Contents

Company Information

Capital composition 1
Dividends 2

Individual financial statements

Balance sheet - Assets 3
Balance sheet - Liabilities 4
Statement of income 6
Statements of comprehensive income 7
Statement of cash flows 8

Statement of changes in shareholders' equity

Statement of changes in shareholders' equity (DMPL) - 01/01/2017 to 03/31/2017 9
Statement of changes in shareholders' equity (DMPL) - 01/01/2016 to 03/31/2016 10
Statement of added-value 11

Consolidated financial statements

Balance sheet - Assets 12
Balance sheet - Liabilities 13
Statement of income 15
Statements of comprehensive income 16
Statement of cash flows 17

Statement of changes in shareholders' equity

Statement of changes in shareholders' equity (DMPL) - 01/01/2017 to 03/31/2017 18
Statement of changes in shareholders' equity (DMPL) - 01/01/2016 to 03/31/2016 19
Statement of added-value 20
Management report and comments on performance 21
Notes to the quarterly information 43
Other informations the company deems to be relevant 83

Reports and declarations

Report of the special review - unqualified 86

Company information / Capital composition

Number of shares (units)	Current quarter 03/31/2017
Paid-up capital	
Common shares	98,897,500
Preferred shares	-
Total	**98,897,500**
Treasury shares	
Common shares	1,750,643
Preferred shares	-
Total	**1,750,643**

Company information/dividends

Event	Date approved	Description	Initial date of payment	Type of share	Class of share	Amount per share (R$/share)
Annual General Meeting	04/27/2017	Dividends	05/11/2017	Common		0.14647

Individual financial statements / Balance sheet – Assets

(In thousands of Reais)

Code of account	Account description	Current quarter 03/31/2017	Current quarter 12/31/2016
1	Total assets	4,760,588	4,771,143
1.01	Current assets	1,977,506	2,057,675
1.01.01	Cash and cash equivalents	779,219	896,213
1.01.01.01	Cash and cash equivalents	580,601	767,009
1.01.01.02	Short-term interest earnings bank deposits	198,618	129,204
1.01.03	Accounts receivable	153,809	185,603
1.01.03.01	Trade accounts receivable	53,553	71,529
1.01.03.02	Other accounts receivable	100,256	114,074
1.01.03.02.01	Advances to suppliers	2,399	1,406
1.01.03.02.02	Operations with derivatives	82,385	95,563
1.01.03.02.03	Securities and credits receivable	7,553	7,948
1.01.03.02.04	Related party credits	6,577	8,142
1.01.03.02.05	Other accounts receivable	1,342	1,015
1.01.04	Inventories	429,975	448,031
1.01.05	Biological assets	550,454	470,213
1.01.06	Recoverable taxes	57,345	51,224
1.01.06.01	Current taxes recoverable	57,345	51,224
1.01.06.01.01	Recoverable taxes	57,345	51,224
1.01.07	Prepaid expenses	6,627	6,314
1.01.08	Others Current Assets	77	77
1.01.08.02	Assets of discontinued operations	77	77
1.02	Non-current assets	2,783,082	2,713,468
1.02.01	Long term assets	136,119	148,036
1.02.01.07	Prepaid expenses	3,316	3,777
1.02.01.09	Other non-current assets	132,803	144,259
1.02.01.09.03	Recoverable taxes	28,468	34,807
1.02.01.09.04	Operations with derivatives	44,671	48,327
1.02.01.09.07	Advances to suppliers	45,604	46,593
1.02.01.09.08	Other accounts receivable	14,060	14,532
1.02.02	Investments	2,090,345	1,998,838
1.02.02.01	Equity interest	2,090,345	1,998,838
1.02.02.01.01	Equity in associates	2,090,345	1,998,838
1.02.03	Property, plant and equipment	549,739	563,490
1.02.03.01	Fixed assets in operation	527,437	526,530
1.02.03.03	Constructions in progress	22,302	36,960
1.02.04	Intangible assets	6,879	3,104
1.02.04.01	Intangible assets	6,879	3,104
1.02.04.01.02	Other (Systems)	6,879	3,104

Individual financial statements / Balance sheet - Liabilities

(In thousands of Reais)

Code of account	Account description	Current quarter 03/31/2017	Current quarter 12/31/2016
2	Total liabilities	4,760,588	4,771,143
2.01	Current liabilities	1,514,146	1,515,635
2.01.01	Social and labor obligations	14,928	13,245
2.01.01.01	Social charges	14,488	12,938
2.01.01.02	Labor obligations	440	307
2.01.02	Trade payables	165,901	369,887
2.01.02.01	Domestic trade payables	165,901	369,887
2.01.03	Tax liabilities	1,556	3,812
2.01.03.01	Federal tax liabilities	731	2,418
2.01.03.01.01	Income and social contribution tax payable	197	1,605
2.01.03.01.02	Taxes, rates, and sundry contributions	534	813
2.01.03.02	State tax liabilities	551	1,276
2.01.03.03	Municipal tax liabilities	274	118
2.01.04	Loans and financing	1,048,200	978,891
2.01.04.01	Loans and financing	1,048,200	978,891
2.01.04.01.01	In local currency	892,023	782,166
2.01.04.01.02	In foreign currency	156,177	196,725
2.01.05	Other liabilities	266,401	136,222
2.01.05.01	Liabilities with related parties	46,565	30,517
2.01.05.01.01	Debts with Affiliates	46,565	30,517
2.01.05.02	Other	219,836	105,705
2.01.05.02.02	Minimum mandatory dividend payable	7,112	7,112
2.01.05.02.04	Advances from clients	118,559	17,764
2.01.05.02.05	Operations with derivatives	46,011	44,280
2.01.05.02.06	Lease Payable	45,982	34,724
2.01.05.02.07	Other debits	2,172	1,825
2.01.06	Provisions	17,160	13,578
2.01.06.01	Tax, social security, labor and civil provisions	16,850	13,578
2.01.06.01.02	Social security and labor provisions	12,126	9,161
2.01.06.01.03	Provisions to employee benefits	2,718	2,443
2.01.06.01.05	Provisions for labor contingencies	2,006	1,974
2.01.06.02	Other Provisions	310	0
2.02	Non-current liabilities	637,491	804,473
2.02.01	Loans and financing	499,792	702,228
2.02.01.01	Loans and financing	499,792	702,228
2.02.01.01.01	In local currency	265,439	425,204
2.02.01.01.02	In foreign currency	234,353	277,024
2.02.02	Other liabilities	25,106	24,427
2.02.02.02	Other	25,106	24,427
2.02.02.02.03	Operations with derivatives	25,024	24,346
2.02.02.02.04	Other debits	82	81
2.02.03	Deferred taxes	112,593	77,818

2.02.03.01	Deferred income and social contribution taxes	112,593	77,818
2.03	Shareholders' equity	2,608,951	2,451,035
2.03.01	Paid-in capital	947,522	947,522
2.03.02	Capital reserves	81,544	80,984
2.03.02.01	Goodwill in the issue of shares	71,599	72,102
2.03.02.04	Options granted	40,701	39,534
2.03.02.05	Treasury shares	(30,756)	(30,652)
2.03.04	Profit reserves	292,744	292,744
2.03.04.01	Legal reserve	10,474	10,474
2.03.04.02	Statutory reserve	248,093	248,093
2.03.04.05	Profit retention reserved	27,065	27,065
2.03.04.08	Additional dividends proposed	7,112	7,112
2.03.05	Retained earnings/losses	76,601	0
2.03.08	Other comprehensive income	1,210,540	1,129,785

Individual financial statements / Statement of income

(In thousands of Reais)

Code of account	Account description	Accumulated of the Current year 01/01/2017 to 03/31/2017	Accumulated of the Current year 01/01/2016 to 03/31/2016
3.01	Income from sales of goods and/or services	388,031	308,111
3.02	Cost of goods and/or services sold	(247,734)	(270,039)
3.03	Gross income	140,297	38,072
3.04	Operating income/expenses	(14,929)	(18,564)
3.04.01	Selling expenses	(14,124)	(16,466)
3.04.02	General and administrative expenses	(18,505)	(18,283)
3.04.02.01	General and administrative	(13,991)	(12,921)
3.04.02.02	Management compensation	(4,514)	(5,362)
3.04.04	Other Operating Income	528	0
3.04.05	Other operating expenses	(1,779)	(3,297)
3.04.06	Equity income (loss)	18,951	19,482
3.05	Income (loss) before financial income (loss) and taxes	125,368	19,508
3.06	Financial income (loss), net	(20,671)	(36,133)
3.06.01	Financial income	66,208	125,944
3.06.02	Financial expenses	(86,879)	(162,077)
3.07	Income (loss) before income tax	104,697	(16,625)
3.08	Income and social contribution taxes	(29,959)	9,855
3.08.01	Current	(368)	(1,149)
3.08.02	Deferred	(29,591)	11,004
3.09	Net income (loss) of continued operations	74,738	(6,770)
3.11	Net Income (loss) for the period	74,738	(6,770)
3.99.01.01	Common (ON)	0.76883	-0.06975
3.99.02.01	Common (ON)	0.76566	-0.06972

Individual financial statements / Statement of Comprehensive Income

(In thousands of Reais)

Code of account	Account description	Accumulated of the current year 01/01/2017 to 03/31/2017	Accumulated of the current year 01/01/2016 to 03/31/2016
4.01	Net income for the period	74,738	(6,770)
4.02	Other comprehensive income	82,618	131,209
4.02.01	Derivatives - Cash flow hedge	15,246	191,998
4.02.02	Derivatives - Cash flow hedge - Reflex of the subsidiaries	505	4,549
4.02.03	Income tax and social contribution	(5,184)	(65,280)
4.02.04	Others	497	(58)
4.02.05	Fair Value Adjustment Investment Property	15,954	0
4.02.06	Capital gain (loss) from equity interest	55,600	0
4.03	Comprehensive income (loss) for the period	157,356	124,439

Individual financial statements / Statement of cash flows - Indirect method

(In thousands of Reais)

Code of account	Account description	Accumulated of the current year 01/01/2017 to 03/31/2017	Accumulated of the current year 01/01/2016 to 03/31/2016
6.01	Net cash from operations	(57,601)	(19,071)
6.01.01	Cash from operations	99,585	(14,794)
6.01.01.01	Net income (loss) before income and social contribution taxes	104,697	(16,625)
6.01.01.02	Depreciation and amortization	8,681	14,003
6.01.01.03	Income (loss) from write off of property, plant and equipment	1,631	(253)
6.01.01.04	Interest, exchange and monetary variation	(18,951)	(19,482)
6.01.01.05	Equity income (loss)	27,505	5,840
6.01.01.06	Interest, exchange and monetary variation	1,167	1,823
6.01.01.07	Share-based compensation	(28,910)	(2,548)
6.01.01.08	Share-based compensation	(496)	235
6.01.01.09	Variation in biological assets	4,261	2,213
6.01.02	Changes in assets and liabilities	(157,186)	(4,277)
6.01.02.01	Trade accounts receivable	17,977	61,713
6.01.02.02	Inventories and biological assets	(23,973)	2,771
6.01.02.03	Recoverable taxes	217	(6,466)
6.01.02.04	Trade notes receivable	(69,414)	(46,886)
6.01.02.05	Financial Investments	(703)	2,044
6.01.02.06	Other accounts receivable	(203,986)	(207,797)
6.01.02.07	Trade payables	(4,833)	359
6.01.02.08	Tax and Social Obligations	17,613	14,229
6.01.02.09	Transactions with related parties	27,342	73,650
6.01.02.10	Operations with derivatives	(32,640)	(10,511)
6.01.02.11	Interest Paid	100,795	90,635
6.01.02.12	Advances from clients	11,258	9,991
6.01.02.13	Other accounts payable	3,161	8,991
6.01.02.14	Leases Payable	0	3,000
6.02	Net cash used in investment activities	(9,142)	(922)
6.02.01	In Investment	0	(100)
6.02.02	In Biological Assets	(5,213)	(733)
6.02.03	In property, plant and equipment	(3,929)	(89)
6.03	Net cash generated/(consumed) in financing activities	(119,665)	(121,720)
6.03.01	Loans and financing obtained	11,200	16,453
6.03.02	Loans and financing paid	(130,258)	(138,611)
6.03.03	Sale (repurchase) of shares	(607)	438
6.05	Increase (decrease) in cash and cash equivalents	(186,408)	(141,713)
6.05.01	Opening balance of cash and cash equivalents	767,009	518,284
6.05.02	Closing balance of cash and cash equivalents	580,601	376,571

Individual financial statements / Statement of changes in shareholders' equity / DMPL - 01/01/2017 to 03/31/2017

(In thous

Code of account	Account description	Paid-up capital	Capital reserves, Options granted and Treasury shares	Profit reserves	Retained earnings (loss)	Other comprehensive income	Shareholders' equity
5.01	Opening balances	947,522	80,984	292,744	0	1,129,785	2,451,035
5.03	Adjusted opening balances	947,522	80,984	292,744	0	1,129,785	2,451,035
5.04	Capital transactions with partners	0	560	0	0	0	560
5.04.03	Recognized options granted	0	1,167	0	0	0	1,167
5.04.04	Treasury shares acquired	0	(3,124)	0	0	0	(3,124)
5.04.05	Treasury shares sold	0	3,020	0	0	0	3,020
5.04.08	Goodwill on the sale of Treasury Shares	0	(503)	0	0	0	(503)
5.05	Total comprehensive income	0	0	0	76,601	80,755	157,356
5.05.01	Net income for the period	0	0	0	74,738	0	74,738
5.05.02	Other comprehensive income	0	0	0	1,863	80,755	82,618
5.05.02.01	Adjustment of financial instruments	0	0	0	0	15,246	15,246
5.05.02.02	Taxes on adjustments of financial instruments	0	0	0	0	(5,184)	(5,184)
5.05.02.03	Equity income (loss) on comprehensive income of subsidiaries and associates	0	0	0	0	505	505
5.05.02.06	Realization of deemed cost of property, plant and equipment - Depreciation	0	0	0	989	(989)	0
5.05.02.07	Realization of deemed cost of property, plant and equipment - Sales	0	0	0	368	(368)	0
5.05.02.08	Realization of deemed cost of property, plant and equipment - Subsidiaries	0	0	0	9	(9)	0
5.05.02.09	Other	0	0	0	0	15,954	15,954
5.05.02.10	Prior years Adjustment	0	0	0	497	0	497
5.05.02.11	Gain from reduction of interest in subsidiary	0	0	0	0	55,600	55,600
5.07	Closing balances	947,522	81,544	292,744	76,601	1,210,540	2,608,951

Individual financial statements / Statement of changes in shareholders' equity / DMPL - 01/01/2016 to 03/31/2016

(In thousands of Reais)

Code of account	Account description	Paid-up capital	Capital reserves, Options granted and Treasury shares	Profit reserves	Retained earnings (loss)	Other comprehensive income	Shareholders' equity
5.01	Opening balances	947,522	75,056	291,798	0	891,332	2,205,708
5.03	Adjusted opening balances	947,522	75,056	291,798	0	891,332	2,205,708
5.04	Capital transactions with partners	0	2,261	0	0	0	2,261
5.04.03	Recognized options granted	0	1,823	0	0	0	1,823
5.04.05	Treasury shares sold	0	474	0	0	0	474
5.04.08	Goodwill on the sale of Treasury Shares	0	(36)	0	0	0	(36)
5.05	Total comprehensive income	0	0	0	(5,134)	129,573	124,439
5.05.01	Net income for the period	0	0	0	(6,770)	0	(6,770)
5.05.02	Other comprehensive income	0	0	0	1,636	129,573	131,209
5.05.02.01	Adjustment of financial instruments	0	0	0	0	191,998	191,998
5.05.02.02	Taxes on adjustments of financial instruments	0	0	0	0	(65,280)	(65,280)
5.05.02.03	Equity income (loss) on comprehensive income of subsidiaries and associates	0	0	0	0	4,549	4,549
5.05.02.06	Realization of deemed cost of property, plant and equipment - Depreciation	0	0	0	1,446	(1,446)	0
5.05.02.07	Realization of deemed cost of property, plant and equipment - Sales	0	0	0	48	(48)	0
5.05.02.08	Realization of deemed cost of property, plant and equipment - Subsidiaries	0	0	0	142	(142)	0
5.05.02.09	Other	0	0	0	0	(58)	(58)
5.07	Closing balances	947,522	77,317	291,798	(5,134)	1,020,905	2,332,408

Individual financial statements / Statement of added value

(In thousands of Reais)

Code of account	Account description	Accumulated of the current year 01/01/2017 to 03/31/2017	Accumulated of the current year 01/01/2016 to 03/31/2016
7.01	Revenues	379,117	379,382
7.01.01	Sale of goods, products and services	280,515	310,080
7.01.02	Other income	96,652	66,860
7.01.02.01	Other income	3,798	1,323
7.01.02.02	Variation of the fair value of biological assets	92,854	65,537
7.01.03	Income from construction of own assets	1,950	2,442
7.02	Inputs acquired from third parties	(215,660)	(232,257)
7.02.01	Cost of goods, goods and services sold	(4,903)	(4,277)
7.02.02	Materials, energy, outsuorced services and other	(41,653)	(51,200)
7.02.03	Loss/recovery of asset values	496	(235)
7.02.04	Other	(169,600)	(176,545)
7.02.04.01	Raw materials used	(105,657)	(113,556)
7.02.04.02	Adjustment to fair value of biological assets	(63,943)	(62,989)
7.03	Gross added value	163,457	147,125
7.04	Retentions	(8,681)	(14,002)
7.04.01	Depreciation, amortization and depletion	(8,681)	(14,002)
7.05	Net added value produced	154,776	133,123
7.06	Added value received as transfer	115,411	145,537
7.06.01	Equity income (loss)	18,951	19,482
7.06.02	Financial income	96,204	125,944
7.06.03	Other	256	111
7.07	Total added value payable	270,187	278,660
7.08	Distribution of added value	270,187	278,660
7.08.01	Personnel	35,097	37,020
7.08.01.01	Direct remuneration	20,051	21,303
7.08.01.02	Benefits	13,281	13,694
7.08.01.03	F.G.T.S.	1,765	2,023
7.08.02	Taxes, duties and contributions	57,839	14,572
7.08.02.01	Federal	49,739	6,670
7.08.02.02	State	8,004	7,816
7.08.02.03	Municipal	96	86
7.08.03	Loan capital remuneration	102,513	233,838
7.08.03.01	Interest	86,161	218,316
7.08.03.02	Rentals	16,352	15,522
7.08.04	Remuneration of own capital	74,738	(6,770)
7.08.04.03	Retained Earnings/Loss for the period	74,738	(6,770)

Consolidated financial statements / Balance sheet - Assets

(In thousands of Reais)

Code of account	Account description	Current quarter 03/31/2017	Current quarter 12/31/2016
1	Total assets	5,364,775	5,453,376
1.01	Current assets	2,266,632	2,332,168
1.01.01	Cash and cash equivalents	946,879	1,064,506
1.01.01.01	Cash and cash equivalents	703,356	888,740
1.01.01.02	Short-term financial investments	243,523	175,766
1.01.03	Accounts receivable	154,339	185,538
1.01.03.01	Trade accounts receivable	53,789	73,392
1.01.03.02	Other accounts receivable	100,550	112,146
1.01.03.02.01	Advances to suppliers	2,566	1,728
1.01.03.02.02	Operations with derivatives	86,735	99,963
1.01.03.02.03	Securities and credits receivable	7,553	7,948
1.01.03.02.04	Other accounts receivable	3,696	2,507
1.01.04	Inventories	497,834	486,425
1.01.05	Biological assets	578,525	521,174
1.01.06	Recoverable taxes	81,509	66,727
1.01.06.01	Current taxes recoverable	81,509	66,727
1.01.06.01.01	Recoverable taxes	81,509	66,727
1.01.07	Prepaid expenses	7,469	7,721
1.01.08	Other current assets	77	77
1.01.08.02	Assets of discontinued operations	77	77
1.02	Non-current assets	3,098,143	3,121,208
1.02.01	Long term assets	195,364	221,255
1.02.01.06	Deferred taxes	19,709	26,265
1.02.01.06.01	Deferred income and social contribution taxes	19,709	26,265
1.02.01.07	Prepaid expenses	3,316	3,777
1.02.01.09	Other non-current assets	172,339	191,213
1.02.01.09.03	Recoverable taxes	42,016	55,834
1.02.01.09.04	Operations with derivatives	44,758	48,648
1.02.01.09.06	Other accounts receivable	15,013	15,189
1.02.01.09.07	Advances to suppliers	70,552	71,542
1.02.02	Investiments	227,105	210,644
1.02.02.02	Investiment property	227,105	210,644
1.02.03	Property, plant and equipment	2,668,669	2,686,064
1.02.03.01	Fixed assets in operation	2,638,842	2,638,106
1.02.03.03	Constructions in progress	29,827	47,958
1.02.04	Intangible assets	7,005	3,245
1.02.04.01	Intangible assets	7,005	3,245
1.02.04.01.02	Others (Systems)	7,005	3,245

Consolidated financial statements / Balance sheet - Liabilities

(In thousands of Reais)

Code of account	Account description	Current quarter 03/31/2017	Current quarter 12/31/2016
2	Total liabilities	5,364,775	5,453,376
2.01	Current liabilities	1,801,533	1,838,376
2.01.01	Social and labor obligations	18,714	15,308
2.01.01.01	Social charges	18,201	14,947
2.01.01.02	Labor obligations	513	361
2.01.02	Trade payables	191,625	439,735
2.01.02.01	Domestic trade payables	191,625	439,735
2.01.03	Tax liabilities	3,113	7,995
2.01.03.01	Federal tax liabilities	2,180	6,480
2.01.03.01.01	Income and social contribution tax payable	1,439	4,626
2.01.03.01.02	Taxes, fees, and sundry contributions	741	1,854
2.01.03.02	State tax liabilities	598	1,370
2.01.03.03	Municipal tax liabilities	335	145
2.01.04	Loans and financing	1,223,220	1,155,641
2.01.04.01	Loans and financing	1,223,220	1,155,641
2.01.04.01.01	In local currency	1,032,771	913,499
2.01.04.01.02	In foreign currency	190,449	242,142
2.01.05	Other liabilities	345,588	204,675
2.01.05.02	Other	345,588	204,675
2.01.05.02.02	Minimum mandatory dividend payable	7,112	7,112
2.01.05.02.04	Advances from clients	144,422	19,285
2.01.05.02.05	Operations with derivatives	59,864	56,604
2.01.05.02.06	Lease Payable	49,724	37,467
2.01.05.02.07	Trade notes payable	81,797	81,813
2.01.05.02.08	Other debits	2,669	2,394
2.01.06	Provisions	19,273	15,022
2.01.06.01	Tax, social security, labor and civil provisions	18,963	15,022
2.01.06.01.02	Social security and labor provisions	13,763	10,232
2.01.06.01.03	Provisions to employee benefits	3,059	2,704
2.01.06.01.05	Provisions for labor contingencies	2,141	2,086
2.01.06.02	Other Provisions	310	0
2.02	Non-current liabilities	766,734	986,114
2.02.01	Loans and financing	542,729	745,604
2.02.01.01	Loans and financing	542,729	745,604
2.02.01.01.01	In local currency	308,376	468,580
2.02.01.01.02	In foreign currency	234,353	277,024
2.02.02	Other liabilities	25,106	24,425
2.02.02.02	Other	25,106	24,425
2.02.02.02.04	Operations with derivatives	25,024	24,346
2.02.02.02.05	Other debits	82	79
2.02.03	Deferred taxes	198,899	216,085
2.02.03.01	Deferred income and social contribution taxes	198,899	216,085
2.03	Consolidated shareholders' equity	2,796,508	2,628,886
2.03.01	Realized capital	947,522	947,522

2.03.02	Capital reserves	81,544	80,984
2.03.02.01	Goodwill in the issue of shares	71,599	72,102
2.03.02.04	Options granted	40,701	39,534
2.03.02.05	Treasury shares	(30,756)	(30,652)
2.03.04	Profit reserves	292,744	292,744
2.03.04.01	Legal reserve	10,474	10,474
2.03.04.02	Statutory reserve	248,093	248,093
2.03.04.05	Profit retention reserved	27,065	27,065
2.03.04.08	Proposed additional dividends	7,112	7,112
2.03.05	Retained earnings/losses	76,601	0
2.03.08	Other comprehensive income	1,210,540	1,129,785
2.03.09	Non-controlling interest	187,557	177,851

Consolidated financial statements / Statement of income

(In thousands of Reais)

Code of account	Account description	Accumulated of the Current year 01/01/2017 to 03/31/2017	Accumulated of the Current year 01/01/2016 to 03/31/2016
3.01	Income from sales of goods and/or services	459,121	421,202
3.02	Cost of goods and/or services sold	(274,171)	(347,529)
3.03	Gross income	184,950	73,673
3.04	Operating income/expenses	(37,725)	(45,209)
3.04.01	Selling expenses	(16,117)	(21,433)
3.04.02	General and administrative expenses	(20,362)	(20,543)
3.04.02.01	General and administrative	(15,383)	(14,679)
3.04.02.02	Management compensation	(4,979)	(5,864)
3.04.04	Other Operating Income	529	0
3.04.05	Others Operating Expenses	(1,775)	(3,233)
3.05	Income (loss) before financial income (loss) and taxes	147,225	28,464
3.06	Financial income (loss), net	(21,953)	(35,746)
3.06.01	Financial income	83,115	152,832
3.06.02	Financial expenses	(105,068)	(188,578)
3.07	Income (loss) before income tax	125,272	(7,282)
3.08	Income and social contribution taxes	(41,332)	4,611
3.08.01	Current	(2,075)	(5,004)
3.08.02	Deferred	(39,257)	9,615
3.09	Net income (loss) from continuing operations	83,940	(2,671)
3.11	Consolidated net income (loss) for the period	83,940	(2,671)
3.11.01	Attributed to the Parent company's partners	74,738	(6,770)
3.11.02	Attributed to non-controlling partners	9,202	4,099
3.99.01.01	Common (ON)	0.76883	-0.06975
3.99.02.01	Common (ON)	0.76566	-0.06972

Consolidated financial statements / Statement of Comprehensive Income

(In thousands of Reais)

Code of account	Account description	Accumulated of the current year 01/01/2017 to 03/31/2017	Accumulated of the Current year 01/01/2016 to 03/31/2016
4.01	Consolidated net income for the period	83,940	(2,671)
4.02	Other comprehensive income (loss)	83,122	134,711
4.02.01	Derivatives - Cash flow hedge	16,776	204,196
4.02.03	Income and social contribution taxes	(5,705)	(69,427)
4.02.05	Capital gain (loss) from equity interest	497	(58)
4.02.06	Others	15,954	0
4.02.07	Assigned Cost Assets Fixed Assets	55,600	0
4.03	Comprehensive income (loss) for the period	167,062	132,040
4.03.01	Attributed to the Parent company's partners	157,356	124,439
4.03.02	Attributed to non-controlling partners	9,706	7,601

Consolidated financial statements / Statement of cash flows - Indirect method

(In thousands of Reais)

Code of account	Account description	Accumulated of the current year 01/01/2017 to 03/31/2017	Accumulated of the current year 01/01/2016 to 03/31/2016
6.01	Net cash from operations	(47,615)	(49,754)
6.01.01	Cash from operations	138,042	21,250
6.01.01.01	Net income (loss) before income and social contribution taxes	125,272	(7,282)
6.01.01.02	Depreciation and amortization	13,233	20,283
6.01.01.03	Income (loss) from write off of property, plant and equipment	1,560	(265)
6.01.01.04	Interest, exchange and monetary variation	31,198	3,764
6.01.01.05	Interest, Var. Foreign exchange and current currency	1,167	1,823
6.01.01.06	Interest paid	(38,595)	(397)
6.01.01.07	Share-based compensation	(496)	914
6.01.01.08	Variation in biological assets	4,703	2,410
6.01.02	Changes in assets and liabilities	(185,657)	(71,004)
6.01.02.01	Trade accounts receivable	19,604	66,335
6.01.02.02	Inventories and biological assets	(19,445)	12,410
6.01.02.03	Recoverable taxes	(962)	(5,915)
6.01.02.04	Trade notes receivable	(67,757)	(64,551)
6.01.02.05	Financial Investments	(1,139)	1,528
6.01.02.06	Other accounts receivable	(245,777)	(268,217)
6.01.02.07	Trade payables	(5,526)	(797)
6.01.02.08	Tax and Social Obligations	30,683	76,982
6.01.02.09	Liabilities with related parties	(500)	(709)
6.01.02.10	Operations with derivatives	125,137	109,651
6.01.02.11	Securities payable	12,257	11,630
6.01.02.12	Advances from clients	4,102	6,359
6.01.02.13	Lease Payable	(33,608)	(11,130)
6.01.02.14	Other accounts payable	(2,726)	(4,580)
6.02	Net cash provided by (used in) investment activities	(13,716)	(3,928)
6.02.03	In property, plant and equipment	(9,787)	(3,839)
6.02.04	In intangible assets	(3,929)	(89)
6.03	Net cash provided by (used in) in financing activities	(124,053)	(81,237)
6.03.01	New loans and financing	15,022	74,986
6.03.02	Payment of loans and financing	(138,468)	(156,661)
6.03.03	Sale or purchase of shares	(607)	438
6.05	Increase (decrease) in cash and cash equivalents	(185,384)	(134,919)
6.05.01	Opening balance of cash and cash equivalents	888,740	623,608
6.05.02	Closing balance of cash and cash equivalents	703,356	488,689

Consolidated financial statements / Statement of changes in shareholders' equity / DMPL - 01/01/2017 to 03/31/2017

(In thousands of Reais)

