowance for doubtful accounts, since there are no expected losses on accounts receivable.

2.9 Inventories

Inventories of agricultural products are measured at fair value when they are ready for harvesting, also denominated "pre-harvest". Until then, the incurred costs are considered the best and most reliable basis to measure the fair value of the biological assets.

Inventories of seeds, manure, fertilizers, pesticides, fuel, lubricants, stored and sundry materials were valued at their average acquisition cost.

Provisions for slow-moving or obsolete inventories are set up when deemed necessary by management.

A provision for market value adjustment of inventories of agricultural products is recognized when production costs exceed the related realization value. The realization value is the estimated selling price in the normal course of business less the estimated costs to sell.

2. Summary of significant accounting practices (Continued)

2.10 Biological assets

Biological assets correspond basically to the production of soybean, corn, cotton, wheat and coffee, of which the agricultural products are sold to third parties. Biological assets are measured at fair value, less estimate selling costs when they are ready to be harvested. Until this date, the incurred costs are considered as fair value of biological assets.

Gains or losses arising from the changes in fair value of biological assets are recorded in P&L as incurred under the heading “Changes in fair value of biological assets”.

Biological assets – soybean, corn, cotton and wheat – are kept by the expenses incurred with the crop until pre-harvesting, when they are measured at fair value.

The biological asset “coffee plantation” comprises crop management costs and the difference of fair value on crop management costs, so that the balance of this biological asset is recorded at fair value, less necessary costs to set these assets into selling conditions.

The measurement of biological assets at their fair value considers certain estimates such as prices, necessary costs to put them into selling conditions, discount rates, harvesting plan and production volume, which are subject to uncertainties and may impact future income due to their variation.

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

i) Valuation:

- Coffee plantations – These are measured at fair value, which reflects the sale price of an asset less the necessary costs to put it into selling conditions; and
- Soybean, corn, cotton and wheat plantation – These are kept at historic cost up to pre-harvesting date, when they are measured at fair value, which reflects the sale price of an asset less the necessary costs to put it into selling conditions.

2. Summary of significant accounting practices (Continued)

2.10 Biological assets (Continued)

ii) Methodology used:

- Coffee plantation – Projection of future cash flows according to the estimate production cycle, considering the price variation and growth of these biological assets; and
- Soybean, corn, cotton and wheat plantation – Valuation of each area on pre-harvesting date, based on the area to be harvested and estimate production.

iii) The discount rate used in cash flows corresponds to approximately 9% p.a., and is reviewed, from time to time, by Company management. Future prices were determined based on future quotation (Nybot) and future costs were determined based on the Company's business plan. For this study, the average life of a coffee plant is 15 years.

iv) Prices of biological assets are obtained through market price researches, disclosed by specialized companies, besides the prices practiced by the Company in sales to third parties.

v) Planting expenses refer to the management costs of biological assets.

2.11 Investments (Company)

Investments in subsidiaries are valued under equity pickup method according to CPC 18 (IAS28) for presentation of the Company's financial statements.

Other investments which do not fall into this category are valued by acquisition cost, less provision for depreciation, where applicable.

After applying the equity pickup method for presentation of the Company's financial statements, Company determines whether it is necessary to recognize additional impairment on the Company's investments in one of its subsidiaries. Company determines, at every closing balance sheet date, whether there is objective evidence of impairment on investments in subsidiaries. In case there is objective evidence of impairment, the Company calculates the impaired amount as the difference between the Company's recoverable and book value and recognizes this deferred amount in the subsidiary's P&L.

2. Summary of significant accounting practices (Continued)

2.12 Property, plant and equipment

The depreciation is calculated according to the straight-line method at rates that consider the estimate useful life of the assets, as follows.

	Weighted average annual depreciation rates
Soil development	20.0%
Buildings and improvements	2.9%
Furniture and fixtures	10.0%
Office equipment and facilities	13.3%
Agricultural equipment and industrial facilities	6.7%
Vehicles	9.1%
Permanent crops	9.0%

Fixed assets are written off when disposed or when no economic benefit is expected from its use or sale. Any gains and losses arising from disposal of assets (calculated as the difference between the net sale amount and the fixed asset book value) are recorded in P&L for the year when the asset is disposed.

During the year ended December 31, 2010 and 2009, Company did not find indications that certain fixed assets were above their recoverable value, and consequently no provision for impairment of fixed assets is necessary.

The residual value and useful life of the fixed assets, as well as the depreciation methods, are reviewed at the closing of every year, and prospectively adjusted, as the case may be.

Due to changes in the accounting practices adopted in Brazil for the full adoption of the international standards through first-time adoption of Technical Pronouncement CPC 27 (IAS 16), the Company elected to adjust the initial balances in accordance with the international accounting standards, using the deemed cost concept, as provided by CPC 37 (IFRS 1) and 43 (For more details, see Note 5). Fair value was calculated by a specialized company. The effects of fixed asset adjustments were recorded in property, plant and equipment account vis-à-vis the equity account, denominated as other comprehensive income, using a specific subaccount and the representative account of deferred tax liabilities, depending on the taxation method. Certain subsidiaries of the Company are entities with reduced income tax.

2. Summary of significant accounting practices (Continued)

2.12 Property, plant and equipment (Continued)

Borrowing costs

Costs of borrowings directly related to the construction of assets demanding a significant amount of time to be concluded are capitalized as part of the asset cost. All other borrowing costs are recorded in expenses as incurred. Borrowing costs comprise interest and other loan-related costs incurred by an entity. Company capitalizes borrowing costs for all elective assets.

2.13 Intangible assets

Intangible assets acquired separately are measured at initial recognition. Following their initial recognition, the intangible assets are presented at cost value, less accumulated amortization and impairment. Intangible assets generated internally, excluding capitalized development costs, are not capitalized, and the expenses are reflected in P&L for the year when incurred.

The useful life of intangible assets is evaluated as defined or undefined. For defined intangible assets, Company applied the following annual amortization rates:

	Annual amortization rates
Software	20%

Intangible assets with defined useful lives are amortized during their economic useful lives and tested for impairment whenever there is indication of loss of their economic recoverable value. Amortization period and method for intangible assets with defined useful lives are reviewed at the end of every year. Changes in their estimate useful lives or consumption of economic benefits are accounted by means of changes in amortization period or method, as the case may be, and considered as changes in accounting estimates. Amortization of intangible assets with defined useful lives is recognized in P&L as expenses consistent with the use of the intangible assets.

At December 31, 2010 and 2009, the Company did not have intangible assets with undefined useful lives, as well as internally generated intangible assets.

2. Summary of significant accounting practices (Continued)

2.14 Adjustment to present value of assets and liabilities

Long-term monetary assets and liabilities are monetarily restated, therefore, they are adjusted to presented value. Adjustment to present value of short-term monetary assets and liabilities is calculated and registered only when considered relevant in relation to the overall financial statements. For recording and relevance determination purposes, adjustment to present value is calculated considering the contractual cash flows and explicit interest rate and, in certain cases, the implicit interest rate. At December 31, 2010 and 2009, and for the current year, there are no assets and liabilities requiring adjustment to present value.

2.15 Impairment of non-financial assets

The Company management annually tests the net book value of the assets with a view to determining whether there are any events or changes in economic, operating or technological circumstances that may indicate impairment. When such evidence is found, and net book value exceeds the recoverable amount, a provision for impairment is recorded so as to adjust the net book value to the recoverable amount. The recoverable value of the assets or certain cash generating unit is defined as the higher between the value in use and the net sale value.

In estimating value in use future estimate cash flows are discounted to their present value, using a pretax discount rate reflecting the average weighted cost of capital for the segment in which the cash generating unit operates. Net sale value is determined – whenever possible – on a firm sale agreement in a commutative-based transaction, between knowledgeable, willing parties, adjusted by expenses attributable to the sale of the asset or, in the event that there is no firm sales agreement, it is based on market price in an active market or on recent transactions of similar assets.

At the balance sheet date, there were no indications suggesting the need to set up a provision for impairment.

2. Summary of significant accounting practices (Continued)

2.16 Government grants

Government grants are recognized when there is reasonable certainty that the benefit will be granted and that all corresponding conditions will be fulfilled. When the benefit refers to an expense, it is systematically recognized as revenue in relation to costs the benefit aims at offsetting. When the benefit refers to an asset, it is recognized as deferred income and recorded in P&L at equal amounts during the estimate useful lives of the corresponding assets.

The government of the state of Mato Grosso do Sul, through Decree No. 9542/99, and state of Mato Grosso, through Decree No. 1261/00, granted incentives to extend ICMS debts through adherence of Planalto farm to Fundersul (Development Fund of Mato Grosso do Sul State Railway System) and Planorte and Paiaguás Farms to FETHAB (Transportation and Housing Fund) program.

The government of the state of Mato Grosso do Sul, through Decree No. 9716/99, and state of Mato Grosso, through Decree No. 1589/97, and state of Goiás, through State Law No. 13506/99, granted ICMS matching credits in operations with cotton lint, with an ICMS tax cut from 50% to 75% through the adherence of Planalto farm to PDAGRO (Mato Grosso do Sul) program, adherence of Planorte and Paiaguás farms to PROALMAT (Mato Grosso) program and adherence of Pamplona farm to PROALGO (Goiás) program. The matching credits are recorded in P&L under the heading tax on sales versus recoverable taxes.

The Superintendency of Development for the Amazon (SUDAM) (current Amazon Development Agency – ADA), by means of the Declaratory Act DCI/DAI/SUDAM No. 025/2000, granted IRPJ tax incentives to Parnaíba and Planorte farms, with reduction of IRPJ and further 75% tax cuts on profit from exploitation of operations with cotton and cottonseeds, up to the production limit determined by the Declaratory Act. The amounts determined as tax grants are recorded in income tax payable versus the amount recorded in current taxes account.

2.17 Lease

Payments made under an operating lease agreement are recognized as expenses in P&L under rent and leasing headings on a straight-line basis throughout the lease agreement term.

2. Summary of significant accounting practices (Continued)

2.18 Provisions

Background

Provisions are recognized when the Company has a present obligation (whether legal or constructive) which is a consequence of past events, the settlement of which is expected to result in an outflow of economic benefits, and a reliable estimate of this amount can be made.

Provision for tax, civil and labor risks

Company sets up provision for civil, tax and labor causes, the settlement of which is expected to result in an outflow of economic benefits and a reasonable estimate can be made. The likelihood evaluation takes into consideration available evidences, hierarchy of laws, available jurisprudences, latest court decisions and their relevance in the legal system, as well as the evaluation from external counselors. This provision is reviewed and adjusted based on changes in circumstances, such as the applicable prescriptive period, conclusions of tax inspections or further exposures identified based on new subjects or court decisions.

2.19 Share-based payment

The Company has a stock option plan for Company's directors and managers, administered by a steering committee set up by the Board of Directors. For the years ended December 31, 2010 and 2009, the Company measured and recognized these benefits as expenses, in accordance with CPC 10. For more details on Company's stock option plans, see Note 24.

2.20 Earnings per share

Basic earnings per share is calculated by dividing net income for the year, attributed to the holders of the Company's common shares, by the average weighted number of common shares available during the year, in accordance with technical pronouncement CPC 41 (IAS 33).

2. Summary of significant accounting practices (Continued)

2.21 Employee benefits

Benefits granted to the Company's employees and managers comprise, in addition to fixed compensation (compensation and social security compulsory contributions, vacation, 13th salary), variable compensation such as profit sharing and stock option plan for officers and managers. These benefits are recorded in P&L when the Company has an obligation based on an accrual basis, as incurred.

2.22 Treasury shares

These are the Company's own equity instruments which are bought back (treasury shares) recognized at cost value and deducted from equity. No gains or losses are recognized in P&L upon purchase, sale, issuance or cancelling of the Company's own equity instruments. Any difference between the book value and the repurchase amount is recognized in other capital reserves.

2.23 Cash flow statements and value added statements

Cash flow statements were prepared under indirect method and are presented according to CVM Rule No. 547, of August 13, 2008, which approved the accounting pronouncement CPC 03 (IAS 7) – Cash flow statements. Value added statement is supplementary presented, in compliance with the Brazilian Corporate Law.

2.24 Segment information

Due to the concentration of its activities in production and commercialization of agricultural products (soybean, corn, wheat, cotton and coffee), the Company is organized in a single business unit. The Company's products are not controlled and managed by management as independent segments, and its results are subject to integrated monitoring and assessment.

3. Significant judgments, estimates and assumptions

Judgments

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

Estimates and assumptions

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

- Impairment of non-financial assets;
- Definition and review of fixed and intangible assets;
- Fair value of biological assets;
- Fair value of financial instruments, including hedge accounting;
- Transactions with share-based payments;
- Provision for tax, civil and labor risks.

Following are our comments on the main estimates:

Share-based payment transactions

The Company measures the cost of transactions with employees – settled with shares – based on fair value of the equity instruments on the date they are granted. To estimate the fair value of share-based payments, it is necessary to determine the most adequate valuation model for granting equity instruments, which depends on the granting terms and conditions. It is also necessary to determine the most adequate data for the valuation model, including the estimate life of the stock option plans, volatility and profitability of dividends and corresponding assumptions. The assumptions and models used to estimate the fair value of share-based payments are presented in Note 24.