Code of account	Account description	Paid-up capital	Capital reserves, Options granted and Treasury shares	Profit reserves	Retained earnings (loss)	Other comprehensive income	Shareholders' equity	Interest of non-controlling shareholders	Consolidated shareholders' equity
5.01	Opening balances	947,522	80,984	292,744	0	1,129,785	2,451,035	177,851	2,628,886
5.03	Adjusted opening balances	947,522	80,984	292,744	0	1,129,785	2,451,035	177,851	2,628,886
5.04	Capital transactions with partners	0	560	0	0	0	560	0	560
5.04.03	Recognized options granted	0	1,167	0	0	0	1,167	0	1,167
5.04.04	Treasury shares acquired	0	(3,124)	0	0	0	(3,124)	0	(3,124)
5.04.05	Treasury shares sold	0	3,020	0	0	0	3,020	0	3,020
5.04.08	Goodwill on the sale of Treasury Shares	0	(503)	0	0	0	(503)	0	(503)
5.05	Total comprehensive income	0	0	0	76,601	80,755	157,356	9,706	167,062
5.05.01	Net income for the period	0	0	0	74,738	0	74,738	9,202	83,940
5.05.02	Other comprehensive income	0	0	0	1,863	80,755	82,618	504	83,122
5.05.02.01	Adjustments to Financial Instruments	0	0	0	0	16,012	16,012	764	16,776
5.05.02.02	Taxes on Adjustments Financial Instruments	0	0	0	0	(5,445)	(5,445)	(260)	(5,705)
5.05.02.06	Realization Assigned Cost Assets Fixed Assets - Depreciation	0	0	0	976	(976)	0	0	0
5.05.02.07	Realization Assigned Cost Assets Fixed Assets - Sales	0	0	0	390	(390)	0	0	0
5.05.02.08	Adjustments Cost Assigned Assets Property, Plant and Equipment in Subsidiary	0	0	0	0	15,954	15,954	0	15,954
5.05.02.09	Others	0	0	0	497	0	497	0	497
5.05.02.10	Gain on Change in Ownership	0	0	0	0	55,600	55,600	0	55,600
5.07	Closing balances	947,522	81,544	292,744	76,601	1,210,540	2,608,951	187,557	2,796,508

Consolidated financial statements / Statement of changes in shareholders' equity / DMPL - 01/01/2016 to 03/31/2016

(In thousands of Reais)

Code of account	Account description	Paid-up capital	Capital reserves, Options granted and Treasury shares	Profit reserves	Retained earnings (loss)	Other comprehensive income	Shareholders' equity	Interest of non-controlling shareholders	Consolidated shareholders' equity
5.01	Opening balances	947,522	75,056	291,798	0	891,332	2,205,708	186,555	2,392,263
5.03	Adjusted opening balances	947,522	75,056	291,798	0	891,332	2,205,708	186,555	2,392,263
5.04	Capital transactions with partners	0	2,261	0	0	0	2,261	0	2,261
5.04.03	Recognized options granted	0	1,823	0	0	0	1,823	0	1,823
5.04.05	Treasury shares sold	0	473	0	0	0	473	0	473
5.04.08	Goodwill on Sale of Shares	0	(35)	0	0	0	(35)	0	(35)
5.05	Total comprehensive income	0	0	0	(5,134)	129,573	124,439	7,601	132,040
5.05.01	Net income for the period	0	0	0	(6,770)	0	(6,770)	4,099	(2,671)
5.05.02	Other comprehensive income	0	0	0	1,636	129,573	131,209	3,502	134,711
5.05.02.01	Adjustments to Financial Instruments	0	0	0	0	198,890	198,890	5,307	204,196
5.05.02.02	Taxes on Adjustments Financial Instruments	0	0	0	0	(67,623)	(67,623)	(1,805)	(69,427)
5.05.02.06	Realization Assigned Cost Assets Fixed Assets - Depreciation	0	0	0	1,569	(1,569)	0	0	0
5.05.02.07	Realization Assigned Cost Assets Fixed Assets - Sales	0	0	0	67	(67)	0	0	0
5.05.02.08	Adjustments Cost Assigned Assets Property, Plant and Equipment in Subsidiary	0	0	0	0	(58)	(58)	0	(58)
5.07	Closing balances	947,522	77,317	291,798	(5,134)	1,020,905	2,332,408	194,156	2,526,564

Consolidated financial statements / Statement of added value

(In thousands of Reais)

Code of account	Account description	Accumulated of the current year 01/01/2017 to 03/31/2017	Accumulated of the current year 01/01/2016 to 03/31/2016
7.01	Revenues	447,573	503,382
7.01.01	Sale of goods, products and services	329,565	410,025
7.01.02	Other income	115,003	88,749
7.01.02.01	Other income	5,614	1,590
7.01.02.02	Variation of the fair value of biological assets	109,389	87,159
7.01.03	Income from construction of own assets	3,005	4,608
7.02	Inputs acquired from third parties	(252,181)	(313,365)
7.02.01	Cost of goods, merchandise and services Sold	(6,696)	(4,476)
7.02.02	Materials, Energy, Third-party services and other	(54,109)	(70,227)
7.02.03	Loss/recovery of asset values	497	(915)
7.02.04	Other	(191,873)	(237,747)
7.02.04.01	Raw materials used	(121,078)	(150,985)
7.02.04.02	Adjustment to fair value of biological assets	(70,795)	(86,762)
7.03	Gross added value	195,392	190,017
7.04	Retentions	(13,233)	(20,283)
7.04.01	Depreciation, amortization and depletion	(13,233)	(20,283)
7.05	Net added value produced	182,159	169,734
7.06	Added value received as transfer	121,421	152,616
7.06.02	Financial income	118,402	152,489
7.06.03	Other	3,019	127
7.07	Total added value payable	303,580	322,350
7.08	Distribution of added value	303,580	322,350
7.08.01	Personnel	39,611	45,935
7.08.01.01	Direct remuneration	22,995	27,463
7.08.01.02	Benefits	14,647	16,045
7.08.01.03	F.G.T.S.	1,969	2,427
7.08.02	Taxes, duties and contributions	73,833	26,075
7.08.02.01	Federal	65,717	17,466
7.08.02.02	State	8,019	8,519
7.08.02.03	Municipal	97	90
7.08.03	Third-party capital remuneration	106,196	253,011
7.08.03.01	Interest	104,099	249,247
7.08.03.02	Rentals	2,097	3,764
7.08.04	Remuneration of own capital	83,940	(2,671)
7.08.04.03	Retained Earnings/Loss for the period	74,738	(6,770)
7.08.04.04	Non-controlling interest in retained earnings	9,202	4,099

MESSAGE FROM MANAGEMENT

During the first quarter of 2017, we harvested soybean from the 2016/17 crop year with an estimated yield of 3,282kg/ha, 6.7% higher than the initial projection, and also planted second-crop cotton and corn. The results for the quarter presented herein are beginning to reflect the strong operating performance this crop year and should allow us to return to normalized levels of production and, consequently, results. Weather in the current crop year has been highly favorable for good crop development in all regions where we operate.

***Table 1** presents new forecasts for our yields, with upward revisions for soybean (for which harvest is concluded) and for cotton (for which harvest operations will begin in late May), with increases of 7.6% for first-crop cotton and 2.7% for second-crop cotton.*

Table 1 Yields

Yield (kg/ha)	(a) Achivied 2015/16	(b) Initial Esitmate 2016/17	(c) Current Estimate 2016/17	Δ% (c x a)	Δ% (c x b)
Cotton Lint 1st crop	1,250	1,619	1,742	39.4%	7.6%
Cotton Lint 2nd crop	1,389	1,570	1,613	16.1%	2.7%
Cotton Seed	1,679	2,055	2,178	29.7%	6.0%
Soybean	2,580	3,077	3,282	27.2%	6.7%
Corn 2nd crop	5,378	6,877	6,877	27.6%	-

*Compared to the previous crop year, the improvements are even more significant, as shown in **Table 1**. The improvement in yields should lead to better results, which already can be seen this quarter in the case of soybean, with improvements in both the margins of invoiced product and the mark-to-market adjustment of Biological Assets.*

Sale prices, invoiced in 1Q17, also improved significantly in relation to 1Q16: the soybean price increased 12.7%, while the cotton price rose 54%, reflecting the higher international prices in USD and the increase in the average exchange rate of our currency hedge position in relation to 1Q16 (1Q17: R$3.70 vs. R$3.21 in 1Q16). The figure reflects the successful application of our Hedge Policy, which works to match the acquisition of inputs with the hedging of future revenue.

These factors' were the main contributors was to adjusted EBITDA and Net Income, which set new records high for the first quarter of the year, of R$123.5 million and R$83.9 million, respectively.

Net debt decreased in relation to end-2016, closing the quarter at R$829.7 million. More importantly, however, was the Net Debt/EBITDA ratio, which ended the period at 2.6 times.

A summary of the main results follows:

Table 2 Summarized Results

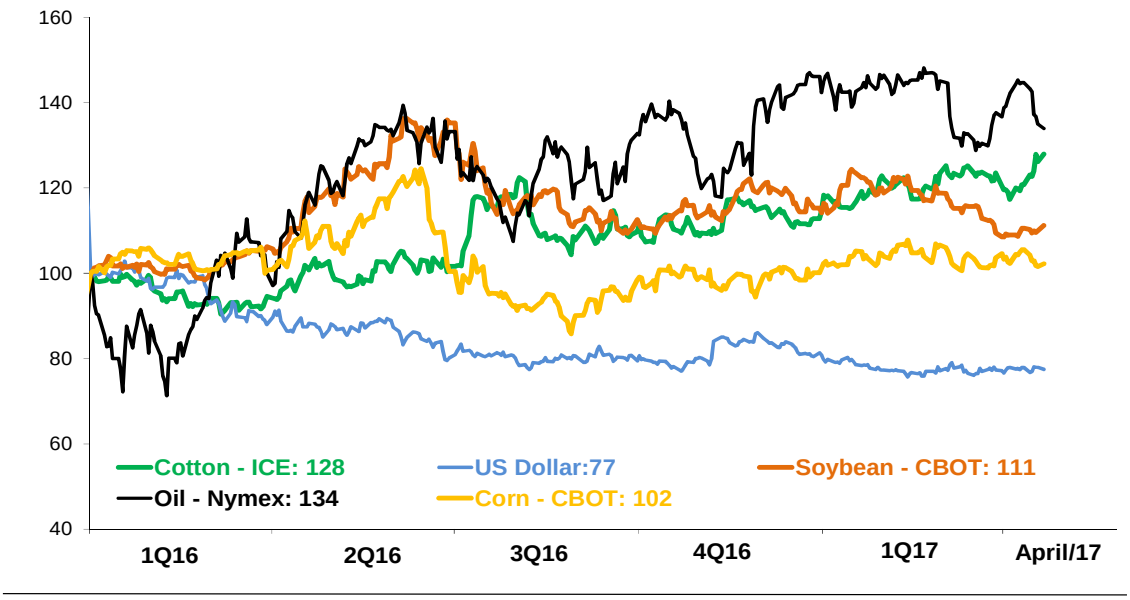
(R$ thousand)	2015	2016	AH	1Q16	1Q17	AH
Net Revenue	**1,761,581**	**1,659,649**	**-5.8%**	**421,202**	**459,121**	**9.0%**
Gross Income	**433,121**	**246,468**	**-43.1%**	**73,673**	**184,950**	**151.0%**
Gross Margins	*29.2%*	*15.4%*	*-13.8 p.p*	*22.1%*	*52.9%*	*30.8 p.p*
Operating Income	**285,497**	**110,315**	**-61.4%**	**28,464**	**147,225**	**417.2%**
Operating Margin	*19.3%*	*6.9%*	*-12.4 p.p*	*8.5%*	*42.1%*	*33.6 p.p*
Net profit	**121,170**	**15,641**	**-87.1%**	**(2,671)**	**83,940**	**n.m.**
Net Margin	*8.2%*	*1.0%*	*-7.2 p.p*	*-0.8%*	*24.0%*	*24.8 p.p*
Adjusted EBITDA	**339,740**	**249,109**	**-26.7%**	**48,351**	**123,472**	**155.4%**
Adjusted EBITDA Margin	**22.9%**	**15.6%**	***-7.3 p.p***	**14.5%**	**35.3%**	***20.8 p.p***
Net Debt	**1,093,757**	**852,854**	**-22.0%**	**1,103,063**	**829,730**	**-24.8%**

The expectation for 2017, therefore, is very optimistic, since weather conditions remained favorable in April and early May, which allowed us to revise upward our forecasts for cotton yields as well, as mentioned above, given the crop's excellent development to date. Also contributing to this positive scenario is the country's better economic situation, particularly the decline in interest rates.

The Management.

MARKET OVERVIEW

Figure 1 Change in Commodity Prices, January 2016 to April 2017 (base=100)

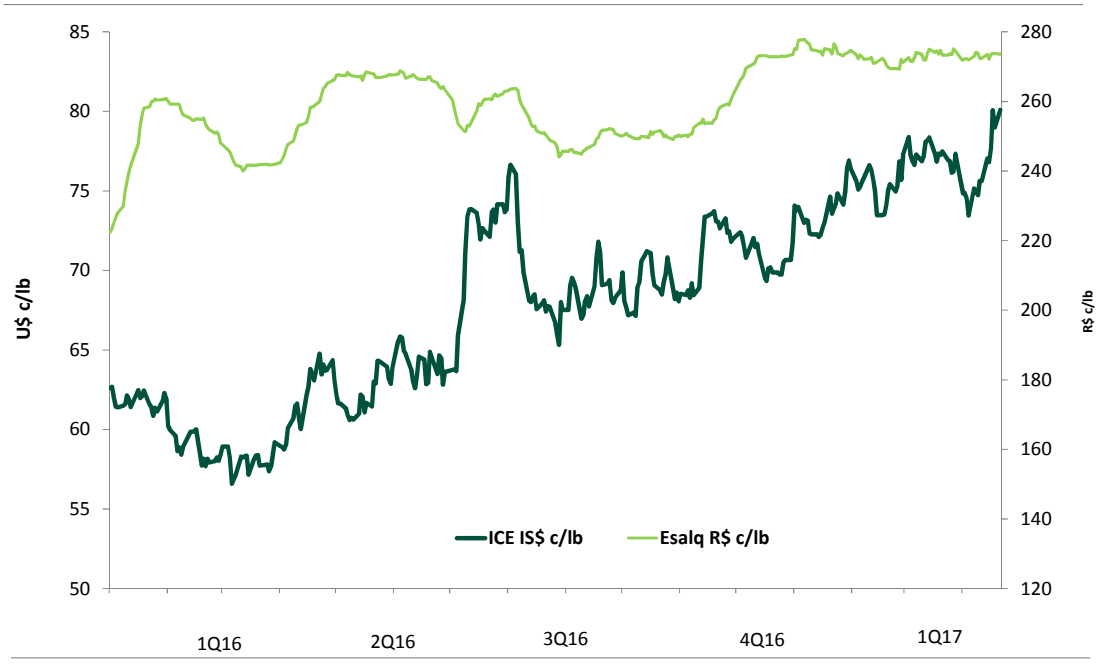


Source:Bloomberg

COTTON

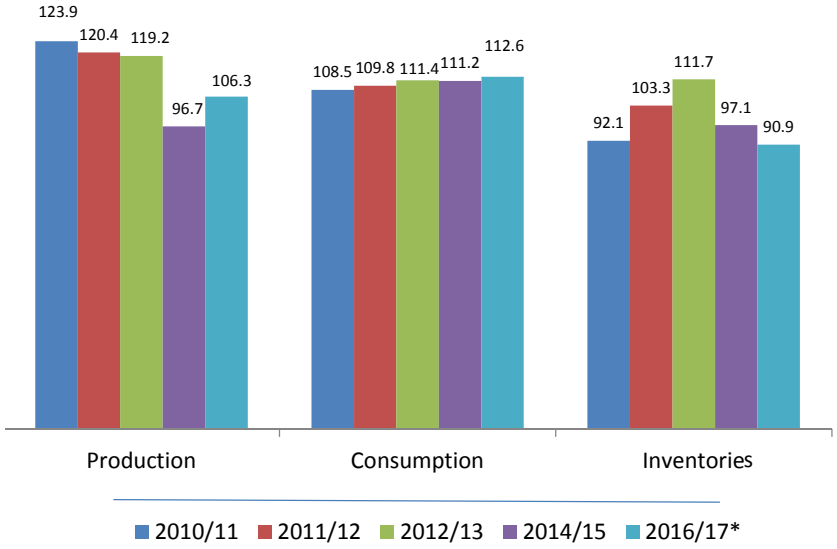
The international cotton market registered a significant recovery in prices last year. After falling to the lowest level of the last seven years in March 2016, cotton prices recovered to over 75.0 cents/pound on the ICE Futures U.S. at end-1Q17. In Brazil, prices measured by the Cepea/Esalq Index also recovered, which ended up also offsetting the USD depreciation against the BRL in the same period, mainly due to the shortfall in Brazilian production in the 2015/16 crop year.

Figure 2 Cotton Price in the International Market vs. Brazil



One of the main reasons for the recovery in cotton prices was the drawdown in world stocks for the second straight year. World consumption (112.6 million bales) is expected to grow 1.2% in 2016/17, which represents 6.3 million bales above the production forecast (106.3 million bales).

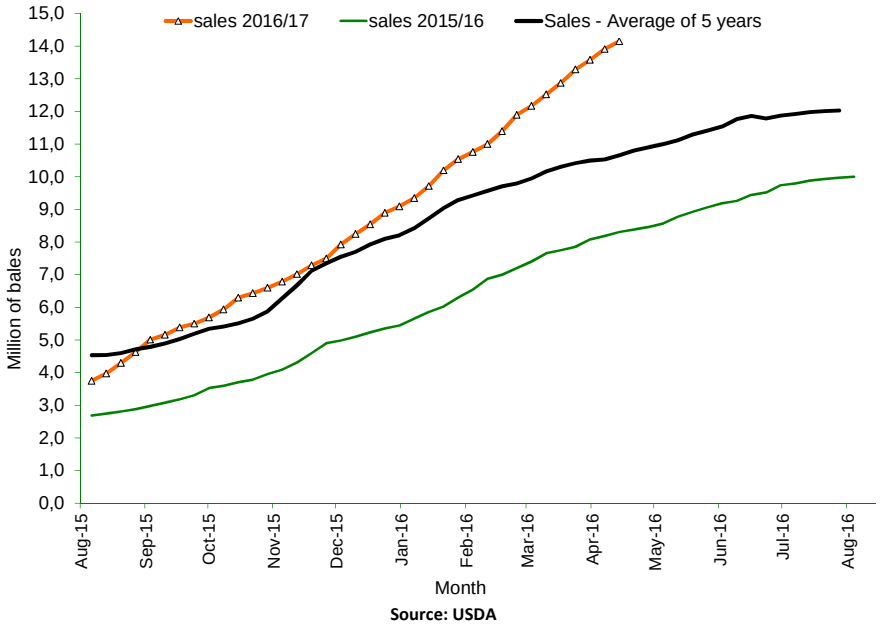
Figure 3 Cotton Production and Consumption million bales



The drawdown in U.S. inventories, the world's largest exporter, also had a positive effect on international cotton prices. Firmer-than-expected world demand for U.S. cotton led to successive revisions in forecasts for exports and inventory drawdowns. The forecast for U.S. exports in 2016/17, which initially was 10.5 million bales, now stands at 14.0 million bales, a figure that potentially could be revised in the next supply and demand report.

Demand for U.S. cotton came from various countries. Seeking high-quality cotton, countries like India, a traditional cotton exporter, imported significant volumes of U.S. cotton. With the growth in U.S. exports, ending stocks in 2016/17 are expected to reach 3.7 million bales, down 100,000 bales from the previous crop year. The current stocks-to-use ratio is estimated at 21%, compared to 30% in 2015/16.

Figure 4 Export Volume, USA



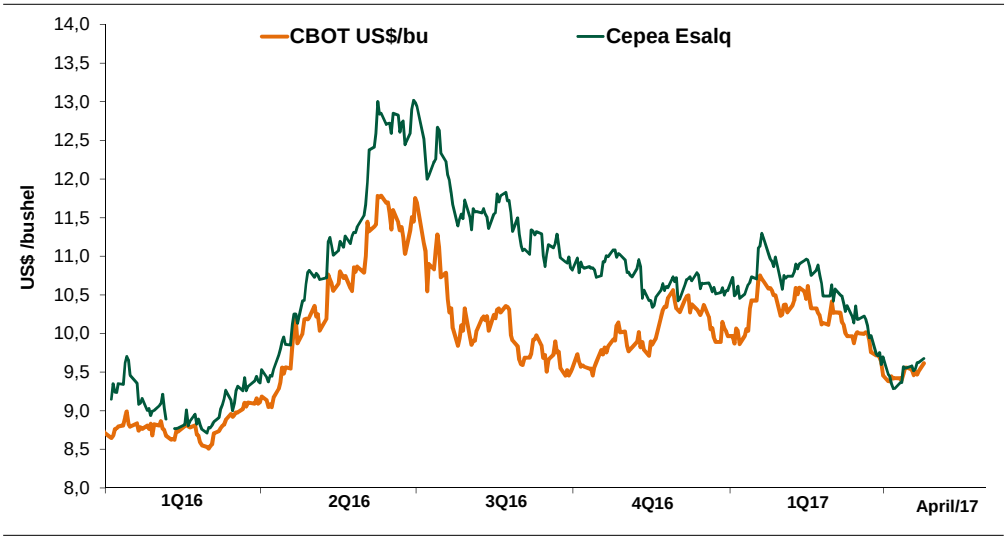
Source: USDA

In Brazil, prices remained above international parity, mainly due to the shortfall in the 2015/16 crop year, which, according to CONAB, was 17.5% lower at 1289.2 thousand tons.

For 2016/17, the country's planted area should contract by 2.6% to 930.4 thousand hectares. According to CONAB, this decrease is associated with high production costs, which more intensely affected the planting decisions of producers in Bahia state, which suffered significant losses from the drought in the previous crop year. Given the favorable weather and good development of crops, CONAB projects a recovery in yield of 17.3% for the 2016/17 crop year. Production should reach 1473 thousand tons, or 14.2% higher than in 2015/16.

SOYBEAN

Figure 5 Soybean Price in International Market vs. Brazil, Jan/2016 to Apr/2017



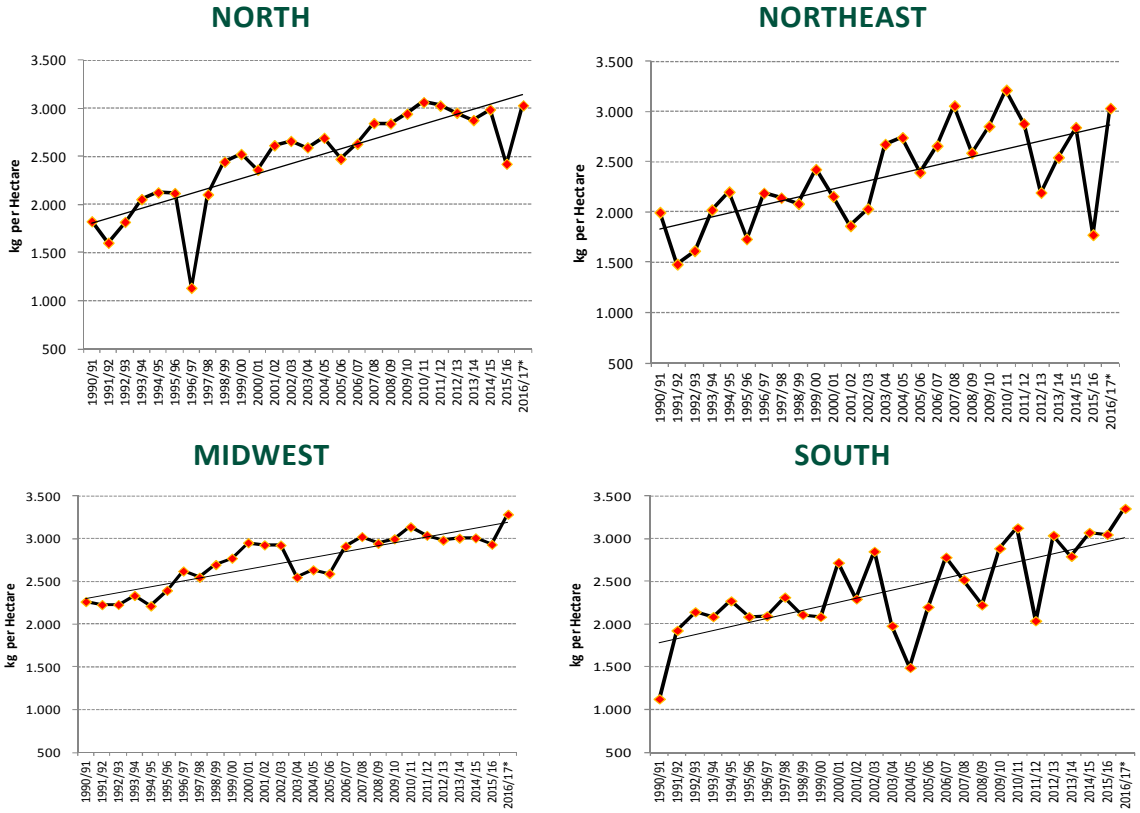
Source: Bloomberg

Despite record crops in the United States and South America in the 2016/17 crop year, soybean prices on the Chicago Board of Trade (CBOT) in 1Q17 remained above the levels of 1Q16.

The lower pace of producers' sales during periods of low prices, combined with favorable demand, especially from China, were the main support factors, despite the record crops and projected build in stocks. The 2016/17 crop year has been registering good yields and production in South America's main producing countries.

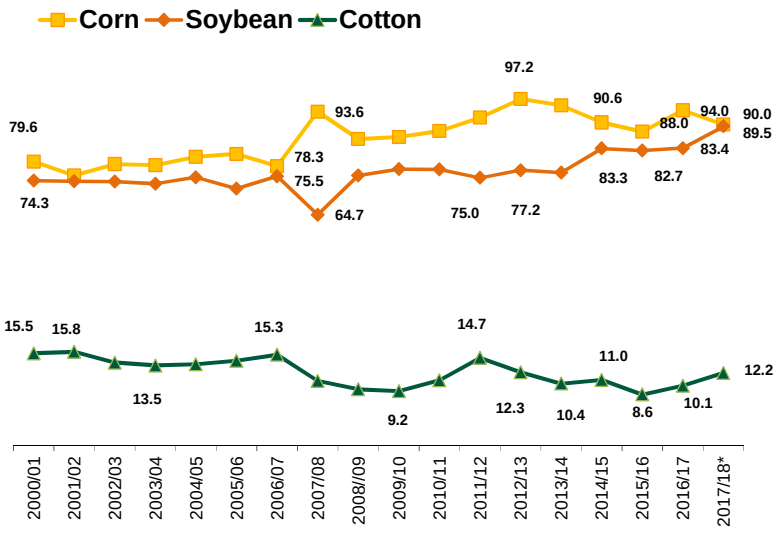
In Brazil, precipitation was well distributed during the summer in virtually all production regions, with the favorable weather supporting recoveries in both yields and production. According to CONAB, Brazilian production should reach 110.1 million tons.

Figure 6 Brazil: Soybean Yield by Region (Brazil), CONAB, Apr/2017



In Argentina, according to the local Ministry of Agriculture, the soybean planted area was 19.42 million hectares, contracting 5.2% from the previous crop year. On the other hand, the harvested area should be smaller due to the loss of areas caused by heavy rains and flooding during the cycle. According to the Buenos Aires Grain Exchange, the country's planted area should reach 18.4 million hectares. However, higher yields should offset the areas lost, with production projected at 56.5 million tons, similar to that of previous crop year. Initial planting estimates in the United States for the 2017/18 crop year point to increase in the soybean planted area and contraction in the corn planted area. The USDA's "Prospective Plantings Report" projects a soybean harvested area of 89.5 million acres, representing an increase of around 7.3%.

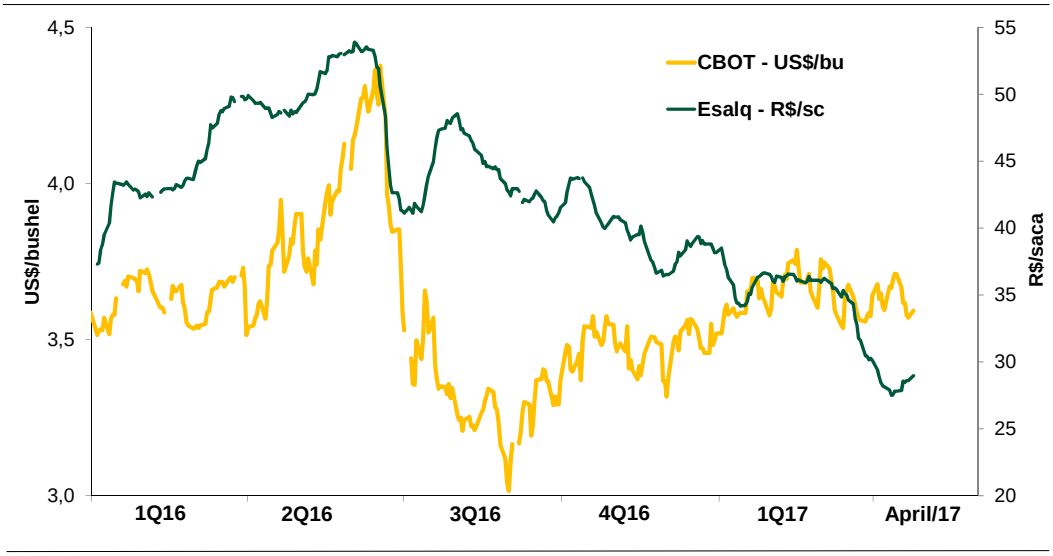
Figure 7 Soybean, Corn and Cotton Area in USA



Source: USDA 1 acre = 0,4046 ha

CORN

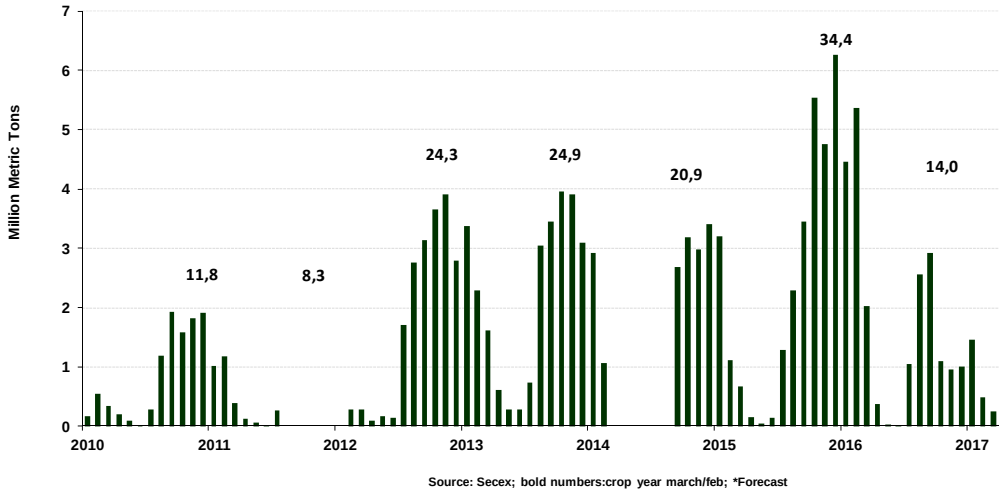
Figure 8 Corn Prices in the International Market vs. Brazil



Fonte: Bloomberg

Corn prices were significantly volatile in both the domestic and international markets. Prices in the international market were primarily affected by the pressure on prices in 2016, given the record U.S. crop in 2016/17. In Brazil, prices moved conversely, with sharp increases in 2016 due to the production shortfall in 2015/16, with prices converging at times to the level of import parity. However, with the recovery in production in the 2016/17 crop year and the stronger BRL, local prices rapidly fell back and converged to import parity in 1Q17.