3. Significant judgments, estimates and assumptions (Continued)

Estimates and assumptions (Continued)

Taxation

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

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

Fair value of financial instruments

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

3. Significant judgments, estimates and assumptions (Continued)

Estimates and assumptions (Continued)

Fair value of biological assets

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

4. Consolidated financial statements

The consolidated financial statements include the operations of the Company and the following subsidiaries, whose percentage share at balance sheet date is as follows:

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

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

5. First-time adoption of CPC and IFRS

Up to December 31, 2009, the Company's financial statements (Company and Consolidated) were presented in accordance with the accounting practices adopted in Brazil, complementary CVM rules, technical pronouncements issued by the Brazilian FASB (CPC) up to December 31, 2008 and the provisions of the Brazilian Corporate Law (BRGAAP).

5. First-time adoption of CPC and IFRS (Continued)

The Company prepared its financial statements in accordance with the CPC and IFRS standards for the years starting on or after January 1, 2010, as provided by its accounting policies. The opening balance of January 1, 2009 was considered for these financial statements, which is the transition date to CPC and IFRS. This note presents the main adjustments made by the Company to restate the opening balance sheet under BRGAAP on January 1, 2009 and also for the prior balance sheet, prepared according to the BRGAAP for the year ended December 31, 2009.

The consolidated financial statements for the year ended December 31, 2010 are the first presented under the CPC and IFRS, and were prepared in accordance with CPC 37 and 43 and IFRS1.

The individual financial statements for the year ended December 31, 2010 are the first prepared in accordance with the CPC and were presented in accordance with CPC 37 and 43.

The Company adopted the Pronouncements, Guidelines and Interpretations of CPC issued up to December 31, 2010; consequently, the consolidated financial statements comply with the international accounting standards issued by IASB and approved by CPC.

The Company took into consideration the provisions of CVM Rule No. 656/11, as for the presentation of certain information contained in the quarterly information of 2010, previously disclosed, which already included the required adjustments in comparison with 2009 (Note 30).

CPC 37 enables certain exemptions with regards to the retrospective application of CPC and IFRS for the year ended December 2010. As mentioned in Note 2.13, the Company adopted the exemptions related to the deemed cost of its fixed assets. No other exemption was applied.

Reconciliation of the accounting practices applied to the preparation of the prior financial statements

According to CPC 37 R (IFRS 1), the Company hereby presents the reconciliation of assets, liabilities, income, equity and comprehensive income – of both the Company and Consolidated – related to the prior-year financial statements referring to the year started on 01.01.2009 (transition date) and ended at 12.31.2009, prepared in accordance with the accounting practices adopted in Brazil (BRGAAP) in effect up to December 31, 2009 and with the international standards, considering the CPC in effect in 2010.

5. First-time adoption of CPC and IFRS (Continued)

Reconciliation of the accounting practices applied to the preparation of the prior financial statements (Continued)

		COMPANY					
		12/31/2009			01/01/2009		
		BRGAAP – previously Disclosed	Transition adjustments	Adjusted CPC/IFRS	BRGAAP – previously Disclosed	Transition Adjustments	Adjusted CPC/IFRS
Assets							
Current assets							
Cash and cash equivalents		95,851	-	**95,851**	216,308	-	**216,308**
Trade accounts receivable		18,997	-	**18,997**	9,044	-	**9,044**
Advances to suppliers		14,595	-	**14,595**	6,239	-	**6,239**
Inventories		168,457	(14,410)	**154,047**	172,323	(887)	**171,436**
Biological assets	(i)	131,302	4,601	**135,903**	130,783	1,583	**132,366**
Recoverable taxes		26,469	-	**26,469**	22,636	-	**22,636**
Deferred taxes	(ii)	15,374	(15,374)	**-**	23,295	(23,295)	**-**
Dividends receivable		28,353	-	**28,353**	2,134	-	**2,134**
Notes and amounts receivable		3,829	-	**3,829**	3,060	-	**3,060**
Derivative operations		12,259	-	**12,259**	732	-	**732**
Transactions with related parties		1,199	-	**1,199**	610	-	**610**
Other receivables		359	-	**359**	261	-	**261**
Prepaid expenses		2,986	-	**2,986**	2,051	-	**2,051**
		520,030	(25,183)	**494,847**	589,476	(22,599)	**566,877**
Non-current assets							
Long-term receivables							
Recoverable taxes		4,706	-	**4,706**	4,358	-	**4,358**
Deferred income and social contribution taxes	(ii)	40,507	15,039	**55,546**	48,613	23,295	**71,908**
Derivative operations		4,187	-	**4,187**	-	-	**-**
Receivables from related parties		10,177	-	**10,177**	56,512	-	**56,512**
Notes and amounts receivable		2,751	-	**2,751**	6,121	-	**6,121**
Prepaid expenses		5,809	-	**5,809**	5,890	-	**5,890**
Other receivables		655	-	**655**	652	-	**652**
		68,792	15,039	**83,831**	122,146	23,295	**145,441**
Investments	(iii)	376,794	917,526	**1,294,320**	250,694	910,473	**1,161,167**
Biological assets	(i)	-	17,094	**17,094**	-	14,761	**14,761**
Property, plant and equipment	(iv)	265,444	118,830	**384,274**	222,070	124,542	**346,612**
Intangible assets		10,302	-	**10,302**	8,526	-	**8,526**
		652,540	1,053,450	**1,705,990**	481,290	1,049,776	**1,531,066**
		1,241,362	1,043,306	**2,284,668**	1,192,912	1,050,472	**2,243,384**

5. First-time adoption of CPC and IFRS (Continued)

Reconciliation of the accounting practices applied to the preparation of the prior financial statements (Continued)

		COMPANY					
		12/31/2009			01/01/2009		
		BRGAAP – previously disclosed	Transition adjustments	Adjusted CPC/IFRS	BRGAAP – previously disclosed	Transition adjustments	Adjusted CPC/IFRS
Liabilities							
Current liabilities							
Trade accounts payable		40,361	-	**40,361**	8,697	-	**8,697**
Loans and financing		119,974	-	**119,974**	118,365	-	**118,365**
Taxes, fees and sundry contributions		1,414	-	**1,414**	2,203	-	**2,203**
Labor legislation liabilities		3,775	-	**3,775**	3,880	-	**3,880**
Deferred income and social contribution taxes	(ii)	11,139	(11,139)	**-**	5,675	(5,675)	**-**
Advances from customers		5,050	-	**5,050**	28,607	-	**28,607**
Transactions with related parties		6,154	-	**6,154**	6,485	-	**6,485**
Derivative operations		2,764	-	**2,764**	68,326	-	**68,326**
Notes payable		-	-	**-**	-	-	**-**
Dividends payable		7,081	-	**7,081**	10,595	-	**10,595**
Other accounts payable		10,957	-	**10,957**	6,917	-	**6,917**
		208,669	(11,139)	**197,530**	259,750	(5,675)	**254,075**
Non-current							
Loans and financing		181,283	-	**181,283**	172,856	-	**172,856**
Deferred income and social contribution taxes	(ii)	35,228	61,216	**96,444**	33,787	60,808	**94,595**
Derivative operations		1,765	-	**1,765**	9,633	-	**9,633**
Other liabilities		548	-	**548**	548	-	**548**
		218,824	61,216	**280,040**	216,824	60,808	**277,632**
Equity							
Capital		557,434	-	**557,434**	557,434	-	**557,434**
Capital reserve		182,331	-	**182,331**	177,887	-	**177,887**
(-) Treasury shares		(15,549)	-	**(15,549)**	(13,894)	-	**(13,894)**
Income reserves		77,729	11,643	**89,372**	56,486	-	**56,486**
Other comprehensive income	(iv)	11,924	981,586	**993,510**	(61,575)	982,687	**921,112**
Retained earnings		-	-	**-**	-	12,653	**12,653**
Total equity		813,869	993,229	**1,807,098**	716,338	995,339	**1,711,678**
		1,241,362	1,043,306	**2,284,668**	1,192,912	1,050,472	**2,243,384**

5. First-time adoption of CPC and IFRS (Continued)

Reconciliation of the accounting practices applied to the preparation of the prior financial statements (Continued)

		CONSOLIDATED					
		12/31/2009			01/01/2009		
		BRGAAP – previously disclosed	Transition adjustments	Adjusted CPC/IFRS	BRGAAP – previously disclosed	Transition adjustments	Adjusted CPC/IFRS
Assets							
Current assets							
Cash and cash equivalents		142,251	-	**142,251**	225,207	-	**225,207**
Trade accounts receivable		36,805	-	**36,805**	11,975	-	**11,975**
Advances to suppliers		16,164	-	**16,164**	6,409	-	**6,409**
Inventories		248,531	(8,860)	**239,671**	259,079	(5,116)	**253,963**
Biological assets	(i)	189,514	12,276	**201,789**	193,855	10,384	**204,239**
Recoverable taxes		40,380	-	**40,380**	37,803	-	**37,803**
Deferred income and social contribution taxes	(ii)	20,963	(20,963)	**-**	42,387	(42,387)	**-**
Notes receivable		3,829	-	**3,829**	3,060	-	**3,060**
Derivative operations		16,570	-	**16,570**	732	-	**732**
Transaction with related parties		2	-	**2**	4	-	**4**
Other accounts receivable		886	-	**886**	441	-	**441**
Prepaid expenses		3,219	-	**3,221**	2,131	-	**2,131**
		719,114	(17,547)	**701,568**	783,083	(37,119)	**745,964**
Non-current							
Taxes recoverable		6,434	-	**6,434**	5,986	-	**5,986**
Deferred income and social contribution taxes	(ii)	50,626	20,305	**70,931**	56,541	42,387	**98,928**
Advances for future capital increase		-	-	**-**	-	-	**-**
Derivative operations		4,192	-	**4,192**	-	-	**-**
Transactions with related parties		-	-	**-**	-	-	**-**
Notes receivable		2,751	-	**2,751**	6,121	-	**6,121**
Prepaid expenses		5,809	-	**5,809**	5,890	-	**5,890**
Other accounts receivable		914	-	**914**	1,144	-	**1,144**
		70,726	20,304	**91,030**	75,682	42,387	**118,069**
Investments	(iii)	292	-	**292**	229	-	**229**
Biological assets	(i)	-	17,094	**17,094**	-	14,761	**14,761**
Property, plant and equipment	(iv)	784,821	1,347,437	**2,132,258**	674,320	1,351,114	**2,025,434**
Intangible assets		10,312	-	**10,312**	8,539	-	**8,539**
		795,425	1,364,531	**2,159,956**	683,088	1,365,875	**2,048,963**
		1,585,265	1,367,289	**2,952,554**	1,541,853	1,371,143	**2,912,996**

5. First-time adoption of CPC and IFRS (Continued)

Reconciliation of the accounting practices applied to the preparation of the prior financial statements (Continued)

		CONSOLIDATED					
		12/31/2009			01/01/2009		
		BRGAAP – previously disclosed	Transition adjustments	Adjusted CPC/IFRS	BRGAAP – previously disclosed	Transition adjustments	Adjusted CPC/IFRS
Liabilities							
Current liabilities							
Trade accounts payable		63,104	-	**63,104**	10,535	-	**10,535**
Loans and financing		232,263	-	**232,263**	180,790	-	**180,790**
Taxes, fees and sundry contributions		3,528	-	**3,528**	4,751	-	**4,751**
Labor legislation liabilities		5,533	-	**5,533**	6,336	-	**6,336**
Deferred income and social contribution taxes	(ii)	16,726	(16,726)	**-**	9,322	(9,322)	**-**
Advances from customers		6,824	-	**6,824**	37,220	-	**37,220**
Transactions with related parties		-	-	**-**	-	-	**-**
Derivative operations		3,954	-	**3,954**	120,207	-	**120,207**
Notes payable		38,769	-	**38,769**	43,549	-	**43,549**
Dividends payable		7,081	-	**7,081**	10,595	-	**10,595**
Other accounts payable		18,976	-	**18,976**	8,758	-	**8,758**
		396,758	(16,726)	**380,032**	432,063	(9,322)	**422,741**
Non-current liabilities							
Loans and financing		228,388	-	**228,388**	211,898	-	**211,898**
Deferred income and social contribution taxes	(ii)	63,280	413,372	**476,652**	59,220	407,712	**466,932**
Derivative operations		1,765	-	**1,765**	21,936	-	**21,936**
Notes payable		58,071	-	**58,071**	77,263	-	**77,263**
Negative goodwill in subsidiaries	(vi)	22,587	(22,587)	**(0)**	22,587	(22,587)	**(0)**
Other liabilities		548	-	**548**	548	-	**548**
		374,639	390,785	**765,424**	393,452	385,125	**778,577**
Equity							
Capital		557,434	-	**557,434**	557,434	-	**557,434**
Capital reserve		182,331	-	**182,331**	177,887	-	**177,887**
(-) Treasury shares		(15,549)	-	**(15,549)**	(13,894)	-	**(13,894)**
Income reserves		77,636	10,543	**88,179**	73,484	-	**73,484**
Other comprehensive income	(iv)	12,017	982,686	**994,703**	(78,573)	982,687	**904,114**
Retained earnings		-	-	**-**	-	12,653	**12,653**
Total equity		813,869	993,229	**1,807,098**	716,338	995,339	**1,711,678**
		1,585,265	1,367,289	**2,952,554**	1,541,853	1,371,143	**2,912,996**

5. First-time adoption of CPC and IFRS (Continued)

Reconciliation of the accounting practices applied to the preparation of the prior financial statements *(Continued)*

Reconciliation of income statements for the year ended December 31, 2009:

	Company			Consolidated		
	BRGAAP – previously disclosed	**Transition effects**	**Adjusted CPC/IFRS**	**BRGAAP – previously disclosed**	**Transition effects**	**Adjusted CPC/IFRS**
Net operating revenue	352,392	(46,330)	**306,062**	596,975	(9,015)	**587,960**
Cost of goods sold	(341,879)	31,082	**(310,797)**	(506,339)	3,994	**(502,345)**
Gross profit	10,513	(15,248)	**(4,735)**	90,636	(5,021)	**85,615**
Operating revenues (expenses)						
Selling expenses	(26,232)	-	**(26,232)**	(43,147)	-	**(43,147)**
General and administrative expenses	(21,548)	-	**(21,548)**	(29,099)	-	**(29,099)**
Management fees	(4,586)	-	**(4,586)**	(4,586)		**(4,586)**
Financial income	88,780	-	**88,780**	155,677	-	**155,677**
Financial expenses	(69,101)	1,363	**(67,738)**	(161,382)	1,825	**(159,557)**
Equity pickup	51,419	7,053	**58,472**	-		**-**
Other operating revenues	(6,252)	-	**(6,252)**	2,671	-	**2,671**
	12,480	8,416	**20,896**	(79,866)	1,825	**(78,041)**
Income before taxes	22,993	(6,832)	**16,161**	10,770	(3,196)	**7,574**
Income and social contribution taxes						
Current	-	-	**-**	(7,466)	-	**(7,466)**
Deferred	5,331	4,721	**10,052**	7,929	1,087	**9,016**
Net income for the year	28,324	(2,111)	**26,213**	11,233	(2,109)	**9,124**

Reconciliation of balance sheets at December 31 and January 1, 2009:

	Consolidated		
	Net income	**Equity**	
	12/31/2009	**12/31/2009**	**01/01/2009**
Balances previously disclosed	11,233	813,869	716,338
(i). Fair value of biological assets	(12,634)	3,614	16,250
(ii). Deferred taxes	1,087	(397,306)	(398,390)
(iv). Deemed cost	-	1,367,873	1,367,873
(v). Capitalized interest	1,825	1,825	-
(vi). Reversal of gains on equity interest acquisition	-	22,587	22,587
(vii). Reversal of value added of fixed assets	-	(12,980)	(12,980)
(viii). Reversal of provision for adjustment to realization value of inventories	10,957	10,957	-
(ix). Depreciation	(3,343)	(3,343)	-
Restated balances	9,124	1,807,098	1,711,678

5. First-time adoption of CPC and IFRS (Continued)

Reconciliation of the accounting practices applied to the preparation of the prior financial statements *(Continued)*

i. CPC 29 (IAS 41) – Biological assets are held at crop management costs up to the pre-harvest, and then they are measured at fair value, less selling expenses. Previously, they were held at crop management costs up to the end of the crop and after transferred to inventory.

ii. This refers to deferred income and social contribution taxes on the necessary adjustments for transition to CPC and IFRS. Furthermore, income and social contribution taxes were also reclassified. In the prior BRGAAP, they were presented as current and non-current according to their estimate realization, and upon the adoption of CPC and IFRS, they were fully reclassified as non-current. The impacts caused by the adjustments of property, plant and equipment at fair value were recorded in fixed assets vis-à-vis the equity account denominated other comprehensive income, upon the use of a specific subaccount and the account representing deferred tax liabilities, depending on taxation method. Certain subsidiaries are entities with reduced deferred income tax.

iii. This refers to impacts of CPC adjustments on the subsidiaries.

iv. Measurement of certain fixed assets at fair value by their "deemed cost" at January 1, 2009 and consequent recalculation of depreciation for 2009 and 2010 due to the application of the deemed cost, and review of their useful lives.

v. This refers to the reclassification of interest on loans related to the construction of qualifying assets, previously recorded as financial expenses in P&L as provided by CPC 20 – Borrowing costs. Previously, the costs were capitalized only when effectively related to the construction of assets.

vi. This refers to negative goodwill ("barter gains") stemming from the purchase of farm Parnaíba Ltda. which, to be aligned with the new standards, was recorded vis-à-vis the retained earnings.

vii. Goodwill paid in 2000, upon acquisition of Paiaguás farm, with capital obtained from the value added of the lands. Upon allocation of the deemed cost, goodwill was reclassified vis-à-vis the deemed cost of the respective lands.

viii. Provision was set up once the realization value of the agricultural products and expenses with growing crops is lower than the costs incurred. Once the biological assets are recorded at their fair value, this provision will no longer be necessary.

ix. Recalculation of deemed cost depreciation.

6. Changes in accounting practices

Certain new IASB accounting practices and IFRIC interpretations were released and/or reviewed, and their adoption is mandatory or elective for the years starting on or after January 1, 2011. The Company management does not believe that the adoption of these pronouncements and interpretation will have a significant impact on the Company's financial statements during the first-time adoption period. Following is the Company's evaluation on the impacts of these new practices and interpretations:

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

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

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

6. Changes in accounting practices (Continued)

There are no other standards or interpretations issued, and not yet adopted, which may, on the opinion of Company management, have a significant impact on the income statements or equity disclosed by the Company.

Following are the standards and interpretations, new and reviewed, that entered into effect for years 2010 and/or 2009. Their adoption did not lead to significant impacts on these financial statements; however, they may impact the accounting of future transactions or contracts:

- IAS 16 (reviewed) – Property, plant and equipment;
- IAS 19 (reviewed) – Employee Benefits;
- IAS 23 (reviewed) – Borrowing costs;
- IAS 32 (reviewed) – Financial instruments: Presentation;
- IAS 38 (reviewed) – Intangible assets;
- IAS 39 (reviewed) – Financial instruments: Recognition and Measurement;
- IFRS 1 (reviewed) – First-time Adoption of Internation Financial Reporting Standards;
- IFRS 2 Share-based Payment;
- IFRS 3 Business Combinations (reviewed);
- IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations;
- IFRS 7 – Financial Instruments: Disclosures;
- IFRIC 12 – Service Concession Arrangements;
- IFRIC 13 – Customer Loyalty Programmes;
- IFRIC 17 – Distributions of Non-cash Assets to Owners;
- IFRIC 18 – Transfers of Assets from Customers;
- IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments.

7. Cash and cash equivalents

a) Cash and cash equivalents

Type	Remuneration	Company			Consolidated		
		12/31/2010	**12/31/2009**	**01/01/2009**	**12/31/2010**	**12/31/2009**	**01/01/2009**
Cash and cash equivalents	-	**537**	258	2,609	**725**	427	2.800
Securities for negotiation:							
Bank Deposit Certificates - Interbank deposits (CDB-DI)	100.81% of CDI*	**61,366**	33,437	109,435	**67,368**	68,672	110,827
Repurchase and resale agreements	100.99% of CDI*	**30,956**	61,910	104,033	**41,747**	72,790	111,240
LCA **	25% of CDI	**-**			**-**		
Other investments	-	**260**	246	231	**379**	362	340
		92,582	95,593	213,699	**109,494**	141,824	222,407
		93,119	95,851	216,308	**110,219**	142,251	225,207

* Average remuneration at December 31, 2010.

** Agribusiness Bill of Exchange

Short-term investments are represented by Bank Deposit Certificates (CDB), repurchase and resale agreements (debentures) and Agribusiness Bills of Exchange at market prices and rates, restated at interest earned through December 31, 2010, not exceeding trading value.

b) Financial investments

Investments redeemable over 90 days are recorded in a specific account, denominated linked investments. At December 31, 2010, the Company has a balance of R$ 12,803 in this type of investment.

8. Trade accounts receivable

	Company			Consolidated		
	12/31/2010	**12/31/2009**	**01/01/2009**	**12/31/2010**	**12/31/2009**	**01/01/2009**
Domestic market	**11,635**	12,033	2,862	**14,288**	23,859	3,189
Foreign market	**16,894**	6,964	6,182	**31,323**	12,946	8,786
Total	**28,529**	18,997	9,044	**45,611**	36,805	11,975

At December 31, 2010 and 2009, the Company and its subsidiaries had no overdue notes receivables.

9. Inventories

	Company			Consolidated		
	12/31/2010	**12/31/2009**	**01/01/2009**	**12/31/2010**	**12/31/2009**	**01/01/2009**
		Restated			Restated	
Agricultural products	**53,809**	68,894	56,806	**82,536**	110,458	71,939
Seeds, manure, fertilizers and pesticides	**78,946**	77,334	97,564	**132,819**	118,659	155,438
Advances to suppliers	**6,224**	2,638	13,025	**13,110**	3,408	20,926
Other inventories	**8,035**	5,181	4,041	**10,757**	7,146	5,660
	147,014	154,047	171,436	**239,222**	239,671	253,963

10. Biological assets

	COMPANY							
	Current							Non-current
	Soybean	Cotton	Corn	Corn seed	Coffee	Other	Total	Coffee
Balances at January 1, 2009	63,766	56,919	5,721	1,579	4,059	322	132,366	14,761
Crop expenses	133,472	184,760	34,625	1,929	6,925	2,743	364,454	1,045
Fair value variation	(8,861)	(29,991)	(4,846)	(3,117)	(797)	(6)	(47,618)	1,288
Harvest	(122,554)	(161,051)	(20,417)	53	(7,064)	(2,267)	(313,300)	-
Balances at December 31, 2009	65,823	50,637	15,083	444	3,123	792	135,902	17,094
Crop expenses	**97,717**	**186,706**	**31,009**	**588**	**6,504**	**2,077**	**324,601**	**-**
Fair value variation	**(17,414)**	**96,546**	**(5,203)**	**(15)**	**1,125**	**2,428**	**77,467**	**677**
Harvest	**(101,448)**	**(274,399)**	**(28,186)**	**(467)**	**(9,200)**	**(4,919)**	**(418,619)**	**-**
Balances at December 31, 2010	**44,678**	**59,490**	**12,703**	**550**	**1,552**	**378**	**119,351**	**17,771**

	CONSOLIDATED							
	Current							Non-current
	Soybean	Cotton	Corn	Corn seed	Coffee	Other	Total	Coffee
Balances at January 1, 2009	121,236	68,513	8,710	1,534	3,972	273	204,238	14,761
Crop expenses	211,828	270,598	61,116	1,929	6,925	2,743	555,139	1,045
Fair value variation	23,418	(28,440)	(1,361)	(3,117)	(797)	(6)	(10,303)	1,288
Harvest	(239,168)	(248,084)	(50,755)	53	(7064)	(2,267)	(547,285)	-
Balances at December 31, 2009	117,314	62,587	17,710	399	3,036	743	201,789	17,094
Crop expenses	**178,931**	**261,480**	**46,698**	**588**	**6,504**	**2,077**	**496,278**	**-**
Fair value variation	**(16,559)**	**150,005**	**1,504**	**(15)**	**1,125**	**2,428**	**138,488**	**677**
Harvest	**(178,427)**	**(399,766)**	**(52,554)**	**(467)**	**(9,210)**	**(4,919)**	**(645,343)**	**-**
Balances at December 31, 2010	**101,259**	**74,306**	**13,358**	**505**	**1,455**	**329**	**191,212**	**17,771**

10. Biological assets (Continued)

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

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

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

11. Recoverable taxes

	Company			Consolidated		
	12/31/2010	**12/31/2009**	**01/01/2009**	**12/31/2010**	**12/31/2009**	**01/01/2009**
Income tax	**14,855**	7,082	2,660	**23,206**	8,819	4,681
Social contribution tax	**17**	52	636	**2,324**	700	2,239
ICMS	**12,808**	14,853	15,291	**17,539**	19,758	19,931
COFINS	**2,063**	3,968	3,437	**8,784**	9,896	9,985
PIS	**291**	704	738	**2,096**	2,331	2,358
Withholding income tax (IRRF)	**1,711**	4,467	4,185	**2,595**	5,250	4,537
Other	**49**	49	47	**118**	60	58
	31,794	31,175	26,994	**56,662**	46,814	43,789
(-) Current assets	**(28,657)**	(26,469)	(22,636)	**(51,753)**	(40,380)	(37,803)
Non-current assets	**3,137**	4,706	4,358	**4,909**	6,434	5,986

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 / recovered
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 December 31, 2010 will be realized in their normal course of business with no significant losses.