Figure 9 Corn Export Volume



Source: Secex; bold numbers:crop year march/feb; *Forecast

According to Conab, the first-crop corn planted area expanded 3.7% and yield should increase 11.8% compared to the previous crop year. Production should reach 29.9 million tons, an increase of 15.9% in the same comparison. For second-crop corn, CONAB forecasts increases of 9.0% in planted area and 38.6% in yield. Production should grow by 51.1% to 61.6 million tons.

Combining the first-crop and second-crop, total corn production in Brazil should increase 37.5% to 91.4 million tons.

Given the larger crops in Brazil and Argentina, the situation in world stocks are more comfortable and could even support a reduction in planted area in the United States for the 2017/18 season. Production is estimated at 1,05 billion tons and consumption at 1,0 billion tons, which would support a recovery in inventories with an increase of 11.1 million tons.

Table 3 World Corn Supply and Demand

world	2006/07	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17*
Area (ha)	150,455	158,318	164,640	172,063	177,565	180,333	179,835	177,964	182,253
Yield(kg/ha)	4,761	5,210	5,076	5,171	4,898	5,493	5,650	5,413	5,782
Beginning Stocks	123,510	143,284	140,904	123,439	128,080	133,176	174,796	209,823	211,833
Production	716,318	824,848	835,750	889,702	869,766	990,498	1,016,034	963,321	1,053,758
Imports	90,225	89,865	92,680	100,261	99,600	125,114	125,168	139,676	137,037
Exports	93,905	96,644	91,290	116,923	95,334	131,579	142,200	120,022	154,408
Consumption	727,225	821,065	854,605	868,399	868,936	942,413	963,975	980,965	1,025,243
Ending Stocks	108,923	140,288	123,439	128,080	133,176	174,796	209,823	211,833	222,977
Stocks/consumption (%)	15.0%	17.1%	14.4%	14.7%	15.3%	18.5%	21.8%	21.6%	21.7%

Source: USDA * Estimate

OPERATING PERFORMANCE

2016/17 CROP YEAR

1Q17 was marked by the soybean harvest, which was followed by the planting of second-crop cotton and corn.

Soybean

The harvest was concluded in early May on the 230,127 hectares planted by the Company. Average production potential at the farms was very good, reaching a yield of 3,282 kg/ha, 6.7% higher than projected.

Cotton 1st crop

The majority of areas are in the flowering and cotton-boll development phase and present good nutritional aspects and excellent vegetative development. Some fields already present the first open cotton bolls, visibly demonstrating high production potential. Our current cotton lint yield estimate is 1,742 kg/ha (vs. the initial estimate of 1,619 kg/ha), which represents an upward revision of 7.6%.

Cotton 2nd crop

The planting of second-crop cotton began in late December and was concluded in early February. The areas present excellent nutritional aspects and are currently in the flowering and cotton-boll development stage. The areas in general are presenting excellent phytosanitary aspects (pest and disease control) and excellent production potential. As such, our current cotton lint yield estimate is 1,613 kg/ha, compared to the initial estimate of 1,570 kg/ha, an increase of 2.7%

Corn 2nd crop

The planting of corn 2nd crop began in the second half of January and was completed in the second half of March. Our final average yield estimate is unchanged at 6,877kg/ha.

YIELD

Table 4 Yields

Yield (kg/ha)	(a) Achieved 2015/16	(b) Initial Estmate 2016/17	(c) Current Estimate 2016/17	Δ% (c x a)	Δ% (c x b)
Cotton Lint 1st crop	1,250	1,619	1,742	39.4%	7.6%
Cotton Lint 2nd crop	1,389	1,570	1,613	16.1%	2.7%
Cotton Seed	1,679	2,055	2,178	29.7%	6.0%
Soybean	2,580	3,077	3,282	27.2%	6.7%
Corn 2nd crop	5,378	6,877	6,877	27.6%	-

PLANTED AREA

The following table presents the latest data on planted area for the 2016/17 crop year and a comparison with the previous season.

Table 5 Planted Area by Crop

Crop Mix	Planted Area 2015/16 ---------- ha ----------	Planted Area 2016/17(1)	Shares 2016/17 %	Δ%
Cotton	93,405	87,481	22.2	-6.3
Cotton 1st crop	74,404	58,886	15.0	-20.9
Cotton 2nd crop	19,002	28,595	7.3	50.5
Soybean (Commercial + Seeds)	212,586	230,127	58.4	8.3
Corn 2nd crop	65,681	71,715	18.2	9.2
Other crops(2)	5,587	4,497	1.1%	-19.5
Total Area	377,259	393,820	100.0	4.4

(1) Weather factors may affect the planted area forecast.
(2) Wheat, corn 1st crop, corn seed and sugarcane.

Table 6 Planted Area by Land Ownership

Area Mix	**Planted Area 2015/16 ---------- ha ----------**	**Planted Area 2016/17(1)**	**Shares 2016/17 %**	**Δ%**
1st crop	**290,351**	**290,570**	**73.8**	**0.1**
Owned Land	124,807	118,009	30.0	-5.4
Leased Area	93,867	97,929	24.9	4.3
Joint Ventures Area(2)	41,375	38,879	9.9	-6.0
SLC LandCo Area	30,301	35,754	9.1	18.0
2nd crop	**86,908**	**103,249**	**26.2**	**18.8**
Owned Land	49,318	60,158	15.3	22.0
Leased Area	24,533	24,136	6.1	-1.6
Joint Ventures Area(2)	7,570	8,511	2.2	12.4
SLC LandCo Area	5,486	10,443	2.7	90.4
Área Total	**377,259**	**393,820**	**100.0**	**4.4**

(1) Weather factors may affect the planted area forecast.
(2) Areas owned by Grupo Dois Vales and Mitsui.
(3) A SLC Agrícola holds an interest of 81.23% in SLC LandCo.

LAND DEVELOPMENT

Over the course of the 2015/16 and 16/17 crop years, we concluded clearing and soil correction on 2,553 hectares of the Paineira Farm, with the area leased to a third party.

We also concluded clearing operations on 9,993 hectares and soil correction on 6,000 hectares at the Piratini Farm.

Table 7 Land Development

SLC Agricola Farms	Areas in transformation (ha)	Areas in licensing process (ha)
Palmares	-	601
Parnaíba	-	1,464
Parnaguá	1,005	5,347
Parceiro	9,162	6,698
Sub Total	**10,167**	**14,110**
SLC LandCo Farms	**Areas in transformation (ha)**	**Areas in licensing process (ha)**
Parnaíba [1]	-	4,749
Piratini	9,993	-
Parceiro [1]	1,115	1,530
Sub Total	**11,108**	**6,279**
Total	**21,275**	**20,389**

[1] Areas acquired by SLC LandCo to be developed jointly with these farms. Note: The estimate of areas in the licensing process could change due to georeferencing.

PROPERTY PORTFOLIO

On May 10 we owned the following property portfolio:

Table 8 Property Portfolio

Áreas Safra 2016/17 (ha)		Owned[1]	SLC LandCo[2]	Leased	Joint Ventures	Under Control	Total Planted Area[3]
Fazenda	Estado	---------- ha ----------					
Pamplona	GO	17,385		3,860		21,245	20,392
Planalto	MS	15,006		1,635		16,641	20,503
Planorte	MT	23,784				23,784	31,225
Paiaguás	MT	34,257		10,295		44,552	63,561
Perdizes[5]	MT	28,857	13,288			42,145	23,329
Pioneira[4]	MT				19,462	19,462	27,973
Panorama	BA		10,374	14,252		24,626	21,793
Paladino[5]	BA				19,417	19,417	19,417
Piratini	BA		25,355	4,931		30,286	13,377
Palmares	BA	16,168	543	15,609		32,320	24,644
Parnaíba[8]	MA	31,580	10,200	26,230		68,010	58,245
Planeste	MA		23,325	15,591		38,916	49,458
Parceiro	BA	32,983	3,680	5,526		42,189	11,588
Paineira [6]	PI	12,040				12,040	-
Parnaguá	PI	24,603				24,603	8,315
Total	**-**	**236,663**	**86,765**	**97,929**	**38,879**	**460,236**	**393,820**

[1] Own property, includes Legal Reserve. [2] SLC Agrícola currently owns 81.23% of SLC LandCo, while the Valiance fund owns 18.77%. [3] Including the second crop. Weather factors may affect the planted area forecast. [4] The Pioneira Farm is part of the joint arrangement with Grupo Dois Vales. [5] The Perdizes and Paladino Farms are part of the joint arrangements with Mitsui in SLC-Mit. [6] Farm leased to third parties. [7] Donation of 2,431 hectares to the Taquari River Headwaters State Park in Mato Grosso do Sul. [8] Termination of the acquisition contract.

MACHINERY AND STORAGE CAPACITY

The following table presents the machinery owned by the Company.

Table 9 Machinery and Storage Capacity

Machinery	Quantity	
Tractors	189	
Grain Combines	182	
Cotton Pickers	81	
Planters	192	
Self-propelled sprayers	137	
Storage Capacity	**Grains**	**Cotton**
Tons	613,700	115,981
% Production	50%	83%

[1] Estimate based on the estimated planted area and yield for 2016/17.

FINANCIAL PERFORMANCE

EBITDA

Table 10 EBITDA Conciliation

(R$ thousand)	2015	2016	AH	1Q16	1Q17	AH
Net revenue	**1,761,581**	**1,659,649**	**-5.8%**	**421,202**	**459,121**	**9.0%**
(-) Cost of Goods and/or Services Sold	**(1,328,460)**	**(1,413,181)**	**6.4%**	**(347,529)**	**(274,171)**	**-21.1%**
Gross Income	**433,121**	**246,468**	**-43.1%**	**73,673**	**184,950**	**151.0%**
(-) Sales Expenses	**(92,070)**	**(97,589)**	**6.0%**	**(21,433)**	**(16,117)**	**-24.8%**
(-) General and administrative expenses	**(58,438)**	**(59,087)**	**1.1%**	**(20,543)**	**(20,362)**	**-0.9%**
(-) General and administrative	(39,770)	(42,894)	7.9%	(12,551)	(11,046)	-12.0%
(-) Provision for profit share program	(7,940)	(2,839)	-64.2%	(2,128)	(4,337)	103.8%
(-) Management compensation	(10,728)	(13,354)	24.5%	(5,864)	(4,979)	-15.1%
(-) Other operating revenues (loss)	2,884	20,523	611.6%	(3,233)	(1,246)	-61.5%
(=) Income from Activity	**285,497**	**110,315**	**-61.4%**	**28,464**	**147,225**	**417.2%**
(+) Depreciation and amortization	106,803	104,242	-2.4%	20,283	13,233	-34.8%
EBITDA	**392,300**	**214,557**	***-45.3%***	**48,747**	**160,458**	***229.2%***
(-) Biological Assets on revenue (note 22*)	(279,830)	(57,704)	-79.4%	(87,159)	(109,390)	25.5%
(+) Biological Assets on costs (note 23*)	227,270	84,933	-62.6%	86,763	70,795	-18.4%
(+) Retirement Fixed Assets	-	7,323	100.0%	-	1,609	100.0%
Adjusted EBITDA [(1)]	**339,740**	**249,109**	**-26.7%**	**48,351**	**123,472**	**155.4%**
Adjusted EBITDA Margin [(2)]	**22.9%**	**15.6%**	***-7.3 p.p***	**14.5%**	**35.3%**	***20.8 p.p***

[(1)] Excludes the effects from Biological Assets, since they are noncash.
*[(2)] As a ratio of net revenue excluding the effects from Biological Assets. * Note in the Quarterly Information (ITR)*

Adjusted EBITDA set a new record for the first quarter, of R$123,472 thousand, with margin of 35.3%, which expanded 20.8 percentage points from adjusted EBITDA margin in 1Q16 (14.5%).

EBITDA growth in the quarter was driven by higher Gross Income (excluding biological assets) from crops (R$73,078 thousand), due to better prices in the period for all crops and, in the case of soybean, the lower unit cost, given the higher yield in relation to the previous crop year.

NET REVENUE

Net Revenue in 1Q17 increased 9.0% on the year-ago period. Excluding the noncash effect from Biological Assets, net revenue advanced 4.7%, reflecting the higher unit price invoiced for all crops compared to 1Q16, considering the results from currency hedge (see below for a breakdown of currency hedge).

Table 11 Net Revenue

(R$ thousand)	2015	2016	AH	1Q16	1Q17	AH
Net Revenue	**1,761,581**	**1,659,649**	**-5.8%**	**421,202**	**459,121**	**9.0%**
Cotton lint	812,693	749,417	-7.8%	146,858	81,803	-44.3%
Cotton seed	85,019	98,902	16.3%	12,292	4,788	-61.0%
Soybean	634,055	583,990	-7.9%	223,941	219,223	-2.1%
Corn	121,877	164,514	35.0%	2,691	7,939	195.0%
Others	59,480	26,361	-55.7%	9,656	692	-92.8%
Hedge income	(231,373)	(21,239)	-90.8%	(61,395)	35,286	n.m.
Biological Assets	279,830	57,704	-79.4%	87,159	109,390	25.5%

Table 12 Volume Invoiced

(Tons)	2015	2016	AH	1Q16	1Q17	AH
Volume Invoiced	**1,440,067**	**1,299,075**	**-9.8%**	**288,519**	**267,597**	**-7.3%**
Cotton lint	158,183	148,429	-6.2%	27,558	15,490	-43.8%
Cotton seed	191,566	173,202	-9.6%	23,580	6,844	-71.0%
Soybean	634,879	539,570	-15.0%	219,652	228,913	4.2%
Corn	335,695	345,691	3.0%	5,288	13,447	154.3%
Other	119,744	92,183	-23.0%	12,441	2,903	-76.7%

Table 13 Biological Assets in Net Revenue

(R$ thousand)	2015	2016	AH	1Q16	1Q17	AH
Effect of Biological Asset on Net Revenue	**279,830**	**57,704**	**-79.4%**	**87,159**	**109,390**	**25.5%**
Cotton lint	131,818	(40,946)	n.m.	-	-	-
Cotton seed	12,657	(4,108)	n.m.	-	-	-.
Soybean	130,567	81,702	-37.4%	86,674	106,612	23.0%
Corn	4,788	21,056	339.8%	485	-	-100,0%
Other	-	-	-	-	2,778	100,0%

Biological assets are calculated as follows: market price, net of taxes and selling expenses (freight), less costs incurred. The purpose of calculating biological assets is to estimate crop margins during the harvest period. Any adjustments to prior margin calculations based on biological assets are made when the product is effectively invoiced.

The amount of biological assets apportioned to net revenue in 1Q17 increased 25.5% from 1Q16, mainly due to the projections of a larger soybean harvest area and higher soybean margins in relation to the 2015/16 crop year (mainly due to a higher yield). Note that the company's sale prices are higher than the ones used to calculate Biological Assets, which means the recognition of additional margin upon soybean invoicing.

COST OF GOODS SOLD

Cost of goods sold decreased 21.1% in 1Q17 compared to 1Q16. Excluding the effect from biological assets, cost of goods sold decreased 22.0% in 1Q17.
This decrease in cost of goods sold is mainly due to the lower volume of cotton lint and cottonseed invoiced in 1Q17, as well as to the lower soybean unit cost due to the higher yield in the 2016/17 crop year compared to the 2015/16 crop year.

Table 14 Cost of Goods Sold

(R$ thousand)	2015	2016	AH	1Q16	1Q17	AH
Cost of Goods Sold	**(1,328,460)**	**(1,413,181)**	**6.4%**	**(347,529)**	**(274,171)**	**-21.1%**
Cotton lint	(501,326)	(629,116)	25.5%	(101,098)	(61,981)	-38.7%
Cotton seed	(64,080)	(97,913)	52.8%	(10,067)	(4,811)	-52.2%
Soybean	(419,781)	(463,229)	10.4%	(140,945)	(127,050)	-9.9%
Corn	(81,088)	(106,401)	31.2%	(1,190)	(3,345)	181.1%
Other	(34,915)	(31,589)	-9.5%	(7,466)	(6,189)	-17.1%
Biological Assets Allocated at Cost	(227,270)	(84,933)	-62.6%	(86,763)	(70,795)	-18.4%

Table 15 Biological Assets in COGS

(R$ thousand)	2015	2016	AH	1Q16	1Q17	AH
Biological Assets Allocated at Cost	**(227,270)**	**(84,933)**	**-62.6%**	**(86,763)**	**(70,795)**	**-18.4%**
Cotton lint	(94,147)	(5,145)	-94.5%	(26,895)	(6,075)	-77.4%
Cotton seed	(11,358)	3,109	n.m.	(1,639)	652	n.m.
Soybean	(116,304)	(62,206)	-46.5%	(58,155)	(64,907)	11.6%
Corn	(5,577)	(20,691)	271.0%	(74)	(465)	528.4%
Other	116	-	100.0%	-	-	-

GROSS INCOME

Table 16 Gross Income

(R$ mil)	2015	2016	AH	1Q16	1Q17	AH
Gross Income	**433,121**	**246,468**	**-43.1%**	**73,673**	**184,950**	**151.0%**
Cotton lint	154,650	80,209	-48.1%	(13,457)	13,867	n.m.
Cotton seed	20,939	989	-95.3%	2,225	(23)	n.m.
Soybean	144,876	130,443	-10.0%	80,818	133,414	65.1%
Corn	35,531	67,284	89.4%	1,501	4,594	206,1%
Others	24,565	(5,228)	n.m.	2,190	(5,497)	n.m.
Biological Assets	52,560	(27,229)	n.m.	396	38,595	n.m.

Note: To calculate gross margin, the results from Biological Assets allocated to Net Revenue are excluded.

Gross Income in 1Q17 amounted to R$184,950 thousand, with gross margin of 52.9%, an increase of 30.8 percentage points from 22.1% in 1Q16.

The three main crops presented gross margin expansion in the quarter. Margin expansion was significantly influenced by the higher invoiced prices and, in the case of soybean, by the lower unit cost due to higher yield in the current crop year.

Excluding the effects from Biological Assets, Gross Income advanced 99.7%, reflecting the higher margins of invoiced products, as seen in the following section.

ANALYSIS OF MARGINS BY CROP

To contribute to a better understanding of margins, in this section, the gain (loss) from currency hedge is allocated among cotton, soybean and corn.

Cotton Lint and Cotton seed

The cotton invoiced in 1Q17 was related to the 2015/16 crop year. Cotton unit margin in 1Q17 was positive at R$897/ton, compared to negative R$489/ton in 1Q16. Despite the 9.0% increase in unit cost, unit price rose 54.0% from 1Q16, reflecting the higher price in USD and the higher average exchange rate of the currency hedge position.

Table 17 Cotton Lint and Cottonseed Gross Margin

Cotton Invoiced		2015	2016	AH	1Q16	1Q17	AH
Cotton Lint Invoiced							
Volume Invoiced	Ton	158,183	148,429	-6.2%	27,558	15,490	-43.8%
Net Revenue	R$ thousand	812,693	749,417	-7.8%	146,858	81,803	-44.3%
Result of currency hedge	R$ thousand	(156,717)	(40,092)	-74.4%	(59,217)	(5,955)	-89.9%
Net income adj.for the res.of cur. hedging	R$ thousand	655,976	709,325	8.1%	87,641	75,848	-13.5%
Unit Price	R$ thd / Ton	4,147	4,779	15.2%	3,180	4,897	54.0%
Cost Total	R$ thousand	(501,326)	(629,116)	25.5%	(101,098)	(61,981)	-38.7%
Unit Cost	R$ thd / Ton	(3,169)	(4,238)	33.7%	(3,669)	(4,001)	9.0%
Unitary Margin	R$ thd / Ton	978	541	-44.7%	(489)	897	n.m.
Cotton Seed Invoiced							
Volume Invoiced	Ton	191,566	173,202	-9.6%	23,580	6,844	-71.0%
Net Revenue	R$ thousand	85,019	98,902	16.3%	12,292	4,788	-61.0%
Unit Price	R$ thd / Ton	444	570	28.6%	521	700	34.4%
Cost Total	R$ thousand	(64,080)	(97,913)	52.8%	(10,067)	(4,811)	-52.2%
Unit Cost	R$ thd / Ton	(335)	(565)	68.7%	(427)	(703)	64.6%
Unitary Margin	R$ thd / Ton	109	6	-94.5%	94	(3)	n.m.

Soybean

Soybean unit margin in 1Q17 increased 58.4% from 1Q16. The factors contributing to this increase were the 12.7% increase in unit price and the 13.6% decrease in unit cost, due to the higher yield in the 2016/17 crop year compared to 2015/16.

Table 18 Soybean Gross Margin

Soybeans Invoiced		2015	2016	AH	1Q16	1Q17	AH
Volume Invoiced	Ton	634,879	539,570	-15.0%	219,652	228,913	4.2%
Net Revenue	R$ thousand	634,055	583,990	-7.9%	223,941	219,223	-2.1%
Result of currency hedge	R$ thousand	(69,398)	9,682	n.m.	(2,178)	41,241	n.m.
Net income adj.for the res.of cur. hedging	R$ thousand	564,657	593,672	5.1%	221,763	260,464	17.5%
Unit Price	R$ thd / Ton	889	1,100	23.7%	1,010	1,138	12.7%
Cost Total	R$ thousand	(419,781)	(463,229)	10.4%	(140,945)	(127,050)	-9.9%
Unit Cost	R$ thd / Ton	(661)	(859)	30.3%	(642)	(555)	-13.6%
Unitary Margin	R$ thd / Ton	228	241	5.7%	368	583	58.4%

Corn

The corn invoiced in 1Q17 was also related to the 2015/16 crop year.

Corn unit margin also increased in 1Q17 compared to 1Q16, by 20.1%.

The increase was due to the higher invoiced unit price (15.9%), which was partially neutralized by the higher unit cost (10.7%).

Table 19 Corn Gross Margin

Corn Invoiced		2015	2016	AH	1Q16	1Q17	AH
Volume Invoiced	Ton	335,695	345,691	3.0%	5,288	13,447	154.3%
Net Revenue	R$ thousand	121,877	164,514	35.0%	2,691	7,939	195.0%
Result of currency hedge	R$ thousand	(5,258)	9,171	n.m.	-	-	-
Net income adj.for the res.of cur. hedging	R$ thousand	116,619	173,685	48.9%	2,691	7,939	195.0%
Unit Price	R$ thd / Ton	347	502	44.6%	509	590	15.9%
Cost Total	R$ thousand	(81,088)	(106,401)	31.2%	(1,190)	(3,345)	181.1%
Unit Cost	R$ thd / Ton	(242)	(308)	27.3%	(225)	(249)	10.7%
Unitary Margin	R$ thd / Ton	106	195	84.0%	284	341	20.1%

PRODUCTION COST

The breakdown of our total production costs is shown below:

Table 20 Breakdown of Production Cost by Crop

%	Cotton	Soybean	Corn	Average 2016/17	Average 2015/16
Variable Costs	79.8	71.1	80.7	76.2	77.0
Seeds	9.5	14.9	22.8	12.7	11.0
Fertilizers	17.3	16.6	32.5	18.1	19.3
Defensives	28.8	22.9	11.3	24.9	28.1
Air Spraying	1.5	1.7	2.2	1.6	1.5
Fuels and Lubrificants	3.8	4.3	4.0	4.0	4.1
Labor	1.3	0.7	0.4	1.0	0.9
Ginning	9.1	1.6	2.3	5.6	4.7
Maintenance of machines and instruments	4.2	5.3	3.7	4.6	4.4
Others	4.2	3.0	1.4	3.6	3.1
Fixes Cost	20.2	28.9	19.3	23.8	23.0
Labor	8.9	10.8	7.9	9.6	9.3
Depreciation and Amortization	4.4	8.3	5.3	6.0	6.5
Leasing	4.9	7.0	4.1	5.8	4.9
Others	2.1	2.8	2.0	2.3	2.3

Our estimates of total production cost per hectare for the 2016/17 crop year are presented below:

Table 21 Production Cost per Hectare

Total (R$/ha)[1]	A Budget 2015/16	B Achieved 2015/16	C Budget 2016/17	B/A	C/A
Cotton 1st crop	7,592	7,096	7,155	-6.5%	-5.7%
Cotton 2nd crop	6,157	5,868	6,164	-4.7%	0.1%
Soybean	2,229	2,206	2,251	-1.0%	1.0%
Corn 2nd crop	1,841	1,548	1,781	-15.9%	-3.3%
Average Total Cost [2]	3,271	3,104	3,203	-5.4%	-2.1%

[1] According to the position on September 30, 2016 (budget amounts). Figures may suffer changes by the end of cotton processing and the sale of grains. [2] Total average cost weighted by area.

Total average production cost per hectare estimated for the 2016/17 crop year presented a slight decrease of 2.1% in relation to the budget for the 2015/16 crop year, despite inflation of approximately 6% in the comparison period.

SELLING EXPENSES

Selling expenses decreased 24.8% in 1Q17 compared to 1Q16, due to the lower volume of cotton invoiced in the period. Selling expenses accounted for 4.6% of Net Revenue (excluding the effect from biological assets), down 1.8 percentage points compared to the year-ago period.

Table 22 Selling Expenses

(R$ thd)	2015	2016	AH	1Q16	1Q17	AH
Freight	45,441	52,353	15.2%	8,830	5,247	-40.6%
Storage	17,559	18,515	5.4%	5,568	6,282	12.8%
Commissions	6,951	5,342	-23.1%	2,184	1,287	-41.1%
Classification of Goods	1,844	1,916	3.9%	500	77	-84.6%
Export Expenses	19,844	15,988	-19.4%	4,229	3,173	-25.0%
Others	431	3,475	706.3%	122	51	-58.2%
Total	**92,070**	**97,589**	**6.0%**	**21,433**	**16,117**	**-24.8%**
% Net Revenue[(1)]	**6.2%**	**6.1%**	***-0.1 p.p***	**6.4%**	**4.6%**	***-1.8 p.p***

(1) As a ratio of net revenue excluding the effects from Biological Assets.

GENERAL AND ADMINISTRATIVE EXPENSES

General and Administrative Expenses decreased 12.0% from 1Q16 (before expenses with Profit Sharing, which varies in accordance with the Company's net income expectation). Explanations for the main variations follow:

a. Personnel expenses: decrease in allocation from stock option plans;
b. Third-party fees: higher expenses with consulting services;
c. Depreciation and amortization: lower expenses due to the end of the useful life of software assets.

In 1Q17, General and Administrative Expenses corresponded to 4.4% of Net Revenue (excluding the effect from Biological Assets), remaining stable in relation to 1Q16.

Table 23 General and Administrative Expenses

(R$ thd)	2015	2016	AH	1Q16	1Q17	AH
Expenses with personnel	20,101	22,090	9.9%	6,104	5,548	-9.1%
Third Party - Fees	3,327	3,843	15.5%	978	1,199	22.6%
Depreciation and amortization	3,025	2,088	-31.0%	764	281	-63.2%
Expenses with travel	1,505	1,369	-9.0%	446	330	-26.0%
Software maintanance	2,520	3,585	42.3%	874	914	4.6%
Marketing/Advertisement	1,668	1,947	16.7%	922	684	-25.8%
Expenses with communications	2,437	2,357	-3.3%	543	548	0.9%
Rentals	956	893	-6.6%	198	172	-13.1%
Labor, Tax and Environmental Contigencies	(206)	832	n.m.	653	365	-44.1%
Eletricity	125	147	17.6%	45	37	-17.8%
Taxes and others fees	464	388	-16.4%	224	265	18.3%
Contribuitions and donations	1,332	997	-25.2%	149	127	-14.8%
Others	2,515	2,358	-6.2%	651	576	-11.5%
Subtotal	**39,769**	**42,894**	**7.9%**	**12,551**	**11,046**	**-12.0%**
Provision for profit share program	7,940	2,839	-64.2%	2,128	4,337	103.8%
Total	**47,709**	**45,733**	**-4.1%**	**14,679**	**15,383**	**4.8%**
% Net Revenue	**3.2%**	**2.9%**	***-0.3 p.p***	**4.4%**	**4.4%**	**-**

(1) As a ratio of net revenue excluding the effects from Biological Assets.

NET FINANCIAL INCOME (EXPENSE)

In 1Q17, we recorded a net financial expense of R$21,953 thousand, compared to an expense of R$35,746 thousand in 1Q16, representing a decrease of 38.6% or R$13,793 thousand.