11. Recoverable taxes (Continued)

Recoverable IRRF

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

12. Investments

	Company			Consolidated		
	12/31/2010	12/31/2009 Restated	01/01/2009	**12/31/2010**	12/31/2009 Restated	01/01/2009
Investments in subsidiaries	**1,364,106**	1,294,221	1,161,069	**-**	-	-
Other investments	**99**	99	99	**488**	292	229
	1,364,205	1,294,320	1,161,168	**488**	292	229

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

	Fazenda Parnaíba Ltda.	**Fazenda Planorte Ltda.**	**Fazenda Paiaguás Ltda.**	**SLC Agrícola Pejuçara Ltda.**	**SLC Empreendimentos e Agricultura Ltda.**	**12/31/2010**
Capital	45,650	57,050	40,010	14,896	215,474	
Equity	191,157	196,511	198,187	16,260	891,412	
Net income for the year	5,153	6,146	7,931	1,363	19,870	
Number of shares/units of interest						
Common shares (thousand)	5,353	11,506	44,517	46,542	-	
Units of interest	-	-	-		1	
Equity interest percentage (%)	100%	100%	100%	77%	85.91%	
Opening balances	**186,643**	**189,662**	**190,266**	**-**	**727,650**	**1,294,221**
Payment of capital	**-**	**-**	**-**	**11,409**	**29,061**	**40,470**
Unrealized losses on hedge instruments	**(640)**	**-**	**-**	**-**	**-**	**(640)**
Unrealized gains on hedge instruments	**-**	**703**	**609**	**-**	**-**	**1,312**
Equity earnings of subsidiaries – deemed cost of PPE	**-**	**-**	**(619)**	**-**	**619**	**(0)**
Gain on investment capital	**-**	**-**	**-**	**-**	**1,398**	**1,398**
Equity pickup	**5,154**	**6,146**	**7,931**	**1,044**	**17,070**	**37,345**
Dividends received	**-**	**-**	**-**	**-**	**(10,000)**	**(10,000)**
Ending balances	**191,157**	**196,510**	**198,187**	**12,453**	**765,798**	**1,364,106**

12. **Investments** (Continued)

	Fazenda Parnaíba Ltda.	Fazenda Planorte Ltda.	Fazenda Paiaguás Ltda.	SLC Empreendimentos e Agricultura Ltda.	12/31/2009
Capital	45,560	57,050	40,010	215,474	
Equity	186,643	189,661	190,266	847,952	
Net income for the year	(451)	10,124	28,881	23,211	
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%	85.81%	
Opening balances disclosed on 01.01.09	20,322	66,733	35,474	137,242	259,771
Adjustments to IFRS adoption:					
Deemed cost sdopted by subsidiaries	132,695	99,246	90,699	575,355	897,995
Other adjustments on retained earnings	748	1,722	832	-	3,302
Adjusted opening balances	153,765	167,701	127,005	712,597	1,161,068
Payment of capital	25,000	10,650	10,000	58,833	104,483
Unrealized gains on hedge instruments	8,329	2,731	7,575	-	18,635
Equity earnings of subsidiaries – Deemed cost of PPE			22,456	(22,456)	-
Gain (loss) on investments capital	-	-	-	(7,669)	(7,669)
Equity pickup	(451)	10,124	28,881	19,918	58,472
Dividends received	-	(1,544)	(5,652)	(33,572)	(40,768)
Ending balances	**186,643**	**189,662**	**190,265**	**727,650**	**1,294,221**

13. Property, plant and equipment

Company

Property, plant and equipment cost	Arable land	Soil development	Buildings and improvements	Agricultural equipment and industrial facilities	Vehicles	Furniture and Fixtures	Office equipment and facilities	Permanent crops	Advances to suppliers	Work in progress	Total
Balance at 01/01/2009 – Before adjustment	186	85,961	20,229	150,860	8,919	1,489	2,257	-	9,063	16,108	295,072
Adjustment	1,900	-	14,592	105,270	3,720	3,290	(451)	-	-	-	128,321
Balance at 01/01/2009 – After adjustment	2,086	85,961	34,821	256,130	12,639	4,779	1,806	-	9,063	16,108	423,393
Acquisitions	-	33,479	896	21,801	1,374	1,249	486	-	(7,549)	33,944	85,680
Disposals	-	(659)	(33)	(2,382)	(449)	(70)	(105)	-	-	(28)	(3,726)
Transfers	-	1	21,772	2,074	279	-	-	-	-	(24,126)	-
Balance at 12/31/2009 – Restated	2,086	118,782	57,456	277,623	13,843	5,958	2,187	-	1,514	25,898	505,347
Acquisitions	**13,000**	**36,596**	**2,161**	**24,525**	**1,546**	**740**	**494**	**-**	**8,013**	**27,080**	**114,155**
Disposals	**(2,086)**	**(7,355)**	**(35,014)**	**(5,367)**	**(799)**	**(25)**	**(140)**	**-**	**-**	**(1)**	**(50,787)**
Transfers	**-**	**-**	**28,347**	**3,259**	**15**	**-**	**124**	**-**	**-**	**(31,745)**	**-**
Balance at 12/31/2010	**13,000**	**148,023**	**52,950**	**300,040**	**14,605**	**6,673**	**2,665**	**-**	**9,527**	**21,232**	**568,715**

Depreciation	Arable land	Soil development	Buildings and improvements	Agricultural equipment and industrial facilities	Vehicles	Furniture and Fixtures	Office equipment and facilities	Permanent crops	Advances to suppliers	Work in progress	**Total**
Balance at 01/01/2009 – Before adjustments	-	22,591	1,902	46,401	4,147	613	1,127	-	-	-	76,781
Adjustment	-	-	-	-	-	-	-	-	-	-	-
Balance at 01/01/2009 – After adjustments	**-**	**22,591**	**1,902**	**46,401**	**4,147**	**613**	**1,127**	**-**	**-**	**-**	**76,781**
Depreciation	-	19,208	1,543	23,840	1,228	434	110	-	-	-	46,363
Disposals	-	(44)	(1)	(1,568)	(333)	(57)	(66)	-	-	-	(2,069)
Balance at 12/31/2009 – Restated	-	41,755	3,444	68,673	5,042	990	1,171	-	-	-	121,075
Depreciation	**-**	**24,548**	**1,543**	**26,297**	**1,446**	**545**	**171**	**-**	**-**	**-**	**54,550**
Disposals	**-**	**(6,064)**	**(3,995)**	**(3,037)**	**(532)**	**(16)**	**(115)**	**-**	**-**	**-**	**(13,759)**
Balance at 12/31/2010	**-**	**60,239**	**992**	**91,933**	**5,956**	**1,519**	**1,227**	**-**	**-**	**-**	**161,866**
Net residual value											
Balance at 01/01/2009 – Before adjustments	186	63,370	18,327	104,459	4,772	876	1,130	-	9,063	16,108	218,291
Balance at 01/01/2009 – After adjustments	2,086	63,370	32,919	209,729	8,492	4,166	679	-	9,063	16,108	346,612
Balance at 12/31/2009	2,086	77,027	54,012	208,950	8,801	4,968	1,016	-	1,514	25,898	384,272
Balance 12/31/2010	**13,000**	**87,784**	**51,958**	**208,107**	**8,649**	**5,154**	**1,438**	**-**	**9,527**	**21,232**	**406,849**

13. Property, plant and equipment (Continued)

Consolidated

Property, plant and equipment cost	Arable land	Soil development	Buildings and improvements	Agricultural equipment and industrial facilities	Vehicles	Furniture and Fixtures	Office equipment and facilities	Permanent crops	Advances to suppliers	Work in progress	**Total**
Balance at 01/01/2009 – Before adjustments	313,016	133,953	68,701	259,169	13,169	2,388	3,179	4,373	9,292	17,212	824,452
Adjustment	1,147,660	-	37,519	169,882	6,006	3,514	3,291	-	-	-	1,367,872
Balance at 01/01/2009 – After adjustments	1,460,676	133,953	106,220	429,051	19,175	5,902	6,470	4,373	9,292	17,212	2,192,324
Acquisitions	42,957	50,255	1,117	40,004	1,991	1,342	601	-	(7,305)	45,185	176,147
Disposals	-	(658)	(505)	(5,096)	(584)	(75)	(156)	(96)	-	(25)	(7,195)
Transfers	-	-	25,619	4,992	279	-	42	-	-	(30,934)	-
Balance at 12/31/2009 – Restated	1,503,633	183,550	132,451	468,951	20,861	7,169	6,957	4,277	1,987	31,438	2,361,274
											-
Acquisitions	**73,321**	**51,901**	**2,191**	**43,725**	**3,314**	**846**	**798**	**4**	**14,634**	**35,209**	**225,943**
Disposals	**(25,260)**	**(9,859)**	**(2,615)**	**(10,764)**	**(1,127)**	**(43)**	**(208)**	**(26)**	**(4,519)**	**(2,658)**	**(57,079)**
Transfers	**-**	**-**	**28,497**	**3,260**	**14**	**23**	**124**	**-**	**-**	**(31,918)**	**-**
Balance at 12/31/2010	**1,551,694**	**225,592**	**160,524**	**505,172**	**23,062**	**7,995**	**7,671**	**4,255**	**12,102**	**32,071**	**2,530,138**

Depreciation	Arable land	Soil development	Buildings and improvements	Agricultural equipment and industrial facilities	Vehicles	Furniture and Fixtures	Office equipment and facilities	Permanent crops	Advances to suppliers	Work in progress	Total
Balance at 01/01/2009 – Before adjustments	-	46,877	16,218	92,423	6,777	1,001	1,681	1,914	-	-	166,891
Adjustment	-	-	-	-	-	-	-	-	-	-	-
Balance at 01/01/2009 – After adjustments	-	46,877	16,218	92,423	6,777	1,001	1,681	1,914	-	-	166,891
Depreciation	-	27,497	3,478	33,381	1,502	552	397	330	-	-	67,137
Disposals	-	(44)	(393)	(4,017)	(388)	(61)	(109)	-	-	-	(5,012)
Balance at 12/31/2009	-	74,330	19,303	121,787	7,891	1,492	1,969	2,244	-	-	229,016
Depreciation	**-**	**34,684**	**3,636**	**37,089**	**1,927**	**832**	**465**	**330**	**-**	**-**	**78,963**
Disposals	**-**	**(7,548)**	**(630)**	**(7,667)**	**(850)**	**(28)**	**(170)**	**-**	**-**	**-**	**(16,893)**
Balance at 12/31/2010 – Restated	**-**	**101,466**	**22,309**	**151,209**	**8,968**	**2,296**	**2,264**	**2,574**	**-**	**-**	**291,086**
Net residual value											
Balance at 01/01/2009 – Before adjustments	313,016	87,076	52,483	166,746	6,392	1,387	1,498	2,459	9,292	17,212	657,561
Balance at 01/01/2009 – After adjustments	1,460,676	87,076	90,002	336,628	12,398	4,901	4,789	2,459	9,292	17,212	2,025,434
Balance at 12/31/2009	1,503,633	109,220	113,148	347,164	12,970	5,677	4,988	2,033	1,987	31,438	2,132,258
Balance at 12/312010	**1,551,694**	**124,126**	**138,215**	**353,963**	**14,094**	**5,699**	**5,407**	**1,681**	**12,102**	**32,071**	**2,239,052**

13. Property, plant and equipment (Continued)

At December 31, 2010, work and fixed assets in progress were substantially represented by construction and refurbishment of cotton processing units at Pamplona, Parnaíba and Palmares farms, construction and refurbishment of warehouses, construction and refurbishment of grain processing units at Planeste, Palmares and Parnaíba farms, infrastructure works (electric grid, construction of roads, fences around the headquarters, etc.), among others. All of these efforts are expected to be completed within the next 12 months.

The cost of capitalized loans for the year ended December 31, 2010 totaled R$ 1,420 (2009: R$ 1,363) for Company, and R$ 1,778 (2009: R$ 1,825) for consolidated. The rate used to determine the costs of capitalized loans was 0.62% per month, which represent the effective rate on specific loans.

14. Transactions with related parties

Balances of transactions with related parties

	Fazenda Planorte Ltda.	Fazenda Parnaíba Ltda.	Fazenda Paiaguás Ltda.	SLC Empreendimentos e Agricultura Ltda.	Fazenda Pejucara Ltda.	Ferramentas Gerais Com. Imp. Ltda.	12/31/2010	12/31/2009	01/01/2009
Assets									
Current assets									
Receivables from related parties	448	153	450	63	48	2	**1,164**	1,199	610
Non-current assets							**1,164**	1,199	610
Receivables from related parties	-	724	3,788	-	-	-	**4,512**	9,290	38,286
Advances for future capital increase	-	-	-	18,180	-	-	**18,180**	887	18,226
							22,692	10,177	56,512
							23,856	11,376	57,122
Liabilities									
Current liabilities									
Lease transaction payable	-	-	-	5,350	-	-	**5,350**	6,154	6,485
							5,350	6,154	6,485
Income									
Sales									
Goods	-	-	-	-	-	-	**-**	760	
Cost of goods									
Lease transactions	-	-	-	19,128	-	-	**19,128**	20,245	
Purchases									
Goods	246	83	-	-	-	-	**329**	595	
Financial income									
Interest	3	16	5	376	-	-	**400**	2,796	
Financial expenses									
Interest	13	16	21	507	-	-	**557**	137	

14. 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.

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

Lease agreement

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

This agreement provides for the delivery of land, facilities and other assets by the lessor that allows the lessee to perform its agricultural activities by planting cotton, soybean, corn, wheat and coffee in consideration for an amount in the form of lease payments. At December 31, 2010 the lease amount is as follows:

	Total hectares leased	Annual leasing amount (a)	Soybean sack quotation in the region (b)	Amount
Fazenda Planalto	13,157.78	11.0	47.00	6,803
Fazenda Pamplona	12,619.85	10.5	45.00	5,963
Fazenda Planeste	12,831.30	7.0	43.50	3,907
Fazenda Panorama	8,048.00	8.0	45.00	2,897
Fazenda Paiaguás	24,247.79	8.5	42.90	8,842
Fazenda Piratini (c)	5,000.00	2.0	45.50	455
Fazenda Palmares	6,205.00	9.0	46.00	2,569
				31,436

(a) Equivalent in soybean sacks per arable hectare per crop year.
(b) P Average price per soybean sack prevailing in the region of each farm, obtained as of December 31, 2010, 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 over-the-counter (OTC) price of the soybean sack for each region on the payment date, to be established by the lessor at least 15 days before maturity, with no provision for agreement resetting.

14. Transactions with related parties (Continued)

Management fees

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

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

	Company and consolidated	
	31/12/2010	**31/12/2009**
Fees	**2,429**	1,520
Bonus	**516**	835
Stock option plan	**1,153**	2,231
	4,098	4,586

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

15. Loans and financing

		Average annual interest rates (%)			Company			Consolidated		
	Index	**12/31/2010**	**12/31/2009**	**01/01/2009**	**12/31/2010**	**12/31/2009**	**01/01/2009**	**12/31/2010**	**12/31/2009**	**01/01/2009**
Used in property, plant and equipment										
Finame – BNDES	Prefixed and TJLP*	6.53%	7.39%	9.23%	**29,579**	23,313	27,935	**47,943**	36,643	40,941
Constitutional funds**	-	7.31%	7.62%	7.39%	**141,237**	75,932	49,597	**187,792**	119,159	85,858
Used in working capital										
Advances on export contracts	US$	-	-	10.00%	**-**	-	4,698	**-**	-	4,697
Rural credit	-	6.75%	6.75%	6.75%	**35,762**	51,831	13,636	**125,852**	126,577	39,372
Constitutional funds**	-	7.23%	8.34%	7.38	**-**	32,290	100,067	**2,460**	36,818	126,532
Rural savings	-	-	7.10%	-	**-**	-	-	**-**	23,563	-
Working capital – NCE		11.70%	11.72%	-	**17,575**	47,263	-	**17,575**	47,263	-
Foreign loans	US$, Libor + Prefixed	4.23%	3.47%	5.12%	**67,971**	70,628	95,288	**67,971**	70,628	95,288
					292,124	301,257	291,221	**449,593**	460,651	392,688
(-) Current liabilities					**(153,340)**	(119,974)	(118,365)	**(260,117)**	(232,263)	(180,790)
Non-current liabilities					**138,784**	181,283	172,856	**189,476**	228,388	211,898

* Long-term interest rate (TJLP)
** Calculation of Constitutional Funds average cost considers a 15% discount relating to non-default bonus.

15. Loans and financing (Continued)

Finame BNDES – Guaranteed by a statutory lien and pledges on financed assets by the Company or SLC Participações S.A. Amounts are amortized on a monthly, quarterly, semiannual or annual basis, with maturity dates between January 17, 2011 and August 15, 2016.

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

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

Rural Credit – Guaranteed by sureties by the Company or SLC Participações S.A., and, in some transactions, by pledge on the crops. Amortization takes place on a monthly basis, with maturities between May 31, 2011 and September 30, 2011.

Foreign Loans – Funds obtained from IFC – International Finance Corporation, with final maturity on January 15, 2018, guaranteed by sureties by subsidiaries and mortgage on Fazenda Paiaguás S.A. This agreement provides for performance of certain covenants regarding current ratio, DEBT-EBITDA/Equity ratio and annual debt amortization in relation to operating cash generation. At December 31, 2010, Company had no outstanding covenants.

Working Capital – NCE – Funds taken out through Export Credit Bill (NCE) to finance 2009/10 crop trading, with a 24- and 12-month grace period. These are collaterally signed by the Company or SLC Participações S.A. They are amortized on a monthly basis, maturing between January 17, 2010 and July 18, 2011.

15. Loans and financing (Continued)

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

Maturity	Company			Consolidated		
	12/31/2010	12/31/2009	01/01/2009	12/31/2010	12/31/2009	01/01/2009
2010	**-**	-	32,057	**-**	-	44,684
2011	**-**	56,499	26,650	**-**	71,534	37,281
2012	**34,419**	30,807	24,116	**50,930**	42,019	30,903
2013	**30,476**	27,285	21,270	**45,927**	37,613	27,131
2014	**27,456**	24,319	21,358	**39,792**	31,832	24,587
2015	**21,549**	19,157	18,289	**27,510**	22,173	18,289
After 2015	**24,884**	23,216	29,116	**25,317**	23,217	29,023
	138,784	181,283	172,856	**189,476**	228,388	211,898

16. Provision for contingencies

At December 31, 2010, the Company recorded a provision for labor contingencies in the amount of R$ 602 (R$ 694 – consolidated), referring to legal claims filed by former employees, with respect to which an unfavorable outcome has been assessed as probable by the Company's legal advisors. The provision for contingencies is recorded under labor liabilities account in current liabilities. The Company recorded the amount of R$ 229 (R$ 825 – consolidated) relating to labor claims whose likelihood of an unfavorable outcome was rated as possible by its legal advisors and, as a result, no provision was recorded for such claims.

At December 31, 2010, the Company set up a tax contingency in the amount of R$ 160 (Company and consolidated), for burden of defeat purposes, relating to proceedings against the Federal Government requesting the right to consider the Tax National Treasury Bill (BTNF) adjusted in accordance with the Consumer Price Index (CPI) variation throughout 1990, for purposes of monetary restatement of its financial statements as of 1990, whose likelihood of an unfavorable outcome was rated as probable by its legal advisors. The tax amount is judicially deposited.

	Consolidated		
	Tax	Labor	Total
Balance at January 1, 2009	-	871	871
New proceedings/complements and monetary restatements	160	963	1,123
(-) Reversals	-	(752)	(752)
Balance at December 31, 2009	160	1,082	1,242
New proceedings/complements and monetary restatements	**-**	**296**	**296**
(-) Reversals	**-**	**(683)**	**(683)**
Balance at December 31, 2010	**160**	**694**	**854**

16. Provision for contingencies (Continued)

The Company also identifies environmental claims whose likelihood of an unfavorable outcome was rated as possible by its legal advisors in the amount of R$ 12,860. Such proceedings relate to claims filed by The Brazilian Institute of the Environment and Natural Renewable Resources (IBAMA) and by Environment Military Police, Cassilândia City, Mato Grosso do Sul State (MS).

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

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

17. Deferred income and social contribution taxes

Company

	12/31/2010			12/31/2009			01/01/2009
Description	**Income tax**	**Social contribution tax**	**Total**	**Income tax**	**Social contribution tax**	**Total**	**Total**
Assets:							
Temporary differences:							
Taxes on activities not entitled to tax benefits	**138**	**-**	**138**	138	-	138	138
Derivative operations	**12,644**	**4,552**	**17,196**	4,848	1,745	6,593	26,421
Fair value of biological assets	**-**	**-**	**-**	2,255	812	3,067	-
Other	**1,336**	**481**	**1,817**	252	90	342	149
Income and social contribution tax losses	**29,517**	**10,732**	**40,249**	33,370	12,036	45,406	45,200
	43,635	**15,765**	**59,400**	40,863	14,683	55,546	71,908
Liabilities:							
Incentive depreciation for rural activities	**31,787**	**11,443**	**43,230**	28,402	10,225	38,628	37,188
Barter gains on acquisition of equity interest	**5,539**	**1,994**	**7,533**	5,539	1,994	7,533	7,533
Deemed cost of fixed assets	**31,449**	**11,322**	**42,771**	31,805	11,450	43,254	43,629
Fair value of biological assets	**5,328**	**1,918**	**7,246**	-	-	-	3,971
Capitalization of interest on loans	**696**	**250**	**946**	341	123	463	
Deferred capital gain	**844**	**-**	**844**	1,614	-	1,614	2,025
Derivative operations	**12,546**	**4,517**	**17,063**	3,641	1,311	4,952	249
	88,189	**31,444**	**119,633**	71,341	25,103	96,444	94,595

17. Deferred income and social contribution taxes (Continued)

Consolidated

	12/31/2010			12/31/2009			01/01/2009
Description	**Income tax**	**Social contribution tax**	**Total**	**Income tax**	**Social contribution tax**	**Total**	**Total**
Assets:							
Temporary differences:							
Taxes on activities not entitled to tax benefits	**138**	**-**	**138**	138	-	138	138
Derivative operations	**19,044**	**6,855**	**25,899**	12,227	4,402	16,629	48,199
Fair value of biological assets	**-**	**-**	**-**	2,255	812	3,067	
Other	**1,541**	**555**	**2,096**	1,934	173	2,107	1,984
Income and social contribution tax losses	**32,157**	**11,684**	**43,841**	36,005	12,985	48,990	48,607
	52,880	**19,094**	**71,974**	52,559	18,372	70,931	98,928
Liabilities:							
Incentive depreciation for rural activities	**57,567**	**20,575**	**78,142**	52,345	18,681	71,026	66,267
Bargain on acquisition of equity interest	**5,647**	**2,033**	**7,680**	5,647	2,033	7,680	7,680
Deemed cost of fixed assets	**281,432**	**102,246**	**383,677**	282,265	102,546	384,811	385,186
Fair value of biological assets	**10,947**	**3,941**	**14,888**	3,159	1,137	4,296	5,524
Capitalization of interest on loans	**901**	**324**	**1,225**	457	164	621	-
Deferred capital gain	**844**	**-**	**844**	1,614	-	1,614	2,025
Deferred exchange variation	**81**	**29**	**111**	135	48	183	-
Derivative operations	**13,807**	**4,971**	**18,778**	4,721	1,700	6,421	250
	371,226	**134,119**	**505,345**	350,343	126,309	476,652	466,932

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

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

	Company			Consolidated		
	12/31/2010	**12/31/2009**	**01/01/2009**	**12/31/2010**	**12/31/2009**	**01/01/2009**
2009	**-**	-	23,295	**-**	-	42,387
2010	**-**	15,039	23,298	**-**	20,305	31,226
2011	**47,449**	39,992	25,315	**51,234**	50,111	25,315
2012	**11,951**	515	-	**20,740**	515	-
	59,400	55,546	71,908	**71,974**	70,931	98,928

17. Deferred income and social contribution taxes (Continued)

Tax credit recovery estimates were based on projected taxable profits taking into consideration several financial and business assumptions at the end of 2010 and 2009. Consequently, these estimates may not materialize in the future due to uncertainty involved in these forecasts.

Reconciliation of tax expenses at official rates – Company:

	12/31/2010		12/31/2009	
	IRPJ	**CSLL**	**IRPJ**	**CSLL**
Income before taxes	**76,219**	**76,219**	16,161	16,161
Income and social contribution taxes at nominal rate of 25% and 9%, respectively	**(19,055)**	**(6,860)**	(4,040)	(1,455)
Adjustments to derive the effective rate				
Equity pickup and loss on investments (Note 23)	**9,686**	**3,487**	12,701	4,572
Permanent additions	**(816)**	**(293)**	(1,269)	(457)
Amount recorded in P&L	**(10,185)**	**(3,666)**	7,392	2,660
Total income and social contribution taxes		**(13,851)**		10,052
Deferred taxes		**(12,528)**		10,052
Current taxes		**(1,323)**		-

Reconciliation of tax expenses at official rates – Consolidated:

	12/31/2010		12/31/2009	
	IRPJ	**CSLL**	**IRPJ**	**CSLL**
Income before taxes	**83,892**	**83,892**	7,574	7,574
Income and social contribution taxes at nominal rate of 25% and 9%, respectively	**(20,973)**	**(7,550)**	(1,893)	(682)
Adjustments to derive the effective rate				
Permanent exclusions	**3,534**	**1,222**	3,991	1,387
Permanent additions	**(1,209)**	**(435)**	(1,371)	(494)
Subsidiaries' tax incentives	**-**	**-**	502	-
Other	**97**	**35**	91	19
Amount recorded in P&L	**(18,551)**	**(6,728)**	1,320	230
Total income and social contribution taxes		**(25,279)**		1,550
Deferred taxes		**(18,218)**		9,016
Current taxes		**(7,061)**		(7,466)

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

	12/31/2009	**12/31/2010**	**Variation**	**01/01/2009**	**12/31/2009**	**Variation**
Deferred tax assets	70,931	71,974	**1,043**	98,928	70,931	(27,997)
Deferred tax liabilities	(476,652)	(505,345)	**(28,693)**	(466,932)	(476,652)	(9,720)
			(27,650)			(37,717)
Taxes on fair value recorded in equity			**18,682**			36,083
Reversal of taxes recorded under equity			**(9,621)**			10,586
Unrealized income – inventories			**371**			63
Deferred taxes recorded in net income for the year			**(18,218)**			9,016

18. Notes payable - Consolidated

	Consolidated		
	12/31/2010	**12/31/2009**	**01/01/2009**
Agropecuária Vale do Juruena Ltda. and Others (a)	**53,288**	56,216	66,508
Agropecuária Veloso de Araujo Ltda. and Others (b)	**11,671**	12,687	13,759
Solo Sagrado Colonizadora e Negócios Ltda.(c)	**10,394**	10,502	22,716
Espolio de Francisco Veloso de Araujo (d)	**5,215**	4,952	5,148
Jaques Valori Lima (e)	**2,399**	3,744	5,854
Victorio Mitsukaso obata and Others (f)	**8,708**	-	**-**
Other	**9,998**	8,739	6,827
	101,673	96,840	120,812
(-) Current portion	**(50,077)**	(38,769)	(43,549)
Non-current portion	**51,596**	58,071	77,263

(a) Corresponds to purchase of 10,635 hectares of arable land in the city of Campos de Julio, Mato Grosso State, adjoining the arable land of subsidiary Fazenda Planorte S.A., for the amount of R$82,950, equivalent to 2,370 thousand soybean sacks. The balance at December 31, 2009 refers to 4 remaining installments of R$53,288, equivalent to 1,320 thousand soybean sacks, restated by soybean sack price variation, with the next installments maturing annually from May 2011 to May 2014.

(b) Corresponds to purchase of 3,406.62 hectares of arable land in the city of Tasso Fragoso, Maranhão State, adjoining the arable land of subsidiary Fazenda Parnaíba S.A., for R$14,000, equivalent to 350 thousand soybean sacks. The balance at December 31, 2010, in the amount of R$11.671, refer to 14 remaining annual installments, maturing from June 2010 to May 2022, the first equivalent to 42,564 soybean sacks, was postponed at creditor's discretion and the other installments equivalent to 20 thousand soybean sacks each, totaling 322.564 soybean sacks.

(c) Corresponds to purchase of 26,598 hectares of arable land in the city of Santa Filomena, Piauí State, named Fazenda Parnaguá, by subsidiary SLC Empreendimentos e Agricultura Ltda., for R$34,969. The balance at December 31, 2010, in the amount of R$10,394, refer to R$6.651 payable upon deed transfer to the Company and R$4,143, equivalent to 101,539 soybean sacks, payable in May 2010, however postponed according to creditor's interest.