Table 24 Net Financial Income (Expense)

(R$ thd)	2015	2016	AH	1Q16	1Q17	AH
Revenues (expenses) with derivatives	102,041	(127,608)	n.m.	(65,836)	(24,612)	-62.6%
Interest	(66,182)	(67,307)	1.7%	(14,083)	(16,569)	17.7%
Monetary Variation	(1,219)	(1,037)	-14.9%	(476)	(806)	69.3%
FX Variation	(145,583)	93,487	n.m.	42,089	22,316	-47.0%
Others financial revenues (expenses)	(7,901)	(12,011)	52.0%	2,560	(2,282)	n.m.
Total	**(118,844)**	**(114,476)**	**-3.7%**	**(35,746)**	**(21,953)**	**-38.6%**
% Net Revenue	**-8.0%**	**-7.1%**	***0.9p.p.***	**-10.7%**	**-6.3%**	***4.4p.p.***

(1) As a ratio of net revenue excluding the effects from Biological Assets.

Table 25 Gain (Loss) from Derivative Operations

(R$ thd)	2015	2016	AH	1Q16	1Q17	AH
Swap of Debt in Dollar to Reais	92,268	(129,887)	n.m.	(43,631)	(24,612)	-43.6%
Swap of Financial asset in Reais to Dollar	10,365	-	-100.0%	(22,223)	-	-100.0%
Commodities Hedge	(229)	13	n.m.	-	-	-
FX Hedge (not designated as hedge accounting)	(363)	2,266	n.m.	18	-	-100.0%
Total	**102,041**	**(127,608)**	**n.m.**	**(65,836)**	**(24,612)**	**-62.6%**

Note: In accordance with Note 20 of the Quarterly Information (ITR)

Note that, since a portion of debt in USD was "swapped" to BRL and another portion is designated as hedge accounting, whose exchange effects are recorded as Sales Revenue, when debt is amortized, the exchange variation on debt in USD does not affect Net Financial Income (Expense) when we analyze the aggregate figures (gain/loss from derivatives vs. exchange variation). For a better understanding of this impact, we suggest analyzing below Table 26 - Adjusted Net Financial Income (Expense).

Table 26 Adjusted Net Financial Income (Expense)

(R$ thd)	2015	2016	AH	1T16	1T17	AH
Gain and Losses with derivates	(66,182)	(94,903)	43.4%	(32,410)	(24,443)	-24.6%
Interest and FX Variation net of swap operation	(43,542)	(6,525)	-85,0%	(5,420)	5,578	n.m.
Monetary Variation	(1,219)	(1,037)	-14,9%	(476)	(806)	69.3%
Other financial revenues (expenses)	(7,901)	(12,011)	52.0%	2,560	(2,282)	n.m.
Total	**(118,844)**	**(114,476)**	**-3.7%**	**(35,746)**	**(21,953)**	**-38.6%**
% Net Revenue	**-8.00%**	**-7.1%**	***0.9p.p.***	**-10.7%**	**-6.3%**	***4.4p.p.***

(1) As a ratio of net revenue excluding the effects from Biological Assets.

The 24.6% decrease in interest expenses in 1Q17 (the main variation in financial income (expense) between 1Q17 and 1Q16) was due to the reduction in net debt in the comparison period and to the lower average interest rate of the debt. Exchange variation net of swapped operations registered a gain on passive positions for suppliers with dollar-denominated trade notes, given the stronger BRL in the quarter compared to 1Q16.

NET INCOME

Table 27 Net Income

(R$ thd)	2015	2016	AH	1T16	1T17	AH
Income before Income Tax	166,654	(4,161)	n.m.	(7,282)	125,272	n.m.
Income Tax and Social Contribution	(45,483)	19,802	n.m.	4,611	(41,332)	n.m.
Net Income for the period	**121,171**	**15,641**	**-87.1%**	**(2,671)**	**83,940**	**n.m.**
Attributes to the Parent company's partner	*122,528*	*29,945*	*-75.6%*	*(6,770)*	*74,738*	*n.m.*
Attributes to non-controlling partners	*(1,358)*	*(14,304)*	*-953.3%*	*4,099*	*9,202*	*124.5%*
% Net Revenue[(1)]	**8.2%**	**1.0%**	**-7.2p.p.**	**-0.8%**	**24.0%**	**24.8p.p**

(1) As a ratio of net revenue excluding the effects from Biological Assets.

Net Income improved significantly in 1Q17 compared to 1Q16, to R$83,940 thousand, an increase of R$86,611 thousand in relation to the net loss of (R$2,671) thousand in 1Q16. The main factor

contributing to this result was the Gross Income growth of R$111,277 thousand in the comparison period, supported by the higher prices invoiced and higher soybean yield compared to 1Q16.

The results to date in 2017 have already begun to reflect this significant operating improvement and have brought the Company's indicators to a more "normalized" level, supported by the excellent crop performance in the current crop year.

CURRENCY AND AGRICULTURAL COMMODITY HEDGE

The Company's sales revenues are generated mainly by the trading of agricultural commodities such as cotton, soybean and corn, which are quoted in U.S. dollar on international exchanges, such as the Chicago Board of Trade (CBOT) and the Intercontinental Exchange Futures US (ICE).

Therefore, we are actively exposed to variations in foreign exchange rates and in the prices of these commodities.

To protect from currency variation we use derivative instruments, with the portfolio of these instruments basically comprising non–deliverable forwards (NDFs) and option contracts.

In line with the Company's Risk Management Policy, whose purpose is to obtain a pre-established Adjusted EBITDA margin with a combination of factors such as Price, Foreign Exchange and Cost, most of the instruments for protecting against commodity price variation are accomplished through advanced sales directly with our clients (forward contracts).

We also use futures and options contracts negotiated on the exchange and swap and option transactions contracted with financial institutions.
The mark-to-market adjustments of future, swap and option transactions are recorded under financial income (expense).

The hedge position on May 8, 2017 for commodities (in relation to the estimated total volume invoiced) and currency (in relation to the total estimated revenue in U.S. dollar) is shown below broken down by commercial hedge and financial hedge:

Table 28 Currency and Agricultural Commodity Hedge

Fiscal Year	2017		2018	
FX Rate[1]	**Hedge (%)**	**R$ / US$**	**Hedge (%)**	**R$ / US$**
FX Hedge	69.9	3.6121	23.6	3.5316
Commitments[1]	4.7	1.8790	2.3	1.9418
Total	**74.6**	**3.5021**	**25.9**	**3.3907**
Cotton	**Hedge (%)**	**US¢ / pound[2]**	**Hedge (%)**	**US¢ / pound[2]**
Commercial Hedge	82.0	74.8	39.0	75.8
Financial Hedge[4]	16.0	73.4	7.0	79.3
Cotton – Total Hedge	**98.0**	**74.6**	**46.0**	**76.4**
Soybean	**Hedge (%)**	**US$ / bushel[2]**	**Hedge (%)**	**US$ / bushel[2]**
Commercial Hedge	58.0	10.6	10.0	10.7
Financial Hedge[4]	-	-	-	-
Commitments[3]	1.0	-	9.0	
Soybean – Total Hedge	**59.0**	**10.6**	**19.0%**	**10.7**

[1] Commitments with debt payments in U.S. dollar. [2] Based on FOB Port (prices at our production units are also influenced by transport expenses and possible quality discounts). [3] Natural hedge with payments related to land acquisitions and leasing agreements in soybean bags. [4] Includes transactions involving futures, swaps and accumulators. Reference price on 03/02/2017: Cotton ICE July/17 US¢/lb 79.22-. Cotton ICE DEC/17 ¢/lb 74.98 - Soybean 10.45, Soybean CBOT May/17 US$/bushel.

PROPERTY, PLANT AND EQUIPMENT / INTANGIBLE ASSETS

The main investments in 1Q17 were:

(i) Acquisition of agricultural machinery and tools, mainly at the Pamplona and Planorte farms;
(ii) Buildings and facilities, mainly at the Pamplona and Pioneira farms.
(iii) Software and investments in the new management system.

Table 29 Capital Expenditure

CAPEX (R$ thousand)	2016	1Q17	AH
Machinery, implements and equipment	25,864	2,544	21.3%
Land acquisition	2	-	-
Soil correction	14,585	698	5.9%
Buildings and facilities	17,903	2,051	17.2%
Cotton ginning plant	1,015	-	-
Grains storage	954	287	2.4%
Soil cleaning	11,855	1,197	10.0%
Vehicles	1,110	611	5.1%
Software	1,813	3,945	33.1%
Others	2,886	599	5.0%
Total	**77,987**	**11,932**	

FINANCIAL NET DEBT

Adjusted gross debt in 1Q17 decreased 2.7% to R$829,730 thousand, from R$852,855 thousand in the prior quarter.

Table 30 Financial Net Debt

		Average Interest Rates (%)		Consolidated	
(R$ thd)	Index	1Q17	4Q16	1Q17	4Q16
Applied in Fixed Assets					
Finame – BNDES	Pré, TJLP[1] e Cesta de Moedas	**7.14%**	7.25%	**172,871**	177,635
Constitutional Funds[2]	Pré	**7.23%**	7.23%	**3,555**	6,980
Financing of Investments	US$ + Libor[3]	**6.50%**	6.38%	**3,687**	3,787
				180,113	188,401
Applied in Working capital					
Rural Credit	Pré	**12.80%**	12.82%	**506,871**	479,468
Constitutional Funds[2]	Pré	**10.50%**	10.50%	**314,623**	311,987
External Loans	CDI	**13.33%**	14.82%	**343,229**	416,010
External Loans	US$, Libor[3]+Pré	**5.66%**	5.50%	**119,931**	156,718
Working Capital	CDI	**13.20%**	14.73%	**301,184**	348,660
				1,585,838	**1,712,844**
Total Indebtedness		**11.51%**	12.08%	**1,765,949**	1,901,245
(+/-) Gain and losses with Derivates connected with applications and debts				**(10.660)**	(16.115)
(=) Adjusted Debt				**1,776,609**	1,917,361
(-) Cash				**946,879**	1,064,506
(=) Adjusted Debt				**829,730**	852,855
EBITDA of last 12 months				**324,227**	249,108
Adjusted Net Debt/Adjusted EBITDA				**2.56x**	3.42x
Adjusted Net Debt/NAV				**19.7%**	21.8%

[(1)] Long-Term Interest Rate (TJLP). [(2)] To calculate the average cost of the Constitutional Funds, we considered a discount of 15% relative to the performance bonus applicable to these operations. [(3)] London Interbank Offer Rate (Libor): Interest rate charged by London banks used as a reference for most loans in the international financial system. [(4)] Adjusted EBITDA in the last 12 months. [(5)] Transactions with gains and losses from Derivatives (note 20 of the Quarterly Information).

The Adjusted Net Debt/Adjusted EBITDA ratio decreased from 3.42x in 4Q16 to 2.56x in 1Q17.

Figure 10 Gross Debt Profile in 1Q17

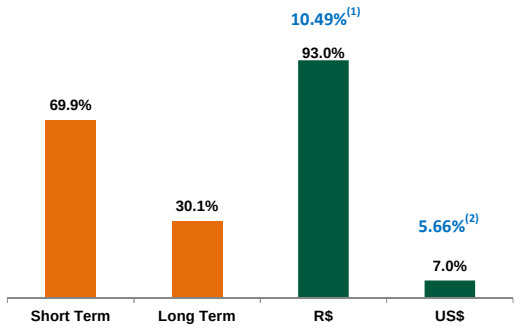
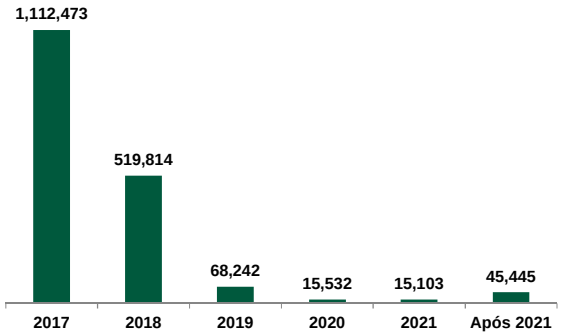


Figure 11 Amortization Schedule of Adjusted Net Debt



(1) Weighted average debt cost in BRL. (2) Weighted average debt cost in USD

INDICATORS

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

Table 31 Return on Equity

(R$ million)	2010	2011	2012	2013	2014	2015	2016
Net Profit	59	160	38	97	70	121	16
Net Land Appreciation SLC Agricola[1]	-36	179	222	313	396	108	130
Net Land Appreciation LandCo [1][2]	-	-	48	61	32	32	69
Subtotal	23	339	308	471	498	261	216
Shareholder's Equity[3]	1,839	2,063	2,407	2,924	3,608	3,748	4,220
Returno n Equity	**1.3%**	**16.4%**	**12.8%**	**16.1%**	**13.8%**	**7.0%**	**5.1%**

[1] Based on independent (Deloitte) and internal appraisal. Updated June 2016, net of taxes.
[2] Adjusted by the interest of 81.23% held by SLC Agrícola in SLC LandCo.
[3] Adjusted by the appreciation in the value of land properties.

Table 32 Return on Net Assets

(R$ million)	2010	2011	2012	2013	2014	2015	2016
Net Profit	59	160	38	97	70	121	16
Net Land Appreciation[1]	(36)	179	271	373	428	140	200
Subtotal	23	339	309	470	498	261	216
Invested Capital	2,598	3,196	3,635	4,113	4,696	4,906	4,857
Working Capital	395	504	626	641	733	628	561
Fixed Asset[2]	2,203	2,692	3,009	3,472	3,963	4,278	4,296
Return	**0.9%**	**10.6%**	**8.5%**	**11.4%**	**10.6%**	**5.3%**	**4.4%**

[1] Based on independent (Deloitte) and internal appraisal. Updated June 2016, net of taxes.
[2] Adjusted by land-price appreciation.

Table 33 Return on Invested Capital

(R$ million)	2010	2011	2012	2013	2014	2015	2016
Operating Income	126	257	145	150	190	285	110
Taxes	(38)	(87)	(72)	(35)	(40)	(78)	20
Adjusted Operating Income	88	170	73	116	150	207	130
Net Land Appreciation[1]	(36)	179	270	374	428	140	200
Operating Results	52	349	343	490	578	347	330
Invested Capital	2,110	2,527	2,987	3,753	4,329	4,788	4,856
Gross Debt[2]	*450*	*640*	*811*	*1,170*	*1,332*	*1,711*	*1,807*
Cash[2]	*110*	*131*	*157*	*376*	*355*	*671*	*1,016*
Net Debt [2]	*339*	*509*	*654*	*794*	*977*	*1,040*	*791*
Shareholder's Equity [3]	*1,771*	*2,018*	*2,333*	*2,781*	*3,352*	*3,748*	*4,065*
Returno on Invested Capital	**2.5%**	**13.8%**	**11.5%**	**13.0%**	**13.3%**	**7.2%**	**6.8%**

[1] Based on independent (Deloitte) and internal appraisal. Updated June 2016, net of taxes.
[2] Adjusted by the interest held in the subsidiaries.
[3] Adjusted by land-price appreciation.

Table 34 Net Asset Value

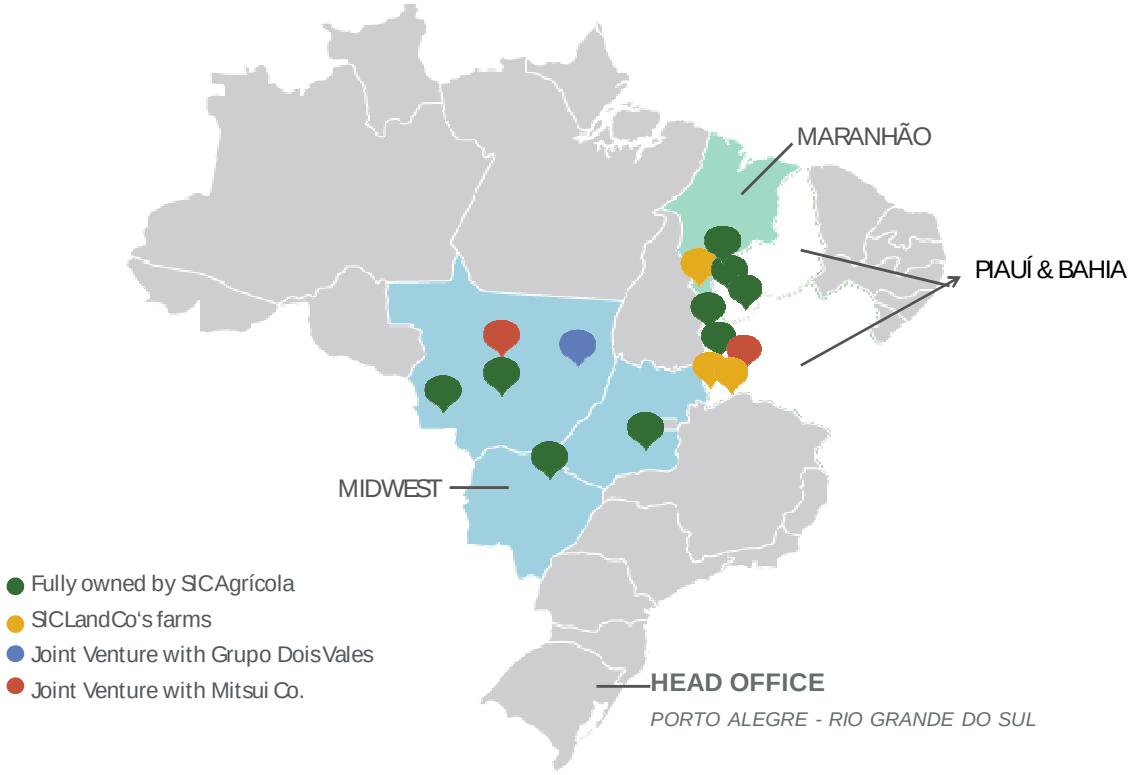
(R$ million)	1Q17
SLC Agrícola Farms [1]	2,704
SLC LandCo Farms[2]	638
Infrastructure (excl. land) [3]	754
Accounts Receivable (excl. derivates) [3]	145
Inventories [3]	466
Biological Assets[3]	531
Cash [3]	897
Subtotal	***6,135***
Suppliers[3]	179
Adjusted Gross Debt [3][4]	1,668
Outstanding Debt related to land acquisitions [3]	75
Subtotal	***1,922***
Net Asset Value	**4,213**
Net Asset Value per share	**42.6**

[1] Based on independent (Deloitte) and internal appraisal. Updated June 2016, net of taxes. [2] Based on the independent appraisal report (Deloitte), net of taxes, updated in June 2016 and adjusted by the interest held by SLC Agrícola in the subsidiary. [3] Adjusted by the interest held by SLC Agrícola in the subsidiaries. [4] Gross Debt adjusted by operations with derivative instruments and the interest held by SLC Agrícola in the subsidiaries.

Table 35 Changes in Working Capital

Working Capital (R$ thd)	2013	2014	2015	2016	1Q17
Asset					
Trade Account Receivable	85,334	143,759	228,024	185,538	154,339
Hedge Accounting (Non-Cash)	*(5,278)*	*(8,936)*	*(26,639)*	*(99,963)*	*(86,735)*
Inventories	514,819	622,101	782,192	486,425	497,834
Biological Assets + (Non-Cash)	*(42,280)*	*(20,185)*	*(58,164)*	*(12,093)*	*(84,100)*
Recoverable Taxes	78,361	98,566	89,321	66,727	81,509
Biological Assets	378,481	374,372	423,705	521,174	578,525
Biological Assets (Non-Cash)	*(27,009)*	*(17,684)*	*(31,200)*	*(50,693)*	*(17,778)*
Expenses incurred in advance	3,793	2,712	5,469	7,721	7,469
Subtotal	**986,221**	**1,194,705**	**1,412,708**	**1,104,836**	**1,131,063**
Liabilities					
Suppliers	236,217	312,759	398,860	439,735	191,625
Tax and Social Obligations	27,480	24,270	20,465	23,303	21,827
Others	223,444	207,794	376,498	204,675	345,588
Land Payables	(126,494)	(49,689)	(75,564)	(81,813)	(81,797)
Hedge Accounting (Non-Cash)	(31,433)	(51,651)	(120,544)	(56,604)	(59,864)
Provisions	16,187	17,724	20,415	15,022	19,273
Subtotal	**345,401**	**461,207**	**620,130**	**544,318**	**436,652**
Total	**640,820**	**733,498**	**738,578**	**560,518**	**694,411**
Change in WC	**10,017**	**92,678**	**5,080**	**(178,060)**	**133,893**

LOCATION OF UNITS



DISCLAIMER

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

EXHIBIT 1: 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 alqueire	
1 hectare (ha)	2.47105 acres	
1 hectare (ha)	10,000 m²	
1 alqueire	5.4363 acres	
Soybean and Weat		
1 bushel of soybean	60 pounds	27.2155 kg
1 bale 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 libras	217.72 kg
1 arroba	14.68 kg*	

1 Operations

SLC Agrícola S.A., founded in 1977, hereinafter referred to as "Parent Company," "SLC" or the "Company," and its subsidiaries (jointly referred to as the "Group" or "Consolidated"), is engaged in agricultural activities; the production and sale of seeds and saplings; the processing and trading of its products and authorized to export and import goods for its own use and consumption; the supply of primary agricultural goods and products and general merchandise; the rendering of inbound logistics, cleaning, drying and storage services for third-party cereals; the rendering to third parties of services involving agricultural machinery and equipment; the trading, import and export of agricultural products; industrial activities involving the processing of sugarcane, ethanol and its byproducts; and investments in other companies.

The Company is headquartered at Rua Bernardo Pires, 128, Porto Alegre, Rio Grande do Sul.

On September 1, 2016, the Company began its cultivation of the 2016/2017 crop with operations at 14 production units and a total planted area of 396 thousand hectares, including company-owned areas and areas leased from third parties, which are located in six Brazilian states: Mato Grosso, Mato Grosso do Sul, Goiás, Bahia, Piauí and Maranhão.

2 Summary of significant accounting practices

a. Preparation basis and presentation of the separate and consolidated quarterly information

The Company's interim financial information contained in the Quarterly Information (ITR) for the quarter ended March 31, 2017, comprises:

- The consolidated interim financial information prepared in accordance with CPC 21 (R1) - Interim Financial Statements and IAS 34 - Interim Financial Reporting issued by the International Accounting Standards Board (IASB) and presented in accordance with the standards established by the Securities and Exchange Commission of Brazil (CVM) applicable to the preparation of the Quarterly Information (ITR).
- The separate interim financial information of the Company prepared in accordance with CPC 21 (R1) - Interim Financial Reporting and presented in accordance with the standards issued by the Securities and Exchange Commission of Brazil (CVM) applicable to the preparation of the Quarterly Information (ITR).

The Management of the Company declares that all relevant information applicable to these financial statements, and only such information, is being presented, and which corresponds to the information used by it in its management activities.

The issue of the separate and consolidated financial statements was authorized by the Executive Board on May 10, 2017.

b. Presentation of the notes to the Quarterly Information

To avoid redundancy in the presentation of the Interim Financial Information and for the purposes of Article 29 of CVM Instruction 480/09, the Company indicates below the number of notes disclosed in the separate and consolidated financial statements as of December 31, 2016, and not repeated in full or part in this interim financial information: 3 - Accounting policies, 4 - Significant judgments, estimates and assumptions, 13 – Investment property, 23 - Profit-sharing program, 25 - Government subsidies and assistance, and 26 - Insurance coverage.

c. Measurement basis

The preparation of this separate Interim Information in accordance with Technical Pronouncement CPC 21(R1) and with Accounting Standard IAS 34 requires the use of certain accounting estimates by the Management of the Company. The separate and consolidated Interim Information was prepared based on historical cost, except for the following material items recognized on the balance sheets:

- Derivative instruments measured at fair value;
- Biological assets measured at fair value less selling expenses;
- Investment properties measured at fair value less selling expenses;
- Share-based payment transactions.

d. Functional currency and presentation currency

This separate and consolidated quarterly information is being presented in Brazilian real, which is the functional currency of the Company. All financial information presented in Brazilian real has been rounded to the nearest thousandth, except where stated otherwise.

3 Consolidated financial statements

The consolidated financial statements include the operations of the Company and of the following subsidiaries, whose equity interest as of the reporting date is as follows:

		Subsidiaries		
Main activity	**Companies**	**Directs %**	**Indirects %**	**Location (State)***
Culture of soybean and corn.	Fazenda Pioneira Empreendimentos Agrícolas S.A.	50.0	-	Mato Grasso - MT
Culture of cotton and soybean .	SLC-MIT Empreendimentos Agrícolas S.A.	50.1	-	Rio Grande do Sul - RS
Investments in other companies or commercial ventures and leasing.	SLC Investimentos Agrícolas Ltda	100.0	-	Rio Grande do Sul - RS
Purchasing and sale, lease, construction and managing of real estate.	Fazenda Parnaíba Empreendimentos Agrícolas Ltda.	100,0	-	Maranhão - MA
	Fazenda Planorte Empreendimentos Agrícolas Ltda.	100,0	-	Mato Grosso - MT
Purchasing and sale, lease, construction and managing of real estate	Fazenda Pamplona Empreendimentos Agrícolas Ltda	100,0	-	Rio Grande do Sul - RS
	Fazenda Planalto Empreendimentos Agrícolas Ltda.	100,0	-	
	Fazenda Palmares Empreendimentos Agrícolas Ltda	100,0	-	
	Fazenda Parnaguá Empreendimentos Agrícolas Ltda.	100,0	-	
	SLC Paiaguas Empreendimentos Agrícolas S.A.	100,0	-	
	SLC Perdizes Empreendimentos Agrícolas S.A.	100,0	-	
	SLC LandCo Empreendimentos Agrícolas S.A.	-	81,2	
	Fazenda Planeste Empreendimentos Agrícolas Ltda.	-	81,2	
	Fazenda Piratini Empreendimentos Agrícolas Ltda	-	81,2	
	Fazenda Panorama Empreendimentos Agrícolas Ltda.	-	81,2	
	Catuaí Norte Participações S.A.	-	81,2	
	SOPER Agrícola Ltda	-	81,2	
	Fazenda Parceiro Empreendimentos Agrícolas Ltda.	-	100,0	
	Fazenda Paineira Empreendimentos Agrícolas Ltda.	6.1	93.9	

Subsidiaries' annual information period included in consolidation is the same of the parent company, and accounting policies were applied uniformly in consolidated companies and are consistent with those used in prior year.

4 Cash and cash equivalents and short-term financial investments

Description	Yields	Parent company		Consolidated	
		03/31/17	12/31/16	03/31/17	12/31/16
Cash and cash equivalents	-	**514**	419	**586**	494
CDB-DI	100.31% of CDI*	**238,954**	205,563	**268,965**	232,070
Repurchase and resale commitments	99.76% of CDI*	**533,835**	684,278	**670,273**	824,872
Other investments	58.99 % of CDI*	**5,916**	5,953	**7,055**	7,070
		779,219	896,213	**946,879**	1,064,506
Cash and cash equivalents		**580,601**	767,009	**703,356**	888,740
CP Interest earnings bank deposits		**198,618**	129,204	**243,523**	175,766

(*) Average yield on March 31, 2017.

Financial investments are represented by investments in bank certificates of deposit, purchase and sale repurchase commitments (bonds), at market prices and rates, restated by the income earned to March 31, 2017, not exceeding the trading amount.

These investments comprise purchase and sale repurchase commitments with terms of over 90 days and a grace period for redemption in March 2017, premium saving bonds and (CDBs) bank certificates of deposits with terms of under 365 days that are linked to the reciprocity of maintaining balances to offset the release of loans.

The Group’s exposure to interest risk and a sensitivity analysis of financial assets and liabilities are disclosed in Note 20.

5 Trade accounts receivable

	Parent Company		Consolidated	
	03/31/17	12/31/16	03/31/17	12/31/16
Domestic market	**15,983**	38,026	**16,219**	39,889
Foreign market	**37,570**	33,503	**37,570**	33,503
Total	**53,553**	71,529	**53,789**	73,392

On March 31, 2017 and December 31, 2016, the Company and its subsidiaries did not hold any trade notes whose performance was considered uncertain and that were overdue. Therefore, it did not recognize an allowance for doubtful accounts.

The group's exposure to credit and currency risk related to trade accounts receivable is disclosed in note 20.

6 Inventories

	Parent company		Consolidated	
	03/31/17	12/31/16	03/31/17	12/31/16
Agricultural products	**273,622**	170,302	**320,539**	160,521
Agricultural products - formation costs	**198,869**	157,737	**236,439**	147,932
Agricultural products – Adjustment at fair value for biological assets	**74,753**	12,565	**84,100**	12,589
Seeds, composts, fertilizers and pesticides	**120,929**	245,756	**136,511**	289,717
Packages and containerization material	**6,941**	5,117	**7,372**	5,544
Spare parts	**6,499**	7,287	**7,313**	8,200
Advances to suppliers	**5,326**	4,248	**8,257**	5,672
Other inventories	**16,658**	15,817	**17,842**	17,267
Provisions for inventory adjustment	-	(496)	-	(496)
	429,975	448,031	**497,834**	486,425

On March 31, 2017, the Company did not record a provision for adjustment to market value of agricultural products.

7 Biological assets

	Parent Company				
	Soybean	Cotton	Corn	Other crops	Total
Balances at december 31, 2016	**282,524**	**147,786**	**30,685**	**9,218**	**470,213**
Expenditures with planting	103,394	186,385	38,754	9,051	337,584
Variation of the fair value	90,076	0	0	2,778	92,854
Harvest of the agricultural product	(331,389)	(3,955)	(5)	(14,848)	(350,197)
Balances at march 31, 2017	**144,605**	**330,216**	**69,434**	**6,199**	**550,454**
Agricultural products – formation costs	128,862	330,216	69,434	6,167	534,679
Biological Assets – Adjustment at fair value	15,743	-	-	32	15,775

	Consolidated				
	Soybean	Cotton	Corn	Other crops	Total
Balances at december 31, 2016	**330,231**	**148,702**	**32,904**	**9,337**	**521,174**
Expenditures with planting	123,753	196,397	50,636	8,828	379,614
Variation of the fair value	106,612	0	0	2,778	109,390
Harvest of the agricultural product	(412,518)	(3,955)	(5)	(15,175)	(431,653)
Balances at march 31, 2017	**148,078**	**341,144**	**83,535**	**5,768**	**578,525**
Agricultural products – formation costs	130,332	341,144	83,535	5,736	560,747
Biological Assets – Adjustment at fair value	17,746	-	-	32	17,778

The balances of growing plants are mostly represented by the expenses incurred with the growing of crops, such as: seeds, fertilizers, pesticides, depreciation and labor involved in cultivation.