(d) Corresponds to purchase of 1,237.74 hectares of arable land in the city of Tasso Fragoso, Maranhão State, adjoining the arable land of subsidiary Fazenda Parnaíba S.A., for R$4,800, equivalent to 137,142 soybean sacks. The balance at December 31, 2010, in the amount of R$5,215, refers to: R$2,650 payable upon deed transfer to the Company; and 3 remaining annual installments, maturing from May 2011 to May 2013, equivalent to 12 thousand soybean sacks each, totaling 60 thousand soybean sacks.

(e) Corresponds to purchase of 2,718 hectares of arable land in the city of Correntina, Bahia State, denominated Fazenda Panorama, by subsidiary SLC Empreendimentos e Agricultura Ltda., in the amount of R$8,857, equivalent to US$4,447. The balance of R$2,399 at December 31, 2010, equivalent to US$1,440, restated by reference to US dollar variation, will be paid in 2 annual installments maturing as from May 31, 2011.

(f) Corresponds to the acquisition of 4,094 hectares of arable land in the city of Barreiras, Bahia State, adjoining arable land of Fazenda Palmares, in the amount of R$30,318. The balance of R$8,708 at December 31, 2010, refer to installments maturing on February 28, 2011, upon deed transfer to the Company.

19. Equity

a) Capital

At December 31, 2010, subscribed capital, in the amount of R$557,434, comprises 98,897,500 registered common shares with no par value, held as follows:

	Number of shares		
Shareholder	**12/31/2010**	**12/31/2009**	**01/01/2009**
SLC Participações S.A.	**28,948,586**	28,948,586	28,948,586
Evaux Participações S.A.	**21,520,787**	21,520,787	21,520,787
Board of Directors	**5**	1,003	3
Treasury shares	**987,700**	1,304,000	1,185,600
Other	**47,440,422**	47,123,124	47,242,524
Total paid-up shares	**98,897,500**	98,897,500	98,897,500
(-) Treasury shares	**(987,700)**	(1,304,000)	(1,185,600)
Total outstanding shares	**97,909,800**	97,593,500	97,711,900

b) Capital reserve – premium on issue of shares

The balance at December 31, 2010, in the amount of R$ 176.103, corresponds to premium received in public share offerings in June 2007 and June 2008, as well as premium on sale of treasury shares in 2010, in the amount of R$ 694, less share issue costs (commissions, fees and other expenses), net of tax effects, in conformity with CPC 10, in the amount of R$ 24,604.

19. **Equity** (Continued)

c) Treasury shares

The Company bought back its shares to keep them in treasury, aiming a later stock option plan (Note 24), according the decision made in Board of Directors' meeting held on October 29, 2008.

The buyback of shares took place in November and December 2008 and in January 2009, totaling 1,310,000 shares, in the amount of R$ 15,621, including transaction costs.

On June 22, 2009, 6,000 shares were sold for R$ 14.00 in connection with the exercise of share options in the context of the first share option grant ("2007 Program"), as approved by the Board Meeting held on October 31, 2007. The sale of these shares reduced the balance of treasury shares by R$ 72.

The balance of treasury shares at December 31, 2010, totaling R$ 11,778 comprises 987,700 shares (R$ 15,549, comprising 1,304,000 shares at December 31, 2009).

d) Legal reserve

The legal reserve is set based on 5% of net income for the year up to 20% of share capital. According to article 35, line a, of the Company's articles of incorporation, when the amount derived from sum of the legal reserve plus capital reserves, as defined in paragraph 1, article 182, of Brazil's Corporation Law, exceeds share capital by 30% (thirty percent), no part of the net income for the year must be allocated to the legal reserve. Accordingly, no legal reserve was recognized in 2010 e 2009.

e) Expansion reserve

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

At December 31, 2010, the amount of R$ 49,299 (at December 31, 2009, R$ 32.887) was allocated to the expansion reserve.

19. **Equity** (Continued)

f) Profit retention reserve

The remaining balance of accumulated earnings for year 2007, amounting to R$ 5,628, has been retained and recorded under profit retention reserve, to be applied for new investments established in capital budget, according to article 196 of the Brazilian Corporation Law.

g) Dividends

The General Shareholder's Meeting held on April 7, 2010 approved the payment of dividends in the total amount of R$ 7,081 (R$ 10,595 in 2008), equivalent to 25% of the adjusted net income, corresponding to R$ 0.0726 per common share, considering the total number of shares (98,897,500), less treasury shares (1,304,000), paid on April 15, 2010.

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

Of profits earned in the year ended December 31, 2010, and based on the Company's ability to generate operating cash, management proposed, to be approved at the Shareholders' General Meeting, the distribution of dividends, as follows:

	12/31/2010	12/31/2009
Net income for the year	**62,368**	28,324
Appropriation of legal reserve	**-**	-
Calculation base of dividends proposed	**62,368**	28,324
Dividends proposed	**15,592**	7,081
Base %	**25%**	25%

20. Financial income (expenses)

	Company		Consolidated	
	12/31/2010	**12/31/2009**	**12/31/2010**	**12/31/2009**
Financial expenses		Restated		Restated
Interest payable	**23,251**	20,787	**34,551**	29,887
Foreign exchange variation	**14,433**	9,360	**18,061**	11,964
Monetary restatement	**1,357**	2,102	**31,323**	26,839
Loss on derivative transactions	**46,325**	35,003	**47,706**	89,068
Other	**1,009**	486	**1,746**	1,799
	86,375	67,738	**133,387**	159,557
Financial income				
Short-term investments income	**9,280**	19,938	**14,081**	24,241
Foreign exchange variation	**16,124**	37,350	**19,264**	41,641
Monetary variation	**9,291**	1,595	**30,180**	25,487
Gain on derivative transactions	**30,734**	24,569	**24,485**	61,491
Other	**3,695**	5,328	**3,226**	2,817
	69,124	88,780	**91,236**	155,677
Financial income (expenses)	**(17,251)**	21,042	**(42,151)**	(3,880)

21. Commitments

a) Non-deliverable forward contracts

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

		Company			
Commodity	**Delivery date**	**Volume**	**No. of contracts**	**Unit**	**Unit price – US$**
2009/2010 crop					
Cotton lint	January to April 2011	36,600	7	ton	1,727.48
Coffee	January to March 2011	1,360	2	sack	227.13
Cottonseed	January 2011	1,000	1	ton	270.14
Wheat	January to February 2011	92,000	2	sack	21.72
2010/2011 crop					
Soybean	February to April 2011	1,366,473	14	sack	19.49
Cotton ling	August to February 2012	51,000	8	Ton	1,755.68
Cotton lint	August to December 2011	10,745	6	ton	To be defined
Corn	February to March 2011	125,000	2	sack	13.03
Cottonseed	June to September 2011	22,500	4	ton	178.76
2011/2012 crop					
Soybean	February to March 2012	250,000	1	sc	23.00

		Consolidated			
Commodity	**Delivery date**	**Volume**	**No. of Contracts**	**Unit**	**Unit price – in US$**
2009/2010 crop					
Cotton ling	January to April 2011	48,100	12	ton	1,854.84
Coffee	January to March 2011	1,360	2	sack	227.13
Cottonseed	January 2011	1,000	1	ton	270.14
Wheat	January to February 2011	92,000	2	sack	21.72
2010/2011 crop					
Soybean	February to April 2011	2,871,758	25	sack	18.59
Cotton lint	August to February 2012	76,500	15	ton	1,783.85
Cotton lint	August to December 2011	13,745	8	ton	To be defined
Corn	February to March 2011	125,000	2	sack	13.03
Corn	June to July 2011	250,000	1	sack	8.58
Cottonseed	June to September 2011	32,000	7	ton	168.56
2011/2012 crop					
Soybean	February to March 2012	500,000	2	sack	23.00

21. **Commitments** (Continued)

b) Non-deliverable forward contracts (Continued)

At December 31, 2010, the Company and its subsidiaries have 78,809 hectares of leased land, distributed as follows:

Farm/Unit	Location	Total hectares leased	Maturity	Amount (in soybean sacks/hectare/year)	Type of lease
Pamplona	Cristalina-GO	4,080	2011 to 2013	5 to 12	Operating
Planalto	Costa Rica-MS	1,657	2010 to 2011*	8 to 12	Operating
Planeste	Balsas-MA	10,838	2010 to 2023	3 to 8	Operating
Panorama	Correntina-BA	12,313	2015	9	Operating
Piratini	Jaborandi-BA	5,000	2021	2 *	Operating
Palmares	Barreiras-BA	21,194	2015	9	Operating
Parceiro	Formoza do Rio Preto - BA	3,704	2020	2 to 7	Operating
Parnaíba	Tasso Fragoso-MA	7,493	2023	1 to 2	Operating
Planorte	Sapezal-MT	367	2013	8	Operating
Paiaguás	Diamantino-MT	4,074	2010	6 to 8.5	Operating
Pejuçara	Diamantino-MT	8,089	2010 to 2020	6 to 9.5	Operating
		78,809			

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

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

	Company	Consolidated
Payments with 1 year	**9,134**	**14,758**
Payments from 1 to 5 years	**51,797**	**79,394**
Payments over 5 years	**18,972**	**48,980**
Total minimum future lease payments	**79,903**	**143,132**

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

21. Commitments (Continued)

b) Non-deliverable forward contracts (Continued)

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

22. Risk management and financial instruments

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

In addition, the Company and its subsidiaries contract financing operations in the financial market at fixed or variable interest rates. Therefore, the Company is subject to the risk of variation in interest rates on interest bearing loans at variable rates.

a) Utilization policy, purposes and strategies

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

22. Risk management and financial instruments (Continued)

a) Utilization policy, purposes and strategies (Continued)

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

b) Gains (losses) on non-derivative financial instruments in equity of company and consolidated

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

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

c) Foreign exchange risk

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

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

22. Risk management and financial instruments (Continued)

c) Foreign exchange risk (Continued)

To analyze the currency risk exposure, the Business Plan is constantly updated, considering the following assumptions: (i) planted area forecast; (ii) expected productivity; (iii) commodity prices, quoted in dollar, considering the volume-weighted average of prices for the sales made, and the market prices of the volume to be sold; and, (iv) the sales distribution over the periods under analysis. After the Business Plan definition and measurement of the items previously mentioned, we obtain a total currency exposure of US$ 333,035 thousand in 2011 and US$ 457,900 thousand in 2012. Based on the cost already built up with anticipated purchase of main inputs (fertilizers, agrochemicals and seeds) and the fixed cost estimate, the expected operating margin is arrived at. Thus, the risk management committee will apply the parameters specified in the Risk Management Policy, with a view to reducing the standard deviation from the target operating margin.

The table below sets out the positions of Company and its subsidiaries, at nominal and fair values of each instrument contracted as of December 31, 2010, namely:

22. Risk management and financial instruments (Continued)

c) Foreign exchange risk (Continued)

Description	Notional value				Fair value (MTM)				Accumulated effect			
	Currency	12/31/2010	12/31/2009	01/01/2009	Currency	12/31/2010	12/31/2009	01/01/2009	Currency	12/31/2010	12/31/2009	01/01/2009
Maturing in 2009												
Forward contracts (NDF):												
Short position												
Foreign currency	**US$**	**-**	-	203,500	**R$**	**-**	-	(106,271)	**R$**	**-**	-	(101,995)
Option contracts:												
Call position												
Foreign currency	**US$**	**-**	-	30,000	**R$**	**-**	-	(13,936)	**R$**	**-**	-	2,010
Subtotal – Maturing in 2010	**US$**	**-**	-	233,500	**R$**	**-**	-	(120,207)	**R$**	**-**	-	(99,985)
Maturing in 2010												
Forward contracts (NDF):												
Short position												
Foreign currency	**US$**	**-**	154,752	20,000	**R$**	**-**	15,295	(12,844)	**R$**	**-**	16,540	(13,851)
Option contracts:												
Call position												
Foreign currency	**US$**	**-**	20,000	20,000	**R$**	**-**	709	(9,092)	**R$**	**-**	1,190	806
Subtotal – Maturing in 2010	**US$**	**-**	174,752	40,000	**R$**	**-**	16,004	(21,936)	**R$**	**-**	17,730	(13,045)
Maturing in 2011												
Forward contracts (NDF):												
Short position												
Foreign currency	**US$**	**155,355**	58,089	-	**R$**	**41,296**	3,109	-	**R$**	**42,081**	5,345	-
Subtotal – Maturing in 2011	**US$**	**155,355**	58,089	-	**R$**	**41,296**	3,109	-	**R$**	**42,081**	5,345	-
Maturing in 2012												
Forward contracts (NDF):												
Short position												
Foreign currency	**US$**	**26,500**	-	-	**R$**	**5,202**	-	-	**R$**	**4,779**	-	-
Subtotal – Maturing in 2012	**US$**	**26,500**	-	-	**R$**	**5,202**	-	-	**R$**	**4,779**	-	-
TOTAL	**US$**	**181,855**	232,841	273,500	**R$**	**46,498**	19,113	(142,143)	**R$**	**46,860**	23,075	(113,030)

22. Risk management and financial instruments (Continued)

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

Description	Notional amount				Fair value			
	Currency	12/31/2010	12/31/2009	01/01/2009	Currency	12/31/2010	12/31/2009	01/01/2009
Banco Itaú BBA	**US$**	**60,291**	33,048	20,000	**R$**	**15,762**	2,265	(9,727)
Citibank	**US$**	**40,401**	84,863	35,000	**R$**	**10,422**	9,198	(20,820)
Deutsche Bank	**US$**	**22,579**	58,988	20,000	**R$**	**6,406**	4,634	(9,011)
HSBC Bank	**US$**	**22,165**	24,550	-	**R$**	**4,711**	357	-
Banco Bradesco	**US$**	**16,960**	4,600	5,000	**R$**	**4,031**	(6)	(2,593)
Votorantim	**US$**	**16,983**	-	15,000	**R$**	**4,592**	-	(8,364)
Santander Brasil	**US$**	**2,476**	6,792	20,000	**R$**	**574**	1,956	(11,756)
Merrill Lynch	**US$**	**-**	20,000	65,000	**R$**	**-**	(481)	(34,083)
Banco Alfa Investimentos	**US$**	**-**	-	55,000	**R$**	**-**	-	(25,727)
Unibanco	**US$**	**-**	-	35,000	**R$**	**-**	-	(19,560)
ABN AMRO Real	**US$**	**-**	-	3,500	**R$**	**-**	-	(502)
Total	**US$**	**181,855**	232,841	273,500	**R$**	**46,498**	17,923	(142,143)

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

- Non deliverable forwards (NDF) – the future dollar curve published by the Brazilian Mercantile and Futures Exchange (BM&F) www.bmf.com.br at each year end was taken into consideration. Based on this information, the forecast adjustment at the maturity of each transaction is discounted at the interest curve between Ptax at year end and future quote at the maturity of the derivative published by the BM&F.