Soybean, corn and cotton are typically cultivated in the following periods:

		Crops		
Unit	**Location**	**Soybean**	**Cotton**	**Corn**
Pamplona Farm	Cristalina-GO	October 15 to April 15	November 11 a August 30	October 15 a July 15
Planalto Farm	Costa Rica-MS	September 20 to March 25	December 05 a August 30	January 25 a July 10
Planorte Farm	Sapezal-MT	September 20 to March 15	December 15 a August 30	January 15 a July 10
Paiaguás Farm	Diamantino-MT	September 20 to March 15	December 10 a August 30	January 15 a July 15
Perdizes Farm	Porto dos Gaúchos - MT	September 20 to March 15	Does not plant	January 25 a July 10
Pioneira Farm	Querência - MT	October 15 to March 25	Does not plant	January 25 a July 15
Panorama Farm	Correntina-BA	October 15 to April 30	November 20 a August 30	Does not plant
Paladino Farm	São Desidério - BA	October 15 to April 30	November 20 a August 30	Does not plant
Piratini Farm	Jaborandi-BA	October 25 to April 30	November 20 a August 30	October 25 a May 15
Palmares Farm	Barreiras-BA	October 15 to April 30	November 20 a August 30	October 15 a July 15
Parceiro Farm	Formosa do Rio Preto -BA	October 15 to April 30	Does not plant	Does not plant
Parnaíba Farm	Tasso Fragoso-MA	October 15 to April 15	December 15 a August 30	December 01 a July 15
Planeste Farm	Balsas-MA	October 20 to April 15	December 20 a August 30	December 01 a July 15
Parnaguá Farm	Santa Filomena-PI	November 01 to April 15	Does not plant	Does not plant

The planted areas projected for the 2016/17 crop year are as follows:

Crops	Area	Provided 2016/17 [1]	Planted 2016/17
Cotton	ha	87,481	93,405
Soybean	ha	230,127	212,586
Corn	ha	71,715	65,681
Other Crops[2]	ha	4,497	5,587
		393,820	**377,259**

[1] By the end of planting operations, the agricultural planning team may change the planting plan due to intemperate weather.

[2] Other crops include wheat, corn seed, sorghum, sunflower and sugarcane.

8 Recoverable taxes

	Parent Company		Consolidated	
	03/31/17	12/31/16	03/31/17	12/31/16
Income tax	**19,125**	9,320	**21,746**	11,422
Social contribution	**1,502**	1,450	**1,595**	1,513
ICMS	**46,665**	47,242	**61,385**	61,268
COFINS	**11,182**	12,822	**26,195**	27,239
PIS	**4,121**	4,791	**7,326**	7,794
IRRF recoverable	**3,160**	10,349	**4,554**	12,688
Other	**58**	57	**724**	637
	85,813	86,031	**123,525**	122,561
(-) Portion classified in current assets	**(57,345)**	(51,224)	**(81,509)**	(66,727)
Portion classified in non-current assets	**28,468**	34,807	**42,016**	55,834

Income and social contribution taxes

Corresponds to prepayments of income and social contribution taxes to be realized by the offsetting of federal taxes and contributions.

ICMS, PIS and COFINS to offset/recover

These items refer to credits generated in the normal course of operations of the Company and its subsidiaries and may be offset with taxes of the same type.

The estimate of the realization of taxes levied on sales (ICMS, PIS and COFINS) is evaluated by management based on the projections for the sale of agricultural products, the sale of ICMS credits to other parties and the refund or offsetting of PIS and COFINS taxes with other taxes generated by the Group's operations. The estimated realization periods of these assets are described below:

	Parent Company			Consolidated		
Year of Maturity	ICMS	COFINS	PIS	ICMS	COFINS	PIS
2017	19,455	8,819	2,720	24,140	19,675	4,984
2018	15,678	1,257	1,248	19,389	4,877	2,062
2019	11,532	1,106	153	17,856	1,643	280
	46,665	**11,182**	**4,121**	**61,385**	**26,195**	**7,326**

Income tax withheld at source recoverable

Corresponds to the income tax withheld at source levied on short-term financial investments. These credits are realizable by offsetting against federal taxes and contributions.

9 Investments (Parent Company)

The relevant investments in subsidiaries, which were valued using the equity method, are shown in the following table:

Investment	Capital Stock	Shareholders' equity	Unrealized gain in Equity	Net income (Loss) for the period	Unrealized profit for the period income	Quantity of shares/ quotas for the period	Percentage of interest	Equity in income of subsidiaries and associated companies	Equity participation
Fazenda Parnaíba Emp. Agr. Ltda.	20,488	225,334	(2,778)	1,050	(2,165)	20,488	100.00%	(1,115)	222,556
Fazenda Planorte Emp. Agr. Ltda.	57,050	189,884	(5,462)	1,365	(1,081)	57,050	100.00%	284	184,422
Fazenda Pioneira Emp. Agr. S.A.	91,672	73,456	-	10,240	-	45,836	50.00%	5,120	36,728
SLC-MIT Emp. Agr. S.A	109,934	95,778	(164)	6,515	(72)	55,077	50.10%	3,228	47,903
SLC Invest. Agrícolas Ltda.	272,534	679,466	(13,213)	4,929	(37)	272,534	100.00%	4,892	666,253
Fazenda Pamplona Emp. Agr. Ltda.	31,766	164,526	(3,460)	1,157	(867)	31,766	100.00%	290	161,066
Fazenda Planalto Emp. Agr. Ltda.	9,137	231,543	(6,965)	1,726	(578)	9,137	100.00%	1,148	224,578
Fazenda Palmares Emp. Agr. Ltda.	109,800	179,460	(3,928)	1,702	(517)	109,800	100.00%	1,185	175,532
Fazenda Parnaguá Emp. Agr. Ltda.	29,211	44,832	(618)	721	(304)	29,211	100.00%	417	44,214
Fazenda Paineira Emp. Agr. Ltda.	73,985	118,220	-	470	-	4,500	6.08%	29	7,191
SLC Paiaguás Emp. Agr. Ltda.	20,347	251,047	(6,785)	2,534	713	20,347	100.00%	3,247	244,262
SLC Perdizes Emp. Agr. Ltda.	71,263	78,183	(2,543)	96	130	71,263	100.00%	226	75,640
								18,951	**2,090,345**

The main changes in investments in direct permanent equity interests, on March 31, 2017, are as follows:

			Other comprehensive income				
Investment	Balance on 12/31/16	Equity accounting	Unrealized gain/(loss) with hedge instruments	Deferred taxes	Fair Value	Other adjustments	Balance on 03/31/17
Fazenda Parnaíba Emp. Agr. Ltda.	167,574	(1,115)	-	55,600	-	497	222,556
Fazenda Planorte Emp. Agr. Ltda.	184,138	284	-	-	-	-	184,422
Fazenda Pioneira Emp. Agr. S.A. [1]	31,459	5,120	149	-	-	-	36,728
SLC-MIT Emp. Agr. S.A.[1]	44,319	3,228	356	-	-	-	47,903
SLC Invest. Agrícolas Ltda.	661,361	4,892	-	-	-	-	666,253
Fazenda Pamplona Emp. Agr. Ltda.	160,776	290	-	-	-	-	161,066
Fazenda Planalto Emp. Agr. Ltda.	223,430	1,148	-	-	-	-	224,578
Fazenda Palmares Emp. Agr. Ltda.	158,393	1,185	-	-	15,954	-	175,532
Fazenda Parnaguá Emp. Agr. Ltda.	43,797	417	-	-	-	-	44,214
Fazenda Paineira Emp. Agr. Ltda.	7,162	29	-	-	-	-	7,191
SLC Paiaguás Emp. Agr. Ltda.	241,015	3,247	-	-	-	-	244,262
SLC Perdizes Emp. Agr. Ltda.	75,414	226	-	-	-	-	75,640
Total	**1,998,838**	**18,951**	**505**	**55,600**	**15,954**	**497**	**2,090,345**

[1] The Company, as per its understanding, controls Fazenda Pioneira Empreendimentos Agrícolas S.A. and SLC-MIT Empreendimentos Agrícolas S.A. because it is responsible for managing the relevant activities of these companies and is exposed to variable returns on investment due to its influence over them.

Key information on permanent investments in equity interests as of March 31, 2017 is presented below:

Directly controlled

Investments	Current Assets	Non-current Assets	Current Liabilities	Non-current Liabilities	Equity	Income	Expenses
Fazenda Planorte Emp. Agr. Ltda.	146	235,533	555	45,240	189,884	2,650	1,285
Fazenda Pioneira Emp. Agr. S.A.	98,799	121,219	128,330	18,232	73,456	48,449	38,209
SLC-MIT Emp. Agr. S.A.	147,211	100,823	125,125	27,131	95,778	40,320	33,805
SLC Investimentos Agricolas Ltda	485	696,973	17,463	529	679,466	4,966	37
Fazenda Pamplona Emp. Agr. Ltda	661	168,996	154	4,977	164,526	1,425	268
Fazenda Planalto Emp. Agr. Ltda.	328	239,278	241	7,822	231,543	2,123	397
Fazenda Palmares Emp. Agr. Ltda	796	181,220	145	2,411	179,460	2,048	346
Fazenda Parnaguá Emp. Agr. Ltda.	389	50,408	5,502	463	44,832	1,113	392
Fazenda Parnaíba Emp. Agr. Ltda.	335	234,559	161	9,399	225,334	2,482	1,432
SLC Paiaguás Emp. Agrícolas S.A.	865	259,007	336	8,489	251,047	3,041	507
SLC Perdizes Emp. Agrícolas S.A.	15,804	89,095	26,383	333	78,183	1,459	1,363
Fazenda Paineira Emp. Agr. Ltda.	218	7,362	284	85	7,211	35	7

Indirectly controlled

Investments	Current Assets	Non-current Assets	Current Liabilities	Non-current Liabilities	Equity	Income	Expenses
SLC LandCo Emp. Agrícolas S.A.	60,175	523,748	34,442	-	549,481	6,481	7,355
Fazenda Planeste Emp. Agr. Ltda.	8,289	138,168	194	3,918	142,345	2,424	429
Fazenda Piratini Emp. Agr. Ltda	1,038	117,681	143	2,249	116,327	1,054	262
Fazenda Panorama Emp. Ag. Ltda.	7,642	118,215	136	2,205	123,516	1,784	408
Catuaí Norte Participações S.A.	48	2,386	22	-	2,412	33	10
SOPER Agrícola Ltda	279	2,150	39	11-	2,379	50	17
Fazenda Parceiro Emp. Agr. Ltda.	3	117,669	18	29	117,625	213	63
Fazenda Paineira Emp. Agr. Ltda.	3,360	113,334	4,377	1,309	111,008	544	102

10 Property, plant and equipment

Parent Company

Cost of the gross fixed assets	Balance on 12/31/16	Acquisitions	Write-offs	Transfers	**Balance on 03/31/17**
Soil correction and development	334,343	462	(35)	-	**334,770**
Buildings and improvements	133,110	36	-	12,269	**145,415**
Agricultural equipment and industrial facilities	601,283	2,747	(6,431)	3,431	**601,030**
Vehicles	32,254	484	(224)	-	**32,514**
Furniture and fixtures	12,424	98	(135)	280	**12,667**
Equipment and facilities of the office	10,353	314	(84)	-	**10,583**
Other	2,070	86	(9)	-	**2,147**
Works in progress	36,960	1,406	(84)	(15,980)	**22,302**
Plants carrier	4,239	-	-	-	**4,239**
Total	1,167,036	5,633	(7,002)	-	**1,165,667**

Depreciation	Balance on 12/31/16	Depreciation	Write-offs	Transfers	**Balance on 03/31/17**
Soil correction and development	240,637	4,294	-	-	**244,931**
Buildings and improvements	24,646	1,263	-	-	**25,909**
Agricultural equipment and industrial facilities	309,298	10,603	(4,682)	-	**315,219**
Vehicles	14,790	622	(103)	-	**15,309**
Furniture and fixtures	5,237	215	(63)	-	**5,389**
Equipment and facilities of the office	6,819	336	(103)	-	**7,052**
Plants carrier	2,119	-	-	-	**2,119**
Total	603,546	17,333	(4,951)	-	**615,928**

Net residual value	**12/31/16**	**03/31/17**
Soil correction and development	93,706	**89,839**
Buildings and improvements	108,464	**119,506**
Agricultural equipment and industrial facilities	291,985	**285,811**
Vehicles	17,464	**17,205**
Furniture and fixtures	7,187	**7,278**
Equipment and facilities of the office	3,534	**3,531**
Other	2,070	**2,147**
Works in progress	36,960	**22,302**
Plants carrier	2,120	**2,120**
Total	563,490	**549,739**

Parent Company

Cost of the gross fixed assets	Balance on 01/01/16	Acquisitions	Partial Split / inputs for incorporation	Write-offs	Transfers	**Balance on 12/31/16**
Soil correction and development	321,755	15,617	-	(3,029)	-	**334,343**
Buildings and improvements	123,989	89	-	(8)	9,040	**133,110**
Agricultural equipment and industrial facilities	542,298	19,916	58,058	(18,989)	-	**601,283**
Vehicles	30,121	367	3,077	(1,311)	-	**32,254**
Furniture and fixtures	11,448	789	397	(210)	-	**12,424**
Equipment and facilities of the office	8,907	998	653	(205)	-	**10,353**
Other	1,453	78	551	(12)	-	**2,070**
Works in progress	25,836	12,759	8,419	(1,014)	(9,040)	**36,960**
Plants carrier	4,239	-	-	-	-	**4,239**
Total	1,070,046	50,613	71,155	(24,778)	-	**1,167,036**

Depreciation	Balance on 01/01/16	Depreciation	Partial Split / inputs for incorporation	Write-offs	**Balance on 12/31/16**
Soil correction and development	221,878	18,759	-	-	**240,637**
Buildings and improvements	20,525	4,124	-	(3)	**24,646**
Agricultural equipment and industrial facilities	255,147	41,739	25,053	(12,641)	**309,298**
Vehicles	13,197	1,556	1,093	(1,056)	**14,790**
Furniture and fixtures	4,454	698	243	(158)	**5,237**
Equipment and facilities of the office	5,256	1,229	484	(150)	**6,819**
Plants carrier	-	2,119	-	-	**2,119**
Total	520,457	70,224	26,873	(14,008)	**603,546**

Net residual value	**01/01/16**	**12/31/16**
Soil correction and development	99,877	**93,706**
Buildings and improvements	103,464	**108,464**
Agricultural equipment and industrial facilities	287,151	**291,985**
Vehicles	16,924	**17,464**
Furniture and fixtures	6,994	**7,187**
Equipment and facilities of the office	3,651	**3,534**
Other	1,453	**2,070**
Works in progress	25,836	**36,960**
Plants carrier	4,239	**2,120**
Total	549,589	**563,490**

Consolidated

Cost of the gross fixed assets	Balance on 12/31/16	Acquisitions	Write-offs	Transfers	**Balance on 03/31/17**
Crop lands	1,820,821	-	-	-	**1,820,821**
Soil correction and development	520,035	1,896	(45)	-	**521,886**
Buildings and improvements	287,893	75	-	16,320	**304,288**
Agricultural equipment and industrial facilities	688,931	2,823	(6,431)	3,431	**688,754**
Vehicles	39,008	611	(224)	-	**39,395**
Furniture and fixtures	14,163	113	(161)	279	**14,394**
Equipment and facilities of the office	15,447	381	(99)		**15,729**
Other	5,700	101	(9)	-	**5,793**
Works in progress	48,139	1,987	(88)	(20,030)	**30,008**
Plants carrier	4,239	-	-	-	**4,239**
Total	3,444,376	7,987	(7,057)	-	**3,445,306**

Depreciation	Balance on 12/31/16	Depreciation	Write-offs	**Balance on 03/31/17**
Soil correction and development	334,991	6,958	-	**341,949**
Buildings and improvements	63,242	2,423	-	**65,665**
Agricultural equipment and industrial facilities	326,641	12,550	(4,681)	**334,510**
Vehicles	17,577	696	(103)	**18,170**
Furniture and fixtures	5,540	253	(66)	**5,727**
Equipment and facilities of the office	7,894	410	(115)	**8,189**
Other	308	-	-	**308**
Plants carrier	2,119	-	-	**2,119**
Total	758,312	23,290	(4,965)	**776,637**

Net residual value	12/31/16	**03/31/17**
Crop lands	1,820,821	**1,820,821**
Soil correction and development	185,044	**179,937**
Buildings and improvements	224,651	**238,623**
Agricultural equipment and industrial facilities	362,290	**354,244**
Vehicles	21,431	**21,225**
Furniture and fixtures	8,623	**8,667**
Equipment and facilities of the office	7,553	**7,540**
Other	5,392	**5,484**
Works in progress	48,139	**30,008**
Plants carrier	2,120	**2,120**
Total	2,686,064	**2,668,669**

Consolidated

Cost of the gross fixed assets	Balance on 01/01/16	Acquisitions	Write-offs	Transfers	Reclassifications (*)	**Balance on 12/31/16**
Crop lands	1,864,703	2	(1,985)	-	(41,899)	**1,820,821**
Soil correction and development	498,225	26,439	(3,111)	-	(1,518)	**520,035**
Buildings and improvements	260,442	104	(8)	27,370	(15)	**287,893**
Agricultural equipment and industrial facilities	684,553	25,879	(21,501)	-	-	**688,931**
Vehicles	39,294	1,026	(1,312)	-	-	**39,008**
Furniture and fixtures	12,920	1,484	(241)	-	-	**14,163**
Equipment and facilities of the office	14,469	1,199	(221)	-	-	**15,447**
Other	5,572	149	(21)	-	-	**5,700**
Advances to suppliers	-	167	(167)	-	-	**-**
Works in progress	56,797	19,725	(1,013)	(27,370)	-	**48,139**
Plants carrier	4,239	-	-	-	-	**4,239**
Total	3,441,214	76,174	(29,580)	-	(43,432)	**3,444,376**

Depreciation	Balance on 01/01/16	Depreciation	Write-offs	Reclassifications (*)	**Balance on 12/31/16**
Soil correction and development	304,281	30,710	-	-	**334,991**
Buildings and improvements	54,931	8,334	(3)	(20)	**63,242**
Agricultural equipment and industrial facilities	290,168	50,810	(14,337)	-	**326,641**
Vehicles	15,575	3,119	(1,117)	-	**17,577**
Furniture and fixtures	4,867	838	(165)	-	**5,540**
Equipment and facilities of the office	6,521	1,534	(161)	-	**7,894**
Other	194	114	-	-	**308**
Plants carrier	-	2,119	-	-	**2,119**
Total	676,537	97,578	(15,783)	(20)	**758,312**

Net residual value	01/01/16	12/31/16
Crop lands	1,864,703	**1,820,821**
Soil correction and development	193,944	**185,044**
Buildings and improvements	205,511	**224,651**
Agricultural equipment and industrial facilities	394,385	**362,290**
Vehicles	23,719	**21,431**
Furniture and fixtures	8,053	**8,623**
Equipment and facilities of the office	7,948	**7,553**
Other	5,378	**5,392**
Works in progress	56,797	**48,139**
Plants carrier	4,239	**2,120**
Total	2,764,677	**2,686,064**

(*)Reclassifications under “Property for investment and assets held for sale” account.

On March 31, 2017, construction in progress was substantially represented by the construction of roads, warehouses, housing, infrastructure and other improvements in the amount of R$ 24,693. The constructions and improvements in the grain storage unit in the Planeste, Paladino, Parnaíba and Panorama farms represent R$ 2,787. Buildings and improvements in cotton plantations Planeste, Pamplona, Parnaíba, Panorama and Paiaguás represent R$ 2,528. The amount of interest that was capitalized to works in progress in the 03-month period ended March 31, 2017 was R$ 835. The capitalization rate used in determining the amount of eligible borrowing costs to capitalization was approximately 10.02% p.a.

On March 31, 2017, property, plant and equipment was pledged to secure bank loans and lawsuits in the amount of R$ 461,027 (R$ 533,604 on December 31, 2016).

Transfer of property, plant and equipment to investment property

When property use changes from owner-occupied to investment property, the property is remeasured to its fair value and reclassified as investment property. Any gain resulting from this remeasurement is recognized in profit or loss to the extent that the gain reverses an earlier impairment loss on the specific property, and any remaining gain is recognized as other comprehensive income and presented in the equity valuation adjustments account. Any loss is recognized immediately in the income statement.

11 Investment property

Consolidated

	Balance at 12/31/16	Fair value adjustments	Balance at 03/31/17
Crop lands	109,528	-	109,528
Buildings and improvements	2,015	-	2,015
Soil correction and development	10,783	-	10,783
Gain on fair value	88,318	16,461	104,779
Total	**210,644**	**16,461**	**227,105**
Fair value adjustments- Sharehplders' equity	-	16,461	-
Fair value adjustments- Income	-	-	-

Consolidated

	Balance at 12/31/15	Aquisitions	Reclassificatons (*)	Fair value adjustments	Balance at 12/31/16
Crop lands	67,613	-	41,915	-	109,528
Buildings and improvements	1,954	-	61	-	2,015
Soil correction and development	4,142	5,205	1,436	-	10,783
Gain on fair value	19,641	-	-	68,677	88,318
Total	93,350	5,205	43,412	68,677	210,644
Fair value adjustments- Sharehplders' equity	-	-	-	48,198	-
Fair value adjustments- Income	-	-	-	20.479	-

(*)Reclassifications under “Property, plant and equipmente for investment property” account.

Investment properties include cultivation land and its infrastructure that are leased to third parties.

Investment properties are recorded at fair value, which was determined based on valuations performed by independent appraisers on November 30, 2016.

The fair value of properties was determined by the direct comparative method of market data, which consists of determining the market value of an asset through comparison through its selling prices with similar ones, in view of their similar characteristics. Adjustments are made to the selling price using factors that aim to correct eventual differences between the assets available in the market and the object of the valuation.

The Company annually evaluates the fair value of assets recorded as investment properties.

On December 31, 2016, a fair value adjustment of the investment properties of the subsidiary Palmares Empreendimentos Agrícolas Ltda. Was recorded, in the amount of R$ 48,198, as a contra entry to shareholders' equity. On March 31, 2017, the Company recorded R$ 16,461 related to the correction of the estimated value of properties for investment of said farm, partially leased in 2016, in order to correct the amount recognized on December 31, 2016. The non-material effects , recognized directly in shareholders' equity for the period ended March 31, 2017, do not represent changes relevant to the economic decision-making by the users of these individual and consolidated financial statements. This correction had no effect on the Company's results and cash flows for the period ended March 31, 2017 and would not affect the results and cash flows for the year ended December 31, 2016.

Revenue from property rental for investment
Income from rental of investment property is recognized in the statement of income by the straight-line method over the term of the lease. Lease incentives granted are recognized as an integral part of the total rent revenue, over the lease term. Revenue from rental of other properties is recognized as operating income.

12 Related-party balances and transactions

On March 31, 2017 and December 31, 2016, related party balances and transactions were as follows:

a. Related party balances

Balances receivable from related parties

	Other accounts receivable	
	03/31/17	12/31/16
Direct subsidiaries		
Fazenda Planorte Empr. Agr. Ltda	6	-
Fazenda Parnaíba Empr. Agr. Ltda	6	-
Fazenda Perdizes Empr. Agr. Ltda	15	179
SLC Investimentos Agricolas Ltda	6	5
Fazenda Pioneira Empr. Agr. S.A	157	2
SLC - MIT Empr. Agr. S.A	98	-
Fazenda Pamplona Empr. Agr. Ltda	5	5
Fazenda Planalto Empr. Agr. Ltda	5	5
Fazenda Parnaguá Empr. Agr. Ltda	1,067	823
Fazenda Palmares Empr. Agr. Ltda	6	5
SLC Paiaguas Empr. Agr. Ltda	6	5
SLC Perdizes Empr. Agr. Ltda	5	5

Indirect subsidiaries		
Fazenda Piratini Empr. Agr. Ltda	-	1,884
SLC LandCo Emp. Agr. S.A.	15	44
Fazenda Paineira Empr. Agr. Ltda	5,172	5,172
Fazenda Parceiro Empr. Agr. Ltda	5	5
Other related parties	3	3
Total	**6,577**	8,142

Balances payable to related parties

	Leases payable		Other accounts payable		Total payable	
	03/31/17	12/31/16	**03/31/17**	12/31/16	**03/31/17**	12/31/16
Direct subsidiaries						
Fazenda Parnaíba Empr. Agr. Ltda	6,375	3,921	-	-	6,375	3,921
Fazenda Planorte Empr. Agr. Ltda	5,796	4,331	-	-	5,796	4,331
Fazenda Pamplona Empr. Agr. Ltda	4,043	2,637	-	-	4,043	2,637
Fazenda Planalto Empr. Agr. Ltda	6,419	4,306	-	-	6,419	4,306
Fazenda Palmares Empr. Agr. Ltda	3,012	1,255	-	-	3,012	1,255
Fazenda Parnagua Empr. Agr. Ltda	-	-	-	-	-	-
Fazenda Parceiro Empr. Agr. Ltda	265	71	-	-	265	71
SLC Paiaguas Empr. Agr. Ltda	9,017	6,001	-	-	9,017	6,001
Indirect subsidiaries			-	-		
Fazenda Planeste Empr. Agr. Ltda	5,129	2,952	-	-	5,129	2,952
Fazenda Panorama Empr. Agr. Ltda	3,673	2,114	-	-	3,673	2,114
Fazenda Piratini Empr. Agr. Ltda	2,348	1,352	-	-	2,348	1,352
Fazenda Perdizes Empr. Agr. Ltda	-	-	-	-	-	-
SLC - MIT Empr. Agr. S.A	-	-	-	466	-	466
Soper Agricola S.A.	98	56	-	-	98	56
SLC Landco Empr. Agr. Ltda	167	105	-	-	167	105
Subsidiaries				-		
SLC Participações S.A.	-	-	139	863	139	863
Other related parties						
SLC Alimentos S.A.	-	-	29	33	29	33
Other related parties	-	-	55	54	55	54
Total	**46,342**	29,101	**223**	1,416	**46,565**	30,517

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

b. Related party transactions

	Sales of goods/products/property, plant and equipment	Lease costs	Purchases of goods/products	Financial income - Interest and monetary variation
Fazenda Planorte Empr. Agr. Ltda				
Balance at 03/31/2017	-	2,644	-	-
Balance at 03/31/2016	24	-	13	532
Fazenda Parnaíba Empr. Agr. Ltda				
Balance at 03/31/2017	-	2,462	-	-
Fazenda Paiaguás Empr. Agr. Ltda				
Balance at 03/31/2017	-	3,015	-	-
Fazenda Parnagua Empr. Agr. Ltda				
Balance at 03/31/2017	-	341	-	-
Balance at 03/31/2016	-	95	-	-
Fazenda Perdizes Empr. Agr. Ltda				
Balance at 03/31/2017	1,829	-	68	-
Balance at 03/31/2016	381	-	38	-
Fazenda Pamplona Empr. Agr. Ltda				
Balance at 03/31/2017	-	1,406	-	-
Balance at 03/31/2016	-	1,315	-	-
Fazenda Planalto Empr. Agr. Ltda				
Balance at 03/31/2017	-	2,113	-	-
Balance at 03/31/2016	-	2,371	-	-
SLC Paiaguás Empr. Agr. Ltda				
Balance at 03/31/2016	-	3,359	-	-
Fazenda Palmares Empr. Agr. Ltda				
Balance at 03/31/2017	-	1,757	-	-
Balance at 03/31/2016	-	1,757	-	-
SLC Perdizes Empr. Agr. Ltda				
Balance at 03/31/2017	-	960	-	-

Balance at 03/31/2016	-	1,271	-	-
Fazenda Panorama Empr. Agr. Ltda				
Balance at 03/31/2017	-	1,559	-	-
Balance at 03/31/2016	-	1,509	-	-
Fazenda Planeste Empr. Agr. Ltda				
Balance at 03/31/2017	-	2,177	-	-
Balance at 03/31/2016	-	2,071	-	-
Fazenda Piratini Empr. Agr. Ltda				
Balance at 03/31/2017	-	997	-	-
Balance at 03/31/2016	-	888	-	-
Fazenda Parceiro Empr. Agr. Ltda				
Balance at 03/31/2017	-	220	-	-
Balance at 03/31/2016	-	208	-	-
Fazenda Pioneira Empr. Agr. Ltda				
Balance at 03/31/2017	829	-	299	-
Balance at 03/31/2016	433	-	-	-
SLC-MIT Empr. Agr. Ltda				
Balance at 03/31/2017	1,069	-	1,001	-
Balance at 03/31/2016	1,121	-	22	-
SLC Landco Empr. Agr. Ltda				
Balance at 03/31/2017	-	475	-	-
SOPER Agricola S.A				
Balance at 03/31/2017	-	42	-	-
Other company				
Balance at 03/31/2017	-	-	113	-
Balance at 03/31/2016	-	-	102	-
Total				
Balance at 03/31/2017	**3,727**	**20,168**	**1,481**	-
Balance at 03/31/2016	1,959	14,844	175	532

c. Lease agreements payable

The purpose of rural lease agreements is the delivery of land, facilities and other assets by the lessor to the lessee so that the latter may commercially explore agricultural activities, such as the cultivation of cotton, soybean, corn and other crops, in exchange for consideration in the form of a lease price.

On January 2, 2011, the rural lease agreement entered into with the subsidiary SLC Empreendimentos e Agricultura Ltda and its subsidiaries came into force. As a result of the spin-off carried out on January 2, 2014, the rights and obligations were transferred to the new companies incorporated, namely: Fazenda Parnaguá Empreendimentos Agrícolas Ltda., Fazenda Pamplona Empreendimentos Agrícolas Ltda., Fazenda Planalto Empreendimentos Agrícolas Ltda., SLC Perdizes Empreendimentos Agrícolas Ltda., SLC Paiaguás Empreendimentos Agrícolas Ltda., Fazenda Palmares Empreendimentos Agrícolas Ltda., SLC Investimentos Agrícolas Ltda. The lease agreement has a minimum term of 20 years, which may be renewed at the discretion of the parties, though with the lessees enjoying preference.

On September 1, 2012, the rural lease agreement entered into with the (indirect) subsidiary SLC Landco Empreendimentos Agrícolas S.A. and its subsidiaries, for a minimum period of 20 years, came into force.

On September 1, 2013, a rural lease agreement entered into by the (indirect) subsidiary SOPER Agrícola Ltda. with Fazenda Parnaiba Empreendimentos Agricolas Ltda. came into force. On September 1, 2015, following the partial spin-off of the latter, the rights and obligations of this agreement were transferred to SLC Agricola S.A.

On September 1, 2015, the rural lease agreement entered into by the (indirect) subsidiary SLC Landco Empreendimentos Agrícolas S.A. and SLC Agrícola S.A., for a minimum period of 20 years, came into force.

On November 18, 2015, a rural lease agreement entered into with the subsidiary Fazenda Parnaíba Empreendimentos Agrícolas Ltda., for a minimum period of 20 years, came into force.

From September 19, 2016 on, the Company signed a rural lease agreement with subsidiary Fazenda Planorte Empreendimentos Agrícolas Ltda., for a minimum period of 20 years.

On March 31, 2017, the annual lease price in the amount of R $ 94,252, referring to the 2016/17 harvest, can be shown as follows:

		Amount				Amount	
Farm	**Currency**	**2017**	**2016**	**Farm**	**Currency**	**2017**	**2016**
Planalto Farm	R$	11,051	12,883	Paiaguás Farm	R$	15,524	17,954
Pamplona Farm	R$	6,961	7,890	Parceiro Farm	R$	1,033	1,136
Planeste Farm	R$	8,831	8,831	Perdizes Farm	R$	5,264	6,274
Panorama Farm	R$	6,324	6,324	Parnaiba Farm	R$	12,284	14,124
Piratini Farm	R$	4,044	4,044	Parnaguá Farm	R$	1,194	1,054
Palmares Farm	R$	8,726	9,015	Planorte Farm	R$	13,016	14,708
				Total		**94,252**	**104,237**

The lease price is paid annually based on the amount in Brazilian real or translated based on the quote of the soybean bag on the over-the-counter market for each region on the payment date, in accordance with the contractual clause. The soybean bag price must be established by the lessor at least 15 days in advance, without any provision for re-agreement.

d. Management compensation

The Company considers its key management personnel to be its non-remunerated Directors, its remunerated Independent Directors and its Officers (statutory).

The managers are remunerated in the form of a salary and pro-labore, paid through its payroll. Total management remuneration, including bonuses and other benefits, is recognized in a specific item on the statement of income and detailed below:

	Parent company		Consolidated	
	03/31/17	**3/31/16**	**03/31/17**	**3/31/16**
Directors fee	**1,240**	1,148	**1,396**	1,289
Bonuses	**1,974**	2,586	**2,128**	2,759
Charges	**918**	1,045	**999**	1,128
Stock option plan	**374**	574	**446**	677
Other benefits	**8**	9	**10**	11
Total	**4,514**	5,362	**4,979**	5,864

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

13 Loans and financing

		Average annual interest rates (%)		Parent Company		Consolidated	
	Index	**03/31/17**	**12/31/16**	**03/31/17**	**12/31/16**	**03/31/17**	**12/31/16**
Used in the Property, plant and equipment							
Finame – BNDES	Fixed and long-term interest rate*	**7.14%**	7.25%	**119,273**	124,141	**172,870**	177,635
Constitutional Funds**	Pré	**7.23%**	7.23%	**3,555**	6,980	**3,555**	6,980
Investment funding	US$ e Libor***	**6.50%**	6.38%	**3,687**	3,787	**3,687**	3,787
				126,515	134,908	**180,112**	188,402
Invested in Working Capital							
Rural credit	Pré	**12.80%**	12.82%	**411,696**	388,441	**506,871**	479,468
Constitutional Funds**	Pré	**10.50%**	10.50%	**279,709**	271,799	**314,623**	311,987
Export financing	CDI	**13.33%**	14.82%	**343,229**	416,010	**343,229**	416,010
Export financing	US$, Libor	**5.66%**	5.50%	**119,931**	156,718	**119,931**	156,718
Export financing	Swap US$/CDI, Pré	**3.45%**	3.52%	**266,912**	313,243	**301,183**	348,660
				1,421,477	1,546,211	**1,585,837**	1,712,843
				1,547,992	1,681,119	**1,765,949**	1,901,245
Portion classified in current assets				**1,048,200**	978,891	**1,223,220**	1,155,641
Installment classified in non-current				**499,792**	702,228	**542,729**	745,604

(*) Long-term interest rate (TJLP).

(**) To calculate the average cost of the Constitutional Funds, we considered a 15% discount for the performance bonus received on these operations.

(***) London Interbank Offered Rate (Libor): interest rate charged by London banks used as a reference for most loans in the international financial system.

Finame - BNDES – Investment facilities offered by the Brazilian Development Bank (BNDES). The facilities are secured by secured fiduciary sale or the pledge of the assets financed as collateral and by accommodation of the Company or SLC Participações S.A. The amortizations are made on a monthly basis, after the grace period, in the period from April 17, 2017 to July 15, 2030.

Constitutional Funds – Investment and working capital facilities offered by the Constitutional Fund to Finance the Northeast (FNE) and by the Constitutional Fund to Finance the Midwest (FCO). The facilities are secured by accommodation of the Company or SLC Participações S.A., and, for certain transactions, by the pledge as collateral and mortgage of land. The frequency of amortization is annual, with maturities from April 24, 2017 to February 1, 2018.

Investment Financing – Investment line for machinery and equipment for which the frequency of amortization is semiannual, with final maturity on April 15, 2017. Secured by accommodation of SLC Participações S.A. and by the secured fiduciary sale of the machines financed.

Rural Credit – Financing of crop costing and trading, whose rules, purposes and conditions are established in the Rural Credit Manual (MCR) drafted by the Central Bank of Brazil. The facilities are secured by accommodation of the Company or SLC Participações S.A., and, for certain transactions, by the pledge of crops as collateral. The frequency of amortization is annual, with maturities from May 15, 2017 to December 22, 2017.

Export Financing – Financing of exports through short- and long-term lines in U.S. dollar indexed to six-month LIBOR (London Interbank Offered Rate) plus a fixed rate or only a fixed rate: Forward Foreign Exchange Contracts (ACCs), Export Credit Notes (NCEs) and Export Prepayment Facilities (PPEs), with the frequency of amortization annual or semiannual and with maturities from April 19, 2017 to December 19, 2019. Secured by accommodation of the Company or SLC Participações SA with mortgage of the land. These contracts include certain financial covenants that were approved by the Company (Current Liquidity Ratio, Loan Capital, Net Debt/EBITDA Ratio and Cash Liquidity).

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

	Parent Company		Consolidated	
Years of maturity	**03/31/17**	**12/31/16**	**03/31/17**	**12/31/16**
2017	**936,107**	978,891	**1,108,581**	1,155,641
2018	**484,175**	385,721	**516,430**	393,994
2019	**59,006**	252,732	**64,858**	258,779
2020	**14,092**	18,980	**15,532**	24,760
2021	**13,776**	16,094	**15,103**	21,602
After 2021	**40,836**	28,701	**45,445**	46,469
	1,547,992	1,681,119	**1,765,949**	1,901,245

The group's exposure to liquidity risk is described in note 20.

Financial covenants

Contracts classified as "Export Financing," described above, include clauses that require compliance by the Group with financial covenants on the base date of each fiscal year.

The financial covenants are described below:

i. Current Liquidity Index (CA/CL): consolidated current assets divided by current liabilities equal to or greater than one point two times (1.2x).

ii. Consolidated Total Liabilities/Tangible Shareholders' Equity: consolidated total liabilities divided by shareholders' equity less intangible assets, equal to or less than one point five times (1.5x).

iii. Consolidated Net Leverage (Consolidated Total Net Financial Debt/Consolidated EBITDA): total loans and financing, less the position of cash, banks and cash equivalents, less short-term financial investments, divided by operating income before interest, tax, depreciation and amortization in the last 12 months, equal to or less than four point zero times (4.0x).

iv. Consolidated Cash Liquidity: position of cash, banks and cash equivalents plus short-term financial investments, equal to or greater than seventy-five million reais (R$75,000).

Failure to comply with the contractual clauses of financial commitments may lead to the early maturity of the loans and financing. The Company is in compliance with the commitment clauses.

14 Provision for tax, environmental and labor risks

On March 31, 2017, a provision for labor contingencies was recorded in the amount of R$2,006 at the parent company and R$2,041 at the consolidated level (R$1,974 as of December 31, 2016 at the parent company and R$2,086 at the consolidated level). The provisions are for lawsuits filed by former employees whose loss was considered as probable by our legal advisors. The provision for labor contingency is recorded in an item with this name under current liabilities. The amount related to labor lawsuits whose loss was considered as possible by the legal counsel – and, accordingly, no provision for them was recorded – was R$1,012 at the parent company and R$1,322 at the consolidated level (R$ 929 and R$ 964, respectively, as of December 31, 2016).

The Company recorded a provision for environmental lawsuits in the amount of R$ 310 (R$ 310 in the consolidated) on March 31, 2017, whose probability of loss was assessed as probable by our legal counsel. The provision for environmental proceedings is recorded under the heading other provisions in current liabilities. The Company also identifies the existence of environmental lawsuits whose risk of loss, according to its legal counsel, is possible to the amount of approximately R$ 2,607 in the parent company and consolidated in March 31, 2017 (R$ 2,917 in the parent company and consolidated On December 31, 2016), for which there is no provision recorded. These lawsuits refer to actions brought by the Brazilian Institute for the Environment and Renewable Natural Resources (IBAMA) and by the Military Environmental Police of Cassilândia (MS).

The amount related to tax lawsuits whose loss was considered as possible by the legal counsel – and, accordingly, no provision for them was recorded – was R$9,243 at the parent company and R$16,306 at the consolidated level (R$8,929 and R$17,638, respectively, as of December 31, 2016).

The Company observes and endeavors to comply with all environmental and legal requirements and one of its key commitments is to respect the environment, employees and other stakeholders, for which it combines the use of the latest agricultural techniques with the adoption of sustainability practices. These actions take on greater proportions than mere compliance with the law and are reinforced by the ongoing implementation of an Integrated Management System based on the standards ISO 14001:2004 (Environmental Management), OHSAS 18001:2007 (Occupational Health and Safety) and NBR 16001:2004 (Social

Responsibility Management).

In accordance with governing law in Brazil, federal, state and municipal payroll taxes and charges are subject to review by the applicable authorities for periods that vary from 5 to 30 years.

15 Deferred income and social contribution taxes

Deferred income tax and social contribution taxes of the following nature were accrued as follows:

	Parent Company					
	03/31/17			12/31/16		
Description	Income tax	Social contribution	Total	Income tax	Social contribuition	Total
Assets:						
Temporary differences:						
Provision for inventory adjustment	-	-	-	124	45	169
Provision for profit-sharing	**679**	**245**	**924**	611	220	831
Operations with derivatives	**16,707**	**6,015**	**22,722**	15,485	5,575	21,060
Provision for Senar	**2,484**	**894**	**3,378**	2,372	854	3,226
Others	**1,836**	**660**	**2,496**	1,712	616	2,328
Tax losses and negative basis	**9,581**	**3,597**	**13,178**	30,281	11,049	41,330
	31,287	**11,411**	**42,698**	50,585	18,359	68,944
Liabilities:						
Incentivized depreciation from rural activity	**67,347**	**24,246**	**91,593**	68,407	24,627	93,034
Bargain gain on acquisition of equity interest	**5,646**	**2,033**	**7,679**	5,647	2,033	7,680
Deemed cost from property, plant and equipment	**18,027**	**6,490**	**24,517**	17,924	6,453	24,377
Fair value of biological assets	**23,164**	**8,338**	**31,502**	15,935	5,736	21,671
	114,184	**41,107**	**155,291**	107,913	38,849	146,762
Total net	**(82,897)**	**(29,696)**	**(112,593)**	(57,328)	(20,490)	(77,818)
Classified in the non-current liabilities	**(82,897)**	**(29,696)**	**(112,593)**	**(57,328)**	**(20,490)**	**(77,818)**

	Consolidated					
	03/31/17			12/31/16		
Description	Income tax	Social contribution	Total	Incom tax	Social contribution	Total
Assets:						
Temporary differences:						
Provision for inventory adjustment	-	-	-	124	45	169
Provision for profit-sharing	**764**	**276**	**1,040**	677	244	921
Provision to tax losses	**34**	**12**	**46**	32	12	44
Operations with derivatives	**19,191**	**6,907**	**26,098**	17,516	6,306	23,822
Provision for Senar	**2,484**	**894**	**3,378**	2,372	854	3,226
Others	**1,989**	**715**	**2,704**	1,862	670	2,532
Tax losses and negative basis	**51,663**	**18,746**	**70,409**	77,256	27,960	105,216
	76,125	**27,550**	**103,675**	99,839	36,091	135,930
Liabilities:						
Incentivized depreciation from rural activity	**97,098**	**34,857**	**131,955**	98,745	35,450	134,195
Bargain gain on acquisition of equity interest	**5,539**	**1,994**	**7,533**	5,539	1,994	7,533
Deemed cost from property, plant and equipment	**71,832**	**29,588**	**101,420**	114,748	44,316	159,064
Fair value for investment property	**1,703**	**919**	**2,622**	1,767	954	2,721
Fair value of biological assets	**26,001**	**9,359**	**35,360**	16,351	5,886	22,237
Others	**2,922**	**1,053**	**3,975**	-	-	-
	205,095	**77,770**	**282,865**	237,150	88,600	325,750
Net total	**(128,970)**	**(50,220)**	**(179,190)**	(137,311)	(52,509)	(189,820)
Classified in non-current assets	**14,492**	**5,217**	**19,709**	19,312	6,953	26,265
Classified in the non-current liabilities	**(143,462)**	**(55,437)**	**(198,899)**	(156,623)	(59,462)	(216,085)

On September 1, 2015, due to the Group's corporate reorganization, the subsidiary "Fazenda Parnaíba Empreendimentos Agrícolas Ltda." Which owned land for cultivation in the amount of R$ 179,804 was partially split up and merged into the Company. In the fiscal year following the merger, the Company and the subsidiary deemed it appropriate to maintain the "Real Income" tax option. During the current fiscal year, in line with the Group's tax planning, taxation for presumed income, cash regime, was chosen, with the main reason being the potential reduction of taxes, considering the subsidiary's corporate purpose (sale of cultivation land and lease of Lands).

Due to the change in the form of taxation on the profit, the estimate on the realization of the deferred taxes was also changed. Deferred taxes were recalculated based on a presumption of profit, a percentage of 3.08% for Income Tax (IR) and for Social Contribution on Net Income (CSLL). The impact of the change in the estimate affected exclusively the amount of deferred taxes allocated to the attribution of added value of property, plant and equipment, arising from the adoption of demeed cost on January 1, 2009, resulting in a reduction of R$ 55,600 in deferred income and social contribution taxes (Liabilities) and an increase in the same amount in Equity Valuation Adjustments (Shareholders' Equity).

The change in estimates of deferred taxes did not affect the income components of the period, considering that at the time of the initial adoption of deemed cost and the corresponding deferred tax amounts were recorded directly in Equity Valuation Adjustments in Shareholders' Equity. This change in estimates had no effect on the cash flows of the Company or its subsidiaries.

The Company and its subsidiaries, based on their expectation for the generation of future taxable income that in turn was based on a technical study prepared by the Management, recognized tax credits from tax losses, a negative base of social contribution tax and temporary differences, for which there is no statutory limitation period. The carrying amount of deferred assets is reviewed annually by the Company and the resulting adjustments have not been significant in relation to the initial estimate of Management. The technical study considers the investments and subsidies to reduce income tax by up to 75% on the income from the commercial exploration of the farms located in the subsidized regions.

Based on the technical study of the generation of future taxable income, the Company projects a recovery in these tax credits in the subsequent fiscal years:

	Parent Company		Consolidated	
	03/31/17	12/31/16	03/31/17	12/31/16
2017	**42,698**	62,551	**54,301**	67,001
2018	**-**	6,393	**5,751**	19,180
2019	**-**	-	**6,703**	11,173
2020	**-**	-	**7,157**	11,956
2021	**-**	-	**7,483**	9,155
2022	**-**	-	**8,826**	4,300
2023	**-**	-	**7,835**	3,548
2024	**-**	-	**2,569**	3,548
2025	**-**	-	**2,569**	3,548
2026	**-**	-	**481**	2,521
	42,698	68,944	**103,675**	135,930

The estimates for the recovery of tax credits were based on the projections for future taxable income taking into consideration the various financial and business assumptions. Accordingly, these estimates may differ from the actual future taxable income due to the inherent uncertainties.

Reconciliation of tax expenses with the effective rates

Income and social contribution taxes calculated based on the nominal rates of these taxes are reconciled for the amount recorded as expenses with income and social contribution taxes, as follows:

Reconciliation of the effective rate of the Parent Company:

	Parent Company			
	03/31/17		03/31/16	
	IRPJ	CSLL	IRPJ	CSLL
Income before tax on profit	**104,697**	**104,697**	(16,625)	(16,625)
Income and social contribution taxes at the nominal rate from 25% to 9%, respectively	**(26,174)**	**(9,423)**	4,156	1,496
Adjustments for calculation of effective rate				
Equity income (loss)	**4,738**	**1,706**	4,871	1,753
Permanent additions	**(661)**	**(238)**	(1,800)	(648)
Other	**72**	**21**	27	-
Value recorded in the income	**(22,025)**	**(7,934)**	7,254	2,601
Total income and social contribution taxes		**(29,959)**		9,855
Deferred taxes		**(29,591)**		11,004
Current taxes		**(368)**		(1,149)
Effective rate		**28.6%**		59.3%

	Consolidated			
	03/31/17		03/31/16	
	IRPJ	CSLL	IRPJ	CSLL
Income before tax on profit	**125,272**	**125,272**	(7,282)	(7,282)
Income and social contribution taxes at the nominal rate of 25% and 9%, respectively	**(31,318)**	**(11,274)**	1,821	655
Adjustments for calculation of effective rate				
Permanent addtions and exclusions	**(1,793)**	**(645)**	(2,012)	(725)
Tax incentives of subsidiaries	-	-	-	-
Income and social contribution taxes in companies taxed by the deemed profit system	**3,961**	**1,424**	3,991	1,437
Elimination Unrealized profit	**(1,338)**	**(482)**	(465)	(167)
Other	**114**	**19**	79	(3)
Value recorded in the income	**(30,374)**	**(10,958)**	3,414	1,197
Total income and social contribution taxes		**(41,332)**		4,611
Deferred taxes		**(39,257)**		9,615
Current taxes		**(2,075)**		(5,004)
Effective rate		**33.0%**		63.3%

Reconciliation of the variation in deferred income and social contribution taxes

The changes in income and social contribution taxes recorded in items under assets and liabilities at the parent company and at the consolidated level are shown below:

	Parent Company			
Description	Balance in 12/31/16	Recognized in income	Recognized in comprehensive income	Balance in 03/31/17
Provision for inventory adjustment	169	(169)	-	-
Provision for profit-sharing	831	93	-	924
Operations with derivatives	21,060	6,846	(5,184)	22,722
Provision for Senar	3,226	152	-	3,378
Others	2,328	168	-	2,496
Tax losses and negative basis	41,330	(28,152)	-	13,178
Incentivized depreciation from rural activity	(93,034)	1,441	-	(91,593)
Bargain gain on acquisition of equity interest	(7,680)	1	-	(7,679)
Deemed cost from property, plant and equipment	(24,377)	(140)	-	(24,517)
Fair value of biological assets	(21,671)	(9,831)	-	(31,502)
Total	**(77,818)**	**(29,591)**	**(5,184)**	**(112,593)**
Non-current liabilities	**77,818**			**112,593**

	Consolidated			
Description	Balance in 12/31/16	Recognized in income	Recognized in comprehensive income	Balance in 03/31/17
Provision for inventory adjustment	169	(169)	-	-
Provision for profit-sharing	921	119	-	1,040
Provision to tax losses	44	2	-	46
Operations with derivatives	23,822	7,981	(5,705)	26,098
Provision for Senar	3,226	152	-	3,378
Others	2,532	172	-	2,704
Tax losses and negative basis	105,216	(34,807)	-	70,409
Incentivized depreciation from rural activity	(134,195)	2,240	-	(131,955)
Bargain gain on acquisition of equity interest	(7,533)	-	-	(7,533)
Deemed cost from property, plant and equipment	(159,064)	2,052	55,592	(101,420)
Fair value for investment property	(2,721)	99	-	(2,622)
Fair value of biological assets	(22,237)	(13,123)	-	(35,360)
Others	-	(3,975)	-	(3,975)
Total	**(189,820)**	**(39,257)**	**49,887**	**(179,190)**
Non-current assets	**26,265**		49,887	**19,709**
Non-current liabilities	**(216,085)**			**(198,899)**

16 Trade notes payable (Consolidated)

The Company, through its subsidiaries, has agreements involving the purchase of land for its use and commercial exploration. These acquisitions are indexed to the price quote of the soybean bag in the region in which the property was acquired. Accordingly, future minimum amounts typically will be estimated in numbers of soybean bags on the reporting date of each balance sheet.
The changes in this item are as follows:

	Indexed at Soybean bags	Fixed price	Indexed at IGP-M	Total
Balance at December 31, 2016	**23,234**	**25,256**	**33,323**	**81,813**
Payments	-	(500)	-	(500)
Monetary variation	(1,051)	-	-	(1,051)
Interest	-	717	818	1,535
Balance at March 31, 2017	**22,183**	**25,473**	**34,141**	**81,797**

17 Shareholders' equity

a. Capital stock

On March 31, 2017, the subscribed Capital Stock, in the amount of R$ 947,522, was represented by 98,897,500 registered common shares without par value.

The distribution among shareholders of the registered common shares is shown below:

	Quantity of shares	
Shareholder	**03/31/17**	**12/31/16**
SLC Participações S.A.	**50,469,371**	50,469,371
Management	**33,903**	29,203
Treasury shares	**1,750,643**	1,742,293
Other	**46,643,583**	46,656,633
Total shares of paid-in capital	**98,897,500**	98,897,500
(-) Treasury shares	**(1,750,643)**	(1,742,293)
Total shares - ex-treasury	**97,146,857**	97,155,207

b. Capital reserve – Goodwill in the issue of shares

Represented by the goodwill received in the public share offerings carried out in June 2007 and June 2008 and by the goodwill on the sale of treasury shares carried out in connection with

stock option plans, less the costs with issuing these shares (commissions, fees and other expenses), net of tax effects, in conformity with CPC 10(R1) (IFRS 2).

c. Treasury shares

The Company acquired shares of its own issuance to hold in treasury and subsequently use for the Stock Option Plan (note 21), as decided by the Board of Directors in a meeting held on October 29, 2008.

The balance of treasury shares on March 31, 2017 was R$30,756 and was composed of 1,750,643 shares (R$30,652 on December 31, 2016, composed of 1,742,293 shares).

The market value of the treasury shares, calculated based on the last quote on the stock exchange prior to the closing date of the fiscal year, was R$29,481 (R$16.84 per share) on March 31, 2017 and R$25,385 (R$14.57 per share) on December 31, 2016.

d. Legal reserve

The reserve was recorded at the rate of 5% of the net profit for the year, up to the limit of 20% of the capital. As provided for in Article 35, item a, of the Bylaws, in the year when legal reserve balance plus the value of capital reserve, addressed by Paragraph 1 of Article 182 of the Brazilian Corporate Law, exceeds 30% of capital, it will not be mandatory to assign a portion of net income for the year to the legal reserve. On December 31, 2016 the Company recorded Legal Reserve that mounts R$1,497.

e. Expansion reserve

In accordance with Article 194 of Federal Law 6,404/76 and Article 35 of the Company's Bylaws, an Expansion Reserve will be formed based on the income remaining after the deductions stipulated by law and in the bylaws, for investing in operational assets, with the reserve limited to the amount of the Capital Stock.

On April 26, 2017, the Annual Shareholders' Meeting approved the allocation of the amount of R$21,437 to the Expansion Reserve for the fiscal year ended December 31, 2016.

f. Profit retention reserve

The balance on December 31, 2016 refers to the remaining balance of accumulated profits for fiscal year 2007, which was retained as a profit retention reserve for new investments, as provided for in the capital budget, in accordance with Article 196 of Federal Law 6.404/76.

g. Dividends

In accordance with the Company's Bylaws, the minimum mandatory dividend is calculated as 25% of net income for the fiscal year after constituting the reserves provided for by law.

On April 26, 2017, the Annual Shareholders' Meeting approved the distribution of dividends for the fiscal year ended December 31, 2016, in the aggregate amount of R$ 14,224, which corresponds to 50% of adjusted net income and to R$ 0.14647 per common share, based on the total number of shares outstanding (98,897,500) less the total number of treasury shares (1,742,293).

	2016	2015
Net income for the year	29,945	122,528
Appropriation of legal reserve	1,497	6,126
Calculation base for the dividends proposed	28,448	116,402
Minimum compulsory dividend-25%	7,112	29,100
Additional dividend proposed-25%	7,112	29,100
Proposed dividends	14,224	58,200
% on the basis	50%	50%

h. Earnings per share

In accordance with IAS 33/CPC 41 - "Earnings per share (IAS 33), a reconciliation of Consolidated and Parent Company net income for the fiscal year with the amounts used to calculate basic and diluted net earnings per share is presented in the following table.
The Company has one category of potentially dilutive common shares that are related to the stock option plans. A calculation is performed for these stock option plans to determine the number of shares that could have been acquired at fair value (based on the average annual market price of the Company's stock) based on the monetary value of the subscription rights in connection with the stock option plans approved as from 2007.

The number of shares calculated as described above is compared with the number of shares outstanding, assuming the exercise of the stock option plans.

	03/31/17	**3/31/16**
Numerator		
Net income for the year (a)	**74,738**	(6,770)
Denominator		
Weighted average of common shares (b)	**97,209,832**	97,065,920
Weighted average of common shares considering dilutive effects (c)	**97,612,267**	97,097,960
Basic (loss) income per common share (a/b)	**0.76883**	(0.06975)
Diluted (loss) income per common share (a/c)	**0.76566**	(0.06972)

18 Financial income (loss)

	Parent company		**Consolidated**	
	03/31/17	03/31/16	**03/31/17**	03/31/16
Financial expenses:				
Interest paid	**(37,396)**	(28,425)	**(43,633)**	(34,215)
Foreign exchange	**(20,741)**	(51,574)	**(28,571)**	(62,708)
Monetary variation	**(2,328)**	(3,218)	**(2,660)**	(3,218)
Losses with derivative operations	**(24,442)**	(77,633)	**(27,794)**	(86,807)
Others	**(1,972)**	(1,227)	**(2,410)**	(1,630)
	(86,879)	(162,077)	**(105,068)**	(188,578)
Financial income:				
Income from interest-earning bank deposits	**22,549**	15,816	**27,064**	20,132
Foreign exchange	**40,126**	87,701	**50,887**	104,798
Monetary variation	**477**	-	**1,854**	2,742
Gains with derivative operations	**2,965**	18,783	**3,182**	20,970
Others	**91**	3,644	**128**	4,190
	66,208	125,944	**83,115**	152,832
Financial income (loss)	**(20,671)**	(36,133)	**(21,953)**	(35,746)

19 Commitments

19.1 Non-deliverable forward contracts

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

Parent Company					
Product	**Delivery Date**	**Quantity**	**Agreements**	**Unit**	**Price**
2015/16 crop					
Cotton lint	Apr/17 - Dec/17	12,402	23	ton	USD 1,866.63
2016/17 crop					
Soybean	Apr/17 - May/17	2,283,071	43	sc	USD 19.44
Corn	Jun/17 - Dec/17	2,736,667	25	ton	R$ 26.97
Cotton lint	Aug/17 - May/18	64,725	21	ton	USD 1,630.08
2017/18 crop					
Cotton lint	Aug/18 - Dec/18	39,500	6	ton	USD 1,632.87
Soybean	Feb/18 - Mar/18	1,150,000	6	sc	USD 19.53

		Consolidated			
Product	**Delivery Date**	**Quantity**	**Agreements**	**Unit**	**Price**
2015/16 crop					
Cotton lint	Apr/17 - Dec/17	12,402	23	ton	USD 1,811.74
2016/17 crop					
Soybean	Apr/17 - May/17	2,509,846	46	sc	USD 19.46
Corn	Jun/17 - Dec/17	3,070,371	30	ton	R$ 26.08
Cotton lint	Aug/17 - May/18	68,725	23	ton	USD 1,627.99
2017/18 crop					
Cotton lint	Aug/18 - Dec/18	42,500	8	ton	USD 1,672.85
Soybean	Feb/18 - Mar/18	1,251,519	7	sc	USD 19.29

19.2 Lease agreements for third party properties

On March 31, 2017, the Company and its subsidiaries held lease agreements with third parties for 120,459 hectares, divided as follows:

Unit	Location	Leased area (in há)	Maturities of the contract	Value (in bags of soybeans/há/year)	Type of Lease
Pamplona Farm	Cristalina-GO	3,952	2023	10.33	Operational
Planalto Farm	Costa Rica-MS	1,603	2019	17.58	Operational
Planeste Farm	Balsas-MA	15,973	2026	1 to 11	Operational
Panorama Farm	Correntina-BA	14,404	2023	11	Operational
Piratini Farm	Jaborandi-BA	5,000	2017	6.72	Operational
Palmares Farm	Barreiras-BA	15,249	2023	10.83	Operational
Parnaíba Farm	Tasso Fragoso-MA	29,046	2026	1 a 10	Operational
Paiaguás Farm	Diamantino-MT	10,449	2020	11.5	Operational
Parceiro Farm	Formosa do Rio Preto – BA	5,428	2020	4,5	Operational
Paladino Farm	São Desidério – BA	19,355	2023	5	Operational
Total		**120,459**			

Any future commitments related to these agreements are established in soybean bags based on the average price in the region of each unit on the date of the respective payment.