- Options contracts – the fair value of transactions for issuing call options on dollar is equivalent to the market value of reversal of such transactions confirmed by the financial institutions with which the Company has entered into these transactions.

22. Risk management and financial instruments (Continued)

d) Price risk

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

At December 31, 2010, the Company and its subsidiaries had engaged into the following derivative transactions to hedge against commodities price volatility, at the following maturities:

22. Risk management and financial instruments (Continued)

d) Price risk

Description	Notional value				Fair value				Accumulated effect (current period)		
	Currency	12/31/2010	12/31/2009	01/01/2009	Currency	12/31/2010	12/31/2009	01/01/2009	Currency	Amount receivable / (received)	Amount payable / (paid))
Maturing in 2009											
Swap contracts with accumulators											
Commodities – Cotton	**US$**	**-**	-	8,712	**R$**	**-**	-	732	**R$**	**-**	**-**
Subtotal – Maturing in 2011	**US$**	**-**	-	8,712	**R$**	**-**	-	732	**R$**	**-**	**-**
Maturing in 2010											
Swap contracts with accumulators											
Commodities – Cotton	**US$**	**-**	12,171	-	**R$**	**-**	(1,001)	-	**R$**	**-**	**-**
Commodities - Soybean	**US$**	**-**	17,324	-	**R$**	**-**	(112)	-	**R$**	**-**	**-**
Subtotal – Maturing in 2010	**US$**	**-**	29,495	**-**	**R$**	**-**	(1,113)	-	**R$**	**-**	**-**
Maturing in 2011											
Swap contracts with accumulators											
Commodities - Cotton	**US$**	**19,460**	-	-	**R$**	**(16,627)**	-	-	**R$**	**286**	**16,913**
Commodities - Soybean	**US$**	**40,072**	1,364	-	**R$**	**(9,302)**	(411)	-	**R$**	**7,988**	**17,290**
Subtotal – Maturing in 2011	**US$**	**59,532**	1,364	-	**R$**	**(25,929)**	(411)	-	**R$**	**8,274**	**34,203**
Total	**US$**	**59,532**	30,859	8,712	**R$**	**(25,929)**	(1,524)	732	**R$**	**8,274**	**34,203**

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

e) Interest rate risk

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

22. Risk management and financial instruments (Continued)

e) Interest rate risk (Continued)

In order to provide hedge against variation in such interest rates, the Company carries out interest rate swap operations with highly rate financial institutions. These operations involve swap of variable interest rates for fixed interest rates, in which the Company holds the asset end under variable interest rate (TJLP or Libor), and concurrently the liability end under fixed interest rate. The notional value of principal and maturities of the swap operation are identical to the hedged debt flow. Thus, the risk of fluctuation of variable interest rate on the debt is eliminated.

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

			Swap Balance (Contract curve)		Swap balance (MTM)		
Counterparty	**Hedge Instrument**	**Hedged Item**	**Asset end**	**Liability end**	**Asset end**	**Liability end**	**Adjustment**
Santander	Swap contract of USD40,000 (Asset- Libor 6 months +2%p.a. / Liability 4.68%pa.)	Debt of USD40,000 - Libor 6 months + 2%p.a.	90,876	(90,876)	67,204	70,131	(2,927)
Total			**90,876**	**(90,876)**	**67,204**	**70,131**	**(2,927)**

We set out below the Company's consolidated derivative instruments and that are presented in balance sheet accounts:

		Notional value				Fair value recorded in assets			Fair value recorded in liabilities		
Description	**Currency**	**12/31/2010**	**12/31/2009**	**01/01/2009**	**Currency**	**12/31/2010**	**12/31/2009**	**01/01/2009**	**12/31/2010**	**12/31/2009**	**01/01/2009**
Foreign exchange hedge operations											
NDF (Non Deliverable Forwards) contracts	**US$**	**181,855**	212,841	223,500	**R$**	**46,498**	18,521	-	**-**	117	119,115
Option contracts	**US$**	**-**	20,000	50,000	**R$**	**-**	709	-		1,190	23,028
Subtotal	**US$**	**181,855**	232,841	273,500	**R$**	**46,498**	19,230	**-**	**-**	1,307	142,143
Commodity hedge operations											
Accumulator cotton swap	**US$**	**19,460**	12,171	8,712	**R$**	**286**	-	732	**16,913**	1,001	-
Accumulator soybean swap	**US$**	**40,072**	18,688	-	**R$**	**8,430**	621	-	**17,732**	1,144	-
Subtotal	**US$**	**59,532**	30,859	8,712	**R$**	**8,716**	621	732	**34,645**	2,145	-
Interest rate hedge operations											
Swap Libor vs. Pre	**US$**	**40,000**	40,000	-	**R$**	**-**	911	-	**2,927**	2,267	-
Subtotal	**US$**	**40,000**	40,000	-	**R$**	**-**	911	-	**2,927**	2,267	-
Total	**US$**	**281,387**	303,700	282,212	**R$**	**55,214**	20,762	732	**37,572**	5,719	142,143
(-) Current portion					**R$**	**(50,012)**	(16,570)	(732)	**(35,987)**	(3,954)	(120,207)
Non-current portion					**R$**	**5,202**	4,192	-	**1,585**	1,765	21,936

22. Risk management and financial instruments (Continued)

We set out below the fair value of consolidated gains or losses for the period, segregated by the main risk categories:

		Gains and losses recorded in P&L						Gains and losses recorded in equity		
		Allocated to Gross Revenue at			Allocated to Financial Income at					
Description	**Currency**	**12/31/2010**	**12/31/2009**	**01/01/2009**	**12/31/2010**	**12/31/2009**	**01/01/2009**	**12/31/2010**	**12/31/2009**	**01/01/2009**
Foreign exchange rate hedge operations										
NDF (Non Deliverable Forwards) contracts	**R$**	**23,583**	(6,111)	11,131	**6,181**	(47,184)	(11,934)	**44,728**	18,209	(119,051)
Option contracts	**R$**	**-**	-	-	**1,190**	22,547	(14,832)	-	-	-
Subtotal	**R$**	**23,583**	(6,111)	11,131	**7,371**	(24,637)	(26,766)	**44,728**	18,209	(119,051)
Commodity hedge operations										
Agricultural commodity swap										
Cotton	**R$**	-	-	-	**(14,940)**	(1,001)	-	-	-	-
Soybean	**R$**	-	-	-	**(8,334)**	(583)	732	-	-	-
Coffee	**R$**	-	-	-	**(863)**	-	-	-	-	-
Option contracts										
Soybean	**R$**	-	-	-	**-**	-	(4,551)	-	-	-
Fertilizers swap										
Urea	**R$**	-	-	-	**993**	-	-	-	-	-
Other	**R$**	-	-	-	**(3,093)**	-	-	-	-	-
	R$	**-**	**-**	**-**	**(26,237)**	(1,584)	(3,819)	**-**	**-**	**-**
Interest rate hedge operations										
Swap Libor vs. Pre	**R$**	-	-	-	**(4,355)**	(1,356)	-	-	-	-
Subtotal	**R$**	-	-	-	**(4,355)**	(1,356)	-	**-**	-	-
TOTAL	**R$**	**23,583**	(6,111)	11,131	**(23,221)**	(27,577)	(30,585)	**44,728**	18,209	(119,051)

The effect on foreign exchange, commodities and interest hedge operations totaled (R$ 23,221 thousand).

22. Risk management and financial instruments (Continued)

f) Credit risk

A significant portion of sales made by the Company and its subsidiaries is made to 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.

g) Market values

At December 31, 2010, the market values of cash, financial investments, accounts receivable and payable, as well as loans and financing approximate the respective carrying amounts due to their short-term nature, or also because they are subject to variable interest rates.

h) Sensitivity analysis

The Company carries out operations with derivative instruments solely for providing hedge against fluctuation in foreign exchange rates and commodities sale price, which is linked to US dollar rate, as well as in soybean and cotton price in the international market.

We prepared a sensitivity analysis for derivative instruments according to CVM Rule No. 475/08, segregating them based on the risk factor; to wit: exchange variation, commodities price and interest rate variation (CDI, TJLP, Libor).

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

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

22. Risk management and financial instruments (Continued)

i) Foreign exchange risk

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

- Probable Scenario: Based on the FOCUS report (Bacen) of December 31, 2010, we defined this scenario considering average exchange rate to US dollar of R$ 1.72.

- A 25% fall in the currency rate: in this scenario the transactions would be settled considering exchange rate to US dollar of R$ 1.29, the equivalent to a 25% fall in relation to the Probable Scenario.

- A 50% fall in the currency rate: in this scenario the transactions would be settled considering exchange rate to US dollar of R$ 0.86, the equivalent to 50% fall in relation to the Probable Scenario.

- A 25% rise in the currency rate: in this scenario the transactions would be settled considering exchange rate to US dollar of R$ 2.15, the equivalent to a 25% rise in relation to the Probable Scenario.

- A 50% rise in the currency rate: in this scenario the transactions would be settled considering exchange rate to US dollar of R$ 2.58, the equivalent to a 50% rise in relation to the Probable Scenario.

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

Amounts in R$ 1,000

Description	Risk	Remote Scenario *Quote R$ 0.86*	Possible Scenario *Quote R$ 1.29*	Probable Scenario *Quote R$ 1.72*	Possible Scenario *Quote R$ 2.15*	Remote Scenario *Quote R$ 2.58*
Year 2011						
Revenues from sales (underlying item)	US$ rate change	(335,723)	(192,517)	(49,313)	93,892	237,097
Non-deliverable forwards (NDF)	US$ rate change	182,918	116,115	49,313	(17,490)	(84,292)
Subtotal		**(152,805)**	**(76,402)**	**-**	**76,402**	**152,805**
Year 2012						
Revenues from sales (underlying items)	US$ rate change	(402,632)	(205,735)	(8,838)	188,059	384,956
Non-deliverable forwards (NDF)	US$ rate change	31,628	20,233	8,838	(2,557)	(13,952)
Subtotal		**(371,004)**	**(185,502)**	**-**	**185,502**	**371,004**
US$ debt						
Subtotal	US$ rate change	**66,044**	**30,818**	**(4,407)**	**(39,633)**	**(74,859)**
Total		**(457,765)**	**(231,086)**	**(4,407)**	**222,271**	**448,950**

22. Risk management and financial instruments (Continued)

j) Commodity price risks

The Company projected the impact of commodity price hedging operations in the following 3 scenarios for 2011:

- Probable Scenario: In this scenario, the following prices were considered, with maturity at CBOT (Chicago Board of Trade) and ICE (Ice Futures US):
  Cotton: USD/ GBP 1.2930 – maturing in June 2011;
  Soybean: USD/Bushel 14.09 – maturing in April 2011;

- Possible Scenario: In this scenario, the cotton, soybean and coffee prices would rise by 25% in relation to the Probable Scenario:
  Cotton: USD/GBP 1.6163 – maturing in June 2011;
  Soybean: USD/Bushel 17.61 – maturing in April 2011;

- Remote Scenario: In this scenario, we consider that the price of cotton, soybean and coffee would rise by 50%, in relation to the Probable Scenario:
  Cotton: USD/GBP 1.9395 – maturing in June 2011;
  Soybean: USD/Bushel 21.14 – maturing in April 2011;

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

Amounts in R$ 1,000

Description	Risk	Probable Scenario	Possible scenario + 25%	Remote Scenario + 50%
Year 2011				
Cotton – Swap with accumulators	Price increase	**(16,627)**	(31,110)	(43,358)
Soybean – Swap with accumulators	Price increase	**(9,302)**	(16,505)	(25,123)
Total		**(25,929)**	**(47,615)**	**(68,481)**

22. Risk management and financial instruments (Continued)

k) Interest rate risks

With a view to analyzing interest rate sensitivity on the Company's debts and short-term investments, as of December 31, 2010, 5 different scenarios were defined. Based on the FOCUS report (Bacen) of December 31, 2010, we defined the index rates for Interbank Deposit Certificates (CDI) and FOREX; concerning Libor, we considered the BM&F future curve as of December 31, 2010, and for the Long-term Interest Rate (TJLP), we considered the rate valid on the year-closing date. Based on this information, we defined the Probable Scenario to be analyzed, and arrived at a variation between 25% and 50% therefrom.

Gross financial income or expenses were considered in analyzing each scenario, not including taxes or debt maturity terms and redemption of short-term investments scheduled for 2010. The portfolio base date was December 31, 2010, and the interest rates were projected over a one-year period, their sensitivity being analyzed in each one of the 5 scenarios.

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

	Interest rate*	Balance at 12/31/2010	50% fall	25% fall	Probable Scenario	25% rise	50% rise
Debts in reais – Fixed rate							
Rural Credit	6.75%	125,852	N/A	N/A	N/A	N/A	N/A
Constitutional Funds	7.31%	190,252	N/A	N/A	N/A	N/A	N/A
BNDES	5.11%	28,063	N/A	N/A	N/A	N/A	N/A
NCE	11.70%	17,575	N/A	N/A	N/A	N/A	N/A
Debt in reais – Floating rate							
BNDES	TJLP + 2.61%	19,123	(1,073)	(1,360)	(1,646)	(1,933)	(2,220)
US$ debts							
Libor	Libor 6M + 4.23% - NE15	67,971	(1,514)	(1,591)	(1,668)	(1,745)	(1,822)
Swap Libor x Pre**	Asset: Libor 6M+2% Liability: 4.68%	66,648	(1,566)	(1,493)	(1,420)	(1,348)	(1,274)
BNDES	Currency basket + 2.59%	757	(37)	(45)	(52)	(60)	(68)
Short-term investments		449,593					
CDB and Debentures	100.90% of CDI	109,494	4,780	7,170	9,561	11,951	14,341
		109,494					

* Average annual rates

** R$ 66,648 refers to the translation of USD40,000 (loan amount whose Libor fluctuation is hedged) at the USD rate as of December 31, 2010 – R$1.6662.

23. Employees' profit sharing

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

Beginning 2008, the amounts payable in the form of profit sharing started to be computed on consolidated net income of the Company. This amount is, in part, freely distributed to the beneficiaries and, in part, based on goals predefined by each production unit.

Profit sharing is determined by applying 9% on consolidated net income. Amounts payable to the beneficiaries of all the production units are calculated by applying 60% thereon, and the remaining 40% will depend on the fulfillment of goals set by each production unit. The amount corresponding to goals achieved is limited to 2 (two) nominal salaries per beneficiary employee.

In 2010, the amount of R$ 3,583 (R$ 4,877 – consolidated) was recorded as profit sharing. In 2009, an expense in the amount of R$ 1,665 was recorded (R$ 2,225 – consolidated).

24. Stock option plan

At the Extraordinary Shareholders' Meeting held on May 23, 2007, the Company's 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 Plan is created. The dilution corresponds to the percentage represented by the number of shares considered for the options in relation to the total number of shares issued by the Company.

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 30-day period as from the date of delivery of the Stock Option Exercise Instrument.

24. **Stock option plan** (Continued)

The 2007, 2008, 2009 and 2010 Annual Programs, granting 640,000, 720,000, 488,000 and 805,000 call options, were approved in the Board of Directors' meeting held on October 31, 2007, December 16, 2008, November 11, 2009 and November 10, 2010, respectively.

Changes in shared granted in the 2007, 2008, 2009 and 2010 Annual program and the respective exercise prices (in Reais) are as follows:

		Number of shares				
Granting Year	**Exercise price - R$**	**Opening balance at 12/31/2009**	**Granted**	**Cancelled**	**Exercised**	**Opening balance at 12/31/2010**
2007	R$ 14.00	564,000	-	(66,000)	(273,700)	224,300
2008	R$ 14.80	700,000	-	(149,000)	(28,000)	523,000
2009	R$ 15.00	488,000	-	(50,000)	(14,600)	423,400
2010	R$ 16.87	-	805,000	-	-	805,000
		1,752,000	805,000	(265,000)	(316,300)	1,975,700

		Number of shares				
Granting Year	**Exercise price - R$**	**Opening balance at 01/01/2009**	**Granted**	**Cancelled**	**Exercised**	**Opening balance at 12/31/2009**
2007	R$ 14.00	590,000	-	(20,000)	(6,000)	564,000
2008	R$ 14.80	720,000	-	(20,000)	-	700,000
2009	R$ 15.00	-	488,000	-	-	488,000
		1,310,000	488,000	(40,000)	(6,000)	1,752,000

The exercise price under the 2007 annual program was established at R$ 14.00 (fourteen reais) per share, equivalent to the distribution price per share established in the initial public offering.

The exercise price of the 2008 annual program was established at R$ 14.80 (fourteen reais and eighty cents) per share, corresponding to the average of 90 closing quotations of the Company's share on the São Paulo State Stock Exchange (Bovespa), prior to plan approval, with discount of 19.97%.

The exercise price of the 2009 annual program was established at R$ 15.00 (fifteen reais) per share, corresponding to the average of 90 closing quotations of the Company's share on the São Paulo State Stock Exchange (Bovespa), prior to plan approval, with discount of 7.98%.

24. **Stock option plan** (Continued)

The exercise price of the 2010 annual program was established at R$ 16.87 (sixteen reais and eighty-seven cents) per share, equivalent to the average of 90 closing quotations of the Company's share on the São Paulo State Stock Exchange (Bovespa), prior to plan approval.

Vesting periods are as follows:

Vesting period from granting	Stock options granted for the year %	Maximum number of shares
As from 11/10/2011	8%	161,000
As from 11/11/2011	13%	248,200
As from 12/16/2011	54%	1,070,100
As from 11/12/2012	76%	1,492,700
As from 11/12/2013	100%	1,975,700

The Company recognized the costs with stock option plan based on the fair value of the granted shares, considering their fair value on granting date. The Black-Scholes model was used to determine the stock option fair value. The weighted average fair value, premiums and economic assumptions used for calculation are as follows:

	2007 Granting	2008 Granting	2009 Granting	2010 Granting
Weighted average fair value	R$ 21.2528	R$ 23.8985	R$ 21.3870	R$ 28.7330
Premiums	R$ 7.2528	R$ 9.0985	R$ 6.3870	R$ 11.8630
Dividend	1.00%	1.00%	1.00%	1.00%
Price volatility per share	32.03%	76.05%	67.59%	60.40%
Risk-free return rate				
1st maturity date	11.65%	13.70%	9.91%	11.40%
2nd maturity date	11.65%	13.87%	11.41%	11.92%
2rd maturity date	11.64%	14.01%	12.13%	11.88%
Period expected up to maturity date				
1st maturity date	1,097	1,096	365	365
2nd maturity date	1,279	1,278	730	730
2rd maturity date	1,462	1,461	1,097	1,097

Abiding by CPC 10, taking into consideration the grace periods above, the amount of R$ 2,769 (expense) was recognized as share option plan expense due to elapsing of vesting period, the contra entry being to a specific capital reserve account in shareholders' equity as of December 31, 2010 (R$ 4,431 at December 31, 2009).

25. Government grants and assistance

a) ICMS deferral and deemed matching credit

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

The state government of Mato Grosso do Sul, Mato Grosso and Goiás, granted deemed matching ICMS credits on operations with cotton lint, with ICMS reduction by 50% to 75% through participation of Fazenda Planalto in the PDAGRO program (Mato Grosso do Sul), of Fazenda Planorte e Fazenda Paiaguás in the PROALMAT program (Mato Grosso) and Fazenda Pamplona in the PROALGO program (Goiás).

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

The deemed matching credits are credited to sales taxes account in the statement of operations, the contra entry being to taxes payable. In 2010, deemed matching ICMS credits were recognized in the amount of R$ 5,064 – Company, and R$ 9,059 – consolidated.

b) Income tax reduction incentive

The Company enjoys IRPJ reduction incentive in subsidiaries Fazendas Parnaíba S.A. and Fazenda Planorte S.A., located in Maranhão state and Mato Grosso state, respectively, granted by SUDAM. This incentive involves 75% reduction of IRPJ and non-refundable surtax.

25. Government grants and assistance (Continued)

b) Income tax reduction incentive (Continued)

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

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

The gains from IRPJ reduction incentive in 2010 totaled R$ 1,944 – consolidated.

26. Insurance coverage

At December 31, 2010, 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.

26. Insurance coverage (Continued)

Insurance coverage taken out is detailed below:

Policy No.	Nature	Period covered	Coverage
01.004.131.038971	Vehicles of SLC Agrícola	10/10/10 to 10/10/11	Third parties - 100% FIPE
01.004.131.038960	Vehicles of Fazenda Parnaíba	10/10/10 to 10/10/11	Third parties - 100% FIPE
01.004.131.038961	Vehicles of Fazenda Planorte	10/10/10 to 10/10/11	Third parties - 100% FIPE
01.004.131.039004	Vehicles of Fazenda Paiaguás	10/10/10 to 10/10/11	Third parties - 100% FIPE
3.235.741	Machinery	10/08/10 to 10/08/11	2,000,000.00
03.30.0023699.000000	Rural properties / Master	11/10/10 to 11/10/11	25,000,000.00
03.18.0452169	Management	11/10/10 to 11/10/11	750,000.00
6.833.492	Civil responsibility	12/02/10 to 12/02/11	1,000,000.00

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

27. Gross revenue from sales

	Company		Consolidated	
	12/31/2010	12/31/2009	12/31/2010	12/31/2009
		Restated		Restated
Gross operating revenue				
Sale of goods	**533,990**	382,092	**810,496**	643,708
Fair value variation of biological assets	**78,203**	(46,330)	**139,224**	(9,015)
Deductions, taxes and contributions	**(44,402)**	(29,700)	**(61,008)**	(46,733)
Net operating revenue	**567,791**	306,062	**888,712**	587,960

28. Expenses per nature

	Company		Consolidated	
	12/31/2010	**12/31/2009**	**12/31/2010**	**12/31/2009**
Expenses per function				
Cost of goods sold	**(444,956)**	(310,797)	**(669,009)**	(502,345)
Selling expenses	**(38,084)**	(26,232)	**(56,644)**	(43,147)
General and administrative expenses	**(26,766)**	(21,548)	**(34,523)**	(29,099)
Other operating expenses	**(365)**	-	**(7,647)**	(54,471)
	(510,171)	(358,577)	**(767,823)**	(629,062)
Expenses per nature				
Depreciation and amortization	**(53,592)**	(39,052)	**(78,297)**	(58,651)
Personnel expenses	**(20,184)**	(17,588)	**(91,725)**	(77,029)
Raw material and other materials	**(387,551)**	(267,160)	**(549,514)**	(451,666)
Freight	**(28,510)**	(17,767)	**(17,008)**	(17,681)
Other expenses	**(20,334)**	(17,010)	**(31,279)**	(24,035)
	(510,171)	(358,577)	**(767,823)**	(629,062)

29. Information per segment

As the Company produces solely grains, for managerial and accounting purposes, it is organized at a single business unit. Even though the Company operates with various types of grains, the Company management does not control or manage its activities with independent segments, and the Company's results are subject to integrated monitoring and assessment.

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

	2010	2009
		Restated
Gross sales		
Domestic market	**359.989**	281.612
Foreign market	**386.978**	345.923
Other	**63.529**	16.173
	810.496	643.708

Information on consolidated gross sales per products are as follows:

	2010	2009
		Restated
Consolidated gross sales:		
Cotton	**390,714**	264,427
Soybean	**204,580**	240,540
Corn	**89,698**	67,505
Cottonseed	**41,148**	36,920
Coffee	**13,915**	7,742
Other	**70,441**	26,574
	810,496	643,708

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

30. Reconciliation of the quarterly information to be adjusted with the adoption of the new accounting pronouncements

In January 2011, the Brazilian Securities and Exchange Commission (CVM) resolved that the publicly-held companies which, up to the presentation fate of their financial statements for the years started in January 2010, has not restated their quarterly information for 2010, shall including in their annual financial statements a note stating, for each 2010 and 2009 quarter, the effects in P&L and equity arising from the full compliance with the 2010 standards.

The effects referred to above are as follows:

	03/31/2010	06/30/2010	09/30/2010	03/31/2009	06/30/2009	09/30/2009
Quarterly net income						
Net income previously disclosed	24,939	(4,248)	4,390	28,226	(5,921)	(22,120)
Fair value of biological assets	(27,321)	51,840	53,185	24,830	(27,591)	(32,603)
Interest capitalization	444	445	445	456	456	457
Reversal of provision for adjustment to realization value of inventories	(10,956)	-		-	-	-
Depreciation	(472)	(472)	(472)	(836)	(836)	(835)
Reversal of deemed cost per land sale	-	-	(23,003)	-	-	-
Deferred income and social contribution taxes	13,024	(17,616)	(16,778)	(8,313)	9,510	11,214
Adjusted income	(342)	29,949	17,767	44,363	(24,382)	(43,887)

	03/31/2010	06/30/2010	09/30/2010	03/31/2009	06/30/2009	09/30/2009
Equity						
Equity previously disclosed	838,627	838,676	861,814	764,967	806,141	807,039
Deemed cost	1,367,873	1,367,873	1,344,869	1,367,873	1,367,873	1,367,873
Fair value of biological assets	(23,705)	28,135	81,320	41,080	13,488	(19,115)
PPE value added reversal	(12,980)	(12,980)	(12,980)	(12,980)	(12,980)	(12,980)
Reversal of barter gains on acquisition of equity interest	22,587	22,587	22,587	22,587	22,587	22,587
Interest capitalization	2,269	2,714	3,159	456	912	1,369
Depreciation	(3,815)	(4,287)	(4,759)	(836)	(1,672)	(2,507)
Deferred income and social contribution taxes	(384,279)	(401,896)	(418,673)	(406,702)	(397,192)	(385,979)
Adjusted equity	1,806,577	1,840,822	1,877,337	1,776,445	1,799,157	1,788,287