In addition to leasing land to grow crops, the Company holds an operating lease for the cotton processing unit at the Palmares Farm in Barreiras, Bahia for R$1,8500 per year through August 31, 2023 and at the Paladino Farm in São Desidério, Bahia for R$ 1,000 per year trought August 31, 2021.

The minimum future payments for the Company's land and operating leases in Brazilian real are summarized below:

	Moeda	Parent Company	Moeda	Consolidated
Payments within one year	R$	51,950	R$	57,553
Payments in more than one year and up to 5 years	R$	185,370	R$	207,783
Payments in more than 5 years	R$	81,302	R$	92,509
Total future minimum payments of leases	R$	**318,622**	R$	**357,845**

Note that the Company's third party lease agreements are pegged to the soybean bag price in the region of each production unit. Therefore, future minimum amounts typically will be estimated in terms of the number of soybean bags, converted into Brazilian real, based on the soybean quote in each region on the reporting date of each balance sheet. The minimum payment amounts shown above may suffer significant variations by time of payment due to changes in the soybean market price.

For third party lease agreements, we also inform that: (i) they have no contingent payment clauses; (ii) there are no renewal or purchase-option clauses, except for the agreement at the Planalto Farm for 1,603 ha, which is renewed on an annual basis; (iii) our agreements are

indexed to the variation in the price of the soybean bag, as disclosed above, and do not contain any adjustment clauses; (iv) there are no restrictions imposed, such as those related to dividends and interest on capital, additional debt or any other factor requiring additional disclosure.

20 Management of risks and financial instruments

The sales revenue of the Company and its subsidiaries are generated primarily by the trading of agricultural commodities such as soybean, cotton, corn, which are quoted in U.S. dollar on the international exchanges Chicago Board of Trade (CBOT) and Intercontinental Exchange Futures US - ICE. Therefore, volatility in international commodity prices and volatility in exchange rates are market risks to which the Company and its subsidiaries are exposed.

In addition, the Company and its subsidiaries contract financing transactions in the financial market at fixed or floating rates. Therefore, the Company is exposed to the risk of variation in the interest rates on its debt contracted at floating interest rates.

Fair values are determined based on market quotes if available or, if not available, on the present value of the expected cash flows. The fair values of cash and cash equivalents, trade accounts receivable and trade accounts payable correspond to their carrying amounts. The fair values of other long-term assets and liabilities do not significantly differ from their carrying amounts.

The estimated fair value of long-term loans in the Parent Company and Consolidated Financial Statements on March 31, 2017, were R$457,826 and R$489,589, respectively, calculated at current market rates, considering type, term and risks similar to those of the registered contracts, and can be compared with the carrying amounts of R$499,792 and R$542,729 (note 13).

The fair value hierarchy of the financial assets and liabilities recorded at fair value on a recurring basis was determined based on the following criteria:

- Level 1 – Prices quoted (not adjusted) in active markets for identical assets and liabilities;
- Level 2 – Inputs, except for quoted prices, included in Level 1 which are observable for the asset or liability, directly (prices) or indirectly (price derivative);
- Level 3 – Assumptions, for assets or liabilities, that are not based on observable market data (non-observable inputs).

The following table presents the fair value hierarchy of financial assets and liabilities recorded at fair value on a recurring basis:

	Parent Company					
	Book Value		Fair Value			
			Level 1	Level 2	Level 1	Level 2
	03/31/17	12/31/16	03/31/17		12/31/16	
Assets						
Loans and receivables						
Cash and cash equivalents	580,601	767,009	580,601	-	767,009	-
Short term financial Investments	198,618	129,204	198,618	-	129,204	-
Trade accounts receivable	53,553	71,529	-	53,553	-	71,529
Receivables from related parties	6,577	8,142	-	6,577	-	8,142
Other accounts receivable	7,553	7,948	-	7,078	-	6,341
Subtotal	**846,902**	**983,832**	**779,219**	**67,208**	**896,213**	**86,012**
Fair value of hedge instruments						
Operations with Derivatives	127,056	143,890	-	127,056	-	143,890
Subtotal	**127,056**	**143,890**	**-**	**127,056**	**-**	**143,890**
Total assets	**973,958**	**1,127,722**	**779,219**	**194,264**	**896,213**	**229,902**
Liabilities						

Liabilities at the amortized cost						
Loans and financing	1,547,992	1,681,119	1,374,251	120,748	1,477,595	158,532
Suppliers	165,901	369,887	-	165,901	-	369,887
Payables to related parties	46,565	30,517	-	46,565	-	30,517
Other accounts payable	173,907	61,506	-	173,907	-	61,506
Subtotal	**1,934,365**	**2,143,029**	**1,374,251**	**507,121**	**1,477,595**	**620,442**
Fair value of hedge instruments						
Derivatives payable	71,035	68,626	-	71,035	-	68,626
Subtotal	**71,035**	**68,626**	**-**	**71,035**	**-**	**68,626**
Total liabilities	**2,005,400**	**2,211,655**	**1,374,251**	**578,156**	**1,477,595**	**689,068**

	Consolidated					
	Book Value		Fair Value			
			Level 1	Level 2	Level 1	Level 2
	03/31/17	12/31/16	03/31/17		12/31/16	
Assets						
Loans and receivables						
Cash and cash equivalents	703,356	888,740	703,356	-	888,740	-
Short term financial Investments	243,523	175,766	243,523	-	175,766	-
Trade accounts receivable	53,789	73,392	-	53,789	-	73,392
Other accounts receivable	7,553	7,948	-	7,078	-	6,341
Subtotal	**1,008,221**	**1,145,846**	**946,879**	**60,867**	**1,064,506**	**79,733**
Fair value of hedge instruments						
Operations with Derivatives	131,493	148,611	-	131,493	-	148,611
Subtotal	**131,493**	**148,611**	**-**	**131,493**	**-**	**148,611**
Total assets	**1,139,714**	**1,294,457**	**946,879**	**192,360**	**1,064,506**	**228,344**
Liabilities						
Liabilities at the amortized cost						
Loans and financing	1,765,949	1,901,245	1,578,089	120,748	1,686,171	158,533
Suppliers	191,625	439,735	-	191,625	-	439,735
Other accounts payable	204,009	66,337	-	204,009	-	66,337
Securities payable	81,797	81,813	-	87,720	-	82,274
Subtotal	**2,243,380**	**2,489,130**	**1,578,089**	**604,101**	**1,686,171**	**746,879**
Fair value of hedge instruments						
Derivatives payable	84,888	80,950	-	84,888	-	80,950
Subtotal	**84,888**	**80,950**	**-**	**84,888**	**-**	**80,950**
Total liabilities	**2,328,268**	**2,570,080**	**1,578,089**	**688,989**	**1,686,171**	**827,829**

a. Policy of use, objectives and strategies

The Company and its subsidiaries use derivative instruments to hedge their operating margins (EBITDA). The Company created a Risk Management Executive Committee in July 2008 and approved the Risk Management Policy at the meeting of its Board of Directors held on October 29, 2008. The Risk Management Executive Committee is a body linking the Board of Directors and Executive Board of the Company. Its mission is to support, on a daily basis, the decisions of the Executive Board, monitor compliance with the established risk limits and, when applicable, analyze and evaluate draft proposals for adjusting or reformulating risk policies or limits, which are subsequently submitted for consideration to the Board of Directors.

Derivative transactions are carried out with prime financial institutions (institutions in the country with a rating of at least "A" at a minimum of one of the three main international risk rating agencies, namely: Moody's, S&P and/or Fitch), respecting the risk limits and exposures to the currency, commodity and interest risk of its counterparties, on a regular basis.

b. Gain (loss) from financial instruments under parent company and consolidated shareholders' equity

Transactions involving forward contracts (NDFs) and Trade Finance (PPEs/ECNs/Res. 2770) are contracted to hedge exposure to future sales in dollar. These transactions are documented in order to be recorded using the hedge accounting methodology, in conformity with CPC 38. The Company records, in a specific item under shareholders' equity, the unrealized effects from these instruments contracted for own transactions or contracted on a consolidated basis to cover future sales.

c. Currency risk

Derivative instruments are used to protect the sales revenues of the Company and its subsidiaries, which are subject to the volatility in the exchange rate, whose portfolio basically consists of non-deliverable forwards (NDFs) and option contracts.

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

To analyze the exposure to currency risk, the Business Plan is updated regularly considering the following assumptions: (I) projection of planted area; (II) projected productivity; (III) commodity prices, which are quoted in U.S. dollar, considering the average realized sales prices weighted by volume and the market prices of the volumes to be sold; and (IV) the distribution of sales in the periods analyzed. After defining the Business Plan and the measurement of the items presented above, we arrive at the total currency exposure.

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

The following table shows the positions of the Company and its subsidiaries, with the nominal and fair values of each instrument contracted, as follows:

	Reference value (notional)			Fair Value (MTM)			Value in curve (Accrual)		
Description	**Currency**	**03/31/17**	**12/31/16**	**Currency**	**03/31/17**	**12/31/16**	**Currency**	**03/31/17**	**12/31/16**
Forward Contracts (NDF):									
Foreign currency - Short position									
Maturity in 2017	USD	151,986	231,223	R$	58,772	80,881	R$	56,194	77,230
Maturity in 2018	USD	40,250	31,870	R$	14,462	6,571	R$	13,401	5,779
TOTAL	**USD**	**192,236**	**263,093**	**R$**	**73,234**	**87,452**	**R$**	**69,595**	**83,009**

Details of the debt denominated in foreign currency (U.S. dollar) follows:

Counterparty	Type	Contracting rate	Notional US$		Fair Value 03/31/17		Foreign exchange variation [1]		Book value	
Banco Itaú BBA S/A	NCE	R$1.9418	USD	**37,500**	R$	117,176	R$	(44,359)	R$	119,931
John Deere	Resolução 2770	R$2.0691	USD	**1,143**	R$	3,572	R$	(1,206)	R$	3,687
Total			**USD**	**38,643**	**R$**	**120,748**	**R$**	**(45,565)**	**R$**	**123,618**

([1]) Deferred amount under shareholders' equity ("hedge accounting") as an offsetting entry to the items of the group loans and financing.

The following table provides details on the maturity schedule of derivative transactions and deferred exchange variation, which are classified under hedge accounting:

Maturity	Currency	Forward Contracts (NDF)	Export credit notes (NCE)	Res 2770	Total
Up to 06/30/2017	USD	5,692	-	(1,206)	4,486
Up to 09/30/2017	USD	9,088	-	-	9,088
Up to 12/31/2017	USD	43,992	-	-	43,992
Up to 03/31/2018	USD	12,008	-	-	12,008
Up to 06/30/2018	USD	2,454	-	-	2,454
Up to 06/30/2019	USD	-	(44,359)	-	(44,359)
TOTAL	**USD**	**73,234**	**(44,359)**	**(1,206)**	**27,669**

(*) Amounts of exchange variation classified as hedge accounting. The maturity of the reference amount (Notional) is presented in note 13.

The following table provides a breakdown of currency derivatives by counterparty (of the Company and its subsidiaries):

	Reference value (notional)			Fair Value		
Description	**Currency**	**03/31/17**	**12/31/16**	**Currency**	**03/31/17**	**12/31/16**
Banco Itaú BBA S/A	**USD**	4,970	17,597	**R$**	1,468	3,574
Citibank S/A	**USD**	8,071	10,506	**R$**	884	9,664
Banco Bradesco S/A	**USD**	26,600	63,590	**R$**	20,831	34,330
Banco Votorantim S/A	**USD**	20,790	4,950	**R$**	2,576	353
Morgan Stanley S/A	**USD**	27,780	13,730	**R$**	3,447	3,125
Banco J.P. Morgan S/A	**USD**	44,615	66,895	**R$**	16,386	9,798
Banco Santander Brasil S/A	**USD**	43,855	66,800	**R$**	23,695	21,360
Banco ABC Brasil S.A.	**USD**	5,960	7,900	**R$**	1,625	1,357
Rabobank International Brasil S.A.	**USD**	9,595	11,125	**R$**	2,322	3,891
Total	**USD**	**192,236**	**263,093**	**R$**	**73,234**	**87,452**

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

- Forward Contracts (NDF) - adopted the future curve of the U.S. dollar published by the BM&FBovespa - Securities, Commodities and Futures Exchange (www.bmf.com.br;) at the end of each period. Based on this information, the adjustment projected upon the maturity of each transaction is discounted by the interest rate curve of the exchange rate (PTAX at end of period) and the future quote upon maturity of the derivative published by the BM&FBovespa.

Currency risk

The Company projected the potential impact from transactions designed to hedge exchange variation and dollar-denominated debt under five different scenarios for fiscal years 2017 and 2018, as follows:

- Probable Scenario: based on the "Market Readout" published by the Central Bank of Brazil on March 31, 2017, our probable scenario incorporates a Brazilian real/U.S. dollar exchange rate of R$3.2500, which varies from the PTAX rate on March 31, 2017 of R$3.1684.

- Decrease of 25% in the exchange rate: under this scenario, transactions are settled at an exchange rate of R$ 2.4375, which is 25% lower than the exchange rate under the Probable Scenario.
- Decrease of 50% in the exchange rate: under this scenario, transactions are settled at an exchange rate of R$ 1.6250, which is 50% lower than the exchange rate under the Probable Scenario.
- Increase of 25% in the exchange rate: under this scenario, transactions are settled at an exchange rate of R$ 4.0625 which is 25% higher than the exchange rate under the Probable Scenario.
- Increase of 50% in the exchange rate: under this scenario, transactions are settled at an exchange rate of R$ 4.8750, which is 50% higher than the exchange rate under the Probable Scenario.

The following table provides a summary of the impacts on the parent company under each scenario projected:

Parent Company

	Remote scenario *Quotation R$*	**Possible scenario** *Quotation R$*	**Probable scenario** Quotation *R$*	**Possible scenario** Quotation *R$*	**Remote scenario** Quotation *R$*
Description	*1.6250*	*2.4375*	*3.2500*	*4.0625*	*4.8750*
Year 2017					
Highly probable estimated revenue in USD (1)	(495,432)	(247,716)	(38,202)	247,716	495,432
Estimated commitments in USD (2)	98,475	49,238	7,593	(49,238)	(98,475)
Forward Contracts (NDF) (3)	131,245	65,622	10,120	(65,622)	(131,245)
Trade Finance (Indebtedness in Dollars) (4)	22,170	11,085	1,709	(11,085)	(22,170)
Net exposure in USD (1)-(2)-(3)-(4)	**(243,542)**	**(121,771)**	**(18,780)**	**121,771**	**243,542**
Year 2018					
Highly probable estimated revenue in USD (1)	(681,715)	(340,858)	(52,565)	340,858	681,715
Estimated commitments in USD (2)	40,999	20,499	3,161	(20,499)	(40,999)
Forward Contracts (NDF) (3)	17,696	8,848	1,365	(8,848)	(17,696)
Trade Finance (Indebtedness in Dollars) (4)	20,313	10,156	1,566	(10,156)	(20,313)
Net exposure in USD (1)-(2)-(3)-(4)	**(602,707)**	**(301,355)**	**(46,473)**	**301,355**	**602,707**
Total	**(846,249)**	**(423,126)**	**(65,253)**	**423,126**	**846,249**

Consolidated

	Remote scenario *Quotation R$*	**Possible scenario** *Quotation R$*	**Probable scenario** Quotation *R$*	**Possible scenario** Quotation *R$*	**Remote scenario** Quotation *R$*
Description	*1.6250*	*2.4375*	*3.2500*	*4.0625*	*4.8750*
Year 2017					
Highly probable estimated revenue in USD (1)	(460,879)	(230,440)	(35,537)	230,440	460,879
Estimated commitments in USD (2)	107,283	53,641	8,272	(53,641)	(107,283)
Forward Contracts (NDF) (3)	139,695	69,847	10,772	(69,847)	(139,695)
Trade Finance (Indebtedness in Dollars) (4)	22,170	11,085	1,709	(11,085)	(22,170)
Net exposure in USD (1)-(2)-(3)-(4)	**(191,731)**	**(95,867)**	**(14,784)**	**95,867**	**191,731**
Year 2018					
Highly probable estimated revenue in USD (1)	(778,633)	(389,317)	(60,039)	389,317	778,633
Estimated commitments in USD (2)	44,948	22,474	3,466	(22,474)	(44,948)
Forward Contracts (NDF) (3)	20,459	10,229	1,578	(10,229)	(20,459)
Trade Finance (Indebtedness in Dollars) (4)	20,313	10,156	1,566	(10,156)	(20,313)
Net exposure in USD (1)-(2)-(3)-(4)	**(692,913)**	**(346,458)**	**(53,429)**	**346,458**	**692,913**
Total	**(884,644)**	**(442,325)**	**(68,213)**	**442,325**	**884,644**

The following table presents the net exposure to currency risk:

	Parent Company			
	03/31/17		12/31/16	
	Amount in Reais (R$)	**Amount in Dólares (USD)**	**Amount in Reais (R$)**	**Amount in Dólares (USD)**
Trade accounts receivable (note 5)	37,570	12,024	33,503	10,280
Suppliers	(21,860)	(6,996)	(99,109)	(30,410)
Trade Finance (Indebtedness in Dollars)	120,748	38,643	158,532	48,643
Net exposure of the shareholders' equity	**136,458**	**43,671**	92,926	28,513

	Consolidated			
	03/31/17		12/31/16	
	Amount in Reais (R$)	**Amount in Dólares (USD)**	**Amount in Reais (R$)**	**Amount in Dólares (USD)**
Trade accounts receivable (note 5)	37,570	12,024	33,503	10,280
Suppliers	(22,955)	(7,346)	(118,899)	(36,482)
Trade Finance (Indebtedness in Dollars)	120,748	38,643	158,532	48,643
Net exposure of the shareholders' equity	**135,363**	**43,321**	73,136	22,441

d. Price risk

Most of the protection against variations in commodity prices is obtained via advance sales directly with our clients involving future physical delivery (forward contracts). We also use futures and options contracts traded on the stock exchange and financial transactions involving swap and options contracts with financial institutions in the over-the-counter market. These transactions are negotiated based on the commodity prices quoted in the futures market. All transactions are related to the net exposure of the production of the Company and its subsidiaries, so that all transactions have an underlying physical product. The transactions carried out on the stock exchange must have initial margins available and adjustments are made on a daily basis based on the variation in the reference price.

Meanwhile, transactions carried out with financial institutions do not require initial margins, since these transactions are secured by a credit limit pre-approved by the financial institutions.

The following table shows the derivative instruments contracted to hedge against commodity price variation, whose effects were recorded under shareholders' equity given their treatment as hedge accounting.

	Reference value (notional)			Fair value		
Description	**Currency**	**03/31/17**	**12/31/16**	**Currency**	**03/31/17**	**12/31/16**
Year of Maturity at 2017						
Financial operations						
Commodities - Cotton	**USD**	**58,247**	79,315	**R$**	**(16,290)**	(435)
Commodities - Corn	**USD**	**1,641**	1,641	**R$**	**(16)**	96
Subtotal	**USD**	**59,888**	80,956	**R$**	**(16,306)**	(339)
Year of Maturity at 2018						
Financial operations						
Commodities - Cotton	**USD**	16,200	-	**R$**	336	-
Commodities - Corn	**USD**	-	-	**R$**	1	-
Subtotal	**USD**	**16,200**	-	**R$**	**337**	-
Total	**USD**	**76,088**	**80,956**	**R$**	**(15,969)**	**(339)**

Commodity price risk

The Company projected the potential impact from variations in soybean and cotton prices under five scenarios for fiscal years 2017 and 2018, as follows:

- Probable Scenario: based on the closing quote on March 31, 2017 of the reference futures contract on the stock exchange where the product is priced.
- Decrease of 25% in the price of the reference futures contract on the stock exchange where the product is priced.
- Decrease of 50% in the price of the reference futures contract on the stock exchange where the product is priced.
- Increase of 25% in the price of the reference futures contract on the stock exchange where the product is priced.
- Increase of 50% in the price of the reference futures contract on the stock exchange where the product is priced.

The evaluation of price sensitivity considers as exposure the total estimated revenue (highly probable sales revenue) and the total hedge instruments contracted, which generally are represented by the future sales of agricultural products in relation to the exposure of these same items sold (hedged highly probable sales revenue).
The following table presents a summary of the impacts under each projected scenario translated into Brazilian real based on the PTAX on March 31, 2017:

Description	Remote scenario -50%	Possible scenario -25%	Probable scenario	Possible scenario + 25%	Remote scenario +50%
Cotton - Year 2017					
Highly probable income	627,529	635,496	643,464	651,431	659,398
Highly probble income protected	611,595	611,595	611,595	611,595	611,595
Net exposure	15,934	23,901	31,869	39,836	47,803
Change in net exposure	(15,934)	(7,967)	-	7,967	15,934
Soybean - Year 2017					
Highly probable income	545,404	619,964	694,524	769,084	843,643
Highly probble income protected	396,284	396,284	396,284	396,284	396,284
Net exposure	149,120	223,680	298,240	372,800	447,359
Change in net exposure	(149,120)	(74,560)	-	74,560	149,120
Cotton - Year 2018					
Highly probable income	526,800	633,717	740,635	847,553	954,470
Highly probble income protected	312,964	312,964	312,964	312,964	312,964
Net exposure	213,836	320,753	427,671	534,589	641,506
Change in net exposure	(213,836)	(106,918)	-	106,918	213,836
Soybean - Year 2018					
Highly probable income	359,616	501,222	642,827	784,433	926,039
Highly probble income protected	76,404	76,404	76,404	76,404	76,404
Net exposure	283,212	424,818	566,423	708,029	849,635
Change in net exposure	(283,212)	(141,606)	-	141,606	283,212

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

The Company has a balance of R$ 81,797 in trade notes payable that are linked to land purchase contracts and indexed to the price of the soybean bag, as described in note 16. The Company believes that the potential gains or losses from the variation in the soybean bag price for the subsequent fiscal year are not significant, considering the sensitivity under the potential and remote scenarios and the potential future soybean sales, which would neutralize these potential effects on the result from operations.

e. Interest risk

A portion of the Company's debt is indexed to floating interest rates. The floating interest rates to which our debt are indexed are the Long-Term Interest Rate (TJLP), which is used for financing transactions with the Brazilian Development Bank (BNDES), and the London Interbank Offered Rate (LIBOR), which are used for international loans.

To protect against variations in these interest rates, the Company carries out hedge transactions through interest rate swap contracts from prime financial institutions. These transactions consist of exchanging a floating interest rate for a fixed interest rate, in which the Company receives a floating interest rate (TJLP or Libor) and pays a fixed interest rate. The amount of the principal (notional) and the maturities of the swap transaction are identical to the debt flow, which is the purpose of the hedge. This eliminates the risk of any fluctuation in the floating interest rate of the debt.

The following table presents details on the interest rate swap transactions and debt indexed:

			Adjustment
Counterparty	**Hedge instrument**	**Hedged object**	**Financial income**
Tokio-Mitsubishi	Swap of R$ 159MM (Assets VC / Liability CDI)	Debit of USD 60MM a interest of 3.12 aa.	23,772
Rabobank	Swap of R$ 17MM (Assets VC / Liability CDI)	Debit of USD 4.5MM a interest of 3.90 aa.	(5,094)
Rabobank	Swap of R$ 117MM (Assets VC / Liability CDI)	Debit of USD 30MM a interest of 4.10 aa.	(16,420)
Rabobank	Swap of R$ 40MM (Assets VC / Liability CDI)	Debit of USD 10MM a interest of 3.90 aa.	(12,918)
Total			**(10,660)**

Risk of variations in interest rates

To verify the sensitivity of the Company's debt indexers on the base date of March 31, 2017, five different scenarios were defined. Based on the "Market Readout" published by the Central Bank of Brazil on March 31, 2017, we defined the indices for the CDI and Foreign Exchange, and for LIBOR, we considered the future curve on the BM&FBovespa also of March 31, 2017, and for TJLP we considered the rate valid on the closing date of the fiscal year. Based on this information, we defined the Probable Scenario for the analysis and calculated variations of 25% and 50%. The gross financial expense or income were considered for each scenario, excluding the taxes levied and the flow of debt maturities and financial investment redemptions scheduled for 2017. The portfolio's base date was March 31, 2017, with the projection of the indexers for one year and the verification of their sensitivity under each scenario.

The following table provides a summary of the impacts in the next 12 months under each scenario:

	Interest rate *	Balance in 03/31/17	Decrease of 50%	Decrease of 25%	Probable Scenario	Increase of 25%	Increase of 50%
Debt in Reais - Prefixed rate							
Rural credit	12.80%	506,871	N/A	N/A	N/A	N/A	N/A
Constitutional Funds	10.46%	318,178	N/A	N/A	N/A	N/A	N/A
BNDES	6.66%	141,270	N/A	N/A	N/A	N/A	N/A
Debt in Reais – Post-fixed rate							
BNDES	TJLP	22,732	(1,489)	(1,880)	(2,270)	(2,660)	(3,051)
BNDES	UMBNDES	8,868	(411)	(506)	(601)	(696)	(791)
Export financing	CDI + 1.00%	343,229	(24,479)	(34,903)	(45,327)	(55,751)	(66,174)
Debits in Dólares							
NCE	Libor 6M + 4.14 a.a.(average)	119,931	(6,006)	(6,502)	(6,472)	(7,495)	(7,992)
NCE	3.90% a.a.	49,105	N/A	N/A	N/A	N/A	N/A
CCE	4.10% a.a.	62,992	N/A	N/A	N/A	N/A	N/A
PPE	3.12% a.a.	189,086	N/A	N/A	N/A	N/A	N/A
Investment financing	Libor 6M + 5% a.a.	3,687	(215)	(230)	(246)	(261)	(276)
Investment financing	Libor 6M + 5% a.a.	3,787	(216)	(229)	(243)	(256)	(269)
Swaps - Debits in Dólares							
Swap VC x CDI + PRÉ**	Assets: 3.12% a.a. Liability: CDI + 0.921% a.a.	23,773	(1,661)	(2,382)	(3,103)	(3,824)	(4,544)
Swap VC x CDI + PRÉ**	Assets: 3.90 % a.a. Liability: CDI+1% a.a.	(12,918)	913	1,304	1,696	2,088	2,480
Swap VC x CDI + PRÉ**	Assets: 3.90 % a.a. Liability: CDI+1% a.a.	(5,094)	360	514	669	823	978
Swap VC x CDI + PRÉ**	Assets: 4.10 % a.a. Liability: CDI+1% a.a.	(16,420)	1,160	1,658	2,156	2,654	3,152
Interest earnings bank deposits							
CDB and Debentures	99.62% CDI	948,857	57,399	86,098	114,797	143,496	172,196

(*) Average annual rates.

(**) Amounts refer to the calculation of the adjustment of the transaction on March 31, 2017.

f. Credit risk

A substantial portion of the sales of the Company and its subsidiaries sales are made to select and highly qualified clients: trading, textile and other companies that typically acquire high volumes to guarantee local and international trading. Credit risk is managed by specific rules for accepting clients, by analyzing their credit worthiness and by setting limits for exposure per client. Historically, the Company and its subsidiaries have not registered significant losses in trade accounts receivable.

In view of the aforementioned, the credit risk assumed is not material. The Company considers the balance of trade accounts receivable as exposed to this risk. On March 31, 2017, this balance was R$ 53,553 at the parent company and R$ 53,789 at the consolidated level (R$ 71,529 at the parent company and R$ 73,392 at the consolidated level on December 31, 2016).

g. Liquidity risk

The gross outflows shown in the following table represent the flows of undiscounted contractual cash flows related to derivative and non-derivative financial liabilities held to hedge against risks and that normally are not closed before the contractual maturity. The table presents net cash flows for cash derivatives settled by net exposure and gross cash outflows for derivatives with simultaneous gross settlement.

	Parent Company							
March 31, 2017	**Book Value**	**Contractual cash flow**	**up to 1 year**	**1 to 2 years**	**2 to 3 years**	**3 to 4 years**	**4 to 5 years**	**over 5 years**
Financial liabilities								
Non Derivatives								
Loans and financing	1,547,992	1,690,862	1,107,437	482,003	27,684	24,920	17,573	31,245
Suppliers	165,901	165,901	165,901	-	-	-	-	-
	1,713,893	**1,856,763**	**1,273,338**	**482,003**	**27,684**	**24,920**	**17,573**	**31,245**
Derivatives								
Operations with Derivatives	(56,022)	(56,022)	(36,038)	(5,974)	(14,010)	-	-	-
	1,657,871	**1,800,741**	**1,237,300**	**476,029**	**13,674**	**24,920**	**17,573**	**31,245**

	Parent Company							
December 31, 2016	**Book Value**	**Contractual cash flow**	**up to 1 year**	**1 to 2 years**	**2 to 3 years**	**3 to 4 years**	**4 to 5 years**	**over 5 years**
Financial liabilities								
Non Derivatives								
Loans and financing	1,681,119	1,869,209	1,030,309	441,591	303,702	25,286	23,372	44,949
Suppliers	369,887	369,887	369,887	-	-	-	-	-
	2,051,006	2,239,096	1,400,196	441,591	303,702	25,286	23,372	44,949
Derivatives								
Operations with Derivatives	(75,264)	(75,264)	(51,283)	(9,257)	(14,724)	-	-	-
	1,975,742	**2,163,832**	**1,348,913**	**432,334**	**288,978**	**25,286**	**23,372**	**44,949**

	Consolidated							
March 31, 2017	**Book Value**	**Contractual cash flow**	**up to 1 year**	**1 to 2 years**	**2 to 3 years**	**3 to 4 years**	**4 to 5 years**	**over 5 years**
Financial liabilities								
Non Derivatives								
Loans and financing	1,765,949	1,926,117	1,291,250	491,425	35,705	32,938	24,394	50,405
Suppliers	191,625	191,625	191,625	-	-	-	-	-
Securities payable	81,797	81,797	81,797	-	-	-	-	-
	2,039,371	**2,199,539**	**1,564,672**	**491,425**	**35,705**	**32,938**	**24,394**	**50,405**
Derivatives								
Operations with Derivatives	(46,605)	(46,605)	(26,534)	(6,062)	(14,009)	-	-	-
	1,992,766	**2,152,934**	**1,538,138**	**485,363**	**21,695**	**32,938**	**24,394**	**50,405**

	Consolidated							
December 31, 2016	**Book Value**	**Contractual cash flow**	**up to 1 year**	**1 to 2 years**	**2 to 3 years**	**3 to 4 years**	**4 to 5 years**	**over 5 years**
Financial liabilities								
Não Derivatives								
Loans and financing	1,901,245	2,106,662	1,215,935	450,432	310,550	32,160	30,269	67,316
Suppliers	439,735	439,735	439,735	-	-	-	-	-
Securities payable	81,813	81,813	81,813	-	-	-	-	-
	2,422,793	2,628,210	1,737,483	450,432	310,550	32,160	30,269	67,316
Derivatives								
Operations with Derivatives	(67,661)	(67,661)	(43,359)	(9,578)	(14,724)	-	-	-
	2,355,132	**2,560,549**	**1,694,124**	**440,854**	**295,826**	**32,160**	**30,269**	**67,316**

The cash flows included in the maturity analysis are not expected to occur significantly earlier or in different amounts.

h. Summary of outstanding derivative transactions

The following table presents the consolidated derivative instruments of the Company that are reflected under assets and liabilities:

Description	Reference value (notional)				Fair value recorded in assets		Fair value recorded in liabilities	
	Currency	03/31/17	12/31/16	Currency	03/31/17	12/31/16	03/31/17	12/31/16
Hedge operations for exchange rates								
Non Deliverable Forwards - 20.c	USD	192,236	263,093	R$	73,462	87,489	228	37
Trade Finance Contracts[1] - 20.c	USD	38,643	48,643	R$	-	-	45,565	65,550
Subtotal	**USD**	**230,879**	**311,736**	**R$**	**73,462**	**87,489**	**45,793**	**65,587**
Hedge operations for products								
Cotton - Financial operations 20.d	USD	74,447	79,315	R$	1,068	4,286	17,020	4,721
Corn - Financial operations 20.d	USD	1,641	1,641	R$	15	116	32	20
Subtotal	**USD**	**76,088**	**80,956**	**R$**	**1,083**	**4,402**	**17,052**	**4,741**
Hedge operations for inputs								
Swap VC+Pré x CDI+Pré	USD	94,836	104,836	R$	56,948	56,720	67,608	72,836
Swap VC+Pré x CDI	USD	-	25,837	R$	-	-	-	3,336
Subtotal	USD	**94,836**	**130,673**	**R$**	**56,948**	**56,720**	**67,608**	**76,172**
Total	USD	**401,803**	**523,365**	**R$**	**131,493**	**148,611**	**130,453**	**146,500**
(-) Portion classified in current assets				**R$**	**(86,735)**	**(99,963)**	**(59,864)**	**(56,604)**
Portion in noncurrent liabilities				**R$**	**44,758**	**48,648**	**70,589**	**89,896**

[1] Deferred value in shareholders' equity ("hedge accounting") as a contra entry to accounts of loans group.

i. Gains/losses on derivative transactions

The following table presents the consolidated gains and losses on derivative transactions in the period, grouped by the main risk categories:

		Gains and Losses recorded in the income				Gains and Losses recorded in Shareholders' equity	
		Allocated in the gross income at		Allocated in the financial income at			
Description	**Currency**	**03/31/17**	**12/31/16**	**03/31/17**	**12/31/16**	**03/31/17**	**12/31/16**
Foreign exchange hedge operations							
Non Deliverable Forwards	**R$**	48,474	(29,596)	-	17	90,044	(4,464)
Trade Finance Contracts	**R$**	(12,838)	(33,709)	-	-	(45,565)	(107,094)
Sub-total	**R$**	**35,636**	**(63,305)**	**-**	**17**	**44,479**	**(111,558)**
Hedge operations for commodities							
Agricultural commodities swap							
Cotton	**R$**	(350)	1,910	-	-	(16,349)	21,876
Corn		-	-	-	-	(16)	-
Sub-total	**R$**	**(350)**	**1,910**	**-**	**-**	**(16,365)**	**21,876**
Interest Hedge Transactions							-
Swap VC + Pré x Pré	**R$**	-	-	-	(1,565)	-	(99)
Swap VC+Pré x CDI+Pré	**R$**	-	-	(21,255)	(42,066)	(13,466)	(10,271)
Swap VC+Pré x CDI	**R$**	-	-	(3,357)	(22,223)	-	-
Sub-total	**R$**	**-**	**-**	**(24,612)**	**(65,854)**	**(13,466)**	**(10,370)**
TOTAL	**R$**	**35,286**	**(61,395)**	**(24,612)**	**(65,837)**	**14,648**	**(100,052)**

j. Management of capital stock

The main purpose of the management of capital stock is to ensure the continuity of the Company's business by adopting a policy of maintaining a low level of leverage to protect its capital stock from changes in the government's economic policy and to maximize value for shareholders.

The Company manages its capital structure and adjusts it in accordance with changes in the country's economic conditions. To maintain or adjust its capital structure, the Company may adjust its policy for distributing dividends to shareholders.

There was no change in dividend policy, in the Company's objectives, policies or capital management processes for the year ended March 31, 2017.

	Parent Company		Consolidated	
	03/31/17	12/31/16	03/31/17	12/31/16
Short and long-term loans and financing	**1,547,992**	1,681,119	**1,765,949**	1,901,245
(-) Cash and cash equivalents and short-term interest earnings bank deposits	**(779,219)**	(896,213)	**(946,879)**	(1,064,506)
Gains and losses on derivatives linked to investments and debt	**2,258**	(4,417)	**(10,660)**	(16,115)
Net debt	**766,515**	789,323	**829,730**	852,854
Shareholders' equity	**2,608,951**	2,451,035	**2,796,508**	2,628,886
Financial leverage index	**29.38%**	32.20%	**29.67%**	32.44%

21 Share-based payments

a. Stock option plan

In the Extraordinary Shareholders' Meeting held on May 23, 2007, the Company's shareholders approved a stock option plan to take effect on June 15, 2007, for the Company's officers and managers. The plan is managed by the Management Committee, which was created by the Board of Directors on May 23, 2007.

The stock option plan is limited to a maximum number of options that results in the dilution of 3% of the Company's capital stock on the creation date of each Annual Program. Dilution corresponds to the percentage represented by the number of shares underlying the options divided by the total number of shares issued by the Company.

The beneficiaries of the Stock Option Plan may exercise their options within 5 years as from the respective grant date. The vesting period is up to three years, with 30% vested as from the first anniversary, 60% as from second anniversary and 100% as from the third anniversary. The Company has 30 days to issue the shares as from the delivery date of the Declaration of Exercise of the Stock Option Plan.

The meetings of the Board of Directors held on November 10, 2010, November 9, 2011, November 13, 2012 and November 13, 2013, May 6, 2015 and November 11, 2015 and November 8, 2016 approved the Annual Programs for fiscal years 2010, 2011, 2012, 2013, 2014, 2015 and 2016, with the granting of 805,000, 899,000, 809,000, 933,000, 770,000, 393,000 and 363,500 stock options, respectively.

The changes in the shares granted in the Annual Program for 2010, 2011, 2012, 2013, 2014, 2015 and 2016 and the respective exercise prices in Brazilian real are shown below:

		Quantity of shares		
Grant year	Strike price - R$	Balance in 12/31/16	Exercised	Balance in 03/31/17
2011	R$ 16.24	480,600	-	480,600
2012	R$ 17.09	662,000	(60,400)	601,600
2013	R$ 17.32	763,000	(12,000)	751,000
2015	R$ 12.31	640,400	(62,100)	578,300
2015	R$ 13.79	374,500	(37,150)	337,350
2016	R$ 11.64	363,500	-	363,500
		3,284,000	(171,650)	3,112,350

		Quantity of shares				
Grant year	Strike price - R$	Balance in 12/31/15	Granted	Canceled	Exercised	Balance in 12/31/16
2011	R$ 16.24	522,600	-	(15,000)	(27,000)	480,600
2012	R$ 17.09	698,000	-	(36,000)	-	662,000
2013	R$ 17.32	849,000	-	(86,000)	-	763,000
2015	R$ 12.31	750,000	-	(65,500)	(44,100)	640,400
2015	R$ 13.79	393,000	-	(15,500)	(3,000)	374,500
2016	R$ 11.64	-	363,500	-	-	363,500
		3,212,600	363,500	(218,000)	(74,100)	3,284,000

The exercise price of the Annual Programs for 2012, 2013, 2014, 2015 and 2016 were determined based on the average quote of the Company's stock in the 90 trading sessions on the BM&FBovespa prior to the plan's approval, with discounts of 20%, 15% and 20% respectively.

The exercise price of the Annual Programs for 2010 and 2011 also were determined based on the average quote of the Company's stock in the 90 trading sessions on the BM&FBovespa prior to the plan's approval, though without any discount.

The vesting periods as from the grant date are as follows:

Grace periods beginning as of grant date	% of options released to be exercised	Maximum quantity of shares
As from– 11/08/2012	2%	56,800
As from– 11/09/2012	2%	56,800
As from– 11/12/2012	2%	56,800
As from– 11/08/2013	5%	147,000
As from– 11/11/2013	5%	147,000
As from– 11/13/2013	8%	249,700
As from– 11/10/2014	19%	583,300
As from– 11/13/2014	27%	851,900
As from– 11/13/2015	44%	1,382,600
As from– 05/06/2016	48%	1,484,900
As from– 11/10/2016	50%	1,558,000
As from– 11/13/2016	65%	2,008,600
As from– 05/08/2017	71%	2,212,600
As from– 11/11/2017	78%	2,434,900
As from– 05/07/2018	87%	2,706,900
As from– 11/11/2018	95%	2,966,950
As from– 11/11/2019	100%	3,112,350

The Company recognizes the cost of the stock option plan based on the fair value of the options granted, considering their fair value on the grant date. The Black-Scholes and Binomiais models were used in the year 2015 and 2016, respectively, to determine the fair value of the options.

The weighted average fair value, the premiums considered and the economic assumptions adopted for the calculation under the model are presented in the following table:

	2010	2011	2012	2013	2014	2015	2016
Weighted average fair value	R$ 28.73	R$ 21.75	R$ 23.66	R$ 24.47	R$ 19.94	R$ 21.36	R$ 17.20
Awards	R$ 11.86	R$ 5.51	R$ 6.57	R$ 7.15	R$ 7.63	R$ 7.57	R$ 5.56
Dividends	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Volatility of share price	60.40%	39.90%	36.56%	31.05%	31.80%	33.44%	32.39%
Risk-free rate of return							
1st maturity	11.40%	9.98%	7.31%	10.78%	13.70%	15.41%	12.27%
2nd maturity	11.92%	10.16%	7.90%	11.64%	13.41%	15.72%	11.49%
3rd maturity	11.88%	10.46%	8.38%	11.95%	13.20%	15.78%	11.27%
Period expected up to the maturity							
1st maturity	365	365	365	365	366	366	366
2nd maturity	730	730	730	730	733	731	731
3rd maturity	1,097	1,097	1,095	1,096	1,097	1,096	1,096

In compliance with CPC 10 (R1) and based on the vesting periods presented, the Company recognized in the profit of loss the amounts with the stock option plan in accordance with the vesting period, with an offsetting entry under shareholders' equity in a specific item of the capital reserve, the amount of R$1,167 (expense) on March 31, 2017 (R$4,906 on December 31, 2016).

Reconciliation of outstanding stock options

The number and weighted average of the exercise prices of the stock options in connection with the stock option program are shown in the following table:

	Weighted average of the exercise	Number of options	Weighted average of the exercise	Number of options
	03/31/17	**03/31/17**	**12/31/16**	**12/31/16**
Outstanding at January 1	R$17.36	3,284,000	R$16.75	3,212,600
Granted during the period	-	-	R$11.64	363,500
Exercised during the period	R$14.66	(171,650)	R$13.80	(74,100)
Canceled during the period	-	-	R$15.45	(218,000)
Outstanding	R$17.51	3,112,350	R$17.36	3,284,000
Exercisable	R$16.61	2,008,600	R$16.46	2,180,250

The options outstanding on March 31, 2017 have an exercise price in the range from R$ 16.24 to R$ 11.64 (R$ 16.24 to R$ 11.64 on December 31, 2016) and a weighted average contractual life of 2.4 years (2.5 years on December 31, 2016).

The weighted average share price on the vesting date for the stock options exercised in the period ended March 31, 2017 was R$14.66 (R$13.80 in the period ended December 31, 2016).

b. Restricted Share Plan

The meeting of the Board of Directors, which was held on April 29, 2015, approved the Restricted Share Plan for 2015. The plan is managed by the Management Committee, which was created by the Board of Directors on May 23, 2007.

The total number of restricted shares that may be granted annually in connection with the plan, considering the sum of all active programs, shall not exceed one percent (1%) of the shares representing the total capital stock of the Company.

The beneficiaries of the Restricted Share Plan acquired the rights to the restricted shares to the extent that they remained a manager or employee of the Company or its subsidiaries, for the period from the grant date to the specified dates. The vesting period is up to three years, with 30% vested as from the first anniversary, 60% as from second anniversary and 100% as from the third anniversary.

Until the restricted shares are fully vested, the beneficiaries may not pledge, sell, assign or transfer, directly or indirectly, the restricted shares. Once the conditions established are satisfied and observing the applicable legal and regulatory requirements, which include, but are not limited to, obtaining authorization from the Securities and Exchange Commission of Brazil (CVM) for the private transfer of the shares, the Company shall transfer to the beneficiary the respective restricted shares, by means of a declaration of transfer of registered shares in the Company on the system of the agent responsible for the bookkeeping of the shares issued by the Company, without any cost to the beneficiary.

At a meeting of the Board of Directors held on November 11, 2015 and November 08, 2016, the Restricted Stock Granting Programs of 2015 and 2016 and with grant of 98,250 and 90,875 shares.

		Quantity of shares	
Grant year	Strike price - R$	Balance in 12/31/16	Balance in 03/31/17
2015	R$ 17.79	66,667	66,667
2016	R$ 15.10	90,875	90,875
		157,542	157,542

		Quantity of shares				
Grant year	Strike price - R$	Balance in 12/31/15	Granted	Canceled	Exercised	Balance in 12/31/16
2015	R$ 17.79	98,250	-	(3,875)	(27,708)	66,667
2016	R$ 15.10	-	90,875	-	-	90,875
		98,250	90,875	(3,875)	(27,708)	157,542

In compliance with CPC 10 (R1), based on the vesting periods presented, the company recognized under net income the amounts from the restricted share plan due to the expiration of the vesting period, with an offsetting entry under shareholders' equity in a specific item of the capital reserve. The expenses with contributions to the INSS and FGTS systems were recorded in an offsetting entry under current liabilities, in a specific item under labor obligations, as shown below:

	Plan of restricted shares			
	03/31/17		03/31/16	
Expense	**R$**	**314**	R$	254
INSS Expense	**R$**	**59**	R$	23
FGTS Expense	**R$**	**45**	R$	18

22 Net sales revenue

	Parent company		Consolidated	
	03/31/17	03/31/16	03/31/17	03/31/16
Gross operating income	**403,559**	318,995	**477,185**	435,839
Sale of goods	**280,709**	310,131	**332,509**	410,075
Change in fair value of the biological assets	**92,855**	65,537	**109,390**	87,159
Income (loss) from hedge operations	**29,995**	(56,673)	**35,286**	(61,395)
Deductions, taxes and contributions	**(15,528)**	(10,884)	**(18,064)**	(14,637)
Net operating income	**388,031**	308,111	**459,121**	421,202

23 Expenses by type

	Parent company		Consolidated	
	03/31/17	03/31/16	03/31/17	03/31/16
Expenses according to the role				
Cost of goods sold	**247,734**	270,039	**274,171**	347,529
Sales expenses	**14,124**	16,466	**16,117**	21,433
General and administrative expenses	**13,991**	18,283	**15,383**	20,543
Other operating expenses	**4,903**	4,275	**6,670**	4,257
	280,752	309,063	**312,341**	393,762
Expenses per type				
Depreciation and amortization	**8,681**	14,002	**13,223**	20,283
Personnel expenses	**31,660**	38,299	**35,841**	47,413
Raw material and material	**166,330**	182,119	**183,398**	226,216
CPV biological asset variation	**63,943**	62,989	**70,795**	86,763
Freight	**5,235**	7,377	**5,246**	8,830
Other expenses	**4,903**	4,277	**3,838**	4,257
	280,752	309,063	**312,341**	393,762

24 Reporting by segment

The Group has two (2) reportable segments, as described below, which are its strategic business units. The strategic business units offer different products and services. For each one, Management analyses the internal reports at least once in each quarter. The following summary describes the operations of each of the Group's reportable segments:

- Agricultural production segment: cultivation of primarily cotton, soybean and corn.
- Land portfolio segment: acquisition and development of land for agriculture.

Information on the results of each reportable segment is presented below. The performance is evaluated based on the segment's net profit before income and social contribution taxes and is included in the internal reports analyzed by the Group's Management. The segment's net profit is used to evaluate performance, since management believes that this information is the most relevant for analyzing the segments' results.

Information on reportable segments

	Agricultural Production		Land		Eliminations		Consolidated	
	03/31/17	03/31/16	03/31/17	03/31/16	03/31/17	03/31/16	03/31/17	03/31/16
Net revenue	459,121	421,202	23,103	16,664	(23,103)	(16,664)	459,121	421,202
Products Costs	(258,607)	(334,442)	(641)	-	(14,923)	(13,087)	(274,171)	(347,529)
Gross income	**200,514**	**86,760**	**22,462**	**16,664**	**(38,026)**	**(29,751)**	**184,950**	**73,673**
Operating expenses/ income	**(36,869)**	**(44,316)**	**(856)**	**(893)**	**-**	**-**	**(37,725)**	**(45,209)**
Sales expenses	(16,117)	(21,433)	-	-	-	-	(16,117)	(21,433)
General and administrative expenses	(14,953)	(14,255)	(430)	(424)	-	-	(15,383)	(14,679)
Management compensation	(4,553)	(5,395)	(426)	(469)	-	-	(4,979)	(5,864)
Other operating income (expenses)	(1,246)	(3,233)	-	-	-	-	(1,246)	(3,233)
Income (loss) before financial income (loss) and taxes	**163,645**	**42,444**	**21,606**	**15,771**	**(38,026)**	**(29,751)**	**147,225**	**28,464**
Net financial income (loss)	(24,335)	(39,522)	2,382	3,776	-	-	(21,953)	(35,746)
Income (loss) before income tax	**139,310**	**2,922**	**23,988**	**19,547**	**(38,026)**	**(29,751)**	**125,272**	**(7,282)**
Income and social contribution taxes	(38,357)	6,757	(2,975)	(2,146)	-	-	(41,332)	4,611
Consolidated Income / Loss for the Period	**100,953**	**9,679**	**21,013**	**17,401**	**(38,026)**	**(29,751)**	**83,940**	**(2,671)**

	Agricultural Production		Land		Eliminations		Consolidated	
	03/31/17	12/31/16	**03/31/17**	12/31/16	**03/31/17**	12/31/16	**03/31/17**	12/31/16
Total assets								
Land	-	-	1,078,481	1,078,481	-	-	1,078,481	1,078,481
Adjustment to Fair Value – Land	-	-	742,340	742,340	(742,340)	(742,340)	-	-
Other assets	3,022,630	3,617,535	1,263,664	757,360	-	-	4,286,294	4,374,895
Total assets	**3,022,630**	3,617,535	**3,084,485**	2,578,181	**(742,340)**	(742,340)	**5,364,775**	5,453,376
Total liabilities	3,030,182	3,665,120	2,334,593	1,788,256	-	-	5,364,775	5,453,376
Tax effects on Fair Value – Land	-	-	489,944	489,944	(489,944)	(489,944)	-	-
Total liabilities	**3,030,182**	3,665,120	**2,824,537**	2,278,200	**(489,944)**	(489,944)	**5,364,775**	5,453,376

* The Company assesses the value of the land properties that it owns on an annual basis. Therefore, the amounts for the adjustment of land to fair value were determined based on this assessment solely for reporting purposes.

The Group sells its goods in the domestic and international markets. Sales to the export market are considered as direct sales if the Group is the trader and as indirect sales if made to trading houses based in Brazil.

Consolidated sales in the domestic and export market are shown in the following table:

	03/31/17	**03/31/16**
Domestic market	**202,533**	97,502
Sale of goods	**57,857**	71,738
Change in fair value of the biological assets	**109,390**	87,159
Income (loss) from hedge operations	**35,286**	(61,395)
Foreign market	**274,652**	338,337
Sale of goods - indirect export	**215,544**	194,940
Sale of goods - direct export	**59,108**	143,397
Gross operating income	**477,185**	435,839
Deductions, taxes and contributions	**(18,064)**	(14,637)
Net operating income	**459,121**	421,202

The information on gross sales revenue by geographic segment was prepared based on the country of origin of the revenue and is presented in the following table:

	03/31/17	**03/31/16**
Asia	**49,730**	139,594
Africa	**9,378**	-
America	**-**	2,955
Europe	**-**	848
	59,108	143,397

The Company's clients Cargill Agricola S.A. and Bunge Alimentos S.A. jointly account for 32.1% of net revenue. The amount of revenue from these clients corresponding to sales of corn and soybean, Cargill Agrícola S.A., in the amount of R$ 118,312 (25.8%) and Bunge Alimentos S.A., in the amount of R$ 29,065 (6.3%).

Other Information the company deems to be relevant

OWNERSHIP BREAKDOW Balance on: 03/31/2017						
Shareholders	**Commom Shares Unit**	**%**	**Preferred Shares Unit**	**%**	**Total Shares Unit**	**%**
Controllers	**50,469,371**	**51.03%**	**-**	**-**	**50,469,371**	**51.03%**
SLC Participações S.A.	50,469,371	51.03%	-	-	50,469,371	51.03%
Board of Directors	**33,903**	**0.03%**	**-**	**-**	**33,903**	**0.03%**
Board	6,903	0.01%	-	-	6,903	0.01%
Directors	12,300	0.02%	-	-	12,300	0.02%
Board of Fiscal	10,300	0.01%	-	-	10,000	0.01%
Shareholders over 5%	**14,335,600**	**14.50%**	**-**	**-**	**14,335,600**	**5.16%**
Odey	9,236,646	9.34%	-	-	9,236,646	9.34%
Kopernik Global Investors, LLC	5,098,953	5.16%			5,098,953	5.16%
Treasury Shares	**1,750,643**	**1.77%**	**-**	**-**	**1,742,293**	**1.76%**
Others Shareholders	**32,307,983**	**32.67%**	**-**	**-**	**32,307,983**	**32.67%**
Total	**98,897,500**	**100.00%**	**-**	**-**	**98,897,500**	**100.00%**
Free Float	**46,643,583**	**47.16%**	**-**	**-**	**46,643,583**	**47.16%**

OWNERSHIP BREAKDOW Balance on: 12/31/2016						
Shareholders	**Commom Shares Unit**	**%**	**Preferred Shares Unit**	**%**	**Total Shares Unit**	**%**
Controllers	**50,469,371**	**51.03%**	**-**	**-**	**50,469,371**	**51.03%**
SLC Participações S.A.	50,469,371	51.03%	-	-	50,469,371	51.03%
Board of Directors	**29,203**	**0.03%**	**-**	**-**	**29,203**	**0.03%**
Board	6,903	0.01%	-	-	6,903	0.01%
Directors	12,300	0.01%	-	-	12,300	0.01%
Board of Fiscal	10,300	0.01%	-	-	10,000	0.01%
Shareholders over 5%	**5,098,953**	**5.16%**	**-**	**-**	**5,098,953**	**5.16%**
Kopernik Global Investors, LLC	5,098,953	5.16%	-	-	5,098,953	5.16%
Treasury Shares	**1,742,293**	**1.76%**	**-**	**-**	**1,742,293**	**1.76%**
Others Shareholders	**41,557,680**	**42.02%**	**-**	**-**	**41,557,680**	**42.02%**
Total	**98,897,500**	**100.00%**	**-**	**-**	**98,897,500**	**100.00%**
Free Float	**46,656,633**	**47.18%**	**-**	**-**	**46,656,633**	**47.18%**

Other Information the company deems to be relevant

OWNERSHIP BREAKDOW Balance on: 09/30/2016						
Shareholders	**Commom Shares Unit**	**%**	**Preferred Shares Unit**	**%**	**Total Shares Unit**	**%**
Controllers	**50,469,371**	**51.03%**	**-**	**-**	**50,469,371**	**51.03%**
SLC Participações S.A.	50,469,371	51.03%	-	-	50,469,371	51.03%
Board of Directors	**204**	**0.00%**	**-**	**-**	**204**	**0.00%**
Board	204	0.00%	-	-	**204**	0.00%
Directors	-	-	-	-	-	-
Shareholders over 5%	**5,098,953**	**5.16%**	**-**	**-**	**5,098,953**	**5.16%**
Kopernik Global Investors, LLC	5,098,953	5.16%	-	-	5,098,953	5.16%
Treasury Shares	**1,802,201**	**1.82%**	**-**	**-**	**1,802,201**	**1.82%**
Others Shareholders	**41,526,771**	**41.99%**	**-**	**-**	**41,526,771**	**41.99%**
Total	**98,897,500**	**100.00%**	**-**	**-**	**98,897,500**	**100.00%**
Free Float	**46,625,724**	**47.15%**	**-**	**-**	**46,625,724**	**47.15%**

OWNERSHIP BREAKDOW Balance on: 06/30/2016						
Shareholders	**Commom Shares Unit**	**%**	**Preferred Shares Unit**	**%**	**Total Shares Unit**	**%**
Controllers	**50,469,371**	**51.03%**	**-**	**-**	**50,469,371**	**51.03%**
SLC Participações S.A.	50,469,371	51.03%	-	-	50,469,371	51.03%
Board of Directors	**204**	**0.00%**	**-**	**-**	**204**	**0.00%**
Board	204	0.00%	-	-	**204**	0.00%
Directors	-	-	-	-	-	-
Shareholders over 5%	**0**	**0.00%**	**-**	**-**	**0**	**0.00%**
			-	-		
Treasury Shares	**1,808,701**	**1.83%**	**-**	**-**	**1,808,701**	**1.83%**
Others Shareholders	**46,619,224**	**47.14%**	**-**	**-**	**46,619,224**	**47.14%**
Total	**98,897,500**	**100.00%**	**-**	**-**	**98,897,500**	**100.00%**
Free Float	**46,619,224**	**47.14%**	**-**	**-**	**46,619,224**	**47.14%**

Other Information the company deems to be relevant

OWNERSHIP BREAKDOW Balance on: 03/31/2016						
Shareholders	**Commom Shares Unit**	**%**	**Preferred Shares Unit**	**%**	**Total Shares Unit**	**%**
Controllers	**50,469,371**	**51.03%**	**-**	**-**	**50,469,371**	**51.03%**
SLC Participações S.A.	50,469,371	51.03%	-	-	50,469,371	51.03%
Board of Directors	**204**	**0.00%**	**-**	**-**	**204**	**0.00%**
Board	204	0.00%	-	-	**204**	0.00%
Directors	-	-	-	-	-	-
Shareholders over 5%	**0**	**0.00%**	**-**	**-**	**0**	**0.00%**
			-	-		
Treasury Shares	**1,817,101**	**1.84%**	**-**	**-**	**1,817,101**	**1.84%**
Others Shareholders	**46,610,824**	**47.13%**	**-**	**-**	**46,610,824**	**47.13%**
Total	**98,897,500**	**100.00%**	**-**	**-**	**98,897,500**	**100.00%**
Free Float	**46,610,824**	**47.13%**	**-**	**-**	**46,610,824**	**47.13%**

Opinions and Statements / Special Review Report - Without Disclaimer

Report on the review of quarterly information - ITR
To the Board Members and Shareholders of
SLC Agrícola S.A.
Porto Alegre – RS

Introduction
We have reviewed the interim, individual and consolidated accounting information of SLC Agrícola S.A. ("Company"), included in the quarterly financial information – ITR, for the quarter ended March 31, 2017, which comprises the balance sheet as of March 31, 2017, and related statements of income, comprehensive income, changes in shareholders' equity and cash flows for the three month periods then ended, including the explanatory notes.

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

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

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

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

Other issues - Statements of added value

Individual and consolidated statements of added value (DVA) for the three months period ended March 31, 2017, prepared under responsibility of Company's management, and presented as supplementary information for IAS 34 purposes, were submitted to review procedures carried out together with the review of Company's interim accounting information. In order to form our conclusion, we evaluated whether these statements are reconciled with the interim accounting information and accounting records, as applicable, and whether their form and content are in accordance with the criteria defined in CPC 09 Technical Pronouncement - Statement of Added Value. Based on our review, we are not aware of any facts that would make us believe that those were not prepared, in all material respects, in accordance with the individual and consolidated interim accounting information taken as a whole.

Porto Alegre, May 10, 2017

KPMG Auditores Independentes
CRC SP-014428/F-7

(Original review report in Portuguese signed by)
Cristiano Jardim Seguecio
Accountant CRC SP-244525/O-9 T-RS

Declarations Board of Executive Officers on the Financial Statements

In compliance with the established in Article 25 of CVM Instruction No. 480/09 of 7 December 2009, the Board declares that reviewed, discussed and agreed with the Financial Statements (Parent Company and Consolidated) for the year ended March 31, 2017.

Porto Alegre, May, 10, 2017.

Aurelio Pavinato
Chief Executive Officer

Ivo Brum
CFO and Investor Relations

Gerson Trenhago
Director of Production

Aldo Roberto Tisott
Director of Sales

Declarations Board of Executive Officers on the Report of Independent Auditors

In compliance with the established in Article 25 of CVM Instruction No. 480/09 of 7 December 2009, the Board declares that reviewed, discussed and agreed with the opinion expressed in the Independent Auditors' Report, dated on May 10, 2017, on to the Financial Statements (Parent Company and Consolidated) for the year ended March 31, 2017.

Porto Alegre, May, 10, 2017.

Aurelio Pavinato
Chief Executive Officer

Ivo Brum
CFO and Investor Relations

Gerson Trenhago
Director of Production

Aldo Roberto Tisott
Director of Sales